

**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, June 13, 2011 at 5:30 at the District office, 112 N. First St., La Puente, California.

Meeting called to order:

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

Pledge of Allegiance

President Rojas led the meeting in the Pledge of Allegiance.

Directors present:

William Rojas, President; Henry Hernandez, Vice President; Charles Aguirre, Director; John Escalera, Director and David Hastings, Director.

Staff present:

Greg Galindo, General Manager; Rosa Ruhlman, Board Secretary; Todd Hull, Superintendent and Tim Gosney, District Counsel.

Others Present:

Ed Chavez from Upper San Gabriel Valley Municipal Water District.

Adoption of Agenda:

- President Rojas asked for the approval of the agenda.

Motion by Director Escalera seconded by Vice President Hernandez, that the agenda be adopted as presented.

Motion approved by following vote:

Ayees: Rojas, Aguirre, Escalera, Hastings and Hernandez

Nays: None.

Consent Calendar:

- A. Approval of Minutes of the regular meeting of the Board of Directors held on May 23, 2011.
- B. Approval of attendance to tour the Canyon Reservoirs and the Weymouth Water Treatment Plant on Thursday, June 30, 2011 at 8:00 am
- C. Approval of the District Expenses for the Month of May 2011.
- D. Approval of the District's Treatment Plant Expenses for the Month of May 2011.
- E. Approval of the City of Industry Waterworks System Expenses for the Month of May 2011.
 - President Rojas asked if there is anything out of the ordinary. Mr. Galindo responded that under District Expenses for the month of May 2011, a check was issued to General Pump for the repairs to Well No. 5 and under treatment plant expenses also a check issued to General Pump for setting up baker tanks on site to capture water produced from Well No. 5 during water quality testing.

Motion by President Rojas, seconded by Director Hastings, to approve the consent calendar with the amended minutes.

Motion approved by following vote:

Ayes: Rojas, Aguirre, Escalera, Hastings and Hernandez

Nays: None.

Financial Reports:

A. Summary of Cash and Investments as of May 31, 2011.

Motion by President Rojas, seconded by Vice President Hernandez, to approve the Summary of Cash and Investments as of May 31, 2011 as presented.

Motion approved by following vote:

Ayes: Rojas, Aguirre, Escalera, Hastings and Hernandez

Nays: None.

B. Statement of the District's Revenues and Expenses as of May 31, 2011.

- President Rojas asked if there is anything out of the ordinary. Mr. Galindo responded that the first meeting in July, staff will be bringing before the Board midyear adjustments to the budget and recommendation that the budget be amended.

Motion by President Rojas, seconded by Director Hastings, to receive and file the District's Revenues and Expenses as of May 31, 2011 as presented.

Motion approved by following vote:

Ayes: Rojas, Aguirre, Escalera, Hastings and Hernandez

Nays: None.

C. Statement of the City of Industry Waterworks System's Revenues and Expenses as of May 31, 2011.

- Director Escalera stated that the System's revenues and expenses look good and asked if the City of Industry will use some of that money to fund any Capital improvements. Mr. Galindo responded yes. He added that the City is going out to bid for the re-lining and re-coating of the two reservoirs up at Industry Hills and they plan to have it completed before year end. Mr. Galindo further added that the funds are directly from the City's budget and profit from the water operations will be reimbursed to the City to help cover those capital expenditures.

Motion by President Rojas, seconded by Director Escalera to receive and file the City of Industry Waterworks System's Revenues and Expenses as of May 31, 2011 as presented.

Motion approved by following vote:

Ayes: Rojas, Aguirre, Escalera, Hastings and Hernandez

Nays: None.

Action/Discussion Items:

A. Approval of the La Puente Valley County Water District 2010 Consumer Confidence Report.

- Mr. Galindo presented the final draft of the 2010 Consumer Confidence Report. He shared that staff worked hard on preparing the report and then had Stetson Engineering do a final review. Mr. Galindo highlighted some of the constituents in the water quality table and reported that all the water quality meets state and federal drinking water standards. Mr. Galindo stated that the Department of Public Health requires this report to be mailed to all District customers by July 1st of each year.
- Mr. Galindo highlighted a few sections of the report and informed the members of the Board that this year's water quality is slightly different from what was reported in 2009, primarily due to the new single pass system being brought online in 2010. None of these constituents pose any health risk, but they are required to be reported. He also shared that one of the constituents, Hexavalent Chromium 6, does not have a specific MCL at this time, but is regulated under the MCL for Total Chromium which is currently set at 50ppb, but DPH has proposed a Public Health Goal (PHG) for hexavalent chromium of .02 ppb. He stated that if the

MCL is set this low, we may have to treat for this constituent. Staff will keep a close eye on this issue and the MCL setting process for this constituent.

Motion by Director Escalera, seconded by President Rojas, to approve the La Puente Valley County Water District 2010 Consumer Confidence Report and direct staff to distribute to all District customers as amended.

Motion approved by following vote:

Ayes: Rojas Aguirre, Escalera, Hastings and Hernandez.

Nay: None

B. Approval of the Industry Public Utilities 2010 Consumer Confidence Report.

- Mr. Galindo presented the final draft of the 2010 Consumer Confidence Report. He shared that this report is based on San Gabriel Valley Water Company's water quality, since the majority of the water used in the system is delivered by SGVWC. All the water produced from the Industry Well No. 5 is sent to San Gabriel for treatment and is redelivered to our system. He also reported that all the water quality meets state and federal drinking water standards. Mr. Galindo stated that the Department of Public Health requires this report to be mailed to all District customers by July 1st of each year.

Motion by Director Aguirre, seconded by Director Hastings, to approve the Industry Public Utilities 2010 Consumer Confidence Report and direct staff to distribute to all Industry customers.

Motion approved by following vote:

Ayes: Rojas Aguirre, Escalera, Hastings and Hernandez.

Nay: None

C. Potential purchase of cyclic storage water.

- Mr. Galindo made a presentation providing an overview of the District's cost for replacement water and what effect purchasing additional cyclic storage water can have on those costs. Mr. Galindo shared that we have had a great year, with above average precipitation throughout the state; he explained that there is some water available from Metropolitan Water District through Upper San Gabriel Valley Municipal Water District (Upper District) that can be purchased as cyclic storage water. He stated that we could purchase the cyclic storage water through the Main San Gabriel Watermaster via Upper District at \$479 an acre foot. Mr. Galindo stated that currently we have 1679 acre feet in cyclic storage which we are going to use some of this year. He shared that the assessment rate for 2010-11 was recently set by Watermaster at \$512 per acre foot. Mr. Galindo recommends a purchase of at least 400 acre feet of cyclic storage water also recommends that the reserve policy be amended to allow for a greater rate stabilization reserve fund. Mr. Galindo stated that we will be exceeding the target values in the reserve policy if we make this purchase; therefore, the policy will need to be adjusted accordingly. (See Cyclic Storage Presentation in Agenda packet dated June 13, 2011).
- Vice President Hernandez asked, if we have until the end of the year to make this purchase. Mr. Galindo responded that yes, but he wants to put our order in now with Watermaster, because if we wait, there will be other entities putting in their orders that may affect how much water is available.
- Mr. Galindo stated, he is only asking for Board consensus at this time to place the order of at least 400 acre feet with Watermaster. He will bring the budget amendments for the Board to consider at the first meeting in July, which will allow for the purchase. He will also inform the Board of the effect on the District's reserve balances the purchase will have.

By Board consensus to move forward with the purchase of the 400 acre foot of cyclic storage and bring back to the Board at the next meeting for final approval along with the amendment to the reserve policy.

Superintendent's Report:

Mr. Hull presented his report:

- He presented his report showing the activities for the month of May 2011 for the District, Industry Public Utilities and Treatment Plant systems.
- He shared that staff has completed the annual flushing of all dead ends in the Industry system; repaired 8 service line leaks and repairs; replaced 7 service lines and exercised 138 valves.
- Mr. Hull stated that staff is continuing exercising valves; repairing leaks; and doing some saw cutting.
- Director Escalera asked about the valve machine. Mr. Galindo responded, the order was place and we should receive it in a couple of weeks.

Motion by President Rojas, seconded by Director Hastings, to receive and file the Superintendent's Report.

Motion approved by following vote:

Ayes: Rojas, Aguirre, Escalera, Hastings and Hernandez

Nays: None.

Administrative Report:

Ms. Ruehlman presented her report:

- She presented a summary report of activities for the month of May 2011.
- She informed the Board of the upcoming regular Board meetings and public hearing. She shared that due to upcoming vacations, staff will bring a recommendation to reschedule or cancel the first meeting in August.

Motion by President Rojas, seconded by Director Aguirre, to receive and file the Administrative Report.

Motion approved by following vote:

Ayes: Rojas, Aguirre, Escalera, Hastings and Hernandez

Nays: None.

General Manager's Report:

Mr. Galindo presented his report:

- He included a memo summarizing the activities for the month of May 2011 and status of various items.
- He updated the Board on the security system for the treatment plant facility that we have an agreement with the assistance of District Counsel with MJM and the installation will begin at the end of June.
- Mr. Galindo also asked for a proposal from MJM for a security system at a couple of other District sites. He will make a recommendation to the Board at the next Board meeting.
- He informed that Board the 218 Notices for the Water Rate increases will be out by the end of this week.
- Director Hastings asked how many are being mailed out. Mr. Galindo responded about 3,400 to all customers and parcel property owners.

Motion by President Rojas, seconded by Director Hastings, to receive and file the General Manager's Report.

Motion approved by following vote:

Ayes: Rojas, Aguirre, Escalera, Hastings and Hernandez

Nays: None.

Information Items:

President Rojas shared there are some news articles and information items for Board to look over.

Attorney comments:

Mr. Gosney had no report.

Board member comments:

Board members had no comments.

Future agenda items:

There were no future items.

Closed session:

A. Conference with Real Property Negotiator pursuant to Government Code §54956.8.

Property:	Assessor Parcel No. 8247-017-900 Assessor Parcel No. 8247-017-904
Negotiators:	Greg Galindo and Tim Gosney
Negotiating Parties:	City of La Puente

Report on Closed Session:

Mr. Gosney reported that the Board met pursuant to Government Code §54956.8 to meet with the real property negotiator regarding Parcels No. 8247-017-900 and 8247-017-904. The Board was briefed on the current state of the negotiations and there was no reportable required action under the Brown Act.

Adjournment:

There being no further business or comment, the meeting was adjourned at 6:39 pm.

William R Rojas, President

Rosa B. Ruehlman, Secretary