

**MINUTES
REGULAR BOARD OF DIRECTORS MEETING
THREE VALLEYS MUNICIPAL WATER DISTRICT**

**Wednesday, February 6, 2019
8:00 a.m.**

1. Call to Order

The Board meeting was called to order at 8:00 a.m. at the District office located at 1021 East Miramar Avenue, Claremont, California. The presiding officer was President Bob Kuhn.

2. Pledge of Allegiance

The flag salute was led by President Bob Kuhn.

3. Roll Call

Roll call was taken with a quorum of the Board present.

Directors Present

Bob Kuhn, President
David De Jesus, Vice President
Brian Bowcock, Secretary
Joe Ruzicka, Treasurer
Carlos Goytia, Director
John Mendoza, Director

Directors Absent

Staff Present

Matt Litchfield, General Manager
Steve Kennedy, Legal Counsel
Dominique Aguiar, Operations Supervisor
Liz Cohn, Sr. Financial Analyst
Maria Contreras, Administrative Assistant
Ray Evangelista, Engineer
Mario Garcia Chief of Engineering / Operations Officer
Karen Harberson, Compliance Specialist
Kirk Howie, Chief Administrative Officer
Steve Lang, Water Operations Manager
James Linthicum, Chief Finance Officer
Ben Peralta, Project Manager
Esther Romero, Accounting Technician

Guest present: Tom Coleman, Rowland Water; Ted Ebenkamp, Walnut Valley Water; Ed Hilden, Walnut Valley Water; Erik Hitchman, Walnut Valley Water; Szu Pei-Lu-Yang, Rowland Water; Darron Poulsen, City of Pomona; Dave Warren, Rowland Water; Wes Jackman; Cameron Griffin, Representative Senator Ling Ling Cheng; Bob Bowcock; Rick Hansen; Chris Lancaster; Jennifer Stark, City of Claremont

4. Additions to Agenda

No additions requested.

5. Reorder Agenda

No reorder of Agenda.

6. Public Comment

Mr. Rick Hansen, retired General Manager from Three Valleys, took this opportunity to thank the board and everyone for the send-off reception this past Saturday, February 2nd. He was very appreciative and amazed. Everyone had a great time, as well as fun. He stated he knew that staff worked overtime in trying to get the event put together, thanking Cindy, Liz, Maria.

President Kuhn stated that it was a good event, and everyone had a good time and that Mr. Hansen was very deserving of the send-off. He stated how much Mr. Hansen was appreciated, welcoming him back at any time.

7. Administer Oath of Office, Director Division VII

Our newly appointed Director, Denise Jackman was in attendance for her ceremonial swearing in. Director Ebenkamp from Walnut Valley Water District conducted the swearing in.

Director Jackman took her seat on the dais representing Division VII. Director Kuhn welcomed Director Jackman to the board. Director Jackman introduced her husband, Wes Jackman to the board and guests present.

Director Jackman is a very active community member in Rowland Heights, belongs to the Rowland Heights Community Coordinating Council, President of the Women's Club, Citizens Advisory Committee, and Bond Oversight Committee. Dir. Jackman looks forward to a wonderful learning experience.

Director Jackman's term begins February 6, 2019 and will run for two years, ending in December 2020.

8. Presentation – Chandler Asset Management

General Manager Matt Litchfield introduced Jayson Schmitt, Executive Vice President and Portfolio Management from Chandler Asset Management. Mr. Schmitt provided a comprehensive review of the Economic Update, Account Profile, Portfolio Holdings and Transactions.

Mr. Schmitt spoke on the economy and how some minor changes occurred in January. The economy in general is doing very well and is expecting between 2-2 1/2 growth in 2019; in 2018 the rate of growth was about 3%. Growth is slowing but it is not a recession, it just means the rate of growth in the economy is slowing.

Mr. Schmitt stated that the market value of the district's portfolio has been relatively consistent during this time of volatility.

9. General Manager's Report

9.A Annual Investment Policy

CFO James Linthicum presented the Board with two minor changes to the Investment Policy. The first change reduced one of the requirements for credit ratings for Asset-Backed Securities; and the second one was a section that was inadvertently removed that talked about our responsibility in making sure that we are in compliance with the Investment Policy by updating the Board on a quarterly basis, which is done by including the Investment Policy as part of the monthly packet.

9.B Strategic Plan Review

Mr. Litchfield requested that the Strategic Plan Review be tabled until the February 20, 2019 meeting. President Kuhn approved to move this item to the next meeting.

9.C FY 19/20 Budget Review

Mr. James Linthicum informed the board of the plans for the budget and rate adoptions for the coming year. Any budget adoptions or rate increases must be published in the newspapers.

The anticipated schedule is the same as in the past, with a large budget workshop during the March 6th meeting, where the budget will be discussed in greater detail..

We will then bring the budget back to the April 17th meeting for adoption and approval.

9.D Annual JPIA Letter – President's Special Recognition Award

Kirk Howie presented the board with information regarding a letter received from ACWA/JPIA.

Each year we are notified by ACWA of our standing no loss situations dealing with worker's compensation and property liability insurance. A lot of this has to do with the training we have here at the district, regular training with outside agencies (ACWA, Emergency Coordination Groups, PWAG), as well as table top training and tailgate training in keeping our staff and property safe. It is nice that ACWA looks at their members and recognizes them. We anticipate a sizeable refund or rebate on premiums this year due to those low loss claims.

President Kuhn stated that due to staff's efforts we are not just lucky but good in some areas, not unnoticed by the board.

9.E Solar Cup

The purpose of this item was to request direction from the board as to whether they believe the overtime cost of hosting and staffing the solar cup sponsored by the Metropolitan Water District (MWD) should continue to be allocated to the program.

The Solar Cup event has been hosted by Three Valleys since 2002, it's been a 16-year run. As a result, the partnerships developed with MWD staff and the local schools has been extremely rewarding. However, during the course of these 16 years, Solar Cup staff as well as many of the Three Valleys staff has changed. After 16 years, staff requested that the board examine whether hosting the solar cup workshop continues to be a function here at the District.

What is being sought is a direct commitment from MWD in order to continue with the program and that MWD will be able to adequately plan and execute the weekend events here at Three Valleys. A commitment needs to be delivered in the form of a mutually agreed upon timeline and a contract to adhere to that timeline.

Mr. Litchfield and Director DeJesus were directed to establish a meeting with MWD staff and to find appropriate solutions for the program.

10. Future Agenda Items

The following item was requested to be moved to the March 20, 2019 Board Meeting.

- Strategic Plan Review

President Kuhn requested that a CLOSED SESSION item regarding Chino Basin be added to all future agendas. Mr. Kennedy agreed that the item will be added to the Agenda moving forward.

11. Adjournment

At the request of Director Goytia, the meeting was closed in memory of Evangelina Rodriguez, Assembly Member Freddie Rodriguez' mother who recently passed. A letter will be sent to Assembly Member Rodriguez.


Meeting adjourned at 9:41 a.m.

12. Next Meeting

Wednesday, February 20, 2019 at 8:00 a.m.



Bob Kuhn
President, Board of Directors
Three Valleys Municipal Water District



Recorded by: Maria Contreras
Administrative Assistant