

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

**Wednesday, April 17, 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
Denise Jackman, Director

Staff Present

Matt Litchfield, General Manager
Steve Kennedy, Legal Counsel
Liz Cohn, Sr. Financial Analyst
Nadia Aguirre, Executive Assistant
Ray Evangelista, Engineer
Mario Garcia, Chief Water Resources Officer
Kirk Howie, Chief Administrative Officer
Steve Lang, Chief Operations Officer
James Linthicum, Chief Finance Officer
Ben Peralta, Project Manager
Esther Romero, Accounting Technician
Dominique Aguiar, Operations Supervisor
Freeman Ensign, Operations Supervisor

Guest present: Ted Ebenkamp, Walnut Valley Water; Ed Hilden, Walnut Valley Water; Erik Hitchman, Walnut Valley Water; Jerry Tony, Walnut Valley Water; Ben Lewis, Golden State Water; Tom Coleman, Rowland Water; Tony Lima, Rowland Water; Szu Pei-Lu-Yang, Rowland Water; Darron Poulsen, City of Pomona; Dave Warren, Rowland Water; Brinda Sarathy, Pitzer College; Samuel Sjoberg, Pitzer College.

4. Additions to Agenda

No additions to agenda requested.

5. Reorder Agenda

No reorder to the agenda requested.

6. Public Comment

President Kuhn called for public comment. Ms. Brinda Sarathy, Pitzer College approached the lectern to provide the Board with a summary on the Cadiz Water Project Panel held on April 7, 2019. She thanked Matthew Litchfield for his participation in the event. Ms. Sarathy highlighted the themes that came out of the event: water conservation, drought, imported water sources and potential implications. President Kuhn invited Brinda and her students to participate in a board workshop where a two-way discussion can be held at a future meeting date.

Samuel Sjoberg, Pitzer College attended the Cadiz Water Project Panel and learned about both sides of the issue. He expressed his concerns about adding Cadiz to the districts water portfolio and how it can affect wildlife. Mr. Sjoberg is interested to learn more on the project.

7. Consent Calendar

The Board was asked to consider consent calendar items (7.A-7.E) for the April 17, 2019 Board meeting that included: (7.A) receive, approve and file, March 2019 Minutes for March 6, 2019 and March 13, 2019; (7.B) receive, approve and file financial reports and investment update, March 2019; (7.C) Imported Water Sales, March 2019; (7.D) Miramar Operations Report, March 2019; (7.E) approve Funding Agreement to Participate in the Existing Infrastructure to Create Water Supply and Water Quality Solutions Study.

Upon motion and second, President Kuhn called for discussion. There being no discussion, President Kuhn called for the vote.

<p>Moved: Joe Ruzicka; Second: John Mendoza Motion No. 19-04-5218 – Approving Consent Calendar Items 7.A – 7.E for April 17, 2019. Motion passed by unanimous vote.</p>
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8. General Manager's Report

8.A – Director's Expense Reports, March 2019

The Board was asked to consider approval of the director expense reports submitted for reimbursement for March 2019.

Upon motion and second, President Kuhn called for discussion. There being no discussion, President Kuhn called for the vote.

Moved: Joe Ruzicka Second: Carlos Goytia
Motion No. 19-04-5219 – Approving Directors Expense Reports –
March 2019
Motion passed by 7-0 unanimous vote.

8.B – FY 2018-19 Encumbrances Carryforward

James Linthicum presented staff's recommendation to carryforward the balance of \$2,634,836 to Fiscal Year 2019-20. The Board was provided a list of projects that will continue into FY 2019-20.

Upon motion and second, President Kuhn called for discussion. There being no discussion, President Kuhn called for the vote.

Moved: Bowcock Second: Ruzicka
Motion No. 19-04-5220 – Approving FY 18-19 Encumbrances
Carryforward
Motion passed by a 7-0 unanimous vote.

8.C – Salary Schedule Effective July 1, 2019

James Linthicum informed the Board of the salary schedule to go into effect July 1, 2019 reflecting a 3.93% increase. The consumer price index was reviewed, and the salary schedule was increased based off those numbers to keep up with inflation. The salary ranges are included in the FY 2019-20 budget.

Director Bowcock stated the ad hoc committee, which includes himself, Director Ruzicka and Matthew Litchfield, have gone through the data and therefore, he is able to expedite the motion.

Upon motion and second, President Kuhn called for discussion. There being no further discussion, President Kuhn called for the vote.

Moved: Bowcock Second: Ruzicka
Motion No. 19-04-5221 – Approving Salary Schedule Effective July
1, 2019
Motion passed by a 7-0 unanimous vote.

8.D – FY 2019-20 TVMWD Budget

James Linthicum presented to the Board the FY 2019-20 budget of almost \$71,000,000. The budget was previously presented to the Board, ad hoc committee and member agency managers group twice. James reviewed notable highlights of the budget: the District is within half percent of what was expected from last year's budget, the standby charge is expected to remain below the maximum amount, no plans for additional debt, and reserves are on target.

Upon motion and second, President Kuhn called for discussion. Director Mendoza asked a clarifying question about the EDU rate in regards to the size of a household.

James advised the EDU rate was not being adopted today but will be adopted in June. At the May 1st meeting a resolution with intent to move forward will be adopted. It will include the engineers report which contains a schedule of the different types of residences and how they are charged. A single-family residence is charged 1 EDU regardless of size. There being no further discussion, President Kuhn called for the vote.

Moved: Bowcock Second: Ruzicka
Motion No. 19-04-5222 – Approving FY 2019-20 TVMWD Budget
Motion passed by a 7-0 unanimous vote.

8.E – Resolution No. 19-04-848 Adopting Water Rates for CY 2020

Board members were presented with the proposed rate resolution and fixed and capacity charges for each of the member agencies. There is a \$0 surcharge on untreated water and a \$10 per AF surcharge discount on treated water, which the District has been able to provide for the last three years.

Upon motion and second, President Kuhn called for discussion. There being no discussion, President Kuhn called for the vote.

Moved: Bowcock Second: Ruzicka
Motion No. 19-04-5223 – Approving Resolution No. 19-04-848
Adopting Water Rates for CY 2020
Motion passed by a 7-0 unanimous vote.

8.F – Resignation Notice Incentive Policy

President Kuhn called for the Resignation Notice Incentive Policy to be tabled and moved to the May 1, 2019 agenda under closed session as a personnel issue, if appropriate. Legal Counsel Steve Kennedy advised it is a policy document. The policy will remain under open session. There were no objections from any of the board members.

8.G – TVMWD Grand Avenue Well Equipping (Project No.58446)

Ben Peralta informed Board members of low bidder E.J. Meyer Co., with a bid of \$3,434,444. Their bid packet was reviewed and references checked. E.J. Meyers experience level for this type of work is satisfactory and therefore, staff recommends construction contract be award to E.J. Meyer Co. for Phase 2 equipping of Grand Avenue well. Ben also noted staff will reach out to residents that will be impacted by construction activities.

Upon motion and second, President Kuhn called for discussion. There being no discussion, President Kuhn called for the vote.

Moved: Ruzicka Second: Bowcock
Motion No. 19-04-5225 – Approving TVMWD Grand Avenue Well
Equipping (Project No. 58446)
Motion passed by a 7-0 unanimous vote.

9. Directors' / General Manager Oral Reports

General Manager Matthew Litchfield – Introduced new Executive Assistant Nadia Aguirre to the Board of Directors and the audience. President Kuhn, Director Bowcock and Director Mendoza welcomed Nadia onboard.

Director Joe Ruzicka – Nothing to report on LAFCO matters.

President Kuhn – The next Water Quality Authority (WQA) meeting will be Wednesday, April 17, 2019. There was a budget workshop where a \$2 per AF increase was discussed moving from \$10 to \$12; the decision is not final as of yet. President Kuhn added that he listened to a discussion with Nancy Pelosi who has earmarked millions of dollars to handle problems at the border, but will not earmark to clean up water in the San Gabriel Valley.

Director DeJesus – gave an update on Metropolitan Water District (MWD). MWD recently sold a 20-acre parcel as it was deemed unnecessary. An email was sent out to managers and Directors regarding a lawsuit by Imperial Irrigation District (IID). MWD is assuming responsibility for drought reductions that may be incurred due to Lake Mead dropping below certain elevation levels. The lawsuit wants MWD and the Colorado River to cease and desist the implementation of the DCP and reopen the CEQA process.

Director Mendoza – asked for clarification about President Kuhn's earlier comment regarding cleanup. President Kuhn advised there is about \$125 million in cleanup.

President Kuhn asked Darron Poulsen, City of Pomona, to give an update on Chino Basin Watermaster. Darron stated the appellant parties which are Monte Vista Water District, Cucamonga Water District and City of Pomona have settled with judges ruling from April 17, 2019. Chino Basin is going back to 2014 and putting back together assessment packages to present day.

10. Closed session - Announcement of Closed Session Actions

Closed session items:

- Chino Basin Municipal Water District v. City of Chino, et al., San Bernardino County Superior Court Case No. RCV51010.
- Upper San Gabriel Valley Municipal Water District v. City of Alhambra, et al., Los Angeles County Superior Court Case No. C924128
- Public Employee Performance Evaluation, Government Code Section 54957, General Manager.

Mr. Steve Kennedy, Legal Counsel, stated the Board met in closed session to discuss items listed above. No reportable action was taken on any of the matters.

11. Future Agenda Items

None

12. Adjournment

The Board adjourned at 10:31 a.m. to its next regular meeting scheduled for Wednesday, May 1, 2019 at 8:00 a.m.



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



Recorded by: Nadia Aguirre
Executive Assistant