

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, June 3, 2020 – 8:00 a.m.**

**SPECIAL NOTICE OF TELECONFERENCE ACCESSIBILITY**

Pursuant to the provisions of Executive Order N-29-20 issued by Governor Newsom in response to the COVID-19 outbreak and as a precaution to our Board of Directors, staff and the public, Three Valleys MWD will hold its Board meeting via teleconference. The public's physical attendance at the district is not allowed. The public may participate in the teleconference by clicking on the link below:

**<https://attendee.gotowebinar.com/register/7221362980342183179>**

*(Dial-in instructions are provided after registering at the link above)*

Any member of the public wishing to participate in Public Comment may do so by filling out the speaker's card at the following link: **<https://arcg.is/0z5GqO>**

*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 – Roll Call**

**Executive  
Assistant**

**Item 3 – 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 4 – Reorder Agenda**

**Kuhn**

**Item 5 – 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 6 – Presentations**

**6.A** – Mr. Edgar Tellez Foster of Chino Basin Watermaster, will provide an update on the CEQA evaluation of the Optimum Basin Management Program (OBMP) Implementation Plan.

**6.B** – Mr. Michael Arnold and Ms. Kristi Foy of Michael J. Arnold & Associates, will provide a state legislative update.

**6.C – Legal Update: Annual Sunshine Ordinance Review – [enc]**

**Kennedy**

General Counsel Steve Kennedy will provide a presentation to include updates to the Ralph M. Brown Act and other statutory and regulatory requirements the District must comply with. The Board will also complete their annual review of the TVMWD’s Sunshine Ordinance and make recommendations.

**Item 7 – Public Meeting FY 2020-21 Standby Charge – [enc]**

**Kuhn**

The Board will convene a public meeting to consider any comments or testimony regarding the FY 2020-21 Standby Charge. Final action to adopt the standby charge will not be taken at the public meeting; adoption will be considered by the Board following the public hearing scheduled for June 17, 2020 at 8:00 a.m. Pursuant to Government Code 6063, this public meeting was noticed in newspaper(s) of general circulation, Inland Valley Daily Bulletin and San Gabriel Valley Tribune, on April 29, May 6 and May 13, 2020. Copies of the notice are available upon request.

- A. Open public meeting
- B. Request staff report
- C. Public testimony
- D. Close public meeting

**Item 8 – 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.*

**8.A – Resolution No. 20-06-DRAFT for FY 2020-21 Standby Charge – [enc]**

**Linthicum**

The Board will review Resolution No. 20-06-DRAFT regarding the imposition of a Water Standby Charge for FY 2020-21.

**8.B – Modified Board Meeting Schedule – [enc]**

**Litchfield**

The Board will review and consider its summer schedule and provide direction to staff for future action. The Board may direct staff to return this item to the June 17, 2020 Board meeting for consideration of approval.

**8.C – Cyclic Storage Agreement Among the Metropolitan Water District of Southern California, Three Valleys MWD and Main San Gabriel Basin Watermaster – [enc]**

Litchfield

The Board will be provided an update on the Cyclic Storage Agreement between Metropolitan Water District, Three Valleys MWD and Main San Gabriel Basin Watermaster. The Board may direct staff to return this item to the June 17, 2020 Board meeting for consideration of approval.

**8.D – Review of FY 2020/2021 General Manager’s Work Plan – [enc]**

Litchfield

The Board will review the General Manager’s Work Plan for Fiscal Year 2020/2021. The Board may direct staff to return this item to the June 17, 2020 Board meeting for consideration of approval.

**8.E – State Lobbyist Letter Agreement – [enc]**

Howie

The Board will review the District’s state lobbyist letter agreement. The Board may direct staff to return this item to the June 17, 2020 Board meeting for consideration of approval.

**8.F – SCADA Software Upgrade – [enc]**

Kellett

The Board will consider a budget amendment to allocate funds to upgrade the SCADA software. The Board may direct staff to return this item to the June 17, 2020 Board meeting for consideration of approval.

**8.G - Urban Water Management Plan 2020**

Kellett

**Item 9 – Future Agenda Items**

Kuhn

**Item 10 – Adjournment and Next Meeting**

Kuhn

The Board will adjourn to a regular Board Meeting on Wednesday, June 17, 2020 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).*

## BRUNICK, McELHANEY &amp; KENNEDY

PROFESSIONAL LAW CORPORATION

1839 COMMERCENTER WEST

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WILLIAM J. BRUNICK  
LELAND P. McELHANEY  
STEVEN M. KENNEDY

MAILING ADDRESS:

POST OFFICE BOX 13130

SAN BERNARDINO, CALIFORNIA 92423-3130

May 28, 2020

TO: Board of Directors  
THREE VALLEYS MUNICIPAL WATER DISTRICT

FROM: Steven M. Kennedy, General Counsel

RE: Legal Update – Annual Sunshine Ordinance Review

The purpose of this memorandum is to advise the Board with respect to any newly-applicable statutory and/or regulatory developments concerning the above-referenced matter.

**Executive Order N-29-20**

Under the Ralph M. Brown Act (Government Code Section 54950 et seq.), the Board may conduct meetings via teleconference subject to certain conditions set forth in Government Code Section 54953(b). On March 17, 2020, Governor Newsom issued Executive Order N-29-20 to implement social distancing in response to the COVID-19 pandemic, which waived all of the legislative requirements in the Brown Act expressly or impliedly requiring the physical presence of Board members, District staff, or the public as a condition of participation in, or a quorum for, a public meeting. In particular, the Executive Order suspended the following requirements:

- (i) that the District notice each teleconference location from which a Board member will be participating in a public meeting;
- (ii) that each teleconference location be accessible to the public;
- (iii) that members of the public may address the body at each teleconference conference location;
- (iv) that the District post agendas at all teleconference locations;
- (v) that at least one member of the Board be physically present at the location specified in the notice of the meeting; and
- (vi) that during teleconference meetings, a least a quorum of the members of the Board participate from locations within the boundaries of the territory over which the District exercises jurisdiction.

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Under the Executive Order, the District will satisfy any requirement that the Board allow members of the public to attend a meeting and offer public comment if it holds the meeting via teleconferencing and allows members of the public to observe and address the meeting telephonically, or otherwise electronically, consistent with the notice and accessibility requirements set forth below. The Board need not make available any physical location from which members of the public may observe the meeting and offer public comment.

Accessibility Requirements: If the Board holds a meeting via teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, the Board shall also:

- (i) Implement a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the Americans with Disabilities Act any doubt whatsoever in favor of accessibility; and
- (ii) Advertise that procedure each time notice is given of the means by which members of the public may observe the meeting and offer public comment, pursuant to subparagraph (ii) of the Notice Requirements below.

Notice Requirements: Except to the extent that the Executive Order expressly provides otherwise, the Board shall:

- (i) Give advance notice of the time of, and post the agenda for, each public meeting according to the timeframes otherwise prescribed by the Brown Act, and using the means otherwise prescribed by the Brown Act, as applicable; and
- (ii) In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, also give notice of the means by which members of the public may observe the meeting and offer public comment. As to any instance in which there is a change in such means of public observation and comment, or any instance prior to the issuance of the Executive Order in which the time of the meeting has been noticed or the agenda for the meeting has been posted without also including notice of such means, the Board may satisfy the requirement by advertising such means using “the most rapid means of communication available at the time” within the meaning of Government Code Section 54954(e); this shall include, but not be limited to, posting such means on the District’s website.

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All of the foregoing provisions concerning the conduct of public meetings shall apply only during the period in which state or local public health officials have imposed or recommended social distancing measures.

The Executive Order further urged the Board to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to the provisions of the Brown Act, and other applicable local laws regulating the conduct of public meetings, in order to maximize transparency and provide the public access to its meetings.

In this regard, the Board has not established a formal procedure for conducting its meetings via teleconference in its Sunshine Ordinance (a copy of which is attached hereto). Therefore, no change to the Sunshine Ordinance is recommended at this time; rather, it is merely recommended that District staff and legal counsel continue to monitor the Executive Orders that are issued from the Governor's office in connection with the COVID-19 pandemic, as well as any statutory and/or judicial developments concerning the Brown Act that may occur, and to timely advise the Board accordingly.

If any member of the Board has any questions or comments, please feel free to address them to me as appropriate.

Enclosure (Ordinance No. 13-04-20)

**ORDINANCE NO. 13-04-20**

**AN ORDINANCE OF THE BOARD OF DIRECTORS  
OF THE THREE VALLEYS MUNICIPAL WATER DISTRICT  
CONCERNING THE CONDUCT OF ITS PUBLIC MEETINGS**

WHEREAS, the Board of Directors of the Three Valleys Municipal Water District finds as follows:

A. The Three Valleys Municipal Water District (“the District”) is a municipal water district organized and operating pursuant to California Water Code Section 71000 et seq.

B. The District is governed by an elected Board of Directors (“the Board”) whose meetings are subject to the requirements of the Ralph M. Brown Act, California Government Code Section 54950 et seq. (“the Brown Act”).

C. On March 7, 2001, the Board adopted Ordinance No. 3-01-8 in order to clarify and supplement the Brown Act and to ensure that the Board’s deliberations and the District’s operations are open to the public to the full extent permitted by law.

D. On May 7, 2001, the Board adopted Ordinance No. 5-01-9 which amended Ordinance No. 3-01-8 to impose further requirements upon itself which allow greater access to the meetings of the Board than prescribed in the Brown Act.

E. On February 22, 2002, the Board adopted Ordinance No. 02-02-11 which further amended Ordinance No. 3-01-8 with respect to the date, time, and place of the Board’s regular meetings.

F. On June 25, 2003, the Board adopted Ordinance No. 6-03-12 which further amended Ordinance No. 3-01-8 with respect to closed session agenda descriptions and the date, time, and place of the Board’s regular meetings.

G. On May 19, 2004, the Board adopted Ordinance No. 05-04-13 which further amended Ordinance No. 3-01-8 with respect to the date, time, and place of the Board's regular meetings, and consolidated all of the amendments to Ordinance No. 3-01-8 into a single comprehensive document.

H. On January 18, 2012, the Board adopted Ordinance No. 12-01-19 which amended Ordinance No. 05-04-13 with respect to the dates of the Board's regular meetings and the posting of its agendas.

I. The purpose of this ordinance is to modify the closed session descriptions attached hereto as Exhibit A so as to maintain compliance with recent statutory amendments to the Brown Act and to ensure that the Board's deliberations are performed in a manner that reflect a dedication to the highest standards of integrity and accountability so as to continue to earn the trust and confidence of the parties served by the District.

THEREFORE, THE BOARD OF DIRECTORS of the Three Valleys Municipal Water District does hereby adopt and ordain as follows:

Section 1. **COMPLIANCE WITH STATUTORY REQUIREMENTS.**

All meetings of the Board and all committees thereof shall be conducted in compliance with all applicable requirements of the Brown Act.

Section 2. **ADDITIONAL REQUIREMENTS.**

2.1. **Regular Meetings.** Pursuant to Government Code Section 54954(a), all regular meetings of the Board shall be held at 8:00 a.m. on the first and third Wednesdays of each month at the District offices located at 1021 East Miramar Avenue, Claremont, California, unless otherwise provided in the agenda that is prepared and posted therefor in accordance with Section 2.3 hereof.

2.2. **Special Meetings.** Special meetings of the Board may be called from time to time and will be conducted in accordance with Government Code Section 54956. The Board shall not add any non-agendized item to the agenda of a special meeting. Further, no agenda for a special meeting shall provide an opportunity for the Board to consider the possible addition of any non-agendized item to the agenda.

2.3. **Agendas.**

2.3.1. **Descriptions.** The agenda for all Board meetings and all committee meetings that are open to the public shall contain a brief, general description of each item of business to be transacted or discussed during the meeting and shall avoid the use of undefined abbreviations or acronyms not in common usage and terms whose meaning is not known to the general public. The agendas may refer to explanatory documents, including but not limited to correspondence or reports, within the written material prepared and/or forwarded by District staff to the Board concerning the subject matter of any agenda item. The description of an agenda item is adequate if it is sufficiently clear and specific to alert a person whose interests are affected by the item that he or she may have reason to attend the meeting or seek more information about the item.

2.3.2. **Additions.** The Board shall not discuss or take action on any item not appearing on the posted agenda for the meeting unless otherwise authorized by the Brown Act. All findings and/or determinations required by Government Code Section 54954.2(b) shall be expressly made by the Board and duly reflected in the minutes of the meeting.

2.3.3. **Public Comment.** The agenda for all meetings of the Board shall include an item for Public Comment so as to provide an express opportunity for members of the public to directly address the Board in accordance with the requirements of Government Code Section 54954.3(a) prior to the Board's consideration of the merits of any item placed on the agenda. In

the event that a motion is made to reorder the agenda, or add an item to the agenda, or otherwise take any Board action prior to the Public Comment portion of the agenda, the President of the Board shall ask any members of the public in attendance at the meeting whether they wish to comment on the motion that is pending before the Board. During the Board's consideration of items discussed after the Public Comment portion of the agenda, the President of the Board should exercise best efforts to recognize any member of the public who wishes to speak on that issue prior to any action thereon that is taken by the Board.

2.3.4. Posting. The agendas of all Board meetings and all committee meetings which are open to the public shall be posted in the following locations: (1) an exterior bulletin board located outside the District headquarters that is accessible twenty-four (24) hours a day; (2) on-line at the District's website known as [www.threevalleys.com](http://www.threevalleys.com); and (3) an interior bulletin board located in the lobby of the District headquarters.

2.3.5. Background Material. Staff material, consisting of agendas, staff reports, and other material prepared and forwarded by staff which provide background information and recommendations, regarding agenda items, when distributed to all or to a majority of the members of the Board in connection with a matter which is subject to discussion or consideration in open session at a public meeting, shall be made available to the public upon request.

2.4. **Closed Sessions**.

2.4.1. Agenda Descriptions. Substantial compliance with the permissive provisions of Government Code Section 54954.5, as generally reflected in Exhibit A attached hereto and incorporated herein by this reference, is mandatory under this ordinance with respect to the description of any closed session items on any Board meeting agenda. For closed sessions held pursuant to Government Code Section 54957, the agenda will use the description in Exhibit A

that best describes the purpose of the closed session. When the purpose of the closed session is to conduct a hearing on specific complaints or charges brought against an employee of the District, the agenda description shall read “PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE, employee given 24-hour notice.”

2.4.2. Advance Announcement. Prior to holding any closed session, the Board shall state in open session the item or items to be discussed in the closed session. The statement may take the form of a reference to the item or items as they are listed by number or letter on the agenda, and must include any and all matters otherwise required to be disclosed under the Brown Act. For closed sessions held pursuant to Government Code Section 54956.9(d)(3), the Board must announce the existing facts and circumstances which authorize the holding of the closed session or specifically state that it believes that facts and circumstances that might result in litigation against the District are not yet known to a potential plaintiff or plaintiffs. In the closed session, the Board shall consider only those matters covered in its statement. Nothing in this section shall require or authorize the release of information which is exempt from disclosure under state or federal law.

2.4.3. Public Reports on Closed Session Actions. The Board shall publicly report any action taken in closed session, and the vote or abstention of every member present thereon, in the manner and to the extent required by Government Code Section 54957.1.

2.5. Ad Hoc Committees. In order to be exempt from the notice, agenda, and public participation requirements of the Brown Act, all ad hoc committees of the Board shall substantially comply with the following guidelines: (1) The committee shall be comprised of less than a quorum of the Board; (2) The committee’s life should be restricted to a relatively short period of time; (3) The committee’s purpose should be limited to a single and specific task; (4) The

committee shall not be given any independent discretionary authority to make ultimate decisions on behalf of the Board with respect to the final resolution of the task; (5) The committee's charge should not be automatically renewed upon completion of its particular assignment or expiration of its fixed term; (6) The committee's meeting schedule should not be on a regular basis or established by formal action of the Board; and (7) Public notice of the formation of the committee shall be given in a timely manner.

Section 3. **REVIEW OF ORDINANCE ON ANNUAL BASIS.**

Each year, the Board may review this ordinance to determine its effectiveness and the necessity for its continued operation. As such time, the District's General Manager shall report to the Board on the operation of this ordinance, and make any recommendations deemed appropriate, including proposals to amend the ordinance. Upon conclusion of its review, the Board may take any action it deems appropriate concerning this ordinance. Nothing herein shall preclude the Board from taking action on the ordinance at times other than upon conclusion of the annual review. The Board's failure to conduct the annual review shall result in the continued operation of this ordinance for another year or until otherwise modified by the Board.

Section 4. **SEVERABILITY.**

If any provision of this ordinance, or the application thereof to any person or circumstance, is held to be invalid, such invalidity shall not affect other provisions or applications of this ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable.

Section 5. **EFFECTIVE DATE.**

The provisions of this ordinance shall supersede all prior inconsistent ordinances and shall take effect immediately upon adoption.

Adopted this 17<sup>th</sup> day of April, 2013.

ROLL CALL:

AYES: Bowcock, De Jesus, Goytia, Horan, Kuhn, Lantz, Ruzicka

NOES:

ABSTAIN:

ABSENT:



Bob G. Kuhn, President  
Board of Directors  
Three Valleys Municipal Water District

ATTEST:



Brian Bowcock, Secretary  
Board of Directors  
Three Valleys Municipal Water District

**EXHIBIT A**

Under Government Code Section 54954.5, the following language has been provided by the State Legislature as sample language which will meet the mandate of the Brown Act for properly identifying closed session items on the Board's agenda:

# LICENSE/PERMIT DETERMINATION (Government Code Section 54956.7)

Applicant(s): (Specify number of applicants)

# CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Government Code Section 54956.8)

Property: (Specify street address; parcel number if no street address; or other unique reference of parcel under negotiation)

District Negotiator: (Specify names of negotiators attending closed session) (If the specified negotiator is to be absent, an agent or designee may participate provided the name of the agent or designee is announced publicly prior to the closed session.)

Negotiating parties: [Specify name of party (not agent)]

Under negotiation: (Specify whether instruction to negotiator will concern price, terms of payment, or both)

# CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION [Government Code Section 54956.9(d)(1)]

Name of case: (Specify by reference to claimant's name, name of parties, case or claim numbers)

or

Case name unspecified: (Specify whether disclosure would jeopardize service of process or existing settlement negotiations)

# CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2):  
(Specify number of potential cases)

# CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Initiation of litigation pursuant to Government Code Section 54956.9(d)(4): (Specify  
number of potential cases)

# LIABILITY CLAIMS (Government Code Section 54956.95)

Claimant: (Specify name unless unspecified pursuant to Section 54961)

Agency claimed against: (Specify name)

# THREAT TO PUBLIC SERVICES OR FACILITIES (Government Code Section 54957)

Consultation with: (Specify name of law enforcement agency and title of officer, or name  
of applicable District representative and title)

# PUBLIC EMPLOYEE APPOINTMENT (Government Code Section 54957)

Title: (Specify description of position to be filled)

# PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Government Code Section  
54957)

Title: (Specify position title of employee being reviewed)

# PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE (Government Code  
Section 54957)

(No additional information is required in connection with a closed session to consider  
discipline, dismissal, or release.)

# CONFERENCE WITH LABOR NEGOTIATORS (Government Code Section 54957.6)

District designated representatives: (Specify names of designated representatives attending the closed session) (If circumstances necessitate the absence of a specified representative, an agent or designee may participate in place of the absent representative so long as the name of the agent or designee is announced at an open session held prior to the closed session.)

Employee organization: (Specify name of organization representing employee or employees in question)

or

Unrepresented employee: (Specify position title of unrepresented employee who is the subject of negotiations)

# CASE REVIEW/PLANNING (Government Code Section 54957.8)

(No additional information is required in connection with a closed session to consider case review or planning.)



## Board of Directors Staff Report

**To:** TVMWD Board of Directors

**From:** Matthew H. Litchfield, General Manager 

**Date:** June 3, 2020

**Subject:** **Public Meeting Regarding the Imposition of a Water Standby Charge for FY 2020-21**

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

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**Staff Recommendation:**

**The Board will conduct a public meeting regarding the imposition of a water standby charge for FY 2020-21.**

**Discussion:**

TVMWD is to convene a public meeting regarding the imposition of a water standby charge prior to conducting a public hearing on possible adoption of the water standby charge scheduled for June 17, 2020. This public meeting required proper notice, which was done in the Inland Valley Daily Bulletin and the San Gabriel Valley Tribune on April 29, May 6, and 13, 2020.

Attached is the draft resolution that will be considered for approval at the Board meeting on June 17, 2020. The rate and methodology for the standby charge are described in the draft Engineer's Report, which is "Attachment A" of the resolution.

**Strategic Plan Objective(s):**

3.3 – Be accountable and transparent with major decisions

**Attachment(s):**

Exhibit A – Resolution No. 20-06-DRAFT Adopting Procedures to Fix, Adjust, Levy, and Collect a Water Standby Charge

**Meeting History:**

Board of Director's Meeting – March 4, 2020, Information Item Only

Board of Director's Meeting – April 1, 2020, Information Item Only

Board of Director's Meeting – April 15, 2020, FY 2020-21 Budget Adoption and Board Approval of Resolution No. 20-04-873 Initiating Procedures to Fix, Adjust, Levy and Collect a Water Standby Charge

NA/LC

**RESOLUTION NO. 20-06-DRAFT**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE THREE VALLEYS MUNICIPAL WATER DISTRICT  
ADOPTING PROCEDURES TO FIX, ADJUST, LEVY, AND COLLECT  
A WATER STANDBY CHARGE**

**WHEREAS**, the Three Valleys Municipal Water District (“the District”) is a municipal water district organized and operating pursuant to Water Code Section 71000 et seq.

**WHEREAS**, under the Uniform Standby Charges Procedures Act, Government Code Section 54984 et seq. (“the Act”), the District is authorized to fix before August 10 of any given year a water standby charge on land within its jurisdiction to which water service is made available for any purpose by the District, whether the water services are actually used or not.

**WHEREAS**, under the Act the Board may establish schedules varying the charge according to land uses, benefit derived or to be derived from the use, availability of facilities to provide water service, the degree of availability or quantity of the use of the water to the affected lands, and may restrict the assessment to one or more improvement districts or zones of benefit established within the jurisdiction of the District, and may impose the charge on an area, frontage, or parcel basis, or a combination thereof.

**WHEREAS**, on July 10, 1996, the District’s Board of Directors adopted Resolution No. 7-96-361 which established a standby charge under the Act that was designed to fund the Readiness-to-Serve (“RTS”) charge imposed upon the District by the Metropolitan Water District of Southern California (“MWD”) and related administrative costs incurred by the District in connection therewith.

**WHEREAS**, Resolution No. 7-96-361 expressly provided that the District’s standby charge was based upon the report of a qualified engineer which fixed that amount of the standby charge for the 1996-97 fiscal year at \$5.92 per equivalent dwelling unit (“EDU”) and provided for the adjustment of that standby charge during subsequent fiscal years according to the actual amount by which the RTS charge increased, and subject to a maximum assessment amount of \$29.41 per EDU.

**WHEREAS**, Water Code Section 71639(b) authorizes the District to adjust the amount of its standby charge if the adjustment is made in the same manner as provided for taxes, fees, and charges in Government Code Section 53750(h)(2), which provides that a tax, fee, or charge is not deemed to be increased by an agency action that does either or both of the following: (A) adjusts the amount thereof in accordance with a schedule of adjustments adopted by the agency prior to November 6, 1996; or (B) implements or collects a previously approved tax, fee, or charge, so long as the rate is not increased beyond the level previously approved by the agency, and the methodology previously approved is not revised by the agency.

**WHEREAS**, Water Code Section 71639(c) further authorizes the District to adjust the amount of its standby charge if all of the following conditions are met: (1) the amount

## Item 8.A - Exhibit A

of the assessment does not exceed \$29.41 per EDU; (2) the revenue raised by the assessment, including its annual adjustments, is used exclusively to fund the RTS charge, or equivalent charge, imposed upon the District by MWD, and related administrative costs; and (3) The District adjusts its water rates to its retail agencies by an amount necessary to prevent surplus funding of the RTS charge imposed upon the District by MWD.

**WHEREAS**, Water Code Section 71639(c) further provides that in order for the District to fix a standby charge pursuant to the Act, the District's Board of Directors must adopt a resolution to initiate such proceedings, cause notice of intent to adopt the assessment to be published in accordance with Government Code Section 6066 prior to the date set for adoption thereof, and, at the time and place set forth in said notice, conduct a hearing on the assessment and hear and consider any and all objections thereto.

**WHEREAS**, on April 15, 2020, the District's Board of Directors adopted Resolution No. 20-04-873 initiating proceedings to fix, adjust, levy, and collect a water standby charge in accordance with Water Code Section 71639 and scheduling of a public meeting on June 3, 2020, and a public hearing on June 17, 2020.

**WHEREAS**, beginning on April 29, 2020, the District published a joint notice of the public meeting and the public hearing by placing a display advertisement of at least 1/8 page in a newspaper of general circulation within the District at least three times and five days apart.

**WHEREAS**, on June 3, 2020, at 8:00 a.m., at the District offices located at 1021 East Miramar Avenue, Claremont, California, the Board of Directors of the District held a public meeting regarding the imposition of the charge.

**WHEREAS**, beginning on or about June 3, 2020, the District published a Notice of Public Hearing and Intent to Adopt a Water Standby Charge in a newspaper of general circulation within the District once a week for two successive weeks pursuant to Water Code Section 71639(c) and Government Code Section 6066.

**WHEREAS**, on June 17, 2020, at 8:00 a.m., at the District offices located at 1021 East Miramar Avenue, Claremont, California, the Board of Directors of the District held a public hearing to hear and consider any and all objections or protests regarding the imposition of the charge, which hearing was duly conducted in the manner set forth in the Act.

**NOW, THEREFORE**, the Board of Directors of the District does hereby find, resolve, determine, and order as follows:

1. The public interest and necessity requires the Board of Directors of the District to adopt this Resolution hereby fixing, adjusting, levying, and collecting standby charges pursuant to The Act and Water Code Section 71639 in order to meet the RTS financial obligations imposed upon the District by MWD and all administrative costs related thereto.

2. The written protests received by the District's Board of Directors which were not withdrawn at the time of its determination represented less than fifteen percent (15%) of the parcels subject to the charges set forth herein.

3. The standby charge hereby levied by the Board of Directors of the District is based upon the report of a qualified engineer, Willdan Financial Services, which is attached hereto as Attachment A (“the Engineer’s Report”). The content and findings of the Engineer’s Report are hereby adopted in full by the Board of Directors of the District and are incorporated herein in full by this reference, including, but not limited to, any and all statements and determinations specifically relating to each of the following:

- a. A description of the charge and the method by which it is to be imposed;
- b. A compilation of the amount of the charge for each parcel subject to the charge;
- c. A statement of the methodology and rationale followed in determining the degree of benefit conferred by the service for which the charge is made;
- d. The District’s legal ability to fix and adjust a standby charge, the amount of the charge, and the properties affected thereby;
- e. A description of the lands upon which the charge is to be imposed; and
- f. The amount of the charge for each of the lands so described.

4. All adjustments in the amount of the standby charge set forth in the attached Engineer’s Report are in compliance with the requirements of Water Code Section 71639(b) since the adjustments are made in the same manner as provided for taxes, fees, and charges in Government Code Section 53750(h)(2), which provides that a tax, fee, or charge is not deemed to be increased by an agency action that does either or both of the following: (A) adjusts the amount thereof in accordance with a schedule of adjustments adopted by the agency prior to November 6, 1996; or (B) implements or collects a previously approved tax, fee, or charge, so long as the rate is not increased beyond the level previously approved by the agency, and the methodology previously approved is not revised by the agency.

5. Additionally, all adjustments in the amount of the standby charge set forth in the attached Engineer’s Report are in compliance with the requirements of Water Code Section 71639(c) since (a) the amount of the assessment does not exceed \$29.41 per EDU, (b) the revenue raised by the assessment, including its annual adjustments, is used exclusively to fund the RTS charge, or equivalent charge, imposed upon the District by MWD, and related administrative costs, and (c) the water rates adopted by the District and levied upon its retail agencies have been calculated so as to prevent any surplus funding of the RTS charge imposed upon the District by MWD.

## Item 8.A - Exhibit A

6. The District's General Manager is hereby authorized to take any and all actions necessary to carry out the intent of the District's Board of Directors as is stated herein, and to cause the standby charge hereby adopted to be collected at the same time, and in the same manner, as the levying of property taxes by the County of Los Angeles and/or as is otherwise available under the Act and applicable law.

7. If any charge hereby adopted becomes delinquent, the amount of the delinquency, together with any interest and penalties thereon, shall constitute a lien on the affected property upon the filing of a certificate in the Office of the Los Angeles County Recorder, which lien shall have the same force, effect, and priority as a judgment lien.

**ADOPTED** and **PASSED** at a meeting of the Three Valleys Municipal Water District's Board of Directors, on this 17th day of June 2020, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

Bob G. Kuhn, President

ATTEST:

---

Carlos Goytia, Secretary

SEAL:



**DRAFT**

# **Three Valleys Municipal Water District**

## **Water Standby Charge Assessment**

**2020/2021 ENGINEER'S ANNUAL LEVY REPORT**

Intent Meeting: April 15, 2020

Public Hearing: June 17, 2020

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# ENGINEER'S REPORT THREE VALLEYS MUNICIPAL WATER DISTRICT WATER STANDBY CHARGE ASSESSMENT

## INTRODUCTION

Pursuant to the provisions of Section 54984 et seq. of the Government Code of the State of California, being Chapter 12.4, "Uniform Standby Charge Procedures Act" (the "Act"), and in accordance with Resolution No. 7-96-361 of the Board of Directors (the "Board") of the Three Valleys Municipal Water District (the "District"), adopted on July 10, 1996 establishing a Water Standby Charge Assessment, I, Richard Kopecky, P.E., duly authorized representative of Willdan Financial Services, consultant to the District, submit this Engineer's Report for FY 2020/2021 consisting of the following parts and exhibits:

### SECTION I

A description of each parcel of property and the boundaries of the area proposed to be subject to the levy of the uniform standby charge assessment.

### SECTION II

An estimate of the costs of water services to be financed from the proceeds of the uniform standby charge assessment.

### SECTION III

A description of the uniform standby charge assessment including:

- a. A description of each lot or parcel of property proposed to be subject to the assessment.
- b. The amount of the assessment for each lot or parcel.
- c. The assessment methodology describing the basis of the assessment.
- d. A description specifying the requirements for written and oral protests and the protest thresholds necessary for requiring a vote on, or abandonment of, the proposed assessment.

Dated: \_\_\_\_\_

Willdan Financial Services

BY: \_\_\_\_\_  
Chonney Gano, Project Manager

BY: \_\_\_\_\_  
Richard Kopecky, P.E.  
Registration No. CE 16742

## ***I. DESCRIPTION OF THE PROPOSED PARCELS AND ASSESSMENT BOUNDARIES***

---

The proposed uniform standby charge assessment is entitled:

### **THREE VALLEYS MUNICIPAL WATER DISTRICT WATER STANDBY CHARGE ASSESSMENT**

The boundaries of the area proposed to be subject to the levy of the Water Standby Charge Assessment are completely contiguous with the boundaries of the District. The lines and dimensions of each lot or parcel within the District Boundaries are those lines and dimensions shown on the maps of the Assessor of the County of Los Angeles for the year when this report was prepared and are incorporated herein by reference and made part of this Engineer's Report.

All future annexations to the District shall be included in the Water Standby Charge Assessment. In future years, if any new parcels are created as a result of the division or consolidation of land, re-computation of the assessments will be conducted and the new parcels will be included within the area of assessment.

## ***II. ESTIMATE OF COSTS***

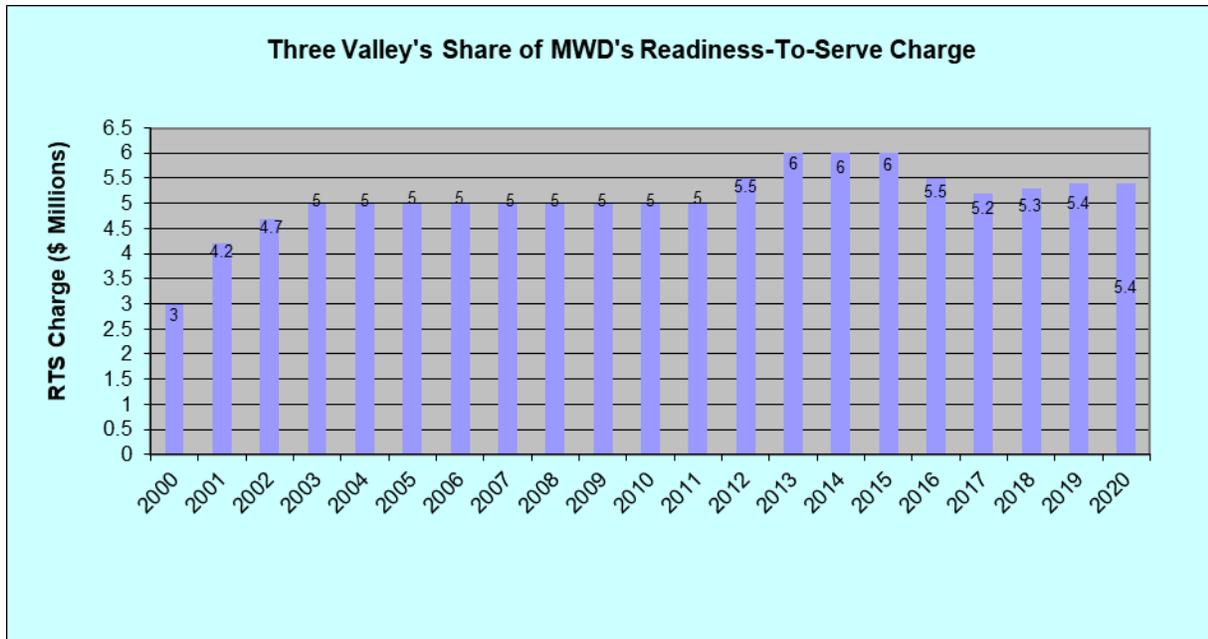
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The Water Standby Charge Assessment revenue will be used for the purpose of meeting the Readiness-to-Serve ("RTS") charge imposed by the Metropolitan Water District of Southern California ("MWD"), and for related administrative costs.

The following table lists the projections for the RTS Charge, Administration Cost and Estimated Maximum Total Assessment to be funded by the assessment.

	FY 2012/2013	FY 2013/2014	FY 2014/2015	FY 2015/2016	FY 2016/2017	FY 2017/2018	FY 2018/2019	FY 2019/2020	FY 2020/2021
RTS Charge	\$5,541,364	\$6,022,555	\$6,371,116	\$6,074,192	\$5,537,230	\$5,233,954	\$5,274,931	\$5,363,969	\$5,494,518
Assessment Administration	\$49,832	\$50,332	\$51,056	\$51,675	\$52,057	\$52,709	\$53,383	\$52,074	\$51,635
Est. Maximum Assessment	\$5,379,146	\$5,374,162	\$5,375,222	\$5,441,758	\$5,445,359	\$5,443,845	\$5,425,678	\$5,431,833	\$5,450,397

The estimated RTS charge through the year 2002 was based on the schedule provided by MWD shown in the chart below. Years 2003 through 2011 were based on the projected RTS charge of \$5 million. The 2012 through 2020 RTS charges are based on the amount approved by the Southern California Metropolitan Water District Board for each year.



The amount budgeted to be generated by the assessment for FY 2020/2021 is \$3,687,743.65 as calculated in Section III.

Administration of the assessment is performed annually. This administration includes updating the annual assessment roll to ensure consistency with the assessment methodology detailed in this Engineer's Report. The administration also includes an analysis of the revenues and expenditures from the previous Fiscal Year and preparation of an annual report for submittal to the Board of Directors for approval of the proposed Fiscal Year's assessments and expenditures. The table below provides a comparison of the assessment between fiscal years.

	FY 2019/2020 <sup>(1)</sup>	FY 2020/2021	Difference <sup>(2)</sup>	Percentage Difference
Parcels	134,850	135,344	494	0.37%
EDU's	188,427	185,325	-3,102	-1.65%
Rate/EDU	\$19.23	\$19.90	\$0.67	3.48%
Est. Revenue	\$3,623,416.71	\$3,687,743.65	\$64,326.94	1.78%

<sup>(1)</sup> Totals for FY 2019/2020 are based on the final applied levy by the Los Angeles County Auditor-Controller's Office.

<sup>(2)</sup> The Difference in Parcels and EDU's is given to new condominiums being assessed for Fiscal Year 2020/2021.

Note: Difference between Estimated Revenue and EDUs multiplied by the Rate is due to rounding.

### III. DESCRIPTION OF ASSESSMENTS

---

This section of the report describes the methodology developed to establish the basis of assessment for apportioning the cost of providing water services, and the facilities needed to provide water services, to each lot or parcel based upon the type of use or potential use of each property. The basis of assessment was developed by Berryman & Henigar based upon information provided by the District, standard and member agency design criteria, and the requirements of Section 54984.2 of the Uniform Standby Charge Procedures Act. The following sections review the requirements of the California Government Code and describe the recommended assessment methodology.

#### A. LEGAL REQUIREMENTS

Chapter 12.4 "Uniform Standby Charge Procedures Act" of the California Government Code states that any local agency that provides water services may, by resolution adopted after notice and hearing, determine and levy an assessment for water services pursuant to this chapter.

The California Government Code further requires that the agency establish a methodology, which is related to the benefit received from the water services for calculating the assessment to be levied on each parcel. Section 54984.2 provides that:

“...The governing body of the agency which fixes the charge may establish schedules varying the charge according to land uses, benefit derived or to be derived from the use or availability of facilities to provide water, sewer, or water and sewer service, or the degree of availability or quantity of the use of the water, sewer, or water and sewer services to the affected lands, and may restrict the assessment to one or more improvement districts or zones of benefit established within the jurisdiction of the agency. The charge may be imposed on an area, frontage, or parcel basis, or a combination thereof.”

All assessments described in this Report and approved by the Board are prepared in accordance with the Act and are in compliance with the provisions of the *California Constitution Article XIID* (enacted by the passage of Proposition 218 in November 1996).

Pursuant to the *California Constitution Article XIID Section 5*, certain assessments that were existing on July 1, 1997, the effective date of *Article XIID*, are exempt from the substantive and procedural requirements of *Article XIID Section 4* and property owner balloting for the assessments is not required until such time that the assessments are increased. Exempt are any assessments imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems, or vector control.

In May of 2005, Senate Bill 376, was enacted to add Article 2.7 (commencing with Section 71639) to Chapter 2 of Part 5 of Division 20 of the Water Code, relating to water. This bill authorizes the agency to adopt the standby charge rate with a schedule of annual adjustments, and to adjust the standby charge rate in relation to the change of the MWD imposed RTS charge, subject to the maximum assessment amount of twenty-nine dollars and forty-one cents (\$29.41) per Equivalent Dwelling Unit (“EDU”).

## B. ASSESSABLE PARCELS

The table below summarizes the number of parcels and the total acreage by land use type. This information is based on the records of the Assessor of the County of Los Angeles.

Land Use Category	Number of Parcels	Dwelling Units (DU's)	Acres
Single-Family Residential (SFR)	103,105	102,866	N/A
Multi-Family Residential and Condominiums	22,925	46,229	N/A
Mobile Home Parks	101	9,258	N/A
Commercial	3,818	N/A	4,599.43
Churches	245	N/A	443.62
Industrial	2,048	N/A	4,007.62
Recreational Camping Facilities	2	N/A	7.87
Vacant Residential	2,064	N/A	6,222.64
Vacant Non-Residential	1,036	N/A	2,095.37
Exempt	0	N/A	0.00
<b>Total</b>	<b>135,344</b>		

The land use classifications are defined as follows:

**Single-Family Residential** - parcels designated as single-family residential per the Los Angeles County Assessor's Roll.

**Multi-Family Residential (including Condominiums)** - parcels designated as multi-family residential, which includes duplexes, apartments, condominiums or other dwelling units with common party walls, per the Los Angeles County Assessor's Roll.

**Mobile Homes** - parcels designated as mobile homes per the Los Angeles County Assessor's Roll.

**Commercial (including Churches)** - parcels designated as commercial, institutional or recreational per the Los Angeles County Assessor's Roll.

**Industrial** - parcels designated as industrial, utility or other miscellaneous uses, per the Los Angeles County Assessor's Roll.

**Recreational Camping Facilities** - parcels designated as camps per the Los Angeles County Assessor's Roll.

**Vacant** - parcels designated as vacant residential that have no dwelling units, or parcels designated as vacant commercial/industrial that have no commercial/industrial structures on them, per the Los Angeles County Assessor's Roll.

**Exempt** - Exempted from the assessment would be any parcel owned by a public agency or within the area of public streets and other public properties, utility easements, right-of-way, public schools, public parks, and common areas or un-developable parcels of land.

### C. EQUIVALENT DWELLING UNITS

To determine the benefit to the individual parcels with their varying land uses, an equivalent dwelling unit system was established. Each parcel is assigned equivalent dwelling units (EDUs) in proportion to the estimated benefit the parcel receives from the availability of water services. The total number of EDUs is then divided into the annual revenue requirement to determine the cost per EDU. The assessment for each parcel is then determined by multiplying the number of EDUs for each parcel by the cost per EDU.

Since the assessment is based upon the use of the property and the potential water usage of the property, the assessment methodology has been developed based on land use. The assessment methodology developed determines the number of EDUs to be assigned to each parcel. In determining the number of EDUs assigned, three factors are considered: parcel size, land use (intent of development), and the water use design factor of the land use of the property.

Equivalent Dwelling Unit (EDU) factors have been established to indicate the estimated benefit received by each parcel within the District. This method of assessment has established the single-family residential parcel as the basic unit for calculation of the assessment and is defined as one (1) EDU. All other parcels within the District are assigned a proportional EDU based on a formula that equates the properties specific development status (land use) and size to that of the single-family parcel.

The assignment of EDUs to each of the different land uses is as follows:

**Single-Family Residential (SFR).** The single-family parcel has been defined as being **1.0 EDU**.

**Multi-Family Residential.** Multi-family or condominium parcels are converted to EDUs based on the number of dwelling units on each parcel. Due to population density and size of structure relative to the typical single-family residence, each dwelling unit defined as multi-family residential, including condominiums is **0.75 EDU**. Water availability benefit does not increase proportionately as the number of units increase on a multi-family parcel. By decreasing the equivalency as the number of units increase, a reasonable benefit assessment is achieved. Therefore, the equivalency is reduced to **0.5 EDU** per dwelling unit, for apartment buildings with 5 units or more. Parcels with 5 or more units are considered "high density" as opposed to the "medium density" of duplexes, triplexes and four-plexes, and the Los Angeles County Assessor's land use codes segregate these parcels out.

**Mobile Homes.** Mobile home parks, and mobile homes located within mobile home parks, are converted to EDUs based on the population density and size of structure relative to a single-family residence. Therefore, mobile home parks and mobile homes located in mobile home parks are assessed **0.5 EDU** per mobile home. No decrease is applied to this factor, as mobile homes are all separate dwellings with no common walls.

Studies have consistently shown that the average apartment unit impacts infrastructure approximately 75% as much as a single-family residence, and the average mobile home unit impacts infrastructure approximately 50%, (Sources: Institute of Transportation Engineers Informational Report Trip Generation, Fifth Edition, 1991; Metcalf and Eddy, Wastewater Engineering Treatment, Disposal, Reuse, Third Edition, 1991). Trip generation and wastewater usage are functions of population density. It is concluded that other infrastructure will be similarly impacted at a reduced level. The smaller average unit size of multiple residential and mobile homes and their reduced impact on water use result in a lesser benefit per unit to property.

**Commercial/Industrial.** Commercial and industrial parcels are converted to EDUs based on the lot size of each parcel of land. The number of equivalent dwelling units per acre for commercial/industrial property has been equated to the average single-family residential lot size of approximately 8,700 square feet, or 5 lots per acre. All properties that are developed for commercial/ industrial uses are therefore assigned **5.0 EDU's** per acre for the first five acres, with a minimum of 1 EDU per parcel. Based upon a review of large non-residential parcels within the District, as the parcel size increases above five acres, the development density on the parcel generally decreases due to requirements to provide on-site circulation, allow for the storage of materials or equipment, provide buffers to adjacent land uses and other factors associated with the types of development which require larger parcels. Therefore, after the first 5 acres, each additional acre will be charged as vacant land as further described below; 25% of 5.0 EDU's, or 1.25 EDU's per acre.

Additionally, a water use factor is applied to both the commercial and industrial parcels as follows, based on relative average water usage as compared to single-family residential developments:

- Commercial Water Use Factor = 1.4
- Industrial Water Use Factor = 1.1

**Recreational Camping Facilities.** Recreational camping facilities typically have large land areas comprised of mostly park-like open space and only a few buildings. Therefore, to more accurately assign EDUs to these parcels, a "theoretical area" will be calculated for each of them. The typical developed commercial parcel has 1/3 of its lot area covered by improvements. Using this standard, the "theoretical area" is computed by multiplying the improvement area of each camping parcel by 3. This "theoretical area" is then converted to acreage, and the Equivalent Dwelling Unit factor of 5 EDU per acre is applied.

**Vacant.** Vacant property receives a benefit from water services availability. Water availability allows the parcel to develop to its maximum use in the future. Based upon the opinions of professional appraisers who appraise current market property values for real estate in Southern California, the land value portion of a property typically ranges from 20 to 30 percent; in the Three Valleys Municipal Water District, the average is about 25 percent. Additionally, the utilization of vacant property is significantly less than improved property. Consequently, vacant property shall be assessed at the rate of 25% of improved property. Therefore, vacant single-family residential parcels are assessed 25% of a developed SFR parcel, or **0.25 EDU** per parcel, and vacant non-SFR parcels are assessed at the rate of 25% of the developed commercial/industrial properties, or **1.25 EDUs** per acre or any portion thereof, up to a maximum of 5 acres per parcel.

A summary of Equivalent Dwelling Units and Benefit Factors is shown on the following table:

EQUIVALENT DWELLING UNITS						
Land Use	Basic Unit		EDU Factor		Use Factor	EDU Rates
Single-Family Res. (SFR)	1 DU	x	1	x	1	= 1.0 EDU/DU
Multi-Family Res. and Condominiums	1 DU	x	0.75	x	1	0.75 EDU/DU for the first 4 DU's
	1 DU	x	0.5	x	1	= 0.5 EDU/DU after the 4 <sup>th</sup> DU
Mobile Homes	1 DU	x	0.5	x	1	= 0.5 EDU/DU
Commercial	1 acre	x	5	x	1.4	= 7.0 EDU/acre for the first 5 acres (min. 1 EDU/parcel)
	1 acre	x	1.25	x	1.4	= 1.75 EDU/acre after the 5 <sup>th</sup> acre
Industrial	1 acre	x	5	x	1.1	= 5.5 EDU/acre for the first 5 acres (min. 1 EDU/parcel)
	1 acre	x	1.25	x	1.1	= 1.375 EDU/acre after the 5 <sup>th</sup> acre
Recreational Camping Facilities	1 acre*	x	5	x	1	= 5.0 EDU/acre
Vacant SFR	1 parcel	x	0.25	x	1	= 0.25 EDU/parcel
Vacant Non-SFR	1 acre	x	1.25	x	1	= 1.25 EDU/acre (min. .25 EDU/parcel; max of 5 acres/parcel)

\*acre = theoretical acre

## D. ASSESSMENT RATES

The total number of Equivalent Dwelling Units (EDUs) has been calculated for the District based upon current land use data as shown on the latest assessor's roll for Los Angeles County and the methodology described above. The number of EDUs by land use type is shown in the table below:

Land-Use Type	Equivalent Dwelling Units
SFR	103,105.00
MFR and Condominium	30,707.45
Mobile Home Parks	4,629.00
Commercial	25,536.02
Churches	2,913.95
Industrial	17,112.63
Recreational Camping Facilities	0.73
Vacant SFR	516.00
Vacant Non-SFR	803.84
<b>Total:</b>	<b>185,324.62</b>

Based upon the budget of \$3,687,743.65 as shown in Section II of this report, the Assessment Rate for FY 2020/2021 per Equivalent Dwelling Unit (EDU) is **\$19.90/EDU**, as calculated below.

Total Equivalent Dwelling Units	Applied Assessment Rate/EDU	FY 2020/2021 Total Assessment Revenue
185,324.62	\$19.90	3,687,743.65

Note: Difference in Total Assessment and EDUs multiplied by the Rate is due to rounding.

The following table, Summary of Assessment Rates, provides the proposed Maximum Assessment and Applied Assessment Rates for the ten-year period beginning with FY 2011/2012. The Board may continue to levy the Assessment in future years (i.e. beyond FY 2020/2021) so long as MWD continues to impose the RTS charge upon the District. However, the maximum Assessment Rate per EDU shall never be greater than \$29.41, nor shall the total amount assessed be greater than the sum of the RTS charge and administrative costs.

### SUMMARY OF MAXIMUM AND APPLIED ASSESSMENT RATES

Fiscal Year	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Maximum Assessment Rate/EDU	\$29.41	\$29.41	\$29.41	\$29.41	\$29.41	\$29.41	\$29.41	\$29.41	\$29.41	\$29.41
Applied Assessment Rate/EDU	\$18.54	\$20.46	\$23.11	\$25.02	\$23.09	\$20.16	\$18.51	\$18.79	\$19.23	\$19.90

#### E. AMOUNT OF ASSESSMENT

The amount of the proposed assessment for FY 2020/2021, based on EDUs as apportioned to each parcel shown on the latest roll of the Los Angeles County Assessor, is contained in the Assessment Roll on file in the office of the Secretary of the Three Valleys Municipal Water District. The description of each parcel is part of the records of the County Assessor and these records are, by reference, made a part of this Engineers Report.

#### F. ACCURACY OF DATA

The data utilized in developing the assessment rate calculations has been taken directly from the Los Angeles County Assessor's Roll.

Some parcels that are partially improved often will appear on the Assessor's roll as improved. These parcels that are brought to the attention of the District, and are found to be so classified after field review, will have their assessment revised per this report: for that portion of the property which is improved, the developed land use benefit formula will apply; for that portion of the property which is unimproved, the vacant land use benefit formula will apply.

Should a property owner find a discrepancy regarding a parcel, it is recommended that the owner notify the Three Valleys Municipal Water District by contacting the Secretary of the Three Valleys Municipal Water District. If warranted, the District will assist the owner in processing a correction with the County Assessor's Office. The District will be responsible for revisions to the Water Standby Charge Assessment for the property for the current Fiscal Year if the change in amount is greater than five percent (5%). If the change is less than or equal to five percent, then the adjustment for the following year will be made at the time that the annual assessments are determined for the next Fiscal Year, and no refund will be made for the previous year's assessment.

## EXHIBIT A - SAMPLE CALCULATIONS FOR VARIOUS LAND USES

Land Use	Benefit Calculation (EDU) x (Use Factor)				Total EDUs	Assessment \$19.90/EDU
Single Family Res.	(1 DU x 1 EDU/DU)	x	1.0	=	1	\$19.90
Triplex	(3 DU x .75 EDU/DU)	x	1.0	=	2.25	\$44.78
10-Unit Apartment	[(4 DU x .75 EDU/DU) + (6 DU x .5EDU/DU)]	x	1.0	=	6	\$119.40
90-Unit Apartment	[(4 DU x .75 EDU/DU) + (86 DU x .5EDU/DU)]	x	1.0	=	46	\$915.40
Store ¼ acre parcel	(¼ acre x 5.0 EDU/acre)	x	1.4	=	1.75	\$34.83
Bank/Office Bldg. ½ acre parcel	(½ acre x 5.0 EDU/acre)	x	1.4	=	3.5	\$69.65
Office Building 2 acre parcel	(2 acre x 5.0 EDU/acre)	x	1.4	=	14	\$278.60
Service Station ½ acre parcel	(½ acre x 5.0 EDU/acre)	x	1.4	=	2.333	\$46.43
Light Manufacturing ¼ acre parcel	(¼ acre x 5.0 EDU/acre)	x	1.1	=	1.375	\$27.36
Heavy Manufacturing 7 acre parcel	[(5 ac x 5.0 EDU/ac) + (2 ac x 1.25 EDU/ac)]	x	1.1	=	30.25	\$601.98
Recreational Camping Facility	[(2,500 sf x 3) ÷ 43,560 sf/ac] x 5.0 EDU/ac	x	1.0	=	0.8609	\$17.13
Vacant SFR	(1 parcel x .25 EDU/parcel)	x	1.0	=	0.25	\$4.98
Vacant Non-SFR 1 acre parcel	(1 acre x 1.25 EDU/acre)	x	1.0	=	1.25	\$24.88
Vacant Non-SFR 5+ acre parcel	(5 acre x 1.25 EDU/acre)	x	1.0	=	6.25	\$124.38

Note: Total Assessment EDU may not calculate exactly due to rounding.

***EXHIBIT B – ASSESSMENT ROLL FOR FY 2020/2021***

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Each Assessor Parcel Number and its assessment to be levied for FY 2020/2021 is shown on the Assessment Roll on file in the office of the Secretary of the Three Valleys Municipal Water District and is incorporated herein by reference. Reference is made to the Los Angeles County Assessor's office for further description of the parcels in the District.



## Board of Directors Staff Report

**To:** TVMWD Board of Directors  
**From:** Matthew H. Litchfield, General Manager   
**Date:** June 3, 2020  
**Subject:** **Modified Board Meeting Schedule**

---

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

---

**Staff Recommendation:**

**No Action Necessary – Informational Item Only**

**Discussion:**

In prior years, the Board has occasionally cancelled all meetings during the summer months of July and August, and at other times has chosen a modified schedule.

With the budget/rate adoption process now completed and limited regular business anticipated, the Board will now determine what action to take relative to its summer schedule. The following Board meetings are presently on the calendar:

- July 1, 2020
- July 15, 2020
- August 5, 2020
- August 19, 2020

The Board will be provided with an information packet of ongoing activities at Three Valleys for any month that a Board meeting is not held. At any time during the proposed summer schedule a special meeting can be called to attend to necessary business.

Staff is seeking direction from the Board to return this item for future action to the June 17, 2020 meeting.

**Strategic Plan Objective(s):**

3.3 – Be accountable and transparent with major decisions.

**Attachment(s):**

None

**Meeting History:**

None

NA/ML



## Board of Directors Staff Report

**To:** TVMWD Board of Directors

**From:** Matthew H. Litchfield, General Manager 

**Date:** June 3, 2020

**Subject:** **Cyclic Storage Agreement Among the Metropolitan Water District of Southern California, Three Valleys Municipal Water District and Main San Gabriel Basin Watermaster**

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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>	

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**Staff Recommendation:**

**No Action Necessary – Informational Item Only**

**Background:**

On July 1, 1991, the first Cyclic Storage Agreement (“Agreement”) was executed among the Metropolitan Water District of Southern California (“MWD”), Three Valleys Municipal Water District (“TVMWD”), and the Main San Gabriel Basin Watermaster (“Watermaster”), a court empowered entity appointed by the Superior Court of the State of California in and for the County of Los Angeles, in connection with Civil Action No. 924128, entitled, “Upper San Gabriel Valley Municipal Water District v. City of Alhambra, et al” (the “Basin Adjudication”). Since that time, a total of seven (7) amendments have been executed amongst the parties approximately every 5 years. The 7<sup>th</sup> amendment to the Agreement expired in November 2018, and since an 8<sup>th</sup> amendment could not be executed after the expiration date, a new agreement with only a one-year term was approved by the Board in June 2019.

**Discussion:**

As stated above, in June of 2019, staff brought a new Agreement to the Board with a one (1) year term with an expiration of June 1, 2020. This short-term agreement was to bridge the gap of time while we work with Watermaster and MWD on a new, long term Agreement. The work has concluded on the drafting of a new Agreement with a term of 10 years and all parties are ready to move forward with execution of the Agreement. A copy of the draft Agreement is attached as **Exhibit A** hereto.

Once all parties execute the Agreement, the Court will have to be presented with the Agreement for final approval. Due to the court shutdown as a result of the COVID-19 pandemic, the scheduled hearing for July 2020 may be rescheduled to a future date. Due to this concern, all parties executed a letter agreement to extend the current one-year

agreement another 12 months in anticipation of potential timing issues for the required hearing with the judge of the Court. A copy of this letter agreement is attached as **Exhibit B** hereto.

Staff is requesting that the Board instruct the General Manager to place the draft Agreement attached as **Exhibit A** on the June 17, 2020 board meeting for potential approval and execution.

**Strategic Plan Objective(s):**

1.1 – Secure water supplies that exceed the estimated annual demands by 10%

1.3 – Maintain diverse sources of water supplies and storage, and increase extractable water storage supplies to 10,000 acre-feet

**Attachment(s):**

Exhibit A – Cyclic Storage Agreement Among the Metropolitan Water District of Southern California, Three Valleys Municipal Water District and Main San Gabriel Basin Watermaster

Exhibit B – Cyclic Agreement Extension Letter

**Meeting History:**

None

NA/ML

**CYCLIC STORAGE AGREEMENT AMONG  
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA,  
THREE VALLEYS MUNICIPAL WATER DISTRICT  
AND MAIN SAN GABRIEL BASIN WATERMASTER**

This Cyclic Storage Agreement (“Agreement”) is made as of June 1, 2020, by and among the METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA (“Metropolitan”), a public agency of the State of California, THREE VALLEYS MUNICIPAL WATER DISTRICT (“Three Valleys”), a public agency of the State of California, and the MAIN SAN GABRIEL WATERMASTER (“Watermaster”), a court empowered entity appointed by the Superior Court of the State of California in and for the County of Los Angeles, in connection with Civil Action No. 924128, entitled, “Upper San Gabriel Valley Municipal Water District v. City of Alhambra, et al” (the “Basin Adjudication”).

**RECITALS**

A. Metropolitan is a wholesale provider to its 26 member agencies, created under The Metropolitan Water District Act (“MWD Act”). Wat. Code appen., §§ 109-25, 109-130.

B. Metropolitan secures water for its member agencies, including Three Valleys, primarily by importing water from the California State Water Project (“SWP”) and the Colorado River.

C. Three Valleys is a member public agency of Metropolitan and a wholesale water provider with a service area overlying the Main San Gabriel Basin (“Basin”), a groundwater basin located in Los Angeles County. Three Valleys is a municipal water district organized and operating under the Municipal Water District Law of 1911 (Water Code Section 71000 et seq.).

D. Water rights have been adjudicated in the Basin according to Judgment in the Basin Adjudication. The Judgment established Watermaster as the regulatory agency responsible for managing the Basin and authorized Watermaster to purchase supplemental water when an individual producer's production in the Basin exceeds his/her share of the operating safe yield, and for other purposes, hereafter referred to as "supplemental water requirements". The Judgment was most recently amended in 2012 in response to increasing uncertainties affecting the availability of local and supplemental water supplies. The 2012 Judgment amendment includes provisions to allow the Watermaster increased flexibility to acquire and store water during wet years for use during dry years. Three Valleys is responsible pursuant to the Judgment to provide supplemental imported water to Watermaster for recharge of the Basin on behalf of Three Valley's member agencies ("Responsible Agency").

E. Pursuant to section 34(n) of the Judgment, Watermaster is authorized to enter into cyclic storage agreements for utilization of groundwater storage capacity in the Basin for cyclic storage of supplemental water for subsequent recovery or Watermaster credit by the storing entity with all such agreements to be in accord with Uniform Rules and Conditions adopted by Watermaster.

F. Through this Agreement, the Parties intend to provide for the delivery of water by Metropolitan to Three Valleys in advance of demand for the water by Three Valleys to meet its supplemental water delivery requirements to Watermaster.

G. To provide for the spreading of water for cyclic storage, Watermaster and the Los Angeles County Flood Control District have heretofore entered into an agreement whereby the Flood Control District will undertake the responsibilities associated with actual spreading operations in the Basin.

H. The Parties are entering into to this Agreement for the purpose of giving Metropolitan the right to use up to ~~40,000~~50,000 acre-feet of space in the Basin pursuant to the terms of this Agreement.

### COVENANTS

In consideration of the above recitals, the covenants, and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, IT IS AGREED:

1. Definitions

The definitions contained in the Judgment as of the date of this Agreement, are hereby incorporated by this reference and made a part hereof.

2. Priority of Agreement Within the Basin

Since Three Valleys is a Responsible Agency, as defined in the Judgment, and since Metropolitan is a supplier of supplemental water to Three Valleys and will be providing such water when available to enable Three Valleys to satisfy supplemental water requirements placed on Three Valleys by Watermaster, the rights granted under this Agreement shall have equivalent priority with rights granted Responsible Agencies under other Cyclic Storage Agreements entered into by Watermaster pursuant to its Uniform Rules and Conditions of Cyclic Storage Agreements.

3. Storage of Metropolitan Water

Three Valleys hereby agrees to enter into a cyclic storage arrangement with Metropolitan through this Cyclic Storage Agreement. In order to manage its water resources, Metropolitan may store water with Three Valleys through the delivery of water in advance of Three Valleys' purchase of that water. Metropolitan may request that Three Valleys accept delivery of water for

storage through direct spreading or injection, or through in-lieu means (“Metropolitan’s Cyclic Storage”). Three Valleys may accept delivery of Metropolitan water through written confirmation to Metropolitan that the water may be delivered to the Basin for future purchase by Three Valleys, in accordance with the terms of this Agreement.

In light of the San Gabriel Exchange and Purchase Agreement executed between San Gabriel Municipal Water District (“San Gabriel”) and Metropolitan in September 2013, this cyclic storage account may hold water delivered directly through Metropolitan’s spreading connection or through sale or exchange between Metropolitan and San Gabriel. Watermaster agrees to transfer and to perform accounting for transfers from San Gabriel’s cyclic storage account to Metropolitan’s cyclic storage account when Metropolitan and San Gabriel jointly make sure request.

Watermaster agrees that Metropolitan’s Cyclic Storage shall occupy space in the Basin pursuant to the Judgment. Watermaster agrees that Metropolitan’s Cyclic Storage shall be credited to Metropolitan and shall occupy up to ~~40,000~~50,000 acre-feet of space until such time as purchased from Metropolitan by Three Valleys to meet its supplemental water requirements to Watermaster. Upon purchase of the water by Three Valleys, that water shall be credited to the supplemental water requirements of Three Valleys in accordance with the Judgment.

All water stored in Metropolitan’s account pursuant to this Agreement shall be: (i) spread by the Los Angeles County Flood Control District in accordance with its agreement with Watermaster; (ii) transferred by Watermaster from the San Gabriel cyclic storage account upon request by San Gabriel and Metropolitan; (iii) or pursuant to other arrangements approved by Watermaster. The time, place, and amount of such spreading within the Basin shall be approved in advance by Watermaster. Notwithstanding any other provisions of this Agreement,

Watermaster reserves the right to order the cessation or reduction in delivery rate of water being spread for cyclic storage if, in its sole judgment, Watermaster determines:

- a) That water previously authorized to be stored under this Agreement would cause the elevation of the groundwater in the Basin to adversely affect the Basin's highest utilitarian operation; or
- b) That such cessation or reduction in delivery rate is necessary to prorate the cyclic storage rights of all Responsible Agencies in the Basin; or
- c) That the spreading of supplemental water would be jeopardized by the continued spreading of water for cyclic storage when considering the necessity to protect the elevation of the Baldwin Park Key Well or to protect basin water quality.

During periods of delivery, Metropolitan shall issue a monthly report to Three Valleys and to Watermaster indicating the amount of water which Metropolitan has delivered and caused to be spread hereunder for storage in Metropolitan's account. Such report shall be subject to Watermaster's verification.

4. Delivery, Amount, and Ownership of Stored Water

The amount of water to be stored in the Basin for Metropolitan under this Agreement shall not exceed ~~40,000~~50,000 acre-feet at any point in time. Prior to each delivery of water by Metropolitan into the Cyclic Storage Account, the Parties shall mutually agree to: (1) the amount, location, and timing of actual water delivered pursuant to this Cyclic Storage Agreement; and (2) a schedule by which Three Valleys shall purchase the stored water. Any amendment to the delivery schedule shall require mutual agreement.

Until such time as Three Valleys purchases the stored water in accordance with Section 8, the water shall be accounted for in the Cyclic Storage Account, pursuant to Section 5.

### 5. Cyclic Storage Account

Watermaster agrees to perform accounting of spreading and transfer deliveries and purchases pursuant to this Agreement (the “Cyclic Storage Account”, or “Account”) and to report all spreading and extraction activities in compliance with the Judgment. Three Valleys will account for all spreading and transfer deliveries in and out of the Cyclic Storage Account and will maintain a record of the balance of water in the Cyclic Storage Account. The Parties to this Agreement will confirm accounting of transactions and balance at the end of each fiscal year for inclusion in the Watermaster Annual Report.

### 6. Delivery from the Cyclic Storage Account

Metropolitan shall deliver water to Three Valleys from the Cyclic Storage Account in accordance with the purchase schedule agreed to by the parties pursuant to Section 4. Metropolitan will bill Three Valleys for the water at the time of such deliveries in accordance with Section 8. In the event Three Valleys does not meet its purchase obligation in accordance with Sections 4 or 8, Metropolitan retains the prerogative to meet regular untreated water demands by Three Valleys either from water stored in its Cyclic Storage Account or from water in its distribution system. Metropolitan need not provide advance notice to Three Valleys when it exercises its prerogative under this Section.

### 7. Loss of Water

There shall be no losses assigned to Metropolitan’s Cyclic Storage account as a result of the delivery process into the account. Water delivered into this Cyclic Storage Account shall be fully credited to Metropolitan’s Cyclic Storage. Losses may be assigned to Metropolitan’s Cyclic Storage Account only for water stored in the account after delivery. Watermaster may determine and assign losses in water stored in Metropolitan’s account in the Basin, assuming that

cyclic-stored water floats on top of the groundwater supplies. Such losses shall be determined by accounting for all losses of natural water which would have replenished the Basin had water not been in cyclic storage, and Watermaster shall apportion such losses among all storing entities pursuant to and in accordance with Watermaster's Uniform Rules and Conditions governing cyclic storage by Responsible Agencies.

### 8. Obligation for Purchase and Payment

Three Valleys agrees to purchase water from Metropolitan's Cyclic Storage Account in accordance with Sections 4 and 6 of this Agreement, but no later than the termination of this Agreement. Three Valleys shall be billed by and pay Metropolitan in accordance with the billing and payment provisions in Metropolitan's Administrative Code, as amended over time. The purchase of water from Metropolitan's Cyclic Storage Account shall be equivalent to the sale and delivery of water for purposes of applying the provisions of Metropolitan's Administrative Code. Payments to Metropolitan for such sale of water from its Cyclic Storage Account shall be calculated using Metropolitan's rate for full service untreated water in effect at the time of the sale of water to Three Valleys. The sale of water from Metropolitan's Cyclic Storage Account to Three Valleys shall be included in the calculation of the Three Valleys' Ten-Year Rolling Sales Average for purposes of Metropolitan's Readiness-to-Serve Charge at the time stored water is sold to Three Valleys. The Capacity Charge shall not apply to cyclic water sales because Metropolitan shall deliver water for storage at its discretion.

### 9. Rent or Offset Credit

Unless otherwise separately agreed in writing for any specific delivery, it is hereby agreed that there shall be no charge, rent assessment, or expense incurred by Metropolitan by reason of the use of the Basin allowed hereunder, nor is there any credit or offset for the benefits thereof, nor

shall there be any charge to Metropolitan for the use of physical facilities including service connections, flood control channels, spreading basins or hydrologic services utilized in connection with the use of the Basin allowed herein.

10. Indemnity Clause

Neither Metropolitan nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of water supplied or delivered by Metropolitan to Three Valleys after such water has been delivered to Three Valleys; nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such water beyond the point of such delivery; and Three Valleys shall indemnify and hold harmless Metropolitan and its officers, agents, and employees from any such damages or claims of damages, and shall reimburse Metropolitan for costs of repair of Metropolitan's facilities and other damages resulting from the operations of Three Valleys or the Watermaster. Neither Three Valleys nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of water prior to such water being delivered to Three Valleys; nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such water prior to its delivery to Three Valleys, excepting, however, claims by Metropolitan for costs of repair to Metropolitan's facilities and other damages resulting from the operations of Three Valleys or the Watermaster; and Metropolitan shall indemnify and hold harmless Three Valleys and its officers, agents, and employees from any such damages or claims of damages, except claims by Metropolitan for costs of repair of Metropolitan's facilities and other damages resulting from the operations of Three Valleys or the Watermaster.

### 11. Term

The term of this Agreement shall commence on the date and year listed at the beginning of the Agreement and shall terminate ten (10) years thereafter. An extension of this term can be made upon mutual agreement of the Parties. Watermaster shall report its intention to consider an extension of this Agreement in its minutes of a meeting held prior to its meeting when any such extension shall be acted upon.

### 12. Termination

In the event of a material breach hereunder, any party hereto may terminate this Agreement upon thirty (30) days' written notice to the other Parties hereto. Metropolitan may require amendment of this Agreement, or its termination, upon sixty (60) days' written notice if its Administrative Code is amended to change (i) the manner in which Metropolitan sets its water rates and charges for the sale and delivery of water (the rate structure), (ii) designations of classes of water service, or (iii) conditions of water service, in a manner which requires amendment of this Agreement. In the event this Agreement must be so amended, it shall be amended to provide water rates and charges applicable to water service for untreated water applicable to all of Metropolitan's member public agencies, except for any charge specifically set to recover costs incurred to meet peak distribution demands. In the event such an amendment to this Agreement cannot be obtained from any Party, this Agreement may be terminated by Metropolitan upon sixty (60) days' written notice to the other Parties hereto.

In the event of termination with less than one-year notice, the Agreement shall continue for one year only for purposes of implementing deliveries from the San Gabriel Exchange and Purchase Agreement, Watermaster shall provide one-year notice of intent not to extend or to terminate this Agreement.

13. Purchase of Water After Termination

Upon notice of termination, Three Valleys is obligated to purchase all water remaining in the Metropolitan Cyclic Storage Account within 90 days. During this period, all untreated water demands from Three Valleys to Metropolitan will be met with Metropolitan's Cyclic Storage. Until the Cyclic Storage Account is depleted, Three Valleys shall not obtain water from sources other than Metropolitan with the exception of local resource projects developed to offset imported water requirements.

14. Notices

Any notice required hereunder may be given by mail, postage prepaid, addressed as follows:

To: Three Valleys Municipal Water District  
1021 E. Miramar Avenue  
Claremont, CA 91711-2052  
Attention: Matthew Litchfield, General Manager

To: Metropolitan Water District  
700 N. Alameda Street  
Los Angeles, CA 90012  
Attention: Deven Upadhyay, Chief Operating Officer

To: Main San Gabriel Basin Watermaster  
725 N. Azusa Avenue  
Azusa, CA 91702  
Attention: Anthony Zampello, Executive Officer

15. Interpretation

The Parties have developed this Agreement jointly and in consultation with their respective legal counsel. No ambiguity shall be resolved against any Party on the premise that it or its attorneys were responsible for drafting this Agreement or any of its terms.

16. Governing Law

This Agreement shall be construed in accordance with and be governed by the laws of the State of California.

17. Counterparts

This Agreement may be executed in counterparts, and signatures transmitted via facsimile or electronic mail shall be deemed to be originals.

18. No Third Party Rights

This Agreement does not create any rights enforceable by any person or entity that is not a Party to this Agreement.

19. Authority

The Parties represent that the persons executing this Agreement on their behalf are authorized to do so.

20. Assignment

No Party shall assign its rights under this Agreement without the prior written consent of the other Parties, which consent shall not be unreasonably withheld or delayed.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in duplicate as of the date and year listed at the beginning of the Agreement.

Approved as to form:

Three Valleys Municipal Water District

Steven M. Kennedy  
Brunick, McElhaney & Kennedy

By: \_\_\_\_\_  
General Counsel

By: \_\_\_\_\_  
Matthew Litchfield

# Item 8.C - Exhibit A

General Manager

Approved as to form:

The Metropolitan Water District  
of Southern California

Marcia L. Scully  
General Counsel

By: \_\_\_\_\_  
General Counsel

By: \_\_\_\_\_  
Jeffrey Kightlinger  
General Manager

Approved as to form:

Main San Gabriel Basin Watermaster

Frederic A. Fudacz  
Nossaman LLP

By: \_\_\_\_\_  
General Counsel

By: \_\_\_\_\_  
Anthony Zampello  
Executive Director



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

May 4, 2020

Mr. Matthew Litchfield  
General Manager  
Three Valleys Municipal Water District  
1021 E. Miramar Avenue  
Claremont, CA 91711-2052

Dear Mr. Litchfield:

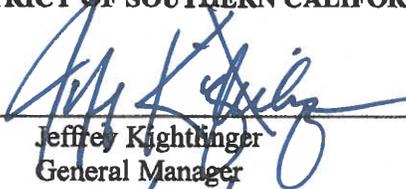
**LETTER AGREEMENT REGARDING EXTENSION OF CYCLIC AGREEMENT BETWEEN  
METROPOLITAN, THREE VALLEYS MUNICIPAL WATER DISTRICT, AND SAN GABRIEL  
WATERMASTER**

The Metropolitan Water District of Southern California ("Metropolitan"), Three Valleys Municipal Water District ("Three Valleys"), and Main San Gabriel Basin Watermaster ("Watermaster") entered into a Cyclic Storage Agreement ("Cyclic Agreement") last amended June 1, 2019. The Cyclic Agreement allows Metropolitan to deliver water to the Main San Gabriel Basin in advance of demand for the water by Watermaster and Three Valleys on behalf of its member agencies.

The parties hereby agree to extend the term of the Cyclic Agreement, dated June 1, 2019. The term of the Cyclic Agreement expires on June 1, 2020. The parties are preparing a new long-term agreement to be effective after the expiration of the Cyclic Agreement. However, any such new agreement requires approval by the Watermaster and the court with jurisdiction over the judgment governing the Main San Gabriel Basin. On March 11, 2020, the World Health Organization declared a pandemic due to the COVID-19 virus. Since then, counties and states have issued stay-at-home orders and courts have closed, with the exception of certain emergency matters. Additionally, board meetings for each of the parties are currently limited due to the stay-at-home orders, making it difficult to present an amendment agreement to the necessary legislative bodies. Therefore, the parties agree to extend the term of the Cyclic Agreement through this letter agreement approved by staff. The Cyclic Agreement is therefore hereby extended by twelve months, with a new termination date of June 1, 2021. The extension is expected to allow Three Valleys Municipal Water District time to seek approval of a new agreement through the Watermaster. All other provisions of the Cyclic Agreement shall remain in full force and effect.

**THE METROPOLITAN WATER  
DISTRICT OF SOUTHERN CALIFORNIA**

**THREE VALLEYS MUNICIPAL  
WATER DISTRICT**

By   
Jeffrey Kightlinger  
General Manager

By   
Matthew Litchfield  
General Manager

Date 5/20/2020

Date 5/11/2020



**THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA**

**MAIN SAN GABRIEL BASIN  
WATERMASTER**

By

A handwritten signature in blue ink, appearing to read "TZ", written over a horizontal line.

Tony Zampello  
Executive Officer

Date

5-12-2020



## Board of Directors Staff Report

**To:** TVMWD Board of Directors  
**From:** Matthew H. Litchfield, General Manager   
**Date:** June 3, 2020  
**Subject:** General Manager FY 2020-21 Work Plan

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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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**Staff Recommendation:**

**No Action Necessary – Informational Item Only**

**Background:**

Each year, the General Manager and Executive Staff prepare the General Manager Work Plan (“Work Plan”) that lays out the specific projects or initiatives to meet the overall goals in support of the TVMWD mission outlined in the Annual Strategic Plan.

**Discussion:**

The FY 2020-21 Work Plan outlines specific projects, initiatives and activities that are measurable with specific performance objectives. A copy of the proposed Work Plan is attached as **Exhibit A**. All of the activities outlined in the Work Plan are designed to further the mission of TVMWD and each activity listed is referenced back to each specific strategic goal outlined in the FY 2020/21 Strategic Plan. New or significantly modified objectives from the previous fiscal year General Manager Work Plan are identified in the new plan.

**Strategic Plan Objective(s):**

- 3.3 – Be accountable and transparent with major decisions
- 3.4 – Communicate TVMWD’s role in the delivery of water
- 3.5 – Ensure that all the region’s local government policy makers understand TVMWD’s role in the delivery of water

**Attachment(s):**

Exhibit A – General Manager’s Work Plan, Fiscal Year 2020-21

**Meeting History:**

None

NA/ML



**THREE VALLEYS MUNICIPAL WATER DISTRICT**  
**GENERAL MANAGER'S WORK PLAN**  
**FISCAL YEAR 2020-21**

*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.*

**PLANNED ACTIVITIES**

	Activity	Success Measure	District Strategic Objectives
1.	<b><u>TVMWD Miragrand Avenue Well*</u></b> Complete design and publicly bid well drilling and development.	<ul style="list-style-type: none"> <li>• Complete 100% plans and specifications</li> <li>• Public bidding for well drilling/development construction</li> <li>• Equipping and placing well into service in CY 2022</li> </ul>	1.1, 1.3, 1.4, 1.5 2.1
2.	<b><u>TVMWD Well Rehabilitations*</u></b> Rehab existing well at the Miramar Water Treatment Plant.	<ul style="list-style-type: none"> <li>• Complete RFP and publicly bid</li> <li>• Rehabilitate Well No. 1 by qualified contractor</li> <li>• Place back into service with higher overall efficiency and production rates</li> </ul>	1.1, 1.3, 1.4, 1.5 2.1, 2.3
3.	<b><u>Maximize Energy Production from Hydrogeneration Units</u></b> Maximize run times for all three hydro stations to maximize revenue.	<ul style="list-style-type: none"> <li>• Meet or Exceed budgeted goals for power production.</li> </ul>	2.1
4.	<b><u>Miramar Agreement Update (Miramar 2.0) *</u></b> Review and update the existing Miramar agreement to bring it into alignment with current operational practices.	<ul style="list-style-type: none"> <li>• Develop draft agreement language agreeable by all parties to supersede the original 1984 Miramar Agreement</li> <li>• Execute Miramar 2.0 with GSWC and La Verne with Board approval</li> </ul>	2.1 3.3 4.4
5.	<b><u>Old Baldy Well Operating Agreement*</u></b> Create new agreement for operation of Old Baldy Well on behalf of PBWA parties. Currently no agreement exists.	<ul style="list-style-type: none"> <li>• Develop draft agreement with PBWA parties</li> <li>• Execute agreement with PBWA parties with Board approval</li> </ul>	2.1 3.3 4.4
6.	<b><u>Miramar/JWL Pump Back Agreement*</u></b> Create new agreement to memorialize pump back operations with JWL parties. Currently no agreement exists.	<ul style="list-style-type: none"> <li>• Develop draft agreement with JWL parties</li> <li>• Execute agreement with JWL parties with Board approval</li> </ul>	2.1 3.3 4.4
7.	<b><u>Miramar Water Quality Enhancements</u></b> Perform a review of available technologies and strategies to increase current water quality.	<ul style="list-style-type: none"> <li>• Develop work plan to address disinfection byproduct and T&amp;O reduction in treated water effluent.</li> <li>• Develop RFP for pilot project to assess various media beds</li> </ul>	1.2, 1.3 2.1, 2.2
8.	<b><u>Maximize Water Sales Through Miramar</u></b> Maximizing water production in treatment plant decreases unit cost of water. Includes maximizing well production year-round.	<ul style="list-style-type: none"> <li>• Meet or exceed budgeted goals for water sales.</li> </ul>	2.1, 2.3

\*New Activity Added by Matthew Litchfield  
 General Manager Work Plan FY 2020-21

## PLANNED ACTIVITIES

Activity	Success Measure	District Strategic Objectives
9. <b><u>Monthly Key Performance Metrics Report</u></b> Monthly report for Board, staff and member agencies that identifies key performance metrics and our progress towards achieving.	<ul style="list-style-type: none"> <li>Inclusion in monthly board packet</li> </ul>	2.1 3.3, 3.4, 3.5
10. <b><u>District Office Modifications</u></b> Continue to improve office space efficiency for staff as well as replacement of covered parking structure.	<ul style="list-style-type: none"> <li>Explore more creative, cost-effective office space solutions.</li> <li>Replace degraded carpet throughout district office</li> <li>Upgrade existing public restrooms</li> <li>Replace covered parking due to structural deficiencies</li> <li>Replace decades-old furniture and fixtures</li> </ul>	4.2
11. <b><u>Capital Project Delivery (CIP) Improvements*</u></b> Prepare needs assessment and implement a plan to improve overall CIP delivery timeframes. Develop District standard drawings, technical specifications, AutoCad standards, etc. Review current bidding procedures and implement any needed changes.	<ul style="list-style-type: none"> <li>Contract with consultant to develop standard drawings, technical specification library and AutoCad Standards</li> <li>Review public bidding process and implement necessary changes</li> <li>Review construction phase process and standardize procedures for inspections, daily reporting, change order processing and project closeout</li> </ul>	1.4 3.2
12. <b><u>Audit of Internal Controls</u></b> Partner with another member agency to receive a review of internal controls. TVMWD staff will likewise provide the same service for the other agency.	<ul style="list-style-type: none"> <li>Providing reassurance to the board that the internal controls are appropriate</li> </ul>	3.1 4.1
13. <b><u>Financial/Human Resources Software Replacement Planning</u></b> Tyler Technologies is no longer doing R&D to improve our EDEN financial software. Support provided by Tyler had degraded. Identify options to transition from EDEN.	<ul style="list-style-type: none"> <li>Staff will disseminate RFP that includes requirements of a new financial and human resources software.</li> <li>Staff will select new vendor and establish a timeline for implementation, tentatively planned for fall 2021.</li> </ul>	4.1
14. <b><u>Job Continuity Guidelines</u></b> Work with administrative staff to finalize and maintain job continuity guidelines for each individual job classification.	<ul style="list-style-type: none"> <li>All job classifications completed in 2019</li> <li>Provide presentation of expectations and why needed</li> <li>Managers work with staff to complete handbooks</li> </ul>	4.2
15. <b><u>Emergency Response</u></b> Continue to work with PWAG and conduct internal tabletop exercise and “surprise” drill (May 2020). Implement additional NIMS/SEMS training and develop ICS form library and EOC supplies.	<ul style="list-style-type: none"> <li>EOC hands-on drill planned for May 2020 with a total of three (3) drills per year</li> <li>Train staff on specific roles in EOC</li> <li>Schedule SEMS/NIMS training for staff</li> </ul>	1.4, 1.5 3.5

## PLANNED ACTIVITIES

Activity	Success Measure	District Strategic Objectives
16. <b><u>Geographical Information Systems (GIS) Implementation</u></b> Develop and institute GIS District wide to improve workflow efficiencies and improve asset management capabilities.	<ul style="list-style-type: none"> <li>• Assess/correct performance issues with consultant</li> <li>• Develop GIS based applications to improve efficiency of operations and engineering tasks</li> <li>• Implement Asset Management with GIS</li> <li>• Cloud based server</li> </ul>	1.4 4.3
17. <b><u>Information Technology Master Plan</u></b> Develop planning documentation and institute practices for the management of the district's hardware and software programs	<ul style="list-style-type: none"> <li>• Assess &amp; align software program versions</li> <li>• Revamp hardware rotation schedule</li> <li>• Review/modify IT contracts and subscriptions</li> <li>• Manage security camera systems</li> <li>• Place physical backup server in EOC</li> <li>• Assess current cyber-attack risks and improve protections</li> </ul>	4.1, 4.3
18. <b><u>District Website Upgrade</u></b> Investigate the need and potential for improving the District's new website for visual and navigational enhancements.	<ul style="list-style-type: none"> <li>• Seek improvements to the new website to improve transparency by the public and information access by member agencies</li> </ul>	3.2, 3.3, 3.4 4.3
19. <b><u>MWD Rialto Feeder PCCP Rehabilitation*</u></b> Explore options to maintain service to Miramar and other member agencies for long term 6 to 9 month shutdowns for Rialto Feeder for PCCP repairs/replacement.	<ul style="list-style-type: none"> <li>• Pursue a regional project alternative that benefits multiple agencies</li> <li>• Develop short list of potential projects</li> <li>• Execute non-binding LOI with all parties</li> <li>• Collaborate with MWD on regional solution and funding mechanisms</li> </ul>	1.3, 1.5 2.4
20. <b><u>Regional Recycled Water Project (Carson Project) *</u></b> Pursue potential capacity in the Carson Project for recharge in the Main San Gabriel Basin	<ul style="list-style-type: none"> <li>• Execute non-binding LOI among MWD, USGVMWD, and MSGBWM with a potential range of capacity of take of advanced treated water</li> <li>• Pursue agreement with PBWA for capacity in Carson Project</li> </ul>	1.1, 1.3, 1.5 2.4 3.4 3.5



## Board of Directors Staff Report

**To:** TVMWD Board of Directors  
**From:** Matthew H. Litchfield, General Manager   
**Date:** June 3, 2020  
**Subject:** State Lobbyist Letter Agreement

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

**Discussion:**

Leading into the current 2019-20 fiscal year, the district requested an updated contract for ongoing state legislative lobbying services from Arnold & Associates in Sacramento.

Exhibit C of the current agreement between Arnold & Associates and the district provides that the agreement may be extended each year upon review and approval by the TVMWD board (agreement attached).

Arnold & Associates has provided the attached “Letter Agreement” to be their consent to continue the current agreement for an additional year, covering the time period July 1, 2020 to June 30, 2021.

Staff has been pleased with the service value, communication level and regular updates provided by the lobbyist throughout the year and would like to bring this item back to the board for consideration of approval at the June 17 board meeting.

**Strategic Plan Objective(s):**

- 3.3 – Be accountable and transparent with major decisions
- 3.5 – Ensure that all of the region’s local government policy makers understand TVMWD’s role in the delivery of water.

**Attachment(s):**

- Exhibit A – Professional Services Agreement – M.J. Arnold & Associates
- Exhibit B – Letter Agreement – M.J. Arnold & Associates

**Meeting History:**

None

KH/ML

**AGREEMENT  
FOR PROFESSIONAL SERVICES  
BETWEEN  
THREE VALLEYS MUNICIPAL WATER DISTRICT  
AND  
MICHAEL J. ARNOLD AND ASSOCIATES, INC.**

This Agreement is made and entered into as of July 1, 2019, by and between THREE VALLEYS MUNICIPAL WATER DISTRICT (hereinafter referred to as “District”) and MICHAEL J. ARNOLD AND ASSOCIATES, INC. (hereinafter referred to as “Consultant”).

**WITNESSETH:**

WHEREAS, District is in need of professional services for state legislative advocacy as described in Section 1 of this Agreement (hereinafter referred to as “Project”);

WHEREAS, Consultant is duly licensed, qualified; and willing to provide such services to the District; and

WHEREAS, this Agreement establishes the terms and conditions for the District to retain Consultant to provide the services described herein.

**AGREEMENT:**

NOW, THEREFORE, in consideration of the faithful performance of the terms and conditions set forth herein, the parties hereto agree as follows:

**1. SERVICES**

Consultant shall provide professional services as described in the Scope of Work attached hereto as Exhibit A and incorporated herein by this reference. Such work expressly includes all related services ordinarily provided by Consultant under same or

similar circumstances and/or is necessary to satisfy the requirements of Section 6 of this Agreement.

### **2. AUTHORIZATION**

Authorization for Consultant to proceed with all or a portion of the work described in Exhibit A will be granted in writing by the District pursuant to a Notice to Proceed which shall be issued as soon as both parties hereto sign this Agreement and all applicable insurance documents required by Section 14 hereof have been received and approved by the District. Consultant shall not proceed with the work until so authorized and shall commence work immediately upon receipt of the Notice to Proceed.

### **3. PAYMENT**

Subject to Consultant's performance of its obligations under this Agreement to the satisfaction of the District, District shall pay for such services in accordance with the Payment Schedule attached hereto as Exhibit B (and incorporated herein by this reference) for the term of this Agreement as set forth in the Time Schedule attached hereto as Exhibit C (and incorporated herein by this reference). Consultant shall submit monthly statements for services rendered and for reimbursable expenses incurred. Invoices shall be accompanied by backup documentation for direct costs. Direct costs shall be paid by the District at cost without markup.

If the invoices submitted are determined by the District to be sufficient, the District shall pay statements within thirty (30) days of receipt. Invoices shall be subject to review for compliance by the District with the requirements of this Agreement and shall be subject to audits at any time. No other compensation will be paid by the District except for service

performed in accordance with an amendment to this Agreement as provided in Section 12 herein.

Consultant shall, at no cost to District, prepare any necessary rework occasioned by Consultant's or sub consultant's negligent act or omission due substantially to Consultant's or sub consultant's fault.

**4. TIME OF PERFORMANCE**

Consultant shall perform services in a prompt, timely, and professional manner. Time is of the essence in this Agreement.

**5. DUTIES OF THE DISTRICT**

District, without cost to Consultant, will provide all reasonably-available pertinent information necessary for Consultant to perform its obligations under this Agreement. District does not guarantee or ensure the accuracy of any reports, information, and/or data so provided. To the extent that any reports, information, and/or other data so provided was supplied to District by persons who are not employees of District, any liability resulting from inaccuracies and/or omissions contained in said information shall be limited to liability on behalf of the party who prepared the information for District. Neither District's review, approval, or acceptance of, nor payment for, any of the services shall be construed as a waiver of any rights under this Agreement or of any defense or cause of action which it may have arising out of the performance of this Agreement.

**6. STANDARD OF CARE**

Consultant's services under this Agreement will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the same profession currently

practicing under similar conditions. The Consultant shall observe and cause all work and deliverables to conform to all applicable federal, state and local laws and regulations.

### **7. ORGANIZATION**

Consultant designates Michael J. Arnold as Project Manager to provide supervision and have overall responsibility for Consultant's performance under this Agreement. The Project Manager shall not be removed from the project or reassigned without prior approval of the District.

### **8. DELIVERABLES**

All original documents, reports, and other written material developed for the Project shall be furnished to and become the property of the District. Consultant agrees that the District will have access to, and the right to examine any pertinent documents, papers, and records in the Consultant's possession for any activity relating to this Agreement. Consultant shall have the right to make a copy of deliverables for its records.

### **9. STATUS OF THE CONSULTANT**

Consultant shall perform the services provided for herein as an independent contractor, and not as an employee of the District. The District shall have ultimate control over the work performed for the Project. Consultant shall not be entitled to participate in any pension plans, insurance coverage, bonus, stock, or similar benefits that the District provides for its employees.

Payments made to Consultant pursuant to this Agreement shall be the full compensation to which Consultant is entitled. The District shall not make any federal or state tax withholdings nor pay any workers' compensation insurance on behalf of Consultant. Consultant shall indemnify the District for any tax, retirement contribution,

social security, overtime payment, or workers' compensation payment which the District may be required to make on behalf of Consultant or any employee of Consultant for work performed under this Agreement.

**10. ASSIGNMENT AND SUBCONTRACTING**

Consultant shall not assign, sublet, or transfer this Agreement, or any rights under or interest in this Agreement, without the written consent of the District. Nothing contained herein shall prevent Consultant from employing independent professional associates, sub consultants, and subcontractors as Consultant may deem appropriate to assist in the performance of services hereunder.

If Consultant subcontracts any of the work to be performed, Consultant shall be as fully responsible to the District for the performance of the work, including errors and omissions of Consultant's sub consultants and of the persons employed by the sub consultant, as Consultant is for the acts and omissions of persons directly employed by the Consultant. Nothing contained in this Agreement shall create any contractual relationship between any sub consultant of Consultant and the District. Consultant shall bind every sub consultant and every sub consultant of a sub consultant by the terms of this Agreement applicable to Consultant's work unless specifically noted to the contrary in the subcontract in question approved in writing by the District.

**11. SUCCESSORS OR ASSIGNS**

Subject to the provisions of Section 15 of this Agreement, all terms, conditions, and provisions hereof shall inure to and shall bind each of the parties hereto, and each of their respective heirs, executors, administrators, successors, and assigns.

**12. CHANGES IN WORK**

If changes in the work seem merited by Consultant or District, and informal consultations indicate that a change is warranted, it shall be processed in the following manner: A letter outlining and justifying the changes shall be forwarded to the District by Consultant with a statement of estimated changes in fee and schedule. If the change is approved the District, an amendment to this Agreement shall be prepared by the District and executed by both parties prior to the performance of such services, or the District will not be required to pay for such changes. Such amendment shall not render ineffective or invalidate any unaffected portions of this Agreement.

**13. TERMINATION OR ABANDONMENT**

If the engagement of Consultant is not extended by the mutual written consent of the District and Consultant, then this Agreement shall automatically expire on the latest date set forth in the Time Schedule attached hereto as Exhibit C.

Notwithstanding the above, the District may terminate this Agreement or abandon any portion of the work by giving ten (10) calendar days written notice thereof. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar day's written notice only in the event of substantial failure by the District to perform in accordance with the terms of this Agreement through no fault of Consultant.

In the event of termination or abandonment of any portion of the Project, the District shall be given title immediately to all original records and other documents developed for that portion of the work. The District shall pay Consultant for services performed for any portion of the work being terminated which were rendered prior to termination. If

termination occurs prior to completion of any task for which payment has not been made, the fee for services performed during such task shall be based on an amount mutually agreed to by the District and Consultant. However, such payments available to Consultant under this Section shall not include costs related to lost profits associated with the expected completion of the Project or other such payments related to Consultant's benefit of the bargain.

### 14. **INSURANCE**

Consultant shall procure and maintain during the performance of this Agreement policies of insurance as follows:

*Workers' Compensation:* Consultant shall maintain Workers' Compensation insurance, as required by law in the State of California, and Employers' Liability Insurance (including disease coverage) in an amount not less than \$1,000,000.00 per occurrence.

*General Liability:* Consultant shall maintain general liability insurance including provisions for contractual liability, independent contractors, and broad form property damage coverage. This insurance shall be on a comprehensive, occurrence basis form with a standard cross liability clause and endorsement (ISO CG 2010 or equivalent). The limit for this insurance shall be not less than \$1,000,000.00 per occurrence, combined single limit for bodily injury and property damage.

The premiums for said insurance coverage shall be paid by Consultant. Insurers shall have at least an AA, VII policyholder's rating in accordance with the current Best's Key Rating Guide or equivalent. In addition, any and all insurers must be authorized to conduct business in the State of California, as evidenced by a listing in the official publication of the Department of Insurance of the State of California.

Certificates of insurance and endorsements, acceptable to the District and verifying the insurance coverage required by this Agreement, shall be filed with the District within five (5) calendar days of execution of this Agreement and prior to issuance of a Notice to

Proceed. The District reserves the right to require complete and accurate copies of all insurance policies required under this Agreement. These policies shall be primary insurance as to the District so that any other coverage held by the District shall not contribute to any loss under Consultant's insurance.

### **15. INDEMNITY - HOLD HARMLESS**

Consultant shall defend, indemnify, protect, and hold the District and its agents, officers, and employees harmless from and against any and all liability established for damages and/or injuries to any person or property, including injury to the Consultant's or its sub consultant's employees, agents, or officers which arise from or are connected with or are caused by the acts or omissions of the Consultant and its sub consultants and their agents, officers, or employees in performing the services herein, and/or have been suffered or incurred on account of any breach of the covenants contained herein by Consultant or its employees, agents, or sub consultants, and all expenses of investigating and defending against same; provided, however, that the Consultant's duty to indemnify and hold harmless shall not include any claims or liability arising from the sole or active negligence or willful misconduct of the District, its agents, officers, or employees.

Where approval by the District is indicated, it is understood to be conceptual approval only and does not relieve the Consultant of responsibility for complying with all laws, codes, industry standards, and liability for damages caused by negligent acts, errors, omissions, noncompliance with industry standards, or the willful misconduct of the Consultant or its sub consultants. Consultant agrees to defend, indemnify, and hold harmless the District, its officers, agents, and employees from and against any and all claims, costs, suits, and damages, including attorneys' fees, arising from the willful

misconduct or negligent acts, errors, or omissions of the Consultant and its sub consultants.

**16. LAWS AND VENUE**

This Agreement shall be construed as if it was jointly prepared by both parties hereto, and any uncertainty or ambiguity contained herein shall not be interpreted against the party drafting same. This Agreement shall be enforced and governed by and under the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Los Angeles, State of California. In the event of any such litigation between the parties, the prevailing party shall be entitled to recover, in addition to such other relief as may be granted, all related litigation and collection costs incurred, including reasonable attorneys' fees, as determined by the court.

Arbitration may be attempted if both parties mutually agree before, during or after litigation has begun.

**17. NONDISCRIMINATION**

Consultants doing business with the District are expected to be equal opportunity employers who attempt to achieve parity in the representation of women and minorities in their work force. The Consultant is to ensure equal employment opportunity for all persons, regardless of race, color, religion, sex, creed, national origin, ancestry, age, medical condition, physical or mental disability, Vietnam-era veteran or special disabled veteran status, marital status, or citizenship, within the limits imposed by law. These principles are to be applied by the Consultant in all employment practices including recruiting, hiring, transfers, promotions, training, compensation, benefits, layoffs, and terminations. The

Consultant also agrees to comply with Title VII of the Civil Rights Act of 1964, as amended, the California Fair Employment Practices Act, the Americans with Disabilities Act of 1990, and other applicable federal and state laws and regulations.

**18. REPRODUCTION RIGHTS**

Consultant agrees that all rights, title, royalties, copyrights, and interest in all work which may arise from its performance of services pursuant to this Agreement shall be vested in the District, and Consultant hereby agrees to relinquish all claims to such rights in favor of the District.

**19. COVENANTS AGAINST CONTINGENT FEES**

Consultant agrees that its firm has not employed or retained any person, other than a bona fide employee of Consultant, to solicit or secure this Agreement, and that Consultant has not paid any person, other than a bona fide employee, any fee, commission, percentage, gift, or other consideration contingent upon, or resulting from, the award of this Agreement.

**20. INTEGRATION AND PARTIAL INVALIDITY**

This Agreement represents the entire understanding of the District and Consultant as to those matters contained herein. No prior oral or written understanding shall be of any force or effect. This Agreement may not be modified or altered except in writing signed by the District and Consultant.

If any term, covenant, condition or provisions of this Agreement is found by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated thereby.



23. **AUTHORITY**

The individuals executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date written above.

*MICHAEL J. ARNOLD & ASSOCIATES, INC.*

*THREE VALLEYS MUNICIPAL WATER DISTRICT*

By: \_\_\_\_\_  
Michael J. Arnold  
Legislative Advocate

By: \_\_\_\_\_  
Matthew Litchfield  
General Manager/Chief Engineer







**Arnold and Associates, Inc.**

Legislative Advocates and Consultants

Phone: (916) 446-2646 ♦ Fax: (916) 446-6095 ♦ 1127 11th Street, Suite 820, Sacramento, CA 95814

May 13, 2020

Matthew Litchfield, General Manager  
Three Valleys Municipal Water District  
1021 E. Miramar Avenue  
Claremont, CA 91711

Re: Letter Agreement to Continue Legislative Representation Services

Dear Matt:

Exhibit C of the current agreement between Arnold & Associates and Three Valleys Municipal Water District (TVMWD) provides that the agreement may be extended.

Please consider this “Letter Agreement” to be our consent to a continuation of the current agreement for an additional year. The current agreement covers the time period July 1, 2019- June 30, 2020. Thus, the new agreement, including the same terms, would cover the time period July 1, 2020 – June 30, 2021.

Thank you for your consideration. We look forward to continuing to represent the interests of TVWMD here in Sacramento.

Sincerely,

*Michael J. Arnold*

Michael J. Arnold  
Legislative Advocate

Cc: Kirk Howie, Chief Administrative Officer



## Board of Directors Staff Report

**To:** TVMWD Board of Directors  
**From:** Matthew H. Litchfield, General Manager   
**Date:** June 3, 2020  
**Subject:** **SCADA Software Upgrade**

---

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

---

### **Staff Recommendation:**

#### **Information Only**

#### **Discussion:**

Staff is looking to upgrade to the latest SCADA software, as our current version is no longer supported. The latest version provides several necessary features, such as better tablet/mobile interface and a robust historian database. The historian will allow information from the SCADA system to be gathered automatically and stored in a secure environment outside of the business software. In addition, the data being collected will allow staff to better understand historical demand patterns, increase ability to predict water sales, increase operational efficiency, and better manage future capital improvement projects needs. The data will be safely shared between Operations and Engineering, increasing efficiency, report generation, and documentation for compliance documents. The mobile/tablet interface will move TVMWD in an efficient direction long into the future.

TVMWD has been offered a \$10,000 discount on the software due to Covid-19 and new competition within the market. We recommend taking advantage of this opportunity now.

Prime Systems, TVMWD's SCADA system service provider, has provided the following breakdown of costs for this purchase:

Wonderware System Platform Software & Licensing	\$ 50,000
Programming Labor	50,000
SCADA Servers (2)	30,000
Thin Manager Software (remote access & management)	10,000
Thin Manager enabled Thin Clients	4,000
Microsoft Licensing	2,000
Miscellaneous	<u>4,000</u>
<b>Total</b>	<b>\$150,000</b>

This purchase was anticipated for some time in the future but not budgeted for FY 19/20 or 20/21. Attached is a budget amendment to fund this purchase utilizing budget that was originally dedicated to install a residual control system at the Fulton Reservoir to maintain disinfectant levels at the outer edges of the system. Now after operating the Fulton Reservoir for a few years, staff feels the residual control system is not necessary.

**Strategic Plan Objective(s):**

- 1.4 – Maintain water infrastructure to assure 100% reliability
- 3.3 – Be accountable and transparent with major decisions
- 4.3 – Increase use of technology to secure information and keep current with industry standards

**Attachment(s):**

Exhibit A – Budget Amendment for SCADA Software Upgrade

**Meeting History:**

None

NA/SL/JL



# BUDGET AMENDMENT

To: Finance Department

Fiscal Year: 19/20

From: Operations Department  
Department

Date: 6/17/2020

Subject: SCADA Software Upgrade

Please process this request and distribute the budget amendment as follows:

## Expenditure Amendment

Ref No.	Line Item Description	Account Number	FY Budget (\$)			Reserve Funds (\$)		
			Existing	Change (+/-)	Revised	Existing	Change (+/-)	Balance
1	SCADA Modifications & Upgrades	20.21.58144	0	150,000	150,000			0
2	Fulton-Residual Control System	20.21.58465	200,000	(150,000)	50,000			0
3					0			0
4					0			0
5					0			0
6					0			0
7					0			0
8					0			0
9					0			0
10					0			0
<b>NET CHANGE:</b>				\$0			\$0	

**Attach staff report, motion, committee and/or board minutes associated with this budget amendment**

- Amendment Procedure**
1. If required by District policy, General Manager requests Board approval of budget amendment. Request to amend budget must be included in the staff report.
  2. Upon Board approval, the Finance Department secures all necessary signatures to complete the Budget Amendment form. The staff report and board minutes, if any, should be attached to the form.
  3. Finance Department maintains all appropriate documentation and processes the budget entry.
  4. A fiscal year file will also be kept to hold all budget amendment forms for auditor review.

	YES	NO	
Committee Review:	<input type="checkbox"/>	<input type="checkbox"/>	Date: _____
Board Approval:	<input type="checkbox"/>	<input type="checkbox"/>	Date: _____
_____			Date: _____
Chief Finance Officer Signature			
_____			Date: _____
General Manager Signature			

**Finance Dept Use Only**

Date Received	
Board Report Date	
Motion #	
Date Posted	
Posted By	

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, June 3, 2020 – 8:00 a.m.**

**SPECIAL NOTICE OF TELECONFERENCE ACCESSIBILITY**

Pursuant to the provisions of Executive Order N-29-20 issued by Governor Newsom in response to the COVID-19 outbreak and as a precaution to our Board of Directors, staff and the public, Three Valleys MWD will hold its Board meeting via teleconference. The public's physical attendance at the district is not allowed. The public may participate in the teleconference by clicking on the link below:

**<https://attendee.gotowebinar.com/register/7221362980342183179>**

*(Dial-in instructions are provided after registering at the link above)*

Any member of the public wishing to participate in Public Comment may do so by filling out the speaker's card at the following link: **<https://arcg.is/0z5GqO>**

*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 – Roll Call**

**Executive  
Assistant**

**Item 3 – 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 4 – Reorder Agenda**

**Kuhn**

**Item 5 – 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 6 – Presentations**

**6.A** – Mr. Edgar Tellez Foster of Chino Basin Watermaster, will provide an update on the CEQA evaluation of the Optimum Basin Management Program (OBMP) Implementation Plan.

**6.B** – Mr. Michael Arnold and Ms. Kristi Foy of Michael J. Arnold & Associates, will provide a state legislative update.

### **6.C – Legal Update: Annual Sunshine Ordinance Review – [enc]**

**Kennedy**

General Counsel Steve Kennedy will provide a presentation to include updates to the Ralph M. Brown Act and other statutory and regulatory requirements the District must comply with. The Board will also complete their annual review of the TVMWD's Sunshine Ordinance and make recommendations.

## **Item 7 – Public Meeting FY 2020-21 Standby Charge – [enc]**

**Kuhn**

The Board will convene a public meeting to consider any comments or testimony regarding the FY 2020-21 Standby Charge. Final action to adopt the standby charge will not be taken at the public meeting; adoption will be considered by the Board following the public hearing scheduled for June 17, 2020 at 8:00 a.m. Pursuant to Government Code 6063, this public meeting was noticed in newspaper(s) of general circulation, Inland Valley Daily Bulletin and San Gabriel Valley Tribune, on April 29, May 6 and May 13, 2020. Copies of the notice are available upon request.

- A. Open public meeting
- B. Request staff report
- C. Public testimony
- D. Close public meeting

## **Item 8 – 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.*

### **8.A – Resolution No. 20-06-DRAFT for FY 2020-21 Standby Charge – [enc]**

**Linthicum**

The Board will review Resolution No. 20-06-DRAFT regarding the imposition of a Water Standby Charge for FY 2020-21.

### **8.B – Modified Board Meeting Schedule – [enc]**

**Litchfield**

The Board will review and consider its summer schedule and provide direction to staff for future action. The Board may direct staff to return this item to the June 17, 2020 Board meeting for consideration of approval.

**8.C – Cyclic Storage Agreement Among the Metropolitan Water District of Southern California, Three Valleys MWD and Main San Gabriel Basin Watermaster – [enc]**

Litchfield

The Board will be provided an update on the Cyclic Storage Agreement between Metropolitan Water District, Three Valleys MWD and Main San Gabriel Basin Watermaster. The Board may direct staff to return this item to the June 17, 2020 Board meeting for consideration of approval.

**8.D – Review of FY 2020/2021 General Manager’s Work Plan – [enc]**

Litchfield

The Board will review the General Manager’s Work Plan for Fiscal Year 2020/2021. The Board may direct staff to return this item to the June 17, 2020 Board meeting for consideration of approval.

**8.E – State Lobbyist Letter Agreement – [enc]**

Howie

The Board will review the District’s state lobbyist letter agreement. The Board may direct staff to return this item to the June 17, 2020 Board meeting for consideration of approval.

**8.F – SCADA Software Upgrade – [enc]**

Kellett

The Board will consider a budget amendment to allocate funds to upgrade the SCADA software. The Board may direct staff to return this item to the June 17, 2020 Board meeting for consideration of approval.

**8.G - Urban Water Management Plan 2020**

Kellett

**Item 9 – Future Agenda Items**

Kuhn

**Item 10 – Adjournment and Next Meeting**

Kuhn

The Board will adjourn to a regular Board Meeting on Wednesday, June 17, 2020 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).*

## BRUNICK, MCELHANEY &amp; KENNEDY

PROFESSIONAL LAW CORPORATION

1839 COMMERCENTER WEST

SAN BERNARDINO, CALIFORNIA 92408

TELEPHONE: (909) 889-8301

FAX: (909) 388-1889

WILLIAM J. BRUNICK  
LELAND P. MCELHANEY  
STEVEN M. KENNEDY

MAILING ADDRESS:

POST OFFICE BOX 13130

SAN BERNARDINO, CALIFORNIA 92423-3130

May 29, 2019

TO: Board of Directors  
THREE VALLEYS MUNICIPAL WATER DISTRICT

FROM: Steven M. Kennedy, General Counsel

RE: Legal Update – Annual Sunshine Ordinance Review

The purpose of this memorandum is to advise the Board with respect to judicial developments in connection with the above-referenced matter.

In this regard, the following cases address and interpret various provisions of the Ralph M. Brown Act (Government Code Section 54950 et seq.). While these cases are illustrative of the necessity of the District to take special care in the manner in which agendas are prepared and followed at Board meetings, it does not appear that these opinions would warrant any substantive changes to the District's Sunshine Ordinance (a copy of which is attached hereto) at this time.

**Olson v. Hornbrook Community Services District, 33 Cal. App. 5<sup>th</sup> 502 (2019)**

Roger Gifford and Kimberly Olson sued the Hornbrook Community Services District regarding various issues with the District's posted agendas for three Board meetings. First, for the District's August 16, 2016 meeting, the agenda indicated that the District would be considering payment of the quarterly premium for the State Compensation Insurance Fund. The agenda indicated that the quarterly premium amounted to \$285.75. However, when the item came up for discussion at the August meeting, the Board Secretary indicated that she had received additional communications from the State Compensation Insurance Fund and that the amount of the quarterly premium would be higher than the amount stated on the agenda. Without offering any explanation as to why the amount changed, the Secretary insisted the District approve the new demand for payment.

Second, for the District's September 20, 2016 meeting, the agenda indicated that the District would be approving and authorizing signatures for various bills listed on the agenda. The list included payment to an individual for his services for an unspecified amount, but did not include an AT&T bill. At the meeting, the Secretary announced that she had not included a bill from AT&T that she wanted to add to the agenda. The Secretary also filled in the amount of the payment for the individual on the blank space of the agenda, without any motion or vote to do so.

TVMWD Board of Directors

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Third, for the District's January 27, 2017 meeting, the agenda allowed for public comment at the start of the meeting "on any matter within the jurisdiction of the [District] that is NOT ON THE AGENDA ... Any person wishing to address the [District] on an item ON THE AGENDA will be given opportunity at that time." The agenda also indicated that the District would be approving bills and authorizing signatures for District expenses received through January 24, 2017. Members of the public objected that the District was violating the Brown Act because individuals who wished to comment on agenda items were required to sit through the entire meeting until those items came up for discussion. The Secretary indicated that she did not believe the District's conduct was in violation of the Brown Act and that the District would continue with its practice regarding public comment.

Following each meeting, the individuals each sued the District for violating the Brown Act. They claimed that the District failed to adequately describe several items it acted on, and unreasonably limited public comment. The trial court dismissed all of their claims, and they appealed.

The Court of Appeal concluded that the individuals had valid claims as to the August and September 2016 agendas, but not as to the January 2017 agenda. For the January 2017 agenda, the Court found that the description indicating that the District would be approving bills and authorizing signatures for District expenses received through January 24, 2017 "leaves no confusion as the essential nature of the District's action" and because the District actually took the action it described. Further, the Court of Appeal noted that noting in the Brown Act prohibits the District from restricting comment on items appearing on the agenda until the items come up for discussion.

For the August 2016 agenda, the Court reasoned that the District's agenda adequately communicated the essential nature of its action - to discuss and approve payment to the State Compensation Insurance Fund. The Court noted that a difference in the amount of payment was insignificant because "[t]hose interested in the payment had notice that it was going to be discussed and acted upon ... and could attend the meeting and participate in the Board's action regardless of the amount to be paid." However, the Court determined that even though the agenda description was in compliance, the individuals could still pursue the allegation that the District took an action different from what it notified the public it would take when it authorized a higher payment for the State Compensation Insurance Fund premium. The Court noted that while those interested in this item would know to attend the August 2016 meeting, "those interested in the particulars ... may be persuaded not to attend the meeting in reliance on the [District's] assurance of the scope of the action it would take."

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With regard to the September 2016 agenda, the Court found that the individuals could challenge the sufficiency of the agenda description because it specifically stated that the District would be approving a specific list of payments. The Court reasoned that those interested in payments not listed would not know to attend the September 2016 meeting so they could comment on the subject.

**Ribakoff v. City of Long Beach, 27 Cal. App. 5<sup>th</sup> 150 (2018)**

As was his frequent practice, Joe Ribakoff attended a Long Beach Public Transportation Company (LBTC) board meeting as an interested citizen. LBTC's lone shareholder is the City of Long Beach, and LBTC operates as a public entity. During the public comment period, Ribakoff spoke for the three minutes that an LBTC ordinance grants members of the public to address the Board. When Ribakoff attempted to speak a second time, after the close of public comment, he was denied the opportunity to speak further and his microphone was cut off. An LBTC representative testified that Ribakoff became argumentative and appeared to approach the dais where the Board was seated. A police officer was summoned and told Ribakoff that if he disrupted the meeting again, he would be arrested for violation of a city ordinance prohibiting disturbance or interruption of a Board meeting.

Ribakoff sued the Board, arguing that the ordinance violates the First Amendment, and that its three-minute speaking limit violates the Brown Act and the First Amendment.

To support his argument that the ordinance's prohibition on disturbance or interruption of a Board meeting violated the First Amendment, Ribakoff pointed to precedent suggesting that an ordinance is unconstitutional if interpreted to allow an arrest based on the content of the disruption. However, that precedent also found that an ordinance is constitutional if it is construed to be a content-neutral "time and place" restriction. The court construed the challenge ordinance to be a legitimate "time and place" regulation that only penalized speech based on whether it was disrupting the meeting, not on what was being said.

The Brown Act permits a public agency's governing board to adopt reasonable time limitations to ensure adequate opportunity for public comment, but prohibits the board from censoring public criticism of it. Ribakoff argued that the three-minute limit is not reasonable because the Board used it for a purpose other than time limitation - it allowed the Board to censor his criticism. However, the Court found no evidence to support this argument. The Board did not stop Ribakoff from speaking during his initial three minutes, despite his critical statements. It was only when he attempted to speak after his three minutes had expired that he was restrained from speaking further.

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Ribakoff also claimed that the time limit is unreasonable because the three-minute limitation applies only to public comment and not the Board or its invited speakers. The Court disagreed, pointing out the difference in purpose between public comments and Board or invited presenter speech. When the Board or its invited presenters speak, it is for the benefit of the public. The Board regulates the number and length of these presentations, and ensures that they do not take more time than necessary. Conversely, public comment is potentially unlimited depending on how many members of the public are at the meeting, so a reasonable time limitation is justified.

The Court recognized that board meetings are open to the public, yet are still governmental processes with an agenda and a purpose. Therefore, limitations for the purposes of keeping the board on schedule and on topic are justified.

If any member of the Board has any questions or comments, please feel free to address them to me as appropriate.

Enclosure (Ordinance No. 13-04-20)

**ORDINANCE NO. 13-04-20**

**AN ORDINANCE OF THE BOARD OF DIRECTORS  
OF THE THREE VALLEYS MUNICIPAL WATER DISTRICT  
CONCERNING THE CONDUCT OF ITS PUBLIC MEETINGS**

WHEREAS, the Board of Directors of the Three Valleys Municipal Water District finds as follows:

A. The Three Valleys Municipal Water District (“the District”) is a municipal water district organized and operating pursuant to California Water Code Section 71000 et seq.

B. The District is governed by an elected Board of Directors (“the Board”) whose meetings are subject to the requirements of the Ralph M. Brown Act, California Government Code Section 54950 et seq. (“the Brown Act”).

C. On March 7, 2001, the Board adopted Ordinance No. 3-01-8 in order to clarify and supplement the Brown Act and to ensure that the Board’s deliberations and the District’s operations are open to the public to the full extent permitted by law.

D. On May 7, 2001, the Board adopted Ordinance No. 5-01-9 which amended Ordinance No. 3-01-8 to impose further requirements upon itself which allow greater access to the meetings of the Board than prescribed in the Brown Act.

E. On February 22, 2002, the Board adopted Ordinance No. 02-02-11 which further amended Ordinance No. 3-01-8 with respect to the date, time, and place of the Board’s regular meetings.

F. On June 25, 2003, the Board adopted Ordinance No. 6-03-12 which further amended Ordinance No. 3-01-8 with respect to closed session agenda descriptions and the date, time, and place of the Board’s regular meetings.

G. On May 19, 2004, the Board adopted Ordinance No. 05-04-13 which further amended Ordinance No. 3-01-8 with respect to the date, time, and place of the Board's regular meetings, and consolidated all of the amendments to Ordinance No. 3-01-8 into a single comprehensive document.

H. On January 18, 2012, the Board adopted Ordinance No. 12-01-19 which amended Ordinance No. 05-04-13 with respect to the dates of the Board's regular meetings and the posting of its agendas.

I. The purpose of this ordinance is to modify the closed session descriptions attached hereto as Exhibit A so as to maintain compliance with recent statutory amendments to the Brown Act and to ensure that the Board's deliberations are performed in a manner that reflect a dedication to the highest standards of integrity and accountability so as to continue to earn the trust and confidence of the parties served by the District.

THEREFORE, THE BOARD OF DIRECTORS of the Three Valleys Municipal Water District does hereby adopt and ordain as follows:

Section 1. **COMPLIANCE WITH STATUTORY REQUIREMENTS.**

All meetings of the Board and all committees thereof shall be conducted in compliance with all applicable requirements of the Brown Act.

Section 2. **ADDITIONAL REQUIREMENTS.**

2.1. **Regular Meetings.** Pursuant to Government Code Section 54954(a), all regular meetings of the Board shall be held at 8:00 a.m. on the first and third Wednesdays of each month at the District offices located at 1021 East Miramar Avenue, Claremont, California, unless otherwise provided in the agenda that is prepared and posted therefor in accordance with Section 2.3 hereof.

2.2. **Special Meetings.** Special meetings of the Board may be called from time to time and will be conducted in accordance with Government Code Section 54956. The Board shall not add any non-agendized item to the agenda of a special meeting. Further, no agenda for a special meeting shall provide an opportunity for the Board to consider the possible addition of any non-agendized item to the agenda.

2.3. **Agendas.**

2.3.1. **Descriptions.** The agenda for all Board meetings and all committee meetings that are open to the public shall contain a brief, general description of each item of business to be transacted or discussed during the meeting and shall avoid the use of undefined abbreviations or acronyms not in common usage and terms whose meaning is not known to the general public. The agendas may refer to explanatory documents, including but not limited to correspondence or reports, within the written material prepared and/or forwarded by District staff to the Board concerning the subject matter of any agenda item. The description of an agenda item is adequate if it is sufficiently clear and specific to alert a person whose interests are affected by the item that he or she may have reason to attend the meeting or seek more information about the item.

2.3.2. **Additions.** The Board shall not discuss or take action on any item not appearing on the posted agenda for the meeting unless otherwise authorized by the Brown Act. All findings and/or determinations required by Government Code Section 54954.2(b) shall be expressly made by the Board and duly reflected in the minutes of the meeting.

2.3.3. **Public Comment.** The agenda for all meetings of the Board shall include an item for Public Comment so as to provide an express opportunity for members of the public to directly address the Board in accordance with the requirements of Government Code Section 54954.3(a) prior to the Board's consideration of the merits of any item placed on the agenda. In

the event that a motion is made to reorder the agenda, or add an item to the agenda, or otherwise take any Board action prior to the Public Comment portion of the agenda, the President of the Board shall ask any members of the public in attendance at the meeting whether they wish to comment on the motion that is pending before the Board. During the Board's consideration of items discussed after the Public Comment portion of the agenda, the President of the Board should exercise best efforts to recognize any member of the public who wishes to speak on that issue prior to any action thereon that is taken by the Board.

2.3.4. Posting. The agendas of all Board meetings and all committee meetings which are open to the public shall be posted in the following locations: (1) an exterior bulletin board located outside the District headquarters that is accessible twenty-four (24) hours a day; (2) on-line at the District's website known as [www.threevalleys.com](http://www.threevalleys.com); and (3) an interior bulletin board located in the lobby of the District headquarters.

2.3.5. Background Material. Staff material, consisting of agendas, staff reports, and other material prepared and forwarded by staff which provide background information and recommendations, regarding agenda items, when distributed to all or to a majority of the members of the Board in connection with a matter which is subject to discussion or consideration in open session at a public meeting, shall be made available to the public upon request.

2.4. **Closed Sessions**.

2.4.1. Agenda Descriptions. Substantial compliance with the permissive provisions of Government Code Section 54954.5, as generally reflected in Exhibit A attached hereto and incorporated herein by this reference, is mandatory under this ordinance with respect to the description of any closed session items on any Board meeting agenda. For closed sessions held pursuant to Government Code Section 54957, the agenda will use the description in Exhibit A

that best describes the purpose of the closed session. When the purpose of the closed session is to conduct a hearing on specific complaints or charges brought against an employee of the District, the agenda description shall read “PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE, employee given 24-hour notice.”

2.4.2. Advance Announcement. Prior to holding any closed session, the Board shall state in open session the item or items to be discussed in the closed session. The statement may take the form of a reference to the item or items as they are listed by number or letter on the agenda, and must include any and all matters otherwise required to be disclosed under the Brown Act. For closed sessions held pursuant to Government Code Section 54956.9(d)(3), the Board must announce the existing facts and circumstances which authorize the holding of the closed session or specifically state that it believes that facts and circumstances that might result in litigation against the District are not yet known to a potential plaintiff or plaintiffs. In the closed session, the Board shall consider only those matters covered in its statement. Nothing in this section shall require or authorize the release of information which is exempt from disclosure under state or federal law.

2.4.3. Public Reports on Closed Session Actions. The Board shall publicly report any action taken in closed session, and the vote or abstention of every member present thereon, in the manner and to the extent required by Government Code Section 54957.1.

2.5. Ad Hoc Committees. In order to be exempt from the notice, agenda, and public participation requirements of the Brown Act, all ad hoc committees of the Board shall substantially comply with the following guidelines: (1) The committee shall be comprised of less than a quorum of the Board; (2) The committee’s life should be restricted to a relatively short period of time; (3) The committee’s purpose should be limited to a single and specific task; (4) The

committee shall not be given any independent discretionary authority to make ultimate decisions on behalf of the Board with respect to the final resolution of the task; (5) The committee's charge should not be automatically renewed upon completion of its particular assignment or expiration of its fixed term; (6) The committee's meeting schedule should not be on a regular basis or established by formal action of the Board; and (7) Public notice of the formation of the committee shall be given in a timely manner.

Section 3. **REVIEW OF ORDINANCE ON ANNUAL BASIS.**

Each year, the Board may review this ordinance to determine its effectiveness and the necessity for its continued operation. As such time, the District's General Manager shall report to the Board on the operation of this ordinance, and make any recommendations deemed appropriate, including proposals to amend the ordinance. Upon conclusion of its review, the Board may take any action it deems appropriate concerning this ordinance. Nothing herein shall preclude the Board from taking action on the ordinance at times other than upon conclusion of the annual review. The Board's failure to conduct the annual review shall result in the continued operation of this ordinance for another year or until otherwise modified by the Board.

Section 4. **SEVERABILITY.**

If any provision of this ordinance, or the application thereof to any person or circumstance, is held to be invalid, such invalidity shall not affect other provisions or applications of this ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable.

Section 5. **EFFECTIVE DATE.**

The provisions of this ordinance shall supersede all prior inconsistent ordinances and shall take effect immediately upon adoption.

Adopted this 17<sup>th</sup> day of April, 2013.

ROLL CALL:

AYES: Bowcock, De Jesus, Goytia, Horan, Kuhn, Lantz, Ruzicka

NOES:

ABSTAIN:

ABSENT:



Bob G. Kuhn, President  
Board of Directors  
Three Valleys Municipal Water District

ATTEST:



Brian Bowcock, Secretary  
Board of Directors  
Three Valleys Municipal Water District

**EXHIBIT A**

Under Government Code Section 54954.5, the following language has been provided by the State Legislature as sample language which will meet the mandate of the Brown Act for properly identifying closed session items on the Board's agenda:

# LICENSE/PERMIT DETERMINATION (Government Code Section 54956.7)

Applicant(s): (Specify number of applicants)

# CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Government Code Section 54956.8)

Property: (Specify street address; parcel number if no street address; or other unique reference of parcel under negotiation)

District Negotiator: (Specify names of negotiators attending closed session) (If the specified negotiator is to be absent, an agent or designee may participate provided the name of the agent or designee is announced publicly prior to the closed session.)

Negotiating parties: [Specify name of party (not agent)]

Under negotiation: (Specify whether instruction to negotiator will concern price, terms of payment, or both)

# CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION [Government Code Section 54956.9(d)(1)]

Name of case: (Specify by reference to claimant's name, name of parties, case or claim numbers)

or

Case name unspecified: (Specify whether disclosure would jeopardize service of process or existing settlement negotiations)

# CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2):  
(Specify number of potential cases)

# CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Initiation of litigation pursuant to Government Code Section 54956.9(d)(4): (Specify  
number of potential cases)

# LIABILITY CLAIMS (Government Code Section 54956.95)

Claimant: (Specify name unless unspecified pursuant to Section 54961)

Agency claimed against: (Specify name)

# THREAT TO PUBLIC SERVICES OR FACILITIES (Government Code Section 54957)

Consultation with: (Specify name of law enforcement agency and title of officer, or name  
of applicable District representative and title)

# PUBLIC EMPLOYEE APPOINTMENT (Government Code Section 54957)

Title: (Specify description of position to be filled)

# PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Government Code Section  
54957)

Title: (Specify position title of employee being reviewed)

# PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE (Government Code  
Section 54957)

(No additional information is required in connection with a closed session to consider  
discipline, dismissal, or release.)

# CONFERENCE WITH LABOR NEGOTIATORS (Government Code Section 54957.6)

District designated representatives: (Specify names of designated representatives attending the closed session) (If circumstances necessitate the absence of a specified representative, an agent or designee may participate in place of the absent representative so long as the name of the agent or designee is announced at an open session held prior to the closed session.)

Employee organization: (Specify name of organization representing employee or employees in question)

or

Unrepresented employee: (Specify position title of unrepresented employee who is the subject of negotiations)

# CASE REVIEW/PLANNING (Government Code Section 54957.8)

(No additional information is required in connection with a closed session to consider case review or planning.)



## Board of Directors Staff Report

**To:** TVMWD Board of Directors

**From:** Matthew H. Litchfield, General Manager 

**Date:** June 3, 2020

**Subject:** **Public Meeting Regarding the Imposition of a Water Standby Charge for FY 2020-21**

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

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**Staff Recommendation:**

**The Board will conduct a public meeting regarding the imposition of a water standby charge for FY 2020-21.**

**Discussion:**

TVMWD is to convene a public meeting regarding the imposition of a water standby charge prior to conducting a public hearing on possible adoption of the water standby charge scheduled for June 17, 2020. This public meeting required proper notice, which was done in the Inland Valley Daily Bulletin and the San Gabriel Valley Tribune on April 29, May 6, and 13, 2020.

Attached is the draft resolution that will be considered for approval at the Board meeting on June 17, 2020. The rate and methodology for the standby charge are described in the draft Engineer's Report, which is "Attachment A" of the resolution.

**Strategic Plan Objective(s):**

3.3 – Be accountable and transparent with major decisions

**Attachment(s):**

Exhibit A – Resolution No. 20-06-DRAFT Adopting Procedures to Fix, Adjust, Levy, and Collect a Water Standby Charge

**Meeting History:**

Board of Director's Meeting – March 4, 2020, Information Item Only

Board of Director's Meeting – April 1, 2020, Information Item Only

Board of Director's Meeting – April 15, 2020, FY 2020-21 Budget Adoption and Board Approval of Resolution No. 20-04-873 Initiating Procedures to Fix, Adjust, Levy and Collect a Water Standby Charge

NA/LC

**RESOLUTION NO. 20-06-DRAFT**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE THREE VALLEYS MUNICIPAL WATER DISTRICT  
ADOPTING PROCEDURES TO FIX, ADJUST, LEVY, AND COLLECT  
A WATER STANDBY CHARGE**

**WHEREAS**, the Three Valleys Municipal Water District (“the District”) is a municipal water district organized and operating pursuant to Water Code Section 71000 et seq.

**WHEREAS**, under the Uniform Standby Charges Procedures Act, Government Code Section 54984 et seq. (“the Act”), the District is authorized to fix before August 10 of any given year a water standby charge on land within its jurisdiction to which water service is made available for any purpose by the District, whether the water services are actually used or not.

**WHEREAS**, under the Act the Board may establish schedules varying the charge according to land uses, benefit derived or to be derived from the use, availability of facilities to provide water service, the degree of availability or quantity of the use of the water to the affected lands, and may restrict the assessment to one or more improvement districts or zones of benefit established within the jurisdiction of the District, and may impose the charge on an area, frontage, or parcel basis, or a combination thereof.

**WHEREAS**, on July 10, 1996, the District’s Board of Directors adopted Resolution No. 7-96-361 which established a standby charge under the Act that was designed to fund the Readiness-to-Serve (“RTS”) charge imposed upon the District by the Metropolitan Water District of Southern California (“MWD”) and related administrative costs incurred by the District in connection therewith.

**WHEREAS**, Resolution No. 7-96-361 expressly provided that the District’s standby charge was based upon the report of a qualified engineer which fixed that amount of the standby charge for the 1996-97 fiscal year at \$5.92 per equivalent dwelling unit (“EDU”) and provided for the adjustment of that standby charge during subsequent fiscal years according to the actual amount by which the RTS charge increased, and subject to a maximum assessment amount of \$29.41 per EDU.

**WHEREAS**, Water Code Section 71639(b) authorizes the District to adjust the amount of its standby charge if the adjustment is made in the same manner as provided for taxes, fees, and charges in Government Code Section 53750(h)(2), which provides that a tax, fee, or charge is not deemed to be increased by an agency action that does either or both of the following: (A) adjusts the amount thereof in accordance with a schedule of adjustments adopted by the agency prior to November 6, 1996; or (B) implements or collects a previously approved tax, fee, or charge, so long as the rate is not increased beyond the level previously approved by the agency, and the methodology previously approved is not revised by the agency.

**WHEREAS**, Water Code Section 71639(c) further authorizes the District to adjust the amount of its standby charge if all of the following conditions are met: (1) the amount

## Item 8.A - Exhibit A

of the assessment does not exceed \$29.41 per EDU; (2) the revenue raised by the assessment, including its annual adjustments, is used exclusively to fund the RTS charge, or equivalent charge, imposed upon the District by MWD, and related administrative costs; and (3) The District adjusts its water rates to its retail agencies by an amount necessary to prevent surplus funding of the RTS charge imposed upon the District by MWD.

**WHEREAS**, Water Code Section 71639(c) further provides that in order for the District to fix a standby charge pursuant to the Act, the District's Board of Directors must adopt a resolution to initiate such proceedings, cause notice of intent to adopt the assessment to be published in accordance with Government Code Section 6066 prior to the date set for adoption thereof, and, at the time and place set forth in said notice, conduct a hearing on the assessment and hear and consider any and all objections thereto.

**WHEREAS**, on April 15, 2020, the District's Board of Directors adopted Resolution No. 20-04-873 initiating proceedings to fix, adjust, levy, and collect a water standby charge in accordance with Water Code Section 71639 and scheduling of a public meeting on June 3, 2020, and a public hearing on June 17, 2020.

**WHEREAS**, beginning on April 29, 2020, the District published a joint notice of the public meeting and the public hearing by placing a display advertisement of at least 1/8 page in a newspaper of general circulation within the District at least three times and five days apart.

**WHEREAS**, on June 3, 2020, at 8:00 a.m., at the District offices located at 1021 East Miramar Avenue, Claremont, California, the Board of Directors of the District held a public meeting regarding the imposition of the charge.

**WHEREAS**, beginning on or about June 3, 2020, the District published a Notice of Public Hearing and Intent to Adopt a Water Standby Charge in a newspaper of general circulation within the District once a week for two successive weeks pursuant to Water Code Section 71639(c) and Government Code Section 6066.

**WHEREAS**, on June 17, 2020, at 8:00 a.m., at the District offices located at 1021 East Miramar Avenue, Claremont, California, the Board of Directors of the District held a public hearing to hear and consider any and all objections or protests regarding the imposition of the charge, which hearing was duly conducted in the manner set forth in the Act.

**NOW, THEREFORE**, the Board of Directors of the District does hereby find, resolve, determine, and order as follows:

1. The public interest and necessity requires the Board of Directors of the District to adopt this Resolution hereby fixing, adjusting, levying, and collecting standby charges pursuant to The Act and Water Code Section 71639 in order to meet the RTS financial obligations imposed upon the District by MWD and all administrative costs related thereto.

2. The written protests received by the District's Board of Directors which were not withdrawn at the time of its determination represented less than fifteen percent (15%) of the parcels subject to the charges set forth herein.

3. The standby charge hereby levied by the Board of Directors of the District is based upon the report of a qualified engineer, Willdan Financial Services, which is attached hereto as Attachment A (“the Engineer’s Report”). The content and findings of the Engineer’s Report are hereby adopted in full by the Board of Directors of the District and are incorporated herein in full by this reference, including, but not limited to, any and all statements and determinations specifically relating to each of the following:

- a. A description of the charge and the method by which it is to be imposed;
- b. A compilation of the amount of the charge for each parcel subject to the charge;
- c. A statement of the methodology and rationale followed in determining the degree of benefit conferred by the service for which the charge is made;
- d. The District’s legal ability to fix and adjust a standby charge, the amount of the charge, and the properties affected thereby;
- e. A description of the lands upon which the charge is to be imposed; and
- f. The amount of the charge for each of the lands so described.

4. All adjustments in the amount of the standby charge set forth in the attached Engineer’s Report are in compliance with the requirements of Water Code Section 71639(b) since the adjustments are made in the same manner as provided for taxes, fees, and charges in Government Code Section 53750(h)(2), which provides that a tax, fee, or charge is not deemed to be increased by an agency action that does either or both of the following: (A) adjusts the amount thereof in accordance with a schedule of adjustments adopted by the agency prior to November 6, 1996; or (B) implements or collects a previously approved tax, fee, or charge, so long as the rate is not increased beyond the level previously approved by the agency, and the methodology previously approved is not revised by the agency.

5. Additionally, all adjustments in the amount of the standby charge set forth in the attached Engineer’s Report are in compliance with the requirements of Water Code Section 71639(c) since (a) the amount of the assessment does not exceed \$29.41 per EDU, (b) the revenue raised by the assessment, including its annual adjustments, is used exclusively to fund the RTS charge, or equivalent charge, imposed upon the District by MWD, and related administrative costs, and (c) the water rates adopted by the District and levied upon its retail agencies have been calculated so as to prevent any surplus funding of the RTS charge imposed upon the District by MWD.

## Item 8.A - Exhibit A

6. The District's General Manager is hereby authorized to take any and all actions necessary to carry out the intent of the District's Board of Directors as is stated herein, and to cause the standby charge hereby adopted to be collected at the same time, and in the same manner, as the levying of property taxes by the County of Los Angeles and/or as is otherwise available under the Act and applicable law.

7. If any charge hereby adopted becomes delinquent, the amount of the delinquency, together with any interest and penalties thereon, shall constitute a lien on the affected property upon the filing of a certificate in the Office of the Los Angeles County Recorder, which lien shall have the same force, effect, and priority as a judgment lien.

**ADOPTED** and **PASSED** at a meeting of the Three Valleys Municipal Water District's Board of Directors, on this 17th day of June 2020, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

Bob G. Kuhn, President

ATTEST:

---

Carlos Goytia, Secretary

SEAL:



**DRAFT**

# Three Valleys Municipal Water District

## Water Standby Charge Assessment

2020/2021 ENGINEER'S ANNUAL LEVY REPORT

Intent Meeting: April 15, 2020

Public Hearing: June 17, 2020

27368 Via Industria  
Suite 200  
Temecula, CA 92590  
T 951.587.3500 | 800.755.6864  
F 951.587.3510 | 888.326.6864

[www.willdan.com](http://www.willdan.com)



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# ENGINEER'S REPORT THREE VALLEYS MUNICIPAL WATER DISTRICT WATER STANDBY CHARGE ASSESSMENT

## INTRODUCTION

Pursuant to the provisions of Section 54984 et seq. of the Government Code of the State of California, being Chapter 12.4, "Uniform Standby Charge Procedures Act" (the "Act"), and in accordance with Resolution No. 7-96-361 of the Board of Directors (the "Board") of the Three Valleys Municipal Water District (the "District"), adopted on July 10, 1996 establishing a Water Standby Charge Assessment, I, Richard Kopecky, P.E., duly authorized representative of Willdan Financial Services, consultant to the District, submit this Engineer's Report for FY 2020/2021 consisting of the following parts and exhibits:

### SECTION I

A description of each parcel of property and the boundaries of the area proposed to be subject to the levy of the uniform standby charge assessment.

### SECTION II

An estimate of the costs of water services to be financed from the proceeds of the uniform standby charge assessment.

### SECTION III

A description of the uniform standby charge assessment including:

- a. A description of each lot or parcel of property proposed to be subject to the assessment.
- b. The amount of the assessment for each lot or parcel.
- c. The assessment methodology describing the basis of the assessment.
- d. A description specifying the requirements for written and oral protests and the protest thresholds necessary for requiring a vote on, or abandonment of, the proposed assessment.

Dated: \_\_\_\_\_

Willdan Financial Services

BY: \_\_\_\_\_  
Chonney Gano, Project Manager

BY: \_\_\_\_\_  
Richard Kopecky, P.E.  
Registration No. CE 16742

## ***I. DESCRIPTION OF THE PROPOSED PARCELS AND ASSESSMENT BOUNDARIES***

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The proposed uniform standby charge assessment is entitled:

### **THREE VALLEYS MUNICIPAL WATER DISTRICT WATER STANDBY CHARGE ASSESSMENT**

The boundaries of the area proposed to be subject to the levy of the Water Standby Charge Assessment are completely contiguous with the boundaries of the District. The lines and dimensions of each lot or parcel within the District Boundaries are those lines and dimensions shown on the maps of the Assessor of the County of Los Angeles for the year when this report was prepared and are incorporated herein by reference and made part of this Engineer's Report.

All future annexations to the District shall be included in the Water Standby Charge Assessment. In future years, if any new parcels are created as a result of the division or consolidation of land, re-computation of the assessments will be conducted and the new parcels will be included within the area of assessment.

## ***II. ESTIMATE OF COSTS***

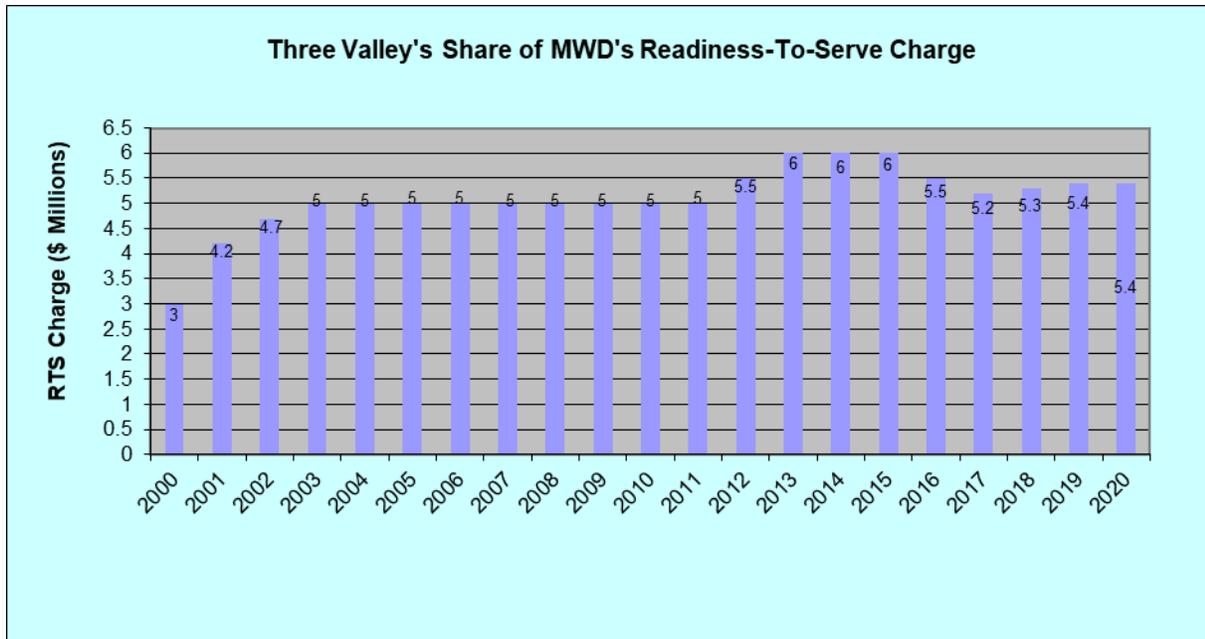
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The Water Standby Charge Assessment revenue will be used for the purpose of meeting the Readiness-to-Serve ("RTS") charge imposed by the Metropolitan Water District of Southern California ("MWD"), and for related administrative costs.

The following table lists the projections for the RTS Charge, Administration Cost and Estimated Maximum Total Assessment to be funded by the assessment.

	FY 2012/2013	FY 2013/2014	FY 2014/2015	FY 2015/2016	FY 2016/2017	FY 2017/2018	FY 2018/2019	FY 2019/2020	FY 2020/2021
RTS Charge	\$5,541,364	\$6,022,555	\$6,371,116	\$6,074,192	\$5,537,230	\$5,233,954	\$5,274,931	\$5,363,969	\$5,494,518
Assessment Administration	\$49,832	\$50,332	\$51,056	\$51,675	\$52,057	\$52,709	\$53,383	\$52,074	\$51,635
Est. Maximum Assessment	\$5,379,146	\$5,374,162	\$5,375,222	\$5,441,758	\$5,445,359	\$5,443,845	\$5,425,678	\$5,431,833	\$5,450,397

The estimated RTS charge through the year 2002 was based on the schedule provided by MWD shown in the chart below. Years 2003 through 2011 were based on the projected RTS charge of \$5 million. The 2012 through 2020 RTS charges are based on the amount approved by the Southern California Metropolitan Water District Board for each year.



The amount budgeted to be generated by the assessment for FY 2020/2021 is \$3,687,743.65 as calculated in Section III.

Administration of the assessment is performed annually. This administration includes updating the annual assessment roll to ensure consistency with the assessment methodology detailed in this Engineer's Report. The administration also includes an analysis of the revenues and expenditures from the previous Fiscal Year and preparation of an annual report for submittal to the Board of Directors for approval of the proposed Fiscal Year's assessments and expenditures. The table below provides a comparison of the assessment between fiscal years.

	FY 2019/2020 <sup>(1)</sup>	FY 2020/2021	Difference <sup>(2)</sup>	Percentage Difference
Parcels	134,850	135,344	494	0.37%
EDU's	188,427	185,325	-3,102	-1.65%
Rate/EDU	\$19.23	\$19.90	\$0.67	3.48%
Est. Revenue	\$3,623,416.71	\$3,687,743.65	\$64,326.94	1.78%

<sup>(1)</sup> Totals for FY 2019/2020 are based on the final applied levy by the Los Angeles County Auditor-Controller's Office.

<sup>(2)</sup> The Difference in Parcels and EDU's is given to new condominiums being assessed for Fiscal Year 2020/2021.

Note: Difference between Estimated Revenue and EDUs multiplied by the Rate is due to rounding.

### III. DESCRIPTION OF ASSESSMENTS

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This section of the report describes the methodology developed to establish the basis of assessment for apportioning the cost of providing water services, and the facilities needed to provide water services, to each lot or parcel based upon the type of use or potential use of each property. The basis of assessment was developed by Berryman & Henigar based upon information provided by the District, standard and member agency design criteria, and the requirements of Section 54984.2 of the Uniform Standby Charge Procedures Act. The following sections review the requirements of the California Government Code and describe the recommended assessment methodology.

#### A. LEGAL REQUIREMENTS

Chapter 12.4 "Uniform Standby Charge Procedures Act" of the California Government Code states that any local agency that provides water services may, by resolution adopted after notice and hearing, determine and levy an assessment for water services pursuant to this chapter.

The California Government Code further requires that the agency establish a methodology, which is related to the benefit received from the water services for calculating the assessment to be levied on each parcel. Section 54984.2 provides that:

“...The governing body of the agency which fixes the charge may establish schedules varying the charge according to land uses, benefit derived or to be derived from the use or availability of facilities to provide water, sewer, or water and sewer service, or the degree of availability or quantity of the use of the water, sewer, or water and sewer services to the affected lands, and may restrict the assessment to one or more improvement districts or zones of benefit established within the jurisdiction of the agency. The charge may be imposed on an area, frontage, or parcel basis, or a combination thereof.”

All assessments described in this Report and approved by the Board are prepared in accordance with the Act and are in compliance with the provisions of the *California Constitution Article XIID* (enacted by the passage of Proposition 218 in November 1996).

Pursuant to the *California Constitution Article XIID Section 5*, certain assessments that were existing on July 1, 1997, the effective date of *Article XIID*, are exempt from the substantive and procedural requirements of *Article XIID Section 4* and property owner balloting for the assessments is not required until such time that the assessments are increased. Exempt are any assessments imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems, or vector control.

In May of 2005, Senate Bill 376, was enacted to add Article 2.7 (commencing with Section 71639) to Chapter 2 of Part 5 of Division 20 of the Water Code, relating to water. This bill authorizes the agency to adopt the standby charge rate with a schedule of annual adjustments, and to adjust the standby charge rate in relation to the change of the MWD imposed RTS charge, subject to the maximum assessment amount of twenty-nine dollars and forty-one cents (\$29.41) per Equivalent Dwelling Unit (“EDU”).

## B. ASSESSABLE PARCELS

The table below summarizes the number of parcels and the total acreage by land use type. This information is based on the records of the Assessor of the County of Los Angeles.

Land Use Category	Number of Parcels	Dwelling Units (DU's)	Acres
Single-Family Residential (SFR)	103,105	102,866	N/A
Multi-Family Residential and Condominiums	22,925	46,229	N/A
Mobile Home Parks	101	9,258	N/A
Commercial	3,818	N/A	4,599.43
Churches	245	N/A	443.62
Industrial	2,048	N/A	4,007.62
Recreational Camping Facilities	2	N/A	7.87
Vacant Residential	2,064	N/A	6,222.64
Vacant Non-Residential	1,036	N/A	2,095.37
Exempt	0	N/A	0.00
<b>Total</b>	<b>135,344</b>		

The land use classifications are defined as follows:

**Single-Family Residential** - parcels designated as single-family residential per the Los Angeles County Assessor's Roll.

**Multi-Family Residential (including Condominiums)** - parcels designated as multi-family residential, which includes duplexes, apartments, condominiums or other dwelling units with common party walls, per the Los Angeles County Assessor's Roll.

**Mobile Homes** - parcels designated as mobile homes per the Los Angeles County Assessor's Roll.

**Commercial (including Churches)** - parcels designated as commercial, institutional or recreational per the Los Angeles County Assessor's Roll.

**Industrial** - parcels designated as industrial, utility or other miscellaneous uses, per the Los Angeles County Assessor's Roll.

**Recreational Camping Facilities** - parcels designated as camps per the Los Angeles County Assessor's Roll.

**Vacant** - parcels designated as vacant residential that have no dwelling units, or parcels designated as vacant commercial/industrial that have no commercial/industrial structures on them, per the Los Angeles County Assessor's Roll.

**Exempt** - Exempted from the assessment would be any parcel owned by a public agency or within the area of public streets and other public properties, utility easements, right-of-way, public schools, public parks, and common areas or un-developable parcels of land.

### C. EQUIVALENT DWELLING UNITS

To determine the benefit to the individual parcels with their varying land uses, an equivalent dwelling unit system was established. Each parcel is assigned equivalent dwelling units (EDUs) in proportion to the estimated benefit the parcel receives from the availability of water services. The total number of EDUs is then divided into the annual revenue requirement to determine the cost per EDU. The assessment for each parcel is then determined by multiplying the number of EDUs for each parcel by the cost per EDU.

Since the assessment is based upon the use of the property and the potential water usage of the property, the assessment methodology has been developed based on land use. The assessment methodology developed determines the number of EDUs to be assigned to each parcel. In determining the number of EDUs assigned, three factors are considered: parcel size, land use (intent of development), and the water use design factor of the land use of the property.

Equivalent Dwelling Unit (EDU) factors have been established to indicate the estimated benefit received by each parcel within the District. This method of assessment has established the single-family residential parcel as the basic unit for calculation of the assessment and is defined as one (1) EDU. All other parcels within the District are assigned a proportional EDU based on a formula that equates the properties specific development status (land use) and size to that of the single-family parcel.

The assignment of EDUs to each of the different land uses is as follows:

**Single-Family Residential (SFR).** The single-family parcel has been defined as being **1.0 EDU**.

**Multi-Family Residential.** Multi-family or condominium parcels are converted to EDUs based on the number of dwelling units on each parcel. Due to population density and size of structure relative to the typical single-family residence, each dwelling unit defined as multi-family residential, including condominiums is **0.75 EDU**. Water availability benefit does not increase proportionately as the number of units increase on a multi-family parcel. By decreasing the equivalency as the number of units increase, a reasonable benefit assessment is achieved. Therefore, the equivalency is reduced to **0.5 EDU** per dwelling unit, for apartment buildings with 5 units or more. Parcels with 5 or more units are considered "high density" as opposed to the "medium density" of duplexes, triplexes and four-plexes, and the Los Angeles County Assessor's land use codes segregate these parcels out.

**Mobile Homes.** Mobile home parks, and mobile homes located within mobile home parks, are converted to EDUs based on the population density and size of structure relative to a single-family residence. Therefore, mobile home parks and mobile homes located in mobile home parks are assessed **0.5 EDU** per mobile home. No decrease is applied to this factor, as mobile homes are all separate dwellings with no common walls.

Studies have consistently shown that the average apartment unit impacts infrastructure approximately 75% as much as a single-family residence, and the average mobile home unit impacts infrastructure approximately 50%, (Sources: Institute of Transportation Engineers Informational Report Trip Generation, Fifth Edition, 1991; Metcalf and Eddy, Wastewater Engineering Treatment, Disposal, Reuse, Third Edition, 1991). Trip generation and wastewater usage are functions of population density. It is concluded that other infrastructure will be similarly impacted at a reduced level. The smaller average unit size of multiple residential and mobile homes and their reduced impact on water use result in a lesser benefit per unit to property.

**Commercial/Industrial.** Commercial and industrial parcels are converted to EDUs based on the lot size of each parcel of land. The number of equivalent dwelling units per acre for commercial/industrial property has been equated to the average single-family residential lot size of approximately 8,700 square feet, or 5 lots per acre. All properties that are developed for commercial/ industrial uses are therefore assigned **5.0 EDU's** per acre for the first five acres, with a minimum of 1 EDU per parcel. Based upon a review of large non-residential parcels within the District, as the parcel size increases above five acres, the development density on the parcel generally decreases due to requirements to provide on-site circulation, allow for the storage of materials or equipment, provide buffers to adjacent land uses and other factors associated with the types of development which require larger parcels. Therefore, after the first 5 acres, each additional acre will be charged as vacant land as further described below; 25% of 5.0 EDU's, or 1.25 EDU's per acre.

Additionally, a water use factor is applied to both the commercial and industrial parcels as follows, based on relative average water usage as compared to single-family residential developments:

- Commercial Water Use Factor = 1.4
- Industrial Water Use Factor = 1.1

**Recreational Camping Facilities.** Recreational camping facilities typically have large land areas comprised of mostly park-like open space and only a few buildings. Therefore, to more accurately assign EDUs to these parcels, a "theoretical area" will be calculated for each of them. The typical developed commercial parcel has 1/3 of its lot area covered by improvements. Using this standard, the "theoretical area" is computed by multiplying the improvement area of each camping parcel by 3. This "theoretical area" is then converted to acreage, and the Equivalent Dwelling Unit factor of 5 EDU per acre is applied.

**Vacant.** Vacant property receives a benefit from water services availability. Water availability allows the parcel to develop to its maximum use in the future. Based upon the opinions of professional appraisers who appraise current market property values for real estate in Southern California, the land value portion of a property typically ranges from 20 to 30 percent; in the Three Valleys Municipal Water District, the average is about 25 percent. Additionally, the utilization of vacant property is significantly less than improved property. Consequently, vacant property shall be assessed at the rate of 25% of improved property. Therefore, vacant single-family residential parcels are assessed 25% of a developed SFR parcel, or **0.25 EDU** per parcel, and vacant non-SFR parcels are assessed at the rate of 25% of the developed commercial/industrial properties, or **1.25 EDUs** per acre or any portion thereof, up to a maximum of 5 acres per parcel.

A summary of Equivalent Dwelling Units and Benefit Factors is shown on the following table:

EQUIVALENT DWELLING UNITS						
Land Use	Basic Unit		EDU Factor		Use Factor	EDU Rates
Single-Family Res. (SFR)	1 DU	x	1	x	1	= 1.0 EDU/DU
Multi-Family Res. and Condominiums	1 DU	x	0.75	x	1	0.75 EDU/DU for the first 4 DU's
	1 DU	x	0.5	x	1	= 0.5 EDU/DU after the 4 <sup>th</sup> DU
Mobile Homes	1 DU	x	0.5	x	1	= 0.5 EDU/DU
Commercial	1 acre	x	5	x	1.4	= 7.0 EDU/acre for the first 5 acres (min. 1 EDU/parcel)
	1 acre	x	1.25	x	1.4	= 1.75 EDU/acre after the 5 <sup>th</sup> acre
Industrial	1 acre	x	5	x	1.1	= 5.5 EDU/acre for the first 5 acres (min. 1 EDU/parcel)
	1 acre	x	1.25	x	1.1	= 1.375 EDU/acre after the 5 <sup>th</sup> acre
Recreational Camping Facilities	1 acre*	x	5	x	1	= 5.0 EDU/acre
Vacant SFR	1 parcel	x	0.25	x	1	= 0.25 EDU/parcel
Vacant Non-SFR	1 acre	x	1.25	x	1	= 1.25 EDU/acre (min. .25 EDU/parcel; max of 5 acres/parcel)

\*acre = theoretical acre

## D. ASSESSMENT RATES

The total number of Equivalent Dwelling Units (EDUs) has been calculated for the District based upon current land use data as shown on the latest assessor's roll for Los Angeles County and the methodology described above. The number of EDUs by land use type is shown in the table below:

Land-Use Type	Equivalent Dwelling Units
SFR	103,105.00
MFR and Condominium	30,707.45
Mobile Home Parks	4,629.00
Commercial	25,536.02
Churches	2,913.95
Industrial	17,112.63
Recreational Camping Facilities	0.73
Vacant SFR	516.00
Vacant Non-SFR	803.84
<b>Total:</b>	<b>185,324.62</b>

Based upon the budget of \$3,687,743.65 as shown in Section II of this report, the Assessment Rate for FY 2020/2021 per Equivalent Dwelling Unit (EDU) is **\$19.90/EDU**, as calculated below.

Total Equivalent Dwelling Units	Applied Assessment Rate/EDU	FY 2020/2021 Total Assessment Revenue
185,324.62	\$19.90	3,687,743.65

Note: Difference in Total Assessment and EDUs multiplied by the Rate is due to rounding.

The following table, Summary of Assessment Rates, provides the proposed Maximum Assessment and Applied Assessment Rates for the ten-year period beginning with FY 2011/2012. The Board may continue to levy the Assessment in future years (i.e. beyond FY 2020/2021) so long as MWD continues to impose the RTS charge upon the District. However, the maximum Assessment Rate per EDU shall never be greater than \$29.41, nor shall the total amount assessed be greater than the sum of the RTS charge and administrative costs.

### SUMMARY OF MAXIMUM AND APPLIED ASSESSMENT RATES

Fiscal Year	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Maximum Assessment Rate/EDU	\$29.41	\$29.41	\$29.41	\$29.41	\$29.41	\$29.41	\$29.41	\$29.41	\$29.41	\$29.41
Applied Assessment Rate/EDU	\$18.54	\$20.46	\$23.11	\$25.02	\$23.09	\$20.16	\$18.51	\$18.79	\$19.23	\$19.90

#### E. AMOUNT OF ASSESSMENT

The amount of the proposed assessment for FY 2020/2021, based on EDUs as apportioned to each parcel shown on the latest roll of the Los Angeles County Assessor, is contained in the Assessment Roll on file in the office of the Secretary of the Three Valleys Municipal Water District. The description of each parcel is part of the records of the County Assessor and these records are, by reference, made a part of this Engineers Report.

#### F. ACCURACY OF DATA

The data utilized in developing the assessment rate calculations has been taken directly from the Los Angeles County Assessor's Roll.

Some parcels that are partially improved often will appear on the Assessor's roll as improved. These parcels that are brought to the attention of the District, and are found to be so classified after field review, will have their assessment revised per this report: for that portion of the property which is improved, the developed land use benefit formula will apply; for that portion of the property which is unimproved, the vacant land use benefit formula will apply.

Should a property owner find a discrepancy regarding a parcel, it is recommended that the owner notify the Three Valleys Municipal Water District by contacting the Secretary of the Three Valleys Municipal Water District. If warranted, the District will assist the owner in processing a correction with the County Assessor's Office. The District will be responsible for revisions to the Water Standby Charge Assessment for the property for the current Fiscal Year if the change in amount is greater than five percent (5%). If the change is less than or equal to five percent, then the adjustment for the following year will be made at the time that the annual assessments are determined for the next Fiscal Year, and no refund will be made for the previous year's assessment.

## EXHIBIT A - SAMPLE CALCULATIONS FOR VARIOUS LAND USES

Land Use	Benefit Calculation (EDU) x (Use Factor)				Total EDUs	Assessment \$19.90/EDU
Single Family Res.	(1 DU x 1 EDU/DU)	x	1.0	=	1	\$19.90
Triplex	(3 DU x .75 EDU/DU)	x	1.0	=	2.25	\$44.78
10-Unit Apartment	[(4 DU x .75 EDU/DU) + (6 DU x .5EDU/DU)]	x	1.0	=	6	\$119.40
90-Unit Apartment	[(4 DU x .75 EDU/DU) + (86 DU x .5EDU/DU)]	x	1.0	=	46	\$915.40
Store ¼ acre parcel	(¼ acre x 5.0 EDU/acre)	x	1.4	=	1.75	\$34.83
Bank/Office Bldg. ½ acre parcel	(½ acre x 5.0 EDU/acre)	x	1.4	=	3.5	\$69.65
Office Building 2 acre parcel	(2 acre x 5.0 EDU/acre)	x	1.4	=	14	\$278.60
Service Station ½ acre parcel	(½ acre x 5.0 EDU/acre)	x	1.4	=	2.333	\$46.43
Light Manufacturing ¼ acre parcel	(¼ acre x 5.0 EDU/acre)	x	1.1	=	1.375	\$27.36
Heavy Manufacturing 7 acre parcel	[(5 ac x 5.0 EDU/ac) + (2 ac x 1.25 EDU/ac)]	x	1.1	=	30.25	\$601.98
Recreational Camping Facility	[(2,500 sf x 3) ÷ 43,560 sf/ac] x 5.0 EDU/ac	x	1.0	=	0.8609	\$17.13
Vacant SFR	(1 parcel x .25 EDU/parcel)	x	1.0	=	0.25	\$4.98
Vacant Non-SFR 1 acre parcel	(1 acre x 1.25 EDU/acre)	x	1.0	=	1.25	\$24.88
Vacant Non-SFR 5+ acre parcel	(5 acre x 1.25 EDU/acre)	x	1.0	=	6.25	\$124.38

Note: Total Assessment EDU may not calculate exactly due to rounding.

***EXHIBIT B – ASSESSMENT ROLL FOR FY 2020/2021***

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Each Assessor Parcel Number and its assessment to be levied for FY 2020/2021 is shown on the Assessment Roll on file in the office of the Secretary of the Three Valleys Municipal Water District and is incorporated herein by reference. Reference is made to the Los Angeles County Assessor's office for further description of the parcels in the District.



## Board of Directors Staff Report

**To:** TVMWD Board of Directors  
**From:** Matthew H. Litchfield, General Manager   
**Date:** June 3, 2020  
**Subject:** **Modified Board Meeting Schedule**

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

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**Staff Recommendation:**

**No Action Necessary – Informational Item Only**

**Discussion:**

In prior years, the Board has occasionally cancelled all meetings during the summer months of July and August, and at other times has chosen a modified schedule.

With the budget/rate adoption process now completed and limited regular business anticipated, the Board will now determine what action to take relative to its summer schedule. The following Board meetings are presently on the calendar:

- July 1, 2020
- July 15, 2020
- August 5, 2020
- August 19, 2020

The Board will be provided with an information packet of ongoing activities at Three Valleys for any month that a Board meeting is not held. At any time during the proposed summer schedule a special meeting can be called to attend to necessary business.

Staff is seeking direction from the Board to return this item for future action to the June 17, 2020 meeting.

**Strategic Plan Objective(s):**

3.3 – Be accountable and transparent with major decisions.

**Attachment(s):**

None

**Meeting History:**

None

NA/ML



## Board of Directors Staff Report

**To:** TVMWD Board of Directors

**From:** Matthew H. Litchfield, General Manager 

**Date:** June 3, 2020

**Subject:** **Cyclic Storage Agreement Among the Metropolitan Water District of Southern California, Three Valleys Municipal Water District and Main San Gabriel Basin Watermaster**

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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>	

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### **Staff Recommendation:**

**No Action Necessary – Informational Item Only**

### **Background:**

On July 1, 1991, the first Cyclic Storage Agreement (“Agreement”) was executed among the Metropolitan Water District of Southern California (“MWD”), Three Valleys Municipal Water District (“TVMWD”), and the Main San Gabriel Basin Watermaster (“Watermaster”), a court empowered entity appointed by the Superior Court of the State of California in and for the County of Los Angeles, in connection with Civil Action No. 924128, entitled, “Upper San Gabriel Valley Municipal Water District v. City of Alhambra, et al” (the “Basin Adjudication”). Since that time, a total of seven (7) amendments have been executed amongst the parties approximately every 5 years. The 7<sup>th</sup> amendment to the Agreement expired in November 2018, and since an 8<sup>th</sup> amendment could not be executed after the expiration date, a new agreement with only a one-year term was approved by the Board in June 2019.

### **Discussion:**

As stated above, in June of 2019, staff brought a new Agreement to the Board with a one (1) year term with an expiration of June 1, 2020. This short-term agreement was to bridge the gap of time while we work with Watermaster and MWD on a new, long term Agreement. The work has concluded on the drafting of a new Agreement with a term of 10 years and all parties are ready to move forward with execution of the Agreement. A copy of the draft Agreement is attached as **Exhibit A** hereto.

Once all parties execute the Agreement, the Court will have to be presented with the Agreement for final approval. Due to the court shutdown as a result of the COVID-19 pandemic, the scheduled hearing for July 2020 may be rescheduled to a future date. Due to this concern, all parties executed a letter agreement to extend the current one-year

agreement another 12 months in anticipation of potential timing issues for the required hearing with the judge of the Court. A copy of this letter agreement is attached as **Exhibit B** hereto.

Staff is requesting that the Board instruct the General Manager to place the draft Agreement attached as **Exhibit A** on the June 17, 2020 board meeting for potential approval and execution.

**Strategic Plan Objective(s):**

1.1 – Secure water supplies that exceed the estimated annual demands by 10%

1.3 – Maintain diverse sources of water supplies and storage, and increase extractable water storage supplies to 10,000 acre-feet

**Attachment(s):**

Exhibit A – Cyclic Storage Agreement Among the Metropolitan Water District of Southern California, Three Valleys Municipal Water District and Main San Gabriel Basin Watermaster

Exhibit B – Cyclic Agreement Extension Letter

**Meeting History:**

None

NA/ML

**CYCLIC STORAGE AGREEMENT AMONG  
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA,  
THREE VALLEYS MUNICIPAL WATER DISTRICT  
AND MAIN SAN GABRIEL BASIN WATERMASTER**

This Cyclic Storage Agreement (“Agreement”) is made as of June 1, 2020, by and among the METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA (“Metropolitan”), a public agency of the State of California, THREE VALLEYS MUNICIPAL WATER DISTRICT (“Three Valleys”), a public agency of the State of California, and the MAIN SAN GABRIEL WATERMASTER (“Watermaster”), a court empowered entity appointed by the Superior Court of the State of California in and for the County of Los Angeles, in connection with Civil Action No. 924128, entitled, “Upper San Gabriel Valley Municipal Water District v. City of Alhambra, et al” (the “Basin Adjudication”).

**RECITALS**

- A. Metropolitan is a wholesale provider to its 26 member agencies, created under The Metropolitan Water District Act (“MWD Act”). Wat. Code appen., §§ 109-25, 109-130.
- B. Metropolitan secures water for its member agencies, including Three Valleys, primarily by importing water from the California State Water Project (“SWP”) and the Colorado River.
- C. Three Valleys is a member public agency of Metropolitan and a wholesale water provider with a service area overlying the Main San Gabriel Basin (“Basin”), a groundwater basin located in Los Angeles County. Three Valleys is a municipal water district organized and operating under the Municipal Water District Law of 1911 (Water Code Section 71000 et seq.).

D. Water rights have been adjudicated in the Basin according to Judgment in the Basin Adjudication. The Judgment established Watermaster as the regulatory agency responsible for managing the Basin and authorized Watermaster to purchase supplemental water when an individual producer's production in the Basin exceeds his/her share of the operating safe yield, and for other purposes, hereafter referred to as "supplemental water requirements". The Judgment was most recently amended in 2012 in response to increasing uncertainties affecting the availability of local and supplemental water supplies. The 2012 Judgment amendment includes provisions to allow the Watermaster increased flexibility to acquire and store water during wet years for use during dry years. Three Valleys is responsible pursuant to the Judgment to provide supplemental imported water to Watermaster for recharge of the Basin on behalf of Three Valley's member agencies ("Responsible Agency").

E. Pursuant to section 34(n) of the Judgment, Watermaster is authorized to enter into cyclic storage agreements for utilization of groundwater storage capacity in the Basin for cyclic storage of supplemental water for subsequent recovery or Watermaster credit by the storing entity with all such agreements to be in accord with Uniform Rules and Conditions adopted by Watermaster.

F. Through this Agreement, the Parties intend to provide for the delivery of water by Metropolitan to Three Valleys in advance of demand for the water by Three Valleys to meet its supplemental water delivery requirements to Watermaster.

G. To provide for the spreading of water for cyclic storage, Watermaster and the Los Angeles County Flood Control District have heretofore entered into an agreement whereby the Flood Control District will undertake the responsibilities associated with actual spreading operations in the Basin.

H. The Parties are entering into to this Agreement for the purpose of giving Metropolitan the right to use up to ~~40,000~~50,000 acre-feet of space in the Basin pursuant to the terms of this Agreement.

### COVENANTS

In consideration of the above recitals, the covenants, and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, IT IS AGREED:

1. Definitions

The definitions contained in the Judgment as of the date of this Agreement, are hereby incorporated by this reference and made a part hereof.

2. Priority of Agreement Within the Basin

Since Three Valleys is a Responsible Agency, as defined in the Judgment, and since Metropolitan is a supplier of supplemental water to Three Valleys and will be providing such water when available to enable Three Valleys to satisfy supplemental water requirements placed on Three Valleys by Watermaster, the rights granted under this Agreement shall have equivalent priority with rights granted Responsible Agencies under other Cyclic Storage Agreements entered into by Watermaster pursuant to its Uniform Rules and Conditions of Cyclic Storage Agreements.

3. Storage of Metropolitan Water

Three Valleys hereby agrees to enter into a cyclic storage arrangement with Metropolitan through this Cyclic Storage Agreement. In order to manage its water resources, Metropolitan may store water with Three Valleys through the delivery of water in advance of Three Valleys' purchase of that water. Metropolitan may request that Three Valleys accept delivery of water for

storage through direct spreading or injection, or through in-lieu means (“Metropolitan’s Cyclic Storage”). Three Valleys may accept delivery of Metropolitan water through written confirmation to Metropolitan that the water may be delivered to the Basin for future purchase by Three Valleys, in accordance with the terms of this Agreement.

In light of the San Gabriel Exchange and Purchase Agreement executed between San Gabriel Municipal Water District (“San Gabriel”) and Metropolitan in September 2013, this cyclic storage account may hold water delivered directly through Metropolitan’s spreading connection or through sale or exchange between Metropolitan and San Gabriel. Watermaster agrees to transfer and to perform accounting for transfers from San Gabriel’s cyclic storage account to Metropolitan’s cyclic storage account when Metropolitan and San Gabriel jointly make sure request.

Watermaster agrees that Metropolitan’s Cyclic Storage shall occupy space in the Basin pursuant to the Judgment. Watermaster agrees that Metropolitan’s Cyclic Storage shall be credited to Metropolitan and shall occupy up to ~~40,000~~50,000 acre-feet of space until such time as purchased from Metropolitan by Three Valleys to meet its supplemental water requirements to Watermaster. Upon purchase of the water by Three Valleys, that water shall be credited to the supplemental water requirements of Three Valleys in accordance with the Judgment.

All water stored in Metropolitan’s account pursuant to this Agreement shall be: (i) spread by the Los Angeles County Flood Control District in accordance with its agreement with Watermaster; (ii) transferred by Watermaster from the San Gabriel cyclic storage account upon request by San Gabriel and Metropolitan; (iii) or pursuant to other arrangements approved by Watermaster. The time, place, and amount of such spreading within the Basin shall be approved in advance by Watermaster. Notwithstanding any other provisions of this Agreement,

Watermaster reserves the right to order the cessation or reduction in delivery rate of water being spread for cyclic storage if, in its sole judgment, Watermaster determines:

- a) That water previously authorized to be stored under this Agreement would cause the elevation of the groundwater in the Basin to adversely affect the Basin's highest utilitarian operation; or
- b) That such cessation or reduction in delivery rate is necessary to prorate the cyclic storage rights of all Responsible Agencies in the Basin; or
- c) That the spreading of supplemental water would be jeopardized by the continued spreading of water for cyclic storage when considering the necessity to protect the elevation of the Baldwin Park Key Well or to protect basin water quality.

During periods of delivery, Metropolitan shall issue a monthly report to Three Valleys and to Watermaster indicating the amount of water which Metropolitan has delivered and caused to be spread hereunder for storage in Metropolitan's account. Such report shall be subject to Watermaster's verification.

4. Delivery, Amount, and Ownership of Stored Water

The amount of water to be stored in the Basin for Metropolitan under this Agreement shall not exceed ~~40,000~~ 50,000 acre-feet at any point in time. Prior to each delivery of water by Metropolitan into the Cyclic Storage Account, the Parties shall mutually agree to: (1) the amount, location, and timing of actual water delivered pursuant to this Cyclic Storage Agreement; and (2) a schedule by which Three Valleys shall purchase the stored water. Any amendment to the delivery schedule shall require mutual agreement.

Until such time as Three Valleys purchases the stored water in accordance with Section 8, the water shall be accounted for in the Cyclic Storage Account, pursuant to Section 5.

### 5. Cyclic Storage Account

Watermaster agrees to perform accounting of spreading and transfer deliveries and purchases pursuant to this Agreement (the “Cyclic Storage Account”, or “Account”) and to report all spreading and extraction activities in compliance with the Judgment. Three Valleys will account for all spreading and transfer deliveries in and out of the Cyclic Storage Account and will maintain a record of the balance of water in the Cyclic Storage Account. The Parties to this Agreement will confirm accounting of transactions and balance at the end of each fiscal year for inclusion in the Watermaster Annual Report.

### 6. Delivery from the Cyclic Storage Account

Metropolitan shall deliver water to Three Valleys from the Cyclic Storage Account in accordance with the purchase schedule agreed to by the parties pursuant to Section 4. Metropolitan will bill Three Valleys for the water at the time of such deliveries in accordance with Section 8. In the event Three Valleys does not meet its purchase obligation in accordance with Sections 4 or 8, Metropolitan retains the prerogative to meet regular untreated water demands by Three Valleys either from water stored in its Cyclic Storage Account or from water in its distribution system. Metropolitan need not provide advance notice to Three Valleys when it exercises its prerogative under this Section.

### 7. Loss of Water

There shall be no losses assigned to Metropolitan’s Cyclic Storage account as a result of the delivery process into the account. Water delivered into this Cyclic Storage Account shall be fully credited to Metropolitan’s Cyclic Storage. Losses may be assigned to Metropolitan’s Cyclic Storage Account only for water stored in the account after delivery. Watermaster may determine and assign losses in water stored in Metropolitan’s account in the Basin, assuming that

cyclic-stored water floats on top of the groundwater supplies. Such losses shall be determined by accounting for all losses of natural water which would have replenished the Basin had water not been in cyclic storage, and Watermaster shall apportion such losses among all storing entities pursuant to and in accordance with Watermaster's Uniform Rules and Conditions governing cyclic storage by Responsible Agencies.

### 8. Obligation for Purchase and Payment

Three Valleys agrees to purchase water from Metropolitan's Cyclic Storage Account in accordance with Sections 4 and 6 of this Agreement, but no later than the termination of this Agreement. Three Valleys shall be billed by and pay Metropolitan in accordance with the billing and payment provisions in Metropolitan's Administrative Code, as amended over time. The purchase of water from Metropolitan's Cyclic Storage Account shall be equivalent to the sale and delivery of water for purposes of applying the provisions of Metropolitan's Administrative Code. Payments to Metropolitan for such sale of water from its Cyclic Storage Account shall be calculated using Metropolitan's rate for full service untreated water in effect at the time of the sale of water to Three Valleys. The sale of water from Metropolitan's Cyclic Storage Account to Three Valleys shall be included in the calculation of the Three Valleys' Ten-Year Rolling Sales Average for purposes of Metropolitan's Readiness-to-Serve Charge at the time stored water is sold to Three Valleys. The Capacity Charge shall not apply to cyclic water sales because Metropolitan shall deliver water for storage at its discretion.

### 9. Rent or Offset Credit

Unless otherwise separately agreed in writing for any specific delivery, it is hereby agreed that there shall be no charge, rent assessment, or expense incurred by Metropolitan by reason of the use of the Basin allowed hereunder, nor is there any credit or offset for the benefits thereof, nor

shall there be any charge to Metropolitan for the use of physical facilities including service connections, flood control channels, spreading basins or hydrologic services utilized in connection with the use of the Basin allowed herein.

10. Indemnity Clause

Neither Metropolitan nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of water supplied or delivered by Metropolitan to Three Valleys after such water has been delivered to Three Valleys; nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such water beyond the point of such delivery; and Three Valleys shall indemnify and hold harmless Metropolitan and its officers, agents, and employees from any such damages or claims of damages, and shall reimburse Metropolitan for costs of repair of Metropolitan's facilities and other damages resulting from the operations of Three Valleys or the Watermaster. Neither Three Valleys nor any of its officers, agents, or employees shall be liable for the control, carriage, handling, use, disposal, or distribution of water prior to such water being delivered to Three Valleys; nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal, or distribution of such water prior to its delivery to Three Valleys, excepting, however, claims by Metropolitan for costs of repair to Metropolitan's facilities and other damages resulting from the operations of Three Valleys or the Watermaster; and Metropolitan shall indemnify and hold harmless Three Valleys and its officers, agents, and employees from any such damages or claims of damages, except claims by Metropolitan for costs of repair of Metropolitan's facilities and other damages resulting from the operations of Three Valleys or the Watermaster.

### 11. Term

The term of this Agreement shall commence on the date and year listed at the beginning of the Agreement and shall terminate ten (10) years thereafter. An extension of this term can be made upon mutual agreement of the Parties. Watermaster shall report its intention to consider an extension of this Agreement in its minutes of a meeting held prior to its meeting when any such extension shall be acted upon.

### 12. Termination

In the event of a material breach hereunder, any party hereto may terminate this Agreement upon thirty (30) days' written notice to the other Parties hereto. Metropolitan may require amendment of this Agreement, or its termination, upon sixty (60) days' written notice if its Administrative Code is amended to change (i) the manner in which Metropolitan sets its water rates and charges for the sale and delivery of water (the rate structure), (ii) designations of classes of water service, or (iii) conditions of water service, in a manner which requires amendment of this Agreement. In the event this Agreement must be so amended, it shall be amended to provide water rates and charges applicable to water service for untreated water applicable to all of Metropolitan's member public agencies, except for any charge specifically set to recover costs incurred to meet peak distribution demands. In the event such an amendment to this Agreement cannot be obtained from any Party, this Agreement may be terminated by Metropolitan upon sixty (60) days' written notice to the other Parties hereto.

In the event of termination with less than one-year notice, the Agreement shall continue for one year only for purposes of implementing deliveries from the San Gabriel Exchange and Purchase Agreement, Watermaster shall provide one-year notice of intent not to extend or to terminate this Agreement.

13. Purchase of Water After Termination

Upon notice of termination, Three Valleys is obligated to purchase all water remaining in the Metropolitan Cyclic Storage Account within 90 days. During this period, all untreated water demands from Three Valleys to Metropolitan will be met with Metropolitan's Cyclic Storage. Until the Cyclic Storage Account is depleted, Three Valleys shall not obtain water from sources other than Metropolitan with the exception of local resource projects developed to offset imported water requirements.

14. Notices

Any notice required hereunder may be given by mail, postage prepaid, addressed as follows:

To: Three Valleys Municipal Water District  
1021 E. Miramar Avenue  
Claremont, CA 91711-2052  
Attention: Matthew Litchfield, General Manager

To: Metropolitan Water District  
700 N. Alameda Street  
Los Angeles, CA 90012  
Attention: Deven Upadhyay, Chief Operating Officer

To: Main San Gabriel Basin Watermaster  
725 N. Azusa Avenue  
Azusa, CA 91702  
Attention: Anthony Zampello, Executive Officer

15. Interpretation

The Parties have developed this Agreement jointly and in consultation with their respective legal counsel. No ambiguity shall be resolved against any Party on the premise that it or its attorneys were responsible for drafting this Agreement or any of its terms.

16. Governing Law

This Agreement shall be construed in accordance with and be governed by the laws of the State of California.

17. Counterparts

This Agreement may be executed in counterparts, and signatures transmitted via facsimile or electronic mail shall be deemed to be originals.

18. No Third Party Rights

This Agreement does not create any rights enforceable by any person or entity that is not a Party to this Agreement.

19. Authority

The Parties represent that the persons executing this Agreement on their behalf are authorized to do so.

20. Assignment

No Party shall assign its rights under this Agreement without the prior written consent of the other Parties, which consent shall not be unreasonably withheld or delayed.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in duplicate as of the date and year listed at the beginning of the Agreement.

Approved as to form:

Three Valleys Municipal Water District

Steven M. Kennedy  
Brunick, McElhaney & Kennedy

By: \_\_\_\_\_  
General Counsel

By: \_\_\_\_\_  
Matthew Litchfield

# Item 8.C - Exhibit A

General Manager

Approved as to form:

The Metropolitan Water District  
of Southern California

Marcia L. Scully  
General Counsel

By: \_\_\_\_\_  
General Counsel

By: \_\_\_\_\_  
Jeffrey Kightlinger  
General Manager

Approved as to form:

Main San Gabriel Basin Watermaster

Frederic A. Fudacz  
Nossaman LLP

By: \_\_\_\_\_  
General Counsel

By: \_\_\_\_\_  
Anthony Zampello  
Executive Director



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

May 4, 2020

Mr. Matthew Litchfield  
General Manager  
Three Valleys Municipal Water District  
1021 E. Miramar Avenue  
Claremont, CA 91711-2052

Dear Mr. Litchfield:

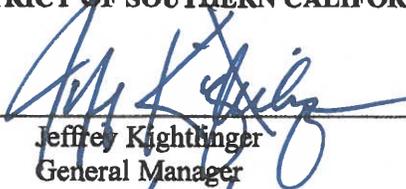
**LETTER AGREEMENT REGARDING EXTENSION OF CYCLIC AGREEMENT BETWEEN  
METROPOLITAN, THREE VALLEYS MUNICIPAL WATER DISTRICT, AND SAN GABRIEL  
WATERMASTER**

The Metropolitan Water District of Southern California ("Metropolitan"), Three Valleys Municipal Water District ("Three Valleys"), and Main San Gabriel Basin Watermaster ("Watermaster") entered into a Cyclic Storage Agreement ("Cyclic Agreement") last amended June 1, 2019. The Cyclic Agreement allows Metropolitan to deliver water to the Main San Gabriel Basin in advance of demand for the water by Watermaster and Three Valleys on behalf of its member agencies.

The parties hereby agree to extend the term of the Cyclic Agreement, dated June 1, 2019. The term of the Cyclic Agreement expires on June 1, 2020. The parties are preparing a new long-term agreement to be effective after the expiration of the Cyclic Agreement. However, any such new agreement requires approval by the Watermaster and the court with jurisdiction over the judgment governing the Main San Gabriel Basin. On March 11, 2020, the World Health Organization declared a pandemic due to the COVID-19 virus. Since then, counties and states have issued stay-at-home orders and courts have closed, with the exception of certain emergency matters. Additionally, board meetings for each of the parties are currently limited due to the stay-at-home orders, making it difficult to present an amendment agreement to the necessary legislative bodies. Therefore, the parties agree to extend the term of the Cyclic Agreement through this letter agreement approved by staff. The Cyclic Agreement is therefore hereby extended by twelve months, with a new termination date of June 1, 2021. The extension is expected to allow Three Valleys Municipal Water District time to seek approval of a new agreement through the Watermaster. All other provisions of the Cyclic Agreement shall remain in full force and effect.

**THE METROPOLITAN WATER  
DISTRICT OF SOUTHERN CALIFORNIA**

**THREE VALLEYS MUNICIPAL  
WATER DISTRICT**

By   
Jeffrey Kightlinger  
General Manager

By   
Matthew Litchfield  
General Manager

Date 5/20/2020

Date 5/11/2020



THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

**MAIN SAN GABRIEL BASIN  
WATERMASTER**

By

A handwritten signature in blue ink, appearing to read "TZ", written over a horizontal line.

Tony Zampello  
Executive Officer

Date

5-12-2020



## Board of Directors Staff Report

**To:** TVMWD Board of Directors  
**From:** Matthew H. Litchfield, General Manager   
**Date:** June 3, 2020  
**Subject:** General Manager FY 2020-21 Work Plan

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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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**Staff Recommendation:**

**No Action Necessary – Informational Item Only**

**Background:**

Each year, the General Manager and Executive Staff prepare the General Manager Work Plan (“Work Plan”) that lays out the specific projects or initiatives to meet the overall goals in support of the TVMWD mission outlined in the Annual Strategic Plan.

**Discussion:**

The FY 2020-21 Work Plan outlines specific projects, initiatives and activities that are measurable with specific performance objectives. A copy of the proposed Work Plan is attached as **Exhibit A**. All of the activities outlined in the Work Plan are designed to further the mission of TVMWD and each activity listed is referenced back to each specific strategic goal outlined in the FY 2020/21 Strategic Plan. New or significantly modified objectives from the previous fiscal year General Manager Work Plan are identified in the new plan.

**Strategic Plan Objective(s):**

- 3.3 – Be accountable and transparent with major decisions
- 3.4 – Communicate TVMWD’s role in the delivery of water
- 3.5 – Ensure that all the region’s local government policy makers understand TVMWD’s role in the delivery of water

**Attachment(s):**

Exhibit A – General Manager’s Work Plan, Fiscal Year 2020-21

**Meeting History:**

None

NA/ML



**THREE VALLEYS MUNICIPAL WATER DISTRICT**  
**GENERAL MANAGER'S WORK PLAN**  
**FISCAL YEAR 2020-21**

*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.*

**PLANNED ACTIVITIES**

Activity	Success Measure	District Strategic Objectives
1. <b><u>TVMWD Miragrand Avenue Well*</u></b> Complete design and publicly bid well drilling and development.	<ul style="list-style-type: none"> <li>• Complete 100% plans and specifications</li> <li>• Public bidding for well drilling/development construction</li> <li>• Equipping and placing well into service in CY 2022</li> </ul>	1.1, 1.3, 1.4, 1.5 2.1
2. <b><u>TVMWD Well Rehabilitations*</u></b> Rehab existing well at the Miramar Water Treatment Plant.	<ul style="list-style-type: none"> <li>• Complete RFP and publicly bid</li> <li>• Rehabilitate Well No. 1 by qualified contractor</li> <li>• Place back into service with higher overall efficiency and production rates</li> </ul>	1.1, 1.3, 1.4, 1.5 2.1, 2.3
3. <b><u>Maximize Energy Production from Hydrogeneration Units</u></b> Maximize run times for all three hydro stations to maximize revenue.	<ul style="list-style-type: none"> <li>• Meet or Exceed budgeted goals for power production.</li> </ul>	2.1
4. <b><u>Miramar Agreement Update (Miramar 2.0) *</u></b> Review and update the existing Miramar agreement to bring it into alignment with current operational practices.	<ul style="list-style-type: none"> <li>• Develop draft agreement language agreeable by all parties to supersede the original 1984 Miramar Agreement</li> <li>• Execute Miramar 2.0 with GSWC and La Verne with Board approval</li> </ul>	2.1 3.3 4.4
5. <b><u>Old Baldy Well Operating Agreement*</u></b> Create new agreement for operation of Old Baldy Well on behalf of PBWA parties. Currently no agreement exists.	<ul style="list-style-type: none"> <li>• Develop draft agreement with PBWA parties</li> <li>• Execute agreement with PBWA parties with Board approval</li> </ul>	2.1 3.3 4.4
6. <b><u>Miramar/JWL Pump Back Agreement*</u></b> Create new agreement to memorialize pump back operations with JWL parties. Currently no agreement exists.	<ul style="list-style-type: none"> <li>• Develop draft agreement with JWL parties</li> <li>• Execute agreement with JWL parties with Board approval</li> </ul>	2.1 3.3 4.4
7. <b><u>Miramar Water Quality Enhancements</u></b> Perform a review of available technologies and strategies to increase current water quality.	<ul style="list-style-type: none"> <li>• Develop work plan to address disinfection byproduct and T&amp;O reduction in treated water effluent.</li> <li>• Develop RFP for pilot project to assess various media beds</li> </ul>	1.2, 1.3 2.1, 2.2
8. <b><u>Maximize Water Sales Through Miramar</u></b> Maximizing water production in treatment plant decreases unit cost of water. Includes maximizing well production year-round.	<ul style="list-style-type: none"> <li>• Meet or exceed budgeted goals for water sales.</li> </ul>	2.1, 2.3

\*New Activity Added by Matthew Litchfield  
 General Manager Work Plan FY 2020-21

## PLANNED ACTIVITIES

Activity	Success Measure	District Strategic Objectives
9. <b><u>Monthly Key Performance Metrics Report</u></b> Monthly report for Board, staff and member agencies that identifies key performance metrics and our progress towards achieving.	<ul style="list-style-type: none"> <li>• Inclusion in monthly board packet</li> </ul>	2.1 3.3, 3.4, 3.5
10. <b><u>District Office Modifications</u></b> Continue to improve office space efficiency for staff as well as replacement of covered parking structure.	<ul style="list-style-type: none"> <li>• Explore more creative, cost-effective office space solutions.</li> <li>• Replace degraded carpet throughout district office</li> <li>• Upgrade existing public restrooms</li> <li>• Replace covered parking due to structural deficiencies</li> <li>• Replace decades-old furniture and fixtures</li> </ul>	4.2
11. <b><u>Capital Project Delivery (CIP) Improvements*</u></b> Prepare needs assessment and implement a plan to improve overall CIP delivery timeframes. Develop District standard drawings, technical specifications, AutoCad standards, etc. Review current bidding procedures and implement any needed changes.	<ul style="list-style-type: none"> <li>• Contract with consultant to develop standard drawings, technical specification library and AutoCad Standards</li> <li>• Review public bidding process and implement necessary changes</li> <li>• Review construction phase process and standardize procedures for inspections, daily reporting, change order processing and project closeout</li> </ul>	1.4 3.2
12. <b><u>Audit of Internal Controls</u></b> Partner with another member agency to receive a review of internal controls. TVMWD staff will likewise provide the same service for the other agency.	<ul style="list-style-type: none"> <li>• Providing reassurance to the board that the internal controls are appropriate</li> </ul>	3.1 4.1
13. <b><u>Financial/Human Resources Software Replacement Planning</u></b> Tyler Technologies is no longer doing R&D to improve our EDEN financial software. Support provided by Tyler had degraded. Identify options to transition from EDEN.	<ul style="list-style-type: none"> <li>• Staff will disseminate RFP that includes requirements of a new financial and human resources software.</li> <li>• Staff will select new vendor and establish a timeline for implementation, tentatively planned for fall 2021.</li> </ul>	4.1
14. <b><u>Job Continuity Guidelines</u></b> Work with administrative staff to finalize and maintain job continuity guidelines for each individual job classification.	<ul style="list-style-type: none"> <li>• All job classifications completed in 2019</li> <li>• Provide presentation of expectations and why needed</li> <li>• Managers work with staff to complete handbooks</li> </ul>	4.2
15. <b><u>Emergency Response</u></b> Continue to work with PWAG and conduct internal tabletop exercise and “surprise” drill (May 2020). Implement additional NIMS/SEMS training and develop ICS form library and EOC supplies.	<ul style="list-style-type: none"> <li>• EOC hands-on drill planned for May 2020 with a total of three (3) drills per year</li> <li>• Train staff on specific roles in EOC</li> <li>• Schedule SEMS/NIMS training for staff</li> </ul>	1.4, 1.5 3.5

## PLANNED ACTIVITIES

Activity	Success Measure	District Strategic Objectives
16. <b><u>Geographical Information Systems (GIS) Implementation</u></b> Develop and institute GIS District wide to improve workflow efficiencies and improve asset management capabilities.	<ul style="list-style-type: none"> <li>• Assess/correct performance issues with consultant</li> <li>• Develop GIS based applications to improve efficiency of operations and engineering tasks</li> <li>• Implement Asset Management with GIS</li> <li>• Cloud based server</li> </ul>	1.4 4.3
17. <b><u>Information Technology Master Plan</u></b> Develop planning documentation and institute practices for the management of the district's hardware and software programs	<ul style="list-style-type: none"> <li>• Assess &amp; align software program versions</li> <li>• Revamp hardware rotation schedule</li> <li>• Review/modify IT contracts and subscriptions</li> <li>• Manage security camera systems</li> <li>• Place physical backup server in EOC</li> <li>• Assess current cyber-attack risks and improve protections</li> </ul>	4.1, 4.3
18. <b><u>District Website Upgrade</u></b> Investigate the need and potential for improving the District's new website for visual and navigational enhancements.	<ul style="list-style-type: none"> <li>• Seek improvements to the new website to improve transparency by the public and information access by member agencies</li> </ul>	3.2, 3.3, 3.4 4.3
19. <b><u>MWD Rialto Feeder PCCP Rehabilitation*</u></b> Explore options to maintain service to Miramar and other member agencies for long term 6 to 9 month shutdowns for Rialto Feeder for PCCP repairs/replacement.	<ul style="list-style-type: none"> <li>• Pursue a regional project alternative that benefits multiple agencies</li> <li>• Develop short list of potential projects</li> <li>• Execute non-binding LOI with all parties</li> <li>• Collaborate with MWD on regional solution and funding mechanisms</li> </ul>	1.3, 1.5 2.4
20. <b><u>Regional Recycled Water Project (Carson Project) *</u></b> Pursue potential capacity in the Carson Project for recharge in the Main San Gabriel Basin	<ul style="list-style-type: none"> <li>• Execute non-binding LOI among MWD, USGVMWD, and MSGBWM with a potential range of capacity of take of advanced treated water</li> <li>• Pursue agreement with PBWA for capacity in Carson Project</li> </ul>	1.1, 1.3, 1.5 2.4 3.4 3.5



## Board of Directors Staff Report

**To:** TVMWD Board of Directors  
**From:** Matthew H. Litchfield, General Manager   
**Date:** June 3, 2020  
**Subject:** State Lobbyist Letter Agreement

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

**Discussion:**

Leading into the current 2019-20 fiscal year, the district requested an updated contract for ongoing state legislative lobbying services from Arnold & Associates in Sacramento.

Exhibit C of the current agreement between Arnold & Associates and the district provides that the agreement may be extended each year upon review and approval by the TVMWD board (agreement attached).

Arnold & Associates has provided the attached “Letter Agreement” to be their consent to continue the current agreement for an additional year, covering the time period July 1, 2020 to June 30, 2021.

Staff has been pleased with the service value, communication level and regular updates provided by the lobbyist throughout the year and would like to bring this item back to the board for consideration of approval at the June 17 board meeting.

**Strategic Plan Objective(s):**

- 3.3 – Be accountable and transparent with major decisions
- 3.5 – Ensure that all of the region’s local government policy makers understand TVMWD’s role in the delivery of water.

**Attachment(s):**

- Exhibit A – Professional Services Agreement – M.J. Arnold & Associates
- Exhibit B – Letter Agreement – M.J. Arnold & Associates

**Meeting History:**

None

KH/ML

**AGREEMENT  
FOR PROFESSIONAL SERVICES  
BETWEEN  
THREE VALLEYS MUNICIPAL WATER DISTRICT  
AND  
MICHAEL J. ARNOLD AND ASSOCIATES, INC.**

This Agreement is made and entered into as of July 1, 2019, by and between THREE VALLEYS MUNICIPAL WATER DISTRICT (hereinafter referred to as “District”) and MICHAEL J. ARNOLD AND ASSOCIATES, INC. (hereinafter referred to as “Consultant”).

**WITNESSETH:**

WHEREAS, District is in need of professional services for state legislative advocacy as described in Section 1 of this Agreement (hereinafter referred to as “Project”);

WHEREAS, Consultant is duly licensed, qualified; and willing to provide such services to the District; and

WHEREAS, this Agreement establishes the terms and conditions for the District to retain Consultant to provide the services described herein.

**AGREEMENT:**

NOW, THEREFORE, in consideration of the faithful performance of the terms and conditions set forth herein, the parties hereto agree as follows:

**1. SERVICES**

Consultant shall provide professional services as described in the Scope of Work attached hereto as Exhibit A and incorporated herein by this reference. Such work expressly includes all related services ordinarily provided by Consultant under same or

similar circumstances and/or is necessary to satisfy the requirements of Section 6 of this Agreement.

### **2. AUTHORIZATION**

Authorization for Consultant to proceed with all or a portion of the work described in Exhibit A will be granted in writing by the District pursuant to a Notice to Proceed which shall be issued as soon as both parties hereto sign this Agreement and all applicable insurance documents required by Section 14 hereof have been received and approved by the District. Consultant shall not proceed with the work until so authorized and shall commence work immediately upon receipt of the Notice to Proceed.

### **3. PAYMENT**

Subject to Consultant's performance of its obligations under this Agreement to the satisfaction of the District, District shall pay for such services in accordance with the Payment Schedule attached hereto as Exhibit B (and incorporated herein by this reference) for the term of this Agreement as set forth in the Time Schedule attached hereto as Exhibit C (and incorporated herein by this reference). Consultant shall submit monthly statements for services rendered and for reimbursable expenses incurred. Invoices shall be accompanied by backup documentation for direct costs. Direct costs shall be paid by the District at cost without markup.

If the invoices submitted are determined by the District to be sufficient, the District shall pay statements within thirty (30) days of receipt. Invoices shall be subject to review for compliance by the District with the requirements of this Agreement and shall be subject to audits at any time. No other compensation will be paid by the District except for service

performed in accordance with an amendment to this Agreement as provided in Section 12 herein.

Consultant shall, at no cost to District, prepare any necessary rework occasioned by Consultant's or sub consultant's negligent act or omission due substantially to Consultant's or sub consultant's fault.

#### **4. TIME OF PERFORMANCE**

Consultant shall perform services in a prompt, timely, and professional manner. Time is of the essence in this Agreement.

#### **5. DUTIES OF THE DISTRICT**

District, without cost to Consultant, will provide all reasonably-available pertinent information necessary for Consultant to perform its obligations under this Agreement. District does not guarantee or ensure the accuracy of any reports, information, and/or data so provided. To the extent that any reports, information, and/or other data so provided was supplied to District by persons who are not employees of District, any liability resulting from inaccuracies and/or omissions contained in said information shall be limited to liability on behalf of the party who prepared the information for District. Neither District's review, approval, or acceptance of, nor payment for, any of the services shall be construed as a waiver of any rights under this Agreement or of any defense or cause of action which it may have arising out of the performance of this Agreement.

#### **6. STANDARD OF CARE**

Consultant's services under this Agreement will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the same profession currently

practicing under similar conditions. The Consultant shall observe and cause all work and deliverables to conform to all applicable federal, state and local laws and regulations.

### **7. ORGANIZATION**

Consultant designates Michael J. Arnold as Project Manager to provide supervision and have overall responsibility for Consultant's performance under this Agreement. The Project Manager shall not be removed from the project or reassigned without prior approval of the District.

### **8. DELIVERABLES**

All original documents, reports, and other written material developed for the Project shall be furnished to and become the property of the District. Consultant agrees that the District will have access to, and the right to examine any pertinent documents, papers, and records in the Consultant's possession for any activity relating to this Agreement. Consultant shall have the right to make a copy of deliverables for its records.

### **9. STATUS OF THE CONSULTANT**

Consultant shall perform the services provided for herein as an independent contractor, and not as an employee of the District. The District shall have ultimate control over the work performed for the Project. Consultant shall not be entitled to participate in any pension plans, insurance coverage, bonus, stock, or similar benefits that the District provides for its employees.

Payments made to Consultant pursuant to this Agreement shall be the full compensation to which Consultant is entitled. The District shall not make any federal or state tax withholdings nor pay any workers' compensation insurance on behalf of Consultant. Consultant shall indemnify the District for any tax, retirement contribution,

social security, overtime payment, or workers' compensation payment which the District may be required to make on behalf of Consultant or any employee of Consultant for work performed under this Agreement.

**10. ASSIGNMENT AND SUBCONTRACTING**

Consultant shall not assign, sublet, or transfer this Agreement, or any rights under or interest in this Agreement, without the written consent of the District. Nothing contained herein shall prevent Consultant from employing independent professional associates, sub consultants, and subcontractors as Consultant may deem appropriate to assist in the performance of services hereunder.

If Consultant subcontracts any of the work to be performed, Consultant shall be as fully responsible to the District for the performance of the work, including errors and omissions of Consultant's sub consultants and of the persons employed by the sub consultant, as Consultant is for the acts and omissions of persons directly employed by the Consultant. Nothing contained in this Agreement shall create any contractual relationship between any sub consultant of Consultant and the District. Consultant shall bind every sub consultant and every sub consultant of a sub consultant by the terms of this Agreement applicable to Consultant's work unless specifically noted to the contrary in the subcontract in question approved in writing by the District.

**11. SUCCESSORS OR ASSIGNS**

Subject to the provisions of Section 15 of this Agreement, all terms, conditions, and provisions hereof shall inure to and shall bind each of the parties hereto, and each of their respective heirs, executors, administrators, successors, and assigns.

**12. CHANGES IN WORK**

If changes in the work seem merited by Consultant or District, and informal consultations indicate that a change is warranted, it shall be processed in the following manner: A letter outlining and justifying the changes shall be forwarded to the District by Consultant with a statement of estimated changes in fee and schedule. If the change is approved the District, an amendment to this Agreement shall be prepared by the District and executed by both parties prior to the performance of such services, or the District will not be required to pay for such changes. Such amendment shall not render ineffective or invalidate any unaffected portions of this Agreement.

**13. TERMINATION OR ABANDONMENT**

If the engagement of Consultant is not extended by the mutual written consent of the District and Consultant, then this Agreement shall automatically expire on the latest date set forth in the Time Schedule attached hereto as Exhibit C.

Notwithstanding the above, the District may terminate this Agreement or abandon any portion of the work by giving ten (10) calendar days written notice thereof. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar day's written notice only in the event of substantial failure by the District to perform in accordance with the terms of this Agreement through no fault of Consultant.

In the event of termination or abandonment of any portion of the Project, the District shall be given title immediately to all original records and other documents developed for that portion of the work. The District shall pay Consultant for services performed for any portion of the work being terminated which were rendered prior to termination. If

termination occurs prior to completion of any task for which payment has not been made, the fee for services performed during such task shall be based on an amount mutually agreed to by the District and Consultant. However, such payments available to Consultant under this Section shall not include costs related to lost profits associated with the expected completion of the Project or other such payments related to Consultant's benefit of the bargain.

### 14. **INSURANCE**

Consultant shall procure and maintain during the performance of this Agreement policies of insurance as follows:

*Workers' Compensation:* Consultant shall maintain Workers' Compensation insurance, as required by law in the State of California, and Employers' Liability Insurance (including disease coverage) in an amount not less than \$1,000,000.00 per occurrence.

*General Liability:* Consultant shall maintain general liability insurance including provisions for contractual liability, independent contractors, and broad form property damage coverage. This insurance shall be on a comprehensive, occurrence basis form with a standard cross liability clause and endorsement (ISO CG 2010 or equivalent). The limit for this insurance shall be not less than \$1,000,000.00 per occurrence, combined single limit for bodily injury and property damage.

The premiums for said insurance coverage shall be paid by Consultant. Insurers shall have at least an AA, VII policyholder's rating in accordance with the current Best's Key Rating Guide or equivalent. In addition, any and all insurers must be authorized to conduct business in the State of California, as evidenced by a listing in the official publication of the Department of Insurance of the State of California.

Certificates of insurance and endorsements, acceptable to the District and verifying the insurance coverage required by this Agreement, shall be filed with the District within five (5) calendar days of execution of this Agreement and prior to issuance of a Notice to

Proceed. The District reserves the right to require complete and accurate copies of all insurance policies required under this Agreement. These policies shall be primary insurance as to the District so that any other coverage held by the District shall not contribute to any loss under Consultant's insurance.

### **15. INDEMNITY - HOLD HARMLESS**

Consultant shall defend, indemnify, protect, and hold the District and its agents, officers, and employees harmless from and against any and all liability established for damages and/or injuries to any person or property, including injury to the Consultant's or its sub consultant's employees, agents, or officers which arise from or are connected with or are caused by the acts or omissions of the Consultant and its sub consultants and their agents, officers, or employees in performing the services herein, and/or have been suffered or incurred on account of any breach of the covenants contained herein by Consultant or its employees, agents, or sub consultants, and all expenses of investigating and defending against same; provided, however, that the Consultant's duty to indemnify and hold harmless shall not include any claims or liability arising from the sole or active negligence or willful misconduct of the District, its agents, officers, or employees.

Where approval by the District is indicated, it is understood to be conceptual approval only and does not relieve the Consultant of responsibility for complying with all laws, codes, industry standards, and liability for damages caused by negligent acts, errors, omissions, noncompliance with industry standards, or the willful misconduct of the Consultant or its sub consultants. Consultant agrees to defend, indemnify, and hold harmless the District, its officers, agents, and employees from and against any and all claims, costs, suits, and damages, including attorneys' fees, arising from the willful

misconduct or negligent acts, errors, or omissions of the Consultant and its sub consultants.

**16. LAWS AND VENUE**

This Agreement shall be construed as if it was jointly prepared by both parties hereto, and any uncertainty or ambiguity contained herein shall not be interpreted against the party drafting same. This Agreement shall be enforced and governed by and under the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Los Angeles, State of California. In the event of any such litigation between the parties, the prevailing party shall be entitled to recover, in addition to such other relief as may be granted, all related litigation and collection costs incurred, including reasonable attorneys' fees, as determined by the court.

Arbitration may be attempted if both parties mutually agree before, during or after litigation has begun.

**17. NONDISCRIMINATION**

Consultants doing business with the District are expected to be equal opportunity employers who attempt to achieve parity in the representation of women and minorities in their work force. The Consultant is to ensure equal employment opportunity for all persons, regardless of race, color, religion, sex, creed, national origin, ancestry, age, medical condition, physical or mental disability, Vietnam-era veteran or special disabled veteran status, marital status, or citizenship, within the limits imposed by law. These principles are to be applied by the Consultant in all employment practices including recruiting, hiring, transfers, promotions, training, compensation, benefits, layoffs, and terminations. The

Consultant also agrees to comply with Title VII of the Civil Rights Act of 1964, as amended, the California Fair Employment Practices Act, the Americans with Disabilities Act of 1990, and other applicable federal and state laws and regulations.

**18. REPRODUCTION RIGHTS**

Consultant agrees that all rights, title, royalties, copyrights, and interest in all work which may arise from its performance of services pursuant to this Agreement shall be vested in the District, and Consultant hereby agrees to relinquish all claims to such rights in favor of the District.

**19. COVENANTS AGAINST CONTINGENT FEES**

Consultant agrees that its firm has not employed or retained any person, other than a bona fide employee of Consultant, to solicit or secure this Agreement, and that Consultant has not paid any person, other than a bona fide employee, any fee, commission, percentage, gift, or other consideration contingent upon, or resulting from, the award of this Agreement.

**20. INTEGRATION AND PARTIAL INVALIDITY**

This Agreement represents the entire understanding of the District and Consultant as to those matters contained herein. No prior oral or written understanding shall be of any force or effect. This Agreement may not be modified or altered except in writing signed by the District and Consultant.

If any term, covenant, condition or provisions of this Agreement is found by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated thereby.



23. **AUTHORITY**

The individuals executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date written above.

*MICHAEL J. ARNOLD & ASSOCIATES, INC.*

*THREE VALLEYS MUNICIPAL WATER DISTRICT*

By: \_\_\_\_\_  
Michael J. Arnold  
Legislative Advocate

By: \_\_\_\_\_  
Matthew Litchfield  
General Manager/Chief Engineer

**Exhibit A**  
**Scope of Work**

The purposes for maintaining ongoing representation in Sacramento would include an overall goal of staying active with pending water and governance issues that could impact Three Valleys, our Member Agencies and the region and state.

We would also benefit from a consistent strategy and a strong voice to work and coordinate with ACWA, CSDA, MWD and other interested parties that generally share our vision and that speak for the water industry. Also, the following items would be included:

- Advise and assist in protecting future “takings” of subvention monies for the entire District.
- Enhance political contacts on items of local, regional and statewide interest.
- Promote the District’s program to build relations with elected representatives and their staff. In this era of term-limits, it has become essential to maintain political associations especially with the ‘behind-the-scenes’ staff and bureaucracy in Sacramento that is responsible for most of the detail, logistics and day-to-day work in writing, amending, analyzing and promoting legislation.
- Assist local legislators in assessing, writing and promoting legislation that will be of local, regional and/or statewide benefit to Three Valleys MWD.
- Assist with letters/faxes/calls/personal visits when an issue of importance to Three Valleys MWD is pending in Sacramento;
- Arrange and coordinate legislative appointments and opportunities for district representatives visiting the Capitol;
- Regularly attend and testify at committee hearings on bills of importance that the district has acted on;
- Provide input on future and pending state legislation;
- In coordination with this District, provide clear direction on various issues to state officials;
- Assist in obtaining California Grant Funding for water supply and reliability projects, and;
- Provide detailed monthly status report/update to the district on legislative activities performed by Consultant in the previous month.

XX



**Exhibit C**  
*Time Schedule*

July 1, 2019, to June 30, 2020

The \$6,000 monthly fee is funded only through June 30, 2020. A review of this Agreement will be undertaken by the District's Board of Directors and a recommendation made to the District's Board of Directors regarding the possible extension of the contract term.

XX

**Arnold and Associates, Inc.**

Legislative Advocates and Consultants

Phone: (916) 446-2646 ♦ Fax: (916) 446-6095 ♦ 1127 11th Street, Suite 820, Sacramento, CA 95814

May 13, 2020

Matthew Litchfield, General Manager  
Three Valleys Municipal Water District  
1021 E. Miramar Avenue  
Claremont, CA 91711

Re: Letter Agreement to Continue Legislative Representation Services

Dear Matt:

Exhibit C of the current agreement between Arnold & Associates and Three Valleys Municipal Water District (TVMWD) provides that the agreement may be extended.

Please consider this “Letter Agreement” to be our consent to a continuation of the current agreement for an additional year. The current agreement covers the time period July 1, 2019- June 30, 2020. Thus, the new agreement, including the same terms, would cover the time period July 1, 2020 – June 30, 2021.

Thank you for your consideration. We look forward to continuing to represent the interests of TVWMD here in Sacramento.

Sincerely,

*Michael J. Arnold*

Michael J. Arnold  
Legislative Advocate

Cc: Kirk Howie, Chief Administrative Officer



## Board of Directors Staff Report

**To:** TVMWD Board of Directors  
**From:** Matthew H. Litchfield, General Manager   
**Date:** June 3, 2020  
**Subject:** **SCADA Software Upgrade**

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**For Action**                       **Fiscal Impact**                      \$  
 **Information Only**                       **Funds Budgeted:**

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### Staff Recommendation:

#### Information Only

#### Discussion:

Staff is looking to upgrade to the latest SCADA software, as our current version is no longer supported. The latest version provides several necessary features, such as better tablet/mobile interface and a robust historian database. The historian will allow information from the SCADA system to be gathered automatically and stored in a secure environment outside of the business software. In addition, the data being collected will allow staff to better understand historical demand patterns, increase ability to predict water sales, increase operational efficiency, and better manage future capital improvement projects needs. The data will be safely shared between Operations and Engineering, increasing efficiency, report generation, and documentation for compliance documents. The mobile/tablet interface will move TVMWD in an efficient direction long into the future.

TVMWD has been offered a \$10,000 discount on the software due to Covid-19 and new competition within the market. We recommend taking advantage of this opportunity now.

Prime Systems, TVMWD's SCADA system service provider, has provided the following breakdown of costs for this purchase:

Wonderware System Platform Software & Licensing	\$ 50,000
Programming Labor	50,000
SCADA Servers (2)	30,000
Thin Manager Software (remote access & management)	10,000
Thin Manager enabled Thin Clients	4,000
Microsoft Licensing	2,000
Miscellaneous	<u>4,000</u>
<b>Total</b>	<b>\$150,000</b>

This purchase was anticipated for some time in the future but not budgeted for FY 19/20 or 20/21. Attached is a budget amendment to fund this purchase utilizing budget that was originally dedicated to install a residual control system at the Fulton Reservoir to maintain disinfectant levels at the outer edges of the system. Now after operating the Fulton Reservoir for a few years, staff feels the residual control system is not necessary.

**Strategic Plan Objective(s):**

- 1.4 – Maintain water infrastructure to assure 100% reliability
- 3.3 – Be accountable and transparent with major decisions
- 4.3 – Increase use of technology to secure information and keep current with industry standards

**Attachment(s):**

Exhibit A – Budget Amendment for SCADA Software Upgrade

**Meeting History:**

None

NA/SL/JL



# BUDGET AMENDMENT

To: Finance Department

Fiscal Year: 19/20

From: Operations Department  
Department

Date: 6/17/2020

Subject: SCADA Software Upgrade

Please process this request and distribute the budget amendment as follows:

## Expenditure Amendment

Ref No.	Line Item Description	Account Number	FY Budget (\$)			Reserve Funds (\$)		
			Existing	Change (+/-)	Revised	Existing	Change (+/-)	Balance
1	SCADA Modifications & Upgrades	20.21.58144	0	150,000	150,000			0
2	Fulton-Residual Control System	20.21.58465	200,000	(150,000)	50,000			0
3					0			0
4					0			0
5					0			0
6					0			0
7					0			0
8					0			0
9					0			0
10					0			0
<b>NET CHANGE:</b>				\$0			\$0	

**Attach staff report, motion, committee and/or board minutes associated with this budget amendment**

- Amendment Procedure**
1. If required by District policy, General Manager requests Board approval of budget amendment. Request to amend budget must be included in the staff report.
  2. Upon Board approval, the Finance Department secures all necessary signatures to complete the Budget Amendment form. The staff report and board minutes, if any, should be attached to the form.
  3. Finance Department maintains all appropriate documentation and processes the budget entry.
  4. A fiscal year file will also be kept to hold all budget amendment forms for auditor review.

	YES	NO	
Committee Review:	<input type="checkbox"/>	<input type="checkbox"/>	Date: _____
Board Approval:	<input type="checkbox"/>	<input type="checkbox"/>	Date: _____
_____			Date: _____
Chief Finance Officer Signature			
_____			Date: _____
General Manager Signature			

**Finance Dept Use Only**

Date Received	
Board Report Date	
Motion #	
Date Posted	
Posted By	