



# THREE VALLEYS MUNICIPAL WATER DISTRICT REGULAR BOARD MEETING MINUTES

Wednesday, October 19, 2022 – 8:00 a.m.

## I. CALL TO ORDER

The Board meeting was called to order at 8:00 a.m. at the District office located at 1021 East Miramar Ave., Claremont, CA, and via teleconference. The presiding officer was President Jody Roberto.

## 2. ROLL CALL

Roll call was taken with a quorum of the Board present.

### DIRECTORS PRESENT

Jody Roberto, President  
Brian Bowcock, Vice President  
Carlos Goytia, Secretary  
Mike Ti, Treasurer  
David De Jesus, Director  
Bob Kuhn, Director  
Danielle Soto, Director

### STAFF PRESENT

Matthew Litchfield, General Manager  
Steve Kennedy, Legal Counsel  
Dominique Aguiar, Operations Supervisor  
Nadia Aguirre, Executive Assistant  
Liz Cohn, Senior Financial Analyst  
Freeman Ensign, Operations Supervisor  
Karen Harberson, Compliance Specialist  
Kirk Howie, Chief Administrative Officer  
Steve Lang, Chief Operations Officer  
Sylvie Lee, Chief Water Resource Officer  
James Linthicum, Chief Finance Officer  
Kevin Panzer, Assistant Engineer  
Robert Peng, I.T. Manager  
Viviana Robles, Human Resources/Risk Manager  
Esther Romero, Accounting Technician  
Marissa Turner, Admin./Communications Assistant

Virtual Attendees: Mike Arnold, Arnold and Associates; Andy Bullington, City of Covina; Josh Byerrum, Walnut Valley Water District; Chris Clarke, National Parks Conservation Association; Courtney Degener; Neal Desai, National Parks Conservation Association; Kristi Foy, Arnold and Associates; Kelly Gardner, Main San Gabriel Basin Watermaster; Rick Hansen; Kevin Hayakawa, Walnut Valley Water District; Ed Hilden, Walnut Valley Water District; Richard Lambros, Engineering Contractors' Association; Ben Lewis, Golden State Water Company; Szu Lu, Rowland Water District; Myra Malner, Rowland Water District; Richard Martinez, City of La Verne; Dave Michalko, Valencia Heights Water Company; John Monsen, Sierra Club; Stephanie Moreno, Water Quality Authority; Randy Schoellerman, Water Quality Authority

In person attendees: Jason Baiz, Liuna; Tom Coleman, Rowland Water District; Erik Hitchman, Walnut Valley Water District; Tony Lima, Rowland Water District; Dusty Moiso, Rowland Water District; Jose Radill, Liuna; Henry River, Liuna; Thomas Ruiz, Liuna; Bill Quisenberry, Liuna; Ralph Velador, Liuna; Joel Velazquez, Liuna; Alex Zamora, Liuna

**3. FLAG SALUTE**

The flag salute was led by President Roberto.

**4. AGENDA REORDER/ADDITIONS**

Item 6.A – Year End Legislative Update, was reordered before Item 5 – Public Comment.

Upon motion and second to approve the agenda, Director De Jesus inquired if it was legal to reorder the agenda to the Year End Legislative update before Public Comment. General Manager Litchfield responded he discussed the change with Legal Counsel, and it can be done if the Board desires to. President Roberto called for a roll call vote.

Moved: Director Soto	Second: Director Kuhn
Ayes: Bowcock, De Jesus, Goytia, Kuhn, Roberto, Soto, Ti	
Noes:	
Absent:	
Motion No. 22-10-5397 Approve the October 19, 2022 board meeting agenda	
Motion passed 7-0	

**5. PUBLIC COMMENT**

- Ralph Velador provided public comment.
- Martin Ludlow provided public comment.
- Bill Quisenberry provided public comment.
- Jayson Baiz provided public comment.
- Marci Stanage provided public comment.
- Ray Baca provided public comment.
- Richard Lambros provided public comment.
- Denise Kniter provided public comment.
- Cedric Nelms provided public comment.
- Cedric Farmer provided public comment.
- Becky Cutler provided public comment.
- Rev. Walter Contreras provided public comment.
- Nelly Nieblas provided public comment.

Tony Alexander provided public comment

Daude Sherrills provided public comment.

Chris Clarke provided public comment.

Linda Cleveland provided public comment.

Jose Garcia provided public comment.

Jacquelyn Badejo provided public comment.

Ed Sanders provided public comment.

DeAndre Valencia provided public comment.

Alphonso Sanchez provided public comment.

Konstantin Hatcher provided public comment.

Karla Salazar provided public comment.

Pastor William D. Smart Jr. provided public comment.

Steven Belhumeur provided public comment to be read on his behalf.

Thomas Ruiz provided public comment.

John Monsen provided public comment.

Jennifer Stark provided public comment.

## **6. PRESENTATION**

### **A. YEAR END LEGISLATIVE UPDATE**

District Lobbyists Mike Arnold and Kristi Foy provided a 2022 End of Session Report. The 2022 legislative year was the second year of the 2021-2022 session. Session ended on August 31, 2022. Any bills not passed are dead and will start 2023 with all new pieces of legislation. On May 11, 2022, President Roberto, General Manager Litchfield, and Chief Administrative Officer Howie met with three Senators and three Assemblymembers to discuss AB 2449. Over 79 bills were tracked with one sponsored bill, four bills supported, and three bills opposed. AB 2449 by Assemblymember Rubio and sponsored by TVMWD, was passed and signed by the Governor as Chapter 285, Statutes of 2022. AB 2449 sunsets on January 1, 2026. The State had a budget surplus this year of \$75 million, and next year there is expected to be a drop in revenue. Governor Newsom will release the proposed 2023 budget in January. The November 2022 election will be very important for the Legislature because of new districts as a result of the 10-year census, and new members with 12-year term limits to 2034. Legislature returns to Sacramento on December 5, 2022.

## 7. CONSENT CALENDAR

The Board considered consent calendar items 7.A – 7.L for the October 19, 2022 Board meeting that included: (7.A) Receive, Approve and File Minutes, September 7 and 21, 2022; (7.B) Receive, Approve and File Financial Reports and Investment Update, September 2022; (7.C) Imported Water Sales, September 2022; (7.D) Miramar Operations Report, September 2022; (7.E) Approve Director Expense Reports, September 2022; (7.F) Revised CY 2022 Holiday Schedule; (7.G) CY 2023 Holiday Schedule; (7.H) LAFCO Ballot Special District Representative; (7.I) Miramar Electrical Switchboard Upgrade; (7.J) Miramar Transmission Leak Detection Program; (7.K) Adopt Resolution No. 22-10-943 Tax Sharing Exchange County Sanitation District No. 21, Annexation No. 21-770; (7.L) Adopt Resolution No. 22-10-944 Tax Sharing Exchange County Sanitation District No. 22, Annexation No. 22-442.

Upon motion and second and no discussion, President Roberto called for a roll call vote.

Moved: Director Kuhn	Second: Director Goytia
Ayes: Bowcock, De Jesus, Goytia, Kuhn, Roberto, Soto, Ti	
Noes:	
Absent:	
Motion No. 22-10-5398 Approval of Consent Calendar Items 7.A – 7.L	
Motion passed 7-0	

## 8. REPORTS

### A. INFORMATION TECHNOLOGY MASTER PLAN

Information Technology Manager Peng discussed five objectives of the Information Technology Master Plan (ITMP). There were 29 technology related projects identified after evaluating information obtained from the discovery phase. Projects were prioritized over a three-year period based on input from Executive Management and three high-level criteria: Meets Requirements, Improved Operations, and Modernization. The ITMP will be updated annually through a collaborative process with staff. General Manager Litchfield thanked Mr. Peng for putting the ITMP together and the countless hours he has spent working on it.

### B. WATER SUPPLY UPDATE

Chief Water Resources Officer Lee discussed (1) Emergency Water Conservation Program – Golden State Water Company-Claremont and City of La Verne are 35-40% below the volumetric allotment. TVMWD is 41% under target. The current emergency conservation program runs through the end of December 2022. (2) MWD Water Supply Conditions – the State Water Project Allocation is 5%. A summary by member agency of Unmet Human Health and Safety needs was provided. (3) Colorado River Basin Memorandum of Understanding (MOU) – the MOU shows Colorado River basin-wide collaboration and demonstrates urban water users' commitment to reduce reliance on the River. MWD has requested its agencies and sub-agencies to consider adopting the MOU. The MOU will be brought back to a future board meeting for consideration of approval.

**9. ACTION AGENDA**

**A. AUDIT AND ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2022**

Mr. Ryan Domino from LSL CPA's reported on the findings of the financial audit. An unmodified opinion was rendered on September 29, 2022, based on generally accepted auditing standards. One emphasis of matter was on the implemented GASB Statement No. 87, Leases, which changed accounting principles for lease activities. No findings were reported for FY 2021/22 in the Report on Internal Control and Compliance. This is not an opinion on effectiveness of internal controls or on compliance. No audit adjustments were required.

General Manager Litchfield thanked Chief Finance Officer Linthicum, Senior Financial Analyst Cohn and Accounting Technician Romero for their work on the audit.

Upon motion and second, and no discussion, President Roberto called for a roll call vote.

Moved: Director Roberto	Second: Director Ti
Ayes: Bowcock, De Jesus, Kuhn, Roberto, Soto, Ti	
Noes:	
Absent: Goytia	
Motion No. 22-10-5399 Approval of Audit and ACFR FY ending June 30, 2022	
Motion passed 6-0-1	

**B. RESERVE SCHEDULE FOR FISCAL YEAR ENDED JUNE 30, 2022**

The Board was briefed on the Reserve Schedule as of June 30, 2022. \$30,842 remains from projects completed or that will not continue as of June 30, 2022. \$1,673,757 remains from projects that are incomplete as of June 30, 2022. The Water Rate Stabilization reserve policy to help fund operations when water sales are less than budgeted. The policy is included as part of the Strategic Plan every year. The current calculation of a 10% water sales shortage over a 2-3 year period is \$700,000. The reserve level is set at a low of \$1,400,000 and a high of \$2,100,000 to cover the 2-3 year period.

Upon motion and second, and no further discussion, President Roberto called for a roll call vote.

Moved: Director Soto	Second: Director Ti
Ayes: Bowcock, De Jesus, Kuhn, Roberto, Soto, Ti	
Noes:	
Absent: Goytia	
Motion No. 22-10-5400 Approval of Reserve Schedule FY ending June 30, 2022	
Motion passed 6-0-1	

### C. MASTER ON-CALL PROFESSIONAL SERVICES AGREEMENTS AWARD

The purpose of the Master On-Call Professional Services Agreements (PSA) is to streamline the process and expeditiously complete projects and reports. Request for Proposal solicitations were requested on July 18, 2022 for four categories: (1) Planning, (2) Design, (3) Construction Management, and (4) Environmental & Biological Services. A total of 31 proposals were received on August 25, 2022 via PlanetBids. The Master On-Call PSA does not guarantee work and will be used on as-needed basis via task orders. This establishes a maximum threshold of \$250,000 per task order to be approved by the General Manager. 18 firms out of the 31 were selected for the Master On-Call PSA's. The Board had clarifying questions and a discussion ensued.

Upon motion and second, President Roberto called for a roll call vote.

Moved: Director Soto	Second: Director Kuhn
Ayes: Bowcock, De Jesus, Goytia, Kuhn, Roberto, Soto, Ti	
Noes:	
Absent:	
Motion No. 22-10-5401 Approval of Master On-Call Professional Services Agreements Award	
Motion passed 7-0	

### 10. DIRECTORS' / GENERAL MANAGER'S ORAL REPORTS

Director De Jesus reported that MWD elected new Board Chairperson Adan Ortega as of January 1, 2023.

### 11. CLOSED SESSION

The Board convened into closed session at 10:39 a.m. to discuss the following item:

#### A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION [Government Code Section 54956.9(d)(1)]

Name of Case: Chino Basin Municipal Water District v. City of Chino, et al., San Bernardino County Superior Court Case No. RCV RS 51010

#### B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

- Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2)
- One potential case

The Board convened out of closed session and into open session at 11:42 a.m. Legal Counsel Kennedy stated that with respect to Item 11.A, there was no reportable action. With respect to Item 11.B, he stated the following: In accordance with the unanimous direction given by the Board at its September 9 meeting to enter into an agreement with Aquilogic and Cadiz to terminate the District's involvement in the Bonanza Springs Study, the District's General Manager and Legal Counsel have worked out the terms of a proposed

Release agreement and possible third party Assignment which includes an express acknowledgment that the District's termination of its administration of the Bonanza Springs Study pursuant to the Assignment would not constitute a breach of contract, that the District would be released from liability with respect to its termination of administration of the Study, and that Cadiz would indemnify the District from any future liability arising out of the Study. It remains the intent of the Board to continue moving forward with the termination of its involvement in the Study in a thoughtful manner that protects the District and its constituents. Other than that, there was no reportable action.

## 12. FUTURE AGENDA ITEMS

No future agenda items were requested.

## 13. ADJOURNMENT

The meeting adjourned at 11:45 a.m. to the next regular meeting scheduled for Wednesday, November 2, 2022.



Jody Roberto  
President, Board of Directors



Recorded by: Nadia Aguirre  
Executive Assistant