

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

**Wednesday, June 1, 2016  
8:00 a.m.**

**1. Call to Order**

The Board of Directors meeting of Three Valleys Municipal Water District was called to order at 8:00 a.m. at the District office located at 1021 East Miramar Avenue, Claremont, California. The presiding officer was Vice President David De Jesus.

**2. Pledge of Allegiance**

The flag salute was led by Vice President David De Jesus.

**3. Roll Call**

Roll call was taken with a quorum of the Board present. Directors Kuhn and Lantz had excused absences.

**Directors Present**

David De Jesus, Vice President  
Joseph Ruzicka, Treasurer  
Brian Bowcock, Secretary  
Dan Horan, Director  
Carlos Goytia, Director

**Staff Present**

Rick Hansen, General Manager  
Steve Kennedy, General Counsel  
Liz Cohn, Sr. Financial Analyst  
Mario Garcia, Engineering & Operations Manager  
Vicki Hahn, District Clerk/Executive Assistant  
Kirk Howie, Assistant GM-Administration  
Steve Lang, Water Operations Manager  
James Linthicum, Chief Finance Officer  
Ben Peralta, Project Manager

**Directors Absent**

Bob Kuhn, President  
Fred Lantz, Director

Others present: Tom Coleman, Rowland Water District; Paul DiMaggio, Suburban Water Systems; Director Ed Hilden, Walnut Valley Water District; Erik Hitchman, Walnut Valley Water; Ben Lewis, Golden State Water Company; Director Tony Lima, Rowland Water District; Director Szu Pei Lu-Yang, Rowland Water District; Joe Lyons, Claremont City Council; John Mendoza, Pomona resident

**4. Additions to Agenda**

Vice President David De Jesus inquired if there were any additions to the published agenda. Staff did not have any additions to the published agenda.

## **5. Reorder Agenda**

Vice President David De Jesus inquired if there was a need to reorder the agenda. Staff did not have any reason to reorder the agenda.

## **6. Public Comment**

Vice President David De Jesus inquired if there were any requests for public comment. There were no requests for public comment.

## **7. Legal Update: Annual Sunshine Ordinance Review**

Mr. Steven M. Kennedy, District General Counsel provided the Board with a legal update that included TVMWDs annual review of its Sunshine Ordinance that declares the process for how the District conducts its meetings. Mr. Kennedy did not have any recommendations to update the Sunshine Ordinance that was last adopted by the Board April 17, 2013 (Ordinance No. 13-04-20).

Mr. Kennedy also provided the Board with an update regarding recently passed legislation (SB 272 – Hertzberg), an update to the Public Records Request law, that mandates TVMWD to develop and post a catalogue of its enterprises systems by July 1, 2016. Staff has consulted with legal counsel regarding potential exemptions permitted due to security concerns. TVMWD will be in compliance, and will post their Enterprise System Catalogue to the TVMWD website on or before July 1, 2016.

## **8. General Manager's Report**

### **8.A Administration**

#### **8.A.1 – Modified Board Meeting Schedule**

The Board was asked to consider a modified Board meeting schedule for their regularly scheduled meetings during the months of July and August. If approved, the Board will cancel its regular meetings scheduled for July 6, July 20 and August 3, 2016 respectively. It is proposed to keep the August 17, 2016 meeting on the calendar; with notice of cancellation within one week of the planned meeting in the event there is no business to come before the Board. Staff was directed to return this item to the June 15, 2016 Board meeting for approval.

### **8.B Engineering-Operations**

#### **8.B.1 – Options for New Power Generation Contracts at Williams and Fulton Hydroelectric Facilities**

The Board was provided with a summary of options for new power generation at the Williams and Fulton hydrogeneration

facilities. It was noted that the existing QF contracts with Southern California Edison are due to terminate on June 21, 2017 (Williams) and June 22, 2017 (Fulton).

Dr. Lon House of Water and Energy Consulting was retained to evaluate and recommend the various options available for the sale of electricity at the Williams and Fulton facilities.

The pros and cons of each of the recommendations were discussed and staff responded to questions from the Board. Dr. House made the following recommendations based upon each of the facilities operating scheme and corresponding power production.

**Williams Hydrogeneration Facility:** Enter into a new QF Power Purchase Agreement with Southern California Edison not-to-exceed a five-year (5 year) term/duration. This option provides the greatest flexibility to TVMWD while we continue to evaluate other good renewable generation alternatives.

**Fulton Hydrogeneration Facility:** Establish a RESBCT contract (“selling” electricity to ourselves) by offsetting electricity costs at the Miramar Treatment Plant. This type of contract will require monitoring of the energy produced, and if the Fulton Plant consistently generates more power than needed, TVMWD will still be able to switch to an alternate generation option that is more beneficial.

### **8.B.2 – Project Summary Update**

The Board was provided with an update of ongoing projects at TVMWD that included a photographic presentation of progress. Staff responded to questions regarding specific projects. The full report was included as part of the agenda packet and is available upon request.

## **8C – Finance and Personnel**

### **8.C.1 – Review of Salary Schedule Effective July 1, 2016 Pursuant to CalPERS Regulations**

The Board was provided with a copy of the recommended salary schedule effective July 1, 2016. CalPERS regulations require the Board to review and approve TVMWD’s salary schedule whenever increases are recommended. The recommended increase effective July 1, 2016 reflects a .58% increase to salary ranges based upon the change from CY 2014 to 2015 in the Consumer Price Index – Urban Wage Earners and Clerical Workers, as prepared by the Bureau of Labor Statistics. Staff

was directed to return this item to the June 15, 2016 Board meeting for approval.

### **8.C.2 – CSDA District Purchasing Card Program**

The Board was provided with an update on the California Special District Association (CSDA) District Purchasing Card Program that TVMWD pilot tested from July-December 2015. During the approximately five months the program was piloted, TVMWD earned a rebate of \$668. Use of this card allows TVMWD to aggregate its spending with other CSDA districts, increasing opportunities for cash rebates. Staff reviewed the overall benefits and potential vendors that TVMWD can approach to utilize this payment method. A key benefit of the card is that it is a virtual card that assigns a new/specific number with an assigned amount and vendor for each transaction that is valid for 30 days. Other benefits included:

- Fraud protection – TVMWD is not responsible for fraud losses as long as the transaction is disputed within 60 days
- TVMWD is covered up to \$100,000 protection against employee misuse
- Reduced costs and check fees by minimizing the number of checks issued

For transparency purposes, each transaction made using this card is itemized on the last page of the warrant list.

### **9. Future Agenda Items**

- Return Modified Board Meeting Schedule to June 15, 2016 meeting for approval (Consent Calendar).
- Return FY 16-17 Salary Schedule to June 15, 2016 meeting for approval (Consent Calendar)

### **10. Adjournment**

Vice President De Jesus adjourned the meeting at 8:37 a.m. to a regular meeting scheduled for Wednesday, June 15, 2016.

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/s/ David De Jesus  
*Vice President, Board of Directors*  
Three Valleys Municipal Water District

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Recorded by: Victoria A. Hahn  
District Clerk/Executive Assistant

**Approved Minutes**  
**Regular Board Meeting Minutes 160601**

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