



AGENDA

REGULAR MEETING OF THE BOARD OF DIRECTORS LA PUENTE VALLEY COUNTY WATER DISTRICT 112 N. FIRST STREET, LA PUENTE, CALIFORNIA MONDAY, AUGUST 13, 2018 AT 5:30 PM

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL OF BOARD OF DIRECTORS

President Rojas _____ Vice President Escalera _____ Director Aguirre _____
Director Hastings _____ 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 July 23, 2018.
- B. Approval of District Expenses for the Month of July 2018.
- C. Approval of City of Industry Waterworks System Expenses for the Month of July 2018.
- D. Receive and File the District's Water Sales Report for July 2018.
- E. Receive and File the City of Industry Waterworks System's Water Sales Report for July 2018.
- F. Receive and File the July 2018 Water Production Report.

- G. Receive and File the City of Industry Waterworks System's April to June 2017-18 4th Quarter Report.

7. ACTION/DISCUSSION ITEMS

- A. Consideration of Notice of Proposed Adjustments in Water Rates and Charges.
Recommendation: Approve the Notice of Proposed Adjustments to Water Rates and Charges and Direct Staff to Mail Notice to the Current Customers and Property Owners of Record Within the District's Boundaries.
- B. Consideration of Investments of the District's Reserve Funds.
Recommendation: Approve the Transfer of \$50,000 of the District Reserve Funds to the District's Local Agency Investment Fund (LAIF) Account.
- C. Update on the Puente Valley Operable Unit Shallow Zone Project.
Recommendation: Board Discretion.

8. GENERAL MANAGER'S REPORT

9. OTHER ITEMS

- A. Upcoming Events.
- B. Correspondence to the Board of Directors.

10. ATTORNEY'S COMMENTS

11. BOARD MEMBER COMMENTS

- A. Report on Events Attended.
- B. Other Comments.

12. FUTURE AGENDA ITEMS

13. ADJOURNMENT

POSTED: Friday, August 10, 2018

President William R. Rojas, 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 Mr. Greg B. Galindo, 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, July 23, 2018, at 5:30 p.m. at the District office, 112 N. First St., La Puente, California.

Meeting Called to Order:

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

Pledge of Allegiance:

President Rojas led the meeting in the Pledge of Allegiance.

Directors Present:

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

Staff Present:

Greg Galindo, General Manager; Gina Herrera, Office Manager and Roland Trinh, District Counsel.

Others Present:

Al Contreras from USGVMWD.

Public Comment:

Mr. Contreras wanted to say hello and that he was happy to be here.

Adoption of Agenda:

President Rojas asked for the approval of the Agenda.

Motion by President Rojas, seconded by Director Hastings, that the Agenda be adopted as presented.

Motion was approved by the following vote:

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

Nays: None.

Consent Calendar:

President Rojas asked for the approval of the Consent Calendar.

A. Approval of the Minutes of the Regular Meeting of the Board of Directors held on July 9, 2018.

Motion by Director Aguirre, seconded by President Rojas, to approve the Consent Calendar as presented.

Motion was approved by the following vote:

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

Nays: None.

Financial Reports:

A. Summary of Cash and Investments as of June 30, 2018.

Motion by President Rojas, seconded by Director Hastings, to receive and file the Summary of Cash and Investments as of June 30, 2018, as presented.

Motion was approved by the following vote:

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

Nays: None.

B. Statement of the District's Revenues and Expenses as of June 30, 2018.

- Mrs. Herrera provided a summary of the Statement of Revenues and Expenses for the District and explained the budget to date balances for various accounts.
- Mr. Galindo presented a proposed revised format to the monthly Statement of Revenues and Expenses that better delineates operating revenue from water rates and charges and operating revenue from non-water rate sources, such as management fees and labor reimbursement. He added that staff will be utilizing the new format beginning next month.

Motion by Vice President Escalera, seconded by Director Aguirre, to receive and file the Statement of the District's Revenues and Expenses as of June 30, 2018, as presented.

Motion was approved by the following vote:

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

Nays: None.

C. Statement of the City of Industry Waterworks System's Revenues and Expenses as of June 30, 2018.

- Mrs. Herrera provided a summary of the Statement of Revenues and Expenses for the City of Industry Waterworks System and explained the budget to date balances for various accounts.

Motion by President Rojas, seconded by Director Aguirre, to receive and file the Statement of the City of Industry Waterworks System's Revenues and Expenses as of June 30, 2018, as presented.

Motion was approved by the following vote:

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

Nays: None.

Action/Discussion Items:

- A. Consideration of Approval of President William Rojas's Attendance at Board Meetings of the Consolidated Oversight Board for the First Supervisorial District of Los Angeles County.**
- Mr. Galindo summarized his memo on this item that was provided in the Board Meeting Agenda Packet. He stated that the District is a taxing entity in the First Supervisorial District of Los Angeles County, thus the District has a financial interest in the actions of the Oversight Board. He added that Mr. Rojas's participation on the Oversight Board would further the interests of the District.

After discussion, it was motioned by Vice President Escalera, seconded by Director Hernandez, to approve President Rojas' attendance at the Board Meetings of the Consolidated Oversight Board for the First Supervisorial District of Los Angeles County.

Motion was approved by the following vote:

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

Nays: None.

B. Consideration of Investments of the District's Reserve Funds.

- Mr. Galindo summarized his memo on this item that was provided in the Board Meeting Agenda packet.

After discussion, it was motioned by President Rojas, seconded by Director Hernandez, to approve the Transfer of \$153,000 of the District Reserve Funds to the District's Local Agency Investment Fund (LAIF) Account.

Motion was approved by the following vote:

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

Nays: None.

C. Consideration of a Customer Water Forum on Proposed Water Rate Adjustments.

- Mr. Galindo summarized the staff report on this item that was provided in the Board Meeting Agenda Packet.
- Mr. Galindo added that staff prefers to host the Customer Water Forum on August 8, 2018, in the District's Board Room.

After some discussion, motion by President Rojas, seconded by Director Hastings, to approve the date and time for the District Customer Water Forum on Water Rates and to authorize Staff to organize the Forum on Wednesday, August 8, 2018, at 6 p.m. in the District's Board Room.

Motion was approved by the following vote:

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

Nays: None.

D. Consideration of Increase to the District's 2018 Capital Budget by \$120,000 for Additional Costs Related to the Banbridge Pump Station Retrofit Project.

- Mr. Galindo summarized a portion of the staff report that was prepared for this item and for Action Items E and F that was provided in the Board Meeting Agenda Packet.
- Mr. Galindo explained the variances that staff anticipates by the end of the year from the District's 2018 Capital Budget.

After further discussion, motion by Director Aguirre, seconded by President Rojas, to approve the Amendment to Increase the District's 2018 Capital Budget by \$120,000 for additional expenses related to the Banbridge Pump Station Project.

Motion was approved by the following vote:

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

Nays: None.

E. Consideration of Proposal from Doty Bros. for the Installation of a Packaged Pump Station and Piping for the Banbridge Pump Station Retrofit Project.

- Mr. Galindo summarized a portion of the staff report that was prepared for this item and for Action Items D and F that was provided in the Board Meeting Agenda Packet.
- Mr. Galindo also provided some specific information on the design of the retrofits of the pump station and the benefits of the project.
- Mr. Galindo further explained the process of acquiring bids and the difference in bids.
- There was some discussion regarding the design of the project and how it will benefit the District's Zone 3.

After further discussion, motion by President Rojas, seconded by Director Hastings, to authorize the General Manager to enter into an agreement for the installation of a Packaged Booster Pump System and Piping for the Banbridge Pump Station Retrofit Project as set forth in the proposal from Doty Bros. Construction Company for an amount of \$69,796.00.

Motion was approved by the following vote:

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

Nays: None.

- F.** Consideration of Proposal from Hunter Electric for the Installation of Electrical Equipment for the Banbridge Pump Station Retrofit Project.
- Mr. Galindo summarized a portion of the staff report that was prepared for this item and for Action Items D and E that was provided in the Board Meeting Agenda Packet.

Motion by Director Hastings, seconded by Director Hernandez, to authorize the General Manager to enter into an agreement for the installation of electrical equipment for the Banbridge Pump Station Retrofit Project as set forth in the proposal from Hunter Electric for an amount of \$13,987.65.

Motion was approved by the following vote:

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

Nays: None.

- G.** Consideration of Proposal from Ready Artwork for the Preparation of a Public Education Motion Graphic Video on Groundwater Treatment.
- Mr. Galindo summarized the staff report that was prepared for this item that was provided in the Board Meeting Agenda Packet. He added that the cost of the video will be reimbursed by Northrop Grumman since it will help educate the District's Customers on how the District's current treatment system works and how the PVOU IZ Treatment Facility will work and the effort that goes into ensuring the water is and will be safe to drink.

Motion by President Rojas, seconded by Director Hastings, to authorize the General Manager to enter into an agreement for the preparation of a Public Education Motion Graphic Video on Groundwater Treatment Work as proposed by Ready Artwork.

Motion was approved by the following vote:

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

Nays: None.

- H.** Discussion Regarding the Preparation of a Proposition 218 Compliant Notice of Proposed Water Rate Adjustments.
- Mr. Galindo provided some background information on the District's last Prop 218 water rate adjustment notices. He also provided examples of other agencies' Prop 218 water rate increase notices.
 - Mr. Galindo also provided a proposal from CV Strategies on the preparation of the Prop 218 notice and other services.
 - Mr. Galindo asked the Board for direction on the style of the notice given the cost to prepare the notice in various graphic styles.
 - There was much discussion on the content of the notice and the different style options.
 - The Board provided direction to Mr. Galindo to prepare the notice in a simple and easy to read format at a more reasonable cost than the proposal from CV Strategies.

Discussion only, no action required.

Engineering & Compliance Manager's Report:

- Mr. Galindo summarized the Engineering and Compliance Manager's report that was provided in the agenda packet and provided additional information on the Recycled Water Project.

After further discussion, motion by President Rojas, seconded by Director Hastings, to receive and file the Engineering and Compliance Manager's Report as presented.

Motion was approved by the following vote:

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

Nays: None.

General Manager's Report:

- Mr. Galindo reported that the County Board of Supervisors did approve to put on the ballot for this November the partial tax for storm water for NPDES compliance. This tax would allow them to collect a certain amount per impermeable surface for each parcel in LA County. The average residential parcel would be about \$73 per year and could go up to tens of thousands of dollars for commercial property. He further explained the basis is that it could be used to fund projects that would help maximize storm water capture. He added that this will not solve our water issues or our long-term water supply in the basin regardless of how much water is captured. Rainfall on a regular basis is necessary to resolve that water supply need. It will however, assist with the funding to meet the requirements for NPDES compliance. He added that the San Gabriel Valley Water Association has not yet taken a position on the measure and is not sure if they will. Mr. Galindo will be providing more information on the measure in the coming months.

Other Items:

- A. Upcoming Events.
 - Ms. Herrera provided an update on the upcoming events in 2018. She confirmed with the Directors their plans to attend each of the next few events.
- B. Correspondence to the Board of Directors.
 - Included in the Board Meeting Agenda Packet.

Attorney's Comments:

Mr. Trinh had no comments.

Board Member's Comments:

- A. Report on Events Attended.
 - President Rojas reported that he attended 2 events; Training Class of the Los Angeles County Consolidated Oversight Board for the First Supervisorial District on July 10, 2018, in Los Angeles, Ca. and Meeting of the Los Angeles County Consolidated Oversight Board for the First Supervisorial District on July 23, 2018, in Los Angeles, CA.
- B. Other comments.
 - No other comments.

Future Agenda Items:

No future items.

Adjournment:

There is no further business or comment. The meeting was adjourned at 6:36 p.m.

William R. Rojas, President

Greg B. Galindo, Secretary

La Puente Water District July 2018 Disbursements

Check #	Payee	Amount	Description
5862	Jinhui Cao	\$ 580.60	Household Retrofit Program
5863	State Water Resources Control Board	\$ 60.00	T2 Renewal - Frausto
5864	Verizon Wireless	\$ 76.02	Cell Phone Service
5865	ACWA/JPIA	\$ 5,954.53	Worker's Compensantion
5866	CalPERS	\$ 30,682.00	Unfunded Accrued Liability
5867	CCSInteractive	\$ 54.40	Website Hosting
5868	Chevron	\$ 3,087.51	Truck Fuel
5869	Coverall North America Inc	\$ 255.00	Cleaning Service
5870	EcoTech Services Inc	\$ 3,330.00	UHET Program
5871	Ferguson Enterprises Inc #1350	\$ 162.37	Field Supplies
5872	Ferguson Waterworks	\$ 94.81	Meter Expense
5873	Grainger Inc	\$ 37.69	Field Supplies
5874	Hach Company	\$ 305.53	Field Supplies
5875	Hacienda Lawnmower	\$ 21.84	Field Supplies
5876	Highroad IT	\$ 402.00	Technical Support
5877	Industry Public Utilites	\$ 28,942.21	Web Payments
5878	John Robinson Consulting Inc	\$ 1,800.00	SRF Application
5879	Merritt's Hardware	\$ 373.46	Field Supplies
5880	Merritt's Hardware	\$ 168.08	Field Supplies
5881	MJM Communications & Fire	\$ 1,649.00	Security Monitoring Service
5882	O'Reilly Auto Parts	\$ 57.93	Truck Maintenance
5883	Resource Building Materials	\$ 88.50	Field Supplies
5884	S & J Supply Co Inc	\$ 2,390.39	Field Supplies - Inventory
5885	SC Edison	\$ 8,562.18	Power Expense
5886	Sunbelt Rentals	\$ 203.60	Equipment Rental
5887	Time Warner Cable	\$ 279.97	Telephone Service
5888	Underground Service Alert	\$ 59.45	Line Notifications
5889	Valley Vista Services	\$ 314.72	Trash Service
5890	Weck Laboratories Inc	\$ 203.50	Water Sampling
5891	Western Water Works	\$ 1,171.32	Field Supplies - Inventory
5892	Hach Company	\$ 436.05	Field Supplies
5893	McMaster-Carr Supply Co	\$ 588.18	Field Supplies
5894	Northstar Chemical	\$ 5,935.95	Chemicals Expense
5895	R C Foster Corporation	\$ 4,869.23	Motor & Air Stripper Expense
5896	Sierra Instruments	\$ 640.78	Air Stripper Expense
5897	Sterling Water Technologies	\$ 1,810.10	Chemicals Expense
5898	Stetson Engineers Inc	\$ 708.04	Engineering Services
5899	Weck Laboratories Inc	\$ 2,509.90	Water Sampling
5900	Weck Laboratories Inc	\$ 2,568.50	Water Sampling
5901	Weck Laboratories Inc	\$ 1,633.00	Water Sampling
5902	Mary K Partridge	\$ 243,553.51	Lease of Water Rights
5903	Miguel A Molina	\$ 59.86	Clothing Allowance
5904	ACWA/JPIA	\$ 31,327.59	Health Benefits
5905	Answering Service Care	\$ 171.28	Answering Service
5906	Bank of America-Visa	\$ 900.27	Conference & Administrative Expenses
5907	Cell Business Equipment	\$ 17.38	Office Expense
5908	Citi Cards	\$ 1,475.18	Conference & Administrative Expenses

La Puente Water District July 2018 Disbursements - continued

Check #	Payee	Amount	Description
5909	County of LA Auditor Controller	\$ 1,399.22	LAFCO Expense
5910	CV Strategies	\$ 4,416.90	Consumer Confidence Reports
5911	E.H. Wachs	\$ 38.08	Equipment Maintenance
5912	Eurofins Eaton Analytical Inc	\$ 80.00	Water Sampling
5913	Ferguson Enterprises Inc #1350	\$ 132.92	Field Supplies
5914	Grainger Inc	\$ 18.12	Plant Maintenance
5915	InfoSend	\$ 861.97	Billing Expense
5916	Jack Henry & Associates	\$ 39.00	Web E-Check Fee's
5917	Lagerlof, Senecal, Gosney & Kruse	\$ 3,442.50	Attorney Fee's
5918	Lincoln National Life Insurance Company	\$ 643.89	Disability Insurance
5919	MetLife	\$ 298.11	Life Insurance
5920	MJM Communications & Fire	\$ 190.00	Security Monitoring Service
5921	Muniquip LLC	\$ 30,660.00	Banbridge Pump Station Project
5922	Platinum Consulting Group	\$ 302.50	Administrative Support
5923	Premier Access Insurance Co	\$ 2,937.70	Dental Insurance
5924	Raftelis Financial Consultants	\$ 5,820.00	Water Rate Study
5925	Ready Artwork	\$ 3,500.00	Public Outreach
5926	S & J Supply Co Inc	\$ 5,495.14	Field Supplies - Inventory
5927	San Gabriel Valley Water Company	\$ 169.16	Water Service @ Treatment Plant
5928	So Cal Water Utilities Association	\$ 150.00	Seminar Expense
5929	Staples	\$ 73.23	Office Supplies
5930	Sunbelt Rentals	\$ 209.07	Equipment Rental
5931	The Howard E Nyart Company Inc	\$ 4,800.00	OPEB Valuation Report
5932	Time Warner Cable	\$ 301.25	Telephone Service
5933	Vulcan Materials Company	\$ 876.03	Field Supplies - Asphalt
5934	Weck Laboratories Inc	\$ 318.50	Water Sampling
5935	Albert J Vazquez	\$ 136.86	Clothing Allowance
5936	Pall Filter Specialists Inc	\$ 7,030.31	Filter Expense
5937	SC Edison	\$ 36,374.58	Power Expense
5938	So Cal Industries	\$ 141.00	Restroom Service @ Treatment Plant
5939	Time Warner Cable	\$ 567.89	Telephone Service
5940	Waste Management of SG Valley	\$ 198.37	Trash Service
5941	State Water Resources Control Board	\$ 105.00	T5 Certification - Ortiz
5942	State Water Resources Control Board	\$ 105.00	D5 Certification - Ortiz
5943	Agate Pest Control	\$ 195.00	Office Maintenance
5944	Petty Cash	\$ 93.92	Office/Field Expense
Online	Home Depot	\$ 551.73	Field Supplies
Autodeduct	Bluefin Payment Systems	\$ 825.13	Web Merchant Fee's
Autodeduct	Wells Fargo	\$ 354.66	Bank Fee's
Autodeduct	Wells Fargo	\$ 153.78	Merchant Fee's
Autodeduct	First Data Global Leasing	\$ 43.80	Credit Card Machine Lease
Online	Lincoln Financial Group	\$ 3,894.00	Deferred Comp
Online	CalPERS	\$ 12,637.81	Retirement Program
Online	Employment Development Dept	\$ 3,988.63	California State & Unemployment Taxes
Online	United States Treasury	\$ 23,391.70	Federal, Social Security & Medicare Taxes

Total Payables **\$ 548,535.87**

La Puente Valley County Water District
Payroll Summary
July 2018

	July 18
Employee Wages, Taxes and Adjustments	
Gross Pay	
Total Gross Pay	104,257.21
Deductions from Gross Pay	
Total Deductions from Gross Pay	-5,043.44
Adjusted Gross Pay	99,213.77
Taxes Withheld	
Federal Withholding	-7,416.00
Medicare Employee	-1,514.05
Social Security Employee	-6,473.80
CA - Withholding	-3,965.16
Medicare Employee Addl Tax	0.00
Total Taxes Withheld	-19,369.01
Net Pay	79,844.76
Employer Taxes and Contributions	
Total Employer Taxes and Contributions	8,170.30

La Puente Water District July 2018 Disbursements

Total Vendor Payables	<u>\$ 548,535.87</u>
Total Payroll	<u>\$ 79,844.76</u>
Total July 2018 Disbursements	<u>\$ 628,380.63</u>

Invoice No. 4- 2018-07

August 1, 2018

BPOU Project Committee Members

RE: BPOU O & M Expense Reimbursement Summary



The following cost breakdown represents O & M expenses incurred by the LPVCWD for the month of July 2018.

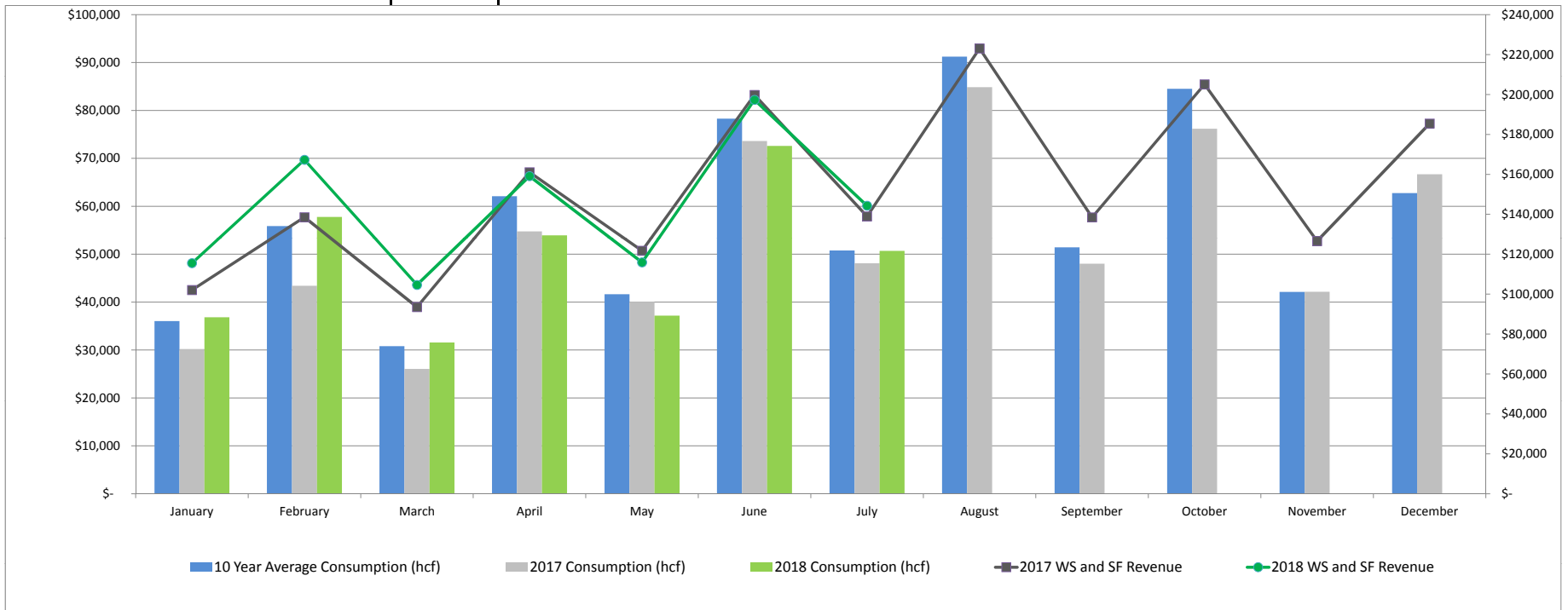
<u>BPOU Acct No.</u>	<u>Description</u>	<u>Invoice No.</u>	<u>Vendor</u>	<u>Amount</u>	<u>Subtotal</u>
LP.02.01.01.00	Power	2-15-629-6188	SC Edison	\$ 20,189.42	\$ 36,374.58
		2-03-187-2179	SC Edison	\$ 16,185.16	
LP.02.01.02.00	Labor Costs	Jul-18	LPVCWD	\$ 22,013.11	\$ 22,013.11
LP.02.01.05.00	Transportation	Jul-18	LPVCWD - 1619 miles @ .545	\$ 882.36	\$ 882.36
LP .02.01.07.00	Water Testing	L0400434	Eurofins	\$ 30.00	\$ 5,746.50
		L0402688	Eurofins	\$ 120.00	
		L0403476	Eurofins	\$ 60.00	
		L0403481	Eurofins	\$ 60.00	
		W8G0259	Weck Labs	\$ 200.00	
		W8G0261	Weck Labs	\$ 516.00	
		W8G0263	Weck Labs	\$ 331.50	
		W8G0363	Weck Labs	\$ 200.00	
		W8G0385	Weck Labs	\$ 226.50	
		W8G0422	Weck Labs	\$ 56.00	
		W8G0534	Weck Labs	\$ 204.00	
		W8G0844	Weck Labs	\$ 1,230.00	
		W8G0845	Weck Labs	\$ 200.00	
		W8G0892	Weck Labs	\$ 307.00	
		W8G0893	Weck Labs	\$ 56.00	
		W8G0962	Weck Labs	\$ 210.75	
		W8G1050	Weck Labs	\$ 200.00	
		W8G1051	Weck Labs	\$ 204.00	
		W8G1052	Weck Labs	\$ 298.00	
		W8G1053	Weck Labs	\$ 298.00	
		W8G1178	Weck Labs	\$ 210.75	
W8G1179	Weck Labs	\$ 56.00			
W8G1271	Weck Labs	\$ 472.00			
LP.02.01.10.00	Operations Monitoring	9462; 07/18	Time Warner Cable	\$ 267.89	\$ 643.91
		2906; 07/18	Time Warner Cable	\$ 300.00	
		9810990395	Verizon	\$ 76.02	
<u>LP.02.01.12.00</u>	<u>Materials/Supplies</u>				
<u>LP.0201.12.02</u>	<u>Filter Cartridges</u>	95725174	Pall Corporation	\$ 5,609.18	\$ 9,065.86
		95729494	Pall Corporation	\$ 1,421.13	
		95980332	Pall Corporation	\$ 2,035.55	
<u>LP.02.01.12.05</u>	Hydrogen Peroxide	126577	Northstar Chemical	\$ 2,678.26	\$ 2,678.26
LP.02.01.12.06	Sodium Hypochlorite	126860	Northstar Chemical	\$ 1,995.87	\$ 4,161.22
		126939	Northstar Chemical	\$ 2,165.35	
LP.02.01.12.11	Sodium Hydroxide	126347	Northstar Chemical	\$ 1,482.40	\$ 1,482.40
LP.02.01.12.15	Other Expendables	11042201	Hach	\$ 117.77	\$ 534.76
		257466	Home Depot	\$ 373.94	
		2583521	Home Depot	\$ 8.04	
		106345	Merritt's Hardware	\$ 35.01	
LP.02.01.12.17	Sulfuric Acid	127353	Northstar Chemical	\$ 1,961.00	\$ 1,961.00
LP.02.01.14.00	Repair/Replacement	001T6679	Harrington Plastics	\$ 664.18	\$ 2,795.19
		71886553	Vulcan Materials	\$ 636.11	
		71889457	Vulcan Materials	\$ 608.43	
		71889456	Vulcan Materials	\$ 617.24	
		71897277	Vulcan Materials	\$ 269.23	
LP.02.01.15.00	Contractor Labor	SLS/10274004	Trojan UV	\$ 23,809.00	\$ 23,809.00
LP.02.01.16.00	Direct Engineering/Legal	190-1802	Stetson Engineers	\$ 448.75	\$ 448.75
LP.02.01.80.00	Other O & M	20083	Highroad IT	\$ 134.00	\$ 859.37
		18757	MJM Communications	\$ 223.20	
		19064	MJM Communications	\$ 117.80	
		30723	Platinum Consulting Group	\$ 45.00	
		336144	So Cal Industries	\$ 141.00	
		0333949-2519-3	Waste Management	\$ 198.37	
				Total Expenditures	\$ 113,456.27
				District Pumping Cost Deduction	\$ 15,056.00
				Total O & M	\$ 98,400.27
				Total Capital Cost Reimbursable	\$ -
				Total Cost Reimbursable	\$ 98,400.27

Industry Public Utilities July 2018 Disbursements

Check #	Payee	Amount	Description
3129	CCSInteractive	\$ 13.60	Monthly Website Hosting
3130	Corrpro	\$ 1,965.00	Reservoir Maintenance
3131	EcoTech Services Inc	\$ 1,950.00	UHET Program
3132	Hach Company	\$ 305.53	Field Supplies
3133	Highroad IT	\$ 268.00	Technical Support
3134	La Puente Valley County Water District	\$ 63,178.50	Labor Costs June 2018
3135	Merritt's Hardware	\$ 89.95	Field Supplies
3136	MJM Communications & Fire	\$ 180.00	Security Monitoring
3137	Platinum Consulting Group	\$ 90.00	Administrative Support
3138	Resource Building Materials	\$ 160.71	Field Supplies
3139	S & J Supply Co Inc	\$ 159.73	Field Supplies
3140	Time Warner Cable	\$ 279.96	Telephone Service
3141	Underground Service Alert	\$ 59.45	Line Notifications
3142	Weck Laboratories Inc	\$ 270.50	Water Sampling
3143	ACWA/JPIA	\$ 1,488.63	Worker's Compensation
3144	Yunpeng Ji	\$ 46.96	Customer Overpayment Refund
3145	Answering Service Care	\$ 171.28	Answering Service
3146	Cell Business Equipment	\$ 17.38	Office Expense
3147	CV Strategies	\$ 4,274.70	Consumer Confidence Reports
3148	Ferguson Enterprises Inc #1350	\$ 23.16	Field Supplies
3149	Industry Public Utility Commission	\$ 1,334.61	Industry Hills Power Expense
3150	InfoSend	\$ 662.35	Billing Expense
3151	Jack Henry & Associates	\$ 34.00	Web E-Check Fee's
3152	La Puente Valley County Water District	\$ 589.89	Web CC & Bank Fee's Reimbursement
3153	Lagerlof, Senecal, Gosney & Kruse	\$ 1,232.50	Attorney Fee's
3154	Locus Technology	\$ 252.00	Technical Support
3155	O'Reilly Auto Parts	\$ 16.68	Field Supplies
3156	San Gabriel Valley Water Company	\$ 1,606.60	Purchased Water - Salt Lake
3157	SC Edison	\$ 12,489.73	Power Expense
3158	Vulcan Materials Company	\$ 876.02	Field Supplies - Asphalt
3159	Weck Laboratories Inc	\$ 281.50	Water Sampling
3160	Western Water Works	\$ 148.48	Field Supplies
3161	Armando Medina	\$ 20.00	Customer Overpayment Refund
3162	Petty Cash	\$ 13.29	Office Expense
Autodeduct	Wells Fargo Merchant Fee's	\$ 95.13	Merchant Fee's
Autodeduct	First Data Global Leasing	\$ 43.80	Credit Card Machine Lease
Autodeduct	Intuit Quickbooks	\$ 386.51	Administrative Supplies
Total July 2018 Disbursements		\$ 95,076.13	

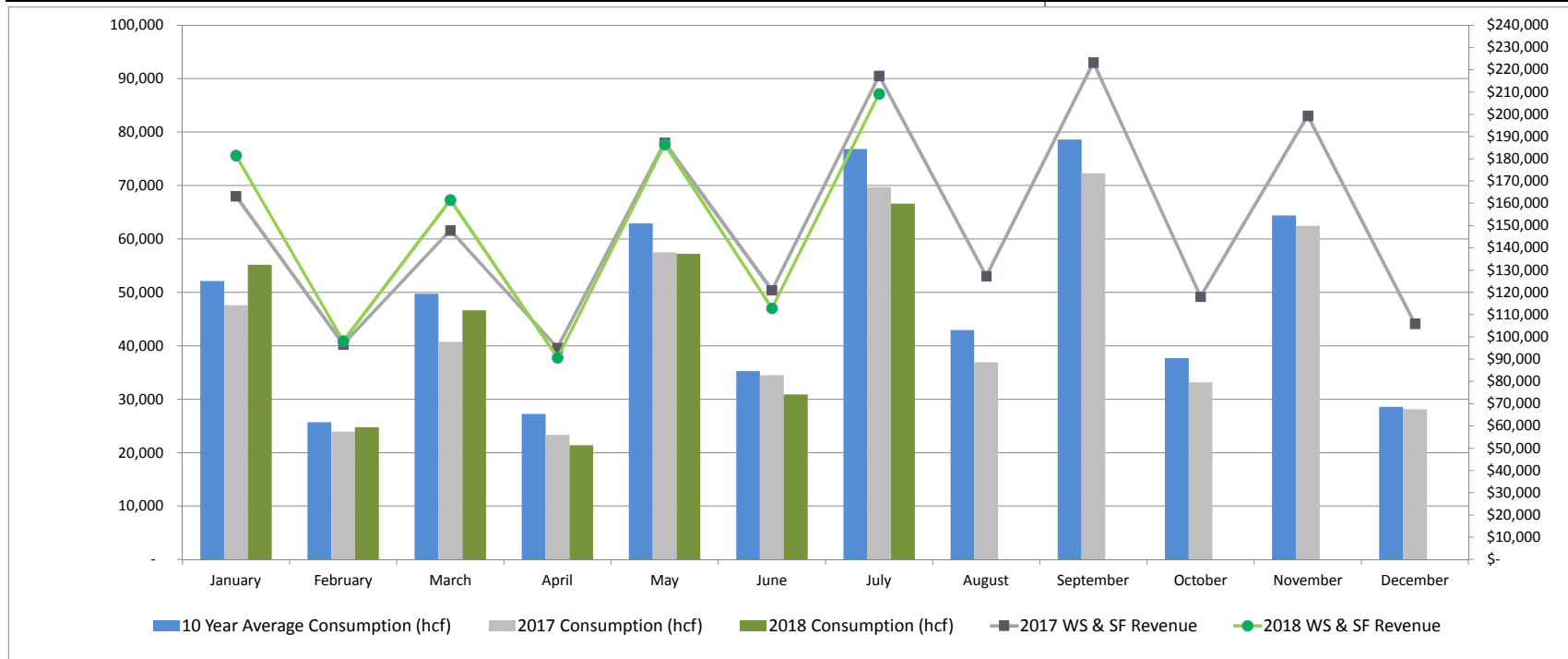
WATER SALES REPORT LPVCWD 2018

LPVCWD	January	February	March	April	May	June	July	August	September	October	November	December	YTD
No. of Customers	1,187	1,218	1,188	1,217	1,187	1,221	1,203	-	-	-	-	-	8,421
2018 Consumption (hcf)	36,839	57,769	31,582	53,940	37,166	72,607	50,689	-	-	-	-	-	340,592
2017 Consumption (hcf)	30,207	43,404	26,046	54,765	40,068	73,619	48,095	84,860	48,029	76,182	42,166	66,673	634,114
10 Year Average Consumption (hcf)	\$ 36,050	\$ 55,866	\$ 30,802	\$ 62,113	\$ 41,650	\$ 78,283	\$ 50,788	\$ 91,226	\$ 51,439	\$ 84,521	\$ 42,118	\$ 62,759	687,613
2018 Water Sales	\$ 69,913	\$ 112,965	\$ 58,990	\$ 104,919	\$ 70,362	\$ 143,162	\$ 98,276	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 658,587
2017 Water Sales	\$ 56,237	\$ 83,965	\$ 47,979	\$ 106,562	\$ 76,176	\$ 145,325	\$ 93,326	\$ 168,492	\$ 92,909	\$ 150,737	\$ 80,914	\$ 130,894	\$ 1,233,515
2018 Service Fees	\$ 45,632	\$ 54,334	\$ 45,639	\$ 54,197	\$ 45,559	\$ 54,170	\$ 46,022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 345,553
2017 Service Fees	\$ 45,815	\$ 54,553	\$ 45,542	\$ 54,533	\$ 45,577	\$ 54,454	\$ 45,633	\$ 54,565	\$ 45,587	\$ 54,372	\$ 45,684	\$ 54,581	\$ 600,896
2018 Hyd Fees	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,650
2018 DC Fees	\$ 380	\$ 7,014	\$ 380	\$ 7,011	\$ 380	\$ 7,185	\$ 380	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,730
2018 System Revenue	\$ 116,875	\$ 175,262	\$ 105,960	\$ 167,077	\$ 117,250	\$ 205,467	\$ 145,629	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,033,521



WATER SALES REPORT CIWS 2018

CIWS	January	February	March	April	May	June	July	August	September	October	November	December	YTD
No. of Customers	961	847	963	848	965	850	959	-	-	-	-	-	6,393
2018 Consumption (hcf)	55,160	24,734	46,635	21,410	57,209	30,877	66,614	-	-	-	-	-	302,639
2017 Consumption (hcf)	47,606	23,933	40,733	23,336	57,513	34,474	69,686	36,950	72,321	33,163	62,483	28,124	530,322
10 Year Average Consumption (hcf)	52,133	25,721	49,729	27,220	62,926	35,272	76,828	42,964	78,623	37,699	64,377	28,600	582,093
2018 Water Sales	\$ 124,508	\$ 54,277	\$ 104,414	\$ 46,762	\$ 129,277	\$ 68,907	\$ 153,224	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 681,369
2017 Water Sales	\$ 106,782	\$ 52,614	\$ 90,766	\$ 51,161	\$ 130,423	\$ 76,908	\$ 160,292	\$ 83,374	\$ 166,132	\$ 74,033	\$ 142,362	\$ 62,048	\$ 1,196,894
2018 Service Fees	\$ 56,999	\$ 43,875	\$ 57,130	\$ 43,906	\$ 57,211	\$ 43,952	\$ 55,964	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 359,036
2017 Service Fees	\$ 56,427	\$ 44,029	\$ 57,111	\$ 43,894	\$ 56,897	\$ 44,106	\$ 57,029	\$ 43,972	\$ 57,093	\$ 44,011	\$ 56,981	\$ 43,910	\$ 605,458
2018 Hyd Fees	\$ 1,575	\$ 225	\$ 1,575	\$ 225	\$ 1,575	\$ 225	\$ 1,550	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,950
2018 DC Fees	\$ 11,593	\$ 2,511	\$ 11,593	\$ 2,511	\$ 11,593	\$ 2,640	\$ 11,474	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,914
2018 System Revenues	\$ 194,675	\$ 100,887	\$ 174,713	\$ 93,403	\$ 199,656	\$ 115,725	\$ 222,212	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,101,269



La Puente Valley County Water District

PRODUCTION REPORT - JULY 2018

LPVCWD PRODUCTION	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2018 YTD	2017
Well No. 2	4.37	4.85	5.71	0.00	4.74	4.00	18.34						42.01	191.09
Well No. 3	5.08	5.59	6.61	0.00	5.54	4.69	22.09						49.59	222.47
Well No. 5	291.98	273.48	319.24	300.50	315.32	308.42	291.21						2100.14	3092.85
Interconnections to LPVCWD	13.62	2.49	2.22	1.37	2.32	2.09	2.44						26.55	50.65
Subtotal	315.05	286.40	333.78	301.87	327.92	319.20	334.07	0.00	0.00	0.00	0.00	0.00	2218.29	3557.06
Interconnections to SWS	211.74	186.47	226.17	169.39	190.00	166.32	160.52						1310.61	2028.85
Interconnections to COI	1.16	0.84	7.82	3.69	0.13	0.38	0.73						14.75	60.26
Interconnections to Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00						0.00	0.00
Subtotal	212.90	187.31	233.99	173.08	190.13	166.70	161.25	0.00	0.00	0.00	0.00	0.00	1325.36	2089.11
Total Production for LPVCWD	102.15	99.09	99.80	128.79	137.79	152.50	172.82	0.00	0.00	0.00	0.00	0.00	892.93	1467.95
CIWS PRODUCTION														
COI Well No. 5 To SGVCW B5	142.85	126.12	127.30	137.73	143.62	137.77	144.20						959.59	1723.57
Interconnections to CIWS														
SGVWC Salt Lake Ave	0.68	0.61	0.62	0.62	0.67	0.75	0.86						4.81	9.13
SGVWC Lomitas Ave	103.21	85.82	71.95	98.27	113.98	124.71	145.67						743.61	1274.06
SGVWC Workman Mill Rd	0.31	0.21	0.09	0.05	0.02	0.00	0.00						0.68	1.88
Interconnections from LPVCWD	1.16	0.84	7.82	3.69	0.13	0.38	0.73						14.75	60.26
Subtotal	105.36	87.48	80.48	102.63	114.80	125.84	147.26	0.00	0.00	0.00	0.00	0.00	763.85	1345.33
Interconnections to LPVCWD	13.44	2.49	2.22	1.37	2.32	2.09	2.44						26.37	49.89
Total Production for CIWS	91.92	84.99	78.26	101.26	112.48	123.75	144.82	0.00	0.00	0.00	0.00	0.00	737.48	1295.44

La Puente Valley County Water District - Water System Demand Comparison

Month	2013	2018	Difference 2017-2013 (%)	Accumulative Difference (%)
January	115.58	101.97	-11.8%	-11.8%
February	112.08	99.09	-11.6%	-11.7%
March	135.08	99.80	-26.1%	-17.1%
April	153.73	128.79	-16.2%	-16.8%
May	174.40	137.79	-21.0%	-17.9%
June	185.13	152.50	-17.6%	-17.8%
July	204.48	172.82	-15.5%	-17.4%
August	201.38			
September	187.60			
October	172.74			
November	139.24			
December	133.13			
Totals	1914.57	892.75		

City of Industry Waterworks - Water System Demand Comparison

Month	2013	2018	Difference 2017-2013 (%)	Accumulative Difference (%)
January	90.55	91.92	1.5%	1.5%
February	81.62	84.99	4.1%	2.8%
March	99.4	78.26	-21.3%	-6.0%
April	115.82	101.26	-12.6%	-8.0%
May	147.93	112.48	-24.0%	-12.4%
June	152.60	123.75	-18.9%	-13.8%
July	141.36	144.82	2.4%	-11.1%
August	153.97			
September	151.67			
October	137.26			
November	110.83			
December	99.84			
Totals	1482.85	737.48		

Production data shown in acre feet (AF)

Memo



To: Industry Public Utilities Commission
Cc: La Puente Valley County Water District, Board of Directors
From: Greg B. Galindo, General Manager
Date: July 30, 2018
Re: Industry Public Utilities Water Operations Quarterly Report (April – June 2018)

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 4th Quarter of the 2017-18 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

- BPOU & Well No. 5 – District staff completed a draft of an updated agreement between the Cooperating Respondents (CRs) and the City related for the operation and treatment of the City’s Well No. 5. This draft was submitted to the CRs for comment. The District received comments back from the CR’s and a proposed updated agreement will be submitted within the next couple of weeks to the City for final consideration.
- 2017-18 Fiscal Year Budget – A draft report of Revenue and Expenses as of June 30, 2018, is enclosed for your review as ***Attachment 1***. District staff is still working on final year-end entries. Once completed a report with final account balances will be issued to the City.
- 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 4th Quarter of fiscal year 2017-18 is provided as ***Attachment 3***.
- City of Industry Well No. 5 Operations – Well No. 5 operated without issue in the 4th quarter. The current static water level, pumping water level and pumping rate for Well No. 5 is shown in the table below. A graph depicting the static water level at Well No. 5 since 1993 is provided as ***Attachment 4***.

Well	Pump Setting (below surface)	Static Water Level	Pumping Water Level	Drawdown	Current GPM Pumping Rate
COI 5	162’	123’	139’	-16	1,099

- Production Summary – The production for the 4th Quarter of fiscal year 2017-18, to meet the needs of the CIWS, was 337.49 AF. The 2017-18 fiscal year production report and related graph are provided as ***Attachment 5***.

- 2017-18 Water Conservation – A summary of water system usage for fiscal year 2017-18 as compared to calendar year 2013 is shown below. The overall reduction in use for this time period is 11.2%.

Month	2013	2017-18	Difference Current-2013 (%)	Accumulative Difference (%)
July	141.36	136.28	-3.6%	-3.6%
August	153.97	129.61	-15.8%	-10.0%
September	151.67	127.11	-16.2%	-12.1%
October	137.26	126.02	-8.2%	-11.2%
November	110.83	99.81	-9.9%	-11.0%
December	99.84	105.14	5.3%	-8.9%
January	90.55	91.92	1.5%	-7.9%
February	81.62	84.99	4.1%	-6.8%
March	99.4	78.26	-21.3%	-8.2%
April	115.82	101.26	-12.6%	-8.6%
May	147.93	112.48	-24.0%	-10.3%
June	152.6	123.75	-18.9%	-11.2%
Totals	1482.85	1316.63		
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 June 30, 2018, as **Attachment 6**.
- MSGB Groundwater Levels – On, July 27, 2018, the Baldwin Park key well level was 176 feet asl. Watermaster’s latest report on hydrologic conditions is enclosed as **Attachment 7**.

Water Quality / Compliance

- State Water Board Division of Drinking Water (DDW) Electronic Annual Report – Staff submitted the Annual Report the CIWS on May 30, 2018.
- Distribution System Monitoring – District Staff has collected all required water quality samples from the distribution system for the 4th Quarter of fiscal year 2017-18; approximately 92 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. The table below summarizes Well No. 5’s current water quality for the certain constituents.

Month Sampled	Flow Rate	1,1 DCE	TCE	PCE	All Other	Perchlorate	1,4-Dioxane	NDMA	Nitrate
		MCL= 6 ppb	MCL= 5 ppb	MCL= 5 ppb	VOCs	MCL= 6 ppb	NL= 1 ppb	NL= 10 ppt	MCL=10 ppm
Jun-18	1,099	1.9	3.1	11	ND	2.6	<.5	ND	6.9

- Lead Service Inventory – Under Section 116885 of the Health and Safety Code, water systems need to compile an inventory of known lead service lines in use in its distribution system and identify areas that may have lead service lines in use in its distribution system by July 1, 2018. LPVCWD staff has identified the material of each service line in the CIWS distribution system to ensure no lead services existed. As a result, no lead services were identified and inventory findings were reported in the 2017 DDW Electronic Annual Report.

- Lead Sampling for Schools – AB 746 requires community water systems to test the lead levels of drinking water at all California public K-12 schools (constructed before January 1, 2010) and preschools and child daycare facilities located on public school property by July 1, 2019. LPVCWD staff will reach out to schools/facilities to coordinate the sampling effort required by AB 746 by July 1, 2019.
- DDW Sanitary Survey – On January 11, 2018, DDW visited and inspected the CIWS facilities as part of their tri-annual sanitary survey inspection. During the inspection, no noticeable deficiencies were noted. On May 30, 2018, a letter with respect to the findings of the Sanitary Survey was received summarizing two items that needed to be addressed. The first item was to revise the 2017 Valve Exercise and Maintenance Program to include an inventory of all valves and the second item was to clarify the CIWS's valve exercise goal. Item 1 will be submitted by the end of August and item two has been clarified to relay that all valves are exercised at least once every four years.
- 2018 Permit Amendment – In response to a request by DDW, at the end of April 2018, District staff submitted a water system permit amendment application, which included an updated operating and monitoring plan. DDW then provided, on July 23, 2018, a draft version of a permit amendment to District staff for review and comment. Staff reviewed and provided comments to the draft version of the permit. A final updated permit is expected to be issued by September 2018.

Capital / Special Projects

- Industry Hills Meter Installations –Meter reading of the newly installed meters has been conducted monthly for the last 12 months. A staff report was submitted to City Staff, recommending how and when to initiate billing for each metered service. District staff will initiate this new billing, beginning the first billing cycle after July 1, 2018.
- Starhill Lane and 3rd Avenue Waterline Improvement Project – The 2017 CIWS Water Master Plan recommended improvements to waterlines in Starhill Lane and 3rd Avenue south of Lomitas Avenue. The Project's total budget is estimated at \$538,000 for the 2018-19 FY. In January 2018, District staff provided City staff a draft RFP for the preparation of plans, specifications and an estimate for the Project.

Personnel

- As of June 30, 2018, the District has 8 full-time field employees, 5 full-time office/administrative employees and 2 part-time office employees. A summary of the current hourly rates for each District employee has been provided as ***Attachment 8***.
- Weekly field tailgate safety meetings continue to be conducted for all field employees.

Attachments

1. Statement of Revenue and Expenses for the 4th Quarter of 2017-18.
2. Fund Disbursement List for 4th Quarter of 2017-18.
3. Summary of Field Activities for 4th Quarter of 2017-18.
4. Graph of CIWS Well No. 5 Static Water Level (1993 to Current)
5. Production Summary for 4th Quarter of 2017-18.
6. CIWS – LPVCWD Water Exchange and Delivery Summary for 4th Quarter of 2017-18.
7. Main San Gabriel Basin Hydrologic Report for June 2018.
8. Summary of Hourly Rates for District Staff for the 4th Quarter of 2017-18.

Attachment 1

INDUSTRY PUBLIC UTILITIES - WATER OPERATIONS
Statement of Revenue and Expenses Summary
For the Period Ending July 1, 2017 - June 30, 2018
(Unaudited)

DESCRIPTION	FISCAL YTD 2017-2018	BUDGET FY 2017-2018	% OF BUDGET	FY END 2016-2017
Total Operational Revenues	\$ 1,916,598	\$ 1,959,100	97.83%	\$ 1,919,277
Total Non-Operational Revenues	38,946	27,500	141.62%	57,344
TOTAL REVENUES	1,955,544	1,986,600	98.44%	1,976,621
Total Salaries & Benefits	644,392	629,700	102.33%	614,212
Total Supply & Treatment	611,130	804,060	76.01%	716,709
Total Other Operating Expenses	152,317	157,500	96.71%	166,293
Total General & Administrative	253,510	317,890	79.75%	245,348
Total Other & System Improvements	45,748	93,000	49.19%	132,828
TOTAL EXPENSES	1,707,097	2,002,150	85.26%	1,875,389
OPERATING INCOME	248,447	(15,550)	-1597.73%	101,232
NET INCOME (LOSS)	\$ 248,447	\$ (15,550)	-1597.73%	\$ 101,232

INDUSTRY PUBLIC UTILITIES - WATER OPERATIONS

Statement of Revenue and Expenses

For the Period Ending July 1, 2017 - June 30, 2018

(Unaudited)

DESCRIPTION	FISCAL YTD 2017-2018	BUDGET FY 2017-2018	% OF BUDGET	FY END 2016-2017
Operational Revenues				
Water Sales	\$ 1,203,560	\$ 1,250,000	96.28%	\$ 1,201,582
Service Charges	598,052	600,000	99.68%	604,883
Customer Charges	20,000	21,000	95.24%	20,115
Fire Service	94,987	88,100	107.82%	92,696
Miscellaneous Income	-	-	N/A	-
Total Operational Revenues	1,916,598	1,959,100	97.83%	1,919,277
Non-Operational Revenues				
Contamination Reimbursement	38,907	27,500	141.48%	38,462
Developer Fees	-	-	N/A	14,568
Miscellaneous Income	39	-	N/A	4,314
Total Non-Operational Revenues	38,946	27,500	141.62%	57,344
TOTAL REVENUES	1,955,544	1,986,600	98.44%	1,976,621
Salaries & Benefits				
Administrative Salaries	190,967	179,100	106.63%	165,274
Field Salaries	219,465	224,000	97.98%	225,518
Employee Benefits	143,834	139,000	103.48%	139,630
Pension Plan	54,946	51,600	106.48%	49,805
Payroll Taxes	29,215	29,000	100.74%	27,928
Workman's Compensation	5,964	7,000	85.20%	6,058
Total Salaries & Benefits	644,392	629,700	102.33%	614,212
Supply & Treatment				
Purchased Water - Leased	326,781	367,890	88.83%	496,961
Purchased Water - Other	16,375	14,400	113.72%	14,069
Power	126,004	125,000	100.80%	107,347
Assessments	135,945	132,770	102.39%	91,367
Treatment	2,616	7,000	37.37%	4,589
Well & Pump Maintenance	3,409	157,000	2.17%	2,376
Total Supply & Treatment	611,130	804,060	76.01%	716,709
Other Operating Expenses				
General Plant	4,932	10,500	46.97%	5,313
Transmission & Distribution	54,395	60,000	90.66%	67,558
Vehicles & Equipment	34,395	30,000	114.65%	31,515
Field Support & Other Expenses	31,104	27,000	115.20%	26,761
Regulatory Compliance	27,491	30,000	91.64%	35,146
Total Other Operating Expenses	152,317	157,500	96.71%	166,293

INDUSTRY PUBLIC UTILITIES - WATER OPERATIONS

Statement of Revenue and Expenses

For the Period Ending July 1, 2017 - June 30, 2018

(Unaudited)

DESCRIPTION	FISCAL YTD 2017-2018	BUDGET FY 2017-2018	% OF BUDGET	FY END 2016-2017
General & Administrative				
Management Fee	183,891	183,890	100.00%	180,285
Office Expenses	17,478	20,500	85.26%	22,806
Insurance	13,667	25,500	53.60%	12,323
Professional Services	15,576	45,000	34.61%	4,739
Customer Accounts	16,247	16,000	101.55%	15,748
Public Outreach & Conservation	3,923	25,000	15.69%	4,688
Other Administrative Expenses	2,727	2,000	136.37%	4,758
Total General & Administrative	253,510	317,890	79.75%	245,348
Other Expenses & System Improvements (Water Operations Fund)				
Developer Capital Contributions	(5,057)	-	N/A	(135,303)
Developer Project 16-17	-	-	N/A	72,134
Developer Project 16-17	-	-	N/A	893
Developer Project 16-17	-	-	N/A	62,277
Developer Project 17-18	5,057	-	N/A	-
Net Developer Project Activity	-	-	-	-
Master Plan Update / Hydraulic Model	-	-	N/A	11,359
Other System Improvements (Materials)	-	-	N/A	223
FH Laterals	790	9,000	8.78%	83
Service Line Replacements	31,693	30,000	105.64%	71,893
Valve Replacements	5,874	25,000	23.50%	660
Plant Electrical System Improvements	-	20,000	0.00%	-
Meter Installations - Industry Hills	7,391	-	0.00%	24,818
Meter Read Collection System	-	-	0.00%	23,792
SCADA System Assessment & Upgrades	-	9,000	0.00%	-
Total Other & System Improvements	45,748	93,000	49.19%	132,828
TOTAL EXPENSES	1,707,097	2,002,150	85.26%	1,875,389
OPERATING INCOME	248,447	(15,550)	N/A	101,232

Attachment 2

Industry Public Utilities April 2018 Disbursements

Check #	Payee	Amount	Description
3011	Eva Moya	\$ 131.46	Customer Overpayment Refund
3012	ACWA/JPIA	\$ 475.00	Excess Crime Program
3013	ACWA/JPIA	\$ 1,508.15	Workman's Compensation Program
3014	CCSInteractive	\$ 20.40	Monthly Website Hosting
3015	Highroad IT	\$ 268.00	Technical Support
3016	La Puente Valley County Water District	\$ 56,775.19	Labor Costs March 2018
3017	Merritt's Hardware	\$ 14.33	Field Supplies
3018	MJM Communications & Fire	\$ 180.00	Security Monitoring
3019	Merritt's Hardware	\$ 19.41	Field Supplies
3020	Time Warner Cable	\$ 279.96	Telephone Service
3021	Underground Service Alert	\$ 114.72	Line Notifications
3022	Weck Laboratories Inc	\$ 107.50	Water Sampling
3023	Fernando Quaglia	\$ 20.00	Customer Overpayment Refund
3024	Answering Service Care	\$ 132.57	Answering Service
3025	InfoSend	\$ 748.46	Billing Expense
3026	Lagerlof, Senecal, Gosney & Kruse	\$ 4,726.00	Attorney Fee's
3027	Platinum Consulting Group	\$ 67.50	Administrative Support
3028	SoCal Gas	\$ 17.88	Gas Expense
3029	Trench Shoring	\$ 280.00	Equipment Rental
3030	Weck Laboratories Inc	\$ 107.50	Water Sampling
3031	S.E. Nelson Construction	\$ 2,105.82	Pump Station Maintenance
3032	RIF I - Valley Blvd LLC	\$ 23.50	Customer Overpayment Refund
3033	Cell Business Equipment	\$ 55.90	Office Expense
3034	Highroad IT	\$ 2,274.92	Server Backup Maintenance & Support
3035	Industry Public Utility Commission	\$ 492.13	Industry Hills Power Expense
3036	Jack Henry & Associates	\$ 33.25	Web E-Check Fee's
3037	McMaster-Carr Supply Co	\$ 208.45	Safety Supplies
3038	San Gabriel Valley Water Company	\$ 1,216.73	Purchased Water - Salt Lake
3039	SC Edison	\$ 8,357.14	Power Expense
3040	SoCal Gas	\$ 14.30	Gas Expense
3041	Staples	\$ 42.70	Office Supplies
3042	Verizon Wireless	\$ 625.50	Cellular Service
3043	Weck Laboratories Inc	\$ 322.50	Water Sampling
3044	La Puente Valley County Water District	\$ 210.40	Bank Fee Reimbursement
Online	Home Depot	\$ 149.61	Field Supplies
Online	Epic LA	\$ 1,545.00	Permits
Autodeduct	Wells Fargo Merchant Fee's	\$ 88.24	Merchant Fee's
Autodeduct	First Data Global Leasing	\$ 43.80	Credit Card Machine Lease
Total April 2018 Disbursements		\$ 83,803.92	

Industry Public Utilities May 2018 Disbursements

Check #	Payee	Amount	Description
3045	U.S. Postal Service	\$ 296.00	PO Box Renewal 05/18 - 05/19
3046	CCSInteractive	\$ 13.60	Monthly Website Hosting
3047	Continental Utility Solutions Inc	\$ 430.00	Technical Support
3048	Ferguson Enterprises Inc	\$ 189.38	Field Supplies
3049	G. M. Sager Construction	\$ 1,800.00	Patch Work
3050	Highroad IT	\$ 268.00	Technical Support
3051	La Puente Valley County Water District	\$ 53,304.95	Labor Costs April 2018
3052	Peck Road Gravel	\$ 407.50	Asphalt & Concrete Disposal
3053	Resource Building Materials	\$ 46.26	Field Supplies
3054	S & J Supply Co Inc	\$ 260.61	Field Supplies
3055	Time Warner Cable	\$ 51.67	Telephone Service
3056	Underground Service Alert	\$ 92.45	Line Notifications
3057	Vulcan Materials Company	\$ 342.53	Field Supplies - Asphalt
3058	Weck Laboratories Inc	\$ 107.50	Water Sampling
3059	Western Water Works	\$ 71.18	Field Supplies
3061	Merritt's Hardware	\$ 26.26	Field Supplies
3062	Answering Service Care	\$ 112.03	Answering Service
3063	Ferguson Enterprises Inc	\$ 66.24	Field Supplies
3064	InfoSend	\$ 667.19	Billing Expense
3065	Lagerlof, Senecal, Gosney & Kruse	\$ 1,511.00	Attorney Fee's
3066	O'Reilly Auto Parts	\$ 12.58	Field Supplies
3067	Platinum Consulting Group	\$ 365.00	Administrative Support
3068	SoCal Gas	\$ 14.30	Gas Expense
3069	Stamp Fulfillment Services	\$ 613.65	Office Supplies
3070	Time Warner Cable	\$ 279.96	Telephone Service
3071	Trench Plate Rental Co	\$ 341.55	Equipment Rental
3072	Vulcan Materials Company	\$ 236.22	Field Supplies - Asphalt
3073	Western Water Works	\$ 52.28	Field Supplies
3074	Cell Business Equipment	\$ 48.98	Office Expense
3075	Industry Public Utility Commission	\$ 914.70	Industry Hills Power Expense
3076	Jack Henry & Associates	\$ 51.75	Web E-Check Fee's
3077	La Puente Valley County Water District	\$ 586.77	Web CC & Bank Fee's Reimbursement
3078	Locus Technology	\$ 336.00	Technical Support
3079	Peck Road Gravel	\$ 300.00	Asphalt & Concrete Disposal
3080	San Gabriel Valley Water Company	\$ 1,255.78	Purchased Water - Salt Lake
3081	SC Edison	\$ 8,565.00	Power Expense
3082	SoCal Gas	\$ 18.25	Gas Expense
3083	Staples	\$ 125.02	Office Supplies

Industry Public Utilities May 2018 Disbursements - continued

Check #	Payee	Amount	Description
3084	Weck Laboratories Inc	\$ 107.50	Water Sampling
3085	Emma Soto	\$ 442.89	Developer Deposit Refund 320 S 4th Ave
3086	CCSInteractive	\$ 190.00	Website Expense
3087	Cell Business Equipment	\$ 11.25	Office Expense
3088	Peck Road Gravel	\$ 840.00	Asphalt & Concrete Disposal
3089	Time Warner Cable	\$ 51.67	Telephone Service
3090	Verizon Wireless	\$ 386.35	Cellular Service
Online	Home Depot	\$ 53.21	Field Supplies
Online	County of LA Dept of Public Works	\$ 515.00	Permit Fee's
Autodeduct	Wells Fargo Merchant Fee's	\$ 70.09	Merchant Fee's
Autodeduct	First Data Global Leasing	\$ 43.80	Credit Card Machine Lease
Total May 2018 Disbursements		\$ 76,893.90	

Industry Public Utilities June 2018 Disbursements

Check #	Payee	Amount	Description
3091	CCSInteractive	\$ 13.60	Monthly Website Hosting
3092	Downs Energy Inc	\$ 503.05	Booster Maintenance
3093	Highroad IT	\$ 388.00	Technical Support
3094	La Puente Valley County Water District	\$ 62,512.04	Labor Costs May 2018
3095	Platinum Consulting Group	\$ 170.00	Administrative Support
3096	Resource Building Materials	\$ 33.63	Field Supplies
3097	Time Warner Cable	\$ 279.96	Telephone Service
3098	Trisys Inc	\$ 638.55	Technical Support
3099	Underground Service Alert	\$ 77.60	Line Notifications
3100	Weck Laboratories Inc	\$ 215.00	Water Sampling
3101	Merritt's Hardware	\$ 108.73	Field Supplies
3102	Answering Service Care	\$ 114.00	Answering Service
3103	Ferguson Waterworks	\$ 2,482.61	Meter Replacement
3104	Highroad IT	\$ 435.00	Software Licensing
3105	La Puente Valley County Water District	\$ 46,427.85	2nd Quarter 2018 O&M Fee's
3106	Platinum Consulting Group	\$ 172.50	Administrative Support
3107	S & J Supply Co Inc	\$ 164.80	Field Supplies
3108	Cell Business Equipment	\$ 36.57	Office Expense
3109	Hunter Electric	\$ 718.80	Booster Maintenance
3110	Industry Public Utility Commission	\$ 1,104.67	Industry Hills Power Expense
3111	InfoSend	\$ 719.20	Billing Expense
3112	Jack Henry & Associates	\$ 45.50	Web E-Check Fee's
3113	McMaster-Carr Supply Co	\$ 151.76	Property Maintenance
3114	Peck Road Gravel	\$ 120.00	Asphalt & Concrete Disposal
3115	Resource Building Materials	\$ 195.14	Field Supplies
3116	San Gabriel Valley Water Company	\$ 1,411.97	Purchased Water - Salt Lake
3117	SC Edison	\$ 9,006.94	Power Expense
3118	SoCal Gas	\$ 15.78	Gas Expense
3119	Staples	\$ 178.02	Office Supplies
3120	Sunbelt Rentals	\$ 203.57	Equipment Rental
3121	Time Warner Cable	\$ 51.67	Telephone Service
3122	Verizon Wireless	\$ 76.02	Cellular Service
3123	Weck Laboratories Inc	\$ 430.00	Water Sampling
3124	La Puente Valley County Water District	\$ 567.64	Web CC & Bank Fee's Reimbursement
3125	Sunbelt Rentals	\$ 203.60	Equipment Rental
3126	Verizon Wireless	\$ 729.68	Cellular Service
3127	Petty Cash	\$ 5.84	Office Expense
Online	Home Depot Credit Services	\$ 32.83	Field Supplies
Autodeduct	Wells Fargo Merchant Fee's	\$ 70.62	Merchant Fee's
Autodeduct	First Data Global Leasing	\$ 43.80	Credit Card Machine Lease

Total June 2018 Disbursements \$ 130,856.54

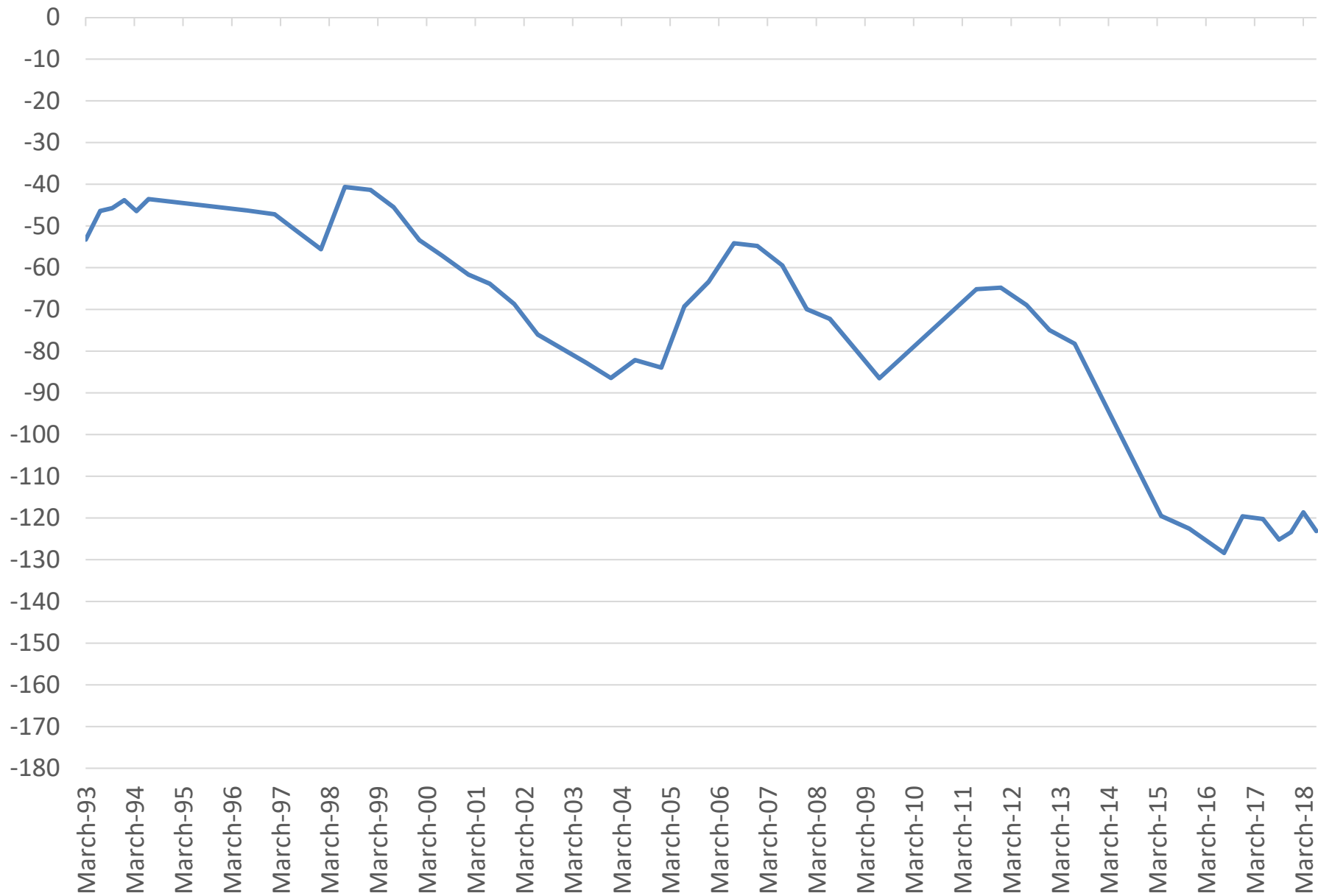
Attachment 3

CIWS MONTHLY ACTIVITIES REPORT FY 2017-2018

	July	August	September	October	November	December	January	February	March	April	May	June	2017/2018 FYTD	2016/2017 Actuals
Water Quality Monitoring														
No. of Samples from Distribution System	33	33	31	34	27	29	38	27	28	33	27	32	372	372
Distribution Maintenance														
Repair/Replace Service Line	1	3	3	6	2	2	0	1	1	7	1	1	28	34
Repair/Replace Main Line	1	0	3	0	0	0	0	0	0	0	0	0	4	9
Replace Curb/Angle Stop	0	0	0	2	2	0	0	0	3	0	2	2	11	7
New Service Installations	0	0	0	0	0	0	0	1	0	0	0	0	1	1
Install New Air Release or Blow Off	0	0	1	1	0	0	0	0	0	0	0	0	2	1
Concrete/Asphalt Patch Repairs - Staff	3	2	1	2	1	1	0	0	0	0	0	3	13	14
Concrete/Asphalt Patch Repairs - Vendor	0	7	0	0	10	0	0	0	0	2	0	0	19	32
Reset Meter Box to Grade	1	0	1	0	0	0	0	0	0	0	2	0	4	3
Replace Slip Can/ Valve Lid	0	0	0	0	1	1	0	0	0	0	0	1	3	4
Fire Hydrant Repairs/Replaced	0	0	0	0	0	0	0	0	0	0	0	2	2	4
Valves Exercised	38	68	8	0	17	0	12	0	2	0	81	93	319	77
Hydrants / Dead Ends Flushed	1	1	0	0	0	0	0	1	3	0	1	2	9	23
USA's - Underground Service Alerts Marked	30	22	32	25	18	19	15	20	51	31	23	22	308	48
Meter Maintenance														
Replaced Register/Meter/Guts	0	8	0	16	2	5	9	1	4	2	3	9	59	73
Replace Meter Box/Lid	1	2	0	0	1	0	1	1	2	1	4	2	15	14
Removed Meter	0	0	0	0	0	0	1	1	0	0	0	0	2	1
Repaired Meter Leaks	0	0	3	0	0	2	2	0	2	2	1	0	12	5
Customer Service														
Re-Reads for Billing (Cust. Leaks, High Usage, Stopped Meter)	80	31	61	31	47	25	48	32	46	24	54	44	523	521
Meter Read for Open/Close Account	4	3	4	6	5	5	1	5	8	2	4	6	53	46
Turn Off/Lock Meter	7	8	7	11	4	6	5	6	2	11	7	5	79	85
Turn On Meter	9	10	17	15	14	8	8	14	2	18	14	8	137	147
Door Hangers - Miscellaneous	2	4	2	6	1	6	9	2	0	2	3	0	37	48
Door Hangers- Delinquents	93	109	103	99	133	102	96	120	123	84	71	112	1245	1271
Door Hangers - Conservation	0	0	1	0	2	2	1	2	0	1	0	0	9	14
Shut Off - Non-Payment	13	16	26	21	24	12	19	17	19	16	20	19	222	195
Shut Off - Customer Emergency/Request	2	5	1	1	1	2	1	3	1	6	4	3	30	29
Respond to Reported Leak	3	7	11	3	3	4	8	2	9	14	7	6	77	61
Check for High/Low Pressure	0	1	2	0	0	1	0	0	0	0	0	0	4	5
Check for Meter Tampering	0	0	0	0	0	0	2	2	1	0	0	1	6	0
Misc - Other	1	1	0	2	0	0	2	1	2	0	2	1	12	28
Water Quality Complaint- Odor/Color/Taste	0	0	0	0	0	0	0	0	0	0	2	0	2	0
Fire Flow Test	1	0	0	0	0	1	0	3	3	1	1	2	12	6
Safety Activities														
Safety Inspection of Facilities	0	0	0	0	0	17	0	0	17	0	0	17	51	0
Monthly, Online and Outside Safety Training	2	1	2	2	1	0	0	2	1	1	1	1	14	12
Weekly Tailgate Safety Mtg	5	4	4	5	4	4	5	4	4	5	4	4	52	52

Attachment 4

CIWS Well No. 5 Static Water Level (feet below surface)

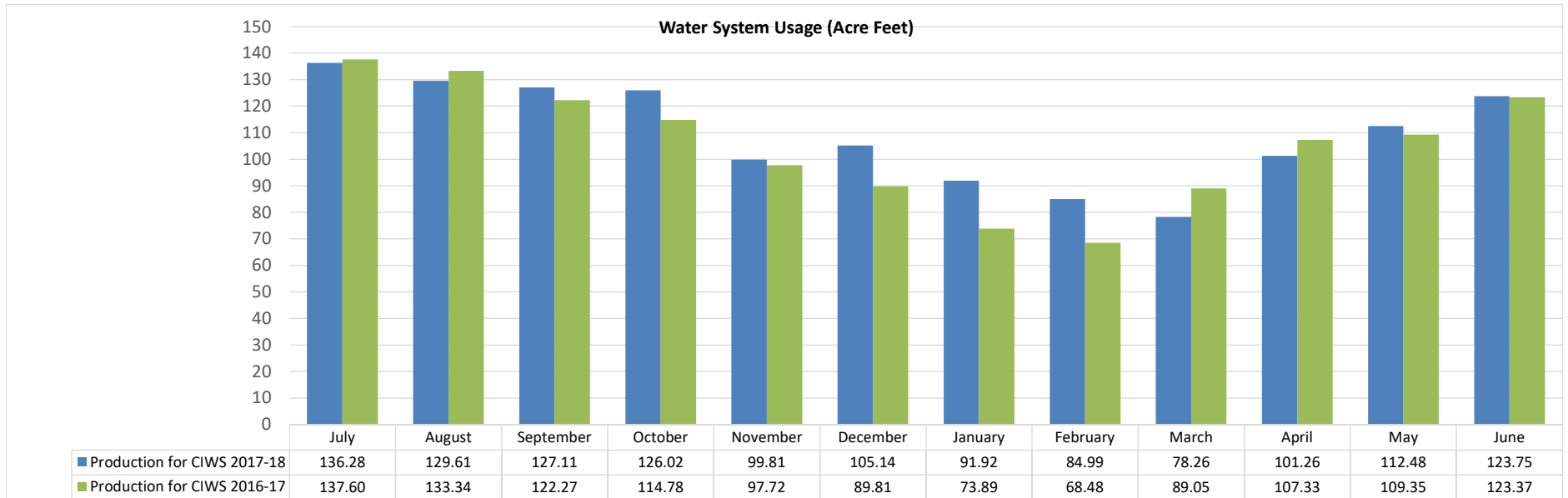


Attachment 5

Industry Public Utilities - Water Operations

PRODUCTION REPORT - FISCAL 2017-18

CIWS PRODUCTION	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	2017-18 FISCAL	2016-17 FISCAL
COI Well No. 5 To SGVCW B5	150.02	143.73	138.43	141.27	140.31	145.82	142.85	126.12	127.30	137.73	143.62	137.77	1674.97	1711.77
Interconnections to CIWS														
SGVWC Salt Lake Ave	0.80	0.92	0.90	0.86	0.73	0.70	0.68	0.61	0.62	0.62	0.67	0.75	8.86	8.33
SGVWC Lomas Ave	135.81	127.72	127.13	126.19	90.14	104.45	103.21	85.82	71.95	98.27	113.98	124.71	1309.38	1252.84
SGVWC Workman Mill Rd	0.03	0.20	0.17	0.14	0.27	0.48	0.31	0.21	0.09	0.05	0.02	0.00	1.97	1.32
Interconnections from LPVCWD	2.27	3.25	6.48	8.50	11.00	1.54	1.16	0.84	7.82	3.69	0.13	0.38	47.06	53.84
Subtotal	138.91	132.09	134.68	135.69	102.14	107.17	105.36	87.48	80.48	102.63	114.80	125.84	1367.27	1316.33
Interconnections to LPVCWD	2.63	2.48	7.57	9.67	2.33	2.03	13.44	2.49	2.22	1.37	2.32	2.09	50.64	49.34
Production for CIWS 2017-18	136.28	129.61	127.11	126.02	99.81	105.14	91.92	84.99	78.26	101.26	112.48	123.75	1316.63	1266.99



Attachment 6

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

Deliveries from LPVCWD to CIWS

Report for Fourth Quarter 17/18

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 (16-17)					102.88	102.88	0.00						62.37	62.37	0.00	165.25	111.92
17-18 QTR 1	4.75	0.00	0.00	0.00	4.75	107.63	1.64			7.24	0.00		7.24	69.61	22.92	11.99	123.91
17-18 QTR 2	8.74	0.00	0.00	0.00	8.74	116.37	2.05			38.79	0.00		38.79	108.40	0.00	47.53	171.44
17-18 QTR 3	1.35	0.00	0.00	0.00	1.35	117.72	6.32			8.47	0.00		8.47	116.87	5.83	9.82	181.26
17-18 QTR 4	0.69	0.00	0.00	0.00	0.69	118.41	6.62			3.52	0.00		3.52	120.39	7.95	4.21	185.47
Annual Total	15.53	0.00	0.00	0.00	118.41		102.88			58.02	0.00		120.39		62.37	238.80	185.47

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 (16-17)					99.51	99.51	99.51						61.98	61.98	61.98	161.49	161.49
17-18 QTR 1	3.85	0.00		0.00	3.85	103.36	7.80	1.71	0.90	5.59	0.62	0.01	8.83	70.81	10.89	12.68	174.17
17-18 QTR 2	7.39	0.00		0.00	7.39	110.75	0.00	0.00	0.91	4.95	0.47	1.26	7.59	78.40	7.55	14.98	189.15
17-18 QTR 3	5.45	0.00		0.00	5.45	116.20	6.65	6.88	0.70	4.72	0.41	0.00	12.71	91.11	10.41	18.16	207.31
17-18 QTR 4	0.00	0.00		0.00	0.00	116.20	0.00	0.02	0.92	4.31	0.51	0.02	5.78	96.89	6.87	5.78	213.09
Annual Total	16.69	0.00		0.00	116.20		99.51	8.61	3.43	19.57	2.01		96.89		61.98	213.09	213.09

Delivery Summary

Quarter	LPVCWD Total to CIWS	CIWS Total to LPVCWD	Difference	A			B		C			D		E
				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 (16-17)	165.25	161.49	-3.76	102.88	99.51	-3.37	0.00	0.00	62.37	61.98	-0.39	0.00	0.00	0.00
17-18 QTR 1	11.99	12.68	0.69	4.75	3.85	-0.90	0.00	0.00	7.24	8.83	1.59	0.00	0.00	0.00
17-18 QTR 2	47.53	14.98	-32.55	8.74	7.39	-1.35	0.00	0.00	38.79	7.59	-31.20	0.00	0.00	0.00
17-18 QTR 3	9.82	18.16	8.34	1.35	5.45	4.10	0.00	0.00	8.47	12.71	4.24	0.00	0.00	0.00
17-18 QTR 4	4.21	5.78	1.57	0.69	0.00	-0.69			3.52	5.78	2.26			
Running Total	238.80	213.09	-25.71	118.41	116.20	-2.21			120.39	96.89	-23.50			

Balance Owed by CIWS Overall **25.71** Balance Owed to LPVCWD in 488 **2.21** Balance Owed to LPVCWD in 775 **23.50**

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 7



JULY 11, 2018

REPORT OF THE WATERMASTER 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 May 25, 2018, the Baldwin Park Key Well groundwater elevation was 180.9 feet.
- On June 22, 2018, the Baldwin Park Key Well groundwater elevation was 179.0 feet. The historical low was 172.2 feet on September 30, 2016. A decrease of 0.6 feet from the prior week. A decrease of about 2 feet from the prior month.
 - ❖ About 1 foot lower than one year ago (represents 8,000 acre-feet). Includes an estimated 179,800 acre-feet of untreated imported water in cyclic storage accounts (about 137,300 acre-feet in cyclic storage accounts and about 42,500 acre-feet in MWD Pre-Delivery account), which represents about 22 feet of groundwater elevation at the Key Well.

✚ 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 June 28, 2018
 - ❖ Average rainfall from July 1st through June 30th of each year is 18.10 inches
 - ❖ Rainfall during July 1, 2017 through June 28, 2018 is 7.03 inches, which is 39 percent of average
 - ❖ Rainfall during July 1, 2016 through June 30, 2017 was 20.81 inches, which was 115 percent of average
- Los Angeles Civic Center as of June 28, 2018
 - ❖ Average rainfall from July 1st through June 30th of each year is 15.14 inches
 - ❖ Rainfall during July 1, 2017 through June 28, 2018 is 4.79 inches, which is 32 percent of average
 - ❖ Rainfall during July 1, 2016 through June 30, 2017 was 19.00 inches, which was 125 percent of average

 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 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 10,438 acre-feet
 - ❖ San Gabriel Reservoir is located downstream of and receives releases from Cogswell Reservoir, and has a maximum storage capacity of 44,106 acre-feet
 - ❖ Morris Reservoir is located downstream of and receives releases from San Gabriel Reservoir, and has a maximum storage capacity of 29,944 acre-feet. Releases from Morris Reservoir and San Gabriel Reservoir are used at local surface water treatment plants and used for groundwater replenishment
 - ❖ Total storage capacity is 84,488 acre-feet
 - ❖ The combined minimum pool behind Cogswell, San Gabriel and Morris Reservoirs is about 10,500 acre-feet.
 - ❖ Combined storage as of June 25, 2018 was 24,283 acre-feet (about 29 percent of capacity). **Excluding minimum pool storage, about 13,800 acre-feet is available for direct use or groundwater replenishment.**
 - ❖ San Gabriel Reservoir inflow was 9 cfs and release was 0 cfs as of June 25, 2018.
 - ❖ Morris Reservoir inflow was 2 cfs and release was 45 cfs as of June 25, 2018. A portion of that release was diverted from the San Gabriel River at the Azusa Duarte intake for use by the Committee of Nine.

 Untreated Imported Water Deliveries

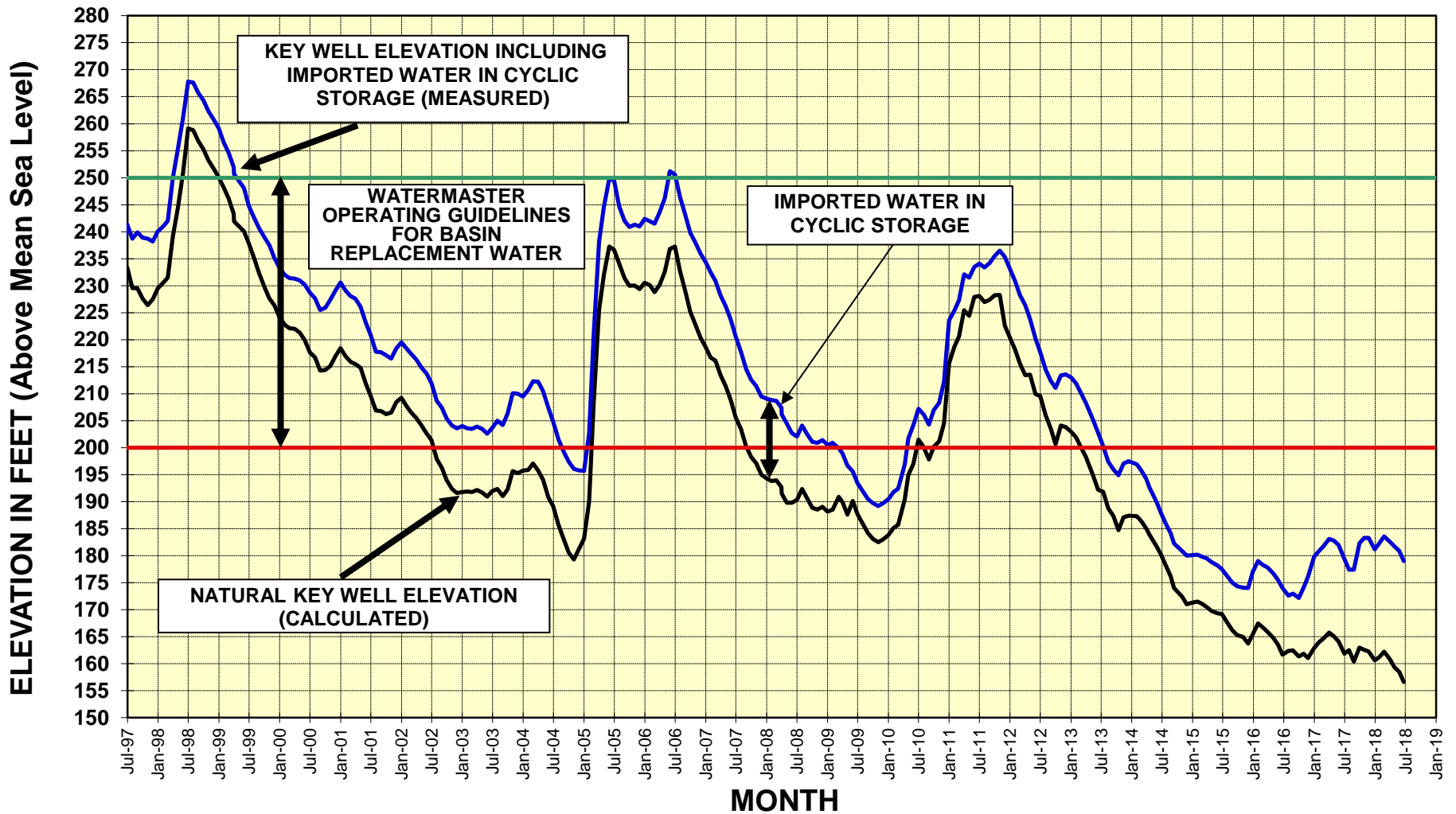
- Upper District
 - ❖ USG-3 is located in San Gabriel Canyon just below Morris Dam, it represents Upper District's primary point of delivery of untreated imported water for groundwater replenishment to the San Gabriel Valley. The typical delivery rate is about 190 cfs (or about 375 acre-feet per day)
 - Under the MWD Pre-delivery Agreement, MWD delivered 53,530.4 acre-feet through USG-3 and received a cyclic storage transfer of 5,000 acre-feet from San Gabriel District. Upper District and Watermaster paid MWD for 16,000 acre-feet in December 2017.
 - Upper District made no deliveries during May 2018.

- Three Valleys District
 - ❖ Three Valleys District did not make deliveries through USG-3 during May 2018.
 - ❖ Three Valleys District did not make deliveries through PM-26 during May 2018.
 - ❖ Three Valleys District did not make deliveries to the San Gabriel Canyon Spreading Grounds during May 2018.

- San Gabriel District
 - ❖ San Gabriel District delivered 9 acre-feet to the San Gabriel Canyon Spreading Grounds during May 2018.
 - ❖ San Gabriel District delivered 824 acre-feet to the San Dimas Spreading Grounds during May 2018.
 - ❖ San Gabriel District delivered 8 acre-feet to the San Gabriel River during May 2018.

🚧 **Landfill Report**

- Watermaster staff toured the following landfills during the month of June 2018:
 - ❖ Azusa Land Reclamation
 - ❖ Peck Road
 - ❖ Arcadia Reclamation Inc. (formerly Nu Way – Arrow)
 - ❖ Manning Pit
- During the tour, Watermaster staff found that each landfill appeared to operate consistent with the conditions under each landfill's permit.



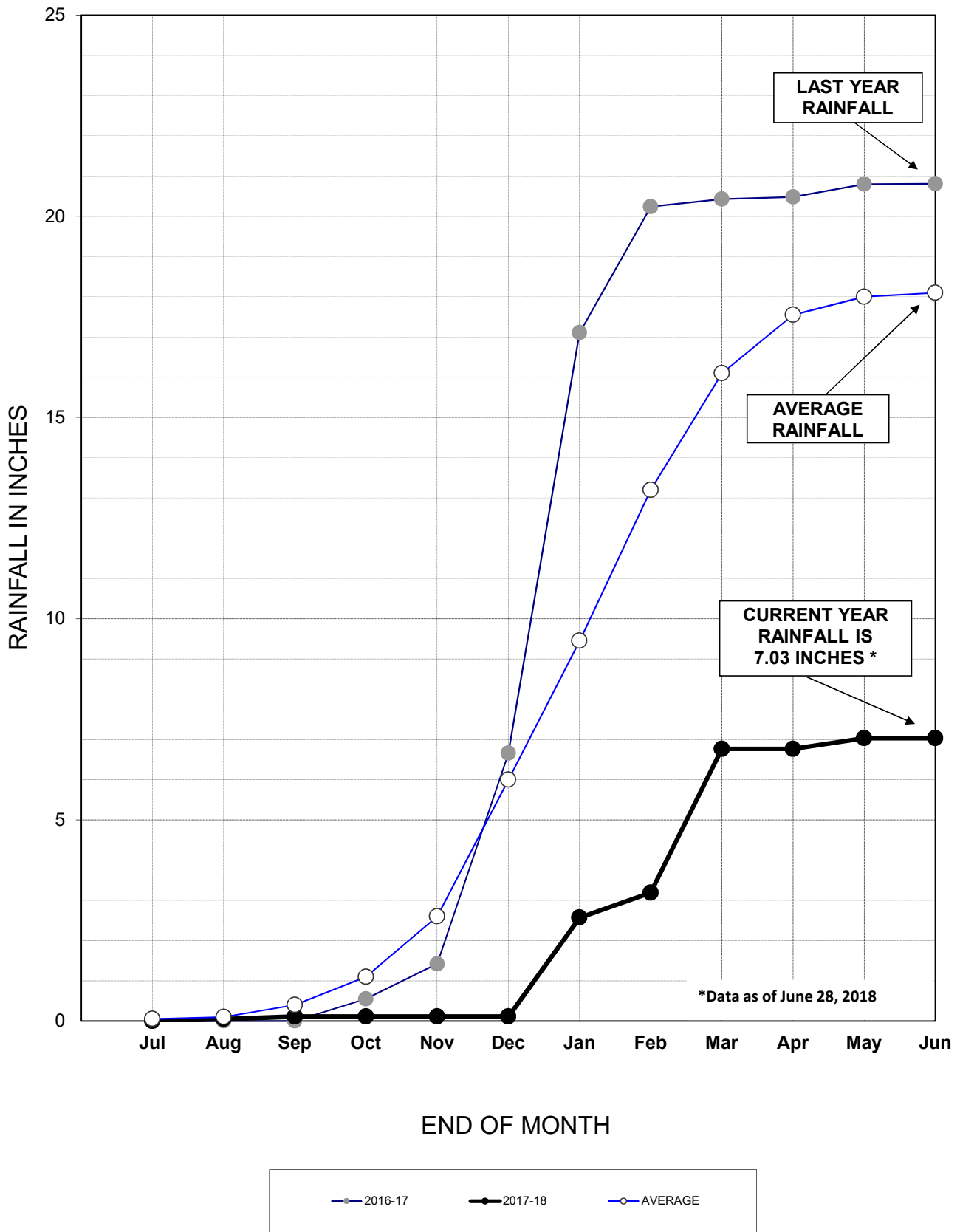
STETSON ENGINEERS INC.

Covina San Rafael Mesa, Arizona

WATER RESOURCE ENGINEERS

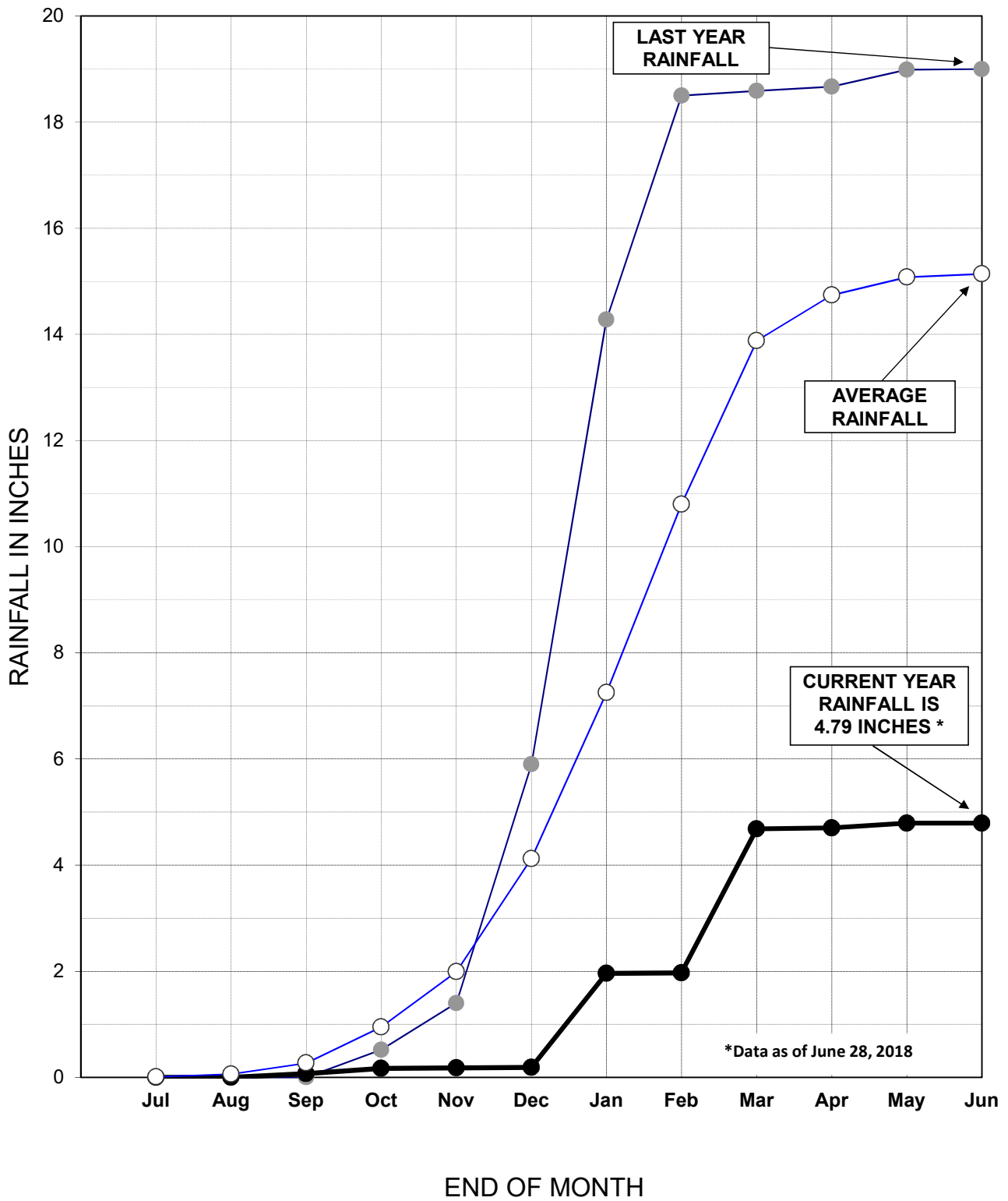
MAIN SAN GABRIEL BASIN WATERMASTER

**BALDWIN PARK KEY WELL
GROUNDWATER ELEVATION**



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

MAIN SAN GABRIEL BASIN WATERMASTER
ACCUMULATED RAINFALL
AT PUDDINGSTONE DAM (STATION NO. 96-C)



*Data as of June 28, 2018



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

MAIN SAN GABRIEL BASIN WATERMASTER

**ACCUMULATED RAINFALL
 AT LOS ANGELES CIVIC CENTER**

Attachment 8

SALARY AND BENEFITS SUMMARY OF LPVCWD STAFF - AS OF JUNE 30, 2018

EMPLOYEE	NO.	HOURLY RATE (Inc. Payroll Taxes)	OT HOURLY RATE (Inc. Payroll Taxes)	BENEFITS (Not Including Pers) PER HOUR	CalPERS PER HOUR	Wages, Benefits & CalPERS HOURLY
General Manager / Board Secretary	24	\$ 82.20		\$ 18.28	\$ 12.62	\$ 113.10
Office Administrator	1	\$ 44.49		\$ 24.81	\$ 6.97	\$ 76.27
Engineering & Compliance Manager	40	\$ 52.78		\$ 23.06	\$ 3.42	\$ 79.26
Office Manager	9	\$ 48.57		\$ 25.53	\$ 7.61	\$ 81.71
Water Treatment & Supply Supervisor	12	\$ 47.28	\$ 70.91	\$ 23.40	\$ 7.40	\$ 78.08
Water Distribution Supervisor	7	\$ 42.80	\$ 64.19	\$ 19.42	\$ 6.70	\$ 68.92
Water System Operator Lead (Dist)	15	\$ 39.66	\$ 59.49	\$ 22.47	\$ 6.00	\$ 68.13
Water System Operator II	23	\$ 39.07	\$ 58.61	\$ 22.45	\$ 6.12	\$ 67.64
Water System Operator II	38	\$ 34.78	\$ 52.17	\$ 19.56	\$ 2.25	\$ 56.59
Water System Operator I	31	\$ 29.44	\$ 44.17	\$ 20.72	\$ 4.61	\$ 54.77
Water System Operator I	22	\$ 29.65	\$ 44.47	\$ 21.28	\$ 4.64	\$ 55.57
Water Maintenance Worker	18	\$ 29.68	\$ 44.52	\$ 16.72	\$ 4.54	\$ 50.94
Customer Support and Accounting Clerk II	11	\$ 28.85	\$ 43.27	\$ 13.21	\$ 4.37	\$ 46.43
Customer Support and Accounting Clerk I (PT)	33	\$ 25.50	N/A	\$ 0.57	\$ 2.54	\$ 28.61
Customer Support and Accounting Clerk I (PT)	42	\$ 19.46	N/A	\$ 0.29	N/A	\$ 19.75

Memo



To: Honorable Board of Directors

From: Greg Galindo, General Manager

Date: August 13, 2018

Re: Notice of Water Rate Adjustments and Public Hearing on Water Rate Adjustments

Summary

Attached for the Board's consideration is the draft Proposition 218 Notice of Proposed Adjustments to Water Rates and Charges. Staff drafted the notice and District Counsel has reviewed and revised the notice to comply with applicable state law. Staff utilized the services of a print graphic designer to design the notice in a more visual appealing manner. The cost for this service was very reasonable.

If the Board approves this notice, staff will prepare and mail the notice to all customers and parcel owners by August 24, 2018, which is approximately 52 days before the public hearing date of October 15, 2018. The notices must be mailed to all current customers and parcel owners of record for all parcels within the District's boundaries. The notice has a statement in Spanish informing customers that the "mailer has important information regarding their water rates and they should ask someone to translate it for them or contact our office for a copy in Spanish." Staff will have notices available in Spanish for those customers who request one. In addition, staff will post the notice in English and Spanish to the District's website.

Recommendation

Approve the Notice of Proposed Adjustments to Water Rates and Charges and Direct Staff to Mail the Notice to all Current Customers and Property Owners of Record within the District's Boundaries.

Respectfully Submitted,

Greg B. Galindo

General Manager

Enclosure

- Notice of Water Rate Adjustments and Public Hearing on Water Rate Adjustments

You're Invited

to attend a public hearing on proposed adjustments to water use rates and service charges.

OCTOBER 15, 2018
5:30 P.M.

112 N. 1st Street
La Puente, CA 91744





LA PUENTE VALLEY COUNTY WATER DISTRICT NOTICE OF PROPOSED ADJUSTMENTS TO WATER USE RATES AND SERVICE CHARGES AND PUBLIC HEARING THEREON

When

October 15, 2018 at 5:30 p.m.
or as soon thereafter
as the matter may be heard

Where

112 N. 1st Street
La Puente, CA 91744
La Puente Valley County
Water District Board Room

Why Water Rate Adjustments Are Needed

La Puente Valley County Water District (“District”) recently completed the “La Puente Valley County Water District Study of Water Rates, Fees and Charges.” That study, which is referred to herein as the “Rate Study,” is available for review at the District office and on the District website (www.lapuentewater.com) and is incorporated herein by this reference. The District has not had a water rate increase since September 2015. Although the District has tried to minimize the impact of rising operational costs through various cost savings efforts, the Rate Study concludes that rate increases are necessary to generate additional revenue needed to offset the increases in the District’s overall operational expenses that the District has and will continue to experience. Those increased expenses include, but are not limited, to:

Cost of Water – The District is fortunate to have rights to a local groundwater source in the Main San Gabriel Basin (“Basin”), but any water the District pumps over its allotment must be replaced to maintain water levels in the Basin by

leasing rights or purchasing imported water. The cost for this replacement water has increased by over twenty-three percent (23%) in the last four years.

Groundwater Management – A new groundwater pumping assessment has been put into effect by the Main San Gabriel Basin Watermaster in order to secure additional water resources to maintain water levels in the Basin. This assessment will have a large cost impact on the District and all water providers that pump groundwater from the Basin in the San Gabriel Valley.

Capital Improvements – The District continuously invests in capital improvement projects that improve the performance of the water system or extend the life of existing facilities and equipment to avoid more expensive emergency repairs. In 2017 the District updated its Ten-Year Water Master Plan which identified necessary improvements and prioritized projects based on their need and benefit.

Calculation of Proposed Water Rate Adjustments

As a public agency, to the extent the District’s revenues exceed its expenses, those revenues are either re-invested in the District’s water supply and distribution systems, added to the District’s reserves to be used for subsequent repair or replacement of its system and facilities, or held in the event of an emergency. In determining the amount of the required future water rate increases for years 2018 through 2022, The District analyzed projected expenses and the revenues necessary to meet those anticipated expenses. That analysis examined the yearly expenses required to operate the District’s water system, less recurring non-rate revenue, miscellaneous income, and interest earnings. The yearly expenses include operation and maintenance expenses, reserve funding, cash financed capital projects, and anticipated debt service payments for capital projects. The District then used water industry standard cost of service calculations to allocate the required revenues among its customer classes.

In an effort to promote efficient water use, the proposed rate increases are applied in a tiered rate structure whereby residential customers who use more water than other residential customers pay a higher rate. The District proposes to revise the current tiered rate structure so that the higher rate for second tier water usage now applies after use of 20 billing units (each billing unit consists of 748 gallons) in a billing period. The rate for the second tier is higher in an effort to recover costs related to the purchase of expensive Basin replacement water the District is required to pay when the District pumps more water than its allotted annual production right in the Basin.



Basis of Proposed Adjustments in Water Rates and Charges

Costs to produce and deliver water, including replacement water assessments, are the District’s most significant costs in providing water service. In recent years, the District has not passed on those increases in costs. However, additional revenues are now needed to cover continually increasing costs. The Rate Study provides a detailed analysis of the methods used to calculate the proposed increased rates and charges, and how those rates and charges are fairly allocated across the District’s various customer classes.

In addition, the Rate Study recommends that the District impose pumping surcharges as part of the commodity rate for each of the District’s five pumping zones. These surcharges are established to fairly allocate the costs of providing water to higher elevations. Those costs include higher electrical power costs and pump maintenance costs that serve those customers who reside in the higher elevations. The Rate Study includes the detailed calculation by which the District calculated those surcharges. Customers with questions concerning the applicable pumping zone criteria or specific pumping zones are welcome to call the District office.

Impact of Proposed Increases to Rates and Charges

Proposed increases would be implemented in five phases, beginning with the first billing cycle after October 15, 2018, and additional increases effective on the first billing cycle after October 15th of each succeeding year (i.e. October 15, 2019, October 15, 2020, October 15, 2021 and October 15, 2022). For reference, **Table-5** of this notice (see Page 6) shows the impact of the proposed increases to a typical residential customer for the first year. Additional examples can also be found in the Rate Study.



Proposed Increased Water Rates and Charges

The following tables set forth the District's new proposed water rates and charges. The proposed increases impact all properties and accounts within the District's service area. **Table-1** shows the proposed bi-monthly flat rate service charge, which is determined by meter size, and **Table-2** shows the proposed adjustments in the Residential class commodity rate for each pumping zone, which is determined by the quantity of water used in the applicable billing period. **Table-3** shows the proposed adjustments in the commodity rate for Commercial, Industrial, and Multi-Family customer classes, which is also determined by the quantity of water used in the applicable billing period. **Table-4** shows the proposed adjustments in the commodity rate for Public Authority and Irrigation customer classes, which is also determined by the quantity of water used in the applicable billing period.

Table - 1
Current and Proposed Services Charges

Meter Size	Current	Proposed Bi-Monthly Charge				
	Bi-Monthly Charge (\$)	2018 (Oct. 15, 2018)	2019	2020	2021	2022
5/8"	31.02	30.68	32.98	35.46	38.12	40.97
3/4"	37.19	39.64	42.62	45.81	49.25	52.94
1"	49.54	57.57	61.89	66.53	71.52	76.88
1.5"	100.50	102.39	110.07	118.32	127.19	136.73
2"	127.36	156.17	167.88	180.47	194.00	208.56
3"	245.94	299.58	322.05	346.20	372.16	400.08
4"	358.35	460.92	495.48	532.65	572.59	615.54
6"	682.60	909.08	977.26	1050.55	1129.34	1214.04
8"	1006.84	1446.87	1555.38	1672.04	1797.44	1932.25

Table - 2
Current and Proposed Residential Commodity Rates

Pumping Zone	Current		2018		2019		2020		2021		2022	
	Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2	Tier 1	Tier 2
	0-25 HCF	>25 HCF	0-20 HCF	>20 HCF	0-20 HCF	>20 HCF	0-20 HCF	>20 HCF	0-20 HCF	>20 HCF	0-20 HCF	>20 HCF
Zone 1	\$1.61	2.32	1.74	2.97	1.87	3.19	2.01	3.43	2.16	3.68	2.33	3.96
Zone 2	\$1.81	2.52	1.94	3.16	2.08	3.40	2.24	3.65	2.41	3.93	2.59	4.22
Zone 3	\$1.98	2.69	2.13	3.36	2.29	3.61	2.46	3.88	2.65	4.17	2.85	4.48
Zone 4	\$1.86	2.57	1.97	3.20	2.12	3.44	2.28	3.69	2.45	3.97	2.64	4.27
Zone 5	\$2.12	2.83	2.13	3.36	2.29	3.61	2.46	3.88	2.65	4.17	2.84	4.48

(HCF = 748 gallons which is 1 billing unit)

Table - 3
Current and Proposed Commercial, Industrial and Multi-Family Commodity Rates

Pumping Zone	Current	2018	2019	2020	2021	2022
Zone 1	\$1.95	2.08	2.23	2.40	2.58	2.77
Zone 2	\$2.15	2.27	2.44	2.63	2.82	3.03
Zone 4	\$2.20	2.31	2.48	2.67	2.87	3.08

Table - 4
Current and Proposed Public Authority and Irrigation Commodity Rates

Pumping Zone	Current	2018	2019	2020	2021	2022
Zone 1	\$1.95	2.29	2.46	2.65	2.84	3.06
Zone 2	\$2.15	2.49	2.67	2.87	3.09	3.32
Zone 4	\$2.20	2.52	2.71	2.91	3.13	3.37

Table-5 shows the bi-monthly water bill impacts over the next five years for different levels of usage for a typical residential customer with a 5/8-inch meter. The average water use for a residential customer in a bi-monthly period is 25 HCF. (HCF = 748 gallons which is 1 billing unit)

Table - 5
Example of 5/8" Meter Service Residential Water Bill Impacts for Customers in Zone 2

Types of Use	Usage (HCF)	Current Bi-Monthly Bill	2018	Annual % Increase	2019	Annual % Increase	2020	Annual % Increase	2021	Annual % Increase	2022	Annual % Increase
	10	47.12	48.08	2.0%	51.68	7.5%	55.56	7.5%	59.72	7.5%	64.27	7.6%
Half the Avg. (approx.)	13	51.95	53.30	2.6%	57.29	7.5%	61.59	7.5%	66.20	7.5%	71.26	7.6%
	20	63.22	65.48	3.6%	70.38	7.5%	75.66	7.5%	81.32	7.5%	87.57	7.7%
Average Usage	25	71.27	80.33	12.7%	86.33	7.5%	92.81	7.5%	99.72	7.4%	107.37	7.7%
	30	82.87	95.18	14.9%	102.28	7.5%	109.96	7.5%	118.12	7.4%	127.17	7.7%
	40	106.07	124.88	17.7%	134.18	7.4%	144.26	7.5%	154.92	7.4%	166.77	7.6%
Twice the Avg.	50	129.27	154.58	19.6%	166.08	7.4%	178.56	7.5%	191.72	7.4%	206.37	7.6%

Table-6 below shows the bi-monthly water bill impacts over the next five years for the Commercial, Industrial and Multi-Family rate classes for different levels of usage based on a 1-inch meter size. The average use for this rate class is approximately 54 HCF per bi-monthly billing period.

Table - 6
1" Meter Commercial, Industrial and Multi-Family Water Bill Impacts (Zone 1)

Usage (HCF)	Current Bi-Monthly Bill	2018	Annual % Increase	2019	Annual % Increase	2020	Annual % Increase	2021	Annual % Increase	2022	Annual % Increase
25	98.29	109.57	11.5%	117.64	7.4%	126.53	7.6%	136.02	7.5%	146.13	7.4%
50	147.04	161.57	9.9%	173.39	7.3%	186.53	7.6%	200.52	7.5%	215.38	7.4%
75	195.79	213.57	9.1%	229.14	7.3%	246.53	7.6%	265.02	7.5%	284.63	7.4%
100	244.54	265.57	8.6%	284.89	7.3%	306.53	7.6%	329.52	7.5%	353.88	7.4%
150	342.04	369.57	8.0%	396.39	7.3%	426.53	7.6%	458.52	7.5%	492.38	7.4%
200	439.54	473.57	7.7%	507.89	7.2%	546.53	7.6%	587.52	7.5%	630.88	7.4%
300	634.54	681.57	7.4%	730.89	7.2%	786.53	7.6%	845.52	7.5%	907.88	7.4%
400	829.54	889.57	7.2%	953.89	7.2%	1026.53	7.6%	1103.52	7.5%	1184.88	7.4%
500	1024.54	1097.57	7.1%	1176.89	7.2%	1266.53	7.6%	1361.52	7.5%	1461.88	7.4%
600	1219.54	1305.57	7.1%	1399.89	7.2%	1506.53	7.6%	1619.52	7.5%	1738.88	7.4%

Table-7 below shows the bi-monthly water bill impacts over the next five years for the Public Authority & Irrigation rate classes for different levels of usage based on a 2-inch meter size. The average use for this rate class is approximately 325 HCF per bi-monthly billing period.

Table - 7
2" Meter Commercial, Public Authority and Irrigation Bill Impacts (Zone 1)

Usage (HCF)	Current Bi-Monthly Bill	2018	Annual % Increase	2019	Annual % Increase	2020	Annual % Increase	2021	Annual % Increase	2022	Annual % Increase
50	224.86	270.67	20.4%	290.88	7.5%	312.97	7.6%	336.00	7.4%	361.56	7.6%
75	273.61	327.92	19.8%	352.38	7.5%	379.22	7.6%	407.00	7.3%	438.06	7.6%
100	322.36	385.17	19.5%	413.88	7.5%	445.47	7.6%	478.00	7.3%	514.56	7.6%
150	419.86	499.67	19.0%	536.88	7.4%	577.97	7.7%	620.00	7.3%	667.56	7.7%
200	517.36	614.17	18.7%	659.88	7.4%	710.47	7.7%	762.00	7.3%	820.56	7.7%
300	712.36	843.17	18.4%	905.88	7.4%	975.47	7.7%	1046.00	7.2%	1126.56	7.7%
400	907.36	1072.17	18.2%	1151.88	7.4%	1240.47	7.7%	1330.00	7.2%	1432.56	7.7%
500	1102.36	1301.17	18.0%	1397.88	7.4%	1505.47	7.7%	1614.00	7.2%	1738.56	7.7%
600	1297.36	1530.17	17.9%	1643.88	7.4%	1770.47	7.7%	1898.00	7.2%	2044.56	7.7%
700	1492.36	1759.17	17.9%	1889.88	7.4%	2035.47	7.7%	2182.00	7.2%	2350.56	7.7%

Table-8 shows the proposed bi-monthly services charges for private fire service connections, as compared to the current bi-monthly charge. As is evident, these charges depend on the size of the applicable connection.

Table - 8
Private Fire Service Charge

Size of Connection	Current Bi-Monthly Charge	2018	2019	2020	2021	2022
1"	19.19	7.46	8.01	8.62	9.26	9.96
1.5"	24.10	9.02	9.70	10.42	11.21	12.05
2"	29.99	11.72	12.60	13.54	14.56	15.65
3"	45.69	21.41	23.01	24.74	26.60	28.59
4"	63.35	38.12	40.98	44.05	47.36	50.91
6"	112.42	98.09	105.45	113.36	121.86	131.00
8"	171.31	201.54	216.65	232.90	250.37	269.15
10"	240.01	261.23	280.82	301.88	324.53	348.86
12"	338.15	417.88	449.22	482.91	519.13	558.06



La Puente Valley
County Water District
112 North 1st Street
La Puente, CA 91744

Indicia

**THIS IS IMPORTANT INFORMATION ABOUT YOUR WATER RATES.
PLEASE HAVE SOMEONE TRANSLATE IT FOR YOU.**

**ESTE INFORME TIENE INFORMACION MUY IMPORTANTE SOBRE SUS TARIFAS DE AGUA.
POR FAVOR, PIDA ALGUIEN QUE LE TRADUZCA PARA USTED.**

Public Hearing

The California Constitution requires that the District provide notice of the proposed rate increases to all property owners of record upon which the water service charges are proposed for imposition or any tenant directly liable for the payment of water service rates and charges (i.e. a District water customer who is not a property owner). This notice must be given at least forty-five (45) days prior to the District holding a public hearing to consider the proposed rate increases. The District's Board of Directors will hold a public hearing on the proposed increases set forth herein at **5:30 p.m. on October 15, 2018**, or as soon thereafter as the matter may be heard, at **112 N. 1st Street, La Puente, CA 91744 in the La Puente Valley County Water District Board Room.**

Your Right to Protest

Any owner of a parcel of real property in the District's service area or any tenant directly liable for the payment of water service rates and charges (i.e. a District water customer who is not a property owner) may submit a written protest to the proposed adjustments to the District's water rates described in this notice. One protest is permitted per each real property parcel. Any written protest must: (1) state that the identified property owner or tenant is opposed to the proposed rate adjustments; (2) provide the location of the identified parcel (by street address or assessor's parcel number); and (3) include the name and signature of the property owner or tenant submitting the protest. You may file a written and signed protest against the proposed increases with the District's Secretary at or before the close of the public hearing. If you own more than one parcel, you may file a single protest covering all parcels, but it must separately identify each parcel you own. At the hearing, the District's Board of Directors shall consider all written protests that comply with the legal requirements specified in the California Constitution. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. Upon the conclusion of the public hearing, the District's Board of Directors will consider adoption of the proposed changes to the rates for water service charges as described in this notice. If written protests against the proposed rates are not presented by a majority of the property owners or tenants of the identified parcels subject to the water service charges as outlined above, the District's Board of Directors may adopt the rate adjustments set forth in this notice. Written protests may be mailed or delivered in person to:

**La Puente Valley County Water District
Attn: Secretary
112 North 1st Street
La Puente, California 91744**

Memo



To: Honorable Board of Directors
 From: Greg Galindo, General Manager
 Date: August 13, 2018
 Re: Authorize Investments of \$50,000 of the District's Reserve Funds

Summary

As declared in the District's Investment Policy, the Board has the authority to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the District's daily cash flow demands and conforming to all statutes governing the investment of District funds. In accordance with its policy, the Board invested \$500,000 in various investments with Raymond James & Associates Inc. in January of 2016. Below is a summary that provides specifics of the current certificates of deposit (CD) that the District is invested in.

Current CD	Coupon / Current	Acquisition Cost	CD Original Duration	Maturity Date	Estimated Annual Income	Remaining Months
Ally BK	1.25%	\$ 50,000	30	8/13/2018	\$ 625.00	0.00
Well Fargo BK	1.55%	\$ 150,000	18	12/21/2018	\$ 828.08	4.27
Goldman Sachs BK	1.46%	\$ 50,000	36	2/11/2019	\$ 730.00	5.98
Ally BK	1.61%	\$ 55,000	18	3/13/2019	\$ 514.32	6.97
Wells Fargo Bk	2.55%	\$ 100,000	23.4	3/23/2020	\$ 2,550.00	23.43
Average	1.68%	\$ 405,000	25		\$ 6,359.40	8.13
Weighted	1.76%		23			9.05

As shown in the summary above there is one CD in the amount of \$50,000 that is maturing on August 13, 2018, allowing the District to consider another investment consistent with the District's Investment Policy and investment strategy.

District staff has evaluated the District's investment options currently available. The following factors have been considered in contemplating the next investment of District funds:

- Current market offerings that comply with the District's Investment Policy and their safety, liquidity and anticipated return.
- The District's checking account earnings credit, which provides an offset to banking fees.
- The Local Agency Investment Fund's (LAIF) current rate of return.
- The District's cash needs over a period of the investment being considered.

Considering these factors, at this time staff recommends that the balance of approximately \$51,000, that is in the Raymond James account and not currently invested into a CD, be withdrawn and deposited into the District's LAIF account.

LAIF's current apportionment rate is 1.9%. This will equate to approximately \$969 in interest income. Funds in the LAIF account can be accessed within one business day and without any penalty or loss of investment earnings.

Fiscal Impact

The District's 2018 Budget anticipates interest income from the District's investments to be \$17,000 in 2018. Including this recommended investment, staff anticipates interest income from its investments to be approximately \$50,000 for 2018. This is primarily due to two factors; 1) better than anticipated LAIF investment returns, 2) larger balance of funds invested due to the delay in the District's Recycled Water Project. The delay of this project has allowed the District to retain a higher balance in its LAIF account resulting in higher earnings.

Recommendation

Staff recommends the Board approve a total of \$51,000 from its Raymond James account and not currently invested into a CD, be withdrawn and deposited into the District's LAIF account.

Respectfully Submitted,

Greg B. Galindo

General Manager