

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

**Wednesday, June 16, 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 8:04 a.m. by President Kuhn at the District Office located at 1021 East Miramar Avenue, Claremont.

**2. Roll Call**

The flag salute and roll call were dispensed with having been conducted during the Annual Financing Corporation meeting that convened between 8:00 – 8:04 am. The following directors, staff and audience members continued to be present at the Regular Board meeting.

**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**

Vicki Hahn, Executive Assistant  
Rick Hansen, General Manager  
Kirk Howie, Assistant General Manager, Administration  
Steve Kennedy, Brunick, McElhaney & Beckett  
James Linthicum, Chief Finance Officer  
Esther Romero, Accounting Technician  
Mike Sovich, Assistant General Manager, Engineering & Operations

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**Others  
Present**

Cy Bassett  
Ted Carrera, Rowland Water District  
Maureen Coleman, Wildan Financial Services  
Ken Deck, Rowland Water District  
Ted Ebenkamp, Walnut Valley Water District  
Chaz Haba, iCEL  
Ed Hilden, Walnut Valley Water District  
Mike Holmes, Walnut Valley Water District  
Terry Foreman, CH2M Hill  
Fred Lantz, Citizen, Pomona  
Ben Lewis, Golden State Water Company  
Tony Lima, Rowland Water District  
Beatrice Medina, Wildan Financial Services  
Jennifer Nesslar, Assembly Member Norma Torres, District 61  
Richard Rich, Suburban Water Systems  
Jorge H. Rodriguez, iCEL  
Scott Slater, Brownstein, Hyatt, Farber, Schreck  
Brian Villalobos, Geoscience  
Davetta Williams, Claremont League of Women Voters

**3. Additions to Agenda**

There were no requests for additions to the published agenda.

**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.

Mr. Chaz Haba and Mr. Jorge Rodriguez of iCEL were present and requested an opportunity to introduce their energy storage device to the Projects Planning & Development Committee (PPD). The committee expressed further interest and will contact Messrs. Haba and Rodriguez to schedule a presentation to the

committee. Messrs. Haba and Rodriguez requested they be added to the notice roster for activities associated with the PPD Committee.

## 6. Consent Calendar [1] [2]

Director Kuhn requested a motion to approve the Consent Calendar that included Item A – Receive and file minutes: May 12, 2010 Special Finance/Personnel Committee, May 12, 2010 Special Projects Planning & Development Committee, and May 19, 2010 Board of Directors meeting; Item B – Receive, Approve and File Financial Reports May 2010; Item C –Approval of directors' monthly payment request forms, May 2010; and April 2010 for Director Kuhn; Item D – Receive and file upcoming events and activities calendar.

General Counsel, Steve Kennedy noted that he and staff had a discussion with Mr. Fred Lantz prior to the meeting and that a request was made to correct the minutes of May 19, 2010 as it concerned the recorded discussion on pages 8321 and 8322 of the minutes. A request was made that the minutes reflect that Director De Jesus recused himself from the discussion due to a conflict of interest in the matter and that he was absent from the discussion and voting as it concerned amended Motion No. 10-05-4739. The final copy of the minutes for May 19, 2010 was amended with these corrections.

**Motion No. 10-06-4746:** Moved by Director Bowcock, seconded by Director Ruzicka, to approve the Consent Calendar (Items A-D) for the June 16, 2010 Board of Directors Meeting of the Three Valleys Municipal Water District

Motion No. 10-06-4746 passed 7-0

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

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

### A. Public Meeting – Imposition of a Water Standby Charge

Staff advised the board that the public meeting is part of the process as it concerns the imposition of a water standby charge. According to the legislative requirements, a public meeting must be held prior to the public hearing to adopt the standby charge.

Staff properly noticed the public meeting in a joint notice in both the Inland Valley Daily Bulletin (Bulletin) and San Gabriel Valley Tribune (Tribune). The notices were published three times over three consecutive weeks on May 26, June 2 and June 9, 2010 in the Tribune, and on May 27, June 3 and June 10, 2010 in the Bulletin.

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**Motion No. 10-06-4747:** Moved by Director Kuhn, seconded by Director Horan, to open the public meeting to consider the imposition of the water standby charge.

Motion No. 10-06-4747 passed 7-0

AYES: Bowcock, De Jesus, Horan, Juarez, Kuhn, Mendoza, Ruzicka  
NOES:

President Kuhn opened the public meeting at 8:15 a.m. There was not any public testimony and the public meeting was closed at 8:16 a.m.

## **B. Legislative Update**

Staff provided a brief legislative update that included information regarding the status of various bills that are being supported, opposed and watched. The time has passed to introduce any new bills.

The legislature was scheduled to pass the state budget by midnight on June 15, 2010; this did not occur. Information from State Controller John Chiang's office indicates that it may take three months or longer to pass the budget. Staff will keep the board apprised on activities regarding the budget.

In April 2010 staff requested approval to oppose two bills, AB 1664 (Swanson) – Metropolitan Water Act and AB 1995 (De La Torre) – Public Officers / Incompatible Offices. A status on these two bills follows:

AB 1664: Assembly Member Swanson pulled this bill during the April 28, 2010 hearing. It is not anticipated that this bill will be reheard in the immediate future.

AB 1995: Staff received a courtesy call from Assembly Member De La Torre's office on June 15, 2010 indicating that the bill would not be heard by the Local Senate Government Committee on June 16, 2010 as anticipated and that it was being delayed until the July committee meetings.

The legislature is scheduled to begin their summer hiatus on July 2, 2010.

**C. Committee Reports – Project Planning & Development & Finance/Personnel [2]**

The PPD Committee met on June 2, 2010. The key items from this committee being brought before the board is action on selecting the consultant / engineer for the Miramar transmission pipeline repairs. This item was brought before the board on Tab 10, Item 7G.

The Finance/Personnel Committee did not meet during the month of June. There are not any actionable items to be brought before the board today from the Finance/Personnel Committee.

**D. Consideration of Summer Recess – Project Planning & Development Committee, Finance/Personnel Committee and Regular Board Meeting [1]**

Staff informed the board that over the last several years the committees and board have gone dark during the months of July and August. The Board is being asked to consider this action for July and August 2010.

Director Juarez remarked that he does not see the need to go dark during the months of July and August. He requested that we not delay the potential project introduced earlier by iCEL.

Staff informed the Board that if a business need arose for either a committee or the board that a special meeting would be convened.

**Motion No. 10-06-4748:** Moved by Director Ruzicka, seconded by Director De Jesus, to approve a summer recess for the Project Planning & Development Committee, Finance/Personnel Committee and Board of Directors for July and August 2010

Motion No. 10-06-4748 passed 7-0

AYES: Bowcock, De Jesus, Horan, Juarez, Kuhn, Mendoza, Ruzicka

NOES:

**E. Consideration to change committee meeting times for Project Planning & Development Committee and Finance/Personnel Committee [1]**

Staff informed the Board that there has been discussion with the respective chairmen of the Project Planning and Development Committee and Finance/Personnel Committee regarding their desire to change the time of these standing meetings.

The Board is being asked to approve the following change effective with the resuming of the regular schedule in September 2010.

**Finance/Personnel Committee will meet at 10:00 am the first Wednesday of each month.**

**Project Planning & Development Committee will meet at 4:00 pm the first Wednesday of each month.**

**Motion No. 10-06-4749:** Moved by Director Juarez, seconded by Director Horan, to approve the new start time for the Standing Committees effective with the resuming of the regular schedule in September 2010.

Motion No. 10-06-4749 passed 7-0

AYES: Bowcock, De Jesus, Horan, Juarez, Kuhn, Mendoza, Ruzicka  
NOES:

#### **F. Consideration of Special Board Meeting – July 14, 2010 [1]**

Staff informed the board of the need to schedule a **special** Board Meeting for the purpose of conducting a public hearing regarding the imposition of adopting a water standby charge. It is anticipated that the water standby charge will be adopted at the conclusion of this meeting.

Staff is requesting the meeting be held on Wednesday, July 14, 2010 at 6:00 pm.

**Motion No. 10-06-4750:** Moved by Director Bowcock, seconded by Director Horan, to approve a **special** Board Meeting on Wednesday, July 14, 2010 at 6:00 pm.

Motion No. 10-06-4750 passed 7-0

AYES: Bowcock, De Jesus, Horan, Juarez, Kuhn, Mendoza, Ruzicka  
NOES:

#### **G. Consideration of Miramar Transmission Pipeline Repairs – Consulting Engineer Recommendations [1]**

Staff informed the Board that this item had been discussed extensively at committee. A total of five proposals were received in response to the request for proposal. The bids ranged in price from \$139,082 to \$74,350.

Staff is requesting approval authorizing the General Manager to finalize the agreement with Civiltec Engineering in an amount not-to-exceed \$74,350 for the engineering and construction of the Miramar Transmission Pipeline Repairs. The PPD Committee concurred with this recommendation.

**Motion No. 10-06-4751**: Moved by Director Horan, seconded by Director Bowcock, authorizing the General Manager to finalize the agreement with Civiltec Engineering in an amount not-to-exceed \$74,350 for the engineering and construction of the Miramar Transmission Pipeline Repairs

Motion No. 10-06-4751 passed 7-0

AYES: Bowcock, De Jesus, Horan, Juarez, Kuhn, Mendoza, Ruzicka  
NOES:

#### **H. Calendar Year Imported Water Purchases – Tier 1 & WSAP Updates [2]**

Staff informed the Board that the related charts represent water purchases for Tier 1 and WSAP purchases through May 2010. Tier 1 is measured on a calendar year and WSAP on a fiscal year.

At near year-end 2009-10 WSAP, as a result of collaboration between district and its retail agencies in their conservation efforts and tiered pricing structure, the District will finish the year in excellent shape. Through this collaboration TVMWD was able to cut approximately 6,000 AF from our Tier 1 allotment and recharge the Tier 1 water via cyclic storage and replenishment accounts within Main San Gabriel Basin, Chino Basin Watermaster and Six Basins Watermaster.

During the April MWD Board meeting it was reported that for FY 2010-11 the WSAP allocation will again be a level 2 allocation which will result in a similar allocation year as FY 2009-10. It is anticipated that during spring 2011 staff will again work with our member agencies to ensure that all water available is utilized.

#### **I. Miramar Operations Report – May 2010 [2]**

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

- Water quality continues to be outstanding in all key areas. All public health regulations are being met and/or exceeded.
- Monthly production includes approximately 1,784 AF treated water sold; with an additional 470 AF raw water spread at the San Antonio Spreading

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Grounds for an approximate total of 2,254 AF. Year-to-date production is approximately 17,000 AF.

- For the month there was a net gain of 5.6 AF. Year-to-date unaccounted water loss is < 0.16%.
- Miramar Well produced 74 AF for the month of May; year-to-date 662 AF has been produced.
- Monthly sales majority to Joint Water Line with balance to City of La Verne and Golden State Water Company.
- Hydro-generation for month of May and year-to-date is greater than budgeted.
- Miscellaneous/special activities during the month of May included:
  - ELAP performance testing was completed in the lab. Results are pending. There are not any deficiencies anticipated.
  - Inspected and calibrated the Joint Water Line meter.
  - Staff constructed a demonstration water filter that illustrates a cross-sectional view of one of the district water filters with anthracite, sand and gravel. The demo filter will be utilized for plant tours to provide a visual of this process to visitors.
  - The Fulton hydro-generator was removed from service for inspection and rebuild. The generator has been reinstalled and is performing well.
  - Grading and drainage improvements are presently underway. These improvements will divert all flow to a new, larger catch basin as well as a surface drain at the main Miramar gate. The improvements will result in an immediate correction to the excess flow problem we were previously experiencing where excess flow was encroaching on the neighboring property. It will also permanently resolve the flow issue along the west side of the Administration Building from the hills on the north side of the property that were bifurcating to the gravel area near the sedimentation basins and causing erosion.

## **J. Presentation on the Cadiz Project**

Mr. Scott Slater, Brownstein Hyatt Farber and Schreck, serving as General Counsel for the Cadiz project was present to share with the Board the current and proposed status of the project.

Cadiz is a 50 square mile parcel of land located at the base of the Fenner Valley and the Orange Blossom watershed and it is home to the largest agriculture operation in San Bernardino County. During the 1990's the project was initially recommended as a potential storage facility for MWD as part of an import/export project. The 1990's project did not gain the support it needed and failed. Earlier this year Three Valleys MWD (TVMWD) was approached regarding their interest in signing on as one of the responsible (anchor) agencies for the project. The project being brought before the Board today is a newly crafted project that is different in context to the earlier referenced project.

During its May 19, 2010 meeting the Board authorized staff to participate as a responsible (anchor) agency in the environmental review of the project in an amount not-to-exceed \$125,000. Mr. Slater shared with the Board the proposed environmental study and the stages of the project thereafter. Mr. Hansen also introduced Terry Foreman from CH2M Hill who is the lead on the environmental review component of this project.

Mr. Slater informed the Board of the incentives to the District of participating at this stage of the project in that the investment of \$125,000 will be applied as a credit toward the project for TVMWD should they decide to proceed with the project at the completion of the environmental review. If TVMWD chooses not to proceed, their investment will be returned. Other incentives were also discussed as it concerned water allocation for the project.

Mr. Slater addressed the expressed questions and concerns about the project received from the dais.

The environmental review is anticipated to take approximately one year followed by 12-18 months for construction.

## **8. Directors' Comments/Reports [2]**

### **A. Local Agency Formation Commission (LAFCO)**

Director Ruzicka did not have anything to report.

## **B. PWR Joint Water Line Commission**

Director Horan did not have anything to report.

## **C. Six Basins Watermaster Report**

Director Bowcock did not have anything to report.

## **D. Main San Gabriel Basin Watermaster Report**

Director Bowcock reported that the key well is presently at 201.7' and is gaining 6" every two weeks. There has been a total of 16.6" of rainfall during this 2010 calendar year.

## **E. Chino Basin Watermaster Report**

Director Kuhn informed the Board that the court date on the Non-Ag Pool issue is scheduled for Friday, June 18, 2010.

## **F. San Gabriel Basin Water Quality Authority (WQA)**

Director Kuhn informed that the WQA Board has been discussing Prop. 84 issues and projects that have been applied for. On 6/15/10 a contract extension was provided to Executive Director, Grace Kast; Ms. Kast's existing contract ends July 1, 2010.

One staff member has been placed on paid administrative leave and the WQA Board is in the process of negotiating a contract for this party to work for the agency, but not physically at the agency.

Over the next 18-24 months efforts will be underway to restructure the WQA.

## **G. MWD Board Report**

Director De Jesus informed the board on three key issues from the May MWD Board meeting:

- State water allocation has increased and may increase one more time to possibly 50%;
- Recent and favorable revised judgment from Judge Wanger regarding the Delta; and
- San Diego County Water Authority (SDCWA) has filed a lawsuit against MWD. The result has been that the other member agencies

have been rallying in an effort to put together their opinion of what SDCWA is attempting to accomplish with regard to the rates that were approved during the April Board meeting.

## **H. Additional Board Member Activities Report**

Director Mendoza commented on the celebration event he participated at for the Rivers and Mountains Conservancy. At the event discussion concerning the importance of the water bond measure and its passage on the November ballot took place.

Director Kuhn inquired whether there is knowledge that the water bond measure will still be on the November 2010 ballot. Staff reported that with the results of the proposition measures that were approved during the June primary it appears that more support is behind the water bond, and it is presently anticipated to be included on the November 2010 ballot.

## **9. Closed Session [2]**

The Board adjourned to closed session at 9:30 am.

President Kuhn informed that they would be discussing the following items:

### **Public Employee Annual Performance Evaluation**

Pursuant to Government Code Section 54957

Title: General Manager

## **10. Report on Closed Session Action Taken [2]**

The Board reconvened at 10:18 am. There was nothing to report on the closed session item discussed.

## **11. Future Agenda Items [2]**

There were not any requests for any future agenda items.

## 12. Adjournment [2]

Director Kuhn adjourned the meeting at 10:19 am to a Special Board Meeting at 6:00 pm on Wednesday, July 14, 2010.

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

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Recorded by: Victoria A. Hahn  
Executive Assistant