

**A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
248 E. FOOTHILL BLVD, ROOM #103, MONROVIA, CALIFORNIA 91016
4:00 P.M. – SEPTEMBER 25, 2024**

A regular meeting of the Board of Directors was held in the office of the District, 248 E. Foothill Blvd, Rm. 103, City of Monrovia, County of Los Angeles, State of California, within said Water District, on September 25, 2024 at the hour of 4:00 p.m.

ROLL CALL

DIRECTORS PRESENT: Santana, Fellow, Chavez and Treviño

DIRECTORS ABSENT: Garcia

STAFF PRESENT: Tom Love, General Manager; Patricia Cortez, Assistant General Manager, External Affairs; Evelyn Rodriguez, Chief Financial Officer/Chief Administrative Officer; Steve O’Neill, District Counsel; Steve Johnson, District Engineer; Venessa Navarrette, Executive Assistant; Jennifer Aguilar, Water Use Efficiency Analyst; and Alexis Silva, Intern.

OTHERS PRESENT

Steve Baker, Lenet Pacheco, Dave Michalko, David Muse, Russ Bryden, Jose Martinez, Raymond Cordero.

ADOPTION OF AGENDA

On motion by Vice President Fellow, seconded by President Santana, the agenda was adopted as presented by the following vote:

AYES: SANTANA, FELLOW, CHAVEZ, AND TREVIÑO
NOES: NONE
ABSTAIN: NONE
ABSENT: GARCIA

PUBLIC COMMENT

None.

COMMITTEE REPORTS

None.

CONSENT CALENDAR

On motion by Vice President Fellow, seconded by Secretary Chavez, the consent calendar was approved by the following vote:

AYES: SANTANA, FELLOW, CHAVEZ, AND TREVIÑO
NOES: NONE
ABSTAIN: NONE
ABSENT: GARCIA

(a) Minutes of a regular meeting of the Board of Directors held on September 11, 2024 at 4:00 p.m.

SACRAMENTO LEGISLATIVE WRAP-UP

Steve Baker, legislative consultant from Aaron Read Associates, LLC, reported that over the last two years, over 4,500 bills were introduced of which 200 bills deal with water issues. He stated that there were no water bills that negatively impacted Upper District. He also reported that none of the bills that Upper District opposed passed or went into effect. He added that this legislative session was overshadowed by the state budget, beginning with a 54 billion deficit that, ultimately, significantly decreased. He stated that the next 3-year budget is estimated to be at a \$30 to \$35 billion range. He also reported that the opposed tax initiative measure put forward by the Business Properties Association was removed from the ballot by the State Supreme Court. He then reported that a \$10 billion water bond will go on the November ballot, \$3.80 billion of which is Prop 4 for water projects. He then reported on SB 366 requiring the State to provide a comprehensive update to the State’s water plan every 5 years. He added that the bill has passed the legislative

process and is pending on the governor's desk. He then reported on Prop 218 limiting the ability of local water agencies to raise taxes and fees. He stated that a number of water agencies came together and have three bills awaiting the governor's signature that will provide more flexibility to water agencies: AB 1822 - allows agencies to take incremental rates and build them into the base without having to go to a vote of rate payers; AB 2257 - limits legal challenges to Prop 218 challenges; and SB 1072 - provides that funds from a successful challenge are allowed to go into upgrading agency facilities.

Director Garcia arrived at 4:08 p.m.

Mr. Baker provided a brief update on the Sites Reservoir Project in Northern California, stating that the governor is moving it forward, and the State Water Board has provided additional permits for construction to begin soon. He added that the Delta Conveyance Project is slowly progressing. He then stated that there will be about 35 new legislators with a handful of new elected officials representing Upper District's area this election year. He reported that new Senator Shasha Renee Perez is aware of Upper District's water conservation projects and should have an easy transition.

Vice President Fellow stated that ACWA kept a neutral position on Proposition 4 until Senator Allen showed support. ACWA then decided to endorse the proposition. He also expressed concern about the Delta Conveyance Project.

Secretary Chavez asked if the pulled tax measure from the Business Properties Association would be revisited. Mr. Baker stated this happens regularly and would probably be the case.

Secretary Chavez stated that having 35 new legislators means Upper District needs to continue advocating in Sacramento and Washington D.C.

President Santana and Mr. Baker briefly discussed how SB 366 will help with the Delta infrastructure issue.

ETHICS TRAINING

The General Manager stated that the Board of Directors and management staff are required to have two hours of ethics training every two years. He reported that District Counsel has previously provided updates on various topics related to ethics and will continue the discussion.

District Counsel provided a presentation to the Board of Directors regarding compensable meetings and the role public agencies can play when it comes to statewide ballot measures like Proposition 4.

He reviewed Water Code 71255 which defines what constitutes a compensable meeting and how directors would be compensated. He discussed Water Codes 20201 and 20202 providing an alternative compensation for water district directors. He stated that most agencies are working under the alternative structure provided by Water Codes 20201 and 20202, allowing up to 10 meetings per month instead of six and the use of an adjusted compensation scale. He then reviewed the requirements set forth in Government Code 53232.1 for compensable meetings and how Section 2.6 of Upper District's Policy Manual meets the requirements of Government Code 53232.1 in defining which meetings are deemed compensable.

President Santana and District Counsel discussed how compensable meetings are considered public meetings and how the AB 1234 and monthly director's expense reports listing meetings attended are considered public documents.

District Counsel reviewed how Proposition 4 issues can potentially impact the District. He provided a review of California Supreme Court Case *Stanson v Mott* from 1976 regarding the expenditure of funds by a state employee, essentially advocating for a bond measure that would generate significant funds for the acquisition of a park land. He stated that the Supreme Court ruling deemed the expenditure improper. He added that a new Government code 54964 came into effect in 2001 prohibiting a local agency from expending or authorizing the expenditure of any funds to support or oppose the approval or rejection of a ballot measure, or the election or defeat of a candidate. He stated that if Upper District is asked to take a position on Proposition 4, the District can provide an unbiased evaluation of the proposition but cannot spend any funds or consultant time to promote its passage.

Secretary Chavez and the General Manager discussed the when ethics trainings are due and potentially hosting another ethics training to invite other agencies.

Vice President Fellow stated that ACWA also offers online ethics courses.

REVIEW OF UPPER DISTRICT BOARD CODE OF CONDUCT

President Santana stated witnessing a disruptive behavior by a director during one of Upper District's meetings. She expressed concern over the effect this type of behavior may have on the whole organization. She stated that District Counsel will review relevant sections of Upper District's Policy Manual regarding board code of conduct. She added that harassment can come in many forms - verbal, facial expression, tone and body language. She stated that directors have a responsibility for setting District policies through open conversation with respect and professionalism. She emphasized the importance of addressing behaviors that deviate from the code of conduct.

District Counsel reviewed the Board Code of Conduct emphasizing the importance of respecting the chain of command as well as the dignity and values of each director, and maintaining professionalism even during difficult conversations.

Vice President Fellow shared that on October 22nd, the Metropolitan Water District of Southern California (MWD) will be addressing an issue on employee abuse, adding that no employee or director should experience abuse.

Treasurer Garcia expressed appreciation for the emphasis on the chain of command. She added that the presentation is a good reminder of the expectations for directors.

The General Manager stated that he has reminded employees to let him know if there is a situation where a director asks staff to do something that makes them uncomfortable. He added that staff will continue working on updating the policy manual and presenting those to the Board by section.

President Santana moved discussion of Action Item 7. (d) to follow the closed session item.

ADJOURN TO CLOSED SESSION

A closed session was held pursuant to Government Code section 54957; Public Employee Performance Review; Position: General Manager.

REPORT ON CLOSED SESSION

The Board reconvened after closed session. District Counsel reported that a discussion was held by the Board and that no formal action was taken during closed session.

APPROVAL OF GENERAL MANAGER CONTRACT AMENDMENT

On motion made by Vice President Fellow, seconded by Secretary Chavez, the amendment adjusting the General Manager's salary to \$345,000 a year and extending his contract to February 14, 2028 was approved by the following vote:

AYES: SANTANA, FELLOW, CHAVEZ, GARCIA AND TREVIÑO
NOES: NONE
ABSTAIN: NONE
ABSENT: NONE

INFORMATION ITEMS

Press Releases and News Articles.

ATTORNEY'S REPORT

District Counsel reported working with staff on administrative matters including a Delta Conveyance meeting and potential Brown Act implications.

ENGINEER'S REPORT

The District Engineer briefly reported on the key well conditions. He also reported working with staff on the evaluation of Sunny Slope Water Company and San Gabriel County Water District's interconnection options, updating the emergency response action plan for the District, a feasibility study on reactivating the Monrovia connection, updating the Integrated Resources Plan, and continued collaboration with Three Valleys Municipal Water District on gap areas and boundary adjustments.

GENERAL MANAGER'S REPORT

The General Manager reported on a recent meeting with the producers where Upper District rates, MWD's RTS charge, Integrated Resources Plan update, imported water deliveries, and USG-03 flow rate were discussed. He also reported that the October Administration and Finance Committee meeting will need to be rescheduled. He then announced that for the third year in a row, Upper District will be receiving the EPA WaterSense Sustained Excellence award. He stated that a staff member has taken an extended family medical leave. He then reported going on vacation until October 1st.

Secretary Chavez and Ms. Cortez discussed that the WaterSense award will be presented at the WaterSmart conference in Las Vegas.

DIRECTORS COMMENTS

Secretary Chavez expressed preference for receiving the agenda packet by email instead of regular mail.

Vice President Fellow reported that MWD's Pure Water Committee met and discussed the Delta Conveyance, Sites Reservoir and Pure Water Southern California projects. He added he has asked MWD to provide directors with the estimated cost and projected quantity of water for each project.

The General Manager stated that a special briefing on the Delta Conveyance Project will be held on October 17, 2024 with all five MWD member agencies in the San Gabriel Valley . He added that due to logistical and Brown Act restrictions, a limited number of representatives and directors will be invited.

Vice President Fellow expressed interest in attending the special briefing. He then shared MWD's support position for Proposition 4. He mentioned receiving a special invitation for an event at the Crudginton Station, named after former councilmember Gloria Crudginton, where one of his paintings was unveiled and will remain on display.

FUTURE AGENDA ITEMS

None

ADJOURNMENT

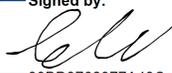
President Santana asked if there were any other business to come before the Board. There being none, the meeting was duly adjourned to a regular meeting of the Board of Directors to be held on October 09, 2024, at 4:00 p.m., at 248 E. Foothill Blvd., Room #103, Monrovia, CA 91016.

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PRESIDENT

ATTEST

Signed by:


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SECRETARY

SEAL