



**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, April 24, 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 5:33 pm.

Pledge of Allegiance

President Hastings led the meeting in the Pledge of Allegiance.

Directors present:

David Hastings, President; William Rojas, Vice President; Charles Aguirre, Director; John 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:

Cindy Byerrum from Platinum Consultants, Christopher Brown and Jeff Palmer from Fedak & Brown LLP.

Public Comment:

No members of the public present.

Adoption of Agenda:

President Hastings asked for the approval of the agenda.

Motion by Vice President Rojas seconded by Director Hernandez, 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:

A. Approval of the Minutes of the Regular Meeting of the Board of Directors held on April 10, 2017.

B. Receive and File the Industry Public Utilities 2016-17 Third Quarter Report.

Motion by Director Aguirre, seconded by Vice President Rojas, 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 March 31, 2017.

- Mr. Galindo presented the cash and investment summary. The District's total cash and investments total over \$3.3M. The Industry Public Utilities Water Operations checking account balance is \$629,844.
- Mr. Galindo stated that there will be a CD maturing in May for \$100,000 with Raymond James Financial and he will report at the next board meeting for possible reinvestment.

Motion by Director Escalera, seconded by Vice President Rojas, to receive and file the Statement of the District's Revenues and Expenses as of March 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 March 31, 2017.

- Mrs. Herrera summarized the Statement of Revenues and Expenses for the District and Treatment plant operations.
- Mrs. Herrera added that the 2016 Year to date numbers are final and audited.

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

Motion approved by the following vote:

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

Nays: None.

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

- Mrs. Herrera summarized the Statement of Revenues and Expenses for the City of Industry Waterworks System.
- Mr. Galindo added that staff has submitted a draft 2017-18 Budget to the City of Industry for their review.

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

Motion approved by the following vote:

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

Nays: None.

Presentation by Fedak & Brown LLP of the 2016 Audit (See presentation)

- Mr. Brown gave a presentation of the audit process and the 2016 audit results of the District's financials.
- He shared the auditor's opinion that the financial statements are fairly presented in all material respects of the financial position of the District as December 31, 2016. He added this was a very clean audit.
- Mr. Brown shared that there are a couple of new reporting's in 2016 for GASB's 72 and 79, which the primary objective is to improve financial reporting for investment and pooled funds and also provides additional disclosures within the notes to the financial statements.
- Mr. Galindo shared that this audit went very well and Customer Service/Accounting Supervisor and District's Financial Consultant did a great job in supporting the audit

Action/Discussion Items:

- A. Acceptance of 2016 Audit Prepared by Fedak & Brown LLP.**

- Mrs. Byerrum shared some comments about the audit process and how smooth it went. She expressed that Fedak & Brown were great to work with.
- Mrs. Byerrum stated that one of the big adjustments made this year were to the depreciable items. She also worked on, for the second year, the GASB 68 entries and how the CalPERS does some of the schedules and staff now has a better understanding of how it works.
- Mrs. Byerrum stated as for how the 2016 actuals compare to the budget, the operational revenues are at 81% and the total Expense are at 89% at yearend and the District ended the year favorably.

After further discussion, motion by President Hastings, seconded by Director Aguirre, to receive and file the 2016 Audit Prepared by Fedak & Brown LLP.

Motion approved by the following vote:

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

Nays: None.

B. Consideration of Single Pass Ion Exchange Resin Replacement Services.

- Mr. Galindo reported it is that time again for the Single Pass Ion Exchange Resin Replacement and disposal at the treatment plant facility and that this is a BPOU Project expense and is 100% reimbursable by the Cooperating Respondents.
- Mr. Galindo stated the next change out is scheduled in May or early June. District Staff prepared and sent a notice inviting bids. The requirements are to secure services for the replacement and disposal of up to 1,696 cubic-feet (4 vessel change-outs, 424 cubic feet each) of perchlorate selective ion exchange resin. Bids were received on Friday April 21st from Calgon Carbon and Evoqua. Mr. Galindo provided a summary table of the bid results, which showed Evoqua's bid as the lowest.
- He is asking for authorization to enter into an agreement with the Evoqua for the Single Pass Ion Exchange Resin Replacement Services utilizing the Dow PSR2 resin with the option to purchase the Dow PSR 2 Plus resin once it is approved by DDW for use at the District's treatment plant facility.

After further discussion, motion by Director Aguirre, seconded by Director Hernandez, to authorize General Manager to secure the services of Evoqua Water Technologies for the replacement and disposal of up to 1,696 cubic-feet of Perchlorate Selective Ion Exchange Resin utilizing the Dow PSR2 resin with the option to purchase the Dow PSR2 Plus resin.

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 March 2017 and highlighted some of those items in his report.

After further discussion, motion by Vice President Rojas seconded by Director Aguirre, 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 reported he will be providing a draft District's Summer newsletter at the next board meeting.
- Watermaster Engineer has provided a preliminary determination of the operating safe yield for the coming year 2017-18, which is 150,000 acre feet. The final operating safe yield will be voted on by the Watermaster Board in the first week of May along with the production assessments.

Information Items:

A. Upcoming Events.

- Mrs. Ruehlman provided an update on the upcoming events for 2017, and who will be attending.
- Mrs. Ruehlman shared that the San Gabriel Valley Water Association Quarterly luncheon date and location have been confirmed for May 17, 2016, at the South Hills Country Club in West Covina.
- She also reminded the Board that the next regular Board meeting is May 15, 2017.

B. Correspondence to the Board of Directors.

- Water 101 will be held at the Upper San Gabriel Municipal Water District on Tuesday, May 16, 2017, 8:30 to 11:00 am. This item will be agendaized for consideration of attendance at the next Board meeting.

Board member comments:

A. Report on events attended.

- President Hastings and Director Escalera reported their attendance to the AWWA CA/NV on April 12-13th in Anaheim.

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 6:48 p.m.

David Hastings, President

Rosa B. Ruehlman, Secretary