

As a matter of proper business decorum, the Board of Directors respectfully request that all cell phones be turned off or placed on vibrate. To prevent any potential distraction of the proceeding, we request that side conversations be taken outside the meeting room.

AGENDA
REGULAR BOARD MEETING
THREE VALLEYS MUNICIPAL WATER DISTRICT
1021 E. MIRAMAR AVENUE, CLAREMONT, CA 91711

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

The mission of Three Valleys Municipal Water District is to supplement and enhance local water supplies to meet our region's needs in a reliable and cost-effective manner.

Item 1 – Call to Order

Kuhn

Item 2 – Pledge of Allegiance

Kuhn

Item 3 – Roll Call

**Administrative
Assistant**

Item 4 – Additions to Agenda [Government Code Section 54954.2(b)(2)]

Kuhn

Additions to the agenda may be considered when two-thirds of the board members present determine a need for immediate action, and the need to act came to the attention of TVMWD after the agenda was posted; this exception requires a degree of urgency. If fewer than two-thirds of the board members are present, all must affirm the action to add an item to the agenda. *The Board shall call for public comment prior to voting to add any item to the agenda after posting.*

Item 5 – Reorder Agenda

Kuhn

Item 6 – Public Comment (Government Code Section 54954.3)

Kuhn

Opportunity for members of the public to directly address the Board on items of public interest within its jurisdiction. The public may also address the Board on items being considered on this agenda. TVMWD requests that all public speakers complete a speaker's card and provide it to the Administrative Assistant.

We request that remarks be limited to five minutes or less. Pursuant to Government Code Section 54954.3, if speaker is utilizing a translator, the total allotted time will be doubled.

Item 7 – Consent Calendar

The Board will consider consent calendar items 7.A – 7.H Listed below. Consent calendar items are routine in nature and approved by a single motion. Any member of the Board may request that a specific item be pulled from the consent calendar for further discussion

7.A – Receive, Approve and File Minutes, January 2019 – [enc]

- January 16, 2019 – Regular Board Meeting
- January 23, 2019 – Special Board Meeting

7.B – Receive, Approve and File Financial Reports and Investment Update, January 2019 – [enc]

- Change in Cash and Cash Equivalents Reports
- Consolidated Listing of Investment Portfolio and Investment Report
- YTD District Budget Monthly Status Reports
- Warrant List

7.C – Imported Water Sales, January 2019 – [enc]

The Board will review the imported water sales report for January 2019.

7.D – Miramar Operations Report, January 2019 – [enc]

The Board will review the Miramar Operation report for the period ending January 2019.

7.E – Resolution No. 19-02-844 Adoption of Reserve Policies and the Associated Goal Levels as Part of the Annual Strategic Plan Adoption [enc]

The Board will consider approval of setting reserve policies and the associated goal levels as part of the annual strategic plan adoption.

7.F – FY 18-19 Second Quarter Reserve Update [enc]

The Board will be provided a FY 18-19 second quarter update of TVMWD's reserve schedule.

7.G – Resolution No. 19-02-845 Adoption of Investment Policy [enc]

The Board will consider approval of updates to the Investment Policy.

7.H – Approval to present Rick Hansen with a Proclamation

The Board will consider approval in recognition of 42 years of service with the District.

Items 7.A – 7.H: Board Action Required – Motion No. 19-02-5212

Staff Recommendation: Approve as presented

Item 8 – General Manager’s Report

Litchfield

The Executive Leadership Team will provide brief updates on existing matters under their purview and will be available to respond to any questions thereof.

8.A – Legislative Update, February 2019 [enc]

Howie

The Board will be provided a current legislative status update.

8.B – Director Expense Reports, January 2019 [enc]

Kuhn

The Board will consider approval of the January 2019 director expense reports that include disclosure of per diem requests for meeting attendance, and an itemization of any expenses incurred by TVMWD.

Item 8.B: Board Action Required – Motion No. 19-02-5213

Staff Recommendation: Approve as presented

8.C – Approve FY 19-20 Strategic Plan [enc]

Litchfield

The Board will consider approval of the FY 19-20 Strategic Plan.

Item 8.C: Board Action Required – Motion No. 19-02-5214

Staff Recommendation: Approve as presented

Item 9 – Directors’ / General Manager’s Oral Reports

Litchfield

Directors and the Managers may report on activities for meetings to which they are assigned to serve as the representative or alternate of TVMWD, and on other areas of interest.

Item 10 – Closed Session

Kuhn

Conference with Legal Counsel – Existing Litigation [Government Code Section 54956.9(d)(1)]

- Chino Basin Municipal Water District v. City of Chino, et al., San Bernardino County Superior Court Case No. RCV51010
- San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case No. CPF-10-510830

Item 11 – Future Agenda Items

Kuhn

Item 12 – Adjournment

Kuhn

The Board will adjourn to its next meeting scheduled for Wednesday, March 6, 2019 at 8:00 a.m.

American Disabilities Act Compliance Statement

Government Code Section 54954.2(a)



Any request for disability-related modifications or accommodations (including auxiliary aids or services) sought to participate in the above public meeting should be directed to the TVMWD's Executive Assistant at (909) 621-5568 at least 24 hours prior to meeting.

Agenda items received after posting

Government Code Section 54957.5

Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review at the TVMWD office located at, 1021 East Miramar Avenue, Claremont, CA, 91711. The materials will also be posted on the TVMWD website at www.threevalleys.com.

Three Valleys MWD Board Meeting packets and agendas are available for review on its website at www.threevalleys.com.

MINUTES
REGULAR BOARD OF DIRECTORS MEETING
THREE VALLEYS MUNICIPAL WATER DISTRICT

Wednesday, January 16, 2019
8:00 a.m.

1. Call to Order / Pledge of Allegiance

The Board of Directors meeting of Three Valleys Municipal Water District (TVMWD) was called to order at 8:00 a.m. at the TVMWD 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. Director Brian Bowcock had an excused absence.

Directors Present

Bob Kuhn, President
 David DeJesus, Vice President
 Joe Ruzicka, Treasurer
 Carlos Goytia, Director
 John Mendoza, Director

Directors Absent

Brian Bowcock, Secretary

Staff Present

Matt Litchfield, General Manager
 Steve Kennedy, Legal Counsel
 Liz Cohn, Sr. Financial Analyst
 Vicki Hahn, District Clerk/Executive Assistant
 Kirk Howie, Chief Administrative Officer
 Steve Lang, Water Operations Manager
 James Linthicum, Chief Finance Officer
 Dominique Aguiar, Operations Supervisor
 Freeman Ensign, Operations Supervisor
 Ben Peralta, Project Manager
 Esther Romero, Accounting Technician

Guests and others present: Director Ed Hilden, Walnut Valley Water District; Denise Jackman, Rowland Heights resident; Ben Lewis, Golden State Water Company; Brian Teuber, Walnut Valley Water District; Dave Warren, Rowland Water District, Tom Coleman, Rowland Water District, Ted Ebenkamp, Walnut Valley Water District, Eric Hitchman, Walnut Valley Water District, Szu Pei Lu-Yang, Rowland Water District, Steve Patton, City of Glendora, Darron Poulsen, City of Pomona, Jennifer Stark, City of Claremont

4. Additions to Agenda

No additions to agenda.

5. Reorder of Agenda

No reorder requested.

6. Public Comment

There were no requests for public comment.

7. Consent Calendar

The Board was asked to consider the consent calendar items (7.A- 7.D) for the January 2019 Board meeting that included: (7A) receive, approve and file, December 2018 Minutes for December 5, 2018 Regular Board Meeting and December 12, 2018 Special Board Meeting. (7B) receive, approve and file financial reports and investment update November/December 2018. (7C) receive, approve and file imported water sales December 2018. (7D) approve Resolution No. 19-01-843 tax sharing exchange with County Sanitation District, Annexation 22-433.

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

**Moved: Ruzicka; Second: De Jesus
Motion No. 19-01-5207 – Approving Consent Calendar Items 7A
– 7D for January 16, 2019. The motion passed by a 5-0 vote;
Director Bowcock had an excused absence. Division 7 Vacant**

8. General Manager's Report

8.A Legislative Update – January 2019

Mr. Howie announced the deadline for Bills to be introduced into legislation is February 22, 2019. Governor Newsom made it clear that he supports a drinking water tax to assist disadvantaged communities with water supplies. Mr. Howie confirmed that water agencies are resisting this and have been clear that they do not want to serve as a “tax collecting” agency.

Director Kuhn mentioned that he reached out to Blanca Rubio about this potential water tax.

Director Mendoza requested that as briefings occur that staff provide status updates. Director Kuhn encouraged any interested/available directors to participate in briefings.

Mr. Tom Coleman, General Manager of Rowland Water District did state that water agencies are meeting to ask for a needs assessment to be conducted to determine what the actual costs may be to help address some of the water supply problems for disadvantaged communities.

Director Mendoza provided comments on a recent article in the local newspapers about this proposed “water tax”.

Mr. Howie stated that the Governor does not support re-establishment of redevelopment agencies. He does support enhanced infrastructure finance

districts (EIFD). ACWA is looking at how these EIFDs could impact special districts.

Mr. Howie mentioned that the San Gabriel National Monument area, is being proposed to expand in size to protect endangered and threatened species.

8.B. Miramar Operations Report

Mr. Steve Lang discussed the November and December 2018 Miramar Treatment Plant operations. November was typical. No water quality issues. Hydroelectric generation increasing due to increased flows.

Special activities included the Covina Irrigating Co. (CIC) interconnection repair; Well #1 limited operation due to some electronics issues; maintenance program being examined to be integrated in to the updated GIS program; well maintenance and repairs for chemical injections; operations staff training; and school tours all occurred during November.

December 3-12, 2018 Miramar Treatment Plant shutdown. Due to rainy weather, there were lower demands. Both wells operational during the shutdown. There were no supply problems during the shutdown.

Special activities for December included calibrations on all meters; new intern started; numerous shutdown tasks; SCE had some outages.

Mr. Lang presented slides of the projects and tasks completed during the planned Miramar Treatment Plant shutdown.

Mr. Litchfield thanked Mr. Lang and all the Operations staff for their hard work, flexibility and dedication to getting the job done during the shutdown.

Mr. Litchfield also reported that Operations staff has now transitioned to remote operations, eliminating swing and graveyard shifts. He reported that all is going well.

Director Kuhn asked what the definition of “stand by” is for the staff. Mr. Litchfield discussed how the stand by time is compensated and assigned to the Operations staff.

Director DeJesus asked about remote operations and how the “on call” staff person is supported. Mr. Litchfield noted that there is always a primary and secondary on call staff person to respond to any issues that could arise at the Plant. Mr. Lang clarified the details and that any responders must be fully certified to operate the Miramar Treatment Plant.

Director Goytia asked how many staff were working during “swing” and “grave” shifts. Mr. Lang answered that they worked solitary, which was a concern.

8.C. Capital Project Status Report

Mr. Ben Peralta reported on the capital projects’ status. The Grand Avenue Well drilling phase is complete. Staff is reviewing the equipping plans now and awaiting feedback from SCADA consultant. Final plans should be received soon and sent to bid shortly.

Mr. Peralta discussed the Joint Water Line float control valve project. Contractor has been hired and provided a working schedule. This project is being planned to minimize impacts to customers, putting implementation at early summer 2019.

Mr. Peralta reported that the pneumatic tank replacement went very well and the project is now complete.

8.D. Director Expense Reports

Director Kuhn announced that Director Mendoza's Expense Report needed to be added to the agenda.

Director Kuhn asked if November and December expense reports could be approved in a single motion.

**Moved: Ruzicka; Second: Goytia
Motion No. 19-01-5208 – Approving Directors' Expense Reports. The motion passed by a 5-0 vote; Director Bowcock had an excused absence. Division 7 Vacant**

8.E. Special Board Meeting

A special board meeting is scheduled to address the Division VII vacancy. Mr. Litchfield stated that two candidates applied.

**Moved: DeJesus; Second: Ruzicka
Motion No. 19-01-5209 – Approving Special Board Meeting on January 23, 2019 to address the Division VII vacancy.**

Director Kuhn asked if staff had questions prepared for each candidate. Mr. Litchfield stated that questions were prepared.

Mr. Kennedy stated both candidates should be apprised by staff when and where the meeting will occur. It must be an open and public meeting.

Staff has scripted questions that can go to the Board before the meeting for review. Mr. Kennedy stated that Board Members should not communicate with each other via email or other means. If they had comments or questions about the interview questions, they should send them directly to the General Manager and not include the entire Board. Mr. Kennedy stated that the process must ensure an equal playing field, and the Board must make decisions and deliberations in open session. The appointment can be made during a nomination or regular motion process.

Mr. Kennedy stated that the process is legislated but the substantive requirements only require that the person appointed is a resident of the Division; they sought the appointment and be a registered voter.

Director DeJesus asked that if any of the Board Members have their own questions outside of the scripted questions, that those questions be vetted through Mr. Kennedy. Mr. Kennedy agreed to review such questions.

8.F. Salary Schedule

Mr. Litchfield discussed the changes to the District's organizational chart to comply with PERS requirements.

Moved: Ruzicka; Second: Goytia
Motion No. 19-01-5210 – Approving new Salary Schedule, effective January 14, 2019 The motion passed by a 5-0 vote; Director Bowcock had an excused absence. Division 7 Vacant

9. Directors'/GM Oral Reports

Director Ruzicka stated that he enjoyed Richard Hansen's retirement event.

Director Goytia reported that a Council of Governments (COG) meeting is scheduled for the following week.

Director Kuhn stated that the Main San Gabriel Basin Water Quality Authority (WQA) has scheduled a special meeting for Tuesday, January 22, 2019 at 9am to change legislation that will update how directors are appointed for the cities with pumping rights and cities without pumping rights.

The WQA must also file a 406 plan which needs to be sent in annually and semi-annually and they are seeking new legislation that will allow a single submission.

Director Kuhn reported that Darron Poulsen was appointed to the Chino Basin Watermaster Board by Pomona to be their representative. Darron is vice chairman, Jeff Pierson is chairman, Director Kuhn is the secretary/treasurer. Each of the agencies that make up the Board are now appointed to positions.

Director DeJesus stated that MWD will be hosting a grand opening event of the Carson Demonstration Facility on March 21, 2019 at 10am and everyone is invited.

MWD's new Chairwoman Gray had a reception and swearing in ceremony. It was successful and had good attendance by all the MWD member agencies. She announced her vice chairs and will be announcing her committee chairs at a later date.

Director DeJesus announced that there is no news on the Twin Tunnels.

Mr. Litchfield announced plans for Mr. Richard Hansen's general retirement celebration on February 2, 2019 and everyone is invited. It will be held at the Sheraton Fairplex Conference Center, Pomona.

Next Leadership Breakfast is on February 28, 2019 with Mr. Bill Hasencamp, MWD Manager of the Colorado River Resources presenting on the Colorado River.

10. Future agenda items

None

11. Closed Session

11.A. Conference with Legal Counsel – Existing Litigation *pursuant to Government Code Section 54956.9(d)(1)*

- Chino Basin Municipal Water District v. City of Chino, et al., San Bernardino County Superior Court Case No. RCV51010.

12. Closed Session Announcements

Nothing to report.

13. Adjournment

Director Kuhn Adjourned to the special meeting scheduled for January 23, 2019 at 8am

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

Recorded by: Cindy DeChaine
Conservation & Resource Analyst

MINUTES
SPECIAL BOARD OF DIRECTORS MEETING
THREE VALLEYS MUNICIPAL WATER DISTRICT

Wednesday, January 23, 2019
8:00 a.m.

1. Call to Order / Pledge of Allegiance

The Special Board of Directors meeting of Three Valleys Municipal Water District (TVMWD) was called to order at 8:00 a.m. at the TVMWD 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 DeJesus, Vice President
 Brian Bowcock, Secretary
 Joe Ruzicka, Treasurer
 Carlos Goytia, Director
 John Mendoza, Director

Staff Present

Matt Litchfield, General Manager
 Steve Kennedy, Legal Counsel
 Liz Cohn, Sr. Financial Analyst
 Mario Garcia, Engineering/Operations Officer
 Maria Contreras, Administrative Assistant
 Kirk Howie, Chief Administrative Officer
 Steve Lang, Water Operations Manager
 James Linthicum, Chief Finance Officer
 Dominique Aguiar, Operations Supervisor
 Freeman Ensign, Operations Supervisor
 Esther Romero, Accounting Technician

Guests and others present: Denise Jackman, Rowland Heights Resident, Michael Ti, MWD, Rick Hansen, Glendora resident, Bob Bowcock, Ted Ebenkamp, Walnut Valley Water, Ed Hilden, Walnut Valley Water, Erik Hitchman, Walnut Valley Water, Ben Lewis, Golden State Water, Szu Pei Lu-Yang, Rowland Water, Jennifer Stark, City of Claremont, Dave Warren, Rowland Water District, Rose Perea, Rowland Water District

4. Public Comment

President Kuhn mentioned he will not be recognizing any public comments at today's meeting due to the fact that this is a Special Board meeting for the sole purpose of interviewing candidates for the Division VII vacancy.

5. Procedural Requirements – Division VII Vacancy

General Counsel Steve Kennedy stated that the Board has a vacancy as a result of Director Horan's resignation and the Board has the opportunity within 60 days from the effective date of that resignation to make an appointment. The Notice of Vacancy has been posted as required by law, in addition published in the newspapers of general circulation. The District has received two applications, both applicants have been verified for Division VII and voting registration. The process will be for the Board to conduct interviews in open session and then entertain appointment following the interviews. A list of questions was prepared and provided to both applicants. The Board President will ask the questions, with any Director having questions being able to follow-up after the questions are answered. This is a public meeting and members of the public are certainly able to attend in addition to both applicants. As a matter of fairness and equity, the board asked that the second applicant voluntarily remove themselves from the board room, so as to not be swayed by the first applicant's answers. President Kuhn asked if there were any questions or comments for Mr. Kennedy. Director Goytia asked if it was possible to expand on the questions asked. Yes, within the question or a possible sub-question at the time the question is asked.

President Bob Kuhn commented that this is an interview and not an interrogation and asked the Board to move to a more comfortable discussion setting format. The Board repositioned themselves to a group of tables next to the dais.

6. Review Credentials of Prospective Candidates for Division VII Vacancy

Candidate number one: Denise Jackman, resident of Rowland Heights. Ms. Jackman dedicates herself to the community and is currently the President of the Rowland Heights Women's Club, a non-profit community service group. Ms. Jackman has 16 years of experience as a paralegal.

Candidate number two: Michael Ti, resident of West Covina. Mr. Ti is currently employed by MWD, with more than 20 years of experience working on water demand and supply analyses.

Each candidate was asked the following questions:

Question 1: Describe your past experience concerning governance and service on a Board of Directors, e.g., private, public or non-profit.

Question 2: What are two contributions you have made to a board, job or community involvement that you have participated in? How did this positively or negatively impact the organization?

Question 3: Describe your understanding of the relationship between the Board and the General Manager.

Question 4: Directors on Three Valleys MWD board are expected to attend the two regular monthly board meetings on the 1st & 3rd Wednesday of each month at 8:00 a.m. and other special meetings and statutorily required meetings in accordance with the District's Sunshine ordinance that was previously provided to you. Are you aware of any conflicts that will prevent you from participating as stated?

Question 5: What strategies do you utilize to influence people to agree with your position?

Question 6: How do you handle situations where people disagree with you?

Question 7: Describe your understanding of parliamentary protocols as it concerns serving as one person on a seven-person board.

Question 8: Describe your familiarity with the California Brown Act and your obligations under this Act.

Question 9: Describe your familiarity with the Fair Political Practices Act and your obligations under this Act.

After the candidates completed the questioning phase of their interview the Board began a discussion on the qualifications of each candidate.

7. Conduct Vote to Determine New Division 7 Director

After much deliberation Director Bowcock nominated to appoint Denise Jackman to the position of Director for Division VII. A roll call vote was taken after the motion was made

Moved: Goytia; Second: Ruzicka

Motion No. 19-01-5211 – Nominate Denise Jackman to the position of Director for Division VII; Motion passed by a 6-0 vote.

8. Oath of Office – New Division 7 Director

The formal Oath of Office will be administered at the February 6, 2019 Board meeting.

9. Future agenda items

None

10. Adjournment


The Board adjourned at 10:09 a.m. to its next regular meeting scheduled for Wednesday, February 6, 2019 at 8:00 a.m.

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

Recorded by: Maria D. Contreras
Administrative Assistant



Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: February 20, 2019
Subject: **Change in Cash and Cash Equivalents Report**

<input type="checkbox"/> For Action	<input type="checkbox"/> Fiscal Impact	\$
<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Funds Budgeted:	

Staff Recommendation:

No Action Necessary – Informational Item Only

Discussion:

Attached for your review is the Change in Cash and Cash Equivalents Report for the period ending January 31, 2019.

Strategic Plan Objective(s):

3.1 – Utilize and comply with a set of financial policies to maintain TVMWD’s financial health

Attachment(s):

Exhibit A – Change in Cash and Cash Equivalents Report

Meeting History:

None

MC/LC



CHANGE IN CASH AND CASH EQUIVALENTS REPORT

January 1 through January 31, 2019

		<u>CASH</u>	<u>CASH EQUIVALENTS</u>
SUMMARY 1/31/2019			
	Petty Cash	6,000.00	
	Local Agency Investment Fund		28,363.30
	General Checking	1,600,000.00	
	Sweep Account	2,078,271.62	
	U.S. Bank	5,000.00	
	TOTAL CASH IN BANKS & ON HAND	\$ 3,689,271.62	\$ 28,363.30
	TOTAL CASH IN BANKS & ON HAND	01/31/19 \$ 3,689,271.62	\$ 28,363.30
	TOTAL CASH IN BANKS & ON HAND	12/31/18 \$ 2,932,577.10	\$ 28,192.98
	PERIOD INCREASE (DECREASE)	\$ 756,694.52	\$ 170.32
CHANGE IN CASH POSITION DUE TO:			
	Water Sales/Charges Revenue	5,754,494.89	
	Interest Revenue	1,023.81	
	Subvention/RTS Standby Charge Revenue	689,018.69	
	Hydroelectric Revenue	6,984.80	
	Other Revenue	5,912.97	
	Investment Xfer From Chandler Asset Mgt		
	LAIF Quarterly Interest		170.32
	Transfer To LAIF		
	Transfer From LAIF		
	INFLOWS	6,457,435.16	170.32
	Expenditures	(5,693,946.90)	
	Current Month Outstanding Payables	49,322.86	
	Prior Month Cleared Payables	(33,077.59)	
	Bank/FSA Svc Fees	(495.00)	
	HRA/HSA Payment	(22,544.01)	
	Xfer to PARS - Fund OPEB & Pension Trusts	-	
	Investment Xfer to Chandler Asset Mgmt		
	Transfer to LAIF		
	Transfer From LAIF		
	OUTFLOWS	(5,700,740.64)	-
	PERIOD INCREASE (DECREASE)	756,694.52	170.32
		\$ 0.00	\$ (0.00)



THREE VALLEYS MUNICIPAL WATER DISTRICT
CONSOLIDATED LISTING OF INVESTMENT PORTFOLIO
 January 31, 2019

ITEM	BOOK YIELD	BOOK VALUE	PAR VALUE	MARKET VALUE
Chandler Asset Management				
ABS - Asset Backed Securities	2.61%	408,938.65	408,957.23	409,232.56
Bonds - Agency	1.90%	3,773,561.22	3,775,000.00	3,724,511.85
Commercial Paper	0.00%	0.00	0.00	0.00
Money Market Fund	2.01%	93,785.32	93,785.32	93,785.32
Supranational	2.36%	630,378.09	640,000.00	625,615.35
US Corporate	2.67%	2,703,123.47	2,720,000.00	2,702,313.00
US Treasury	1.68%	2,313,086.14	2,325,000.00	2,282,563.70
	2.12%	9,922,872.89	9,962,742.55	9,838,021.78
Local Agency Invest Fund TVMWD	2.36%	28,363.30	28,363.30	28,363.30
Reserve Fund		\$ 9,951,236.19	\$ 9,991,105.85	\$ 9,866,385.08
<hr/>				
Checking (Citizens)	0.55%	1,600,000.00	1,600,000.00	1,600,000.00
Sweep Account (Citizens)	0.20%	2,078,271.62	2,078,271.62	2,078,271.62
Emergency Checking (U.S. Bank)	0.00%	5,000.00	5,000.00	5,000.00
Petty Cash Fund	0.00%	6,000.00	6,000.00	6,000.00
Working Cash		\$ 3,689,271.62	\$ 3,689,271.62	\$ 3,689,271.62
<hr/>				
TOTAL PORTFOLIO	1.64%	\$ 13,640,507.81	\$ 13,680,377.47	\$ 13,555,656.70

I certify that this report accurately reflects all investments of Three Valleys Municipal Water District and that all investments and this report are in conformity with Sections 53600 et seq of the California Government Code and the District's annual statement of investment policy (Resolution 17-09-807). The District's investment program herein shown provides sufficient cash flow and liquidity to meet all budgeted expenditures for the next six months.

 MATTHEW H. LITCHFIELD, General Manager/Assistant Treasurer



Three Valleys Municipal Water District - Account #10065

MONTHLY ACCOUNT STATEMENT

JANUARY 1, 2019 THROUGH JANUARY 31, 2019

Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact operations@chandlerasset.com

Custodian

US Bank
Christopher Isles
(503) 464-3685

CHANDLER ASSET MANAGEMENT
chandlerasset.com

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures.



PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.35
Average Coupon	1.95%
Average Purchase YTM	2.12%
Average Market YTM	2.60%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.53 yrs
Average Life	2.46 yrs

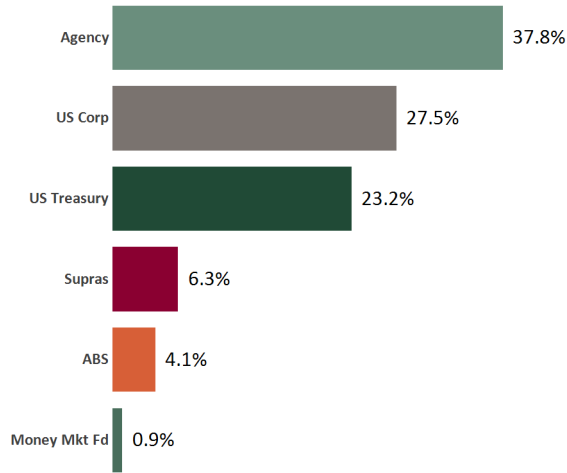
ACCOUNT SUMMARY

	Beg. Values as of 12/31/18	End Values as of 1/31/19
Market Value	9,781,797	9,838,022
Accrued Interest	50,550	41,830
Total Market Value	9,832,347	9,879,852
Income Earned	17,325	17,525
Cont/WD		-1,083
Par	9,946,869	9,962,743
Book Value	9,897,711	9,922,873
Cost Value	9,876,544	9,901,151

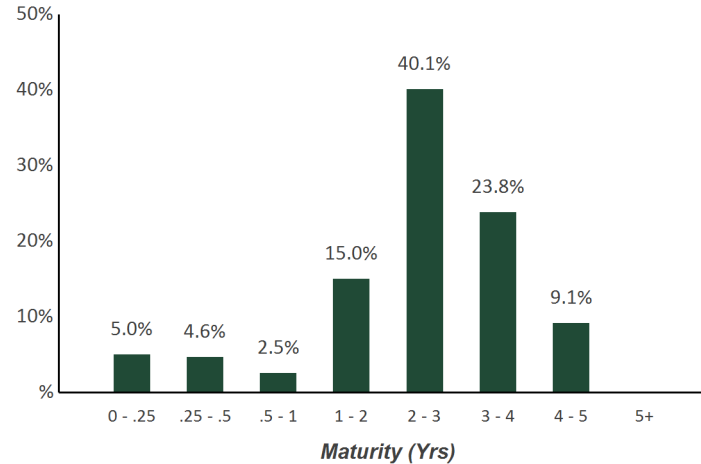
TOP ISSUERS

Government of United States	23.2%
Federal National Mortgage Assoc	15.2%
Federal Home Loan Mortgage Corp	8.8%
Federal Home Loan Bank	7.2%
Federal Farm Credit Bank	6.6%
International Finance Corp	4.3%
US Bancorp	2.0%
Inter-American Dev Bank	2.0%
Total	69.4%

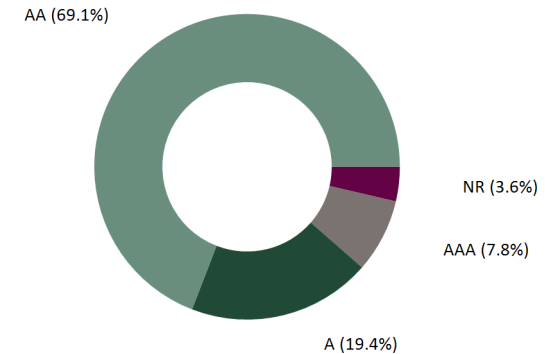
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	4/30/2009
Three Valleys Municipal Water District	0.49%	1.88%	0.49%	2.56%	1.46%	1.14%	1.29%	N/A	1.76%
ICE BAML 1-5 Yr US Treasury/Agency Index	0.32%	1.91%	0.32%	2.43%	1.17%	0.85%	1.08%	N/A	1.46%

Statement of Compliance

As of January 31, 2019

ITEM 7.B



Three Valleys Municipal Water District

Assets managed by Chandler Asset Management are in full compliance with state law and with the District's investment policy.

Category	Standard	Comment
Treasury Issues	No Limitation	Complies
Agency Issues	No Limitation	Complies
Municipal Securities/ Local Agency Bonds	Bonds issued by TVMWD; Issued by local agency within the state of California, including pooled investment accounts sponsored by the state of California, County Treasurers, or Joint Power Agencies	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or higher by a NRSRO; 30% maximum; 10% max per issuer	Complies
Banker's Acceptances	"A" rated or higher by a NRSRO; 40% maximum; 5% max per issuer; 180 days max maturity	Complies
Commercial Paper	"A-1" rated or equivalent by a NRSRO; "A" rated issuer or equivalent by a NRSRO; 25% maximum; 5% max per issuer; 270 days max maturity; Issuer must be organized and operating within the US, have AUM >\$500 mil	Complies
Corporate Medium Term Notes	"A" rated or better by a NRSRO; 30% maximum; 5% max per issuer; Issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S.	Complies
Negotiable Certificates of Deposit	30% maximum; 5% max per issuer	Complies
Certificates of Deposits/Time Deposit	Collateralized/ FDIC insured	Complies
Money Market Mutual Funds	"AAA" rated by 2 NRSROs; 20% maximum; 10% per fund	Complies
Mortgage Pass-throughs, CMOs and Asset Backed Securities	"AA" rated or higher by a NRSRO; "A" rated issuer or higher by a NRSRO; 20% maximum; 5% max per issuer	Complies
Local Agency Investment Fund - LAIF	Max program limitation	Complies
Repurchase Agreements	102% Collateralized; 1year max maturity	Complies
Reverse Repurchase Agreements	20% maximum; 92 days max maturity	Complies
Prohibited Securities	Inverse floaters; Ranges notes, Interest-only strips from mortgaged backed securities; Zero interest accrual securities	Complies
Max Per Issuer	5% of portfolio per issuer (except U.S. Government, Agencies/GSEs, Supranationals, Money Market Mutual Funds, LAIF, LGIP)	Complies
Maximum maturity	5 years	Complies



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$9,897,711.44
Acquisition		
+ Security Purchases	\$232,843.50	
+ Money Market Fund Purchases	\$242,641.27	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$475,484.77
Dispositions		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$233,434.13	
- MMF Withdrawals	\$1,082.73	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$200,000.00	
- Calls	\$0.00	
- Principal Paydowns	\$17,250.76	
Total Dispositions		\$451,767.62
Amortization/Accretion		
+/- Net Accretion	\$1,444.30	
		\$1,444.30
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	\$0.00	
		\$0.00
ENDING BOOK VALUE		\$9,922,872.89

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$85,660.91
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$25,077.66	
Dividend Received	\$312.85	
Principal on Maturities	\$200,000.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$17,250.76	
Total Acquisitions	\$242,641.27	
Dispositions		
Withdrawals	\$1,082.73	
Security Purchase	\$232,843.50	
Accrued Interest Paid	\$590.63	
Total Dispositions	\$234,516.86	
ENDING BOOK VALUE		\$93,785.32



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
47788BAB0	John Deere Owner Trust 2017-B A2A 1.59% Due 4/15/2020	6,332.02	07/11/2017 1.60%	6,331.47 6,331.78	99.87 2.81%	6,323.50 4.47	0.06% (8.28)	Aaa / NR AAA	1.21 0.11
89237RAB4	Toyota Auto Receivable 2017-C A2A 1.58% Due 7/15/2020	40,784.25	07/25/2017 1.59%	40,783.87 40,784.06	99.69 2.81%	40,659.33 28.64	0.41% (124.73)	Aaa / AAA NR	1.45 0.25
89238BAB8	Toyota Auto Receivables Owner 2018-A A2A 2.1% Due 10/15/2020	86,840.96	01/23/2018 2.12%	86,832.09 86,835.38	99.69 2.96%	86,569.92 81.05	0.88% (265.46)	Aaa / AAA NR	1.71 0.38
47788BAD6	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	20,000.00	07/11/2017 1.83%	19,998.54 19,999.07	99.02 2.89%	19,803.12 16.18	0.20% (195.95)	Aaa / NR AAA	2.71 0.92
47788CAC6	John Deere Owner Trust 2016-B A4 2.66% Due 4/18/2022	35,000.00	02/21/2018 2.68%	34,997.48 34,998.04	99.54 3.01%	34,839.21 41.38	0.35% (158.83)	Aaa / NR AAA	3.21 1.37
43814UAG4	Honda Auto Receivables 2018-2 A3 3.01% Due 5/18/2022	40,000.00	05/22/2018 3.03%	39,999.13 39,999.28	100.22 2.89%	40,089.92 43.48	0.41% 90.64	NR / AAA AAA	3.30 1.74
47788EAC2	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	100,000.00	07/18/2018 3.10%	99,992.42 99,993.34	100.57 2.84%	100,574.60 136.89	1.02% 581.26	Aaa / NR AAA	3.79 2.24
65479GAD1	Nissan Auto Receivables Owner 2018-B A3 3.06% Due 3/15/2023	80,000.00	07/17/2018 3.08%	79,997.41 79,997.70	100.47 2.86%	80,372.96 108.80	0.81% 375.26	Aaa / AAA NR	4.12 2.12
Total ABS		408,957.23	2.61%	408,932.41 408,938.65	2.89%	409,232.56 460.89	4.15% 293.91	Aaa / AAA AAA	2.99 1.41
AGENCY									
3137EADK2	FHLMC Note 1.25% Due 8/1/2019	100,000.00	09/04/2014 1.83%	97,272.00 99,723.84	99.38 2.50%	99,380.60 625.00	1.01% (343.24)	Aaa / AA+ AAA	0.50 0.49
3133EHEZ2	FFCB Note 1.6% Due 4/6/2020	200,000.00	09/28/2017 1.60%	200,012.00 200,005.61	98.95 2.51%	197,894.00 1,022.22	2.01% (2,111.61)	NR / AA+ AAA	1.18 1.15
3137EAEK1	FHLMC Note 1.875% Due 11/17/2020	200,000.00	12/28/2017 2.05%	199,016.00 199,389.08	98.92 2.50%	197,834.20 770.83	2.01% (1,554.88)	Aaa / AA+ AAA	1.80 1.74
3135G0F73	FNMA Note 1.5% Due 11/30/2020	200,000.00	12/16/2015 1.90%	196,220.00 198,604.95	98.22 2.50%	196,431.20 508.33	1.99% (2,173.75)	Aaa / AA+ AAA	1.83 1.79
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	140,000.00	04/28/2016 1.42%	139,727.00 139,883.78	97.82 2.47%	136,950.24 871.60	1.39% (2,933.54)	Aaa / AA+ AAA	2.05 1.99



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3135G0J20	FNMA Note 1.375% Due 2/26/2021	200,000.00	Various 1.41%	199,699.04 199,879.44	97.78 2.48%	195,566.80 1,184.02	1.99% (4,312.64)	Aaa / AA+ AAA	2.07 2.01
3135G0K69	FNMA Note 1.25% Due 5/6/2021	180,000.00	06/29/2016 1.18%	180,612.00 180,285.09	97.34 2.46%	175,215.60 531.25	1.78% (5,069.49)	Aaa / AA+ AAA	2.26 2.21
3130A8QS5	FHLB Note 1.125% Due 7/14/2021	185,000.00	10/04/2016 1.33%	183,290.60 184,122.73	96.90 2.43%	179,267.78 98.28	1.82% (4,854.95)	Aaa / AA+ AAA	2.45 2.40
3137EAEC9	FHLMC Note 1.125% Due 8/12/2021	185,000.00	08/30/2016 1.33%	183,185.15 184,072.99	96.86 2.41%	179,187.67 977.03	1.82% (4,885.32)	Aaa / AA+ AAA	2.53 2.46
3135G0N82	FNMA Note 1.25% Due 8/17/2021	185,000.00	09/28/2016 1.28%	184,715.10 184,851.72	97.03 2.46%	179,508.83 1,053.47	1.83% (5,342.89)	Aaa / AA+ AAA	2.55 2.47
3135G0Q89	FNMA Note 1.375% Due 10/7/2021	160,000.00	10/27/2016 1.50%	159,025.60 159,471.50	97.13 2.49%	155,408.00 696.67	1.58% (4,063.50)	Aaa / AA+ AAA	2.68 2.60
3130AABG2	FHLB Note 1.875% Due 11/29/2021	200,000.00	12/28/2016 2.10%	197,940.00 198,816.30	98.39 2.47%	196,783.20 645.83	2.00% (2,033.10)	Aaa / AA+ AAA	2.83 2.72
3135G0S38	FNMA Note 2% Due 1/5/2022	200,000.00	01/11/2017 2.02%	199,845.00 199,908.91	98.58 2.50%	197,169.40 288.89	2.00% (2,739.51)	Aaa / AA+ AAA	2.93 2.82
3137EADB2	FHLMC Note 2.375% Due 1/13/2022	200,000.00	01/27/2017 2.03%	203,193.40 201,901.21	99.75 2.46%	199,491.40 237.50	2.02% (2,409.81)	Aaa / AA+ AAA	2.95 2.83
3135G0T45	FNMA Note 1.875% Due 4/5/2022	200,000.00	Various 1.86%	200,108.00 200,071.86	98.03 2.52%	196,065.40 1,208.33	2.00% (4,006.46)	Aaa / AA+ AAA	3.18 3.04
313379Q69	FHLB Note 2.125% Due 6/10/2022	200,000.00	09/28/2017 1.92%	201,806.00 201,290.00	98.60 2.56%	197,200.20 602.08	2.00% (4,089.80)	Aaa / AA+ AAA	3.36 3.21
3133EAYP7	FFCB Note 1.95% Due 7/19/2022	225,000.00	07/28/2017 1.92%	225,310.50 225,216.36	97.91 2.58%	220,299.30 146.25	2.23% (4,917.06)	Aaa / AA+ AAA	3.47 3.32
3135G0T94	FNMA Note 2.375% Due 1/19/2023	200,000.00	10/30/2018 2.99%	195,134.00 195,427.67	99.51 2.51%	199,017.20 158.33	2.02% 3,589.53	Aaa / AA+ AAA	3.97 3.76
3137EAEN5	FHLMC Note 2.75% Due 6/19/2023	190,000.00	09/27/2018 3.03%	187,691.50 187,860.12	100.96 2.52%	191,823.05 609.58	1.95% 3,962.93	Aaa / AA+ AAA	4.38 4.10
3133EDBU5	FFCB Note 3.5% Due 12/20/2023	225,000.00	01/16/2019 2.74%	232,843.50 232,778.06	104.01 2.62%	234,017.78 896.88	2.38% 1,239.72	Aaa / AA+ AAA	4.89 4.47
Total Agency		3,775,000.00	1.90%	3,766,646.39 3,773,561.22	2.50%	3,724,511.85 13,132.37	37.83% (49,049.37)	Aaa / AA+ AAA	2.79 2.67



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
MONEY MARKET FUND FI									
31846V203	First American Govt Obligation Fund Class Y	93,785.32	Various 2.01%	93,785.32 93,785.32	1.00 2.01%	93,785.32 0.00	0.95% 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		93,785.32	2.01%	93,785.32	2.01%	93,785.32 0.00	0.95% 0.00	Aaa / AAA AAA	0.00 0.00
SUPRANATIONAL									
45950KCJ7	International Finance Corp Note 1.125% Due 7/20/2021	215,000.00	05/08/2018 2.81%	203,989.85 206,508.88	96.60 2.56%	207,685.70 73.91	2.10% 1,176.82	Aaa / AAA NR	2.47 2.41
4581X0CW6	Inter-American Dev Bank Note 2.125% Due 1/18/2022	200,000.00	10/26/2017 2.10%	200,158.00 200,110.94	98.74 2.57%	197,476.00 153.47	2.00% (2,634.94)	Aaa / NR AAA	2.97 2.85
45950VLH7	International Finance Corp Note 2% Due 10/24/2022	225,000.00	10/26/2017 2.16%	223,339.50 223,758.27	97.98 2.57%	220,453.65 1,212.50	2.24% (3,304.62)	Aaa / AAA NR	3.73 3.55
Total Supranational		640,000.00	2.36%	627,487.35 630,378.09	2.57%	625,615.35 1,439.88	6.35% (4,762.74)	Aaa / AAA AAA	3.07 2.95
US CORPORATE									
17275RAR3	Cisco Systems Note 2.125% Due 3/1/2019	180,000.00	Various 2.02%	180,856.20 180,013.16	99.97 2.42%	179,953.20 1,593.75	1.84% (59.96)	A1 / AA- NR	0.08 0.08
91159HHH6	US Bancorp Callable Note Cont 3/25/2019 2.2% Due 4/25/2019	140,000.00	Various 2.15%	140,322.10 140,007.72	99.90 2.63%	139,854.12 821.33	1.42% (153.60)	A1 / A+ AA-	0.23 0.23
06406HCW7	Bank of New York Callable Note Cont 8/11/2019 2.3% Due 9/11/2019	145,000.00	Various 2.29%	145,058.95 145,006.00	99.67 2.84%	144,525.56 1,296.94	1.48% (480.44)	A1 / A AA-	0.61 0.60
94974BGF1	Wells Fargo Corp Note 2.15% Due 1/30/2020	100,000.00	01/26/2015 2.18%	99,864.00 99,972.92	99.32 2.85%	99,318.10 5.97	1.01% (654.82)	A2 / A- A+	1.00 0.98
22160KAG0	Costco Wholesale Corp Note 1.75% Due 2/15/2020	80,000.00	02/05/2015 1.77%	79,916.00 79,982.55	99.00 2.73%	79,199.36 645.56	0.81% (783.19)	Aa3 / A+ A+	1.04 1.01
747525AD5	Qualcomm Inc Note 2.25% Due 5/20/2020	120,000.00	06/11/2015 2.49%	118,671.00 119,650.03	99.34 2.77%	119,209.80 532.50	1.21% (440.23)	A2 / A- NR	1.30 1.27



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US CORPORATE									
40428HPV8	HSBC USA Inc Note 2.75% Due 8/7/2020	150,000.00	12/28/2018 3.34%	148,623.00 148,698.32	99.59 3.03%	149,391.45 1,993.75	1.53% 693.13	A2 / A AA-	1.52 1.45
857477AS2	State Street Bank Note 2.55% Due 8/18/2020	100,000.00	06/28/2017 1.86%	102,098.00 101,032.52	99.60 2.82%	99,595.60 1,154.58	1.02% (1,436.92)	A1 / A AA-	1.55 1.49
00440EAT4	Chubb INA Holdings Inc Callable Note Cont 10/3/2020 2.3% Due 11/3/2020	125,000.00	02/06/2017 2.16%	125,588.75 125,269.62	99.16 2.79%	123,945.00 702.78	1.26% (1,324.62)	A3 / A A	1.76 1.70
30231GAV4	Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 3/1/2021	120,000.00	05/16/2016 1.84%	122,103.60 120,913.93	99.20 2.62%	119,036.64 1,111.00	1.22% (1,877.29)	Aaa / AA+ NR	2.08 2.00
084670BQ0	Berkshire Hathaway Callable Note Cont 2/15/2021 2.2% Due 3/15/2021	130,000.00	03/23/2018 2.69%	128,180.00 128,702.16	99.18 2.60%	128,933.74 1,080.44	1.32% 231.58	Aa2 / AA A+	2.12 2.04
369550BE7	General Dynamics Corp Note 3% Due 5/11/2021	135,000.00	Various 3.19%	134,275.95 134,448.09	100.60 2.72%	135,812.84 900.00	1.38% 1,364.75	A2 / A+ NR	2.28 2.18
166764BG4	Chevron Corp Callable Note Cont 4/15/2021 2.1% Due 5/16/2021	135,000.00	03/23/2018 2.91%	131,750.55 132,632.38	98.73 2.67%	133,290.09 590.63	1.36% 657.71	Aa2 / AA NR	2.29 2.21
68389XBK0	Oracle Corp Callable Note Cont 8/01/21 1.9% Due 9/15/2021	115,000.00	11/29/2016 2.40%	112,425.15 113,590.31	97.83 2.76%	112,504.04 825.44	1.15% (1,086.27)	A1 / AA- A	2.62 2.52
24422ETL3	John Deere Capital Corp Note 2.65% Due 1/6/2022	125,000.00	07/27/2017 2.15%	127,605.00 126,720.59	99.39 2.87%	124,233.88 230.03	1.26% (2,486.71)	A2 / A A	2.93 2.79
91159HHP8	US Bancorp Callable Cont 12/23/2021 2.625% Due 1/24/2022	60,000.00	01/19/2017 2.66%	59,896.80 59,938.51	99.82 2.69%	59,889.48 30.63	0.61% (49.03)	A1 / A+ AA-	2.98 2.77
44932HAC7	IBM Credit Corp Note 2.2% Due 9/8/2022	125,000.00	12/28/2017 2.60%	122,780.00 123,297.78	96.21 3.33%	120,259.00 1,092.36	1.23% (3,038.78)	A1 / A A	3.61 3.39
48128BAB7	JP Morgan Chase & Co Callable Note 1X 1/15/2022 2.972% Due 1/15/2023	125,000.00	10/30/2018 3.73%	121,335.00 121,556.76	99.22 3.18%	124,024.38 165.11	1.26% 2,467.62	A2 / A- AA-	3.96 3.70
808513AT2	Charles Schwab Corp Callable Note Cont 12/25/2022 2.65% Due 1/25/2023	125,000.00	06/01/2018 3.31%	121,453.75 121,957.97	98.47 3.06%	123,089.00 55.21	1.25% 1,131.03	A2 / A A	3.99 3.75
037833AK6	Apple Inc Note 2.4% Due 5/3/2023	125,000.00	11/29/2018 3.49%	119,456.25 119,672.51	98.43 2.79%	123,036.25 733.33	1.25% 3,363.74	Aa1 / AA+ NR	4.25 3.99



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US CORPORATE									
69371RP59	Paccar Financial Corp Note 3.4% Due 8/9/2023	125,000.00	09/10/2018 3.37%	125,177.50 125,163.43	100.56 3.27%	125,697.63 2,030.56	1.29% 534.20	A1 / A+ NR	4.52 4.10
02665WCQ2	American Honda Finance Note 3.625% Due 10/10/2023	135,000.00	10/03/2018 3.64%	134,889.30 134,896.21	101.86 3.19%	137,513.84 1,508.91	1.41% 2,617.63	A2 / A+ NR	4.69 4.25
Total US Corporate		2,720,000.00	2.67%	2,702,326.85 2,703,123.47	2.84%	2,702,313.00 19,100.81	27.55% (810.47)	A1 / A+ A+	2.29 2.16
US TREASURY									
912828ST8	US Treasury Note 1.25% Due 4/30/2019	75,000.00	01/23/2015 1.22%	75,091.07 75,005.15	99.70 2.46%	74,777.33 240.85	0.76% (227.82)	Aaa / AA+ AAA	0.24 0.24
912828R85	US Treasury Note 0.875% Due 6/15/2019	160,000.00	07/28/2016 0.82%	160,250.54 160,031.94	99.43 2.43%	159,081.28 184.62	1.61% (950.66)	Aaa / AA+ AAA	0.37 0.37
912828TH3	US Treasury Note 0.875% Due 7/31/2019	200,000.00	03/30/2015 1.30%	196,414.73 199,592.33	99.21 2.47%	198,421.80 4.83	2.01% (1,170.53)	Aaa / AA+ AAA	0.50 0.49
912828L99	US Treasury Note 1.375% Due 10/31/2020	180,000.00	11/23/2015 1.71%	177,181.07 179,002.51	98.09 2.50%	176,568.84 635.84	1.79% (2,433.67)	Aaa / AA+ AAA	1.75 1.70
912828N89	US Treasury Note 1.375% Due 1/31/2021	155,000.00	03/09/2016 1.40%	154,849.15 154,938.38	97.87 2.47%	151,694.16 5.89	1.54% (3,244.22)	Aaa / AA+ AAA	2.00 1.96
912828B90	US Treasury Note 2% Due 2/28/2021	180,000.00	04/26/2016 1.40%	185,056.07 182,168.93	99.05 2.47%	178,284.42 1,531.49	1.82% (3,884.51)	Aaa / AA+ AAA	2.08 2.00
912828P87	US Treasury Note 1.125% Due 2/28/2021	200,000.00	12/29/2016 1.86%	194,125.67 197,074.41	97.29 2.47%	194,586.00 957.18	1.98% (2,488.41)	Aaa / AA+ AAA	2.08 2.02
912828Q37	US Treasury Note 1.25% Due 3/31/2021	210,000.00	12/13/2016 1.81%	205,136.25 207,552.62	97.51 2.44%	204,766.38 894.23	2.08% (2,786.24)	Aaa / AA+ AAA	2.16 2.11
912828T34	US Treasury Note 1.125% Due 9/30/2021	185,000.00	11/09/2016 1.48%	181,871.52 183,296.42	96.67 2.42%	178,835.80 709.00	1.82% (4,460.62)	Aaa / AA+ AAA	2.67 2.59
912828J43	US Treasury Note 1.75% Due 2/28/2022	215,000.00	03/13/2017 2.14%	211,112.24 212,589.20	97.97 2.44%	210,641.31 1,600.62	2.15% (1,947.89)	Aaa / AA+ AAA	3.08 2.95
912828XR6	US Treasury Note 1.75% Due 5/31/2022	205,000.00	07/27/2017 1.84%	204,103.81 204,383.08	97.82 2.44%	200,523.62 620.91	2.04% (3,859.46)	Aaa / AA+ AAA	3.33 3.20
9128282P4	US Treasury Note 1.875% Due 7/31/2022	200,000.00	09/28/2017 1.90%	199,805.36 199,859.37	98.13 2.44%	196,257.80 10.36	1.99% (3,601.57)	Aaa / AA+ AAA	3.50 3.36

Holdings Report

As of January 31, 2019



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828N30	US Treasury Note 2.125% Due 12/31/2022	160,000.00	01/31/2018 2.54%	156,975.00 157,591.80	98.83 2.44%	158,124.96 300.55	1.60% 533.16	Aaa / AA+ AAA	3.92 3.72
Total US Treasury		2,325,000.00	1.68%	2,301,972.48 2,313,086.14	2.45%	2,282,563.70 7,696.37	23.18% (30,522.44)	Aaa / AA+ AAA	2.24 2.16
TOTAL PORTFOLIO		9,962,742.55	2.12%	9,901,150.80 9,922,872.89	2.60%	9,838,021.78 41,830.32	100.00% (84,851.11)	Aa1 / AA AAA	2.53 2.35
TOTAL MARKET VALUE PLUS ACCRUED						9,879,852.10			



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	01/02/2019	31846V203	312.85	First American Govt Obligation Fund Class Y	1.000	2.05%	312.85	0.00	312.85	0.00
Purchase	01/04/2019	31846V203	200,000.00	First American Govt Obligation Fund Class Y	1.000	2.05%	200,000.00	0.00	200,000.00	0.00
Purchase	01/05/2019	31846V203	2,000.00	First American Govt Obligation Fund Class Y	1.000	2.05%	2,000.00	0.00	2,000.00	0.00
Purchase	01/06/2019	31846V203	1,656.25	First American Govt Obligation Fund Class Y	1.000	2.05%	1,656.25	0.00	1,656.25	0.00
Purchase	01/13/2019	31846V203	2,375.00	First American Govt Obligation Fund Class Y	1.000	2.05%	2,375.00	0.00	2,375.00	0.00
Purchase	01/14/2019	31846V203	1,040.63	First American Govt Obligation Fund Class Y	1.000	2.05%	1,040.63	0.00	1,040.63	0.00
Purchase	01/15/2019	31846V203	1,857.50	First American Govt Obligation Fund Class Y	1.000	2.05%	1,857.50	0.00	1,857.50	0.00
Purchase	01/15/2019	31846V203	1,890.54	First American Govt Obligation Fund Class Y	1.000	2.05%	1,890.54	0.00	1,890.54	0.00
Purchase	01/15/2019	31846V203	30.33	First American Govt Obligation Fund Class Y	1.000	2.05%	30.33	0.00	30.33	0.00
Purchase	01/15/2019	31846V203	77.58	First American Govt Obligation Fund Class Y	1.000	2.05%	77.58	0.00	77.58	0.00
Purchase	01/15/2019	31846V203	256.67	First American Govt Obligation Fund Class Y	1.000	2.05%	256.67	0.00	256.67	0.00
Purchase	01/15/2019	31846V203	204.00	First American Govt Obligation Fund Class Y	1.000	2.05%	204.00	0.00	204.00	0.00
Purchase	01/15/2019	31846V203	6,202.99	First American Govt Obligation Fund Class Y	1.000	2.05%	6,202.99	0.00	6,202.99	0.00
Purchase	01/15/2019	31846V203	9,398.02	First American Govt Obligation Fund Class Y	1.000	2.05%	9,398.02	0.00	9,398.02	0.00
Purchase	01/17/2019	3133EDBU5	225,000.00	FFCB Note 3.5% Due 12/20/2023	103.486	2.74%	232,843.50	590.63	233,434.13	0.00
Purchase	01/18/2019	31846V203	2,125.00	First American Govt Obligation Fund Class Y	1.000	2.05%	2,125.00	0.00	2,125.00	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	01/18/2019	31846V203	100.33	First American Govt Obligation Fund Class Y	1.000	2.05%	100.33	0.00	100.33	0.00
Purchase	01/19/2019	31846V203	4,568.75	First American Govt Obligation Fund Class Y	1.000	2.05%	4,568.75	0.00	4,568.75	0.00
Purchase	01/20/2019	31846V203	1,210.45	First American Govt Obligation Fund Class Y	1.000	2.05%	1,210.45	0.00	1,210.45	0.00
Purchase	01/24/2019	31846V203	787.50	First American Govt Obligation Fund Class Y	1.000	2.05%	787.50	0.00	787.50	0.00
Purchase	01/25/2019	31846V203	1,656.25	First American Govt Obligation Fund Class Y	1.000	2.05%	1,656.25	0.00	1,656.25	0.00
Purchase	01/30/2019	31846V203	1,075.00	First American Govt Obligation Fund Class Y	1.000	2.05%	1,075.00	0.00	1,075.00	0.00
Purchase	01/31/2019	31846V203	3,815.63	First American Govt Obligation Fund Class Y	1.000	2.01%	3,815.63	0.00	3,815.63	0.00
Subtotal			467,641.27				475,484.77	590.63	476,075.40	0.00
TOTAL ACQUISITIONS			467,641.27				475,484.77	590.63	476,075.40	0.00
DISPOSITIONS										
Sale	01/17/2019	31846V203	233,434.13	First American Govt Obligation Fund Class Y	1.000	2.05%	233,434.13	0.00	233,434.13	0.00
Subtotal			233,434.13				233,434.13	0.00	233,434.13	0.00
Paydown	01/15/2019	47788BAB0	1,879.66	John Deere Owner Trust 2017-B A2A 1.59% Due 4/15/2020	100.000		1,879.66	10.88	1,890.54	0.00
Paydown	01/15/2019	47788BAD6	0.00	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	100.000		0.00	30.33	30.33	0.00
Paydown	01/15/2019	47788CAC6	0.00	John Deere Owner Trust 2016-B A4 2.66% Due 4/18/2022	100.000		0.00	77.58	77.58	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Paydown	01/15/2019	47788EAC2	0.00	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	100.000		0.00	256.67	256.67	0.00
Paydown	01/15/2019	65479GAD1	0.00	Nissan Auto Receivables Owner 2018-B A3 3.06% Due 3/15/2023	100.000		0.00	204.00	204.00	0.00
Paydown	01/15/2019	89237RAB4	6,141.20	Toyota Auto Receivable 2017-C A2A 1.58% Due 7/15/2020	100.000		6,141.20	61.79	6,202.99	0.00
Paydown	01/15/2019	89238BAB8	9,229.90	Toyota Auto Receivables Owner 2018-A A2A 2.1% Due 10/15/2020	100.000		9,229.90	168.12	9,398.02	0.00
Paydown	01/18/2019	43814UAG4	0.00	Honda Auto Receivables 2018-2 A3 3.01% Due 5/18/2022	100.000		0.00	100.33	100.33	0.00
Subtotal			17,250.76				17,250.76	909.70	18,160.46	0.00
Maturity	01/04/2019	62479MN41	200,000.00	MUFG Bank Ltd/NY Discount CP 2.46% Due 1/4/2019	99.556		200,000.00	0.00	200,000.00	0.00
Subtotal			200,000.00				200,000.00	0.00	200,000.00	0.00
Security Withdrawal	01/04/2019	31846V203	978.56	First American Govt Obligation Fund Class Y	1.000		978.56	0.00	978.56	0.00
Security Withdrawal	01/28/2019	31846V203	104.17	First American Govt Obligation Fund Class Y	1.000		104.17	0.00	104.17	0.00
Subtotal			1,082.73				1,082.73	0.00	1,082.73	0.00
TOTAL DISPOSITIONS			451,767.62				451,767.62	909.70	452,677.32	0.00
OTHER TRANSACTIONS										
Interest	01/05/2019	3135G0S38	200,000.00	FNMA Note 2% Due 1/5/2022	0.000		2,000.00	0.00	2,000.00	0.00
Interest	01/06/2019	24422ETL3	125,000.00	John Deere Capital Corp Note 2.65% Due 1/6/2022	0.000		1,656.25	0.00	1,656.25	0.00
Interest	01/13/2019	3137EADB2	200,000.00	FHLMC Note 2.375% Due 1/13/2022	0.000		2,375.00	0.00	2,375.00	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
OTHER TRANSACTIONS										
Interest	01/14/2019	3130A8QS5	185,000.00	FHLB Note 1.125% Due 7/14/2021	0.000		1,040.63	0.00	1,040.63	0.00
Interest	01/15/2019	48128BAB7	125,000.00	JP Morgan Chase & Co Callable Note 1X 1/15/2022 2.972% Due 1/15/2023	0.000		1,857.50	0.00	1,857.50	0.00
Interest	01/18/2019	4581X0CW6	200,000.00	Inter-American Dev Bank Note 2.125% Due 1/18/2022	0.000		2,125.00	0.00	2,125.00	0.00
Interest	01/19/2019	3133EAYP7	225,000.00	FFCB Note 1.95% Due 7/19/2022	0.000		2,193.75	0.00	2,193.75	0.00
Interest	01/19/2019	3135G0T94	200,000.00	FNMA Note 2.375% Due 1/19/2023	0.000		2,375.00	0.00	2,375.00	0.00
Interest	01/20/2019	45950KCJ7	215,000.00	International Finance Corp Note 1.125% Due 7/20/2021	0.000		1,210.45	0.00	1,210.45	0.00
Interest	01/24/2019	91159HHP8	60,000.00	US Bancorp Callable Cont 12/23/2021 2.625% Due 1/24/2022	0.000		787.50	0.00	787.50	0.00
Interest	01/25/2019	808513AT2	125,000.00	Charles Schwab Corp Callable Note Cont 12/25/2022 2.65% Due 1/25/2023	0.000		1,656.25	0.00	1,656.25	0.00
Interest	01/30/2019	94974BGF1	100,000.00	Wells Fargo Corp Note 2.15% Due 1/30/2020	0.000		1,075.00	0.00	1,075.00	0.00
Interest	01/31/2019	912828P4	200,000.00	US Treasury Note 1.875% Due 7/31/2022	0.000		1,875.00	0.00	1,875.00	0.00
Interest	01/31/2019	912828N89	155,000.00	US Treasury Note 1.375% Due 1/31/2021	0.000		1,065.63	0.00	1,065.63	0.00
Interest	01/31/2019	912828TH3	200,000.00	US Treasury Note 0.875% Due 7/31/2019	0.000		875.00	0.00	875.00	0.00
Subtotal			2,515,000.00				24,167.96	0.00	24,167.96	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
OTHER TRANSACTIONS										
Dividend	01/02/2019	31846V203	85,660.91	First American Govt Obligation Fund Class Y	0.000		312.85	0.00	312.85	0.00
Subtotal			85,660.91				312.85	0.00	312.85	0.00
TOTAL OTHER TRANSACTIONS			2,600,660.91				24,480.81	0.00	24,480.81	0.00



Account #10065

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Information contained in this monthly statement is confidential and is provided for informational purposes only and should not be construed as specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of this statement, but may become outdated or superseded at any time without notice.

Custody: Your qualified custodian bank maintains control of all assets reflected in this statement and we urge you to compare this statement to the one you receive from your qualified custodian. Chandler does not have any authority to withdraw or deposit funds from/to the custodian account.

Valuation: Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance: Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

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Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

Ratings: Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.


Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.



Benchmark Index	Disclosure
ICE BAML 1-5 Yr US Treasury/Agency Index	The ICE BAML 1-5 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies. (Index: GVA0. Please visit www.mlindex.ml.com for more information)



Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: February 20, 2019
Subject: YTD District Budget Status Report

<input type="checkbox"/> For Action	<input type="checkbox"/> Fiscal Impact	\$
<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Funds Budgeted:	

Staff Recommendation:

No Action Necessary – Informational Item Only

Discussion:

Attached for your review is the YTD District Budget Status Report for the period ending January 31, 2019.

Due to the payment schedule for **Membership Dues & Fees**, the YTD actuals are higher than expected. This line item is not expected to exceed budget.

The **Hydroelectric Facilities** line item is 86% of budget due to the removal, repair, and reinstall of the bearing housing at the Fulton hydro.

Strategic Plan Objective(s):

3.1 – Utilize and comply with a set of financial policies to maintain TVMWD’s financial health

Attachment(s):

Exhibit A – YTD District Budget Status Report

Meeting History:

None


MC/LC

THREE VALLEYS MUNICIPAL WATER DISTRICT				
DISTRICT BUDGET - FISCAL YEAR 2018-2019				
Month Ending January 31, 2019				
	2018-2019 YTD Actual	Annual Budget All Funds	2018-2019 Percent of Budget	2018-2019 Balance Remaining
REVENUES				
OPERATING REVENUES				
Water Sales	40,609,702	56,527,935	71.8%	15,918,233
MWD RTS Standby Charge	1,790,543	3,466,681	51.7%	1,676,138
MWD Capacity Charge Assessment	755,267	1,208,200	62.5%	452,933
TVMWD Fixed Charges	382,017	665,901	57.4%	283,884
Hydroelectric Revenue	74,578	34,583	215.6%	(39,995)
NON-OPERATING REVENUES				
Property Taxes	1,286,216	2,120,753	60.6%	834,537
Interest Income	118,105	151,600	77.9%	33,495
Pumpback O&M/Reservoir #2 Reimbursement	4,610	20,000	23.1%	15,390
Grants and Other Revenue	6,280	5,054	124.3%	(1,226)
TOTAL REVENUES	45,027,318	64,200,707	70.1%	19,173,389
EXPENSES				
OPERATING EXPENSES				
MWD Water Purchases	35,722,761	50,329,635	71.0%	14,606,874
MWD RTS Standby Charge	1,785,049	3,466,681	51.5%	1,681,632
Staff Compensation	2,530,217	4,309,457	58.7%	1,779,240
MWD Capacity Charge	664,680	1,208,200	55.0%	543,520
Operations and Maintenance	829,159	1,307,790	63.4%	478,631
Professional Services	307,026	470,450	65.3%	163,424
Directors Compensation	135,435	309,965	43.7%	174,530
Communication and Conservation Programs	94,040	185,700	50.6%	91,660
Planning & Resources	22,075	60,000	36.8%	37,925
Membership Dues and Fees	100,513	106,318	94.5%	5,805
Hydroelectric Facilities	36,537	42,500	86.0%	5,963
Board Elections	-	-	0.0%	-
NON OPERATING EXPENSES				
Pumpback O&M/Reservoir #2 Expenses	13,179	20,000	65.9%	6,821
RESERVE EXPENSES				
Reserve Replenishment	-	234,878	0.0%	234,878
CAPITAL INVESTMENT				
Capital Repair & Replacement	24,686	872,199	2.8%	847,513
Capital Investment Program	588,323	3,252,974	18.1%	2,664,651
TOTAL EXPENSES	42,853,680	66,176,747	64.8%	23,323,067
NET INCOME (LOSS) BEFORE TRANSFERS	2,173,638	(1,976,040)		(4,149,678)
TRANSFER IN FROM DEBT RESERVES				-
TRANSFER FROM/(TO) CAPITAL RESERVES		97,132		97,132
TRANSFER IN FROM CAPITAL RESERVES				-
TRANSFER IN FROM OPPORTUNITY RESERVE				-
TRANSFER IN FROM ENCUMBERED RESERVES	511,203	1,907,288		1,396,085
NET INCOME (LOSS) AFTER TRANSFERS	\$ 2,684,841	\$ 28,380		\$ (2,656,461)

***This budget is prepared on a modified cash-basis of accounting, which is a basis of accounting other than generally accepted accounting principles (GAAP).*



Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: February 20, 2019
Subject: **Warrant List**

<input checked="" type="checkbox"/>	For Action	<input checked="" type="checkbox"/>	Fiscal Impact	\$ 5,692,946.90
<input type="checkbox"/>	Information Only	<input type="checkbox"/>	Funds Budgeted:	

Staff Recommendation:

Receive and file the Warrant List for the period ending January 31, 2019 as presented.

Discussion:

The monthly warrant list is provided for your information.

General checks 48997 through 49098 totaling \$502,506.44 are listed on pages 1 to 5.

MWD November water invoice totaling \$4,888,632.50 is listed on page 5.

Wire transfers for taxing agencies, benefit payments and PERS totaling \$104,099.37 are listed on pages 5 to 6.

Total payroll checks 12330 through 12385 totaling \$197,708.59 are listed on page 6.

Chase Card Services invoice detail is listed on page 7.

Umpqua Bank invoice detail is listed on page 7.

Strategic Plan Objective(s):

3.1 – Utilize and comply with a set of financial policies to maintain TVMWD’s financial health

Attachment(s):

Exhibit A – Warrant List

Meeting History:

None

MC/LC



THREE VALLEYS MUNICIPAL WATER DISTRICT

Warrant List

January 2019

General Checks 48997 through 49098

Payroll Wire Transfer 2641 through 2654, 2658, 2661, 2662, 2664

Payroll Checks 12330 through 12385

ITEM 7.B

Check Number	Vendor	Description	Paid Amount
48997	AVS SYSTEMS	CCTV SERVICE AT PLANT 2	595.00
48998	AWWA	MEMBERSHIP DUES 1/1/19 - 12/31/19	79.00
48999	AZUSA LIGHT & WATER	ELECTRIC UTILITY - 11/08/18 TO 12/10/18	29.95
49000	CANNON CORPORATION	HYDROPNEUMATIC TANK SYSTEM DESIGN/CONSTRUCTION DOCS THROUGH 11/30/18	1,794.25
49001	DE LAGE LANDEN FIN SVCS, INC.	POSTAGE METER LEASING CHARGES 12/15/18 - 1/14/19	106.06
49002	SOUTHERN CALIFORNIA EDISON	MIRAMAR - DEC	106.07
49003	EUROFINS EATON ANALYTICAL	LABORATORY TESTING - WTP	435.00
49004	GRAINGER	CAP SCREW	2.20
49005	HAAKER EQUIPMENT CO.	PRESSURE WASHER	1,971.00
49006	HACH COMPANY	LAB ANALYZERS SERVICE AGREEMENT	2,195.42
49007	HARRINGTON IND PLASTICS, LLC	TUBING	147.77
49008	HOME DEPOT CREDIT SERVICES	GRILL/APPLE HARDWOOD PELLETS/COVER	622.76
49009	INTEGRITY MUN. SVCS, LLC	EVSS ANNUAL INSPECTION/AMMONIA VAPOR ADSORBER MEDIA REPLACEMENT	3,225.00
49010	JAN-PRO CLEANING SYS OF SO CA	JANITORIAL SERVICE - JAN	545.00
49011	SOUTH COAST MEDIA SVC	OUTREACH AD	564.00
49012	LARSON, JONATHAN	EMPLOYEE TUITION REIMBURSEMENT	180.00
49013	LINCOLN LIFE, EMPL SVCS(5H-26)	457 DEFRD: DECEMBER 28 PAYROLL	34,875.00
49014	LITCHFIELD, MATTHEW H.	MILEAGE EXPENSE DEC	68.67
49015	RED WING BUSINESS ADVNTGE ACCT	VOIDED	0.00
49016	ROGERS, KENNETH LEE	CARPET CLEANING	450.00
49017	SGV WATER ASSOCIATION	2019 MEMBERSHIP DUES	100.00
49018	RED WING BUSINESS ADVNTGE ACCT	SAFETY FOOTWEAR - AGUIAR/BURROUGHS/LARIOS	572.12
49019	CELL BUSINESS EQUIPMENT	PLOTTER LEASE - JAN	268.28
49020	CLAREMONT PRINT & COPY	RETIREMENT INVITATIONS - HANSEN	487.82



THREE VALLEYS MUNICIPAL WATER DISTRICT

Warrant List

January 2019

General Checks 48997 through 49098

Payroll Wire Transfer 2641 through 2654, 2658, 2661, 2662, 2664

Payroll Checks 12330 through 12385

ITEM 7.B

Check Number	Vendor	Description	Paid Amount
49021	SOUTHERN CALIFORNIA EDISON	MIRAMAR/WILLIAMS/FULTON/PM-26/SCADA/PUMPBACK - DEC	15,479.34
49022	ESRI, INC.	ARCGIS ONLINE	3,300.00
49023	FORD OF UPLAND, INC.	OIL & FILTER CHANGE/INSPECTION/TIRE ROTATION/BRAKES FOR DISTRICT VEHICLE	334.89
49024	HACH COMPANY	TOTAL AMMONIA REAGENTS/CHLORINE REAGENTS/NITRITE REAGENTS/FREE AMMONIA	1,340.46
49025	HIGH-TECH DIGITAL NETWORKS, INC	CORDLESS PHONE/CHARGER INSTALL	422.66
49026	IDEAL COMFORT INC	HEAT & AIR CONDITIONING MAINTENANCE	635.00
49027	LITCHFIELD, MATTHEW H.	1/4/19 MWD MEETING EXPENSE	20.00
49028	PYRAMID BLDG & ENGR, INC.	RESERVOIR EFFLUENT STATION RETENTION	13,770.97
49029	SAM'S CLUB	OFFICE/JANITORIAL SUPPLIES	318.33
49030	TIME WARNER CABLE	BROADBAND SERVICES - WILLIAMS/PLANT 2/FULTON 12/9/18 - 1/20/19	239.97
49031	UNIVAR USA INC	LIQUID CHLORINE	1,942.73
49032	VERIZON WIRELESS	CELLULAR/IPAD/HARNESS FLEET SERVICES/MOBILE BROADBAND 12/26/18 - 1/25/19	577.94
49033	BRUNICK, MCELHANEY & KENNEDY	LEGAL FEES - DEC	4,760.00
49034	CHASE CARD SERVICES	CHASE CARD SERVICES INVOICE DETAIL - LAST PAGE	4,190.96
49035	HALCYON ELECTRIC, INC.	6TH & WHITE CONNECTION UPGRADE - NEW SCADA CABINET	16,777.66
49036	LITCHFIELD, MATTHEW H.	1/11/19 MWD MEETING EXPENSE	20.00
49037	LOWE'S	DRILL BITS/CARRIAGE BOLTS/COUPLING FITTINGS/PIPE/CONCRETE MIX/THROW RUG	139.49
49038	PREMIER FAMILY MEDICINE ASSOC	INTERN PHYSICAL/PULMONARY/RESPIRATORY CLEARANCE/BACK EVALUATION	155.00
49039	PRIME SYSTEMS IND AUTOMATION	SCADA PROGRAMMING/HARDWARE/ANALYZERS/HARDWARE/METER CALIBRATIONS	37,043.41
49040	SAN ANTONIO WATER COMPANY	WATER AVAILABILITY CHARGE 10/31/18 - 12/30/18	4.00
49041	SCHULER CONSTRUCTORS INC.	HYDROPNEUMATIC TANK REMOVAL AND BOOSTER PUMPS IMPROVEMENT	92,491.05
49042	UMPQUA BANK	UMPQUA BANK INVOICE DETAIL - LAST PAGE	54.71
49043	WEX BANK	FUEL 12/1/18 - 12/31/18	1,098.64
49044	D & H WATER SYSTEMS INC.	CHLORINE/AMMONIA SYSTEMS MAINTENANCE	24,856.22



THREE VALLEYS MUNICIPAL WATER DISTRICT

Warrant List

January 2019

General Checks 48997 through 49098

Payroll Wire Transfer 2641 through 2654, 2658, 2661, 2662, 2664

Payroll Checks 12330 through 12385

ITEM 7.B

Check Number	Vendor	Description	Paid Amount
49045	HACH COMPANY	DESICCANT CARTRIDGE	1,404.36
49046	HARRINGTON IND PLASTICS, LLC	VITON O-RINGS/BUNA O-RINGS	809.41
49047	IDEXX DISTRIBUTION CORP	VESSELS WITH STANDS	841.98
49048	LINCOLN LIFE, EMPL SVCS(5H-26)	457 DEFRD: JANUARY 11 PAYROLL	9,875.00
49049	SCWUA	1/24/19 CLIMATE CHANGE & ITS IMPACT ON CAL WATER-GOYTIA, BOWCOCK, MENDOZA	90.00
49050	SOUTHERN CALIFORNIA EDISON	MIRAMAR - NOV/DEC	482.90
49051	SWRCB-DWOCP	D2 CERTIFICATION RENEWAL - PERALTA	80.00
49052	UMPQUA BANK	UMPQUA BANK INVOICE DETAIL - LAST PAGE	16,169.51
49053	UNIVAR USA INC	CAUSTIC SODA	10,075.36
49054	ACWA	2019 MEMBERSHIP DUES	22,358.04
49055	ACWA/JPIA	ACWA EMPLOYEE BENEFITS - FEBRUARY 2019	40,974.89
49056	ACWA/JPIA	WORKER'S COMPENSATION 10/01/18 - 12/31/18	10,716.59
49057	AFLAC	AFLAC SUPP. INS: JANUARY 2019 (EMPLOYEE REIMBURSED)	1,079.72
49058	CANON FINANCIAL SERVICES, INC.	COPY MACHINE LEASE - JAN	1,595.96
49059	CITY OF CLAREMONT	REFUSE PICKUP/STREET SWEEPING - DEC	149.64
49060	CLS LANDSCAPE MANAGEMENT	LANDSCAPE MAINT - CLEAN OUT WEEDS AT WATER BASINS/613 W BASELINE RD LOT	628.00
49061	EMPLOYER'S INFOSOURCE	INTERN BACKGROUND VERIFICATION REPORTS	31.50
49062	GFOA	MEMBERSHIP DUES - LINTHICUM	160.00
49063	JOHN ROBINSON CONSULTING, INC	CONSULTING SERVICES - SIX BASINS GRANT FUNDING SUPPORT	600.00
49064	LANCASTER, CHRISTOPHER W.	2018 SUSTAINABLE LIVING "RECYCLED WATER" LA TIMES/SGV/INLAND BULLETIN ADS	7,800.00
49065	LARRY BURKE ENTERPRISES	UPS BATTERY	120.52
49066	LINCOLN LIFE, EMPL SVCS(5H-26)	457 DEFRD: BOARD-JANUARY 2019	3,721.84
49067	MICHAEL J ARNOLD & ASSOC, INC.	LEGISLATIVE CONSULTANT JAN/DEC EXPENSES	6,084.00
49068	S.G. VALLEY NEWSPAPER GROUP	NOTICE OF VACANCY DIVISION 7	364.00



THREE VALLEYS MUNICIPAL WATER DISTRICT

Warrant List

January 2019

General Checks 48997 through 49098

Payroll Wire Transfer 2641 through 2654, 2658, 2661, 2662, 2664

Payroll Checks 12330 through 12385

ITEM 7.B

Check Number	Vendor	Description	Paid Amount
49069	SOCALGAS	FULTON SERVICE 12/05/18 - 01/07/19	17.39
49070	UNDERGROUND SERVICE ALERT	DIGALERT TICKETS - DEC	51.25
49071	UNIVERSAL PLANT SVCS OF CA INC	REMOVE/REPAIR/REINSTALL BEARING HOUSING AT FULTON HYDRO	33,141.20
49072	SCWUA	2019 MEMBERSHIP DUES	350.00
49073	CCAC	RECRUITMENT AD - EXECUTIVE ASSISTANT	200.00
49074	FRONTIER	DSL FOR SCADA 1/10/19 - 2/9/19	93.98
49075	GENTRY, JASON R	ELECTRICAL SERVICES - D2 TANK ROOM/D2 PUMP ROOM/FULTON & 6TH	847.32
49076	INTERFACE SECURITY SYSTEMS LLC	EOC WIRELESS BROADBAND SERVICE 2/1/19 - 2/28/19	134.88
49077	NTENSETEES	OPERATIONS T-SHIRTS WITH LOGO	1,412.87
49078	REDI-RELIEF FIRST AID & SAFETY, INC.	FIRST AID KITS/LENS CLEANING TOWELETTES/NON-ASPIRINS/CLARITAN/LOZENGES	90.19
49079	RELIANCE STANDARD LIFE INS.	LT DISAB: JANUARY 2019	1,021.42
49080	SYNCB/AMAZON	MONITORS/STATE FLAG/SECURITY CAMERAS/TONER/SOLAR PANELS/DESK ORGANIZER	4,139.81
49081	THOMAS HARDER & CO.	GRAND AVE WELL-ENGR DESIGN/ANALYSIS/CONSTRUCTION MGMT/INSPECTION	19,270.00
49082	DE LAGE LANDEN FIN SVCS, INC.	POSTAGE METER LEASING CHARGES 1/15/19 - 2/14/19	106.06
49083	EUROFINS EATON ANALYTICAL	LABORATORY TESTING - TOC	60.00
49084	HACH COMPANY	CHLORINE COLORIMETER/AMMONIA/CYANURATE/MONOCHLORAMINE/SALICYLATE	1,856.23
49085	JAN-PRO CLEANING SYS OF SO CA	JANITORIAL SERVICE - JAN BALANCE DUE/FEB	691.73
49086	SOUTH COAST MEDIA SVC	OUTREACH AD	564.00
49087	LARRY BURKE ENTERPRISES	BATTERIES	237.63
49088	LINCOLN FINANCIAL GROUP	401A DEFRD: JANUARY 27 PAYROLL	200.00
49089	LINCOLN LIFE, EMPL SVCS(5H-26)	457 DEFRD: JANUARY 27 PAYROLL	9,675.00
49090	MC MASTER-CARR SUPPLY COMPANY	STUD ANCHOR	35.02
49091	NATIONAL RAM BUSINESS SYSTEMS	COLOR/LASERJET PRINTERS MAINTENANCE AGREEMENT 1/11/19 - 1/10/20	626.00
49092	OFFICE DEPOT	PAPER/CLIP BINDERS	434.12



THREE VALLEYS MUNICIPAL WATER DISTRICT

Warrant List

January 2019

General Checks 48997 through 49098

Payroll Wire Transfer 2641 through 2654, 2658, 2661, 2662, 2664

Payroll Checks 12330 through 12385

ITEM 7.B

Check Number	Vendor	Description	Paid Amount
49093	RC'S FLOOR & CARPET CARE	BUFF FLOORS	250.00
49094	SAN GABRIEL VALLEY MWD	WATER DELIVERY TO NORTH AZUSA CONNECTION OCT/NOV/DEC	11,195.00
49095	SIX BASINS WATERMASTER	SIX BASINS ASSESSMENT FIRST INSTALLMENT PAYMENT CY 2019	8,626.66
49096	SOUTHERN CALIFORNIA EDISON	MIRAMAR - JAN	106.49
49097	TELEPACIFIC COMMUNICATIONS	TELEPHONE SERVICE 1/16/19 - 2/15/19	1,449.31
49098	UPS	SHIPPING CHARGES	15.86
TOTAL AMOUNT OF CHECKS LISTED			\$ 502,506.44

12786	METROPOLITAN WATER DISTRICT	NOVEMBER 2018 MWD WATER INVOICE	4,888,632.50
TOTAL AMOUNT OF WIRE TRANSFERS			\$ 4,888,632.50

2641	FEDERAL TAX PAYMENT	FED TAX: DECEMBER 28 PAYROLL	25,859.02
2642	PUBLIC EMPLOYEES RETIREMENT SY	PERS CONTR: DECEMBER 28 PAYROLL	18,255.29
2643	STATE TAX PAYMENT	STATE TAX: DECEMBER 28 PAYROLL	10,195.35
2644	BASIC PACIFIC	HEALTH SAVINGS ACCT: DECEMBER 28 PAYROLL	1,700.50
2645	CALPERS-457 PLAN	PERS-457 DEFERRED COMP: DECEMBER 28 PAYROLL	2,901.39
2646	FEDERAL TAX PAYMENT	FED TAX: JANUARY 11 PAYROLL	13,772.80
2647	BASIC PACIFIC	HEALTH SAVINGS ACCT: JANUARY 11 PAYROLL	1,625.50
2648	PUBLIC EMPLOYEES RETIREMENT SY	PERS CONTR: JANUARY 11 PAYROLL	16,593.84
2649	STATE TAX PAYMENT	STATE TAX: JANUARY 11 PAYROLL	5,390.84
2650	CALPERS-457 PLAN	PERS-457 DEFERRED COMP: JANUARY 11 PAYROLL	2,580.00
2651	BASIC PACIFIC	HEALTH SAVINGS ACCT: BOARD-JANUARY 2019	516.66
2652	FEDERAL TAX PAYMENT	FED TAX: BOARD-JANUARY 2019	912.08



THREE VALLEYS MUNICIPAL WATER DISTRICT

Warrant List

January 2019

General Checks 48997 through 49098

Payroll Wire Transfer 2641 through 2654, 2658, 2661, 2662, 2664

Payroll Checks 12330 through 12385

ITEM 7.B

Check Number	Vendor	Description	Paid Amount
2653	STATE TAX PAYMENT	STATE TAX: BOARD-JANUARY 2019	501.77
2654	CALPERS-457 PLAN	PERS-457 DEFRD COMP: BOARD-JANUARY 2019	255.00
2658	FEDERAL TAX PAYMENT	FED TAX: JANUARY 27 PAYROLL	316.97
2661	STATE TAX PAYMENT	STATE TAX: JANUARY 27 PAYROLL	118.25
2662	FEDERAL TAX PAYMENT	FED TAX: JANUARY 30 PAYROLL - HAHN	1,942.40
2664	STATE TAX PAYMENT	STATE TAX: JANUARY 30 PAYROLL - HAHN	661.71
TOTAL AMOUNT OF PAYROLL WIRE TRANSFERS LISTED			\$ 104,099.37

PAYROLL SUMMARY

Check# 12330 - 12385

TOTAL AMOUNT OF PAYROLL CHECKS LISTED	\$ 197,708.59
TOTAL JANUARY 2019 CASH DISBURSEMENTS	\$ 5,692,946.90



THREE VALLEYS MUNICIPAL WATER DISTRICT
 Warrant List
 January 2019
 Chase Card Services Invoice Detail Check 49034
 Umpqua Bank Invoice Detail Check 49042, 49052

ITEM 7.B

Check Number	Vendor	Description	Paid Amount
49034	AT-A-GLANCE	2019 POCKET CALENDAR	22.11
49034	BED BATH & BEYOND	HOT WATER DISPENSER	86.19
49034	JUDITH GALLEGOS	PORTRAIT - GOYTIA	17.93
49034	HACH COMPANY	11/6-8/18 WATER TRAINING - AGUIAR/BURROUGHS/ENSIGN/HERNANDEZ/LARSON/NELSON/SUAREZ	875.00
49034	LOWE'S	SCREWS FOR GATE SIGNS	11.51
49034	MISCELLANEOUS VENDORS	EVENTS REGISTRATIONS & EXPENSES - DEC	1,192.06
49034	MY M & M'S	CUSTOM SNACKS - HANSEN	257.98
49034	OFFICE DEPOT	ADDRESS LABELS	84.02
49034	SAFELITE AUTOGLASS	WINDOW FOR DISTRICT VEHICLE	395.62
49034	SHERATON FAIRPLEX	RETIREMENT EVENT DEPOSIT - HANSEN	500.00
49034	STAPLES	STORAGES BOXES	52.54
49034	UPLAND GOLDSMITH JEWELER	STONES FOR SERVICES PINS	696.00
TOTAL AMOUNT OF CHASE CARD SERVICES INVOICE			\$ 4,190.96
49042	MIXBOOK PHOTO CO.	RETIREMENT PHOTOBOOK - HANSEN	54.71
49052	ACCENT COMPUTER SOLUTIONS, INC.	IT SERVICES - DEC/PROTECH BACKUP/365 BUSINESS ESSENTIALS/NOTEBOOK/PROJECTOR	5,874.36
49052	AIRGAS SPECIALTY PRODUCTS	AMMONIA	2,687.65
49052	AIRGAS USA, LLC	OXYGEN CYLINDER/ACETYLENE CYLINDER RENTALS	488.19
49052	ALS GROUP USA, CORP.	LABORATORY TESTING FOR THMS	1,000.00
49052	AMERICAN TRUCK & TOOL RENTAL INC.	LIGHTS RENTAL FOR SOLAR CUP	699.07
49052	CLINICAL LABORATORY OF SB	LABORATORY TESTING - NOV/DEC	170.00
49052	FRANCOTYP-POSTALIA, INC.	POSTAGE METER RENTAL	111.69
49052	GROUND CONTROL SYSTEMS, INC.	IDIRECT EMERGENCY RESPONDER SERVICES FEE - DEC	279.00
49052	SHERATON FAIRPLEX	10/31/18 LEADERSHIP BREAKFAST BALANCE	4,308.27
49052	VWR INTERNATIONAL INC.	BUFFER SOLUTIONS	31.01
49052	WESTERN WATER WORKS SUPPORT	PLAIN CASE PRESSURE/MARKING CHALK	520.27
TOTAL AMOUNT OF UMPQUA BANK INVOICE			\$ 16,224.22



**Tier 1 Balance (in Acre-Feet)
Calendar Year 2019
(through January 2019)**

Agency	Tier 1 Allocation	Tier 1 Allocation Breakdown				Balance
		Weymouth	Miramar	CIC	Spreading	
Boy Scouts of America	36	2.5	0.0	0.0	0.0	33.1
Cal Poly Pomona	269	3.9	0.0	0.0	0.0	265.1
Covina, City of *	1,568	0.0	0.0	282.9	0.0	1,285.1
Glendora, City of *	4,101	0.0	0.0	0.0	0.0	4,101.3
Golden State Water Company *	15,714	267.8	295.3	43.5	0.0	15,107.3
La Verne, City of	8,026	0.0	196.8	0.0	0.0	7,829.5
Mt San Antonio College	699	19.9	0.0	0.0	0.0	679.1
Pomona, City of *	7,052	89.7	33.8	0.0	0.0	6,928.7
Rowland Water District *	14,741	410.0	60.3	0.0	0.0	14,270.7
Suburban Water Systems *	1,961	0.0	0.0	424.1	0.0	1,536.9
Three Valleys MWD	NA				0.0	NA
Valencia Heights Water Co *	464	0.0	0.0	45.8	0.0	418.2
Walnut Valley Water District *	26,057	773.0	115.3	0.0	0.0	25,168.5

* Deliveries to JWL are assigned to Pomona, RWD, and WVWD.

Deliveries to PM-24 are assigned to Suburban, VHWC, and WVWD.

Deliveries to CIC are assigned to Covina, Glendora, GSWC, SWS, and VHWC.

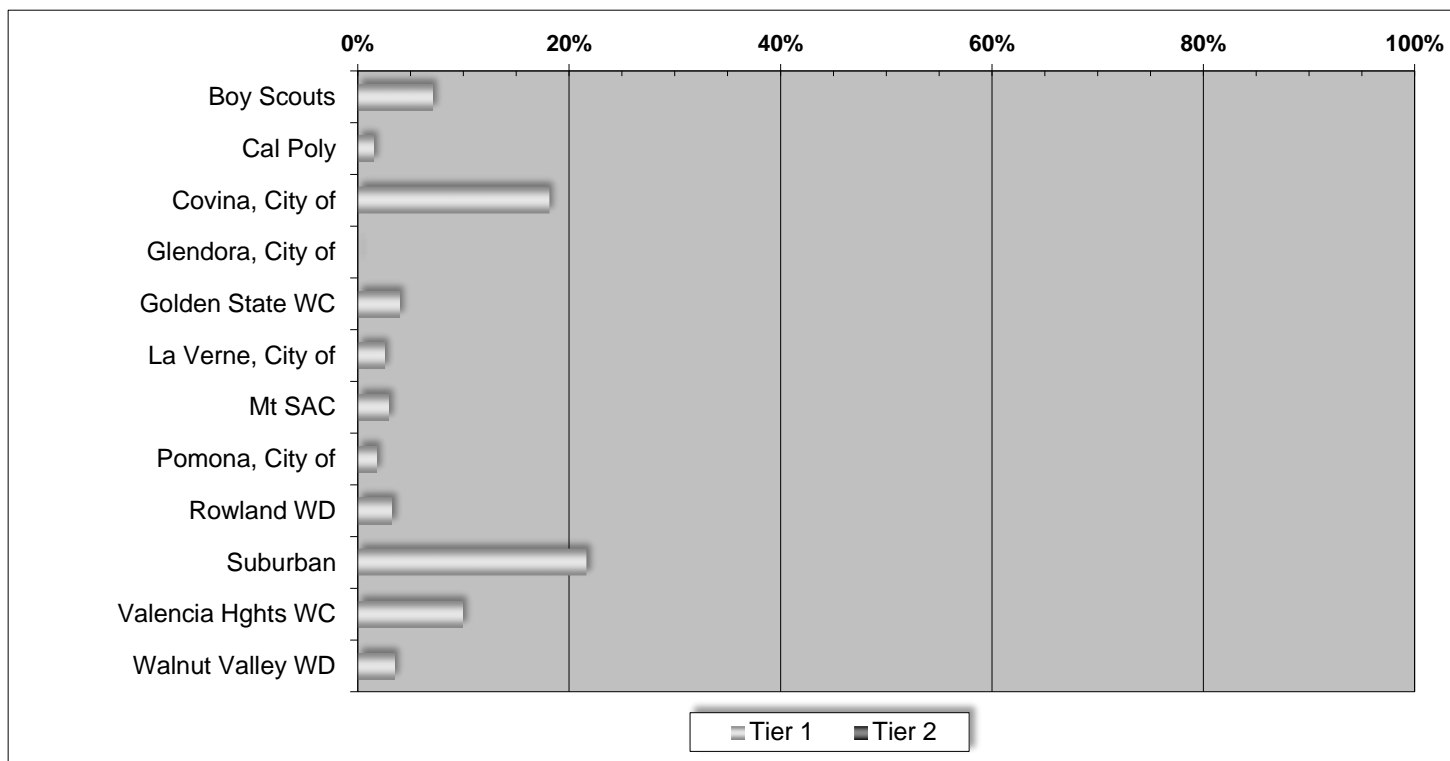
Quantities apportioned to above agencies are preliminary based on available data.

TVMWD Tier 1 Allowable = 80,688

MWD Tier 1 Deliveries = 3,081

TVMWD Tier 1 Balance = 77,607

Overage by Individual Agencies = 0.0



**Three Valleys Municipal Water District
Miramar Operations Report**

JANUARY 2019

Water Quality

The treatment plant produced treated water that met or exceeded state and federal drinking water standards.

Water quality data for the month of January (results of the combined filter effluent)

		Units	Results	Limits	
Turbidity	TU	NTU	0.067	0.3	<i>Results should be less than limits to comply</i>
Total Dissolved Solids	TDS	mg/l	270	500	
Total Trihalomethanes	TTHM	µg/l	581.-61.5	80	<i>Ranges from 4 distribution locations (Dec results)</i>
Haloacetic Acids	HAA	µg/l	18.4-21.8	60	
		Units	Results	Minimum Limit	
Total Organic Carbon	TOC	RAA Ratio	1.16	1.00	<i>* RAA Results should be greater than minimum limit to comply</i>

Reportable violations made to SWRCB: **NONE**

**RAA - Running Annual Average*

Monthly Plant Production

		Capacity	Monthly %
Potable water produced from Miramar Plant	702.7 AF	1844.6 AF	38.1%

Monthly Well Production

	Days in service	Results	Same month prior year	Days in service
Well #1	28	29.5 AF	42.7 AF	31
Well #2	27	51.6 AF	77.0 AF	31
Total monthly Well production		81.1 AF	119.6 AF	

Monthly Sales

La Verne	219.4 AF	28.0%
GSWC (Claremont)	205.2	26.2%
GSWC (San Dimas)	124.2	15.8%
PWR-JWL	233.5	29.8%
Pomona (Mills)	0.0	0.0%
TVMWD Admin	1.6	0.2%
Total Potable Water Sold	783.9 AF	100.0%

Year To Date 2018-19

	Actual	Budget	% of Budget
Potable Water Sold from Miramar Plant (94.7%)	11,249.7 AF	9,848.7 AF	114.2%
Total Well Production (5.3%)	625.0	775.7	80.6%
Total Potable Water Sold (Plant & Wells)	11,874.8 AF	10,624.4 AF	111.8%
Average monthly water sold	1,696.4 AF		

Hydroelectric Generation (kWh)

	Monthly kWh		YTD kWh		
	Actual	Budget	Actual	Budget	% of Budget
Miramar					
Hydro 1	0	138,403	0	138,403	0.0%
Hydro 2	144	14,413	144	14,413	1.0%
Hydro 3	36,653	29,215	36,653	29,215	125.5%
Williams	25,200	57,832	25,200	57,832	43.6%
Fulton	13,240	38,675	13,240	38,675	34.2%
	75,237	278,538	75,237	278,538	27.0%

Operations/Maintenance Review

Special Activities

- ▶ The repairs to Fulton Hydro have been completed and installation was done by an outside contractor.
- ▶ Operations staff began their remote operations work schedule. Staff continues to make improvements to the SCADA alarms, and the Operators are using a log book to document alarms and events.
- ▶ Rayne Water was out to do maintenance on the water softeners.
- ▶ Work on the sedimentation basin inlet valve continues.
- ▶ Operations staff received their annual fit testing for the face respirators.
- ▶ Several District staff completed the Compliance Audit as part of the EPA RMP/CalARP Program. This audit is required once every three years and any findings will be corrected before the full RMP update is prepared by the consultant.

Outages/Repairs

- ▶ There were two unplanned SCE power outages: one at the San Dimas Connection and one at the Wheeler connection. There was also an outage at Live Oak Spreading Grounds.


Unbudgeted Activities

- ▶ None

Other

- ▶ Operations staff received Confined Space Training which was held at the District office and sponsored by ACWA-JPIA. Outside agencies were also in attendance and CEU's were provided.
- ▶ District staff provided a tour to 5th grade students from Glendora Elementary School. A tour was also given to a group of Chinese college students provided by a cross-cultural exchange organization.

Submitted by: _____


 Steve Lang
 Operations Manager


Distribution:

Board of Directors
 General Manager
 Chief Engineering & Operations Officer



Board of Directors Staff Report

To: TVMWD Board of Directors

From: Matthew H. Litchfield, General Manager 

Date: February 20, 2019

Subject: **Reserve Policy Resolution No. 19-02-844 Authorizing Adoption of the Reserve Policies/Goal Levels as part of the Annual Strategic Plan**

<input checked="" type="checkbox"/> For Action	<input type="checkbox"/> Fiscal Impact	\$
<input type="checkbox"/> Information Only	<input type="checkbox"/> Funds Budgeted:	

Staff Recommendation:

Staff is recommending approval Resolution No. 19-02-844 adopting reserve policies/goal levels as part of the annual strategic plan.

Background:

In 2005 the Board approved Resolution Nos. 05-03-505 and 05-03-506 establishing reserve policies and schedules for TVMWD. These resolutions established specific reserve categories and amounts that were to be adjusted each year based on budget surplus or deficit.

In 2013 the Board began approving reserve categories and funding goal levels as part of the strategic plan process. The categories and levels are recommended by staff based on the most recently completed financial report, expected water rates and sales, strategic plan goals and objectives, and individualized criteria for each category.

Discussion:

Today's action is to simply have this resolution supersede the prior resolutions and formalize the reserve policies and goal level setting process as part of the annual strategic plan. Approval to move funds to/from reserve categories will still be done as needed, but no less than annually at the conclusion of the fiscal year.

Strategic Plan Objective(s):

- 3.1 – Utilize and comply with a set of financial policies to maintain TVMWD's financial health
- 3.3 – Be accountable and transparent with major decisions

Attachment(s):

Exhibit A – Resolution No. 19-02-844

Meeting History:

None

MC/JL

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THREE VALLEYS MUNICIPAL WATER DISTRICT
AUTHORIZING ADOPTION OF RESERVE POLICIES AND THE ASSOCIATED
GOAL LEVELS AS PART OF THE ANNUAL STRATEGIC PLAN ADOPTION**

WHEREAS, the Board of Directors finds that it is in the best interest of Three Valleys Municipal Water District (“the District”) to maintain designated reserve funds for various purposes.

WHEREAS, the Board of Directors deems having established reserve policies is consistent with sound and prudent fiscal practices as well as legal requirements.

WHEREAS, the Board of Directors understands that District goals and objectives may change, and as such, District reserve policies and goal levels may need to be reevaluated from time to time.

WHEREAS, adoption of this resolution will supersede all previous resolutions passed by the Board of Directors with respect to reserve policies.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors does hereby authorize that reserve policies and the associated goal levels shall be adopted as part of the annual strategic plan.

ADOPTED and PASSED at a meeting of the Three Valleys Municipal Water District’s Board of Directors, on this 20th day of February 2019 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Bob G. Kuhn, President


ATTEST:

Brian Bowcock, Secretary

SEAL:



Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: February 20, 2019
Subject: FY 18-19 2nd Quarter Reserve Schedule

<input type="checkbox"/> For Action	<input type="checkbox"/> Fiscal Impact	\$
<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Funds Budgeted:	

Staff Recommendation:

No Action Necessary – Informational Item Only

Discussion:

Attached for Board review is the Reserve Schedule as of December 31, 2018. This schedule identifies encumbered reserves that have been set aside for specific projects and Board designated reserves.

Strategic Plan Objective(s):

- 3.1 – Utilize and comply with a set of financial policies to maintain TVMWD's financial health
- 3.3 – Be accountable and transparent with major decisions

Attachment(s):

Exhibit A – FY 18-19 2nd Quarter Reserve Schedule

Meeting History:

None

MC/LC

TVMWD RESERVES SCHEDULE

FUND BALANCE	June 30, 2018 BALANCE	SOURCES	USES	TRANSFERS	December 31, 2018 BALANCE
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RESERVE GOAL

RESERVED FOR ENCUMBRANCE

TVMWD Well - Grand Ave. Claremont	628,554	741,885	(269,176)	-	1,101,263
TVMWD Well - West Baseline Claremont	510,748	-	-	-	510,748
Carports	229,172	-	(2,200)	-	226,972
Bldg Modifications-Operations Interior	321,199	-	(7,770)	-	313,429
Hydropneumatic Tank System Improvements	37,643	-	(75)	-	37,568
Reservoir Effluent Pump System	179,972	-	(175,143)	-	4,829
	\$ 1,907,288	\$ 741,885	\$ (454,365)	\$ -	\$ 2,194,809

BOARD DESIGNATED

Board Elections	\$ 125,123	-	-	-	\$ 125,123
Water Management	200,000	-	-	-	200,000
Water Rate Stabilization	1,353,755	-	-	-	1,353,755
Capital Asset R/R	5,545,640	-	-	-	5,545,640
Operations Reliability	2,500,000	-	-	-	2,500,000
Employee Benefits - Retiree Medical	178,237	-	-	-	178,237
Emergency	-	-	-	-	-
	\$ 9,902,755	\$ -	\$ -	\$ -	\$ 9,902,755

Lower	Upper
\$ 120,000	\$ 160,000
-	200,000
1,200,000	1,800,000
4,100,000	8,200,000
2,000,000	3,000,000
-	2,100,000
-	97,245
\$ 7,420,000	\$ 15,557,245



Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: February 20, 2019
Subject: Annual Investment Policy Review

<input checked="" type="checkbox"/> For Action	<input type="checkbox"/> Fiscal Impact	\$
<input type="checkbox"/> Information Only	<input type="checkbox"/> Funds Budgeted:	

Staff Recommendation:

Staff is recommending approval of Resolution No. 19-02-845 TVMWD Investment Policy.

Discussion:

Board policy dictates that an annual review of TVMWD’s investment policy take place. This stems from Government Code section 53646 requiring agencies to develop an investment policy and implement periodic changes that may occur in reporting requirements. Attached for Board review is the most recently adopted (September 20, 2017) TVMWD investment policy updated to reflect two minor changes suggested by Chandler Asset Management.

Strategic Plan Objective(s):

- 3.1 – Utilize and comply with a set of financial policies to maintain TVMWD’s financial health
- 3.3 – Be accountable and transparent with major decisions

Attachment(s):

Exhibit A – Resolution No. 19-02-845 TVMWD Investment Policy

Meeting History:

Board of Directors Meeting February 6, 2019, Informational Item Only

RESOLUTION NO. 19-02-845**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THREE VALLEYS MUNICIPAL WATER DISTRICT
ESTABLISHING AN INVESTMENT POLICY****1.0 POLICY**

WHEREAS; the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern; and

WHEREAS; the legislative body of a local agency may invest monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 5922 and 53601 et seq.; and

WHEREAS; the General Manager of the Three Valleys Municipal Water District ("TVMWD") shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the Board of Directors at a public meeting;

NOW THEREFORE, it shall be the policy of TVMWD to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of TVMWD and conforming to all statutes governing the investment of TVMWD funds.

2.0 SCOPE

This investment policy applies to all financial assets of TVMWD except bond funds and funds held in trust for pension and OPEB liabilities. All funds are accounted for in the annual audit.

3.0 PRUDENCE

When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of TVMWD, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of TVMWD. The standard of prudence to be used by investment officials shall be the "prudent investor" standard California Government Code 53600.3 and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0 OBJECTIVES

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

1. Safety: Safety of principal is the foremost objective of the investment program. Investments of TVMWD shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

2. Liquidity: The investment portfolio will remain sufficiently liquid to enable TVMWD to meet all operating requirements which might be reasonably anticipated.

3. Return on Investments: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

5.0 DELEGATION OF AUTHORITY

Authority to manage the investment program is derived from California Government Code 53607, et seq. By annually adopting this investment policy, responsibility for the investment program is hereby delegated by the Board to the General Manager who shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, PSA repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts, as appropriate. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the General Manager. The General Manager shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Under the provisions of California Government Code 53600.3, the General Manager is a trustee and a fiduciary subject to the prudent investor standard.

TVMWD may engage the services of one or more external investment managers to assist in the management of the TVMWD's investment portfolio in a manner consistent with the TVMWD's objectives. Such external managers may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy. Such managers must be registered under the Investment Advisers Act of 1940.

6.0 ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Employees and investment officials shall disclose to the General Manager any material interests in financial institutions with which they conduct business, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of TVMWD.

7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The General Manager will maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience and minimal capitalization authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.

For brokers/dealers of government securities and other investments, TVMWD shall select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the General Manager shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for TVMWD's account with that firm has reviewed TVMWD's Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to TVMWD that are appropriate under the terms and conditions of the Investment Policy. An annual review of the financial condition and registrations of qualified bidders will be conducted by the General Manager. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which TVMWD invests.

All financial institutions and broker/dealers who desire to conduct investment transactions with TVMWD must supply the General Manager with the following: audited financial statements, proof of FINRA certification, trading resolution, proof of State of California registration, completed broker/dealer questionnaire, certification of having read the TVMWD's investment policy and depository contracts.

Selection of broker/dealers used by an external investment adviser retained by TVMWD will be at the sole discretion of the investment adviser. Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing new issue securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

TVMWD is empowered by California Government Code 53601 et seq. to invest in the following:

- a. Bonds issued by TVMWD.
- b. United States Treasury Bills, Notes and Bonds.
- c. Registered state warrants or treasury notes or bonds issued by the State of California.
- d. Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including pooled investment accounts sponsored by the State of California, County Treasurers, other local agencies or Joint Powers Agencies.
- e. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by, or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- f. Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances may not exceed 180 days maturity or 40% of the TVMWD's money that may be invested pursuant to this policy. However, no more than 30% of TVMWD's moneys may be invested in the bankers' acceptances of any one commercial bank pursuant to this policy. They are issued by institutions which have short-term debt obligations rated "A-1" or higher, or the equivalent, by at least one NRSRO; or long-term debt obligations which are rated in the "A" category or higher, or the equivalent, by at least one NRSRO.
- g. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided by a NRSRO. Eligible commercial paper shall have a maximum maturity of 270 days or less. TVMWD shall invest no more than 25% of its money in eligible commercial paper. TVMWD may purchase no more than 10% of the outstanding commercial paper of any single issuer. The entity that issues the commercial paper shall meet all the following conditions in either paragraph 1 or 2:

1. The entity meets the following criteria:
 - a. Is organized and operating in the US as a general corporation.
 - b. Has total assets in excess of \$500,000,000
 - c. Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by an NRSRO.
2. The entity meets the following criteria:
 - a. Is organized within the US as a special purpose corporation, trust, or limited liability company.
 - b. Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.
 - c. Has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO.
- h. Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30% of TVMWD's money which may be invested pursuant to this policy.
- i. Repurchase/Reverse Repurchase Agreements of any securities authorized by Section 53601. Securities purchased under these agreements shall be no less than 102% of market value and are subject to the special limits in California Government Code 53601(i). Repurchase Agreements are subject to a Master Repurchase Agreement between TVMWD and the provider of the repurchase agreement. The Master Repurchase Agreement will be substantially in the form developed by the Securities Industry and Financial Markets Association (SIFMA). The total of all reverse repurchase agreement and securities lending agreements on investments owned by TVMWD may not exceed 20% of the base value of the portfolio.
- j. Medium term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in the "A" category or better, or the equivalent, by a NRSRO. Purchases of medium-term notes shall not include other instruments authorized by this policy and may not exceed 30% of TVMWD's money which may be invested pursuant to this policy.
- k. Mutual funds and money market mutual funds that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940, provided that:
 1. Mutual Funds that invest in the securities and obligations as authorized under California Government Code, Section 53601 (a) to (k) and (m) to (q)

inclusive and that meet either of the following criteria:

- a. Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs; or
 - b. Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code, Section 53601 and with assets under management in excess of \$500 million.
 - c. No more than 10% may be invested in the shares of any one mutual fund.
2. Money Market Mutual Funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and issued by diversified management companies and meet either of the following criteria:
- a. Have attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs; or
 - b. Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500 million.
 - c. No more than 20% of the portfolio may be invested in Money Market Mutual Funds.
3. No more than 20% of the portfolio may be invested in these securities.
- I. Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.
- m. Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by California Government Code Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by California Government Code Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

- n. Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond of a maximum of five years maturity. Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or higher, or the equivalent, by at least one NRSRO. Purchase of securities authorized by this subdivision may not exceed 20% of TVMWD's money that may be invested pursuant to this policy.
- o. Supranationals, provided that issues are US dollar denominated, senior unsecured, unsubordinated, obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. Securities eligible under this subdivision will be rated in the "AA" category or higher, or the equivalent, by a NRSRO. No more than 30% of the total portfolio may be invested in these securities. No more than 10% of the portfolio may be invested in any single issuer, and the maximum maturity may not exceed five years.
- p. Any other investment security authorized under the provisions of California Government Code 5922 and 53601.

9.0 INVESTMENT POOLS / MUTUAL FUNDS

TVMWD shall conduct a thorough investigation of any pool or mutual fund prior to making an investment, and on a continual basis thereafter. The General Manager shall develop a questionnaire which will answer the following general questions:

1. A description of eligible investment securities, and a written statement of investment policy and objectives.
2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
5. A schedule for receiving statements and portfolio listings.
6. Are reserves, retained earnings, etc. utilized by the pool/fund?
7. A fee schedule, and when and how is it assessed.
8. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

10.0 MAXIMUM MATURITIES

Such investments shall be limited to securities that at the time of the investment have a term remaining to maturity of five years or less, or as provided above. To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities.

11.0 PROHIBITED INVESTMENTS AND PRACTICES

TVMWD shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools, options and futures, or any investment that may result in a zero interest accrual if held to maturity, Also prohibited is trading securities for the sole purpose of speculating on the future direction of interest rates, purchasing or selling securities on margin, securities lending or any form of borrowing or leverage, and the purchase of foreign currency denominated securities.

12.0 REVIEW OF INVESTMENT PORTFOLIO

The General Manager shall periodically, but no less than quarterly, review the portfolio to identify investments that do not comply with this investment policy and establish protocols for reporting major and critical incidences of noncompliance to TVMWD.

13.0 MITIGATING CREDIT RISK IN THE PORTFOLIO

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. TVMWD shall mitigate credit risk by adopting the following strategies:

- a. TVMWD may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to the market conditions or TVMWD's risk preferences; and.
- b. If securities owned by the TVMWD are downgraded to a level below the credit quality required by this Investment Policy, it shall be the TVMWD's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio. If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported quarterly to the governing board.
- c. No more than 5% of the total portfolio may be invested in securities of any single issuers, except where the issuer is the US Government, its Agencies and GSEs, an authorized Supranational issuer, or where the security is a Money Market Mutual Fund, Local Agency Investment Fund (LAIF), or other Local Government Investment Pool, or where otherwise specified in this investment policy.

14.0 COLLATERALIZATION

All certificates of deposit must be collateralized by United States Treasury Obligations. Collateral must be held by a third-party trustee and valued on a monthly basis. The

percentage of collateralizations on repurchase and reverse agreements will adhere to the amount required under California Government Code 53601(i)(2).

Certificates of Deposit (CDs). TVMWD shall require any commercial bank or savings and loan association to deposit eligible securities with an agency of a depository approved by the State Banking Department to secure any uninsured portion of a Non-Negotiable Certificate of Deposit. The value of eligible securities as defined pursuant to California Government Code, Section 53651, pledged against a Certificate of Deposit shall be equal to 150% of the face value of the CD if the securities are classified as mortgages and 110% of the face value of the CD for all other classes of security.

Collateralization of Bank Deposits. This is the process by which a bank or financial institution pledges securities, or other deposits for the purpose of securing repayment of deposited funds. TVMWD shall require any bank or financial institution to comply with the collateralization criteria defined in California Government Code, Section 53651.

Repurchase Agreements. TVMWD requires that Repurchase Agreements be collateralized only by securities authorized in accordance with California Government Code:

- The securities which collateralize the repurchase agreement shall be priced at Market Value, including any Accrued Interest plus a margin. The Market Value of the securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities.
- Financial institutions shall mark the value of the collateral to market at least monthly and increase or decrease the collateral to satisfy the ratio requirement described above.
- TVMWD shall receive monthly statements of collateral.

15.0 SAFEKEEPING AND CUSTODY

All security transactions entered into by TVMWD shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be held by a third-party custodian designated by the General Manager and evidenced by safekeeping receipts.

16.0 DIVERSIFICATION

TVMWD will diversify its investments by security type and institution. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. No more than 5% of the total portfolio may be invested in securities of any single issuer, except where the issuer is the US Government, its Agencies and GSEs, an authorized Supranational issuer or where the security is a Money Market Mutual Fund, Local Agency Investment Fund (LAIF) or other Local Government Investment Pool, unless otherwise specified in this investment policy. Diversification strategies shall be reviewed and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- a. Maturities selected shall provide for stability of income and liquidity.
- b. Disbursement and payroll dates shall be covered through maturities of investments, marketable United States Treasury bills or other cash equivalent instruments such as money market mutual funds.

17.0 INTERNAL CONTROLS

The General Manager shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

18.0 REPORTING

The General Manager shall submit to each member of the Board of Directors an investment report monthly, within 30 days after the end of the reporting period in accordance with California Government Code Section 53607. These reports will disclose, at minimum, the following information about the characteristics of the portfolio:

1. An asset listing showing par value, cost and independent third-party fair market value of each security as of the date of the report, the source of the valuation, type of investment, issuer, maturity date and interest rate.
2. Monthly transactions for the period.
3. A one-page summary report that shows:
 - a. Average maturity of the portfolio and modified duration of the portfolio;
 - b. Maturity distribution of the portfolio;
 - c. Average portfolio credit quality; and,
 - d. Time-weighted total rate of return for the portfolio for the prior one month, three months, twelve months and since inception compared to TVMWD's market benchmark returns for the same periods;
4. A statement of compliance with investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, including a justification for their presence in the portfolio and a timetable for resolution.
5. A statement that TVMWD has adequate funds to meet its cash flow requirements for the next six months.

A comprehensive annual report will be presented. This report will include comparisons of the portfolio's return to the benchmark return, suggest policies and improvements that

might enhance the investment program, and will include an investment plan for the coming year.

19.0 INVESTMENT POLICY ADOPTION

The Investment Policy shall be adopted by resolution of TVMWD. Moreover, the Policy shall be reviewed on an annual basis, and modifications must be approved by the Board of Directors.

The General Manager shall establish written investment policy procedures for the operation of the investment program consistent with this policy. The procedures should include reference to: safekeeping, master repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the TVMWD.

20.0 PERFORMANCE EVALUATION

The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account TVMWD's risk constraints, the cash flow characteristics of the portfolio, state and local laws and ordinances or resolutions that restrict investments.

The General Manager shall monitor and evaluate the portfolio's performance relative to market benchmark, which will be included in the General Manager's quarterly report. The General Manager shall select an appropriate, readily available index to use as a market benchmark.

21.0 REVIEW OF INVESTMENT PORTFOLIO

The General Manager shall periodically, but no less than quarterly, review the portfolio to identify investments that do not comply with this investment policy and establish protocols for reporting major and critical incidences of noncompliance to the Board.

22.0 GLOSSARY

Agencies. Shorthand market terminology for any obligation issued by a government-sponsored entity (GSE), or a federally related institution. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

FFCB. The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

FHLB. The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

FHLMC. Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called "Freddie Mac" issues discount notes, bonds and mortgage pass-through securities.

FNMA. Like FHLB and Freddie Mac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as “Fannie Mae,” issues discount notes, bonds and mortgage pass-through securities.

GNMA. The Government National Mortgage Association, known as “Ginnie Mae,” issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

PEFCO. The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

TVA. The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

Asked. The price at which a seller offers to sell a security.

Asset Backed Securities. Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

Average Life. In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

Banker’s Acceptance. A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which “accepts” the obligation to pay the investor.

Benchmark. A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

Bid. The price at which a buyer offers to buy a security.

Broker. A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

Callable. A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline since an issuer issues securities, it will likely call its current securities and reissue them at a lower rate of interest. Callable securities have reinvestment risk as the investor may receive its principal back when interest rates are lower than when the investment was initially made.

Certificate of Deposit (CD). A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs may be marketable.

Collateral. Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

Collateralized Mortgage Obligations (CMO). Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

Commercial Paper. The short-term unsecured debt of corporations.

Cost Yield. The annual income from an investment divided by the purchase cost.

Because it does not give effect to premiums and discounts which may have been included in the purchase cost, it is an incomplete measure of return.

Coupon. The rate of return at which interest is paid on a bond.

Credit Risk. The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

Current Yield. The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

Dealer. A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

Debenture. A bond secured only by the general credit of the issuer.

Delivery vs. Payment (DVP). A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

Derivative. Any security that has principal and/or interest payments which are subject to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.

Discount. The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par, and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

Diversification. Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

Duration. The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates. (See modified duration).

Federal Funds Rate. The rate of interest charged by banks for short-term loans to other banks. The Federal Reserve Bank through open-market operations establishes it.

Federal Open Market Committee. A committee of the Federal Reserve Board that establishes monetary policy and executes it through temporary and permanent changes to the supply of bank reserves.

Haircut. The margin or difference between the actual market value of a security and the value assessed by the lending side of a transaction (i.e. a repo).

Leverage. Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

Liquidity. The speed and ease with which an asset can be converted to cash.

Make Whole Call. A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call

provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

Margin. The difference between the market value of a security and the loan a broker makes using that security as collateral.

Market Risk. The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

Market Value. The price at which a security can be traded.

Marking to Market. The process of posting current market values for securities in a portfolio.

Maturity. The final date upon which the principal of a security becomes due and payable.

Medium Term Notes. Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

Modified Duration. The percent change in price for a 100 basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

Money Market. The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

Mortgage Pass-Through Securities. A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

Municipal Securities. Securities issued by state and local agencies to finance capital and operating expenses.

Mutual Fund. An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

Nationally Recognized Statistical Rating Organization (NRSRO). A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating agencies to provide them with ratings. The three most prominent NRSROs are Moody's, S&P and Fitch.

Premium. The difference between the par value of a bond and the cost of the bond, when the cost is above par.

Prepayment Speed. A measure of how quickly principal is repaid to investors in mortgage securities.

Prepayment Window. The time period over which principal repayments will be

received on mortgage securities at a specified prepayment speed.

Primary Dealer. A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

Prudent Person (Prudent Investor) Rule. A standard of responsibility which applies to fiduciaries. In California, the rule is stated as “Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes.”

Realized Yield. The change in value of the portfolio due to interest received and interest earned and realized gains and losses. It does not give effect to changes in market value on securities, which have not been sold from the portfolio.

Regional Dealer. A financial intermediary that buys and sells securities for the benefit of its customers without maintaining substantial inventories of securities and that is not a primary dealer.

Repurchase Agreement. Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

Safekeeping. A service to bank customers whereby securities are held by the bank in the customer's name.

Structured Note. A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

Total Rate of Return. A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

U.S. Treasury Obligations. Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk, and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

Treasury Bills. All securities issued with initial maturities of one year or less are issued as discounted instruments, and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues “cash management” bills as needed to smooth out cash flows.

Treasury Notes. All securities issued with initial maturities of two to ten years are

called Treasury notes, and pay interest semi-annually.

Treasury Bonds. All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

Volatility. The rate at which security prices change with changes in general economic conditions or the general level of interest rates.

Yield to Maturity. The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.

ADOPTED and **PASSED** at a meeting of the Three Valleys Municipal Water District's Board of Directors, on this 20th day of February 2019 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:


Bob G. Kuhn, President

Brian Bowcock, Secretary

SEAL:



Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: February 6, 2019
Subject: Proclamation of Recognition of Rick Hansen

<input type="checkbox"/>	For Action	<input type="checkbox"/>	Fiscal Impact	<input type="checkbox"/>	Funds Budgeted
<input checked="" type="checkbox"/>	Information Only	<input type="checkbox"/>	Cost Estimate:	\$	

Requested Action:

Information Only.

Discussion:

After nearly 42 years of public service, all with Three Valley Municipal Water District, former General Manager Rick Hansen retired at the end of December 2018.

In honor of Mr. Hansen's service, a Proclamation has been drafted in recognition of his service and dedication to the District.

Fiscal Impact:

None.

Staff Recommendation:

Staff is recommending that the board review and comment on the attached Proclamation and consider adoption at the next board meeting on February 20.

Strategic Plan Objective(s):

3.3 – Be accountable and transparent with major decisions

Attachment(s):

Exhibit A – Draft Proclamation in Recognition of the retirement of Rick Hansen

Meeting History:

None

PROCLAMATION

EXPRESSING APPRECIATION FOR MR. RICHARD W. HANSEN'S CONTRIBUTIONS TO THREE VALLEYS MUNICIPAL WATER DISTRICT DURING HIS 42 YEARS OF SERVICE

WHEREAS Richard "Rick" Hansen served as an employee of Three Valleys Municipal Water District for 42 years; and

WHEREAS, Rick served as General Manager for 38 of those years; and

WHEREAS, Rick demonstrated an exceptional commitment to the District and its member agencies; and

WHEREAS, Rick worked tirelessly to help secure local reliable water resources for the District's service area; and

WHEREAS, Rick dedicated his career to mentoring, teaching and enhancing the careers of many during his tenure; and

WHEREAS, Rick's knowledge and long-term vision kept the District and its member agencies striving toward ever more independence from imported water supplies; and

NOW, THEREFORE, BE IT PROCLAIMED by the Board of Directors of the Three Valleys Municipal Water District as follows:

1. Public attention is hereby called and directed to the exceptional service and dedication exhibited by Mr. Hansen; and
2. He is to be congratulated for remaining committed and dedicated to effective, achievable goals for the District and never resting on his accomplishments, but instead striving to realize ever greater success for the District and its member agencies for future water reliability and security.
3. This Proclamation shall be maintained in the permanent records of the Three Valleys Municipal Water District in recognition of Rick's outstanding performance in the District's achievements, management and his vision of future endeavors.

Dated this _____ day of _____ 2019.

Bob Kuhn, President, Board of Directors

ATTEST: _____
Brian Bowcock, Board of Directors



Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager
Date: February 20, 2019
Subject: **Legislative Update – February 2019**

<input type="checkbox"/> For Action	<input type="checkbox"/> Fiscal Impact	\$
<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Funds Budgeted	

Staff Recommendation:

No Action Necessary – Informational Item Only

Discussion:

Attached for monthly review is the *California Legislative Calendar* for 2019. One key date is coming up this Friday – the deadline for bills to be introduced.

Also included with this memo is a very preliminary edition of the monthly Legislative Status Report. Staff is just beginning to review the new bills and as noted last month, will have a more comprehensive listing of newly introduced legislation in March.

This past week, Governor Gavin Newsom in his first State of the State address recognized the need to upgrade the state's infrastructure to improve conveyance in the Delta but does not support the proposed California Water Fix as currently configured. Rather, the Governor supports a single tunnel option.

In response, MWD General Manager Jeffrey Kightlinger noted that “while a single tunnel project will not resolve all pumping problems in the Delta and is less flexible for dealing with climate change impacts, it is imperative that we move forward rapidly on a conveyance project.” Attached is the complete news release from MWD.

Finally, as reported during the legislative update last month, this year will again be a battle against the statewide water tax. Governor Newsom has called for a new fee on drinking water. Not many details were released, but his proposal was characterized as similar to the previous Senator Monning bill – SB 623 – that would have generated \$140 million per year for water projects in areas that lack access to safe drinking water.

Among the alternatives for consideration in the water industry is a “Safe Drinking Water Trust” recently co-introduced by ACWA and CMUA. Attached is a summary sheet with

more details. In short, the Trust would initially be funded with an infusion from the state general fund. With a nearly \$15 billion surplus and an additional \$16 billion expected to fill reserve accounts, there is no shortage of available state funding.

Staff will continue to monitor and report back on the advancement of this and any other viable initiatives as the legislative year progresses.

Strategic Plan Objective(s):

1.7 – Advocate for a Bay-Delta fix

3.5 – Ensure that all of the region’s local government policy makers understand TVMWD’s role in the delivery of water.

Attachment(s):

Exhibit A – 2019 Legislative Calendar

Exhibit B – Legislative Status Report

Exhibit C – MWD News Release – WaterFix

Exhibit D – Safe Drinking Water Trust Summary Sheet

Meeting History:

None

___/KH



2019 Legislative Calendar

January 1	2019 Statutes take effect
January 7	Legislature reconvenes.
January 10	Budget Bill must be submitted by Governor.
January 25	Last day to submit bill requests to the Office of Legislative Counsel
February 22	Last day for bills to be introduced.
April 11	Spring Recess begins at the end of this day's session.
April 22	Legislature reconvenes from Spring Recess.
April 26	Last day for policy committees to meet and report to Fiscal Committees fiscal bills introduced in their house.
May 3	Last day for policy committees to meet and report to the floor non-fiscal bills introduced in their house.
May 10	Last day for policy committees to meet prior to June 3.
May 17	Last day for Fiscal Committees to hear and report bills to the floor, bills introduced in their house. Last day for Fiscal Committees to meet prior to June 3.
May 28-31	Floor session only. No committees, other than conference or Rules Committee, may meet for any purpose.
May 31	Last day for bills to be passed out of the house of origin.
June 3	Committee meetings may resume.
June 15	Budget bill must be passed by midnight.
July 10	Last day for policy committee to hear and report fiscal bills to Fiscal Committee.
July 12	Last day for policy committees to meet and report bills. Summer Recess begins upon adjournment, provided Budget Bill has been passed.
August 12	Legislature reconvenes from Summer Recess.
August 30	Last day for Fiscal Committees to meet and report bills to the floor.
September 3-13	Floor Session Only. No committee, other than conference and Rules Committee, may meet for any purpose.
September 6	Last day to amend bills on the Floor.
September 13	Last day for each house to pass bills. Interim Study Recess begins upon adjournment.
October 13	Last day for Governor to sign or veto bills passed by the Legislature on or before September 13.



Michael J. Arnold & Associates
Legislative Advocates and Consultants

Three Valleys Municipal Water Department
Legislative Status Report 2/12/2019

AB 5

Gonzalez D

Worker status: independent contractors.

Text Version:

Introduced: 12/3/2018

Position: Watch

[html](#) [pdf](#)

Status:

12/4/2018-From printer. May be heard in committee January 3.

Existing law, as established in the case of Dynamex Operations West, Inc. v. Superior Court of Los Angeles (2018) 4 Cal.5th 903 (Dynamex), creates a presumption that a worker who performs services for a hirer is an employee. Existing law requires a 3-part test, commonly known as the "ABC" test, to establish that a worker is independent contractor. This bill would state the intent of the Legislature to include provisions within this bill would codify the decision in the Dynamex case and clarify its application.

An act to add Section 2750.3 to the Labor Code, relating to employment.

AB 11

Chiu D

Community Redevelopment Law of 2019.

Text Version:

Introduced: 12/3/2018

Position: Watch

[html](#) [pdf](#)

Status:

1/17/2019-Referred to Coms. on H. & C.D. and L. GOV.

The California Constitution, with respect to any taxes levied on taxable property in a redevelopment project established under the Community Redevelopment Law, as it then read or may be amended, authorizes the Legislature to provide for the division of those taxes under a redevelopment plan between the taxing agencies and the redevelopment agency, as provided. This bill, the Community Redevelopment Law of 2019, would authorize a city or county, or two or more cities acting jointly, to propose the formation of an affordable housing and infrastructure agency by adoption of a resolution of intention that meets specified requirements, including that the resolution of intention include a passthrough provision and an override passthrough provision, as defined. The bill would require the city or county to submit that resolution to each affected taxing entity and would authorize an entity that receives that resolution to elect to not receive a passthrough payment, as provided. The bill would require the city or county that adopted that resolution to hold a public hearing on the proposal to consider all written and oral objections to the formation, as well as any recommendations of the affected taxing entities, and would authorize that city or county to adopt a resolution of formation at the conclusion of that hearing. The bill would then require that city or county to submit the resolution of intention to the Strategic Growth Council for a determination as to whether the agency would promote statewide greenhouse gas reduction goals. The bill would require the council to approve formation of the agency if it determines that formation of the agency both (1) would not result in a state fiscal impact, determined as specified by the Controller, that exceeds a specified amount and (2) would promote statewide greenhouse gas reduction goals. The bill would deem an agency to be in existence as of the date of the council's approval. The bill would require the council to establish a program to provide technical assistance to a city or county desiring to form an agency pursuant to these provisions. This bill contains other related provisions and other existing laws.

An act to amend Section 53993 of, and to add Title 23 (commencing with Section 100600) to, the Government Code, relating to redevelopment.

AB 68

Ting D

Land use: accessory dwelling units.

Text Version:

Introduced: 12/3/2018

Position: Watch

[html](#) [pdf](#)

Status:

1/17/2019-Referred to Coms. on H. & C.D. and L. GOV.

The Planning and Zoning Law authorizes a local agency to provide, by ordinance, for the creation of accessory dwelling units in single-family and multifamily residential zones and sets forth required ordinance standards, including, among others, maximum unit size, parking, and height standards. This bill would prohibit an ordinance from imposing requirements on minimum lot size, lot coverage, or floor area ratio, and would prohibit an ordinance from establishing size requirements for accessory dwelling units that do not permit at least an 800 square foot unit of at least 16 feet in height to be constructed. This bill contains other related provisions and other existing laws.

An act to amend Sections 65852.2 and 65852.22 of the Government Code, relating to land use.

[AB 69](#)[Ting D](#)**Land use: accessory dwelling units.**

Text Version:

Introduced: 12/3/2018

Position: Watch

[html](#) [pdf](#)

Status:

1/17/2019-Referred to Coms. on H. & C.D. and L. GOV.

The Planning and Zoning Law authorizes a local agency to provide, by ordinance, for the creation of accessory dwelling units in single-family and multifamily residential zones and sets forth required ordinance standards, including, among others, maximum unit size, parking, and height standards. Existing law requires a local agency to submit the accessory dwelling unit ordinance to the Department of Housing and Community Development within 60 days after adoption and authorizes the department to review and comment on the ordinance. This bill would authorize the department to submit written findings to a local agency as to whether the local ordinance complies with state law, and to notify the Attorney General if the ordinance violates state law. The bill would require a local agency to consider the department's findings and would authorize the local agency to amend its ordinance to comply with state law or adopt a resolution with findings explaining why the ordinance complies with state law, and addressing the department's findings. This bill contains other related provisions and other existing laws.

An act to amend Section 65852.2 of the Government Code, and to add Section 17921.2 to the Health and Safety Code, relating to land use.

[AB 134](#)[Bloom D](#)**Safe, clean, affordable, and accessible drinking water.**

Text Version:

Introduced: 12/5/2018

Position: Watch

[html](#) [pdf](#)

Status:

1/7/2019-Read first time.

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Existing law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. This bill would state findings and declarations relating to the intent of the Legislature to adopt policies to ensure that every Californian has the right to safe, clean, affordable, and accessible drinking water.

An act relating to water.

[AB 217](#)[Garcia, Eduardo D](#)**Safe and Affordable Drinking Water Fund.**

Text Version:

Introduced: 1/16/2019

Position: Watch

[html](#) [pdf](#)

Status:

2/4/2019-Referred to Com. on E.S. & T.M.

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Existing law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. This bill would establish the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are available, upon appropriation by the Legislature, to the board to provide a stable source of funding to secure access to safe drinking water for all Californians, while also ensuring the long-term sustainability of drinking water service and infrastructure.

An act to add Chapter 4.6 (commencing with Section 116765) to Part 12 of Division 104 of the Health and Safety Code, relating to water.

[AB 223](#)[Stone, Mark D](#)**California Safe Drinking Water Act: microplastics.**

Text Version:

Introduced: 1/16/2019

Position: Watch

[html](#) [pdf](#)

Status:

2/4/2019-Referred to Com. on E.S. & T.M.

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Existing law requires the state board, on or before July 1, 2020, to adopt a definition of microplastics in drinking water and, on or before July 1, 2021, to adopt a standard methodology to be used in the testing of drinking water for microplastics and requirements for 4 years of testing and reporting of microplastics in drinking water, including public disclosure of those results. This bill would require the state board, to the extent possible, and where feasible and cost effective, to work with the State Department of Public Health in complying with those requirements.

An act to amend Section 116376 of the Health and Safety Code, relating to drinking water.

[AB 231](#)[Mathis R](#)**California Environmental Quality Act: exemption: recycled water.**

Text Version:

Introduced: 1/17/2019

Position: Watch

[html](#) [pdf](#)

Existing law, the California Environmental Quality Act (CEQA), requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA exempts certain projects from its requirements. This bill would exempt from CEQA a project to construct or expand a recycled water pipeline for the purpose of mitigating drought conditions for which a state of emergency was proclaimed by the Governor if the project meets specified criteria. Because a lead agency would be required to determine if a project qualifies for this exemption, this bill would impose a state-mandated local program. The bill would also exempt from CEQA the development and approval of building standards by state agencies for recycled water systems. This bill contains other related provisions and other existing laws.

An act to add Sections 21080.44 and 21080.45 to the Public Resources Code, relating to environmental quality.

[AB 292](#)**Quirk D Recycled water: raw water and groundwater augmentation.**

Text Version: Introduced: 1/28/2019 Position: Watch
[html](#) [pdf](#)

Status: 2/7/2019-Referred to Coms. on E.S. & T.M. and W., P., & W.

Existing law requires the State Water Resources Control Board, on or before December 31, 2023, to adopt uniform water recycling criteria for direct potable reuse through raw water augmentation, as specified. Existing law defines "direct potable reuse" and "indirect potable reuse for groundwater recharge" for these purposes. This bill would eliminate the definition of "direct potable reuse" and instead would substitute the term "groundwater augmentation" for "indirect potable reuse for groundwater recharge" in these definitions. The bill would require, on or before December 31, 2023, the state board to adopt uniform water recycling criteria for raw water augmentation.

An act to amend Sections 13561 and 13561.2 of the Water Code, relating to water.

[AB 305](#)**Nazarian D Public capital facilities: water quality: rate reduction bonds.**

Text Version: Introduced: 1/29/2019 Position: Watch
[html](#) [pdf](#)

Status: 2/11/2019-Referred to Com. on L. GOV.

Existing law authorizes certain joint powers authorities, upon application by a local agency that owns and operates a publicly owned utility, as defined, to issue rate reduction bonds to finance utility projects, as defined, subject to certain requirements. Under existing law, these rate reduction bonds are secured by a pledge of utility project property, and the joint powers authority issuing the bonds may impose on, and collect from, customers of the publicly owned utility a utility project charge to finance the bonds, as provided. Existing law requires the California Pollution Control Financing Authority, among other things, to review each issuance of rate reduction bonds issued under these provisions and to submit an annual report to the Legislature containing specified information on its activities under these provisions for the preceding year. Existing law, as of December 31, 2020, prohibits a joint power authority from issuing rate reduction bonds under these provisions and no longer requires the California Pollution Control Financing Authority submit an annual report to the Legislature. This bill would extend indefinitely (1) the authorization for a joint powers authority to issue rate reduction bonds under the above-described provisions and (2) the requirement that the California Pollution Control Financing Authority submit an annual report to the Legislature.

An act to amend Section 6588.7 of the Government Code, relating to local government finance.

[AB 336](#)**Mathis R Sustainable groundwater management.**

Text Version: Introduced: 1/31/2019 Position: Watch
[html](#) [pdf](#)

Status: 2/1/2019-From printer. May be heard in committee March 3.

Existing law, the Sustainable Groundwater Management Act, requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources that are designated as basins subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2020, and requires all other groundwater basins designated as high- or medium-priority basins to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2022, except as specified. The act authorizes the State Water Resources Control Board to designate a basin as a probationary basin if the board makes a certain determination and authorizes the board to adopt an interim plan for a probationary basin, as specified. The act authorizes the board to order a person that extracts or uses water from a basin that is subject to a certain investigation or proceeding by the board to prepare and submit to the board any technical or monitoring program reports related to that person's or entity's extraction or use of water as the board may specify. This bill would make nonsubstantive changes in a definition used in the act.

An act to amend Section 10735 of the Water Code, relating to groundwater.

[AB 382](#)[Mathis R](#)**Integrated regional water management plans: grant funding: upper watershed health.**

Text Version:

Introduced: 2/5/2019

Position: Watch

[html](#) [pdf](#)

Status: 2/6/2019-From printer. May be heard in committee March 8.

Existing law, the Integrated Regional Water Management Planning Act, authorizes a regional water management group to prepare and adopt an integrated regional water management plan with specified components relating to water supply and water quality. Existing law provides that an integrated regional water management plan is eligible for funding allocated specifically for implementation of integrated regional water management. Existing law requires certain state agencies to include in any set of criteria used to select projects and programs for funding, a criterion that provides a preference for regional projects or programs. This bill would require the department to include in any criteria used to select a project or program for grant funding authorized on or after January 1, 2020 a criterion that provides a preference for a regional water management group undertaking a project improving upper watershed health upstream and outside of the defined geographical area covered by the group's plan. The bill, if consistent with a general obligation bond act providing grant funding authorized on or after January 1, 2020, would require a group to contribute a lower amount of matching funds as a local cost share for a project that improves upper watershed health upstream and outside of the defined geographical area covered by the group's plan.

An act to add Section 10544.1 to the Water Code, relating to water.

[AB 402](#)[Quirk D](#)**State Water Resources Control Board: local primacy delegation: funding stabilization program.**

Text Version:

Introduced: 2/6/2019

Position: Watch

[html](#) [pdf](#)

Status: 2/7/2019-From printer. May be heard in committee March 9.

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health, including, but not limited to, conducting research, studies, and demonstration programs relating to the provision of a dependable, safe supply of drinking water, enforcing the federal Safe Drinking Water Act, adopting implementing regulations, and conducting studies and investigations to assess the quality of water in private domestic water supplies. The act authorizes the state board to delegate, through a local primacy delegation agreement, primary responsibility for the act's administration and enforcement within a county to a local health officer, as specified. The act requires that a local primacy delegation remain in effect until specified conditions occur. The act requires the state board to provide the local primacy agency, to the extent funds are available from the Safe Drinking Water Account, with an annual drinking water surveillance program grant to cover the costs of conducting inspection, monitoring, surveillance, and water quality evaluation activities specified in the local primacy agreement. The act requires the state board to adopt a schedule of fees and requires a public water system under the jurisdiction of a local primacy agency to pay these fees to the local primacy agency in lieu of the state board. Existing law makes it a crime for any person to knowingly commit certain acts, including making a false statement or representation in any record submitted, maintained, or used for the purposes of compliance with the act, possessing a record required to be maintained by the act that has been altered or concealed, and destroying, altering, or concealing any record required to be maintained by the act. This bill would include enforcement costs as costs covered by an annual drinking water surveillance program grant. The bill would authorize any local primacy agency, with approval of the state board, to elect to participate in a funding stabilization program effective for the 2020–21 fiscal year and fiscal years thereafter, as specified. The bill would require the state board, during any fiscal year for which a local primacy agency participates in the funding stabilization program, to establish and collect all fees payable by public water systems for the local primacy agency activities and to provide funding to the local primacy agency each year in accordance with an annual workscope, prepared as prescribed by the local primacy agency that is submitted to and approved by the state board. The bill would prohibit a participating local primacy agency from charging a public water system any fee in addition to the fees established and collected by the funding stabilization program for the activities in the local primacy agency and would require all fines and penalties collected by such a local primacy agency for the local primacy agency's activities to be remitted to the state board for deposit in the Safe Drinking Water account. The bill would require a participating local primacy agency to establish and maintain accurate accounting records of all costs it incurs and periodically to make these records available to the state board. By requiring new records for the purpose of complying with the act, this bill would expand the scope of a crime and thereby impose a state-mandated local program. This bill contains other related provisions and other existing laws.

An act to amend Section 116330 of the Health and Safety Code, relating to drinking water.

[AB 405](#)[Rubio, Blanca D](#)**Sales and use taxes: exemption: water treatment.**

Text Version:

Introduced: 2/7/2019

Position: Watch

[html](#) [pdf](#)

Status: 2/8/2019-From printer. May be heard in committee March 10.

The Sales and Use Tax Law imposes a tax on retailers measured by the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property. The law provides various exemptions from that tax, including an exemption for the sale of, or the storage, use, or consumption of, gas, electricity, and water when delivered to consumers, as specified. This bill would exempt from that tax the gross receipts from the sale in this state of, and the storage, use, or other consumption in this state of, chemicals used to treat water, recycled water, or wastewater regardless of whether

those chemicals or other agents become a component part thereof and regardless of whether the treatment takes place before or after the delivery to consumers. This bill contains other related provisions and other existing laws.

An act to amend Section 6353 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

ACA 3

Mathis R **Water: minimum funding guarantee.**
Text Version: Introduced: 1/16/2019 Position: Watch
[html](#) [pdf](#)
Status: 1/17/2019-From printer. May be heard in committee February 16.

Under existing law, the Department of Water Resources performs duties relating to water resources throughout the state, and the State Water Resources Control Board exercises regulatory functions relating to water quality. Existing law, the Water Quality, Supply, and Infrastructure Improvement Act of 2014, approved by the voters as Proposition 1 at the November 4, 2014, statewide general election, authorizes the issuance of general obligation bonds in the amount of \$7,545,000,000 to finance a water quality, supply, and infrastructure improvement program. This measure would additionally require, commencing with the 2021–22 fiscal year, not less than 2% of specified state revenues to be set apart for the payment of principal and interest on bonds authorized pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014; water supply, delivery, and quality projects administered by the department, and water quality projects administered by the state board, as provided. This bill contains other existing laws.

A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by adding Section 8 to Article X thereof, relating to water.

SB 1

Atkins D **California Environmental, Public Health, and Workers Defense Act of 2019.**
Text Version: Introduced: 12/3/2018 Position: Watch
[html](#) [pdf](#)
Status: 1/16/2019-Referred to Coms. on EQ., N.R. & W., and JUD.
Calendar: 3/20/2019 9:30 a.m. - Room 3191 SENATE ENVIRONMENTAL QUALITY, ALLEN, Chair

(1)The federal Clean Air Act regulates the discharge of air pollutants into the atmosphere. The federal Clean Water Act regulates the discharge of pollutants into water. The federal Safe Drinking Water Act establishes drinking water standards for drinking water systems. The federal Endangered Species Act of 1973 generally prohibits activities affecting threatened and endangered species listed pursuant to that act unless authorized by a permit from the United States Fish and Wildlife Service or the National Marine Fisheries Service, as appropriate. This bill would require specified agencies to take prescribed actions regarding certain federal requirements and standards pertaining to air, water, and protected species, as specified. By imposing new duties on local agencies, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

An act to add and repeal Title 24 (commencing with Section 120000) of the Government Code, relating to state prerogative.

SB 5

Beall D **Local-State Sustainable Investment Incentive Program.**
Text Version: Introduced: 12/3/2018 Position: Watch
[html](#) [pdf](#)
Status: 1/24/2019-Referred to Coms. on GOV. & F. and HOUSING.

Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, subject to certain modifications. Existing law requires an annual reallocation of property tax revenue from local agencies in each county to the Educational Revenue Augmentation Fund (ERAF) in that county for allocation to specified educational entities. This bill would establish in state government the Local-State Sustainable Investment Incentive Program, which would be administered by the Sustainable Investment Incentive Committee. The bill would authorize a city, county, city and county, joint powers agency, enhanced infrastructure financing district, affordable housing authority, community revitalization and investment authority or transit village development district to apply to the Sustainable Investment Incentive Committee to participate in the program and would authorize the committee to approve or deny applications for projects meeting specific criteria. This bill contains other related provisions and other existing laws.

An act to add Part 4 (commencing with Section 55900) to Division 2 of Title 5 of the Government Code, and to add Section 97.68.1 to the Revenue and Taxation Code, relating to local government.

SB 13

Wieckowski D **Accessory dwelling units.**
Text Version: Introduced: 12/3/2018 Position: Watch
[html](#) [pdf](#)
Status: 1/16/2019-Referred to Com. on RLS.

The Planning and Zoning Law provides for the creation of accessory dwelling units by local ordinance, or, if a local agency has not adopted an ordinance, by ministerial approval, in accordance with specified standards and conditions. Existing law prohibits an accessory dwelling unit from being considered a new residential use for purposes of calculating certain fees, including local

agency connection fees or capacity charges for utilities. This bill would express the intent of the Legislature to enact legislation that would reduce impact fees and other existing barriers for homeowners seeking to create accessory dwelling units for the purpose of creating additional residential housing within their neighborhoods.

An act relating to land use.

[SB 19](#)**[Dodd D](#)****Water resources: stream gages.**

Text Version:

Introduced: 12/3/2018

Position: Watch

[html](#) [pdf](#)

Status:

1/16/2019-Referred to Com. on N.R. & W.

Under existing law, the State Water Resources Control Board administers a water rights program pursuant to which the board grants permits and licenses to appropriate water. Existing law, the Open and Transparent Water Data Act, requires the Department of Water Resources, the board, and the Department of Fish and Wildlife to coordinate and integrate existing water and ecological data from local, state, and federal agencies. This bill would require the Department of Water Resources and the board, upon an appropriation of funds by the Legislature, to develop a plan to deploy a network of stream gages that includes a determination of funding needs and opportunities for modernizing and reactivating existing gages and deploying new gages, as specified. The bill would require the department and the board, in consultation with the Department of Fish and Wildlife, the Department of Conservation, the Central Valley Flood Protection Board, interested stakeholders, and, to the extent they wish to consult, local agencies, to develop the plan to address significant gaps in information necessary for water management and the conservation of freshwater species. The bill would require the Department of Water Resources and the board to give priority in the plan to placing or modernizing and reactivating stream gages where lack of data contributes to conflicts in water management or where water can be more effectively managed for multiple benefits and to consider specified criteria in developing the plan.

An act to add Section 144 to the Water Code, relating to water resources.

[SB 45](#)**[Allen D](#)****Wildfire, Drought, and Flood Protection Bond Act of 2020.**

Text Version:

Introduced: 12/3/2018

Position: Watch

[html](#) [pdf](#)

Status:

1/16/2019-Referred to Coms. on N.R. & W., EQ., and GOV. & F.

The California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, approved by the voters as Proposition 68 at the June 5, 2018, statewide primary direct election, authorizes the issuance of bonds in an amount of \$4,000,000,000 pursuant to the State General Obligation Bond Law to finance a drought, water, parks, climate, coastal protection, and outdoor access for all program. This bill would enact the Wildfire, Drought, and Flood Protection Bond Act of 2020, which, if approved by the voters, would authorize the issuance of bonds in an unspecified amount pursuant to the State General Obligation Bond Law to finance projects to restore fire damaged areas, reduce wildfire risk, create healthy forest and watersheds, reduce climate impacts on urban areas and vulnerable populations, protect water supply and water quality, protect rivers, lakes, and streams, reduce flood risk, protect fish and wildlife from climate impacts, improve climate resilience of agricultural lands, and protect coastal lands and resources. This bill contains other related provisions.

An act to add Division 46 (commencing with Section 80200) to the Public Resources Code, relating to public resources, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

[SB 70](#)**[Nielsen R](#)****Central Valley Project: state agency.**

Text Version:

Introduced: 1/9/2019

Position: Watch

[html](#) [pdf](#)

Status:

1/16/2019-Referred to Com. on RLS.

Existing law authorizes the Central Valley Project to provide for the construction, in a specified manner, of a system of works for the conservation, development, storage, distribution, and utilization of water, with incidental generation, transmission, and distribution of electrical power. Existing law defines the term "state agency" for the purpose of the project. This bill would make nonsubstantive changes to that definition.

An act to amend Section 11102 of the Water Code, relating to water resources.

[SB 128](#)**[Beall D](#)****Enhanced infrastructure financing districts: bonds: issuance.**

Text Version:

Introduced: 1/10/2019

Position: Watch

[html](#) [pdf](#)

Status:

1/24/2019-Referred to Com. on GOV. & F.

Existing law authorizes the legislative body of a city or a county to establish an enhanced infrastructure financing district, with a governing body referred to as a public financing authority, to finance public capital facilities or other specified projects of communitywide significance. Existing law authorizes the public financing authority to issue bonds for these purposes upon

approval by 55% of the voters voting on a proposal to issue the bonds. Existing law requires the proposal submitted to the voters by the public financing authority and the resolution for the issuance of bonds following approval by the voters to include specified information regarding the bond issuance. This bill would instead authorize the public financing authority to issue bonds for these purposes without submitting a proposal to the voters. The bill would require the resolution to issue bonds to contain specified information related to the issuance of the bonds. The bill would also make conforming changes.

An act to amend Sections 53398.58, 53398.63, 53398.69, 53398.77, and 53398.88 of, to amend and renumber Section 53398.80.5 of, and to repeal Sections 53398.78, 53398.79, 53398.80, 53398.81, and 53398.82 of, the Government Code, relating to local government.

[SB 134](#)**[Hertzberg D](#)****Water conservation: water loss performance standards: enforcement.**

Text Version:

Introduced: 1/15/2019

Position: Watch

[html](#) [pdf](#)

Status:

1/24/2019-Referred to Com. on N.R. & W.

Existing law requires each urban retail water supplier to calculate an urban water use objective no later than November 1, 2023, and by November 1 every year thereafter. Existing law requires the urban water use objective to be composed of the sum of certain water use estimates, including aggregate estimated efficient water losses. Existing law authorizes the State Water Resources Control Board to issue information orders, written notices, and conservation orders to an urban retail water supplier that does not meet its urban water use objective, and existing law authorizes the board to impose civil liability for a violation of an order or regulation issued pursuant to these provisions, as specified. This bill would prohibit the board from imposing liability for a violation of the performance standards for the volume of water losses except as part of the enforcement of an urban water use objective. This bill contains other existing laws.

An act to amend Section 10608.34 of the Water Code, relating to water conservation.

[SB 200](#)**[Monning D](#)****Safe and Affordable Drinking Water Fund.**

Text Version:

Introduced: 1/31/2019

Position: Watch

[html](#) [pdf](#)

Status:

2/1/2019-From printer. May be acted upon on or after March 3.

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Existing law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. This bill would establish the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are available, upon appropriation by the Legislature, to the board to provide a stable source of funding to secure access to safe drinking water for all Californians, while also ensuring the long-term sustainability of drinking water service and infrastructure.

An act to add Chapter 4.6 (commencing with Section 116765) to Part 12 of Division 104 of the Health and Safety Code, relating to water.

[SB 204](#)**[Dodd D](#)****State Water Project: contracts.**

Text Version:

Introduced: 2/4/2019

Position: Watch

[html](#) [pdf](#)

Status:

2/5/2019-From printer. May be acted upon on or after March 7.

(1) Under existing law, the Department of Water Resources operates the State Water Resources Development System, known as the State Water Project, in accordance with the California Water Resources Development Bond Act to supply water to persons and entities in the state. Existing law requires the department to present to the Joint Legislative Budget Committee and relevant policy and fiscal committees of the Legislature the details of the terms and conditions of a long-term water supply contract between the department and a state water project contractor and to submit a copy of one long-term contract, as prescribed. This bill would instead require the department to provide at least 10 days' notice to the Joint Legislative Budget Committee and relevant policy and fiscal committees of the Legislature before holding public sessions to negotiate any potential amendment of a long-term water supply contract that is of projectwide significance with substantially similar terms intended to be offered to all contractors, or that would permanently transfer a contractual water amount between contractors. The bill would require the department, before the execution of a specified proposed amendment to a long-term water supply contract and at least 60 days before final approval of such an amendment, to submit to the Joint Legislative Budget Committee and relevant policy and fiscal committees of the Legislature certain information regarding the terms and conditions of a proposed amendment of a long-term water supply contract and to submit a copy of the long-term contract as it is proposed to be amended. The bill would prohibit the department from finally approving a long-term water supply contract for 90 days after the first hearing by the Legislature to review the proposed amendment, as specified. This bill contains other related provisions and other existing laws.

An act to add Section 6525.5 to the Government Code, and to add Section 147.6 to, and to repeal and add Section 147.5 of, the Water Code, relating to water.



The Metropolitan Water District of Southern California

NEWS RELEASE

P. O. Box 54153, Los Angeles, California 90054-0153 • (213) 217-6485 • www.mwdh2o.com

Contacts: Rebecca Kimitch, (213) 217-6450; (202) 821-5253, mobile
Maritza Fairfield, (213) 217-6853; (909) 816-7722, mobile

Feb. 12, 2019

METROPOLITAN GENERAL MANAGER'S STATEMENT ON GOV. NEWSOM'S STATE OF THE STATE ADDRESS, CALIFORNIA WATERFIX

Jeffrey Kightlinger, general manager of the Metropolitan Water District of Southern California, issues the following statement on Gov. Gavin Newsom's comments regarding California WaterFix during his State of the State address today:

“Metropolitan welcomes Governor Newsom’s endorsement of modernizing California’s water conveyance system in the Delta. While a single tunnel project will not resolve all pumping problems in the Delta and is less flexible for dealing with climate change impacts, it is imperative that we move forward rapidly on a conveyance project. Having no Delta fix imperils all of California. We intend to work constructively with the Newsom Administration on developing a refined California WaterFix project that addresses the needs of cities, farms and the environment.”

###

The Metropolitan Water District of Southern California is a state-established cooperative that, along with its 26 cities and retail suppliers, provide water for nearly 19 million people in six counties. The district imports water from the Colorado River and Northern California to supplement local supplies, and helps its members to develop increased water conservation, recycling, storage and other resource-management programs.

SUPPORT THE SAFE DRINKING WATER TRUST



A STATEWIDE WATER TAX IS NOT THE RIGHT APPROACH

Why is the Trust a better approach?

- The vast majority of Californians have access to safe drinking water. However, some disadvantaged communities do not. This is a public health issue that the state must address.
- In 2018, the Legislature approved \$3 million for the preparation of a water systems needs analysis, and the State Water Resources Control Board is now determining how it will perform the analysis.
- Key to resolving the issue is addressing the funding gap for operation and maintenance (O&M) costs for community water systems that treat the water. O&M costs generally cannot be financed with existing federal and state safe drinking water funding sources.
- A financial solution is needed for O&M and consolidation costs that can complement existing funding sources for capital costs.
- The Association of California Water Agencies (ACWA) and the California Municipal Utilities Association (CMUA) are sponsoring legislation to create a Safe Drinking Water Trust (Trust).
- The Trust's principal would be initially financed with a one-time infusion of General Fund dollars during a budget surplus year. With the record budget surplus for the 2019-20 Fiscal Year, this is the perfect year to create and fund the Trust.
- Funding this durable Trust via the General Fund, which is based largely on a progressive source of revenue, makes sense because taxpayers with higher incomes would contribute more, and taxpayers with lower incomes would contribute less.
- The Trust's principal would be invested, and the net income would be transferred to a Safe Drinking Water Fund, which the State Water Resources Control Board would administer.

Why is a proposed statewide water tax not the right approach?

- It is not sound policy to tax a resource that is essential to life.
- State law sets forth a policy of a human right to water for human consumption that is safe, clean, affordable and accessible. Adding a regressive statewide water tax on local water bills would work against keeping water affordable for all Californians.
- It would be highly inefficient to have over 3,000 local water agencies become tax collectors for the state because the resulting combined local administrative costs would exceed the combined state tax revenue collected from the local water bills.

For more information contact

Cindy Tuck, ACWA Deputy Executive Director for Government Relations, at cindy@acwa.com
or **Danielle Blacet**, CMUA Director for Water, at dblacet@cmua.org.



DIRECTOR EXPENSE SHEET

ITEM 8.B

Submit Form

NAME: Brian Bowcock, Division 3

MONTH / YEAR January 2019

No	Day	Title of Meeting / Description	Mileage (assumed as round trip unless noted)				Meeting Compensation
			From City	To City	Miles	Miles \$	
1	7	TVMWD SPECIAL MEETING, PERSONNEL	La Verne	Claremont	10.0	\$ 5.80	\$ 200.00
Met with GM to discuss Strategic Plan for the District dealing with personnel							
2	8	WOA / Admin. /Finance Committee	La Verne	W. Covina	35.0	\$ 20.30	\$ 200.00
Regular meeting of the committees attending as the alternate.							
3	9	WOA Legislation Committee	La Verne	W. Covina	35.0	\$ 20.30	\$ 200.00
Regular meeting of the committee as alternate, discuss hiring a new lobbyist							
4	11	D & M Directors meeting	La Verne				\$ 200.00
Discuss issues dealing with the county and Local Police Dept.							
5	22	WOA BOD meeting	La Verne	W. Covina	35.0	\$ 20.30	\$ 200.00
Regular monthly meeting of the board to discuss issues in the area. Along with La Verne City Council later that evening.							
6	23	TVMWD special meeting	La Verne	Claremont	10.0	\$ 5.80	\$ 200.00
Interview candidates for Directors open seat.							
7	24	SCWUA	La Verne				\$ 200.00
Meeting with the staff and committee to discuss the upcoming event with local high school students							
8	28	ACWA REGION 8 meeting Los Angeles MWD	La Verne				\$ 200.00
Quarterly meeting of the BOD to set ump events for 2019							
9	29	Claremont University Club	La Verne				\$ 200.00
Regular weekly meeting speaker from Cal Poly. The history of the campus.							
10	31	Citrus College	La Verne	Glendora	20.0	\$ 11.60	\$ 200.00
Meeting with CEO to discuss Finance Committee and Strategic Planning Committee .							

No	Day	Miscellaneous Expense (please itemize each expense)	Misc. Expense
1			
2			
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I certify the above is correct and accurate to the best of my knowledge

Signature

Subtotal Miscellaneous Expense	\$ 0.00
Subtotal Mileage	\$ 84.10
Subtotal Meeting Compensation	\$ 2,000.00
Subtotal All	\$ 2,084.10
Mandatory Deferred Compensation @ 7.5%	(\$ 150.00)
Voluntary Deferred Compensation <i>(negative entry; default @ 0)</i>	(\$ 800.00)
TOTAL	\$ 1,134.10

* Mileage is reimbursed at IRS Standard Business Mileage Rate

**Directors are eligible for ten meeting days per month at \$200 per day. Ordinance Nos. 02-01-7 and 02-07-15



DIRECTOR EXPENSE SHEET

Submit Form

ITEM 8.B

NAME: David De Jesus, MWD

MONTH / YEAR

January

2019

No	Day	Title of Meeting / Description	Mileage (assumed as round trip unless noted)				Meeting Compensation
			From City	To City	Miles	Miles \$	
1	2	Conference call with Operations Manager Jim Green					\$ 200.00
Monthly meeting with Mr. Jim Green on E&O Committee related issues, projects and operations							
2	3	San Gabriel Valley Caucus Meeting					\$ 200.00
Joined SGV directors (Pasadena, San Mario, Foothill, and Upper District) for a discussion on issues impacting our respective areas.							
3	4	Northern Caucus Group Meeting					\$ 200.00
Meeting with directors and management to discuss previous months operations and this months agenda items.							
4	7	Committee Meetings					\$ 200.00
Attended various meetings which will be reported on at the regularly scheduled Three Valley Meeting							
5	8	Board Meeting					\$ 200.00
Attended the Board meeting the details of which will be reported at the Three Valleys Meeting or video of which can be found on the MWD website							
6	9	Colorado River Board Meeting					\$ 200.00
Monthly meeting with the key issue on hand being the water systems water supply and the Drought Contingency Plan that is nearing approval of all of the seven Basin States.							
7	17	Annual IMC State of the city address					\$ 200.00
Attended the meeting and heard various city of Industry speakers talk about the the upcoming challenges in 2019. Topics included recycled water needs and business growth. Surveys taken identified infrastructure (pipes, waterways) as the #4 most important issue							
8	22	Special Board Meeting					\$ 200.00
The key item was settlement proposals with San Diego County Water Authority lawsuits. This was a CLOSED SESSION DISCUSSION ITEM							
9	25	Quarterly SCWC general membership meeting					\$ 200.00
The participants were treated to a robust discussion and candid look into the changing landscape of the States new administration and the expected approach to the Cal-Fix.							
10	29	Conference call meeting with COO Upadhyay					\$ 200.00
The main topic of discussion was the Colorado Basin states issues related to the Drought Contingency Plan that needs to be signed soon before the Feds interject their rule into the process.							

No	Day	Miscellaneous Expense (please itemize each expense)	Misc. Expense
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Subtotal Miscellaneous Expense	\$ 0.00
Subtotal Mileage	\$ 0.00
Subtotal Meeting Compensation	\$ 2,000.00
Subtotal All	\$ 2,000.00
Mandatory Deferred Compensation @ 7.5%	(\$ 150.00)
Voluntary Deferred Compensation <i>(negative entry: default @ 0)</i>	(\$ 1,150.00)
TOTAL	\$ 700.00

I certify the above is correct and accurate to the best of my knowledge

Signature

* Mileage is reimbursed at IRS Standard Business Mileage Rate

**Directors are eligible for ten meeting days per month at \$200 per day. Ordinance Nos. 02-01-7 and 02-07-15



DIRECTOR EXPENSE SHEET

Submit Form

ITEM 8.B

NAME: David De Jesus, Division 2

MONTH / YEAR

January

2019

No	Day	Title of Meeting / Description	Mileage (assumed as round trip unless noted)				Meeting Compensation
			From City	To City	Miles	Miles \$	
1	10	Chino Basin Appropriative Committee Meeting	Walnut	Ranch C	42.0	\$ 24.36	\$ 200.00
Annual meeting to assign committee representatives for calendar 2019, additionally regional acceptance of a modified salt loading plan in the basin was presented. The blending plan will assist in reducing the TDS values of recharged water.							
2	11	Special Chino Basin Board Meeting	Walnut				\$ 200.00
Confidential session meeting to discuss the ongoing issue related to basin operations in particular the court mandated safe yield reset and the producers opposition. This meeting was attended via conference call.							
3	14	San Gabriel Valley Regional Chamber Government Affairs Committee	Walnut	Diamond Bar	10.0	\$ 5.80	\$ 200.00
General discussion regarding the economic impacts to the region was reported, in addition i was able to provide the group with an update on water supply and the need to maintain a strong water conservation message.							
4	15	Executive Committee Meeting	Walnut	Glendora	18.0	\$ 10.44	\$ 200.00
Met with the president and GM to discuss protocols and process regarding the special board meeting. The key focus was on transparency and fairness of the interviews.							
5	16	Board Meeting	Walnut	Claremont	38.0	\$ 22.04	\$ 200.00
Regular district board meeting where I took action on agendized issues in representation of Division 2 residents and reported on the activities attended at MWD and fielded questions as usual.							
6	23	Special Board Meeting	Walnut	Claremont	38.0	\$ 22.04	\$ 200.00
Special board to interview prospective candidates to Division 7 in light of the resignation of long time board member Dan Horan.							
7	24	Chino Basin Board Meeting	Walnut	Ranch C	42.0	\$ 24.36	\$ 200.00
Attended board meeting as the districts alternate to director Kuhn. the board was provided with various reports related to salinity management, 2020 safe yield and recalculation requirements.							
8	28	San Gabriel Valley Water Association	Walnut	Azusa	20.0	\$ 11.60	\$ 200.00
Attended the board meeting and provided the group with monthly updates on both MWD and TVMWD.							
9	30	Meeting with Board President and former GM	Walnut	Glendora	24.0	\$ 13.92	\$ 200.00
Met with the board president and former GM to discuss projects that may be in progress upon his retirement in late December that needed to be vetted of issues. Discussion ensued regarding the historical perspective on certain district issues and the need to understand those for a successful outcome.							
10			Walnut				

No	Day	Miscellaneous Expense (please itemize each expense)	Misc. Expense
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I certify the above is correct and accurate to the best of my knowledge

Signature _____

Subtotal Miscellaneous Expense	\$ 0.00
Subtotal Mileage	\$ 134.56
Subtotal Meeting Compensation	\$ 1,800.00
Subtotal All	\$ 1,934.56
Mandatory Deferred Compensation @ 7.5%	(\$ 135.00)
Voluntary Deferred Compensation <i>(negative entry: default @ 0)</i>	(\$ 1,150.00)
TOTAL	\$ 649.56

* Mileage is reimbursed at IRS Standard Business Mileage Rate

**Directors are eligible for ten meeting days per month at \$200 per day. Ordinance Nos. 02-01-7 and 02-07-15



DIRECTOR EXPENSE SHEET

Submit Form

ITEM 8.B

NAME: Carlos Goytia, Division 1

MONTH / YEAR

January

2019

No	Day	Title of Meeting / Description	Mileage (assumed as round trip unless noted)				Meeting Compensation
			From City	To City	Miles	Miles \$	
1	7	Pomona City Council	Pomona	Pomona	8.0	\$ 4.64	\$ 200.00
Attended Pomona City Council Meeting and met w/Mayor Sandoval to discuss City and water related issues							
2	8	MWD Inaugural Reception	Pomona	Los Angeles	60.0	\$ 34.80	\$ 200.00
Attended Inaugural Reception for newly Elected MWD Chairwoman Gloria Gray. Met w/Regional Water Leaders throughout the region							
3	9	SG Water Master	Pomona	Azusa	34.0	\$ 19.72	\$ 200.00
Attended regular Board Meeting - Discussions & Deliberations							
4	12	Senator S. Rubio Event	Pomona	San Gabriel	44.0	\$ 25.52	\$ 200.00
Attended and met with Newly Elected Senator S. Rubio							
5	16	TVMWD Board Meeting	Pomona	Claremont	32.0	\$ 18.56	\$ 200.00
Attended and participated in board room discussions and deliberations							
6	17	SGVCOG Board Meeting	Pomona	Monrovia	38.0	\$ 22.04	\$ 200.00
Attended and participated in board room discussions and deliberations							
7	18	Walnut Valley BM/Reception	Pomona	Walnut	16.0	\$ 9.28	\$ 200.00
Attended Reception of Newly Elected Walnut City Councilmember Allen Wu. Also attended regular Board meeting							
8	23	TVMWD Special Board Meeting	Pomona	Claremont	32.0	\$ 18.56	\$ 200.00
Attended and participated in special board meeting to interview and appoint new Director for Division 7							
9	24	Pomona Chamber Event	Pomona	Pomona	8.0	\$ 4.64	\$ 200.00
Attended Chamber Event to welcome Newly Elected Pomona City Councilmembers							
10	26	Meeting w/Senator Leyva & Assemblymember. Rodriguez	Pomona	Ontario	30.0	\$ 17.40	\$ 200.00
Met w/Senator Leyva & Assemblymember Rodriguez to discuss regional issues and how we can collaboratively work together							

No	Day	Miscellaneous Expense (please itemize each expense)	Misc. Expense
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I certify the above is correct and accurate to the best of my knowledge

Signature

Subtotal Miscellaneous Expense \$ 0.00

Subtotal Mileage \$ 175.16

Subtotal Meeting Compensation \$ 2,000.00

Subtotal All \$ 2,175.16

Mandatory Deferred Compensation @ 7.5% (\$ 150.00)

Voluntary Deferred Compensation *(negative entry; default @ 0)* \$ 0.00

TOTAL \$ 2,025.16

* Mileage is reimbursed at IRS Standard Business Mileage Rate

**Directors are eligible for ten meeting days per month at \$200 per day. Ordinance Nos. 02-01-7 and 02-07-15

NAME: Denise Jackman, Division VII

MONTH / YEAR

January

2019

No	Day	Title of Meeting / Description	Mileage (assumed as round trip unless noted)				Meeting Compensation
			From City	To City	Miles	Miles \$	
1	23	Special Meeting / Division 7 Appointment	Rowland Heights	Claremont	45.6	\$ 26.45	\$ 200.00
Swearing in, work with Matt in documents that needed to be signed for County purposes; meeting regarding what is next.							
2	28	Orientation Meeting with TVMWD	Rowland Heights	Claremont	45.6	\$ 26.45	\$ 200.00
Orientation with Liz regarding benefits; Meeting with Kirk regarding background of TVMWD and area represented. Tour with Dom of TV Campus.							
3			Walnut				
4			Walnut				
5			Walnut				
6			Walnut				
7			Walnut				
8			Walnut				
9			Walnut				
10			Walnut				

No	Day	Miscellaneous Expense (please itemize each expense)	Misc. Expense
1			
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Subtotal Miscellaneous Expense \$ 0.00

Subtotal Mileage \$ 52.90

Subtotal Meeting Compensation \$ 400.00

Subtotal All \$ 452.90

Mandatory Deferred Compensation @ 7.5% (\$ 30.00)

Voluntary Deferred Compensation (negative entry, default @ 0) \$ 0.00

TOTAL \$ 422.90

I certify the above is correct and accurate to the best of my knowledge

Signature



* Mileage is reimbursed at IRS Standard Business Mileage Rate

**Directors are eligible for ten meeting days per month at \$200 per day. Ordinance Nos. 02-01-7 and 02-07-15



DIRECTOR EXPENSE SHEET

Submit Form

ITEM 8.B

NAME: Bob Kuhn, Division 4

MONTH / YEAR January 2019

No	Day	Title of Meeting / Description	Mileage (assumed as round trip unless noted)				Meeting Compensation
			From City	To City	Miles	Miles \$	
1	2	Meeting with Adam Raymond, new City Manager, City of Glendora	Glendora	Glendora	0.0	\$ 0.00	\$ 200.00
Introduction to Three Valleys MWD and how we intertwine with the City of Glendora							
2	3	Glendora Chamber of Commerce Legislative Committee Meeting	Glendora	Glendora	4.0	\$ 2.32	\$ 200.00
Update on water issues in the San Gabriel Valley							
3	7	San Gabriel Talk Group Monthly Meeting	Glendora	Claremont	18.0	\$ 10.44	\$ 200.00
Met with Mayor and City Council Members							
4	8	Speaker - Glendora Women's Club	Glendora	Glendora	2.0	\$ 1.16	\$ 200.00
Update on water issues in the San Gabriel Valley							
5	16	Three Valleys MWD Board Meeting	Glendora	Claremont	20.0	\$ 11.60	\$ 200.00
6	21	Breakfast meeting with General Manager Matt Litchfield & Peter Kavounas	Glendora	Claremont	18.0	\$ 10.44	\$ 200.00
Chino Basin Watermaster							
7	23	Three Valleys MWD Special Board Meeting	Glendora	Claremont	18.0	\$ 10.44	\$ 200.00
Interview applicants for Division VII vacancy.							
8	24	Meeting with GM Matt Litchfield & 2 staff from City of Glendora	Glendora	Glendora	0.0	\$ 0.00	\$ 200.00
Partnering on well project.							
9	29	Meeting with GM Matt Litchfield, Mike Holmes & Steve Patton	Glendora	Claremont	18.0	\$ 10.44	\$ 200.00
Follow-up to 1/24 meeting							
10			Glendora				

No	Day	Miscellaneous Expense (please itemize each expense)	Misc. Expense
1			
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I certify the above is correct and accurate to the best of my knowledge

Signature

Subtotal Miscellaneous Expense	\$ 0.00
Subtotal Mileage	\$ 56.84
Subtotal Meeting Compensation	\$ 1,800.00
Subtotal All	\$ 1,856.84
Mandatory Deferred Compensation @ 7.5%	(\$ 135.00)
Voluntary Deferred Compensation <i>(negative entry; default @ 0)</i>	(\$ 1,665.00)
TOTAL	\$ 56.84

* Mileage is reimbursed at IRS Standard Business Mileage Rate

**Directors are eligible for ten meeting days per month at \$200 per day. Ordinance Nos. 02-01-7 and 02-07-15



DIRECTOR EXPENSE SHEET

Submit Form

ITEM 8.B

NAME: John Mendoza, Division 6

MONTH / YEAR January 2019

No	Day	Title of Meeting / Description	Mileage (assumed as round trip unless noted)				Meeting Compensation
			From City	To City	Miles	Miles \$	
1	8	MWD Board meeting	Pomona	L.A.			\$ 200.00
Meeting of MWD Board and installation of new Chair Gloria Gray							
2	10	SGV Economic Partnership Tax credit workshop	Pomona	El Monte			\$ 200.00
New tax credits for businesses. Attended by businesses and Utilities agencies.							
3	14	SGV Regional Chamber Government Affairs.	Pomona	Diamond Bar			\$ 200.00
Meeting of local businesses and local government officials to discuss on important issues and laws.							
4	15	Chino Basin Watermaster meeting	Pomona	Rancho Cucamonga			\$ 200.00
OBMP meeting of stakeholders to review and discuss future projects.							
5	16	TVMWD Board of Directors meeting	Pomona	Claremont			\$ 200.00
Meeting of Board to discuss and vote on issues and projects.							
6	23	TVMWD Special Board Meeting	Pomona	Claremont			\$ 200.00
Interview of candidates for vacant TVMWD Board seat.							
7	24	SCWUA Luncheon	Pomona	Pomona			\$ 200.00
Luncheon of member agencies and local officials. Topic Climate Change and legislation.							
8	25	SCWC Quarterly Luncheon	Pomona	Irvine			\$ 200.00
Water forum focused on the new laws and issues as related to State and Federal elections.							
9	28	Pomona City Council	Pomona	Pomona			\$ 200.00
City Council voted to approve water rate increases.							
10			Pomona				

No	Day	Miscellaneous Expense (please itemize each expense)	Misc. Expense
1			
2			
3			
4			
5			

Subtotal Miscellaneous Expense	\$ 0.00
Subtotal Mileage	\$ 0.00
Subtotal Meeting Compensation	\$ 1,800.00
Subtotal All	\$ 1,800.00
Mandatory Deferred Compensation @ 7.5%	(\$ 135.00)
Voluntary Deferred Compensation <i>(negative entry; default @ 0)</i>	\$ 0.00
TOTAL	\$ 1,665.00

I certify the above is correct and accurate to the best of my knowledge

Signature

* Mileage is reimbursed at IRS Standard Business Mileage Rate

**Directors are eligible for ten meeting days per month at \$200 per day. Ordinance Nos. 02-01-7 and 02-07-15



DIRECTOR EXPENSE SHEET

Submit Form

ITEM 8.B

NAME: Joe Ruzicka, Division 5

MONTH / YEAR

January

2019

No	Day	Title of Meeting / Description	Mileage (assumed as round trip unless noted)				Meeting Compensation
			From City	To City	Miles	Miles \$	
1	7	TVMWD - Ad Hoc Committee	Diamond Bar	Claremont	40.0	\$ 23.20	\$ 200.00
Attended and discussed organizational issues.							
2	8	RWD - Board Meeting	Diamond Bar	Rowland Hgts.	14.0	\$ 8.12	\$ 200.00
Attended and apprised myself of the issues of concern to a member agency.							
3	9	LAFCO - Commission MEeting	Diamond Bar	Los ANgeles	60.0	\$ 34.80	\$ 200.00
Attended and participated in the deliberations.							
4	14	SGV Regional Chamber - GAC	Diamond Bar	Diamond Bar	6.0	\$ 3.48	\$ 200.00
Attended and discussed legislative issues with congressional and state legislative representatives.							
5	16	TVMWD - Board Meeting	Diamond Bar	Claremont	40.0	\$ 23.20	\$ 200.00
Attended and participated in the deliAberations.							
6	22	WVWD - Board District	Diamond Bar	Walnut	10.0	\$ 5.80	\$ 200.00
Attended and apprised myself of the issues of concern to a member aggency.							
7	23	TVMWD - Board Meeting	Diamond Bar	Claremont	40.0	\$ 23.20	\$ 200.00
Attended and participated in deliberations concerning appointment of a new board member to fill a vacancy.							
8	24	Los Angeles County COB - Board Meeting	Diamond Bar	Los Angeles	60.0	\$ 34.80	\$ 200.00
Attended and chaired a meeting of the Consolidated Oversight Board and participated in the deliberations.							
9			Diamond Bar				
10			Diamond Bar				

No	Day	Miscellaneous Expense (please itemize each expense)	Misc. Expense
1			
2			
3			
4			
5			

I certify the above is correct and accurate to the best of my knowledge

Signature _____

Subtotal Miscellaneous Expense	\$ 0.00
Subtotal Mileage	\$ 156.60
Subtotal Meeting Compensation	\$ 1,600.00
Subtotal All	\$ 1,756.60
Mandatory Deferred Compensation @ 7.5%	(\$ 120.00)
Voluntary Deferred Compensation <i>(negative entry; default @ 0)</i>	\$ 0.00
TOTAL	\$ 1,636.60

* Mileage is reimbursed at IRS Standard Business Mileage Rate

**Directors are eligible for ten meeting days per month at \$200 per day. Ordinance Nos. 02-01-7 and 02-07-15



Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: February 20, 2019
Subject: **FY 2019-20 Strategic Plan**

<input checked="" type="checkbox"/>	For Action	<input type="checkbox"/>	Fiscal Impact	\$
<input type="checkbox"/>	Information Only	<input type="checkbox"/>	Funds Budgeted:	

Staff Recommendation:

Staff is recommending approval of the FY 2019-20 Strategic Plan.

Background:

The Strategic Plan is derived from TVMWD's mission and vision statements, as these statements provide a big picture perspective regarding TVMWD. The purpose of the strategic plan is to:

- Clarify the purpose of TVMWD
- Create a roadmap for achieving TVMWD's mission and vision
- Communicate this information to employees, board members, member agencies and citizens affected by TVMWD

The Strategic Plan sets the priorities for the upcoming fiscal year that determines the budget and thus the rates and charges.

Discussion:

Attached for review is a draft of the FY 2019-20 Strategic Plan. Staff made the following changes of note from the FY 2018-19 Strategic Plan:

- Page 2
 - Updated Organizational Chart to reflect removal of Assistant General Manager, reclassification of the Water Operations Manager to Chief Operations Officer, addition of Instrumentation/Electrical System Operator and realignment of Executive Assistant to report to the General Manager.
- Page 3
 - Updated Industry Outlook to reflect current conditions
- Page 5
 - Added three action items to Objective 1.5
 - Take advantage of the technological advances that GIS can bring
 - Standardize engineering procedures
 - Consider options to reduce risk associated with the Williams section of the Miramar Transmission Pipeline

- Page 6
 - Added one action item to Objective 2.4
 - Evaluate the organizational structure. This is in progress, with the first changes reflect in the Organizational Chart as noted above.
- Page 7
 - Added one action item to Objective 3.2
 - Improve TVMWD website
 - Added one action item to Objective 3.3
 - Review TVMWD agreements
 - Added one action item to Objective 3.5
 - Provide additional learning opportunities for board members
- Page 10
 - All goal amounts for reserves were updated
- Page 12
 - The Bureau of Labor Statistics separated the Los Angeles and Riverside region used previously. The new regional index is Los Angeles, Long Beach and Anaheim.
- Pages 13-18
 - Updated the Five-Year Capital program
- Page 19
 - To summarize the Strategic Plan, the budget priorities were updated to focus on:
 - Improving groundwater production
 - Modifying the treatment plant to address concerns associated with disinfection byproducts and taste and odor
 - Increase storage options and capabilities within Six Basins, Chino Basin and Main San Gabriel Basin
 - Expand PM-26 to improve storage capabilities.

Strategic Plan Objective(s):

3.3 – Be accountable and transparent with major decisions

Attachment(s):

Exhibit A – FY 2019-20 Strategic Plan (Draft)

Meeting History:

None

MC/JL

DRAFT



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FY 2019-2020

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DISTRICT MISSION

The mission of Three Valleys Municipal Water District is to supplement and enhance local water supplies to meet our region's needs in a reliable and cost-effective manner.

DISTRICT VISION

The District meets its regional water supply needs through:

- 1. Collaboration with its member agencies to understand their short-term and long-term needs,**
- 2. Development and implementation of a plan to address these needs in a cost-effective manner based on current water conditions, and**
- 3. Periodic update of the plan as needs or as major changes in water conditions occur.**

DISTRICT CORE VALUES

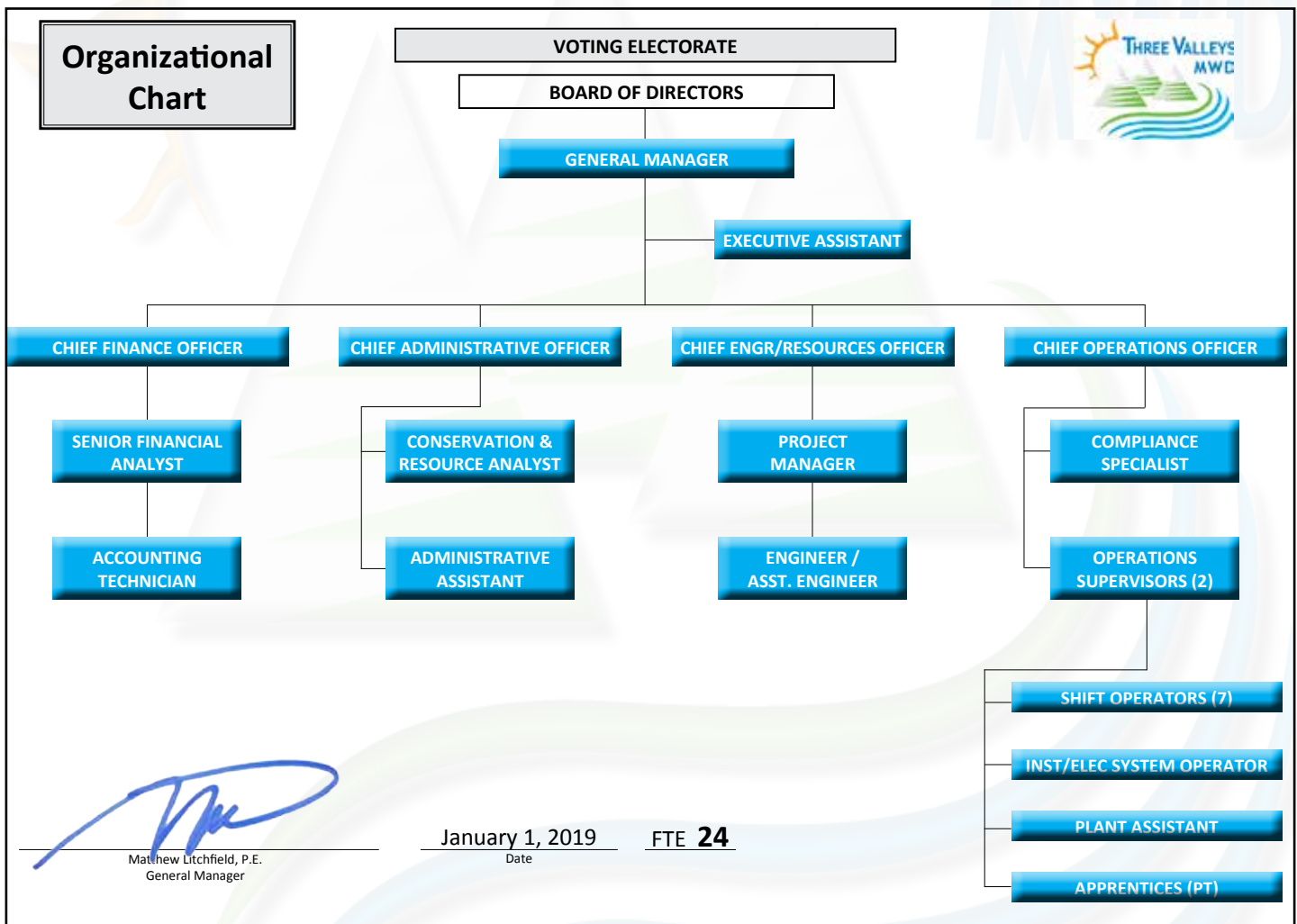
To achieve success, TVMWD must have a set of core values from which it bases its policies and actions. For TVMWD to meet current and future challenges, the single most important factor to our success is faithful and consistent adherence to these values.

- Teamwork**
- Communication**
- Customer Service**
- Personal Responsibility**
- Professional Integrity**
- Employee Development**
- Innovation**
- Recognition**

DISTRICT PROFILE

TVMWD is a special district formed by public election in 1950 and is the area’s primary source of supplemental water covering the Pomona, Walnut and East San Gabriel Valleys. TVMWD is one of 26-member agencies of the Metropolitan Water District of Southern California (MWD) that is authorized to deliver wholesale water supplies from the Colorado River and Northern California. The region served by TVMWD spans over 133 square miles and serves 13 retail member agencies, that in turn serve a population of over 500,000.

TVMWD’s operations consist of a conventional surface water treatment plant, a state certified laboratory, two groundwater wells, five hydroelectric generators rated with a potential of 1.1 megawatts, residual solids removal, groundwater recharge pipelines, spreading grounds, pump stations, and transmission pipelines. Water is treated at the Miramar Treatment Plant and wholesaled to local agencies by way of several miles of pipeline. Approximately 30% of TVMWD’s total treated sales are from the Miramar Treatment Plan, while the remaining 70% is from MWD’s Weymouth Treatment Plant. TVMWD receives a Tier 1 water supply allotment from MWD of 80,688 AFY. TVMWD has water storage accounts in Six Basins (stored: 3,482 AF; capacity: 3,500 AF) and Main San Gabriel Basin (stored: 2,706 AF; capacity: 40,000 AF).



TVMWD is governed by a Board of Directors elected by the registered voters residing within TVMWD’s boundaries. The Board averages over 12 years of experience with TVMWD. The executive management team has a combined 70 years of experience with TVMWD and 108 years of experience in the water industry. This stability provides a tremendous benefit to TVMWD.

DISTRICT PROFILE (continued)

TVMWD is accredited by Special District Leadership Foundation as a District of Distinction, which demonstrates that TVMWD:



- Understands and respects the responsibilities inherent in providing essential public services.
- Has clean financial audits and operates in a fiscally responsible and transparent manner.
- Is conscious of the ever-changing operating environment by having current and relevant policies and procedures in place that conform to all statutes and regulations under state law.
- Places an emphasis on continuing education. Complete training by each of the district's board members and executive staff in ethics, governance and leadership.
- Focuses on having sound policies in the areas of governance, board conduct, district finances, transparency and reserves.

TVMWD was also recognized by SDLF with the District Transparency Certificate of Excellence. This certificate demonstrates TVMWD's commitment to being open, accessible and engaging to the public and creates a greater awareness of TVMWD's activities.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to TVMWD for its CAFR for the fiscal year ended June 30, 2017. This was the eleventh consecutive year that TVMWD has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

INDUSTRY OUTLOOK

Northern California and the Upper Colorado River Basin continue to experience dramatic fluctuations in hydrologic conditions with off-and-on dry or wet periods. These fluctuations can have an impact on the imported water supplies Southern California receives from both the State Water Project (SWP) and the Colorado River Aqueduct (CRA).

The Department of Water Resources (DWR) allocates water from the SWP annually to each of the twenty-nine SWP contractors throughout the state. Last year's rainfall and snowpack allowed for a SWP allocation of 35%, which was sufficient to allow MWD to utilize only a small amount of storage reserves. As of early February, California's major reservoirs are slightly above their historical averages, while snowpack accumulation is also above normal.

State Water Project Five Year Allocation History

Year	Allocation	Acre-Feet
2018	35%	700,000
2017	85%	1,700,000
2016	60%	1,200,000
2015	20%	400,000
2014	5%	100,000

INDUSTRY OUTLOOK (continued)

The CRA is the other major source of Southern California's imported water supply. MWD receives a base supply each calendar year which is comprised of two components, MWD's Basic Apportionment 550,000 acre-feet, and the established Colorado River supply programs 395,000 acre-feet. MWD's Basic Apportionment of water from the CRA will increase or decrease from year to year depending on the amount of water available after the higher priority agricultural users receive their allotment. Another factor which can impact MWD's water supply from the CRA is the volume of water at Lake Mead. Unless the Colorado River Watershed experiences some wet winters and greater snowpack, MWD anticipates a likelihood of a water shortage in Lake Mead for CY 2020 that will impact MWD's CRA supplies.

In his ongoing effort to make conservation a way of life in California, then Governor Brown signed legislation on May 31, 2018, establishing statewide water efficiency goals to help the state better prepare for droughts and climate change. SB 606 and AB 1668 will require cities and water districts across the state to set permanent water conservation rules, even in non-drought years. Both bills provide guidelines for efficient water use and a framework for the implementation and oversight of the new standards which must be in place by 2020.

On the horizon, the California WaterFix is moving forward. This project is an infrastructure upgrade that will improve the reliability and sustainability of California's aging water system, improve river flows and benefit the fragile Sacramento-San Joaquin Delta (Delta) ecosystem. The main infrastructure improvements will be three new water intakes in the northern Delta and two tunnels to carry the water under the Delta to the existing aqueduct systems in the southern Delta that deliver water to cities and farms. The project will take approximately 18 years for completion.

DISTRICT OUTLOOK

California's climate uncertainties are ongoing and will continue to bring water supply issues and challenges throughout the state well into the future. TVMWD understands how critical water supply reliability and conservation efforts are and has taken an active role in addressing these issues. TVMWD expressed strong support to MWD for moving forward with the California WaterFix project which is critical to ensure the safety, reliability and affordability of our state's water supply and in turn our region. TVMWD continues to work with MWD and our member agencies at the local and regional level in finding alternate sources of water at a reasonable cost and assisting with their various conservation programs. Preserving our water supplies for the future and in case of emergencies such as a catastrophic earthquake is at the forefront of TVMWD's goals.

DISTRICT GOALS

The following goals have been identified to assist TVMWD in executing its mission:

1. Provide an adequate, reliable, high-quality water supply
2. Provide water supplies in the most cost-effective manner
3. Be financially responsible and maintain the public's trust

Each goal has a number of specific objectives and actions to support the goal.

DISTRICT GOALS (continued)

Goal #1 - Provide an Adequate, Reliable, High-Quality Water Supply

Objective	Action
1.1 Secure water supplies that exceed the estimated annual demands by 10%	<ul style="list-style-type: none"> ▪ TVMWD Water Supply Master Plan <ul style="list-style-type: none"> ○ Obtain information annually from member agencies regarding their short-term and long-term needs ○ Update TVMWD's needs and obtain additional supplies if necessary
1.2 100% compliance with water quality standards	<ul style="list-style-type: none"> ▪ Comply with all EPA and State Water Board standards for safe drinking water ▪ Update treatment methods as necessary
1.3 Maintain diverse sources of water supplies and storage, and increase extractable water storage supplies to 10,000 AF	<ul style="list-style-type: none"> ▪ Comply with MWD 10-year Purchase Order agreement ▪ Rehab underperforming wells or install new wells to increase extraction capabilities ▪ Enhance spreading capabilities throughout TVMWD ▪ Utilize full MWD Tier 1 allotment to increase storage in local basins ▪ Participate in regional collaborative efforts to bolster local water supplies including wellhead treatment projects
1.4 Capable of delivering 10,000 AFY from local sources in case of drought or catastrophe	<ul style="list-style-type: none"> ▪ Rehab underperforming wells or install new wells to increase extraction capabilities ▪ Continuously update emergency plans/procedures and perform test drills ▪ Participate in regional collaborative efforts to bolster local water supplies including wellhead treatment projects
1.5 Maintain water infrastructure to assure 100% reliability	<ul style="list-style-type: none"> ▪ Update Five-Year Capital Investment Program ▪ Invest in qualified personnel, provide proper training and strive for 90% retention of permanent staff ▪ Implement full enterprise GIS (geographic information system) ▪ Standardize engineering procedures ▪ Assess options for Williams section of the Miramar Transmission Pipeline
1.6 Utilize water use efficiency programs to lower demand and stretch supplies	<ul style="list-style-type: none"> ▪ Maintain level of regional water use efficiency program assistance to comply with California Water Efficiency Partnership and state law ▪ Determine outcome of TVMWD Water Supply Master Plan and consider development of a action plan to address various conditions
1.7 Advocate for a Delta fix	<ul style="list-style-type: none"> ▪ Communicate importance of the California WaterFix to target audience ▪ Utilize ACWA, MWD, CSDA and other resources to focus on the key elements and need for the California WaterFix and related programs

DISTRICT GOALS (continued)

Goal #2 – Provide Water Supplies in the Most Cost-Effective Manner

Objective	Action
2.1 Utilize 10,000 AF of well production to meet annual demands	<ul style="list-style-type: none"> ▪ Enhance spreading capabilities throughout TVMWD ▪ Rehab underperforming wells or install new wells to increase extraction capabilities ▪ Shift more demand from the Weymouth plant to well production
2.2 Utilize 20,000 AF of Miramar treatment plant production to meet annual demands	<ul style="list-style-type: none"> ▪ Shift more demand from the Weymouth Plant to the Miramar Plant ▪ Consider additional connections or agreements to maximize Miramar sales
2.3 Manage water infrastructure and staff operations to minimize costs	<ul style="list-style-type: none"> ▪ Utilize full Tier 1 allotment by storing water or marketing water to other agencies when available ▪ Update Five-Year Capital Investment Program ▪ Invest in qualified personnel, provide proper training and strive for 90% retention of permanent staff ▪ Utilize partnership opportunities to share costs with local basins, water agencies, etc. ▪ Network with other treatment plants for BMPs ▪ Maximize a safe working environment to decrease insurance costs and time lost ▪ Utilize new technology or techniques to meet water quality standards efficiently
2.4 Evaluate short-term and long-term workforce needs to achieve optimal efficiency and cost effectiveness without sacrificing employee morale or productivity	<ul style="list-style-type: none"> ▪ Evaluate technological advances that can increase staff efficiency including full enterprise GIS ▪ Evaluate whether tasks are best handled by outside contractors or in-house employees ▪ Evaluate the organizational structure and make changes as appropriate ▪ Update succession plan as workforce changes occur and consider how best to address future needs ▪ Invest in qualified personnel, provide proper training and strive for 90% retention of permanent staff <ul style="list-style-type: none"> ○ Adhere to a compensation philosophy to maintain a total compensation at market levels ○ Maintain a succession plan that fosters qualified internal candidates for vacancies and retains institutional knowledge ○ Maintain certifications and provide training ○ Maintain a health and wellness program to minimize absences and improve employee's overall well-being
2.5 Obtain grant funding to offset capital investment projects	<ul style="list-style-type: none"> ▪ Monitor grant funding and low interest financing opportunities ▪ Apply for grants when the grant funding benefits exceed the compliance requirements, staff time spent and likely timeline delays
2.6 Implement rates that are fair, predictable and create financial stability	<ul style="list-style-type: none"> ▪ Advocate that MWD maintains existing 2-year budget and rate structure ▪ Advocate that MWD continues to refine cost allocation to ensure fairness among all MWD member agencies

DISTRICT GOALS (continued)

Goal #3 – Be Financially Responsible and Maintain the Public’s Trust

Objective	Action
3.1 Utilize and comply with a set of financial policies to maintain TVMWD’s financial health	<ul style="list-style-type: none"> ▪ Adopt financial policies regarding: <ul style="list-style-type: none"> ○ annual budget and rate making process ○ use of debt ○ accumulation and use of reserves ○ cash management and investments ▪ Maintain accreditation of SDLF’s “District of Distinction”
3.2 Maintain TVMWD website with useful information	<ul style="list-style-type: none"> ▪ Refine overall look and feel of website ▪ Post board agendas, packets and minutes for prior 1 year period and financial & water quality reports for prior 2 year period ▪ Promote awareness of water issues ▪ Post resources for efficient use of water ▪ Post information which is repeatedly requested ▪ Maintain SDLF’s “District Transparency Certificate of Excellence”
3.3 Be accountable and transparent with major decisions	<ul style="list-style-type: none"> ▪ Each staff report will specify the goal/objective achieved with the requested action ▪ Comply with state controller’s office and CalPERS’ requirements for compensation disclosure ▪ Comply with TVMWD purchasing policy ▪ Obtain board approval as needed for policy changes ▪ Review and make any necessary revisions to all TVMWD agreements
3.4 Communicate TVMWD’s role in the delivery of water	<ul style="list-style-type: none"> ▪ Promote achievement of TVMWD goals and objectives ▪ Communicate with target audience the importance of TVMWD (a special district) so the value provided is recognized and supported ▪ Coordinate communication efforts with member agencies so they reiterate the benefit provided ▪ Develop fact sheet regarding information, projects, etc. to be utilized by staff & board members ▪ Provide tours of TVMWD facilities
3.5 Ensure that all of the region’s local government policy makers understand TVMWD’s role in delivery of water	<ul style="list-style-type: none"> ▪ Provide additional learning opportunities to TVMWD’s board members ▪ Coordinate communication efforts with member agencies ▪ Maintain fact sheet regarding information, projects, etc. to be utilized by staff & board members ▪ Provide tours of TVMWD facilities
3.6 Achieve an IT Risk rating of “low” according to industry standard vulnerability assessment methodologies of NIST and SANS	<ul style="list-style-type: none"> ▪ Have an assessment performed of SCADA, accounting software, network access and other IT related issues ▪ Implement recommendations for areas identified as vulnerable ▪ Create a technology master plan to stay ahead of these issues

FINANCIAL POLICIES

TVMWD's practices are guided by the following financial policies:

Annual Budget

- a. The budget is the annual action plan for development and execution of TVMWD's mission and budget priorities. The budget is adjusted to reflect TVMWD's short-term and long-term goals.
- b. TVMWD shall adopt and adhere to a balanced budget, which is defined as a budget where revenues less expenses are as close to zero as possible over a five-year period.
- c. Budget line items shall be based on reasonably predicted revenues and expenses rather than best or worst-case scenarios. Reasonable prediction involves the use of historical data, projected data and prudent judgment.
- d. The budget is utilized to estimate the required rate necessary to operate TVMWD rather than to reflect actual circumstances that occurred during the year. Budget amendments will be utilized to reflect any significant changes that occur during the year.
- e. The budget shall be adopted annually but prepared for a five-year period to smooth out increases and properly plan for future expenses.
- f. TVMWD shall segregate budget line items into separate funds:
 - i. Pass Through - this fund shall track MWD readiness-to-serve charges, capacity charges and any other costs where TVMWD is directly reimbursed.
 - ii. Operating - this fund shall track all expenses attributable to the operation of TVMWD.
 - iii. Capital - this fund shall track all capital expenses attributable to TVMWD's infrastructure.
- g. TVMWD will hold at least one workshop to afford member agencies and the public an opportunity to comment on the proposed budget.
- h. TVMWD will adopt the annual budget by April for the following fiscal year.
- i. TVMWD will provide to the Board a monthly budget to actual summary report.

Rate Making Process

- a. TVMWD shall adopt rates that produce a balanced budget.
- b. TVMWD will hold at least one workshop to afford member agencies and the public an opportunity to comment on the proposed rates.
- c. TVMWD will adopt rates by April for the following calendar year.
- d. TVMWD's activities are supported by a diversified revenue stream of water sales, charges, assessments, property taxes, hydroelectric and interest income.
- e. TVMWD shall generally utilize one-time revenues for payment of one-time expenses. TVMWD will not establish ongoing programs or expenditure commitments dependent upon anticipated one-time revenues or revenues that are not reasonably predictable.

Debt

- a. TVMWD will issue long-term debt only when the project makes good financial sense.
- b. Debt will be used for large one-time expenditures, not for ongoing costs such as operation and maintenance.
- c. The term of any debt will not exceed the useful life of the project or equipment purchased with the debt proceeds.
- d. Refunding of outstanding debt will be undertaken only if the generated savings makes good financial sense.

FINANCIAL POLICIES (continued)

Cash Management and Investments

- a. TVMWD shall invest idle cash in a prudent manner according to established TVMWD investment policy that complies with California Government Code and applicable California law, ensuring TVMWD's cash flow requirements are met while meeting the objectives of safety, liquidity, and return on investment.
- b. TVMWD will strive to maximize the return on investment without sacrificing preservation of principal and daily cash requirements.
- c. Cash flow projections will be updated monthly for all daily receipts and disbursements, and will serve as the baseline for determining cash liquidity needs and funds available for investment.

Reserves

- a. Consistent with sound and prudent fiscal practices as well as legal requirements, TVMWD will maintain reserve funds that comply with adopted policy and legal bond documents.
- b. Objectives of reserve funds:
 - i. To balance short-term fluctuations in revenues/expenses without adopting unplanned rate increases.
 - ii. To provide a safety net in the event of emergency.
 - iii. To minimize external borrowing and interest expense.
 - iv. To determine the most opportune time to issue debt when necessary.
- c. In setting reserve goals TVMWD will consider that reserve levels affect bond ratings and ultimately the ability to access debt markets at favorable interest rates.
- d. The Board shall annually reevaluate what is reasonable for each reserve fund.
- e. Although GASB 54 does not apply to TVMWD, staff will provide reserve schedules annually that comply with GASB 54 to provide more detail and greater visibility as to the level of fund balance available for use. The hierarchy of five possible classifications of fund balance is:
 - i. Non-Spendable - amounts that cannot be spent due to form such as inventories and prepaids.
 - ii. Restricted - amounts constrained for specific purpose by external parties, constitutional provision or enabling legislation.
 - iii. Committed - amounts constrained for specific purpose by government using its highest level of decision-making authority.
 - iv. Assigned - amounts intended to be used for specific purposes.
 - v. Unassigned - the residual fund balance.

RESERVE POLICIES

Reserve	Goal	Description	Source
Board Election	\$140,000 - \$210,000	To cover biennial election and associated costs.	Water rate over the 2 subsequent years.
Water Management	\$200,000	To replenish storage of water pumped from local basins. Amount set at (TVMWD Six Basins storage capacity, less current storage, less MWD current storage) * expected rate for replenishment.	Six Basins water sales annually & then from Unassigned Reserves. Additional shortfalls replenished from water rate over the next 3 years.
Water Rate Stabilization	\$1,300,000 - \$1,900,000	To help fund operations when water sales are less than projected. Reserve shall be set at an amount to supplant lost income in the event of 10% water sales shortages over a 2-3 year period.	Unassigned Reserves. Additional shortfalls replenished from water rate over the next 3 years unless rate stabilization utilized to balance upcoming budget.
Capital Investment Program	\$4,400,000 - \$9,700,000	To cover expected and actual capital project/repair/replacement costs over the next 2-4 year period.	Unassigned Reserves. Additional shortfalls replenished from water rate over the next 3 years.
Opportunity	\$2,000,000 - \$3,000,000	For unbudgeted, unplanned or opportunistic projects that can increase supply reliability or decrease rates.	Unassigned Reserves. Additional shortfalls replenished from water rate over the next 3 years.
Employee Benefit	\$3,400,000	To accumulate funds to offset net OPEB and pension liabilities. Funds to be deposited at the close of each fiscal year to the Post Employment Benefit Trust until the balance of the trust and CalPERS assets reaches approximately 90% of the total liability. This reserve will maintain the remaining 10% to offset the unfunded liability and to ensure the trust is not overfunded.	Unassigned Reserves. The board will approve a rate funding strategy during the annual budget process.
Emergency	Total available reserve balances of at least \$10,000,000	To cover unexpected costs from litigation, catastrophic events, business interruptions, or other events deemed as emergencies by the Board.	Unassigned Reserves. Additional shortfalls replenished from water rate over the next 3 years.
Unassigned	Remaining balance of unrestricted net assets	To replenish all other reserves and then accumulate excess reserves above goal amounts.	Excess retained earnings.

DEBT MANAGEMENT ANALYSIS

TVMWD DEBT SUMMARY

TVMWD is debt free.



ANALYSIS

Based on budget/rate forecasts and the five-year capital improvement plan, TVMWD should not need to issue debt in the foreseeable future. However TVMWD is well positioned to obtain debt at favorable rates should the need arise.

COMPENSATION PHILOSOPHY

In order to accomplish its mission, TVMWD must have sufficient competent staff to achieve the goals and objectives outlined in the strategic plan. This requires having a succession plan in place to identify needs and future challenges, recruiting qualified personnel with the appropriate skills to fill job openings, and retaining staff trained on how we operate.

To this end TVMWD demonstrates its commitment to treating staff fairly and equitably by compensating employees at market levels, defined as the average compensation at agencies that meet following criteria:

- Agencies with employees performing the same or directly related tasks
- Agencies competing to hire individuals with the same qualifications
- Agencies with similar ability to pay

The following agencies have been identified for comparison:

- Calleguas Municipal Water District
- Castaic Lake Water Agency
- Cucamonga Valley Water District
- Eastern Municipal Water District
- Inland Empire Utilities Agency
- Las Virgenes Municipal Water District
- Palmdale Water District
- Water Facilities Authority (WFA)
- West Basin Municipal Water District
- Western Municipal Water District

Compensation information is obtained from each agency by TVMWD staff. Information is compiled to reflect the total dollar value compensation for each position. Total dollar value quantifies total compensation (salary and benefits) so comparisons between agencies are easy to consider.

Salary Ranges

TVMWD should maintain wide ranges to bring new inexperienced employees in at low base salaries to allow for many years of growth yet recognize and reward experience and performance.

Annual Performance Review

Employee performance is evaluated annually with mid-year updates. Employees are eligible for a merit increase annually based on performance and within the constraints of the Board approved budget and the position's salary range. Employees are also eligible for a CPI increase based on employee performance. Salary ranges are adjusted annually by a CPI increase. The percentage increase is to be calculated per the annual change in Bureau of Labor Statistics Consumer Price Index for Urban Wage Earners and Clerical Workers for the Los Angeles-Long Beach-Anaheim.

Frequency

Due to the time-consuming nature of compiling compensation information, a total dollar value compensation study is completed every three years. Information is presented to the GM for comparison and to serve as a guide to adjust salary ranges and benefits as the GM deems necessary. Any new benefits with long-term implications are brought to the Board for approval.

Project Enhanced Groundwater Production

Description Continued strategy to develop additional groundwater production capability within the groundwater basins that underlie TVMWD. This supply will augment imported water in the Miramar system for water delivery to the member agencies. Enhancing the capability to use local resources lessens the overall cost of water from Miramar and improves the reliability of supplies during emergencies. To the extent possible, existing wells that can be utilized will be incorporated into the strategy. In some cases, treatment may be required.



Purpose

- Serves as a cost-efficient source of water.
- Provides additional options during emergency situations or drought conditions.

TVMWD Objective

- 1.3 - Maintain diverse sources of water supplies and storage, and increase extractable water storage supplies to 10,000 AF.
- 1.4 - Capable of delivering 10,000 AFY from local sources in case of drought or catastrophe.
- 2.1 - Utilize 10,000 AF of well production to meet annual demands.



Fiscal Year	19/20	20/21	21/22	22/23	23/24
Expenditures					
Cost Estimate	2,493,147	731,851	2,244,444	-	25,703
Encumbered	(142,741)				
Budgeted					
Grant or Other Funding					
Budget Needs	2,350,406	731,851	2,244,444	-	25,703

Annual O&M Impact	\$60,000
Annual Staff Impact	0.30 FTE



Project Alternative Disinfection

Description Planning and design associated with modifications to the Miramar Plant filter bay gallery to improve water quality and address concerns associated with disinfection byproducts and taste and odor issues. This project will test and evaluate different filter media profiles to determine the optimum configuration that will achieve short-term and long-term objectives with regard to the potable water quality leaving the Miramar Plant.

Purpose

- Improves water quality.
- Increases operational efficiency.

TVMWD Objective

- 1.2 - 100% compliance with water quality standards.
- 1.5 - Maintain water infrastructure to assure 100% reliability.
- 2.3 - Manage water infrastructure and staff operations to minimize costs.



Fiscal Year	19/20	20/21	21/22	22/23
Expenditures				
Cost Estimate	124,167	200,833	96,556	2,508,444
Encumbered				
Budgeted				
Grant of Other Funding				
Budget Needs	124,167	200,833	96,556	2,508,444

Annual O&M Impact	\$0
Annual Staff Impact	0.00 FTE



Project Miramar Pipeline Repairs & Improvements

Description Repair and improvement costs associated with the Miramar Transmission Pipeline. All phases of the initial visual inspections of the transmission main were completed by FY 2017-2018. Based on those observations, there were no major deficiencies requiring immediate repairs. In the future, TVMWD will conduct inspections involving more sophisticated non-destructive techniques to acquire a more precise assessment of the 30-plus-year-old pipeline. Repair phases will then follow based on those inspection outcomes. Other improvements will also be undertaken to address pipeline reliability and/or water quality issues. In FY 2019-2020, a residual control system is proposed at Fulton Reservoir to maintain disinfectant levels at the outer edges of the system.



- Purpose**
- Maintains pipeline integrity.
 - Lengthens the useful life of the facilities.
 - Improve water quality.



- TVMWD Objective**
- 1.2 - 100% compliance with water quality standards.
 - 1.5 - Maintain water infrastructure to assure 100% reliability.
 - 2.2 - Utilize 20,000 AF of Miramar treatment plant production to meet annual demands.

Fiscal Year	19/20	20/21	21/22	22/23	23/24
Expenditures					
Cost Estimate	200,000	-	-	-	200,000
Encumbered					
Budgeted					
Grant or Other Funding					
Budget Needs	200,000	-	-	-	200,000

Annual O&M Impact	\$8,000
Annual Staff Impact	0.05 FTE



Project PM-26 Expansion

Description Planning, design, environmental and construction costs to expand the spreading connection at the existing PM-26 location. The existing connection currently delivers untreated import water to the Little Dalton Spreading Grounds, for which delivery rates are very limited. The addition of pipeline and low-lift pumping capability would allow delivery of water from the Foothill Feeder into the adjacent Big Dalton Spreading Grounds and other potential recharge facilities downstream. This added capacity would allow TVMWD to utilize more spreading water over shorter periods of time in the Main San Gabriel Basin.

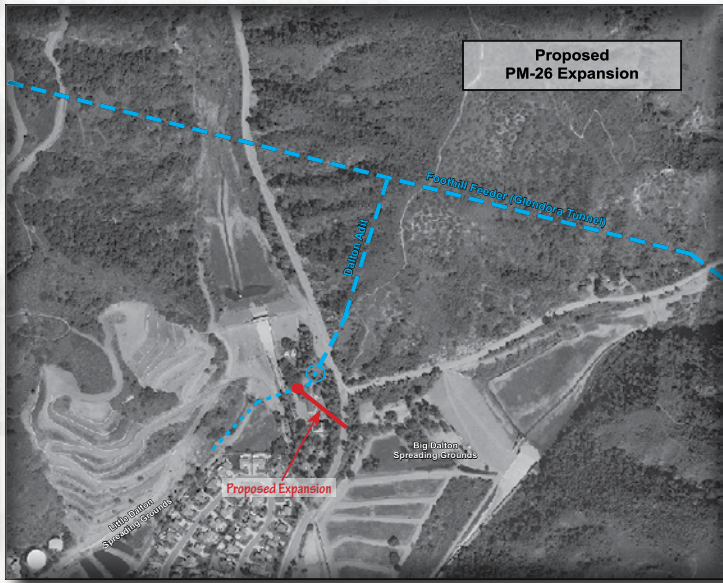


Purpose

- Increases spreading capabilities within the Main San Gabriel Basin.

TVMWD Objective

- 1.3 - Maintain diverse sources of water supplies and storage, and increase extractable water storage supplies to 10,000 AF.
- 1.4 - Capable of delivering 10,000 AFY from local sources in case of drought or catastrophe.



Fiscal Year	19/20	20/21	21/22	22/23	23/24
Expenditures					
Cost Estimate	-	-	-	477,778	1,062,222
Encumbered					
Budgeted					
Grant or Other Funding					
Budget Needs	-	-	-	477,778	1,062,222



Annual O&M Impact	\$25,000
Annual Staff Impact	0.05 FTE

Project **Miramar Building and Site Improvements**

Description Design and construction of various upgrades and improvements for the Miramar buildings and site as well as at other TVMWD-owned facilities. Some of the projects envisioned over the next several years include bathroom upgrades, addition of offices in locations with available space, modifying the operations control room, repurposing the area where the powder activated carbon tank formerly resided, installing additional security at the Fulton site and installing a roof structure over the Miramar reservoir effluent vault to protect newly-installed equipment.



- Purpose**
- Maintain TVMWD facilities in modern, working order to accommodate the needs of staff and visitors.
 - Improve security at TVMWD facilities.
 - Make efficient use of available space.

TVMWD Objective 2.3 - Manage water infrastructure and staff operations to minimize costs.



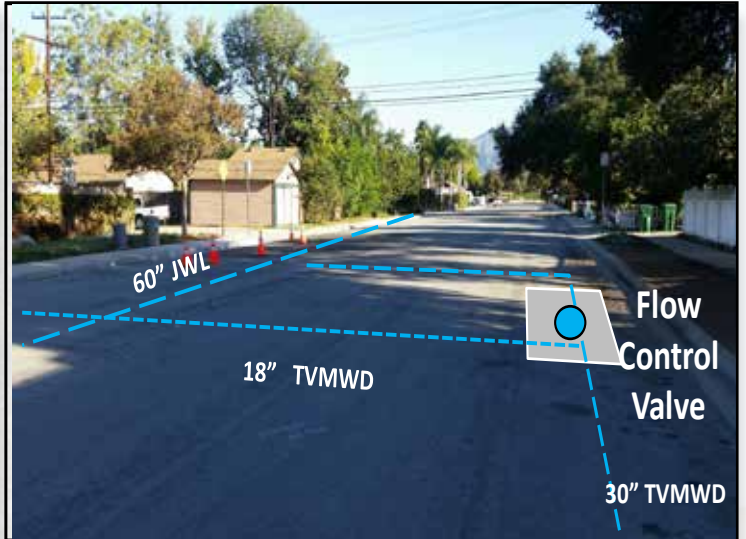
Fiscal Year	19/20	20/21
Expenditures		
Cost Estimate	350,000	200,000
Encumbered	(313,429)	
Budgeted		
Grant or Other Funding		
Budget Needs	36,571	200,000

Annual O&M Impact	\$10,000
Annual Staff Impact	0.00 FTE



Project JWL Flow Control Valve

Description Evaluation, design, and installation of equipment and instrumentation at the Joint Water Line connection. A new control valve is needed at this connection to work in conjunction with the operation of the Fulton Reservoir. The valve will control pressure and flow into the largest metered connection on the Miramar system. Additionally, it creates the potential capability to utilize the Fulton Reservoir to improve water quality conditions in the lower reaches of the system. In conjunction with work involved to install this valve, TVMWD will also make minor physical modifications in the associated pipeline to facilitate the periodic flushing required for this reach of pipe.



- Purpose**
- Provides coordinated operation between the JWL connection and the Fulton Reservoir.
 - Improves water quality in an area difficult to flush.

- TVMWD Objective**
- 1.2 - 100% compliance with water quality standards
 - 1.5 - Maintain water infrastructure to assure 100% reliability.
 - 2.2 - Utilize 20,000 AF of Miramar treatment plant production.
 - 2.3 - Manage water infrastructure and staff operations to minimize costs.



Fiscal Year	19/20
Expenditures	
Cost Estimate	66,667
Encumbered	(13,027)
Budgeted	
Grant of Other Funding	
Budget Needs	53,640

Annual O&M Impact	\$0
Annual Staff Impact	0.00 FTE



BUDGET PRIORITIES FOR FY 19-20

Based on TVMWD's goals and objectives, the following budget priorities have been identified:

1. Maximize the Lowest Cost Water

- a. Enhanced Groundwater Production – TVMWD will continue to pursue options for developing additional groundwater production and place the Grand Avenue Well into service.
- b. Alternative Disinfection – Maintain water reliability and minimize costs.
- c. Pipeline Repairs and Improvements – TVMWD will implement improvements to the transmission main that will enhance water quality and operating flexibility.

2. Increase Ability to Store and Extract Water

- a. Enhanced Groundwater Production – TVMWD will continue to pursue options for developing additional groundwater production and place the Grand Avenue Well into service.
- b. Increase Storage in Six Basins – TVMWD will continue working with Six Basins Watermaster on their strategic plan. One expected goal from their plan will be to exercise the basins more, which aligns with TVMWD's desire to spread and recover more water. TVMWD would request an increase to our storage account within Six Basins.
- c. Increase Storage in Chino Basin – TVMWD will begin to pursue storage opportunities with the Chino Basin Watermaster for the benefit of its member agencies that pump in the Chino Basin.
- d. Increase Storage in Main San Gabriel Basin – TVMWD will work with the Main San Gabriel Basin Watermaster to execute a Cyclic Storage Agreement intended for increased storage deliveries in the future.
- e. PM-26 Expansion – Maintain diverse sources of water supplies and storage, and increase extractable water storage supplies.

ACRONYMS AND ABBREVIATIONS

• ACWA	–	Association of California Water Agencies
• AF	–	Acre-Feet
• AFY	–	Acre-Feet per Year
• BMP	–	Best Management Practices
• CAFR	–	Comprehensive Annual Financial Report
• CPI	–	Consumer Price Index
• CRA	–	Colorado River Aqueduct
• CSDA	–	California Special Districts Association
• DWR	–	Department of Water Resources
• EPA	–	Environmental Protection Agency
• FY	–	Fiscal Year
• GASB	–	Governmental Accounting Standards Board
• GFOA	–	Government Finance Officers Association
• GIS	–	Geographic Information System
• IT	–	Information Technology
• JWL	–	Joint Water Line
• MWD	–	Metropolitan Water District of Southern California
• NIST	–	National Institute of Standards and Technology
• O&M	–	Operations and Maintenance
• OPEB	–	Other Post-Employment Benefits
• SANS	–	System Administration Networking and Security
• SCADA	–	Supervisory Control and Data Acquisition
• SDLF	–	Special District Leadership Foundation
• SWP	–	State Water Project
• TVMWD	–	Three Valleys Municipal Water District

