

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 the meeting room.

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

Wednesday, March 6, 2019
8:00 a.m.

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

Administrative
Assistant

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 Administrative 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 – General Manager's Report

Litchfield

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

7.A – Chino Basin Project Memorandum of Understanding

Litchfield

The Board will review the proposed Memorandum of Understanding to participate in a collaborative effort to implement \$206.9 million for the Chino Basin Program through the Proposition 1 Water Storage Investment Program.

7.B – Capital Projects Update

Peralta

The Board will review ongoing projects in progress throughout the Miramar Treatment Plant and distribution system.

7.C – Salary Schedule

Linthicum

Board approval to adopt the attached salary schedule effective February 20, 2019.

7.D – FY 19-20 Budget Workshop [enc]

Linthicum

The below items will be reviewed in a workshop format with staff responding to questions. It is anticipated that the FY 2019-20 budget and CY 2020 water rates and charges will be returned for approval during the April 17, 2019 meeting for adoption by the Board.

- FY 2019-20 budget, draft
- CY 2020 rates, draft
- CY 2020 fixed charges, draft
- CY 2020 capacity charge, draft

7.E - FY 19-20 Annual Purchase Orders

Linthicum

The Board will be provided a list of purchase orders for ongoing goods and services for FY 19-20 and may direct staff to return this item to the next meeting for action.

Item 8 – Closed Session

8.A – Public Employee Performance Evaluation, *pursuant to Government Code Section 54957*

Title: General Manager

Item 9 – Future Agenda Items

Kuhn

Item 10 – Adjournment

Kuhn

The board will adjourn to a regular board meeting on March 20, 2019 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.

Three Valleys MWD Board Meeting packets and agendas are available for review on its website at www.threevalleys.com. The website is updated on Sunday preceding any regularly scheduled board meeting.



Board of Directors Staff Report

To: TVMWD Board of Directors

From: Matthew H. Litchfield, General Manager 

Date: March 6, 2018

Subject: **Chino Basin Program Memorandum of Understanding**

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

Staff Recommendation:

No Action Necessary – Informational Item Only - Return to next meeting for action.

Discussion:

The Inland Empire Utilities Agency (IEUA) applied for Proposition 1 funding for the Chino Basin Program (CBP) - a revolutionary, first-of-its-kind program that was developed to help the region move beyond traditional water management practices and into a new era of water optimization.

The California Water Commission approved conditional funding of \$206.9 million for the CBP through the Proposition 1 Water Storage Investment Program in 2018. Proposition 1 funding will account for 54% of the \$385 million project cost and is the largest funding award IEUA has received.

The CBP involves the construction of an advanced water treatment facility and distribution system that will treat and store up to 15,000 acre-feet per year of recycled water for 25 years in the Chino Basin Water Bank, creating a new local water supply. The CBP will also provide additional needed infrastructure within the Chino Basin for added groundwater treatment and interconnections to provide added flexibility. During dry or critically dry years, CBP's partnership with an existing State Water Project Contractor will allow exchange of up to 50,000 acre-feet per year from the Chino Basin resulting in ecosystem benefits north of the Delta.

Staff has been actively engaged with the CBP Workgroup since December 2018 to provide local input in the development of a regional program that best meets the current and future needs of the Chino Basin as a whole. The intent of the CBP Workgroup is to establish a stakeholder working group that would collaborate in the development of the

project components, funding assistance for local projects, and performance requirements.

The CBP provides an unprecedented opportunity to deliver already identified needed water system improvements earlier, at a lower cost, and secure access to water supplies for the future – through a revolutionary, collaborative new approach to making every drop count.

The attached Memorandum of Understanding is substantively non-binding on the Parties but expresses the agreement and commitment of the Parties to initiate the process to work collaboratively, in good faith, to identify issues of common concern, and goals and solutions which are of common benefit to the Parties, and which may ultimately be implemented through the CBP.

Strategic Plan Objective(s):

- 1.3 - Maintain diverse sources of water supplies and storage, and increase extractable water storage supplies to 10,000
- 1.4 - Capable of delivering 10,000 AFY from local sources in case of drought or catastrophe
- 2.5 - Obtain grant funding to offset capital investment projects

Attachment(s):

Exhibit A – Draft Memorandum of Understanding

Meeting History:

None

MC/ML

Chino Basin Program
Memorandum of Understanding

This Memorandum of Understanding (“MOU”) is entered into effective _____, 2019, between various Chino Basin stakeholders (“Stakeholders”) and the Inland Empire Utilities Agency (“IEUA”) (collectively, the “Parties”).

Whereas, Parties have developed and approved various planning documents that have identified the need for investment in infrastructure within the Chino Basin. These investments would help address various sustainability objectives of the Chino Basin Optimum Basin Management Program (OBMP), such as, recycled water compliance, groundwater quality, storage and recovery programs, and subsidence mitigation. The Parties are currently in the process of updating the OBMP.

WHEREAS, IEUA received a conditional funding approval of \$207 million through the California Proposition 1 Water Storage Investment Program.

WHEREAS, IEUA has established the Chino Basin Program (“CBP”) Workgroup to help provide local input in the development of a regional program that best meets the current and future needs of the individual Stakeholders and the Chino Basin as a whole.

WHEREAS, formal funding approval of the CBP requires development of a refined project, including operations, finance, environmental permitting and all associated institutional agreements. A formal CBP Agreement amongst the Parties is essential for successful agreements with State Water Project Contractors and administering agencies.

WHEREAS, this MOU is substantively non-binding on the Parties, but expresses the agreement and commitment of the Parties to initiate the process to work collaboratively, in good faith, to identify issues of common concern, and goals and solutions which are of common benefit to the Parties, and which may ultimately be implemented through the CBP.

NOW, THEREFORE, the Parties hereby make the following mutual commitments:

1. Work together in good faith to cooperatively plan and evaluate a strategy for the successful development of the CBP and receipt of the \$207 million funding.
2. Collaborate to refine the CBP components, including, but not limited to, water supply sources, infrastructure requirements operations, performance obligations, program costs and Basin impacts to optimize the benefits for the Chino Basin and the individual Stakeholders.
3. Develop a CBP Agreement.
4. Support securing additional grants and other funding sources for the CBP.
5. All Parties will work together in good faith to ensure that the CBP Agreement is negotiated and ready for potential execution by Summer 2019, recognizing the urgency of completing the institutional agreements by 2020.

Chino Basin Program Memorandum of Understanding
Page 2 of 2

This MOU may be signed in identical counterparts, each of which shall be deemed to be an original and shall constitute one MOU.

Executed this _____ day of March 2019 by:

**Three Valleys Municipal Water
District**


Signature Date

Name:

Title:



Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: March 06, 2019
Subject: Capital Projects Status Report

<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:	\$

Requested Action:

No Action Necessary – Informational Item Only

Discussion:

A brief status report for each project is provided below:

TVMWD Grand Avenue Well Equipping Project – Project No. 58446

The consultant completed the 100% design and specifications for the well equipping phase of the project. The Notice Inviting Bids has been sent for advertisement on February 21 and 27. A mandatory pre-bid meeting is scheduled for February 28, 2019 with a bid open date of March 21, 2019. Staff anticipates bringing the bid results to the board in early April and construction award to take place in mid-April.

The project will involve construction/installation of a well pump, 200 hp motor, new electrical service, transformer, electrical controls (motor control center), a well building/enclosure, a block wall with motorized gate, various valves, a flow meter, and various SCADA components at the well site on Grand Avenue. In addition, approximately 6,000 linear feet of discharge piping will be installed along residential streets to bring the well water to the Miramar Plant for disinfection and into the reservoirs. There will also be modifications to the existing discharge piping that carries water from the two existing wells and a relocation of the disinfecting station that will serve all well water. These modifications will provide additional operational flexibility and allow the District to meet required disinfection contact times before the well water (for all the wells) enters the reservoirs. It should be noted that the above-mentioned improvements are expected to result in construction costs considerably greater than the previous well projects.

As part of project outreach to the community, staff plans to prepare and send out a project flyer to notify residents that may be affected by the project, prior to construction. The project flyer will include a description of the project and the anticipated construction

period/duration as well as appropriate District contact information. In addition, an on-site project sign will be erected on the Grand Avenue Well site during construction.

TVMWD Baseline Road Well Project – Project No. 58458

No new information to report.

JWL Control Valve – Project No. 58462

The contractor has provided a preliminary construction schedule that indicates a 30-day lead time for the key components of the project and another 30 days for actual on-site construction. The major components to construct this project consist of an 18-inch flow control valve & appurtenances, steel pipe, vault, process logic control panel and related electrical work. This new facility will be constructed along the alignment of the District's 30-inch pipeline just before the connection to the Joint Water Line on C Street (north of 5th Street) in La Verne.

Staff has discussed this construction project with member agencies affected by this work. In order to minimize potential impacts, the anticipated construction start date will occur in mid-June 2019. The contractor is in the process of providing submittals for the key components and materials that have the longest lead times for review and approval by staff. After staff approval, the contractor will order the project materials for delivery and mobilization by mid-June.

Once complete staff will be able to fine tune flows to the JWL and improve operation of the transmission system and Fulton Reservoir. Also, completion of this project will allow a new residual chloramination station to be installed at the Fulton Reservoir sometime in late 2019 or early 2020.

Strategic Plan Objective(s):

- 1.3 – Maintain diverse sources of water supplies and storage, and increase extractable water storage supplies to 10,000 AF.
- 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.
- 2.1 – Utilize 10,000 AF of well production to meet annual demands.
- 2.3 – Manage water infrastructure and staff operations to minimize costs.
- 3.3 – Be accountable and transparent with major decisions

Attachment(s):

None

Meeting History:

Board Meeting – January 16, 2019

MC/BP



Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: March 6, 2019
Subject: **Salary Schedule Update**

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

Staff Recommendation:

Staff recommends approval of the attached salary schedule effective February 20, 2019.

Background:

Pursuant to CalPERS and California Code of Regulations Section 570.5, salary schedule changes must be approved and adopted by the employer's governing body according to the requirements of applicable public meeting laws.

Discussion:

At the February 20, 2019 the board adopted TVMWD's strategic plan, which reflects the reclassification of the Water Operations Manager to Chief Operations Officer. The attached salary schedule has been updated to reflect this title change and the salary range commensurate to the other executive staff of TVMWD.

Strategic Plan Objective(s):

3.3 – Be accountable and transparent with major decisions

Attachment(s):

Exhibit A – Salary Schedule Effective February 20, 2019

Meeting History:

None

MC/JL

**THREE VALLEYS MUNICIPAL WATER DISTRICT
ANNUAL SALARY RANGE BY CLASSIFICATION
Effective: February 20, 2019**

CLASSIFICATION	Minimum Salary Range	Maximum Salary Range
ACCOUNTING TECHNICIAN	\$ 48,127	\$ 77,003
ADMINISTRATIVE ASSISTANT	\$ 44,483	\$ 71,172
CHIEF ADMINISTRATIVE OFFICER	\$ 135,235	\$ 216,376
CHIEF ENGINEER/RESOURCES OFFICER	\$ 135,235	\$ 216,376
CHIEF FINANCE OFFICER	\$ 135,235	\$ 216,376
CHIEF OPERATIONS OFFICER	\$ 135,235	\$ 216,376
COMPLIANCE SPECIALIST	\$ 63,112	\$ 100,980
CONSERVATION & RESOURCE ANALYST	\$ 74,503	\$ 119,205
ENGINEER	\$ 75,117	\$ 120,187
EXECUTIVE ASSISTANT	\$ 55,419	\$ 88,671
GENERAL MANAGER	\$ 220,000	\$ 275,000
INSTRUMENTATION/ELECTRICAL SYSTEM OPERATOR	\$ 67,234	\$ 107,575
OPERATIONS SUPERVISOR	\$ 79,519	\$ 127,231
PLANT ASSISTANT	\$ 38,678	\$ 61,884
PROJECT MANAGER	\$ 98,622	\$ 157,795
SENIOR FINANCIAL ANALYST	\$ 74,317	\$ 118,908
SHIFT OPERATOR II	\$ 47,603	\$ 76,164
SHIFT OPERATOR III	\$ 58,588	\$ 93,740
SHIFT OPERATOR IV	\$ 64,648	\$ 103,437
SHIFT OPERATOR V	\$ 67,234	\$ 107,575

Based on Board approval, an adjustment to each salary range classification will be considered for July 1 of each year. Range adjustments are tied to changes in the Consumer Price Index - Urban Wage Earners and Clerical Workers for Los Angeles-Long Beach-Anaheim as prepared by the Bureau of Labor Statistics, from current year annual to the prior year annual. The adjustment to each salary range is intended to keep TVMWD's salary ranges at the market level and may not necessarily impact individual salaries. The opportunity for individual salary increases will continue under the merit-based system employed by TVMWD. An important note is that an employee's annual salary may be below the minimum salary range if: (1) their annual evaluation has not yet occurred in the current fiscal year or (2) their performance documented in prior annual evaluations has not merited an increase that has kept up with index adjustments to the salary ranges.

Shift Differential Pay

- Operators and plant assistants who work on Friday, Saturday or Sunday will be compensated with 10% additional pay for those hours.
- Shift differential pay is considered special compensation and will be reported to CalPERS as such.

On-Call Pay


- Standby operators who serve as the on-call standby operator each evening will be paid \$35 per day (\$70 on holidays).
- Laptop operators who serve as the on-call plant operator each evening will be paid \$90 per day (\$180 on holidays).
- In addition to receiving the on-call pay noted above, the on-call operators will be paid for the additional time spent responding to situations.
 - If responding by phone/tablet/laptop only, the on-call operator will be guaranteed at least 15 minutes of additional pay. All time over 15 minutes will be rounded up to the nearest 15 minute increment.
 - If responding in person, the on-call operator will be guaranteed at least two hours of additional pay. All time over two hours (portal to portal) will be rounded up to the nearest 15 minute increment.
 - Operators will be eligible for OT and shift differential pay as applicable for time spent responding.
- On-call pay is not considered special compensation and thus will not be included as a part of final compensation in calculating CalPERS pension.

Holiday Pay

- Any employee scheduled who works on either the actual holiday or the observed holiday will be paid at one and one-half times the employee's regular rate of pay. Since the employee is working the holiday, the employee will also be paid an additional eight hours at regular pay for that holiday.



Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: March 6, 2018
Subject: **FY 19-20 Budget**

<input type="checkbox"/> For Action	<input checked="" type="checkbox"/> Fiscal Impact	\$ 70,000,000
<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Funds Budgeted:	

Staff Recommendation:

No Action Necessary – Informational Item Only

Discussion:

Staff will conduct a budget workshop today. Attached is the first draft of the FY 19-20 budget. Staff has considered the following assumptions in preparing this budget:

- This draft is based on MWD's Ten-Year Financial Forecast prepared by MWD staff last year for the 2019 and 2020 rate setting cycles. MWD is forecasting overall rate increases of 3% for the foreseeable future.
- Sales estimates are based on TVMWD member agency input. Each agency provided an estimate regarding their 2019-2024 demands at various locations.

Highlights of this draft budget:

Pass Through Fund

- The MWD RTS Charge is increasing \$90,000 for the fiscal year and \$290,000 for calendar year 2020. The standby charge collected for the fiscal year will increase slightly from \$18.79 to \$19.25 per EDU.
- The MWD Capacity Charge is decreasing \$30,000 for the fiscal year but increasing \$170,000 for calendar year 2020. The rate increased from \$8,600 to \$8,800 per cfs and the peak flow it is based on increased from 126.4 to 143.2 cfs.

Capital Fund

- Capital projects were outlined in the recently adopted strategic plan. The majority of funding continues to be devoted to enhancing local groundwater production. TVMWD continues to utilize property taxes to fund capital projects, allowing for TVMWD to operate with no likelihood of issuing debt.

Operating Fund

- MWD's untreated water rate is increasing \$24/AF (3%), while the treatment surcharge is increasing \$4/AF. This results in an overall increase in the treated water rate of 3%.
- Projected water sales for FY 19-20 are 61,000 AF, whereas last year's assumption for FY 19-20 was 59,000 AF. However, the key to keeping rates lower is to maximize the Miramar Plant. We expect a slight decrease from prior projections.
- The controllable budget (All other Operating Fund expenses less water costs) is virtually the same as the FY 18-19 budget and what had been estimated for FY 19-20 (less than 1% variance). Notable changes are as follows:
 - Director Compensation is increasing 7% due to an expected increase of attendance at meetings
 - Communication and Conservation Programs are decreasing 10% due to less expected advertising

Regarding board designated reserves, all categories are expected to be above the reserve goals lower limits at the end of FY 18-19, including having at least \$10.5M of overall board designated reserves to meet the emergency goal of \$10M. We will go below the \$10M target for FY 19-20 but then be back above for FY 20-21.

Based on this first draft of the budget, TVMWD would be able to maintain the current \$10 surcharge discount for 2020 and the foreseeable future.

This item will be brought back for further discussion at the April 3, 2019 board meeting.

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

Attachment(s):

Exhibit A – Budget Draft 1.0

Exhibit B – Capacity Charge (Draft)

Exhibit C – Fixed Charges (Draft)

Meeting History:

None

MC/JL

FY 2019/20 TVMWD BUDGET VERSION 1.0										
	FY 2018/19 Budget	FY 2018/19 Projected	FY 2019/20 Budget	Pass Through Fund	Operating Fund	Capital Fund	FY 2020/21 Budget	FY 2021/22 Budget	FY 2022/23 Budget	FY 2023/24 Budget
REVENUES										
Water Sales	56,527,935	59,774,002	59,120,367		59,120,367		57,401,338	57,888,050	59,545,467	61,409,703
Standby Charge	3,466,681	3,466,681	3,554,640	3,554,640			3,860,294	4,184,696	4,407,857	4,732,277
Capacity Charge Assessment	1,208,200	1,208,200	1,173,600	1,173,600			1,303,120	1,381,880	1,474,960	1,582,360
Property Taxes	2,120,753	2,183,577	2,228,409			2,228,409	2,228,409	2,228,409	2,228,409	2,228,409
Fixed Charge Assessment	665,906	665,906	669,246		669,246		700,038	723,902	746,065	767,915
Hydroelectric Sales	34,583	126,609	126,609		126,609		126,609	126,609	126,609	126,609
Interest Income	151,600	315,027	212,900		212,900		212,900	212,900	212,900	212,900
Pumpback O&M & Reservoir #2 Reimb.	20,000	32,373	20,000	20,000			20,000	20,000	20,000	20,000
Grants and Other Revenue	5,054	106,280	5,170		5,170		5,300	5,432	5,568	5,707
TOTAL REVENUES	64,200,712	67,878,654	67,110,941	4,748,240	60,134,293	2,228,409	65,858,007	66,771,878	68,767,834	71,085,879
EXPENSES										
Water Purchases	50,329,636	53,866,277	52,972,484		52,972,484		51,026,501	51,511,801	53,111,273	54,714,520
MWD RTS Charge	3,466,681	3,466,681	3,554,640	3,554,640			3,860,294	4,184,696	4,407,857	4,732,277
Staff Compensation	4,309,457	4,149,233	4,231,654		4,231,654		4,372,730	4,555,325	4,736,162	4,905,513
MWD Capacity Charge	1,208,200	1,208,200	1,173,600	1,173,600			1,303,120	1,381,880	1,474,960	1,582,360
Operations and Maintenance	1,307,790	1,342,919	1,343,330		1,343,330		1,372,119	1,401,525	1,431,562	1,462,242
Capital Repair and Replacement	872,199	327,770	285,000			285,000	100,000	-	-	200,000
Capital Investment Program	3,252,974	1,767,611	3,008,213			3,008,213	1,032,684	2,341,000	2,986,222	1,087,925
Professional Services	470,450	510,342	474,982		474,982		485,161	545,559	506,179	517,027
Directors Compensation	309,965	289,742	331,520		331,520		336,999	342,768	348,841	355,236
Communication and Conservation Programs	185,700	173,856	168,000		168,000		171,600	175,278	179,034	182,871
Planning and Resources	60,000	60,602	90,000		90,000		91,929	93,899	95,911	97,967
Membership Dues and Fees	106,318	102,963	104,554		104,554		106,795	109,083	111,421	113,809
Hydroelectric Facilities	42,500	38,120	39,000		39,000		39,836	40,690	41,562	42,452
Pumpback O&M & Reservoir #2	20,000	32,373	20,000	20,000			20,000	20,000	20,000	20,000
Reserve Replenishment	234,878	234,878	237,500		237,500		237,500	237,500	237,500	237,500
Project Encumbrances from prior year		1,952,844	1,952,844			1,952,844	-	-	-	-
TOTAL EXPENSES	66,176,748	69,524,409	69,987,320	4,748,240	59,993,024	5,246,057	64,557,267	66,941,004	69,688,485	70,251,700
NET INCOME (LOSS) BEFORE TRANSFERS	(1,976,037)	(1,645,755)	(2,876,379)	-	141,269	(3,017,648)	1,300,739	(169,125)	(920,651)	834,179
TRANSFER FROM BOARD ELECTION RESERVES	-	-								
TRANSFER FROM/(TO) CAPITAL RESERVES	97,132	97,132	1,064,804			1,064,804	(1,095,725)	112,591	757,813	(940,484)
TRANSFER FROM/TO ENCUMBERED RESERVES	1,907,288	1,907,288	1,952,844			1,952,844				
NET INCOME (LOSS) AFTER TRANSFERS	28,384	358,665	141,269	-	141,269	-	205,015	(56,534)	(162,837)	(106,304)
	CY 2019		CY 2020				CY 2021	CY 2022	CY 2023	CY 2024
MWD RATE	\$ 1,050		\$ 1,078				1,104	1,130	1,159	1,183
TVMWD SURCHARGE	\$ (10)		\$ (10)				(10)	(10)	(10)	(10)
TVMWD RATE	\$ 1,040		\$ 1,068				\$ 1,094	\$ 1,120	\$ 1,149	\$ 1,173
ANNUAL FIXED CHARGE	\$ 681,330		\$ 688,010				\$ 712,065	\$ 735,740	\$ 756,390	\$ 779,440

MWD CAPACITY CHARGE SUMMARY EFFECTIVE JANUARY 2020

DRAFT

AGENCY	CFS BASIS	ANNUAL CHARGE	MONTHLY CHARGE	%
Boy Scouts	0.4	\$ 3,211.42	\$ 267.62	0.25%
Cal Poly	0.7	\$ 5,780.55	\$ 481.71	0.46%
Covina	5.2	\$ 45,602.12	\$ 3,800.18	3.62%
Covina Irrigating Company	14.6	\$128,456.68	\$10,704.72	10.19%
Glendora	6.1	\$ 53,309.52	\$ 4,442.46	4.23%
Joint Water Line (JWL)	30.1	\$265,263.04	\$22,105.25	21.05%
La Verne	13.0	\$113,973.19	\$ 9,497.77	9.04%
Mt. Sac	1.9	\$ 16,699.37	\$ 1,391.61	1.33%
Pomona	0.0	\$ -	\$ -	0.00%
Rowland Water District	11.7	\$102,765.34	\$ 8,563.78	8.15%
GSWC (Claremont)	15.5	\$136,517.33	\$11,376.44	10.83%
GSWC (San Dimas)	14.1	\$123,960.69	\$10,330.06	9.84%
Suburban	0.0	\$ -	\$ -	0.00%
Valencia Heights	0.0	\$ -	\$ -	0.00%
Walnut Valley Water District	30.1	\$264,620.75	\$22,051.73	21.00%
TOTAL	143.2	1,260,160	\$ 105,013	100.00%

Notes:

1. *The MWD Capacity Charge is paid by each member agency based on TVMWD's allocation of the specific non-coincidental peak calculation over a three year period 2016, 2017, and 2018.*
2. *The MWD Capacity Charge basis of 143.2 cfs at \$8800 per cfs is assigned to TVMWD by MWD and is passed-through directly to the member agencies.*

DRAFT

TVMWD FIXED CHARGES SUMMARY
EFFECTIVE JANUARY 2020

Item 7.D - Exhibit C


AGENCY	IMPORTED WATER USE			CONNECTED CAPACITY			EQUIVALENT SMALL METER (ESM)			TOTAL \$
	(3yr Avg) (AF)	ANNUAL \$	%	(cfs)	ANNUAL \$	%	METERS	ANNUAL \$	%	
Boy Scouts	17.2	\$ 64.45	0.03%	1.5	\$ 844.18	0.37%	256.4	\$ 229.34	0.10%	\$ 1,137.98
Cal Poly	179.3	\$ 673.20	0.29%	2.0	\$ 1,125.58	0.49%	2,564.3	\$ 2,293.37	1.00%	\$ 4,092.15
Covina	242.7	\$ 911.12	0.40%	20.0	\$ 11,255.79	4.91%	5,147.0	\$ 4,603.24	2.01%	\$ 16,770.16
Covina Irrigating Company	3,914.1	\$ 14,695.86	6.41%	20.0	\$ 11,255.79	4.91%	0.0	\$ -	0.00%	\$ 25,951.65
Glendora	1,029.4	\$ 3,864.95	1.69%	40.0	\$ 22,511.59	9.82%	26,948.5	\$ 24,101.50	10.51%	\$ 50,478.04
Joint Water Line (JWL)	19,024.8	\$ 71,430.75	31.15%	121.0	\$ 68,097.55	29.69%	0.0	\$ -	0.00%	\$ 139,528.31
La Verne	5,329.4	\$ 20,009.72	8.73%	15.0	\$ 8,441.85	3.68%	20,873.5	\$ 18,668.28	8.14%	\$ 47,119.84
Mt. Sac	355.8	\$ 1,336.02	0.58%	5.0	\$ 2,813.95	1.23%	2,564.3	\$ 2,293.37	1.00%	\$ 6,443.33
Pomona	0.5	\$ 1.98	0.00%	20.0	\$ 11,255.79	4.91%	47,843.0	\$ 42,788.53	18.66%	\$ 54,046.30
Rowland Water District	6,075.3	\$ 22,810.30	9.95%	30.0	\$ 16,883.69	7.36%	24,235.0	\$ 21,674.64	9.45%	\$ 61,368.63
GSWC (Claremont)	4,899.6	\$ 18,396.12	8.02%	15.0	\$ 8,441.85	3.68%	27,520.0	\$ 24,612.59	10.73%	\$ 51,450.56
GSWC (San Dimas)	7,046.7	\$ 26,457.77	11.54%	35.0	\$ 19,697.64	8.59%	32,453.5	\$ 29,024.88	12.66%	\$ 75,180.29
Suburban	0.0	\$ -	0.00%	0.0	\$ -	0.00%	17,087.0	\$ 15,281.81	6.66%	\$ 15,281.81
Valencia Heights	0.0	\$ -	0.00%	4.0	\$ 2,251.16	0.98%	1,595.6	\$ 1,427.03	0.62%	\$ 3,678.19
Walnut Valley Water District	12,966.6	\$ 48,684.57	21.23%	79.0	\$ 44,460.39	19.39%	47,339.5	\$ 42,338.22	18.46%	\$ 135,483.18
TOTAL	61,081.3	\$ 229,337	100%	407.5	\$ 229,337	100%	256,428	\$ 229,337	100%	\$ 688,010

Notes:

1. The Imported Water Use Charge is based on average import water deliveries in the 2015/16, 2016/17 & 2017/18 fiscal years.
2. Connected Capacity for the Badillo-Grand Pipeline is according to WVWD's maintenance allocation: WVWD 60 cfs and Valencia Heights. 4 cfs.
3. Boy Scouts ESM Charge is calculated based on 0.1% of total ESMs; Cal Poly & Mt. SAC ESM Charges are calculated based on 1.0% of total ESMs
4. Covina, Glendora, and Valencia Heights ESM Charges are calculated based on 27%, 98%, and 67%, respectively, of their corresponding total ESMs.
Percentages are based on agencies' service area within TVMWD.
5. Fire Service Meters are not included in the ESM calculations



Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: March 6, 2019
Subject: **FY 2019-20 Annual Purchase Orders**

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

Staff Recommendation:

No Action Necessary – Informational Item Only

Discussion:

General purchases exceeding \$50,000 and public projects exceeding \$200,000 are to be approved by the Board. Staff has listed below vendors/contractors used on an ongoing basis. Staff felt it appropriate to bring these before the Board for consideration for next fiscal year.

- ACWA Joint Powers Insurance Authority (JPIA) - \$675,000 for medical, dental, vision, life, liability, property and workers' compensation insurance. This activity is categorized as section E professional services of the purchasing policy. TVMWD has utilized JPIA for several years. Staff consistently fields requests from other providers to quote our business, however none have come close to matching the cost for the value of benefits provided. In addition, staff serves as a member of JPIA's Employee Benefits Program Committee. For all these reasons, staff feels JPIA qualifies as a single source vendor.
- Brunick, McElhaney & Kennedy Professional Law Corporation - \$140,000 for legal services. This activity is categorized as section E professional services of the purchasing policy. Brunick, McElhaney & Kennedy has been with TVMWD for decades. Staff feels Mr. Kennedy's qualifications and history with TVMWD at a very reasonable fee justifies qualification as a single source vendor.
- Michael J. Arnold and Associates - \$85,000 to serve as state legislative lobbyist. This activity is categorized as section E professional services of the purchasing policy. Mr. Arnold has served as TVMWD's state lobbyist for over 15 years. Staff feels Mr. Arnold's qualifications and history with TVMWD justifies qualification as a single source vendor.

Chemicals - Chemicals are categorized as section B general supplies of the purchasing policy, normally requiring competitive bids. However, chemicals meet the exception to competitive offer requirements as a good with significant market fluctuation. Requiring a guaranteed price for a year would cost more than simply paying the ebbs and flows of the current market price. Senior staff frequently compares pricing to obtain the lowest cost for each order.

- JCI Jones Chemicals - \$80,000 for chlorine
 - Kemira Water Solutions - \$120,000 for aluminum chlorohydrate
 - Univar USA and Brenntag Pacific - \$130,000 for sodium hydroxide
 - Alpine Technical Services - \$85,000 for algaecide (EarthTec)
- Denali Water Solutions - \$65,000 for sludge removal services. This activity is categorized as section E professional services of the purchasing policy. Denali removes, transports and disposes the sludge generated during the residual management process. Denali has provided service to TVMWD since 2014. The cost for this service has increased recently due to an increased distance required for disposal. Staff has considered many other options including transport via TVMWD staff, however no option yet has proven as cost effective as Denali.
 - CLS Landscape Management - \$55,000 for landscape maintenance for TVMWD's various infrastructure sites. This activity is categorized as section D general trade services of the purchasing policy, requiring competitive bids. In addition to the monthly landscape maintenance service, CLS performs additional services, including trimming and removing trees, replacing and repairing sprinklers, and mulch replacement. This service was recently competitively bid (July 2016) and staff has been pleased with CLS's performance.
 - Hach Company - \$75,000 for lab supplies, specialized equipment and servicing, categorized as section C proprietary equipment and goods and section E professional services of the purchasing policy. TVMWD uses multiple items of Hach equipment where the corresponding supplies and servicing can only be from Hach.

Strategic Plan Objective(s):

3.3 – Be accountable and transparent with major decisions

Attachment(s):

None

Meeting History:

None

MC/JL