

**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 at 5:30 p.m., Monday, October 11, 2010, 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

Vice President Rojas led the meeting in the Pledge of Allegiance.

Directors present:

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

Director Absent:

- Henry Hernandez

Staff present:

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

Others present:

Joseph Velasco, Vice President of Orchard Dale Water District.

Adoption of Agenda:

- President Escalera asked for the approval of the agenda.

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

Action/Discussion Items:

A. Approval of Minutes:

- President Escalera asked for approval of September 27, 2010 minutes of the regular meeting of the Board of Directors.

Motion by Director Aguirre, seconded by Vice President Rojas, that the minutes of September 27, 2010, be approved as presented. Ayes: President Escalera, Vice President Rojas, Director Aguirre and Director Hastings. Nays: None. Absent: Director Hernandez.

B. Approval of District Expenses:

- President Escalera asked for approval of the District Expenses for September 2010.
- Mr. Galindo shared that the production assessments for 2009-10 were paid to Main San Gabriel Basin Watermaster in the amount of \$125,570 for the La Puente system. He also shared that we will be receiving a reimbursement from the CR's for \$49,000 for assessments related to water that went down the brine waste line. This will be the last reimbursement for assessments since the Single Pass Ion Exchange is now online.
- Director Hastings asked if we still need to hold on to the permit. Mr. Galindo responded yes, because when we do some rinsing of the single pass ion exchange resin, we still need to have that connection to discharge to the brine waste line.

- Mr. Galindo shared that a check was issued to City of Industry for \$300,000, from the City of Industry Water operations fund. This was the 2009 revenue from the system based on the 2009 audit of the Industry Public Utility water operations.
- President Escalera asked if we are still connected to the brine waste line or is the connection there but not being used. Mr. Galindo responded that the connection is there, but we are not discharging at this time. President Escalera asked if at one time was there a conflict to whether or not to disconnect the brine waste line. Mr. Gosney responded that under the amendment with the BPOU settlement agreement relating to the brine waste line, is that once the single pass ion exchange system is online, the brine waste line is no longer needed. As for the time limit, there is one year remaining and by then it needs to be disconnected. He further added that from a legal stand, it was good that the District's single pass ion exchange system went online early. As for the other entities, they are several weeks and months behind us and may be faced with that deadline and not have their system in place.
- President Escalera asked, what do the other entities plan to do with their brine waste line if they are not allowed to discharge. Mr. Gosney responded that they will have to get an extension on their existing permit from the County Sanitation District and amend the BPOU Agreement for the certain locations to continue to discharge into the brine waste line. Mr. Galindo stated that we will have intermittent discharges when fresh resin is delivered to the site for rinsing. The connection there and will have some discharges but not brine discharges from the ISEP unit. The CR's are working with County Sanitation District to renew the permit.

Motion by Vice President Rojas, seconded by Director Hastings, that the District Expenses for September 2010 be approved as presented. Ayes: President Escalera, Vice President Rojas, Director Aguirre and Director Hastings. Nays: None. Absent: Director Hernandez

C. Approval of Treatment Plant Expenses:

- President Escalera asked for the approval of the Treatment Plant expenses for September 2010.

Motion by Vice President Rojas, seconded by Director Hastings, that Treatment Plant expenses for September 2010 be approved as presented. Ayes: President Escalera, Vice President Rojas, Director Aguirre and Director Hastings. Nays: None. Absent: Director Hernandez.

D. Treasurer's Report and Budget to Date:

- President Escalera asked for the approval of the Treasurer's Report and Budgets to Date for the La Puente Valley County Water District and the City of Industry Waterworks System for September 2010.
- Mr. Galindo presented that these reports have been review by the contracted accountant for accuracy prior to including in the board packet.
- Mr. Galindo stated that at a prior meeting there was an inquiry about the Houeline Retrofit Program. He stated that since the beginning of the program in 2009, we have had a total of 10 participants to date for a total amount refunded of \$5,430.

A member of the public entered the meeting Mr. Joseph Velasco.

- Mr. Galindo further stated that the amount funded for the program was \$20,000 and to date the balance is \$14,570 remaining in the program. Staff will continue getting the word about the retrofit program, by inserting messages on their water bills and the upcoming District's fall newsletter.

Motion by Director Aguirre, seconded by Vice President Rojas, and carried that the Treasurer's Report and Budgets to Date for La Puente and City of Industry for September 2010, be received and filed as presented. Ayes: President Escalera, Vice President Rojas, Director Aguirre and Director Hastings. Nays: None. Absent: Director Hernandez.

E. Approve the Easement Purchase Agreement for 178 Pleasanthome Drive:

- Mr. Galindo presented a memo regarding the easement purchased agreement for 178 Pleasanthome Drive and is asking the Board's approval of the agreement contingent upon the City of Industry's approval of the amended and restated water supply agreement between the District

and the City of Industry. Once approved the easement Grant deed will be signed by the property owner and submitted to Registrar Recorder County Clerk's office and payment will be made to the property owner in the amount of \$34,000. He shared that all the questions the property owner had inquired about, were answered to their satisfaction. Mr. Galindo and Civiltec Engineers visited the site to look over the property to discuss the design. He has requested Civiltec Engineers to put together a proposal for this project.

- Director Aguirre asked if it will be a straight line from the Industry tank down to their house. Mr. Galindo responded that he is not sure yet how it will run, only that it will run adjacent to the property line through 178 Pleasanthome.
- Vice President Rojas asked that it would parallel the property line. Mr. Galindo responded that it will parallel the west of property line.
- President Escalera stated that this is a good agreement for both sides.

Motion by Vice President Rojas, seconded by Director Hastings, and carried that the Treasurer's Report and Budgets to Date for La Puente and City of Industry for August 2010, be received and filed as presented. Ayes: President Escalera, Vice President Rojas, Director Aguirre and Director Hastings. Nays: None. Absent: Director Hernandez.

President Escalera acknowledges a member of the public.

- Mr. Joseph Velasco introduced himself and apologized for being late. He's employed by the State of California Employment Development Department and is currently the Vice President of Orchard Dale Water District. He has been visiting other Water Districts to learn what other Districts do and how his Water District can better them. He also invited the Board to come and Visit Orchard Dale Water District. He thanked the Board for the opportunity to introduce himself.

F. Approve the Trojan Performance Contract Renewal:

- Mr. Galindo shared, in August 2002; the District entered into a 15 year Performance Contract Agreement with Trojan Technologies with an annual renewal provision. The annual provision allows Trojan to increase their cost by the annual CPI to be paid in quarterly payments. The total payment for the coming year is \$113,240 which is in accordance to the contract and is 100% reimbursed by the Cooperating Respondents. Trojan staff has not been providing reports in a timely manner, but this issue was addressed and is resolved. The system continues to operate well, removing the NDMA and 1, 4-Dioxane to nondeductible levels and staff is extremely pleased with the unit. Therefore, staff recommends that the Board approve the performance contract renewal as presented.

Motion by Vice President Rojas, seconded by Director Hastings, and carried to approve the Performance Contract Renewal for Trojan Technologies as presented. Ayes: President Escalera, Vice President Rojas, Director Aguirre and Director Hastings. Nays: None. Absent: Director Hernandez.

G. Update on Zone 4 Booster Station Project:

- Mr. Galindo provided a memo regarding the current status of the Zone 4 Booster Station Project. Detailed in the memo, is the estimate of the overall project costs. These costs are in line with estimated project cost detailed in the technical memo prepared by Civiltec Engineering last March 2010 and reviewed by the Ad-hoc Committee and then brought to the Board in April 2010 and the Board directed staff to proceed to have Civiltec prepare the design based on their technical memorandum. Mr. Galindo shared, in his memo it states what the Board decided to do with the two Zones 3 and 4. He also shared that the overall costs are more than projected in the 2009 Master Plan Update and more than budgeted in 2010 for this project. We will go to bid at the end of October and closing on November 15, 2010 and award the contract at the end of the year. He further added that additional funds will be needed for improvements in 2011 budget that will be provided to the Board for approval this December. Some of the projects costs that were not identified are the SCADA improvements and fence upgrades for total project cost of \$406,000. He added we will be moving forward and we will not know what the total will be until bids are received. Staff will send notice of inviting bids out to four contractors of our selection and hopefully we receive some good bids. Once bids are in, staff will review them and bring a recommendation to award the bid for the Zone 4 Booster Station Project to the Board in December.

- President Escalera asked why the estimate has gone high than the budgeted amount of \$273,000. Mr. Galindo responded that originally the improvement for the zone 4 was to replace it and possibly connected it to the other two zones. We certainly did not know for sure until a technical memo from Civiltec was provided detailing information that helped us chose which direction to take. The master plan identified a couple of options for improvements, but not until we reviewed the details did we know what would be incorporated in the designs. So we are spending more on zone 4, but as we look into Zone 3 improvements for fire flow, it will ultimately be less or equal to the overall master plan estimates for Zones 3 & 4 combined. President Escalera stated that we will add more to it. Mr. Galindo stated that what has been added is the design which the Ad-hoc Committee reviewed, which they understood why the cost escalated. One of the reasons the cost is higher is, in the plans there is a fire pump that will be able to go to both zones, and provides a good improvement for zone 4 and as a backup for zone 2.
- Vice President Rojas shared that during the Ad-hoc committee there was a good discussion on cost of the project and collectively one of the main concerns was fire flow and safety.

H. Well No. 5 Status:

- Mr. Galindo provided a memo to the Board summarizing the status of Well No. 5. On Friday, October 1, 2010, at about 7:00 pm, Well No. 5 failed and the Production staff was unable to restart the well. Staff then contacted the District's electrician requesting his assistance in troubleshooting the issue. After their investigation, it was determined; that there was a short in the well's pumped motor. Since this is a submersible pump and motor, the entire pump assembly was pulled by General Pump Company, who supplied the pump and will provide us a full report and estimate for repair. The motor will be sent back east to Maryland and will be evaluated and provide us with an estimated cost to repair. In regards to the pump, General Pump Company will look it over and will provide a full estimate. To date approximately \$10,000 has been spent. Mr. Galindo reported that we are outside of the warrantee since it has been two years from the date of installation. He also shared that in this year's budget we have \$25,000 set aside for well maintenance and anticipates it will be higher. When we receive the report and estimate, he will proceed with the repairs.
- Director Aguirre asked when the two years ended for the pump that was installed. Mr. Galindo responded it was installed in October 2008 and was put into full time continuous service in January 2009. Mr. Aguirre stated that he hopes General Pump will provide some type of guarantee and make the necessary repairs even though it is past the warrantee. Mr. Galindo responded that he is hoping they will, but the manufacturer is extremely particular how the motor is maintained. He further added that the motor was operating just as it's suppose to and there was nothing out of the ordinary or reason for the motor to go bad.
- Director Hastings asked what the maximum gallons per minute set were at. Mr. Galindo responded that it was operating at 2500 gallons per minute.
- President Escalera stated that sometimes it could be a defective wiring or bad seal since it is a submersible. Mr. Galindo stated that they will provide a full detailed report of what they think
- Director Aguirre asked what kind of time we are looking at. Mr. Galindo responded that it can take up to 4 months. We probably will not get a report back from the manufacture until the first or second week of November. Mr. Galindo reported that we are fortunate we have two standby wells that were placed into service on Saturday, October 2, 2010 and the Department of Public Health was notified of the situation pursuant to our permit. He also shared, this is the first time we have a full weekly water quality sampling that was done with the other two wells in service with the single pass system and all the results came back okay.
- President Escalera stated that it is a good thing we have a backup during a situation like this. Mr. Galindo added that if it is okay with the Board, once we receive the estimate back, he recommends having General Pump video the well casing prior to putting the pump back into service.

Superintendent's Report:

Mr. Hull presented his report:

- He presented a memo to the Board on activities for the month of September 2010 for La Puente, Industry Public Utility and the District's treatment plant. He added that two items were missed on the report; 16 saw cutting patches and 6 concrete patches were also completed.
- He added that staff did spend some time on leaks and installing of the radio read meters in the La Puente system which is almost 99% complete for this year. Staff has started the radio read meter installations for the Industry system.

Upcoming work scheduled:

- Mr. Hall reported that there are some leaks to repair; service line replacements; two service repairs; five curb stops to replace from the meter change outs; abandon one service, two concrete patches and will continue with the radio read meter installations in the Industry system.
- President Escalera asked about the blow outs at the designated areas where we have dead-end mains if they are flushed often. Mr. Hull responded that flushing is done once a year, but will do some mid-year flushing this year of all the problem areas.
President Escalera asked if we have had any complaints from customers. Mr. Hull responded that to date no. Mr. Galindo added that staff receives 1 or 2 water quality complaint per year. Mr. Hull added those complaints are usually hot water heater related.
- Director Aguirre asked about the shut off's if these customers are the same ones all the time. Mr. Hull responded that many of them are.

Administrative Report:

Ms. Ruehlman presented her report:

- She informed the Board about the upcoming ACWA Fall Conference on November 30 to December 3, 2010 in Indian Wells. Four Directors and the General Manager will be attending the Conference. She informed she has taken care of registration for the conference and hotel rooms for the attendees. • She pointed out some information items and new articles in their board packet for their review.
- Next Board meeting will be October 25, 2010 at 5:30 pm.

General Manager's Report:

Mr. Galindo presented his report:

- He included a memo summarizing the activities for the month of September and status of various items.
- He shared that the District's 2010 Fall Newsletters will be mailed out this week and the ones in Spanish and English will be delivered at a few locations in La Puente service area.
- On October 14, 2010, he will be attending the Industry Public Utility Commission meeting where they will be approving the water rate study prepared by District staff and also the City Council will be approving the restated and amended Operations and Management Agreement and the Restated and Amended Water Supply agreement. The Council will also take action to set a public hearing date for the proposed City of Industry Waterworks System water rate increases and public notices will be mailed out the following week.
- President Escalera asked if the agreements are already signed and all the City needs to do is approve them. Mr. Galindo responded yes.
- Vice President Rojas stated he will attend the Public Utility Commission meeting on October 14, 2010.

Attorney comments:

None.

Board member comments:

- Vice President Rojas – None.
- Director Hastings – None.
- Director Aguirre – Thanked Mr. Velasco for attending the meeting.

- President Escalera thanked the Ad Hoc Committee for working with Mr. Galindo on the Zone 4 Booster Station Project.

Future agenda items:

None.

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

Under Negotiation: Price and Terms for Property Purchase

Report on Closed Session:

- Mr. Gosney reported that the Board met pursuant to Government Code Section 54956.8, conference with real property negotiations. During the closed session the Board was briefed in the circumstances by Staff and Counsel and there was not action under the brown act.

Adjournment:

There being no further business or comment, the meeting was adjourned at 6:43 pm.

John P. Escalera, President

Rosa B. Ruhlman, Secretary