

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

**Wednesday, March 17, 2010
8:00 a.m.**

1. Call to Order / Pledge of Allegiance

The Board of Directors Meeting of the THREE VALLEYS MUNICIPAL WATER DISTRICT was called to order at 8:00 a.m. by President Kuhn at the District Office located at 1021 East Miramar Avenue, Claremont.

2. Roll Call

Following the flag salute, roll call was taken with a quorum of the board members present.

**Directors
Present**

Bob Kuhn – President, Division IV
David De Jesus – Vice President, Division II
Brian Bowcock – Secretary, Division III
Joseph Ruzicka – Treasurer, Division V
Dan Horan – Director, Division VII
John Mendoza – Director, Division VI
Luis M. Juarez – Director, Division I

**Staff
Present**

Liz Cohn, Sr. Financial Analyst
Vicki Hahn, Executive Assistant
Rick Hansen, General Manager
Jim Johns, Water Operations Manager
Steve Kennedy, Brunick, McElhaney & Beckett
James Linthicum, Chief Finance Officer
Mike Sovich, Assistant General Manager, Engineering & Operations
Esther Romero, Accounting Technician

**Others
Present**

Ken Deck, Rowland Water District
Ed Hilden, Walnut Valley Water District
Mike Holmes, Walnut Valley Water District
Fred Lantz, Pomona Citizen
Ben Lewis, Golden State Water Company
Kristy MacDougall, Field Representative for Assembly Member
Curt Hagman
Richard Rich, Suburban Water Systems
Davetta Williams, League of Women Voters

3. Additions to Agenda

Staff added Tab 11 – Approval of Resolution No. 10-03-650 Recognizing the Association of California Water Agencies (ACWA) on their 100th Anniversary.

A revised copy of the agenda showing the addition of Tab 11 was also available to those in attendance.

4. Reorder Agenda

There were no requests to reorder the published agenda.

5. Public Comment [2]

President Kuhn opened the meeting to receive public comment on agenda items in areas of concern relative to the operations of the Board of Directors. Members of the audience were advised they could speak during this portion of the meeting or during the portion of the agenda where they wished to comment.

There were not any requests for public comment.

6. Consent Calendar [1] [2]

Director Kuhn requested a motion to approve the Consent Calendar that included Item A – Receive and file minutes: February 3, 2010 Project Planning and Development Committee, February 3, 2010 Special Finance / Personnel Committee and February 17, 2010 Regular Board Meeting; Item B – Receive, Approve and File Financial Reports February 2010; Item C –Approval of directors' monthly payment request forms, February 2010; Item D – Receive and file budget amendment – Approval to fund \$97,670 Main San Gabriel Basin Groundwater

8300

Recovery Project Feasibility Study; Item E – Receive and file upcoming events and activities calendar; Item F – Receive and file FY 2010-11 District Holiday Calendar; Item G – Approval of Resolution No. 10-03-648 for County Sanitation District Project A21-729; Item H – Approval of Resolution No. 10-03-649 for County Lighting District 1687 L026-2009

Motion No. 10-03-4733: Moved by Director Bowcock, seconded by Director De Jesus, to approve the Consent Calendar (Items A-H) for the March 17, 2010 Board of Directors Meeting of the Three Valleys Municipal Water District

Motion No. 10-03-4733 passed 7-0

AYES: Bowcock, De Jesus, Horan, Juarez, Kuhn, Mendoza, Ruzicka
NOES: None

7. General Manager's Report [1][2]

A. Project Planning & Development Committee

The Project Planning & Development Committee (PPD) did not meeting during March 2010. Its next meeting is scheduled for 8:00 a.m. on Wednesday, April 7, 2010. Note that effective with the month of March, the PPD Committee will be meeting at 8:00 a.m. on the first Wednesday of each month. This will be a permanent change.

B. Finance / Personnel Committee

The Finance / Personnel committee met during its regularly scheduled date in March 2010. There were no action items to move forward to the Board for their consideration. Staff reported that the budget process was discussed during the March 2010 committee meeting and that the process is on schedule.

The Finance / Personnel Committee's next meeting is scheduled for 9:30 a.m. on Wednesday, April 7, 2010. Note that effective with the month of March, the Finance / Personnel Committee will be meeting at 9:30 a.m. on the first Wednesday of each month instead of 8:00 a.m. This will be a permanent change.

C. Calendar Year Imported Water Purchases – Tier 1 & WSAP Updates

Staff provided an update for CY ending December 31, 2009. The year end results for Tier 1/Tier 2 were 60,000 AF; 10,000 AF below its allocation. Recognition and thanks was extended to the member agencies for their regional conservation practices during the year that allowed the District to finish on such a positive note.

Staff reported that for FY 2010-11 it is anticipated the Water Supply Allocation Plan (WSAP) will be established at Level 2. Presently the District is running at 12% less than its current FY WSAP allocation.

D. Miramar Operations Report – February 2010

Staff reported highlights from the February 2010 Miramar Operations Report as follows:

- Water quality continues to be very good in all key areas
- Water production is lower than usual. Production was impacted by the shutdown of the Rialto Feeder and MWD Pipeline for a total of 12 days during the month of February 2010; initially the shutdown was not expected to exceed nine days.
- During the shutdown plant operations performed a number of special activities that typically can only be completed when the plant is offline. These included:
 - Assisted contractor with installation of a new flow meter at Fulton Hydro site; meter will provide back-up to the Joint Water Line flow meter
 - Diver performed annual inspection of Miramar Reservoirs
 - SCADA and electrical contractor installed wiring for a new UPS and new PLC at the Fulton Hydro site; improvements are expected to enhance site reliability
 - General maintenance including annual service on disinfection system; cleaning, prep and painting of plant
 - Staff completed a full pump back from La Verne to the Miramar Reservoirs
 - Repairs were made to an air release valve and piping near the Fulton Plant

E. Approval of Resolution No. 10-03-650 Recognizing the Association of California Water Agencies on their 100th Anniversary

Staff requested the Board consider approval and adoption of a resolution recognizing the Association of California Water Agencies (ACWA) on their 100th Anniversary.

Motion No. 10-03-4734: Moved by Director Kuhn, seconded by Director De Jesus, to approve the Resolution No. 10-03-650 Recognizing the Association of California Water Agencies on their 100th Anniversary.

Motion No. 10-03-4734 passed 7-0

AYES: Bowcock, De Jesus, Horan, Juarez, Kuhn, Mendoza, Ruzicka
NOES: None

8. Directors' Comments/Reports [2]

A. Local Agency Formation Commission Report

Director Ruzicka provided a status on his efforts to secure a nomination to serve as the Special District alternate at LAFCO. While he had filed papers earlier in December 2009 to secure the nomination, through later discussions it was determined that it would be prudent to withdraw his nomination and this was done. Director Ruzicka continued that he was encouraged to consider application to obtain the alternate public member seat on the LAFCO Board that was anticipated to open in spring 2010. Director Ruzicka recently became aware that he would be ineligible to seek nomination to the alternate public member seat due to the following Government Code Section 56331...

"Pursuant to G.C. Code Section 56331 the alternate public member cannot be an officer or employee of the county or any city or district within the territory for which he is seeking nomination."

Director Ruzicka expressed that while he was disappointed with this recent turn of events, he was still interested in continuing to serve as the District's representative by attending the LAFCO meetings as an audience participant and reporting back to the Board on activities being considered. This was also encouraged by the rest of the Board.

B. PWR Joint Water Line Commission Report

Director Horan did not have anything to report.

C. Six Basins Watermaster Report

Director Bowcock reported that the Six Basins Watermaster Board is scheduled to meet on March 24, 2010.

D. Main San Gabriel Basin Watermaster Report

Director Bowcock reported that the key well is currently at 191.8'. The well is gaining at a rate of 3/10 ft. each week. Director Kuhn recommended that the message that must be conveyed to Main San Gabriel Watermaster is that while it has been a relatively "wet year" in southern California, we are still not capturing the water at such a degree that the drought is being mitigated. He suggested that we share with the public the variable of what was captured five years ago versus what is being captured today. Director Kuhn will be conveying this same message at the Chino Basin Watermaster.

E. Chino Basin Watermaster Report

Director Kuhn reported that the issues between the Ag Pool and Non-Ag Pool continue. The Non-Ag pool filed a complaint on March 16, 2010. This will be a major conflict between the two entities of the Watermaster. Director Kuhn requested that legal counsel, Steve Kennedy remain involved in all meetings between the parties at the Chino Basin Watermaster until such time that further direction is given. Mr. Kennedy reported that the motion that has been filed is to set aside what the Watermaster believes was the intent to purchase the Non-Ag water in accordance with Peace II; the Non-Ag entity has indicated that notice was not properly given. The hearing is set for April 16, 2010.

F. San Gabriel Basin Water Quality Authority

The WQA has been reviewing applicable projects and working diligently to disburse the federal monies that were allocated for shovel-ready projects.

Director Kuhn and Ms. Kast were in Washington DC the week of March 8, 2010. They had the opportunity to meet with several of the federal legislators. During these meetings they were advised that a resolution was passed to initiate a one year hiatus on earmarks during FY 2010-11. This does not necessarily indicate that there will not be any money available for local projects. It is just unclear at this time exactly what direction will be taken at the federal level during this next year.

G. Metropolitan Water District Board Report

Director De Jesus reported on the following actions being considered and reviewed by the MWD Board at their last meeting.

- Staff is continuing their work on determining rates and budgets to be adopted for FY 2010-11. It is hopeful that the staff will not concede to the

large Member Agencies, and will instead consider what is to the benefit of all the Member Agencies.

- Labor issues are still under review at MWD.
- Water loss issues from northern California continue to be a concern. The Board has approved approximately \$30 million for water transfers out of the Delta. It is not expected that the water allocation from northern California will exceed 35% for FY 2010-11.
- The MWD Board approved increases of legal fees to deal with the Cargill case.
- The Weymouth Plant is starting a major renovation to shore up their delivery reliability with the installation of updated technology that is now available.
- MWD is considering a hiring freeze including attrition and reduction in force (RIF). Director De Jesus has publicly recommended that there not be any RIF/attrition in operations, as that is the core of the business.

H. Additional Board Member Activities Report

Director Mendoza inquired whether MWD had funding options to help pay for local water education programs for students. Director De Jesus responded that there aren't any direct funding options available, that it is outside of the range of what MWD does. He recommended that Director Mendoza direct interested parties to MWD website to acquire additional information regarding their apprentice program. Additional information regarding the apprentice program is available at:

<http://www.mwdh2o.com/mwdh2o/pages/jobs/apprentice01.html>

Director Bowcock reported briefly on the filter project that Three Valleys has been helping to support. The project is continuing, however has slowed down due to the increase in costs by the new manufacturer for the filters and media. The costs increased from \$75/unit to nearly \$500/unit. The media for the filters is available at a lower cost in California; however the agreement is written in such a way that the media must be purchased from the manufacturer of the filter thus bulking up the cost. Options are being reviewed to mitigate the increased costs.

Mr. Deck from Rowland Water District thanked the Board for approval of the budget amendment to pay the costs for the Regional Feasibility study.

9. Closed Session [2]

The Board did not convene to closed session.

10. Report on Closed Session Action Taken

Not applicable.

11. Future Agenda Items

There were not any requests for any future agenda items.

12. Adjournment

Director Kuhn adjourned the meeting at 8:45 a.m. to a Regular Board Meeting at 8:00 a.m. on Wednesday, April 21, 2010.

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

Recorded by: Victoria A. Hahn
Executive Assistant