



THREE VALLEYS MUNICIPAL WATER DISTRICT REGULAR BOARD MEETING MINUTES

Wednesday, June 4, 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 Vice President Carlos Goytia.

2. ROLL CALL

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

DIRECTORS PRESENT

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

DIRECTORS ABSENT

Mike Ti, President

STAFF PRESENT

Matthew Litchfield, General Manager
Steve Kennedy, Legal Counsel
Dominique Aguiar, Operations Supervisor
Brittany Aguilar, Interim Chief Finance Officer
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 Olivares-Hernandez, Finance Analyst
Kevin Panzer, Engineer
Brian Pen, Water Resources Analyst
Robert Peng, I.T. Manager
Alvin Ramos, I.T. Analyst
Viviana Robles, Human Resources/Risk Manager
Marissa Turner, Admin. Communications Assistant

Virtual Attendees: Ed Chavez, Upper San Gabriel Valley Municipal Water District; Kara Hooks, Chandler Asset Management; Ed Hilden, Walnut Valley Water District; Bruce Knoles, San Gabriel Valley Municipal Water District; Dave Michalko, Covina Valley Water Company; Gabby Palomares, Rowland Water District; Myra Malner, Walnut Valley Water District; Thomas Monk, Walnut Valley Water District; Sevim Onsoy, GEI Consultants, Inc.; Kristie Sanchez, City of La Verne; Henry Woo, Walnut Valley Water District; 13107456518

In person attendees: Russell Ackerman, City of Glendora; John Bellah, Rowland Water District; Tom Coleman, Rowland Water District; Chris Diggs, City of Pomona; Kelly Gardner, Main San Gabriel Basin Watermaster; Tony Lima, Rowland Water District; Jared Macias,

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Walnut Valley Water District; Dusty Moisio, Rowland Water District; Sherry Shaw, Walnut Valley Water District

3. FLAG SALUTE

Vice President Goytia 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

No reorder or additions to the agenda were requested.

6. PUBLIC COMMENT

Vice President Goytia opened public comment and there was none.

7. PRESENTATION

A. REVIEW OF DISTRICT INVESTMENT ACTIVITIES BY KARA HOOKS, REPRESENTATIVE OF CHANDLER ASSET MANAGEMENT

Kara Hooks from Chandler Asset Management presented the district's investment activities and economic outlook. The Federal Reserve is maintaining interest rates between 4.25% and 4.50%, with inflation showing signs of easing. April's Consumer Price Index (CPI) came in at 2.3% year-over-year, below expectations. For TVMWD, the portfolio as of April 30, 2025, reflected an average maturity longer than the benchmark, with a modified duration of 2.54 and an average purchase yield ranging between 3.98% and 4.98% from recent acquisitions. The average quality remains AA+, though slight declines are expected following Moody's U.S. credit rating downgrade due to concerns over federal debt and spending. Despite a quarter one gross domestic product contraction of -0.3%, consumer activity remains strong, with retail sales growing 5.2% year-over-year. TVMWD's portfolio remains fully compliant with California Government Code and district policy, is well-diversified across sectors and issuers, and continues to show healthy performance metrics, including a strong 12-month total return and outperformance relative to its benchmark since inception.

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8. PUBLIC MEETING REGARDING THE IMPOSITION OF A WATER STANDBY CHARGE FOR FY 2025-26

Vice President Goytia opened the public meeting at 8:20 a.m.

Interim Chief Finance Officer Aguilar presented the FY 25-26 water standby charge. The estimated standby charge will remain at \$29.41 per equivalent dwelling unit. The draft engineers report details how the estimate was calculated. No public comment was received regarding this matter. The public hearing to consider adopting the FY 25-26 water standby charge will be held on June 18, 2025. The public meeting was closed at 8:21 a.m.

9. GENERAL MANAGER'S REPORT

A. INVESTMENT POLICY REVIEW

Ms. Hooks presented an overview of the annual updates to the District's investment policy, as required by Board policy. The review focused on aligning the policy with recent changes to the California Government Code and best practices. Key updates included clarifying eligible financial institutions under Government Code Section 53601.5, refining definitions of authorized investments and maturities, removing duplicated sections, and consolidating diversification guidelines. Ms. Hooks noted the removal of specific issuer names under the 5% limitation, now addressed elsewhere in the policy, and updates to the glossary to enhance relevance. Ms. Hooks affirmed that the Three Valleys investment policy remains comprehensive and compliant, supporting a well-diversified portfolio structure. This item will be brought back to the June 18, 2025 board of directors meeting for consideration of approval.

B. FY 2025-26 ENCUMBRANCE CARRYFORWARD

Interim Chief Finance Officer Aguilar reported that the carryforward represents staff's best estimate of unspent funds for ongoing projects as of the end of the current fiscal year. The purpose is to roll over these funds into the new fiscal year to ensure continuity and completion of projects. Details of the specific projects and the total estimated amount of approximately \$3.3 million were provided in the staff report. This item will be brought back to the June 18, 2025 board of directors meeting for consideration of approval.

C. GOVERNMENT FINANCE OFFICERS ASSOCIATION AWARDS

Three Valleys received multiple awards from the Government Finance Officers Association (GFOA), recognizing excellence in financial reporting and budgeting. For the 17th

consecutive year, the District was awarded the Certificate of Achievement for Excellence in Financial Reporting for its FY 2023–24 Annual Comprehensive Financial Report. For the first time, the district received the Distinguished Budget Presentation Award for its FY 2024–25 Budget Book, and the Award for Outstanding Achievement in Popular Annual Financial Reporting for FY 2022–23. Ms. Aguilar commended the finance team’s efforts, highlighting Finance Analyst Joshua Hernandez’s instrumental role in developing the District’s first-ever budget book, and expressed pride in the agency’s collaborative and timely departmental contributions. The Board extended its congratulations and appreciation to staff for their dedication and professionalism. This item will be brought back to the June 18, 2025 board of directors meeting for consideration of approval.

D. CASH-OUT PROGRAM FISCAL YEAR ALIGNMENT

Human Resources/Risk Manager Robles reported on the proposed alignment of the District’s mandatory leave cash-out program with the fiscal year. Historically, cash-outs occur in December, which do not align with the District’s fiscal calendar and create administrative inefficiencies during year-end closeout processes. To address this, staff recommends transitioning the cash-out timing to June, aligning it with the fiscal year start. This change is intended to improve forecasting accuracy, streamline payroll reconciliation, and enhance budgeting and planning efforts. Redline edits to the employee handbook sections reflecting this change were provided. This item will be brought back to the June 18, 2025 board of directors meeting for consideration of approval.

E. REVIEW OF BOARD OF DIRECTORS POLICY MANUAL

General Manager Litchfield presented an informational review of the Board of Directors Policy Manual, highlighting several key updates. The revisions included updating the District’s vision statement and core values to align with the five-year strategic plan adopted last year. Additionally, adjustments were made to the meal reimbursement policy, increasing the daily allowance from \$100 to \$125 and raising the gratuity cap from 15% to 20%. The review also involved removing outdated or redundant sections related to administrative operation, which are addressed in other documents like the employee handbook. These changes aim to streamline the manual to better reflect the governance role of the Board. Directors discussed the current \$7,500 annual budget limit for Board-related expenses, noting that the amount may no longer be adequate due to inflation and rising travel costs. Staff will review a potential adjustment and present findings at the next Board meeting. This item will be brought back to the June 18, 2025 board of directors meeting for consideration of approval.

F. REVIEW GENERAL MANAGER FY 2025-26 WORK PLAN

The FY 2025–26 General Manager’s Work Plan outlines the District’s strategic priorities and initiatives for the upcoming year. The Work Plan was refined to align with the District’s five-year strategic plan and includes specific projects, activities, and performance metrics organized as SMART goals that can be measured for staff’s performance throughout the year. The Work Plan is intended to serve as a guiding document for operational focus and performance accountability in the new fiscal year. This item will be brought back to the June 18, 2025 board of directors meeting for consideration of approval.

G. PROFESSIONAL SERVICES AGREEMENT AWARD FOR THE REGIONAL URBAN WATER MANAGEMENT

Chief Water Resources Officer Lee reported on the requirements for the Regional Urban Water Management Plan (RUWMP) that is due July 1, 2026. Three Valleys is coordinating a regional plan with participation from seven member agencies, including City of Glendora, City of La Verne, City of Pomona, Golden State Water Company (San Dimas and Claremont), Rowland Water District, and Walnut Valley. Unlike the previous cycle’s individual agency plans, this RUWMP will be structured as a single regional alliance document with individual chapters, allowing agencies to benefit from collective compliance. After reviewing competitive proposals, the District selected GEI Consultants, Inc. in partnership with Water System Consulting due to their advanced demand modeling capabilities. The total contract amount is \$425,016, with TVMWD’s share being approximately \$180,016 and the remainder funded by the participating agencies. The professional services agreement will be brought back to the June 18, 2025 board of directors meeting for consideration of approval.

10. DIRECTORS’ / GENERAL MANAGER’S ORAL REPORTS

A. METROPOLITAN WATER DISTRICT

Director De Jesus reported on the lawsuit settlement between MWD and San Diego County Water Authority. With the current General Managers upcoming retirement at the end of the year, MWD has initiated the recruitment process for a new General Manager. An ad hoc committee was formed to ensure a transparent process. Bob Murray and Associates have been selected as the recruitment firm.

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

General Manager Litchfield reported that the adopted safe yield is 160,000 acre feet.

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 reported that the salary schedule previously adopted with an effective date of July 1, 2025, will be brought back to the Board for action at its June 18, 2025, meeting, with a revised effective date of June 23, 2025. This change is necessary due to pay period restrictions identified through the implementation of the new Caselle financial software. In addition, the flagpole has been installed with the new TVMWD flag and the new reservoir sign will be installed soon.

11. CLOSED SESSION

The Board convened into closed session at 8:56 a.m. to discuss the following items:

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 REAL PROPERTY NEGOTIATORS [Government Code Section 54956.8]

Property: DD64045-01-01, North of Rte. 210 Fwy., East of Padua Ave., Claremont, California

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District Negotiator: Matthew Litchfield, General Manager

Negotiating Parties: State of California Department of Transportation

Under Negotiation: Purchase and Sale Agreement

D. CONFERENCE WITH REAL PROPERTY NEGOTIATORS [Government Code Section 54956.8]

Property: 1021 E. Miramar Avenue, Well No. 3, Claremont, California

District Negotiator: Matthew Litchfield, General Manager

Negotiating Parties: Golden State Water Company

Under Negotiation: Price and Terms of Acquisition

The Board convened out of closed session and back into open session at 9:46 a.m. Legal Counsel Kennedy stated that no reportable action was taken.

12. FUTURE AGENDA ITEMS

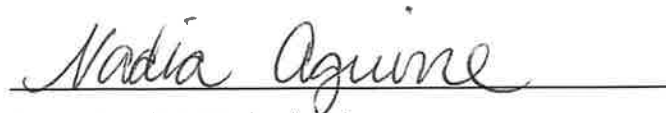
There were no requests for future agenda items.

13. ADJOURNMENT AND NEXT MEETING

The Board meeting was adjourned at 9:47 a.m. in memory of President Ti's father, who recently passed away. The next regular board meeting is scheduled for Wednesday, June 18, 2025.



Carlos Goytia
Vice President, Board of Directors



Recorded by: Nadia Aguirre
Executive Board Secretary