

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

**Wednesday, September 19, 2018**  
**8:00 a.m.**

**1. Call to Order**

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 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. Director Dan Horan was marked as absent.

**Directors Present**

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

**Directors Absent**

Dan Horan, Director

**Staff Present**

Rick Hansen, General Manager  
Steve Kennedy, Legal Counsel  
Dominique Aguiar, Water Operations Supervisor  
Liz Cohn, Senior Financial Analyst  
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  
Ben Peralta, Project Manager  
Esther Romero, Accounting Technician

Guests and others present: Tom Coleman, Rowland Water District; Director Ted Ebenkamp, Walnut Valley Water District; Director Ed Hilden, Walnut Valley Water District; Erik Hitchman, Walnut Valley Water District; Denise Jackman, Rowland Heights Community Coordination Council; Maria Elena Kennedy, Kennedy Communications; Ben Lewis, Golden State Water Company; Director Tony Lima, Rowland Water District; Darron Poulsen, City of Pomona; Ed Rendon, San Gabriel Valley Civic Alliance; Brian Teuber, Walnut Valley Water District; Dave Warren, Rowland Water District

#### 4. Additions to Agenda

President Kuhn 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

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

#### 6. Public Comment

President Kuhn called for any public comment. Mr. Ed Rendon, Executive Director of the San Gabriel Valley Civic Alliance (SGVCA) approached the lectern and provided a brief summary to the Board of the benefits of participating as a member of the SGVCA. His presentation culminated with an invitation to Three Valleys MWD to join the organization as an affiliate member with a \$2,500-5,000 annual dues obligation.

#### 7. Consent Calendar

The Board considered consent calendar items A-K that included: A) Receive, approve and file minutes, June 2018 for June 6, 2018 and June 20, 2018 regular board meetings; B) ratify financial reports (warrant summary disbursements) for June/July 2018; C) receive, approve and file financial reports and investment update, August 2018; D) approve amendments to TVMWD Conflict of Interest Code; E) approve employee health care costs for CY 2019; F) add California Asset Management Program as an additional short-term investment vehicle; G) approval to enter into a single source agreement with D & H Water Systems for the purchase of one USGI PolyBlend DP2000 Polymer Feed System at a cost of \$121,900; H) approve Resolution No. 18-09-832 to participate in the Great California Shakeout on October 18, 2018; I) approve Resolution No. 18-09-832 Tax Sharing Exchange with County Sanitation District, Annexation 21-758; J) approve Resolution No. 18-09-833 Tax Sharing Exchange with County Sanitation District, Annexation 22-432; K) approve Resolution No. 18-09-834 Tax Sharing Exchange with County Lighting Maintenance District 1687, Annexation L-032-2016.

Upon motion and second, President Kuhn called for any discussion. There being none, he called for the vote.

**Moved: Ruzicka; Second: De Jesus  
Motion No. 18-09-5189 – Approval of Consent Calendar items A-K. The motion passed by a 6-0 vote; Director Horan was absent from the meeting.**

## 8. General Manager's Report

### 8.A Legislative Update, September 2018

Mr. Howie provided an update on the current legislative session that officially concluded on August 31, 2018. TVMWD initially acted to support or oppose 17 different bills and settled on action for 15 bills; two of the bills were amended satisfactorily. A final scorecard will be provided to the Board in October. On October 3, 2018 Mr. Jerry Meral will be in attendance to share with the Board regarding Proposition 3 the Water Supply and Water Quality Act of 2018 that will be on the November 6, 2018 ballot.

### 8.B Resolution No. 18-09-836 Surplus Property – Enabling Resolution Update

During the last surplus property consideration by the Board, staff was asked to evaluate the current enabling resolution to determine whether it could be updated to raise the threshold for when surplus property disposition requires Board approval. The suggested amount was any items greater than \$1,000 in value. All property that is considered for surplus will still be documented as it is now prior to any disposition. Approval of this resolution will establish that only those surplus items that are valued at \$1,000 or greater will require approval by the Board. Approval of this action will supersede Resolution No. 11-04-488 and the new threshold will become effective immediately.

Upon motion and second, President Kuhn called for any discussion. There being none, he called for the vote.

**Moved: Bowcock; Second: Ruzicka  
Motion No. 18-09-5190 – Approval Resolution No. 18-09-836  
Surplus Property – Enabling Resolution Update. The motion  
passed by a 6-0 vote; Director Horan was absent from the  
meeting.**

### 8.C Ratify and Approve Director Expense Reports June-August 2018

The Board was asked to ratify previously paid director expense reports for June and July 2018 and approve director expense reports submitted for August 2018. Upon motion and second President Kuhn called for any discussion. There being none, he called for the vote.

**Moved: Ruzicka; Second: Goytia  
Motion No. 18-09-5191 – Ratify payment of June-July 2018  
director expenses and approve payment of August 2018  
director expenses. The motion passed by a 6-0 vote; Director  
Horan was absent from the meeting.**

## **8.D Calendar Year Imported Water Sales and Peak Flow Reports – August 2018**

Year-to-date the District has sold 10,000/AF, greater than this same period last year. If this trend continues it is expected that we will end the year at approximately 70,000/AF of the total Tier 1 allocation. Once the peak flow period concludes at the end of September staff will be evaluating opportunities for spreading water and/or storage of water in the surrounding basins as they are available and make economic sense.

The peak flow period will run through the end of September. The District reached a new peak flow of 143.2 cfs on 8/9/2018.

## **8.E Miramar Operations Report – August 2018**

Source water quality being delivered to the Miramar Treatment Plant continues to be high and positively impacts the water quality leaving the treatment plant. During August the District experienced a record-high production of 2,329/AF. All hydro-generators have been automated and are maximizing flow of all water being processed. A summary of the special activities was reviewed, most notable of which was a 4.4 magnitude earthquake in La Verne. Staff responded and checked the treatment plant/perimeter and the entire distribution system. No damages were identified. A copy of the full report is included in the agenda packet and available upon request.

## **9. Directors' / GM / AGM Oral Reports**

**9.A Local Agency Formation Commission** – Director Ruzicka reported that the annual CALAFCO meeting is scheduled in Yosemite, California, October 3-5, 2018 and that he will miss the first TVMWD Board Meeting in October.

**9.B Main San Gabriel Basin Watermaster** – Director Bowcock informed that it was reported at the September board meeting that the Key Well was slightly above the previous all-time low. As of September 18, 2018, the Key Well has now dropped below the previous all-time low.

**9.C Six Basins Watermaster** – Director Bowcock will attend the next meeting to help transition the new representatives. Director Mendoza requested clarification on his recent appointment as the representative for Six Basins Watermaster. The transition will occur during the next Six Basins Watermaster Meeting

**9.D San Gabriel Valley Water Quality Authority** – The agency was dark for the month of August. During the September Admin/Finance Committee meeting discussion occurred about next year's budget and a proposed increase to the assessment from \$10/AF to \$13/AF. The maximum allowed is \$13.50/AF.

**9.E Chino Basin Watermaster** – President Kuhn reported on the progress made on the settlement of the safe yield issues. Current outstanding issues are related to policy.

**9.F Pomona City Council** – Director Mendoza informed there was no report for the Pomona City Council.

**9.G San Gabriel Valley Council of Governments** – Director Goytia informed that this agency was dark during the month of August.

**9.H Metropolitan Water District** – Director De Jesus reported additional staff changes occurring at MWD. The current CFO has recently retired. During the month of October, the MWD Board will act to elect a new chair for a two-year term. There are three candidates as follows: Gloria Gray, West Basin; Steve Blois, Calleguas; and Mike Camacho, IEUA. MWD has been served with a new lawsuit relative to the California Water Fix, filed by the Food and Water Watch and Center for Food Safety, citing violations with Proposition 26 and Proposition 13 and how the California Water Fix will be funded.

**9.I Additional Board Member or Staff Reports** – The next Leadership Breakfast is scheduled for Wednesday, October 31. The speaker will be Mickey Chaudhuri, Assistant Group Manager (interim) Water System Operations at MWD. He will be talking about “Developing a New Source of Water for Southern California: Progress on the Regional Recycled Water Program.” This is related to the Carson Reclamation Project that MWD is moving forward with a demonstration project.

## 10. Closed Session

The Board convened to closed session at 9:19 a.m. to review seven closed session items as follows:

- A) Conference with Legal Counsel – Existing Litigation pursuant to Government Code Section 54956.9(d)(1) – San Diego County Water Authority v. Metropolitan Water District of Southern California et al., San Francisco County Superior Court, Case No. CPF-10-510830
- B) Conference with Legal Counsel – Existing Litigation pursuant to Government Code Section 54956.9(d)(1) – San Diego County Water Authority v. Metropolitan Water District of Southern California et al., San Francisco County Superior Court, Case No. CPF-10-512466
- C) Conference with Legal Counsel – Existing Litigation pursuant to Government Code Section 54956.9(d)(1) – San Diego County Water Authority v. Metropolitan Water District of Southern California et al., Los Angeles County Superior Court, Case No. BS173836
- D) Conference with Legal Counsel – Existing Litigation pursuant to Government Code Section 54956.9(d)(1) – Chino Basin Municipal Water District v. City of Chino, et al., State of California Court of Appeal, Fourth Appellate District, Division Two, Case No. E068640 (Reference San Bernardino County Superior Court Case No. RCVRS51010)
- E) Conference with Legal Counsel – Anticipated Litigation – Initiation of litigation pursuant to Government Code Section 54956.9(d)(4); two potential cases.

- F) Public Employee Performance Evaluation pursuant to Government Code 54957; Title General Manager.
- G) Conference with Labor Negotiators pursuant to Government Code 54957.6; District designated representative: Steven M. Kennedy, Esq. Law Offices of Brunick, McElhaney and Kennedy; Unrepresented employee: General Manager

## 11. Closed Session Announcements

The Board reconvened to regular session at 10:40 a.m. The following closed session report was provided. Regarding items 10.A-E the Board was provided a briefing on the current status of the referenced cases. No reportable action under the Brown Act was taken. Regarding items 10.F and 10.G the following statement was read into the record and is stated verbatim below.

*The Board has accepted the early retirement of its long-time General Manager, Rick Hansen, effective December 28, 2018, and will promote its Assistant General Manager, Matt Litchfield, to serve as the District's Interim General Manager from that date through June 30, 2019, at his current salary. These dual actions will result in a savings to the District of approximately \$100,000 in employee compensation and benefits.*

*The Board wishes to thank Rick for all his tremendous accomplishments during his current Employment Agreement; but more importantly, we wish to express our deep appreciation for all the contributions that Rick has made to the District during the course of his remarkable career. Rick has served as the District's General Manager since February of 1981 and during that nearly 38-year period has brought a high-level of skill, excellence, consistency, and stability that is rarely experienced by public agencies in this day and age. We would like to offer our most sincere thanks to Rick for his commitment to the District and to our constituents, and we wish him well as he moves forward to this new phase in his life.*

Following this statement, Mr. Hansen extended his thanks to all from the top down, the board, member agencies and staff. He expressed that TVMWD has the best and most dedicated staff in the area and it has been a privilege to work alongside each of them.

## 12. Future Agenda Items

There were no requests for any future agenda items.

### 13. Adjournment

The Board was adjourned at 10:45 a.m. at to its next Regular Meeting scheduled for October 3, 2018 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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Recorded by: Victoria A. Hahn  
District Clerk/Executive Assistant