

THREE VALLEYS MUNICIPAL WATER DISTRICT SPECIAL BOARD MEETING WORKSHOP MINUTES

Wednesday, April 22, 2024 | 9:30 a.m.

1. CALL TO ORDER

The Board meeting was called to order at 9:30 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	STAFF PRESENT
Jody Roberto, President	Matthew Litchfield, General Manager
Mike Ti, Vice President	Steve Kennedy, Legal Counsel

Carlos Goytia, Secretary/Treasurer

David De Jesus, Director

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Jeff Hanlon, Director

David Dransfeldt, Water Resources Intern
Karen Harberson, Compliance Specialist

DIRECTORS ABSENT

Steve Lang, Chief Operations Officer

Sylvie Lee, Chief Water Resources Officer

Danielle Soto, Director Kevin Panzer, Engineer

Brian Pen, Water Resources Analyst

Robert Peng, I.T. Manager

Marissa Turner, Admin. Communications Assist.

Jose Velasquez, Chief Finance Officer

Virtual Attendees: Josh Byerrum, Walnut Valley Water District; Alanna Diaz, Robert Leamy, Rowland Water District; Jared Macias, Walnut Valley Water District; Myra Malner, Rowland Water District; Stephanie Moreno, Water Quality Authority; Dinny Rasmussen, League of Women Voters; Rowland Water District, Rowland Water District, Sherry Shaw; Walnut Valley Water District

In person attendees: Jared Macias, Walnut Valley Water District; Sherry Shaw, Walnut Valley Water District

FLAG SALUTE

President Roberto led the flag salute.

4. DIRECTOR REMOTE PARTICIPATION PURSUANT TO AB 2449

A. NOTIFICATION DUE TO JUST CAUSE

B. REQUEST DUE TO EMERGENCY CIRCUMSTANCES

Director Goytia requested to attend the board meeting remotely due to emergency circumstances.

Second: Director Ti

Moved: Director De Jesus

Ayes: De Jesus, Goytia, Hanlon, Roberto, Ti

Noes:

Absent: Kuhn, Soto

Motion No. 24-04-5480 Approval of Director Goytia's request due to

emergency circumstance Motion passed 5-0-2

5. PUBLIC COMMENT

President Roberto opened public comment and there was none.

6. DISCUSSION

A. FISCAL YEAR 2024-25 BUDGET WORKSHOP NO. 2

Chief Finance Officer Velasquez presented FY 2024/25 budget draft version no. 2. On April 9, 2024 MWD adopted the FY 24/25 and FY 25/26 biennial budget and CY 2025 and CY 2026 water rates. Three Valleys budget structure is composed of three major funds - pass through, capital, and operating. The pass-through fund includes two major costs, the readiness to serve charge and capacity charges. In addition, Three Valleys standby charge per equivalent dwelling unit (EDU) is collected via tax assessment. The proposed FY 24/25 EDU rate of \$32.11 exceeds the legislative limit of \$29.41 creating a deficit of \$520,919. The proposed rate recovery for the deficit is to pass through the costs to member agencies proportional to the parcel count per agency. The capacity charge per cubic feet per second (CFS) increased to \$13,000 per CFS for a total charge of \$1.8 million. Efforts TVMWD is taking to mitigate TVMWD rate increases are to reduce FY 24/25 CIP cost by \$650,000 and the 5-year CIP cost by \$1.5 million., reduce operating expenses by \$175,000, projecting budget property tax revenues with a 2.5% escalator considering proposition 13 and home sales, and budget interest revenues at \$215,000 which is a \$110,000 increase to reflect current market conditions. Regarding capital funds, the 5-year estimated expense for Capital Repair and Replacement and Capital Investment Programs for FYE 25/29 is \$16.2 million fully funded with Property tax revenues. In the

Operating fund, the untreated rate is set at \$912 per acre foot (AF), and the Three Valleys treated rate is set at \$1,411. Total Operating Revenues are \$1,442,458. This is made up of Hydroelectric income at \$240,000, interest income at \$215,000, and fixed charges at \$987,458.

The Board took a 5 minute break at 11:00 am and reconvened at 11:05 a.m.

Directors thanked Mr. Velasquez for the level of detail provided in the budget, transparency, and cooperation with the member agencies.

General Manager Litchfield thanked the Board, staff, and member agencies for their work and discussions on the budget. This item will be brought to the May 1, 2024 board meeting for consideration of approval.

7. ADJOURNMENT

President Roberto adjourned the meeting at 11:22 a.m. to the next regular board meeting scheduled for Wednesday, May 1, 2024.

Jody Roberto

President, Board of Directors

Recorded by: Nadia Aguirre

Executive Assistant