

*As a matter of proper business decorum, the Board of Directors respectfully request that all cell phones be turned off or placed on vibrate. To prevent any potential distraction of the proceeding, we request that side conversations be taken outside of the meeting room.*

**AGENDA  
REGULAR BOARD MEETING  
THREE VALLEYS MUNICIPAL WATER DISTRICT  
1021 E. MIRAMAR AVENUE, CLAREMONT, CA 91711**

**Wednesday, November 7, 2018 at 8:00 AM**

*The mission of Three Valleys Municipal Water District is to supplement and enhance local water supplies to meet our region's needs in a reliable and cost-effective manner.*

**Item 1 – Call to Order**

**Kuhn**

**Item 2 – Pledge of Allegiance**

**Kuhn**

**Item 3 – Roll Call**

**Kuhn**

**Item 4 – Additions to Agenda** (Government Code Section 54954.2(b)(2))

**Kuhn**

Additions to the agenda may be considered when two-thirds of the Board members present determine a need for immediate action, and the need to act came to the attention of TVMWD after the agenda was posted; this exception requires a degree of urgency. If fewer than two-thirds of the Board members are present, all must affirm the action to add an item to the agenda. *The Board shall call for public comment prior to voting to add any item to the agenda after posting.*

**Item 5 – Reorder Agenda**

**Kuhn**

**Item 6 – Public Comment** (Government Code Section 54954.3)

**Kuhn**

Opportunity for members of the public to directly address the Board on items of public interest within its jurisdiction. The public may also address the Board on items being considered on this agenda. TVMWD requests that all public speakers complete a speaker's card and provide it to the Executive Assistant.

***We request that remarks be limited to five minutes or less. Pursuant to Government Code Section 54954.3, if speaker is utilizing a translator, the total allotted time will be doubled.***

## **Item 7 – Consent Calendar**

**Kuhn**

The Board is being asked to consider consent calendar items 7.A – 7.E listed below. Consent calendar items are routine in nature and approved by a single motion. Any member of the Board may request that a specific item be pulled from the consent calendar for further discussion.

### **7.A – Receive, Approve and File Minutes – October 2018 [enc]**

- October 3, 2018 – Regular Board Meeting
- October 17, 2018 – Regular Board Meeting

### **7.B – FY 18-19 First Quarter Reserve Update [enc]**

The Board will be provided a FY 2018-19 first quarter update of TVMWD's reserve schedule.

### **7.C – CY 2019 Holiday Schedule [enc]**

The Board will receive, approve, and file the proposed CY 2019 Holiday Schedule.

### **7.D – January 2019 Meeting Schedule [enc]**

The Board will consider and approve an adjustment to its January 2019 meeting schedule by cancelling its January 2, 2019 regular meeting. The January 16, 2019 meeting will remain on calendar as scheduled.

### **7.E – CY 2019 Meeting Schedule [enc]**

The Board will receive, approve, and file the proposed CY 2019 Meeting Schedule.

#### **Items 7.A – 7.E: Board Action Required – Motion No. 18-11-5197**

Staff Recommendation: Approve as presented

## **Item 8 – General Manager's Report**

**Hansen**

The Executive Leadership Team will provide brief updates on existing matters under their purview and will be available to respond to any questions thereof.

### **8.A – Mutual Response Agreement [enc]**

**Howie**

The Board will consider and approve TVMWD participating and entering into a mutual response agreement.

#### **Items 8.A: Board Action Required – Motion No. 18-11-5198**

Staff Recommendation: Approve as presented

### **8.B – Retiree Medical Benefit Policy Modification [enc]**

**Litchfield**

The Board will review and consider modifications to TVMWD's retiree medical policy. Staff may be directed to return for approval at a future meeting.

**8.C – Project Summary Update [enc]**

**Garcia**

The Board will review a summary update of ongoing projects.

**Item 9 – Directors’ / GM / AGM Oral Reports**

**Kuhn**

The following reports are provided by Directors as it concerns activities at meetings of which they are assigned to serve as the representative or alternate of the District.

**Item 10 – Future Agenda Items**

**Kuhn**

**Item 11 – Closed Session**

**Kuhn**

**Conference with Real Property Negotiators** *(pursuant to Government Code Section 54956.8)*

- Property: Purchase of water rights
- District negotiator: Richard W. Hansen, General Manager
- Negotiating parties: Cadiz
- Under negotiation: Price and terms of cost sharing

**Item 12 – Announcement of Closed Session Actions**

**Kuhn**

**Item 13 – Adjournment**

**Kuhn**

The Board will adjourn to its next meeting scheduled for Wednesday, December 5, 2018 at 8:00 a.m.

**American Disabilities Act Compliance Statement**

*Government Code Section 54954.2(a)*



*Any request for disability-related modifications or accommodations (including auxiliary aids or services) sought to participate in the above public meeting should be directed to the TVMWD’s Executive Assistant at (909) 621-5568 at least 24 hours prior to meeting.*

**Agenda items received after posting**

*Government Code Section 54957.5*

*Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review at the TVMWD office located at, 1021 East Miramar Avenue, Claremont, CA, 91711. The materials will also be posted on the TVMWD website at [www.threevalleys.com](http://www.threevalleys.com).*

*Three Valleys MWD Board Meeting packets and agendas are available for review on its website at [www.threevalleys.com](http://www.threevalleys.com). The website is updated on Sunday preceding any regularly scheduled board meeting.*

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

Wednesday, October 3, 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 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, Sr. 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

Guests and others present: Tom Coleman, Rowland Water District; Director Ted Ebenkamp, Walnut Valley Water District; Leia Fletes, Representative for Assembly Member Blanca Rubio; Director Ed Hilden, Walnut Valley Water District; Erik Hitchman, 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; Jerald Meral, Natural Heritage Institute; Darron Poulsen, City of Pomona; 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. There being none, the Board continued with the published agenda.

## 7. Presentation – Jerald Meral, Natural Heritage Institute

Mr. Meral was present to provide the Board with an update and history concerning the passage of the California Water Bonds throughout the years, with an emphasis on the benefits of Proposition 3, Water Supply and Water Quality Act of 2018 that will be voted on during the November 6, 2018 election. Upon conclusion of his presentation, Mr. Meral requested the Board consider a position of support during their next meeting. Staff was directed to return this item to support during the October 17, 2018 regular meeting.

## 8. General Manager's Report

### 8.A FY 17-18 Reserves Schedule and Encumbrance Carryforward

Mr. Linthicum provided a summary of the five reserves categories – nonspendable, restricted, committed, assigned and unassigned and their current status as of FYE June 30, 2018.

The first category for Board consideration was “committed”. This category represents the final reconciliation for all projects completed or in progress for FYE June 30, 2018, and the proposed encumbrance carryforward to FY 2018-19. At the end of FY 2017-18, a total of \$634,878 was remaining for projects completed as of June 30, 2018. As has been historically done, staff is recommending these funds be returned to the capital asset reserve category. Additionally, \$1,907,288 remains for budgeted projects that were incomplete at the end of June 30, 2018. Staff recommends these funds be carried forward to FY 2018-19 to complete these projects.

Under the board designated category, it was reported that all categories are within the current goal limits. Miramar sales were short of budget, which caused water expenses to be higher than expected. Staff recommends \$318,280 be transferred from the Water Rate Stabilization fund to cover the shortfall caused by the lack of sales. Emergency reserves are slightly short of the \$10 million goal. The Board will be provided options for consideration during the next budget/rate setting cycle to address this. Staff was directed to return these recommendations for consideration at the October 17, 2018 regular meeting.

## **8.B Annual Consideration of Contributions to Pension and OPEB Trust**

Mr. Linthicum provided a status on TVMWD's Pension and OPEB trust obligations and recommendations for annual contributions to same. The Board was informed that Governor Brown signed SB 1413 last week. This law will permit CalPERS to set up their own pension trusts similar to PARS that will permit individual agencies to contribute to their own pension trusts. There are only limited details at this time and once more information is available, staff will return to the Board for consideration.

The Board was provided with an overview of the PARS OPEB trust which is presently funded at 82% with a balance of \$876,000 as of June 30, 2018. With the additional funds in TVMWD's reserves the funding level is 93%. Staff is recommending no current contributions be issued at this time for the OPEB trust.

The Pension trust is presently funded at 80%; this also includes funds held by CalPERS. The current balance of the PARS pension trust as of June 30, 2018 is \$341,000; the total funding with TVMWD's CalPERS assets is \$12,326,000. The strategy initiated during the FY 2017-18 budget cycle was to accumulate \$50,000 to distribute to the Pension trust, and to accumulate and contribute \$200,000/annually for FY 2018-19 and beyond. The staff recommendation is to contribute \$50,000 to the Pension trust as planned.

Staff will continue to review and evaluate these plans and bring forward options for consideration during the next budget/rate setting cycle. Staff was directed to return these recommendations for consideration at the October 17, 2018 regular meeting.

## **8.C On-Call Emergency Services Contracts**

Mr. Litchfield informed the Board the reason for today's request is to seek authorization to enter into on-call emergency contractor agreements. It was cited that in the event of a major emergency at the Miramar Treatment Plant, current staff is not equipped, nor does the District own the equipment to address major repairs.

Earlier this year staff initiated a RFP to establish a list of pre-approved contractors identified for on-call services in the event of an emergency. A list of seven vendors were identified, and upon approval by the Board, staff will seek to enter into an initial 3-year agreement, with one 3-year renewal to provide such emergency services as necessary. There are not any upfront costs to enter into these agreements, and only when services are used will charges apply.

Discussion ensued whether entry into these agreements would also apply to mutual aid support to TVMWD's member agencies. Mutual aid protocols are being developed by the PWAG emergency response programs being led by Mike Holmes. Staff was directed to return these recommendations for consideration at the October 17, 2018 regular meeting.

## **8.D Project Summary Update**

The Board was provided with an update of ongoing projects at the District including a photographic presentation of progress. The emphasis of today's report was on the Grand Avenue Well and the Reservoir Effluent Pump Project. The full report was included as part of the agenda packet and is available upon request.

## **8.E Assistant General Manager Report**

Mr. Litchfield provided the Board with an update of activities since the last meeting. Staff will be issuing a purchase order to perform a complete needs assessment for Geographic Information Mapping (GIS). This will help to develop the scope of work for the RFP. Prior to issuing the RFP staff will provide the Board with a presentation on what the GIS capabilities are, and what can be done for the District upon implementation.

Mr. Litchfield reported that he met with Suburban Water Systems this past week which concludes the tour of visits with TVMWD's member agencies.

## **9. Closed Session**

The Board convened to closed session at 9:00 a.m. to discuss two items as follows:

### **9.A Conference with Labor Negotiators pursuant to Government Code Section 54957.6**

District designated representative: Steven M. Kennedy, Esq. Law Offices of Brunick, McElhaney and Kennedy

Unrepresented employee: General Manager

### **9.B Conference with Labor Negotiators pursuant to Government Code Section 54957.6**

District designated representative: Steven M. Kennedy, Esq. Law Offices of Brunick, McElhaney and Kennedy

Unrepresented employee: Assistant General Manager

## **10. Announcement of Closed Session Actions**

The Board reconvened to regular session at 9:55 a.m. Mr. Kennedy, General Counsel provided the following report of closed session actions.

9.A. The Board has authorized General Counsel to prepare an early termination agreement with General Manager Richard W. Hansen, effective December 31, 2018, with a severance payout of \$75,000 that will be distributed in accordance with the terms of the agreement. No other action was taken on this matter.

# Item 7.A

9.B The Board has authorized General Counsel to prepare an agreement with Matthew H. Litchfield to serve as the District's General Manager to coincide with the date of the current General Manager's severance date, December 28, 2018. Agreement will be for an 18-month period of time, with additional terms to be negotiated and returned to the Board for action at a future date.

## 11. Future Agenda Items

The following items were reviewed by the Board during today's meeting and recommended to move forward for consideration of approval at the October 17, 2018 Board Meeting.

- Resolution of support for the Water Supply and Water Quality Act of 2018, aka Proposition 3
- Approve FY 17-18 Reserves Schedule and Encumbrance Carryforward
- Approve Annual Consideration of Contributions to Pension Trust
- Approve On-Call Emergency Service Contracts
- Approval to modify November/December Board meeting schedule

## 12. Adjournment

The Board adjourned at 10:00 a.m. to its next regular meeting scheduled for Wednesday, October 17, 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



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

**Wednesday, October 17, 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 8:03 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**

Matt Litchfield, Assistant General Manager  
Steve Kennedy, Legal Counsel  
Liz Cohn, Sr. Financial Analyst  
Freeman Ensign, Water Operations Supervisor  
Ray Evangelista, Engineer  
Vicki Hahn, District Clerk/Executive Assistant  
Kirk Howie, Chief Administrative Officer  
Steve Lang, Water Operations Manager  
James Linthicum, Chief Finance Officer  
Ben Peralta, Project Manager  
Esther Romero, Accounting Technician

Guests and others present: Chris Clarke, National Parks Conservation Association; Director Ted Ebenkamp, Walnut Valley Water District; Raul Garibay, City of Pomona; Bryan Gruber, Lance, Soll, Lunghard; Director Ed Hilden, Walnut Valley Water District; Erik Hitchman, Walnut Valley Water District, Denise Jackman, Rowland Heights Resident; Ben Lewis, Golden State Water Company; 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. Chris Clarke, National Parks Conservation Association approached the lectern to provide the Board with an update of concerns and impacts by his agency to the surface springs adjacent to the proposed Cadiz project. A handout regarding this study was shared with the Board. Upon conclusion of his comments, President Kuhn invited Mr. Clarke to get in touch with staff to be added to the agenda of a future workshop meeting. It was further suggested that the Cadiz representatives should also be invited to participate in this workshop so that both sides of the issue could be heard.

## 7. Consent Calendar

The Board considered consent calendar items A-I that included: A) receive, approve and file minutes, September 2018 for September 5, 2018 and September 19, 2018; B) receive, approve and file September 2018 financial reports and investment update; C) receive and file imported water sales and peak flow reports for September 2018; D) receive and file Miramar Operations Report for September 2018; E) approval for General Manager to enter into on-call emergency services contracts; F) receive, approve and file FY 2017-18 reserve schedule and encumbrance carryforward to FY 2018-19; G) approval to disburse \$50,000 to TVMWD pension trust for FY 2017-18; H) approve cancellation of the November 21, 2018 and December 19, 2018 regular board meetings; I) approval of Resolution No. 18-10-837 appointment of directors from Division 3, Brian Bowcock, and Division 5, Joe Ruzicka in lieu of election.

<p><b>Moved: Ruzicka; Second: Goytia</b> <b>Motion No. 18-10-5192 – Approval of Consent Calendar items A-I. The motion passed by a 6-0 vote; Director Horan was absent from the meeting.</b></p>
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## 8. General Manager's Report

### 8.A Legislative Report, October 2018 / Approval of Resolution No. 18-10-838 Support Proposition 3 Water Supply and Water Quality Act of 2018

Mr. Howie provided a legislative year-end report to the Board. TVMWD acted to oppose 13 bills during the past legislative year. Of this group, nine bills failed to pass, and four will become law on January 1, 2019.

An update was provided on SB 998 (Dodd). This bill was opposed by TVMWD and was signed by the governor. This bill has been chaptered and will become law effective January 1, 2019 with compliance due by June 2020. The law will be known as the *Water Shutoff Protection Act*. This law will impact TVMWD's retail member agencies and will affect how they handle shutoffs and related communication when a customer is scheduled for shut off due to non-payment.

A pre-election candidate preview was provided.

In conclusion, the Board was asked to consider Resolution No. 18-10-838 in support of Proposition 3, Water Supply and Water Quality Act of 2018. Upon motion and second the floor was opened for discussion.

President Kuhn commented on some concerns he had about the proposed Proposition 3. There being no further discussion the vote was called.

**Moved: Mendoza; Second: Bowcock**  
**Motion No. 18-10-5193 – Adopt Resolution No. 18-10-838 in support of Proposition 3 Water Supply and Water Quality Act of 2018. The motion passed by a 6-0 vote; Director Horan was absent from the meeting.**

## **8.B Director Expense Reports, September 2018**

The Board was asked to consider approval of the director expense reports submitted for reimbursement for September 2018. Upon motion and second, President Kuhn opened the floor for discussion.

Prior to calling for a vote President Kuhn commented that each member of the Board is responsible for reporting on events that are paid by stipend per the District ordinance. He cautioned that there have been reports of some directors arriving late or leaving early at events being turned in for reimbursement. Director Kuhn commented that there is a policy concerning director reimbursements and that he will be scheduling a call with each director to ensure they understand the reimbursement policies. There being no further discussion the vote was called.

**Moved: Ruzicka; Second: Bowcock**  
**Motion No. 18-10-5194 – Approval of September 2018 director expense reports. The motion passed by a 6-0 vote; Director Horan was absent from the meeting.**

## **8.C FY 2017-18 Audit and Comprehensive Annual Financial Report (CAFR)**

Mr. Litchfield informed the Board that the FY 2017-18 Audit and CAFR were before them today to receive, approve and file. Chief Finance Officer, James Linthicum provided a brief update on the process that TVMWD went through in preparing the FY 2017-18 Audit and CAFR. The CAFR was produced in house with assistance from Liz Cohn, Sr. Financial Analyst and Esther Romero, Accounting Technician.

Mr. Linthicum introduced the Audit Manager from Lance, Soll, Lunghard (LSL), Mr. Bryan Gruber. Mr. Gruber reviewed the management and communication letters that were included as part of the audit. The outcome of the FY 2017-18 audit resulted in an unmodified opinion by LSL. Mr. Gruber also informed there were no instances of material weakness or noncompliance.

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

**Moved: Ruzicka; Second: Bowcock**  
**Motion No. 18-10-5195 – Receive, approve and file the FY 2017-18 Audit and CAFR. The motion passed by a 6-0 vote; Director Horan was absent from the meeting.**

## **8.D Instrumentation/Electrical System Operator**

Mr. Litchfield introduced this item and provided clarification that while the agenda stated that this was an addition of a new position, it is actually a reclassification of an existing position.

Water Operations Manager Steve Lang proceeded to provide more detail on the position. This reclassification was considered by staff as part of its ongoing succession planning, and the advent of a recent retirement of a senior level operator has allowed this to move forward now and benefit TVMWD by having an onsite instrumentation/electrical operator and to eliminate sole reliance on an external contractor. The Board will also be considering the updated salary schedule adding this reclassified position to the schedule which is effective November 1, 2018.

Upon motion and second the floor was opened for discussion. Staff responded to a question regarding the comparison of salary levels between the proposed and existing position. Staff informed that the salary for the reclassified position will be equal or less than the current incumbent in the position. There being no further discussion the vote was called.

**Moved: Ruzicka; Second: Bowcock**  
**Motion No. 18-10-5196 – Approve the reclassification of one shift operator position to Instrumentation/Electrical System Operator and approve the new salary schedule effective November 1, 2018. The motion passed by a 6-0 vote; Director Horan was absent from the meeting.**

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

### **9.A Los Angeles Area Formation Commission**

Director Ruzicka reported that he attended the California LAFCO annual meeting October 3-5, 2018 in Yosemite, CA. During its last meeting the LAFCO Commission made a motion to dissolve Sativa Water Company as a water purveyor. LAFCO has the backing of the county, state legislature and governor for this action. During the annual conference LAFCO reviewed Municipal Service Reviews (MSR). Special districts are covered under the MSR process and it has been identified that some of these districts are not complying with their MSR guidelines. LAFCO is continuing to follow up with these agencies. LAFCO has joined in supporting the California Water Fix. Director Ruzicka has been appointed to serve as the Chair for the Consolidated Oversight Committee for Region 5.

## **9.B Main San Gabriel Basin Watermaster**

Director Bowcock reported on the Engineer's Key Well report from the October 3, 2018 board meeting that he attended as the alternate. A new historic low was reached on September 21, 2018. The Key Well was measured at 171.9', and the well continues to decrease each week. The previous historical low was 172.2' on September 30, 2016. Three Valleys did not make any deliveries through USG-3, PM-26 or to the San Gabriel Canyon Spreading Grounds during September 2018. The recent precipitation in the San Gabriel Valley will help but will not alleviate the problem with the existing groundwater levels.

## **9.C Six Basins Watermaster**

Director Mendoza reported that at the last meeting there was a discussion regarding the basin and the monitoring wells.

## **9.D San Gabriel Valley Water Quality Authority**

No report was provided.

## **9.E Chino Basin Watermaster**

Director Kuhn reported that discussions continue on the safe yield with no resolution at this time.

## **9.F Pomona City Council**

City took formal action to support Measure PG a .75% sales tax increase on non-essential items and on Measure PC Cannabis.

## **9.G San Gabriel Valley Council of Governments**

The next meeting is scheduled for October 18, 2018. Director Kuhn commented that at their meeting tonight, Upper San Gabriel Valley MWD will be discussing, and may act to underwrite, the full cost of membership to have an ongoing seat on this board to itself versus staying with the San Gabriel Water Company JPA. If this occurs, TVMWD will need to evaluate whether there is still value in participating in the SGV-COG. It was suggested that someone from SGV-COG present to the Board at a future workshop as to the continuing value of participating as individual agencies. Director Goytia will reach out to Marissa Creter to invite someone to present to the TVMWD Board.

## **9.H Metropolitan Water District**

Director De Jesus reported that Director Gloria Gray, Division 2 at West Basin was recently voted by the MWD Board to serve a new two-year term as the MWD Chairwoman effective January 1, 2019. This vote was supported by representatives of Los Angeles and San Diego.

In closed session the MWD Executive Committee determined that the direct reports not be given an increase this year. Chair Record moved this item back to

the Executive Committee for consideration as a quorum was not present at the time the vote was taken.

Upon review of the Local Resource Project program the MWD Board voted to add an additional 170,000 AF of new product to its water portfolio. This will allow for member agencies to apply for available resource projects.

## **9.I Additional Board Member or Staff Reports/Comments**

Director Mendoza commented that he is looking forward to the new General Manager establishing good working relationships with the member agencies.

Mr. Litchfield acknowledged that if Proposition 3, the Water Supply and Water Quality Act does pass at the November 6, 2018 election, that there will be many opportunities for projects within the disenfranchised communities. TVMWD is working with a consultant as a lead agency with Pomona, Walnut and Rowland to identify and apply for water resource grants.

Director Kuhn reminded all that during the consent calendar today the Board acted to cancel the second meetings in November (November 21) and December (December 19). Also, the first meeting of CY 2019 is scheduled for January 2, 2019. Staff was directed to return a notice to cancel the January 2, 2019 meeting on the next agenda, Staff was further directed to notify our stakeholders of the November/December meeting cancellations.

Director Kuhn announced that a retirement party for retiring General Manager Rick Hansen is being planned sometime during mid-late January 2019.

Mr. Litchfield reminded those in attendance that TVMWD will hold its final Leadership Breakfast of 2018 on Wednesday, October 31, 2018. The presenter will be Mickey Chaudhuri, MWD Interim Group Manager, Water System Operations, discussing *Developing a New Source of Water for Southern California*.

## **10. Closed Session**

The Board convened to closed session at 9:15 a.m. to discuss one item as follows:

9.A. 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. Announcement of Closed Session Actions**

The Board reconvened to regular session at 9:57 a.m. Legal Counsel Steven M. Kennedy made the following report:

# Item 7.A

*The Board voted 6-0 with Director Horan absent to the early termination agreement with Mr. Richard Hansen, and entering into a new agreement with Mr. Matthew H. Litchfield to serve as TVMWD's General Manager. Both agreements will become effective on December 28, 2018.*

## 12. Future Agenda Items

The following items were reviewed by the Board during today's meeting and recommended to move forward for consideration of approval at the November 7, 2018 Board Meeting.

- Approval to modify January 2019 meeting schedule

## 13. Adjournment

The Board adjourned at 10:00 a.m. to its next regular meeting scheduled for Wednesday, November 7, 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

## Staff Report/Memorandum



**To:** TVMWD Board of Directors  
**From:** Richard W. Hansen, General Manager *RH*  
**Date:** November 7, 2018  
**Subject:** FY 18-19 1st Quarter Reserve Schedule Update

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<input type="checkbox"/>	<b>For Action</b>	<input type="checkbox"/>	<b>Fiscal Impact</b>	<input type="checkbox"/>	<b>Funds Budgeted</b>
<input checked="" type="checkbox"/>	<b>Information Only</b>	<input type="checkbox"/>	<b>Cost Estimate:</b>	<b>\$</b>	

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**Discussion:**

Attached for Board review is the Reserve Schedule as of September 30, 2018. This schedule identifies encumbered reserves that have been set aside for specific projects and Board designated reserves.

**Strategic Plan Objective(s):**

- 3.1 – Utilize and comply with a set of financial policies to maintain TVMWD's financial health
- 3.3 – Be accountable and transparent with major decisions



**TVMWD RESERVES SCHEDULE**

<b>FUND BALANCE</b>	<b>June 30, 2018 BALANCE</b>	<b>SOURCES</b>	<b>USES</b>	<b>TRANSFERS</b>	<b>September 30, 2018 BALANCE</b>
<b>RESERVED FOR ENCUMBRANCE</b>					
TVMWD Well - Grand Ave. Claremont	628,554	741,885	(102,169)	-	1,268,270
TVMWD Well - West Baseline Claremont	510,748	-	-	-	510,748
Carports	229,172	-	-	-	229,172
Bldg Modifications-Operations Interior	321,199	-	(7,770)	-	313,429
Hydropneumatic Tank System Improvements	37,643	-	-	-	37,643
Reservoir Effluent Pump System	179,972	-	(2,150)	-	177,822
	<b>\$ 1,907,288</b>	<b>\$ 741,885</b>	<b>\$ (112,089)</b>	<b>\$ -</b>	<b>\$ 2,537,084</b>

<b>RESERVE GOAL</b>
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<b>BOARD DESIGNATED</b>					
Board Elections	\$ 125,123	-	-	-	\$ 125,123
Water Management	200,000	-	-	-	200,000
Water Rate Stabilization	1,353,755	-	-	-	1,353,755
Capital Asset R/R	5,545,640	-	-	-	5,545,640
Operations Reliability	2,500,000	-	-	-	2,500,000
Employee Benefits - Retiree Medical	178,237	-	-	-	178,237
Emergency	-	-	-	-	-
	<b>\$ 9,902,755</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,902,755</b>

<b>Lower</b>	<b>Upper</b>
\$ 120,000	\$ 160,000
-	200,000
1,200,000	1,800,000
4,100,000	8,200,000
2,000,000	3,000,000
-	2,100,000
-	97,245
<b>\$ 7,420,000</b>	<b>\$ 15,557,245</b>



**Three Valleys MWD  
Calendar Year 2019  
Proposed Holiday Schedule**

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Each calendar year, TVMWD employees receive the benefit of 12 paid holidays. Listed below is the proposed schedule of holidays for the upcoming Calendar Year 2019

<b><u>HOLIDAY</u></b>	<b><u>DATE RECOGNIZED - 2019</u></b>
New Year's Day	January 1 (Tuesday)
President's Day	February 18 (Monday)
Memorial Day	May 27 (Monday)
Independence Day	July 4 (Thursday)
Labor Day	September 2 (Monday)
Veteran's Day	November 11 (Monday)
Thanksgiving	November 28 (Thursday)
Thanksgiving (Day After)	November 29 (Friday)
Christmas	December 25 (Wednesday)
Christmas (Day After)	December 26 (Thursday)

**Note:** Employees who have completed one year of service with TVMWD will be eligible for two additional "floating" holidays to be used on a date of their choosing during 2019. If one of the above holidays is recognized on a regular day off, the employee may take a "floating holiday" in its place, subject to prior approval by a supervisor.



### Staff Report/Memorandum

**To:** TVMWD Board of Directors  
**From:** Richard W. Hansen, General Manager *RH*  
**Date:** November 7, 2018  
**Subject:** Modify January 2019 Meeting Calendar

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<input checked="" type="checkbox"/> <b>For Action</b>	<input type="checkbox"/> <b>Fiscal Impact</b>	<input type="checkbox"/> <b>Funds Budgeted</b>
<input type="checkbox"/> <b>Information Only</b>	<input type="checkbox"/> <b>Cost Estimate:</b>	<b>\$</b>

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**Action Requested:**

The Board will consider approval of a modified board meeting schedule for its regular meetings in January 2019. It is proposed that the Board:

- 1) Cancel the January 2, 2019 regular board meeting.
- 2) Direct staff to issue proper notice of meeting cancellations.

**Discussion:**

The first meeting in January 2019 is presently scheduled for Wednesday, January 2, 2019. Staff has reviewed business that needs to be considered by the Board for the for the first meeting in January and determined that any business can be handled in a single monthly meeting presently scheduled for Wednesday, January 16, 2019 with Board approval. In the event urgent business should arise, a special meeting can be scheduled.

**Strategic Plan Objective(s):**

- 3.3 – Be accountable and transparent with major decisions.

**DRAFT**

Item 7.E



**THREE VALLEYS MUNICIPAL WATER DISTRICT  
2019 BOARD MEETING AND CONFERENCE SCHEDULE**

LEGEND
Board Meetings
MWD Inspection Tours
District Holidays
Major Conferences
Leadership Breakfast

JANUARY 2019
Holiday - January 1
Board Meeting - January 2 <b>Cancelled</b>
Board Meeting - January 16

FEBRUARY 2019
Board Meeting - February 6
Holiday - February 18
Board Meeting - February 20
Leadership Breakfast - February 28 (Tentative)

MARCH 2019
Board Meeting - March 6
Board Meeting - March 20
CA-NV Spring Conference March 25-28
CRA Inspection Tour - March 29-31

APRIL 2019
Board Meeting - April 3
Board Meeting - April 17

MAY 2019
Board Meeting - May 1
ACWA Spring Conference - May 7-10
Board Meeting - May 15
Holiday - May 27
Leadership Breakfast - May 30 (Tentative)

JUNE 2019
Board Meeting - June 5
Diamond Valley Lake Tour - June 7
AWWA Annual Conference - June 9-12
Board Meeting - June 19

JULY 2019
Holiday - July 4
Board Meeting - July 3
Board Meeting - July 17
<b>July Board meetings subject to cancel</b>

AUGUST 2019
Board Meeting - August 7
Board Meeting - August 21
<b>August Board meetings subject to cancel</b>

SEPTEMBER 2019
Holiday - September 2
Board Meeting - September 4
Board Meeting - September 18
CSDA Annual Conference - September 25-28


OCTOBER 2019
Board Meeting - October 2
Board Meeting - October 16
CA-NV Fall Conference - TBD
Leadership Breakfast - October 31 (Tentative)

NOVEMBER 2019
Board Meeting - November 6
Holiday - November 11
Board Meeting - November 20
Holiday - November 28-29

DECEMBER 2019
Board Meeting - December 4
Board Meeting - December 18
Holiday - December 25-26
ACWA Fall Conference - December 3-6
<b>Note: ACWA Fall Conference Conflicts with December 4, 2018 Board Meeting</b>



Staff Report/Memorandum

To: TVMWD Board of Directors  
From: Richard W. Hansen, General Manager   
Date: November 7, 2018  
Subject: Mutual Response Agreement

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<input checked="" type="checkbox"/> For Action	<input type="checkbox"/> Fiscal Impact	<input type="checkbox"/> Funds Budgeted
<input type="checkbox"/> Information Only	<input type="checkbox"/> Cost Estimate: \$	

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**Requested Action:**

Board approval of a *Mutual Response Agreement* through the Public Water Agency Group (PWAG).

**Discussion:**

Recognizing that emergencies may require assistance in the form of personnel, equipment, and supplies from outside the District when they arise, TVMWD has joined with several members of the PWAG for Mutual Aid, Response and Assistance. Through this Mutual Aid, Response and Assistance Program, members will coordinate response activities and share resources during emergencies and assist during local emergencies or planned or unplanned outages.

This attached agreement has been reviewed by legal counsel and sets forth the procedures and standards for the administration of the Program among the parties.

**Strategic Plan Objective(s):**

3.3 – Be accountable and transparent with major decisions

## **Mutual Response Agreement Los Angeles County Water Agency Mutual Assistance Agreement**

This AGREEMENT is made and entered into by the signatories to this Agreement, as listed on Exhibit A hereto, which have adopted and signed this agreement to provide mutual assistance in times of emergency in accordance with the California Emergency Services Act and the California Disaster and Civil Defense Master Mutual Aid Agreement; and to provide reimbursement for equipment, supplies and personnel made available on an emergency basis as specified herein.

Said water utilities are individually referred to herein as a "Member Utility" and all of said water utilities are referred to herein collectively as "the parties."

In consideration of the mutual covenants and agreements hereinafter set forth, the parties agree to provide mutual assistance to one another in times of emergency as follows:

### **ARTICLE I.** **PURPOSE**

Recognizing that emergencies may require assistance in the form of personnel, equipment, and supplies from outside the area of an emergency's impact, the parties hereby establish an Intrastate Program for Mutual Aid, Response and Assistance. Through this Mutual Aid, Response and Assistance Program (the "Program"), Members coordinate response activities and share resources during emergencies and assist during local emergencies or planned or unplanned outages, as defined herein. This Agreement sets forth the procedures and standards for the administration of the Program among the parties.

### **ARTICLE II.** **DEFINITIONS**

- A. **Authorized Official** – An employee or officer of a Member Utility who is authorized to:
  - 1. Request assistance;
  - 2. Offer assistance;
  - 3. Refuse to offer assistance or
  - 4. Withdraw assistance under this agreement.
  
- B. **Emergency** – A natural or human caused event or circumstance causing, or imminently threatening to cause, impact to the operations of a Member Utility's system, loss of life, injury to person or property, human suffering, or financial loss, and includes, but is not limited to, fire, flood, severe weather, earthquake, civil disturbance, riot, explosion, drought, volcanic activity, spills or releases of oil or hazardous materials, contamination, utility or transportation emergencies, disease, blight, infestation, intentional acts, sabotage, declaration of war, or other conditions which is, or is likely to be, beyond the control of the services, personnel, equipment, and facilities of a Member Utility and requires mutual assistance.
  
- C. **Members or Member Utilities** – Any public or private water utility that manifests intent to participate in the Program by executing this Agreement.

1. **Associate Member** – Any non-utility participant, approved by the Committee defined in Article III below, that provides a support role for the Program.
  2. **Requesting Member** – A Member Utility who requests aid or assistance under the Program.
  3. **Responding Member** – A Member Utility that responds to a request for aid or assistance under the Program.
  4. **Non-Responding Member** - A Member Utility or Associate Member that does not provide aid or assistance during a Period of Assistance under the Program.
- D. **Confidential Information** - Any document shared with any signatory of this Agreement that is marked confidential, including but not limited to any map, report, notes, papers, opinion, or e-mail which relates to the system vulnerabilities of a Member Utility or Associate Member.
- E. **Period of Assistance** – A specified period of time when a Responding Member assists a Requesting Member. The period commences when personnel, equipment, or supplies depart from Responding Member’s facility and ends when the resources return to their facility (portal to portal). All protections identified in this Agreement apply during this period. The specified Period of Assistance may occur during response to or recovery from an Emergency, as previously defined, or during an Outage, as defined herein.
- F. **National Incident Management System (NIMS)** - A national, standardized approach to incident management and response that sets uniform processes and procedures for emergency response operations.
- G. **Standardized Emergency Management System (SEMS)** - A standardized approach to field command and jurisdictional management and response set forth by State of California Code of Regulations for multi-agency or multi-jurisdictional response to an emergency.
- H. **Outage** – A period of time where a Member’s water supply is interrupted to the extent that the interruption jeopardizes the health and safety of the Member’s customers. An Outage is “planned” when the Member is given at least three (3) days prior notice of the interruption in supply. An Outage is “unplanned” when the Outage occurs without at least three (3) days prior notice of the interruption in supply, including when the Outage occurs unexpectedly.

## **ARTICLE III. ADMINISTRATION**

The Program shall be administered through the Public Water Agencies Group Emergency Preparedness Coordinator (the “Coordinator”) and the Emergency Preparedness Coordinator Administrative Committee (the “Committee”).

The purpose of the Committee is to provide local coordination of the Program before, during, and after an Emergency or Outage. The Committee shall meet as frequently as necessary, but at least quarterly, to address Program issues and review emergency preparedness and response procedures. The Committee will be made up of at least five (5) representatives selected from among the Member Utilities. The Committee members shall work with the

Coordinator to plan and coordinate emergency planning and response activities for the Program, and shall ensure that all Member Utilities are informed of such activities and have the opportunity to participate in all related planning and training activities.

## **ARTICLE IV. PROCEDURES**

- A. In coordination with the Committee, emergency management and public health systems of the state, the Committee and Coordinator shall develop operational and planning procedures for the Program. These procedures shall be consistent with the Standardized Emergency Management System (SEMS), the National Incident Management System (NIMS) and this Agreement. These procedures shall be reviewed at least annually and updated as needed by the Committee and Coordinator.
- B. Requests for emergency assistance or assistance with any Outage under this Agreement shall be directed to the appropriate Authorized Official(s) from the list of Members.

## **ARTICLE V. REQUESTS FOR ASSISTANCE**

In general, assistance will be in the form of resources, such as equipment, supplemental water supplies, other supplies, and personnel. Assistance shall be given only when a Responding Member determines that its own needs can be met while rendering assistance. The execution of this Agreement shall not create any duty to respond on the part of any party hereto. A potential Responding Member shall not be held liable for failing to provide assistance. A potential Responding Member has the absolute discretion to decline to provide any requested assistance.

- A. **Responsibility-** Members shall identify an Authorized Official and alternates; provide contact information including 24-hour access and maintain resource information that may be available from the utility for mutual aid and assistance response. Such contact information shall be updated annually or when changes occur, and be promptly provided to the Coordinator.
- B. **Member Request-** In the event of an Emergency or Outage (planned or unplanned), a Member's Authorized Official may request mutual aid and assistance from a participating Member. Requests for assistance can be made orally or in writing. When made orally, the request for personnel, equipment, supplemental water supplies and other supplies shall be prepared in writing as soon as practicable. Requests for assistance shall be directed to the Authorized Official of the participating Member. Specific protocols for requesting aid shall be provided in the required procedures to be established by the Committee pursuant to Article IV hereof.
- C. **Response to a Request for Assistance** – Members are not obligated to respond to a Requesting Member's request. After a Member receives a request for assistance, that Member's Authorized Official evaluates whether or not to respond, whether resources are available to respond, or if other circumstances would hinder response. Following the evaluation, that Member's Authorized Representative shall inform, as soon as possible, the Requesting Member whether that Member will respond. If the Member is willing and able to



provide assistance, the Member shall inform the Requesting Member about the type of available resources and the approximate arrival time of such assistance. If a Member determines it cannot respond to a request for assistance, that Member shall not be responsible for any consequences associated with its failure to respond.

- D. Discretion of Responding Member's Authorized Official** – Execution of this Agreement does not create any duty for a Member to respond to a request for assistance. When a Member receives a request for assistance, the Authorized Official shall have sole and absolute discretion as to whether or not to respond, or the availability of resources to be used in such response. An Authorized Member's decisions on the availability of resources shall be final.

## **ARTICLE VI. RESPONSE COORDINATION**

When providing assistance under this Agreement, the Requesting Member and Responding Member shall be organized and shall function under the Standard Emergency Management System and National Incident Management System protocols and procedures.

- A. **Personnel**- Responding Member retains the right to identify the specific employees to be provided to a Requesting Member and the resources that are available.
- B. **Control** – While employees so provided may be under the supervision of the Responding Member, the Responding Member's employees come under the direction and control of the Requesting Member, consistent with the NIMS Incident Command System to address the needs identified by the Requesting Member. The Requesting Member's Authorized Official shall coordinate response activities with the designated supervisor of the Responding Member(s). Whenever practical, Responding Member personnel must be self-sufficient for up to 72 hours. The Responding Member's designated supervisor(s) must keep accurate records of work performed by Responding Member's personnel during the specified Period of Assistance.
- C. **Food and Shelter** – When possible, the Requesting Member shall supply reasonable food and shelter for Responding Member personnel. If the Requesting Member is unable to provide food and shelter for Responding Member personnel, the Responding Member's designated supervisor is authorized to secure the resources necessary to meet the needs of its personnel. Except as provided below, the cost for such resources must not exceed the state per diem rates for that area. To the extent food and shelter costs exceed the state per diem rates for the area, the Responding Member must demonstrate that the additional costs were reasonable and necessary under the circumstances. Unless otherwise agreed to in writing, the Requesting Member remains responsible for reimbursing the Responding Member for all reasonable and necessary costs associated with providing food and shelter, if such resources are not provided.
- D. **Communication** – The Requesting Member shall provide Responding Member personnel with radio equipment as available, or radio frequency information to program existing radios, in order to facilitate communications with local responders and utility personnel.
- E. **Status** - Unless otherwise provided by law, the Responding Member's officers and employees retain the same privileges, immunities, rights, duties and benefits as provided in

their respective jurisdictions; and shall remain officers and employees, as applicable, of the Responding Member.

- F. **Licenses and Permits** – To the extent permitted by law, Responding Member personnel that hold licenses, certificates, or permits evidencing professional, mechanical, or other skills shall be allowed to carry out activities and tasks relevant and related to their respective credentials during the specified Period of Assistance.
- G. **Right to Withdraw Resources** - The Responding Member's Authorized Official retains the right to withdraw some or all of its resources at any time for any reason in the Responding Member's sole and absolute discretion. Notice of intention to withdraw must be communicated to the Requesting Member's Authorized Official as soon as is practicable under the circumstances.

## **ARTICLE VII. COST- REIMBURSEMENT**

Unless otherwise mutually agreed in whole or in part by both parties, the Requesting Member shall reimburse the Responding Member for each of the following categories of costs incurred while providing aid and assistance during the specified Period of Assistance.

- A. **Personnel** – Responding Member(s) will make such employees as are willing to participate available to Requesting Member at Requesting Member's expense equal to any Responding Member's full cost, i.e., equal to the employee's applicable salary or hourly wage, plus fringe benefits and overhead, and consistent with Responding Member's collective bargaining agreements, if applicable, or other conditions of employment. All costs incurred for work performed during the specified Period of Assistance will be included. The Requesting Member shall be responsible for all direct and indirect labor costs.
- B. **Equipment** – Use of equipment, such as construction equipment, vehicles, tools, pumps and generators, shall be at a Responding Member's current equipment rate and subject to the following conditions: The Requesting Member shall reimburse the Responding Member for the use of equipment during the specified Period of Assistance, including, but not limited to, reasonable rental rates, all fuel, lubrication, maintenance, transportation, and loading/unloading of loaned equipment. All equipment shall be returned to the Responding Member as soon as is practicable and reasonable under the circumstances.
  - (a) At the option of Responding Member, equipment may be provided with an operator.
  - (b) Equipment shall be returned to Responding Member within 24 hours after receipt of an oral or written request for return.
  - (c) During the Period of Assistance, Requesting Member shall, at its own expense, supply all fuel, lubrication and maintenance for furnished equipment; provided that Requesting Member shall obtain Responding Member's consent before performing any such maintenance.
  - (d) Responding Member's cost related to the transportation, handling and loading/unloading of equipment shall be chargeable to Requesting Member.

(e) In the event equipment is damaged while being dispatched to Requesting Member, or while in the custody and use of Requesting Member, Requesting Member shall reimburse Responding Member for the reasonable cost of repairing said damaged equipment. If the equipment cannot be repaired, then Requesting Member shall reimburse Responding Member for the cost of replacing such equipment with equipment that is of at least equal capability as determined by the Responding Member. If Responding Member must lease a piece of equipment while Requesting Member equipment is being repaired or replaced, Requesting Member shall reimburse Responding Member for such lease costs.

**C. *Materials and Supplies*** – The Requesting Member must reimburse the Responding Member in kind or at actual replacement cost, plus handling charges, for use of expendable or non-returnable supplies. The Responding Member must not charge direct fees or rental charges to the Requesting Member for other supplies and reusable items that are returned to the Responding Member in a clean, damage-free condition. Reusable supplies that are returned to the Responding Member with damage must be treated as expendable supplies for purposes of cost reimbursement.

**D. *Supplemental Water Supplies*** – The Responding Member will provide the Requesting Member with a bill showing the amount of water delivered to the Requesting Member. Water will be billed at the highest rate incurred for imported water by the Responding Member, or as the Responding Member may otherwise agree.

**E. *Payment Period*** – The Responding Member must provide an itemized bill to the Requesting Member for all expenses incurred by the Responding Member while providing assistance under this Agreement. The Responding Member must send the itemized bill not later than ninety (90) days following the end of the Period of Assistance. The Responding Member may request additional periods of time within which to submit the itemized bill, and Requesting Member shall not unreasonably withhold consent to such request. The Requesting Member must pay the bill within 60 days following the billing date. The Requesting Member may request additional periods of time within which to pay the itemized bill and Responding Member shall not unreasonably withhold consent to such request, provided, however, that all payment shall occur not later than one-year after the date a final itemized bill is submitted to the Requesting Member.

**E. *Records*** - Each Requesting Member and its duly authorized representatives shall have access to a Responding Member's books, documents, notes, reports, papers and records which are directly pertinent to this Agreement for the purposes of reviewing the accuracy of a cost bill or making a financial, maintenance or regulatory audit. To the extent it deems necessary, each Responding Member and its duly authorized representatives shall have access to a Requesting Member's books, documents, notes, reports, papers and records which are directly pertinent to this Agreement. Such records shall be maintained for at least three (3) years or longer where required by law and as needed for federal reimbursement practices.

## **ARTICLE VIII.** **ARBITRATION**

If any controversy or claim arises out of, or relates to, the Agreement, including, but not limited to an alleged breach of the Agreement, the disputing Members shall first attempt to resolve the dispute by negotiation, followed by mediation and finally shall be settled by arbitration in

accordance with the Rules of the American Arbitration Association. Judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction.

**ARTICLE IX.**  
**REQUESTING MEMBER'S DUTY TO INDEMNIFY**

Pursuant to Government Code Section 895.4, and subject to Article X, Requesting Member shall assume the defense of, fully indemnify and hold harmless Responding Member, its Directors, officers, employees and agents, from all claims, loss, damage, injury and liability of every kind, nature and description, directly or indirectly arising from the Requesting Member's work hereunder, including, but not limited to, negligent or wrongful use of equipment, supplies or personnel provided to Requesting Member or faulty workmanship or other negligent acts, errors or omissions by a Responding Member, or by personnel provided to Requesting Member, from the time assistance is requested and rendered until the assistance is returned to Responding Member's control, portal to portal.

**ARTICLE X.**  
**SIGNATORY INDEMNIFICATION**

In the event of a liability, claim, demand, action or proceeding, of whatever kind or nature arising out of the rendering of assistance through this Agreement, the parties involved in rendering or receiving assistance agree to indemnify and hold harmless all Members whose only involvement is the execution and approval of this Agreement, in the transaction or occurrence which is the subject of such claim, action, demand or other proceeding. Such indemnification shall include indemnity for all claims, demands, liability, damages and costs, including reasonable attorneys' fees and other costs of defense, for injury, property damage and workers compensation.

**ARTICLE XI.**  
**WORKER'S COMPENSATION CLAIMS**

The Responding Member is responsible for providing worker's compensation benefits and administering worker's compensation for its employees. The Requesting Member is responsible for providing worker's compensation benefits and administering worker's compensation for its employees.

**ARTICLE XII.**  
**NOTICE**

Each party hereto shall give to the others prompt and timely written notice of any claim made or any suit instituted coming to its knowledge, which in any way, directly or indirectly, contingently or otherwise, affects or might affect them, and each Member shall have the right to participate in the defense of the same, as it considers necessary to protect its own interests.

## **ARTICLE XIII. INSURANCE**

Members of this Agreement shall maintain an insurance policy or maintain a self insurance program that covers activities that it may undertake by virtue of membership in the Program, including, but not limited to, worker's compensation and commercial general liability insurance, and insurance on property, vehicles and equipment.

## **ARTICLE XIV. CONFIDENTIAL INFORMATION**

To the extent allowed by law, any Member or Associate Member shall maintain in the strictest confidence and shall take all reasonable steps necessary to prevent the disclosure of any Confidential Information provided to it by another Member pursuant to this Agreement. If any Member, Associate Member, or third party requests or demands, by subpoena or otherwise, that a Member or Associate Member disclose any Confidential Information provided to it under this Agreement, the Member or Associate Member shall immediately notify the owner of the Confidential Information and shall take all reasonable steps necessary to prevent the disclosure of any Confidential Information by asserting all applicable rights and privileges with respect to such information and shall cooperate fully in any judicial or administrative proceeding relating thereto.

## **ARTICLE XV. EFFECTIVE DATE**

This Agreement shall take effect for a new party immediately upon its execution by said party.

## **ARTICLE XVI. WITHDRAWAL**

Any party may terminate its participation in this Agreement by written notice to the Coordinator. Withdrawal takes effect 60 days after the appropriate official receives notice. Withdrawal from this Agreement shall in no way affect a Requesting Member's duty to reimburse a Responding Member for cost incurred during a Period of Assistance, which duty shall survive such withdrawal.

## **ARTICLE XVII. MODIFICATION**

No provision of this Agreement may be modified, altered or rescinded by individual parties to the Agreement. Modifications to this Agreement require a simple majority vote of Members then participating under this Agreement. The Committee will notify all parties of modifications to this Agreement in writing and those modifications shall be effective upon 60 days' written notice to the parties.

## **ARTICLE XVIII. SEVERABILITY**

If any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be

affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid.

**ARTICLE XIX.**  
**PRIOR AGREEMENTS**

This Agreement supersedes all prior Agreements between Members to the extent that such prior Agreements are inconsistent with this Agreement.

**ARTICLE XX.**  
**PROHIBITION ON THIRD PARTIES AND ASSIGNMENT OF RIGHTS/DUTIES**

This Agreement is for the sole benefit of the Members and no person or entity shall have any rights under this Agreement as a third-party beneficiary. Assignments of benefits and delegations of duties created by this Agreement are prohibited and any such attempted assignment or delegation shall have no effect.

**ARTICLE XXI.**  
**TORT CLAIMS**

This Agreement in no way abrogates or waives any immunity or defense available under California law.

**ARTICLE XXII.**  
**INTRASTATE AND INTERSTATE MUTUAL AID AND ASSISTANCE PROGRAMS**

To the extent practicable, Members retain the right to participate in mutual aid and assistance activities conducted under the State of California Intrastate WARN Mutual Aid and Assistance Program and the Interstate Emergency Management Assistance Compact (EMAC) and similar programs.

# Item 8.A

Now, therefore, in consideration of the covenants and obligations set forth in this Agreement, the Water Utility listed here manifests its intent to be a Member Utility in the Program by executing this Agreement on this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

Member: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Please Print Name

By: \_\_\_\_\_

Title \_\_\_\_\_

\_\_\_\_\_  
Please Print Name

Approved as to form and legality

By: \_\_\_\_\_  
Attorney for Public or Private Utility

\_\_\_\_\_  
Please Print Name



**Staff Report/Memorandum**

**To:** TVMWD Board of Directors  
**From:** Richard W. Hansen, General Manager *RH*  
**Date:** November 7, 2018  
**Subject:** Retiree Medical Benefit Policy Modification

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<input type="checkbox"/> <b>For Action</b>	<input type="checkbox"/> <b>Fiscal Impact</b>	<input type="checkbox"/> <b>Funds Budgeted</b>
<input checked="" type="checkbox"/> <b>Information Only</b>	<input type="checkbox"/> <b>Cost Estimate:</b>	<b>\$</b>

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**Requested Action:**

Staff is requesting a revision to the TVMWD Retiree Medical Benefit Policy (Policy) to allow the existing monthly reimbursement benefit to include premium costs incurred for retiree dental and vision coverage. This request does not increase the maximum monthly allowance of \$600 per month for the retiree and the dental and vision plans would be obtained by the retiree outside of TVMWD.

**Discussion:**

Currently, the Policy provides for reimbursement of up to a maximum of \$600 per month for medical premiums only, depending on years of service with TVMWD at the time of retirement. Eligible employees are full-time staff who retire from TVMWD at age 50 or older with a minimum of 10 years of service. Employees may choose to maintain the medical plan they have in place with TVMWD at the time of retirement or be covered under another licensed plan outside TVMWD with proof of coverage. In addition, enrollment in Medicare part A & B is required if the retiree remains on TVMWD medical plan. Furthermore, the employee's spouse and/or other dependents are eligible for coverage at the employee's cost.

As an example, let's assume total premium costs for a retiree who elects to maintain their TVMWD medical coverage and enroll in Medicare Part A and Part B is \$550 per month. The retiree is eligible for \$600 per month and has elected to purchase supplemental dental and vision plans with a cost of \$60 per month. Under the current policy, the retiree would be responsible for paying the \$60 premium and not be allowed to submit for the additional \$50 to take advantage of the full \$600 per month reimbursement. Under the proposed revised policy, dental and vision plans obtained by the retiree outside of TVMWD would be eligible for reimbursement with proof of coverage. In the scenario above, the employee would be eligible to receive \$50 per month reimbursement from TVMWD, allowing the retiree to utilize the full \$600 per month allowed. A copy of the revised policy document is attached.



## **Fiscal Impact:**

Under this revised policy, the retiree would not be eligible for TVMWD-administered dental and vision plans, as is currently TVMWD policy. TVMWD dental and vision plans are administered by ACWA-JPIA, and if retirees were allowed eligibility for ACWA-JPIA dental and vision plans, this would obligate TVMWD to pay 50% of the premiums on behalf of the retirees.

To simplify the financial considerations, staff asked our OPEB actuary to determine what the increase in Total OPEB Liability would be if all retirees utilized their full monthly allowance. The actuary estimated an increase of approximately \$121,000 to the existing liability of \$1,393,000.

However, under the revised policy this change would only affect employees who retire on a go-forward basis (i.e. not eligible for those already retired). Therefore, the liability increase is expected to be no more than \$25,000.

## **Strategic Plan Objective(s):**

- 2.4 Evaluate short- term and long-term workforce needs to achieve optimal efficiency and cost effectiveness without sacrificing employee morale or productivity
- 3.3 Be accountable and transparent with major decisions

## Three Valleys Municipal Water District Retiree ~~Health~~~~Medical~~ Policy (Effective for employees retiring after December ~~531~~, 201814)

TVMWD provides funding for a ~~health~~~~medical~~ benefits program for retired employees. The information contained in the policy reflects current benefits and eligibility for TVMWD employees. TVMWD reserves the right to amend, modify or terminate the benefits at any time.

### Eligibility:

1. Employee is 50 years of age or older.
2. Employee must retire from TVMWD and must be receiving retirement benefits from CalPERS.
3. Employee has served TVMWD for ten or more years of full-time service.
4. The retiree's spouse and/or other dependants are eligible for coverage at the retiree's expense.
5. When eligible for Medicare coverage, retiree (and dependents) must enroll for both Parts A and B. Coverage with TVMWD will be converted to a supplemental plan at a reduced premium.

### Program:

1. Depending on years of service and date of hire, TVMWD will pay a maximum of \$600 per month toward the retiree's (not dependents) ~~health~~~~medical~~ premiums, which are considered medical, dental and vision premiums.

Employees Hired Prior to December 31, 2004						
TVMWD Paid *	50%	60%	70%	80%	90%	100%
Yrs of Service**	10	11	12	13	14	15+

Employees Hired After January 1, 2005											
TVMWD Paid*	50%	55%	60%	65%	70%	75%	80%	85%	90%	95%	100%
Yrs of Service**	10	11	12	13	14	15	16	17	18	19	20+

\*Percent of ~~Health~~~~Medical~~ Premium Cap (\$600)

\*\*Defined as reaching the anniversary date of employment with TVMWD

2. Employees may choose to maintain the medical plan they have in place with TVMWD or be covered under another licensed insurance plan outside TVMWD (i.e. spouse's medical plan) with proof of coverage. Dental and vision plans must be from an outside insurance plan and employee must provide proof of coverage.
  - a. Contributions toward TVMWD's ~~health~~~~medical~~ plans premium will be a maximum of \$600 per month.
    - i. ~~Beginning in 2015, r~~Retirees have open enrollment rights.
    - ii. ~~Medical p~~Premium costs in excess of TVMWD cost must be paid monthly to TVMWD by the retiree.
  - b. Contributions toward a-qualified medical, dental and vision plans outside TVMWD will be the monthly premium up to a maximum of \$600 per month.
    - i. For retiree medical, dental and vision plans that cover the employee + spouse, ½ the monthly premium will be covered.
    - ii. For retiree medical, dental and vision plans that cover the employee, spouse, & family, 1/3 the monthly premium will be covered.

### Termination:

Coverage under the TVMWD medical plan will terminate upon any one of the following conditions:

1. At the written request of the retiree.
2. When payments are not received by TVMWD in accordance with the payment schedule.
3. If and when the insurance carrier refuses option coverage for retirees.
4. If TVMWD's policy is cancelled and/or TVMWD discontinues insurance coverage for employees.



### Staff Report/Memorandum

**To:** TVMWD Board of Directors  
**From:** Richard W. Hansen, General Manager *RH*  
**Date:** November 7, 2018  
**Subject:** Project Summary Update

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<input type="checkbox"/> For Action	<input type="checkbox"/> Fiscal Impact	<input type="checkbox"/> Funds Budgeted
<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Cost Estimate: \$	

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**Discussion:**

Brief status reports for projects are provided below:

*TVMWD Grand Avenue Well Project – Project No. 58446*

Construction of the block wall along the north side of the property was recently completed. In addition, the well drilling contractor is in the process of completing final punch-list items. Debris has been removed and the site has been graded. Staff has provided feedback and information to assist the engineering consultant (Stantec) in preparation of the well equipping design. Staff anticipates the 60% well equipping design will be completed by mid-November 2018 and the final design by mid-December.



## TVMWD Baseline Road Well Project – Project No. 58458

No new information at this time.

## Reservoir Effluent Pump Station Project – Project No. 58459

The contractor successfully completed start-up and performance testing of the booster pump system in mid-October. The pump station has been fully operational since then. The contractor is in the process of addressing final punch list items. Staff anticipates these activities will be completed by early November 2018.



## Hydropneumatic Tank Replacement Project – Project No. 58460

Staff received quotes and has secured a contractor to perform the work scheduled to take place in mid-to-late November. The contractor is in the process of procuring the materials and project components before he mobilizes on site. Staff anticipates construction activities will begin in early December and be completed by late January 2019.



## JWL Control Valve – Project No. 58462

Staff has requested quotes to install a new flow control valve and replace the existing old SCADA control panel and cabinet for this project. Staff expects to receive quotes and make a decision by late November and will continue to coordinate this work with JWL staff. Accordingly, construction activities are expected to begin in December 2018 or January 2019 after the MWD shutdown. Once completed, this work will enable operations staff greater flow control and flexibility in using the Fulton Reservoir to supply water to the JWL.

## 6th/White Meter Connection Upgrades – Project No. 58159

The existing flow meter and SCADA equipment are slated to be upgraded at this connection. TVMWD's SCADA integrator, Prime Systems Inc., completed its design several weeks ago. Staff has coordinated the project with Edison to ensure successful completion. Staff is in the process of obtaining quotes for the electrical portion of the work. Construction is scheduled for early December 2018 to coincide with MWD's Rialto Feeder shutdown.



### Strategic Plan Objectives:

- 1.4 – Capable of delivering 10,000 AFY from local sources in case of drought or catastrophe.
- 1.5 – Maintain water infrastructure to assure 100% reliability.
- 2.3 – Manage water infrastructure and staff operations to minimize costs.
- 3.3 – Be accountable and transparent with major decisions