



BOARD OF DIRECTORS SPECIAL MEETING

DATE :
JULY 23, 2024

TIME:
8:00 A.M.



1021 E. Miramar Avenue | Claremont, CA 91711



www.threevalleys.com



909.621.5568

The mission of Three Valleys Municipal Water District is to supplement and enhance local water supplies to meet our region's needs in a reliable and cost-effective manner.



THREE VALLEYS MUNICIPAL WATER DISTRICT SPECIAL BOARD MEETING AGENDA

1021 E. Miramar Avenue, Claremont, CA 91711
July 23, 2024 – 8:00 AM

The mission of Three Valleys Municipal Water District is to supplement and enhance local water supplies to meet our region's needs in a reliable and cost-effective manner.

NOTICE OF VIDEOCONFERENCE/TELECONFERENCE ACCESSIBILITY

Three Valleys MWD will hold this meeting of its Board of Directors on the date and time, and at the location set forth above. The public may participate in the meeting by physical attendance at the meeting or by videoconference or teleconference utilizing the following links:

Link to join webinar: <https://tvmwd.zoom.us/j/83236467691>

OR

Dial in: (669) 900-9128, Webinar ID: 832 3646 7691

Any member of the public wishing to participate in public comment may do so in any of the following manners: (1) by using the "Raise Hand" feature on the Zoom platform and when prompted by the Board President during the public comment period, (2) by filling out the electronic speaker's card at the following link <https://arcg.is/0z5GqO> prior to the close of public comment, (3) by sending an email to PublicComment@tvmwd.com prior to the close of public comment, or (4) those attending the meeting in person may complete a speaker's card and provide it to the Executive Assistant prior to the close of public comment.

1. CALL TO ORDER

ROBERTO

2. ROLL CALL

AGUIRRE

Jody Roberto, President
Mike Ti, Vice President
Carlos Goytia, Secretary/Treasurer
David De Jesus, Director
Jeff Hanlon, Director
Bob Kuhn, Director
Danielle Soto, Director

3. FLAG SALUTE

ROBERTO

4. DIRECTOR REMOTE PARTICIPATION PURSUANT TO AB 2449 *[Government Code Section 54953(f)]*

ROBERTO

A. NOTIFICATION DUE TO JUST CAUSE

B. REQUEST DUE TO EMERGENCY CIRCUMSTANCES

BOARD ACTION REQUIRED ITEM 4.B

Staff Recommendation: None

5. PUBLIC COMMENT *(Government Code Section 54954.3)*

ROBERTO

Opportunity for members of the public to directly address the Board on items of public interest within its jurisdiction. The public may also address the Board on items being considered on this agenda. TVMWD requests that all public speakers complete a speaker's card and provide it to the Executive Assistant.

We request that remarks be limited to three minutes or less. Pursuant to Government Code Section 54954.3, if speaker is utilizing a translator, the total allotted time will be doubled.

6. ACTION AGENDA

The following items on the Action Agenda call for discussion and action by the Board. All items are placed on the agenda so that the Board may discuss and take action on the item if the Board is so inclined.

A. LETTER AGREEMENT FOR PAYMENT OF CYCLIC WATER PRE-DELIVERED IN CALENDAR YEAR 2024

LITCHFIELD

The Board will consider approval of the Letter Agreement with the Metropolitan Water District of Southern California and the Main San Gabriel Basin Watermaster for the payment schedule of 35,000 acre-feet of cyclic water pre-delivered in CY 2024.

BOARD ACTION REQUIRED ITEM 6.A

Staff Recommendation: Approve as Presented

7. CLOSED SESSION

ROBERTO

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 – EXISTING LITIGATION [Government Code Section 54956.9(d)(1)]

Name of Case: San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case No. CPF-14-514004 (Consolidated with Case Nos. CPF-16-515282 and CPF-18-516389)

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

Name of Case: Victor Asemota et al. v. City of Claremont, et al., Los Angeles County Superior Court Case No. 24STCV08598

8. ADJOURNMENT AND NEXT MEETING

ROBERTO

The Board will adjourn to a regular Board Meeting on September 4, 2024.


In compliance with the Americans with Disabilities Act Government Code Section 54954.2(a), if special assistance is needed to participate in this public meeting, please contact the Executive Assistant at (909) 621-5568 at least 24 hours prior to the meeting.

Pursuant to Government Code Section 54957.5, materials related to an item on this agenda submitted after distribution of the agenda packet will be posted on the TVMWD website at www.threevalleys.com.

Three Valleys MWD Board meeting packets and agendas are available for review at www.threevalleys.com

**BOARD ACTION****BOARD OF DIRECTORS
STAFF REPORT**

To: TVMWD Board of Directors

From: Matthew H. Litchfield, General Manager 

Date: July 23, 2024

Subject: Letter Agreement for Payment Schedule of Cyclic Water Pre-Delivered in Calendar Year 2024

☐ **Funds Budgeted: \$**☐ **Fiscal Impact: \$****Staff Recommendation**

Staff recommends the approval of the Letter Agreement with the Metropolitan Water District of Southern California and the Main San Gabriel Basin Watermaster for the payment schedule of 35,000 acre-feet of cyclic water pre-delivered in calendar year 2024.

Background

Metropolitan Water District of Southern California (Metropolitan) administers the Cyclic Storage Program for Three Valleys in the Main San Gabriel Basin (Main Basin). The Cyclic program affords the opportunity for Metropolitan to store its supplies at its convenience. Once delivered, the water purchase from the account is established through a letter agreement amongst the parties. Three Valleys has requested deliveries of 35,000 acre-feet (AF) in calendar year 2024, with a schedule to purchase the water over the next 10 years (2034).

Discussion

Three Valleys, Main Basin and Metropolitan entered into the Cyclic Storage Agreement with a capacity of 50,000 AF in June 2020, for a period of 10 years, expiring in 2030. In 2023, the Metropolitan Board amended its Cyclic Program which increased the purchase schedule for water from the program from five (5) years to 10 years. In November 2023, the Main Basin Watermaster Board approved to extend the Three Valleys Cyclic Storage Agreement to 2034.

The Department of Water Resources set the State Water Project (SWP) allocation at 100% and 40%, for years 2023 and 2024, respectively. Metropolitan, with two consecutive high SWP

allocations, intends to deliver higher amounts of water into its available storage programs. Three Valleys has requested 35,000 AF of water to be delivered into the Cyclic Storage in the Main Basin, with a payment schedule of 10 years, at 3,500 AF per year. The 2024 commitment to purchase the 3,500 AF will not result in any financial impact to Three Valleys; sale of a minimum of 3,500 AF is projected from the cyclic storage account in 2024, resulting in a pass-through of the costs. The remaining payment schedule for the duration of the letter agreement is based on future projected sales from cyclic storage and will be included in the future budget and rates discussion.

The Letter Agreement included as **Exhibit A** is consistent with the above Three Valleys' request for 35,000 AF, with a payment schedule evenly spread over 10 years (June 2034). The final annual purchase amount will be adjusted in early 2025, if the projected 35,000 AF of water is not delivered on behalf of Three Valleys. The Letter Agreement provided as Exhibit A was approved by the Main Basin Watermaster Board of Directors on July 3, 2024.

Environmental Impact

None

Strategic Plan Objective(s)

1.2 – Diverse Portfolio

1.3 – Infrastructure Reliability

2.5 – Operational Strategies

Attachment(s)

Exhibit A – Letter Agreement Regarding Schedule for Payment of Cyclic Water Pre-Delivered in Calendar Year 2024

Meeting History

Board of Directors Meeting, May 15, 2024, Informational Item

Board of Directors Meeting, March 20, 2024, Informational Item

Board of Directors Meeting, June 17, 2023, Action Item

NA/SL



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

LETTER AGREEMENT REGARDING SCHEDULE FOR PAYMENT OF CYCLIC WATER PRE-DELIVERED IN CALENDAR YEAR 2024

The Metropolitan Water District of Southern California (“Metropolitan”), Three Valleys Municipal Water District (“Three Valleys”), and the Main San Gabriel Basin Watermaster (“Watermaster”) entered into a Cyclic Storage Agreement (“Cyclic Agreement”) effective June 1, 2020. This Letter Agreement is being entered pursuant to the Cyclic Agreement. Metropolitan, Three Valleys, and the Watermaster entered into the First Amendment to the Cyclic Agreement effective June 1, 2024. The Cyclic Agreement and Amendment allow Metropolitan to deliver water to the Main San Gabriel Basin in advance of demand for the water by the Watermaster and Three Valleys on behalf of its member agencies.

In calendar year 2024, in agreement with Three Valleys and the Watermaster, Metropolitan plans to deliver up to 35,000 AF to the Three Valleys Cyclic Agreement Account (“Cyclic Account”). The purchase schedule sets the minimum amount to be purchased over the next ten years. Three Valleys, the Watermaster, and Metropolitan agree that Three Valleys will purchase the water delivered to the Cyclic Account no later than June 1, 2034. Three Valleys may purchase the water earlier than scheduled.

Should conditions change, Metropolitan and Three Valleys may mutually agree on an alternative payment schedule through a revised purchase agreement. In the event Three Valleys requests a change in the purchase schedule pursuant to a request or action of the Watermaster, they must advise Metropolitan of such change in writing. Payments to Metropolitan for water from the Cyclic Account shall be in accordance with the Cyclic Agreement terms.

The purchase schedule is as follows:

2024 Deliveries	Current Balance (AF)	Purchase Schedule (AF)									
		To Be Purchased by December 31 st									
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Three Valleys	35,000	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500

[Signatures on Following Page]



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

**THE METROPOLITAN WATER
DISTRICT OF SOUTHERN CALIFORNIA**

By _____
Brandon Goshi
Interim Manager
Water Resource Management

Date _____

**THREE VALLEYS MUNICIPAL
WATER DISTRICT**

By _____
Matthew Litchfield
General Manager

Date _____

**MAIN SAN GABRIEL BASIN
WATERMASTER**

By _____
Russ Bryden
Executive Officer

Date _____