

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

**Wednesday, June 7, 2017  
8:00 a.m.**

**1. Call to Order**

The Board of Directors meeting of Three Valleys Municipal Water District 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 Kuhn.

**3. Roll Call**

Roll call was taken with the full Board present.

**Directors Present**

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

**Staff Present**

Rick Hansen, General Manager  
Steve Kennedy, General Counsel  
Dominique Aguiar, Operations Supervisor  
Liz Cohn, Sr. Financial Analyst  
Freeman Ensign, Water Operations Supervisor  
Ray Evangelista, Engineer  
Mario Garcia, Engineering & Operations Manager  
Vicki Hahn, Executive Assistant/District Clerk  
Karen Harberson, Operations WQ Assistant  
Kirk Howie, Assistant GM-Administration  
James Linthicum, Chief Finance Officer  
Ben Peralta, Project Manager

**Directors Absent**

None

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; Steve Patton, City of Glendora; 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 a need to reorder the agenda. There were no requests to reorder the agenda.

## **6. Public Comment**

President Kuhn inquired if there were any requests for public comment. There were no requests for public comment.

## **7. Board Presentations**

### **7.A Legal Update: Annual Sunshine Ordinance Review**

Mr. Steve Kennedy provided the Board with its annual update of TVMWD's Sunshine Ordinance, which has been in effect for greater than 15 years, and reflects the Board's commitment to the Brown Act and its intent and desire to go above and beyond the statutory requirements in conducting its business in a transparent manner. The annual review incorporates any legislative changes that change the language of the Brown Act or judicial decisions as it concerns the interpretation of the Brown Act.

There are three statutory requirements that were signed into law in 2016. However, it does not appear that these requirements warrant any substantive changes to TVMWD's Sunshine Ordinance. A summary of the changes follows:

AB 2257 (Maienschein) – amends Government Code 54954.2 related to local government. Existing law requires posting of the meeting agenda on the local agency website in accordance with the Brown Act. This law will require the agenda be available on the homepage of the local agency website, and accessible through a prominent direct link by January 1, 2019. TVMWD is already complying with this requirement.

AB 1787 (Gomez) – amends Government Code 54954.3 related to open meetings relative to time limits for public comment and/or testimony. This law requires that if a party is using a translator during public comment or testimony, that they be allocated at least twice the amount of time as an individual not using a translator. TVMWD does request that public comments be limited to five minutes, and does not subscribe to a formal policy regarding same. The presiding officer of the meeting is encouraged to use sound judgment to accommodate a member of the public when a translator is being used to comment or provide testimony.

SB 1436 (Bates) – amends Government Code 54953 related to open meetings. This law requires that prior to taking final action related to salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, that the legislative body orally reports a summary of a recommendation for a final action during the open meeting in which the final action is to be taken.

Existing law authorizes the legislative body to hold a closed session with the local agency's designated representatives regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits of its represented and unrepresented employees, but prohibits the closed session from including final action on the proposed compensation of one or more

unrepresented employees. Existing law also prohibits the legislative body from calling a special meeting regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined. TVMWD already complies with this legislation in the way its closed session actions occur regarding evaluation and compensation negotiations, and final reporting of same, with its local agency executive.

This concluded the legal update relative to TVMWD's Sunshine Ordinance. There are no recommended changes.

## **8. General Manager's Report**

### **8.A - Administration**

#### **8.A.1 – Draft Resolution Setting Procedures for Public Review and Copy of District Records**

Because of the recent California Supreme Court Case No. S218066 ruling issued in March 2017 regarding handling of public records on alternate electronic devices and/or email accounts, legal counsel was engaged to review TVMWD's existing policies regarding same. The attached draft resolution and exhibits, comprised of an updated request form, fee schedule and declaration for responding to requests for information on alternate electronic devices and/or email accounts, formalize these processes for TVMWD, and were presented for the Board's consideration to approve at their next business meeting.

It was noted that alternate electronic devices include cell phones, tablets, laptops, and any other devices or accounts used for electronic communication, such as: texting and any other email accounts used for District business besides the "tvmwd.com" email provided for all staff and directors. This list is not exhaustive and takes into consideration any future electronic communication devices that may become available.

Discussion ensued regarding the process for handling any e-communication in the event of a public records request from alternate electronic devices. Recommendations included: use of tvmwd.com email address exclusively for TVMWD business, and prohibit the use of texting for any TVMWD business.

By following the proposed recommendations, it will limit the potential for any other personal matters being co-mingled with TVMWD business. When a request is received it will be the responsibility of the General Manager, or his delegate responsible for handling public records, to notify the party to which a request is being made, and to plan to review and receive any responsive documents. Staff and legal counsel will review for any items that may be non-responsive, and/or exempt, and redact for same prior to submitting the response.

Staff was directed to return the draft resolution and exhibits to the next Board meeting for approval.

### **8.A.2 – Draft Resolution Declaring a Water Supply Watch**

The Board was provided a draft resolution entitled “Declaring a Water Supply Watch”. The purpose for this action is for TVMWD to align itself with action taken by the MWD Board during its May 9, 2017 meeting, whereby the MWD Board lifted their water supply alert conditions, instead calling for a water supply watch.

These actions come on the heels of actions taken by Governor Edmund G. Brown, Jr. on April 4, 2017 where he declared the end of drought conditions in the state of California.

While water conditions during this past year are better than any in recent history, with a Department of Water Resources State Water Project allocation at 85%, and snowpack at 160% of normal, in Southern California it will always be prudent to encourage a high level of efficient water use due to continuing historical low groundwater levels in the local basins.

Approval of the proposed resolution declaring a water supply watch will supersede action taken by the Board in 2014 declaring a water supply alert.

Staff was directed to return the draft resolution to the next Board meeting for approval.

### **8.A.3 – Modified Board Meeting Schedule**

The Board reviewed past practices for its modified summer schedule. In prior years the Board would cancel the workshop meetings (1<sup>st</sup> Wednesday) in July and August and keep the business meeting (3<sup>rd</sup> Wednesday) on calendar, and cancel one-week prior if there was no business to attend to.

Following discussion, the Board directed staff to return this item to the next Board meeting for approval. The Board will contemplate cancelling all its July/August meetings on calendar as follows: July 5, 2017, July 19, 2017, August 2, 2017 and August 16, 2017. In the event business that requires attention arises, a special meeting will be convened.

## **8.B – Engineering-Operations**

### **8.B.1 – Relocation of Recharge Well Easements**

The Board was provided with an update on existing TVMWD easements at a property located at 901 Corporate Center Drive in Pomona, California. These easements were agreed upon in the early 1980s at the time the property was sold, and remain in their original configuration. The current property owner has a sale pending on the property, and the new owner is requesting a relocation of the existing easements.

The current easements include two 100’x100’ parcels. Staff has determined that any future construction of recharge wells at this location could be accommodated within a smaller plot of 50’x50’. TVMWD was also asked to consider moving the easement parcels to a new location on the property, slightly south of where they currently exist.

To formalize the requested actions TVMWD must quitclaim the two existing easement parcels to the current property owner, DeVry; the property owner must in turn grant new easements conforming to the agreed upon size(s) and location(s). DeVry has provided TVMWD with draft documents to effect this change, which are presently under review by staff and legal counsel. It was noted that any agreement to change the location of the recharge well easements must include a caveat to expand the easement during the time of construction.

Discussion ensued regarding specifics relative to cost responsibility to update the legal documentation and to ensure that at the time of construction that the agreement reflects adequate access to pipeline on the property and expansion of space, along with ingress/egress to the property.

This item will be returned to the Board for final disposition at a meeting date to be determined once review of all agreements has been finalized.

### **8.B.2 – Project Summary Update**

The Board was provided with an update of ongoing projects at the District that included a photographic presentation of progress. The full report was included as part of the agenda packet and is available upon request.

### **8.C – Finance-Personnel**

#### **8.C.1 – Audit of Internal Control Over Financial Reporting**

Annually, TVMWD contracts with an external auditor to conduct an audit as to whether the District's financial statements are fairly stated. The auditor is not required to test or provide an opinion on internal controls. From time to time, the Board has inquired whether the external auditor could review and provide an opinion on internal controls.

Statement on Auditing Standards No. 130 (SAS 130) was recently issued that establishes requirements and guidelines for when an auditor is engaged to dually perform an audit of internal controls integrated with an audit of the financial statements. SAS 130 is not a requirement, however performing this service will provide greater assurance that TVMWD is being proper stewards of its assets.

To allow adequate time to properly prepare for a SAS 130 audit, staff is recommending this be incorporated in conjunction with the financial audit to be completed for FY 17-18. The cost to add SAS 130 to the existing audit contract will increase the contract by approximately 30%.

Discussion ensued as to the frequency of which a SAS 130 review should be completed. Staff will return this item for discussion and consideration of approval during the October 2017 meeting.

#### **8.C.2 – Review of Salary Schedule Effective July 1, 2017 Pursuant to CalPERs Regulations**

The Board was provided with a draft copy of TVMWD's proposed salary schedule effective July 1, 2017. It was noted that the adjustments proposed

are to the salary ranges, not individual employee's salary. CalPERS regulations require the Board to review and approve TVMWD's salary schedule any time changes are made.

The proposed adjustments were determined after conducting a comprehensive compensation study pursuant to the compensation philosophy previously approved by the Board as part of TVMWD's Strategic Plan.

While all salary ranges were considered independently; collectively the ranges were increased by 4%, along with a 1.48% increase based on change from 2015 to 2016 in the Consumer Price Index – Urban Wage Earners and Clerical Workers prepared by the Bureau of Labor Statistics. All salary ranges were contemplated in the budget adopted for FY 17-18.

Discussion ensued regarding the salary schedule concerning inclusion of Director compensation, and the General Manager. Staff informed that Director compensation is not required to be included as they are not eligible for CalPERS payments; the General Manager is under contract and does not have variable ranges. Staff will review the regulations to determine whether and how to include the General Manager compensation on the salary schedule.

Staff was directed to return the proposed salary schedule to the next Board meeting for approval.

## **9 – Closed Session**

The Board convened to closed session at 9:13 a.m. to consider Item A) Public Employee Performance/Evaluation, pursuant to Government Code 54957 – General Manager.

## **10. Report Out of Closed Session**

The Board reconvened to regular session at 9:58 a.m. The Board directed that Directors Kuhn and De Jesus, along with Mr. Kennedy meet with Mr. Hansen to negotiate the proposed General Manager Agreement and to return that item for consideration on the June 21, 2017 agenda.

## **11. Future Agenda Items**

The following items will be returned to the June 21, 2017 agenda for consideration of approval:

- Resolution Setting Procedures and Charges for Public Review and Copy of District Records
- Resolution Declaring a Water Supply Watch
- Approval of Modified Board Meeting Schedule
- Approval of Salary Schedule Effective July 1, 2017 Pursuant to CalPERS Regulations

## 12. Adjournment

There being no further business the Board was adjourned at 9:59 a.m. to its next regular meeting scheduled for Wednesday, June 21, 2017 at 8:00 a.m.

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

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Victoria A. Hahn  
District Clerk/Executive Assistant