

MINUTES
REGULAR BOARD OF DIRECTORS MEETING
THREE VALLEYS MUNICIPAL WATER DISTRICT

Wednesday, September 20, 2017
8:00 a.m.

1. Call to Order

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 the full board present.

Directors Present

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

Directors Absent

None

Staff Present

Rick Hansen, General Manager
Steve Kennedy, Legal Counsel
Dominique Aguiar, Operations Supervisor
Ray Evangelista, Engineer
Vicki Hahn, District Clerk/Executive Assistant
Mario Garcia, Manager of Engineering & Planning
Kirk Howie, Assistant GM-Administration
Steve Lang, Water Operations Manager
James Linthicum, Chief Finance Officer
Ben Peralta, Project Engineer

Guests and others present: Tom Coleman, Rowland Water District; Paul DiMaggio, Suburban Water Systems; Director Ted Ebenkamp, Walnut Valley Water District; Director Ed Hilden, Walnut Valley Water District; Elena Kennedy, Kennedy Communications; Erik Hitchman, Walnut Valley Water District; Ben Lewis, Golden State Water Company; Director Tony Lima, Rowland Water District; Director Szu Pei Lu-Yang, Rowland Water District; Dean McHenry, League of Women Voters; Darron Poulsen, City of Pomona; Brian Teuber, Walnut Valley Water District

4. Additions to Agenda

President Kuhn inquired if there was a need to add items to the agenda. Staff did not have a need to add items to the agenda.

5. Reorder Agenda

President Kuhn inquired if there was a need to reorder the agenda. Staff did not have a need to reorder the agenda.

6. Public Comment

President Kuhn called for any public comment. There were no requests for public comment.

7. Consent Calendar

The Board was asked to consider the Consent Calendar Items (7.1-7.10) for the September 20, 2017 Board meeting that included: (7.1) Receive, approve and file, July 2017 Minutes for July 19, 2017 Special Board Meeting; (7.2) Ratify July 2017 Financial Reports, Warrant Summary; (7.3) Receive, approve and file, August 2017 Financial Reports; (7.4) Approve Resolution No. 17-09-806 Participation in the 2017 Great California Shakeout; (7.5) Approve Resolution No. 17-09-807 Annual Investment Policy Updates; (7.6) Approve Resolution No. 17-09-808 Tax Sharing Exchange with County Sanitation District, Annexation 21-753; (7.7) Approve Resolution No. 17-09-809 Tax Sharing Exchange with County Sanitation District, Annexation 21-754; (7.8) Approve Resolution No. 17-09-810 Tax Sharing Exchange with County Sanitation District, Annexation 21-755; (7.9) Approve TVMWD serving as CEQA Lead Agency for Six Basins Watermaster Strategic Plan; (7.10) Approve Employee Health Care Costs for CY 2018.

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

Moved: Ruzicka; Second: Goytia
Motion No. 17-09-5146 to approve the September 20, 2017 Consent Calendar items 7.1-7.10. The motion passed with a 7-0 unanimous vote.

8. General Manager's Report

8.A – Administration

8.A.1 Legislative Update – September 2017

Assistant General Manager, Kirk Howie provided the Board with a legislative update as follows:

- The current legislative session ended on September 15, 2017.
- All legislation delivered for consideration met the “in print within 72 hours of vote” requirement that was new this year.
- All proposed legislation has now been moved to the Governor’s desk. He has until 10/15/2017 to act to approve or veto. Any bills where no action is taken will automatically become law.
- Most of the bills that TVMWD was opposing failed, and may return in year two of the legislative cycle under a new title or bill number
- Several bills were highlighted.

President Kuhn requested that staff monitor SB 5 De León – *California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All Act of 2018*. Passage of this legislation results in a \$4 billion bond on the next general election ballot. Staff was requested to review and report back to the Board.

In closing, Mr. Howie reported that the Little Hoover Commission completed their assessment. The outcome of the report was very favorable to special districts and determined that the services provided by special districts were best handled

at the local level. A summary of the report was included in the agenda packet and a link to the full report was included in the staff report.

Staff will return with a final legislative scorecard during the second meeting in October.

8.A.2 Ratify July 2017 Director Expense Reports and Approve Director Expense Reports, August 2017

The Board was asked to ratify the previously paid July 2017 expense reports and approve the August 2017 expense reports. Upon motion and second the floor was opened for discussion.

Director Kuhn requested that during the next two months (September and October), that mileage not be included on the report, and that staff calculate mileage using www.googlemaps.com and produce a template for each director that can be used when submitting mileage on their monthly reports. Mileage will be calculated from the most direct route from the Director's residence to the venue of the meeting. Mr. Hansen requested that any variables be reported to staff so that mileage could be adjusted accordingly.

Director De Jesus requested that a correction be made to his MWD report for August 2017; item number 9 should read *Annual Department Head Evaluations* and strike the word disclosure.

There being no further discussion President Kuhn called for the vote.

Moved: Ruzicka; Second: Horan
Motion No. 17-09-5147 to ratify payment of the July 2017 Director Expense reports, and approve payment of the Director Expense reports for August 2017. The motion passed with a 7-0 unanimous vote.

8.B – Engineering and Operations

8.B.1 Acceptance of Quitclaim Deed from Vortex Properties and Approval of Memorandum of Understanding with Six Basins Watermaster for Monitoring Well Site

General Counsel Steve Kennedy updated the Board on the referenced activity that brought this action before the Board for consideration.

TVMWD has been in negotiation with Six Basins Watermaster for acquisition of a property that will be used by Six Basins Watermaster to install and operate a monitoring well. Six Basins Watermaster is unable to own property directly based upon their judgement, and has requested that TVMWD acquire the property and enter a Memorandum of Understanding (MOU) with Six Basins to utilize the property for this purpose.

TVMWD has expressed willingness to acquire the property and enter a MOU with the provision that there is no liability to TVMWD. Legal counsel for both TVMWD and Six Basins have worked together to develop the quitclaim and MOU language, both documents of which are included in the agenda packet.

Six Basins Watermaster engaged an environmental engineer to conduct a review of the property, same of which came back clean. With these stipulations met, TVMWD is now ready to move forward with the action and is seeking Board

approval. If approved today by the Board, this item will be included on the agenda for next week's Six Basins Watermaster Board Meeting for action.

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

Moved: Bowcock; Second: Goytia
Motion No. 17-09-5148 to Accept Quitclaim Deed from Vortex Properties and Approval of Memorandum of Understanding with Six Basins Watermaster for Monitoring Well Site.

8.B.2 Calendar Year Imported Water Purchases – August 2017 and Peak Flow Reports through September 13, 2017

Water sales through August 2017 are 35,742/AF of Tier 1 deliveries, with a balance of 44,946/AF available for delivery by CYE. With eight months of the water year concluded, TVMWD is tracking as per previous years, and has delivered below 50% of its available allocation. It is projected that by CYE between 60-62K/AF of Tier 1 water will be delivered with a balance remaining of approximately 18.7/AF.

Peak flows are measured from May-September each year and drives the total MWD Capacity Charge. A new "peak" was reached on September 2, 2017 of 130.8 cfs. This new peak will be realized as a slight increase to capacity charges during 2019. It is not anticipated that any new peak flows will be realized for the balance of the time being measured this year.

8.B.2 Miramar Operations Report, August 2017

Water quality continues to meet all state requirements with no violations during the month. TVMWD continues to monitor the total organic removal due to the low alkalinity in water being delivered by the State Water Project.

Groundwater Wells No. 1 and 2 were in operation for a total of 31 days and produced a greater amount of water than the prior year. For 2017 101.0/AF was produced compared to 92.1/AF in 2016. The increase was attributed to local spreading that is helping to raise the groundwater table, and a generally rainier season than last year.

Special activities included spreading test runs to the San Antonio Spreading Grounds, and an active test of the flow to the Mills/Pomona connection. A new chemical has also been introduced at the treatment plant, EarthTec, to assist with algae and taste and odor issues. The initial results have been positive.

Two outages occurred during the month both because of requests/action by Edison. The first outage was to complete electrical repairs at the Fulton and Williams Hydro Plants. The treatment plant also experienced a rolling blackout which caused the plant to be offline for approximately 1.5 hours.

The full report was included in the agenda packet and is available upon request.

9. Directors' / General Manager Oral Reports

9.A Local Agency Formation Commission – Business at LAFCO is status quo. Two personal items to report were the passing of former Deputy Executive Director June Savala, and former Chair, Henry Pelliser.

9.B Six Basins Watermaster – Director Bowcock was absent and alternate Director Mendoza attended. The meeting was quick with general reporting obligations only. Darron Poulsen was thanked for the great work he is doing as the Chair.

9.C Main San Gabriel Basin Watermaster – Director Bowcock was absent and alternate Dan Horan attended. No report provided.

9.D Chino Basin Watermaster – The agency was dark for their regular meeting during the month of August. A special Advisory Committee Meeting was held to review the Desalter Assessments.

9.E San Gabriel Basin Water Quality Authority – The agency will be following the new water bond being introduced, as it concerns the O & M issues that have been rejected as part of this bond.

9.F Metropolitan Water District – Several new legal issues were brought before the MWD Board for review and consideration across many platforms. An update was provided with a listing of the public actions under review.

DWR is working to establish interim structures at Oroville to address any potential need to use the spillway during the upcoming rainy season. Temporary structures to be completed by November with permanent structures to be established following the season. The estimated shared cost will be greater than \$3 billion to fix the spillway at Oroville, which may need to be recovered via an ad valorem charge.

The MWD Board will be meeting for a special meeting on September 26, 2017 for a workshop on the options available for the California WaterFix. The proposed vote by MWD will be held during the regular meeting scheduled for October 10, 2017.

9.G Additional Board Member or Staff Reports / Comments

Director Goytia expressed the acknowledgement of TVMWD Directors as respected leaders, and requested that consideration be given to pursue a greater regional role in its service areas. Director Kuhn requested Director Goytia connect with Directors Bowcock and either himself or Director De Jesus to refine what he is seeking. He also tasked Messrs. Hansen and Garcia with capturing the proposed recommendations and reporting to the Board during October/November workshop meeting.

Director Mendoza recognized staff for the good work they are doing.

Director Bowcock reported that he will be absent from the October 4, 2017 meeting. He requested that Director Horan attend the Watermaster Board meeting that same date and to participate as the alternate.

Director Horan requested greater education on future of water in the state of California.

Director Goytia announced the City of Pomona has scheduled a 5K run. All directors are invited to participate and individually sponsor the event.

10. Future Agenda Items

There were no requests for future agenda items.

11. Adjournment

The Board adjourned at 9:19 a.m. to its next regular meeting scheduled for Wednesday, October 4, 2017 at 8:00 a.m.

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

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