

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

**Wednesday, September 5, 2018**  
**8:00 a.m.**

**1. Call to Order / Pledge of Allegiance**

The Board of Directors meeting of 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 De Jesus.

**2. Pledge of Allegiance**

The flag salute was led by Vice President David De Jesus.

**3. Roll Call**

Roll call was taken with a quorum of the Board present. Directors Dan Horan and Bob Kuhn had excused absences.

**Directors Present**

David De Jesus, Vice President  
Brian Bowcock, Secretary  
Joe Ruzicka, Treasurer  
Carlos Goytia, Director (ar. 8:17 am)  
John Mendoza, Director

**Staff Present**

Rick Hansen, General Manager  
Steve Kennedy, Legal Counsel (ar. 8:05 a.m.)  
Ray Evangelista, Engineer  
Mario Garcia, Chief of Engineering/Operations Officer  
Vicki Hahn, District Clerk/Executive Assistant  
Kirk Howie, Chief Administrative Officer  
Steve Lang, Water Operations Manager  
James Linthicum, Chief Finance Officer  
Matt Litchfield, Assistant General Manager

**Directors Absent**

Dan Horan  
Bob Kuhn (excused)

Guests and others present: Kathy Cole, Metropolitan Water District; Tom Harwig, D & H Water Systems; Director Ed Hilden, Walnut Valley Water District; Denise Jackman, Rowland Heights Community Coordination Council; Ben Lewis, Golden State Water Company; Director Tony Lima, Rowland Water District; Director Szu Pei Lu-Yang, Rowland Water District; Steve Patton, City of Glendora; Bob Pence, Representative Grace F. Napolitano; Darron Poulsen, City of Pomona; Brian Teuber, Walnut Valley Water District

**4. Additions to Agenda**

Vice President De Jesus inquired if there was a need to add items to the agenda. Staff did not have a need to add items to the published agenda.

## 5. Reorder Agenda

The agenda was updated immediately before today's meeting and placed on the dais and public table; this resulted in the numbering on the agenda packet materials received via email being different. Vice President De Jesus inquired if there was a need to reorder the agenda. Staff informed. *Item 10.G (originally 9.G) – Addition of Instrumentation / Electric System Operator to Organizational Chart and Salary Schedule* was pulled from the General Manager's Report and will be returned for consideration at a future meeting.

## 6. Public Comment

Vice President De Jesus called for any public comment. There being none, the Board continued with the published agenda.

## 7. Presentation – Kathy Cole, Metropolitan Water District

Ms. Cole was present at today's meeting to provide the Board with a legislative year-end report of activity in Sacramento. August 31, 2018 triggered the end of the 2017-18 legislative session. The Governor now has 30 days to either act to support legislation becoming law, veto legislation to prevent it from becoming law or do nothing. If the Governor doesn't take any action to support or veto the legislation on his desk, it will automatically become law effective January 1, 2019. The 2018-19 legislative session will begin on December 3, 2018.

The democratic super-majority position was lost early in CY 2018 due to resignations for varying reasons on both the Assembly and Senate side of the aisle. Special elections were held during the April and August time frame to replace those seats.

As of the February 16, 2018 deadline the Assembly introduced approximately 1,500 new bills, a total of 3,239 for the two-year session; the Senate introduced 673 new bills, a total of 1,493 for the two-year session.

Proposition 54 passed in 2016 (reference 72-hour rule), helped to eliminate last minute amendments finding their way into introduced bills during this legislative session.

In May 2018 the Brown Administration made a formal request to the Joint Legislative Budget Committee to schedule the required hearing to set the contract extension on the State Water Project by 8/31/2018 legislative cycle deadline. The hearing has been set for September 11, 2018; at this time, it is the only required action for the contract extensions to occur.

Ms. Cole reviewed several legislative bills, propositions and ballot measures that were followed during the last session, and industry action taken. She further responded to inquiries from individual directors and members of the audience. Staff will return with a scorecard of legislation supported and opposed, as well as a candidate update for TVMWD during its October meeting.

Ms. Cole affirmed that she has turned in her papers for retirement effective the end of CY 2018. She will continue her role in a transitional capacity for the short term to bring the new employee up-to-date. Many thanks were extended to Ms. Cole for her efforts.

## 8. CY 2018 Board Appointment Amendments

The Board was provided an amended list of CY 2018 Board Appointments. Earlier this year TVMWD established relationships with two additional agencies as follows: BizFed and Southern California Water Coalition. These amendments have been designated by the Board President to the representative/alternates to attend and report on action taken at the respective meetings. A representative and alternate to attend and report at meetings of the San Gabriel Valley Economic Partnership were also made. The below table shows these appointments.

Committee / Board	Representative	Alternate
ACWA Region 8 Delegate	Brian Bowcock	Bob Kuhn
ACWA / JPIA Representative	Brian Bowcock	Bob Kuhn
BizFed	John Mendoza	Carlos Goytia
Chino Basin Watermaster <sup>1</sup>	Bob Kuhn	David De Jesus
City of Pomona Council Meeting	John Mendoza	Carlos Goytia
Local Agency Formation Commission (LAFCO)	Joe Ruzicka	Bob Kuhn
Main San Gabriel Basin Watermaster	Carlos Goytia	Brian Bowcock
MWD Board Representative	David De Jesus	N/A
PWR Joint Water Line Commission	Carlos Goytia	Joe Ruzicka
Rowland Water District	Joe Ruzicka	David De Jesus
San Gabriel Basin WQA <sup>1</sup>	Bob Kuhn	Brian Bowcock
San Gabriel Valley Council of Governments (SGV-COG) <sup>2</sup>	Carlos Goytia	Joe Ruzicka
San Gabriel Valley Economic Partnership (SGVEP)	Bob Kuhn	John Mendoza
Six Basins Watermaster <sup>1</sup>	John Mendoza	Carlos Goytia
Southern California Water Coalition	Brian Bowcock	John Mendoza
Walnut Valley Water District	David De Jesus	Joe Ruzicka
<i>Amended 9/5/2018</i>		

Upon motion and second Vice President De Jesus opened the floor for discussion. Director Bowcock inquired about the representative/alternate for Six Basins. It was his understanding that he would be moved to the alternate position for Six Basins and that Director Mendoza would be moved to the representative position. Mr. Hansen explained that policy falls to the Board President's decision to appoint directors to serve in various roles as representative/alternate, and that the Board is then be asked to ratify the decision. The appointments under consideration today are interim and may be reconsidered at a future time. Following discussion Vice President De Jesus called for the vote.

<sup>1</sup> Both the representative and alternate will attend these meetings due to voting requirements.

<sup>2</sup> For CY 2018 TVMWD will be the alternate

**Moved: Ruzicka; Second: Bowcock  
Motion No. 18-09-5187 – Approval of CY 2018 Board  
Appointment Amendments. The motion passed by a 5-0 vote;  
Directors Horan and Kuhn were absent from the vote.**

**9. Resolution No. 18-09-831 Appointment of Representative and Alternate to Serve on the San Gabriel Basin Water Quality Authority Board for CY 2019**

Every four years the District prepares a resolution for the San Gabriel Basin Water Quality Authority to act to appoint the representative and alternate to serve on their board. Resolution No. 18-09-831 serves this purpose and upon approval by the TVMWD Board will be forwarded to WQA.

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

**Moved: Ruzicka; Second: Bowcock  
Motion No. 18-09-5188 – Approval of Resolution No. 18-09-831  
to appoint the representative and alternate to serve on the  
WQA board for CY 2019. The motion passed by a 5-0 vote;  
Directors Horan and Kuhn were absent from the vote.**

**10. General Manager's Report**

**10.A Surplus Property – Enabling Resolution Update**

During the last time the Board acted to consider surplus property, there was discussion as to the threshold amount in value necessary to bring to the Board for consideration. The draft resolution before the Board for consideration today is to adjust this value to \$1,000 before the District is required to come to the Board for formal action to dispose of surplus property. Discussion concerning what is a typical threshold occurred. Consultation also took place with Chief Finance Officer James Linthicum to determine any audit reviews that need to be considered when establishing a threshold. The District policy for disposition of surplus property will not change, only the amount that requires Board authorization to act. Staff and legal counsel will review the resolution language to ensure all legal considerations are incorporated within the proposed process, and the draft resolution will be modified to ensure the surplus property process for disposition is clear. This item will be returned for Board consideration at the September 19, 2018 meeting.

**10.B Proposed Amendments to the Three Valleys MWD Conflict of Interest Code**

On a biennial basis TVMWD is required to review its conflict of interest code for any proposed changes. During this review cycle it is necessary to make modifications

as follows: addition of Assistant General Manager to conflict of interest code, changes to titles of two positions, Assistant General Manager-Administration to Chief Administrative Officer and Manager Engineering and Operations to Chief of Engineering/Operations Officer, and removal of two advisory positions, Engineer/Assistant Engineer and Conservation and Resource Analyst. This item will be returned for Board consideration at the September 19, 2018 meeting. These recommendations must be received by the Los Angeles County Board of Supervisors by October 1, 2018.

### **10.C Filter Aid System Replacement**

Mr. Lang presented to the Board consideration of entering into a single source agreement with D & H Water Systems to purchase one USGI PolyBlend DP2000 Polymer Feed System, and to approve purchase order number 10298 in the amount of \$121,900 to make this purchase. Staff informed that competitive bidding options are limited to the scope of product operations which is where the proprietary considerations are.

Staff reported the current filtration system was fully depreciated in 2017 and met its life expectancy of 30 years. During the past few years it has become increasingly difficult to find parts and staff has been piecing the current equipment together as repairs become necessary. Staff budgeted for a replacement system during the current fiscal year. This item will be returned for Board consideration at the September 19, 2018 meeting.

### **10.D Project Summary Update**

The Board was provided with an update of ongoing projects at the District including a photographic presentation of progress. Much of the update was dedicated to the new Grand Avenue Well project. The full report was included as part of the agenda packet and is available upon request.

### **10.E Employee Health Care Costs CY 2019**

Mr. Linthicum informed the Board ACWA JPIA Executive Committee approved renewal of all employee benefit plans in July 2018 with no rate increases for 2019 except for Kaiser, which will renew with a 2.64% increase. The Anthem PPO and Consumer Driven Health Plan (CDHP) will have an aggregate increase of zero, however there are variables depending upon status of single, two-party or family. TVMWD's policy requires employees to contribute 10% toward their individual medical premiums with some exceptions:

- Employees hired before 12/31/2010 under previous allowance method;
- Single employees enrolled in Kaiser (JPIA requires 100% be paid by TVMWD);
- Employees enrolled in Anthem Blue Cross CDHP

Employees may continue to opt out of coverage for self or family with proof of comparable alternate coverage. This is limited to no greater than 25% of the work

force. Employees that choose to opt out of coverage receive approximately 70% of TVMWD savings for the coverage in cash. Upon approval by the Board, open enrollment is scheduled to begin around October 1, 2018. This item will be returned for Board consideration at the September 19, 2018 meeting.

#### **10.F CAMP (California Asset Management Program)**

Staff informed the Board that CAMP is an additional investment tool that can be utilized along with LAIF and Chandler Asset Management. CAMP is similar in structure to LAIF with one key exception, which is the duration with which they will hold onto investments. CAMP will not go out greater than 60 days, while LAIF goes out up to 180 days. The shorter duration allows CAMP to take advantage of rising interest rates more quickly than LAIF. There is no fee to set up the account with CAMP. The only time costs are applied is when short term funds are placed in the account. To summarize how this will work, when interest rates are rising, funds will be moved to CAMP and when interest rates are decreasing the funds will be moved to LAIF. A question was asked regarding the protection of funds disbursed to CAMP. Both CAMP and LAIF are afforded the same protections to the invested funds, provided that the investments made are in alignment with Government Code recommendations (e.g., low risk). CAMP is AAA rated.

Director Bowcock commented on improved interest rates being offered at Opus Bank. Staff will discuss this offline to determine its value to TVMWD.

#### **10.G Addition of Instrumentation / Electrical System Operator to Organizational Chart and Salary Schedule**

This item was pulled from the agenda and will be returned for consideration during a future meeting.

#### **10.H AGM Report**

Mr. Litchfield provided the Board with an update of activities since the last meeting. He has continued to meet with each of the member agencies to introduce himself and to identify priorities.

Staff initiated a request for proposal for on-call emergency construction services during July. A staff recommendation will be prepared and brought to the Board for consideration in October.

A meeting was held with a GIS vendor. Staff is undertaking a needs assessment to update the scope of work and to initiate a request for proposal. A staff recommendation will be prepared and brought to the Board for consideration at a future meeting to be determined.

Messrs. Kuhn, Goytia and Litchfield were in Sacramento on August 20<sup>th</sup> to advocate for the State Water Project contract extension.

Messrs. Litchfield and Kennedy are working together to develop a cyclic storage account agreement between TVMWD and Main San Gabriel Basin Watermaster

(MSGBWM). The draft agreement was sent over to MSGBWM Executive Director for his review and comment.

## 11. Future Agenda Items

The following items were reviewed by the Board and recommended to move forward for consideration of approval at the September 19, 2018 Board Meeting.

- Surplus property – enabling resolution update
- Conflict of Interest Code amendments
- Filter Aid System Replacement
- Employee health care costs CY 2019
- CAMP (California Asset Management Program)

## 12. Adjournment

The Board adjourned at 9:25 a.m. to its next regular meeting scheduled for Wednesday, September 19, 2018 at 8:00 a.m.

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

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