



## **AGENDA**

### **REGULAR MEETING OF THE BOARD OF DIRECTORS LA PUENTE VALLEY COUNTY WATER DISTRICT 112 N. FIRST STREET, LA PUENTE, CALIFORNIA MONDAY, DECEMBER 11, 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 November 27, 2017.
- B. Approval of Minutes of the Special Meeting of Board of Directors held on December 4, 2017.
- C. Approval of District Expenses for the Month of November 2017.
- D. Approval of City of Industry Waterworks System Expenses for the Month of November 2017.
- E. Receive and File the District's Water Sales Report for November 2017.
- F. Receive and File the City of Industry Waterworks System's Water Sales Report for November 2017.

## **7. ACTION/DISCUSSION ITEMS**

- A. Consideration to Lease 450 Acre-Feet of Main San Gabriel Groundwater Production Rights to the City of Industry Waterworks System.

**Recommendation:** Authorize the General Manager to Enter into a Lease Agreement with the City of Industry for 450 Acre-Feet of 2017-18 Main San Gabriel Basin Groundwater Production Rights.

- B. Consideration to Lease 250 Acre-Feet of Groundwater Production Rights to San Gabriel County Water District.

**Recommendation:** Authorize the General Manager to Lease 250 Acre-Feet of 2017-18 Main San Gabriel Basin Groundwater Production Rights to San Gabriel County Water District.

- C. Consideration to Lease 150 Acre-Feet of Groundwater Production Rights to Valley County Water District.

**Recommendation:** Authorize the General Manager to Lease 150 Acre-Feet of 2017-18 Main San Gabriel Basin Groundwater Production Rights to Valley County Water District.

- D. Review and Approve the Proposed District Budget for Period Ending December 31, 2018.

**Recommendation:** Approve the Proposed District Budget for Period Ending December 31, 2018.

- E. Discussion Regarding Potential Changes to the District's Employee Policies and Procedures Manual.

**Recommendation:** Board Discretion.

## **8. GENERAL MANAGER'S REPORT**

### **9. OTHER ITEMS**

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

### **10. BOARD MEMBER COMMENTS**

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

### **11. FUTURE AGENDA ITEMS**

### **12. ADJOURNMENT**

**POSTED:** Friday, December 8, 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 Mr. Greg 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](http://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, November 27, 2017, at 5:30 p.m. 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 p.m.

**Pledge of Allegiance:**

President Hastings led the meeting in the Pledge of Allegiance.

**Directors Present:**

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

**Staff Present:**

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

**Others Present:**

No other present.

**Adoption of Agenda:**

President Hastings asked for the approval of the agenda.

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

Motion approved by the following vote:

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

Nays: None.

**Consent Calendar:**

President Hastings asked for the approval of the Consent Calendar.

Approval of the Minutes of the Regular Meeting of the Board of Directors held on November 13, 2017.

- Mr. Galindo informed the Board that Staff prepared the minutes from the previous meeting in a more succinct style and will continue to prepare future minutes in this style unless the Directors would like to see more detailed minutes.

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

Motion approved by the following vote:

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

Nays: None.

**Financial Reports:**

**A.** Summary of Cash and Investments as of October 31, 2017.

- Mr. Galindo presented the Summary of Cash and Investments.

Motion by Director Aguirre, seconded by President Hastings, to receive and file the Summary of Cash and Investments as of October 31, 2017, as presented.

Motion approved by the following vote:

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

Nays: None.

**B.** Statement of the District's Revenues and Expenses as of October 31, 2017.

Motion by President Hastings, seconded by Vice President Rojas, to receive and file the Statement of the District's Revenues and Expenses as of October 31, 2017, as presented.

Motion approved by the following vote:

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

Nays: None.

**C.** Statement of the City of Industry Waterworks System's Revenues and Expenses as of October 31, 2017.

- Mrs. Herrera summarized the Statement of Revenues and Expenses for the City of Industry Waterworks System.

Motion by Director Aguirre, seconded by Vice President Rojas, to receive and file the Statement of the City of Industry Waterworks System's Revenues and Expenses as of October 31, 2017, as presented.

Motion approved by the following vote:

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

Nays: None.

**Discussion Item:**

Consideration of Resolution No. 248 Reestablishing the District's Investment Policy

- Mr. Trinh reviewed with the Board Resolution No. 248 and the changes proposed to the District's Investment Policy.

After further discussion, motion by Vice President Rojas, seconded by Director Hernandez, to approve Resolution No. 248 Reestablishing the District's Investment Policy as presented.

Motion approved by the following vote:

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

Nays: None.

**Project Engineer's Report:**

Mr. Frausto presented his report: (See memo)

- Mr. Frausto provided an overview of the report he prepared and highlighted various items in the report.

Motion by President Hastings, seconded by Vice President Rojas to receive and file the Project Engineer's report as presented.

Motion approved by the following vote:

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

Nays: None.

**Draft 2018 Budget Workshop**

- Mr. Galindo provided a presentation that outlined the projected 2017 year-end financial performance and summarized the draft proposed budget for 2018 (presentation enclosed).

After much discussion regarding the proposed 2018 Budget direction was given to staff to prepare the draft 2018 Budget Document for the Board to consider in December. No formal action by the Board was taken.

**General Manager's Report:**

Mr. Galindo had nothing of substance to report.

**Information Items:**

- A. Upcoming Events.
  - Mr. Galindo provided an update on the upcoming events in November and December 2017. He verified with the Directors who was scheduled to attend each event.
- B. Correspondence to the Board of Directors.
  - Included in the Board meeting agenda packet.

**Attorney Comments:**

Mr. Trinh had no comments.

**Board Member Comments:**

- A. Report on events attended.
  - President Hastings, Vice President Rojas, Directors Aguirre and Escalera all reported that they had attended the SCWUA meeting on November 16, 2017. Vice President Rojas also reported that he attended the ACWA JPIA Committee Meetings on November 27, 2017.
- B. Other comments.
  - Director Escalera asked to close this Board meeting in memory of his niece Lee Escalera.

**Future Agenda Items:**

No future items.

**Adjournment:**

There is no further business or comment, the meeting was adjourned at 7:34 p.m. in memory of Lee Escalera.

---

David Hastings, President

---

Greg B. Galindo, Secretary



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

A Special meeting of the Board of Directors of the La Puente Valley County Water District was held on December 4, 2017, at 5:30 p.m. 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; Gina Herrera, Customer Service & Accounting Supervisor; Roy Frausto, Compliance Officer/Project Engineer and Roland Trinh, District Counsel.

**Others Present:**

Steve Gagnon from Raftelis Financial Consultants, Inc.

**Public Comment:**

None.

**Adoption of Agenda:**

President Hastings asked for the approval of the agenda.

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

Motion approved by the following vote:

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

Nays: None.

**Water Rate Study Workshop**

Steve Gagnon from Raftelis Financial Consultants, Inc. provided a presentation on the Process of Water Rate Setting and Pricing Objectives (presentation enclosed).

- Mr. Gagnon's presentation provided information on the rate setting legal environment the process to set new water rates and the different objectives of price setting.
- At the conclusion of his presentation, Mr. Gagnon performed a pricing objective exercise with the Board. The Directors each completed a form that provided a ranking of their importance ranking of pricing objectives.

- Mr. Gagnon stated that the information provided by the Directors would be utilized to assist his firm in recommending water rates for the Board to consider and would be summarized in the final rate study report.

After much discussion regarding the water rate setting process, no formal action by the Board was taken.

**General Manager's Report**

Mr. Galindo provided an update on the Del Valle waterline project.

**Adjournment:**

There is no further business or comment, the meeting was adjourned at 6:43 p.m. in memory of Ruben Robles.

---

David Hastings, President

---

Greg B. Galindo, Secretary



## La Puente Water District November 2017 Disbursements

Check #	Payee	Amount	Description
5220	The Lighthouse Inc	\$ 15.19	Truck Maintenance
5221	A & J Welding	\$ 612.56	Truck Maintenance
5222	ACP Publications & Marketing	\$ 54.75	Administrative Supplies
5223	Bill Wright's Paint	\$ 229.81	Field Supplies
5224	CCSInteractive	\$ 54.40	Monthly Website Hosting
5225	Chevron	\$ 1,938.29	Truck Fuel
5226	Dragon Fire Protection	\$ 250.00	Fire Extinguisher Maintenance
5227	Eva's Cleaning Service	\$ 420.00	Cleaning Service
5228	Ferguson Enterprises Inc #1350	\$ 126.58	Field Supplies
5229	Highroad IT	\$ 402.00	Technical Support
5230	Industry Public Utilites	\$ 37,060.60	Web Payments October 2017
5231	Jiffy Lube My Fleet Center	\$ 202.21	Truck Maintenance
5232	Merritt's Hardware	\$ 335.00	Field Supplies
5233	MJM Communications & Fire	\$ 704.00	Security Monitoring Service
5234	O'Reilly Auto Parts	\$ 30.65	Truck Maintenance
5235	S & J Supply Co Inc	\$ 965.80	Field Supplies
5236	San Gabriel Valley Water Association	\$ 150.00	Seminar Expense
5237	SC Edison	\$ 6,809.22	Power Expense
5238	Time Warner Cable	\$ 273.56	Telephone Service
5239	Underground Service Alert	\$ 67.70	Line Notifications
5240	Valley Vista Services	\$ 306.20	Trash Service
5241	Weck Laboratories Inc	\$ 577.50	Water Sampling
5242	Hach Company	\$ 90.11	Field Supplies
5243	Konecranes	\$ 329.00	Quarterly Inspection & Maintenance
5244	Merritt's Hardware	\$ 10.94	Field Supplies
5245	Northstar Chemical	\$ 10,589.06	Chemical Expenses
5246	Stetson Engineers Inc	\$ 413.41	Engineering Support
5247	Trojan UV	\$ 37,789.20	Quarterly Service Contract
5248	Weck Laboratories Inc	\$ 2,709.00	Water Sampling
5249	Weck Laboratories Inc	\$ 887.50	Water Sampling
5250	Time Warner Cable	\$ 522.87	Telephone Service
5251	Waste Management of SG Valley	\$ 194.10	Trash Service
5252	Petty Cash	\$ 71.46	Office/Field Expense
5253	So Cal Water Utilities Association	\$ 180.00	Seminar Expense
5254	ACWA/JPIA	\$ 28,867.98	Health Benefits
5255	Answering Service Care	\$ 100.18	Answering Service
5256	B&W Communications Inc	\$ 2,574.10	Radios for Trucks
5257	Bank of America-Visa	\$ 198.89	Administrative Expenses
5258	CCSInteractive	\$ 105.00	Website Reprogramming
5259	Citi Cards	\$ 223.41	Administrative Expenses
5260	County of LA Auditor Controller	\$ 1,346.69	LAFCO Expense
5261	County Sanitation Dists of LA County	\$ 325.28	Refuse Fee's
5262	EcoTech Services Inc	\$ 740.00	PHET Program

## La Puente Water District November 2017 Disbursements - continued

Check #	Payee	Amount	Description
5263	Ed Butts Ford	\$ 644.59	Truck Maintenance
5264	Ferguson Waterworks	\$ 1,587.93	Field Supplies - Inventory
5265	Hacienda Lawnmower	\$ 135.34	Equipment Maintenance
5266	InfoSend	\$ 922.63	Billing Expense
5267	Jack Henry & Associates	\$ 45.25	Web E-Check Fee's
5268	Jiffy Lube My Fleet Center	\$ 77.43	Truck Maintenance
5269	Lagerlof, Senecal, Gosney & Kruse	\$ 11,018.00	Attorney Fee's
5270	Lincoln National Life Insurance Company	\$ 593.96	Disability Insurance
5271	McMaster-Carr Supply Co	\$ 27.74	Equipment Maintenance
5272	Peck Road Gravel	\$ 120.00	Asphalt & Concrete Disposal
5273	Platinum Consulting Group	\$ 3,453.75	Administrative Support
5274	Raftelis Financial Consultants	\$ 717.50	Water Rate Study
5275	San Gabriel Valley Water Company	\$ 144.07	Water Service @ Treatment Plant
5276	Time Warner Cable	\$ 288.44	Telephone Service
5277	Vulcan Materials Company	\$ 323.98	Field Supplies - Asphalt
5278	Weck Laboratories Inc	\$ 122.50	Water Sampling
5279	So Cal Industries	\$ 140.00	Restroom Service @ Treatment Plant
5280	MetLife	\$ 285.99	Life Insurance
5281	Morgan Company	\$ 730.31	Truck Maintenance
5282	Edward Enriquez	\$ 480.00	Household Retrofit Program
5283	Santiago E Loera Jr	\$ 172.39	Clothing Allowance
5284	William D Clark	\$ 343.72	Clothing Allowance
5285	John P Escalera	\$ 41.75	ACWA Conference Expense
5286	Bill Wright's Paint	\$ 176.42	Field Supplies
5287	Cell Business Equipment	\$ 59.37	Office Expense
5288	Downs Energy Inc	\$ 485.96	Booster Maintenance
5289	Lagerlof, Senecal, Gosney & Kruse	\$ 701.71	Attorney Fee's
5290	OPARC	\$ 1,444.33	Fire Hydrant Maintenance
5291	Peck Road Gravel	\$ 360.00	Asphalt & Concrete Disposal
5292	Premier Access Insurance Co	\$ 2,937.70	Dental Insurance
5293	Rafael Arambul & Sons	\$ 7,880.00	Patchwork
5294	S & J Supply Co Inc	\$ 197.65	Field Supplies
5295	SC Edison	\$ 3,185.56	Power Expense
5296	Staples	\$ 27.38	Office Supplies
5297	Sunbelt Rentals	\$ 219.66	Equipment Rental
5298	Verizon Wireless	\$ 38.01	Billing Expense
5299	Verizon Wireless	\$ 354.49	Cell Phone Service
5300	Weck Laboratories Inc	\$ 155.00	Water Sampling
5301	Baldwin Park FARP	\$ 60.00	Alarm Response
5302	SC Edison	\$ 25,213.65	Power Expense
5303	Petty Cash	\$ 64.50	Office/Field Expense

## La Puente Water District November 2017 Disbursements - continued

Check #	Payee	Amount	Description
Online	Home Depot	\$ 243.97	Field Supplies
Autodeduct	Superior Press	\$ 88.08	Administrative Supplies
Autodeduct	Bluefin Payment Systems	\$ 817.74	Web Merchant Fee's
Autodeduct	Wells Fargo	\$ 489.48	Bank Fee's
Autodeduct	Wells Fargo	\$ 166.85	Merchant Fee's
Autodeduct	First Data Global Leasing	\$ 43.80	Credit Card Machine Lease
Online	Lincoln Financial Group	\$ 5,841.00	Deferred Compensation
Online	CalPERS	\$ 11,696.38	Retirement Program
Online	CalPERS	\$ 700.00	Reporting Services Fee
Online	Employment Development Dept	\$ 3,685.36	California State & Unemployment Taxes
Online	United States Treasury	\$ 22,993.84	Federal, Social Security & Medicare Taxes
	<b>Total Vendor Payables</b>	<b><u>\$ 252,599.36</u></b>	

**La Puente Valley County Water District**  
**Payroll Summary**  
November 2017

	<b>November 2017</b>
Employee Wages, Taxes and Adjustments	
Gross Pay	
Total Gross Pay	94,825.59
Deductions from Gross Pay	
457b Plan Employee	-3,769.00
CalPers EEC	-980.06
MetLife	-97.12
Total Deductions from Gross Pay	-4,846.18
Adjusted Gross Pay	89,979.41
Taxes Withheld	
Federal Withholding	-8,838.00
Medicare Employee	-1,377.65
Social Security Employee	-5,700.22
CA - Withholding	-3,674.04
Medicare Employee Addl Tax	0.00
Total Taxes Withheld	-19,589.91
Net Pay	<b>70,389.50</b>
Total Employer Taxes and Contributions	7,272.19

**La Puente November 2017 Disbursements**

<b>Total Vendor Payables</b>	<b><u>\$ 252,599.36</u></b>
<b>Total Payroll</b>	<b><u>\$ 70,389.50</u></b>
<b>Total November 2017 Disbursements</b>	<b><u>\$ 322,988.86</u></b>

# Invoice No. 4- 2017-11

December 1, 2017

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 November 2017.

<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	\$13,874.23	
		2-03-187-2179	SC Edison	\$11,339.42	\$ 25,213.65
LP.02.01.02.00	Labor Costs	Nov-17	LPVCWD	\$18,343.99	\$ 18,343.99
LP.02.01.05.00	Transportation	Nov-17	LPVCWD - 1715 miles @ .535	\$ 917.53	\$ 917.53
LP .02.01.07.00	Water Testing	W7F2089	Weck Labs	\$ 331.50	
		W7H0526	Weck Labs	\$ 56.00	
		W7H0527	Weck Labs	\$ 226.50	
		W7H0528	Weck Labs	\$ 139.00	
		W7H1126	Weck Labs	\$ 200.00	
		W7H1134	Weck Labs	\$ 630.00	
		W710224	Weck Labs	\$ 331.50	
		W7I0472	Weck Labs	\$ 204.00	
		W7K0190	Weck Labs	\$ 331.50	
		W7K0245	Weck Labs	\$ 200.00	
		W7K0325	Weck Labs	\$ 56.00	
		W7K0365	Weck Labs	\$ 169.00	
		W7K0595	Weck Labs	\$ 56.00	
		W7K0639	Weck Labs	\$ 226.50	
		W7K0700	Weck Labs	\$ 200.00	
		W7K0824	Weck Labs	\$ 169.00	
		W7K0825	Weck Labs	\$ 367.00	
		W7K1068	Weck Labs	\$ 138.00	
		W7K1159	Weck Labs	\$ 472.00	
		W7K1160	Weck Labs	\$ 56.00	
		W7K1300	Weck Labs	\$ 200.00	
		W7K1417	Weck Labs	\$ 226.50	
		W7K1599	Weck Labs	\$ 56.00	
		W7K1603	Weck Labs	\$ 87.50	
		W7K1663	Weck Labs	\$ 204.00	
		W7K1664	Weck Labs	\$ 307.00	
		W7K1665	Weck Labs	\$ 307.00	
		W7K1894	Weck Labs	\$ 200.00	
		W7L0068	Weck Labs	\$ 56.00	
		W7L0193	Weck Labs	\$ 200.00	
		W7L0194	Weck Labs	\$ 331.50	\$ 6,735.00
LP.02.01.10.00	Operations Monitoring	9462; 11/17	Spectrum Business	\$ 222.87	
		2906; 11/17	Spectrum Business	\$ 300.00	\$ 522.87
<u>LP.02.01.12.00</u>	<u>Materials/Supplies</u>				
LP.02.01.12.06	Sodium Hypochlorite	113987	Northstar	\$ 2,035.67	
		113988	Northstar	\$ 1,965.01	\$ 4,000.68
LP.02.01.12.08	Ortho-Polyphosphate	7451	Sterling Water Technologies	\$ 1,810.10	\$ 1,810.10
LP.02.01.12.11	Sodium Hydroxide	114900	Northstar Chemical	\$ 1,264.00	\$ 1,264.00
LP.02.01.12.15	Other Expendables	7081279	Home Depot	\$ 120.01	
		81656	Home Depot	\$ 36.43	
LP.02.01.12.17	Sulfuric Acid	114626	Northstar Chemical	\$ 1,571.45	\$ 1,571.45
LP.02.01.12.18	Ion Exchange Resin	903313418	EVOQUA	\$18,228.42	\$ 18,228.42
LP.02.01.15.00	Contractor Labor	01-17-100	RC Foster	\$ 1,903.83	\$ 1,903.83
LP.02.01.80.00	Other O & M	49301	BP False Alarm Reduction Program	\$ 60.00	
		40229	Dragon Fire Protection	\$ 90.00	
		19816	Highroad IT	\$ 134.00	
		17587	MJM Protection	\$ 436.48	
		30508	Platinum Consulting Group	\$ 46.87	
		299231	So Cal Industries	\$ 140.00	
		9780759492	Staples	\$ 71.04	
		0166348	UPS	\$ 214.31	
		0101344-2519-7	Waste Management	\$ 194.10	\$ 1,386.80
			Total Expenditures	\$ 81,898.32	
			District Pumping Cost Deduction	\$ 14,125.71	
			<b>Total O &amp; M</b>	<b>\$ 67,772.61</b>	
			Total Capital Cost Reimbursable	\$ -	
			<b>Total Cost Reimbursable</b>	<b>\$ 67,772.61</b>	

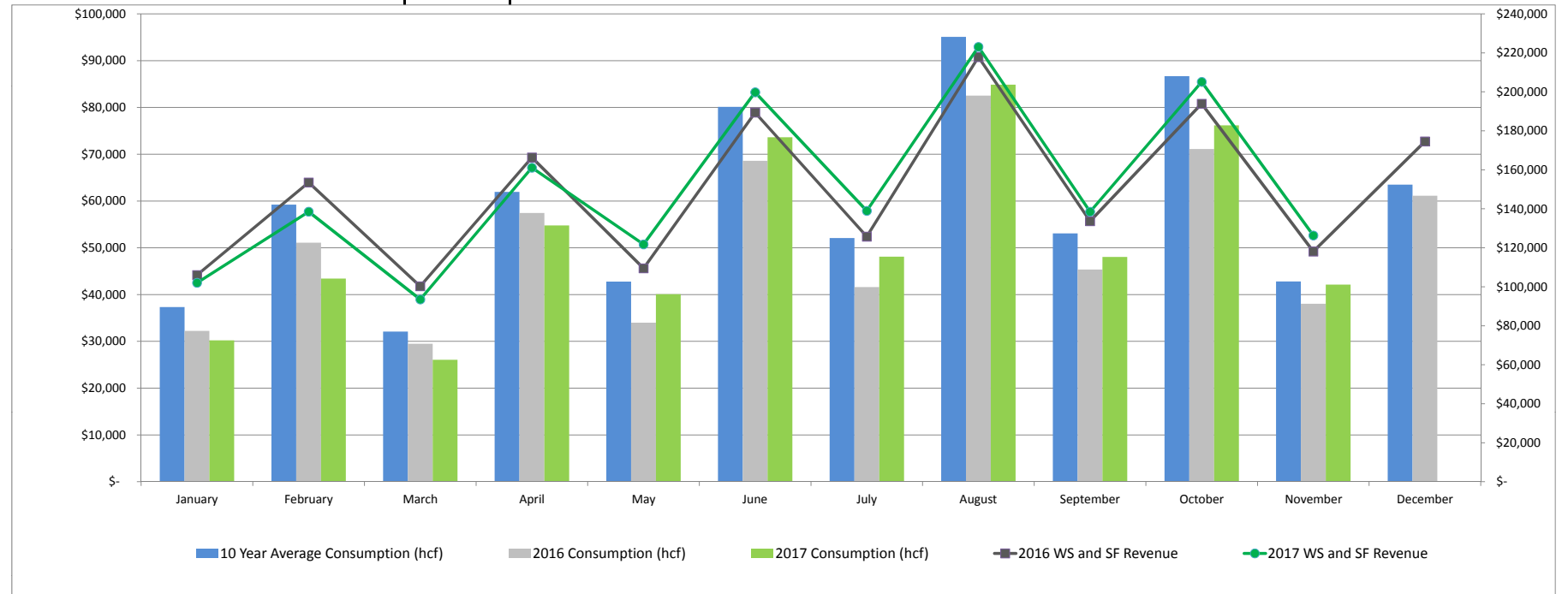
## Industry Public Utilities November 2017 Disbursements

Check #	Payee	Amount	Description
2815	RIF 5 - Golden Valley LLC	\$ 20.00	Customer Overpayment Refund
2816	Luis Magallon	\$ 18.46	Customer Overpayment Refund
2817	CCSInteractive	\$ 13.60	Monthly Website Hosting
2818	Dragon Fire Protection	\$ 270.19	Fire Extinguisher Maintenance
2819	Highroad IT	\$ 268.00	Technical Support
2820	La Puente Valley County Water District	\$ 47,470.20	Labor Costs October 2017
2821	Merritt's Hardware	\$ 131.76	Field Supplies
2822	SoCal Gas	\$ 19.40	Gas Expense
2823	Time Warner Cable	\$ 325.23	Telephone Service
2824	Underground Service Alert	\$ 67.70	Line Notifications
2825	Weck Laboratories Inc	\$ 233.50	Water Sampling
2826	Western Water Works	\$ 263.89	Industry Hills Meter Installations
2827	EcoTech Services Inc	\$ 2,340.00	PHET Program
2828	Answering Service Care	\$ 100.18	Answering Service
2829	Ferguson Enterprises Inc #1350	\$ 43.10	Industry Hills Meter Installations
2830	Industry Public Utility Commission	\$ 632.40	Industry Hills Power Expense
2831	InfoSend	\$ 674.87	Billing Expense
2832	Jack Henry & Associates	\$ 50.25	Web E-Check Fee's
2833	La Puente Valley County Water District	\$ 653.61	Web CC & Bank Fee's Reimbursement
2834	Lagerlof, Senecal, Gosney & Kruse	\$ 362.50	Attorney Fee's
2835	Peck Road Gravel	\$ 120.00	Asphalt & Concrete Disposal
2836	Platinum Consulting Group	\$ 306.25	Administrative Support
2837	Resource Building Materials	\$ 240.55	Industry Hills Meter Installations
2838	SC Edison	\$ 8,924.01	Power Expense
2839	Sunbelt Rentals	\$ 203.24	Equipment Rental
2840	Trench Plate Rental Co	\$ 271.80	Equipment Rental
2841	Vulcan Materials Company	\$ 323.97	Field Expense - Asphalt
2842	Weck Laboratories Inc	\$ 107.50	Water Sampling
2843	Cell Business Equipment	\$ 59.37	Office Expense
2844	Downs Energy Inc	\$ 485.95	Booster Maintenance
2845	Locus Technology	\$ 840.00	Technical Support
2846	Peck Road Gravel	\$ 1,200.00	Asphalt & Concrete Disposal
2847	Rafael Arambul & Son	\$ 8,060.00	Patchwork
2848	S & J Supply Co Inc	\$ 197.64	Field Supplies
2849	San Gabriel Valley Water Company	\$ 1,510.10	Purchased Water - Salt Lake
2850	SoCal Gas	\$ 15.29	Gas Expense
2851	Staples	\$ 97.00	Office Supplies
2852	Time Warner Cable	\$ 51.68	Telephone Service
2853	Verizon Wireless	\$ 76.02	Billing Expense
2854	Verizon Wireless	\$ 354.48	Cell Phone Service
2855	Weck Laboratories Inc	\$ 215.00	Water Sampling
2856	Petty Cash	\$ 81.16	Office/Field Expense
Online	Home Depot Credit Services	\$ 205.83	Field Supplies
Autodeduct	Wells Fargo Merchant Fee's	\$ 94.99	Merchant Fee's
Autodeduct	First Data Global Leasing	\$ 43.80	Credit Card Machine Lease - Monthly

**Total November 2017 Disbursements \$ 78,044.47**

WATER SALES REPORT LPVCWD 2017

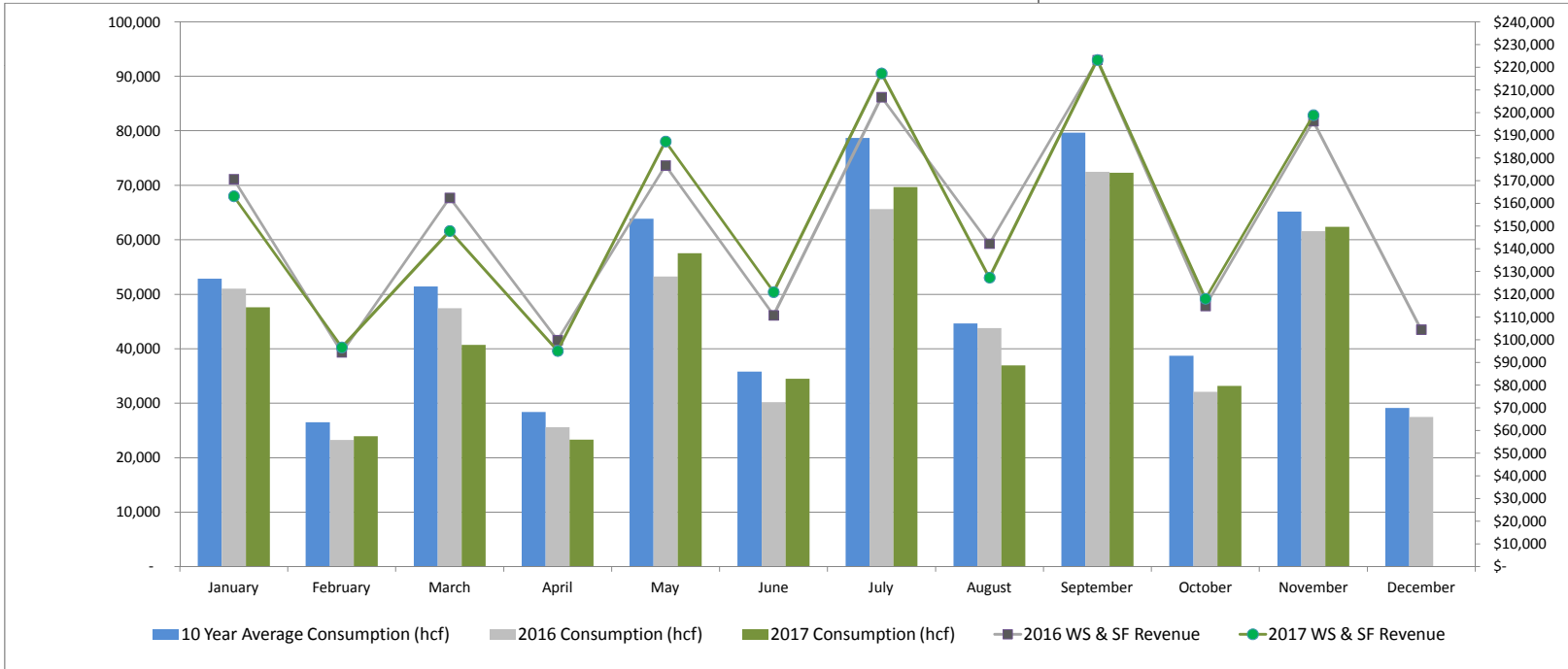
LPVCWD	January	February	March	April	May	June	July	August	September	October	November	December	YTD
No. of Customers	1,188	1,225	1,183	1,228	1,186	1,224	1,183	1,230	1,184	1,229	1,188	-	13,248
2017 Consumption (hcf)	30,207	43,404	26,046	54,765	40,068	73,619	48,095	84,860	48,029	76,182	42,119	-	567,394
2016 Consumption (hcf)	32,243	51,102	29,493	57,451	33,994	68,606	41,594	82,514	45,359	71,112	38,021	61,125	612,614
10 Year Average Consumption (hcf)	\$ 37,331	\$ 59,234	\$ 32,104	\$ 61,962	\$ 42,767	\$ 80,140	\$ 52,081	\$ 95,093	\$ 53,074	\$ 86,687	42,815	63,496	706,782
2017 Water Sales	\$ 56,237	\$ 83,965	\$ 47,979	\$ 106,562	\$ 76,176	\$ 145,325	\$ 93,326	\$ 168,492	\$ 92,909	\$ 150,737	\$ 80,834	\$ -	\$ 1,102,541
2016 Water Sales	\$ 60,494	\$ 99,236	\$ 54,751	\$ 111,992	\$ 63,934	\$ 134,930	\$ 80,192	\$ 163,798	\$ 87,848	\$ 139,800	\$ 72,334	\$ 119,456	\$ 1,188,767
2017 Service Fees	\$ 45,815	\$ 54,553	\$ 45,542	\$ 54,533	\$ 45,577	\$ 54,454	\$ 45,633	\$ 54,565	\$ 45,587	\$ 54,372	\$ 45,491	\$ -	\$ 546,123
2016 Service Fees	\$ 45,513	\$ 54,279	\$ 45,512	\$ 54,348	\$ 45,539	\$ 54,451	\$ 45,551	\$ 54,044	\$ 45,784	\$ 54,104	\$ 45,759	\$ 55,090	\$ 599,974
2017 Hyd Fees	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ 950	\$ -	\$ 10,450
2017 DC Fees	\$ 317	\$ 6,962	\$ 380	\$ 7,014	\$ 409	\$ 7,014	\$ 380	\$ 7,014	\$ 380	\$ 7,011	\$ 380	\$ -	\$ 37,261
2017 System Revenue	\$ 103,318	\$ 146,431	\$ 94,852	\$ 169,059	\$ 123,111	\$ 207,742	\$ 140,289	\$ 231,020	\$ 139,827	\$ 213,070	\$ 127,656	\$ -	\$ 1,696,375





**WATER SALES REPORT CIWS 2017**

<b>CIWS</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>August</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>YTD</b>
<b>No. of Customers</b>	956	851	958	852	961	853	959	850	959	851	<b>961</b>	-	<b>10,011</b>
<b>2017 Consumption (hcf)</b>	47,606	23,933	40,733	23,336	57,513	34,474	69,686	36,950	72,321	33,163	<b>62,382</b>	-	<b>502,097</b>
<b>2016 Consumption (hcf)</b>	51,014	23,246	47,428	25,586	53,232	30,162	65,617	43,802	72,486	32,073	<b>61,597</b>	27,487	<b>533,730</b>
<b>10 Year Average Consumption (hcf)</b>	52,850	26,517	51,414	28,401	63,879	35,827	78,661	44,666	79,663	38,695	<b>65,187</b>	29,130	<b>594,889</b>
<b>2017 Water Sales</b>	\$ 106,782	\$ 52,614	\$ 90,766	\$ 51,161	\$ 130,423	\$ 76,908	\$ 160,292	\$ 83,374	\$ 166,132	\$ 74,033	<b>\$ 142,146</b>	\$ -	<b>\$ 1,134,631</b>
<b>2016 Water Sales</b>	\$ 114,600	\$ 50,870	\$ 106,339	\$ 56,178	\$ 120,403	\$ 67,151	\$ 150,423	\$ 98,801	\$ 166,716	\$ 71,308	<b>\$ 139,893</b>	\$ 60,542	<b>\$ 1,203,224</b>
<b>2017 Service Fees</b>	\$ 56,427	\$ 44,029	\$ 57,111	\$ 43,894	\$ 56,897	\$ 44,106	\$ 57,029	\$ 43,972	\$ 57,093	\$ 44,011	<b>\$ 56,776</b>	\$ -	<b>\$ 561,343</b>
<b>2016 Service Fees</b>	\$ 56,143	\$ 43,530	\$ 56,179	\$ 43,621	\$ 56,350	\$ 43,611	\$ 56,399	\$ 43,492	\$ 56,460	\$ 43,537	<b>\$ 56,377</b>	\$ 43,902	<b>\$ 599,601</b>
<b>2017 Hyd Fees</b>	\$ 1,575	\$ 225	\$ 1,625	\$ 225	\$ 1,575	\$ 225	\$ 1,575	\$ 225	\$ 1,575	\$ 225	<b>\$ 1,575</b>	\$ -	<b>\$ 10,625</b>
<b>2017 DC Fees</b>	\$ 10,901	\$ 2,511	\$ 11,617	\$ 2,578	\$ 11,526	\$ 2,612	\$ 11,501	\$ 2,511	\$ 11,593	\$ 2,511	<b>\$ 11,593</b>	\$ -	<b>\$ 81,454</b>
<b>2017 System Revenues</b>	\$ 175,685	\$ 99,379	\$ 161,119	\$ 97,857	\$ 200,421	\$ 123,851	\$ 230,397	\$ 130,082	\$ 236,393	\$ 120,779	<b>\$ 212,090</b>	\$ -	<b>\$ 1,788,053</b>



# STAFF REPORT



Meeting Date: December 8, 2017  
To: Honorable Board of Directors  
Subject: Leases of Main San Gabriel Basin Groundwater Production Rights

**Purpose -** *To lease out 850 acre-feet a year of Main San Gabriel Basin (Basin) Groundwater Production Rights, which are over the District's needs.*

**Recommendation -** *Three separate Board actions:*

- (1) Authorize the General Manager to enter into a Lease Agreement with the City of Industry for 450 acre-feet of 2017-18 groundwater production rights at a rate of \$726.18 per acre-foot.*
- (2) Authorize the General Manager to lease 250 acre-feet of 2017-18 groundwater production rights to San Gabriel County Water District at a rate of \$726.18 per acre-foot.*
- (3) Authorize the General Manager to lease 150 acre-feet of 2017-18 groundwater production rights to Valley County Water District at a rate of \$726.18 per acre-foot.*

**Fiscal Impact -** *These actions will result in payments being made to the District in early 2018 as follows:*

- (1) City of Industry in the amount of \$326,781*
- (2) San Gabriel County Water District in the amount \$181,545*
- (3) Valley County Water District in the amount of \$108,927*

*The revenue from these transactions will total \$617,253, which will offset the cost of water leases in 2018. The projected total expense for water rights leases in 2018 is \$376,696, which is consistent with the 2018 proposed Budget.*

## **Summary**

In October of this year, the Board approved a three-year lease agreement with Canyon Water Company to lease 1,000 acre-feet (AF) a year for the next three years. At that time staff informed the Board that of the 1,000 AF, the District needed only a portion of those rights to cover its projected overproduction for the current production year, and that the remaining acre-feet could be subleased to the City of Industry Waterworks System (CIWS) and other producers if necessary. Staff has prepared an analysis (enclosed) of the Canyon Water Company lease and the lease of 850 AF to other producers, to show the impact to the District. By leasing in production rights over the needs of the District, allows the District to lease out what is not needed on an annual basis. This practice allows the District to adjust the amount of production rights it retains, at our discretion; and allows us to have improved access to the production rights lease market.

As the manager and operator of the CIWS, annually District staff recommends leases of water rights to the City of Industry, in an effort to reduce the cost for pumping water that is over the CIWS's annual production rights. The Canyon Water Company three-year lease agreement that the District has secured not only meets the annual needs of the District but also of CIWS.

The proposed leases to San Gabriel County Water District and Valley County Water District provides revenue to offset the expense of water rights leases, so that we stay within our proposed Budget for 2018.

### ***Fiscal Impact***

Enclosed is an analysis of the anticipated fiscal impacts by leasing out a total of 850 AF of production rights in early 2018. The recommended actions will result will result in payments being made to the District in early 2018 as follows:

- (1) City of Industry in the amount of \$326,781
- (2) San Gabriel County Water District in the amount \$181,545
- (3) Valley County Water District in the amount of \$108,927

The revenue from these transactions will total \$617,253, which will offset the cost of water leases in 2018. The income from these transactions will total \$617,253, which will offset the cost of water leases in 2018. The projected total expense for water rights leases in 2018 is \$376,696, which is consistent with the 2018 proposed Budget.

### ***Recommendation***

As separate action items, Staff recommends the Board:

- (1) Authorize the General Manager to enter into a Lease Agreement with the City of Industry for 450 acre-feet of 2017-18 groundwater production rights at a rate of \$726.18 per acre-foot.
- (2) Authorize the General Manager to lease 250 acre-feet of 2017-18 groundwater production rights to San Gabriel County Water District at a rate of \$726.18 per acre-foot.
- (3) Authorize the General Manager to lease 150 acre-feet of 2017-18 groundwater production rights to Valley County Water District at a rate of \$726.18 per acre-foot.

Respectfully Submitted,

*Greg B. Galindo*

General Manager

### **Enclosures**

- ◆ Groundwater Production Rights Lease Agreement with the City of Industry
- ◆ Letter of Lease Offer from the District to San Gabriel County Water District
- ◆ Letter of Lease Offer from the District to Valley County Water District
- ◆ Water Rights Lease Analysis

## LEASE OF WATER RIGHTS

### PRODUCTION RIGHT

THIS LEASE OF WATER RIGHTS (the "Lease") is entered into on this \_\_\_\_ day of December, 2017, by and between La Puente Valley County Water District, a County Water District ("Lessor"), and the City of Industry Waterworks System, a California municipal corporation ("Lessee"), with respect to the following:

#### RECITAL

This Agreement is made with respect to the following facts:

Lessor controls and is the owner of certain water production rights (the "Production Rights") in the Main San Gabriel Basin as adjudicated in the case of "Upper San Gabriel Valley Municipal Water District vs. City of Alhambra, et al.," LASC No. 92418. The ownership of said Production Rights entitle Lessor to take delivery or otherwise produce from the Main San Gabriel Basin a specific amount of water on an annual basis, or, in such amount as is determined from time to time by the Main San Gabriel Groundwater Basin Watermaster ("Watermaster"). As of the date hereof, Lessor has 450 acre-feet of Production Right for the 2017-18 water year available for lease.

#### AGREEMENT

IN CONSIDERATION of the foregoing recital and the mutual promises set forth herein, Lessor and Lessee agree as follows:

1. Leasing of Production Rights. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, Four Hundred and Fifty (450) acre-feet of Production Rights (the "Leased Production Rights") for the term and upon the terms and conditions set forth in this Lease.
2. Term. The term of this Lease shall be for a period commencing July 1, 2017 and ending June 30, 2018.
3. Lease Rate, Payment and Adjustment.

The lease rate under this Lease shall be ninety-one percent (91%) of the prevailing Pre-purchased Supplemental Water Rate (the "Pre-purchased SWR") set by the Upper San Gabriel Valley Municipal Water District's Board of Directors ("USGVMWD") on June 6, 2017. That Pre-purchased SWR is \$798 per acre foot for the current production year.

Thus, the gross rental amount payable for the lease of the Leased Production Rights under this Lease for the term as listed in paragraph 2 above shall be \$326,781, which is calculated on the basis of 91% of the Pre-purchased SWR of \$798 per acre foot. If the Pre-purchased SWR set by USGVMWD is revised or otherwise changed and made effective prior to June 30, 2018, a reconciling payment adjustment will be made by the Lessee or the Lessor, as the case may be, to the other party within 30 days from the date the revised Pre-purchased SWR is approved by USGVMWD.

Upon execution of this Lease, Lessor will send an invoice for, and Lessee will make the full payment of \$326,781 within 15 days of Watermaster's acknowledgement of the Lease.

All payments due Lessor pursuant to this Lease shall be made and sent as follows:

La Puente Valley County Water District  
112 N. First Street  
La Puente, CA 91744

4. Agreement Regarding Main San Gabriel Basin Watermaster.
  - (a) Lessor agrees to execute and deliver to Lessee all documents which, from time to time, may be required by the Watermaster to reflect the lease to Lessee of the Leased Production Rights which are the subject of this Lease. All such documents shall be in such form and substance as shall be reasonably satisfactory to Lessor, Lessee and the Watermaster. If for any reason, the Watermaster elects not to acknowledge this Lease, Lessor agrees to refund prior payments to Lessee within 30 days from the date of a refund request by Lessee and substantiation of said refusal by Watermaster.
  - (b) Lessee shall, at its expense, prepare and submit all reports required by the Watermaster in connection with the exercise by Lessee of the Leased Production Rights.
  - (c) Lessee shall pay all assessments required by Watermaster and the San Gabriel Valley Water Association in connection with the exercise by Lessee of the Leased Production Rights.
  - (d) This Lease entitles Lessee to the use only of the Leased Production Rights (i.e., lease of water rights) associated with Lessor's Production Rights. Lessor retains and does not convey to Lessee any other rights associated with said Production Rights.

5. Other Provisions.

- (a) In the event any dispute shall arise between the parties to this Lease, the same shall be resolved by arbitration conducted by the American Arbitration Association in accordance with the Commercial Arbitration Rules of the American Arbitration, as then in affect. Such arbitration shall be conducted in a site within Los Angeles County, California agreeable to both parties before three (3) arbitrators who shall be selected by mutual agreement of the parties; if agreement is not reached on the selection of arbitrators within fifteen days, then each of the parties shall select an arbitrator and the two (2) arbitrators so selected shall select a third. The provisions of the Commercial Arbitration Rules of the American Arbitration Association shall apply and govern such arbitration except that the prevailing party shall be entitled to recover from the other party its attorneys' fees actually incurred in such amount as may be determined by the arbitrator.
- (b) All communications, notices and demands (collectively "Notices") of any kind shall be made in writing and personally served or sent by registered or certified mail, postage prepaid to the following:

Lessor: Greg B. Galindo  
La Puente Valley County Water District  
112 N. First Street  
La Puente, CA 91744

Lessee: Paul Philips  
City of Industry Waterworks System  
15625 East Stafford Street #100  
City of Industry, California 91744

Any Notice personally served shall be effective upon service. Any Notice sent by mail, and properly addressed, shall be effective upon date of receipt, or refusal as indicated on the return receipt. Either party may change its address for Notices by notice to the other given in a manner provided in this subparagraph.

- (c) This Lease shall inure to the benefit of and be binding upon the heirs, successors and assigns of both parties hereto.
- (d) Each party shall, upon request of the other party, take such further actions and execute and deliver such further instruments as shall be reasonably required to carry out the purpose and intent of this Lease.
- (e) This Lease is executed in the State of California and shall be governed by and construed in accordance with California law. Venue for any

action arising out of or related to the Lease shall be placed in any court of the State of California with appropriate jurisdiction and located in the County of Los Angeles, with service of process to be in accordance with the then provisions of the California Code of Civil Procedure.

- (f) This Lease may be executed in two or more counterparts, each of which shall be an original but all of which, together, shall constitute a single instrument. It shall not be necessary for both parties to execute the same counterpart(s) of this Lease for this Lease to become effective.
- (g) This Lease constitutes the entire agreement of Lessor and Lessee with respect to the subject matter hereof. This Lease supersedes all prior discussions and understandings with respect to the subject matter hereof. There are no representations, warranties, promises or covenants as to the subject matter hereof except as expressly set forth in this Lease.
- (h) This Lease may be amended only by a written instrument executed by both parties.
- (i) The paragraph headings contained in this Lease are for convenience only and shall not be considered in the construction or interpretation of any provision hereof.
- (j) Lessor represents and acknowledges that it is executing this Lease as the owner of the Production Rights that are the subject of this Lease, and that said rights are not encumbered in any way that would interfere with Lessee's rights as set forth herein.

IN WITNESS WHEREOF, Lessor and Lessee have executed and delivered this Lease of Water Rights as of the day first above written.

LESSOR

LESSEE

La Puente Valley County Water District

City of Industry Waterworks System

---

Greg B. Galindo  
General Manager

---

Paul Phillips  
City Manager

David Hastings  
President

William R. Rojas  
Vice President

Charles Aguirre  
Director



John P. Escalera  
Director

Henry P. Hernandez  
Director

Greg B. Galindo  
General Manager

112 N First St. / P.O. Box 3136  
La Puente, CA 91744  
(626) 330-2126 – Fax (626) 330-2679  
[www.lapuentewater.com](http://www.lapuentewater.com)

December 6, 2017

Mr. Jim Prior  
General Manager  
San Gabriel County Water District  
8366 Grand Avenue  
Rosmead, CA 91770

**RE: LEASE OF MAIN SAN GABRIEL BASIN GROUNDWATER PRODUCTION RIGHTS**

Dear Mr. Prior,

This letter serves to confirm San Gabriel County Water District's (SGCWD) interest in leasing 2017-18 Main San Gabriel Groundwater Basin groundwater production rights from the La Puente Valley County Water District (District). At this time, the District has 250 acre-feet (AF) of production rights available to lease to SGCWD. The District is prepared to accept an offer to lease these rights at Ninety-One percent (91%) of the Tier 1 Untreated Water Rate charges per AF set by Upper San Gabriel Valley Municipal Water District for 2018. The cost per AF for the lease shall be calculated as follows: (Tier 1 Untreated Water Rate \$798/AF x 0.91 = lease rate of \$726.18/AF). The total payment for the lease of 250 AF shall be **\$181,545.00**.

Enclosed, is the Temporary Assignment or Lease of Water Right document that our District has signed and notarized. If you are agreeable to this transaction, please have the proper designee sign and notarize this document and return back to the District. Upon receipt, we will forward the document to Watermaster for acknowledgement. Once Watermaster acknowledges the lease our District will provide SGCWD with an invoice, for the lease of these rights, to be payable to the District within 30 days of receipt.

I want to thank you for your consideration on this matter. If you have any questions regarding this transaction, please contact me at (626) 330-2126.

Sincerely,

Greg B. Galindo  
General Manager  
La Puente Valley County Water District

Cc: Board of Directors



David Hastings  
President

William R. Rojas  
Vice President

Charles Aguirre  
Director



John P. Escalera  
Director

Henry P. Hernandez  
Director

Greg B. Galindo  
General Manager

112 N First St. / P.O. Box 3136  
La Puente, CA 91744  
(626) 330-2126 – Fax (626) 330-2679  
[www.lapuentewater.com](http://www.lapuentewater.com)

December 7, 2017

Mr. Jose Martinez  
General Manager  
Valley County Water District  
14521 Ramona Blvd.  
Baldwin Park, CA 91706

**RE: LEASE OF MAIN SAN GABRIEL BASIN GROUNDWATER PRODUCTION RIGHTS**

Dear Mr. Martinez,

This letter serves to confirm Valley County Water District's (VCWD) interest in leasing 2017-18 Main San Gabriel Groundwater Basin groundwater production rights from the La Puente Valley County Water District (District). At this time, the District has 150 acre-feet (AF) of production rights available to lease to SGCWD. The District is prepared to accept an offer to lease these rights at Ninety-One percent (91%) of the Tier 1 Untreated Water Rate charges per AF set by Upper San Gabriel Valley Municipal Water District for 2018. The cost per AF for the lease shall be calculated as follows: (Tier 1 Untreated Water Rate \$798/AF x 0.91 = lease rate of \$726.18/AF). The total payment for the lease of 150 AF shall be **\$108,927.00**.

Enclosed, is the Temporary Assignment or Lease of Water Right document that our District has signed and notarized. If you are agreeable to this transaction, please have the proper designee sign and notarize this document and return back to the District. Upon receipt, we will forward the document to Watermaster for acknowledgement. Once Watermaster acknowledges the lease our District will provide SGCWD with an invoice, for the lease of these rights, to be payable to the District within 30 days of receipt.

I want to thank you for your consideration on this matter. If you have any questions regarding this transaction, please contact me at (626) 330-2126.

Sincerely,

Greg B. Galindo  
General Manager  
La Puente Valley County Water District

Cc: Board of Directors

**LPVCWD Lease Analysis December 2017**

<b>Production Year</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18 (proj.)</b>	<b>2018-19 (proj.)</b>	<b>2019-20 (proj.)</b>	<b>2020-21 (proj.)</b>
Watermaster Safe Yeild	150,000	150,000	150,000	<b>150,000</b>	150,000	150,000	150,000
District Production Right	857.96	857.96	857.96	<b>857.96</b>	857.96	857.96	857.96
Carryover Rights	-	-	175.56	<b>260.42</b>	147.11	46.29	7.02
Lease In #1 (AF)	335.39	335.39	335.39	<b>335.39</b>	335.39	335.39	335.39
Lease In #2 (AF)	43.89	43.89	43.89	<b>43.89</b>	43.89	43.89	43.89
Lease In #3 (AF)	0	375	250	<b>1,000</b>	1,000	1,000	250
Lease Out Total (AF)	0	0	0	<b>(850)</b>	(800)	(750)	
<b>Total Rights for Year</b>	<b>1,237.23</b>	<b>1,612.23</b>	<b>1,662.79</b>	<b>1,647.65</b>	1,584.34	1,533.52	1,494.25
Production	1,593.99	1,436.40	1,402.37	<b>1,500.54</b>	1,538.05	1,526.50	1,564.66
Over Production	356.76	(175.83)	(260.42)	<b>(147.11)</b>	(46.29)	(7.02)	70.41
Cyclic Storage Used (AF)	356.76	-	-	-			70.41
Replacement Water Assessment (AF)	-	-	-	-	-	-	-
Lease In #1 Rate \$/AF	\$ 619.18	\$ 619.18	\$ 634.27	<b>\$ 699.79</b>	\$ 726.18	\$ 755.23	\$ 785.44
Lease In #2 Rate \$/AF	\$ 606.00	\$ 634.27	\$ 699.79	<b>\$ 726.18</b>	\$ 755.23	\$ 785.44	\$ 816.85
Lease In #3 Rate \$/AF	\$ -	\$ 641.24	\$ 707.48	<b>\$ 726.18</b>	\$ 755.23	\$ 785.44	\$ 825.83
Prepurchased Cyclic Storage Rate \$/AF	\$ 251.90	\$ 251.90	\$ 251.90	<b>\$ 251.90</b>	\$ 251.90	\$ 251.90	\$ 252.90
Lease Out Rate \$/AF	\$ -	\$ -	\$ -	<b>\$ 726.18</b>	\$ 755.23	\$ 785.44	
Lease 1 Cost	\$ 207,665.34	\$ 207,665.34	\$ 212,724.64	<b>\$ 234,699.07</b>	\$ 243,549.88	\$ 253,291.87	\$ 263,423.55
Lease 2 Cost	\$ 26,597.34	\$ 27,838.11	\$ 30,713.78	<b>\$ 31,872.04</b>	\$ 33,146.92	\$ 34,472.80	\$ 35,851.71
Lease 3 Cost	\$ -	\$ 240,465.00	\$ 176,870.00	<b>\$ 726,180.00</b>	\$ 755,227.20	\$ 785,436.29	\$ 206,457.54
Cyclic Storage Cost	\$ 89,867.84	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,735.97
Revenue from Leases	\$ -	\$ -	\$ -	<b>\$ (617,253.00)</b>	\$ (604,181.76)	\$ (589,077.22)	\$ -
Net Cost of Cyclic & Lease Water	\$ 324,130.52	\$ 475,968.45	\$ 420,308.43	<b>\$ 375,498.11</b>	\$ 427,742.24	\$ 484,123.75	\$ 523,468.77
Average Rate \$/AF (Cyclic & Lease)	\$ 440.37	\$ 631.03	\$ 667.92	<b>\$ 272.24</b>	\$ 310.12	\$ 351.00	\$ 748.15
Cyclic Storage Starting Balance	1286.43	929.67	929.67	<b>929.67</b>	929.67	929.67	929.67
Cyclic Storage Ending Balance	929.67	929.67	929.67	<b>929.67</b>	929.67	929.67	859.26
Cyclic Storage Value	341,453.79	361,957.72	423,539.06	<b>440,923.89</b>	467,928.20	496,012.68	492,296.67



# DRAFT

## ANNUAL BUDGET

Year Ending December 31, 2018

### BOARD OF DIRECTORS

David Hastings	President
William R. Rojas	Vice President
Charles Aguirre	Director
John P. Escalera	Director
Henry P. Hernandez	Director

**Prepared by:** Greg B. Galindo, General Manager & Cindy Byerrum (Platinum Consulting)



THE LA PUENTE VALLEY COUNTY WATER DISTRICT BOARD OF DIRECTORS AND STAFF ARE DEDICATED TO PROVIDING OUR CUSTOMERS HIGH QUALITY WATER, ALONG WITH COURTEOUS AND RESPONSIVE CUSTOMER SERVICE AT THE MOST REASONABLE COST.

## Table of Contents

### *Sections*

About La Puente Valley County Water District .....	4
Service Area Trends .....	5
Water Supply and Cost of Water .....	6
Water Quality and the Cost of Water Treatment .....	8
Customer Base and Water Usage .....	8
Past Water Rate Adjustments .....	8
The Budget .....	10
Direction of the District and Financial Forecast .....	10
2018 Objectives .....	14
Executive Summary .....	15
Water Operations Fund .....	15
Water Revenue - Operational .....	16
Water Revenue - Non-Operational .....	16
Water Expenditures .....	16
Capital Improvements and Capital Outlay .....	18

### *Figures*

Figure 1.1 Boundary Map of District's Service Area .....	4
Figure 1.2 Years 2012-17 Annual Water System Demand .....	5
Figure 1.3 District's Annual Production Right (2002-2018) .....	7
Figure 1.4 Five Year Projection of Total Cash and Reserve Fund Level .....	13

### *Tables*

Table 1.1 Number of Connections by Category and Percentage of Demand .....	9
Table 1.2 Five Year Forecast of Revenue and Expenses .....	13
Table 1.3 2018 Capital Improvement Projects .....	18
Table 1.4 2018 Budget Summary .....	19
Table 1.5 District Budget for 2018 .....	20
Table 1.6 District Treatment Plant Budget for 2018 .....	22

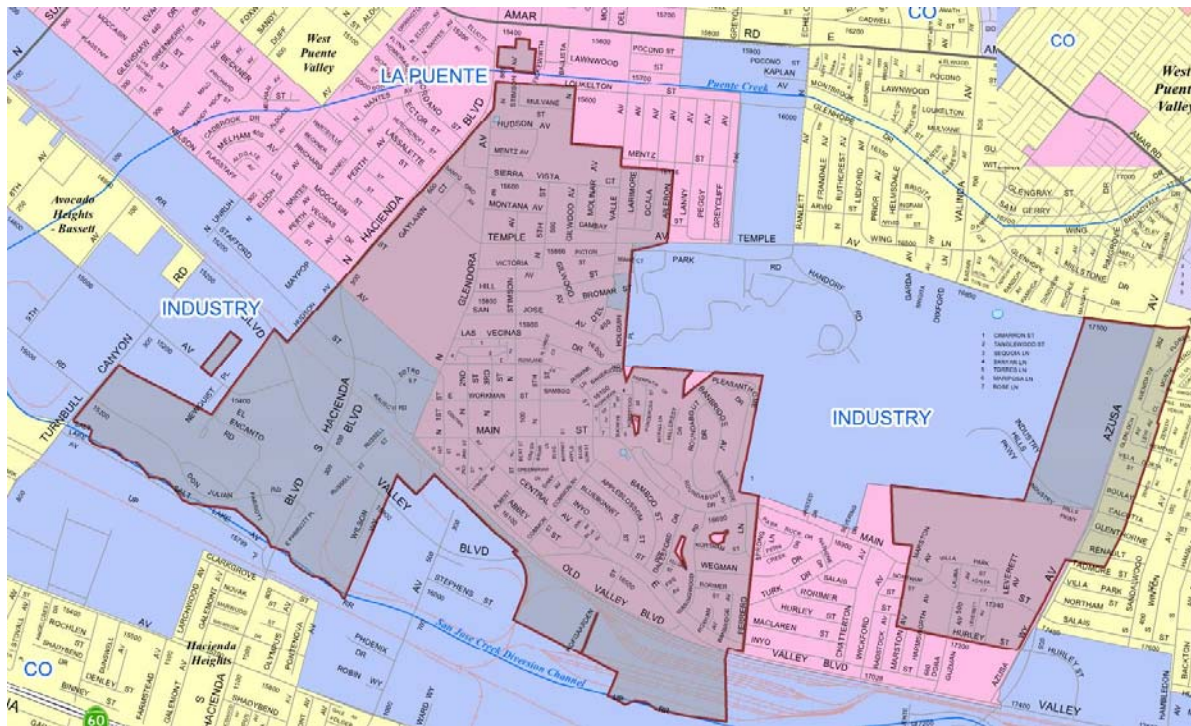


## About La Puente Valley County Water District

La Puente Valley County Water District provides safe, reliable and cost-effective drinking water to approximately 9,600 people within the communities of La Puente and the City of Industry. The District has been providing water service to these communities for over 93 years. The District was formed in August 1924 by popular vote, in accordance with the County Water District Act of 1913. In its infancy, the District consisted of approximately 1,300 acres and 200 water service connections. The area was vastly different from what it is today. At that time, most of the water produced from the District's Well Field was delivered to meet agricultural irrigation needs of the valley. Over the years, the District has grown to approximately 1,600 acres and over 2,500 water service connections. To this day, the District's Well Field continues to be the main source of supply to meet the needs of the District's customers. The boundary map of the District's service area is provided in **Figure 1.1**.



**Figure 1.1 - Boundary Map of District's Service Area**



A publicly elected, five-member Board of Directors governs the District. Board members serve four-year terms and elections are held every two years with terms staggered to ensure continuity. The Board is responsible for establishing District policy on a variety of issues including, but not limited to, financial planning, infrastructure investment, and water rates. Day-to-day operations are managed by the General Manager who oversees a highly-qualified staff responsible for executing ongoing operational and administrative functions. The District's employees include certified water treatment and distribution operators and an experienced administrative staff.

The District's Water System includes approximately 2,534 service connections, more than 32 miles of distribution and transmission mains, 4 wells, a state of the art groundwater treatment facility, 5 booster pump stations, 4 pressure regulating stations and 3 reservoirs. In addition, the District manages and operates the Industry Public Utilities Water System, which includes 1,860

service connections, 34.4 miles of distribution and transmission mains, 1 active well, 5 booster pump stations, and 3 reservoirs.

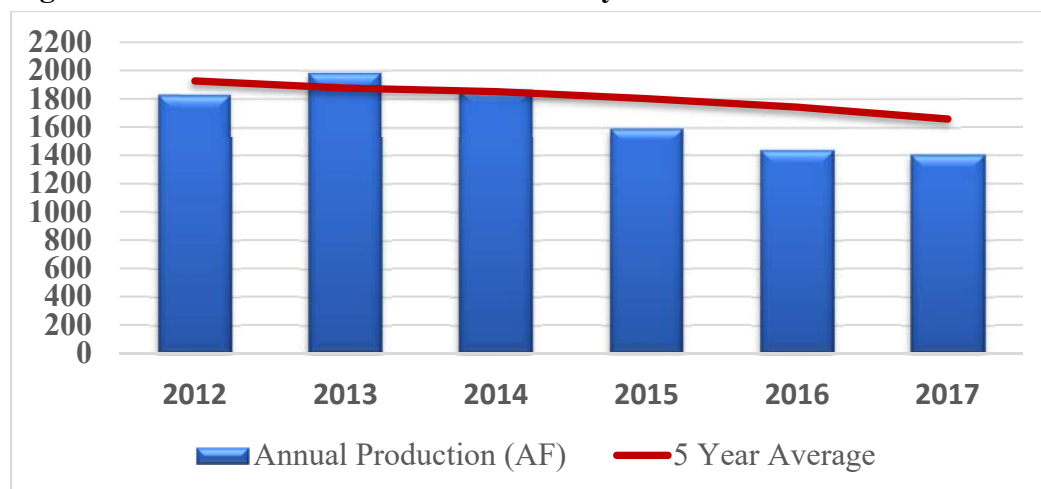
### Service Area Trends

Land use in the portion of the City of La Puente bounded by the District’s service area is primarily residential with some commercial, public/institutional, and open space areas. Land use in the portion of the City of Industry bounded by the District’s service area is primarily commercial and industrial. This portion of the District’s service area is also, for the most part, fully developed. Population data for the City of Industry shows little or no growth over the next 20 years. District Staff projects that most, if not all, future developments within this portion of the District’s service area will be redevelopment of commercial properties that may or may not have an impact on the water system’s water demand.

Portions of the City of La Puente bounded by the District’s service area are also, for the most part, fully developed. Based on the current and projected trends, the long-term population growth is projected to increase at a rate of approximately 1.0% per year. In recent years, developments within this portion of the District’s service area have been infill residential type of developments. With the exception of one development in 2017, developments in the District’s service area have not required major infrastructure additions and typically are accommodated by the installation of new service connections from existing water main lines, however these types of development do increase the system’s water supply based on the historic water use at the developed site.

The annual amount of water used within the District’s water system (water system demand) over the last 10 years (2007-2016) has averaged 1,800 acre-feet (AF). The water system demand over the past 5 years (2012-17) has been 1,656 AF. In 2017, the water system demand was approximately 15% less than compared to the 5-year average. This reduction in use was driven mainly by water conservation efforts that have remained in effect, in response to the multi-year historic drought conditions (2012-2016). In May 2015, the District’s Board of Directors adopted Resolution No. 229, which re-declared emergency water conservation restrictions and adopted the revised State Water Resources Control Board Regulations. The adopted outdoor water use restrictions yielded a substantial reduction in water system demand over 2017. The reduction in water use has also had a significant impact to water sales revenue in both 2015, 2016 and 2017. **Figure 1.2** displays the water system demand in AF for a 5-year period compared to the rolling five-year average.

**Figure 1.2 - Years 2012-17 Annual Water System Demand**



## Water Supply and Cost of Water

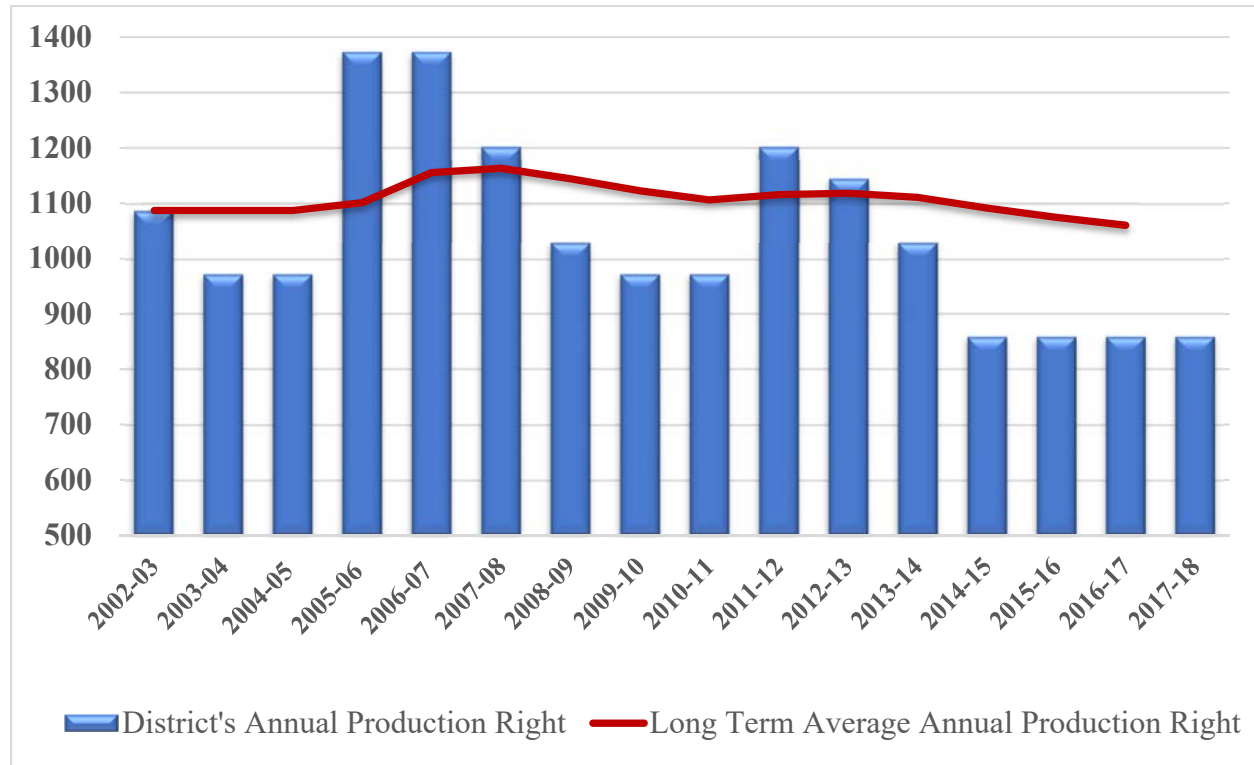
The District's primary source of supply is from three ground water wells that produce water from the adjudicated Main San Gabriel Basin (Basin). The groundwater rights in the Basin were adjudicated on the basis of mutual prescription resulting in a specific quantity in acre-feet per year for each producer. Such rights were then converted to a Pumper's Share, expressed in percent of the aggregate of all prescriptive rights. The District was adjudicated 1,097.00 acre feet of water rights based on groundwater production that occurred between calendar years 1953 and 1967. Subsequently, the District obtained the water rights of El Encanto Properties on July 22, 1974, in the amount of 33.40 acre-feet. Thus, the District's total adjudicated water rights are 1,130.40 acre-feet. This represents 0.57197 percent (Pumper's Share) of all adjudicated water rights in the Basin.

Under the Main San Gabriel Basin Judgment, the Main San Gabriel Basin Watermaster (Watermaster) annually establishes the Operating Safe Yield (OSY) for the ensuing year. This is done mainly on the basis of groundwater storage conditions as reflected by the Baldwin Park Key Well. In order to provide sufficient storage capacity in the basin to capture as much of the local stream flow as practicable, the Judgment provides that imported supplemental water will not be spread in the Basin when the Key Well elevation exceeds 250 feet above mean sea level (msl) and will be spread, insofar practicable, to maintain the elevation above 200 feet msl. Each year a producer is allowed to extract, free of Replacement Water Assessment, its share of the OSY which is established in May each year by the Watermaster. This annual share is referred to as the annual production right. Any producer can extract all the water needed for beneficial use, but the portion of such extraction, which exceeds the annual production right of the OSY, is assessed at a rate (Replacement Water Assessment), which will purchase one acre-foot of imported supplemental water for each acre-foot of excess production. Such water is then purchased by the Watermaster from the appropriate Responsible Agency (municipal water district) and used to replenish the Basin. If Basin storage is low, as indicated by the key well elevation, the OSY is set at a lower level so that more Replacement Water may be purchased to increase Basin storage. If Basin storage is relatively high, the OSY is increased so that Replacement Water will not increase Basin storage to the point that local water runoff will be un-storable.

The southern portion of the State of California continues to be in the state of a drought. The lack of precipitation locally has resulted in a major decrease in groundwater replenishment. After recovering to normal water levels in 2011, water levels at the District's well field have declined significantly over the last six years. Although there has been a major decline in water levels, the District remains fortunate that its well field is located very near the middle of the Basin and that its wells were designed to yield water with no impacts to the District's groundwater pumping capacity at low Basin water levels. Due to the historic drought conditions the OSY has been set at a very low level for the last three years. This has resulted in a 18% reduction of the District's annual production right as compared to the long-term average annual production right. Approximately 40% of water the District pumps from the Basin each year to meet its water system demand, requires the District to lease production rights and/or purchase replacement water. **Figure 1.3** displays the District's annual production right and the long term annual average of its production right.



**Figure 1.3 District's Annual Production Rights (2002-2017)**



The District is located within the service area of regional water supplier Upper San Gabriel Valley Municipal Water District (Upper District). The District relies upon Upper District to deliver replacement water for every acre foot of water produced over the District's annual production right. Upper District is a member agency of the Metropolitan Water District of Southern California (MWD), which is the agency that it purchases imported water from for replenishment purposes. The vast majority of imported water is delivered through the State Water Project (SWP) Delivery System. In the past, MWD provided this water at its replenishment water rate. Between 2007 and 2010, imported water at the replenishment rate was unavailable for purchase, but was available at the MWD tier 1 and tier 2 untreated water rates, which were substantially higher. As a result of the import water pricing change, in May 2009, the rate for the Replacement Water Assessment, set by Watermaster, was increased from \$251.90 per acre foot to \$450.00. In May 2017, the Replacement Water Assessment was set at \$898.00 per acre foot for the 2017-18 production year, which equates to a \$646.10 per acre foot increase over the last eight years.

The District was able to cushion the effect of this increase by purchasing 2,000 acre feet of cyclic storage water (in 2009) at a rate of \$251.90 per acre foot. Cyclic storage water, when available, can be purchased by a producer that has a cyclic storage water agreement in place with Watermaster. Cyclic storage water is replenishment water that has already been delivered into the Basin, which can be used to offset future replenishment water obligations. This water has allowed the District to limit its replenishment water purchase to only 188 acre feet over the last eight years. Currently the District has 929 acre feet in its cyclic storage account. This water also provides a major benefit during times of drought, like we are currently facing. Over the last seven years, the District has also leased groundwater productions rights at a rate 8% to 10% lower than the cost for replacement water, which further reduced the impact of the rising cost of replenishment water. The future cost for replenishment water along with groundwater production assessments will continue to have a substantial financial impact on the District in years to come.

## Water Quality and the Cost of Water Treatment

The area of the Basin where the District's wells draw water is contaminated with various contaminants, such as volatile organic compounds (VOC's) and perchlorate. In 2002, the District along with other water entities, entered into an agreement with the parties who were potentially responsible for the groundwater contamination. This agreement is known as the Baldwin Park Operable Unit Project Agreement (BPOU Agreement). Under this Agreement, the water from the District's well field is treated at the District's groundwater treatment facility before it enters the District's service area. Water leaving the facility meets all State and Federal drinking water regulations. The cost to construct, maintain and operate the treatment facility was and continues to be reimbursed by the potentially responsible parties, who are now known as the Cooperating Respondents (CRs). None of these treatment costs are paid for through the District's water rates.

The term of the BPOU Agreement was 15 years and was set to expire in May of this year. The District, other water entities and the CRs negotiated an extension to the BPOU Agreement (referred to as the 2017 BPOU Agreement), which has secured continued funding of groundwater treatment at the District's well field for an additional ten years.

## Customer Base and Water Usage

The 2,534 customer connections of the District are delineated into 6 different categories: residential, multi-family, institutional, commercial, industrial, and irrigation. Dedicated fire service connections make up a small portion of the customer connections. The District bills its customers for water service and water usage on a bi-monthly basis. The District meters the water usage for each customer and bills for every hundred cubic feet (hcf) of water used (hcf =748 gallons), this is referred to as a unit of water.

Residential and multi-family connections make up approximately 82%. Residential single-family home connections comprise about 80% of all connections with multi-family accounting for 2%. The water use from these customer categories makes up approximately 60% of the water system demand. **Table 1.1** provides a summary of the number of services by customer category and the percent of the overall water system demand for each category based on water consumption data from 2016.

**Table 1.1 Number of Connections by Category and Percentage of Demand**

Customer Category	Number of Connections	% of Connections	% of Water System Demand
Residential	2006	79.2%	44.8%
Commercial / Institutional	369	14.6%	20.6%
Irrigation	95	3.7%	15.0%
Multi-Family	56	2.2%	13.2%
Industrial	8	.3%	6.4%
<b>Total</b>	<b>2534</b>	<b>100%</b>	<b>100%</b>

Residential per capita water use in the District averaged 81 gallons per person per day in 2017. Over the last three years, single-family residential class customers used 22 units of water, on average, each bi-monthly billing period. The average Customer's bi-monthly water bill is \$68.86

(\$34.43 monthly) and their annual cost for potable water service is \$413.16, which is less than 1% of the median household income within the District's service area.

## Past Water Rate Adjustments

On July 18, 2006, the Board of Directors passed Resolution No. 178, which established water and service charge rates through 2010. This resolution also specifies that rates be reviewed on an annual basis. The adopted rate increases for the years 2006, 2007 and 2008 were implemented and had increased revenue as projected. In 2008 and 2009 the District minimized the impact of rising operating expenses through the following cost saving efforts:

- Grant Funding for New Well (2008)
- Cyclic Storage Water Purchase (2009)

Due to these cost savings efforts, the Board of Directors passed Resolution No. 193 on September 9, 2009 which canceled the scheduled rate increases for 2009 and directed Staff to complete a water rate study prior to making any other water rate adjustments.

In July 2010, the Board of Directors established a Reserve Fund Policy for the District. This policy is an important tool that guides Staff in its planning of the District's financial resources. In May 2012, the Reserve Fund Policy was updated to add reserve funds for water system connection fees and retiree health benefits.

In 2010, the District's Board of Directors directed Staff to conduct an in-house water rate study, which was completed in April 2011. As part of the study, staff provided a recommendation for water rates, which would generate sufficient revenue to meet the cost of providing water service to its customers over a five-year period. Although the District continually seeks to minimize the impact of rising operational costs through various cost savings efforts, the rate study found that increases in overall operational expenses and the need for capital improvements resulted in additional revenue requirements. The final recommendation was to adopt a multi-year (5 year) water rate adjustment plan that would avoid drastic increases to water rates. Water rate adjustments were developed and a notice to all customers of the proposed increase to water rates was provided as required by articles XIIC and XIID of the California Constitution (Proposition 218). The recommended rate adjustment was approximately 24%, over a five-year period, for the average customer. The rate adjustments were adopted by unanimous vote of the Board of Directors on August 22, 2011 with the first rate adjustment effective in September 2011 with subsequent adjustments instituted in September of each year with the 5<sup>th</sup> year adjustment instituted in September 2015.

In 2017, the District completed an update to its Water Master Plan. The Water Master Plan contains a detailed description of past and current District operations and projections relating to water demand, service requirements and programs to be developed through 2027. Also in 2017, the District initiated a water rate study and comprehensive cost of service analysis that will conclude what type of rate adjustments will be needed in the coming year. The District's goal will be to continue to generate sufficient revenue to meet the cost of providing excellent water service while avoiding drastic increases to water rates. The cost of replenishment water and financing of needed water system improvements will have the most significant impact on water rates going forward.

## The Budget

This Budget has been designed to help fulfill the District's Mission to provide high quality water along with courteous and responsive service at the most reasonable cost to our customers. The Budget is intended to support the priorities and policies of the Board of Directors as reflected in the District's Mission Statement and serve as a policy document, a financial plan, a communications device and an operations guide. It provides a comprehensive summary of District activities and capital improvement projects proposed for year ending December 31, 2018. The District is embarking on its District's 94<sup>th</sup> year of service to the community, which comes with significant challenges. Continued prudent planning of the District is paramount in positioning the District to handle these challenges long into the future.

The District's budget is prepared on a full accrual basis of accounting generally accepted in the United States, which is consistent with the District's audited financial statements. Revenues are recorded at the time they are earned and expenses are recorded at the time the liability is incurred. The intent of the District is to establish water rates sufficient to provide for payment of all operations and maintenance expenses along with capital improvements. The annual goal is to present a balanced budget (projected expenses equal to or less than projected revenues) to the Board of Directors for adoption.

The preparation and adoption of a comprehensive budget and operating plan is essential for the sound management and financial administration of the District. As an enterprise type of utility, the District is similar to a commercial operation whose expenditures may vary during the year in response to the timing and level of customer service demand. Water service demand is primarily influenced by water consumption practices, weather factors and the continued growth in the number of customers served. Budget objectives must therefore be structured to respond to fluctuating service demands. Activities are projected from historical data as a baseline to determine the appropriate funding level. Decisions made throughout the year by the Board of Directors and the General Manager is balanced between meeting budget objectives and budgetary constraints.

## Direction of the District and Financial Forecast

Looking out beyond 2018, it is necessary to identify any significant increase in expenses that the District will need to be prepared for, either by managing reserves or increasing revenues. In preparing the annual budget, District Staff also projects the annual revenue and operating expenses (cash items) out for five years. These projections include all operating costs and capital improvement investments but exclude depreciation and noncurrent liabilities. Summarized below are two District ventures that have a substantial impact on the five-year projection of revenue and expenses.

### ***Recycled Water Project***

The construction of a recycled water system is of paramount importance over the next couple of years and will require the District, for the first time in several decades, to obtain a loan to finance such a project. The investment in a recycled water system will deliver recycled water to several irrigation customers and replace the use of drinking water for irrigation.

The recent drought has made it clear that reliance on imported water for groundwater replenishment is not the best long-term solution for the regions' water supply needs. By

incorporating recycled water into the District's overall supply, we would reduce our dependence on this expensive water source.

The District has partnered with Upper San Gabriel Valley Municipal Water District to secure a \$428,000 grant from the State Department of Water Resources for Phase 1 of a Recycled Water System Project. The projected cost of Phase 1 is \$2,000,000. The grant will cover approximately 25 percent of the estimated cost of Phase 1, which is expected to serve 50 acre feet per year of recycled water, to be purchased indirectly from Los Angeles County Sanitation Districts, to serve irrigation customers on Don Julian Avenue.

The District had also planned on a Phases 2 and 3 to deliver an additional 140 acre feet per year. During this year the District was informed by the Los Angeles County Sanitation Districts that the availability of recycled water for the District's Phase 2 and Phase 3 was uncertain. They also informed us that that recycled water for the District's Phase 1 may be delayed due to permitting issues associated with decreasing recycled water discharges into the San Gabriel River as a result of increasing the use of recycled water for irrigation. In spite of this delay, District staff remains confident that recycled water for Phase 1 of the District's Recycled Water Project will be made available in the next year. Phase 2 and 3 will be put on hold until the availability of 140 AF of recycled water annually, can be secured.

The current cost to produce 50 acre feet of water that is over the District's annual production right is approximately \$45,000. The District will **need** to secure low interest loan along with any other available grant funding to fund this project, which would otherwise not be cost effective. The assumptions of the Recycled Water Project cost and the associated debt service, is included in the five-year forecast. This new drought resistant source of water improves long-term water supply reliability for all the District's customers. The estimated cost of the Recycled Water System Project, loan proceeds, loan payment and other grant funding are included in the 5-year revenue and expense projections.

### ***Puente Valley Operable Unit Intermediate Zone Project***

The District prides itself on its efforts over the past 25 years to provide groundwater cleanup (treatment) in the Main San Gabriel Groundwater Basin. In fact, the District was the first water agency in the San Gabriel Valley to provide multi-barrier treatment for various contaminants at its groundwater treatment facility, which kick started other groundwater treatment projects in the Valley. Over the years, the District's groundwater treatment plant has removed tons of contaminants. Our District's overall goal is to leave the groundwater basin free of contamination for future generations, so that it may continue to be used to meet the needs of its residents.

In mid-2014, the District was presented with an opportunity to further make a difference in remediating groundwater contamination in the Main San Gabriel Basin, more specifically the Puente Valley area. Under an order by US EPA, several industrial companies have been planning for several years to construct a highly efficient groundwater treatment system. This system would be comprised of 50 monitoring wells, 7 production wells, and multiple treatment technologies. In 2015, a property was purchased, by the lead industrial company, to construct the groundwater treatment facility. This property is located within the District's service area and in close proximity to the District's water distribution facilities. Since District staff already has experience operating a similar groundwater treatment system, the District has agreed to operate the Puente Valley Operable Unit Intermediate Zone (PVOU IZ) treatment facility. The plan was for the District to receive fully treated water, which meets all State and Federal drinking water standards, into its

water system to utilize this water as a back-up supply for the District and for the neighboring Puente Basin Water Agency.

In November 2014, the District, the Puente Basin Water Agency, and the lead industrial company signed a Term Sheet to move forward with plans for the District to operate and deliver water from the proposed groundwater treatment plant. The plant will need to be operated on a continual basis and any surplus water in excess of the needs of the District was planned to be conveyed to the Puente Basin Water Agency.

Over the last year the PVOU IZ project has been modified with respect to the delivery of treated water. The treated water is now planned to be delivered to the District, who will in turn deliver a certain amount to neighboring Suburban Water Systems. The other components of the project remain unchanged.

The new treatment facility will improve water quality in the groundwater Basin, provide an additional emergency water supply for the community of La Puente, and create an additional revenue source for the District. The revenue that will be received by the District for conveying water and operating the plant will help keep the District water rates affordable. The groundwater treatment system and associated improvements are anticipated to be constructed over the next two to three years with groundwater treatment starting in 2019. The revenue anticipated from the District’s involvement in this project is included in the five-year revenue projections.

In addition to the impacts of the above activities, District staff included in its projections a slight increase in water consumption in 2019 of 5%, 2020 (1%), 2021 (1%) and 2022 (1%). **Table 1.2** provides a summary of the five-year forecast of the District’s expenses and compares it to the projected revenues.

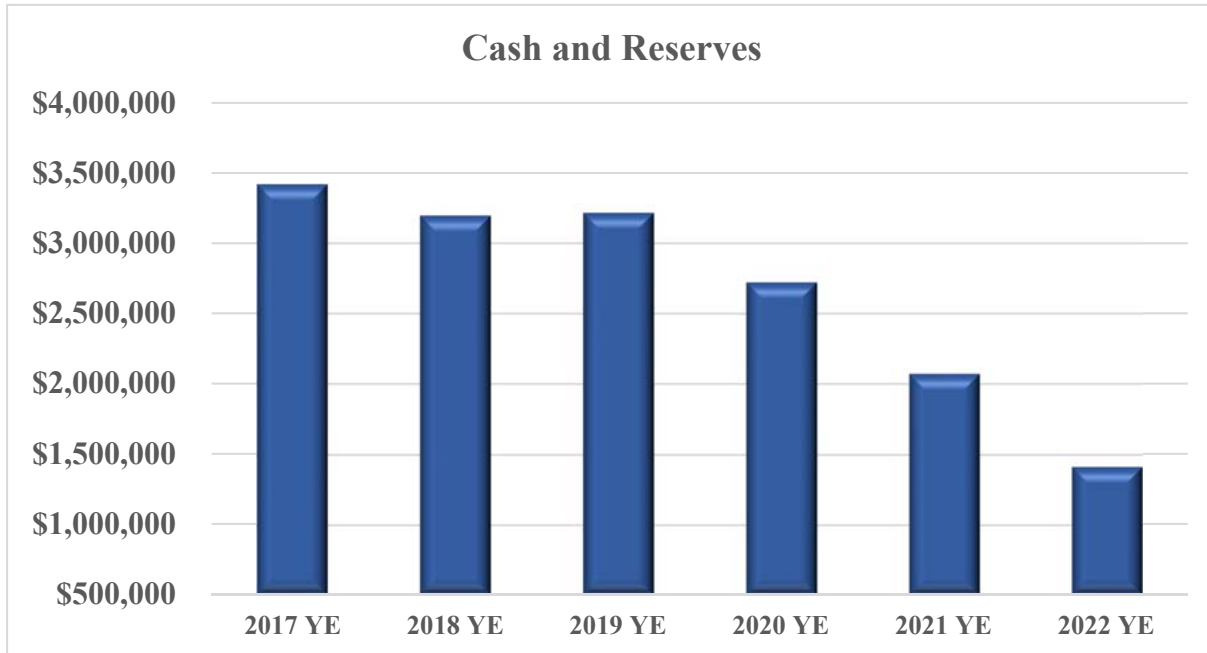
**Table 1.2 Five Year Forecast of Revenue and Expenses**

	2017	2018	2019	2020	2021	2022
Revenue	\$ 3,909,100	\$ 5,576,400	\$ 6,184,100	\$ 5,386,100	\$ 5,510,300	\$ 5,591,400
Expenses	\$ 3,621,200	\$ 5,799,400	\$ 6,164,500	\$ 5,881,500	\$ 6,161,100	\$ 6,249,000
Net Gain/Loss	\$ 287,900	\$ (223,000)	\$ 19,600	\$ (495,400)	\$ (650,800)	\$ (657,600)

***District’s Cash and Reserves***

In May 2012, the Board of Directors adopted Resolution No. 208 which updated the policy for the management of the District’s cash and financial reserves. The Policy specifies what types of reserves the District shall maintain and what the minimum and maximum levels shall be for each reserve fund. **Figure 1.4** below provides a five-year projection of the cash and the reserve fund level based on the projected expenses and revenues from **Table 1.2**.

**Figure 1.4 Five Year Projection of the District’s Total Cash and Reserve Fund Level**



Reserve fund levels remain fairly static in 2018 and 2019, primarily due to the projected loan proceeds to fund the District’s Recycled Water Project. In 2020, reserve levels start to decline rapidly and will result in being below the minimum reserve fund levels by 2021. In order to maintain necessary reserves, meet the escalating cost of water, and to continue adequate funding for capital improvement projects, Staff recommends the completion of the comprehensive rate study already underway. Staff projects that a water use rate increase and a water service charge increase will be required before the end of 2018.

## 2018 Objectives

Special emphasis will be placed on accomplishing the following objectives during 2018.

- ❖ Recycled Water System Project
  - Complete Design of Phase 1
  - Confirm Recycled Water Availability
  - Complete Construction of Phase 1
  - Initiate Phase 1 Customer Retrofits
- ❖ Continue Involvement in the PVOU Intermediate Zone Project Planning
- ❖ Complete a Comprehensive Water Rate Study and Institute Water Rate Adjustments
- ❖ Secure Groundwater Production Right Leases for Approximately 580 Acre Feet that Reduce the Impacts of Replacement Water Costs
- ❖ Continue Fulfill Contractual Obligation in Operating and Managing the City of Industry Waterworks System in a Cost-Effective Manner
- ❖ Complete Other Capital Improvements and Capital Outlay Projects
  - Banbridge Pump Station Improvements (Zone 3)
  - Expand the Radio Meter Reading Collection System
  - Seismic Retrofit Design of Main Street / 1<sup>st</sup> Street Building
  - SCADA System Improvements
  - Service Line Replacements (as needed)
  - Valve Replacements (as needed)
  - Purchase New Pick Up Truck



## Executive Summary

A report of the significant findings and recommendations for the calendar year 2018 Budget are:

- ❖ Overall water system demand is projected to be roughly 1,500 acre-feet
- ❖ Annual Revenue is expected to be \$4,776,400
- ❖ Annual Expenditures are budgeted at \$4,624,400
- ❖ Capital Improvement/Outlay Projects are budgeted at \$1,165,000
- ❖ The District expects to receive grant and loan proceeds of \$800,000 to fund the District's Recycled Water Project
- ❖ The District expects to receive reimbursement for the estimated \$1.42 million O&M costs incurred in the operation of the treatment plant
- ❖ The District expects to receive \$261,700 in revenue from management fees for the operation and management of the City of Industry Waterworks System and the District's Groundwater Treatment Facility
- ❖ The District expects to receive \$215,000 in revenue from taxes and assessments
- ❖ District Reserve Funds are expected to decrease by \$223,000 through 2018

## Water Operations Fund

The District's activities identified in this budget are designed to accomplish the District's Mission as it relates to water operations. For the calendar year 2018, the District will need a total budget of \$4,776,400 to carry out its Mission.

The District currently provides residential, commercial and industrial water through a production and distribution system valued at \$8,061,000. The system consists of three active wells, eleven interagency water connections, three reservoirs with a combined storage capacity of 4.9 million gallons, 5 booster stations and more than 32 miles of water mains. During 2018, it is projected that the District will deliver over 1,500 acre feet of water to over 2,534 active service connections.

All of the revenues and expenses that allow the District to function flow either directly or indirectly through the Water Operations Fund. The Water Operations Fund's source of revenue consists of water sales, miscellaneous billing, property taxes and interest earned on Water Operations Fund related investments.

The Water Operations Fund exists to finance operations, maintenance, repair, supplies, depreciation, contingencies, personnel compensation related to water operations, capital improvements and to provide a catastrophic restoration reserve.

The Budget Summary details the projected Water Operations Fund revenues and expenditures for 2018 and compares those revenues and expenditures with the estimate for year-end 2018.

## Water Revenue - Operational

### *Water Sales and Service Charges:*

Water sales and service charges are the major sources of revenue for the District. These sales are the result of the District's normal meter reading and billing activities for all classes of water to all active service connections. The distribution of sales provides 35 percent as fixed sales allocated to the service charges on the basis of meter capacity and the remaining 65 percent being variable sales and allocated to the commodity charges. The District forecasts water sales at \$1,295,00. Water sales revenue is predicated on a projected average water usage of 1,500 acre feet to over 2,534 active services and includes construction water and miscellaneous billings.

### *Operational Revenue Related to the District's Groundwater Treatment Facility*

The District owns and operates a groundwater treatment plant within the Main San Gabriel Basin for the removal of various contaminants. The United States EPA has identified this contaminated area of the Basin as BPOU and has named those parties that are potentially responsible, also known as the Cooperating Respondents, for the contamination in this area of the Basin. The construction and ongoing operating cost of the District's treatment plant is reimbursable per the BPOU Project Agreement entered into by the Cooperating Respondents, Main San Gabriel Basin Watermaster, San Gabriel Basin Water Quality Authority and the Water Entities; which the District is a party to. As detailed in the Proposed 2018 Budget for the District's Treatment Plant, the District anticipates the operation and maintenance expense for the Treatment Plant to be \$1.42 million dollars, all of which will be reimbursed to the District by the Cooperating Respondents.

## Water Revenue – Non-Operational

### *Interest:*

For calendar year 2018, District staff forecasts interest on Water Operations Fund related investments of \$17,000. The estimate is predicated on a projection of historical data and its relationship to current interest rates.

### *Other Non-Operational Revenues:*

This includes a total of \$215,000 from Property Taxes; \$261,700 for Fees related to the management of the Treatment Plant and the City of Industry Water Works System; \$1,037,500 from Service Fees related to labor reimbursement, \$36,100 from Rental Revenue, \$300,000 from Prop 84 Grant Funds and \$500,000 from Recycled Water Project Loan proceeds.

## Water Expenditures

### *Personnel (Salaries and Benefits):*

In order to maintain high quality service within the District's service area, fulfill contractual obligations to manage and operate the City of Industry Waterworks System, continue the District's involvement in the PVOU IZ Project and operate the District's Groundwater Treatment Facility, a total of 13 full-time employees and 2 part-time employees will be needed.

(Field Operations) Transmission, Distribution, Treatment and Supply 8.5

(Office and Management) Customer Service and Administration 6.5

In April of 2017, the President of the District's Board of Directors created an Ad Hoc Committee. The main purpose of the Committee was to assess our current staff and make recommendations for changes in staffing levels and structure that would best position the District to accommodate the additional work load from its anticipated involvement with the PVOU IZ project. In addition, the Committee was to identify any other staffing issue(s) that should be addressed, such as inefficiencies, performance enhancement and succession planning. Through this process the Committee directed staff to complete a salary survey to compare the District's salaries to salaries from all county water districts in Los Angeles County and public retail water agencies within a 15-mile radius of the District. As a result of this effort a report from the Committee was prepared, which included recommendations for restructuring staff and adjustments to the District's salary schedule. The recommendations from this report have been incorporated into the projections for the 2018 Budget. The overall expense to the District for personnel is expected to increase by

In past years the budget for personnel depicted the net expense to the District with reimbursement for CIWS and BPOU related services as a deduction to the overall expense for personnel. In the 2018 Budget, staff is presenting the full personnel expense with reimbursement for CIWS and BPOU, along with PVOU IZ as separate revenue line items. In Table 1.5, staff identifies the net District expense for personnel to provide a clear comparison between 2017 and 2018.

In calendar year 2018, the District will need a personnel compensation budget of \$1,233,300 for salaries and payroll taxes related to meeting the requirements of water distribution, water treatment & supply, customer service and administrative functions for the District, CIWS, BPOU Treatment Plant Operations and PVOU IZ; \$28,100 for Governing Board of Directors. The District's 2018 projection for the total cost of health benefits for current directors and employees is \$539,000 and for retirees is \$25,000. This year's Budget also includes prefunding of Post-Retirement Health Benefits in the amount of \$125,000, which will be partially off-set by revenue generated from labor cost reimbursement from the CIWS and Treatment Plant Operations.

#### ***Supply and Treatment:***

Water Supply and Treatment make up the variable costs of the District. These costs are generally defined as the annual operating expense to purchase and lease imported water and pump local groundwater to satisfy customer service demand. Variable costs are sensitive to operating factors that are beyond the District's control. These factors include weather, new construction, pricing or incentive programs offered by other agencies, cost of treatment chemicals and materials, energy costs and changes in efficiency of existing equipment. The budget amount can be considered as the best projection of annual costs based on an average weather, growth and consumption. For the calendar year 2018, the District will need a total of \$1,714,200 for the Supply and Treatment costs.

#### ***Other Operating Expenses:***

These program costs make up a portion of the fixed operating or "overhead" costs required to maintain the District's plant sites and water distribution system (facilities). This includes costs for services, materials, vehicles and equipment for the repair, maintenance and operation of these facilities. For the calendar year 2018, the District will need a total of \$460,100 for Other Operating Expenses.

#### ***General and Administrative:***

These program costs are "overhead" costs required to maintain District operations as they relate to customer service and administrative functions of the District. This includes costs for office supplies, office building maintenance, office equipment, customer billing, insurance, professional

services, public outreach and conservation programs. For the calendar year 2018, the District will need a total of \$500,500 for General and Administrative costs.

### Capital Improvements and Capital Outlay

The District is committed to enhancing the condition of its water system through investments in capital improvement projects. These investments will ensure that the water system will deliver high quality water to its customers long into the future. These investments will also ensure that the District’s personnel will have the necessary tools to carry out their functions. Capital Improvements and Outlay may include expenditures for construction of new permanent capital facilities, replacement of existing facilities, purchasing fixed assets for various programs in the District and capital purchases necessary to maintain the quality of operations in the District.

**Table 1.3** below is a summary for Capital Improvement and Capital Outlay expenses that are necessary to maintain high quality service for District Customers:

**Table 1.3 2018 Capital Improvement Projects**

Project	Description	Cost
Service Line Replacements	Replace Aging Plastic and/or Galvanized Service Lines as Needed	\$ 20,000
Valve Replacements	Replace Inoperable Valves as Needed	\$ 10,000
Other Equipment	Purchase of other equipment as needed	\$ 10,000
Scada Improvements	Assessment of current system and initiate improvements to software and hardware	\$ 15,000
Meter Read Collection System	Expand the Radio Meter Reading Collection System	\$ 35,000
New Pick-Up Truck	Purchase 1/2 Ton Pick-Up to Replace Fully Depreciated Pick-Up with over 100K Miles	\$ 40,000
Main and First Street Building Retrofit (Design)	Complete Design Seismic Retrofit Improvements	\$ 35,000
Banbridge Pump Station Improvements (Zone 3)	Replace existing pumps with one new pump, complete retrofits to piping, upgrade electrical equipment and external beautification	\$ 100,000
Phase 1 - Recycled Water System	Complete design and Construct a Portion of a New Recycled Waterlines and Pump Station for 10 Irrigations Customers (two-year project 2018-19)	\$ 900,000

**Total:           \$     1,165,000**

**Table 1.4**

La Puente Valley County Water District Budget Summary  
 Period Ending December 31, 2018

<b>DESCRIPTION</b>	<b>COMBINED Proj. YE 2017</b>	<b>COMBINED BUDGET 2017</b>	<b>% OF BUDGET</b>	<b>COMBINED PROPOSED 2018</b>	<b>2018-2017 EST. VARIANCE</b>
Total Operational Revenues	\$ 1,939,180	\$ 1,925,600	101%	\$ 2,031,000	\$ 105,400
Total Non-Operational Revenues	1,969,900	1,967,500	100%	2,745,400	\$ 777,900
<b>TOTAL REVENUES</b>	<b>3,909,080</b>	<b>3,893,100</b>	<b>100%</b>	<b>4,776,400</b>	<b>883,300</b>
Total Salaries & Benefits	1,224,820	1,269,800	96%	1,959,600	\$ 689,800
Total Supply & Treatment	1,597,760	1,639,400	97%	1,714,200	\$ 74,800
Total Other Operating Expenses	287,210	403,300	71%	460,100	\$ 56,800
Total General & Administrative	388,560	507,200	77%	500,500	\$ (6,700)
<b>TOTAL EXPENSES</b>	<b>3,498,350</b>	<b>3,819,700</b>	<b>92%</b>	<b>4,634,400</b>	<b>814,700</b>
<b>TOTAL OPERATIONAL INCOME</b>	<b>410,730</b>	<b>73,400</b>	<b>560%</b>	<b>142,000</b>	<b>\$ 68,600</b>
Capital Improvements	(83,160)	(2,130,000)	4%	(1,115,000)	1,015,000
Capital Outlay	(39,700)	(37,000)	107%	(50,000)	\$ (13,000)
<b>TOTAL CAPITAL</b>	<b>(122,860)</b>	<b>(2,167,000)</b>	<b>6%</b>	<b>(1,165,000)</b>	<b>1,002,000</b>
<b>INCOME (AFTER CAPITAL EXPENSE)</b>	<b>287,870</b>	<b>(2,093,600)</b>	<b>-14%</b>	<b>(1,023,000)</b>	<b>1,070,600</b>
Grant Proceeds	-	415,000	0%	300,000	\$ (115,000)
Loan Proceeds	-	1,000,000	0%	500,000	\$ (500,000)
Loan Repayment	-	-	0%	-	\$ -
<b>PROJECTED CHNANGE IN CASH</b>	<b>287,870</b>	<b>(678,600)</b>	<b>-42%</b>	<b>(223,000)</b>	<b>455,600</b>
Non-Cash Items (Depreciation & OPEB)	14,860	1,007,000	1%	605,000	\$ (402,000)
<b>NET INCOME (LOSS)</b>	<b>\$ 302,730</b>	<b>\$ 328,400</b>	<b>92%</b>	<b>\$ 382,000</b>	<b>\$ 53,600</b>

**Table 1.5**  
La Puente Valley County District  
Budget for Period Ending December 31, 2018

Description	2016	Projected YE		Variance	2018 Budget	Difference 2018 Budget- 2017 Budget
	Actual	2017	2017 Budget	from Budget		
Water Sales	\$ 1,179,947	\$ 1,210,500	\$ 1,209,500	\$ 1,000	\$ 1,295,000	\$ 85,500
Service Charges	601,298	602,700	598,000	4,700	608,500	10,500
Surplus Sales	30,558	36,500	36,000	500	38,000	2,000
Customer Charges	31,429	33,290	29,200	4,090	33,300	4,100
Fire Service	53,902	55,500	52,700	2,800	55,500	2,800
Miscellaneous Income	655	690	200	490	700	500
<b>Total Operational Revenues</b>	<b>1,897,789</b>	<b>1,939,180</b>	<b>1,925,600</b>	<b>13,580</b>	<b>2,031,000</b>	<b>105,400</b>
<b>Non-Operational Revenues</b>						
Management Fees	253,500	232,000	257,000	(25,000)	261,700	4,700
PVOU Service Fees (Labor)	15,000	18,500	15,000	3,500	42,900	27,900
<i>BPOU Service Fees (Labor)</i>			-	-	278,800	278,800
IPU Service Fees (Labor)			-	-	715,800	715,800
Other O&M Fees	68,259	63,000	62,000	1,000	13,000	(49,000)
Taxes & Assessments	215,708	215,800	195,000	20,800	215,000	20,000
Rental Revenue	33,969	35,000	33,300	1,700	36,100	2,800
Interest Revenue	13,992	17,000	10,000	7,000	17,000	7,000
Miscellaneous Income	60,860	34,800	21,500	13,300	18,000	(3,500)
Developer Fees	8,292	81,100	15,000	66,100	5,000	(10,000)
<b>Total Non-Operational Revenues</b>	<b>669,580</b>	<b>697,200</b>	<b>608,800</b>	<b>88,400</b>	<b>1,603,300</b>	<b>994,500</b>
<b>TOTAL REVENUES</b>	<b>2,567,368</b>	<b>2,636,380</b>	<b>2,534,400</b>	<b>101,980</b>	<b>3,634,300</b>	<b>1,099,900</b>
<b>Salaries &amp; Benefits</b>						
Total District Wide Labor	448,209	446,550	472,600	(26,050)	1,142,700	670,100
Directors Fees & Benefits	102,802	113,410	106,900	6,510	117,300	10,400
Benefits	100,078	118,680	140,900	(22,220)	303,100	162,200
OPEB Payments	163,062	168,000	165,200	2,800	150,000	(15,200)
Payroll Taxes	38,934	41,970	45,300	(3,330)	90,600	45,300
Retirement Program Expense	57,493	72,710	73,900	(1,190)	155,900	82,000
<b>Total Salaries &amp; Benefits</b>	<b>910,577</b>	<b>961,320</b>	<b>1,004,800</b>	<b>(43,480)</b>	<b>1,959,600</b>	<b>954,800</b>
<b>For Analysis Purposes Only</b>						
<b>Offsetting Revenue</b>	<b>(65,000)</b>	<b>(99,500)</b>	<b>(77,000)</b>		<b>(1,057,500)</b>	<b>(980,500)</b>
<b>District Labor Net Total</b>	<b>845,577</b>	<b>861,820</b>	<b>927,800</b>	<b>(65,980)</b>	<b>902,099</b>	<b>(25,701)</b>
<b>Supply &amp; Treatment</b>						
Purchased & Leased Water	475,464	425,500	386,600	38,900	379,500	(7,100)
Power	135,678	148,100	154,700	(6,600)	157,000	2,300
Assessments	86,920	128,700	174,200	(45,500)	221,900	47,700
Treatment	6,363	5,200	10,000	(4,800)	6,700	(3,300)
Well & Pump Maintenance	21,490	13,560	56,700	(43,140)	32,000	(24,700)
<b>Total Supply &amp; Treatment</b>	<b>725,916</b>	<b>721,060</b>	<b>782,200</b>	<b>(61,140)</b>	<b>797,100</b>	<b>14,900</b>
<b>Other Operating Expenses</b>						
General Plant	23,830	25,000	35,600	(10,600)	42,300	6,700
Transmission & Distribution	46,997	69,600	76,500	(6,900)	90,500	14,000
Vehicles & Equipment	12,758	23,930	28,100	(4,170)	30,300	2,200
Field Support & Other Expenses	74,084	33,770	45,500	(11,730)	68,500	23,000
Regulatory Compliance	25,177	32,910	34,100	(1,190)	51,500	17,400
<b>Total Other Operating Expenses</b>	<b>182,846</b>	<b>185,210</b>	<b>219,800</b>	<b>(34,590)</b>	<b>283,100</b>	<b>63,300</b>

**Table 1.5**  
La Puente Valley County District  
Budget for Period Ending December 31, 2018

<b>Description</b>	<b>2016 Actual</b>	<b>Projected YE 2017</b>	<b>2017 Budget</b>	<b>Variance from Budget</b>	<b>2018 Budget</b>	<b>Difference 2018 Budget- 2017 Budget</b>
<b>General &amp; Administrative</b>						
District Office Expenses	35,904	48,970	65,600	(16,630)	61,800	(3,800)
Customer Accounts	19,804	19,300	20,000	(700)	20,400	400
Insurance	61,400	68,460	89,000	(20,540)	69,900	(19,100)
Professional Services	163,869	144,100	183,000	(38,900)	160,000	(23,000)
Training & Certification	21,850	30,120	30,000	120	37,700	7,700
Public Outreach & Conservation	13,266	17,510	37,000	(19,490)	32,500	(4,500)
Other Administrative Expenses	26,684	29,600	29,600	-	70,200	40,600
<b>Total General &amp; Administrative</b>	<b>342,776</b>	<b>358,060</b>	<b>454,200</b>	<b>(96,140)</b>	<b>452,500</b>	<b>(1,700)</b>
<b>TOTAL EXPENSES</b>	<b>2,162,115</b>	<b>2,225,650</b>	<b>2,461,000</b>	<b>(235,350)</b>	<b>3,492,300</b>	<b>1,031,300</b>
<b>TOTAL OPERATIONAL INCOME</b>	<b>405,254</b>	<b>410,730</b>	<b>73,400</b>	<b>337,330</b>	<b>142,000</b>	<b>68,600</b>
<b>CAPITAL, LOANS AND DEBT SERVICE</b>						
<b>Capital Improvements</b>						
Zone 3 Improvements	-	(7,800)	(85,000)	77,200	(100,000)	(15,000)
Service Line Replacements	(47,395)	(20,400)	(25,000)	4,600	(20,000)	5,000
Valve Replacements	(3,107)	(100)	(15,000)	14,900	(10,000)	5,000
Fire Hydrant Repair/Replacements	(3,673)	(160)	(5,000)	4,840	-	5,000
Main & 1st Street Building Retrofit	-	-	(55,000)	55,000	(35,000)	20,000
Phase 1 - Recycled Water System	(15,747)	(12,600)	(1,700,000)	1,687,400	(900,000)	800,000
Phase 2 - Recycled Water System	-	-	(200,000)	200,000	-	200,000
SCADA Improvements	-	-	-	-	(15,000)	(15,000)
Meter Read Collection System & Meter	-	(42,100)	(45,000)	2,900	(35,000)	10,000
Other Improvements	-	-	-	-	-	-
<b>Total Capital Improvements</b>	<b>(69,922)</b>	<b>(83,160)</b>	<b>(2,130,000)</b>	<b>2,046,840</b>	<b>(1,115,000)</b>	<b>1,015,000</b>
<b>Capital Outlay</b>						
Communications Systems Upgrade	(12,944)	-	-	-	-	-
Backhoe	(132,780)	-	-	-	-	-
Truck(s)	-	(39,700)	(37,000)	(2,700)	(40,000)	(3,000)
Other Equipment	-	-	-	-	(10,000)	(10,000)
IT Equipment	-	-	-	-	-	-
<b>Total Capital Outlay</b>	<b>(145,725)</b>	<b>(39,700)</b>	<b>(37,000)</b>	<b>(2,700)</b>	<b>(50,000)</b>	<b>(13,000)</b>
<b>TOTAL CAPITAL</b>	<b>(215,646)</b>	<b>(122,860)</b>	<b>(2,167,000)</b>	<b>2,044,140</b>	<b>(1,165,000)</b>	<b>1,002,000</b>
<b>INCOME (AFTER CAPITAL EXPENSES)</b>	<b>189,607</b>	<b>287,870</b>	<b>(2,093,600)</b>	<b>2,381,470</b>	<b>(1,023,000)</b>	<b>1,070,600</b>
<b>Loan &amp; Debt Repayment</b>						
Recycled Water System (Grant Revenue)	-	-	415,000	(415,000)	300,000	(115,000)
Recycled Water System (Loan Proceeds)	-	-	1,000,000	(1,000,000)	500,000	(500,000)
Recycled Water Loan Payment	-	-	-	-	-	-
<b>CASH DIFFERENCE</b>	<b>189,607</b>	<b>287,870</b>	<b>(678,600)</b>	<b>966,470</b>	<b>(223,000)</b>	<b>455,600</b>
Contributed Capital	-	449,000	-	449,000	-	-
Add Back Capitalized Assets	215,646	122,860	2,167,000	(2,044,140)	1,165,000	(1,002,000)
Less Depreciation Expense	(361,474)	(377,000)	(414,200)	37,200	(380,000)	34,200
Less OPEB Expense - Not Funded	20,223	-	(12,800)	12,800	-	12,800
<b>NET INCOME (LOSS)</b>	<b>\$ 64,003</b>	<b>\$ 482,730</b>	<b>\$ 1,061,400</b>	<b>(1,027,670)</b>	<b>\$ 562,000</b>	<b>\$ (499,400)</b>



**Table 1.6**  
 La Puente Valley County Water District  
 BPOU Treatment Plant Budget  
 Period Ending December 31, 2018

Description	2016 Actual	Projected YE 2017	2017 Budget	Variance from Budget	2018 Budget	Difference 2018 Budget- 2017 Budget
<b>Non-Operational Revenues</b>						
Reimbursements from CR's	\$ 1,162,397	\$ 1,272,700	\$ 1,358,700	\$ (86,000)	\$ 1,420,900	\$ 62,200
Miscellaneous Income	-	-	-	-	-	-
<b>Total Non-Operational Revenues</b>	<b>1,162,397</b>	<b>1,272,700</b>	<b>1,358,700</b>	<b>(86,000)</b>	<b>1,420,900</b>	<b>62,200</b>
<b>Salaries &amp; Benefits</b>						
<i>BPOU TP Labor (1)</i>	265,392	263,500	265,000	\$ (1,500.00)	278,800	13,800
Contract Labor	-	-	-	-	-	-
<b>Total Salaries &amp; Benefits</b>	<b>265,392</b>	<b>263,500</b>	<b>265,000</b>	<b>(1,500)</b>	<b>278,800</b>	<b>13,800</b>
<b>Supply &amp; Treatment</b>						
NDMA, 1,4-Dioxane Treatment	143,768	190,400	195,600	(5,200)	170,000	(25,600)
VOC Treatment	35,449	16,500	17,600	(1,100)	17,800	200
Perchlorate Treatment	342,688	416,000	332,600	83,400	415,000	82,400
Other Chemicals	13,231	16,300	16,600	(300)	16,600	-
Treatment Plant Power	160,313	180,000	204,800	(24,800)	202,700	(2,100)
Treatment Plant Maintenance	29,404	41,000	70,000	(29,000)	75,000	5,000
Well & Pump Maintenance	35,641	16,500	20,000	(3,500)	20,000	-
<b>Total Supply &amp; Treatment</b>	<b>760,495</b>	<b>876,700</b>	<b>857,200</b>	<b>19,500</b>	<b>917,100</b>	<b>59,900</b>
<b>Other Operating Expenses</b>						
General Plant	12,414	14,000	45,000	(31,000)	45,000	-
Vehicles & Equipment	9,356	10,500	6,500	4,000	10,000	3,500
Field Support & Other Expenses	-	5,500	15,000	(9,500)	15,000	-
Regulatory Compliance	89,940	72,000	117,000	(45,000)	107,000	(10,000)
<b>Total Other Operating Expenses</b>	<b>111,710</b>	<b>102,000</b>	<b>183,500</b>	<b>(81,500)</b>	<b>177,000</b>	<b>(6,500)</b>
<b>General &amp; Administrative</b>						
District Office Expenses	-	1,000	20,000	(19,000)	10,000	(10,000)
Insurance	9,506	15,000	18,000	(3,000)	18,000	-
Professional Services	15,296	14,500	15,000	(500)	20,000	5,000
<b>Total General &amp; Administrative</b>	<b>24,801</b>	<b>30,500</b>	<b>53,000</b>	<b>(22,500)</b>	<b>48,000</b>	<b>(5,000)</b>
<b>TOTAL EXPENSES</b>	<b>1,162,397</b>	<b>1,272,700</b>	<b>1,358,700</b>	<b>(86,000)</b>	<b>1,420,900</b>	<b>62,200</b>
<i>TOTAL EXPENSES (Minus Labor)</i>	<i>897,006</i>	<i>1,009,200</i>	<i>1,093,700</i>		<i>1,142,100</i>	
<b>TOTAL OPERATIONAL INCOME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Outlay</b>						
Scada Computer	-	-	-	-	-	-
<b>Total Capital Outlay</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation Expense	(177,989)	(180,000)	(733,000)	553,000	(180,000)	553,000
<b>Total Non-Cash Items (Dep. &amp; OPEB)</b>	<b>(177,989)</b>	<b>(180,000)</b>	<b>(733,000)</b>	<b>553,000</b>	<b>(180,000)</b>	<b>553,000</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (177,989)</b>	<b>\$ (180,000)</b>	<b>\$ (733,000)</b>	<b>\$ 553,000</b>	<b>\$ (180,000)</b>	<b>\$ 553,000</b>



# Memo



To: Honorable Board of Directors  
From: Greg Galindo, General Manager  
Date: December 8, 2017  
Re: Potential Changes to the Employee Policies and Procedures Manual

---

Enclosed is a redline draft of the District's Employee Policies and Procedures Manual, detailing potential changes that staff would like to discuss with the Board of Directors at the upcoming Board meeting.

Staff will discuss with the Board the potential changes with the objective to complete a draft of an updated Employee Policies and Procedures Manual for consideration at a subsequent Board meeting.

If you have any questions, please feel free to give me a call.

Respectfully Submitted,

*Greg B. Galindo*

General Manager

## **Enclosure**

Redline Draft of the Employee Policies and Procedures Manual

**EMPLOYEE POLICIES  
AND  
PROCEDURES MANUAL**



**January 8, 2018**

Deleted: January 9

Deleted: , 2017

**For Discussion on December 11, 2017**

Deleted: Adopted

Deleted: January 9, 2017



## EMPLOYEE POLICIES AND PROCEDURES MANUAL

### Table of Contents

I. PREAMBLE AND TITLE.....	4
II. PURPOSE.....	4
III. AUTHORITY AND ADMINISTRATION.....	4
IV. DEFINITIONS.....	4
V. EMPLOYMENT.....	5
A. At-Will Employment.....	5
B. Hiring of Employees.....	5
C. Introductory Period.....	6
D. Periodic Employee Evaluation.....	7
E. Normal Work Day.....	7
F. On-Call Duty.....	7
G. Alcohol and Drug Free Work Place.....	8
H. Smoking.....	9
I. Outside Employment.....	9
J. Job Injury.....	9
K. Disciplinary Action.....	10
L. Standards of Conduct.....	12
M. Illness and Injury Prevention Program.....	14
N. Dress Code and Safety Equipment.....	14
O. Electronic Communications.....	14
P. Cell Phone Usage.....	14
Q. Anti-Fraud.....	15
R. Termination and Resignation.....	15
VI. COMPENSATION.....	15
A. Employee Compensation.....	15
B. Overtime Pay.....	16
C. On-Call Pay.....	16
D. Timekeeping.....	16
	2

E.	Certification Bonus .....	17
F.	Certification and Educational Reimbursement .....	17
G.	Reimbursement for District Related Business .....	17
VII.	BENEFITS .....	17
A.	Vacation .....	18
B.	Sick Leave .....	18
C.	Holidays .....	20
D.	Leave of Absence .....	21
E.	Compassionate Leave .....	21
F.	Leave Related to Military Service .....	21
G.	HIPPA .....	21
H.	COBRA .....	21
I.	Jury Duty .....	21
J.	Time off to Vote .....	22
K.	Health, Dental, and Vision Insurance .....	22
L.	Life Insurance .....	22
M.	Disability Insurance .....	22
N.	Retirement Benefits and Deferred Compensation Plan .....	23
O.	Retiree Health, Dental and Vision Benefits .....	23
P.	Use of Vehicles .....	24
Q.	California Family Rights Act and Pregnancy Disability Leave .....	25
R.	Return to Work .....	25
VIII.	REQUEST FOR REASONABLE ACCOMMODATION .....	26
IX.	NON-DISCRIMINATION AND COMPLAINT PROCEDURE .....	26
A.	Nondiscrimination Policy .....	26
B.	Complaint Procedure .....	26
X.	WORKPLACE VIOLENCE .....	27
XI.	ANTI-HARASSMENT AND COMPLAINT PROCEDURE .....	28
A.	Anti-Harassment Policy .....	28
B.	Complaint Procedure .....	29
XII.	EMPLOYEE ACKNOWLEDGEMENT OF RECEIPT OF EMPLOYEE POLICIES AND PROCEDURES MANUAL .....	31

Deleted: 17

Deleted: 20

Deleted: 22

***LA PUENTE VALLEY COUNTY WATER DISTRICT***

***EMPLOYEE POLICIES AND PROCEDURES MANUAL***

***I. PREAMBLE AND TITLE***

This Manual shall be known as the La Puente Valley County Water District Employee Policies and Procedures Manual (the "Manual"). This Manual supersedes the Personnel Manual that was adopted by the Board of Directors on July 26, 2005 and all subsequently adopted amendments thereto.

***II. PURPOSE***

It is the objective of the La Puente Valley County Water District (the "District") to provide fair and equitable personnel management. This Manual is intended to ensure uniform and fair treatment of applicants for employment at the District and to define obligations, rights, privileges, benefits and prohibitions for all employees of the District.

The Board of Directors of the District reserves the right to amend, modify or delete any and all provisions contained in this Manual and shall comply with Government Code Section 54950 et seq. (the "Ralph M. Brown Act") as required.

***III. AUTHORITY AND ADMINISTRATION***

- A. The Board of Directors of the La Puente Valley County Water District has approved the provisions of this Manual. The Board shall approve all additions, amendments and revisions to the personnel policies and procedures contained in this Manual.
- B. The General Manager is responsible for implementing, administering and ensuring compliance with the provisions of this Manual. In the event any provision of this Manual needs clarification, the General Manager may issue administrative instructions or guidelines clarifying the intent of said provision as adopted by the Board of Directors. The General Manager may develop and enforce procedures, consistent with this Manual, to facilitate its implementation.

***IV. DEFINITIONS***

For purposes of this Manual the following definitions apply:

- A. Board of Directors or "Board" - means the Board of Directors of the La Puente Valley County Water District.
- B. Department Head - means those employees who are directly responsible to the General Manager for the Supervision of the Field Operations and Customer Service/Accounting Departments, respectively.
- C. "District" - means the La Puente Valley County Water District which is formed pursuant to the County Water District Law (Water Code Sections 30000, et seq.).
- D. Exempt/Executive Employee - means the General Manager, and other employees that may be designated as such. These employees are paid on a salary basis for work performed with no overtime pay. As salaried senior officials of the District, executive personnel are expected to work those hours necessary to complete their duties and responsibilities.

- E. Full-Time Regular Employee - means all employees appointed by the General Manager for employment on a regular basis and work 40 hours per week.
- F. General Manager - means the General Manager of the District, duly appointed by a majority vote of the Board of Directors.
- G. Non-Exempt/Part-Time Regular Employee - means any employee who is paid wages for each hour of work performed and is eligible to receive overtime pay and sick leave according to law. These employees are assigned a work schedule of less than 30 hours per week. Such employees are not entitled to District benefits.
- H. Office Administrator – means the employee that has been designated by the General Manager to carryout the duties of the Office Administartor as detailed in the Employee Policies and Procedures Manual.
- I. Temporary Employee - means any employee hired by the General Manager for a limited period of time, paid by the hour, is not provided any District benefits, and is eligible to receive overtime pay according to law.

**V. EMPLOYMENT**

**A. At-Will Employment**

Employment with the District is “at-will.” Employment is not guaranteed for any length of time and may be terminated at any time, with or without cause, or with or without notice, by the District or by the employee, unless otherwise expressly agreed by a written employment agreement, subject to applicable law. In as much as employment is at will, the guidelines in this Manual do not create any contractual or other rights (expressed or implied) for any employee. Only the Board of Directors has the authority to enter into any agreement for employment for any specified period of time for any employee of the District.

**B. Hiring of Employees**

1. The District is an equal opportunity employer, and will comply with all policies of the United States and the State of California which protect and safeguard the right and opportunity of all persons to seek, obtain, and hold employment without discrimination because of race, religious creed, color, age, sex, sexual orientation, gender expression or identity, genetic information, physical handicap, national origin, or ancestry. Decisions made by the District with regards to employees will be based upon policies and practices that further the principles of equal employment opportunity.
2. In accordance with Section 30540(a) of the California Water Code, the Board shall appoint by majority vote a General Manager, whose employment may be secured by an Employment Agreement. In accordance with Sections 30580 and 30581 of the California Water Code, the General Manager shall hire new employees for those positions approved by the Board pursuant to the approved salary resolution.
3. Prior to commencing employment with the District, applicants for safety sensitive field positions will undergo and must pass a pre-employment physical examination, alcohol and drug use screening, and a background investigation. Applicants for office

positions, are not safety sensitive positions, but must pass a background investigation before commencing work with the District. All offers to hire new employees shall be

made subject to the condition that the prospective employee successfully passes a physical exam, alcohol and drug screening, (if applicable) and background investigations to the reasonable satisfaction of the District.

4. The District may, in its sole discretion, abolish any position or terminate employment due to lack of work, lack of funds, reorganization, or other legitimate reason or business purpose. The employee holding such position or employment may be laid off without disciplinary action and without right of hearing or appeal. Employees to be laid off shall be given at least 14 calendar days' prior written notice.
5. Temporary Employees may be hired by the General Manager. The General Manager shall determine the term of employment, for any such Temporary Employee the amount of hours to be worked in a day or week, and the compensation the employee will receive.

### **C. Introductory Period**

1. Newly hired or re-hired Full-Time Employee will serve an introductory period of six (6) months. Upon conclusion of the introductory period, the employee's performance will be evaluated. The General Manager may extend an employee's introductory period upon written notice to the employee.
2. Passing the introductory period with a satisfactory evaluation is a requirement for continued employment with the District. An introductory employee may be terminated from his/her employment with the District at any time during the introductory period without cause or notice, or the right to a hearing or appeal.
3. Employees terminated during their introductory period shall not be entitled to nor be paid for sick leave or floating holidays. However, introductory employees will accrue vacation and sick leave at the normal rate during the introductory period. Accrued vacation time shall be available for use should their employment continue beyond the introductory period or be paid out upon termination.
4. If an employee is promoted to a higher level position, that employee will be required to serve a six (6) month introductory period in the new position. The General Manager shall determine upon completion of the introductory period whether the employee has met the performance expectation in the new position. The General Manager may determine if an employee has not done so and demote that employee to his/her previous position if such position is available, or an equivalent position for which the employee is qualified if such position is available, and such decision and action shall not be considered as discipline under Subsection K, below, and shall not entitle the employee to the right of notice, hearing or appeal.
5. A promoted employee will continue to accrue vacation, sick leave and is eligible for floating holidays as provided elsewhere herein.
6. Successful completion of the introductory period does not assure an employee of

continued employment with the District.

#### **D. Periodic Employee Evaluation**

The General Manager and the respective Department Heads shall evaluate the performance of each employee upon completion of the introductory period. Performance evaluations will be conducted annually thereafter.

#### **E. Normal Work Day**

The District office will be open for business Monday through Thursday from 8:00 a.m. to 5:00 p.m. and Friday from 7:00 a.m. to 3:30 p.m., except for holidays as provided elsewhere herein. District field operation business hours are between 7:00 a.m. to 5:00 p.m., Monday through Friday, except for holidays as provided elsewhere herein. The General Manager shall determine the work schedules for employees, and may designate alternate work day hours on a temporary basis when the District operations make such designations desirable.

1. Each office employee will have one (1) hour off for lunch each day from Monday through Thursday and one-half (1/2) hour off for lunch on Fridays, subject to the reasonable scheduling requirements of the District. Each field operation employee will normally have one-half (1/2) hour off for lunch each day, subject to the reasonable scheduling requirements of the District.
2. Break periods not exceeding ten (10) minutes, one during each work period of three hours or more (e.g., once in the morning and once in the afternoon), shall be provided to employees.
3. Daily hours of work will be assigned by each employee's Department Head or the General Manager as required to meet the requirements of that Department.
4. Overtime will be paid as provided in this Manual, as provided by applicable law.
5. Punctuality is expected at all times and a lack of same is grounds for disciplinary action.

#### **F. On-Call Duty**

1. All full-time regular field operation personnel (hereinafter referred to as "field employees") are required to participate in On-Call duty, which is an essential function of the job. It is assigned on a rotating basis by the General Manager or his/her designated Department Head.
  - a. As to distribution systems and customer service related issues: One (1) field employee will be provided with a radio equipped District vehicle and a District cellular phone. The employee assigned this type of On-Call duty will be the first person contacted during non-regular business hours for questions and emergencies related to the distribution system and customer service issues, and assist with production and treatment system related issues when needed. Accordingly, the On-Call employee on duty must be readily available for contact by telephone -and able to respond within 30 minutes to the service call location. This On-Call employee shall possess at least a Grade 1 Treatment Plant Operator license and a Grade 1 Distribution Operator license issued by the State



of California.

- b. As to production and treatment systems related issues: One (1) field employee will be provided with a radio equipped District vehicle, a District laptop computer and District cellular phone. The employee assigned this type of On-Call duty will be the first person contacted during non-regular business hours for questions and emergencies related to the production and treatment systems. The employee will also assist with distribution system and customer service related issues when needed. Accordingly, the On-Call employee on duty must be readily available for contact by telephone, and able to respond within fifteen (15) minutes to any SCADA system alarm by remotely accessing the SCADA system to acknowledge the alarm and assess the issue. If the issue cannot be resolved via remote access, then the On-Call employee must respond to the problem site within one hour thereafter. The employee will be required from time to time, as directed by his Supervisor, to remotely access the SCADA system to assess operations. This On-Call employee shall possess at least a Grade 2 Treatment Plant Operator license and a Grade 2 Distribution Operator license issued by the State of California.
2. All On-Call duty personnel shall wear a District uniform at all times when conducting District business.
3. For personnel assigned to the distribution systems and customer service related issues, On- Call duty cycles begin each Wednesday evening at the close of business and end the following Wednesday at the opening of business.
4. For personnel assigned to the production and treatment systems, On-Call duty cycles begin each Wednesday evening at the close of business and end the following Wednesday at the opening of business. On-Call duty may also be assigned to cover District Holidays as needed.
5. All On-Call personnel shall be compensated for such work as provided in Section VI(C) of this Manual.

#### **G. Alcohol and Drug Free Work Place**

The District recognizes that behavior resulting from the use of alcohol and/or drugs may detrimentally affect the safety and work performance of its work force, as well as the health and welfare of its employees. In recognition of the District's responsibility to maintain a safe work environment, the District strictly prohibits any form of substance abuse. The term "substance abuse" includes, but is not limited to, the use or possession of illegal drugs, alcohol, or abuse of prescription drugs, which could impair an employee's work performance and/or ability to perform his or her job safely.

1. All Employees of the District shall not:
  - a. Be at work, drive a vehicle on District business, or operate any District equipment while under the influence of any amount of alcohol or illegal drugs which would result in a positive alcohol or drug test;
  - b. Ingest alcohol, possess open containers of alcohol, or use or possess illegal drugs of any kind while on duty; and shall not manufacture, distribute, dispense, sell or provide illegal drugs of any kind to any person while on duty. If the use by an

employee of a prescription drug may create an unsafe working condition, this fact must be reported by the employee to his/her Department Head prior to reporting to work. Employees whose job performance is so restricted may be subject to reassignment, medical examination, or other reasonable actions as determined by the General Manager or Department Head.

2. Pre-Placement/Post Offer Controlled Substance Testing
  - a. Any offer of employment for safety sensitive field positions will be conditioned upon the applicant passing a drug screening analysis. The General Manager shall coordinate the drug screening process.
3. Reasonable Suspicion Testing
  - a. Field Employees are subject to drug and alcohol testing when there is a reasonable suspicion that the employee has violated the rules set forth herein against drug and alcohol use. Such Reasonable Suspicion Testing shall include any drug and alcohol testing subsequent to any employment related injury requiring medical attention or incident involving damage to any District property.
  - b. Field Employees are subject to drug and alcohol testing when they are involved in an accident involving either: 1) the operation of a District vehicle; or 2) physical injury to a District employee or member of the public.
  - c. When a field employee has previously been found in violation of this Section V (G), that employee may be required to submit to periodic unannounced drug and alcohol testing as a condition of remaining in or returning to District employment.

#### **H. Smoking**

1. Smoking is strictly prohibited at all times while carrying out District work assignments.
2. Smoking is not permitted in any workplace, meeting room, classroom, warehouse facility or restroom of the District. Smoking is not permitted in any District vehicle.

#### **I. Outside Employment**

The District is entitled to the unqualified loyalty of its employees. District employees shall positively represent the District; and the actions of its employees will not conflict with the best interests of the District. No employee of the District shall therefore be permitted to carry on concurrently with their employment with the District, any private business or undertaking which may detrimentally affect the time or quality of work for the District or create a conflict of interest with the District, unless expressly authorized in writing in advance by the General Manager.

#### **J. Job Injury**

1. Injuries suffered by employees while in the course of performing work for the District are covered by the District's workers' compensation insurance provider. All such job injuries shall be immediately reported to the employee's Department Head or General Manager, who shall forthwith complete documentation of the injury and

forward it to the Office Administrator who will submit an "Employee's Claim for Compensation Benefits" form (DWC Form 1).

2. Workers Compensation will be supplemented as follows:
  - a. An employee will receive supplemental District pay for a period of up to three (3) days, as determined by the General Manager, so that said employee will receive equivalent regular pay for the maximum three (3) day period. After the maximum three (3) day period, the employee will be eligible to receive benefits under the District's workers' compensation insurance policy, should the injury prevent the employee from returning to work for more than three (3) days.
  - b. The General Manager may grant supplemental District pay for longer periods of time than provided above.
  - c. Employees may elect to use either sick leave or vacation to supplement Workers' Compensation benefits in order to receive an equivalent regular paycheck, once the District payments as provided for in Subsections "a" and/or "b" herein have been exhausted. Said sick leave or vacation will be used in half (1/2) hour increments.
  - d. The District will attempt to accommodate an employee's return to work after suffering a work related injury on a case by case basis depending on the circumstances of the injury, the District's reasonable needs and, if applicable availability of light duty work. The General Manager shall make such determination in his or her sole discretion.

#### **K. Disciplinary Action**

1. The District may discipline or terminate any employee for cause at any time. Disciplinary action includes, but is not limited, to the following:
  - a. Oral Warning. A formal discussion with an employee, usually by the employee's immediate Department Head or General Manager, about performance or conduct problems, the need for the employee to improve and what improvement is expected. The Department Head shall make a written record of the warning which shall be placed and maintained in the employee's personnel file as an "oral warning."
  - b. Written Reprimand. A formal written notice, usually by the employee's immediate Department Head or General Manager, to the employee regarding performance or conduct problems, the need for the employee to improve and what improvement is expected. The written reprimand shall be filed in the employee's personnel file, along with a signed acknowledgment of receipt of the written reprimand from the employee. The employee may respond in writing to the written reprimand within seven (7) days, which response, if any, shall be placed in the personnel file with the written reprimand.
  - c. Suspension. An involuntary leave of absence without pay.
  - d. Demotion. Reduction from one position to another having a lower salary range for disciplinary purposes. (Demotions resulting from organizational changes and layoffs are not disciplinary actions.)

- e. Discharge. Termination of employment.
2. Suspensions of Three (3) Days or Less.
- a. The General Manager has discretion to suspend any employee for a period of three (3) days or less, and the suspended employee shall have no right of appeal. In such cases, a written notice will be given to and discussed with the employee. A copy of such notice will be placed in the employee's personnel file, along with a signed acknowledgement of receipt thereof by the employee. The notice shall include the specific charges upon which the action is based, identification of the rule, regulation, or policy violated, and the duration of the suspension. The employee may respond in writing to such notice within seven (7) days, which response, if any, shall be placed in the personnel file with the notice of suspension.
3. Suspensions of More than Three (3) Days, Demotion, or Discharge.
- a. Prior to suspending an employee for more than three (3) days, demoting, or discharging an employee, a written notice of such proposed disciplinary action shall be delivered to the employee personally, or by certified mail to the employee's last known address, at least five (5) business days prior to the effective date of the proposed disciplinary action. Such written notice shall contain:
    - 1. A description of the proposed disciplinary action and its effective date(s);
    - 2. a statement of the reasons for such proposed disciplinary action, including the acts or omissions on which the proposed disciplinary action is based;
    - 3. copies of documents upon which the proposed disciplinary action is based, if any;
    - 4. a statement of the employee's right to respond, either orally or in writing, prior to the effective date of such proposed action;
    - 5. a statement of the employee's right to representation; and
    - 6. a statement of the employee's right to appeal should such proposed disciplinary action become final.
  - b. Prior to the effective date of such suspension, demotion, or discharge, an employee will be given an opportunity to respond either orally or in writing, at the employee's option, to his or her Department Head or General Manager.
  - c. If an employee responds to a notice of proposed disciplinary action, the proposed disciplinary action shall be stayed for two (2) business days, at which time the employee shall receive written notice either sustaining, modifying, or canceling the proposed disciplinary action.
  - d. Should a proposed suspension, demotion, or discharge become final, an employee shall have the right to appeal such action pursuant to Section V(K)(4), below.
  - e. An employee shall be given reasonable time off without loss of pay to attend a

pre-disciplinary meeting and/or interview pursuant to Section V(K)(4), below.

#### 4. Disciplinary Appeals

- a. A suspension of more than three (3) days, demotion, or discharge may be appealed to the General Manager. The appeal shall be presented to the General Manager within five (5) calendar days following the employee's receipt of the written notice of such discipline under Section V(K)(3)(a), above, or Section V(K)(3)(c) should the employee respond to the proposed disciplinary action pursuant to Section V(K)(3)(b). All disciplinary appeals shall be in writing, and shall be signed by the employee.
- b. The General Manager shall initiate an investigation on the suspension that the General Manager deems appropriate in his or her sole discretion, grant the employee the opportunity to be heard by the General Manager and to submit any documentary evidence the employee desires to have reviewed during the appeal.
- c. The General Manager shall render a decision sustaining, reducing or rescinding an appealed disciplinary action. If an action to suspend or demote is reduced or rescinded, the appellant shall be entitled to restoration of pay and/or benefits in a manner consistent with the General Manager's decision. If an action to discharge is reduced to a suspension, the appellant shall be restored to his or her position or a similar position in the same department, subject to forfeiture of pay and benefits for all or a portion of the period of time the appellant was suspended. If an action to discharge is rescinded, the appellant shall be reinstated to his or her former position or a similar position in the same department, and shall receive pay and benefits for the entire period of time he or she was removed from duty.
- d. The decision of the General Manager is subject to appeal by the disciplined employee to the Board of Directors. The Board of Directors will not conduct a hearing or a new investigation. The Board of Directors will review the record on appeal and render a decision based thereon, sustaining, overturning, or modifying the General Manager's decision. The decision of the Board of Directors is final.

#### L. Standards of Conduct

Disciplinary actions are imposed primarily for corrective purposes and to address deficiencies in work performance. The following is a nonexclusive list of the common causes of disciplinary action:

1. Actions contrary to the rules and regulations of the District, including those contained in this Manual.
2. Violation of any Federal, State, or local law directly impacting the employee's fitness for employment.
3. Using, possessing, dealing, distributing, or being under the influence of alcohol, illegal narcotics, or non-prescription or unlawful drugs while on duty or at work locations, or reporting to work or operating District vehicles or equipment under

the influence of alcohol, illegal narcotics, or any non-prescription or unlawful drug.

4. Failure or refusal to comply with a lawful order or to accept a reasonable and proper assignment from an authorized Department Head or General Manager.
5. Inefficiency, dishonesty, incompetence, carelessness, or negligence in the performance of duties.
6. Sexual harassment or other unlawful harassment of another employee, customer or any other individual.
7. Chronic or excessive absenteeism, whether excused or unexcused, or inconsistent attendance.
8. Rude or discourteous treatment of other employees, customers or any other individual.
9. Inattention to duty, tardiness, carelessness or negligence in the care and handling of District property.
10. Loss or misuse of District funds.
11. Improper or unauthorized use of District vehicles or equipment or misappropriation of supplies.
12. Misuse of sick leave, including using sick leave under false pretenses.
13. Furnishing false information to obtain employment, or falsification of time cards or other District records and reports.
14. Absence from duty without proper authorization, failure to report after leave of absence has ended or been disapproved, revoked, or canceled.
15. Acceptance of any bribe, gratuity, kickback, or other item of value when such is given in the hope or expectation of receiving preferential treatment.
16. Outside work not previously authorized in writing by the General Manager or such work that creates a conflict of interest with District work, or detracts from the efficiency of the employee in the effective performance of District functions.
17. Failure to obtain or maintain necessary qualification, certificate, or license, which is required as a condition of employment.
18. A record of unsafe driving for those employees required to operate District vehicles, as determined by the General Manager in his or her discretion.
19. Refusal to submit to drug and alcohol tests when directed to do so by District Management pursuant to Section V(G) of this Manual.
20. Testing positive for the presence of a controlled substance or alcohol pursuant to Section V(G) of this Manual.
21. Failure to immediately report an accident or injury to the Department Head or General Manager.
22. Failure to immediately report breakdowns, improper or unsafe operation of equipment or facilities.

23. Working overtime without proper authorization.
24. Failure to use or wear proper safety gear or equipment.

#### **M. Illness and Injury Prevention Program**

An injury and illness prevention program is a proactive process to help employers find and fix workplace hazards before workers are hurt. The purpose of this program is to prevent illnesses, injuries and fatalities in the workplace. A copy of the current Illness and Injury Prevention Program may be obtained from the Office Administrator.

#### **N. Dress Code and Safety Equipment**

1. The District will provide all full-time field employees with District shirts to be worn while on duty. Employees will regularly clean and maintain the shirts. The District will also provide all field employees with necessary District owned safety equipment (e.g. safety vests, hard hats, etc.), which will be properly cared for by the employee.
2. Field employees must turn in District shirts prior to receiving new District shirts.
3. Field employees shall be granted an allowance of up to \$350 per year for the purchase of steel-toe boots and pants. Employees must submit itemized receipts to the Accounting Supervisor in order to receive reimbursement for said allowance.
4. All employees shall present a clean and neat appearance at all times.
5. Office personnel will dress in a manner consistent with good business practices.
6. No employee shall have visible tattoos on the head, face or neck. Any visible tattoos cannot be obscene, sexually explicit, discriminatory as to sex, race, religion, national origin, or be extremist in nature or gang related. Any tattoos in violation of this Section must be covered with clothing or a bandage while at work, or must be removed.
7. No objects, articles, jewelry or ornamentation of any kind shall be attached to or through the skin if visible on any body part including the tongue or any part of the mouth, except that an employee may wear one pair of earrings in the ears as long as the earrings do not pose a safety risk to the employee during the normal performance of his or her duties. Any other non-conforming piercing jewelry shall be removed while the employee is on duty.

#### **O. Electronic Communications**

The District uses various forms of electronic communications including, but not limited to, communications via computers, email, telephones, mobile phones, smart phones, text messaging, internet, radios, and PDAs. All such electronic communications are official District's records and are the property of the District. The District reserves the right to access and disclose all messages transmitted through its system or equipment for any purpose. Communications transmitted over said forms of electronic communications should be limited to District business and District related activities or the accomplishment of business related tasks.

#### **P. Cell Phone Usage**

The use of cellular phones while operating a motorized vehicle or motorized equipment while

conducting District business is prohibited, with the exception of the use of a hands-free phone system that is integrated into a vehicle. Under no circumstances may an employee, who is operating a vehicle without a hands-free phone system or motorized equipment, initiate or answer a cellular phone call or text message while conducting District business.

- Deleted: any
- Deleted: relates activity of the District
- Deleted:
- Formatted: Condensed by 0.2 pt
- Deleted: driver
- Deleted: initiate
- Formatted: Condensed by 0.15 pt
- Deleted: while operating a motor vehicle

#### Q. Anti-Fraud

1. The District and its employees must, at all times, comply with all applicable laws and regulations. Employees uncertain about the application or interpretation of any legal requirements should refer the matter to their Department Heads or General Manager.
2. The District expects its employees to conduct themselves in a businesslike manner and perform duties conscientiously, honestly, and in accordance with the best interests of the organization. Employees are expected to take great care when working with District's suppliers or contractual contacts and members. Employees should respect the confidentiality of information acquired in the course of their work. Regardless of circumstances, if an employee senses that a course of action may involve a conflict of interest, fraud and/or dishonesty, they should immediately communicate all facts to the General Manager, or appropriate Department Head.

#### R. Termination and Resignation

1. Upon termination or resignation of employment with the District, the employee shall be given an exit interview. The exit interview will include a discussion of any and all applicable benefits, including accrued sick leave, accrued vacation, the District's retirement plan, health insurance, life insurance and disability insurance. The employee is also required to return all District property, i.e. keys, credit cards, identification tag, and District embroidered shirts and caps.
2. Employees, including employees released during their initial introductory period or dismissed for disciplinary reasons, will receive their final paycheck within 72 hours of the employee's last day of work. The final paycheck will include payment for all earned salary due and not previously paid, and any accrued but unused leave balances which are subject to pay. Unused sick leave shall be paid out only to those employees who retire from the District as specified in Section VII(B)5, below.

### VI. COMPENSATION

#### A. Employee Compensation

1. The Board of Directors shall have the exclusive authority to determine the General Manager's salary. The Board shall approve changes to the organization of District staff as recommended by the General Manger. The Board shall also determine the salary and hourly pay ranges for positions of the District. The General Manager shall have authority to determine the salaries or hourly pay rates of the employees of the District within the approved salary range for each position.
2. Hourly rate of pay for Exempt/Executive Employees will be calculated by taking the employee's monthly pay rate and multiplying said rate by 12, then dividing by 2,080. All other employees' hourly pay rates shall be established upon date of hire and adjusted thereafter in accordance with Section V(C), VI(A)6 and Section VI(E).
3. Pay periods for all employees will be bi-monthly with pay periods ending on the



fifteenth and the last day of the month.

4. Pay earned during each pay period shall be paid to the employee within 2 working days of the end of each period.
5. The Board shall annually consider cost of living in salary and wages of employees based upon recommendation by the General Manager.
6. Adjustments in salary and wages of employees based upon performance will be considered annually in conjunction with an annual employee performance review. The General Manager shall have authority to adjust an employee's salary and wages within the approved salary range of each position.

#### **B. Overtime Pay**

1. All "Non-Exempt Employees" are eligible for overtime pay. All overtime pay must be approved by the Department Head or General Manager.
2. Overtime pay is defined as that time spent on the job over eight (8) hours in one (1) normal work day or any time spent on the job on holidays, Saturdays, or Sundays.
3. The rate paid for overtime pay is the regular hourly rate times one and one-half (1½ or 1.5) for each hour of overtime worked beyond eight (8) hours in one day and two times the regular hourly rate for each hour of overtime worked beyond twelve (12) hours in one day.

#### **C. On-Call Pay**

1. Distribution and Customer Service - Each employee of the District who is on On-Call for distribution and customer service issues will receive one (1) hour of overtime pay for each day that the employee is performing On-Call duties. For each District holiday, excluding floating holidays, the employee performing the distribution and customer service On-Call duty will receive three (3) hours of overtime pay. If the employee is required to respond to an after hours emergency or service call, the employee will receive overtime pay for a minimum of two (2) hours, or, for actual time worked, whichever is greater. This shall apply to each call out, provided the next call out is after the initial 2 hours.
2. Production and Treatment - Each employee of the District who is On-Call for production and treatment issues will receive a half(1/2) hour of overtime pay for each weekday (Monday – Friday) that the employee is performing On-Call duty and one (1) hour of overtime pay for each weekend day (Saturday, Sunday) that the employee is performing On-Call duty. For each District holiday, excluding floating holidays, the employee performing the production and treatment On-Call duty will receive two (2) hours of overtime pay. Time spent by an employee to address a SCADA alarm remotely via computer, will be paid overtime pay of a minimum of a quarter-hour (1/4), or actual time worked, whichever is greater. If the alarm condition cannot be resolved via remote computer and the employee is required to respond to a District site, the employee will receive overtime pay for a minimum of two (2) hours, or, for actual time worked, whichever is greater. This shall apply to each alarm condition requiring response, provided the next call out is after the initial 2 hours.

#### **D. Timekeeping**

Each employee is required to keep an accurate record of their time through the use of an online time tracking system designated by the District. It is the employees' responsibility to maintain the online time tracking system on a daily basis.

**E. Certification Bonus**

When an employee, other than the General Manager, Office Manager, & Engineering & Compliance Manager, obtains work related certifications or licenses above the required certification or licenses for their position, the employee will receive an annual bonus for each certification above the required level for their respective position. Qualifying certification or licenses for this bonus program are shown below along with their respective annual bonus amounts:

- Water Distribution Operator (WDO) certificates issued by the California Water Resources Control Board
  - WDO I - \$400.00
  - WDO II - \$600.00
  - WDO III - \$800.00
  - WDO IV - \$1,000.00
  - WDO V - \$1,200.00
- Water Treatment Operator (WTO) certificate issued by the California Water Resources Control Board
  - WTO I - \$ 400.00
  - WTO II - \$600.00
  - WTO III - \$800.00
  - WTO IV - \$1,000.00
  - WTO V - \$1,200.00
- American Water Works Association Water Conservation Specialist certification - \$600.00
- American Water Works Association Cross Control Specialist certification - \$800.00
- American Water Works Association Water Quality Laboratory Analyst - \$600.00

The payment of the bonus will occur annually on the anniversary date of the certificate. If the employee loses their certification for any reason, the subsequent annual bonus for the certification will not be paid.

**F. Certification and Educational Reimbursement**

1. Upon successfully passing the tests and certifications listed in Section VI(D), above, the District will reimburse the employee for the cost of the test and certification, as well as certification renewal (minus any late fees, as it is the responsibility of the District employee to seek timely payment of fees).
2. With prior written approval from the General Manager, employees may be entitled to reimbursement of actual expenses for tuition, books and supplies incurred in conjunction with courses that are directly related to improving the employee's job skills or knowledge with respect to his or her current position, as determined by the General Manager in his or her sole discretion, provided the employee receives a passing grade for the course. Expenses for certification and education are limited to a maximum of \$1,500 per employee per calendar year.

**Deleted:** Office Administrator/Board Secretary

**Deleted:** Compliance Officer/Project Engineer,

**Deleted:** or

**Deleted:** Customer Service/Accounting Supervisor

**Formatted:** Condensed by 0.15 pt

**Deleted:** salary increase of 2.5%

**Deleted:** C

**Formatted:** Condensed by 0.15 pt

**Deleted:** are limited to the following

**Formatted:** Font color: Black, Not Expanded by / Condensed by

**Formatted:** Font color: Black, Not Expanded by / Condensed by

**Formatted:** Font color: Black, Not Expanded by / Condensed by

**Formatted:** Font color: Black, Not Expanded by / Condensed by

**Formatted:** Font color: Black, Not Expanded by / Condensed by

**Deleted:** State of California Department of Health Services Water Treatment Operator certification

**Formatted:**

**Formatted:** Condensed by 0.2 pt

**Formatted:** Font color: Black, Not Expanded by / Condensed by

**Formatted:**

**Formatted:** Font color: Black, Not Expanded by / Condensed by

**Deleted:** <#>State of California Department of Health Services Water Distribution Operator certification¶

**Deleted:** ¶

**Deleted:** Notary Public of the State of California

**Deleted:** <#>Backflow Prevention Assembly Tester licensed by the County of Los Angeles¶

Any

**Deleted:** salary increase provided for herein will be effective during the first full pay period subsequent to the receipt of the certificate in question.

**Deleted:** certification

**Deleted:** salary increase

**Deleted:** will be rescinded beginning the first payroll period following such loss of certification.

**G. Reimbursement for District Related Business**

Use of personal automobiles by employees for District business shall be reimbursed for miles driven at the current standard mileage rate allowed by the Internal Revenue Service.

**VII. BENEFITS**

**A. Vacation**

1. Each full-time regular employee of the District shall receive paid vacation time in addition to salary. Said vacation will be accrued and credited to the employee's vacation account, on a monthly basis, as follows:
  - a. During the first year of employment through the fifth anniversary of the employee's hired date, the employee shall accrue 6.67 hours per month of vacation (equivalent to ten (10) days of vacation per year), up to a maximum of 320 hours of unused vacation time.
  - b. During the sixth year of employment through the tenth anniversary of the employee's hired date, the employee shall accrue 10 hours per month of vacation (equivalent to fifteen (15) days of vacation per year), up to a maximum of 320 hours of unused vacation time.
  - c. After the tenth anniversary of the employee's hired date, the employee shall accrue 13.33 hours per month of vacation (equivalent to twenty (20) days of vacation per year) up to a maximum of 320 hours of unused vacation time.
2. An employee may utilize accrued vacation time as arranged by the employee and his or her Department Head or General Manager at least 48 hours in advance of commencement of the vacation. Preferred vacation times are not guaranteed, but the employee's Department Head or General Manager shall attempt to grant the employee's request. Once approved, scheduled vacations may not be changed unless authorized by the General Manager.
3. Accrual of vacation time is limited to a maximum of 320 hours for each employee. Employees may elect, up to two times per year, to be paid for any vacation that they have accrued, as long as the hours that are requested to be paid out do not result in the unused vacation time balance to be less than 40 hours. Vacation time will be paid at the employee's rate of pay in effect at the time payment is made.
4. In the event a District recognized holiday, as set forth in Section VII(C), below, falls within a scheduled vacation, such holiday shall not be charged against an employee's accrued vacation time.

**B. Sick Leave**

1. Full Time Regular Employees
  - a. Sick leave with pay shall be granted to each Full-Time Regular Employee of the District at the rate of three and one-third (3.33) hours for each pay period of services completed. New Full Time Regular Employees must complete ninety (90) days of employment with the District before being able to accrue sick leave. Sick leave is not a privilege to be used at the employee's discretion. Sick

<b>Deleted:</b> .
<b>Deleted:</b> <#>¶
<b>Formatted:</b> Condensed by 0.15 pt
<b>Formatted:</b> Condensed by 0.15 pt
<b>Formatted:</b> Condensed by 0.15 pt
<b>Formatted:</b> Condensed by 0.15 pt
<b>Formatted:</b> Condensed by 0.15 pt
<b>Formatted:</b> Condensed by 0.15 pt
<b>Formatted:</b> Condensed by 0.15 pt
<b>Formatted:</b> Condensed by 0.15 pt
<b>Formatted:</b> Condensed by 0.15 pt
<b>Formatted:</b> Condensed by 0.15 pt
<b>Formatted:</b> Condensed by 0.15 pt
<b>Formatted:</b> Condensed by 0.15 pt
<b>Formatted:</b> Condensed by 0.15 pt
<b>Formatted:</b> Condensed by 0.15 pt
<b>Formatted:</b> Condensed by 0.15 pt
<b>Formatted:</b> Condensed by 0.15 pt
<b>Formatted:</b> Condensed by 0.15 pt
<b>Formatted:</b> Condensed by 0.15 pt
<b>Formatted:</b> Condensed by 0.15 pt
<b>Formatted:</b> Condensed by 0.15 pt
<b>Formatted:</b> Condensed by 0.15 pt
<b>Formatted:</b> Condensed by 0.15 pt
<b>Formatted:</b> Condensed by 0.15 pt
<b>Formatted:</b> Condensed by 0.15 pt
<b>Deleted:</b> .
<b>Formatted:</b> Condensed by 0.15 pt
<b>Deleted:</b>
<b>Deleted:</b> .
<b>Formatted:</b> Justified
<b>Deleted:</b> one (1) year
<b>Deleted:</b> all
<b>Deleted:</b> s
<b>Deleted:</b>
<b>Deleted:</b> will be
<b>Deleted:</b> in excess of one (1) year's vacation time as of November 30 each year
<b>Deleted:</b> , which payment will be made during the first pay period in December of the same year.

leave may be used for preventive care or for care of an existing health condition of the employee or an employee's family member, or for specified purposes when an employee is a victim of domestic violence, sexual assault, or stalking. A family member includes the employee's parent, child, spouse, registered domestic partner, grandparent, grandchild, and sibling.

In order to request sick leave, the employee must notify the District in advance whenever the need is foreseeable, or within one (1) hour prior to the time set for beginning the employee's daily duties. If the request is sudden or otherwise unforeseeable, the employee must provide notice to the employee's Department Head or the General Manager as soon as possible. When sick leave absence is for more than three (3) working days, the employee may be required to file with the District a physician's release or other evidence satisfactory to the District, stating the cause or reason for absence. If an employee is absent five (5) (or more) consecutive working days, a doctor's release is required in order for the employee to return to work. The doctor's release must state that the employee is sufficiently recovered to perform the duties of the position without restriction or limitation, or the employee may not be permitted to return to work.

- b. Any Full Time Regular Employee who, on the first of December of any calendar year, has an unused sick leave balance of at least 400 hours (50 days) will be paid for sick leave that is in excess of 400 hours. The payment will be calculated at one-half (1/2) of the employee's current rate of pay for the hours in excess of 400 hours, which payment will be made during the first pay period in December of the same year. Payments shall be made to ensure that as of the first of December of any calendar year there shall be no employee that has a balance of unused sick leave in excess of 400 hours.
- c. If an employee is terminated by the District, then the employee shall not be entitled to receive payment for any unused sick leave balance that the employee may have at the time of termination regardless of the amount of unused sick leave.
- d. Any employee who retires with either service or disability retirement will be paid for unused sick leave up to 400 hours (50 days) at one-half (1/2) of the employee's then current rate of pay. Such an employee shall not be paid for any unused sick leave in excess of 400 hours (50 days).
- e. In case of an employee's death, the Board of Directors, in its sole discretion, may authorize the payment for any unused sick leave to that employee's spouse or family.

## 2. Part-Time Regular Employees

- a. Effective as of July 1, 2015, sick leave with pay shall be granted to each Part-time Regular Employee of the District at the rate of 2 minutes of sick time per hour worked. New Part Time Regular Employees must complete ninety (90) days of employment with the District before being able to accrue sick leave. Sick leave is not a privilege to be used at the employee's discretion. Sick leave may be used for preventive care or for care of an existing health condition of the employee or an employee's family member, or for specified purposes when an employee is a victim of domestic violence, sexual assault, or stalking. A

family member includes the employee's parent, child, spouse, registered domestic partner, grandparent, grandchild, and sibling. Unused sick leave will be accumulated at the rate of 80 hours (ten days) a year, without limit.

- b. Any Part Time Regular Employee who, on the first of December of any calendar year, has an unused sick leave balance in excess of 48 hours, will be paid for any such excess sick leave at the rate of one-half (1/2) of the employee's current hourly rate. Payment will be made during the first pay period in December of the same year. Payments shall be made to ensure that as of the first of December of any calendar year there shall be no part-time regular employee that has a balance of unused sick leave in excess of 48 hours.
- c. Sections VII.B(1)(b), VII.B(1)(d), and VII.B(1)(f), above, regarding sick leave that apply to Full Time Regular Employees shall also apply to Part Time Regular Employees.

### **C. Holidays**

1. All full-time regular employees will receive the following days off from work as paid holidays:
  - New Year's Day - January 1st
  - Martin Luther King Day - Third Monday in January
  - Presidents' Day - Third Monday in February
  - Memorial Day - Last Monday in May
  - Independence Day - July 4th
  - Labor Day - First Monday in September
  - Veteran's Day - November 11th
  - Thanksgiving Day – Fourth Thursday in November
  - Thanksgiving Holiday - Friday following Thanksgiving Day
  - Christmas Day - December 25th
2. If a holiday falls on a Saturday, the immediately preceding Friday will be deemed the District holiday. If a holiday falls upon a Sunday, the immediately following Monday will be deemed the District holiday.
3. In addition to the District recognized holidays, each Full-Time Employee of the District shall be entitled to two (2) additional days off per calendar year, to be known as a "floating holiday," which may be utilized on any regularly scheduled District work day with the prior approval of the General Manager or appropriate Department Head. A "floating holiday" must be used in eight (8) hour increments. These "floating holidays" must be used in the calendar year. If not used within the calendar year, the unused day(s) will be paid to the employee at the close of the final pay period of the year, at the employee's then current hourly rate.
4. Any full-time regular employee required to work on a holiday may be entitled to compensation pursuant to this Section VII(C). In order for an employee to receive a paid holiday, the employee must work on the regular work day before and the regular workday after the holiday, or utilize vacation time on those days. If an employee takes either or both of those days off as sick leave, the employee shall not receive a paid holiday unless and until the employee has provided his or her Department Head or

General Manager a letter from a doctor or other medical professional substantiating the employee's sick leave as a permissible use of sick leave.

#### **D. Leave of Absence**

Upon submission of a written request, and written approval by the General Manager, an employee may be granted a leave of absence without pay. No employee benefits will be paid by the District, or accrued, during the absence, with the exception of insurance coverage(s) which will remain in effect for the current calendar month. If an employee will be on leave of absence for a period longer than the District will provide insurance coverage(s), the employee may elect to pay the District the cost of insurance coverage(s) in order to continue protection. If an employee will be off the payroll for more than 30 days, the employee may elect to pay the cost of medical and/or life insurance coverage(s) in order to continue said coverage(s).

#### **E. Compassionate Leave**

Whenever any full-time regular employee is absent from work due to a death in the employee's immediate family or the employee's spouse's immediate family, the General Manager, in his or her sole discretion, is authorized to grant up to a maximum of three (3) working days compassionate leave with pay. Compassionate leave with pay will not affect any employee benefits. Immediate family for the purpose of compassionate leave is defined as a mother, father, wife, husband, natural or adopted child, brother, sister, grandparent, grandchild, domestic partner, similar in-laws or step relatives.

#### **F. Leave Related to Military Service**

Any leave taken as a result of military service must be supported by a certification of its necessity from the United States government. A leave taken due to the need to care for a service member shall be supported by a certification by the service member's health care provider.

#### **G. HIPPA**

The Health Insurance Portability and Accountability Act, was enacted in 1996 and is overseen by the U.S. Department of Health and Human Services. HIPPA regulations are enforced by the Office of Civil Rights and prevent the release, disclosure or use of an individual's health information without written permission. However, there are instances when certain health information can be disclosed to what is referred to as "covered entities" without permission. A copy of the current HIPPA notice may be obtained from the Office Administrator.

#### **H. COBRA**

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) was enacted to protect employees and their eligible family members by allowing them to continue group health insurance under the employer's plan at affordable group rates. Employees are notified at hiring of their rights under this law and it is the employee's responsibility to notify the District's Office Administrator of any qualifying event believed to enable COBRA coverage within 60 days of such event. Cal-COBRA is California law that has similar provisions to federal COBRA. With Cal-COBRA the group policy must be in force with 2-19 employees covered on at least 50 percent of its working days during the preceding calendar year, or the preceding calendar quarter, if the employer was not in business during any part of the preceding calendar year. A copy of the current COBRA requirements may be obtained from the Office Administrator.

#### **I. Jury Duty**

1. District employees summoned by a local or State tribunal will be permitted time off from work for jury duty. The affidavit or Jury Summons requiring jury service must be presented by the employee to the Office Administrator prior to the date that the employee must attend jury duty.
2. For full-time regular employees, the District will pay for a maximum of up to ten (10) working days of jury service every year at the employee's regular rate of pay. In order to qualify for paid jury leave, the employee must provide proof of attendance at jury duty and pay to the District any amount of money the Court paid to the employee, minus any amount paid for travel mileage.
3. All full-time regular employees that are required to serve on a jury for more than 10 days will continue to receive other District employment benefits while serving on the jury, but will not receive regular pay beyond the 10 days as set forth under Section VII.1.2, above.

#### **J. Time off to Vote**

The General Manager will allow employees time off from work with pay for no more than two (2) hours for the purposes of voting at any statewide or local government election. Such time off will be granted during times that are least disruptive to District operations, as designated at the discretion of the General Manager or the appropriate Department Head.

#### **K. Health, Dental, and Vision Insurance**

1. All full-time regular employees of the District, and all elected or appointed Directors of the District's Board of Directors, shall be eligible for health, dental, and vision insurance coverage. For said full-time regular employees and Directors, the District shall pay for 100% of the cost of health, dental, and vision insurance coverage for the employee or Director, the employee's or Director's spouse, and the employee's or Director's dependent(s) in accordance with a group plan provided by the District.
2. A copy of the current health, dental, and vision insurance plans may be obtained from the Office Administrator. District paid health, dental, and vision insurance is a benefit that is subject to the discretion of the Board of Directors, and the plan(s) or coverage may be changed or eliminated without notice.

#### **L. Life Insurance**

1. The District provides a life insurance benefit of \$20,000 for the employee and such lesser amount for family members of the employee as provided by the District's policy. The employee may voluntarily pay the premium to increase the life insurance benefits above \$20,000, at the employee's expense, as may be permitted under the life insurance provider's plan.
2. Upon a Director's sworn Oath of Office, life insurance shall be available to the Director in the amount of \$10,000 and such lesser amount for the Director's spouse as provided by the District's life insurance plan.
3. A copy of the current life insurance plan may be obtained from the Office Administrator. The Board of Directors reserves the right to amend said life insurance benefits in its sole discretion at any time.

#### **M. Disability Insurance**

The District provides full-time regular employees Short-term Disability (STD) and Long-term Disability (LTD) insurance at no cost to the employee. More information regarding said disability plans are available for inspection at the District office during regular business hours.

#### **N. Retirement Benefits and Deferred Compensation Plan**

1. The District participates in the California Public Employees Retirement System (CalPERS) for full time regular and part time regular employees.
  - a. For full-time regular employees hired prior to January 1, 2013, the District currently pays 100% of the contributions (both employer and employee contributions required under the plan). The District's contract with CalPERS provides employees with a 2% at age 60 retirement benefit.
  - b. For full-time regular employees hired after January 1, 2013, the District's contract with CalPERS provides employees with a 2% at age 62 benefit formula with an early retirement age of 52 and a maximum benefit factor of 2.5% at age 67. Said full-time regular employees hired after January 1, 2013 shall pay 50% of the total normal cost of their pension benefit. However, the employee contribution rate may not exceed 8% of their salary as defined in the CalPERS contract with the District.
  - c. A full-time regular employee hired after January 1, 2013 that established a CalPERS membership at his or her previous employer within six months prior to beginning employment at the District, will qualify for the 2% at 60 formula as provided to full-time regular employees hired before January 1, 2013, as set forth in Section VII(N)(1)(a).
  - d. A part-time regular employee who works over 1,000 hours within the District's fiscal year is entitled to retirement benefits with CalPERS. Said benefit shall be effective upon the first day of the first pay period of the following month after which the part-time employee completes 1,000 hours of employment with the District. For part-time regular employees hired after January 1, 2013 that are eligible for CalPERS as set forth herein, the benefit is the same as for full-time regular employees as set forth in Section VII(N)(b), above.
  - e. The District's retirement benefits plan may be obtained from the Office Administrator for inspection at the District office during regular business hours.
2. The District also offers an employee funded Deferred Compensation Plan through Lincoln Financial Group for all employees. Said plan may be obtained from the Office Administrator for inspection at the District office during regular business hours.
3. The Board of Directors reserves the right to amend the retirement benefits and deferred compensation plans at any time.

#### **O. Retiree Health, Dental and Vision Benefits**

1. The following individuals shall qualify for post-retirement medical, dental and vision insurance benefits:
  - a. Retired Directors pursuant to Government Code Section 53201;
  - b. Full-Time Regular Employees that were employed by the District prior to November 1, 2011 who, at the time of retirement, had been continuously employed by the District for a minimum period of ten (10) years and have

**Commented [GG1]:** May need to be updated to ensure surviving spouses of employees who qualify for OPEB are not denied coverage by ACWA JPIA. Need to have discussion regarding enrollment into SS.



attained a minimum age of fifty (50) years; and

- c. Full-Time Regular Employees employed by the District after November 1, 2011 who, at the time of retirement, had been continuously employed by the District for a minimum continuous period of twenty (20) years and have attained a minimum age of fifty-five (55) years.
2. The District provides medical, dental and vision insurance benefits for the spouses of eligible retired Directors and employees (hereinafter referred to as the "Retiree") as follows:
    - a. For the spouse of Retirees under Sections VII(O)(1)(a) and VII(O)(1)(b), above, such benefits will be provided for the remainder of the spouse's life, provided the spouse is married to the Retiree at the time of his or her retirement from the District and remains married to the Retiree until the Retiree's death. Should the spouse re-marry, such benefits shall cease.
    - b. For the spouse of a Retiree under Section VII(O)(1)(c), above, the District shall make available, at the Retiree's expense, medical insurance benefits for the spouse of the Retiree. If payment for said coverage is not provided to the District on the premium due date set forth by the insurance provider, said coverage is subject to cancellation.
  3. The District shall make available to Retirees under Section VII(O)(1), above, medical insurance benefits for the children of Retirees at the Retiree's expense. The eligibility of coverage for such children shall be determined by the insurance provider. If payment for said coverage is not provided to the District on the due date set forth by the insurance provider, said coverage is subject to cancellation.
  4. The term "retirement", as used in this section, shall include resignation, death, or termination due to disability, of an employee who otherwise meets the qualifications for post-retirement benefits.
  5. The Board of Directors reserves the right and retains sole discretion to substitute other comparable major medical, vision and dental coverage for the coverage then provided under this Section VII(O).

#### **P. Use of Vehicles**

1. Employees, who are required to operate a District or personal vehicle to conduct District business, must possess a valid California Driver's License issued by the California Department of Motor Vehicles. These employees must, at all times, observe and abide by all state and local traffic laws. Any employee operating a District or personal vehicle, who has his or her driver's license suspended or revoked, or is refused insurance coverage by the District's insurance carrier, is subject to having his or her employment terminated by the District.
2. The District has established and maintains a Driving Record Review Program. As part of this program, it has enrolled in the Department of Motor Vehicles (DMV) Employer Pull Notice Program, a free service for the District that provides a driver record reports on all employees (full-time and part time).
3. District vehicles are to be garaged at the District's Hudson Avenue warehouse when not in use. These vehicles are **NOT** to be used for personal business or transportation

of family members or friends. The General Manager may grant a temporary exception to such prohibition when the circumstances warrant. The following District employees shall be issued District vehicles for transportation to and from work as well as for other District Business:

- On-Call employee(s);
- Distribution Supervisor;
- Water Treatment & Supply Supervisor;
- Engineering and Compliance Manager
- General Manager.

Deleted: ¶  
¶

Deleted: Production/Water

Deleted: Supervisor

#### **Q. California Family Rights Act (CFRA Leave) and Pregnancy Disability Leave (PDL)**

1. Under the California Family Rights Act (CFRA), if an employee has more than 12 months of service with the District, and has worked at least 1,250 hours in the preceding 12-month period, the employee may have a right to an unpaid family care or medical leave (CFRA leave). This leave may be for up to 12 work weeks in a 12-month period for the birth, adoption, or foster care placement of the employee's child or for the employee's own serious health condition or that of the employee's child, parent or spouse.
2. Even if an employee is not eligible for CFRA leave, if the employee is disabled by pregnancy, childbirth or related medical conditions, the employee may be entitled to take a pregnancy disability leave (PDL) for up to four (4) months, depending on the period(s) of actual disability. If an employee is eligible under CFRA, the employee may be entitled to take both a PDL and a CFRA leave for reason of the birth of the employee's child.
3. An employee that desires to utilize CFRA or PDL must provide at least 30 days advance written notice for foreseeable events (such as the expected birth of a child or a planned medical treatment for the employee or of a family member). For events which are unforeseeable, the employee must, at a minimum, notify District management verbally as soon as the employee learns of the need for the leave. Failure to comply with these notice rules is grounds for, and may result in, deferral of the requested leave until the employee complies with this notice policy.
4. The District requires written verification from an employee's health care provider before allowing an employee leave for pregnancy disability or the employee's own serious health condition, or written verification from the health care provider of the employee's child, parent or spouse who has a serious health condition, before allowing the employee leave to take care of that family member. When medically necessary, leave may be taken on an intermittent or reduced work schedule.
5. If an employee seeks leave for the birth, adoption or foster care placement of a child, the minimum duration of the leave is two (2) weeks and the employee must conclude the leave within one (1) year of the birth or placement for adoption or foster care.
6. Taking a CFRA or PDL may impact certain employee benefits and an employee's seniority date. An employee that wants more information regarding and the impact on such benefits should contact the General Manager.

#### **R. Return to Work**

In an effort to minimize serious disability due to on-the-job and off-the-job injuries and illnesses and to reduce workers' compensation costs (if applicable), the District has developed a Return-to-Work program. This policy is consistent with the District's responsibilities under the Americans with Disabilities Act to provide reasonable accommodations to persons with disabilities. The Return to Work Policy is available for review in the District's Office Administrator.

### **VIII. REQUEST FOR REASONABLE ACCOMMODATIONS**

To comply with applicable laws ensuring equal employment opportunities to qualified individuals with a disability, the District will make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee unless undue hardship would result. Any applicant or employee who requires an accommodation in order to perform the essential functions of the job should contact the District's Office Administrator discuss the need for an accommodation. The District will engage in an interactive process with the employee to identify possible accommodations, if any.

### **IX. NONDISCRIMINATION AND COMPLAINT PROCEDURE**

#### **A. Nondiscrimination Policy**

1. The District is an equal opportunity employer and makes employment decisions on the basis of merit. Unless based upon a bona fide occupational qualification as defined by law, no personnel action (including appointment to or removal from a position in District employment) shall be based upon race, creed, color, age, religion, sex, ancestry, national origin, military status, physical or mental disability, pregnancy, childbirth or related medical condition, marital status, non-disqualifying medical condition, sexual orientation, gender expression or identity, genetic information or any other consideration unlawful under federal, state or local laws.
2. Any technique or procedure used in recruitment or selection of employees shall be designed to measure only the job-related qualifications of applicants. No recruitment or selection technique or any other personnel action shall be used that, in the opinion of the General Manager, is not justifiably linked to successful job performance.
3. Pursuant to applicable laws ensuring equal employment opportunities to qualified individuals with a disability, the District will make reasonable accommodations for the known physical or mental disabilities of an otherwise qualified applicant for employment with the District, unless such reasonable accommodations would impose undue hardship upon the District.
4. Any employee suffering from a disability that requires an accommodation in order to perform the essential functions of his or her job should provide notice of such need to his or her Department Head or the General Manager, who will then engage in an interactive process with the employee to determine the extent of the disability as it relates to the job and what appropriate reasonable accommodations can be made to assist the employee carry out the essential functions of his or her job. The District will provide such reasonable accommodations to the extent it does not impose undue hardship, pursuant to applicable law.

#### **B. Complaint Procedure**

1. In adopting its nondiscrimination policy, the District assures its employees that every reasonable step will be taken to prevent discrimination from occurring. If an employee believes that he or she has been unlawfully discriminated against, the employee is urged to immediately provide a written or oral complaint to the employee's Department Head or to the General Manager as soon as possible after the incident. Such complaint should include all the details of the incident(s), names of individuals involved, and the names of any witnesses. All information and communication regarding the discrimination will be kept confidential, subject to disclosure in an investigation and as required by applicable law.
2. Anyone receiving a complaint of unlawful discrimination will immediately document the complaint in writing and refer the complaint to the General Manager, who will insure that an immediate, thorough, and objective investigation of the discrimination allegation(s) is undertaken. The General Manager will inform the employee of his or her right to seek independent legal counsel and any assistance available to the employee under the District's policies.
3. After the investigation is completed and findings have been made, the District will communicate the findings to the complainant, the alleged offender, and any other concerned party as determined by the General Manager. If the General Manager determines that unlawful discrimination has occurred, remedial action will be taken as warranted by the circumstances. Any employee found to be guilty of discrimination will be subject to discipline ranging from oral or written reprimand, up to, and including, termination.
4. To achieve the goals of the District's policy, it is necessary that each employee understand the importance of the policy and his or her individual responsibility to contribute toward its maximum fulfillment. Employees are encouraged to report any and all perceived or alleged incidents of discrimination and are assured that there will not be any retaliation for having reported, in good faith, any incident of suspected discrimination.
5. This Nondiscrimination Policy and Complaint Procedure is included as part of this Manual and shall be provided to each District employee and to all new employees at the time of commencement of employment. Each existing and new employee shall acknowledge receipt of the Manual by executing the form specified in Section XIII of this Manual, which form shall be retained in each employee's personnel file.

## **X. *WORKPLACE VIOLENCE***

- A.** The safety and security of employees and customers are very important to the District. Threats, threatening behavior, acts of violence, or any related conduct which disrupts another's work performance or ability to execute its daily business will not be tolerated.
- B.** Any person who makes threats, exhibits threatening behavior, or engages in violent acts on District's property may be removed from the premises pending the outcome of an investigation. Threats, threatening behavior, or other acts of violence off District's property, but directed at District employees, District members or the public while conducting business for the District, is a violation of this policy.
- C.** Off-site threats include but are not limited to threats made via telephone, fax, electronic or conventional mail, threats through online social media or any other communication medium. Violations of this policy will lead to disciplinary action that may include termination.

- D. Employees are responsible for notifying the General Manager or Department Head of any threats which they have witnessed, received, or have been told that another person has witnessed or received. Employees should also report any behavior they have witnessed which they regard as threatening or violent when that behavior is job related or might be carried out on District property or in connection with employment.
- E. Each employee who receives a protective or restraining order which lists District's premises as a protected area is required to provide the Office Administrator with a copy of such order.

## **XI. ANTI-HARASSMENT AND COMPLAINT PROCEDURE**

### **A. Anti-Harassment Policy**

1. All employees, customers of the District, and members of the public, are to be treated with respect and dignity. The District is committed to providing an atmosphere free of all harassment, particularly harassment based on such factors as race, creed, color, religion, sex, national origin or ancestry, physical or mental disability, non-disqualifying medical condition, pregnancy, childbirth or related conditions, marital status, age, sexual orientation, gender identity or expression, or genetic information.
2. Workplace harassment is against the law. It is the policy of the District that workplace harassment of any co-worker, co-employee or member of the public, by any employee, or customer of the District is absolutely prohibited and will not be tolerated. Failure to abide by this policy will result in disciplinary action, up to, and including, termination.
3. Workplace harassment includes verbal, physical, and visual contact that creates an intimidating, offensive, or hostile working environment that interferes with work performance. Examples of workplace harassment include racial or sexist slurs, ethnic or sexist jokes, posting of offensive statements, offensive or insulting posters or cartoons, and unwanted touching or blocking of normal movement.
4. It is unlawful to harass a person because of that person's sex. Sexual harassment encompasses many forms of offensive behavior and includes gender-based harassment of a person of the same sex. Sexual harassment includes, but is not limited to, the making of any unwelcome advances and/or visual, verbal or physical conduct of a sexual nature, offering employment benefits in exchange for sexual favors, or threatening reprisals after a negative response to a sexual advance. Some examples of sexual harassment are: requests for sexual favors, demeaning sexual remarks, leering, making sexual gestures, displaying of sexually suggestive objects or pictures, references to anyone in terms such as "honey," making or using derogatory comments, epithets, slurs or jokes, comments about an individual's body, touching, impeding or blocking movements, or any other conduct based upon an individual's sex that creates an atmosphere or environment that interferes with that individual's job performance or is intimidating, hostile, or offensive to that individual.
5. If an employee thinks that he or she or one of his or her co-workers has been the victim of harassment, that person should tell the harasser that the behavior is unwelcome. If the harasser does stop, then immediately report such conduct to his or other Department Head or to the General Manager. Every complaint of harassment

that is reported to a Department Head or the General Manager will be taken seriously and investigated thoroughly. The District encourages employees to report harassment, as every employee's cooperation is crucial to maintaining a healthy workplace that is free from harassment. Retaliation against any employee by management or other employees for making a complaint of harassment in good faith, or participating in the investigation of any complaint, will not be tolerated. This is the firm "zero tolerance" policy of the District.

## **B. Complaint Procedure**

1. In adopting its zero tolerance harassment policy, the District assures its employees that every reasonable step will be taken to prevent harassment at the workplace. If an employee believes that he or she has been unlawfully harassed, the employee is urged to immediately do the following:
  - a. Make it clear to the offender that the behavior is offensive and unacceptable. If possible, confront the offender and attempt to persuade him or her to stop the behavior that is unwelcome. The offender may not realize that the advances or behavior are unacceptable. A simple confrontation will often end the situation.
  - b. Don't let confusion and self-doubt stop her or him from speaking out regarding the behavior and actions of the offender.
  - c. Keep a record of dates, times, places, witnesses and the nature of the harassment. Such records may be very helpful if the employee finds it necessary to pursue a formal complaint.
  - d. Contact his or her Department Head, Human Resources Administrator or the General Manager if the employee feels that she or he has been or is being sexually harassed, or is aware of or suspects the occurrence of sexual harassment, or desires counseling on coping with sexual harassment, the employee should immediately contact his or her Department Head or the General Manager.
  - e. Foster confidentiality by insuring the privacy for all parties concerned with the exception of proper notification to the General Manager or Department Head.
  - f. Provide a written or oral complaint to the employee's Department Head, Human Resources Administrator or to the General Manager as soon as possible after the incident. Such complaint should include all details of the incident(s), names of individuals involved, and the names of any witnesses. All information and communication regarding the harassment will be kept confidential, subject to disclosure as required by applicable law.
2. The following procedures will be followed after an employee reports unlawful harassment:
  - a. Anyone receiving a complaint of unlawful harassment will immediately document the complaint in writing and refer the complaint to the General Manager, who will insure that an immediate, thorough and objective

investigation of the harassment allegation(s) is undertaken. The General Manager will inform the employee of his or her right to seek independent legal counsel and any assistance available to the employee under the District's policies.

- b. After the investigation and findings have been concluded, the District will communicate the findings to the complainant, alleged harasser, and any other concerned party as determined by the General Manager. If it is determined that unlawful harassment has occurred, remedial action will be taken as warranted by the circumstances. Any employee found to be guilty of harassment will be subject to discipline ranging from verbal or written reprimand, up to, and including, termination.
3. To achieve the goals of the District's anti-harassment policy, it is necessary that each employee understand the importance of the policy and his or her individual responsibility to contribute towards its maximum fulfillment. Employees are encouraged to report any and all alleged or perceived incidents of harassment and are assured that there will not be any retaliation for having reported, in good faith, any incident of suspected harassment.
4. This Anti-Harassment Policy and Complaint Procedure are included in this Manual and shall be provided to each District employee and all new employees at the time of commencement of employment. Each existing and new employee shall acknowledge receipt of the Manual by executing the form specified in Section XIII of this manual and the executed form shall be retained in each employee's personnel file.



[Retain in Employee Personnel File.]

**XII. EMPLOYEE ACKNOWLEDGEMENT OF RECEIPT OF EMPLOYEE POLICIES AND PROCEDURES MANUAL**

Each existing District employee and all new employees are required to receive and read a copy of this Manual and any amendments thereto. Each existing employee shall, within 30 days of the adoption of this Manual, receive and sign an acknowledgement that he or she has received and read this Manual and understands its provisions, which acknowledgement shall be placed in the employee's personnel file. Each newly hired employee shall, at the time of commencement of employment, receive a copy of this Manual and sign such acknowledgement prior to commencement of work at the District, which acknowledgement shall be placed in the employee's personnel file.

**EMPLOYEE ACKNOWLEDGEMENT OF RECEIPT OF EMPLOYEE POLICIES AND PROCEDURES MANUAL ADOPTED ON THE 9th day of January, 2017.**

I acknowledge that I have received, read, and understand the La Puente Valley County Water District's Employee Policies and Procedures Manual. I understand that this acknowledgement will be placed in my personnel file and that I will receive a copy of it upon request.

\_\_\_\_\_  
[Print Full Name]

Dated this \_\_\_\_ day of \_\_\_\_\_, 2017

\_\_\_\_\_  
[Signature]



# Upcoming Events



To: Honorable Board of Directors  
**From:** Rosa Ruehlman, Office Administrator RRR  
**Date:** 12/11/17  
**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>
	There are no more events remaining in 2017					

**SGVWA** – San Gabriel Valley Water Association Quarterly Luncheons, are held on the Second Wednesday of February, May, August and November at 8:00 or 11:30 am (Location and Time are to be determined)

**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:**

- 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 <b>2 year Requirement</b>	11/22/18	12/01/18	12/01/18	10/11/18	9/26/19
Sexual Harassment <b>2 Year Requirement</b>	05/09/19	11/28/19	05/09/19	10/10/18	05/09/19
Form 700 <b>Annual Requirement</b>	04/01/18	04/01/18	04/01/18	04/01/18	04/01/18
Form 470 Short Form <b>Semi Annual Requirement</b>	07/31/18	07/31/18	07/31/18	07/31/18	07/31/18

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

RECEIVED 12/03/17



YOUR BEST PROTECTION

December 4, 2017

## ACWA JPIA

P. O. Box 619082  
Roseville, CA 95661-9082

phone  
916.786.5742  
800.231.5742

direct line  
916.774.7050  
800.535.7899

fax  
916.774.7040

claims fax  
916.786.0209

[www.acwajpia.com](http://www.acwajpia.com)

### President

E.G. "Jerry" Gladbach

### Vice President

Tom Cuquet

### Chief Executive Officer

Walter "Andy" Sells

### Executive Committee

Tom Cuquet

David Drake

E.G. "Jerry" Gladbach

Brent Haste

David T. Hodgin

W.D. "Bill" Knutson

Melody A. McDonald

J. Bruce Rupp

Kathleen Tiegs

Greg Galindo  
La Puente Valley County Water District  
P.O. Box 3136  
La Puente, CA 91744

Dear Greg:

Each year at Fall Conference, the JPIA recognizes members that have a Loss Ratio of 20% or less in either of the Liability, Property, or Workers' Compensation programs (loss ratio = total losses / total premiums).

The members with this distinction receive the "**President's Special Recognition Award**" certificate for each Program that they qualify in.

The JPIA is extremely pleased to present La Puente Valley County Water District with this special recognition and commends the District on the hard work in reducing claims.

Congratulations to you, your staff, Board, and District. Keep up the good work!

The JPIA wishes you the best in 2018.

Sincerely,

E.G. "Jerry" Gladbach  
President

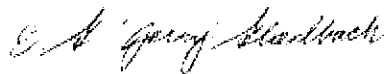
Enclosure: President's Special Recognition Award(s)

# *President's Special Recognition Award*

*The President of the  
ACWA JPIA  
hereby gives Special Recognition to*

## *La Puente Valley County Water District*

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"  
in the Property Program for the period 04/01/2013 - 03/31/2016  
announced at the Board of Directors' Meeting in Anaheim.*



*E. G. "Jerry" Gladbach, President*



*November 27, 2017*