



**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, June 26, 2017, at 5:30 at the District office, 112 N. First St., La Puente, California.

Meeting Called to Order:

President Hastings called the meeting to order at 5:31 pm.

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 and Henry Hernandez, Director.

Staff Present:

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

Others Present:

No members of the public present.

Adoption of Agenda:

President Hastings asked for the approval of the agenda.

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

Motion approved by the following vote:

Ayes: Hastings, Rojas, Aguirre, Escalera 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 June 12, 2017.

Motion by Vice President Rojas, seconded by President Hastings, to approve the consent calendar as presented.

Motion approved by the following vote:

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

Nays: None.

Financial Reports:

A. Summary of Cash and Investments as of May 31, 2017.

- Mr. Galindo reported the District's total cash and investments total over \$3.4M. He added a payment for Water leases are due in July, which will impact this balance. He also reported the Industry Public Utilities Water Operations checking account balance is \$470,776 and a payment was made to the City of Whittier for water leases in June that will impact this balance.

Motion by Director Aguirre, seconded by Director Hernandez, to receive and file the Statement of the District's Revenues and Expenses as of May 31, 2017, as presented.

Motion approved by the following vote:

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

Nays: None.

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

- Mrs. Herrera summarized the Statement of Revenues and Expenses for the District and Treatment Plant operations.

After further discussion, motion by Director Escalera, seconded by Director Aguirre, to receive and file the Statement of the District's Revenues and Expenses as of May 31, 2017, as presented.

Motion approved by the following vote:

Ayes: Hastings, Aguirre, Escalera and Hernandez.

Nays: None.

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

- Mrs. Herrera summarized the Statement of Revenues and Expenses for the City of Industry Waterworks System. She stated that we are approaching the end of the fiscal year and to date, we remain on target. There will be a few yearend adjustments that will be made and she anticipates the audit to begin around August or September.

Motion by President Hastings, seconded by Director Hernandez, to receive and file the Statement of the City of Industry Waterworks System's Revenues and Expenses as of May 31, 2017, as presented.

Motion approved by the following vote:

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

Nays: None.

Action/Discussion Items:

A. Consideration of the District's 2016 Consumer Confidence Report.

- Mr. Galindo presented the final District's 2016 Consumer Confidence Report. He also made a presentation that provided an overview of the constituents in the District's groundwater and the water treatment process.
- Mr. Galindo reported there are no exceedences or violations and the water delivered to the District's customers meets all State and Federal requirements.
- Mr. Galindo reported that a postcard will be mailed to all District customers that will provide them with a link to access the CCR's online and a hardcopy of the report will be provided upon request.

After further discussion, motion by Director Aguirre, seconded by Director Hernandez, to approve the District's 2016 Consumer Confidence Report for Distribution to the District's Customers.

Motion approved by the following vote:

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

Nays: None.

B. Consideration of the Industry Public Utilities' 2016 Consumer Confidence Report.

- Mr. Galindo presented the final the Industry Public Utilities' 2016 Consumer Confidence Report.

- Mr. Galindo reported there are no exceedences or violations and the water delivered to the Industry Public Utilities' customers meets all State and Federal requirements.
- Mr. Galindo reported that a postcard will be mailed to all Industry customers that will provide them with a link to access the CCR's online and a hardcopy of the report will be provided upon request.
- Mr. Galindo also stated this report was approved by the Industry Public Utilities Commission.

After further discussion, motion by Director Aguirre, seconded by Director Hernandez, to approve the Industry Public 2016 Consumer Confidence Report for Distribution to the District's Customers.

Motion approved by the following vote:

Ayes: Hastings, Aguirre, Escalera and Hernandez.

Nays: None.

C. Consideration of Design and Specifications of a new Waterline in Del Valle Avenue (From Temple Ave. to 747 Del Valle) and Authorize Procurement of Bids for Construction.

- Mr. Frausto summarized his report on the design and specifications of the new waterline installation for the Del Valle project. He stated that Civiltec Engineering has completed the design for the off-site improvements with the technical specifications along with the plans for the Del Valle project for a 12" Ductile Iron Pipe waterline and a tie in to the existing 16 inch AC water main in Temple Avenue. He added there will be some costs associated with this plan that will benefit the District.
- Director Escalera asked if there were any issues with water pressure. Mr. Galindo responded that have been no issues and there is adequate water pressure for the project.
- Director Escalera asked what size pipe will be installed in the complex. Mr. Frausto responded that they will be installing a 10 inch pipe with a 4 inch fire service.
- Vice President Rojas asked who will inspect this project. Mr. Galindo responded the Distribution Supervisor and Project Engineer.

After further discussion, motion by Vice President Rojas, seconded by Director Escalera to approve the design and specifications for the new waterline in Del Valle Avenue and Authorize procurement of bids for Construction thereof.

Motion approved by the following vote:

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

Nays: None.

- Mr. Galindo provided an overview of the final draft Agreement for water system improvements for the Del Valle project. This agreement has been provided to and reviewed by the developer. He also shared an important portion of the Agreement, specifically Section 3, Water System Connection Fee. He stated that the developer was informed that they will be responsible for all of the off-site improvement costs and water connection fees. The Developer did a preliminary design for the on-site improvements and considered 5/8-inch meters and separate fire services. Mr. Galindo stated the Water System Connection Fee does not apply to fire services, because a fire service is not for continuous use; it is only for one-time use. He added that we are not certain if they will use a water meter for fire sprinklers or a side by side fire service system owned by the Home Owners Association (HOA). A separate fire system would be a difficult task, because they would need a fire line coming in from the street that would need to be maintained. The developer had a discussion with staff some time ago about the District picking up some of those costs and if we would benefit from it. During that discussion, Mr. Galindo informed them that the District would not be picking up any of the costs, unless a beneficial use was determined for other future connections. The developer stated they are considering using 1-inch meter for fire flow. Mr. Galindo responded that he would consider it. Mr. Galindo read Section 3 as follows: The District has established a water system connection fee for all new connections to the

District's Water System. The fee for the Development will be calculated based upon the flow demand for potable use of each new water meter. If the water meter size requested is increased above the potable water use flow demand to accommodate flow for fire suppression purposes, then the Water System Connection Fee can be calculated based on the meter size required for potable use provided that the Developer submits flow requirement calculations prepared by a registered engineer for the District's review and acceptance, Notwithstanding the foregoing, every dwelling within the Development shall have at least one individual water meter and the water system connection fee shall not be less than the 5/8- inch meter size. A table detailing the current water connection fee for various meter sizes is provided as exhibit 2. Developer shall be given notice of its mandatory Water System Connection Fee when the plans for the On-site improvements are finalized which fee shall then be paid pursuant to Section 2.1.

- Mr. Trinh stated that the provision for the Water System Connection Fee is specific for this development only, as it clearly states on this agreement.
- Vice President Rojas asked if the developer is going to acquire indemnity insurance or just a clause that will not hold the District from all claims. Mr. Trinh responded it is just a typical indemnification provision, we do not require indemnity insurance; the District just requires that they have applicable insurance. He added the developer did request a reciprocal indemnity provision which we are considering as stated in the agreement, Section 11(b), which they must have for the on-site improvements and the Developer wants the District to identify them for the off-site improvements. He added that it is fine with the exception of one caveat which is the water flow, that we cannot hold them harmless if there is a claim later for insufficient water flow. He will review this and adjust it accordingly, otherwise it is parity and the inclusion is fair.
- Vice President Rojas asked if the contractor will pull a permit with the City. Mr. Galindo responded yes, our contractor and the developer's on-site contractor will pull permits with the City.

After further discussion, motion by President Hastings, seconded by Vice President Rojas to authorize the General Manager to execute the final version of the Agreement for Water Service and Construction of Water System Improvements for the Del Valle development, contingent upon final review and approval by District Counsel.

Motion approved by the following vote:

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

Nays: None.

Project Engineer's Report:

Mr. Frausto presented his report: (See memo)

- He provided a memorandum of the activities he and Staff worked on during the month of May 2017, the status of various projects and highlighted some of the items in his report.

After further discussion, motion by Vice President Rojas seconded by Director Escalera, to receive and file the Project Engineer's report as presented.

Motion approved by the following vote:

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

Nays: None.

General Manager's Report:

- Mr. Galindo provided an update on the PVOU IZ project. Northrop Grumman and Suburban Water Systems have reached a tentative agreement to receive water from the PVOU IZ plant. He also had a meeting with Northrop regarding the terms of the agreement on how the water will be moved into our system to accommodate the new requirements with Suburban Water System. He will meet with the Ad hoc Committee to further discuss the new agreements.

- Mr. Galindo stated he will provide an update on legislative issues at the next Board meeting that are currently being tracked by the San Gabriel Valley Water Association.
- Mr. Galindo reported the payment for the production rights lease with Mary K. Partridge, pursuant to the three year lease agreement the District has with her is, coming due for production year 2017-18.
- Mr. Galindo will be attending the next La Puente City Council meeting where Upper District will present a water supply update.
- Mr. Galindo reported that the Staff Reorganization Ad hoc Committee met to review some of the anticipated challenges it will be facing when the PVOU IZ begins construction and operation in regards to current staffing levels. He stated that at the next Ad hoc meeting Staff will present a proposed organizational structure and potential position changes.

Information Items:

A. Upcoming Events.

- Mrs. Ruehlman provided an update on the upcoming events for 2017, and who will be attending.
- President Hastings informed Mrs. Ruehlman that he will not be able to attend the upcoming SCWUA on July 27, 2017.
- She also informed the Board that the Form 470 is ready for their signature.
- She shared the certificate the District received from the Relay for Life and a T-shirt that has the District in the back of the shirt.

B. Correspondence to the Board of Directors.

No comments on correspondence provided.

Attorney Comments:

Mr. Trinh had no comments.

Board Member Comments:

A. Report on events attended.

- Vice President Rojas and Director Escalera reported their attendance to the SCWUA Tour of the San Gabriel Valley Water facilities on June 22, 2017.

B. Other comments.

- Board had no comments.

Future Agenda Items:

- No future items.

Adjournment:

There is no further business or comment, the meeting was adjourned at 7:07 p.m.

David Hastings, President

Rosa B. Ruehlman, Secretary