

MINUTES
REGULAR BOARD OF DIRECTORS MEETING
THREE VALLEYS MUNICIPAL WATER DISTRICT

Wednesday, January 18, 2017
8:00 a.m.

1. Call to Order

The Board of Directors meeting of the Three Valleys Municipal Water District (TVMWD) was called to order at 8:00 a.m. at the TVMWD office located at 1021 East Miramar Avenue, Claremont, California. The presiding officer was President Bob Kuhn.

2. Pledge of Allegiance

The flag salute was led by President Bob Kuhn.

3. Roll Call

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

Directors Present

Bob Kuhn, President
David De Jesus, Vice President
Brian Bowcock, Secretary
Joseph Ruzicka, Treasurer
Carlos Goytia, Director
John Mendoza, Director

Staff Present

Rick Hansen, General Manager
Steve Kennedy, Legal Counsel
Liz Cohn, Sr. Financial Analyst
Vicki Hahn, District Clerk/Executive Assistant
Karen Harberson, Operations WQ Assistant
Kirk Howie, Assistant GM-Administration
Steve Lang, Water Operations Manager
James Linthicum, Chief Finance Officer

Directors Absent

Dan Horan, Director

Guests and others present: Tom Coleman, Rowland Water District; Paul DiMaggio, Suburban Water Systems; Director Ted Ebenkamp, Walnut Valley Water District; Director Ed Hilden, Walnut Valley Water District; Erik Hitchman, Walnut Valley Water District; Maria Elena Kennedy, Kennedy Communications; Ben Lewis, Golden State Water Company; Director Tony Lima, Rowland Water District; Director Szu Pei Lu-Yang, Rowland Water District; Dean McHenry, League of Women Voters; Darron Poulsen, City of Pomona; Don Sachs, Mt. San Antonio College; Brian Teuber, Walnut Valley Water District; Dave Warren, Rowland Water District

4. Additions to Agenda

President Kuhn inquired if there were any additions to the published agenda. Staff did not have any additions to the published agenda.

5. Reorder Agenda

President Kuhn inquired if there was any reason to reorder the published agenda. Staff did not have any reason to reorder the published agenda.

6. Public Comment

President Kuhn called for any public comment. There were no requests for public comment.

7. Consent Calendar

The Board was asked to consider the Consent Calendar Items (7.1-7.4) for the January 18, 2017 Board meeting that included: (7.1) Receive, approve and file, December 2016 Board minutes for December 7, 2016; (7.2) Receive, approve ratify and file, November/December 2016 Financial Reports; (7.3) TVMWD Site Tours; (7.4) CY 2017 Board Member Appointments.

Upon motion and second the floor was opened for discussion. There being no further discussion, President Kuhn called for the vote.

Moved: Ruzicka; Second: Bowcock
Motion No. 17-01-5117 to approve the January 18, 2017 Consent Calendar items 7.1-7.4. The motion passed with a 6-0 vote. Director Horan was absent from the meeting.

8. General Manager's Report

8.A – Administration

8.A.1 Legislative Update, January 2017

Assistant General Manager, Kirk Howie provided the Board with a legislative report as follows:

- The new two-year legislative cycle commenced on January 4, 2017.
- All bills signed under the previous legislative cycle were effective January 1, 2017.
- California now has a super-majority in both the Assembly (55-25) and the Senate (27-13). A super-majority has the ability to pass new taxes, place a constitutional amendment on the ballot, change the rules of the house, and override a governor's veto.
- The deadline to introduce new legislation is February 17, 2017.
- Senator Kevin de León remained in his role as the President Pro Tempore. Senator Jean Fuller will be the Minority Leader. Assembly Member Anthony Rendon will continue as the Speaker of the Assembly and Assembly Member Chad Mayes will be the Minority Leader.
- A summary of the 2017-18 State Budget projections was reviewed. The Governor introduced his budget on January 10, 2017. The budget will now make its way through the respective houses, with revisions to be considered during May 2017 and enactment proposed to occur during late summer.
- A summary of Federal legislation was approved with two notable items passed at the end of CY 2016 – a new iteration of the Water Resources Development Act, now known as Water Infrastructure Improvement for the Nation Act (WINN), and WRDA which includes reform and revitalization of the Title XVI program. The WRDA program will convert to a grant application program with a report expected by early CY 2018.

- A list of TVMWD 2017 legislative priorities was included as part of the agenda packet. The initial legislative status report is expected to be available during the March board meeting cycle.

8.A.2 Ratify Director Expense Reports for November 2016 and Approve Director Expense Reports for December 2016

The Board was asked to ratify previously paid November 2016 expense reports, and approve December 2016 expense reports. Upon motion and second the floor was opened for discussion. There being no discussion, President Kuhn called for the vote.

**Moved: Ruzicka; Second: Bowcock
Motion No. 17-01-5118 to ratify payment of the November 2016 expense reports and approve payment of the Director Expense reports for December 2016. The motion passed with a 6-0 vote. Director Horan was absent from the meeting.**

8.A.3 Approve Ordinance No. 17-01-21 – Adopting TVMWD Manuals

The Board considers interim approvals to its manuals (Policy, Personnel and Benefits) every two years and approves them by motion. Ordinance No. 17-01-21 was brought to the Board to clarify and supersede previous action taken on this matter. The proposed ordinance will address the action and frequency by which a full line-by-line review of all TVMWD manuals will occur going forward.

Upon motion and second the floor was opened for discussion.

Discussion ensued regarding the proposed timing and whether or not it was adequate in light of changes that may occur over time. Staff responded to questions seeking clarification.

Upon conclusion of the discussion it was determined that a line-by-line review will be completed at least every ten years. An amendment to Article 2 of the ordinance included in the agenda packet was made to state, **at least every ten years**. Interim updates will continue to be approved by motion or resolution. The adopted TVMWD Manuals will be published to the District website and a link will be sent to all Directors. President Kuhn called for the vote. A roll call vote was taken by the Executive Assistant with the following outcome.

**Moved: Bowcock; Second: Ruzicka
Motion No. 17-01-5119 Adopting Ordinance No. 17-01-21 Approving TVMWD Manuals as amended. The motion passed with a 6-0 vote. Directors Bowcock, De Jesus, Goytia, Kuhn, Mendoza and Ruzicka voted in the affirmative. Director Horan was absent from the vote.**

8.B – Engineering and Operations

8.B.1 TVMWD Baseline Road Well Project Update (Project No. 59458)

General Manager, Rick Hansen informed that an engineering firm has been retained to complete an assessment of the existing well on the neighboring property to determine market value. During testing the well pumped at 100 gpm and the water quality was decent. A report will be provided to the Board during a future meeting to be determined.

8.B.2 Calendar Year Imported Water Purchases, December 2016

General Manager, Rick Hansen provided the CYE 2016 report of imported water deliveries. A total of 66,290 AF of Tier 1 water was delivered, with a total of 14,398 AF of the allocation remaining. TVMWD spread greater than 12,000 AF into the Main San Gabriel Basin. MWD worked with TVMWD and Upper District to insure that an extra capacity charge was not assessed on the spread water that was delivered during the summer by suspending invoicing until after the peak flow period ended. Staff will continue working with the surrounding Watermasters' to minimize water left over at calendar year end. A question was raised regarding TVMWD moving some of the expected remaining Tier 1 water into cyclic storage for deliveries to our member agencies at the lower rate. A total of 119 AF of Tier 1 water was delivered into our cyclic storage account in the Main Basin. TVMWD staff will be evaluating spreading and storage options further during CY 2017.

8.B.3 Miramar Operations Report – December 2016

Water Operations Manager, Steve Lang provided an overview of the Miramar Plant operations and activities for the month of December 2016. Water quality continues to meet or exceed state and federal drinking water standards without any violations reported by SWRCB. THMs are beginning to increase slightly but continue to remain below the maximum levels

Current production/sales data month and year-to-date were reviewed as follows: total potable water produced 1074.3/AF; Well #1 ran for a total of 29 days; it was offline because a variable frequency drive (VFD) failed from running over current. Software was purchased that will prevent this from recurring in the future. Well #2 ran for the entire month of December. Combined, both wells produced a total of 75.4/AF produced; total potable water sales for the month were 1149.7/AF; total year-to-date potable water sold is at 137% of what was budgeted. Sales are trending slightly lower than normal due to weather and demand.

Hydroelectric generation data was reviewed. Miramar 1 continues to be offline. Miramar 2 and 3 continue to produce energy and did not require TVMWD purchasing energy from the grid. A new meter was installed on Miramar 2 to allow production to be tracked separately. TVMWD will now be able to monitor kWh for each meter to measure trends and display production history.

There was one planned outage at the Williams hydro to allow Edison to make repairs to their electrical system.

The full report is available upon request.

Director Mendoza extended his thanks to Dominique Aguiar for the plant tour.

9. Directors' / General Managers Oral Reports

President Kuhn requested that item 7.4 of the Consent Calendar be pulled for additional discussion. President Kuhn requested that an amendment to the previously approved CY 2017 Board Appointments be made as follows: Director Joe Ruzicka will replace Bob Kuhn as the alternate on the San Gabriel Valley Council of Governments (SGV-COG). It was noted that for CY 2017 TVMWD is on their off cycle for the San Gabriel Valley JPA for this group, and that both the delegate and alternate will attend as observers. Staff was directed to communicate same to the SGV-COG. Mr. Kennedy advised that a separate motion was necessary for this action.

Moved: Bowcock; Second: Kuhn
Motion No. 17-01-5120 to amend item 7.4 CY 2017 Board Appointments changing the alternate for the SGV-COG. The motion passed with a 6-0 vote. Director Horan was absent from the meeting.

9.A Local Agency Formation Commission (LAFCO)

Director Ruzicka provided a copy of the LAFCO Agenda for their January 11, 2017 meeting for anyone's interest. As of December 2016 two new Commissioners from the Los Angeles County Board of Supervisors, Commissioner Janice Hahn representing District 4 and Commissioner Kathryn Barger representing District 5 have been appointed replacing retiring members Don Knabe and Mike Antonovich; Commissioner Sheila Kuehl, District 3 will be the alternate.

9.B Six Basins Watermaster

Director Bowcock reported the next regular meeting of Six Basins Watermaster Board will be January 25, 2017. He acknowledged and welcomed Director Mendoza as the new alternate for Six Basins. An election of officers will be conducted at their next meeting.

9.C Main San Gabriel Basin Watermaster

Director Bowcock reported that as of January 4, 2017 the Key Well was at 179.8'. The significant change is likely due to the heavy precipitation in the region and expected to climb further. He also reported on the status of the three main reservoirs in the Main Basin, Cogswell, Morris Dam and San Gabriel Valley. Combined, the capacity these reservoirs can store is 83,478 AF; as of January 4, 2017 the current capacity available was 12,838 AF.

9.D Chino Basin Watermaster

President Kuhn reported that during its annual meeting scheduled for January 26, 2017 CBWM will be completing its election of officers and committee reorganization.

The court decision regarding safe yield has been delayed until at least March 2017.

The priority for CY 2017 is likely to be storage. Mr. Kennedy was asked to communicate with other legal members to determine how they are evaluating storage. TVMWD was asked to stay involved and current with these issues.

9.E San Gabriel Basin Water Quality Authority

President Kuhn reported the next meeting is scheduled for today, January 18, 2017. The Board will be reorganizing and conducting its election of officers. Three new members will be installed.

At today's meeting a report from federal lobbyist Hal Furman, and state lobbyist Jack Gualco will be provided.

9.F San Gabriel Valley Council of Governments (SGV-COG)

Director Goytia reported the December 2016 meeting was cancelled. For CY 2017 TVMWD is off cycle for the San Gabriel Valley JPA. President Kuhn encouraged continued observation by both the delegate and alternate throughout CY 2017.

9.G MWD Board

Director De Jesus reported on recent action taken at the December 13, 2016 and January 10, 2017 meetings.

He commented that regarding water supply issues, MWD needs to exercise caution on the message it delivers due to potential impacts to other sectors, i.e., housing, finance, etc.

During December 2016 Director De Jesus stepped down from the Water Planning and Stewardship Committee. He was appointed as Vice Chair to the Board.

During the January 2017 meeting Director Charles Trevino was appointed by Upper San Gabriel MWD, replacing Mike Touhey.

9.H Additional Board Member or Staff Reports / Comments

Directors Bowcock, Goytia and De Jesus commented on the recent media reports following the heavy precipitation in Northern California and loss of overflow water. They will continue to encourage different stakeholder groups they connect with to communicate with their legislators regarding better opportunities to handle these situations. Mr. Hansen suggested that it is very important how the message is delivered, i.e., efficient use of water versus conservation. Many opportunities will be evaluated through California Water Fix.

10. Future Agenda Items

There were no requests for future agenda items.

11. Adjournment

President Kuhn adjourned the meeting at 9:26 a.m. **The next regular Board meeting is scheduled for February 1, 2017 at 8:00 a.m.**

/s/ Bob Kuhn
President, Board of Directors
Three Valleys Municipal Water District

Recorded by: Victoria A. Hahn,
District Clerk/Executive Assistant