



AGENDA

**REGULAR MEETING OF THE BOARD OF DIRECTORS
LA PUENTE VALLEY COUNTY WATER DISTRICT
112 N. FIRST STREET, LA PUENTE, CALIFORNIA
MONDAY, APRIL 24, 2017 AT 5:30 PM**

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL OF BOARD OF DIRECTORS

President Hastings____ Vice President Rojas____ Director Aguirre____
Director Escalera____ Director Hernandez____

4. PUBLIC COMMENT

Anyone wishing to discuss items on the agenda or pertaining to the District may do so now. The Board may allow additional input during the meeting. A five-minute limit on remarks is requested.

5. ADOPTION OF AGENDA

Each item on the Agenda shall be deemed to include an appropriate motion, resolution or ordinance to take action on any item. Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review at the District office, located at the address listed above.

6. APPROVAL OF CONSENT CALENDAR

There will be no separate discussion of Consent Calendar items as they are considered to be routine by the Board of Directors and will be adopted by one motion. If a member of the Board, staff, or public requests discussion on a particular item, that item will be removed from the Consent Calendar and considered separately.

A. Approval of Minutes of the Regular Meeting of the Board of Directors held on April 10, 2017.

B. Receive and File the Industry Public Utilities 2016-17 Third Quarter Report.

7. FINANCIAL REPORTS

A. Summary of Cash and Investments for March 31, 2017.

Recommendation: Receive and File.

B. Statement of District's Revenues and Expenses as of March 31, 2017.

Recommendation: Receive and File report.

- C. Statement of City of Industry Waterworks System's Revenues and Expenses as of March 31, 2017.

Recommendation: Receive and File report.

8. PRESENTATION BY FEDAK & BROWN LLP OF THE 2016 AUDIT

9. ACTION/DISCUSSION ITEMS

- A. Acceptance of 2016 Audit Prepared by Fedak & Brown LLP.

Recommendation: Receive and File.

- B. Consideration of Single Pass Ion Exchange Resin Replacement Services.

Recommendation: Authorize the General Manager to Enter into an Agreement for Resin Replacement Services.

10. PROJECT ENGINEER REPORT

Recommendation: Receive and File report.

11. GENERAL MANAGER'S REPORT

12. OTHER ITEMS

- A. Upcoming Events.

- B. Correspondence to the Board of Directors.

13. BOARD MEMBER COMMENTS

- A. Report on Events Attended.

- B. Other Comments.

14. FUTURE AGENDA ITEMS

15. ADJOURNMENT

POSTED: Friday, April 21, 2017

President David Hastings, Presiding.

Any qualified person with a disability may request a disability-related accommodation as needed to participate fully in this public meeting. In order to make such a request, please contact Ms. Rosa Ruehlman, Board Secretary, at (626) 330-2126 in sufficient time prior to the meeting to make the necessary arrangements.

Note: Agenda materials are available for public inspection at the District office or visit the District's website at www.lapuentewater.com.



**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, April 10, 2017, at 5:30 at the District office, 112 N. First St., La Puente, California.

Meeting called to order:

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

Pledge of Allegiance

President Hastings led the meeting in the Pledge of Allegiance.

Directors present:

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

Staff present:

Greg Galindo, General Manager; Rosa Ruhlman, Board Secretary; Roy Frausto, Compliance Officer/Project Engineer; Gina Herrera, Customer Service/Accounting Supervisor and Roland Trinh, District Counsel.

Others Present:

Mike Parra and Eric Hvinden with Highroad IT.

Adoption of Agenda:

President Hastings asked for the approval of the agenda.

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

Motion approved by following vote:

Ayes: Hastings, Rojas, Aguirre, Escalera and Hernandez.

Nays: None.

Consent Calendar:

President Hastings asked for the approval of the Consent Calendar.

A. Approval of the Minutes of the Regular Meeting of the Board of Directors held on March 27, 2017.

B. Approval of District Expenses for the Month of March 2017.

C. Approval of City of Industry Waterworks System Expenses for the Month of March 2017.

D. Receive and File the District's Water Sales Report for March 2017.

E. Receive and File the City of Industry Waterworks System's Water Sales Report for March 2017.

F. Receive and File Report on Director Expenses for the First Quarter of 2017.

Motion by Director Aguirre, seconded by President Hastings, to approve the consent calendar as presented.

Motion approved by following vote:

Ayes: Hastings, Rojas, Aguirre, Escalera and Hernandez.

Nays: None.

Action/Discussion Items:

- A.** Consideration of Resolution No. 245 Approving the 2017 Baldwin Park Operable Unit (BPOU) Project Agreement. (See memo)
- Mr. Galindo reported that the current 2002 BPOU Agreement will be expiring in May 2017, and the Water Entities and Cooperating Respondents (CR's) have been in negotiations since April 2015, to extend the Agreement and have finally agreed to extend the BPOU Agreement, which will now be referred to as the 2017 BPOU Agreement.
 - Mr. Galindo stated that the significance of the 2002 Agreement is that the potentially responsible parties (PRP's) agreed to fund the treatment of groundwater and ensuring there was treatment in place so all water would meet drinking water standards.
 - Mr. Galindo summarized some of the concerns and issues the water entities and the CR's addressed and were finally able to reach an agreement. There is one outstanding issue in regards to insurance and Mr. Trinh provided an outline on the insurance portion of the agreement. He stated that he is still waiting for a response from the CR's. Mr. Trinh has a conference call scheduled this coming week with the insurance broker, Beazley Insurance and a couple of members from the CR's.
 - Mr. Galindo thanked District Counsel for being the integral part of drafting the final 2017 Agreement and he did a fantastic job representing our District during the process.
 - Mr. Galindo shared that District's main concern was to continue to insulate its customers from having to pay for the cost of groundwater treatment and that the water meets all Federal and State drinking water standards providing safe and reliable water supply for District customers and customers of Suburban Water Systems. He added that the new agreement provides some flexibility in providing water to City of Industry Waterworks System.
 - Mr. Trinh is asking for approval of Resolution No. 245 and authorization to enter into an agreement for a 10 year term and authorization for the general manager to execute the agreement in a final form.
 - Mr. Trinh stated all signatures must be executed on the agreement by April 19th prior to the court date of April 28, 2017. He also added if the insurance issue is not resolved, then the terms of the agreement will be accepted as is.

After a lengthy discussion, motion by Director Escalera, seconded by Director Hernandez, to approve Resolution No. 245 authorizing the District to enter into the 2017 BPOU Project Agreement and the General Manager to execute the Project Agreement in a Form Substantially Similar to the Draft 2017 BPOU Project Agreement approved by the Board.

Motion approved by following vote:

Ayes: Hastings, Rojas, Aguirre, Escalera and Hernandez.

Nays: None.

- B.** Consideration of the purchase of Computer Equipment to Support the Meter Read collection System Project.
- Mr. Galindo presented his staff report which included a quote from Highroad Information Technology (IT) for a new server to support the Neptune software for the new meter read collection system for a total cost of \$16,753.
 - Mr. Galindo introduced Mike Parra and Eric Hvinden with Highroad IT. Mr. Hvinden provided an overview of the District exists computer server equipment and the improved functionality of the proposed computer equipment.

After discussion, Motion by Vice President Rojas, seconded by President Hastings, to authorize the General Manager to purchase computer equipment from Highroad IT for a price not to exceed \$16,753.

Motion approved by following vote:

Ayes: Hastings, Rojas, Aguirre, Escalera and Hernandez.

Nays: None.

C. Review and Discussion on the Final Draft of the Water Master Plan Document.

- Mr. Galindo and Mr. Frausto presented the Final Draft document of the Master Plan for water system facilities over the next 10 year period.
- Mr. Frausto provided some sections of the document that identified proposed capital improvements.
- Mr. Galindo reviewed the financial portion for the various improvement projects.
- Mr. Galindo thanked Mr. Frausto for doing a great job with the Water Master Plan and working with Civiltec in completing this document.
- Mr. Galindo will provide a final document along with a resolution for approval at a subsequent Board meeting.

Discussion only, no action at this time.

D. Update on the District's Recycled Water Project.

- Mr. Frausto reported that the Ad hoc Committee met on March 30, 2017, to review the correspondence from the County Sanitation District (Sanitation District) regarding the Recycled Water project.
- Mr. Frausto provided a brief proposed project schedule, with the construction of Phase 1 being completed by June 2018.
- Mr. Galindo reported on the Ad hoc committee's recommendations. the committee recommended:
 - Phase 1 – Move forward with the procurement of all required permits, analyze new pump design, and finalize plans and specifications. The anticipated schedule for the project would be as follows:
 - Final Plans and Specs: Fall of 2017
 - Start of Construction: March 2018
 - Completion of Phase 1 (not including retrofits): June 2018
 - Phase 2 – Pause all efforts for the original Phase 2 scope of work
 - Puente Basin Source Water Alternative – Move forward with exploring an option to utilize water produced from the Puente Basin and have staff prepare technical memo on the feasibility. Technical Memo would be expected to be presented to the Ad hoc committee within 6 - 9 months.

Discussion only, no action required.

General Manager's Report:

Mr. Galindo presented his report:

- Mr. Galindo provided a memorandum of the activities he and Staff worked on in the month of March 2017.
- He reported that Governor Brown issued an executive order that the state-wide drought is over. The Governor did not lift prohibitions such as washing down driveways, irrigating street mediums and etc. Mr. Galindo stated our basin water level continues to be an issue and currently we are at 183 feet above sea level and that the District should maintain its current conservation restrictions until the basin recovers.
- He reported that Dr. Shope from EcoVoices has scheduled dates to do presentations at Workman elementary school on April 21st, 28th and May 3rd and 10th. Staff is planning to attend one of his presentations.
- He reported that Staff has begun working on a Draft of the District's Spring Newsletter.

Motion by Director Aguirre, seconded by Vice President Rojas, to receive and file the General Managers Report as presented.

Motion approved by following vote:

Ayes: Rojas, Escalera, Aguirre, Hastings and Hernandez

Nays: None.

Information Items:

A. Upcoming Events.

- Mrs. Ruehlman presented an update on the upcoming events.
- Mrs. Ruehlman stated that President Hastings will be attending the upcoming AWWA Spring Conference this week.
- President Hastings, Vice President Rojas and Directors Aguirre and Escalera stated they will attend the upcoming SCWUA on April 27, 2017.
- Mr. Galindo shared that the San Gabriel Valley Water Association Quarterly Luncheon will be relocated from the Swiss Park, in Whittier to the South Hills Country Club in West Covina.

B. Correspondence to the Board of Directors

- SCUWA flyer for upcoming event.

Attorney comments:

- Mr. Trinh reported he will be on vacation and will not be at the next Board meeting on April 24, 2017.

Board member comments:

A. Report on events attended.

There were no events for this period.

B. Other comments.

- Board members had no comments

Future agenda items:

- No future items.

Closed Session:

- Conference with Legal Counsel – Existing Litigation Pursuant to Government Code § 54956.9(d)(1). One Case: *Louise Marie Corona; Marina Rangel v. Raymond Rene Arvizo; La Puente Valley County Water District, et al.* Los Angeles Superior Court Case No. BC646342.

Report On Closed Session:

- Mr. Trinh reported that the Board met in closed session on Existing Litigation Pursuant to Government Code § 54956.9(d)(1). One Case: *Louise Marie Corona; Marina Rangel v. Raymond Rene Arvizo; La Puente Valley County Water District, et al.* Los Angeles Superior Court Case No. BC646342. The Board has taken action to deny the Application for Leave to Present a Late Claim presented by Marina Rangel on March 21, 2017, and no other action was taken.

Adjournment:

There is no further business or comment, the meeting was adjourned 7:04 p.m.

David Hastings, President

Rosa B. Ruehlman, Secretary

Memo



To: Alex Gonzalez, Director of Development Services and Administration
Cc: La Puente Valley County Water District Board of Directors
From: Greg B. Galindo, General Manager
Date: April 12, 2017
Re: Industry Public Utilities Water Operations Quarterly Report (January 2017 – March 2017)

In accordance with the City of Industry Waterworks System (the “CIWS”) Operation and Management Agreement between the City of Industry (the “City”) and the La Puente Valley County Water District (the “District”), the District is providing the CIWS Quarterly Report for the 3rd Quarter of the 2016-17 fiscal year. The report represents fiscal year-to-date information along with the current status of various items listed under the appropriate heading.

Administrative/Financial

- Baldwin Park Operable Unit (BPOU) Project Agreement Extension – The Parties to the BPOU Agreement have finalizing the negotiations on the 2017 BPOU Project Agreement.
- 2016 Consumer Confidence Report – Staff has begun work on the 2016 CCR, which is required to be published before July of this year. CV Strategies will be assisting staff in this effort.
- CIWS FY 2017-18 Proposed Budget – Staff submitted the proposed FY2017-18 CIWS Budget to the City for consideration on April 7, 2017.
- 2016-17 Fiscal Year Budget – A draft report of Revenue and Expenses as of March 31, 2017 is enclosed for your review as **Attachment 1**.
- Fund Disbursements – For your reference, a list of disbursements from the IPU Water Operations Fund for the past quarter (by month) has been provided as **Attachment 2**.

Distribution, Supply and Production

- Summary of Activities – A summary report of CIWS field activities for the 3rd quarter of fiscal year 2016-17 is provided as **Attachment 3**.
- City of Industry Well No. 5 Operations – The latest recorded static level, pumping level and pumping rate for Well No. 5 is shown in the table below.

Well	Pump Setting (below surface)	Static Water Level	Pumping Water Level	Drawdown	Current GPM Pumping Rate
COI 5	162'	120'	136'	-16	1,110

- Production Summary – The production for the 3rd quarter of fiscal year 2016-17, to meet the needs of the CIWS, was 231.42 AF. The 2016-17 fiscal year production report and related graph are provided as **Attachment 4**.
- 2016 Water Conservation – A summary of water system usage for calendar year 2017 as compared to calendar year 2013 is shown below. The overall reduction in use for this time period is 14.8%.

Month	2013	2017	Difference 2017-2013 (%)	Accumulative Difference (%)
January	90.55	73.89	-18.4%	-18.4%
February	81.62	68.48	-16.1%	-17.3%
March	99.4	89.05	-10.4%	-14.8%
Totals	271.57	231.42	-40.15	-14.78%
Production data shown in acre feet (AF)				

- CIWS and LPVCWD Water Exchange – In accordance with the Water Exchange and Supply Agreement between LPVCWD and the City of Industry, the District is providing the water exchange summary as of March 31, 2017 as **Attachment 5**.
- MSGB Groundwater Levels – On March 24, 2017, the Baldwin Park key well level was 182.8 feet asl. Watermaster’s latest report on hydrologic conditions is enclosed for your reference as **Attachment 6**.

Water Quality / Compliance

- Distribution System Monitoring – District Staff has collected all required water quality samples from the distribution system for the 3rd quarter of fiscal year 2016-17; approximately 84 samples were collected. All results met State and Federal drinking water quality regulations.
- Source Monitoring – All water quality samples were collected from Well No. 5, as required by the SGVWC’s B-5 Treatment Plant Permit.
- Lead Sampling for Schools – In January 2017 the CIWS received a permit amendment from DDW that requires sampling for lead at K-12 schools within the service area, upon request from a school administrator. There are three schools within the CIWS service area. District Staff will ensure that all requirements of this permit amendment are complied with.

Capital / Special Projects

- Update to the Water Master Plan – District staff is putting the final touches on the CIWS Master Plan and will submit a draft to City Staff by the end of April.

Personnel

- As of March 31, 2017, the District has 8 full time field employees, 5 full time office/administrative employees and 1 part time office employee. A summary of the current hourly rates for each District employee has been provided as **Attachment 7**.
- Weekly tailgate safety meetings continue to be conducted for all field employees.

Attachments

1. Statement of Revenue and Expenses for the 3rd Quarter of 2016-17
2. Fund Disbursement List for 3rd Quarter of 2016-17
3. Summary of Field Activities for 3rd Quarter of 2016-17
4. Production Summary for 3rd Quarter of 2016-17
5. CIWS – LPVCWD Water Exchange and Delivery Summary for 3rd Quarter of 2016-17
6. Main San Gabriel Basin Hydrologic Report for March 2017
7. Summary of Hourly Rates for District Staff for the 3rd Quarter of 2016-17

Attachment 1

Industry January 2017 Disbursements

Check #	Payee	Amount	Description
2416	Continental Utility Solutions Inc	\$ 2,885.30	Annual Maintenance & Tech Support
2417	Merritt's Hardware	\$ 238.18	Field Supplies
2418	Time Warner Cable	\$ 51.67	Telephone Service
2419	Underground Service Alert	\$ 24.00	Line Notifications
2420	C.E.G. Construction	\$ 66.00	Construction Meter Refund
2421	ACWA/JPIA	\$ 1,637.20	Worker's Comp Insurance
2422	County of LA Dept of Public Works	\$ 296.68	Permit Fee's
2423	County Sanitation Dists of LA County	\$ 16.19	Refuse Fee's
2424	Hach Company	\$ 292.54	Field Supplies
2425	Highroad IT	\$ 908.00	File Security, Antivirus Renewal & Tech Support
2426	InfoSend	\$ 686.08	Billing Expense
2427	La Puente Valley County Water District	\$ 45,176.80	Labor Costs December 2016
2428	The Gas Company	\$ 20.54	Gas Expense
2429	Time Warner Cable	\$ 261.78	Telephone Service
2430	Answering Service Care	\$ 147.20	Answering Service
2431	Cell Business Equipment	\$ 108.48	Office Expense
2432	Civiltec Engineering Inc	\$ 1,790.00	Master Plan Expense
2433	Dragon Fire Protection	\$ 295.60	Fire Hydrant Maintenance
2434	Ferguson Waterworks	\$ 378.95	14240 Don Julian Rd Project
2435	Industry Public Utility Commission	\$ 934.06	Industry Hills Power Expense
2436	Jack Henry & Associates	\$ 58.62	Web E-Check Fee's
2437	La Puente Valley County Water District	\$ 14,088.87	Reimbursement for Truck & Equipment Expenses
2438	MJM Communications & Fire	\$ 150.00	Security Monitoring
2439	Platinum Consulting Group	\$ 35.00	Administrative Support
2440	San Gabriel Valley Water Company	\$ 1,099.63	Purchased Water - Salt Lake
2441	SC Edison	\$ 7,388.57	Power Expense
2442	Staples	\$ 163.72	Office Supplies
2443	The Gas Company	\$ 16.27	Gas Expense
2444	Verizon Wireless	\$ 311.60	Cell Phone Service
2445	Weck Laboratories Inc	\$ 430.00	Water Sampling
Online	Home Depot Credit Services	\$ 191.35	Field Supplies
Autodeduct	Wells Fargo Merchant Fee's	\$ 96.23	Merchant Fee's
Autodeduct	First Data Global Leasing	\$ 60.76	Credit Card Machine Lease - Monthly
Total January 2017 Disbursements		\$ 80,305.87	

Industry February 2017 Disbursements

Check #	Payee	Amount	Description
2446	Airgas	\$ 32.62	Field Supplies
2447	Ferguson Waterworks	\$ 487.84	13936-38 Valley Blvd Project
2448	Highroad IT	\$ 268.00	Technical Support
2449	InfoSend	\$ 743.79	Billing Expense
2450	La Puente Valley County Water District	\$ 51,180.95	Labor Costs January 2017
2451	Merritt's Hardware	\$ 101.09	Field Supplies
2452	Resource Building Materials	\$ 59.92	Field Supplies - Concrete
2453	The Gas Company	\$ 15.80	Gas Expense
2454	Time Warner Cable	\$ 51.51	Telephone Service
2455	Time Warner Cable	\$ 261.33	Telephone Service
2456	Underground Service Alert	\$ 96.75	Line Notifications
2457	United Traffic Services & Supply	\$ 720.35	Safety Signs
2458	Customer Overpayment Refund	\$ 20.00	RIF I - Valley Blvd LLC
2460	Customer Overpayment Refund	\$ 4.60	Pensri Ongrungrong
2461	Answering Service Care	\$ 106.00	Answering Service
2462	Civiltec Engineering Inc	\$ 631.25	Master Plan Expense
2463	Continental Utility Solutions Inc	\$ 645.00	Annual Web Portal Hosting
2464	County of LA Dept of Public Works	\$ 123.74	Permit Fee's
2465	County Sanitation Dists of LA County	\$ 25.31	Refuse Fee's
2466	Grainger Inc	\$ 136.71	Safety Supplies
2467	Industry Public Utility Commission	\$ 1,061.81	Industry Hills Power Expense
2468	Jack Henry & Associates	\$ 40.87	Web E-Check Fee's
2469	Resource Building Materials	\$ 5.99	Field Supplies - Concrete
2470	S & J Supply Co Inc	\$ 12.82	Field Supplies
2471	San Gabriel Valley Water Company	\$ 1,087.72	Purchased Water - Salt Lake
2472	SC Edison	\$ 8,477.79	Power Expense
2473	Staples	\$ 121.51	Office Supplies
2474	Sunbelt Rentals	\$ 169.22	Equipment Rental & Concrete
2475	Target Specialty Products	\$ 182.91	Grounds Maintenance
2476	Weck Laboratories Inc	\$ 597.50	Water Sampling
2477	La Puente Valley County Water District	\$ 9,881.93	Inventory Reimbursement
2478	Spatial Wave	\$ 825.60	Field Mapping
Online	Home Depot	\$ 109.80	Field Supplies
Auto-deduct	Wells Fargo	\$ 66.52	Merchant Fee's
Auto-deduct	First Data Global Leasing	\$ 60.76	Credit Card Machine Lease
Total February 2017 Disbursements		\$ 78,415.31	

Industry March 2017 Disbursements

Check #	Payee	Amount	Description
2479	Airgas	\$ 42.42	Field Supplies
2480	Cell Business Equipment	\$ 46.13	Office Expense
2481	Ferguson Enterprises Inc	\$ 39.91	Field Supplies
2482	G. M. Sager Construction	\$ 1,792.80	Field Expense - Patch Work
2483	Highroad IT	\$ 268.00	Technical Support
2484	La Puente Valley County Water District	\$ 611.07	Web CC & Bank Fee's Reimbursed December 2016
2485	La Puente Valley County Water District	\$ 576.67	Web CC & Bank Fee's Reimbursed January 2017
2486	InfoSend	\$ 701.94	Billing Expense
2487	La Puente Valley County Water District	\$ 58,497.44	Labor Costs February 2017
2488	Merritt's Hardware	\$ 26.58	Field Supplies
2489	Platinum Consulting Group	\$ 378.75	Administrative Support
2490	Sunbelt Rentals	\$ 343.87	Equipment Rental & Concrete
2491	The Gas Company	\$ 14.30	Gas Expense
2492	Time Warner Cable	\$ 51.51	Telephone Service
2493	Time Warner Cable	\$ 261.33	Telephone Service
2494	Underground Service Alert	\$ 41.25	Line Notifications
2495	United Traffic Services & Supply	\$ 142.25	Safety Supplies
2496	Verizon Wireless	\$ 325.68	Cell Phone Service
2497	Vulcan Materials Company	\$ 388.76	Field Expense - Asphalt
2498	Customer Overpayment Refund	\$ 8.51	RIF I - Valley Blvd LLC
2499	Customer Overpayment Refund	\$ 20.00	Elandia Company Inc
2500	ACWA/JPIA	\$ 7,324.10	Property Insurance
2501	Answering Service Care	\$ 76.48	Answering Service
2502	Bill Wright's Paint	\$ 102.16	Field Supplies
2503	Jack Henry & Associates	\$ 43.37	Web E-Check Fee's
2504	La Puente Valley County Water District	\$ 647.67	Web CC & Bank Fee's Reimburse February 2017
2505	La Puente Valley County Water District	\$ 45,517.50	1st Quarter 2017 O&M Fee
2506	Lagerlof, Senecal, Gosney & Kruse	\$ 993.75	Attorney Fee's
2507	Peck Road Gravel	\$ 200.00	Asphalt & Concrete Disposal
2508	Sunbelt Rentals	\$ 384.87	Equipment Rental & Concrete
2509	The Gas Company	\$ 18.66	Gas Expense
2510	ACWA/JPIA	\$ 347.00	Excess Crime Insurance
2511	Bill Wright's Paint	\$ 92.43	Field Supplies
2512	Cell Business Equipment	\$ 59.33	Office Expense
2513	Citi Cards	\$ 1,024.95	Accounting Software Expense
2514	County of LA Dept of Public Works	\$ 1,002.00	Permit Fee's
2515	Downs Energy Inc	\$ 386.48	Booster Pump Maintenance
2516	Highroad IT	\$ 1,250.00	Security Software Maintenance
2517	Industry Public Utility Commission	\$ 164.90	Industry Hills Power Expense
2518	Peck Road Gravel	\$ 150.00	Asphalt & Concrete Disposal
2519	Platinum Consulting Group	\$ 52.50	Administrative Support

Industry March 2017 Disbursements - continued

Check #	Payee	Amount	Description
2520	San Gabriel Valley Water Company	\$ 993.96	Purchased Water - Salt Lake
2521	SC Edison	\$ 8,157.62	Power Expense
2522	Spatial Wave	\$ 430.00	Mapping Software Maintenance
2523	Staples	\$ 102.92	Office Supplies
2524	Verizon Wireless	\$ 310.05	Cell Phone Service
Online	Home Depot	\$ 271.54	Field Supplies
Autodeduct	Wells Fargo Merchant Fee's	\$ 60.96	Merchant Fee's
Autodeduct	First Data Global Leasing	\$ 60.76	Credit Card Machine Lease
Total March 2017 Disbursements		\$ 134,805.13	

Attachment 2

INDUSTRY PUBLIC UTILITIES - WATER OPERATIONS
Statement of Revenue and Expenses Summary
For the Period Ending March 31, 2017
(Unaudited)

DESCRIPTION	MARCH 2017	FISCAL YTD 2016-2017	BUDGET FY 2016-2017	% OF BUDGET	FY END 2015-2016
Total Operational Revenues	\$ 163,224	\$ 1,465,905	\$ 1,887,200	77.68%	\$ 1,863,369
Total Non-Operational Revenues	112	34,161	30,000	113.87%	65,772
TOTAL REVENUES	163,335	1,500,067	1,917,200	78.24%	1,929,141
Total Salaries & Benefits	65,132	455,173	622,700	73.10%	580,138
Total Supply & Treatment	1,449	104,583	732,500	14.28%	706,150
Total Other Operating Expenses	6,275	96,805	164,700	58.78%	169,752
Total General & Administrative	54,377	179,323	284,800	62.96%	274,256
Total Other & System Improvements	-	42,929	213,000	20.15%	162,682
TOTAL EXPENSES	127,232	878,812	2,017,700	43.56%	1,892,978
OPERATING INCOME	36,103	621,255	(100,500)	-618.16%	36,163
NET INCOME (LOSS)	\$ 36,103	\$ 621,255	\$ (100,500)	-618.16%	\$ 36,163

INDUSTRY PUBLIC UTILITIES - WATER OPERATIONS

**Statement of Revenue and Expenses
For the Period Ending March 31, 2017
(Unaudited)**

DESCRIPTION	MARCH 2017	FISCAL YTD 2016-2017	BUDGET FY 2016-2017	% OF BUDGET	FY END 2015-2016
Operational Revenues					
Water Sales	\$ 90,766	\$ 924,544	\$ 1,180,000	78.35%	\$ 1,157,019
Service Charges	57,111	452,535	599,000	75.55%	598,233
Customer Charges	2,105	15,680	20,100	78.01%	20,361
Fire Service	13,242	73,147	88,100	83.03%	87,756
Miscellaneous Income	-	-	-	N/A	-
Total Operational Revenues	163,224	1,465,905	1,887,200	77.68%	1,863,369
Non-Operational Revenues					
Contamination Reimbursement	-	19,510	30,000	65.03%	35,789
Developer Fees	112	14,568	-	N/A	19,102
Miscellaneous Income	-	83	-	N/A	10,881
Total Non-Operational Revenues	112	34,161	30,000	113.87%	65,772
TOTAL REVENUES	163,335	1,500,067	1,917,200	78.24%	1,929,141
Salaries & Benefits					
Administrative Salaries	14,364	123,629	175,400	70.48%	168,089
Field Salaries	25,387	166,954	229,900	72.62%	205,882
Employee Benefits	15,604	102,722	137,500	74.71%	124,639
Pension Plan	5,495	36,513	46,700	78.19%	46,051
Payroll Taxes	2,821	20,781	26,600	78.12%	29,122
Workman's Compensation	1,462	4,574	6,600	69.30%	6,355
Total Salaries & Benefits	65,132	455,173	622,700	73.10%	580,138
Supply & Treatment					
Purchased Water - Leased	-	-	352,700	0.00%	496,961
Purchased Water - Other	994	9,440	14,400	65.55%	14,611
Power	-	81,737	126,700	64.51%	109,709
Assessments	-	11,030	75,100	14.69%	67,007
Treatment	-	-	6,600	0.00%	5,722
Well & Pump Maintenance	455	2,376	157,000	1.51%	12,140
Total Supply & Treatment	1,449	104,583	732,500	14.28%	706,150
Other Operating Expenses					
General Plant	1,042	3,839	10,300	37.27%	17,930
Transmission & Distribution	2,461	38,474	75,400	51.03%	53,479
Vehicles & Equipment	-	14,089	18,800	74.94%	34,708
Field Support & Other Expenses	2,449	21,150	23,400	90.38%	19,793
Regulatory Compliance	323	19,254	36,800	52.32%	43,842
Total Other Operating Expenses	6,275	96,805	164,700	58.78%	169,752

INDUSTRY PUBLIC UTILITIES - WATER OPERATIONS

**Statement of Revenue and Expenses
For the Period Ending March 31, 2017
(Unaudited)**

DESCRIPTION	MARCH 2017	FISCAL YTD 2016-2017	BUDGET FY 2016-2017	% OF BUDGET	FY END 2015-2016
General & Administrative					
Management Fee	45,518	134,768	182,500	73.85%	176,750
Office Expenses	2,864	12,221	20,500	59.61%	20,015
Insurance	2,927	12,004	25,300	47.45%	23,288
Professional Services	-	4,260	15,000	28.40%	14,480
Customer Accounts	854	11,440	15,000	76.27%	15,207
Public Outreach & Conservation	2,215	2,347	24,500	9.58%	22,260
Other Administrative Expenses	-	2,284	2,000	114.21%	2,257
Total General & Administrative	54,377	179,323	284,800	62.96%	274,256
Other Expenses & System Improvements (Water Operations Fund)					
Transfer to Capital or Expense	-	-	-	N/A	-
Developer Capital Contributions	-	-	-	N/A	(178,514)
Developer Project -	-	-	-	N/A	8,605
Developer Project -	-	-	-	N/A	90,112
Developer Project -	-	-	-	N/A	3,795
Developer Project -	-	-	-	N/A	72,003
Developer Project -	-	-	-	N/A	5,996
Developer Project -	-	-	-	N/A	6,607
Net Developer Project Activity	-	-	-	-	8,605
Master Plan Update / Hydraulic Model	-	9,380	9,000	104.22%	29,092
Other System Improvements (Materials)	-	223	-	N/A	78,428
FH Laterals	-	83	9,000	0.92%	8,359
Service Line Replacements	-	33,242	25,000	132.97%	36,953
Valve Replacements	-	-	30,000	0.00%	1,245
Plant Electrical System Improvements	-	-	20,000	0.00%	-
Meter Installations - Industry Hills	-	-	67,000	0.00%	-
Meter Read Collection System	-	-	35,000	0.00%	-
SCADA System Assessment & Upgrades	-	-	18,000	0.00%	-
Total Other & System Improvements	-	42,929	213,000	20.15%	162,682
TOTAL EXPENSES	127,232	878,812	2,017,700	43.56%	1,892,978
OPERATING INCOME	36,103	621,255	(100,500)	N/A	36,163

Attachment 3

CIWS MONTHLY ACTIVITIES REPORT FY 2016-2017

	July	August	September	October	November	December	January	February	March	April	May	June	2015/2016 FYTD
Water Quality Monitoring													
No. of Samples from Distribution System	55	34	24	29	33	28	30	27	27				287
Distribution Maintenance													
Repair/Replace Service Line J3,J4	2	7	4	2	2	0	3	4	1				25
Repair/Replace Main Line J8,J9	0	0	2	0	1	0	1	0	0				4
Replace Curb/Angle Stop J5,J6,J13	0	3	0	0	1	0	0	1	0				5
New Service Installations O	0	0	0	0	0	1	0	0	0				1
Install New Air Release or Blow Off 2	0	0	0	0	0	0	0	0	0				0
Concrete/Asphalt Patch Repairs - Staff Y1	1	4	1	0	1	1	1	4	1				14
Concrete/Asphalt Patch Repairs - Vendor	7	9	0	0	0	7	0	2	0				25
Reset Meter Box to Grade M2	0	1	0	0	0	0	1	0	0				2
Replace Slip Can/ Valve Lid Y2	0	0	0	0	0	1	0	0	2				3
Fire Hydrant Repairs/Replaced V,V1	0	0	0	2	0	1	0	0	0				3
Valves Exercised	0	0	0	0	0	0	0	0	4				4
Hydrants / Dead Ends Flushed	1	1	0	0	1	0	0	18	0				21
Meter Maintenance													
Replaced Register/Meter/Guts L,L2,L7,L8	5	1	5	11	2	4	9	2	10				49
Replace Meter Box/Lid L4,L5	0	0	1	0	1	2	0	5	2				13
Removed Meter G2	0	0	0	0	1	0	0	0	0				1
Repaired Meter Leaks J7,J10,J11	1	0	0	1	0	2	1	0	0				5
Customer Service													
Re-Reads for Billing D	0	0	1	0	0	0	0	0	1				2
Read for Open/Close C	3	4	8	6	2	0	0	2	7				32
Turn Off/Lock B,B1	7	9	8	4	5	7	7	9	14				70
Turn On A	20	11	13	4	13	12	13	11	16				113
Door Hangers - Miscellaneous I1,I2,I3,I4,I5	7	0	5	6	3	5	7	3	5				41
Door Hangers - Delinquents I	108	84	150	90	96	92	118	93	141				972
Door Hangers - Conservation IC2,IC3,I6,IC6	2	3	2	5	0	0	0	2	0				14
Shut Off - Non-Payment B3	26	14	22	8	16	16	13	16	24				155
Shut Off - Customer Emergency/Request B2	5	5	2	5	2	2	1	0	2				24
USA's - Underground Service Alerts Marked N1	2	7	6	1	6	2	4	2	3				33
Check for Creeping E	45	36	28	8	11	9	16	7	13				173
Check for Leak J	4	9	5	5	3	4	7	2	4				43
Check for High/Low Pressure 9,91	0	1	1	0	1	0	0	0	0				3
Check for Meter Tampering G	0	0	0	0	0	0	0	0	0				0
Check for Stopped Meter F	14	15	26	13	21	21	36	20	42				208
Misc - Other 12	1	4	0	1	2	1	0	3	8				20
Water Quality - Odor/Color/Taste 5,6,11	0	0	0	0	0	0	0	0	0				0
Fire Flow Test T	1	1	0	0	0	1	0	1	0				4
Safety Activities													
Safety Inspection of Facilities	0	0	0	0	0	0	0	0	0				0
Monthly, Online and Outside Safety Training	0	0	0	2	1	2	2	1	1				9
Weekly Tailgate Safety Mtg	4	5	4	5	4	4	5	4	4				39

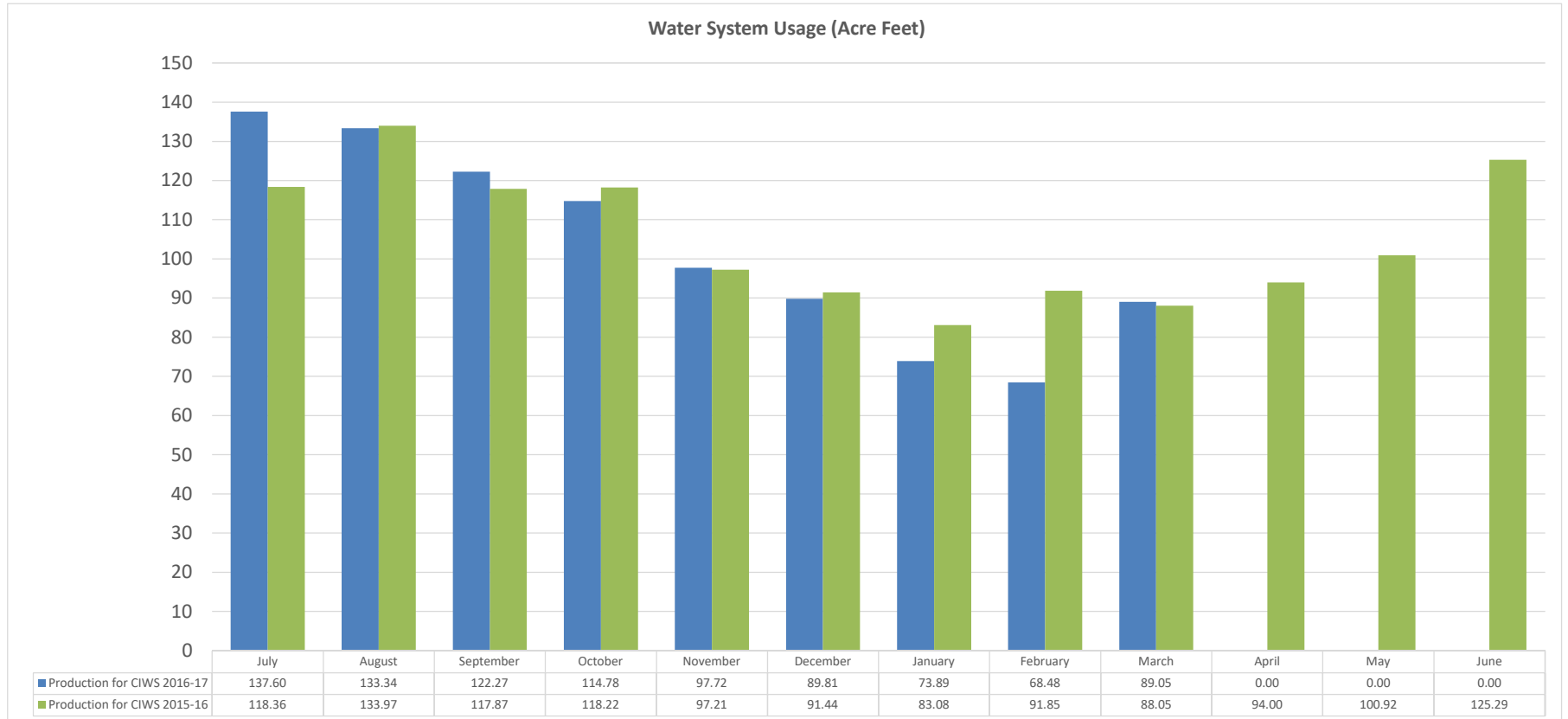
Attachment 4

Industry Public Utilities - Water Operations

PRODUCTION REPORT - FISCAL 2016-17

CIWS PRODUCTION	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	2016-17 FISCAL	2015-16 FISCAL
COI Well No. 5 To SGVCW B5	137.53	140.04	140.04	149.21	139.30	141.66	141.77	140.36	148.65				1278.56	1384.33
Interconnections to CIWS														
SGVWC Salt Lake Ave	0.54	0.62	0.70	0.83	0.69	0.73	0.62	0.53	0.69				5.95	8.78
SGVWC Lomitas Ave	130.00	132.19	123.21	115.42	100.41	88.99	84.10	66.19	83.11				923.62	1244.60
SGVWC Workman Mill Rd	0.00	0.00	0.00	0.02	0.14	0.57	0.19	0.15	0.13				1.20	4.52
Interconnections from LPVCWD	9.87	13.63	1.06	0.95	0.01	1.10	1.31	3.73	7.60				39.26	109.72
Subtotal	140.41	146.44	124.97	117.22	101.25	91.39	86.22	70.60	91.53	0.00	0.00	0.00	970.03	1367.62
Interconnections to LPVCWD	2.81	13.10	2.70	2.44	3.53	1.58	12.33	2.12	2.48				43.09	107.36
Production for CIWS 2016-17	137.60	133.34	122.27	114.78	97.72	89.81	73.89	68.48	89.05	0.00	0.00	0.00	926.94	1260.26
Production for CIWS 2015-16	<u>118.36</u>	<u>133.97</u>	<u>117.87</u>	<u>118.22</u>	<u>97.21</u>	<u>91.44</u>	<u>83.08</u>	<u>91.85</u>	<u>88.05</u>	<u>94.00</u>	<u>100.92</u>	<u>125.29</u>	<u>1260.26</u>	<u>1260.26</u>

Industry Public Utilities - Water Operations



Attachment 5

CIWS-LPVCWD WATER EXCHANGE SUMMARY (pursuant to July 2015 Water Exchange and Supply Agreement)

Deliveries from LPVCWD to CIWS

Report for Third Quarter 16/17

QTR	Zone 488 Deliveries							Zone 775 Deliveries							Combined		
	Connection 1	Connection 2	Connection 3	Connection 3A	Zone 488 Total	Zone 488 Running Total	Zone 488 Previous Year	Connection 4	Connection 5	Connection 6	Connection 7	Connection 7A	Zone 775 Total	Zone 775 Running Total	Zone 775 Previous Year	Total	Running Total
Prior Period (15-16)					86.25	86.25	0.00						25.67	25.67	0.00	111.92	111.92
16-17 QTR 1	1.64	0.00	0.00	0.00	1.64	87.89	13.18			22.92	0.00		22.92	48.59	10.70	24.56	136.48
16-17 QTR 2	2.05	0.00	0.00	0.00	2.05	89.94	59.65			0.00	0.00		0.00	48.59	17.49	2.05	138.53
16-17 QTR 3	6.32	0.00	0.00	0.00	6.32	96.26	67.01			5.83	0.00		5.83	54.42	19.71	12.15	150.68
16-17 QTR 4					0.00	96.26	86.25						0.00	54.42	25.67	0.00	150.68
Annual Total	10.01	0.00	0.00	0.00	96.26		86.25			28.75	0.00		54.42		25.67	150.68	150.68

Deliveries from CIWS to LPVCWD

QTR	Zone 488 Deliveries							Zone 775 Deliveries							Combined		
	Connection 1	Connection 2	Connection 3	Connection 3A	Zone 488 Total	Zone 488 Running Total	Zone 488 Previous Year	Connection 4	Connection 5	Connection 6	Connection 7	Connection 7A	Zone 775 Total	Zone 775 Running Total	Zone 488 Previous Year	Total	Running Total
Prior Period (15-16)					85.06	85.06	0.00						26.26	26.26	0.00	111.32	111.32
16-17 QTR 1	7.80	0.00		0.00	7.80	92.86	18.62	2.67	1.87	5.68	0.64	0.01	10.87	37.13	8.29	18.67	129.99
16-17 QTR 2	0.00	0.00		0.00	0.00	92.86	31.19	2.08	0.98	4.06	0.43	0.00	7.55	44.68	14.21	7.55	137.54
16-17 QTR 3	6.65	0.00		0.00	6.65	99.51	81.64	5.42	0.73	3.80	0.31	0.01	10.27	54.95	20.65	16.92	154.46
16-17 QTR 4					0.00	99.51	85.06						0.00	54.95	26.26	0.00	154.46
Annual Total	14.45	0.00		0.00	99.51		85.06	10.17	3.58	13.54	1.38		54.95		26.26	154.46	154.46

Delivery Summary

Quarter	A			B			C			D		E		
	LPVCWD Total to CIWS	CIWS Total to LPVCWD	Difference	LPVCWD to CIWS in 488	CIWS to LPVCWD in 488	488 Difference	Amount unable to exchange within 12 months in 488	CIWS owes \$ to LPVCWD for 448 Deliveries	LPVCWD to CIWS in 775	CIWS to LPVCWD in 775	775 Difference	Amount unable to exchange within 12 months in 775	LPVCWD owes \$ to CIWS for 775 Deliveries	LPVCWD Owes \$ to CIWS
Prior Period (15-16)	111.92	111.32	-0.60	86.25	85.06	-1.19	0.00	0.00	25.67	26.26	0.59	0.00	0.00	0.00
16-17 QTR 1	24.56	18.67	-5.89	1.64	7.80	6.16	0.00	0.00	22.92	10.87	-12.05	0.00	0.00	0.00
16-17 QTR 2	2.05	7.55	5.50	2.05	0.00	-2.05	0.00	0.00	0.00	7.55	7.55	0.00	0.00	0.00
16-17 QTR 3	12.15	16.92	4.77	6.32	6.65	0.33			5.83	10.27	4.44	0.00	0.00	0.00
16-17 QTR 4	0.00	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00			
Running Total	150.68	154.46	3.78	96.26	99.51	3.25			54.42	54.95	0.53			

Balance Owed by LP Overall

3.78

Balance Owed by LP in 488

3.25

Balance Owed by LP in 775

0.53

Notes:

Calculation of payment is not applicable until a full 12 months into the agreement that was entered into in July 2015

Column A represents water delivered in Zone 488 that was not redelivered within 12 months.

Column B represents the undelivered amount multiplied by the agreed rate to convey water to the 448 zone as detailed in example table above.

Column C represents water delivered in Zone 775 that was not redelivered within 12 months.

Column D represents the undelivered amount multiplied by the agreed upon rate to convey water to the 775 zone as detailed in example table above.

Column E represents the difference between what each party owes.

Attachment 6



APRIL 4, 2017

REPORT OF THE DISTRICT ENGINEER ON HYDROLOGIC CONDITIONS

Baldwin Park Key Well (see attached graph)

- Located in the central portion of the San Gabriel Valley within the City of Baldwin Park and used as a general indication of water elevations throughout the San Gabriel Valley
- One vertical foot is equivalent to about 8,000 acre-feet of groundwater in the Main Basin
- On February 24, 2017, the Baldwin Park Key Well groundwater elevation was 181.7 feet.
- On March 24, 2017, the Baldwin Park Key Well groundwater elevation was 182.8 feet, an increase of 0.3 feet from the prior week. The new historical low was 172.2 feet on September 30, 2016.
 - ❖ An increase of 1 foot from the prior month. About 5 feet higher than one year ago (represents about 40,000 acre-feet.) Includes about 135,000 acre-feet of untreated imported water in cyclic storage accounts, which represents about 17 feet of groundwater elevation at the Key Well.

Reservoir Storage and Releases

- There are three dams and reservoirs located along the San Gabriel River above San Gabriel Canyon. Their primary function is for flood control and are also used to store watershed runoff for subsequent groundwater replenishment.
 - ❖ Cogswell Reservoir is located highest in the watershed and has a maximum storage capacity of 11,136 acre-feet
 - ❖ San Gabriel Reservoir is located downstream of and receives releases from Cogswell Reservoir, and has a maximum storage capacity of 43,646 acre-feet
 - ❖ Morris Reservoir is located downstream of and receives releases from San Gabriel Reservoir, and has a maximum storage capacity of 28,696 acre-feet. Releases from Morris Reservoir and San Gabriel Reservoir are used at local surface water treatment plants and used for groundwater replenishment

Report of the District Engineer on Hydrologic Conditions – April 4, 2017 (continued)

- ❖ Total storage capacity is 83,478 acre-feet
- ❖ Combined storage as of March 28, 2017 was 55,232 acre-feet (about 66 percent of capacity).
- ❖ San Gabriel Reservoir inflow was 125 cfs and release was 65 cfs as of March 28, 2017.

- ❖ Morris Reservoir inflow was 69 cfs and release was 55 cfs as of March 28, 2017. A portion of that release was diverted from the San Gabriel River at the Azusa Duarte intake for use by the Committee of Nine.

USG-3

- Located in San Gabriel Canyon just below Morris Dam, it represents Upper District's primary point of delivery of untreated imported water for groundwater replenishment to the San Gabriel Valley. The typical delivery rate is about 190 cfs (or about 375 acre-feet per day)
 - ❖ Upper District did not make deliveries through USG-3 during February 2017
 - ❖ Three Valleys District did not make deliveries through USG-3 during February 2017

San Gabriel Canyon Spreading Grounds

- Upper District did not make deliveries to the San Gabriel Canyon Spreading Grounds during February 2017.
- San Gabriel District did not deliver to the San Gabriel Canyon Spreading Grounds during February 2017. San Gabriel District delivered 1,404 AF to the San Gabriel River and 48 acre-feet to the Big Dalton/Citrus Spreading Ground during February 2017.
- Three Valleys District did not make deliveries to the San Gabriel Canyon Spreading Grounds during February 2017.

Rainfall (see attached graphs)

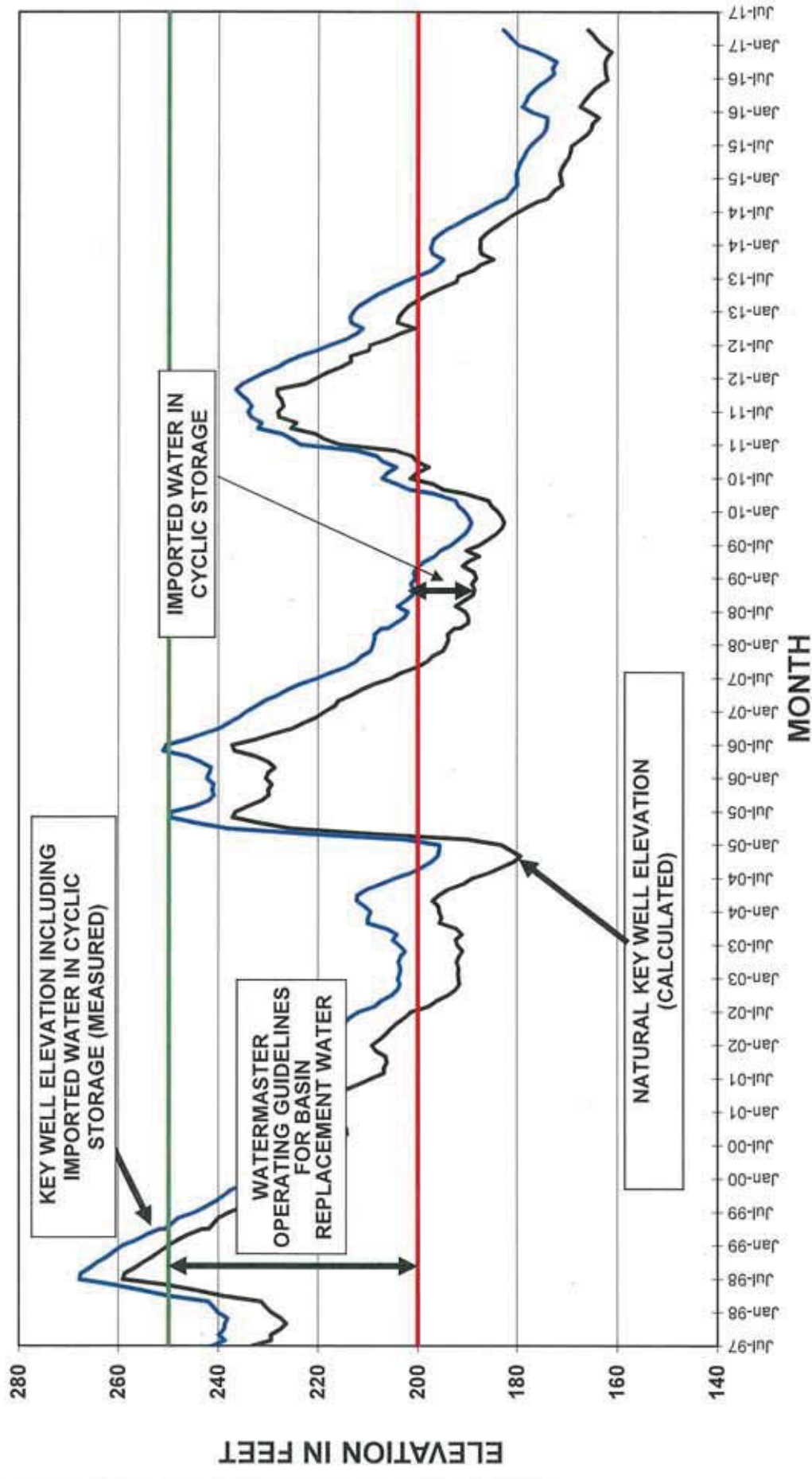
- Data are readily available on a daily basis and are indicative of comparative amount of rainfall in the San Gabriel Valley (percent of average)

- Puddingstone Dam as of March 31, 2017
 - ❖ Average rainfall from July 1st through March 31st of each year is 16.10 inches
 - ❖ Rainfall during July 1, 2016 through March 31, 2017 is 20.43 inches, which is 127 percent of average
 - ❖ Rainfall last year (during July 1, 2015 through March 31, 2016) was 11.40 inches, which was 71 percent of average

- Los Angeles Civic Center as of March 31, 2017
 - ❖ Average rainfall from July 1st through March 31st of each year is 13.88 inches
 - ❖ Rainfall during July 1, 2016 through March 31, 2017 is 18.59 inches, which is 134 percent of average
 - ❖ Rainfall last year (during July 1, 2015 through March 31, 2016) was 9.36 inches, which was 67 percent of average

 **Water Quality**

- Water systems are required by the Division of Drinking Water (DDW) to collect water quality data from source wells and provide the results to DDW staff pursuant to Title 22
 - ❖ During March 2017, 30 wells were sampled under Title 22
 - ❖ During February 2017, 52 wells were sampled under Title 22
 - ❖ During February 2017, Stetson Engineers Inc. received no public notice of wells shut down due to contamination



UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

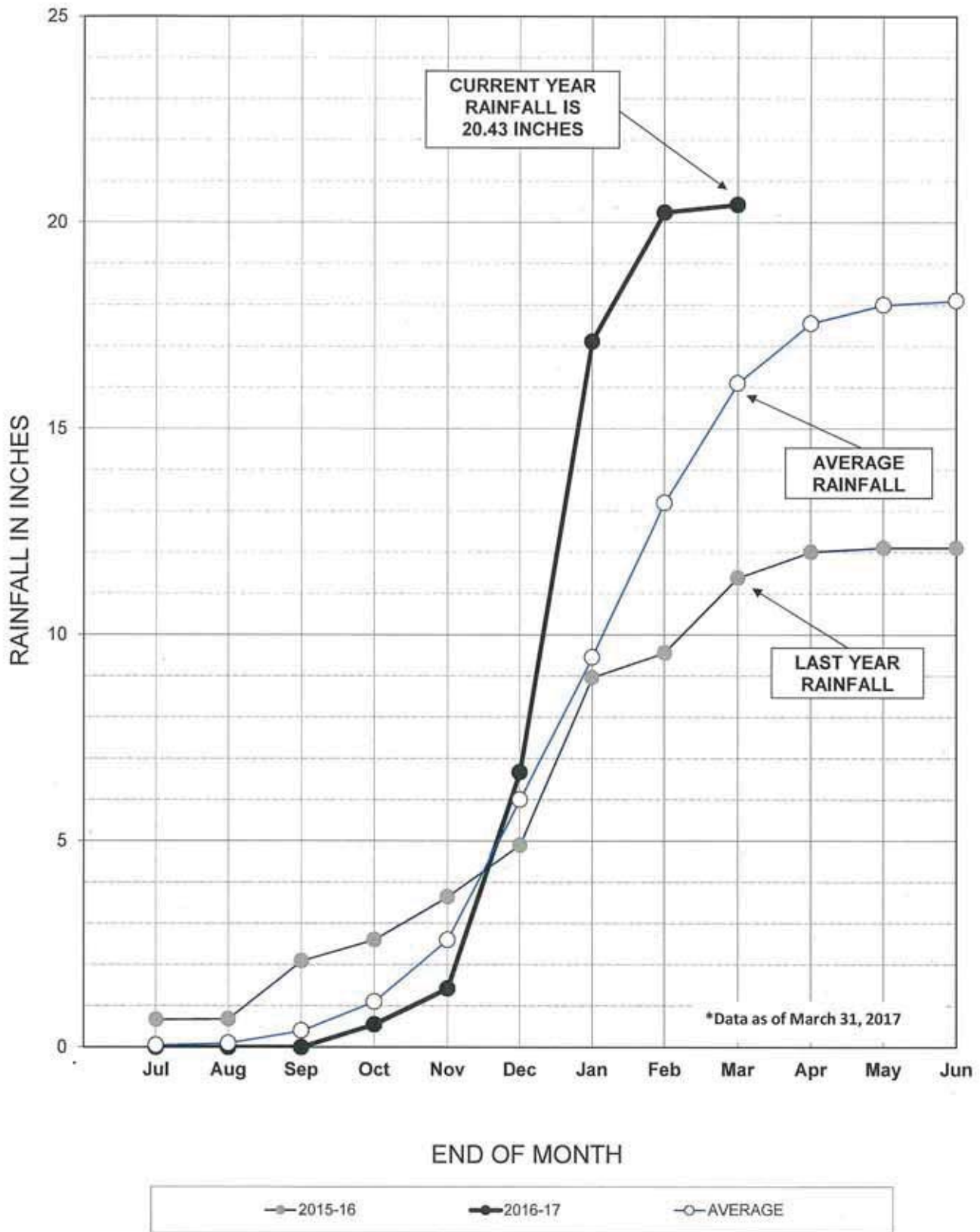
BALDWIN PARK KEY WELL
GROUNDWATER ELEVATION

STETSON ENGINEERS INC.

Covina San Rafael Mesa, Arizona

WATER RESOURCE ENGINEERS

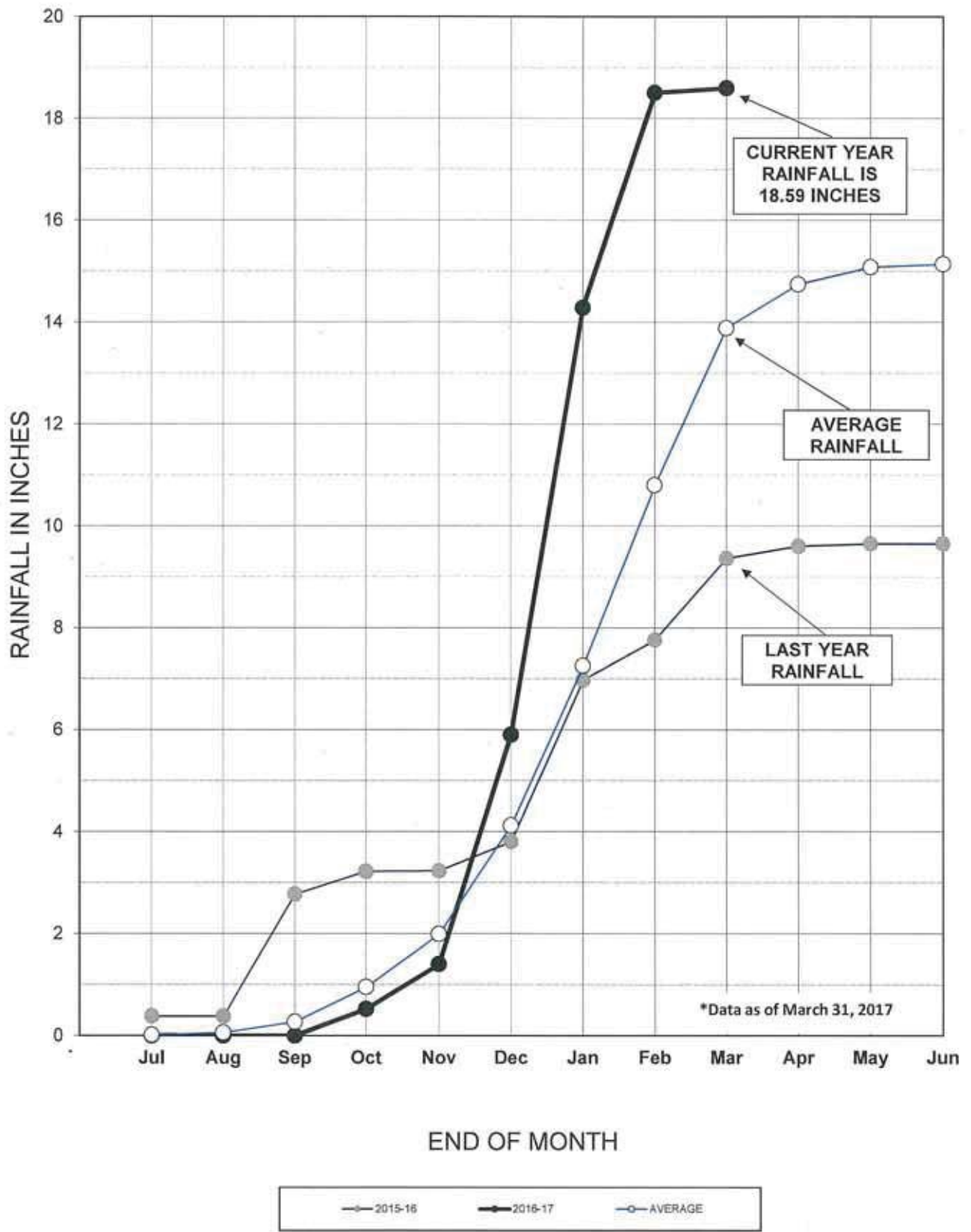




STETSON ENGINEERS INC.
 Covina San Rafael Mesa, Arizona
 WATER RESOURCE ENGINEERS

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

**ACCUMULATED RAINFALL
 AT PUDDINGSTONE DAM (STATION NO. 96-C)**



STETSON ENGINEERS INC.
 Covina San Rafael Mesa, Arizona
 WATER RESOURCE ENGINEERS

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

**ACCUMULATED RAINFALL
 AT LOS ANGELES CIVIC CENTER**

Attachment 7

SALARY AND BENEFITS SUMMARY OF LPVCWD STAFF - AS OF MARCH 31, 2017

EMPLOYEE	NO.	HOURLY RATE	O/T RATE	BENEFITS (Not Including Pers) PER HOUR	CalPERS PER HOUR	Wages, Benefits & CalPERS HOURLY
General Manager	24	\$ 71.26		\$ 16.18	\$ 11.08	\$ 98.52
Compliance Officer / Project Engineer*	40	\$ 45.35	\$ 68.03	\$ 19.44	\$ 2.97	\$ 67.76
Board Secretary / Office Administrator	1	\$ 40.72		\$ 22.71	\$ 6.33	\$ 69.76
Cust Serv/Accounting Supervisor	9	\$ 39.89	\$ 59.84	\$ 21.99	\$ 6.20	\$ 68.08
Water Production & Treatment Supervisor	12	\$ 39.60	\$ 59.40	\$ 19.93	\$ 6.16	\$ 65.69
Water Distribution Supervisor	7	\$ 36.00	\$ 54.00	\$ 18.88	\$ 5.60	\$ 60.48
Water Production & Treatment Operator II	23	\$ 35.70	\$ 53.55	\$ 19.44	\$ 5.42	\$ 60.56
Lead Water Service Worker	15	\$ 34.89	\$ 52.34	\$ 19.98	\$ 5.24	\$ 60.11
Service Worker II**	38	\$ 30.46	\$ 45.68	\$ 17.86	\$ 2.00	\$ 50.32
Service Worker II	18	\$ 26.38	\$ 39.57	\$ 18.58	\$ 4.06	\$ 49.02
Water Production & Treatment Operator I	31	\$ 26.03	\$ 39.05	\$ 18.44	\$ 4.01	\$ 48.48
Service Worker II	22	\$ 25.90	\$ 38.84	\$ 18.44	\$ 4.03	\$ 48.37
Billing Clerk II	11	\$ 25.39	\$ 38.09	\$ 12.14	\$ 3.82	\$ 41.35
Field Operations Assistant P/T (Hourly)*	33	\$ 22.56	N/A	N/A	\$ 0.78	\$ 23.34



Summary of Cash and Investments
March 2017

La Puente Valley County Water District

Investments	Interest Rate (Apportionment Rate)	Beginning Balance	Receipts/ Change in Value	Disbursements/ Change in Value	Ending Balance
Local Agency Investment Fund	0.78%	\$ 1,988,147.63	\$ 3,803.06	\$ -	\$ 1,991,950.69
Raymond James Financial Services		\$ 505,420.75	\$ -	\$ 568.93	\$ 504,851.82
Checking Account					
Well Fargo Checking Account (per General Ledger)		\$ 890,948.18	\$ 442,976.37	\$ 437,632.91	\$ 896,291.64
District's Total Cash and Investments:					\$ <u>3,393,094.15</u>

Industry Public Utilities

Checking Account	Beginning Balance	Receipts	Disbursements	Ending Balance
Well Fargo Checking Account (per General Ledger)	\$ 655,173.86	\$ 135,614.28	\$ 160,944.30	\$ 629,843.84
IPU's Total Cash and Investments:				\$ <u>629,843.84</u>

I certify that; (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy as set forth in Resolution No. 228 and, (2) the District will meet its expenditure obligations for the next six (6) months.

_____, General Manager

Date: 4/21/2017

Greg B. Galindo

La Puente Valley County Water District (Treatment Plant Included)
Statement of Revenues and Expenses
For the Period Ending March 31, 2017
(Unaudited)

<u>DESCRIPTION</u>	LPVCWD YTD 2017	TP YTD 2017	COMBINED YTD 2017	COMBINED BUDGET 2017	25% OF BUDGET	COMBINED 2016
Total Operational Revenues	\$ 364,643	\$ -	\$ 364,643	\$ 1,925,600	18.94%	\$ 1,897,789
Total Non-Operational Revenues	86,103	289,843	375,947	3,367,500	11.16%	1,823,685
TOTAL REVENUES	450,746	289,843	740,589	5,293,100	13.99%	3,721,474
Total Salaries & Benefits	243,816	67,211	311,027	1,269,800	24.49%	1,175,969
Total Supply & Treatment	71,873	186,760	258,633	1,639,400	15.78%	1,486,410
Total Other Operating Expenses	28,467	22,800	51,267	403,300	12.71%	294,555
Total General & Administrative	98,985	13,072	112,057	507,200	22.09%	367,578
TOTAL EXPENSES	443,141	289,843	732,985	3,819,700	19.19%	3,324,512
TOTAL OPERATIONAL INCOME	7,605	-	7,605	1,473,400	0.52%	396,962
Total Capital Improvements	(1,300)	-	(1,300)	(2,085,000)	0.06%	(69,922)
Total Capital Outlay	(274)	-	(274)	(82,000)	0.33%	(145,725)
TOTAL CAPITAL OPERATIONS	(1,574)	-	(1,574)	(2,167,000)	0.07%	(215,646)
Total Developer	-	-	-	15,000	0.00%	8,292
OPERATING INCOME	6,031	-	6,031	(678,600)		189,607
Non-Cash Items (Dep. & OPEB)	(67,459)	(183,250)	(250,709)	1,007,000	-24.90%	(303,593)
NET INCOME (LOSS)	\$ (61,429)	\$ (183,250)	\$ (244,679)	\$ 328,400	-74.51%	\$ (113,986)

La Puente Valley County Water District
Statement of Revenues and Expenses
For the Period Ending March 31, 2017
(Unaudited)

Description	MARCH 2017	YTD 2017	ANNUAL BUDGET 2017	25% OF BUDGET	YEAR END 2016
Operational Revenues					
Water Sales	\$ 47,955	\$ 188,478	\$ 1,209,500	15.58%	\$ 1,179,947
Service Charges	45,419	146,466	598,000	24.49%	601,298
Surplus Sales	2,918	9,068	36,000	25.19%	30,558
Customer Charges	2,608	10,006	29,200	34.27%	31,429
Fire Service	1,330	10,509	52,700	19.94%	53,902
Miscellaneous Income	-	115	200	57.50%	655
Total Operational Revenues	100,230	364,643	1,925,600	18.94%	1,897,789
Non-Operational Revenues					
Management Fees	45,518	45,518	257,000	17.71%	253,500
Taxes & Assessments	878	14,229	195,000	7.30%	215,708
Other O & M Fees	6,345	17,231	62,000	27.79%	68,259
Rental Revenue	2,852	8,555	33,300	25.69%	33,969
Interest Revenue	-	-	10,000	0.00%	13,992
Miscellaneous Income	285	571	36,500	1.56%	75,860
Recycled Water System (Grant Revenue)	-	-	415,000	0.00%	-
Recycled Water System (Loan Proceeds)	-	-	1,000,000	0.00%	-
Total Non-Operational Revenues	55,877	86,103	2,008,800	4.29%	661,288
TOTAL REVENUES	156,108	450,746	3,934,400	11.46%	2,559,077
Salaries & Benefits					
Total District Wide Labor	37,242	114,087	472,600	24.14%	448,209
Directors Fees & Benefits	9,751	28,127	106,900	26.31%	102,802
Benefits	9,650	33,159	140,900	23.53%	100,078
OPEB Payments	34,735	41,704	165,200	25.24%	163,062
Payroll Taxes	3,356	11,742	45,300	25.92%	38,934
Retirement Program Expense	4,841	14,997	73,900	20.29%	57,493
Total Salaries & Benefits	99,575	243,816	1,004,800	24.27%	910,577
Supply & Treatment					
Purchased & Leased Water	145	31,142	386,600	8.06%	475,464
Power	10,618	27,896	154,700	18.03%	135,678
Assessments	942	2,826	174,200	1.62%	86,920
Treatment	483	1,143	10,000	11.43%	6,363
Well & Pump Maintenance	8,519	8,865	56,700	15.64%	21,490
Total Supply & Treatment	20,707	71,873	782,200	9.19%	725,916
Other Operating Expenses					
General Plant	2,279	5,991	35,600	16.83%	23,830
Transmission & Distribution	2,343	8,465	76,500	11.06%	46,997
Vehicles & Equipment	(1,875)	6,109	28,100	21.74%	12,758
Field Support & Other Expenses	2,337	6,735	45,500	14.80%	74,084
Regulatory Compliance	434	1,168	34,100	3.42%	25,177
Recycled Water Short Term Loan Payment	-	-	-	N/A	-
Recycled Water Loan Payment	-	-	-	N/A	-
Total Other Operating Expenses	5,518	28,467	219,800	12.95%	182,846

La Puente Valley County Water District
Statement of Revenues and Expenses
For the Period Ending March 31, 2017
(Unaudited)

Description	MARCH 2017	YTD 2017	ANNUAL BUDGET 2017	25% OF BUDGET	YEAR END 2016
General & Administrative					
District Office Expenses	3,773	12,764	65,600	19.46%	35,904
Customer Accounts	1,993	5,132	20,000	25.66%	19,804
Insurance	24,501	30,667	89,000	34.46%	61,400
Professional Services	14,379	41,134	183,000	22.48%	163,869
Training & Certification	2,186	5,084	30,000	16.95%	21,850
Public Outreach & Conservation	1,328	1,477	37,000	3.99%	13,266
Other Administrative Expenses	831	2,727	29,600	9.21%	26,684
Total General & Administrative	48,989	98,985	454,200	21.79%	342,776
TOTAL EXPENSES	174,789	443,141	2,461,000	18.01%	2,162,115
TOTAL OPERATIONAL INCOME	(18,682)	7,605	1,473,400	0.52%	396,962
Capital Improvements					
Zone 3 Improvements	-	(1,300)	(85,000)	1.53%	-
Service Line Replacements	-	-	(25,000)	0.00%	(47,395)
Valve Replacements	-	-	(15,000)	0.00%	(3,107)
Fire Hydrant Repair/Replacements	-	-	(5,000)	0.00%	(3,673)
Main & 1st Street Building Retrofit	-	-	(55,000)	0.00%	-
Phase 1 - Recycled Water System	-	-	(1,700,000)	0.00%	(15,747)
Phase 2 - Recycled Water System	-	-	(200,000)	0.00%	-
Total Capital Improvements	-	(1,300)	(2,085,000)	0.06%	(69,922)
Capital Outlay					
Communications Systems Upgrade	-	-	-	N/A	(12,944)
Meter Read Collection System Equipment	-	-	(45,000)	0.00%	-
New Pick-Up & Backhoe	(274)	(274)	(37,000)	0.74%	(132,780)
Total Capital Outlay	(274)	(274)	(82,000)	0.33%	(145,725)
TOTAL CAPITAL OPERATIONS	(274)	(1,574)	(2,167,000)	0.07%	(215,646)
Developer					
Developer Fees	-	-	5,000	0.00%	8,292
Developer Contributions	-	-	10,000	0.00%	-
Total Developer	-	-	15,000	0.00%	8,292
OPERATING INCOME	(18,956)	6,031	(678,600)		189,607
Add Back Capitalized Assets	274	1,574	2,167,000	0.07%	215,646
Less Depreciation Expense	(34,517)	(69,033)	(414,200)	16.67%	(361,474)
Less OPEB Expense - Not Funded	-	-	(12,800)	0.00%	20,223
NET INCOME (LOSS)	\$ (53,198)	\$ (61,429)	\$ 1,061,400	-5.79%	\$ 64,003

Treatment Plant
Statement of Revenues and Expenses
For the Period Ending March 31, 2017
(Unaudited)

Description	MARCH 2017	YTD 2017	ANNUAL BUDGET 2017	25% OF BUDGET	YEAR END 2016
Non-Operational Revenues					
Reimbursements from CR's	\$ 78,779	\$ 289,843	\$ 1,358,700	21.33%	\$ 1,162,397
Miscellaneous Income	-	-	-	N/A	-
Total Non-Operational Revenues	78,779	289,843	1,358,700	21.33%	1,162,397
Salaries & Benefits					
Total District Wide Labor	23,261	67,211	265,000	25.36%	265,392
Contract Labor	-	-	-	N/A	-
Total Salaries & Benefits	23,261	67,211	265,000	25.36%	265,392
Supply & Treatment					
NDMA, 1,4-Dioxane Treatment	17,136	41,107	195,600	21.02%	143,768
VOC Treatment	-	-	17,600	0.00%	35,449
Perchlorate Treatment	1,882	100,695	332,600	30.28%	342,688
Other Chemicals	1,106	3,083	16,600	18.57%	13,231
Treatment Plant Power	13,070	38,448	204,800	18.77%	160,313
Treatment Plant Maintenance	1,219	3,233	70,000	4.62%	29,404
Well & Pump Maintenance	193	193	20,000	0.97%	35,641
Total Supply & Treatment	34,605	186,760	857,200	21.79%	760,495
Other Operating Expenses					
General Plant	850	2,896	45,000	6.44%	12,414
Vehicles & Equipment	1,270	2,741	6,500	42.17%	9,356
Field Support & Other Expenses	-	-	15,000	0.00%	-
Regulatory Compliance	6,706	17,162	117,000	14.67%	89,940
Total Other Operating Expenses	8,825	22,800	183,500	12.43%	111,710
General & Administrative					
District Office Expenses	-	-	20,000	0.00%	-
Insurance	5,741	5,741	18,000	31.90%	9,506
Professional Services	6,346	7,331	15,000	48.87%	15,296
Total General & Administrative	12,087	13,072	53,000	24.66%	24,801
TOTAL EXPENSES	78,779	289,843	1,358,700	21.33%	1,162,397
TOTAL OPERATIONAL INCOME	-	-	-	N/A	-
Capital Outlay					
Scada Computer	-	-	-	N/A	-
Total Capital Outlay	-	-	-	N/A	-
Depreciation Expense	(61,083)	(183,250)	(733,000)	25%	(177,989)
Total Non-Cash Items (Dep. & OPEB)	(61,083)	(183,250)	(733,000)	25%	(177,989)
NET INCOME (LOSS)	\$ (61,083)	\$ (183,250)	\$ (733,000)	25.00%	\$ (177,989)

INDUSTRY PUBLIC UTILITIES - WATER OPERATIONS
Statement of Revenue and Expenses Summary
For the Period Ending March 31, 2017
(Unaudited)

DESCRIPTION	MARCH 2017	FISCAL YTD 2016-2017	BUDGET FY 2016-2017	75% OF BUDGET	FY END 2015-2016
Total Operational Revenues	\$ 163,224	\$ 1,465,905	\$ 1,887,200	77.68%	\$ 1,863,369
Total Non-Operational Revenues	112	34,161	30,000	113.87%	65,772
TOTAL REVENUES	163,335	1,500,067	1,917,200	78.24%	1,929,141
Total Salaries & Benefits	65,132	455,173	622,700	73.10%	580,138
Total Supply & Treatment	1,788	104,923	732,500	14.32%	706,150
Total Other Operating Expenses	6,275	96,805	164,700	58.78%	169,752
Total General & Administrative	54,512	179,457	284,800	63.01%	274,256
Total Other & System Improvements	1,950	44,879	213,000	21.07%	162,682
TOTAL EXPENSES	129,656	881,236	2,017,700	43.68%	1,892,978
OPERATING INCOME	33,679	618,830	(100,500)	-615.75%	36,163
NET INCOME (LOSS)	\$ 33,679	\$ 618,830	\$ (100,500)	-615.75%	\$ 36,163

INDUSTRY PUBLIC UTILITIES - WATER OPERATIONS

**Statement of Revenue and Expenses
For the Period Ending March 31, 2017
(Unaudited)**

DESCRIPTION	MARCH 2017	FISCAL YTD 2016-2017	BUDGET FY 2016-2017	75% OF BUDGET	FY END 2015-2016
Operational Revenues					
Water Sales	\$ 90,766	\$ 924,544	\$ 1,180,000	78.35%	\$ 1,157,019
Service Charges	57,111	452,535	599,000	75.55%	598,233
Customer Charges	2,105	15,680	20,100	78.01%	20,361
Fire Service	13,242	73,147	88,100	83.03%	87,756
Miscellaneous Income	-	-	-	N/A	-
Total Operational Revenues	163,224	1,465,905	1,887,200	77.68%	1,863,369
Non-Operational Revenues					
Contamination Reimbursement	-	19,510	30,000	65.03%	35,789
Developer Fees	112	14,568	-	N/A	19,102
Miscellaneous Income	-	83	-	N/A	10,881
Total Non-Operational Revenues	112	34,161	30,000	113.87%	65,772
TOTAL REVENUES	163,335	1,500,067	1,917,200	78.24%	1,929,141
Salaries & Benefits					
Administrative Salaries	14,364	123,629	175,400	70.48%	168,089
Field Salaries	25,387	166,954	229,900	72.62%	205,882
Employee Benefits	15,604	102,722	137,500	74.71%	124,639
Pension Plan	5,495	36,513	46,700	78.19%	46,051
Payroll Taxes	2,821	20,781	26,600	78.12%	29,122
Workman's Compensation	1,462	4,574	6,600	69.30%	6,355
Total Salaries & Benefits	65,132	455,173	622,700	73.10%	580,138
Supply & Treatment					
Purchased Water - Leased	-	-	352,700	0.00%	496,961
Purchased Water - Other	994	9,440	14,400	65.55%	14,611
Power	340	82,077	126,700	64.78%	109,709
Assessments	-	11,030	75,100	14.69%	67,007
Treatment	-	-	6,600	0.00%	5,722
Well & Pump Maintenance	455	2,376	157,000	1.51%	12,140
Total Supply & Treatment	1,788	104,923	732,500	14.32%	706,150
Other Operating Expenses					
General Plant	1,042	3,839	10,300	37.27%	17,930
Transmission & Distribution	2,461	38,474	75,400	51.03%	53,479
Vehicles & Equipment	-	14,089	18,800	74.94%	34,708
Field Support & Other Expenses	2,449	21,150	23,400	90.38%	19,793
Regulatory Compliance	323	19,254	36,800	52.32%	43,842
Total Other Operating Expenses	6,275	96,805	164,700	58.78%	169,752

INDUSTRY PUBLIC UTILITIES - WATER OPERATIONS

**Statement of Revenue and Expenses
For the Period Ending March 31, 2017
(Unaudited)**

DESCRIPTION	MARCH 2017	FISCAL YTD 2016-2017	BUDGET FY 2016-2017	75% OF BUDGET	FY END 2015-2016
General & Administrative					
Management Fee	45,518	134,768	182,500	73.85%	176,750
Office Expenses	2,912	12,269	20,500	59.85%	20,015
Insurance	2,927	12,004	25,300	47.45%	23,288
Professional Services	242	4,501	15,000	30.01%	14,480
Customer Accounts	898	11,485	15,000	76.56%	15,207
Public Outreach & Conservation	2,015	2,147	24,500	8.76%	22,260
Other Administrative Expenses	-	2,284	2,000	114.21%	2,257
Total General & Administrative	54,512	179,457	284,800	63.01%	274,256
Other Expenses & System Improvements (Water Operations Fund)					
Transfer to Capital or Expense	-	-	-	N/A	-
Developer Capital Contributions	-	-	-	N/A	(178,514)
Developer Project -	-	-	-	N/A	8,605
Developer Project -	-	-	-	N/A	90,112
Developer Project -	-	-	-	N/A	3,795
Developer Project -	-	-	-	N/A	72,003
Developer Project -	-	-	-	N/A	5,996
Developer Project -	-	-	-	N/A	6,607
Net Developer Project Activity	-	-	-	-	8,605
Master Plan Update / Hydraulic Model	1,950	11,330	9,000	125.89%	29,092
Other System Improvements (Materials)	-	223	-	N/A	78,428
FH Laterals	-	83	9,000	0.92%	8,359
Service Line Replacements	-	33,242	25,000	132.97%	36,953
Valve Replacements	-	-	30,000	0.00%	1,245
Plant Electrical System Improvements	-	-	20,000	0.00%	-
Meter Installations - Industry Hills	-	-	67,000	0.00%	-
Meter Read Collection System	-	-	35,000	0.00%	-
SCADA System Assessment & Upgrades	-	-	18,000	0.00%	-
Total Other & System Improvements	1,950	44,879	213,000	21.07%	162,682
TOTAL EXPENSES	129,656	881,236	2,017,700	43.68%	1,892,978
OPERATING INCOME	33,679	618,830	(100,500)	N/A	36,163

La Puente Valley County Water District

Management Report

December 31, 2016



Fedak & Brown LLP

Certified Public Accountants

La Puente Valley County Water District

Management Report

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Final Draft for Board Presentation

Board of Directors
La Puente Valley County Water District
La Puente, California

Dear Members of the Board:

In planning and performing our audit of the financial statements of La Puente Valley County Water District (District) as of and for the year ended December 31, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited period described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness. Given these limitations during our audit we did not identify any deficiencies in internal control to be material weaknesses. However, material weaknesses may exist that have not been identified.

Our comments, all of which have been discussed with the appropriate members of management, are summarized as follows:

Summary of Current Year Comments and Recommendations

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the District are properly adjusted before the audit begins. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

Summary of Current Year Comments and Recommendations, continued

Disclosure of Audit Adjustments and Reclassifications, continued

Management's Response

We have reviewed and approved all of the audit adjustment and reclassification entries provided by the auditor and have entered those entries into the District's accounting system to close-out the District's year-end trial balance at December 31, 2016.

* * * * *

This communication is intended solely for the information and use of management and the Board of Directors of the District. This restriction is not intended to be, and should not be, used by anyone than these specified parties.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.

Fedak & Brown LLP
Cypress, California
April 24, 2017

Final Draft for Board Presentation

APPENDIX

La Puente Valley County Water District

Audit/Finance Committee Letter

December 31, 2016

Final Draft for Board Presentation

Board of Directors
La Puente Valley County Water District
La Puente, California

We have audited the basic financial statements of the La Puente Valley County Water District (District) for the year ended December 31, 2016 and have issued our report thereon dated April 24, 2017. Generally accepted auditing standards require that we provide the Governing Board and management with the following information related to our audit of the District's basic financial statements.

Auditor's Responsibility under United States Generally Accepted Auditing Standards

As stated in our Audit Engagement Letter dated January 26, 2017, our responsibility, as described by professional standards, is to express an opinion about whether the basic financial statements prepared by management with oversight of the Governing Board are fairly presented, in all material respects, in conformity with United States generally accepted accounting principles. Our audit of the financial statements does not relieve the Governing Board or management of its responsibilities of oversight in the District's external financial reporting process or any other processes.

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Governmental Auditing Standards*.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing requirements previously communicated to management. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the basic financial statements.

We noted no transactions entered into by the District during fiscal year 2016 for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements the proper period.

Management's Judgments, Accounting Estimates and Financial Disclosures

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's knowledge, experience and current judgment(s) about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the position in the basic financial statements were:

Management's estimate of the fair value of cash and investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the other post-employment benefits payable is based on the alternative measurement method to determine the liability balance. This alternative measurement method was determined and prepared by the District's third-party actuary. We evaluated the basis, methods and assumptions used by the actuary to calculate the annual required contribution for the District to determine that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the defined benefit pension plan's: deferred outflows of resources, net pension liability, and deferred inflows of resources are based on an actuarial evaluation of these amounts which was conducted by a third-party actuary. We evaluated the basis, actuarial methods and assumptions used by the actuary to calculate these amounts for the District to determine that it is reasonable in relation to the financial statements taken as a whole.

Certain basic financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the basic financial statements were:

The disclosure of fair value of cash and investments in Note 2 to the basic financial statements represents amounts susceptible to market fluctuations.

The disclosure of capital assets, net in Note 5 to the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of other post-employment benefits, in Note 7 to the basic financial statements is based on information which could differ from those in future periods.

The disclosure of the District's defined benefit pension plan in Note 8 to the basic financial statements is based on actuarial assumptions which could differ from actual costs.

The disclosures in the basic financial statements are neutral, consistent and clear.

Corrected and Uncorrected Misstatements

Generally Accepted Auditing Standards require us to accumulate all known and likely misstatements identified during the audit, except those that are considered trivial, and communicate them to the appropriate level of management as follows:

There were two total adjustments to the original trial balance presented to us to begin our audit. Of the two adjustments both were prepared by the auditor. We have provided a listing of these audit adjustments to the District's management and have included them at the end of this report.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves the application of an accounting principal to the District's basic financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit processes and testwork.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction that could be significant to the basic financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit of the District.

Management Representations

We have requested certain representations from management that are included in the Management Representational Letter to the Auditor dated April 24, 2017.

Restriction on Use

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be, and should not be, used by anyone other than the specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

Conclusion

We appreciate the cooperation extended us by Greg Galindo, General Manager, Gina Herrera, Accounting/Office Supervisor, and Cindy Byerrum, Platinum Consulting Group in the performance of our audit testwork.

We will be pleased to respond to any question you have about the foregoing. We appreciate the opportunity to continue to be of service to the District.

Fedak & Brown LLP
Cypress, California
April 24, 2017

Final Draft for Board Presentation

La Puente Valley County Water District
Schedule of Adjusting Journal Entries
December 31, 2016

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
CPE - To reclassify reimbursement income charged for depreciation expense at December 31, 2016.			
8901-00	Depreciation Expense	16,027.14	
4994-00	Misc. Income		16,027.14
Total		<u>16,027.14</u>	<u>16,027.14</u>
Adjusting Journal Entries JE # 2			
RJE - To reclassify pension outflows and inflows to proper account description and category of outflows and inflows at December 31, 2016.			
1466-00	Def Out-Diff in Experience	1,898.43	
1468-00	Def Out-ER cont after MD PEPRA	6,292.01	
1470-00	Def Out - ER Cont after MD Lump Sum	13,265.94	
1503-00	Def Out - Earnings Diff	121,266.08	
1467-00	Def Out-Diff Act Contributions		6,292.01
1468-00	Def Out-ER cont after MD PEPRA		13,265.94
2503-00	Def Inflows-Earnings Difference		121,266.08
2504-00	Def Inf- diff in experience		1,898.43
Total		<u>142,722.46</u>	<u>142,722.46</u>
Total Adjusting Journal Entries		<u>158,749.60</u>	<u>158,749.60</u>
Proposed Journal Entries			
Proposed Journal Entries JE # 1			
PAJE - To correct Market Value adjustment account per G/L to calculated based on December 31, 2016 balance.			
1350-01	Temp Inv - Market Value Adjustment	771.00	
4980-00	Interest Revenue		771.00
Total		<u>771.00</u>	<u>771.00</u>
Total Proposed Journal Entries		<u>771.00</u>	<u>771.00</u>
Total All Journal Entries		<u>159,520.60</u>	<u>159,520.60</u>

Legend:

AJE	Audit Adjusting Journal Entry
RJE	Reclassifying Adjusting Journal Entry
PAJE	Proposed Adjusting Journal Entry - Do Not Post



La Puente Valley County Water District
Annual Financial Report
December 31, 2016



Mission Statement

The mission of the La Puente County Valley Water District is to provide its customers with high quality water for residential, commercial, industrial and fire protection uses that meets or exceeds all local, state and federal standards and to provide courteous and responsive service at the most reasonable cost.

Name	Title	Elected/ Appointed	Current Term
David Hastings	President	Elected	November 2020
William R. Rojas	Vice President	Elected	November 2020
Charlie Aguirre	Director	Elected	November 2018
John P. Escalera	Director	Elected	November 2018
Henry P. Hernandez	Director	Elected	November 2018

**La Puente Valley County Water District
Greg B. Galindo, General Manager
112 N. First Street
La Puente, California 91744
(626) 330-2126 – www.lapuentewater.com**



La Puente Valley County Water District

Annual Financial Report

For the Year Ended December 31, 2016

Final Draft for Board Presentation

**La Puente Valley County Water District
Annual Financial Report
For the Year Ended December 31, 2016**

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Financial Section

Final Draft for Board Presentation

Independent Auditor's Report

Board of Directors
La Puente Valley County Water District
La Puente, California

Report on the Financial Statements

We have audited the accompanying financial statements of the La Puente Valley County Water District (District), which comprises the statement of net position as of December 31, 2016, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the La Puente Valley County Water District as of December 31, 2016, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditor's Report, continued

Other Matter

The financial statements as of and for the year ended December 31, 2015, were audited by the predecessor auditor who expressed an unmodified opinion on their report dated July 20, 2016. In their report, the predecessor auditor reported an Emphasis of Matter regarding a change in accounting principle to implement the requirements of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, and No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*, for the year ended December 31, 2015.

As part of our audit of the 2016 financial statements, we also audited the adjustments that were applied to restate the 2015 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2015 financial statements of the District other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2015 financial statements as a whole.

Other-Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 and the required supplementary schedules on pages 39 through 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 24, 2017, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance. This report can be found on pages 42 and 43.

Fedak & Brown LLP

Cypress, California

April 24, 2017

La Puente Valley County Water District
Management's Discussion and Analysis
For the Year Ended December 31, 2016

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the La Puente Valley County Water District (District) provides an introduction to the financial statements of the District for the years ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

Financial Highlights

- In 2016, the District's net position decreased 0.86% or \$91,126 from \$10,618,894 to \$10,527,768 as a result of ongoing operations.
- In 2016, the District's operating revenues decreased 3.17% or \$112,607 due primarily to a decrease of \$279,847 in water treatment service revenues, which was offset by increases of \$63,468 in water consumption sales, \$42,791 in project administrative services, \$38,262 in water treatment operations and maintenance fees, and \$10,229 in bi-monthly service charges.
- In 2016, the District's non-operating revenues increased 0.48% or \$1,368 due primarily to an increase of \$7,730 in investment earnings, which was offset by a decrease of \$6,177 in other non-operating revenue.
- In 2016, the District's total expenses decreased 13.34% or \$588,012 due primarily to a \$549,707 decrease in depreciation expense, which sourced from a change in the useful life of treatment plant assets. In addition, operating expenses decreased \$38,305 due primarily to a decrease of \$320,430 in water treatment costs, which was offset by an increase of \$282,125 in water operations expenses.
- In 2016, the District's capital contributions decreased 84.79% or \$46,213 due primarily to a decrease of \$30,787 in capital contributions and \$15,426 in developer fees.

Required Financial Statements

This annual report consists of a series of financial statements. The Statements of Net Position, Statements of Revenues, Expenses and Changes in Net Position and Statements of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Statements of Net Position include all of the District's investments in resources (assets), deferred outflows of resources, the obligations to creditors (liabilities), deferred inflows of resources and net position. They also provide the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current and prior years' revenue and expenses are accounted for in the Statements of Revenues, Expenses and Changes in Net Position. These statements measure the success of the District's operations over the past years and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. These statements can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statements of Cash Flows, which provide information about the District's cash receipts and cash payments during the reporting periods. The Statements of Cash Flows report cash receipts, cash payments and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provide answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

La Puente Valley County Water District
Management's Discussion and Analysis
For the Year Ended December 31, 2016

Financial Analysis of the District

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the District in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's *net position* and changes in them. You can think of the District's net position – the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources – as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation, such as changes in Federal and State water quality standards.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 12 through 38.

Statements of Net Position

Condensed Statements of Net Position

	<u>2016</u>	<u>2015</u>	<u>Change</u>
Assets:			
Current assets	\$ 3,688,132	3,986,827	(298,695)
Non-current assets	737,639	234,189	503,450
Capital assets, net	<u>8,060,819</u>	<u>8,346,908</u>	<u>(286,089)</u>
Total assets	<u>12,486,590</u>	<u>12,567,924</u>	<u>(81,334)</u>
Deferred outflows of resources:	<u>173,169</u>	<u>32,353</u>	<u>140,816</u>
Liabilities:			
Current liabilities	363,729	318,262	45,467
Non-current liabilities	<u>1,686,233</u>	<u>1,519,603</u>	<u>166,630</u>
Total liabilities	<u>2,049,962</u>	<u>1,837,865</u>	<u>212,097</u>
Deferred inflows of resources:	<u>82,029</u>	<u>143,518</u>	<u>(61,489)</u>
Net position:			
Net investment in capital assets	8,060,819	8,346,908	(286,089)
Unrestricted	<u>2,466,949</u>	<u>2,271,986</u>	<u>194,963</u>
Total net position	<u>\$ 10,527,768</u>	<u>10,618,894</u>	<u>(91,126)</u>

La Puente Valley County Water District
Management's Discussion and Analysis
For the Year Ended December 31, 2016

Statements of Net Position, continued

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$10,527,768 as of December 31, 2016.

A portion of the District's net position, 76.57% as of December 31, 2016, reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are *not* available for future spending.

At the end of year 2016, the District showed a positive balance in its unrestricted net position of \$2,466,949.

Statements of Revenues, Expenses and Changes in Net Position

Condensed Statements of Revenues, Expenses and Changes in Net Position

	<u>2016</u>	<u>2015</u>	<u>Change</u>
Revenues:			
Operating revenues	\$ 3,437,050	3,549,657	(112,607)
Non-operating revenues	284,424	283,056	1,368
Total revenues	<u>3,721,474</u>	<u>3,832,713</u>	<u>(111,239)</u>
Expenses:			
Operating expenses	3,281,429	3,319,734	(38,305)
Depreciation expense	539,463	1,089,170	(549,707)
Total expenses	<u>3,820,892</u>	<u>4,408,904</u>	<u>(588,012)</u>
Net income before capital contributions	(99,418)	(576,191)	476,773
Capital contributions	8,292	54,505	(46,213)
Change in net position	(91,126)	(521,686)	430,560
Net position, beginning of year	<u>10,618,894</u>	<u>11,667,948</u>	<u>(1,049,054)</u>
GASB 68 adjustment	<u>-</u>	<u>(527,368)</u>	<u>527,368</u>
Net position, beginning of the year - as restated	<u>10,618,894</u>	<u>11,140,580</u>	<u>(521,686)</u>
Net position, end of year	<u>\$ 10,527,768</u>	<u>10,618,894</u>	<u>(91,126)</u>

The statements of revenues, expenses and changes in net position show how the District's net position changed during the years. In the case of the District, net position decreased 0.86% or \$91,126 from \$10,618,894 to \$10,527,768 as a result of ongoing operations for the year ended December 31, 2016.

A closer examination of the sources of changes in net position reveals that:

In 2016, the District's operating revenues decreased 3.17% or \$112,607 due primarily to a decrease of \$279,847 in water treatment service revenues, which was offset by increases of \$63,468 in water consumption sales, \$42,791 in project administrative services, \$38,262 in water treatment operations and maintenance fees, and \$10,229 in bi-monthly service charges.

La Puente Valley County Water District
Management's Discussion and Analysis
For the Year Ended December 31, 2016

Statements of Revenues, Expenses and Changes in Net Position, continued

In 2016, the District's non-operating revenues increased 0.48% or \$1,368 due primarily to an increase of \$7,730 in investment earnings, which was offset by a decrease of \$6,177 in other non-operating revenue.

In 2016, the District's total expenses decreased 13.34% or \$588,012 due primarily to a \$549,707 decrease in depreciation expense, which sourced from a change in the useful life of treatment plant assets. In addition, operating expenses decreased \$38,305 due primarily to a decrease of \$320,430 in water treatment costs, which was offset by an increase of \$282,125 in water operations expenses.

In 2016, the District's capital contributions decreased 84.79% or \$46,213 due primarily to a decrease of \$30,787 in capital contributions and \$15,426 in developer fees.

Capital Asset Administration

At the end of year 2016, the District's investment in capital assets amounted to \$8,060,819 (net of accumulated depreciation), respectively. This investment in capital assets includes land, water rights, construction-in-process, water treatment plant, transmission and distribution, pumps and reservoirs, buildings and structures, equipment, vehicles, and software. See note 5 for further discussion.

Changes in capital asset amounts for 2016, were as follows:

	Balance 2014	Additions	Transfers/ Deletions	Balance 2015
Capital assets:				
Non-depreciable assets	\$ 262,076	107,649	(54,172)	315,553
Depreciable assets	24,226,606	199,897	(78,488)	24,348,015
Accumulated depreciation	(16,141,774)	(539,463)	78,488	(16,602,749)
Total capital assets, net	\$ 8,346,908	(231,917)	(54,172)	8,060,819

Requests for Information

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Greg B. Galindo, General Manager of La Puente Valley County Water District at 112 N. First Street, La Puente, CA 91744 or by phone (626) 330-2126.

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Final Draft for Board Presentation

Basic Financial Statements

Final Draft for Board Presentation

La Puente Valley County Water District
Statement of Net Position
December 31, 2016

	2016
Current assets:	
Cash and cash equivalents (note 2)	\$ 2,684,261
Accrued interest receivable	3,381
Accounts receivable – water sales and services	303,499
Accounts receivable – other (note 3)	341,298
Accounts receivable – property taxes	30,510
Materials and supplies inventory	89,445
Prepays	23,010
Prepaid water rights (note 4)	212,728
Total current assets	3,688,132
Non-current assets:	
Investments (note 2)	503,450
Prepaid water rights	234,189
Capital assets – not being depreciated (note 5)	315,553
Capital assets – being depreciated, net (note 5)	7,745,266
Total non-current assets	8,798,458
Total assets	12,486,590
Deferred outflows of resources:	
Deferred pension outflows (note 8)	173,169
Total deferred outflows of resources	173,169
Current liabilities:	
Accounts payable and accrued expenses	304,038
Customer deposits	1,200
Long-term liabilities – due in one year:	
Compensated absences (note 6)	58,491
Total current liabilities	363,729
Non-current liabilities:	
Long-term liabilities – due in more than one year:	
Compensated absences (note 6)	58,492
Other post-employment benefits payable (note 7)	1,112,165
Net pension liability (note 8)	515,576
Total non-current liabilities	1,686,233
Total liabilities	2,049,962
Deferred inflows of resources:	
Deferred pension inflows (note 8)	82,029
Total deferred inflows of resources	82,029
Net position: (note 9)	
Net investment in capital assets	8,060,819
Unrestricted	2,466,949
Total net position	\$ 10,527,768

See accompanying notes to the basic financial statements

La Puente Valley County Water District
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2016

	2016
Operating revenues:	
Water operation revenues:	
Water consumption sales	\$ 1,180,712
Bi-monthly service charges	601,298
Other water service charges	30,664
Fire services	54,362
Water surplus sales	30,558
Other water service charges	195
Total water service charges	1,897,789
Facility and service contract revenue: (note 10)	
Water treatment services – BPOU	1,162,397
Water treatment operations and maintenance fees – BPOU	75,000
Water treatment other charges – BPOU	68,259
Retail water distribution system management fee – City of Industry	178,500
Project administrative services – PVOU IZ	55,105
Total facility and service contract revenue	1,539,261
Total operating revenues	3,437,050
Operating expenses:	
Water operation expenses:	
Source of supply	475,464
Transmission and distribution	316,405
Pumping	128,545
Assessments	86,920
Water treatment	6,408
Customer accounts	19,804
General and administrative	329,731
Salaries and benefits	1,115,149
Total water operation expenses	2,478,426
Facility and service contract expenses: (note 10)	
Water treatment costs – BPOU	803,003
Total facility and service contract expenses	803,003
Total operating expenses	3,281,429
Operating income before depreciation expense	155,621
Depreciation expense	(539,463)
Operating loss	\$ (383,842)

Continued on next page

See accompanying notes to the basic financial statements

La Puente Valley County Water District
Statement of Revenues, Expenses and Changes in Net Position, continued
For the Year Ended December 31, 2016

	2016
Non-operating revenue:	
Property taxes	\$ 215,708
Investment earnings	13,992
Rental revenue (note 11)	33,969
Gain from sale of capital assets	755
Other non-operating revenues	20,000
Total non-operating revenues	284,424
Net income before capital contributions	(99,418)
Capital contributions:	
Developer fees	8,292
Total capital contributions	8,292
Change in net position	(91,126)
Net position, beginning of year	10,618,894
Net position, end of year	\$ 10,527,768

See accompanying notes to the basic financial statements

Final Draft for Board Presentation

La Puente Valley County Water District
Statement of Cash Flows
For the Year Ended December 31, 2016

	2016
Cash flows from operating activities:	
Cash receipts from customers for water sales and services	\$ 1,891,497
Cash receipts from facility and service contract revenue	1,539,261
Cash receipts from others	9,561
Cash paid to vendors and suppliers for materials and services	(1,083,007)
Cash paid to employees for salaries and wages	(2,194,546)
Net cash provided by operating activities	162,766
Cash flows from non-capital financing activities:	
Proceeds from property taxes	207,955
Net cash provided by non-capital financing activities	207,955
Cash flows from capital and related financing activities:	
Acquisition and construction of capital assets	(253,374)
Proceeds from capital contributions	8,292
Proceeds from the sale of capital assets	755
Net cash used in capital and related financing activities	(244,327)
Cash flows from investing activities:	
Purchases of investments	(500,000)
Interest and investment earnings	9,174
Net cash used in investing activities	(490,826)
Net decrease in cash and cash equivalents	(364,432)
Cash and cash equivalents, beginning of year	3,048,693
Cash and cash equivalents, end of year	\$ 2,684,261

Continued on next page

See accompanying notes to the basic financial statements

La Puente Valley County Water District
Statement of Cash Flows, continued
For the Year Ended December 31, 2016

	2016
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (383,842)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	539,463
Rental revenue (note 11)	33,969
Other non-operating revenues	20,000
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:	
(Increase)Decrease in assets:	
Accounts receivable – water sales and services	(5,092)
Accounts receivable – other	(44,408)
Materials and supplies inventory	(4,970)
Prepays	7,336
Prepaid water rights	(9,482)
Increase in deferred outflows of resources:	
Deferred pension outflows	(140,816)
Increase(Decrease) in liabilities:	
Accounts payable and accrued expenses	39,258
Customer deposits	(1,200)
Compensated absences	14,818
Other post employment benefits payable	(20,224)
Net pension liability	179,445
Decrease in deferred inflows of resources:	
Deferred pension inflows	(61,489)
Total adjustments	546,608
Net cash provided by operating activities	\$ 162,766

See accompanying notes to the basic financial statements

La Puente Valley County Water District
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The La Puente Valley County Water District (District) was incorporated in August 1924, an independent special district, which operates under the authority of Division 12 of the California Water Code. On April 28, 1925, voters approved a general obligation bond issue for \$135,000. Proceeds of the Bonds were used to purchase the Puente City Water Company for \$35,000 and pay for construction of almost five miles of fourteen and sixteen inch water mains extending from Puente Avenue and Francisquito Avenue to the Hudson Street booster plant and from there to the reservoir on the easterly end of Main Street in La Puente. The last of the bonds were retired in 1964. Since inception, the District has grown to encompass some 1,600 acres in Los Angeles County. The District provides water for residential and commercial purposes, as well as operates and maintains the water distribution system for the City of Industry and the operation and maintenance of groundwater treatment for the Baldwin Park Operable Unit area. The District is governed by a five-member board of directors elected within the District's service area.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Statements No. 61, *The Financial Reporting Entity*. The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

B. Basis of Accounting and Measurement Focus

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water to its service area on a continuing basis be financed or recovered primarily through user charges (water sales), water treatment services, capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as water sales and water purchases, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

The District recognizes revenue from water and service charges based on cycle billings performed bi-monthly. The District accrues revenues with respect to water and service sold but not billed at the end of a fiscal period.

C. Financial Reporting

The District's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the District's proprietary fund.

La Puente Valley County Water District
Notes to the Basic Financial Statements, continued
For the Year Ended December 31, 2016

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting, continued

The District has adopted the following GASB pronouncements in the current year:

In February 2015, the GASB issued Statement No. 72 – *Fair Value Measurement and Application*, effective for financial statements for periods beginning after June 15, 2015. The objective of this Statement is to enhance comparability of financial statements among governments by measurement of certain assets and liabilities at their fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement establishes a hierarchy of inputs to valuation techniques used to measure fair value.

In June 2015, the GASB issued Statement No. 73 – *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement 67 and 68*, effective for fiscal years beginning after June 15, 2015. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement establishes requirements for defined benefit pensions that are not within the Scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions.

In June 2015, the GASB issued Statement No. 76 – *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for financial statements for periods beginning after June 15, 2015. This Statement replaces the requirements of Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of local governmental entities in conformity with GAAP and the framework for selecting those principles. This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment is not specified within the source of authoritative GAAP.

In August 2015, the GASB issued Statement No. 77 – *Tax Abatement Disclosures*. The objective of this Statement is to improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Financial statement users need information about certain limitations on a government’s ability to raise resources. This includes limitations on revenue-raising capacity resulting from governmental programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development. This Statement is effective for financial statements for periods beginning after December 15, 2015. It is believed that the implementation of this Statement will not have a material effect to the District’s financial statements.

La Puente Valley County Water District
Notes to the Basic Financial Statements, continued
For the Year Ended December 31, 2016

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting, continued

In December 2015, the GASB issued Statement No. 78 – *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that meet certain criteria. This Statement is effective for financial statements for periods beginning after December 15, 2015. It is believed that the implementation of this Statement will not have a material effect to the District’s financial statements.

In December 2015, the GASB issued Statement No. 79 – *Certain External Investment Pools and Pool Participants*, effective for financial statements for periods beginning after June 15, 2015. This Statement enhances comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. That measurement approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position

1. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

Substantially all of the District’s cash is invested in interest bearing accounts. The District considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

3. Investments and Investment Policy

The District has adopted an investment policy directing management to deposit funds in financial institutions. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments. Investments are to be made in the following areas:

- State of California Local Area Investment Fund (LAIF)
- Certificates-of-deposit

La Puente Valley County Water District
Notes to the Basic Financial Statements, continued
For the Year Ended December 31, 2016

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position, continued

4. Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset, as follows:

- **Level 1** – This valuation level is based on quoted prices in active markets for identical assets. The District does not currently hold any investments valued at this level.
- **Level 2** – This valuation level is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals. The District currently holds certificates of deposit investments valued at this level.
- **Level 3** – This valuation level is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity and other assumptions that are internally generated and cannot be observed in the market. The District does not currently hold any investments valued at this level.

The District's investment in LAIF is valued at amortized cost and therefore the District has determined does not meet fair value measurement criteria.

5. Accounts Receivable

The District extends credit to customers in the normal course of operations. When management deems customer accounts uncollectible, the District uses the direct write-off method for those accounts based on individual customer evaluation and specific circumstances.

6. Materials and Supplies Inventory

Materials and supplies inventory consists primarily of water pipe and pipefittings for construction and repair to the District's water treatment and distribution system. Materials and supplies are valued at cost using a weighted average method. Inventory items are charged to expense at the time the items are withdrawn from inventory or consumed.

7. Prepaids and Prepaid Water Rights

Certain payments to vendors reflect costs or deposits applicable to future accounting periods are recorded as prepaid items in the basic financial statements. The cost of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

8. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets as follows: (1) \$10,000 for land, plant, buildings and related improvements, (2) \$5,000 for infrastructure, and (3) \$2,000 for vehicles and equipment. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

La Puente Valley County Water District
Notes to the Basic Financial Statements, continued
For the Year Ended December 31, 2016

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position, continued

8. Capital Assets, continued

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Water treatment plant	50 years
Transmission and distribution	20-50 years
Pumps and reservoirs	10-33 years
Buildings and structures	10 years
Tools and equipment	10-30 years
Automotive equipment	5-7 years
Office equipment and fixtures	5-10 years
Radio equipment	10 years
Software	10 years

9. Deferred Outflows of Resources

The statement of net position reports a separate section for deferred outflows of resources. This financial statement element, *deferred outflows of resources*, represents a consumption of resources applicable to future periods and therefore will *not* be recognized as an outflow of resources (expenditure) until that time.

The District has three items which qualify for reporting in this category. The first item is a deferred outflow related to pensions. This amount is equal to the employer contributions made after the measurement date of the net pension liability. This amount will be amortized-in-full against the net pension liability in the next fiscal year. The next item is a deferred outflow related to pensions for the net differences between expected and actual experience. This amount will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plans determined as of the measurement date June 30, 2016 and 2015, which is a 3.7 and 3.8 year period, respectively. The last item is a deferred outflow related to pensions for the net difference in projected and actual earnings on investments of the pension plans fiduciary net position. This amount is amortized over a 5 year period.

10. Compensated Absences

The District's personnel policies provide for accumulation of vacation and sick leave. Liabilities for vacation and sick leave are recorded when benefits are earned. Cash payment of unused vacation is available to those qualified employees when retired or terminated.

11. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and addition to/deduction from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

La Puente Valley County Water District
Notes to the Basic Financial Statements, continued
For the Year Ended December 31, 2016

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position, continued

11. Pensions, continued

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation Date: June 30, 2015
- Measurement Date: June 30, 2016
- Measurement Period: July 1, 2015 to June 30, 2016

12. Deferred Inflows of Resources

The statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This financial statement element, *deferred inflows of resources*, represents an acquisition of resources applicable to future periods and therefore will *not* be recognized as an inflow of resources (revenue) until that time.

The District has three items which qualify for reporting in this category. The first, second, and third, items are deferred inflows related to pensions for the net changes in assumptions, net differences between the actual employer contributions and the proportionate share of contributions, and net changes in proportions of the pension plan. These inflow amounts will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plans determined as of the measurement dates June 30, 2016 and 2015, which is 3.7 and 3.8 year period, respectively. The fourth item is a deferred inflow related to pensions for the net difference in projected and actual earnings on investments of the pension plans fiduciary net position. This amount is amortized over a 5 year period.

13. Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

- **Net Investment in Capital Assets Component of Net Position** – This component of net position consists of capital assets, net of accumulated depreciation and reduced by any debt outstanding against the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- **Restricted Component of Net Position** – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
- **Unrestricted Component of Net Position** – This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted components of net position.

14. Property Taxes and Assessments

The County of Los Angeles Assessor's Office assesses all real and personal property within the County each year. The County of Los Angeles Collector's Office bills and collects the District's share of property taxes and assessments. The County of Los Angeles Treasurer's Office remits current and delinquent property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

La Puente Valley County Water District
Notes to the Basic Financial Statements, continued
For the Year Ended December 31, 2016

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position, continued

14. Property Taxes and Assessments, continued

Property taxes receivable at year-end are related to property taxes collected by the County of Los Angeles, which have not been credited to the District's cash balance as of December 31. The property tax calendar is as follows:

Lien date	January 1
Levy date	June 30
Due dates	November 1 and February 1
Collection dates	December 10 and April 10

15. Water and Sewer Service Charges

The District recognizes water and sewer services charges based on cycle billings rendered to the customers on a bi-monthly basis.

16. Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the District by property owners or real estate developers desiring services that require capital expenditures or capacity commitment.

17. Budgetary Policies

The District adopts a one year non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

18. Reclassification

The District has reclassified certain prior year information to conform with current year presentation.

(2) Cash and Investments

Cash and investments as of December 31, 2016, are classified in the Statement of Net Position as follows:

	<u>2016</u>
Cash and cash equivalents	\$ 2,684,261
Investments	<u>503,450</u>
Total cash and investments	<u><u>\$ 3,187,711</u></u>

Cash and investments as of December 31, 2016, consist of the following:

	<u>2016</u>
Cash on hand	\$ 300
Deposits with financial institutions	701,136
Investments	<u>2,486,275</u>
Total cash and investments	<u><u>\$ 3,187,711</u></u>

La Puente Valley County Water District
Notes to the Basic Financial Statements, continued
For the Year Ended December 31, 2016

(2) Cash and Investments, continued

Investments Authorized by the California Government Code and the District's Investment Policy

The following table identifies the investment types that are authorized by the District in accordance with the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio *	Maximum Investment in One Issuer
State and Local Agency Bonds	5 years	100%	None
U.S. Treasury Obligations	5 years**	100%	None
U.S. Government Agency Securities	5 years**	100%	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase agreements	1 year	100%	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
California Local Agency Investment Fund (LAIF)	N/A	100%	None
Beneficial Interest of a Joint Power Authority	N/A	100%	None

* Excluding amounts held by bond trustee that are not subject to California Government Code.

** Except when authorized by the District's legislative body in accordance with Government Code Section

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of December 31, 2016, bank balances are federally insured up to \$250,000. The remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

La Puente Valley County Water District
Notes to the Basic Financial Statements, continued
For the Year Ended December 31, 2016

(2) Cash and Investments, continued

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on an amortized cost basis.

The District's deposit and withdrawal restrictions and limitations are as follows:

- Each agency in the fund may invest up to \$40 million and may invest without limitation in special bond proceeds accounts.
- Same day transaction processing occurs for orders received before 10:00 a.m.
- Next day transactions processing occurs for orders received after 10:00 a.m.
- Maximum limit of 15 transactions (combination of deposits and withdrawals) per month.
- Minimum transaction amount requirement of \$5,000, in increments of a \$1,000 dollars.
- Withdrawals of \$10,000,000 or more require 24 hours advance.
- Prior to funds transfer, an authorized person must call LAIF to do a verbal transaction.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide requirements for cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity date:

Investment maturities as of December 31, 2016, were as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity (in Months)</u>		
		<u>12 Months Or Less</u>	<u>13 to 24 Months</u>	<u>25-60 Months</u>
Local Agency Investment Fund (LAIF)	\$ 1,982,825	1,982,825	-	-
Certificates of Deposit	503,450	202,907	250,472	50,071
Total	\$ 2,486,275	2,185,732	250,472	50,071

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of the years ended for each investment type.

La Puente Valley County Water District
Notes to the Basic Financial Statements, continued
For the Year Ended December 31, 2016

(2) Cash and Investments, continued

Credit Risk, continued

Credit ratings as of December 31, 2016, were as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Rating as of year-end Not Rated</u>
Local Agency Investment Fund (LAIF)	\$ 1,982,825	N/A	\$ 1,982,825
Certificates of Deposit	503,450	N/A	503,450
Total	\$ 2,486,275		\$ 2,486,275

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments.

Fair Value Measurements

Investments measured at fair value as of December 31, 2016, on a recurring and non-recurring basis, are as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Certificates of Deposit	\$ 503,450	-	503,450	-
Investments at Amortized Cost:				
Local Agency Investment Fund (LAIF)	1,982,825			
Total	\$ 2,486,275			

(3) Accounts Receivable – Other

At December 31, 2016, accounts receivable other was comprised of the following balances by vendor:

	<u>2016</u>
San Gabriel Basin Water Quality Authority	\$ 242,127
Industry Public Utilities	69,759
Northrop Grumman Systems Corporation	14,332
Suburban Water Systems	13,995
Upper San Gabriel Valley Municipal Water District	800
City of Industry	285
Total accounts receivable – other	\$ 341,298

La Puente Valley County Water District
Notes to the Basic Financial Statements, continued
For the Year Ended December 31, 2016

(4) Prepaid Water Rights

Prepaid Water Rights at December 31, was as follows:

<u>Balance</u> <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>2016</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
\$ 437,436	212,728	(203,247)	446,917	212,728	234,189

On May 7, 2009, the District purchased 2,000 acre feet of untreated cyclic storage water from the Main San Gabriel Basin Watermaster at a cost of \$251.90 per acre-foot. At December 31, 2016, the remaining available water from the initial purchase amounted to \$234,189. The available balance was unchanged from December 31, 2015 and therefore has been classified as non-current.

On July 1, 2015, the District entered into an agreement for the purchase commitment of leased water production rights for water production years 2016, 2017, and 2018. The available water production rights for lease are determined by Watermaster's Operating Safe Yield, which is typically set in May of each year. The District has agreed to lease the rights at 91% of the price to purchase replenishment water from another governmental agency effective July of each year. The District estimated there are a total of 335.39 acre-feet of water production rights available for lease at a cost of \$634.27 per acre-foot. As of December 31, 2016, the District prepaid for the water production rights for the 2017 water year at \$212,728. For further information, please see note 15.

Final Draft for Board Presentation

La Puente Valley County Water District
Notes to the Basic Financial Statements, continued
For the Year Ended December 31, 2016

(5) Capital Assets

Changes in capital assets for December 31, were as follows:

	<u>Balance 2015</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2016</u>
Non-depreciable assets:				
Land	\$ 164,624	18,604	-	183,228
Construction-in-process	97,452	89,045	(54,172)	132,325
Total non-depreciable assets	<u>262,076</u>	<u>107,649</u>	<u>(54,172)</u>	<u>315,553</u>
Depreciable assets:				
Water treatment plant	10,864,600	-	-	10,864,600
Transmission and distribution	9,279,166	51,066	-	9,330,232
Pumps and reservoirs	2,633,838	3,106	-	2,636,944
Buildings and structures	503,438	-	-	503,438
Tools and equipment	529,538	99,330	-	628,868
Automotive equipment	289,459	33,451	(18,492)	304,418
Office equipment and fixtures	56,314	-	(14,140)	42,174
Radio equipment	45,856	12,944	(45,856)	12,944
Software	24,397	-	-	24,397
Total depreciable assets	<u>24,226,606</u>	<u>199,897</u>	<u>(78,488)</u>	<u>24,348,015</u>
Accumulated depreciation:				
Water treatment plant	(8,740,741)	(177,989)	-	(8,918,730)
Transmission and distribution	(5,251,448)	(236,868)	-	(5,488,316)
Pumps and reservoirs	(1,071,693)	(71,234)	-	(1,142,927)
Buildings and structures	(317,681)	(25,172)	-	(342,853)
Tools and equipment	(391,776)	(6,509)	-	(398,285)
Automotive equipment	(235,822)	(15,641)	18,492	(232,971)
Office equipment and fixtures	(62,360)	(6,050)	14,140	(54,270)
Radio equipment	(45,856)	-	45,856	-
Software	(24,397)	-	-	(24,397)
Total accumulated depreciation	<u>(16,141,774)</u>	<u>(539,463)</u>	<u>78,488</u>	<u>(16,602,749)</u>
Total depreciable assets, net	<u>8,084,832</u>	<u>(339,566)</u>	<u>-</u>	<u>7,745,266</u>
Total capital assets, net	<u>\$ 8,346,908</u>	<u>(231,917)</u>	<u>(54,172)</u>	<u>8,060,819</u>

(6) Compensated Absences

Compensated absences comprise unpaid vacation leave, sick leave and compensating time off which is accrued as earned. The District's liability for compensated absences is determined annually.

Changes in compensated absences for December 31, were as follows:

	<u>Balance 2015</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance 2016</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$	<u>102,165</u>	<u>53,158</u>	<u>(38,340)</u>	<u>116,983</u>	<u>58,491</u>	<u>58,492</u>

La Puente Valley County Water District
Notes to the Basic Financial Statements, continued
For the Year Ended December 31, 2016

(7) Other Post-Employment Benefits Payable

The District provides other post-employment benefits (OPEB) to qualified employees who retire from the District and meet the District's vesting requirements. During the fiscal year ended December 31, 2010, the District implemented GASB Statement No. 45, which changed the accounting and financial reporting used by local government employers for post-employment benefits. Previously, the costs of such benefits were generally recognized as expenses of local government employers on a pay-as-you-go basis. The reporting requirements for these benefit programs as they pertain to the District are set forth below.

Plan Description – Eligibility

The District provides post-retirement benefits for certain retired members of the Board of Directors and two retired employees. Effective December 31, 1991, the District began providing these benefits to eligible retired Directors or employees, at age 50 and with at least ten years of continuous service to the District. The benefits include medical, dental and vision insurance coverage. Effective January 9, 2012, the District modified the post-employment benefits for employees hired after November 1, 2011. These employees are eligible for post-employment benefits at age 55 and with at least twenty years of continuous service to the District.

Membership in the OPEB plan consisted of the following members as of December 31:

	2016	2015	2014
Active plan members	13	13	12
Retirees and beneficiaries receiving benefits	2	3	4
Separated plan members entitled to but not yet receiving benefits	-	-	-
Total plan membership	15	16	16

Plan Description – Benefits

The District offers post-employment medical, dental and vision benefits to retired employees who satisfy the eligibility rules. Spouses and surviving spouses are also eligible to receive benefits. Retirees may enroll in any plan available through the ACWA-JPIA medical, dental and vision programs. The contribution requirements of Plan members and the District are established and may be amended by the Board of Directors.

Funding Policy

The District is required to contribute the *Annual Required Contribution (ARC) of the Employer*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ARC rate (annual required contribution / covered payroll) is 19.69% for 2016 of the annual covered payroll.

The District will pay 100% of the cost of the post-employment benefit plan. The District funds the plan on a pay-as-you-go basis and maintains reserves (and records a liability) for the difference between pay-as-you-go and the actuarially determined ARC cost.

Annual Cost

For the year ended December 31, 2016, the District's ARC cost was \$173,285. The District's net OPEB payable obligation amounted to \$1,112,165 for the year ended December 31, 2016. The District contributed \$181,547 in age adjusted contributions for current retiree OPEB premiums for the year ended December 31, 2016.

La Puente Valley County Water District
Notes to the Basic Financial Statements, continued
For the Year Ended December 31, 2016

(7) Other Post-Employment Benefits Payable, continued

Annual Cost, continued

The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2016 and the two preceding years are as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual OPEB expense:			
Annual required contribution (ARC)	\$ 173,285	170,859	251,669
Interest on net OPEB obligation	67,943	69,590	66,116
Adjustment to annual required contribution	<u>(79,905)</u>	<u>(81,842)</u>	<u>(80,054)</u>
Total annual OPEB expense	161,323	158,607	237,731
Change in net OPEB payable obligation:			
Age adjusted contributions made	<u>(181,547)</u>	<u>(186,059)</u>	<u>(179,818)</u>
Total change in net OPEB payable obligation	(20,224)	(27,452)	57,913
OPEB payable – beginning of year	<u>1,132,389</u>	<u>1,159,841</u>	<u>1,101,928</u>
OPEB payable – end of year	<u>\$ 1,112,165</u>	<u>1,132,389</u>	<u>1,159,841</u>

Funded Status and Funding Progress of the Plan

The most recent valuation (dated December 31, 2015) includes an Actuarial Accrued Liability and Unfunded Actuarial Accrued Liability of \$1,275,542. The covered payroll (annual payroll of active employees covered by the plan) for the year ended December 31, 2016 was \$1,092,709. The ratio of the unfunded actuarial accrued liability to annual covered payroll is 116.73%.

See the Schedule of Funding Status of the District's Other Post-Employment Benefits Obligation in the Required Supplementary Information Section on page 41.

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and the pattern of sharing of costs between the employer and plan members to that point. Consistent with the long-term perspective of actuarial calculations, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities for benefits.

The following is a summary of the actuarial assumptions and methods:

Valuation date	December 31, 2015
Actuarial cost method	Entry age normal cost method
Amortization method	30 year level dollar method
Actuarial assumptions:	
Investment rate of return	6.00%
Projected salary increase	3.00%
Inflation rate	2.75%

La Puente Valley County Water District
Notes to the Basic Financial Statements, continued
For the Year Ended December 31, 2016

(8) Defined Benefit Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of a miscellaneous risk pool and a safety risk pool, which are comprised of individual employer miscellaneous and safety plans, respectively. Benefit provisions under the Plan are established by State statute and the District's resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website or may be obtained from their executive office at 400 P Street, Sacramento, California 95814.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the District's CalPERS 2.0% at 60 Risk Pool Retirement Plan to new employee entrants effective December 31, 2012. For employees hired prior to January 1, 2013, who are current members of CalPERS or a reciprocal agency as of December 31, 2012 and have not been separated from service from such agency for more than six months, the retirement benefit is 2.0% @ 60 years of age; highest single year of compensation. All other employees hired after January 1, 2013, are eligible for the District's CalPERS 2.0% at 62 Retirement Plan under PEPRA.

The District participates in the Plan's miscellaneous risk pool. The provisions and benefits for the Plan's miscellaneous pool in effect at December 31, 2016, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	7.000%	6.250%
Required employer contribution rates		
Six months ended June 30, 2016	8.101%	6.237%
Six months ended December 31, 2016	8.005%	6.250%

La Puente Valley County Water District
Notes to the Basic Financial Statements, continued
For the Year Ended December 31, 2016

(8) Defined Benefit Pension Plan, continued

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1, following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30, by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

As of the year ended December 31, the contributions recognized as part of pension expense for the Plan was as follows:

	Miscellaneous Plan
	2016
Contributions – employer	\$ 63,756
Contributions – employee (paid by employer)	63,519
Total employer paid contributions	\$ 127,275

Net Pension Liability

As of December 31, 2016, the District reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	Miscellaneous Plan
	2016
Proportionate share of net pension liability	\$ 515,576

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability for the miscellaneous risk pool. As of December 31, 2016, the net pension liability of the Plan is measured as of June 30, 2016 and 2015 (the measurement dates), respectively. The total pension liability for the Plan's miscellaneous risk pool used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 and 2014 (the valuation dates), rolled forward to June 30, 2016 and 2014, respectively, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability for the Plan's miscellaneous risk pool as of the measurement dates June 30, 2016 and 2015, was as follows:

Proportional Share	Miscellaneous Plan
Measurement Date of June 30, 2015 for the year ended December 31, 2015	0.00490%
Measurement Date of June 30, 2016 for the year ended December 31, 2016	0.00596%
Change – Increase (Decrease)	0.00106%

La Puente Valley County Water District
Notes to the Basic Financial Statements, continued
For the Year Ended December 31, 2016

(8) Defined Benefit Pension Plan, continued

Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended December 31, 2016, the District recognized pension expense of \$27,145.

As of December 31, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>2016</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 50,005	-
Differences between actual and expected experience	1,898	-
Changes in assumptions	-	(23,299)
Differences between actual contribution and proportionate share of contribution	-	(22,482)
Adjustment due to differences in proportions of the net pension liability	-	(36,248)
Net differences between projected and actual earnings on plan investments	<u>121,266</u>	<u>-</u>
Total	<u>\$ 173,169</u>	<u>(82,029)</u>

As of December 31, 2016, the District reported \$50,005, as deferred outflows of resources related to pension contributions subsequent to the measurement date June 30, 2016, and will be recognized as a reduction of the net pension liability for the year ended December 31, 2017.

As of December 31, 2016, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ending December 31,</u>	<u>Deferred Net Outflows/ (Inflows) of Resources</u>
2017	\$ (25,694)
2018	(16,420)
2019	51,399
2020	31,850
2021	-
Thereafter	-

La Puente Valley County Water District
Notes to the Basic Financial Statements, continued
For the Year Ended December 31, 2016

(8) Defined Benefit Pension Plan, continued

Actuarial Assumptions

The total pension liabilities in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions and methods:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	7.65%
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Investment Rate of Return	7.50 % Net of Pension Plan Investment and Administrative Expenses; includes inflation
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

* The mortality table used above was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 Experience Study report. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.65% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, the amortization and smoothing periods recently adopted by CalPERS was used. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. For the year ended December 31, 2016, the 7.50% investment return assumption used in the accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65%. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS confirmed the materiality threshold for the difference in the calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the Discount rate will require CalPERS Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the fiscal year ended 2017-2018. CalPERS will continue to check the materiality of the difference in the calculation until such time as it has changed its methodology.

La Puente Valley County Water District
Notes to the Basic Financial Statements, continued
For the Year Ended December 31, 2016

(8) Defined Benefit Pension Plan, continued

Discount Rate, continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

As of December 31, 2016, the target allocation and the long-term expected real rate of return by asset class is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Return Years 1-10</u>	<u>Real Return Year 11+</u>
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	20.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	10.0	6.83	6.95
Real Asset	10.0	4.50	5.13
Infrastructure and Forestland	2.0	4.50	5.09
Liquidity	1.0	(0.55)	(1.05)
Total	<u>100.0%</u>		

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate.

La Puente Valley County Water District
Notes to the Basic Financial Statements, continued
For the Year Ended December 31, 2016

(8) Defined Benefit Pension Plan, continued

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

As of December 31, 2016, the District's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, is as follows:

	Discount Rate - 1%	Current Discount Rate	Discount Rate + 1%
	6.65%	7.65%	8.65%
District's Net Pension Liability	\$ 784,426	515,576	294,236

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See pages 39 and 40 for the Required Supplementary Information.

Payable to the Pension Plan

At December 31, 2016, the District reported \$0 in payables for the outstanding amount of contribution to the pension plan.

(9) Net Position

As of December 31, 2016, the calculation of net position is as follows:

The balance at December 31, consists of the following:

	2016
Net investment in capital assets:	
Capital assets – not being depreciated	\$ 315,553
Capital assets – being depreciated, net	7,745,266
Total net investment in capital assets	8,060,819
Unrestricted net position:	
Non-spendable net position:	
Materials and supplies inventory	89,445
Prepays	89,445
Prepaid water rights – current	212,728
Prepaid water rights – long-term	234,189
Total non-spendable net position	625,807
Spendable net position is designated as follows:	
Capital reserve	875,000
Operating reserve	317,387
Emergency reserve	200,000
Unrestricted	448,755
Total spendable net position	1,841,142
Total unrestricted net position	2,466,949
Total net position	\$ 10,527,768

La Puente Valley County Water District
Notes to the Basic Financial Statements, continued
For the Year Ended December 31, 2016

(10) Facility and Service Contract Revenue

Water Treatment Services – Baldwin Park Operable Unit (BPOU)

On March 29, 2002, the District entered into the BPOU Project Agreement to address the contamination of groundwater in the Baldwin Park Operable Unit (BPOU) of the San Gabriel Valley Superfund Sites in Los Angeles County from which the United States Environmental Protection Agency (EPA) named certain entities as potentially responsible parties (PRPs) and local water agencies (Water Entities) from which the District is included.

The Water Entities filed lawsuits against the PRPs for costs allegedly incurred in meeting their water supply and distribution needs and for claims for damages allegedly suffered as a result of the involuntary conversion of their property and rights due to contamination of the groundwater and water supply wells in the BPOU area. In the lawsuits, the Water Entities claim a taking of and damage to their property and rights by the PRPs. The PRPs dispute these claims.

While disputing the Water Entities' claims, and without admitting or acknowledging any fault or liability, the PRPs settled the Water Entities' lawsuits and claims by entering into a settlement agreement to fund the reasonable and necessary costs of design, construction, operation, maintenance and management of groundwater extraction, treatment and distribution facilities within the BPOU area and by paying certain other compensation for the purpose of settling the lawsuits brought, claims made, and proceedings initiated (and imminently to be initiated) against the PRPs.

As part of this settlement agreement, the La Puente Valley County Water District received reimbursement for the costs related to the construction of extraction, treatment and distribution facilities. In addition to the reimbursements of these capital costs, the District will receive an amount on an annual basis for reimbursement for operations and maintenance expenses. At December 31, 2016, the District reported water treatment service revenue and related water treatment costs of \$1,162,397 and \$803,003, respectively.

Retail Water Distribution System Management Fee – City of Industry

On March 1, 2004, the District has entered into a 10-year operation and management agreement with the City of Industry wherein the District will operate, maintain and manage the portable water distribution system (the system) owned by the City of Industry. Under the agreement, the District performs all routine and preventive maintenance and repair of the system's facilities as necessary for the efficient operation of the system, including appropriate contractual arrangements for the exchange of water supplies between the District's water system and the system, and performs all billings, collections, disbursements, accounting and record-keeping functions related to the system.

The system consists of approximately three wells and other production facilities, 30,000 feet of pipeline, three storage tanks and four booster pump stations and other related water storage and distribution facilities.

On October 14, 2010, the agreement was amended to extend the service period to February 28, 2024.

Under terms of the agreement, the District will receive an initial annual management fee of \$175,000 per year on a quarterly basis increasing at a rate of 2% per year thereafter. As of December 31, 2016, the District reported retail water distribution system management fee revenue of \$178,500.

Water Treatment Project and Services – Puente Valley Operable Unit Intermediate Zone (PVOU IZ)

On October 8, 2014, the District entered into an interim participation agreement with the Puente Basin Water Agency (PBWA) and Northrop Grumman Systems Corporation (Northrop Grumman), named as a potentially responsible party by the United State Environmental Protection Agency, for the clean-up groundwater from the Puente Valley Operable Unit Intermediate Zone (PVOU IZ) in the Main San Gabriel Groundwater Basin.

La Puente Valley County Water District
Notes to the Basic Financial Statements, continued
For the Year Ended December 31, 2016

(10) Facility and Service Contract Revenue, continued

Water Treatment Project and Services – Puente Valley Operable Unit Intermediate Zone (PVOU IZ), continued

Northrop Grumman shall retain responsibility for managing extraction of the impacted groundwater, satisfying regulatory requirements for remediation, auditing all contracts, and paying all reasonable costs for the remediation of the impacted groundwater. Northrop Grumman has developed plans to remediate the contaminated groundwater through a system comprised of groundwater extraction wells, collection pipelines and treatment plant for which it will retain the custody of. The District and PBWA have agreed to support and coordinate with Northrop Grumman on necessary permits, government approvals and construction of the Project.

The end users of the treated groundwater will be the District and the PBWA. However, certain water system improvements are required in order for District and PBWA to receive the finished water that meets applicable drinking water standards.

The District is responsible for the permitting, designing and constructing of the improvements required for the District to receive water from the treatment plant. This includes interconnections at Hudson Avenue and upgrade of 16-inch interconnection at Industry Hills Pumps Station No. 1 between the District and Industry Public Utilities. These necessary improvements will be reimbursed by Northrop Grumman. As of December 31, 2016, the project is still in its planning phase and construction has not yet begun.

Once construction is complete the District will be responsible for staffing and operating the treatment plant to meet all applicable drinking water standards, as well as for delivering the finished water to end users. All District labor and administrative costs associated with the operation of the Treatment Plant shall be reimbursed or paid for within an Operation and Management Fee to be negotiated between Northrop Grumman and the District. As of December 31, 2016, this agreement has not yet been entered into as of the date of these financial statements.

At December 31, 2016, the District reported project administrative service revenue of \$55,105.

(11) Rental Revenue

The District owns property adjacent to its District administration building on Main Street in La Puente, California. On March 19, 2014 the District signed an agreement to lease the property site. The term of the agreement calls for monthly payments ranging from \$2,688 to \$3,507 for the period beginning April 1, 2014 through March 31, 2024. As of December 31, 2016, rental revenue collected was \$33,969.

As of December 31, 2016, future minimum rental payments are due as follows:

Fiscal Year	Ending	Amount
December 31,		Amount
2017	\$	34,988
2018		36,038
2019		37,119
2020		38,233
2021		39,380
Thereafter		92,861
	\$	278,619

La Puente Valley County Water District
Notes to the Basic Financial Statements, continued
For the Year Ended December 31, 2016

(12) Deferred Compensation Plan

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program (Program) administered by Lincoln Financial. The purpose of this program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseen emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors. Market value of all plan assets held in trust by the District plan amounted to \$406,160 as of December 31, 2016.

The District has implemented GASB Statement No. 32, Accounting for Financial Reporting for Internal Revenue code Section 457 Deferred Compensation Plans. Since the District has little administrative involvement and does not perform the investing function of this plan, the assets and related liabilities are not shown on the Statements of Net Position.

(13) Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the ACWA/JPIA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage. At December 31, 2016, the District participated in the liability, property programs, and workers' compensation programs of the ACWA/JPIA as follows:

- General and auto liability, public officials and employees' errors and omissions: Total risk financing self-insurance limits of \$5,000,000 per occurrence. The District has additional excess coverage layers through ACWA/JPIA: \$55 million for general, auto and public officials liability, which increases the limits on the insurance coverage noted above.

In addition to the coverage noted below, the District also has the following insurance coverage:

- Employee dishonesty coverage from the ACWA/JPIA provides self-insurance up to \$100,000 subject to a \$1,000 deductible per loss. The District has purchased excess coverage for an additional \$500,000 per loss, subject to a \$100,000 deductible. Coverage includes public employee dishonesty, forgery or alteration, computer fraud, and faithful performance.
- Property loss is paid at the replacement cost for property on file, if replaced within two years after the loss, otherwise paid on an actual cash value basis, to a combined total of \$150 million per occurrence, subject to a \$1,000 deductible per occurrence. Mobile equipment is replaced at actual cash value subject to a \$1,000 deductible per occurrence. Scheduled vehicles covered for comprehensive and collision, actual cash value basis subject to \$500 deductible per occurrence.
- Boiler and machinery coverage for the replacement cost up to \$150 million per occurrence, subject to various deductibles depending on the type of equipment.
- Workers' compensation insurance up to California statutory limits for all work related injuries/illnesses covered by California law.

La Puente Valley County Water District
Notes to the Basic Financial Statements, continued
For the Year Ended December 31, 2016

(13) Risk Management, continued

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending December 31, 2016, 2015 and 2014. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of December 31, 2016, 2015, and 2014, respectively.

(14) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to the report date, that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 74

In June 2015, the GASB issued Statement No. 74 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness or information about postemployment benefits other than pensions (other postemployment benefits of OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No.50, *Pension Disclosures*.

The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2016. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 75

In June 2015, the GASB issued Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2017. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 80

In January 2016, the GASB issued Statement No. 80 – *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

La Puente Valley County Water District
Notes to the Basic Financial Statements, continued
For the Year Ended December 31, 2016

(14) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

Governmental Accounting Standards Board Statement No. 80, continued

The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. It is believed that the implementation of this Statement will not have a material effect to the District's financial statements.

Governmental Accounting Standards Board Statement No. 81

In March 2016, the GASB issued Statement No. 81 – *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively.

Governmental Accounting Standards Board Statement No. 82

In March 2016, the GASB issued Statement No. 82 – *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. The impact of the implementation of this Statement to the District's financial statements has not been assessed at this time.

Governmental Accounting Standards Board Statement No. 83

In November 2016, the GASB issued Statement No. 83 – *Certain Asset Retirement Obligations*. This Statement addresses (1) financial reporting for certain asset retirement obligations (AROs), (2) establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflows of resources for AROs, (3) requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred, and (4) requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

La Puente Valley County Water District
Notes to the Basic Financial Statements, continued
For the Year Ended December 31, 2016

(14) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

Governmental Accounting Standards Board Statement No. 84

In January 2017, the GASB issued Statement No. 84 – *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 85

In March 2017, the GASB issued Statement No. 85 – *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits).

The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.

(15) Commitments and Contingencies

Water Rights Purchase Commitment

On July 1, 2015, the District entered into an agreement purchase commitment of leased water production rights for water production years 2016, 2017 and 2018. The available water production rights for lease are determined by the Watermaster's Operating Safe Yield, which is typically set in May of each year. The District has agreed to lease the rights at 91% of the price to purchase replenishment water from another governmental agency effective July of each year. The District estimates there will be 335.39 acre-feet of water production rights available for lease at an estimated purchase price of \$634.27 per acre-foot.

As of December 31, 2016, the District prepaid for the 2017 water rights as described in note 4. As of December 31, 2016, remaining purchase commitment balance of estimated water production rights for the 2018 water production year is \$212,728.

Recycled Water Project

On November 1, 2015, the District entered into a memorandum of understanding (MOU) with Upper San Gabriel Valley Municipal Water District (Upper District), a wholesale provider of recycled water, to facilitate the establishment and expansion of the District's recycled water service area. The term of this MOU is for 25 years commencing on November 1, 2015 and concluding October 31, 2040. Under the MOU, the District will own, operate and maintain the recycled water assets comprised of a pump station and recycled water lines (Project).

The District is funding the Project in its entirety, supplemented by any and all available financial assistance and grant funding, except for the design phase of the Project which will be completed by the Upper District. In addition, the Upper District will prepare and submit for financial assistance from Metropolitan Water District's Local Resource Program and grant funding from Proposition 84 to offset the District's capital cost of the Project. Terms of the agreement call for the District to reimburse Upper District for 50% of the final design cost.

La Puente Valley County Water District
Notes to the Basic Financial Statements, continued
For the Year Ended December 31, 2016

(15) Commitments and Contingencies, continued

Recycled Water Project, continued

Once the recycled water plant is complete, Upper District has agreed to sell recycled water to the District at Upper District's cost from Los Angeles County Sanitation District, plus 80% of Upper District's surcharge, not including the cost of imported water to Upper District.

As of December 31, 2016, the Project is continuing its design phase and is included as part of construction-in-progress.

Construction Contracts

The District has a variety of agreements with private parties relating to the installation, improvement or modification of water facilities and distribution systems within its service area. The financing of such construction contracts is being provided primarily from the District's replacement reserves and advances for construction.

Grant Awards

Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. Nevertheless, after consultation with legal counsel, the District believes that these actions, when finally concluded and determined, are not likely to have a material adverse effect on the District's financial position, results of operations, or cash flows.

(16) Subsequent Events

Events occurring after December 31, 2016, have been evaluated for possible adjustment to the financial statements or disclosure as of April 24, 2017, which is the date the financial statements were available to be issued. The District is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

Required Supplementary Information

Final Draft for Board Presentation

La Puente Valley County Water District
District's Proportionate Share of the Net Pension Liability – Last Ten Years*
As of December 31, 2016

<u>Description</u>	<u>Measurement Dates</u>		
	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
District's proportion of the net pension liability	0.00596%	0.00490%	0.00673%
District's proportionate share of the net pension liability	\$ 515,576	336,132	418,940
District's covered-employee payroll	\$ 842,275	878,289	788,280
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	61.21%	38.27%	53.15%
Plan's fiduciary net position as a percentage of the total pension liability	82.30%	87.57%	83.30%

Notes:

Changes in Benefit Terms – There were no changes in benefit terms for the measurement date June 30, 2016.

Changes of Assumptions – There were no changes of assumption for the measurement date June 30, 2016.

* The District has presented information for those years for which information is available until a full 10-year trend is compiled.

Final Draft for Board Presentation

**La Puente Valley County Water District
Pension Plan Contributions – Last Ten Years*
As of December 31, 2016**

<u>Description</u>	<u>Measurement Dates</u>		
	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
Actuarially determined contribution	\$ 67,743	67,711	76,316
Contributions in relation to the actuarially determined contribution	(69,343)	(71,736)	(203,999)
Contribution deficiency (excess)	\$ (1,600)	(4,025)	(127,683)
District's covered payroll	\$ 842,275	878,289	788,280
Contribution's as a percentage of covered-employee payroll	8.23%	8.17%	25.88%

Notes:

* The District has presented information for those years for which information is available until a full 10-year trend is compiled.

Final Draft for Board Presentation

La Puente Valley County Water District
Funding Status – Other Post-Employment Benefits Obligation
As of December 31, 2016

Schedule of Funding Status - Other Post-Employment Benefits Obligation

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
12/31/2015	\$ 413,524	\$ 1,689,066	\$ 1,275,542	32.42%	\$ 1,092,709	116.73%
12/31/2014	123,569	1,790,825	1,667,256	7.41%	783,130	212.90%
12/31/2013	-	1,554,600	1,554,600	0.00%	751,600	206.84%

Funding progress is presented for the past three years that an actuarial study has been prepared since the effective date of GASB Statement 45. Actuarial review and analysis of the post-employment benefits liability and funding status is performed annually. The next scheduled actuarial review and analysis of the post-employment benefits liability and funding status will be performed in 2018 based on the year ending December 31, 2017.

Final Draft for Board Presentation

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Final Draft for Board Presentation

Report on Internal Controls and Compliance

Final Draft for Board Presentation

**Independent Auditor's Report on Internal Control Over Financial Reporting
And on Compliance and Other Matters Based on the Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

Board of Directors
La Puente Valley County Water District
La Puente, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the La Puente Valley County Water District (District), which comprise the statement of net position as of December 31, 2016, and the related statement of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon date April 24, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contract and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Independent Auditor’s Report on Internal Control Over Financial Reporting
And on Compliance and Other Matters Based on the Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards, continued***

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fedak & Brown LLP
Cypress, California
April 24, 2017

Final Draft for Board Presentation

STAFF REPORT



Meeting Date: April 24, 2017
To: Honorable Board of Directors
Subject: Single Pass Ion Exchange System Resin Replacement

Purpose - *To secure services for the replacement and disposal of up to 1,696 cubic feet (4 vessel change-outs) of Perchlorate Selective Ion Exchange Resin at the District's Treatment Plant.*

Recommendation - *Review the bid results and authorize the General Manager to enter into agreement with the successful bidder for Ion Exchange Resin Replacement Services.*

Fiscal Impact - *The 2017 Treatment Plant Budget appropriates \$332,600 for Perchlorate Treatment, which includes an estimated 1,275 cubic feet of resin to be replaced in 2017. The 2017 year to date total for Perchlorate Treatment is \$98,813. The cost for the remaining 2 vessel change-outs, that are anticipated to be performed in 2017, is expected to be within the Budget appropriation. The cost for the ion exchange resin replacement services is a BPOU Project expense and shall be 100% reimbursed by the Cooperating Respondents.*

Previous Related Action - *In April 2016, the Board approved an agreement with Evoqua Water Technologies for the replacement and disposal of up to 1,696 cubic feet (4 vessel change-outs) of Perchlorate Selective Ion Exchange Resin at the District's Treatment Plant.*

Summary

The District's Single Pass Ion Exchange System was placed into full continuous service on July 30, 2010. The system is comprised of four vessels, each with 425 cubic feet of perchlorate selective ion exchange resin. The vessels are arranged so that water produced from the District's well field is equally split between two pairs of vessels. The water requiring treatment must pass through two vessels (lead & lag) before being introduced into the UV treatment system. Sampling of the water between the lead and lag vessel determines when the ion exchange resin in the lead vessel should be replaced. When resin replacement occurs, the lag vessel is placed into the lead position and the vessel with the fresh resin is placed into the lag position. Since the system was put online, there have been several resin replacements performed, each replacing resin in the lead vessels.

Staff estimates the next ion exchange resin will be required within the month of May or early June. District staff prepared and sent a Notice Inviting Bids (NIB) for Perchlorate Selective Ion Exchange Resin Replacement Services to three resin suppliers that are capable of performing the resin installation

services. Bids were due Friday, April 21, 2017. The NIB allows for multiple vessel change-outs in order to 1) reduce the effort required to obtain bids, 2) incentivize competitiveness and 3) to ensure any failure to perform under warranty can be addressed during subsequent change-outs. At the April 24th Board meeting staff will present an analysis of the bids received and recommend award to the successful bidder.

Fiscal Impact

The cost for the ion exchange resin replacement services is a BPOU Project expense and shall be 100% reimbursed by the Cooperating Respondents. The 2017 Treatment Plant Budget appropriates \$332,600 for Perchlorate Treatment, which includes an estimated 1,275 cubic feet of resin to be replaced in 2017. The 2017 year to date total for Perchlorate Treatment is \$98,813. The bids are expected to range from \$400,000 to \$500,000 for a total of 4 vessel change-outs, which are expected to be performed within the next 18 months. The portion of this bid, that will be performed in 2017, is anticipated to be within the Budget for this expense category.

Recommendation

Staff requests the Board authorize the General Manager to enter into an agreement with the successful bidder for the Single Pass Ion Exchange Resin Replacement Services. Details of bids results shall be provided at the April 24th Board of Directors meeting.

Respectfully Submitted,

Greg B. Galindo

General Manager

Attachments

- March 2017 Notice of Inviting Bids for Resin Replacement and Disposal Services



LA PUENTE VALLEY COUNTY WATER DISTRICT **ION EXCHANGE RESIN PURCHASE** **AND REPLACEMENT SERVICE**

PART 1 – GENERAL

Notice Inviting Bids

The **La Puente Valley County Water District** (The District) is requesting proposals from qualified, interested firms to provide services for complete purchase, replacement and disposal service of Fixed Bed Ion Exchange Resin to be used for the removal of Perchlorate.

Bids shall be submitted in accordance with the format and information herein. Hard copy bids will be received at the District office located at **112 N. First Street, La Puente, CA 91744** or received by email at cortiz@lapuentewater.com no later than **12:00 pm on Friday, April 21, 2017**. Non-responsive proposals may not be considered. The costs for preparing all proposals are at the expense of the bidder and will **not be reimbursed by the District**.

Award of Contract

Award of a Contract, if it be awarded, will be based primarily on Total Unit Price \$/cu. ft including all services per replacement (Line item 33 of bid sheet), and will be made to the proposer whose proposal complies with all the requirements prescribed herein. **The District reserves the right to reject any or all proposals, to waive any informality in a proposal, and to make awards in the interest of the District.** The Contract between the successful proposer and the District will include the terms and conditions specified in this Request for Proposals (RFP). No exceptions to the terms and conditions specified in this RFP shall be allowed. A copy of the District's standard contract for this type of work is provided as Attachment A. Please note that no changes to the standard contract shall be considered. Proposals that fail to adhere to these requirements shall be rejected without review.

Description

This section describes the materials, loading, and testing of a complete turnkey replacement of the perchlorate specific ion exchange resin for the District's Single Pass Ion Exchange Resin System which is designed to remove perchlorate from the water to be treated at the District's Treatment Facility. The Ion Exchange Resin Supplier shall

be responsible for removal and disposal of the spent ion exchange resin, prewashing the new ion exchange resin and loading the ion exchange vessel(s) with the specified ion exchange resin, and all labor associated with the offered service.

Work to be Included

The Ion Exchange Resin Supplier shall include four separate replacements of 424 cubic feet (a minimum of 425 cubic feet in each vessel allowing for a bed expansion of at least 50%) of virgin ion exchange resin at four unique dates as later specified by the District within a maximum of 2 years from release of this RFP. The Ion Exchange Resin Supplier shall be responsible for the supply, delivery and hydraulic loading of the resin for each replacement and the disposal of spent resin of the same quantity and shall be in strict accordance with these specifications.

1. The Ion Exchange Resin Supplier shall be responsible for all washing or pre-treatment of the ion exchange resin prior to system operation, including rinsing at an off-site facility that is located within 250 miles of the District's treatment facility. Two samples shall be collected of water that has been in contact with each batch of resin (425 cubic feet) that will be delivered to the site, for a minimum period of time of two hours. Both samples shall both be absent for coliform and e-coli before resin is loaded into the District's ion exchange vessels.
2. On-site rinsing or backwashing shall not exceed two empty bed volumes (6,350 gallons) per replacement. Rinse water and backwash water will be discharged to an on-site holding tank then discharged through an existing 4" sewer connection.
3. For each replacement, the Ion Exchange Resin Supplier shall inspect and disinfect the empty vessel, piping within the vessel and piping connections to the vessel prior to loading the new ion exchange resin.
4. The ion exchange resin shall not be loaded into the ion exchange vessels until tests confirming the resin is free of bacteriological contamination are presented and reviewed by the District.
5. Any vessel used to transport the ion exchange resin shall be properly rinsed and disinfected immediately before being used to transport resin. A certification of this process shall be provided to the District upon delivery of the ion exchange resin.
6. The ion exchange resin shall be loaded into the ion exchange vessels within **48 hours** after off-site rinsing of the resin.
7. The resin will be loaded into existing ion-exchange vessels manufactured by Layne Christensen Company.

8. For each replacement, the ion exchange resin replacement service will include the proper removal, replacement, packaging, sampling and profiling of waste resin, transportation, and disposal of the exhausted resin at one or more of the disposal sites listed in **Attachment B** hereto. The resin disposal shall be performed and waste documentation provided to the District **within 60 days of resin being removed from vessel**. The Ion Exchange Resin Supplier must furnish with its bid the contact name, phone number and ion exchange resin waste acceptance criteria for its proposed disposal site.

Site of Work

The site for replacement of Perchlorate selective resin media is the La Puente Valley County Water District's Groundwater Treatment Facility, located at 1695 Puente Ave., Baldwin Park, CA. A site plan and drawings of the ion exchange vessels are provided in **Attachment C**.

Schedule

This RFP was released on March 31, 2017. Proposals are due on **Friday, April 21, 2017**. **The District anticipates the first change-out will be required to be completed approximately during May or June of 2017.**

Bid Schedule

The Ion Exchange Resin Supplier hereby declares that he has carefully examined the District's Request for Proposals to Provide Perchlorate Selective Resin and Replacement Service at the District's Puente Avenue Treatment Facility and will accept in full payment therefore the following amounts:

ITEM No.	DESCRIPTION OF BID ITEMS		VALUE
GENERAL INFORMATION			
1	Type of Resin (Strong Base Anion Exchange Resin – Perchlorate Selective)		
2	Resin Structure Macroporous/Gel		
3	Quantity of Resin Proposed (cu. ft) per replacement		
4	Years of Experience in Resin Supply		
5	Date of Manufacture of Resin		
6	Guaranteed Bed Volumes of Water Treated per replacement		
7	Origin of Resin (USA/Other)		
8	Maximum days the resin will be stored after off site pre-rinsing (days)		
9	Is resin NSF 61 Certified?		
10	Resin Production Facility Certification (ISO 9001)		
UTILITIES REQUESTED PER REPLACEMENT			
11	Potable water required (gpm and psig)		
12	Compressed air		
13	Electrical Power		
WASTE GENERATED PER REPLACEMENT			
14	Off Site Rinsing (a) Bed volumes		
	(b) Gallons		
15	On Site Rinsing or Backwashing (a) Bed volumes (no more than 2) per vessel		
	(b) Gallons		
	(c) Expected nitrosamine concentration in rinse water		
16	Backwash Volume (gallons/vessel)		
17	FIRST REPLACEMENT RESIN DELIVERY SCHEDULE		

Bid Schedule - Continued

	COSTS		Unit Costs	Extended Costs
18	Resin \$/cu. ft. for 425 cu. ft.			
19	Resin service \$/cu. ft. for 425 cu. ft.			
20	Tax \$/ cu. ft of resin for 425 cu. ft.			
21	Off site resin rinse cost \$/cu. ft. for 425 cu. ft.			
22	On site resin rinse cost \$/cu. ft. for 425 cu. ft.			
23	Confined Space entry (vessel inspection) per vessel			
24	Disinfection of Vessels and Piping per vessel			
25	Removal and disposal of spent resin \$/cu. ft. for 425 cu. ft. Including any required waste material analysis. - Disposal location to be Buttonwillow (Clean Harbors) Landfill.			
	OTHER COSTS PER REPLACEMENT			
26	Warranty			
27	Business license			
28	Freight			
29	Loading			
30	Rentals (If Applicable)			
31	Temporary Site Piping (If Required)			
32	TOTAL COST PER REPLACEMENT			
33	Total Unit Price \$/cu. ft including all services per replacement			
	OPTIONAL SERVICES			
34	Bac-T Testing			
35	Disinfection of resin per cu. ft (if required)			

Supplier's Qualifications

The Ion Exchange Resin Supplier shall have the following minimum qualifications:

1. Have previously supplied or serviced a minimum of three ion exchange resin drinking water treatment systems, in the State of California, designed to treat a minimum of 500 gpm per vessel. Systems cited in experience submittals shall have down flow, pressure type configurations using the similar vessel diameter and design as the District's single pass vessels.
2. Have supplied or serviced at least three similar ion exchange resin drinking water treatment systems in the State of California which are currently in use and which are removing perchlorate from the influent water stream for a drinking water system. These systems shall be designed to treat at least 500 gpm per vessel.
3. Have a minimum of five years of experience in the handling and loading of ion exchange resin, including the unloading, transportation and disposal of exhausted ion exchange resin, using trailers and equipment which are used only for potable water applications.
4. The Ion Exchange Resin Supplier, or its approved subcontractor, must possess a current California Class A, C-10 and Hazardous Materials Contractor's License or other equivalent license(s) required by the State of California.

Minimum Guarantee

1. The Ion Exchange Resin Supplier shall meet a minimum of 95,000 Bedlife Volumes of Water Treated.

Guarantee

1. The Ion Exchange Resin Supplier shall guarantee that all ion exchange resins meet the required specifications of this RFP or the scheduled service will be at no charge to the District.
2. The Ion Exchange Resin Supplier shall meet or exceed the Guaranteed Bedlife Volumes of Water Treated as specified by the Ion Exchange Resin Supplier in Item No. 6 of the Bid Schedule of this RFP.
3. The Ion Exchange Resin Supplier shall meet or exceed the Guaranteed Bedlife Volumes of Water Treated as specified in Item No. 6 of the Bid Schedule of this RFP. As part of this proposal, the Bedlife Volumes of Water Treated will be determined based on the following conditions and requirements and shall be provided in line item 6 of the Bid Schedule

table. This warranty shall be deemed void if the District fails to meet any of the following conditions pertaining to resin use and the system in which resin is used:

- a) The design parameters (system, equipment and peripheral components) must be consistent with sound engineering practice.
- b) Feed water must not contain any oxidizing agents including, without limitation, chlorine, ozone or permanganate.
- c) Sequestrants, cleaning or treatment chemicals, and any other chemicals used in the system must be compatible with the resin.
- d) The resin must be operationally protected against excessive hydraulic changes including, without limitation, water hammer, and rapid pressure swings.
- e) Influent water to each vessel shall be free of entrained air to the extent that entrained air could disrupt resin beds in any system.
- f) The vessel may be backwashed after the initial fill of resin. The system shall not be backwashed or the beds otherwise hydraulically altered once a service run has started, as this will reduce the expected throughput.
- g) The resin must be maintained in a clean condition and must not be contaminated by particulate matter, colloidal or precipitated solids, biological growth or foreign materials (including but not restricted to cationic surfactants, solvents, soluble oils, free oils, lipids, and high molecular weight natural polymers).
- h) The District is responsible for ensuring that frequent, adequate system performance data are routinely recorded in a systematic format that is regularly reviewed. Data collected will include weekly flow, pressure and meter readings and monthly incoming water analyses including perchlorate, sulfate, chloride, nitrate and alkalinity. Customer agrees to make this data available on a reasonable basis with reasonable request.
- i) The District must keep resin moist at all times after installation.
- j) Resin loss from the bed will be excluded from this warranty. Without limitation, loss of resin due to failure of distributors, resin traps, and backwash procedures are the responsibility of the District.
- k) Representative samples of used resin may be provided by the District upon exchange, if requested.

l) The sole remedy for failure to achieve the warranted bed life will be the provision of additional resin sufficient to achieve the minimum bed volume guarantee. A minimum amount of 424 cubic feet of resin is required per vessel, however, and the additional volume of resin needed to make a complete exchange must be purchased by La Puente Valley County Water District. This remedy is limited to a maximum supply of 424 cf per vessel.

m) This warranty will not extend past a period of two (2) years from time of each load of 424 cubic feet of resin installed by Ion Exchange Resin Supplier.

n) The District understands that Ion Exchange Resin Supplier has no knowledge of the flow characteristics of the equipment design. Uneven flow profiles can cause bed shifting or channeling to occur which will greatly reduce the predicted resin life. Should premature breakthrough occur, Ion Exchange Supplier may reserve the right to inspect installed resin bed to investigate effects of flow characteristics. Inspection will include but not be limited to inspection of top of resin bed to ensure that no visible shifting or channeling has occurred. Should it be determined that premature breakthrough has occurred due to improper flow distribution, warranty will be void.

o) Uranium loading on the resin must not impact the Throughput Volumes treated or disposal considerations during any service run.

p) Bacteria levels in the influent and influent delivery mechanisms such as, for example, piping and manifolds in any well, shall be based on 6 month average <10 cfu/ml. The Ion Exchange Resin Supplier assumes no responsibility or liability relating to the bacteriological quality of the influent or within the wells and shall bear no costs relating to resin sterilization due to bacteria in the influent or elsewhere in the wells. If Ion Exchange Resin Supplier is requested to backwash and sanitize a specific resin bed after the start of a particular run then Condition f. applies.

q) Bed volume calculations shall begin when either: A) upstream bed has reached 4 ppb for two consecutive weekly samples or B) the bed is moved to the lead position. The two (2) trains will be operated in lead/lag mode. Total bed volumes treated per vessel will be based upon the following water quality shown in the middle column labeled, "*FOR CALCULATION OF GUARANTEED BED LIFE (BED VOLUMES TREATED PER REPLACEMENT)*". If actual concentrations exceed this stated amount, please reference section r.

ION EXCHANGE INFLUENT WATER QUALITY

PARAMETER	FOR CALCULATION OF GUARANTEED BED LIFE (BED VOLUMES TREATED PER REPLACEMENT)	ANTICIPATED RANGE
Operational Flow Rate per vessel, gpm	1,250	1,000-1,500
Daily Volume, million gallons	3.60	2.88-3.60
Perchlorate, µg/L	39.8	10-72
Sulfate, mg/L	59	48-63
Nitrate, mg/L as NO ₃ ⁻	32	21-43
Alkalinity, mg/L as CaCO ₃	169	140-180
Calcium, mg/L	64.4	57-65
Magnesium, mg/L	15.1	13-15
Chloride, mg/L	30.9	23-32
Total Dissolved Solids, mg/L	340	280-460
pH	7.60	7.0-8.0
Water Temperature, °C	20	17-23

r) The 6-week running average influent perchlorate, sulfate, chloride, nitrate and alkalinity shall be used to determine conditions for reduction of the bed volume guarantee. When the bed is exhausted, the 6-week running average influent concentration of the constituents listed above shall be calculated for each week beginning 6 weeks from installation of the resin to the week corresponding to exhaustion of the bed. If any 6-week running average exceeds the influent concentrations in the middle row of the Ion Exchange Influent Water Quality table, the deduction equation below shall be calculated for week 6 to the week corresponding to the exhaustion of the bed. The maximum deduction calculated shall be used to determine the revised guarantee.

Revised Guarantee =
Original Guaranteed Bed Volumes Treated per Replacement - Deduction

Where:

Deduction = Original Guaranteed Bed Volumes Treated per Replacement x
 $[(0.12 \times E_{Cl}) + (0.88 \times E_{NO_3}) + (0.32 \times E_{SO_4}) + (0.32 \times E_{ClO_4}) + (0.16 \times E_{HCO_3})]$

E = increase in identified contaminant = (actual-base)/base

Please note the following with regards to this equation:

- 1) E can only be zero or a positive value.
- 2) Increases in multiple contaminant levels will result in additive deducts as dictated by the formula.
- 3) The average perchlorate concentration over any 6-week period must not exceed 180% of base, and the average of any other contaminant over any 6-week period must not exceed 120% of base. The warranty is void for values beyond these increases.
- 4) 'base' is defined by the Ion Exchange Influent Water Quality stated in the middle column of the table above.

THE FOREGOING SETS FORTH BIDDER'S SOLE AND EXCLUSIVE THROUGHPUT WARRANTY AND REMEDY THEREFOR AND IS SUBJECT IN ALL RESPECTS TO THE TERMS AND CONDITIONS OF A DEFINITIVE AGREEMENT BY AND BETWEEN THE PARTIES. SELLER MAKES NO OTHER WARRANTIES OF ANY KIND THEREOF, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE.

Measurement and Payment

1. The District will pay the Ion Exchange Resin Supplier a one-fourth payment for the replacement service forty-five (45) days after the Ion Exchange Resin Supplier completes the loading of each vessel and disposal of removed resin (of four total), provided the Ion Exchange Resin Supplier has submitted a proper invoice and complied with all provisions of this Request for Proposals.
2. The District shall withhold the portion of payment related to resin disposal, until the Ion Exchange Resin Supplier removes the spent resin from the site and furnishes the District a certificate of disposal/destruction for the spent resin.

Ion Exchange Resin Supplier Services

1. After emptying each ion-exchange vessel and before loading the ion exchange resin into the vessel, the Ion Exchange Resin Supplier shall inspect each ion exchange vessel and related equipment and notify the District of any damaged equipment or repairs that should be completed prior to loading the ion exchange resin. The Ion Exchange Resin Supplier shall not begin any repair work until such repair work and the cost to perform the repair work has been approved by the District. The Ion Exchange Resin Supplier shall coordinate all necessary activities, including repairs, disinfection, resin delivery, resin loading and general site responsibilities.

Modes of Operation

1. Ion Exchange Vessels – The ion exchange vessels are designed for downward flow during normal operation. Each lead/lag pair of vessels is equipped with a flow meter for flow measurement during normal operation and during backwash.
2. Ion Exchange Resin Backwashing – The ion exchange vessels can be operated in backwash mode during resin loading. To backwash, the vessel is isolated from the raw waterline and treated water flows upward through the resin bed and out to waste.
3. Ion Exchange Resin Removal and Replacement – The District's ion exchange resin system is designed and constructed to allow the ion exchange vessel(s) to be isolated for removal of exhausted ion exchange resin. Removal shall be accomplished by pressurizing the vessel with compressed air to displace the exhausted ion exchange resin. The bottom of the ion exchange resin vessel(s) and ion exchange resin slurry piping is designed to allow complete removal of the exhausted ion exchange resin from the ion exchange resin vessel(s) and piping, using manual hosing from the access manways if necessary.

Submittals

1. Samples – Samples of the ion exchange resin used to fill each ion exchange resin vessel(s) shall be furnished to the District prior to each subsequent loading.
2. Reports – The Ion Exchange Resin Supplier shall submit with its bid a report that documents that the ion exchange resin proposed by the Ion Exchange Resin Supplier meets the following required specifications:
 - a. The Ion Exchange Resin Supplier shall submit a test report showing compliance with the specifications described herein, along with a statement certifying that the resin to be furnished is equal in quality to and from the same lot as the representative sample submitted.
 - b. Test reports on the representative samples of ion exchange resin shall contain the following information:
 - 1) Polymer Structure
 - 2) Functional Group
 - 3) Total Capacity (Cl form)
 - 4) Moisture Retention
 - 5) Mean Diameter (microns)
 - 6) Uniformity Coefficient

- 7) Specific Gravity
 - 8) Shipping Weight
 - 9) pH Limitations
 - c. For each replacement, the reports shall be submitted at least three business days prior to delivery of the ion exchange resin.
3. Ion Exchange Resin Installation Instructions – Prior to each shipment of the ion exchange resin, the Ion Exchange Resin Supplier shall submit the following:
 - a. Instructions for field personnel on handling and loading the ion exchange resin for the District's information.
 - b. Health and Safety Plan – The Ion Exchange Resin Supplier's recommended health and safety plan for all personnel involved in handling the exhausted ion exchange resin that may contain hazardous materials.
 - c. Confined Space Procedures – The Ion Exchange Resin Supplier's confined space protocols and procedures.
4. Pressure drop characteristics of the resin at (a) 13.8 gpm/ft² (b) 11.5 gpm/ft² at the proposed resin fill quantity and vessel size.

Regulatory Requirements

The Ion Exchange Resin Supplier shall comply with all applicable regulatory requirements including, but not limited to, the following:

1. Occupational Safety and Health Requirements of OSHA and Cal-OSHA, including confined space requirements.
2. U.S. Department of Transportation requirements for transportation of the ion exchange resin.
3. Local air pollution control requirements regarding potential releases of chemicals or particulates during transfer of the ion exchange resin.
4. Any and all applicable requirements concerning ion exchange resin disposal.

The Ion Exchange Resin Supplier shall provide evidence of compliance with all applicable permits. Additional evidence (copies of permits, etc.) shall be provided if

requested by the District. The Ion Exchange Resin Supplier shall obtain all necessary permits at its expense.

Field Samples

The District reserves the right to obtain samples of any materials provided by the Ion Exchange Resin Supplier at the project site (field samples) to verify compliance with these specifications. If the District's collection and testing of a field sample results in the need for replacement of the ion exchange resin because the ion exchange resin does not meet the minimum specifications, the ion exchange resin shall be replaced by the Ion Exchange Resin Supplier at no cost to the District.

Delivery, Storage, and Handling

The Ion Exchange Resin Supplier shall provide the District at least one week notice and 24-hour confirmation of its intent to deliver the ion exchange resin. The ion exchange resin shall be loaded into the designated vessel with 24 hours of being delivered to the site, unless an extension of time is granted by the District.

Project/Site Conditions

The Ion Exchange Resin Supplier shall familiarize itself with current site conditions before delivering and loading the ion exchange resin. The site contains an operating potable water supply, pumping facilities, and electrical equipment. The Ion Exchange Resin Supplier shall not operate these facilities without The District's consent. The Ion Exchange Resin Supplier shall avoid contamination of the water produced or pumped at this facility.

Environmental Requirements

The Ion Exchange Resin Supplier shall minimize unnecessary traffic at and around the site. Rubbish, waste, and litter shall be stored in proper containers and be removed from the site in a timely manner. Discharges of any materials to streets, storm drains, or to the sanitary sewer will not be permitted.

Insurance

The Ion Exchange Resin Supplier shall not commence work pursuant to the Contract Documents until it has obtained all insurance required hereunder. Said insurance shall be placed with insurers having a current A.M. Best rating of no less than A: VII or equivalent or otherwise approved by The District. In addition, the Ion Exchange Resin Supplier shall not allow any subcontractor to commence work on its subcontract until such subcontractor has obtained insurance coverage in accordance with this Request for Proposal and proof of insurance is received by the District.

1. Insurance Requirements for Ion Exchange Resin Supplier - Ion Exchange Resin Supplier shall procure and maintain insurance against claims for injuries to persons or damage to property, which may arise from or in connection with the work by the Ion Exchange Resin Supplier, its agents, representatives, employees, or subcontractors. The cost of such insurance shall be borne by the Ion Exchange Resin Supplier.

a. Minimum Scope of Insurance - coverage shall at least be as broad as:

- Insurance Services Office Commercial General Liability Coverage (Occurrence Form No. CG 0001, or equivalent) with Personal Injury Exclusion "C" removed.
- Insurance Services Office (Form No. CA 0001, or equivalent) covering Automobile Liability, Code 1 (any auto).
- Worker's Compensation coverage, as required by the Labor Code of the State of California and Employer's Liability Coverage.

b. Minimum Benefits of Insurance:

- Commercial General Liability: \$2,000,000 combined single limit for each occurrence of Bodily Injury, Personal Injury and Property Damage, \$2,000,000 Aggregate Total Bodily Injury and Property Damage, and \$2,000,000 Annual Aggregate Products and Completed Operations.
- Automobile Liability: \$1,000,000 for Bodily Injury and Property Damage, each accident.
- Excess Liability: \$1,000,000 Bodily Injury and Property Damage.
- Worker's Compensation and Employer's Liability: Worker's Compensation limits as required by the Labor Code of the State of California and Employer's Liability limits of not less than \$1,000,000 per accident.

The insurer issuing the Workers' Compensation insurance shall waive all rights of subrogation against the District. The insurers issuing Commercial General, Excess and Automobile liability insurance shall waive all rights of subrogation against the District, the District's representatives, officers, officials, agents, employees, attorneys, consultants, and volunteers. The Ion Exchange Resin Supplier shall provide the District with a certificate of insurance for Workers' Compensation insurance coverage and evidence of waiver of rights of subrogation against The District.

The Ion Exchange Resin Supplier certifies that it is aware of the provisions of Section 3700 of the Labor Code, which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and that the Ion Exchange Resin Supplier will comply with such provisions before commencing the performance of the work of this Contract.

- c. Deductibles or Self-insurance - Any and all deductibles or self-insured retentions must be declared to and approved by the District. At the option of the District either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as they relate to the District, its officers, officials, agents, employees, consultants or volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigation, claim administration and defense expenses.
2. Other Insurance Provisions - The policies specified herein are to contain, or be endorsed to contain the following provisions:
 - a. Named as Additional Insured – The District and the District's representatives, directors, officers, officials, agents, employees, attorneys, consultants and volunteers are to be named as additional insured on a primary and non-contributing basis on Commercial General, Excess, and Automobile Liability policies.
 - b. Workers Compensation Insurance - The Ion Exchange Resin Supplier and all subcontractors shall cover or insure under the applicable laws relating to workers' compensation insurance, all of their employees working on or about the site, regardless of whether such coverage or insurance is mandatory or merely elective under the law, and the Ion Exchange Resin Supplier shall defend, protect and save harmless The District and the District's representatives, directors, officers, officials, agents, employees, attorneys, consultants, and volunteers from and against all claims, suits and actions arising from any failure of the Ion Exchange Resin Supplier or any subcontractor to maintain such insurance. Before beginning work, the Ion Exchange Resin Supplier shall furnish to the District satisfactory proof that it has taken out for the work under this Contract, full compensation insurance for all persons employed directly by him or through subcontractors in carrying out the work contemplated under this Contract, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any Acts amendatory thereof.

The insurer shall waive all rights of subrogation against the District and the District's representatives, directors, officers, officials, agents, employees, attorneys, consultants, and volunteers. The Ion Exchange

Resin Supplier shall provide the District with a certificate of insurance for Workers' Compensation insurance coverage and evidence of waiver of rights of subrogation against the District.

The Ion Exchange Resin Supplier certifies that it is aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and that the Ion Exchange Resin Supplier will comply with such provisions before commencing the performance of the work of this Contract.

- c. Ion Exchange Resin Supplier's Liability Insurance - Liability insurance obtained by the Ion Exchange Resin Supplier pursuant to this Contract shall indemnify the Ion Exchange Resin Supplier and his subcontractors against loss from liability imposed by law upon, or assumed under contract by, the Ion Exchange Resin Supplier or its subcontractors for damages on account of such bodily injury (including death), property damage, personal injury and completed operations and products liability. Such insurance includes coverage of bodily injury and property damage liability, owned and non-owned vehicles and equipment, blanket contractual liability and completed operations liability, and Broad Form Property Damage. Such liability insurance shall include removal of lateral support. The District and the District's representatives, directors, officers, officials, agents, employees, attorneys, consultants, and volunteers shall be named as additional primary insureds on any policy. An additional insured endorsement and a certificate of insurance shall be provided to the District.
- d. All Coverage - Each insurance policy required by this Contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the District.

Any failure to comply with the reporting provisions of the policies including breaches of warranties shall not affect coverage provided to the District and the District's representatives, directors, officers, officials, agents, employees, attorneys, consultants, and volunteers.

Coverage shall state that the Ion Exchange Resin Supplier's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

- e. Proof of Insurance – Before starting work, the Ion Exchange Resin Supplier shall present the original policies of insurance required by this section or a certificate of the insurance with original endorsements effecting coverage required by this Contract, showing the issuance of such insurance and the additional insureds and other provisions required herein.

- f. Certificate of Insurance - The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf and familiar with the terms and endorsements of the policies and this section. The certificates and endorsements are to be on forms approved by the District and shall state the name of the insurer, the name of the signatory and a statement that the signatory is authorized to bind coverage and that the signatory is familiar with the terms and endorsements of the policies and the insurance requirements of these General Conditions. A separate signature shall be affixed for each type of insurance. All certificates and endorsements are to be received and approved by the District before the work commences. The District reserves the right to require complete, certified copies of all required insurance policies at any time.

The Ion Exchange Resin Supplier shall, at least thirty (30) days prior to the expiration of any insurance policy required by the Contract Documents, file a signed and completed "Certificate of Insurance" (listing all policy endorsements and provisions called for by the Contract Documents) with the District stating that such insurance policy has been renewed or extended.

- g. Maintenance of Insurance - The Ion Exchange Resin Supplier shall, upon demand of the District, deliver to the District all such policy or policies of insurance and the receipts for payment of premiums thereon; and should the Ion Exchange Resin Supplier neglect to obtain or maintain in force any such insurance or to deliver such policy or policies and receipts to the District, then it shall be lawful for The District to obtain and maintain such insurance, and the Ion Exchange Resin Supplier hereby appoints the District its true and lawful attorney-in-fact to do all things necessary for this purpose. All money paid by the District for insurance premiums under the provisions of this paragraph shall be charged to the Ion Exchange Resin Supplier.

- h. Acceptability of Insurers - Insurance is to be placed with insurers with a Best's rating of no less than A:VII or equivalent as determined by The District.

- i. Compliance with Insurance Requirements – The Ion Exchange Resin Supplier’s obligation to obtain insurance coverage as set forth in this section is separate and distinct from the Ion Exchange Resin Supplier’s obligation to indemnify, hold harmless and defend pursuant to the section of this Contract under the heading “Indemnification”, and compliance with the requirements of this section shall not relieve the Ion Exchange Resin Supplier of the Ion Exchange Resin Supplier’s obligations under the Indemnification section of this Contract.

Indemnification

1. The Ion Exchange Resin Supplier shall defend and indemnify the District and its officers, directors, agents, and employees against, and save and hold them harmless from, any and all liability, claims, demands, loss, actions, causes of action, expenses, penalties, fines, assessments, damages, costs, attorney fees, and litigation expenses, of every kind and nature, consequential or otherwise, resulting from or in any manner arising out of or in connection with the performance of the work under this contract, including, without limitation, injury to or death of any and all persons, including, without limitation, employees or representatives of the District or of the Ion Exchange Resin Supplier or of any subcontractor, of any other person or persons, and for damage, destruction or loss, to or of any and all property, real or personal, including, without limitation, property of the District or of the Ion Exchange Resin Supplier or of any subcontractor, howsoever same may be caused including, without limitation, the District’s active or passive negligence. The Ion Exchange Resin Supplier shall also, upon request by the District and at no expense to the District, defend the District with competent counsel reasonably acceptable to the District, in any and all suits or legal action of any kind concerning such liability, claims, demands, loss, actions, causes of action, expenses, penalties, fines, assessments, damages, costs, attorney fees, and litigation expenses, including without limitation, suits or legal action of any kind, by employees or representatives of the District, the Ion Exchange Resin Supplier, or any subcontractor, or any other person or persons. Excluded from this paragraph are only those injuries to or deaths of persons and damage, destruction or loss, to or of property arising from the sole negligence or willful misconduct of the District.

The Ion Exchange Resin Supplier shall indemnify the District and its officers, directors, agents, and employees against, and save and hold them harmless from, any and all liability, claims, demands, loss,

actions, causes of action, expense, penalties, fines, assessments, damages, costs, attorney fees, and litigation expenses of every kind and nature, consequential or otherwise, suffered or incurred on account of any breach of any obligation, covenant or other provision of this contract, including without limitation, breach of the indemnity provisions of the preceding paragraph.

PART 2 – MATERIALS

Ion Exchange Resin - Manufacturer's Qualifications

1. The Ion Exchange Resin Supplier shall supply the following resin:
 - a. Strong base anion exchange resin designed for the selective removal of Perchlorate from water.
2. The ion exchange resin shall all be manufactured at the same plant. The Ion Exchange Resin Supplier shall submit with its proposal a listing of at least three (3) potable water treatment plants where the specified resin is treating at least 1000 gallons per minute. The Ion Exchange Resin Supplier shall supply influent water quality (perchlorate, nitrate, sulfate, chloride, alkalinity) and bed volumes to 4 ppb perchlorate for at least one of the treatment plants other than La Puente Treatment Plant (blind data is acceptable).
3. The Ion Exchange Resin Supplier shall submit evidence with its proposal that the Ion Exchange Resin Supplier uses a United States based laboratory with the capability of testing ion exchange resin using ASTM D-2187 and other testing methods to ensure that the ion exchange resin meets the requirements of this specification.
4. The Ion Exchange Resin Supplier shall have been in the business of supplying ion exchange resin for potable water treatment for a minimum of five years and have in place ISO 9001 certification and Quality Control, Quality Assurance protocol sufficient to ensure homogeneous properties and specification compliance for each lot number provided under this contract.
5. The Ion Exchange Resin Supplier shall submit with its proposal evidence that the ion exchange resin to be supplied under this contract has been certified to meet ANSI/NSF Standard 61.

Technical Requirements

The ion exchange resin shall be suitable for use as a filter media in a potable water treatment plant and be effective in the removal of perchlorate to non-detect (less than 0.5 µg/L by Method EPA 314.0). The ion exchange resin shall be visually free of dirt and other foreign material.

The ion exchange resin shall be durable and capable of withstanding the flow velocity resulting from operating the District's Plant Treatment System at flow rates up to 1,500 gpm per vessel.

The ion exchange resin shall be approved by the California State Water Resources Control Board, Division of Drinking Water for use in the treatment of potable water

supplies. The ion exchange resin shall conform to food chemical codes when tested as outlined in the Food Chemicals Codex, Third Edition. The ion exchange resin shall meet all requirements and have current NSF61 certification. NSF61 certification must be submitted with the bid.

The ion exchange resin shall meet the minimum standards and performance criteria listed below regarding ion exchange resin specifications and physical properties. These criteria shall be evaluated based on laboratory quality control reports that accompany the shipment, and the District's on-site tests of the delivered ion exchange resin. Failure of samples to meet the performance criteria shall result in rejection of the ion exchange resin and, in the case of job-site samples, in the removal and replacement of any installed ion exchange resin at no cost to the District.

Detailed specifications and material quality and testing results shall be submitted to the District for review and approval prior to delivery or installation of the ion exchange resin. Manufacturer's test reports shall include the following information:

1. Manufacturer's name
2. Date of Manufacture
3. Material source and manufacturer's plant location
4. Date of sampling
5. Lot or stockpile number identification
6. Results from laboratory quality control testing

The Perchlorate selective resin media shall contain no bacteria, soluble inorganic, or organic substances in quantities capable of producing deleterious or injurious effects upon the health of those consuming the water or that would otherwise render the water that has been treated properly with resin unfit for public use. The resin shall be fully satisfactory for use in potable water treatment and must conform to or exceed all applicable requirements as established by the Food Chemical Codex Test Protocol.

The resin shall be delivered in a condition that is ready for use. The media shall be delivered pre-washed with no detections of nitrosamines above 10.0 ng/L.

For each replacement, the ion exchange resin to be furnished shall meet the following specifications:

<u>ANALYSIS</u>	<u>SPECIFICATION</u>
Polymer Structure	Gel/Macroporous Strong Base
Functional Group	Quaternary Amine
Total Capacity (Cl form)	0.65 eq/l minimum
Water content	36% to 46%
Mean Diameter (microns)	570 +/- 50
Uniformity Coefficient	1.7
Specific Gravity	1.04
Shipping weight	38.5 – 42 lbs/Cubic Foot

Maximum Operating Temp.	140° F
pH limitations (operating)	1-14

Material Quality and Testing

1. The quality of the ion exchange resin shall be determined by testing in accordance with the most current ASTM testing methods.
2. All tests required shall be performed on a representative sample of the lot (or lots) of the ion exchange resin to be supplied at the bidders expense by a qualified testing laboratory. Certified test results and a 2-liter representative sample (if requested) of the ion exchange resin media shall be submitted to the District a minimum of ten business days prior to delivery along with a written statement certifying that the sample of the ion exchange resin material is representative of the ion exchange resin media that is ready for shipment and installation under this contract.
3. The District will have seven business days from the date of delivery of the 2-liter representative sample of the ion exchange resin, corresponding test results, and certifications as outlined above to notify the supplier in writing of shipment quality acceptance.
4. Sampling to verify the ion exchange resin meets the requirements related to nitrosamines shall be performed by the Supplier after the offsite pre-wash has been performed. One sample for every 425 cubic feet of resin is required from water that has been in contact with the pre-washed resin for a minimum of 2 hours. The District reserves the right to have a District representative present to witness the sampling. Samples shall be analyzed at the District's designated laboratory at the expense of the Supplier. Sample results shall be provided to the District as a condition of acceptance of the resin delivery.

Installation of Ion Exchange Resin

1. Following testing, inspection, and disinfection of the system, each ion exchange resin vessel shall be filled with a minimum of 425 cubic feet of ion exchange resin in accordance with the required specifications.
2. The Ion Exchange Resin Supplier shall deliver the ion exchange resin in trailers used solely for the transport of potable water ion exchange resin. Trailers shall be thoroughly cleaned and disinfected prior to being filled with ion exchange resin and shall be lined or constructed with materials suitable for transporting ion exchange resin that will be in contact with potable water. Weight tickets and trailer disinfection certification for each load of ion exchange resin delivered to the site shall be provided to the District.

3. Makeup or rinse water needed for the transfer shall be potable water provided by the District. This potable water will have a chlorine residual of approximately 0.6 ppm. The Ion Exchange Resin Supplier shall provide any necessary hoses, site glasses, piping, and appurtenances for using this water. The compressed air supply required for transfer of the ion exchange resin shall be provided by the Ion Exchange Resin Supplier. All equipment used to load the Ion Exchange Resin must be suitable for potable water applications and be disinfected prior to use.
4. All water used in the transfer process shall be discharged to the point on site designated by The District using piping, hoses and appurtenances provided by the Ion Exchange Resin Supplier. No discharges will be permitted without the District's permission.
5. The ion exchange resin shall be transferred as water slurry only, using air pressure on the trailer as the motive force. Use of a pump or eductor to transfer the ion exchange resin from the trailer into the ion exchange resin vessel(s) will not be allowed. Bag loading or dry loading of the ion exchange resin into the vessel(s) is prohibited. The ion exchange resin shall be loaded into the trailers before the units are driven on to the site.
6. The Ion Exchange Resin Supplier will be responsible for cleanup of all ion exchange resin spills that may occur during the transfer operation.
7. Following installation of the ion exchange resin, the Ion Exchange Resin Supplier shall assist the District's operating personnel in placing the system in the filter-to-waste and backwashing modes, in accordance with the manufacturer's recommendations. Rinse water and backwash water will be discharged to an onsite holding tank through existing piping connections. When the beds have been adequately rinsed and are ready for normal operation, the Ion Exchange Resin Supplier shall so advise the District and assist with placing the system in operation.

Spent Ion Exchange Resin Sampling

The ion exchange resin vessel taken out of service will be opened to expose the ion exchange resin bed. Using a sampling thief, a service employee provided by the Ion Exchange Resin Supplier will take three full core samples from three different locations within the bed. The three samples will then be composited to produce a single sample for lab analysis. The sample, contained in a completely full 1-liter sample bottle, will be marked with the date taken, with information identifying the ion exchange resin vessel and as a core composite sample.

Sample Analysis

The composite samples collected from each ion exchange resin vessel serviced will be sent to a laboratory located in the United States for analysis. Using ASTM standard test

methods, these samples will be analyzed for their inorganic matter content. Results from these analysis coupled with computer modeling will provide information on the performance of the ion exchange resin and system during the period of time the ion exchange resin was in service.

Analytical Report

The performance analysis results will be reported to the District within 45 days of the service date. Also accompanying the lab report will be a written explanation of any unusual or unexpected observations.

END OF SECTION

Attachment A

GENERAL TERMS AND CONDITIONS

La Puente Valley County Water District
112 North First Street, La Puente, CA 91744
Telephone (626) 330-2126 Fax (626) 330-2679

Owner: La Puente Valley County Water District

Owner's Representative: Greg B. Galindo

Contractor: _____

Contractor's Representative: _____

Project No.: LPVCWD 3-2017

Project Title: LPVCWD Resin Replacement

Date: _____

Price: \$ _____

Owner and Contractor agree as follows:

1. Incorporation of Terms. The general terms and conditions set forth herein (the "General Terms and Conditions") shall incorporate the terms and provisions of the Contractor's proposal dated _____, attached hereto as Exhibit "1" (the "Proposal"), and the terms and provisions of the Owner's Notice inviting bids dated _____, attached hereto as Exhibit "2" (the "Notice Inviting Bids"). Contractor's Proposal for change-out of 850 cubic feet of resin (single exchange) in response to Owner's Notice Inviting Bids was accepted by Owner on _____. The following documents (the "Contract Documents") shall comprise the agreement between Owner and Contractor (the "Contract"):

- A. The General Terms and Conditions.
- B. The Proposal.
- C. The Notice Inviting Bid.

2. Performance By Contractor. Contractor shall perform the services and furnish the resins, materials and equipment to Owner as specified in the Proposal. The scope of supplies and services to be provided by Contractor in the Proposal shall be referred to herein as the "Work." Contractor shall furnish, at its own expense, all plant, labor, services, resins, materials, tools, equipment, supplies, transportation, utilities, and all other items and facilities necessary for the Work.

3. Use of Subcontractors. Pursuant to the Proposal, Contractor shall utilize only those entities identified in the Proposal to perform the Work and shall not use any other subcontractors to perform any portion of the Work unless Contractor obtains Owner's prior written consent.

4. Location of Work. The Work shall be performed by Contractor at Owner's treatment plant located at 1695 Puente Avenue, Baldwin Park, California (the "Treatment Plant").

5. Term of Contract. The term of the Contract shall be 90 days from the date of execution of this General Terms and Conditions.

6. Prevailing Wage. Contractor shall comply with Labor Code Section 1775.

7. Changes In The Work. Owner may require changes in, additions to, or deductions from the Work, including complete termination thereof. Owner's Representative may order changes in the Work not involving an increase or decrease in the Contract amount, not involving a change in the time for completion, and not inconsistent with the purposes for which the Work is being engaged. If Contractor believes that any order for changes in the Work involves changes in the contract amount or time for completion, Contractor shall not proceed with the changes so ordered and shall, within seven (7) days of the receipt of such order, notify Owner's Representative in writing of its estimate of the changes in the Contract amount and time for completion that Contractor considers to be appropriate. No payment for changes in the Work will be made, and no change in the time for completion by reason of changes in the Work will be made, unless the changes are covered by a written change order approved in advance by Owner.

8. Termination. Owner may terminate the Contract at any time for any reason or cause, or no reason or cause, upon ten (10) days' written notice to Contractor. In such case, Contractor shall have no claims against Owner except for the value of Contractor's work performed to the date of termination, and cost of materials and equipment on hand, in transit, or on definite commitment, as of the date of termination if such materials and equipment would be needed in the Work and not returnable or suitable or useable in other work or projects of Contractor. Contractor may terminate the Contract if a default by Owner shall occur and not be cured within thirty (30) days after receipt of a written notice of default from Contractor explaining the nature of the default and specifying the provisions of the Contract giving rise to Owner's obligation to do or perform some act, or not to do or perform some act, and upon Contractor giving Owner a written notice of termination. In such event, Contractor shall promptly submit to Owner an accounting of Contractor's costs as described above. Owner shall pay such costs not later than forty-five (45) days after receipt of Contractor's accounting, less any payments thereon previously made.

9. Warranty. Contractor warrants that services provided in connection with the Work and any goods provided by Contractor in connection therewith shall be performed in a good and workmanlike manner and shall materially conform to the Contractor's technical specifications contained in the Proposal and any such specifications contained in the Notice Inviting Bids. If Owner gives Contractor prompt written notice of breach of this warranty within ninety (90) days from completion of the

Work, Contractor shall, at its option, repair or re-perform the work in breach of warranty. Contractor's sole and exclusive warranties to Owner are as set forth in this Paragraph 9, Contractor's "Resin Bed Life Warranty" and Contractor's "NDMA Limitation Guarantee" set forth in the Proposal, which are incorporated herein by reference. CONTRACTOR MAKES NO OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

10. Payment. In consideration of the Work, Owner shall pay the Contractor based on the Contract Price as set forth in the Proposal. Contractor shall submit invoice(s) to Owner following the completion of Work. Invoices shall not exceed the amount specified in the Proposal, subject to changes pursuant to Section 7. Invoices shall be mailed in triplicate. Payment to Contractor shall be due forty-five (45) calendar days from Owner's receipt of invoices that include all required documentation and is in full conformance with this General Terms and Conditions. The Contractor will be notified in writing of improper invoicing within thirty (30) calendar days of receipt of invoice. All payments hereunder are subject to approval of the Work and verification of satisfactory performance of the Work billed on the invoice.

11. Independent Contractor Status. Contractor certifies that it is an independent contractor and will maintain complete control of and responsibility for its employees, subcontractors, agents and volunteers. Contractor shall supervise, inspect, and direct the Work competently and efficiently, devoting such time and attention thereto and applying such skills and expertise as may be necessary to perform the Work in accordance with the Contract.

12. Loss and Damage. Contractor shall be responsible for all loss and damage arising prior to delivery and Owner's receipt of the equipment, materials and resins at Owner's Treatment Plant, and during the time the Contractor is performing the Work. Contractor shall also be responsible for all expenses incurred by or in consequence of the suspension or discontinuance of Work induced by Contractor. If the suspension or discontinuance of work is induced by Owner, Owner shall pay Contractor for all work performed up to the date of suspension or discontinuance.

13. Defense, Indemnification and Hold Harmless.

A. Contractor shall assume the defense of and indemnify and hold harmless Owner, its officers, directors, officials, employees, attorneys, consultants, representatives, servants, agents and volunteers, and each of them, from and against:

1. Any and all third party claims, demands, causes of action, lawsuits, actions, proceedings, attorneys' fees, costs, damages, expenses, penalties, losses or liabilities, in law or in equity, of every kind and nature whatsoever, including but not limited to, injury to or death of any person and/or destruction of tangible property, arising out of, resulting from, or relating to Contractor's performance under the Contract or any act, error, omission, negligence, wrongful conduct, willful misconduct, or other action by Contractor or any of its officers, directors, officials, employees, attorneys, consultants, representatives, servants, agents, subcontractors or volunteers, which is directly or indirectly related to the Work, regardless of any negligence by Owner, or any

of its officers, directors, officials, employees, attorneys, consultants, representatives, servants, agents and volunteers; provided, however, if such claims arise from the negligence of Owner (other than its sole negligence) or third parties not under the direction or control of Contractor, then Contractor's obligation hereunder shall be allocated in accordance with comparative negligence principles under California law;

2. Any and all claims, demands, causes of action, lawsuits, actions, proceedings, attorneys' fees, costs, damages, expenses, penalties, losses or liabilities, in law or in equity, of every kind or nature whatsoever, arising out of, resulting from, or on account of the violation of any governmental law or regulation, compliance with which is the sole responsibility of Contractor;

3. Any and all claims, demands, causes of action, lawsuits, actions, proceedings, attorneys' fees, costs, damages, expenses, penalties, losses or liabilities, in law or in equity, of every kind or nature whatsoever, arising out of, resulting from, or on account of Contractor's failure to maintain any insurance coverage required under Paragraph 14 below;

B. Contractor shall reimburse Owner and its officers, directors, officials, employees, attorneys, consultants, representatives, servants, agents and volunteers for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided;

C. Contractor's obligation to indemnify Owner and its officers, directors, officials, employees, attorneys, consultants, representatives, servants, agents and volunteers hereunder shall not be restricted to insurance proceeds, if any, received by the Owner or any of its officers, directors, officials, employees, attorneys, consultants, representatives, servants, agents and volunteers; and

D. Contractor shall have the sole authority to direct the defense of and settle any indemnified claim. Contractor's indemnification obligation is conditioned on Owner (i) promptly notifying Contractor of any claim and (ii) providing reasonable cooperation in the defense of any claim.

14. Insurance.

A. General. Contractor shall not commence or continue to perform any of the Work unless Contractor, at its own expense, has in full force and effect, all insurance required under this Paragraph 14. The types of insurance Contractor shall obtain and maintain during the performance of the Work are Workers' Compensation Insurance, Commercial General Liability Insurance, and Business Automobile Liability Insurance as described below in greater detail. Notwithstanding the foregoing, Owner reserves the right, in its sole discretion, to require additional insurance, endorsements or higher insurance limits depending upon the nature of the Work to be performed by Contractor, including, but not limited to, any work involving hazardous materials. All insurers must be authorized to do business and have an agent for service of process in California and have an "A" policyholder's rating and a financial rating of at least Class VII in accordance with the most current A.M. Best's Rating. All insurance shall apply on a primary, non-contributing basis in relation to any other insurance or self-insurance,

primary or excess, available to Owner or any of its officers, directors, officials, employees, attorneys, consultants, representatives, servants, agents or volunteers.

Nothing contained in the insurance requirements shall be construed as limiting the extent of Contractor's responsibility for payment of greater damages resulting from Contractor's operations or performance of the Work under the Contract.

B. Certificates of Insurance and Additional Insured Endorsement.

Prior to commencing any Work, Contractor shall furnish certificates of insurance to Owner or, if required by Owner, copies of Contractor's insurance policies, evidencing the insurance required under this Paragraph 14. Owner's acceptance of such certificates shall not limit Contractor's liability under the Contract. All insurance required under this Paragraph 14 shall name Owner and its officers, directors, officials, employees, attorneys, consultants, representatives, servants, agents and volunteers as additional insureds using Insurance Services Office ("ISO") Form Number CG 20 10 (11/85) or equivalent. The certificates and endorsements for each insurance policy required hereunder shall be signed by a person authorized by the insurer to bind coverage on its behalf and who is familiar with the terms and endorsements of the required insurance policies and the insurance requirements of this Paragraph 14. The insurance described under this Paragraph 14 shall also provide that coverage may not be suspended, canceled, reduced or changed without providing Owner with at least thirty (30) days prior notice thereof, in writing, by certified mail, return receipt requested. Should Contractor fail to maintain the insurance required under this Paragraph 14, Owner may obtain such insurance and, at Owner's option, either deduct the cost from any payments owing to Contractor or require Contractor to reimburse Owner for the cost of obtaining such insurance on Contractor's behalf within fifteen (15) days of receipt of written notice from Owner. The insurance described under this Paragraph 14 shall contain an endorsement providing that the coverage afforded the additional insureds shall not be affected by any failure of Contractor to comply with reporting or other provisions of the policy or policies, including breach of warranty. At least thirty (30) days prior to the expiration of any insurance policy required hereunder, the Contractor shall furnish to Owner additional certificates of insurance evidencing that such insurance policy has been renewed or extended.

C. Worker's Compensation Insurance.

Contractor shall maintain workers compensation insurance for any and all employees performing the Work as required by law with Employers Liability limits of at least One Million Dollars (\$1,000,000.00). The policy shall also be endorsed to waive any right of subrogation against Owner and its officers, directors, officials, employees, attorneys, consultants, representatives, servants, agents and volunteers, and Contractor shall provide Owner with written evidence of waiver of such subrogation rights prior to commencement of the Work. Contractor shall comply with Labor Code Section 3700 before commencing the performance of the Work.

D. Liability Insurance.

Contractor shall maintain commercial general liability insurance on an occurrence basis which covers personal injury, bodily injury, property damage, and contractual liability. Such insurance shall also include coverage for premises/operations, products/completed operations, owners' and contractors' protective liability and contractual liability. The coverage provided shall be at least as broad as that provided under ISO Commercial General Liability - Occurrence Form CG

00 01 (11/85) with Personal Injury Exclusion "C" removed. The Liability Insurance shall have a combined single limit of at least (i) Two Million Dollars (\$2,000,000.00) per occurrence for bodily injury (including death), personal injury, property damage or other covered loss, (ii) Two Million Dollars (\$2,000,000.00) aggregate for bodily injury (including death), personal injury, and property damage, and (iii) Two Million Dollars (\$2,000,000.00) annual aggregate premises/operations, products/completed operations, owners' and contractors' protective liability and contractual liability. The policy shall also be endorsed to waive any right of subrogation against Owner and its officers, directors, officials, employees, attorneys, consultants, representatives, servants, agents and volunteers, and Contractor shall provide Owner with written evidence of waiver of such subrogation rights prior to commencement of the Work.

The policy shall contain additional endorsements as follows: (i) providing blanket contractual liability coverage for Contractor's indemnification obligations to Owner and others pursuant to the Contract; (ii) providing coverage for pollution, explosion, collapse, underground excavation and removal of lateral support; (iii) providing "cross liability" or "severability of interest" coverage for all insureds under the policy or policies; and (iv) providing that the coverage afforded the additional insureds shall not be affected by any failure of Contractor to comply with reporting or other provisions of the policy or policies, including breaches of warranties.

E. Business Automobile Liability Insurance. Contractor shall maintain business automobile liability insurance with coverage on ISO Business Coverage Form CA 00 01 (06/92) covering Auto Symbol 1 (any auto). The insurance shall cover owned, hired and non-owned automobiles as well as loading and unloading, with a combined single limit of at least One Million Dollars (\$1,000,000.00) per occurrence for bodily injury (including death), personal injury, property damage and other covered loss, including uninsured and underinsured motorist coverage. The policy shall also be endorsed to waive any right of subrogation against Owner and its officers, directors, officials, employees, attorneys, consultants, representatives, servants, agents and volunteers, and Contractor shall provide Owner with written evidence of waiver of such subrogation rights prior to commencement of the Work.

F. Deductibles or Self-Insurance. Any and all deductibles or self-insured retentions must be declared to and approved by Owner. At Owner's option, Contractor shall (i) require Contractor's insurer to reduce or eliminate such deductibles or self-insured retentions as they may relate to the Owner, its officers, directors, officials, employees, attorneys, consultants, representatives, servants, agents and volunteers, or (ii) procure a bond guaranteeing payment of losses and related investigation, claim administration and defense expenses.

15. Severability. If any provision of the Contract is found by a court of competent jurisdiction to be invalid, void or unenforceable for any reason, the remaining provisions shall continue in full force and effect.

16. Reliance and Assignment. In employing Contractor to perform the Work contemplated under the Contract, Owner has relied on the experience, expertise and integrity of Contractor. The rights and obligations of Contractor under the Contract shall therefore not be assignable without the prior written consent of Owner.

17. Entire Agreement. The Contract and the documents incorporated herein or made a part of it constitute the entire Contract and agreement of the parties with respect to the subject matter thereof, and no amendment, modification or alteration of the terms hereof shall be binding unless the same is in writing, dated subsequent to the date hereof and duly approved and executed by each of the parties.

18. Governing Law. The Contract, and the application or interpretation hereof, shall be governed exclusively by its terms and by the laws of the State of California. Venue for all purposes shall be deemed to lie within Los Angeles County, California, and any action to enforce the Contract or for any remedies, damages, or other relief shall only be brought in either the courts of the State of California in and for the County of Los Angeles or in the United States District Court, Central District of California.

19. Conflict. Contractor hereby certifies that it/he/she has no business or contractual relationship with any current or former member of the Board of Directors of La Puente Valley County Water District.

20. Attorneys' Fees. In any action, at law or in equity, including an action for declaratory relief, seeking to interpret or enforce the terms of the Contract between Owner and Contractor, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs incurred in prosecuting or defending such action, including any dispute submitted to arbitration, in addition to any other relief to which such party is entitled.

21. Limitation of Liability. NOTWITHSTANDING ANYTHING ELSE TO THE CONTRARY, CONTRACTOR SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE OR OTHER INDIRECT DAMAGES. THESE LIMITATIONS APPLY WHETHER THE LIABILITY IS BASED ON CONTRACT, TORT, STRICT LIABILITY OR ANY OTHER THEORY.

22. Additional Documents. Owner hereby reserves the right to require that Contractor execute or provide additional documents and/or pledge security for the benefit of Owner prior to or after commencement of the Work.

23. Conflict In Terms. In the event any terms or conditions contained in this General Terms and Conditions are inconsistent with any of the terms, conditions, or provisions contained in the Proposal, the Notice Inviting Bids, or any other document(s) comprising the Contract or relating hereto, the terms and conditions contained in this General Terms and Conditions shall govern. In the event any terms or conditions contained in the Proposal are inconsistent with any of the terms, conditions, or provisions contained in the Notice Inviting Bids, the terms or conditions of the Proposal shall supersede those of the Notice Inviting Bids.

IN WITNESS WHEREOF: The parties hereto have caused the Contract to be executed as of the date specified above.

OWNER

**La Puente Valley County
Water District**

By: _____

Title: General Manager

I am aware of the provisions of Labor Code §3700 requiring every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the Work of the Contract.

CONTRACTOR

By: _____

License No(s). _____

Title: _____

Expiration Date _____

NOTE: Contractor shall furnish, to the satisfaction of Owner or Owner's Attorney, verification that the persons signing this Agreement as Contractor or on behalf of the Contractor have authority and legal authorization to bind the Contractor. Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint is filed within three years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

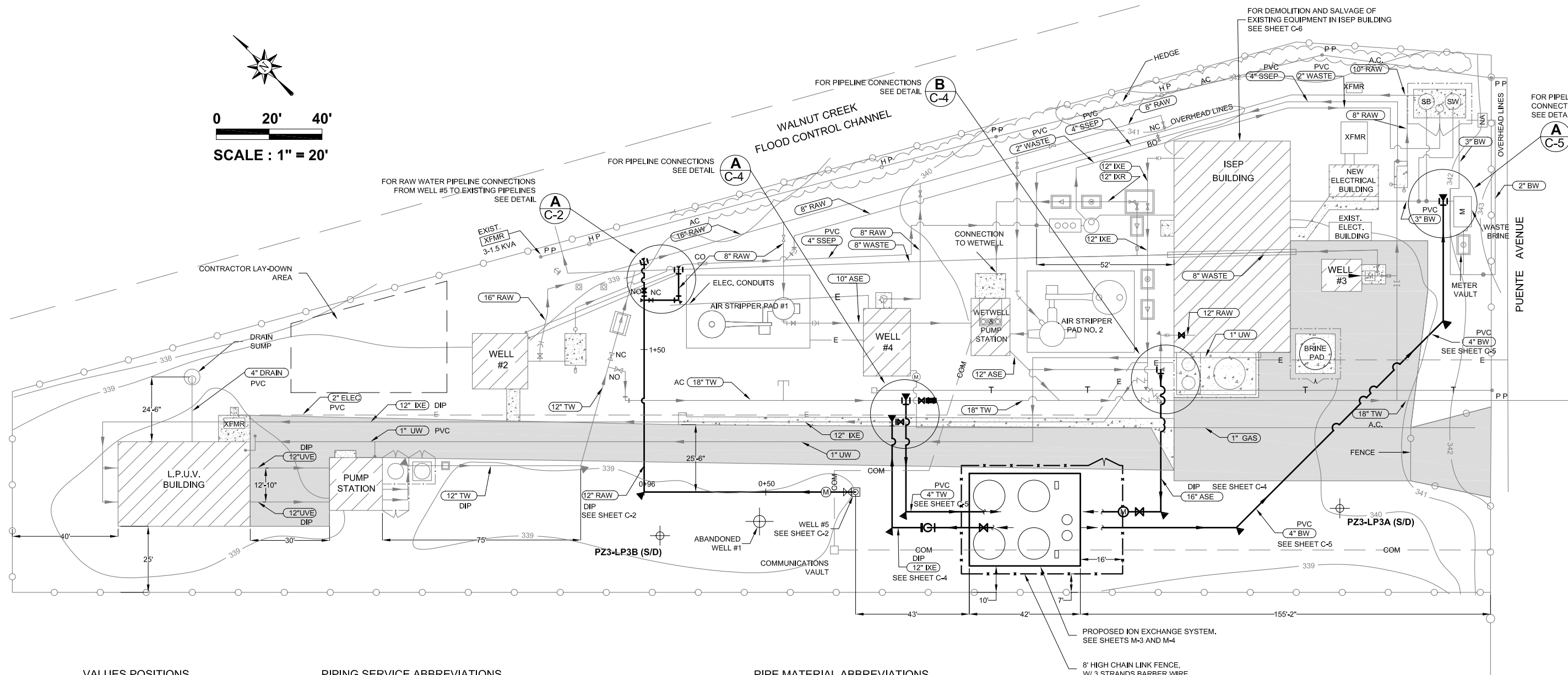
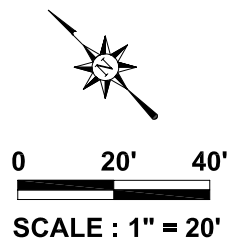
Attachment B

La Puente Valley County Water District

Approved Disposal/Regeneration Sites

1. Calgon Carbon Corporation, 431 Hatchery Road, Blue Lake, CA 95525
2. Westates Products, 2325 Mutahar Street, Parker, AZ 85344
3. Westates Products, 11711 Redding Road, Red Bluff, CA 96080
4. Clean Harbors, State Highway 71, Kimble, NE 69145
5. Calgon Carbon Corporation, Route 23, Catlettsburg, KY 41129
6. Carbon Activated Corporation, 250 E. Manville Street, Compton, CA 90220
7. Clean Harbors Buttonwillow LLC, 2500 West Lokern Road, Buttonwillow, CA 93206
8. Earth Protection Services, 2821 Philadelphia Street, Ontario, CA 91761
9. Covanta Stanislaus, Inc. 4040 Fink Road, Crows Landing, CA 95313
10. Holcim Devils Slide Plant, 6055 East Croydon Road, Morgan UT

Attachment C



VALUES POSITIONS

- NC - NORMALLY CLOSED
- NO - NORMALLY OPEN

PIPING SERVICE ABBREVIATIONS

- ASE - AIR STRIPPER EFFLUENT
- BO - BLOW OFF
- BW - BRINE WASTE
- CO - CLEAN OUT
- GAS - NATURAL GAS UNDER PRESSURE
- IXE - ION EXCHANGE EFFLUENT
- IXR - ION EXCHANGE RECYCLE
- RAW - RAW WATER (WELL)
- SSEP - SAND SEPARATOR WASTE
- TW - TREATED WATER
- UW - UTILITY WATER
- UVE - ULTRA - VIOLET TREATMENT EFFLUENT

PIPE MATERIAL ABBREVIATIONS

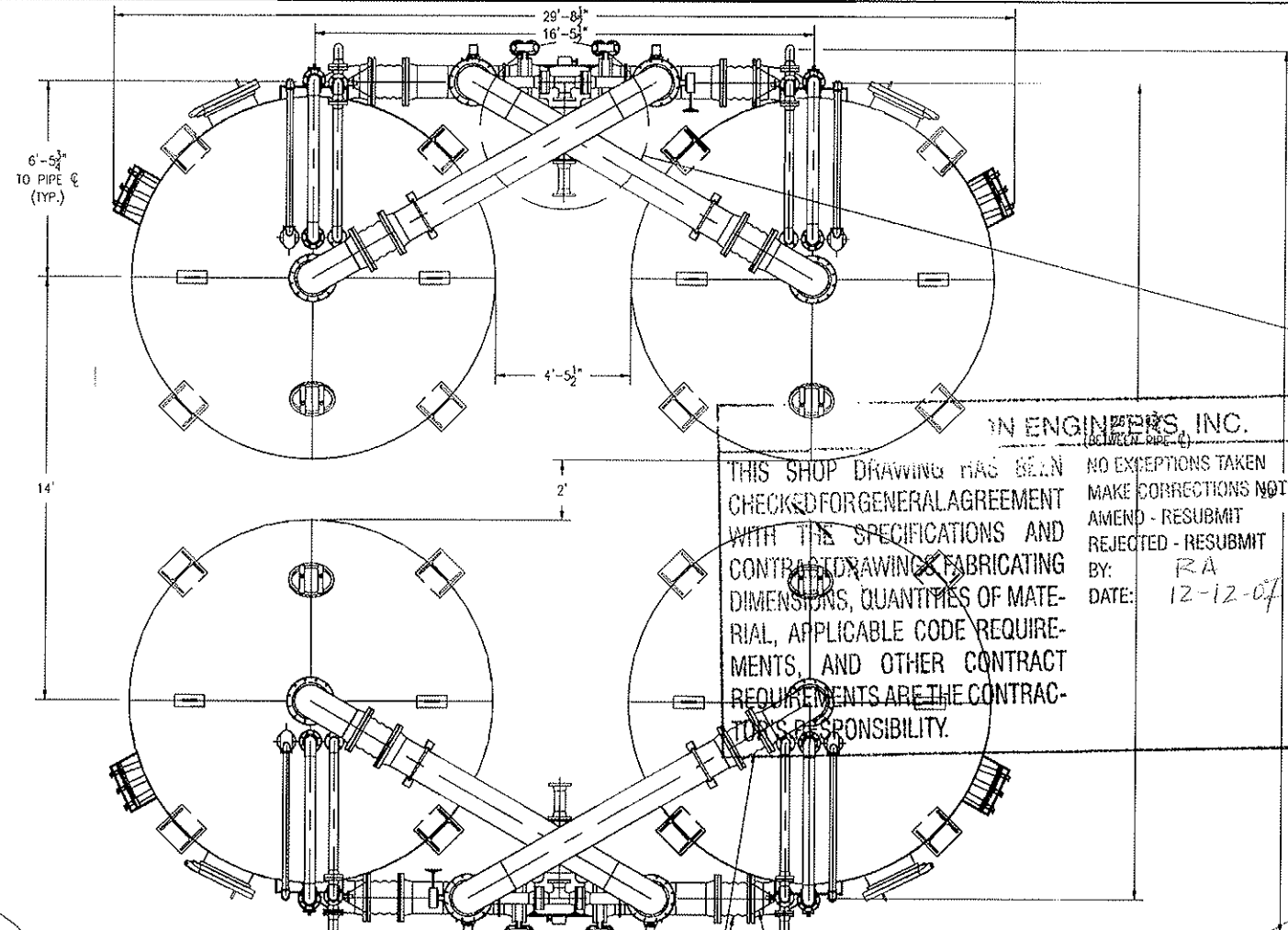
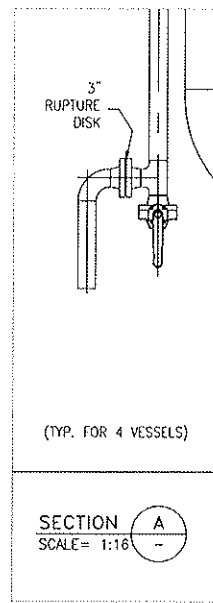
- AC - ASBESTOS CEMENT
- CML&CSP - CEMENT MORTAR LINED & CEMENT MORTAR COATED STEEL PIPE
- DIP - DUCTILE IRON PIPE
- GSP - GALVANIZED STEEL PIPE
- PVC - POLYVINYL CHLORIDE
- STL - STEEL

PROPOSED ION EXCHANGE SYSTEM.
SEE SHEETS M-3 AND M-4

8' HIGH CHAIN LINK FENCE,
W/ 3 STRANDS BARBER WIRE

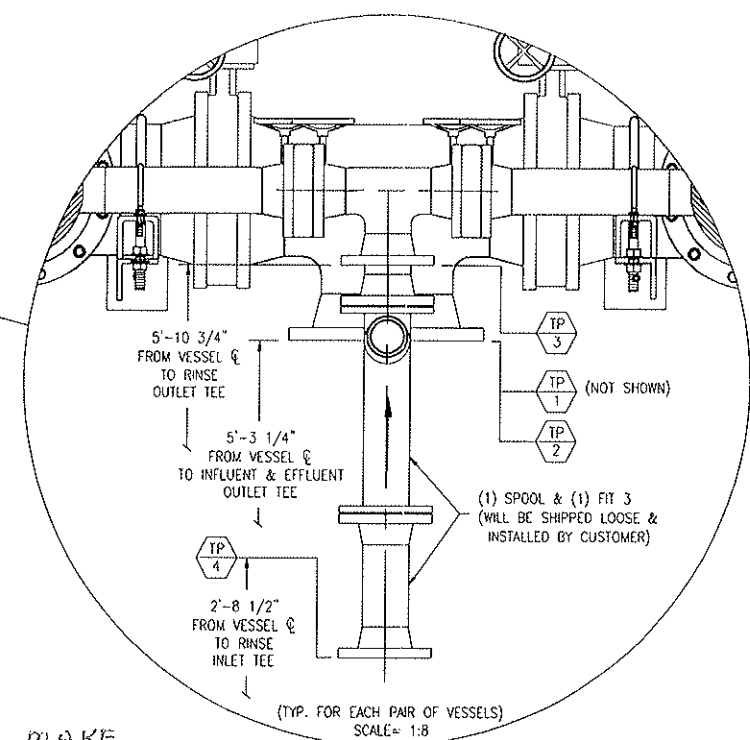
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APPROVED : _____ DATE	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>REV.</th> <th>DATE</th> <th>BY</th> <th>LIST OF REVISIONS</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>	REV.	DATE	BY	LIST OF REVISIONS													DESIGNED : TRL / RA DRAWN : HL CHECKED : JTG / JPC	 STETSON ENGINEERS INC.	861 VILLAGE OAKS DRIVE, SUITE 100 WEST COVINA, CALIFORNIA 91724 TEL: (626) 967-6202 FAX: (626) 331-7065 2171 E Francisco Blvd., Suite K San Rafael California 94901 2651 W Guadalupe Rd., Suite A209 Mesa Arizona 85202	SUBMITTED : JAMES T. GARDINER C48280 R.E.No. _____ DATE _____	LA PUENTE VALLEY COUNTY WATER DISTRICT SINGLE-PASS ION-EXCHANGE SYSTEM SITE AND PIPING PLAN	SCALE 1" = 20'	C-1 SHEET 7 OF 27 SHEETS
REV.	DATE	BY	LIST OF REVISIONS																					

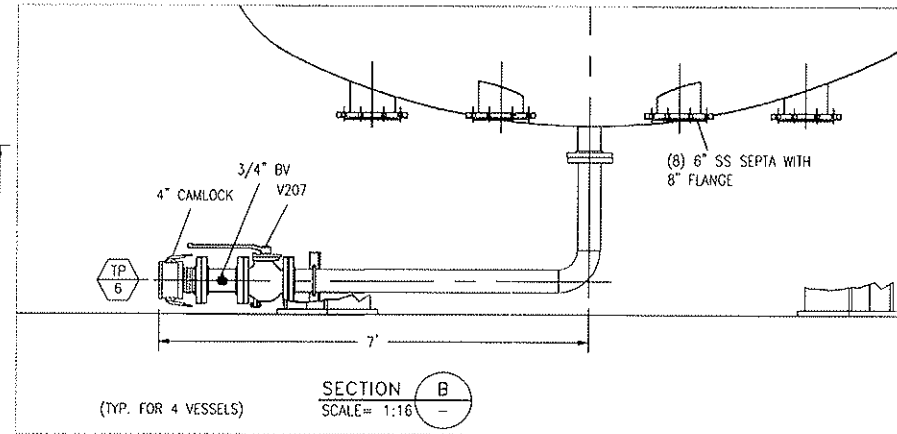
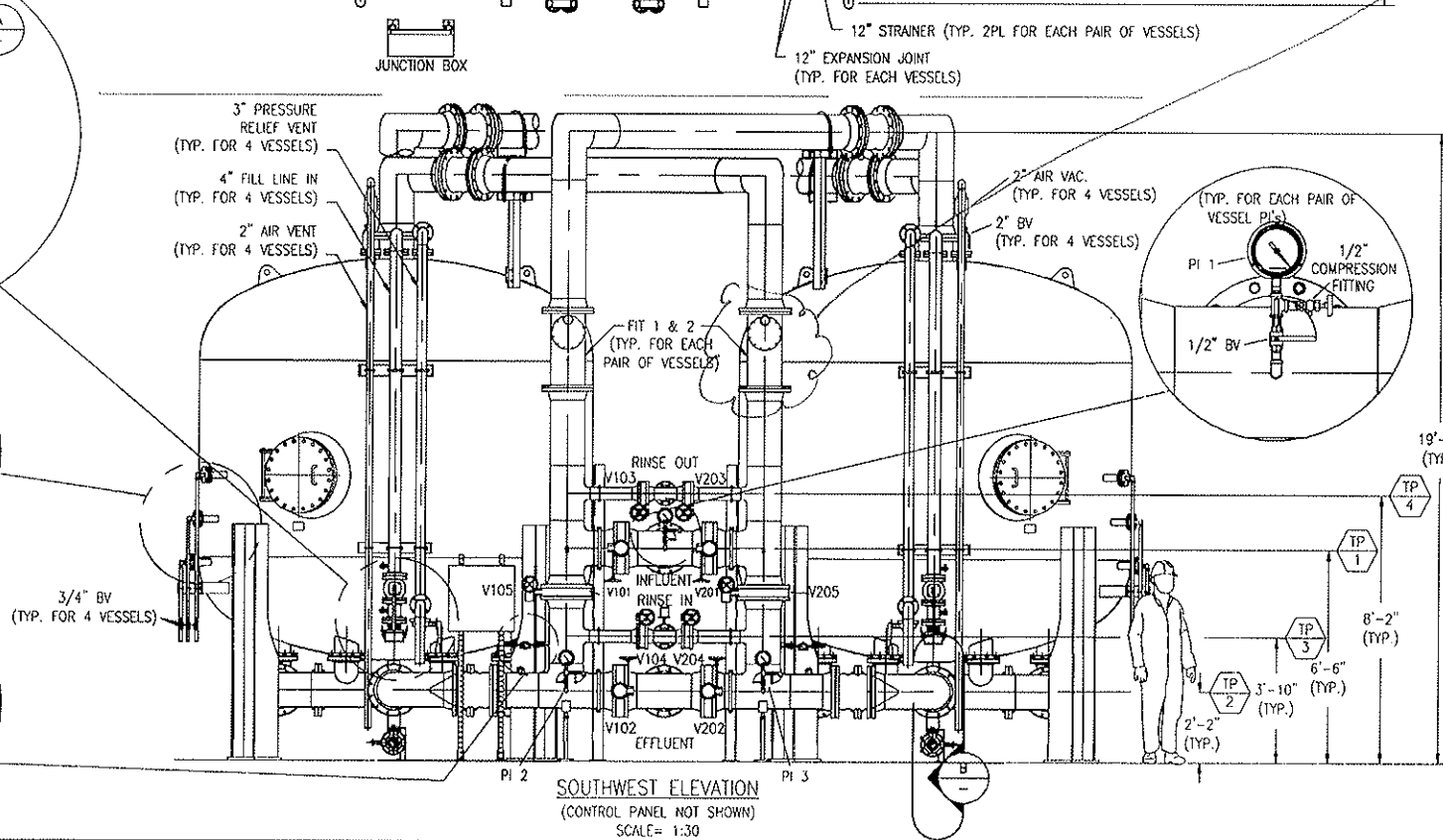
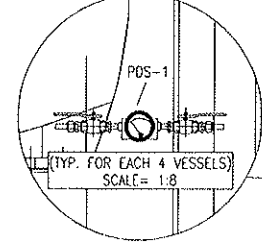
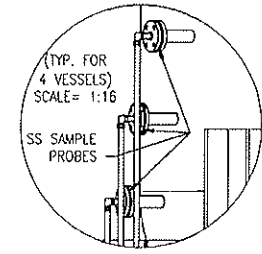
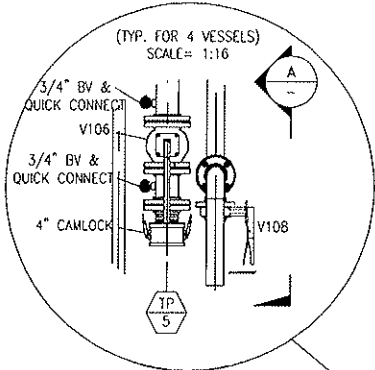


IN ENGINEERS, INC.
 THIS SHOP DRAWING HAS BEEN CHECKED FOR GENERAL AGREEMENT WITH THE SPECIFICATIONS AND CONTRACT DRAWINGS FABRICATING DIMENSIONS, QUANTITIES OF MATERIAL, APPLICABLE CODE REQUIREMENTS, AND OTHER CONTRACT REQUIREMENTS ARE THE CONTRACTOR'S RESPONSIBILITY.

NO EXCEPTIONS TAKEN
 MAKE CORRECTIONS NOTED
 AMEND - RESUBMIT
 REJECTED - RESUBMIT
 BY: RA
 DATE: 12-12-07



NOTE: MAKE SURE THE FLOW METERS ARE PROPERLY CONFIGURED FOR VERTICAL INSTALLATION



THE POINT SCHEDULE

THE POINT	SIZE	TYPE	DESCRIPTION
TP-1	12"	FFWN ANSI	FILTER RAW WATER INFLUENT
TP-2	12"	FFWN ANSI	FILTER TREATED EFFLUENT
TP-3	4"	FFWN ANSI	RINSE INLET
TP-4	4"	FFWN ANSI	RINSE OUTLET
TP-5	4"	SS CAMLOCK	FILL LINE IN
TP-6	4"	SS CAMLOCK	FILTER DRAIN

- GENERAL NOTES:
- LAYNE CHRISTENSEN COMPANY TO PROVIDE PARTS SHOWN FOR ASSEMBLY BY CUSTOMER.
 - ALL CONCRETE WORK BY CUSTOMER.
 - EQUIPMENT SHIPPED F.O.B. BALWAY PARK, CA WITH OFFLOADING BY CUSTOMER.
 - PIPING BETWEEN EACH PAIR OF VESSELS IS BY CUSTOMER.
 - PIPE SPOOLS PER DETAIL DWG 17920152-36.

DATE	17/04/07		
BY	CHC/JPD		
CHKD	BY		
DATE			
REVISIONS			
NO.	DATE	BY	REASON
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11001 ETWANDA AVE.
 FONTANA, CA 92337
 PHONE: (909) 380-2833
 FAX: (909) 380-5541

LAYNE CHRISTENSEN COMPANY
 THIS INFORMATION IS THE PROPERTY OF LAYNE CHRISTENSEN AND IS LOANED TO YOU FOR YOUR USE ONLY. IT IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF LAYNE CHRISTENSEN COMPANY.

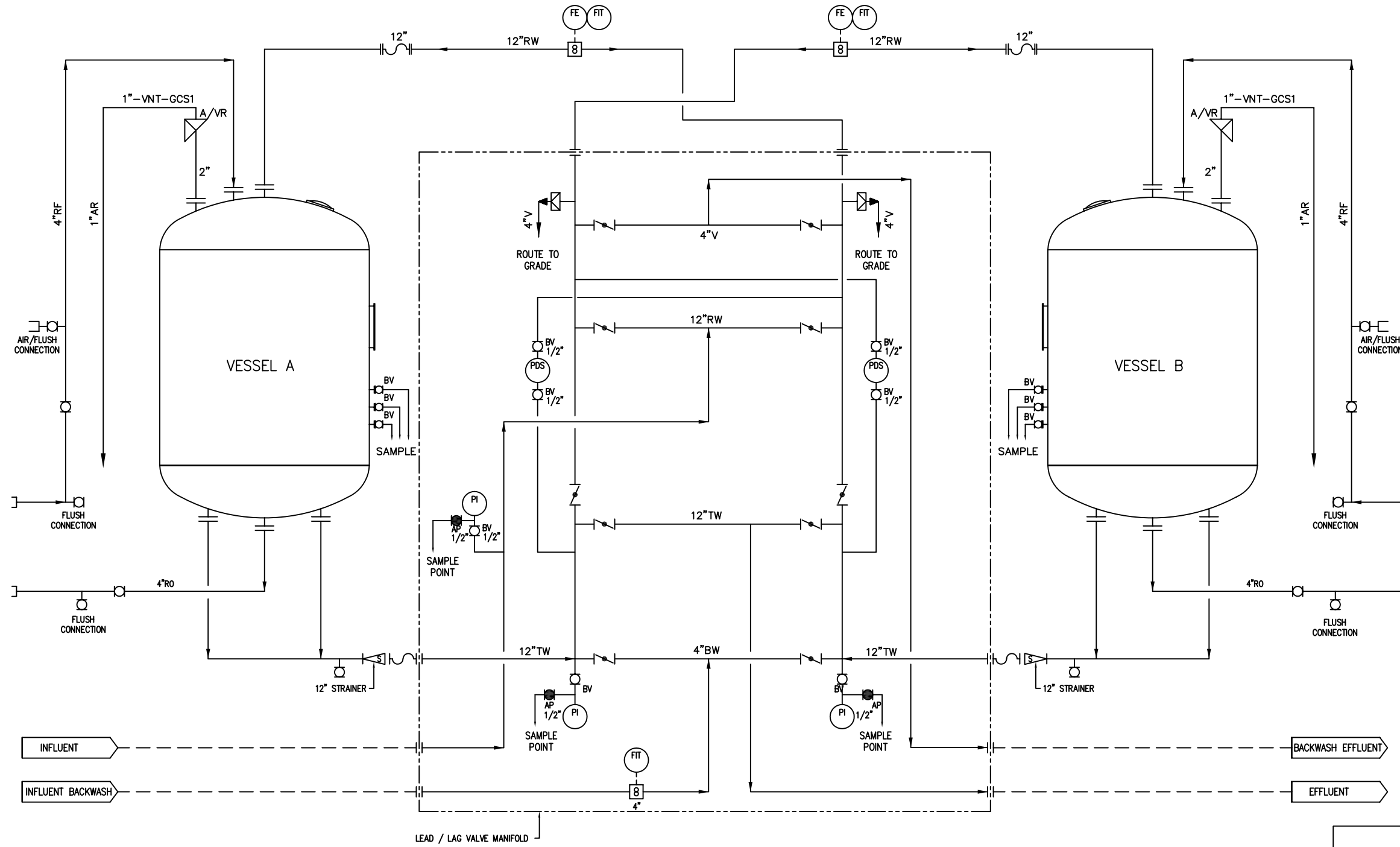
LA PUENTE VALLEY COUNTY WATER DISTRICT
 PREPARATION LOCATION: MODEL NO.:
 PERCHLORATE TREATMENT SYSTEM
 TITLE: SITE PLAN - NEW

52-0033

DATE: 10/24/07 SCALE: AS SHOWN
 DRAWING NO: 720D152-04

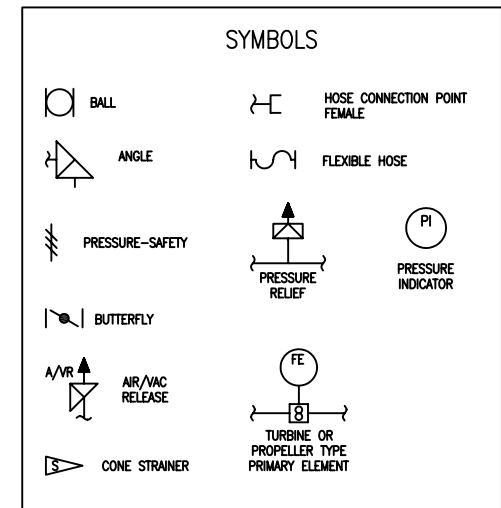
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1-800-782-5348
 Blue Ink Make Center



NOTES:

1. ONE TRAIN OF VESSELS IS SHOWN. COMPLETE SYSTEM CONSISTS OF TWO IDENTICAL TRAINS (PAIRS) OF VESSELS.
2. LAYNE SCOPE OF WORK IS AS SHOWN. PIPING BETWEEN THE TWO TRAINS IS BY OTHERS.



OWNER: LA PUENTE VALLEY COUNTY WATER DISTRICT		INSTALLATION LOCATION:	
CUSTOMER: LPVCHWD		MODEL NO.:	
EQUIPMENT TYPE: PERCHORATE TREATMENT SYSTEM		TITLE: PIPING AND INSTRUMENT DIAGRAM	
JOB NO. 27-XXXX		DATE: 8/8/07	
DRWN: NEW	DATE: 8/8/07	SCALE: NONE	
CHK'D: DNS	DATE: 8/8/07		
DRAWING NO. 730DXXX-09			
SHEET 1	TOTAL 1	REV. 2	

NO.	REVISIONS	DATE
2	SHOWED 2 INLET FIT	8/27/07
1	CHANGED 10" TO 12" AND 3" TO 4"	8/24/07
0	ISSUED FOR BID	8/7/06

BY	CHK'D	APP'D	DATE

11001 ETWANDA AVE.
 FONTANA, CA 92337
 PHONE: (909) 390-2833
 FAX: (909) 390-5544

Layne
 LAYNE CHRISTENSEN COMPANY

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Memo

To: Honorable Board of Directors
From: Roy Frausto, Compliance Officer/Project Engineer
Date: April 24, 2017
Re: Project Engineer's Report – March 2017



CAPITAL PROJECTS

1. LPVCWD and CIWS Water Master Plan Update – District staff has collaboratively worked with Civiltec to finalize the master plans. Staff presented the LPVCWD Draft Final Water Master Plan during the April 10, 2017 regular Board Meeting and will recommend the adoption of the Final Draft Document during the first regular Board Meeting of May 2017.
2. LPVCWD Recycled Water Project – Staff will continue to finalize the Phase 1 plans and specifications.
3. LPVCWD PVOU Intermediate Zone Project – Staff attended the PVOU stakeholder meeting held on March 21, 2017. In addition, staff continuous to participate on the monthly engineering design meetings.

DEVELOPMENTS

1. LPVCWD 747 Del Valle Development – Staff has been actively corresponding with the developers engineering team to review/comment on the onsite design process of water services. In regards to the offsite watermain extension improvement, staff received 60% design drawings from Civiltec for review and provided comments on April 14, 2017. In addition, staff received a draft copy of the Watermain Extension agreement between LPVCWD and the developer from our District Council for review and comment.
2. Star Theatre Property – Staff received inquiries regarding water services supplying this property. Based on preliminary conceptual design conversations, the property may be used to develop 22 units of condos. Currently, a fence has been put in place at the property to serve as a future construction barrier.

SPECIAL/OTHER PROJECTS

1. LPVCWD Air Stripper Efficiency Evaluation – Trussell Technologies provided a revised Tech Memo and Test Protocol on February 2, 2017. Staff reviewed and provided comments/revisions to finalize the memos before submitting them to DDW. The finalized revised Tech Memo and Test Protocol were submitted to DDW on February 24, 2017.
2. LPVCWD Caustic Reduction Plan – Trussell Technologies has finished reviewing data for the first phase of the test protocol. Staff will regroup and discuss with Trussell to determine the next steps for phase 2 of the test protocol.
3. Main St. Property Retrofit –Staff is currently researching prospective design/build firms that have extensive experience with retrofitting commercial buildings.

4. Banbridge Pump Station –Staff met with Mr. Samuel B. Villalobos and Mr. Javier Leivanos on March 27, 2017, to discuss the District’s scope of work for the project. Given their input, staff is considering changes to the project scope originally envisioned.

FUTURE PROJECTS

1. Water System Connection Fees – Update the current policy on water system connection fees.
2. Lead Sampling for Schools – Coordinate and create a sample schedule for school lead testing for all schools within the LPVCWD and CIWS service area.
3. Water Loss Accountability – Analyze and draft an annual report to optimize water accountability and minimize water loss.
4. Recycled Water Rules and Regulations – Draft and propose a policy for the use of Recycled Water.
5. Recycled Water Phase 1 Retrofits – Coordinate with Phase 1 customers to start design of onsite retrofits.
6. AMI Transition – Plan and execute deliverables required to transition from AMR to AMI.
7. On Call Contractor Specification - Create a Specification for an On-call contractor with a 24-month agreement with an option to extend.
8. GIS System – Staff coordinated with DCSE to manage the GIS system in-house by reflecting all updates and changes on a real-time basis. Staff will schedule accordingly to start reflecting redline field data.

Upcoming Events



To: Honorable Board of Directors
From: Rosa Ruehlman, Office Administrator RR
Date: 04/24/17
Re: Upcoming Board Approved Events for 2017

Day/Date	Event	<u>Aguirre</u>	<u>Escalera</u>	<u>Hastings</u>	<u>Hernandez</u>	<u>Rojas</u>
Thursday, April 27, 2017*	SCWUA Luncheon at the Pomona Fairplex	X	X	X		X
Tuesday – Thursday, May 9- 12, 2017	ACWA 2017 Spring Conference in Monterey Marriott/Portola Hotels in Monterey, CA Deadline to Cancel is April 14, 2017			X	X	X
Wednesday, May 17, 2017	San Gabriel Valley Water Association Luncheon at the South Hills Country Club in West Covina. (CONFIRMED)	X	X	X		X
Thursday, May 25, 2017*	SCWUA Luncheon at the Pomona Fairplex					
Thursday, June 22, 2017*	SCWUA Field Trip (TBD)					
Thursday, July 27, 2017*	SCWUA Luncheon at the Pomona Fairplex					
Wednesday, August 9, 2017*	San Gabriel Valley Water Association Luncheon –location TBD (Tentative)					
Monday-Thursday, September 25-28, 2017	CSDA 2017 Annual Conference in Monterey Marriott/Portola Hotels in Monterey, CA					
Thursday, September 28, 2017*	SCWUA Luncheon at the Pomona Fairplex					
Wednesday-Friday, October 4-6, 2017	SmartWater Innovations Conference at South Point Hotel in Las Vegas, NV					

Monday– Thursday, October 23-26, 2017	AWWA CA/NV 2017 Spring Conference at Atlantis Casino Resort in Reno, NV					
Thursday, October 26, 2017*	SCWUA Luncheon at the Pomona Fairplex					
Wednesday, November 8, 2017*	San Gabriel Valley Water Association Luncheon – location TBD. (Tentative)					
Thursday, November 16, 2017*	SCWUA Luncheon at the Pomona Fairplex (3rd Thursday due to Thanksgiving)					
Tuesday – Thursday, November 28- December 1, 2017	ACWA 2017 Fall Conference in Anaheim Marriott Hotel in Anaheim, CA					
Thursday, December 7, 2017*	ACWA 2017 Fall Conference in Anaheim Marriott Hotel in Anaheim, CA (Will be held on 1st Thursday)					

* SGVWA and SCWUA scheduled program and location TBA at a later date.

SGVWA – San Gabriel Valley Water Association Quarterly Luncheons, are held on the Second Wednesday of February, May, August and November at 11:30 am at the Swiss Park in Whittier CA, (Dates are subject to change)

SCWUA – Southern California Water Utilities Association Luncheons are typically held on the fourth Thursday of each month with the exception of December due to the Christmas holiday and are held at the Pomona Fairplex in Pomona, CA. (Dates are subject to change)

Upcoming Meeting:

- | |
|---|
| <ul style="list-style-type: none"> • No other meetings at this time. |
|---|

Board Member Training and Reporting Requirements:

NEXT DUE DATE

Schedule of Future Training and Reporting for 2016	<u>Aguirre</u>	<u>Escalera</u>	<u>Hastings</u>	<u>Hernandez</u>	<u>Rojas</u>
Ethics 1234 2 year Requirement	11/22/18	12/01/18	12/01/18	10/11/18	12/04/16
Sexual Harassment 2 Year Requirement	12/01/17	12/01/17	05/05/17	10/10/18	05/05/17
Form 700 Annual Requirement	Complete	Complete	Complete	Complete	Complete
Form 470 Short Form Semi Annual Requirement	07/31/17	07/31/17	07/31/17	07/31/17	07/31/17

If you have any questions on the information provided or would like additional information, please contact me at your earliest convenience.

City of La Puente 2017 Events

	Date	Event	Sponsored by
1	1st Tuesday each month	Planning Commission Meeting	LP
2	2nd & 4th Tuesday each month	City Council Meetings	LP
5	June 3-4, 2017 (Sat. & Sun)	Relay for Life	American Cancer Society
6	July - August 2017 (Mondays)	Movies in the Park	LP
7	July - August 2017 (Wednesday)	Concerts in the Park	LP
8	07/03/2017 (Monday)	4th of July Celebration	LP
9	08/01/2017 (Tuesday)	National Night Out	L.A Co. Sheriffs
10	August 19, 2017 (Tentative Date)	Jr. All American Football	LP
11	10/29/2017 (Sunday)	Main St. Run	LP
12	11/11/2017 (Saturday)	Veteran's Day	LP
13	12/01/2017 (Friday)	Holiday Parade and Tree Lighting Ceremony	LP & Old Towne Puente

BOARD OF DIRECTORS

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SAN GABRIEL VALLEY WATER ASSOCIATION

Join us for our

Quarterly Luncheon Meeting

San Gabriel Valley Quarterly Meeting

Wednesday, May 17, 2017

11:30 a.m.

South Hills Country Club, 2655 S. Citrus St.
West Covina, CA 91791

MEMBERS

Cities:

Alhambra	La Verne
Arcadia	Monrovia
Azusa	Monterey Park
Baldwin Park	Pasadena
Covina	Rosemead
El Monte	Sierra Madre
Glendora	Whittier
Irwindale	
Industry Urban-Development Agency	

Public Water Districts:

Foothill MWD
La Puente Valley County Water District
Rowland WD
San Gabriel CWD
San Gabriel Valley MWD
Three Valleys MWD
Upper San Gabriel Valley MWD
Valley CWD
Walnut Valley WD

Public Utilities:

Azusa Valley Water Co.
California American Water Co.
Golden State Water Co.
San Gabriel Valley Water Co.
Suburban Water Systems

Mutual Water Companies:

Amarillo Mutual Water Co.
California Domestic Water Co.
Covina Irrigating Co.
Hemlock Mutual Water Co.
Rurban Homes Mutual Water Co.
Sterling Mutual Water Co.
Sunny Slope Water Co.
Valencia Heights Water Co.
Valley View Mutual Water Co.

Private & Industrial Producers:

Hanson Aggregates West, Inc.
L.A. Co. Dept. of Public Works
MillerCoors
Sonoco Products Co.
United Rock Products Corp.
Vulcan Materials Co.
Workman Mill Investment Co.

Consultants/Others:

Adan Ortega Associates
Aqua Capital Management LP
The B.E.S.T. Meter Co., Inc.
Civiltec Engineering, Inc.
Integrated Resources Management, Inc.
James Jones Co.
John Robinson Consulting Inc.
Main San Gabriel Basin Watermaster
MWH Americas
Partee Insurance Associates
Henri F. Pellissier
R.C. Foster Corp.
Roscoe Moss Co.
SA Associates
San Gabriel Basin Water Quality Authority
San Gabriel River Water Committee
Stetson Engineers Inc.
T.E. Roberts Inc.
Tetra Tech Inc.

“The Baldwin Park Operable Clean Up & The Future of the Basin”

***Featuring the perspectives of the Project Engineer
Steve Johnson, and some water entities involved
in the renegotiation of the new project agreement***

Please join us on Wednesday, May 17th at 11:30 a.m. for the San Gabriel Valley Water Association's second 2017 Quarterly Luncheon.

The BPOU unit is the only project of its kind in the United States and has successfully treated basin water for water supply for the last 15 years. The discussion will include an update on the overall project along with the perspective of Mr. Johnson and other water entities involved in the renegotiation of the project terms going forward.

If you plan to attend, please rsvp to melanie@watermaster.org, **no later than Friday, May 12, 2017**. Please note that there will be no refunds for cancellations made after May 12, 2017. The cost of the lunch is **\$25.00** per person, payable by check to the San Gabriel Valley Water Association. For questions or additional information, please call 626-815-1305.

Advance payment is preferred.

See you on Wednesday, May 17, 2017!

WATER 101

An informational overview for elected officials and key stakeholders, highlighting the following topics:

- Governance Structure
- Basin Management
- Water Policy Issues
- Water Quality
- Imported & Local Supplies
- Water Use Efficiency

WHEN: **Tuesday, May 16, 2017**

8:30 to 9 a.m. - *Breakfast & Networking*

9 to 11 a.m. - *Program*

LOCATION: **Upper District Board Room**
602 E. Huntington Drive, Suite B. Monrovia, CA 91016

RSVP: **Manuel Gouveia**
manuel@usgvmwd.org or (626) 443-2297
Please RSVP by May 13 to reserve your seat!

Brought to you by:



Main San Gabriel Basin
WATERMASTER



Water Quality Authority