



THREE VALLEYS MUNICIPAL WATER DISTRICT REGULAR BOARD MEETING MINUTES

Wednesday, March 5, 2025 | 8:00 a.m.

1. 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. The presiding officer was President Mike Ti.

2. ROLL CALL

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

DIRECTORS PRESENT

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

STAFF PRESENT

Matthew Litchfield, General Manager
Steve Kennedy, Legal Counsel
Brittany Aguilar, Finance Manager
Nadia Aguirre, Executive Board Secretary
David Dransfeldt, Water Resources Intern
Freeman Ensign, Operations Supervisor
Karen Harberson, Compliance Specialist
Kirk Howie, Chief Administrative Officer
Steve Lang, Chief Operations Officer
Sylvie Lee, Chief Water Resources Officer
Joshua Hernandez-Olivares, Finance Analyst
Kevin Panzer, Engineer
Brian Pen, Water Resources Analyst
Robert Peng, I.T. Manager
Alvin Ramos, I.T. Analyst
Marissa Turner, Admin. Communications Assistant
Jose Velasquez, Chief Finance Officer

Virtual Attendees: Melissa Cansino, City of Pomona; Ed Chavez, Upper San Gabriel Valley Municipal Water District; Jacob Chavira, City Glendora; Darla Dyson, Office of Senator Sasha Perez; Kelly Gardner, Main San Gabriel Basin Watermaster; Ed Hilden, Walnut Valley Water District; Gloria T Lai-Bluml, Metropolitan Water District of Southern California; Ben Lewis, Golden State Water Company; Elisa Mendez, Metropolitan Water District of Southern California; Thomas Monk, Walnut Valley Water District; Stephanie Moreno, Water Quality Authority; Stephen Pritchard, California State Polytechnic University, Pomona; Kristie Sanchez, City of La Verne; Kim Wilson, Metropolitan Water District of Southern California

In person attendees: John Bednarski, Metropolitan Water District of Southern California; John Bellah, Rowland Water District; Josh Byerrum, Walnut Valley Water District; Chris

10110

Diggs, City of Pomona; Jared Macias, Walnut Valley Water District; Melody McDonald, San Bernardino Valley Water Conservation District; Randall Reed, Cucamonga Valley Water District; Sherry Shaw, Walnut Valley Water District

3. FLAG SALUTE

President Ti led the flag salute.

4. DIRECTOR REMOTE PARTICIPATION PURSUANT TO AB 2449

A. NOTIFICATION DUE TO JUST CAUSE

B. REQUEST DUE TO EMERGENCY CIRCUMSTANCES

There were no requests submitted by any Directors for remote participation due to Emergency Circumstances, and therefore no motion was needed for this item.

5. AGENDA REORDER/ADDITIONS

Item 8.E – Salary Schedule Review was pulled from the agenda and will be brought back at a later date.

6. PUBLIC COMMENT

President Ti opened public comment and there was none.

7. PRESENTATION

A. PURE WATER SOUTHERN CALIFORNIA UPDATE BY JOHN BEDNARSKI OF METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Mr. John Bednarski reported on the Pure Water Southern California project (Pure Water) and drought mitigation project. Pure Water aims to purify water at the A.K. Warren Water Resource Facility, construct a 40-mile 7-foot diameter pipeline, and potentially bring the water to the Weymouth plant. Pure Water will provide enough water for 1.5 million people and is one of the largest in the world. MWD is working on a project labor agreement, and the program will generate 30,000 to 40,000 direct and indirect jobs. Pure Water is estimated to cost \$2 billion for the first phase and \$4 billion for the second phase, which extends the pipeline all the way up to the Santa Fe dam area. Outside funding and agency contributions have been secured with \$80 million in state funding. Mr. Bednarski also provided an update on the drought mitigation projects, including the connection of the Inland Feeder to the

Rialto pipeline at Wadsworth, Diamond Valley Lake, and the Badlands tunnel surge protection.

8. GENERAL MANAGER'S REPORT

A. ACWA JPIA EXECUTIVE COMMITTEE CONCURRING NOMINATION RESOLUTIONS

ACWA JPIA called an election to fill four Executive Committee member positions. Two concurring nominations were received by the district: Melody McDonald from San Bernardino Valley Water Conservation District and Randall Reed from Cucamonga Valley Water District. Both nominees were present at the meeting and requested the Board's support for a concurring nomination for JPIA's Executive Committee election that will be held on May 12, 2025. The concurring nomination resolutions will be considered for adoption at the March 19, 2025 Board of Directors meeting.

B. ACWA REGION 8 BOARD VACANCY APPOINTMENT

ACWA Region 8 has one board vacancy for the remainder of the 2024-25 term that will be filled by appointment. The Region 8 Board will make the appointment shortly after the nomination deadline of March 25, 2025. A resolution of support will be brought back to the March 19, 2025 Board of Directors meeting for consideration of adoption, if a Director wishes to continue in the process.

C. CSDA BOARD OF DIRECTORS CALL FOR NOMINATIONS, SEAT B

The CSDA Board of Directors has opened a call for nominations for Seat B, 2026-28 term. Electronic voting will begin on June 10, 2025 and successful candidates will be notified by July 29, 2025. A resolution of support will be brought back to the March 19, 2025 Board of Directors meeting for consideration of adoption, if a Director wishes to continue in the process.

D. SECOND AMENDMENT TO THE NORTH AZUSA CONNECTION AGREEMENT WITH COVINA VALLEY WATER COMPANY

General Manager Litchfield reported that Covina Irrigating Company merged with Valencia Heights Water Company to form Covina Valley Water Company. An amendment to the North Azusa Connection agreement is needed to commemorate the official name change. No other terms of the agreement are changing. Approval of the agreement will be considered at the March 19, 2025 Board of Directors meeting.

E. SALARY SCHEDULE REVIEW EFFECTIVE JULY 1, 2025

This item was pulled from the agenda and will be brought back at a later date.

F. FISCAL YEAR 2025-26 BUDGET WORKSHOP

Chief Finance Officer Velasquez presented the first version of the FY 2025-26 budget. The budget is based on MWD's biannual budget, which includes the calendar years 2025 and 2026 rate setting cycles. The budget structure is composed of the Pass-Through Fund, Capital Fund, and Operating fund. The Pass-Through Fund is sourced from readiness to serve charges (RTS), and capacity charges are passed on. The RTS is increasing considerably for FY 2025-26 to \$35.61 per equivalent dwelling unit (EDU), which exceeds the legislative limit of \$29.41 per EDU. The proposed rate recovery for the deficit is to pass through costs to the member agencies, proportional to the EDU per agency. The capacity charge is an annual charge passed along from MWD to Three Valleys to the member agencies. The total capacity charge for CY 2026 is \$1.6 million, a \$200,000 decrease from CY 2025. The Capital fund is fully funded through property tax revenue. The Operating Fund is funded through surcharge and fixed charges. MWD's CY 2026 untreated water rate is \$984/acre foot of water (AF), treatment surcharge is \$544/AF, and treated water rate is \$1,528/AF. Three Valleys expects to require a surcharge of \$24/AF on top of the MWD rate for 2026 and the foreseeable future for treated and untreated water.

Alternate Option 1 - Recover \$2.1M at \$63/AF 1st year and \$24/AF plus \$8/AF next years

Alternate Option 2 - \$24/AF and increase plus \$8/AF next years

Alternate Option 3 - \$32/AF and increase plus \$8/AF next years

Staff recommends reaching the minimum reserve level by the second year, particularly if debt will be issued, to secure the best possible rating and rate. Next steps are to meet with the member agencies on March 18, 2025 at the Manager's meeting, Board Workshop No. 2 on April 19, 2025, and adoption of the FY 2025-26 budget and CY 2026 rates on April 16, 2025.

G. PROJECTS UPDATE

Engineer Panzer reported on the Miramar administrative and operations building upgrades and the office furniture procurement. Building upgrades will include a new HVAC system, seismic evaluation, roofing upgrades, office space configuration, boardroom upgrades, and lobby upgrades. The total project cost is projected to be \$6.2 million with a completion date by the end of fiscal year 2028. A timeline for building upgrades was provided.

Office furniture procurement includes adjustable desks and task chairs, office storage, lobby furniture, semi-permanent cubicle partitions, and boardroom and conference room chairs. The Board approved a base bid of \$167,000 and the expected completion date is June 2025.

9. ACTION AGENDA

A. APPROVAL OF RESOLUTION NO. 25-03-999 ACCEPTANCE OF FUNDS AND EXECUTION OF AGREEMENTS FOR THE STATE AND LOCAL CYBERSECURITY GRANT PROGRAM

Information Technology Manager Peng reported on the State and Local Cybersecurity Grant Program (SLCGP). In 2022 Congress appropriated \$1 billion over four years to the Infrastructure Investment and Jobs Act for the SLCGP. The SLCGP program objectives are governance and planning, assessment and evaluation, mitigation, and workforce development. On September 26, 2024, Three Valleys submitted a Notice of Interest requesting \$250,000 in grant funds for five projects following multiple assessments conducted by the Cybersecurity & Infrastructure Security Agency. The grant allows the district to fast-track projects that were already lined up for future years.

The Board of Directors approved Resolution No. 25-03-999 accepting funds and execution of the agreement for the SLCGP.

Moved: Director Roberto	Second: Director Marquez
Ayes: De Jesus, Goytia, Hanlon, Kuhn, Marquez, Roberto, Ti	
Noes:	
Abstain:	
Absent:	
Motion No. 25-03-5515 Approval of Resolution No. 25-03-999	
Motion passed 7-0-0-0	

10. DIRECTORS' / GENERAL MANAGER'S ORAL REPORTS

A. METROPOLITAN WATER DISTRICT

Director De Jesus had nothing to report.

B. CHINO BASIN WATERMASTER

Director Kuhn had nothing to report.

C. SAN GABRIEL BASIN WATER QUALITY AUTHORITY

Director Kuhn had nothing to report.

D. MAIN SAN GABRIEL BASIN WATERMASTER

Director Hanlon had nothing to report.

E. SIX BASINS WATERMASTER

Director Hanlon had nothing to report.

F. ADDITIONAL BOARD MEMBER REPORTS

No additional comments were provided.

G. GENERAL MANAGER'S COMMENTS

General Manager Litchfield had nothing to report.

11. CLOSED SESSION

The Board convened into closed session at 9:44 a.m. to discuss the following items:

A. THREAT TO PUBLIC SERVICES, FACILITIES, OR CRITICAL INFRASTRUCTURE
[Government Code Section 54957(a)]

Consultation with: Robert Peng, Information Technology Manager

B. 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

C. 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)

Director Kuhn departed the board meeting at 10:30 a.m. The Board convened out of closed
session and back into open session at 10:43 a.m. Legal Counsel Kennedy stated that no
reportable action was taken.

12. FUTURE AGENDA ITEMS

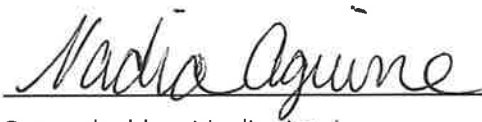
There were no requests for future agenda items.

13. ADJOURNMENT AND NEXT MEETING

President Ti adjourned the meeting at 10:44 a.m. to the next regular board meeting scheduled for Wednesday, March 19, 2025.



Mike Ti
President, Board of Directors



Recorded by: Nadia Aguirre
Executive Board Secretary