



**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 Monday, October 15, 2018, at 5:30 p.m. at the District office, 112 N. First St., La Puente, California.

Meeting called to order:

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

Pledge of Allegiance

President Rojas led the meeting in the Pledge of Allegiance.

Directors present:

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

Staff present:

Greg Galindo, General Manager; Gina Herrera, Office Manager; Roy Frausto, Engineering and Compliance Manager and Roland Trinh, District Counsel.

Others Present:

Mr. John Marinakis and Mrs. Yvonne Garcia were present. Also present were Dennis Azevedo, Bob Noonan and Joseph Velasco from Orchard Dale Water District and Steve Gagnon from Raftelis Financial Consultants.

Public Comment:

Mr. Joseph Velasco introduced himself as the Board President of Orchard Dale Water District in Whittier. He also introduced two other members of the Orchard Dale Board of Directors that were in attendance. Mr. Velasco stated that they were in attendance to witness for the Public Hearing on water rate adjustments to see what they can learn to assist them in their future efforts. He added that our Board is invited to their District and that they are around to support our District.

Adoption of Agenda:

President Hastings asked for the Approval of the Agenda.

Motion by Director Aguirre, seconded by Director Hernandez, that the agenda be adopted as presented.

Motion was approved by the following vote:

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

Nays: None.

Public Hearing on Proposed Increase to Water Use Rates and Service Charges:

President Rojas opened the public hearing at 5:33 p.m.

- Mr. Galindo requested that the presentations regarding the water rate adjustments be presented first and then the Board can open it up for public comments.
- Mr. Galindo first began by providing a video presentation on the District and the cost of water in the Main San Gabriel Basin. He stated that the video shown can also be found on the District's website.
- Mr. Galindo then introduced Mr. Steve Gagnon from Raftelis Financial Consultants who is the Project Manager that oversaw the completion of the District's Water Rate Study.
- Mr. Gagnon provided a presentation (attached) that explained the process followed in the preparation of the water rate study. His presentation also summarized the findings of the Water Rate Study and the recommended water rate adjustments.
- At the completion of Mr. Gagnon's presentation, there were a couple of clarifications requested from Board and Staff.
- Mr. Galindo then provided a supplemental presentation (attached) on the number and type of customers within the District. Mr. Galindo also provided the results of a survey of the rates of 13 neighboring water purveyors and how they compare with the proposed District rates for 2018-2019.

After the presentations, President Rojas opened it for Public Comment at 6:10 p.m.

- Mrs. Yvonne Garcia thanked the Board for their efforts on the Water Rate Study and she stated that she has confidence that the Board has considered water rate affordability.
- Mr. John Marinakis asked about the charge for water use and the higher rate for service where he resides. Mr. Galindo provided a response to Mr. Marinakis explaining the various pumping zones of the District and why the rates are higher to provide water to pumping zones with different elevations.
- Mr. Marinakis asked about how conservation is impacting the water rates. In response, Mr. Galindo provided additional information related to water cost in the Main San Gabriel Basin and how lower water use in the District's water system reduces the purchases of expensive import water.
- Mr. Marinakis also asked if the San Gabriel Valley received a great deal of rain in one year would that impact the cost of water. Mr. Galindo responded by explaining how that would have an impact on decisions that the Main San Gabriel Basin Watermaster makes regarding setting the safe yield and rates for pumping assessments. He added that if there was a substantial decrease in the cost of pumping water, then what was projected in the Water Rate Study the Board can then consider reducing the water use rates.

There were no other public comments and President Rojas closed the Public Hearing at 6:04 p.m.

Action/Discussion Items:

- A. Consideration of Resolution No. 254, Adopting New Water Use Rates and Service Charges.
 - Mr. Galindo stated that all the of the information provided to the Board of Directors in their Board meeting agenda packet are also posted online for the public about 72 hours before any Board meeting.
 - Mr. Galindo stated that the District has met all the requirements of Proposition 218, which includes completing a Water Rate Study and Cost of Service Analysis and mailing a notice of the proposed water rate adjustments to all customers and property owners within the District's service area 45 days prior to the public hearing. The notice mailed, provided the right to protest the water rate increases.
 - Mr. Galindo stated that no protest letters have been received. He summarized the public outreach efforts by the District related to proposed water rate adjustments.
 - Mr. Galindo added that Resolution No. 254 that is being considered, does include the final Water Rate Study and Proposition 218 Notice as exhibits to the Resolution. Mr. Galindo recommended and requested the Board adopt Resolution No. 254.

Motion by President Rojas, seconded by Vice President Escalera, to Adopt Resolution No. 254 Approving New Water Use Rates and Service Charges.

Motion was approved by the following vote:

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

Nays: None.

B. Consideration of Resolution No. 255, Adopting a New Capacity Charge for Water System Connection.

- Mr. Galindo provided an overview of the need to adopt a new capacity charge for a water system connection. He added that Raftelis Financial Consultants completed a study on the appropriateness of the proposed new charge and the report is an exhibit to the resolution.
- Mr. Gagnon provided a presentation (attached) that summarized how the new capacity charge for water system connection was calculated.
- Mr. Galindo provided some additional information on all the charges related to the installation of a new domestic water supply connection and that the capacity charge does not apply to new fire service connections.
- Mr. Galindo recommended and requested the Board adopt Resolution No. 255.

After some discussion, motion by President Rojas, seconded by Director Aguirre, to Adopt Resolution No. 255. Approving a New Charge for Water System Connection.

Motion was approved by the following vote:

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

Nays: None.

C. Consideration of Rescheduling the November 12, 2018, Regular Meeting of the Board of Directors.

- Mr. Galindo stated that the November 12, 2018, Regular Board Meeting lands on Veteran's Day and he requested that the meeting be moved to November 13, 2018.

Motion by President Rojas, seconded by Director Hernandez, to reschedule the November 12, 2018, Regular Board Meeting to 5:30 p.m. on November 13, 2018.

Motion was approved by the following vote:

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

Nays: None.

General Manager's Report:

Mr. Galindo thanked Mr. Gagnon and his firm for all of their work.

Attorney's Comments:

Mr. Trinh had no comments.

Board Member Comments:

- Director Aguirre thanked Mrs. Garcia for attending the meeting and thanked Mr. Marinakis for his questions on how conservation has impacted the water rates.
- Vice President John Escalera thanked Mr. Gagnon from Raftelis for the presentation and their work on the water rate study.
- Director Aguirre asked Mr. Galindo, for the benefit of those attending, what the cost of import water was 10 years ago. Mr. Galindo responded that it has gone up from \$250 an acre-foot to \$798 an acre-foot.
- President Rojas also thanked Mr. Gagnon for his presentation and staff for their efforts on the water rate adjustments.

Adjournment:

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

William R. Rojas, President

Greg B. Galindo, Secretary