



## AGENDA

**REGULAR MEETING OF THE BOARD OF DIRECTORS  
LA PUENTE VALLEY COUNTY WATER DISTRICT  
112 N. FIRST STREET, LA PUENTE, CALIFORNIA  
MONDAY, JULY 8, 2019 AT 5:30 PM**

**1. CALL TO ORDER**

**2. PLEDGE OF ALLEGIANCE**

**3. ROLL CALL OF BOARD OF DIRECTORS**

President Escalera \_\_\_\_\_ Vice President Hernandez \_\_\_\_\_ Director Barajas \_\_\_\_\_  
Director Hastings \_\_\_\_\_ Director Rojas \_\_\_\_\_

**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 June 24, 2019.
- B. Approval of District Expenses for the Month of June 2019.
- C. Approval of Industry Public Utilities' Water Operation Expenses for the Month of June 2019.
- D. Receive and File the District's Water Sales Report for June 2019.
- E. Receive and File the Industry Public Utilities' Water Sales Report for June 2019.
- F. Receive and File the Water Production and Conservation Report for June 2019.

**7. ACTION / DISCUSSION ITEMS**

- A. Consideration of Metropolitan Water District Local Resource Program Agreement between Metropolitan Water District, Upper San Gabriel Valley Municipal Water District, and La

Puente Valley County Water District, for the District's Recycled Water Project.

**Recommendation:** Authorize the General Manager to Enter into the Metropolitan Water District Local Resource Program Agreement.

**8. GENERAL MANAGER'S REPORT**

**9. OTHER ITEMS**

- A. Upcoming Events.
- B. Information Items.

**10. ATTORNEY'S COMMENTS**

**11. BOARD MEMBER COMMENTS**

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

**12. FUTURE AGENDA ITEMS**

**13. ADJOURNMENT**

**POSTED:** Friday, July 5, 2019

President John P. Escalera, 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  
FOR MONDAY, JUNE 24, 2019 AT 5:30 PM**

**1. CALL TO ORDER**

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

**2. PLEDGE OF ALLEGIANCE**

President Escalera led the meeting in the Pledge of Allegiance.

**3. ROLL CALL OF THE BOARD OF DIRECTORS**

President Escalera	Vice President Hernandez	Director Barajas	Director Hastings	Director Rojas
Present	Present	Present	Present	Present

**OTHERS PRESENT**

**Staff and Counsel:** General Manager & Board Secretary, Greg Galindo; Office Manager, Gina Herrera and District Counsel, Jim Ciampa.

**Public:** Marty Paz (Customer).

**4. PUBLIC COMMENTS**

Mr. Paz commented that he questioned the accuracy of the water use shown on his past water bills and requested an explanation addressing his concerns. Mr. Galindo stated that he would contact Mr. Paz to schedule an appointment to review his bill and provide a response to his questions.

**5. ADOPTION OF AGENDA**

Motion: Adopt Agenda as Presented.

1st: Director Rojas

2nd: Vice President Hernandez

	<b>Escalera</b>	<b>Hernandez</b>	<b>Barajas</b>	<b>Hastings</b>	<b>Rojas</b>
<b>Vote</b>	Yes	Yes	Yes	Yes	Yes

Motion carried by a vote of: 5 Yes, 0 No, 0 Abstain.

**6. APPROVAL OF CONSENT CALENDAR**

Motion: Approve Consent Calendar as Presented.

1st: Director Rojas

2nd: Director Hastings

	<b>Escalera</b>	<b>Hernandez</b>	<b>Barajas</b>	<b>Hastings</b>	<b>Rojas</b>
<b>Vote</b>	Yes	Yes	Yes	Yes	Yes

Motion carried by a vote of: 5 Yes, 0 No, 0 Abstain.

**7. FINANCIAL REPORTS**

**A. Summary of the District’s Cash and Investments as of May 31, 2019.**

Mr. Galindo provided a summary of the balances in each account provided in the Summary of Cash and Investments as of May 31, 2019.

Motion: Receive and File the Summary of Cash and Investments as of May 31, 2019.

1st: Director Hastings

2nd: Vice President Hernandez

	<b>Escalera</b>	<b>Hernandez</b>	<b>Barajas</b>	<b>Hastings</b>	<b>Rojas</b>
<b>Vote</b>	Yes	Yes	Yes	Yes	Yes

Motion carried by a vote of: 5 Yes, 0 No, 0 Abstain.

**B. Statement of District’s Revenue and Expenses as for May 31, 2019.**

Mrs. Herrera provided a summary of the Statement of Revenues and Expenses for the District as of May 31, 2019. Mrs. Herrera along with Mr. Galindo explained that water sales have been trending low due to rain and conservation efforts.

Motion: Receive and File the Statement of the District’s Revenue and Expenses as of May 31, 2019.

1st: President Escalera

2nd: Vice President Hernandez

	<b>Escalera</b>	<b>Hernandez</b>	<b>Barajas</b>	<b>Hastings</b>	<b>Rojas</b>
<b>Vote</b>	Yes	Yes	Yes	Yes	Yes

Motion carried by a vote of: 5 Yes, 0 No, 0 Abstain.

**C. Statement of the Industry Public Utilities’ Water Operations Revenue and Expenses as of May 31, 2019.**

Mrs. Herrera provided a summary of the Statement of Revenues and Expenses for the Industry Public Utilities’ Water Operations and explained the budget to date balances for various accounts. She also informed the board that we are approaching fiscal year end for Industry Public Utilities and will be making year end entries over the next couple of months.

Motion: Receive and File the Statement of the Industry Public Utilities Water Operations’ Revenue and Expenses as of May 31, 2019.

1st: Director Rojas

2nd: Director Barajas

	<b>Escalera</b>	<b>Hernandez</b>	<b>Barajas</b>	<b>Hastings</b>	<b>Rojas</b>
<b>Vote</b>	Yes	Yes	Yes	Yes	Yes

Motion carried by a vote of: 5 Yes, 0 No, 0 Abstain.

## **8. ACTION / DISCUSSION ITEMS**

### **A. Discussion Regarding the District’s Board Member Code of Conduct Policy.**

Mr. Galindo reported that the District’s Board Members Guidelines for Conduct policy document that was adopted in April of 2014. He then explained that staff would like the Board to consider potential changes to this policy document. After some discussion President Escalera created an ad hoc committee, consisting of himself and Director Rojas to review and make recommendations on changes to the policy for the Board to consider. There was no formal action taken by the Board on this item.

### **B. Update on State Legislative Items.**

Mr. Ciampa reviewed and provided information to the Board on several legislative items that may have an impact on the District. The following legislation was discussed:

Water Tax – AB200, SB414 & SB101

AB 134 – Safe and Affordable Drinking Water – failing systems

AB 9 – Employment Discrimination statute of limitations

AB 51 – Sexual Harassment waiver

AB 405 – Sales Tax Exemption for Water Treatment Chemicals – mention that it is dead

AB 756 – PFAS/PFOS

AB 841 – PFAS/PFOS

AB 945 – Public Agency Investments

AB 1184 – Public Records Act

AB 1414 – Water Conservation – Water Use Efficiency Reporting

AB 1415 – Water Use Efficiency Reporting Fines

AB 1736 – Public Contracting

SB 13 – ADUs

SB 134 – Water Loss

SB 413 – WQA

SB 598 – Financial Reporting (very brief mention)

SB 668 – Emergency Preparedness Planning

Mr. Galindo added supplemental information on some of the legislative items and reported on federal legislative items that the San Gabriel Valley Water Association was tracking.

There was discussion amongst the Board, Counsel and staff on several of the items, but no formal action was taken by the Board.

## **9. ENGINEERING AND COMPLIANCE MANAGER’S REPORT**

Mr. Galindo reported that as the Board was made aware prior to the meeting, Mr. Frausto’s wife Angie had passed away on Sunday. He added that staff will be attending the funeral service and the

office will be closed to allow staff to attend if the service is during a work day. Mr. Galindo then reported on various items that were included in the Engineering & Compliance Manager’s Report.

Motion: Receive and File the Engineering and Compliance Manager’s Report.

1st: Director Hastings

2nd: Director Rojas

	<b>Escalera</b>	<b>Hernandez</b>	<b>Barajas</b>	<b>Hastings</b>	<b>Rojas</b>
<b>Vote</b>	Yes	Yes	Yes	Yes	Yes

Motion carried by a vote of: 5 Yes, 0 No, 0 Abstain.

**10. GENERAL MANAGER’S REPORT**

Mr. Galindo reported on crisis communication training that he and Office Manager, Gina Herrera had attended. He also provided some information on water rates of the other two water purveyors that provide water to residents of La Puente.

**11. OTHER ITEMS**

**A. Upcoming Events.**

Mrs. Herrera reviewed upcoming events with the Board and verified what events each member would be attending.

**B. Information Items.**

Included in Board Packet.

**12. ATTORNEY’S COMMENTS**

No Comments.

**13. BOARD MEMBER COMMENTS**

**A. Report on Events Attended.**

Director Rojas reported that he attended 1 event: L.A. County 1<sup>st</sup> District Oversight Board Meeting.

Director Hernandez reported that he attended 1 event: AWWA-ACE 2019 Annual Conference.

**B. Other Comments.**

Close the meeting in honor of William Hastings, brother of Director David Hastings also in the honor of Angelica Frausto, Wife of Compliance & Engineering Manager Roy Frausto.

**14. FUTURE AGENDA ITEMS**

Schedule a Legislative Update Workshop in June.

**15. ADJOURNMENT**

President Escalera adjourned the meeting at 6:36 p.m. in honor of William Hastings, brother of Director David Hastings and in the honor of Angelica Frausto, Wife of Compliance & Engineering Manager, Roy Frausto.

Attest:

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John P. Escalera, President

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Greg B. Galindo, Secretary

## La Puente Water District June 2019 Disbursements

Check #	Payee	Amount	Description
6819	Aramark Uniform	\$ 77.93	Uniform Service
6820	SC Edison	\$ 2,515.24	Power Expense
6821	State Water Resources Control Board	\$ 105.00	D-4 Renewal - Molina
6822	Verizon Wireless	\$ 475.70	Cellular Service
6823	Weck Laboratories Inc	\$ 25.50	Water Sampling
6824	Western Water Works	\$ 234.69	Air-Vac Maintenance
6825	SC Edison	\$ 24,329.34	Power Expense
6826	Verizon Wireless	\$ 76.02	Cellular Service
6827	Waste Management of SG Valley	\$ 198.37	Trash Service
6828	Petty Cash	\$ 97.59	Office/Field Expense
6829	Civiltec Engineering Inc	\$ 4,026.89	Engineering Support
6830	Eurofins Eaton Analytical Inc	\$ 360.00	Water Sampling
6831	Hunter Electric	\$ 3,422.52	Booster Maintenance
6832	Locus Technology	\$ 504.00	Technical Support
6833	McMaster-Carr Supply Co	\$ 221.57	Field Supplies
6834	Northstar Chemical	\$ 10,173.04	Chemicals Expense
6835	Sterling Water Technologies	\$ 10,497.60	Chemicals Expense
6836	Weck Laboratories Inc	\$ 1,401.75	Water Sampling
6837	Answering Service Care	\$ 201.16	Answering Service
6838	Aramark Uniform	\$ 77.93	Uniform Service
6839	B&W Communications Inc	\$ 1,707.63	Radio Expense
6840	CalPERS	\$ 25,000.00	Unfunded Accrual Liability
6841	CCSInteractive	\$ 54.40	Monthly Website Hosting
6842	Coverall North America Inc	\$ 255.00	Cleaning Service
6843	Eaton Corporation	\$ 1,880.00	Electric Panel Maintenance
6844	Ferguson Waterworks	\$ 977.79	Meter Expense
6845	Highroad IT	\$ 1,012.00	Technical Support
6846	Industry Public Utilites	\$ 32,317.02	Web Payments
6847	InfoSend	\$ 893.89	Billing Expense
6848	Lagerlof, Senecal, Gosney & Kruse	\$ 1,209.52	Attorney Fee's
6849	McMaster-Carr Supply Co	\$ 214.52	Field Supplies
6850	Merritt's Hardware	\$ 228.06	Field Supplies
6851	Merritt's Hardware	\$ 11.53	Field Supplies
6852	O'Reilly Auto Parts	\$ 66.30	Truck Maintenance
6853	SC Edison	\$ 4,334.13	Power Expense
6854	U.S. Postal Service	\$ 308.00	PO Box Fee
6855	Underground Service Alert	\$ 119.03	Line Notifications
6856	Valley Vista Services	\$ 324.16	Trash Service
6857	Weck Laboratories Inc	\$ 178.00	Water Sampling
6858	S & J Supply Co Inc	\$ 4,723.16	Field Supplies - Inventory
6859	William D Clark	\$ 105.00	D-4 Renewal - Reimbursement
6860	Airgas USA LLC	\$ 20.70	Field Supplies
6861	Aramark Uniform	\$ 77.93	Uniform Service



## La Puente Water District June 2019 Disbursements - continued

Check #	Payee	Amount	Description
6862	Bank of America-Visa	\$ 2,166.46	Conference & Administrative Expenses
6863	Chevron	\$ 2,947.46	Truck Fuel
6864	Citi Cards	\$ 1,285.63	Office & Administrative Expenses
6865	Civiltec Engineering Inc	\$ 7,158.55	5th Street Waterline Project
6866	Ferguson Waterworks	\$ 21.38	Meter Expense
6867	Highroad IT	\$ 75.00	License Fee
6868	Jack Henry & Associates	\$ 29.13	Web E-Check Fee's
6869	Jiffy Lube My Fleet Center	\$ 79.27	Truck Maintenance
6870	Lagerlof, Senecal, Gosney & Kruse	\$ 5,418.56	Attorney Fee's
6871	McMaster-Carr Supply Co	\$ 451.43	Field Supplies
6872	Platinum Consulting Group	\$ 539.38	Administrative Support
6873	Robinsons Flowers	\$ 150.00	Administrative Expense
6874	S & J Supply Co Inc	\$ 1,801.04	Developer Project & Inventory
6875	San Gabriel Valley Water Company	\$ 224.82	Water Service @ Treatment Plant
6876	SC Edison	\$ 110.74	Power Expense
6877	The Howard E Nyart Company Inc	\$ 1,750.00	GASB 75 Report
6878	Time Warner Cable	\$ 281.83	Telephone Service
6879	Weck Laboratories Inc	\$ 141.00	Water Sampling
6880	Western Water Works	\$ 7,562.39	Field Supplies & Inventory
6881	Time Warner Cable	\$ 304.97	Telephone Service
6882	Johnny's Pool Services Inc	\$ 97.31	Chemicals Expense
6883	Time Warner Cable	\$ 671.09	Telephone Service
6884	United Site Services of Calif Inc	\$ 402.15	Restroom Service @ Treatment Plant
6885	Henry P Hernandez	\$ 1,478.50	AWWA Conference Reimbursement
6886	ACWA/JPIA	\$ 32,605.04	Health Benefits
6887	Cell Business Equipment	\$ 15.39	Office Expense
6888	Cla-Val	\$ 6,466.05	Cla-Val Maintenance
6889	Doty Bros Equipment Co	\$ 7,467.00	Patch Work
6890	J. G. Tucker & Son Inc	\$ 79.93	Safety Supplies
6891	Lincoln National Life Insurance Company	\$ 654.76	Disability Insurance
6892	MetLife	\$ 247.36	Life Insurance
6893	Premier Access Insurance Co	\$ 3,109.98	Dental Insurance
6894	S & J Supply Co Inc	\$ 179.02	Developer Project Expense
6895	Verizon Wireless	\$ 496.16	Cellular Service
6896	Weck Laboratories Inc	\$ 114.50	Water Sampling
6897	Western Water Works	\$ 1,767.03	Field Supplies - Inventory
6898	Rancho La Puente HOA	\$ 876.25	Customer Reimbursement
6899	SC Edison	\$ 27,321.84	Power Expense
6900	Verizon Wireless	\$ 76.02	Cellular Service
6901	Petty Cash - TP	\$ 57.26	Office/Field Expense
6902	Petty Cash - LP	\$ 25.52	Office/Field Expense
Online	Home Depot	\$ 415.14	Field Supplies

## La Puente Water District June 2019 Disbursements - continued

<b>Check #</b>	<b>Payee</b>	<b>Amount</b>	<b>Description</b>
Autodeduct	Bluefin Payment Systems	\$ 1,005.76	Web Merchant Fee's
Autodeduct	Wells Fargo	\$ 204.87	Bank Fee's
Autodeduct	Wells Fargo	\$ 185.19	Merchant Fee's
Autodeduct	First Data Global Leasing	\$ 44.00	Credit Card Machine Lease
Online	Lincoln Financial Group	\$ 3,820.00	Deferred Comp
Online	CalPERS	\$ 11,719.62	Retirement Program
Online	Employment Development Dept	\$ 3,541.43	California State & Unemployment Taxes
Online	United States Treasury	\$ 23,423.72	Federal, Social Security & Medicare Taxes
	<b>Total Payables</b>	<b>\$ 296,106.54</b>	

**La Puente Valley County Water District**  
**Payroll Summary**  
June 2019

	<b>June 2019</b>
Employee Wages, Taxes and Adjustments	
Gross Pay	
Total Gross Pay	100,168.97
Total Deductions from Gross Pay	-4,999.43
Adjusted Gross Pay	95,169.54
Taxes Withheld	
Federal Withholding	-8,075.00
Medicare Employee	-1,454.62
Social Security Employee	-6,219.74
CA - Withholding	-3,513.73
Medicare Employee Addl Tax	0.00
Total Taxes Withheld	-19,263.09
<b>Net Pay</b>	<b>75,906.45</b>
Employer Taxes and Contributions	
Medicare Company	1,454.62
Social Security Company	6,219.74
CA - Unemployment	26.07
CA - Employment Training Tax	1.63
Total Employer Taxes and Contributions	7,852.06

## La Puente Water District June 2019 Disbursements

Total Vendor Payables	<u>\$ 296,106.54</u>
Total Payroll	<u>\$ 75,906.45</u>
Total June 2019 Disbursements	<u>\$ 372,012.99</u>

# Invoice No. 4- 2019-06



July 1, 2019

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 June 2019.

<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	\$ 19,982.28	
		2-03-187-2179	SC Edison	\$ 7,339.56	\$ 27,321.84
LP.02.01.02.00	Labor Costs	Jun-19	LPVCWD	\$ 25,256.32	\$ 25,256.32
LP.02.01.05.00	Transportation	Jun-19	LPVCWD - 1672 miles @ .58	\$ 969.76	\$ 969.76
LP .02.01.07.00	Water Testing	L0454993	Eurofins	\$ 80.00	
		L0454994	Eurofins	\$ 40.00	
		L0456356	Eurofins	\$ 80.00	
		L0457538	Eurofins	\$ 80.00	
		L0458849	Eurofins	\$ 80.00	
		W9E1995	Weck Labs	\$ 315.75	
		W9F0299	Weck Labs	\$ 204.00	
		W9F0480	Weck Labs	\$ 200.00	
		W9F0484	Weck Labs	\$ 200.00	
		W9F0619	Weck Labs	\$ 210.75	
		W9F0620	Weck Labs	\$ 56.00	
		W9F0996	Weck Labs	\$ 1,066.50	
		W9F1109	Weck Labs	\$ 56.00	
		W9F1296	Weck Labs	\$ 204.00	
		W9F1326	Weck Labs	\$ 562.00	
		W9F1327	Weck Labs	\$ 149.00	
		W9F1328	Weck Labs	\$ 200.00	
		W9F1329	Weck Labs	\$ 200.00	
		W9F1330	Weck Labs	\$ 54.00	\$ 4,038.00
LP.02.01.10.00	Operations Monitoring	9462;06/19	Time Warner Cable	\$ 371.09	
		2906;06/19	Time Warner Cable	\$ 300.00	
		9832185367	Verizon Wireless	\$ 76.02	\$ 747.11
<u>LP.02.01.12.00</u>	<u>Materials/Supplies</u>				
LP.02.01.12.05	Hydrogen Peroxide	147404	Northstar Chemical	\$ 2,640.02	\$ 2,640.02
LP.02.01.12.06	Sodium Hypochlorite	145489	Northstar Chemical	\$ 1,778.16	
		145507	Northstar Chemical	\$ 1,949.11	\$ 3,727.27
LP.02.01.12.11	Sodium Hydroxide	147696	Northstar Chemical	\$ 1,286.20	\$ 1,286.20
LP.02.01.12.15	Other Expendables	9210902335	Grainger	\$ 336.21	
		9014220	Home Depot	\$ 165.50	
		2061546	Home Depot	\$ 221.78	
		5059	Johnny's Pool Service	\$ 97.31	
		112350	Merritt's	\$ 14.29	\$ 835.09
LP.02.01.12.17	Sulfuric Acid	46701	Northstar Chemical	\$ 1,836.45	\$ 1,836.45
LP.02.01.12.18	Ion Exchange Resin - Includes Disposal	904053758	EVOQUA	\$ 89,200.67	\$ 89,200.67
LP.02.01.14.00	Repair/Replacement	31816	McCall's	\$ 854.14	\$ 854.14
LP.02.01.80.00	Other O & M	20454	HighRoad IT	\$ 134.00	
		Jun-19	Petty Cash	\$ 57.26	
		114-8620279	United Site Services	\$ 402.15	
		0680721-2519-5	Waste Management	\$ 198.37	\$ 791.78
			Total Expenditures		\$ 159,504.65
			District Pumping Cost Deduction		\$ 13,967.85
			<b>Total O &amp; M</b>		<b>\$ 145,536.80</b>
			Total Capital Cost Reimbursable		\$ -
			<b>Total Cost Reimbursable</b>		<b>\$ 145,536.80</b>

## Industry Public Utilities June 2019 Disbursements

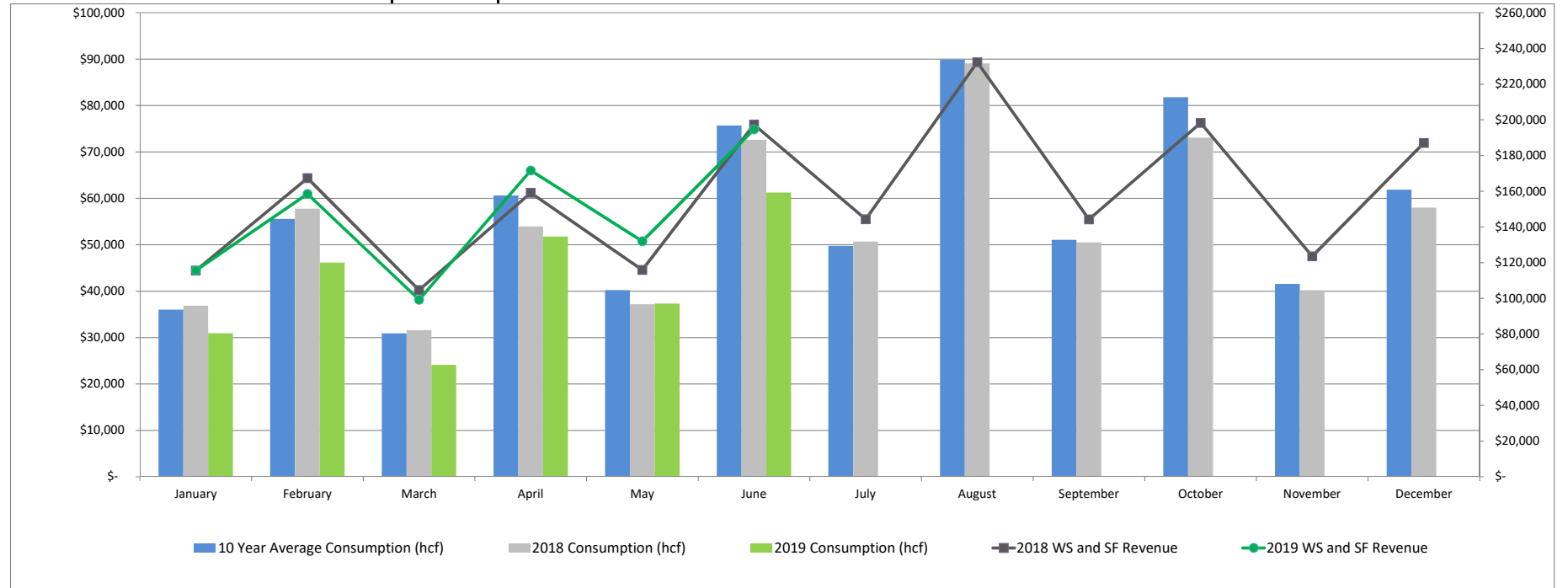
Check #	Payee	Amount	Description
3565	Ferguson Waterworks	\$ 414.61	Developer Project Expense
3566	Highroad IT	\$ 120.00	Domain Renewal
3567	S & J Supply Co Inc	\$ 576.48	Field Supplies
3568	SoCal Gas	\$ 15.29	Gas Expense
3569	Tri County Pump Company	\$ 19,712.00	Well 5 Expense
3570	Verizon Wireless	\$ 475.70	Cellular Service
3571	Western Water Works	\$ 234.68	Field Supplies
3572	Answering Service Care	\$ 201.14	Answering Service
3573	CCSInteractive	\$ 13.60	Monthly Website Hosting
3574	Collicutt Energy Services Inc	\$ 1,722.04	Generator Maintenance
3575	Highroad IT	\$ 878.00	Technical Support
3576	Hunter Electric	\$ 515.20	Booster Maintenance
3577	InfoSend	\$ 710.69	Billing Expense
3578	La Puente Valley County Water District	\$ 66,085.39	Labor Costs May 2019
3579	McMaster-Carr Supply Co	\$ 214.51	Field Supplies
3580	Merritt's Hardware	\$ 242.79	Field Supplies
3581	Resource Building Materials	\$ 60.33	Field Supplies
3582	S & J Supply Co Inc	\$ 170.06	Developer Project Expense
3583	Time Warner Cable	\$ 75.96	Telephone Service
3584	Underground Service Alert	\$ 119.01	Line Notifications
3585	Weck Laboratories Inc	\$ 230.00	Water Sampling
3586	Civiltec Engineering Inc	\$ 200.00	Well 5 Expense
3587	Ferguson Waterworks	\$ 21.38	Meter Maintenance
3588	Highroad IT	\$ 75.00	License Fee
3589	Hunter Electric	\$ 4,768.64	Plant Maintenance
3590	Jack Henry & Associates	\$ 36.62	Web E-Check Fee's
3591	La Puente Valley County Water District	\$ 605.31	Web CC & Bank Fee's Reimbursement
3592	McMaster-Carr Supply Co	\$ 451.42	Field Supplies
3593	Platinum Consulting Group	\$ 393.88	Administrative Support
3594	SC Edison	\$ 814.14	Power Expense
3595	SoCal Gas	\$ 19.76	Gas Expense
3596	Sunbelt Rentals	\$ 394.65	Equipment Rental
3597	Time Warner Cable	\$ 281.82	Telephone Service
3598	Weck Laboratories Inc	\$ 122.50	Water Sampling
3599	Wells Tapping Service	\$ 400.00	Tapping Service
3600	Western Water Works	\$ 527.23	Air-Vac Maintenance
3601	Yungpeng Ji	\$ 46.96	Customer Overpayment Refund
3602	Mario Arroyo Jr	\$ 194.64	Customer Deposit Refund
3603	RIF I - Valley Blvd LLC	\$ 23.50	Customer Overpayment Refund
3604	Cell Business Equipment	\$ 15.38	Office Expense
3605	Industry Public Utility Commission	\$ 657.97	Industry Hills Power Expense

## Industry Public Utilities June 2019 Disbursements - continued

Check #	Payee	Amount	Description
3606	J.G. Tucker & Son Inc	\$ 79.93	Safety Supplies
3607	La Puente Valley County Water District	\$ 47,356.41	2nd Quarter 2019 O&M Fee
3608	S & J Supply Co Inc	\$ 2,101.47	Developer Project Expense
3609	San Gabriel Valley Water Company	\$ 1,920.30	Purchased Water - Salt Lake
3610	SC Edison	\$ 186.97	Power Expense
3611	SoCal Gas	\$ 14.79	Gas Expense
3612	Sunbelt Rentals	\$ 227.26	Fire Hydrant Maintenance
3613	Tri County Pump Company	\$ 50,348.00	Well 5 Expense
3614	Verizon Wireless	\$ 496.15	Cellular Service
3615	Vulcan Materials Company	\$ 948.92	Field Supplies - Asphalt
3616	Weck Laboratories Inc	\$ 174.50	Water Sampling
3617	Petty Cash	\$ 9.48	Office Expense
Online	County of LA Dept of Public Works	\$ 297.00	Permit Fee's
Online	Home Depot Credit Services	\$ 222.75	Field Supplies
Autodeduct	Wells Fargo Merchant Fee's	\$ 55.69	Merchant Fee's
Autodeduct	First Data Global Leasing	\$ 44.00	Credit Card Machine Lease
<b>Total June 2019 Disbursements</b>		<b>\$ 207,321.90</b>	

WATER SALES REPORT LPVCWD 2019

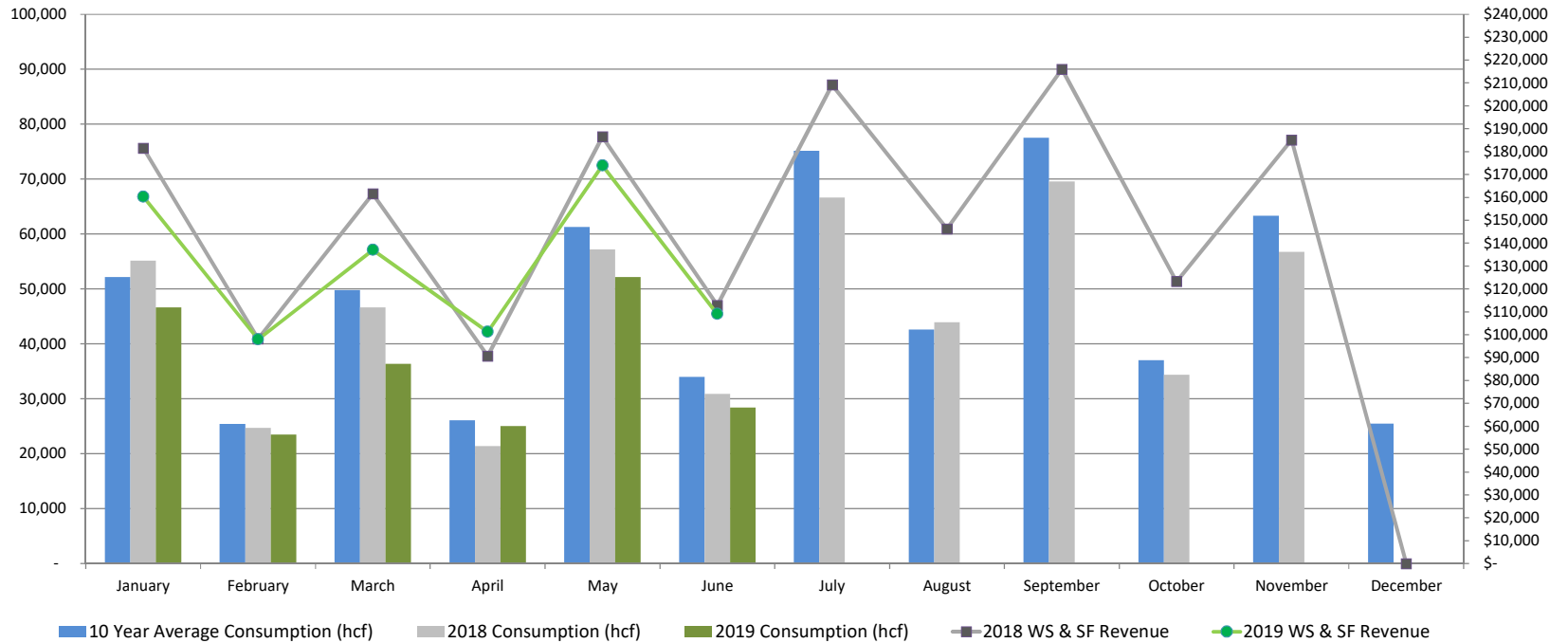
LPVCWD	January	February	March	April	May	June	July	August	September	October	November	December	YTD
No. of Customers	1,207	1,216	1,221	1,216	1,224	1,217	-	-	-	-	-	-	7,301
2019 Consumption (hcf)	30,923	46,152	24,105	51,751	37,307	61,263	-	-	-	-	-	-	251,501
2018 Consumption (hcf)	36,839	57,769	31,582	53,940	37,166	72,607	50,689	89,071	50,507	73,082	40,207	57,995	651,454
10 Year Average Consumption (hcf)	\$ 36,017	\$ 55,570	\$ 30,912	\$ 60,620	\$ 40,216	\$ 75,695	\$ 49,754	\$ 89,881	\$ 51,043	\$ 81,795	\$ 41,561	\$ 61,868	\$ 674,932
2019 Water Sales	\$ 65,872	\$ 99,793	\$ 49,373	\$ 112,591	\$ 81,601	\$ 135,597	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 544,826
2018 Water Sales	\$ 69,913	\$ 112,965	\$ 58,990	\$ 104,919	\$ 70,362	\$ 143,162	\$ 98,276	\$ 177,901	\$ 97,825	\$ 144,055	\$ 76,825	\$ 127,800	\$ 1,282,993
2019 Service Fees	\$ 49,766	\$ 58,668	\$ 49,865	\$ 59,032	\$ 50,396	\$ 59,065	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 326,793
2018 Service Fees	\$ 45,632	\$ 54,334	\$ 45,639	\$ 54,197	\$ 45,559	\$ 54,170	\$ 46,022	\$ 54,374	\$ 46,411	\$ 54,214	\$ 46,683	\$ 59,214	\$ 606,450
2019 Hyd Fees	\$ 950	\$ 950	\$ 950	\$ 700	\$ 950	\$ 700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,200
2019 DC Fees	\$ 434	\$ 7,888	\$ 229	\$ 8,154	\$ 229	\$ 8,145	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,079
2018 System Revenue	\$ 117,022	\$ 167,298	\$ 100,417	\$ 180,477	\$ 133,175	\$ 203,507	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 901,897





WATER SALES REPORT CIWS 2019

CIWS	January	February	March	April	May	June	July	August	September	October	November	December	YTD
No. of Customers	958	893	967	893	967	892	-	-	-	-	-	-	5,570
2019 Consumption (hcf)	46,656	23,510	36,382	25,014	52,169	28,423	-	166	-	-	-	-	212,320
2018 Consumption (hcf)	55,160	24,734	46,635	21,410	57,209	30,877	66,614	43,940	69,576	34,354	56,777	-	507,286
10 Year Average Consumption (hcf)	52,164	25,421	49,788	26,093	61,262	34,011	75,132	42,630	77,514	37,029	63,302	25,468	569,812
2019 Water Sales	\$ 104,539	\$ 51,588	\$ 80,950	\$ 54,785	\$ 117,646	\$ 62,656	\$ -	\$ 368	\$ -	\$ -	\$ -	\$ -	\$ 472,531
2018 Water Sales	\$ 124,508	\$ 54,277	\$ 104,414	\$ 46,762	\$ 129,277	\$ 68,907	\$ 153,224	\$ 99,809	\$ 160,133	\$ 76,780	\$ 129,177	\$ -	\$ 1,147,268
2019 Service Fees	\$ 55,744	\$ 46,354	\$ 56,091	\$ 46,445	\$ 56,273	\$ 46,411	\$ -	\$ 472	\$ -	\$ -	\$ -	\$ -	\$ 307,791
2018 Service Fees	\$ 56,999	\$ 43,875	\$ 57,130	\$ 43,906	\$ 57,211	\$ 43,952	\$ 55,964	\$ 46,469	\$ 55,888	\$ 46,461	\$ 55,903	\$ -	\$ 563,756
2019 Hyd Fees	\$ 1,550	\$ 250	\$ 1,550	\$ 250	\$ 1,550	\$ 250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,400
2019 DC Fees	\$ 11,593	\$ 3,695	\$ 11,593	\$ 3,695	\$ 11,566	\$ 3,695	\$ -	\$ 48	\$ -	\$ -	\$ -	\$ -	\$ 45,883
2019 System Revenues	\$ 173,426	\$ 101,887	\$ 150,184	\$ 105,175	\$ 187,034	\$ 113,012	\$ -	\$ 887	\$ -	\$ -	\$ -	\$ -	\$ 831,605



# STAFF REPORT



Meeting Date: July 8, 2019

To: Honorable Board of Directors

Subject: Consideration of Metropolitan Water District Local Resource Program Agreement between Metropolitan Water District, Upper San Gabriel Valley Municipal Water District, and La Puente Valley County Water District, for the District's Recycled Water Project.

**Purpose -** *Review and Approve the Metropolitan Water District (MWD) Local Resource Program (LRP) Agreement.*

**Recommendation -** *Authorize the General Manager enter into the MWD LRP Agreement.*

**Fiscal Impact -** *The MWD LRP Agreement provides funding of \$340.00 per acre foot of recycled water the District delivers through its recycled water project over the next 25 years. This funding will help offset the District's capital debt repayment and operating costs of its recycled water system once recycled water deliveries commence in 2020.*

**Previous Related Action -** *In April 2013, the Board of Directors Received and filed the District's Draft Recycled Water Feasibility Study.*

*In July 2015, the Board of Directors approved a Memorandum of Understanding with Upper San Gabriel Valley Municipal Water District for recycled Water Project Funding.*

*In January 2016, the Board of Directors adopted Resolution No. 238 Accepting and Adopting the CEQA Mitigation Negative Declaration for the Upper San Gabriel Valley Municipal Water District Recycled Water Program Expansion, which incorporated the District's Phase 1 Recycled Water System.*

*In April 2016, the Board of Directors adopted Resolution No. 239 establishing a Recycled Water Mandatory Use Ordinance.*

*In October 2017, the Board of Directors approved the plans for Phase 1 of the Recycled Water Project.*

*In December 2018, the Board of Directors adopted the 2019 Budget, which appropriated \$1,450,000 for the Recycled Water Project - Phase 1.*

## **Summary**

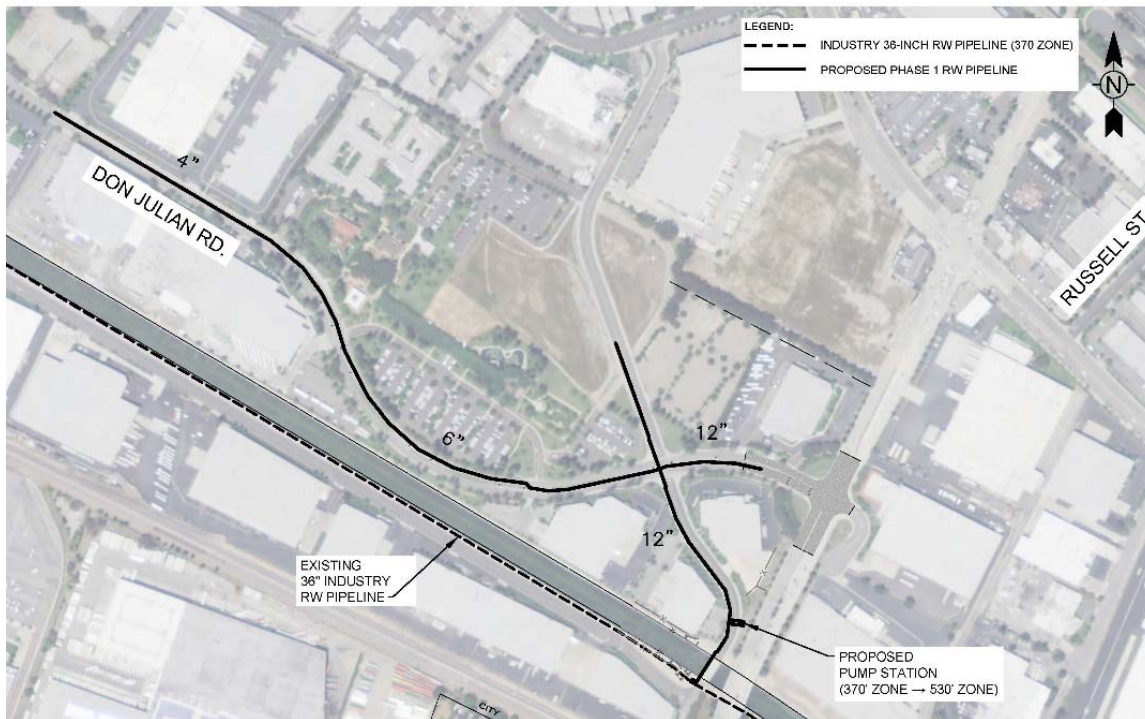
The Phase 1 Recycled Water Project is designed to deliver approximately 56 AFY of recycled water to twelve (12) customers within the boundaries of LPVCWD. Water delivered will be

disinfected tertiary-treated recycled water supplied by Los Angeles County Sanitation District's San Jose Creek Water Reclamation Plant (SJCWRP), located at 1965 Workman Mill Road. Delivery of recycled water within the District's service area will reduce the District's dependence on expensive import water to meet its Main San Gabriel Basin replenishment water requirements.

MWD developed the LRP to incentivize local resource development projects within MWD's service area for the purposes of improving regional water supply reliability. The District's Recycled Water Project meets the qualifications to participate in the LRP, which provides funding, under LRP guidelines, to water agencies to help off-set capital debt repayment and operating costs for water supply reliability projects. This provides an incentive for agencies to consider such projects that would otherwise not be financially feasible.

The District's Phase 1 Recycled Water Project consists of a Tie-In to the existing 36-inch recycled waterline that is adjacent to the San Jose Creek, the installation of 1,000 linear feet of 4-inch diameter pipeline, 1,400 linear feet of 6-inch diameter pipeline, 1,700 linear feet of 12-inch diameter pipeline and a new booster pump station to be located near the intersection of Parriott Place and the San Jose Creek storm water channel. A total of 4,100 linear feet of PVC C900 would be installed for Phase 1 as shown in **Figure 1** below.

**Figure 1 – Phase 1 Recycled Water Layout**



As the Board is aware the District has been working toward construction of its Recycled Water Project for some time and we are now very near advertising for bids for the construction of the Project. As the Board is also aware, this project has received a Prop 84 Grant, through Upper District. The Prop 84 Grant along with the funding through the MWD LRP were key factors in the Board's decision to move forward with the Project. In 2018 the Project encountered a

significant delay as a result of the uncertainty of recycled water availability from the San Jose Creek Reclamation Plant. Now that the District has been reassured that recycled water will be available, staff expects to be ready to go out to bid in the next month.

At the July 8, 2019 Board of Director's meeting, staff along with District Counsel will summarize the provisions of the LRP Agreement and its benefit to the District.

***Fiscal Impact***

The MWD LRP Agreement provides funding of \$340.00 per acre foot of recycled water the District delivers through its recycled water project over the next 25 years. This funding will help offset the District's capital debt repayment and operating costs of the recycled water system once recycled water deliveries commence in 2020. The District's 20119 Budget appropriates \$1,450,000 for the Phase 1 Recycled Water Project. The District's Recycled Water Project, via Upper District, was awarded a Prop 84 Grant in the amount of \$428,400. Of these grant funds, \$125,000 will has been used towards incurred design cost. The remaining, approximately, \$303,400 will be applied towards the Project's construction costs. A loan will be needed to fund the balance of the project's capital cost along with the design and construction of the 12 retrofits.

***Recommendation***

Staff recommends the Board authorize the General Manager enter into the Metropolitan Water District Local Resource Program Agreement between Metropolitan Water District, Upper San Gabriel Valley Municipal Water District and the District.

Respectfully Submitted,

*Greg Galindo*

General Manager

***Enclosure(s)***

- *Metropolitan Water District Local Resource Program Agreement*

AGREEMENT NO. 157435  
LA PUENTE RECYCLED WATER PROJECT  
2014 LOCAL RESOURCES PROGRAM AGREEMENT  
BETWEEN  
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA,  
UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT, AND  
LA PUENTE VALLEY COUNTY WATER DISTRICT

AGREEMENT NO. 157435  
 LA PUENTE RECYCLED WATER PROJECT  
 2014 LOCAL RESOURCES PROGRAM AGREEMENT  
 BETWEEN  
 METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA,  
 UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT, AND  
 LA PUENTE VALLEY COUNTY WATER DISTRICT

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Exhibits

- Exhibit A (Project Description)
- Exhibit B (Annualized Capital Component)
- Exhibit C (Operation and Maintenance Component)
- Exhibit D (Performance Provisions)
- Exhibit E (MWD Administrative Code Section 4401(c))

AGREEMENT NO. 157435  
LA PUENTE RECYCLED WATER PROJECT  
2014 LOCAL RESOURCES PROGRAM AGREEMENT  
BETWEEN

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA,  
UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT, AND  
LA PUENTE VALLEY COUNTY WATER DISTRICT

THIS AGREEMENT (Agreement) is made and entered into as of \_\_\_\_\_ by and among The Metropolitan Water District of Southern California (Metropolitan), Upper San Gabriel Valley Municipal Water District (USGVMWD), and La Puente Valley County Water District (LPVCWD). Metropolitan, USGVMWD, and LPVCWD may be collectively referred to as “Parties” and individually as “Party”.

RECITALS

- A. Metropolitan’s Board of Directors, at its October 2014 meeting, established terms and conditions for the 2014 Local Resources Program (LRP) for local resource development projects within Metropolitan’s service area for the purposes of improving regional water supply reliability. The 2014 LRP Program provides three LRP incentive payment structure options to choose from: (1) sliding scale incentives up to \$340/AF over 25 years, (2) sliding scale incentives up to \$475/AF over 15 years, or (3) fixed incentive up to \$305/AF over 25 years. Under option 2, projects must continue to produce for 25 years, even when LRP payments are reduced to zero after 15 years. If an agency fails to comply with this provision, Metropolitan may, at its sole discretion, require reimbursement for a portion of the previous LRP payments toward the project.
- B. LPVCWD has chosen option 1 for this Project (defined below).
- C. Metropolitan was incorporated under the Metropolitan Water District Act (Act) Statutes 1969, ch.209, as amended, [§§109.1 et seq. of the Appendix to the West’s California Water Code] to transport, store and distribute water in the counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura, within the State of California.
- D. The Act empowers Metropolitan to acquire water and water rights within or without the state; develop, store and transport water; provide, sell and deliver water at wholesale for municipal and domestic uses and purposes; set the rates for water; and acquire, construct, operate and maintain any and all works, facilities, improvements and property necessary or convenient to the exercise of the powers granted by the Act.
- E. USGVMWD, as a member public agency of Metropolitan under the Act, is a wholesale purchaser within its service area of water developed, stored, and distributed by Metropolitan.
- F. LPVCWD is a member agency of the USGVMWD and provides retail water and recycled water services within its service area.

- G. Metropolitan’s mission is to provide its service area with adequate and reliable water to meet present and future needs in an environmentally and economically responsible way.
- H. LPVCWD seeks to enhance its local water supplies and reduce reliance on imported water by increasing use of recycled water in its service area.
- I. LPVCWD is planning to construct a facility known as the “La Puente Recycled Water Project” (Project) to deliver up to 60 acre-feet per year of recycled water for irrigation and industrial purposes, and requires Metropolitan’s financial incentives to complete and operate the Project.
- J. USGVMWD, under a separate agreement, will sell recycled water to LPVCWD for this Project. The source of recycled water is from the San Jose Creek Water Reclamation Plant, which is owned and operated by the Sanitation Districts of Los Angeles County. Under separate agreements, USGVMWD buys the recycled water from City of Industry, who buys the recycled water from the Sanitation Districts of Los Angeles County.
- K. Metropolitan, USGVMWD, and LPVCWD have determined that it is mutually beneficial for local water projects originating in the service area of LPVCWD to be developed as a supplement to Metropolitan’s imported water supplies in order to meet future water needs.
- L. Metropolitan in accordance with the LRP desires to assist in increasing distribution of recycled water by providing a financial incentive to LPVCWD to implement the Project.
- M. USGVMWD and LPVCWD believe that Metropolitan’s continued financial contribution toward the cost of the Project will make Project operation economically viable, and is committed to implementation of the Project.
- N. Metropolitan’s LRP and the provisions for financial incentives are premised upon, and require verification of, actual costs for delivering recycled water from the Project.
- O. The Parties believe the development of recycled water by the Project will benefit the local community within LPVCWD, USGVMWD, and the region served by Metropolitan.

NOW, THEREFORE, in consideration of the promises and covenants hereinafter set forth, the Parties do agree as follows:

Section 1: Definitions

The following words and terms, unless otherwise expressly defined in their context, shall be defined to mean:

- 1.1 “Allowable Yield” shall mean the amount of Recycled Water delivered to End Users by LPVCWD from the Project in a Fiscal Year that is eligible to receive Metropolitan’s financial assistance. Allowable Yield shall be used for non-potable uses through direct deliveries to End Users. Allowable Yield shall not exceed Ultimate Yield and shall exclude Recycled Water that Metropolitan reasonably determines will not reduce



USGVMWD's or LPVCWD's demand for Metropolitan's imported water. Unless otherwise approved in writing by Metropolitan, Allowable Yield shall exclude: (1) Recycled water provided by existing projects, (2) Allowable Yield from other projects with active or terminated LRP or Local Projects Program agreements; (3) groundwater, surface water, or potable water deliveries to supplement the Recycled Water system; (4) Recycled Water delivered to environmental and recreational impoundments; and (5) disposed recycled water.

- 1.2 "End User" shall mean each user that purchases Allowable Yield furnished by this Project within LPVCWD's service area.
- 1.3 "Estimated LRP Contribution" shall mean the advanced financial contribution in dollars per acre-foot, not to exceed \$340 per acre-foot, Metropolitan pays for Allowable Yield to LPVCWD for monthly billing purposes until the Final LRP Contribution is calculated pursuant to procedures in Section 5.
- 1.4 "Final LRP Contribution" shall mean the financial contribution, not to exceed \$340 per acre-foot, by Metropolitan to the Project for Allowable Yield. The Final LRP Contribution for the Project is equal to the Project Unit Cost minus Metropolitan's prevailing full service treated water rate as defined in Exhibit E attached hereto and incorporated herein by this reference.
- 1.5 "Fiscal Year" shall mean a Metropolitan Fiscal Year which begins on July 1 and ends on June 30 of the following calendar year.
- 1.6 "Project" shall mean the La Puente Recycled Water Project, as defined in Exhibit A attached hereto and incorporated herein by this reference, being developed by LPVCWD to deliver the Ultimate Yield. LPVCWD shall notify Metropolitan prior to making any changes to the Project that require new environmental documentation other than an addendum to the existing environmental documentation. Metropolitan shall inform LPVCWD of Metropolitan's decision to include or exclude the Project change to this Agreement.
- 1.7 "Project Unit Cost" shall mean the actual cost to distribute an acre-foot of Recycled Water by the Project and is comprised of an Annualized Capital Component and an Operation and Maintenance Component, as specified in Exhibits B and C attached hereto and incorporated herein by this reference.
- 1.8 "Recycled Water" shall mean treated municipal wastewater which, subject to regulatory requirements, is suitable for beneficial uses.
- 1.9 "Recovered Water" shall mean all types of water including Recycled Water and groundwater, or other water delivered for beneficial use to any users by the Project in a Fiscal Year.
- 1.10 "Ultimate Yield" is 60 acre-feet per Fiscal Year and subject to reduction provisions outlined in Exhibit D, incorporated herein by this reference.

## Section 2: Representations and Warranties

- 2.1 LPVCWD warrants that it is able and has a right to sell Allowable Yield from the Project.
- 2.2 LPVCWD warrants that neither it nor any of its agents discriminate against employees or against any applicant for employment because of ancestry, creed, religion, age, sex, color, national origin, denial of family and medical care leave, marital status, medical condition, mental or physical disability (including HIV and AIDS), and further warrants that it requires all contractors and consultants performing work on the Project to comply with all laws and regulations prohibiting discrimination against employees or against any applicant for employment because of ancestry, creed, religion, age, sex, color, national origin, denial of family and medical care leave, marital status, medical condition, mental or physical disability (including HIV and AIDS).
- 2.3 LPVCWD warrants that it has or will comply with the provisions of the California Environmental Quality Act for each and all components of the Project facilities.
- 2.4 LPVCWD represents and warrants that both 1) LPVCWD and 2) to LPVCWD's knowledge, its directors, officers, employees, subsidiaries and sub-consultants, are not engaged in any business transactions or other activities prohibited by any laws, regulations or executive orders relating to terrorism, trade embargoes or money laundering ("Anti-Terrorism Laws"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "Executive Order"), the Patriot Act, and the regulations administered by the Office of Foreign Assets Control ("OFAC") of the U.S. Department of Treasury, including those parties named on OFAC's Specially Designated Nationals and Blocked Persons List. LPVCWD is in compliance with the regulations administered by OFAC and any other Anti-Terrorism Laws, including the Executive Order and the Patriot Act. In the event of any violation of this section, Metropolitan shall be entitled to immediately terminate this Agreement and take such other actions as are permitted or required to be taken under law or in equity.

## Section 3: Ownership and Responsibilities

- 3.1 LPVCWD shall be the sole owner of Project facilities. Metropolitan shall have no ownership right, title, security interest or other interest in the Project facilities.
- 3.2 LPVCWD shall be solely responsible for all design, environmental compliance, right-of-way acquisitions, permits, construction, and cost of the Project and all modifications thereof.
- 3.3 LPVCWD shall be solely responsible for operating and maintaining the Project, in accordance with all applicable local, state, and federal laws. Metropolitan shall have no rights, duties or responsibilities for operation and maintenance of Project facilities.
- 3.4 LPVCWD shall install, operate, and maintain metering devices for the purpose of measuring the quantity of Recovered Water and Allowable Yield delivered to each End User.

- 3.5 LPVCWD shall also provide electrical metering devices to accurately measure the energy used for the Project to determine incurred operation and maintenance costs. Metropolitan shall not pay for electrical energy costs if LPVCWD fails to install electrical metering devices.
- 3.6 LPVCWD shall at all times during the term of this Agreement, use its best efforts to operate the Project facilities to maximize Allowable Yield on a sustained basis.
- 3.7 LPVCWD shall assist Metropolitan in its effort to forecast future Project production and cost.
- 3.8 LPVCWD shall notify and provide Metropolitan with a copy of relevant agreements and payments if LPVCWD decides to convey water using Project facilities to any party that is not an End User.

#### Section 4: Invoicing Process

- 4.1 LPVCWD shall notify Metropolitan in writing not less than 30 days prior to the start of Project operation. Before the first invoice, USGVMWD, LPVCWD, and Metropolitan shall meet to coordinate the agreement administration requirements and to determine the Estimated LRP Contribution based on historical cost data and expected Project activities. After the first year of operation, the Estimated LRP Contribution will be determined during the annual reconciliation process pursuant to Section 5.
- 4.2 After the start of Project operation, LPVCWD shall invoice Metropolitan monthly for the Estimated LRP Contribution based upon Allowable Yield delivered during the previous month. Metropolitan shall pay LPVCWD for invoiced Estimated LRP Contribution by means of a credit included on the next monthly water service invoice issued to USGVMWD in accordance with Metropolitan's Administrative Code.
- 4.3 Pursuant to Metropolitan's Administrative Code, invoices for Estimated LRP Contribution must be received by Metropolitan before 3:30 p.m. on the third working day after the end of the month to receive credit for any preceding month on the next monthly water service invoices issued to USGVMWD. Metropolitan will not pay for any invoiced Estimated LRP Contribution received more than six months following the end of any month in which a credit is claimed, and the Recycled Water claimed in any such late invoice shall not be included in the Allowable Yield.
- 4.4 Metropolitan, USGVMWD, and LPVCWD have entered into agreements for development of local water resources projects in addition to this Agreement. Each agreement contains specific terms and conditions to determine project yield, payment process, and project performance and any adjustments to contractual yield and incentive payments. Unless approved in writing by Metropolitan, these agreements are independent from each other and, therefore, the yield produced under one agreement shall not be used to fulfill the performance requirements under other agreements. These provisions shall also apply to all future incentive agreements between Metropolitan, USGVMWD, and LPVCWD.

## Section 5: Reconciliation Process

- 5.1 After the start of Project operation and by December 31 of each year, LPVCWD shall provide Metropolitan with the following reconciliation data for the previous Fiscal Year: (a) records of Recovered Water and Allowable Yield; (b) supporting documentation of the actual cost of the Project required to perform the calculations prescribed in Exhibits B and C; (c) records of water deliveries to end users; (d) terms and schedule of payments of the Project's financing instruments; (e) a description of any changes to the Project's financing instruments; and (f) all contributions pursuant to Section 5.4.
- 5.2 If reconciliation data is not submitted by December 31 in accordance with Section 5.1, Metropolitan will assess a late penalty charge to LPVCWD as prescribed in Metropolitan's Administration Code, currently set at \$2,500 in Section 4507. Metropolitan may suspend its payment of Estimated LRP Contribution if LPVCWD fails to provide reconciliation data by the ensuing April 1. During the suspension period, LPVCWD shall continue to invoice Metropolitan for the Estimated LRP Contribution based upon the Allowable Yield for water accounting purposes. Metropolitan will resume payment of the monthly Estimated LRP Contribution once complete data is received and the corresponding reconciliation is complete pursuant to Section 5.3. In the event LPVCWD fails to provide reconciliation data by December 31 of the following Fiscal Year, which is 18 months after the end of the Fiscal Year for which a reconciliation is required, this Agreement shall automatically terminate without notice or action by any Party and LPVCWD shall repay Metropolitan all Estimated LRP Contributions for which no reconciliation data was provided within 90 days of termination.
- 5.3 Within 180 days after Metropolitan receives complete data from LPVCWD, pursuant to Section 5.1, Metropolitan shall calculate the Final LRP Contribution for the Fiscal Year. The Final LRP Contribution shall then apply retroactively to all Allowable Yield for the applicable Fiscal Year. An adjustment shall be computed by Metropolitan for over- or under-payment for the Allowable Yield and included on the next monthly water service invoice issued to USGVMWD. As part of this reconciliation, Metropolitan shall also consult with LPVCWD to determine the Estimated LRP Contribution for the following year based on historic cost data and expected Project activities.
- 5.4 The Parties agree that all contributions other than LRP incentives under this Agreement and contributions by USGVMWD, including but not limited to grants provided by the U.S. Bureau of Reclamation and funding by private parties received prior to and during the term of this Agreement that offset eligible Project costs, shall be deducted from all respective cost components. During the reconciliation process, following receipt of such contributions, the Parties shall determine the equitable apportionment of such contributions for capital and/or operational purposes.

## Section 6: Record Keeping and Audit

- 6.1 LPVCWD shall establish and maintain accounting records of all costs incurred for the construction, operation and maintenance, and replacement parts of the Project as

described in Exhibits B and C. Accounting for the Project shall utilize generally accepted accounting practices and be consistent with the terms of this Agreement. LPVCWD's Project accounting records must clearly distinguish all costs for the Project from LPVCWD's other water production, treatment, and distribution costs. LPVCWD's records shall also be adequate to determine Allowable Yield and Recovered Water to accomplish all cost calculations contemplated in this Agreement.

- 6.2 LPVCWD shall establish and maintain accounting records of all contributions including grants that offset eligible Project capital costs, operation and maintenance costs, and/or replacement costs, as outlined in Section 5.4.
- 6.3 LPVCWD shall collect Recovered Water and Allowable Yield data for each Fiscal Year of Project operation and retain records of that data based on the metering requirements in Section 3.4. In addition, LPVCWD shall collect and retain records of the total annual amount of water conveyed outside of LPVCWD's service area using Project facilities.
- 6.4 Metropolitan shall have the right to audit Project costs and other data relevant to the terms of this Agreement both during the Agreement term and for a period of three years following the termination of this Agreement. Metropolitan may elect to have such audits conducted by its staff or by others, including independent accountants, designated by Metropolitan. LPVCWD shall make available for inspection to Metropolitan or its designee, upon 30 days advance notice, all records, books and other documents, including all billings and costs incurred by contractors, relating to the construction, operation and maintenance of the Project; any grants and contributions, as described in Exhibits B and C, and capital cost financing. Upon 30 days advance notice and at Metropolitan's request, LPVCWD shall also allow Metropolitan's staff or its designee to accompany LPVCWD staff in inspecting LPVCWD's contractors' records and books for the purpose of conducting audits of Project costs.
- 6.5 In lieu of conducting its own audit(s), Metropolitan shall have the right to direct LPVCWD to have an independent audit conducted of all Project costs incurred in any Fiscal Year(s) pursuant to this Agreement. LPVCWD shall then have an audit performed for said Fiscal Year(s) by an independent certified public accounting firm and provide Metropolitan copies of the audit report within six months after the date of the audit request. The cost of any independent audit performed under this Agreement shall be paid by LPVCWD and is an allowable Project operation and maintenance cost pursuant to Exhibit C.
- 6.6 LPVCWD shall retain an independent auditor satisfactory to Metropolitan to conduct an initial audit of the Project costs and accounting record keeping practices and submit the results to Metropolitan with the first reconciliation data as outlined in Section 5.
- 6.7 LPVCWD shall keep all Project records for at least ten consecutive years prior to each cost audit per Section 6. LPVCWD shall maintain audited records for three years after the audit. LPVCWD shall keep unaudited Project records for at least three years following the termination of this Agreement.

- 6.8 If an audit of LPVCWD's reported Project costs cannot be provided, then those costs are not eligible under this Agreement. Based on the results of any project cost audit, an adjustment for over- or under-payment of Allowable Yield for each applicable Fiscal Year shall be completed by Metropolitan and included in Metropolitan's next invoice issued to USGVMWD, pursuant to Section 4.2.

#### Section 7: Term and Amendments

- 7.1 The Agreement shall commence on the first date herein written and shall terminate 25 years after the date LPVCWD notifies Metropolitan that the Project has begun operation, subject to provisions outlined in Exhibit D. The provisions regarding reconciliation and audit shall remain in effect until three years after Agreement termination.
- 7.2 This Agreement may be amended at any time by the written mutual agreement executed by each of the Parties.
- 7.3 In addition to the termination provisions provided for in Section 5.2 and Exhibit D, Metropolitan may terminate this Agreement, upon thirty (30) day notice to LPVCWD on the occurrence of one the following:
- a. A material breach of this Agreement by any party other than Metropolitan; or
  - b. Metropolitan is not required to make payments to LPVCWD pursuant to the terms of this Agreement for a five-consecutive year period subsequent to Project operation.
- 7.4 Each Party represents that it is represented by legal counsel, that it has reviewed this Agreement and agrees that:
- a. This Agreement is legally enforceable;
  - b. Payments made by Metropolitan to LPVCWD through USGVMWD pursuant to this Agreement are a legal use of Metropolitan's funds; and
  - c. Metropolitan may legally recover the costs incurred by Metropolitan pursuant to this Agreement in the water rates charged to its Member Agencies, including USGVMWD.

#### Section 8: Hold Harmless and Liability

- 8.1 Except for the sole negligence or willful misconduct of Metropolitan, LPVCWD agrees at its sole cost and expense to protect, indemnify, defend, and hold harmless Metropolitan and its Board of Directors, officers, representatives, agents and employees from and against any and all claims and liability of any kind (including, but not limited to, any claims or liability for injury or death to any person, damage to property, natural resources or the environment, or water quality problems) that arise out of or relate to LPVCWD's approval, construction, operation, repair or ownership of the Project, including any use, sale, exchange or distribution of Project water. Such indemnity shall include all damages and losses related

to any claim made, whether or not a court action is filed, and shall include attorney fees, administrative and overhead costs, engineering and consulting fees and all other costs related to or arising out of such claim of liability, but shall exclude damages and losses that arise from the sole negligence or willful misconduct of Metropolitan.

- 8.2 LPVCWD shall include the following language in any agreement with any consultant or contractor retained to work on the Project:

“Except for the sole negligence or willful misconduct of Metropolitan, (Consultant) agrees at its sole cost and expense to protect, indemnify, defend, and hold harmless Metropolitan and its Board of Directors, officers, representatives, agents and employees from and against any and all claims and liability of any kind (including, but not limited to, any claims or liability for injury or death to any person, damage to property, natural resources or the environment, or water quality problems) that arise out of or relate to LPVCWD’s approval, construction, operation, repair or ownership of the Project. Such indemnity shall include all damages and losses related to any claim made, whether or not a court action is filed, and shall include attorney fees, administrative and overhead costs, engineering and consulting fees and all other costs related to or arising out of such claim of liability, but shall exclude damages and losses that arise from the sole negligence or willful misconduct of Metropolitan.”

Section 9: Notice

Any notice, payment or instrument required or permitted to be given hereunder shall be deemed received upon personal delivery or 24 hours after deposit in any United States post office, first class postage prepaid and addressed to the Party for whom intended, as follows:

If to Metropolitan:

The Metropolitan Water District of Southern California  
Post Office Box 54153  
Los Angeles, California 90054-0153  
Attention: Manager, Water Resource Management

If to USGVMWD:

Upper San Gabriel Valley Municipal Water District  
602 East Huntington Drive, Suite B  
Monrovia, CA 91016  
Attention: General Manager

If to LPVCWD:

La Puente Valley County Water District  
112 N. First Street  
La Puente, CA 91744  
Attention: General Manager

Any Party may change such address by notice given to each of the other Parties as provided in this section.

Section 10: Successors and Assigns

The benefits and obligations of this Agreement are specific to the Parties and are not assignable without the express written consent of Metropolitan. Any attempt to assign or delegate this Agreement or any of the obligations or benefits of this Agreement without the express written consent of Metropolitan shall be void and of no force or effect.

Section 11: Severability

The partial or total invalidity of one or more sections of this Agreement shall not affect the validity of this Agreement.

Section 12: No Third Party Beneficiary

This Agreement does not create, and shall not be construed to create any rights enforceable by any person, partnership, corporation, joint venture, limited liability company, or any other form of organization or association of any kind that is not a party to this Agreement.

Section 13: Integration

This Agreement comprises the entire integrated understanding between the Parties concerning the Project, and supersedes all prior negotiations, representations, or agreements.

Section 14: Governing Law

The law governing this Agreement shall be the laws of the State of California and the venue of any action brought hereunder shall be in Los Angeles County, California. All parties shall bear their own costs and attorneys' fees in the event of any such action.

Section 15: Non-Waiver

No delay or failure by any Party to exercise or enforce at any time any right or provision of this Agreement shall be considered a waiver thereof or of such Party's right thereafter to exercise or enforce each and every right and provision of this Agreement. A waiver to be valid shall be in writing and need not be supported by consideration. No single waiver shall constitute a continuing or subsequent waiver.

Section 16: Joint Drafting

All parties have participated in the drafting of this Agreement and have been represented by counsel at all times. The rule of construction that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.





IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first hereinabove written.

APPROVED AS TO FORM:

THE METROPOLITAN WATER DISTRICT  
OF SOUTHERN CALIFORNIA

Marcia L. Scully  
General Counsel

Jeffrey Kightlinger  
General Manager

By: \_\_\_\_\_  
Deputy General Counsel

By: \_\_\_\_\_  
Deven N. Upadhyay  
Assistant General Manager and Chief  
Operating Officer

Date: \_\_\_\_\_

APPROVED AS TO FORM:

UPPER SAN GABRIEL VALLEY  
MUNICIPAL WATER DISTRICT

By: \_\_\_\_\_  
Deputy General Counsel

By: \_\_\_\_\_  
Tom A. Love  
General Manager

Date: \_\_\_\_\_

APPROVED AS TO FORM:

LA PUENTE VALLEY COUNTY WATER  
DISTRICT

By: \_\_\_\_\_  
General Counsel

By: \_\_\_\_\_  
Greg Galindo  
General Manager

Date: \_\_\_\_\_

## EXHIBIT A

### LA PUENTE RECYCLED WATER PROJECT

#### Project Description

##### Overview

The La Puente Recycled Water Project (Project) will be located in the City of Industry and will be supplied by the San Jose Creek Water Reclamation Plant (SJCWRP). The Project is within La Puente County Valley Water District and will be owned and operated by La Puente County Valley Water District. Phase 1 of the Project is able to produce up to 60 acre-feet per year (AFY) of recycled water to twelve (12) customers. Future phases of the project may produce up to 150 acre-feet per year of the recycled water; however, only Phase 1 is reflected in this agreement.

##### Project Facilities

The Project includes installation of 1,000 linear feet of 4-inch diameter pipeline, 1,400 linear feet of 6-inch diameter pipeline, 1,700 linear feet of 12-inch diameter pipeline, and a new booster pump station to be located near the intersection of Parriott Place and the San Jose Creek stormwater channel. In total, 4,100 linear feet of pipeline will be installed for Phase 1. The Project will deliver 60 AFY of recycled water to twelve (12) customers for irrigation purposes.

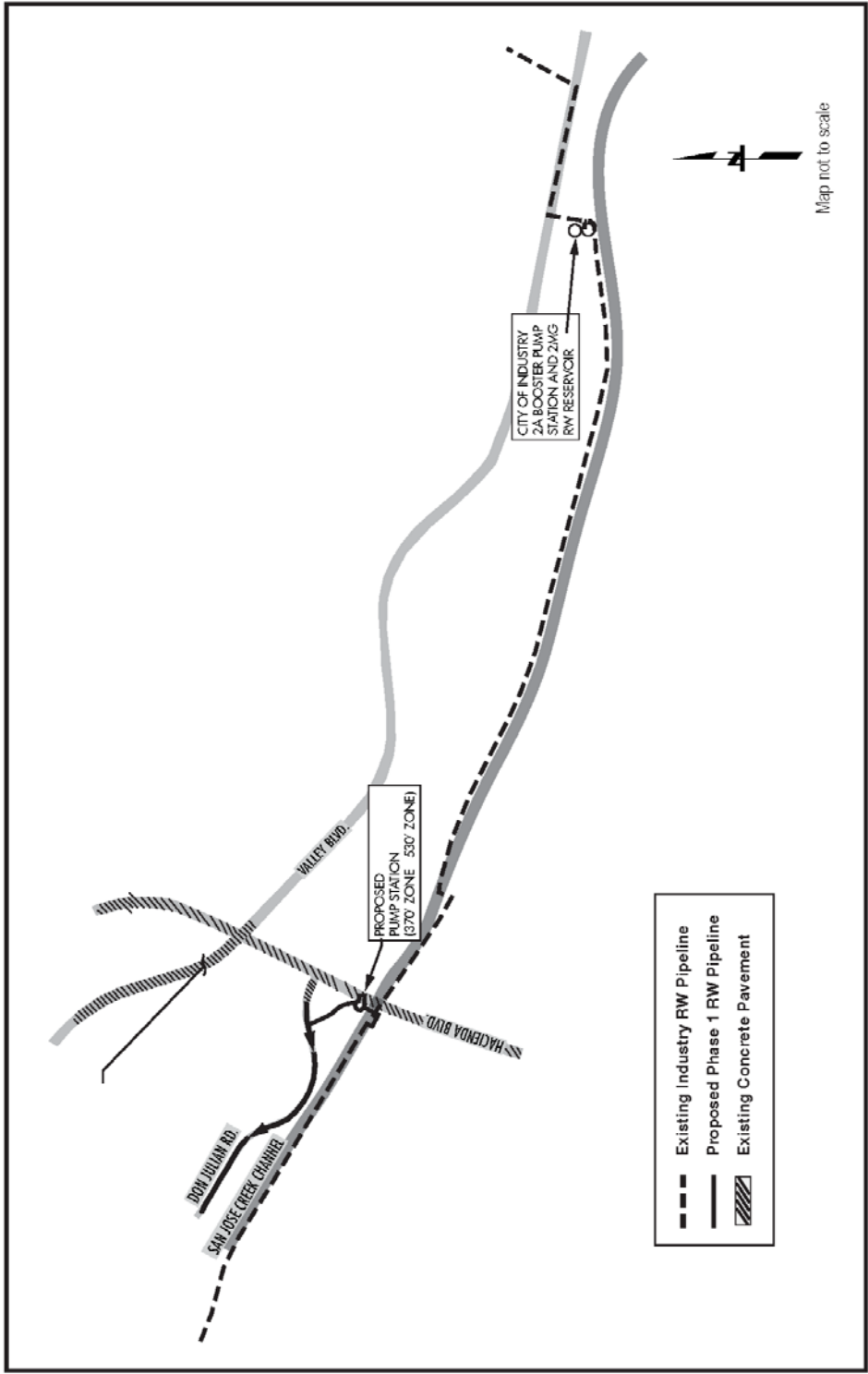
##### Source of Water

Source water for will be disinfected, tertiary treated, recycled water from the Los Angeles County Sanitation District's SJCWRP. The plant has a capacity to produce 100 million gallons per day (MGD), however only 60 AFY will be provided to the project for Phase 1.

##### Points of Connection

Project facilities begin at the connection to the existing recycled water distribution pipeline and end at the following points of connection:

- Each end-user
- Sewer, storm drain, channel, and potable system interties
- Existing recycled water systems



**LA PUENTE RECYCLED WATER PROJECT**

## EXHIBIT B

### ANNUALIZED CAPITAL COMPONENT

1. The Annualized Capital Component shall be computed using only costs incurred by LPVCWD for the Project. The Annualized Capital Component shall be computed using costs for the following:
  - a. Design (including preliminary design) and construction management services.
  - b. Construction of Project facilities, more particularly described in Exhibit A.
  - c. Agency administration of the Project design, construction, and start-up, not to exceed three (3) percent of construction costs unless otherwise approved in writing by Metropolitan.
  - d. Permits, including required data collection.
  - e. Land, right-of-way and easements for the Project described in Exhibit A.
  - f. Environmental documentation and mitigation measures directly related to the implementation or operation of the project and required to comply with applicable environmental permits and laws, including but not limited to the California Environmental Quality Act, National Environmental Policy Act, and the California and Federal Endangered Species Acts. Environmental documentation costs shall commence with the Notice of Preparation (NOP) and conclude with the filing of the Notice of Determination. Environmental documentation costs incurred prior to the NOP that are directly related to the environmental clearance of the Project may also be eligible, subject to review and approval by Metropolitan.
  - g. All contributions as outlined in Section 5.4 of this Agreement shall be treated as negative capital cost values for the purpose of computing the Annualized Capital Component.
  - h. The on-site retrofit costs, if paid by LPVCWD.
  - J. Recycled Water purchase from USGVMWD.
2. Cost of the following items shall not be used to calculate the Annualized Capital Component:
  - a. Storm drains, sewer collection systems, and treatment and distribution facilities beyond the Project's points of connection
  - b. Existing facilities, land, right-of-way, and easements
  - c. Feasibility studies

- d. Deposit of any reserve funds required as a condition of financing
  - e. Payments made to another department or element of LPVCWD, unless otherwise approved in writing by Metropolitan
  - f. Public outreach, education, and water marketing activities including but not limited to preparing brochures and handout materials, training, meetings, and workshops
  - g. All others costs not specified in Section 1 of this Exhibit, unless otherwise approved in writing by Metropolitan
3. Annualized Capital Cost (ACCost) in dollars per year shall be computed using the following procedure:

- a. For fixed-interest rate financing:

$$ACCost = CRF_1 \times P_1 + CRF_2 \times P_2 + \dots + CRF_j \times P_j$$

Where:

$P_j$  is each portion of incurred capital cost for Project with a distinct financing arrangement.

$CRF_j$  is the capital recovery factor for each distinct financing arrangement, as follows:

$$CRF_j = [i \times (1+i)^n] / [(1+i)^n - 1]$$

where:

$i$  is the interest rate (%).

$n$  is the term of financing (in years) commencing in the first Fiscal Year of Project operation. For all capital financing, cash expenditures, and grants and contributions received after the Project begins operation, annual payments shall be calculated, using above process, beginning in the Fiscal Year the costs occur.

$j$  is the number of each separate financing element.

In the first Fiscal Year and Fiscal Year  $n+1$  of production of Allowable Yield, each amortization for the calculation of ACCost shall be prorated by the number of days needed to achieve exactly  $n$  years of amortization following the first day of production of Allowable Yield.

- b. For variable-interest rate financing, annual payments shall be computed based on the actual payments made in the applicable Fiscal Year according to LPVCWD's financing documents. Any principal payments toward the Project capital cost

before the Project operation will be treated as cash. LPVCWD shall provide Metropolitan with the accumulated paid principal pursuant to Section 5.1.

- c. For fixed-interest rate financing with a non-uniform annual payment schedule, an economically-equivalent uniform annual payment schedule shall be calculated based on an “Internal Rate of Return” analysis to establish the annualized capital cost.
- d. Project capital costs not covered by a financing arrangement described above and all grants and contributions as defined in Section 5.3 shall be amortized over 25 years at an interest rate equal to the lesser of:
  - a) Metropolitan’s most recent weighted cost of long-term debt on June 30 in the year the capital expenditure occurred; or
  - b) The Fiscal Year average of the 25-bond Revenue Bond Index (RBI) as published in the Bond Buyer, or such other index that may replace the RBI, over the most recent Fiscal Year prior to the date the replacement cost was incurred.

All grants or contributions shall be amortized as negative capital cost values beginning in the year that money was received.

- e. After the first Fiscal Year of operation, only refinancing changes which lower the Annualized Capital Component shall be included in the Annualized Capital Component calculation of each subsequent Fiscal Year.
  - f. If the Project capital cost is part of a broad financing arrangement, annual payments shall be calculated by prorating the annual payments of the broad financing using the ratio of the Project capital cost to the initial principal of the broad financing arrangement.
4. The Annualized Capital Component (ACCom) in dollars per acre-foot for purposes of determining the Project Unit Cost each Fiscal Year shall be calculated using the following formula:

$$ACCom = ACCost / Recovered\ Water$$

## EXHIBIT C

### OPERATION AND MAINTENANCE COMPONENT

1. The Operation and Maintenance Component shall be computed using only costs incurred by LPVCWD for the Project during the applicable Fiscal Year. The Operation and Maintenance Component shall be computed using only the following incurred costs:
  - a. Professional consulting services for Project operation, maintenance and audit, excluding daily Project operation.
  - b. LPVCWD paid salaries only for plant operators and distribution system maintenance staff directly related to the operation and production of Allowable Yield will be eligible up to the following amount:

(\$5,000) X (CPI / 266.007)

Where, CPI is the All Urban Consumers Consumer Price Index published by the U.S. Bureau of Labor Statistics in July for Los Angeles, Riverside and Orange County, CA for July in the applicable Fiscal Year and 266.007 is the CPI published for July 2018.
  - c. Chemicals and supplies for Project operation and maintenance.
  - d. Net electrical energy (recovered energy shall be deducted from energy purchased) for Project operations. Metropolitan shall not pay for electrical energy cost if LPVCWD fails to install electrical metering devices.
  - e. Contractor services and supplies for Project facilities, operation, maintenance and repair to maintain reliable system operation and achieve regulatory compliance.
  - f. Monitoring required by permits, including water quality sampling and analysis of Recycled Water produced by the Project.
  - g. All contributions as outlined in Section 5.4 of this Agreement shall be treated as negative operation and maintenance cost values for the purpose of computing the Operation and Maintenance Component.
  - h. Replacement costs of Project parts.
2. Costs of the following items shall not be used to calculate the Operation and Maintenance Component:
  - a. Operation and maintenance of any facilities beyond the Project's points of connection.
  - b. Payments made to another department or element of LPVCWD, unless otherwise approved in writing by Metropolitan.



- c. Public outreach, education, and water marketing activities including but not limited to preparing brochures and handout materials, training, meetings, and workshops.
  - d. Fines, penalties, settlements, or judgments due to Project operation.
  - e. All others costs not specified in Section 1 of this Exhibit, unless otherwise approved in writing by Metropolitan.
3. The Annualized Operation and Maintenance Component (O&MC) in dollars per acre-foot for purposes of determining the actual Project Unit Cost each Fiscal Year shall be calculated using the following formula:

$$\text{O\&MC} = (\text{Actual Annual Cost of O\&M}) / (\text{Recovered Water})$$

**EXHIBIT D**

**PERFORMANCE PROVISIONS**

1. The following performance provisions apply:
- a. Metropolitan will terminate this Agreement if construction has not commenced within two years after Agreement execution. As opposed to Provision 1b below, there is no established appeal process for this outcome.
  - b. Metropolitan will terminate this Agreement if Allowable Yield is not delivered within four years after Agreement execution. The Project sponsor(s) may appeal this decision to Metropolitan’s Board of Directors.
  - c. If the Allowable Yield during Fiscal Years 2022-2023 through 2025-2026 does not reach the target yield of 50% of the Ultimate Yield, then Metropolitan will reduce the Ultimate Yield by the target shortfall using the highest Allowable Yield produced in that four year period. For example, the Ultimate Yield of a project with the following performance will be revised from 60 to 55 AFY for Scenario 1 while there would be no adjustment under Scenario 2:

Project Ultimate Yield = 60 AFY

	Scenario 1	Scenario 2
Fiscal Year	Allowable Yield (AFY)	Allowable Yield (AFY)
2022-2023	10	10
2023-2024	15	15
2024-2025	20	35
2025-2026	25	20

50% of the Ultimate Yield =  $0.50 \times 60 = 30$  AFY

Scenario 1: Shortfall =  $30 - 25 = 5$  AFY  
Revised Ultimate Yield =  $60 - 5$  AFY = 55 AFY

Scenario 2: Since, the Allowable Yield in the Fiscal Year 2024-2025 is greater than 30 AFY, no adjustment is required. Ultimate Yield remains at 60 AFY.

- d. If the Allowable Yield during Fiscal Years 2026-2027 through 2029-2030 does not reach the target yield of 75 percent of the Ultimate Yield (or the Revised Ultimate Yield), then Metropolitan will reduce the Ultimate Yield (or the Revised Ultimate Yield) by the target shortfall using the highest Allowable Yield produced in that period. For Example, the Ultimate Yield of the project in this example with the following performance will be reduced to 53 AFY for Scenario 1 and while there would be no adjustment under Scenario 2:

	Scenario 1	Scenario 2
Fiscal Year	Allowable Yield (AFY)	Allowable Yield (AFY)
2026-2027	30	30
2027-2028	25	35
2028-2029	35	50
2029-2030	40	40

Scenario 1: Revised Ultimate Yield = 55 AFY (see above calculations in 1c)  
75% of Ultimate Yield =  $0.75 \times 55 = 42$  AFY  
Shortfall =  $42 - 40 = 2$  AFY  
Revised Ultimate Yield =  $55 - 2 = 53$  AFY

Scenario 2: Ultimate Yield = 60 AFY  
75% of ultimate Yield =  $0.75 \times 60 = 45$  AFY  
Since, the Allowable Yield in the Fiscal Year 2028-2029 is greater than 45 AFY, no adjustment is required.

- e. If the Allowable Yield during Fiscal Years 2030-2031 through 2033-2034 (and every four-year period thereafter) does not reach the target yield of 75 percent of the Ultimate Yield (or revised Ultimate Yield), then Metropolitan will reduce the Ultimate Yield (or the Revised Ultimate Yield) by the target shortfall using the highest Allowable Yield produced in that period. The adjustment will be made using the same methodology shown in the above examples.

## EXHIBIT E

MWD Administrative Code Section 4401 (c)

### § 4401. Rates

(c) For purposes of agreements existing under the Local Resource Program, Local Project Program, Groundwater Recovery Program and other similar programs, references to the “full service water rate,” “full service treated water rate,” “treated non-interruptible water rate” or “other prevailing rate” or to the “reclaimed water rate” or “recycled service rate” shall be deemed to refer to the sum of the System Access Rate, Water Stewardship Rate, System Power Rate, the expected weighted average of Tier1 Supply Rate and Tier 2 Supply Rate (equal to the estimated sales revenues expected from the sale of water at the Tier 1 and Tier 2 Supply Rates divided by the total District sales in acre-feet expected to be made at the Tier 1 and Tier 2 Supply Rates), a Capacity Charge expressed on a dollar per acre-foot basis and Treatment Surcharge.

(The text in this exhibit cannot be modified. It is a quote taken from MWD’s Admin Code)





# Southern California Water Utilities Association

*Established in 1932*

**Next Event: Thursday, July 25, 7:30 a.m.**

**For the second time ever—Breakfast with SCWUA!**

Come join us for a great program

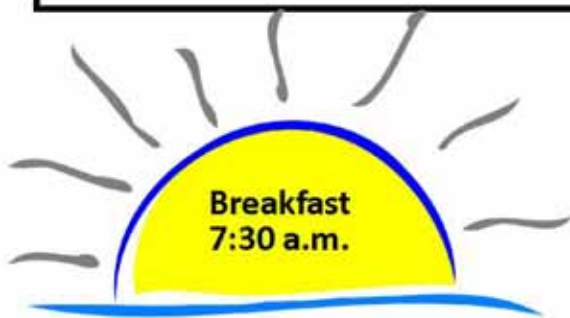
## Implementing SB 998

As you know, Governor Brown signed into law SB 998—the “Water Shutoff Protection Act,” which changes the requirements and procedures relating to the discontinuation (i.e., termination) of water service to a residence.

*Presented by Jim Ciampa*

Managing Partner at  
Lagerlof, Senecal, Gosney &  
Kruse, LLP

- ♦ Jim will review that new law’s requirements and will have a discussion on various issues agencies and companies will face in implementing the new procedures and policy requirements.
- ♦ This program will offer an opportunity for billings staffs and elected officials to attend and ask questions related to implementation.



 Register online at [www.scwua.org](http://www.scwua.org)

**RSVP: By Monday, July 22**

<b>Time:</b>	7:30 a.m.
<b>Cost:</b>	Pay at the Door: \$31.00 Pay Online: \$30 + fees
<b>Date:</b>	Thursday, July 25
<b>Location:</b>	Pomona Fairplex Sheraton 618 West McKinley Avenue Pomona