

**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
LA PUENTE VALLEY COUNTY WATER DISTRICT**

A regular meeting of the Board of Directors of the La Puente Valley County Water District was held on Monday, December 27, 2010, at 5:30 p.m. at the District office, 112 N. First St., La Puente, California.

Meeting called to order:

President Escalera called the meeting to order at 5:30 pm.

Pledge of Allegiance

Ms. Ruehlman led the meeting in the Pledge of Allegiance.

Directors present:

- John Escalera – President
- William Rojas – Vice President
- Charles Aguirre – Director
- David Hastings - Director
- Henry Hernandez - Director

Staff present:

Greg Galindo, General Manager; Rosa Ruehlman, Board Secretary and Tim Gosney, District Counsel.

Adoption of Agenda:

President Escalera asked for the approval of the agenda.

Motion by Director Aguirre, seconded by Director Hernandez, that the agenda be adopted as presented. Ayes: President Escalera, Vice President Rojas, Director Aguirre, Director Hastings and Director Hernandez. Nays: None.

Consent Calendar:

- A. Minutes from previous Special meeting on December 7, 2010.
- B. Minutes from previous Regular meeting on December 13, 2010.
- C. Consideration of the Investment Policy, based on Staff's recommendation, to maintain the existing Resolution No. 194.

Motion by Vice President Rojas, seconded by Director Hastings, that the Consent calendar be adopted as presented. Ayes: President Escalera, Vice President Rojas, Director Aguirre, Director Hastings and Director Hernandez. Nays: None.

Action/Discussion Items:

- A. Consideration to award contract to Civiltec Engineering Inc. for professional engineering and design services for the Zone 3 Improvement Project:

Mr. Galindo presented a memo providing an overview of the proposal and recommendation for the engineering and design services for the Zone 3 improvement project. Mr. Galindo shared that Civiltec had prepared a technical memo earlier in 2010 on how to improve Zones 3 and 4. Mr. Galindo shared that earlier this year we proceeded with the design of the Zone 4 and next year we will move forward with the Zone 3 improvements. Mr. Galindo shared that this proposal will cover the following; site evaluation, the design and environmental permitting and as an option to look at a design for the existing booster station so we can pump to Industry Hills tanks in the future. The total cost for these services with the optional design is \$82,144 and the remaining amount of \$392K out of the budget is for the construction of those improvements to Zone 3. Mr. Galindo shared that we have 475K budgeted which was recently approved by the Board for this project. Mr. Galindo shared that depending on the

engineers estimate for the construction, we may chose to just do the waterline with a small booster station to feed the few homes at the top of the hill or we might decide to do what is necessary to upgrade to the existing pump station so it can be utilized to pump to the hill. Mr. Galindo stated that this proposal has been reviewed by staff.

- President Escalera asked if Civiltec will let us know what horse power will be required for the booster that will be needed. Mr. Galindo responded that for the subzone which is for the four homes on top of the hill would be a small booster station that Civiltec will make sure is adequately sized to serve those homes. As for the existing pump station, all it will do is pump to the Industry Hills reservoirs and repay water that we take from the hill.
- President Escalera stated that this would depend how much we need to boost water up on the hill to fill the reservoirs and go down to the other side of the hill. Mr. Galindo responded the water will actually go through the same pipeline. He further added that there will be a meter that records by-directional flow and will be read every day so we can keep the amount of water exchanged balanced.
- President Escalera asked if this will cover part of one or two zones. Mr. Galindo responded that the improvement is for Zone 3 which will take care the fire flow and reliability issues.
- President Escalera stated that during the summer time we will have plenty of water when we need it.
- Director Aguirre stated there will also be plenty of water for emergency. Mr. Galindo responded that that connection will be a continuous use connection; therefore we can pump up there anytime we need and pay it back at the same elevation and take it at the other connections in Zone 2. They do not always have to run, but and we have had to use them on a few occasions like when the treatment plant was down recently, we were able to feed Zone 2 from Industry Hills.
- President Escalera asked if it was drawn from Holguin area. Mr. Galindo responded the water was drawn from San Jose and Industry Hills Parkway connections, so that flexibility was useful during that week.
- Director Hastings asked if the water drawn went to the system or the tanks. Mr. Galindo responded that it goes right into the zone and to customers through a pressure sustaining valve. He further added that we track the water deliveries on a monthly basis provide a report to City of Industry.
- President Escalera asked if the connections are equipped with a cla-valve. Mr. Galindo responded that they are equipped with a cla-valve.
- President Escalera asked if we do the maintenance on those cla-valves. Mr. Galindo responded that yes for those connections that feed us we take care of and anything that feeds them is a City of Industry Waterworks expense.
- President Escalera stated that gives us great deal of accessibility to water they have available which they have about 5 million gallons up on the hill. Mr. Galindo responded when the tanks are full they have 5 million gallons of storage.
- Vice President Rojas stated that on the Civiltec proposal there is a statement under Engineering Budget that reads it will provide services herein for the project on a time and materials basis per the attached schedule, not to exceed the following total budget, without written authorization from District and asked does this means there maybe some extra items that may require more money. Mr. Galindo responded if we need to add to the design of the project we would provide them a written request and that will be an additional cost.

Motion by Vice President Rojas, seconded by Director Hastings, to awarded the contract to Civiltec Engineering for professional engineering and design services for the Zone 3 improvement project as presented. Ayes: President Escalera, Vice President Rojas, Director Aguirre, Director Hastings and Director Hernandez. Nays: None.

- B.** Consideration of purchasing an additional module for the Utility Billing Software to provide customers an online payment option.

Mr. Galindo shared that the CUSI Utility billing software was approved by the Board early this year and the Board also expressed interest in adding an online payment module. Now that the conversion is complete, Staff is bringing this option back to the Board for consideration. This will allow the customers the ability to pay their bills online, plus be able to view their usage and payment history. They also will have the capability to pay with a credit card, debit card or check and set up a recurring payment giving them a lot of flexibility when paying their water bill. Mr. Galindo further added that we wanted to make sure we liked the software before adding on online option. This module includes, first year of fees totaling \$9,800, training not included and the cost will be split with Industry Public Utility, so the District's portion is \$5,586. The overall cost for the new utility billing system will increase to \$56,090, the District's portion being \$31,936 and Industry portion is \$24,155. Mr. Galindo stated that customers will get a lot of use for this service, but at first he expects it will not be heavily used, but overtime usage will increase. This will limit the number of customers coming into the office to pay their bill or pay over the phone. Mr. Galindo shared that currently customers who use their credit card today; there are fees that are not passed on to the customers. We are charged a monthly fee by our bank based on total credit card sales, for the use of credit card payment option. The fees vary depending which card is used. Some customers have cards with reward points which add to the cost. Staff reviewed the fees paid in 2010 and it averages over \$2.00 per transaction. The fees online will be similar to the credit card fees, but we will not know for sure how much it will cost per transaction until customers start using the online payment option and at that point staff will evaluate those fees and then determine an appropriate charge if any to charge customers for the convenience of paying their bill online.

- President Escalera asked if the customers pay by credit card when they come into the office. Mr. Galindo responded that they do and added that they can also pay by phone using their credit card, once we accept payments online then staff can eliminate the credit card payment over the phone. This online option it would be a huge convenience for customers.
- Director Hastings commented this would be easier for customers, especially who own homes in the area and have tenants who have not paid their bill. Mr. Galindo stated that we will provide a link with the required information, providing them a password code to be able to get to a portal and once in our system they can view their account.
- Mr. Gosney asked about concerns on how this will interface with door hangers, late fees and when the money is received before the service is disconnected. Mr. Galindo responded that staff will be able to pull a report through the billing software, which will indicate who has paid online prior to disconnecting the service.
- President Escalera shared that using this online payment system it will be much easier for the customers especially during shut offs where they will pay a fee to process the payment online and save on reconnection fees.
- Mr. Galindo stated that the use of online payments will increase after staff publicizes it on the water bills, newsletters and website that this service is available to them.
- President Escalera asked Mr. Gosney if the fees could be a problem. Mr. Gosney responded that there is no problem. There are several Districts' that pass the cost on to customers for those fees.
- Mr. Galindo recommends that the Board approve staff's recommendation to purchase the additional module for the Utility Billing System through CUSI's proposal.

Motion by Vice President Rojas, seconded by Director Hastings, to authorize staff to purchase the additional module for the Utility Billing Software through CUSI to provide customers an online payment option as presented. Ayes: President Escalera, Vice President Rojas, Director Aguirre, Director Hastings and Director Hernandez. Nays: None.

C. Consideration of merit increase for the Production Specialist.

Mr. Galindo presented a memo summarizing the status of the Production Specialist and that he passed his probation. The Production Specialist is responsible for the day to day operations and is a lead operator at the treatment plant. He also performs sampling and rounds in the distribution system. He was promoted to this position in 2009, but then he had an injury which suspended his probationary period until May 2010. His probationary period ended on December 1, 2010. Mr. Galindo stated that a

performance review was conducted and his overall performance was exceeding expectations. Mr. Galindo is recommending that the Production Specialist receive a merit increase of 4% retroactive starting from December 1, 2010. Mr. Galindo further stated that this employee will not be eligible for a merit increase until March of 2012, but is eligible for cost of living if the Board wishes to award COLA to employees.

- Director Aguirre asked if we have two employees at the treatment plant. Mr. Galindo responded that yes, we have two employees to cover the treatment plant plus the storage and pumping facilities.
- President Escalera asked Production Specialist is currently at step one. Mr. Galindo responded that he is at step and with this merit increase, he will remain in step one.
- Director Hastings asked if this is because he was on probation. Mr. Galindo responded that yes, due to his performance, he is deserving of a 4% merit increase.
- Director Hernandez asked if he is a new employee and is that why he is in step one. Mr. Galindo responded, that he was promoted January 1, 2009, to Production Specialist position and he started at step one of the salary schedule.
- President Escalera asked about his certification. Mr. Galindo responded that he has a Department of Public Health T-2 certification.
- Director Aguirre asked if they get an automatic raise for certification. Mr. Galindo responded that only if it is over the requirement of the position. The Employee would receive a 2-1/2% salary increase.
- President Escalera stated that the Production Specialist knows his job and does it well.

Motion by Director Aguirre, seconded by President Escalera; accept Staff's recommendation to award the production Specialist a 4% merit increase as presented effective from December 1, 2010. Ayes: President Escalera, Vice President Rojas, Director Aguirre, Director Hastings and Director Hernandez. Nays: None.

D. City of Industry Waterworks System Report:

Mr. Galindo shared with the Board a correspondence that he sent to Mr. John Ballas, City Engineer on the 2011 draft budget and to date it has not yet been approved by City Staff.

- Director Aguirre asked when this was provided to them. Mr. Galindo responded it was presented to the City Engineer on November 30, 2010.
- President Escalera commented that water sales were 5% less than last year. Mr. Galindo responded yes they were less.
- President Escalera stated that this does not include the water rate increases. Mr. Galindo responded that is correct, but he did take into account the revenue projections. He added that they are looking good for 2011, but they will have a major loss if they proceed with all the capital projects they plan to do. The Capital projects are the City's responsibility, so the money will come directly from the City. They will show a major deficit if they do the relining and recoating of the Industry Hills reservoirs.

E. Report on Well No. 5 motor repair.

Mr. Galindo shared; he is still working with General Pump on an agreement for the repair of the Well No. 5 Motor. In the meantime, they have given word to Flow-Ser to begin the repairs. Mr. Galindo share, after further research, it appears we did have a DVDT filter and was included in the design and installed. Mr. Galindo stated, he had a panel expert from Brithnee Electric who does work on motor control panels, confirm, that the DVDT was there and the only thing we may need is a surge protector before the panel, but, in their opinion there was no way an electrical surge could have gone through the whole panel to the motor. Mr. Galindo has asked another engineer to look at the design and provide a technical memo of what they think of the design and if it had enough protection and why they think the motor might have failed. He will provide information to the Board when it becomes available.

Administrative Report

Ms. Ruehlman informed the board on the information items included in their board packet;

- 1) 2010 Major accomplishments for CSDA providing information of what the association is doing and also the benefits CSDA provides to their members.
- 2) A news article on the recent rains and brighter water supply outlook for California.

General Manager's Report:

- Mr. Galindo informed the board that staff hired a new part time employee Monica Cueva. She resides in Hacienda Heights; she worked at Indy Mac bank and has a good work history. She is Spanish speaking which is a plus since many of the District customers speak Spanish. Her schedule is flexible and is able to come in when needed.
- Mr. Galindo shared he is off for the rest of the week.
- Vice President Rojas asked who will be in charge during his absence. Mr. Galindo responded, Mr. Hull for field, Ms. Herrera for the office and Ms. Ruehlman will handle the administrative duties.

Attorney's Comments:

Mr. Gosney had no comments, but wanted to wish everyone a happy new year.

Board Member Comments:

- Vice President Rojas – None.
- Director Hastings – None.
- Director Hernandez asked who won the bid for the District's truck. Mr. Galindo responded that our Service Worker Al Vazquez bid the highest of \$2,101.
- Director Aguirre wished everyone a happy and healthy new year.
- President Escalera concurred with Director Aguirre's sentiments.

Future Agenda Items:

None

Adjournment Time: 6:18 p.m.

John P. Escalera, President

Rosa B. Ruehlman, Secretary