

**MINUTES
REGULAR BOARD OF DIRECTORS MEETING
THREE VALLEYS MUNICIPAL WATER DISTRICT**

**Wednesday, March 15, 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 Vice President David Jesus.

2. Pledge of Allegiance

The flag salute was led by Vice President De Jesus.

3. Roll Call

Roll call was taken with a quorum of the Board present. President Bob Kuhn had an excused absence.

Directors Present

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

Directors Absent

Bob Kuhn, President (excused)

Staff Present

Rick Hansen, General Manager
Steve Kennedy, Legal Counsel
Liz Cohn, Sr. Financial Analyst
Freeman Ensign, Water Operations Supervisor
Mario Garcia, Engineering & Operations Manager
Vicki Hahn, District Clerk/Executive Assistant
Kirk Howie, Assistant GM-Administration
Steve Lang, Water Operations Manager
James Linthicum, Chief Finance Officer

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; 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; Brian Teuber, Walnut Valley Water District; Dave Warren, Rowland Water District

4. Additions to Agenda

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

5. Reorder Agenda

Vice President De Jesus 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

Vice President Jesus 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 (7.1-7.5) for the March 15, 2017 Board meeting that included: (7.1) Receive, approve and file, February 2017 Board minutes for February 15, 2017; (7.2) Receive, approve and file, February 2017 Financial Reports; (7.3) FY 17-18 Annual Purchase Orders; (7.4) LeRoy's Connection Replacement-Budget Amendment, Project No. 58154; (7.5) Return Unexpended Funds to Capital Asset Reserves-Budget Amendment.

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

Moved: Ruzicka; Second: Horan

Motion No. 17-03-5127 to approve the March 15, 2017 Consent Calendar items 7.1-7.5. The motion passed with a 6-0 vote. Director Kuhn had an excused absence from the meeting.

8. General Manager's Report

8.A – Administration

8.A.1 Legislative Update, March 2017

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

The Board was provided with a comprehensive Legislative Status Report which listed activity on the bills TVMWD is watching. As the legislative cycle proceeds some of these items may change from watch to support or oppose.

Staff provided an updated on SB 231 (Hertzberg) that is generating interest within the water industry. The bill was discussed during the recent MWD Legislative Committee with an initial support position being taken by MWD. Following feedback from its member agencies, MWD has stepped back to a watch position on this bill. Both ACWA and CSDA continue to watch this bill. SB 231 has been assigned to the Senate and Governance Committee. The primary concerns with this proposed bill have to do with MS4 permitting and fees and other Proposition 218 issues thereof. Should this legislation pass it is anticipated it will result in significant fees to agencies, as well as individual and business property owners.

Director Mendoza inquired about a bill introduced by Senator Leyva SB 427 (Public water systems: lead user service lines). He also inquired about another bill SB 252 (Water wells: permits – critically overdrafted groundwater basins). Mr. Howie advised he will look into both of these bills and provide an update during the next reporting cycle. The Board was provided information regarding a coalition letter TVMWD participated in supporting the California Water Fix.

8.A.2 Approve Director Expense Reports for February 2017

The Board was asked to approve February 2017 expense reports. Upon motion and second the floor was opened for discussion. There being no discussion, President De Jesus called for the vote.

Moved: Ruzicka; Second: Bowcock Motion No. 17-03-5128 to approve payment of the Director Expense reports for February 2017. The motion passed with a 6-0 vote. Director Kuhn had an excused absence from the meeting.

8.A.3 Addition to Agenda

Director Bowcock made a request for the Board to consider an addition to the agenda concerning an increase to director travel expenses.

Upon motion and second the floor was opened for discussion. Discussion occurred whether there was time to wait until the next agenda to address this or whether action was necessary at today's meeting. Mr. Hansen noted there is a level of urgency regarding this item if action was not taken today. Legal counsel indicated that there appears to be justification to take action on this matter today. The floor was opened for public comment regarding this item. There was no comment from the audience present.

Vice President De Jesus called for a vote to add this item to the agenda.

Moved: Ruzicka; Second: Goytia Motion No. 17-03-5129 to consider addition to agenda regarding an increase to director travel expenses. The motion passed with a 6-0 vote. Director Kuhn had an excused absence from the meeting.

8.A.3 Increase to FY 16-17 travel budget for District 3

Director Bowcock noted that as of this date he has exceeded his allocated \$6,000 travel expense budget through his representation at events on behalf of TVMWD. As a result he will be unable to participate in upcoming ACWA-JPIA events where he is the representative for TVMWD. Director Bowcock is assigned as the representative of the District for ACWA-JPIA and serves on the Region 8 Board of Directors. Early registration for the event will end prior to the next meeting resulting in a savings to TVMWD. Director Bowcock is seeking consideration for an additional \$1,000 to be added to his travel budget.

Upon motion and second the floor was opened for discussion. There being none, Vice President De Jesus called for the vote.

Moved: Ruzicka; Second: Goytia Motion No. 17-03-5130 to authorize an addition of \$1,000 to the travel budget for District 3 for FY 16-17. The motion passed with a 6-0 vote. Director Kuhn had an excused absence from the meeting.

8.B – Engineering and Operations

8.B.1 Calendar Year Imported Water Purchases, February 2017

Manager of Operations and Engineering Mario Garcia presented the report. Through the end of February slightly under 5,000/AF of Tier 1 water has been sold. TVMWD is trending as usual based upon its three year comparison.

Mr. Hansen requested an update on the amount of water that MWD may make available for spreading.

Vice President De Jesus provided an update from the recent MWD Board meetings regarding this matter.

- Preliminary information indicates MWD may authorize up to 1 M/AF for this purpose.
- Lake Mead has increased in capacity by 60', approximately 6-7 M/AF stored at this facility.
- MWD is hoping to be authorized for Article 21 water up to 200/AF to be spread into multiple basins.
- MWD is reviewing opportunities for cyclic storage water in the Main Basin.

8.B.3 Miramar Operations Report – February 2017

Water Operations Manager, Steve Lang provided an overview of the Miramar Plant operations and activities for the month of February 2017. Water quality continues to meet or exceed state and federal drinking water standards without any violations reported by SWRCB. There is a slight increase in organics coming into Lake Silverwood from the State Water Project. TVMWD is still within the MCLs on all constituents.

The production and sales statistics were reviewed with a notation that the lower amounts were attributed to many factors such as weather, maintenance shutdown, a mechanical issue at the Joint Water Line, and Well #1 being offline. Current production/sales data month and year-to-date were reviewed as follows: total potable water produced 370.3/AF; Well #1 ran for a total of 2 days; Well #2 was online for 27 days. Well #1 has now been repaired and returned to service. Combined, both wells produced a total of 57.2/AF produced; total potable water sales for the month were 427.5/AF; total year-to-date potable water sold is at 120.4% of what was budgeted.

Hydroelectric generation data was much lower than usual and is attributed to the low production issues described above.

There was one unplanned power outage on February 22, 2017. Special activities were also reviewed. The full report is available upon request.

9. Directors' / General Managers Oral Reports

9.A Local Agency Formation Commission (LAFCO)

Director Ruzicka reported on the March 8, 2017 meeting. The newly elected supervisors have been a good fit and are quickly getting up-to-date.

9.B PWR Joint Water Line

Director Horan reported on the February 16, 2017 meeting. During this meeting the new Commissioner from City of Pomona, Council Member Ginna Escobar was seated. Pomona's alternate Commissioner, Council Member Rubio Gonzales was also in attendance. The annual rotation of officers occurred. Scarlett Kwong, Walnut Valley Water District is the President and Anthony Lima, Rowland Water District is Vice President. Commission staff provided an overview of a leak that developed at a valve on the Joint Water Line going through the Cal Poly campus. A pipe spool was temporarily installed in place of the valve to get the line back in operation as quickly as possible.

9.C Six Basins Watermaster

Director Bowcock reported the next regular meeting of Six Basins Watermaster Board will be March 22, 2017. Work is continuing on the 6BWM Master Plan. Mr. Andy Malone has been invited to present to the Board at the April 5, 2017 meeting.

9.D Main San Gabriel Basin Watermaster

Director Bowcock reported that the Key Well was at 181.7' compared to the all time low of 172.2'. He also reported on the status of the three reservoirs in the Main Basin, Cogswell, Morris Dam and San Gabriel Valley. Combined, the capacity these reservoirs can store is 83,478 AF; the capacity is currently at 57% or 47,000/AF of water. Each foot of capacity in the Key Well represents 8,000/AF.

9.E Chino Basin Watermaster

Vice President De Jesus reported a special board meeting was held on March 3, 2017 to review the judge's orders regarding the safe yield and how to proceed. The safe yield reset is still under discussion, along with storage and land use conversion. The court hearing on the safe yield reset is scheduled for the end of April.

9.F MWD Board

Director De Jesus reported on recent action taken at the March 14, 2017 board meeting. It was reported that water sales are down by 42,000/AF in the current budget year, or approximately 100,000/AF on a five year average. Diamond Valley Lake capacity is at approximately 80%. Two new directors from Central Basin MWD were seated, William Gedney and Leticia Vasquez-Wilson; Director Mark Gold from the City of Los Angeles was reappointed. A study/third party cost analysis was completed on the California Water Fix. The estimated cost is projected to be approximately \$14 B.

9.G Additional Board Member or Staff Reports / Comments

Director Mendoza reported on a meeting he attended with Assembly Member Freddie Rodriguez where an update was provided on the recent spillover at Oroville. A committee is being formed to investigate probable causes and effects. He also commented on a meeting that he and Director Ruzicka attended with Representative Grace Napolitano with updates on the stormwater issues. A white paper has been provided to Kirk and will be distributed to all Directors.

Director Goytia extended thanks to Kirk and Dominique for the recent tour provided to Pomona Council Member Robert Torres. Council Member Rubio Gonzalez is also interested in a future tour. He commented that a program was aired this past week by National Geographic on water and power. Director Goytia attended a community coffee held by Assembly Member Freddie Rodriguez and had the privilege to address questions on water from the audience. Pomona Mayor Sandoval has released a schedule of community meetings and Director Goytia has been invited to join and address water issues.

Director Bowcock brought up observations from the recent Diamond Valley Lake inspection tour. The cutbacks at Lake Skinner are very obvious. The tour visited the solar panels at Lake Skinner and also visited the Santa Rosa Plateau. There were many attendees from both the University Club and Active Claremont. He is

working with University Club member Michael Fay to coordinate a tour of local water facilities. He will also invite participation from Active Claremont and new members of WEWAC. Director Bowcock reported on the recent ACWA Region 8 meeting. Steve Blois was chosen to fill the vacancy on this Board.

Mr. Hansen noted that the March 14, 2017 MWD Board Meeting, Director and Vice Chair David De Jesus received his 15 year service pin. From a seniority perspective Director De Jesus is currently at #4 and will move up to #3 soon with a upcoming planned retirement. Today more than half of the 38 MWD Board Members have fewer than three years of service. A list of the current MWD Directors and their corresponding years of service was provided. Director De Jesus expressed his thanks for the continued support from the TVMWD Board.

Mr. Kennedy commented briefly on the March 2, 2017 Supreme Court ruling regarding the California Public Records Act (CPRA) citing that emails and written materials on any personal devices are now subject to the CPRA. A future workshop will be developed in the coming months to address how this impacts TVMWD. In order to avoid any confusion between personal and TVMWD related business all were encouraged to use their TVMWD email address for all District business rather than a personal email address.

Mr. Hansen requested that all Directors turn in their gate openers for some updates.

10. Future Agenda Items

There were no requests for future agenda items.

11. Adjournment

Vice President De Jesus adjourned the meeting at 9:18 a.m. **The next regular Board meeting is scheduled for April 5, 2017 at 8:00 a.m.**

/s/ David De Jesus
Vice President, Board of Directors
Three Valleys Municipal Water District

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