

The Three Valleys Municipal Water District (TVMWD) Board of Directors

League of Women Voters of the Claremont Area Observer Report
Covering May 2016 through April 2017

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I. INTRODUCTION: Although the drought of the last several years has eased, most of the comments made in our reports in recent years about the activities of the TVMWD and its Board of Directors have not substantially changed. In general, the TVMWD and its Board undertake their responsibilities in accord with “best practices” for a public institution. Yet, critics may complain that there is not enough public involvement in their deliberations.

A. Characteristics of TVMWD: The TVMWD is one of the 26 member agencies of the Metropolitan Water District of Southern California and continues to supply all the wholesale water, mostly imported from Northern California and the Colorado River, needed by water retailers in its area of jurisdiction to supplement local supplies. This amounts to an average of about 50 percent of the retailers’ sales. The Board continues to operate in unanimity and in harmony with the General Manager, i.e., unanimously supporting almost all of the requests presented to it. Both the General Manager and the Board Members have served TVMWD for many years and have extensive experience in the water industry. The Board’s meetings are run in accord with what scholars and others deem appropriate practices, e.g., a vast array of detailed information on virtually every issue brought before the Board is made available to all via the District’s website prior to each meeting; the District Clerk/Executive Assistant, Vicki Hahn, provides an “Action Report” immediately after each meeting on the various matters voted upon that session and posts it on the District’s website; she prepares extensive minutes for each Board meeting that later become available on the District’s website, as well; a form is available on the District’s website for Public Records requests and Ms. Hahn responds promptly to them. There is for every meeting a “Public Comment” item near the beginning of each agenda for general comments from the public and, in addition, the Board Chairman, Bob Kuhn, invites those present to speak up any time they wish to raise comments before the Board begins to discuss any specific matter on the agenda. Occasionally, the public comment section is used for purposes other than for its intended use, i.e., public views in general about issues related to TVMWD provision of water. For example, at the second June meeting a professor from the University of La Verne used it to present a “Certificate of Special Congressional Recognition” of TVMWD for help in support of La Verne’s REACH Program which helps under-privileged high school students to become acquainted with college. Indeed, TVMWD continues to receive awards from several sources for the high quality of various aspects of its operation.

B. Virtual Absence of Public Involvement in TVMWD Board Decisions: Despite these characteristics—or, perhaps, because of them—the public’s attention and involvement in the activities of TVMWD remains negligible. Almost no one outside of those associated with other water agencies attends Board meetings, though occasionally a city employee, a government official, or a businessperson will be in the audience, but very rarely speak. The unanimity of the Board members may arise in part from the absence of public participation. Yet, there are public concerns that deserve more attention to the TVMWD. For example, during the effort by Claremont to take over its water distributor, Golden State Water Company, the latter asserted that the cost of water it bought from TVMWD contributed substantially to the rate increases it was forced to make for Claremont consumers. Nevertheless, the rate increases that TVMWD instituted have not been subject to public questioning at its meetings—or, when Board members came up for re-election. In only one case out of the four Board of Directors’ seats up for election this past year was there an opponent to the seated Board member, meaning that in those three cases where there was no election the discussions over policy that elections might elicit never happened. The election is discussed further in section III B of this report. The lack of opposition may be interpreted as general support, but without a contest such a conclusion is an uncertain one. And the cost of water to consumers is affected by a variety of TVMWD expenditures that have not undergone scrutiny by the public. For example, \$385,000 was the estimated cost of a recreation room for employees, payments to Directors for attendance at meetings that do not appear to have any relevance to their work, and, other expenditures. Of course, part of the “blame” should fall on the LWV observers for not adequately publicizing or “following up” on the potential problems that need to be addressed and who bears responsibility for them.

II. TVMWD “MISSION:” The TVMWD charge is “to supplement and enhance local water supplies to meet our region’s needs in a reliable and cost-effective manner.” The problem we face is that the water available locally cannot sustain us, so we have joined together with surrounding areas in efforts to supplement that water. Thus, TVMWD is a part of the MWD which covers a much larger area. Yet, if the water sought is from Northern California and the Colorado River, its mission goes beyond Southern California, too. What this means is that to fulfill its mission, the TVMWD must involve itself in a wide range of decision-making authorities whose decisions impact its fulfillment of its mission, a matter discussed in section “IV” below.

To fulfill this mission during the drought led, also, to other steps besides getting more water from Northern California and the Colorado River. One way to deal with the reduced availability of water and fully supply the need for water would be to cut consumption. As a result, TVMWD, in collaboration with MWD, began its rebate program for water saving appliances and for the removal of water-consuming grass. Also, the drop-in revenue which came with a drop in water usage encouraged the District to seek new sources of funds. One consequence was the development of hydro-electric power. There was power to be obtained from the force behind imported water being delivered and TVMWD established hydropower plants at its Williams and Fulton sites, selling the power to Southern California Edison (SCE). The drought also heightened the need to store water when it was available for use when it was not available. This led to spreading “surplus” to soak in underground when it was available and to pump out of the ground

when it was needed. During the 2016/17 year, work on Well 3 and Well 4 to extract water proceeded. And, in June when the Board heard that the current cost of its water was projected to rise from \$594/AF by 12% in January of 2017, another reason arose for storing water. Before the water could be consumed, of course, it needed to be treated. Seventy percent of TVMWD's water was treated and sold out of the Weymouth Treatment Plant in La Verne and 30% out of the Miramar Treatment Plant in Claremont. Most of it is then sold to the following: City of La Verne, 27%; Golden State Water (GSW) (San Dimas); GSW (Claremont), 27%; Walnut Valley Water District, 13%; Rowland Water District, 9%; City of Pomona, 5%. So, the need to fulfill its mission, led to new undertakings by TVMWD.

III. TVMWD GOVERNING BOARD: The Board's composition changed during the year.

A. Pre-Election Board Composition, Area Represented and Office Held: Until December 2016, the TVMWD Board of Directors consisted of the following individuals listed with their positions on the Board, the Division of TVMWD they represented, and the cities or areas they represented:

Bob Kuhn, the Board President, from Division 4 (i.e., Glendora & San Dimas);

David De Jesus, Vice President, from Division 2 (i.e., Walnut, portions of Covina, West Covina, including Woodside Village, Charter Oak and San Dimas).

Brian Bowcock, Secretary, from Division 3 (i.e., Claremont & La Verne).

Joseph Ruzicka, Treasurer, from Division 5 (i.e., Diamond Bar and City of Industry).

Dan Horan from Division 7 (i.e., Rowland Heights, La Puente, parts of City of Industry).

Carlos Goytia from Division 1 (i.e., Parts of Pomona).

Fred Lantz from Division 6 (i.e., North Pomona).

B. Post-Election Change: Elections for four of the Directors were to be held on November 8th. These were for the seats held by De Jesus (Division 2), Kuhn (Division 4), Horan (Division 7), and Lantz (Division 6). Yet, only in Division 6 was there opposition to the incumbent. De Jesus, Kuhn and Horan were confirmed reelected. Lantz was defeated and John Mendoza became the representative from Division 6. This was the second time he had defeated Lantz. In 2008 Mendoza had replaced Lantz for a term before Lantz replaced him at the end of his term. The

current term of office of De Jesus, Kuhn, Horan and Mendoza began in December of 2016 and will end in December of 2020.

As previously noted, all of these Board Members have extensive backgrounds in the water “industry” and substantial knowledge relevant to the tasks performed by TVMWD. Furthermore, they have served on the Board for many years. Directors Kuhn and De Jesus have served since 1997, Directors Bowcock, Horan and Ruzicka since 2003, Director Lantz from 2001-2009 and 2013-December of 2013, and Director Goytia since 2011. Director Mendoza’s previous service period is mentioned above.

IV. BOARD MEMBERS’ CONCERNS WITH WATER-RELATED ACTIONS IN OTHER “ARENAS:” Since the mission of the TVMWD was to get water from other areas and that was the same goal as each of the 13 member agencies of TVMWD, the 25 other member agencies of MWD and the MWD, linkage among all these agencies was thought to be advantageous. Furthermore, both awareness of water-related groups and activities in California and elsewhere in the U.S. at large was sought.

A. Board Members’ Inter-District Concerns Within MWD: Each member of the TVMWD is assigned to serve as a representative, and/or a substitute representative, on other MWD member agencies and other public bodies that directly or indirectly play a role in the provision of water to people living in our region. These include the Local Agency Formation Commission (Director Ruzicka/Kuhn), the Pomona Walnut Rowland Joint Water Line Commission (Director Horan/Goytia), the Six Basins Watermaster (Director Bowcock/Lantz), the Main San Gabriel Basin Watermaster (Director Bowcock/Horan), the Chino Basin Watermaster (Director Kuhn/De Jesus), the San Gabriel Basin Water Quality Authority (Director Kuhn/Horan), the San Gabriel Valley Council of Governments (Director Goytia/Kuhn), ACWA Region 8 Delegate (Director Horan/Bowcock), the ACWA/JPIA Representative (Director Bowcock/Kuhn) and the Metropolitan Water District of Southern California (Director De Jesus). These assignments are an indication of the need for cooperation/communication among water agencies in order to fulfill their challenge.

B. Board Members’ California-wide and Nation-wide Concerns: Since an objective of the TVMWD was acquiring water outside its “area,” TVMWD was concerned with what was happening elsewhere in California and at the national level that might affect those supplies. As a consequence, TVMWD hired lobbyists and adopted positions on water issues that were before the state legislature in Sacramento and in other jurisdictions. Indeed, it developed and endorsed a single-spaced list of almost four pages of what it wanted, primarily from the State legislature, titled “2017 Legislative Priorities” including positions on “Bay-Delta and State Water Project Improvements,” the “Colorado River Initiative,” “California Water Action Plan,” “Regional Water Resource Management,” “Watershed Management,” “Water Quality,” “Environmental Planning and Environmental Compliance,” “Energy Sustainability,” “Cybersecurity,” “Infrastructure and Public Finance,” and at the federal level “Federal Drought Related Legislation,” “Federal Appropriations Priorities.” At some Board meetings, it supported or opposed specific bills offered at different levels of government, and, at many Board meetings a staff member reported

on what was happening relevant to water issues elsewhere in the state. The document can be found at <http://www.threevalleys.com/Handlers/PDFHandler.ashx?TID=24&ID=26>

Its concerns of necessity were of a much broader geographic scope than those of the boundaries of the TVMWD.

V. BOARD MEETINGS: As in prior years, meetings of the TVMWD were almost always held on the first and third Wednesday of most months, beginning promptly at 8 a.m. And, as in the past, the tendency was for the first meeting of the month to focus on the presentation of proposals and the provision of information dealing with various issues of concern to the Board, while the second meeting tended to be one where proposals were ratified. In total, there were 17 regular meetings this past year, i.e., between the 1st of May, 2016 and the 30th of April, 2017. In May, December and February, there was only one in July and none in August. For each meeting of the Board the agenda, minutes and “packets” of backup information back to the first meeting of 2016 are currently available at www.threevalleys.com/Board-Meetings.aspx.

A. Format of Meetings: Meetings were organized with a standard format: There was the call to order, followed by the pledge of allegiance, roll call, a request for additions to the agenda, and questions about whether the agenda should be reordered and whether there was any public comment. Normally, these items were covered in a minute or two because no one cared to comment or change the agenda. The consent calendar followed, then the General Manager’s Report which normally included a “legislative update” given by the Assistant General Manager-Administration, Kirk Howie and, periodically, votes on the Directors’ expense forms, prior meetings’ minutes and a variety of reports and votes on significant operational matters. This was followed by reports of Board Members on the various water-related meetings they had attended.

B. Unanimity/Lack of Unanimity of Support: As previously noted, virtually all measures received universal support from Board Members present at any given meeting. There was one measure that appeared to divide members that never came to a vote and one measure that was voted on but did give rise to a divided vote.

Case #1: At the October 19th meeting Director Goytia asked that TVMWD support a turkey give away “in conjunction with” efforts by Hilda Solis. When told that it would have to be evaluated by “Staff” because it might be considered a gift of public funds, he dropped his request.

Case #2: Then at the February 15th meeting there was a request from the organization “Water Education for Latino Leaders (WELL)” for \$10,000 to support their up-coming conference. The “Staff” noted that a few years ago \$2500 was provided, so Director Mendoza moved that \$2,500 be provided and Director Goytia seconded the motion. When the point that this was also an unbudgeted expenditure was raised, Director Ruzicka amended the request to \$500, but there was no formal second. So, the vote took place on the motion for \$2500. Board members Goytia, Kuhn and Mendoza favored it, while De Jesus, Bowcock, Ruzicka and Horan opposed it. I

believe this was the only vote that was not unanimous for the whole May 2016-April 2017 period.

C. Attendance: Absences of Board members were rare and occasions where members did not attend the whole meeting were even rarer.

D. Agenda and Backup Materials for Meetings: As in prior years, both the agenda and an extensive “packet” of backup materials always were made available to Board members and the public on the TVMWD website (www.threevalleys.com) prior to each meeting. Hard copies of the agenda were available when members of the public came to the meeting and signed in.

An excellent summary of the state of TVMWD, its projects and other activities during the prior year is presented in the Comprehensive Annual Financial Report (CAFR) available on the TVMWD site, too, at www.threevalleys.com/Reports-Documents/Finance.aspx. A summary for the fiscal year ending June 30, 2016, was presented at the October 2016 meeting.

E. Closed Sessions at Meetings: Similar to the situation in previous years, at the end of several of the regular meetings closed sessions were held at which issues primarily related to legal matters, including the San Diego County vs. MWD case, and one involving Chino Basin MWD vs City of Chino were held. Needless to say, normally, the substance of what took place is not reported.

VI. Conclusions

As is obvious from this report, the Three Valleys Municipal Water District continues to function much as it has in the past. The top personnel, including Board members and the General Manager have had many years of experience and expertise in the water industry. It makes available to the public vast amounts of data on its activities. It invites the public to observe much of what it is doing at its Board meetings and on its website. And, it continues to receive awards for its excellence in financial and other areas.

Yet, the general public does not engage politically with it. A few critics might decry the absence of challengers in the elections to the Board of three members this past year. Some might question whether the claims by Board members that all of the meetings listed on their expense sheets and for which they claim \$200 for attending are directly relevant to water issues or their work with TVMWD. They might question whether some of the expenditures for various projects are appropriate. Likewise, a critic might ask why in a democracy is there not more critical attention given to TVMWD. The answers may lie partly in the technical nature of much of what is done. It also may mean that the community is pleased with the job being done and aware of the many contributions TVMWD is making to those who live in its jurisdiction. Or it may be that the League Observers are not doing their job of informing the other members of the League and the community about possible problems with this public entity.