



AGENDA

**REGULAR MEETING OF THE BOARD OF DIRECTORS
LA PUENTE VALLEY COUNTY WATER DISTRICT
112 N. FIRST STREET, LA PUENTE, CALIFORNIA
MONDAY, FEBRUARY 28, 2022 AT 5:30 PM**

TELECONFERENCE ACCESS: Pursuant to Government Code Section 54953, as amended by AB 361, as a precaution to protect staff, our constituents, and elected officials, the La Puente Valley County Water District will hold its Board meeting via teleconference or the most rapid means of communication available at the time.

WEBSITE: WWW.ZOOM.COM

MEETING ID: 827 3976 7694

DIRECT MEETING LINK:

[HTTPS://US02WEB.ZOOM.US/J/82739767694](https://us02web.zoom.us/j/82739767694)

JOIN BY PHONE

PHONE NUMBER: (669) 900-9128

ACCESS CODE: 827 3976 7694#

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL OF BOARD OF DIRECTORS**

President Rojas ____ Vice President Hernandez ____ Director Argudo ____

Director Barajas ____ Director Escalera ____

- 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 February 14, 2022.**

7. FINANCIAL REPORTS

- A. Summary of the District's Cash and Investments as of January 31, 2022.
Recommendation: Receive and File.
- B. Statement of District's Revenue and Expenses as of January 31, 2022.
Recommendation: Receive and File.
- C. Statement of the Industry Public Utilities Water Operations Revenue and Expenses as of January 31, 2022.
Recommendation: Receive and File.

8. ACTION / DISCUSSION ITEMS

- A. Consideration of Resolution 278 Proclaiming a State of Emergency Persist, Re-Ratifying the Proclamation of a State of Emergency by Governor Gavin Newsom, and Re-Authorizing Remote Teleconference Meetings of the Board of Directors.
Recommendation: Approve Resolution 278
- B. Consideration to Lease 350 Acre-Feet of Main San Gabriel Groundwater Production Rights to the Industry Public Utilities.
Recommendation: Authorize the General Manager to enter into lease agreement with the Industry Public Utilities for 350 Acre-Feet of 2021-22, Main San Gabriel Basin Groundwater Production Rights.

9. GENERAL MANAGER'S REPORT

10. OTHER ITEMS

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

11. ATTORNEY'S COMMENTS

12. CLOSED SESSION

- A. Conference with legal counsel – Existing Litigation
Subdivision (a) of Government Code Section 54956.9.

Name of Case: *La Puente Valley County Water District v. Jeanette and David Hwang Family Limited Partnership, et al.*, Los Angeles Superior Court Case No. 21STCV24404.

13. CLOSED SESSION REPORT

14. BOARD MEMBER COMMENTS

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

15. FUTURE AGENDA ITEMS

16. ADJOURNMENT

POSTED: Friday, February 25, 2022

President William R. Rojas, 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. Roy Frausto, 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.



**MINUTES OF THE REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
LA PUENTE VALLEY COUNTY WATER DISTRICT
FOR MONDAY, FEBRUARY 14, 2022 AT 5:30 PM**

1. CALL TO ORDER

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

2. PLEDGE OF ALLEGIANCE

President Rojas led the meeting in the Pledge of Allegiance.

3. ROLL CALL OF THE BOARD OF DIRECTORS

President Rojas	Vice President Hernandez	Director Argudo	Director Barajas	Director Escalera
Present Via Teleconference	Present Via Teleconference	Absent	Present Via Teleconference	Present Via Teleconference

OTHERS PRESENT

Staff and Counsel: General Manager & Board Secretary, Roy Frausto; Office Manager, Gina Herrera; Customer Support & Accounting Clerk, Vanessa Koyama; Operations & Maintenance Superintendent, Paul Zampiello; and District Counsel, James Ciampa all present via teleconference.

Public: No members of the public were present.

4. PUBLIC COMMENTS

No comments from the Public.

5. ADOPTION OF AGENDA

Motion: Adopt Agenda as Presented.

1st: President Rojas

2nd: Vice President Hernandez

	President Rojas	Vice President Hernandez	Director Argudo	Director Barajas	Director Escalera
Vote	Yes	Yes	Absent	Yes	Yes

Motion carried by a vote of: 4 Yes, 0 No, 0 Abstain, 1 Absent

6. APPROVAL OF CONSENT CALENDAR

Motion: Approve Consent Calendar as Presented.

1st: President Rojas

2nd: Vice President Hernandez

	President Rojas	Vice President Hernandez	Director Argudo	Director Barajas	Director Escalera
Vote	Yes	Yes	Absent	Yes	Yes

Motion carried by a vote of: 4 Yes, 0 No, 0 Abstain, 1 Absent.

7. ACTION / DISCUSSION ITEMS

A. Discussion on COVID-19.

Mr. Frausto discussed the recent passing of the Covid-19 Supplemental Paid Sick Leave for California employees. He discussed with the Board the option to provide this benefit to District Staff.

Motion: To Direct Staff to Develop a Policy to Implement the State’s Supplemental COVID-19 Sick Pay Leave under AB84.

1st: President Rojas

2nd: Director Escalera

	President Rojas	Vice President Hernandez	Director Argudo	Director Barajas	Director Escalera
Vote	Yes	Yes	Absent	Yes	Yes

Motion carried by a vote of: 4 Yes, 0 No, 0 Abstain, 1 Absent.

B. Discussion on the District’s 100 Year Anniversary.

Mr. Frausto brought to the Boards attention that the District’s 100 Year Anniversary is approaching in a couple of years and wanted to get an early start for preparations on how to celebrate this Milestone. Mr. Frausto suggested forming an Ad hoc Committee to assist with the plans.

Motion: Approve the motion to create an Ad hoc Committee for the District’s 100 Year Anniversary.

1st: President Rojas

2nd: Director Barajas

	President Rojas	Vice President Hernandez	Director Argudo	Director Barajas	Director Escalera
Vote	Yes	Yes	Absent	Yes	Yes

Motion carried by a vote of: 4 Yes, 0 No, 0 Abstain, 1 Absent

8. OPERATIONS AND MAINTENANCE SUPERINTENDENT’S REPORT

Mr. Zampiello informed the Board on the report he provided in the Board Packet. Topics included the current well levels and various projects.

Motion: Receive and File the Operations and Maintenance Superintendent’s Report.

1st: President Rojas

2nd: Director Escalera

	President Rojas	Vice President Hernandez	Director Argudo	Director Barajas	Director Escalera
--	----------------------------	-------------------------------------	----------------------------	-----------------------------	------------------------------

Vote	Yes	Yes	Absent	Yes	Yes
-------------	-----	-----	--------	-----	-----

Motion carried by a vote of: 4 Yes, 0 No, 0 Abstain, 1 Absent.

9. GENERAL MANAGER’S REPORT

Mr. Frausto reported to the Board current rainfall levels and navigated through the District’s new website.

10. OTHER ITEMS

A. Upcoming Events

Mrs. Herrera went over upcoming events and verified who was attending the events.

B. Information Items.

Included in the Board Packet.

11. ATTORNEY’S COMMENTS

Mr. Ciampa reported on various new legislation bills being introduced.

12. CLOSED SESSION – Entered 6:11 p.m.

A. Conference with legal counsel – Existing Litigation
Subdivision (a) of Government Code Section 54956.9.

B. CLOSED SESSION REPORT – Exited 6:19 p.m.

Board met in closed session and the Board was briefed on the facts and circumstances of the matter and no reportable action was taken.

C. BOARD MEMBER COMMENTS

A. Report on Events Attended

None to Report

B. Other Comments

None to Report

D. FUTURE AGENDA ITEMS

None.

E. ADJOURNMENT

President Rojas adjourned the meeting at 6:19 p.m.

Attest:

William R. Rojas, Board President

Roy Frausto, Board Secretary



Summary of Cash and Investments
January 2022

La Puente Valley County Water District

Investments	Interest Rate (Apportionment Rate)	Beginning Balance	Receipts/ in Value	Change	Disbursements/ in Value	Change	Ending Balance
Local Agency Investment Fund	0.234%	\$ 2,979,786.95	\$ 1,715.45		\$ -		\$ 2,981,502.40
Checking Account							
Well Fargo Checking Account (per General Ledger)		\$ 2,074,786.83	\$ 441,682.89		\$ 526,284.55		\$ 1,990,185.17
District's Total Cash and Investments:							<u>\$ 4,971,687.57</u>

Industry Public Utilities

Checking Account	Beginning Balance	Receipts	Disbursements	Ending Balance
Well Fargo Checking Account (per General Ledger)	\$ 1,098,518.78	\$ 149,015.38	\$ 113,339.43	\$ 1,134,194.73
IPU's Total Cash and Investments:				<u>\$ 1,134,194.73</u>

I certify that; (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy as set forth in Resolution No. 237 and, (2) the District will meet its expenditure obligations for the next six (6) months.

Roy Frausto

, General Manager

Date: February 23, 2022

Roy Frausto



La Puente Valley County Water District Statement of Revenues & Expenses Summary

For the Period Ending January 31, 2022

(Unaudited)

	LPVCWD		TP		BUDGET 2022	8% OF BUDGET	YEAR-END 2021
	YTD 2022	YTD 2022	YTD 2022	YTD 2022			
Revenues							
Operational Rate Revenues	\$ 151,300	\$ -	\$ 151,300	\$ 2,681,100	6%	\$ 2,525,087	
Operational Non-Rate Revenues	60,246	158,672	218,918	2,701,100	8%	2,631,760	
Non-Operational Revenues	3,593	-	3,593	376,000	1%	568,957	
Total Revenues	215,139	158,672	373,811	5,758,200	6%	5,725,804	
Expense							
Salaries & Benefits	152,705	26,139	178,844	2,283,200	8%	2,060,221	
Supply & Treatment	14,276	98,188	112,464	2,078,400	5%	2,036,460	
Other Operating Expenses	29,429	34,345	63,774	409,000	16%	355,349	
General & Administrative	22,458	-	22,458	434,000	5%	345,402	
Total Expense	218,868	158,672	377,540	5,204,600	7%	4,797,432	
Net Income from Operations	(3,729)	-	(3,729)	553,600		928,372	
Less: Capital Expenses	(102,044)	-	(102,044)	(3,285,700)	3%	(1,269,678)	
Net Income After Capital	(105,774)	-	(105,774)	(2,732,100)	4%	(341,306)	
Capital Reimbursement (OU Pro	-	-	-	658,300	0%	194,953	
Grant Revenues	-	-	-	300,000	0%	-	
Loan Proceeds	-	-	-	-	#DIV/0!	1,510,461	
Loan Payment (Interest & Principl	-	-	-	(198,600)	0%	(99,337)	
Change in Cash	(105,774)	-	(105,774)	(1,972,400)		1,264,770	
Contributed Capital (Developer)	-	-	-	-		-	
Add: Capital Assets (District-Fun	102,044	-	102,044	2,327,400	4%	1,074,725	
Add: Debt Principal	-	-	-	117,200	0%	57,313	
Less: Loan Proceeds	-	-	-	-	#DIV/0!	(1,510,461)	
Less: Depreciation Expense	(35,417)	(8,750)	(44,167)	(530,000)	8%	(390,000)	
Less: OPEB & Pension Expense	-	-	-	-		-	
Net Income / (Loss)	\$ (39,146)	\$ (8,750)	\$ (47,896)	\$ (57,800)		\$ 496,347	

*No assurance provided on these financial statements. These financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included.



La Puente Valley County Water District
Statement of Revenues & Expenses
 For the Period Ending January 31, 2022
 (Unaudited)

	JANUARY 2022	YTD 2022	BUDGET 2022	8% OF BUDGET	YEAR-END 2021
Operational Rate Revenues					
Water Sales	\$ 78,737	\$ 78,737	\$ 1,708,200	5%	\$ 1,607,552
Service Charges	63,895	63,895	839,400	8%	789,790
Surplus Sales	7,179	7,179	50,000	14%	50,785
Customer Charges	200	200	10,000	2%	7,261
Fire Service	1,288	1,288	73,000	2%	68,707
Miscellaneous Income (Cust. Charges)	-	-	500	0%	992
Total Operational Rate Revenues	151,300	151,300	2,681,100	6%	2,525,087
Operational Non-Rate Revenues					
Management Fees	-	-	317,200	0%	365,419
PVOU Service Fees (Labor)	-	-	150,000	0%	29,764
BPOU Service Fees (Labor)	26,139	26,139	319,800	8%	313,800
IPU Service Fees (Labor)	60,246	60,246	777,500	8%	736,647
Other O&M Fees	-	-	10,000	0%	12,748
Total Operational Non-Rate Revenues	86,385	86,385	1,574,500	5%	1,458,378
Non-Operational Revenues					
Taxes & Assessments	-	-	320,000	0%	321,192
Rental Revenue	3,306	3,306	40,000	8%	42,204
Interest Revenue	-	-	10,000	0%	9,205
Market Value Adjustment	-	-	-	N/A	-
Miscellaneous Income	287	287	6,000	5%	16,685
Developer Fees	-	-	-	N/A	179,671
Total Non-Operational Revenues	3,593	3,593	376,000	1%	568,957
Total Revenues	241,278	241,278	4,631,600	5%	4,552,421
Salaries & Benefits					
Total District Wide Labor	115,851	115,851	1,350,000	9%	1,243,430
Directors Fees & Benefits	6,357	6,357	115,000	6%	73,461
Benefits	27,610	27,610	330,000	8%	305,463
OPEB Payments	5,912	5,912	55,000	11%	77,225
OPEB Trust Contributions	-	-	100,000	0%	100,000
Payroll Taxes	10,445	10,445	106,700	10%	98,083
CalPERS Retirement (Normal Costs)	12,669	12,669	158,000	8%	132,146
CalPERS Unfunded Accrued Liability	-	-	68,500	0%	30,413
Total Salaries & Benefits	178,844	178,844	2,283,200	8%	2,060,221
District Salaries & Benefits (Informational Only)					
Less: Labor Service Revenue	(86,385)	(86,385)	(1,247,300)	7%	(1,080,211)
Net District Salaries & Benefits	92,459	92,459	1,035,900	9%	980,010

*No assurance provided on these financial statements. These financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included.



La Puente Valley County Water District
Statement of Revenues & Expenses
 For the Period Ending January 31, 2022
 (Unaudited)

	JANUARY 2022	YTD 2022	BUDGET 2022	8% OF BUDGET	YEAR-END 2021
Supply & Treatment					
Purchased & Leased Water	282	282	551,500	0%	468,527
Power	13,869	13,869	200,000	7%	174,166
Assessments	-	-	333,300	0%	340,861
Treatment	125	125	6,000	2%	3,014
Well & Pump Maintenance	-	-	40,000	0%	18,842
Total Supply & Treatment	14,276	14,276	1,130,800	1%	1,005,410
Other Operating Expenses					
General Plant	1,538	1,538	35,000	4%	30,580
Transmission & Distribution	3,682	3,682	80,000	5%	102,962
Vehicles & Equipment	6,624	6,624	25,000	26%	25,002
Field Support & Other Expenses	17,045	17,045	60,000	28%	41,334
Regulatory Compliance	540	540	50,000	1%	30,890
Total Other Operating Expenses	29,429	29,429	250,000	12%	230,767
General & Administrative					
District Office Expenses	11,220	11,220	45,000	25%	36,759
Customer Accounts	3,585	3,585	32,000	11%	29,846
Insurance	-	-	82,000	0%	71,916
Professional Services	3,217	3,217	115,000	3%	130,770
Training & Certification	192	192	45,000	0%	9,223
Public Outreach & Conservation	804	804	30,000	3%	14,188
Other Administrative Expenses	3,439	3,439	65,000	5%	34,949
Total General & Administrative	22,458	22,458	414,000	5%	327,651
Total Expense	245,007	245,007	4,078,000	6%	3,624,049
Net Income from Operations	(3,729)	(3,729)	553,600		928,372
Capital Expenses					
Fire Hydrant Repair/Replacements	-	-	(23,000)	0%	(11,619)
Service Line Replacements	-	-	(45,000)	0%	(53,238)
Valve Replacements	-	-	(25,000)	0%	(5,547)
Meter Replacement / Reading Equipm	-	-	(25,000)	0%	-
SCADA Improvements	-	-	(30,000)	0%	(93,593)
Hudson Ave Pumping Improvements	-	-	(552,700)	0%	(37,035)
LP-CIWS Interconnection (Ind. Hills)	-	-	(65,000)	0%	(7,918)

*No assurance provided on these financial statements. These financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included.



La Puente Valley County Water District Statement of Revenues & Expenses

For the Period Ending January 31, 2022
(Unaudited)

	JANUARY 2022	YTD 2022	BUDGET 2022	8% OF BUDGET	YEAR-END 2021
Nitrate Treatment System	(101,899)	(101,899)	(2,060,000)	5%	(1,011,298)
Recycled Water System - Phase 1	(146)	(146)	(300,000)	0%	(49,431)
Dump Truck	-	-	(150,000)	0%	-
Other Field Equipment	-	-	(10,000)	0%	-
Office Computer Equipment	-	-	-	N/A	-
Total Capital Expenses	(102,044)	(102,044)	(3,285,700)	3%	(1,269,678)
Net Income / (Loss) After Capital	(105,774)	(105,774)	(2,732,100)	4%	(341,306)
Funding & Debt Payments					
Capital Reimbursement (OU Projects)	-	-	658,300	0%	194,953
Grant Revenues	-	-	300,000	0%	-
Loan Proceeds	-	-	-	N/A	1,510,461
Loan Payment - Interest	-	-	(81,400)	0%	(42,024)
Loan Payment - Principal	-	-	(117,200)	0%	(57,313)
Cash Increase / (Decrease)	(105,774)	(105,774)	(1,972,400)		1,264,770
Contributed Capital	-	-	-	N/A	-
Add: Capitalized Assets (District-Fund)	102,044	102,044	2,327,400	4%	1,074,725
Add: Debt Principal	-	-	117,200	0%	57,313
Less: Loan Proceeds	-	-	-	N/A	(1,510,461)
Less: Depreciation Expense	(35,417)	(35,417)	(425,000)	8%	(390,000)
Less: Pension Expense	-	-	-	N/A	-
Less: OPEB Expense	-	-	-	N/A	-
Net Income / (Loss)	\$ (39,146)	\$ (39,146)	\$ 47,200		\$ 496,347

*No assurance provided on these financial statements. These financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included.



LPVCWD Treatment Plant

Statement of Revenues & Expenses

For the Period Ending January 31, 2022
(Unaudited)

	JANUARY 2022	YTD 2022	BUDGET 2022	8% OF BUDGET	YEAR-END 2021
Operational Non-Rate Revenues					
Reimbursements from CR's	132,533	132,533	\$ 1,446,400	9%	1,173,382
Miscellaneous Income	-	-	-	N/A	-
Total Operational Non-Rate Revenues	132,533	132,533	1,446,400	9%	1,173,382
Labor & Benefits					
BPOU TP Labor	26,139	26,139	319,800	8%	313,800
Total Labor & Benefits	26,139	26,139	319,800	8%	313,800
Supply & Treatment					
NDMA, 1,4-Dioxane Treatment	35,614	35,614	212,200	17%	242,642
VOC Treatment	-	-	20,600	0%	46,863
Perchlorate Treatment	3,083	3,083	389,000	1%	353,153
Other Chemicals	-	-	57,300	0%	20,835
Treatment Plant Power	23,800	23,800	220,500	11%	272,168
Treatment Plant Maintenance	35,662	35,662	48,000	74%	92,238
Well & Pump Maintenance	29	29	-	N/A	3,150
Total Supply & Treatment	98,188	98,188	947,600	10%	1,031,050
Other Operating Expenses					
Contract Labor	-	-	20,000	0%	-
General Plant	9,155	9,155	15,000	61%	27,798
Transmission & Distribution	-	-	-	N/A	8,838
Vehicles & Equipment	816	816	13,000	6%	10,637
Field Support & Other Expenses	-	-	-	N/A	-
Regulatory Compliance	24,374	24,374	111,000	22%	77,308
Total Other Operating Expenses	34,345	34,345	159,000	22%	124,582
General & Administrative					
Add: Capital Assets (District-Funded)	-	-	2,500	0%	-
Insurance	-	-	10,000	0%	10,544
Professional Services	-	-	7,500	0%	7,207
Total General & Administrative	-	-	20,000	0%	17,751
Total Expense	158,672	158,672	1,446,400	11%	1,487,182
Total Expense (excluding Labor)	132,533	132,533	1,126,600	12%	1,173,382
Operational Net Income	-	-	-		-
Less: Depreciation Expense	(8,750)	(8,750)	(105,000)	8%	-
Net Income / (Loss)	\$ (8,750)	\$ (8,750)	\$ (105,000)	8%	\$ -

(1) The labor expense depicted here is the amount of labor billed to the BPOU in which the District receives reimbursement which is shown on Table 1.5 in operational non-rate revenue (BPOU Service Fees).

INDUSTRY PUBLIC UTILITIES - WATER OPERATIONS

Statement of Revenue and Expenses Summary

For the Period Ending January 31, 2022

(Unaudited)

	JANUARY 2022	FISCAL YTD 2021-22	BUDGET 2021-22	58% OF BUDGET	YEAR END FY 2020-21
REVENUE					
Operational Revenue	\$ 204,779	\$ 1,201,819	\$ 1,866,000	64%	\$ 1,929,343
Non-Operational Revenue	-	34,718	52,500	66%	66,099
TOTAL REVENUES	204,779	1,236,537	1,918,500	64%	1,995,442
EXPENSE					
Salaries & Benefits	60,246	422,772	719,000	59%	666,422
Supply & Treatment	13,084	138,081	909,300	15%	832,904
Other Operating Expense	23,064	107,423	254,000	42%	195,214
General & Administrative	12,686	165,726	366,600	45%	283,775
System Improvements & Miscellaneous	46	61,834	102,500	60%	135,802
TOTAL EXPENSE	109,127	895,836	2,351,400	38%	2,114,117
NET INCOME / (LOSS)	95,652	340,701	(432,900)		(118,675)

INDUSTRY PUBLIC UTILITIES - WATER OPERATIONS

Statement of Revenue and Expenses

For the Period Ending January 31, 2022

(Unaudited)

	JANUARY 2022	FISCAL YTD 2021-22	BUDGET 2021-22	58% OF BUDGET	YEAR END FY 2020-21
Operational Revenues					
Water Sales	\$ 123,503	\$ 766,248	\$ 1,150,000	67%	\$ 1,202,198
Service Charges	62,348	361,564	610,000	59%	619,862
Customer Charges	423	4,098	3,000	137%	3,005
Fire Service	18,505	69,909	103,000	68%	104,277
Taxes & Assessments	-	-	-	N/A	-
<i>Total Operational Revenues</i>	204,779	1,201,819	1,866,000	64%	1,929,343
Non-Operational Revenues					
Contamination Reimbursement	-	34,718	50,000	69%	55,276
Developer Fees	-	-	2,500	0%	10,823
Miscellaneous Income	-	-	-	N/A	-
<i>Total Non-Operational Revenues</i>	-	34,718	52,500	66%	66,099
TOTAL REVENUES	204,779	1,236,537	1,918,500	64%	1,995,442
Salaries & Benefits					
Administrative Salaries	18,951	133,488	221,000	60%	214,069
Field Salaries	22,677	148,065	243,000	61%	218,119
Employee Benefits	10,368	80,195	145,000	55%	131,105
Pension Plan	5,393	39,662	72,000	55%	67,955
Payroll Taxes	2,857	19,147	31,000	62%	29,228
Workers Compensation	-	2,215	7,000	32%	5,946
<i>Total Salaries & Benefits</i>	60,246	422,772	719,000	59%	666,422
Supply & Treatment					
Purchased Water - Leased	-	-	399,100	0%	375,508
Purchased Water - Other	914	7,787	20,000	39%	15,064
Power	12,170	116,948	170,000	69%	150,405
Assessments	-	13,236	283,200	5%	278,882
Treatment	-	-	7,000	0%	5,233
Well & Pump Maintenance	-	111	30,000	0%	7,812
<i>Total Supply & Treatment</i>	13,084	138,081	909,300	15%	832,904
Other Operating Expenses					
General Plant	426	3,610	55,000	7%	5,707
Transmission & Distribution	3,313	38,695	85,000	46%	91,588
Vehicles & Equipment	-	17,460	36,000	48%	30,533
Field Support & Other Expenses	18,030	27,506	40,000	69%	33,329
Regulatory Compliance	1,296	20,152	38,000	53%	34,056
<i>Total Other Operating Expenses</i>	23,064	107,423	254,000	42%	195,214

INDUSTRY PUBLIC UTILITIES - WATER OPERATIONS

Statement of Revenue and Expenses

For the Period Ending January 31, 2022

(Unaudited)

	JANUARY 2022	FISCAL YTD 2021-22	BUDGET 2021-22	58% OF BUDGET	YEAR END FY 2020-21
General & Administrative					
Management Fee	-	98,539	199,100	49%	195,146
Office Expenses	9,092	14,607	30,000	49%	21,646
Insurance	-	10,517	17,500	60%	15,978
Professional Services	466	13,272	70,000	19%	21,636
Customer Accounts	2,199	15,035	30,000	50%	24,864
Public Outreach & Conservation	764	12,007	15,000	80%	195
Other Administrative Expenses	165	1,748	5,000	35%	4,311
<i>Total General & Administrative</i>	12,686	165,726	366,600	45%	283,775
Other Exp. & System Improvements (Water Ops Fund)					
Fire Hydrant Repair/Replace	46	21,027	6,500	323%	3,562
Service Line Replacements	-	15,300	30,000	51%	51,825
Valve Replacements & Installations	-	-	19,000	0%	15,570
Meter Read Collection System	-	-	12,000	0%	11,260
SCADA Improvements	-	16,699	10,000	167%	14,014
Water Rate Study	-	6,088	-	N/A	4,800
Groundwater Treatment Facility Feas. Study	-	2,720	25,000	11%	34,770
<i>Total Other & System Improvements</i>	46	61,834	102,500	60%	135,802
TOTAL EXPENSES	109,127	895,836	2,351,400	38%	2,114,117
NET INCOME / (LOSS)	95,652	340,701	(432,900)		(118,675)



RESOLUTION NO. 278

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LA PUENTE VALLEY COUNTY WATER DISTRICT
PROCLAIMING A STATE OF EMERGENCY PERSISTS, RE-RATIFYING THE
PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR GAVIN NEWSOM,
AND RE-AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE BOARD OF
DIRECTORS OF LA PUENTE VALLEY COUNTY WATER DISTRICT FOR THE PERIOD
FEBRUARY 25, 2022 TO MARCH 26, 2022 PURSUANT TO BROWN ACT PROVISIONS.**

WHEREAS, the La Puente Valley County Water District (the “District”) is committed to preserving and nurturing public access and participation in meetings of its Board of Directors; and

WHEREAS, all meetings of the District’s Board of Directors and its standing committees are open and public, as required by the Ralph M. Brown Act (California Government Code Sections 54950 – 54963), so that any member of the public may attend, participate, and watch those bodies conduct their business; and

WHEREAS, the Brown Act, in Government Code Section 54953(e), makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code Section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition for application of Section 54953(e) is that a state of emergency is declared by the Governor pursuant to Government Code Section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code Section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District’s boundaries, caused by natural, technological or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, the Board of Directors previously adopted a Resolution, Resolution No. 274 on October 25, 2021 finding that the requisite conditions exist for the District’s Board of Directors and standing committees to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of Section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in Section 54953(e), the Board of Directors must reconsider the circumstances of the state of emergency that exists in the District, and the Board of Directors has done so; and;

WHEREAS, emergency conditions persist in the District, specifically, COVID-19, and its Delta and Omicron variant, remain highly contagious and, therefore, a threat to the health, safety and well-being of the District's employees, directors, vendors, contractors, customers and residents; and

WHEREAS, orders from the Los Angeles County Department of Public Health and regulations from the State of California impose limitations on gatherings and provide guidance on best practices with respect to actions to reduce the spread of COVID-19; and

WHEREAS, the District's Board of Directors does hereby find that a state of emergency exists within the District's service area as a result of the continuing presence of COVID-19 and resulting local, state and federal orders and guidance, which has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District, and the Board of Directors desires to affirm a local emergency exists and re-ratify the proclamation of state of emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the local emergency, the Board of Directors does hereby find that the District's Board of Directors and all standing committees shall conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code Section 54953, as authorized by subdivision (e) of Section 54953, and that such legislative bodies shall continue to comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of Section 54953; and

WHEREAS, the District will continue to provide proper notice to the public regarding all District of Board of Directors' and standing committee meetings, in accordance with Government Code Section 54953(e)(2)(A) and shall provide notice to the public of how they may access any such meeting via call-in number and/or internet link.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF LA PUENTE VALLEY COUNTY WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Affirmation that Local Emergency Persists. The Board of Directors hereby considers the conditions of the state of emergency in the District and proclaims that a local emergency persists throughout the District, and that conducting District Board of Directors and standing committee meetings virtually will minimize the possible spread COVID-19 and any variant thereof.

Section 3. Re-Ratification of Governor's Proclamation of a State of Emergency. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency regarding COVID-19, dated March 4, 2020.

Section 4. Remote Teleconference Meetings. The District's General Manager, or his delegee, and the Board of Directors and standing committees of the District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) the expiration of thirty (30) days from the date this Resolution was adopted, as set forth below, or (ii) such time as the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during

which the Board of Directors and standing committees of the District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED AND ADOPTED by the Board of Directors of La Puente Valley County Water District this 28th day of February, 2022, by the following vote:

AYES:

NOES:

ABSENT: None

ABSTAIN: None

William R. Rojas
President of the Board

ATTEST:

Roy Frausto
Board Secretary

STAFF REPORT



Meeting Date: February 28, 2021

To: Honorable Board of Directors

Subject: Leases of Main San Gabriel Basin Groundwater Production Rights

Purpose - *To lease out 350 acre-feet of Main San Gabriel Basin (Basin) Groundwater Production Rights, which are over the District's needs.*

Recommendation - *Authorize the General Manager to enter into a Lease Agreement with the City of Industry for 350 acre-feet of 2021-22 groundwater production rights at a rate of \$820.82 per acre-foot.*

Fiscal Impact - *These actions will result in a payment being made to the District by June 30, 2022, from the City of Industry in the amount of \$287,287.00*

The revenue from this transaction will offset the cost of water leases in 2022. The projected total expense for water rights leases in 2022 is \$551,529.02, which is consistent with the 2022 proposed Budget.

Previous Related Action - *On January 10, 2022, the Board approved a lease with Canyon Water Company to lease in 1,000 acre-feet of Main San Gabriel Basin Water Production Rights for the 2021-22 Production Year.*

Summary

On January 10, 2021, the Board approved a lease agreement with Canyon Water Company to lease 1,000 acre-feet (AF) for the 2021-22 production year. At that time, staff informed the Board that of the 1,000 AF, the District needed only a portion of those rights to cover its projected overproduction, and that the remaining acre-feet could be subleased to the City of Industry Waterworks System (CIWS) and other producers if necessary. By leasing production rights over the needs of the District, it allows the District to lease out what is not needed on an annual basis. This practice allows the District to adjust the amount of production rights it retains, at our discretion; and allows us to have improved access to the production rights lease market.

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

Fiscal Impact

The recommended action will result in a payment being made to the District by June 30, 2022, by the City of Industry in the amount of \$287,287.00.

The revenue from this transaction will offset the cost of water leases in 2022. The projected total expense for water rights leases in 2022 is \$551,529.02, which is consistent with the 2022 proposed Budget.

Recommendation

Authorize the General Manager to enter into a Lease Agreement with the City of Industry for 350 acre-feet of 2021-22 groundwater production rights at a rate of \$820.82 per acre-foot.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to be 'S. Fu', is written above the title 'General Manager'.

General Manager

Enclosures

- *Groundwater Production Rights Lease Agreement with the City of Industry*

LEASE OF WATER RIGHTS

PRODUCTION RIGHT

THIS LEASE OF WATER RIGHTS (the “Lease”) is entered into on this ____ day of April, 2022, by and between La Puente Valley County Water District, a County Water District (“Lessor”), and the City of Industry Waterworks System, a California municipal corporation (“Lessee”), with respect to the following:

RECITAL

This Agreement is made with respect to the following facts:

Lessor controls and is the owner of certain water production rights (the “Production Rights”) in the Main San Gabriel Basin as adjudicated in the case of “Upper San Gabriel Valley Municipal Water District vs. City of Alhambra, et al.,” LASC No. 92418. The ownership of said Production Rights entitle Lessor to take delivery or otherwise produce from the Main San Gabriel Basin a specific amount of water on an annual basis, or, in such amount as is determined from time to time by the Main San Gabriel Groundwater Basin Watermaster (“Watermaster”). As of the date hereof, Lessor has 350 acre-feet of Production Right for the 2021-22 water year available for lease.

AGREEMENT

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

1. Leasing of Production Rights. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, Three Hundred Fifty (350) acre-feet of Production Rights (the “Leased Production Rights”) for the term and upon the terms and conditions set forth in this Lease.
2. Term. The term of this Lease shall be for a period commencing July 1, 2021 and ending June 30, 2022.
3. Lease Rate, Payment and Adjustment.

The lease rate under this Lease shall be ninety-one percent (91%) of the prevailing Pre-purchased Supplemental Water Rate (the “Pre-purchased SWR”) set by the Upper San Gabriel Valley Municipal Water District’s Board of Directors (“USGVMWD”) on August 11, 2021. That Pre-purchased SWR is \$902 per acre foot for the current production year.

Thus, the gross rental amount payable for the lease of the Leased Production Rights under this Lease for the term as listed in paragraph 2 above shall be \$287,287, which is calculated on the basis of 91% of the Pre-purchased SWR of \$902 per acre foot. If the Pre-purchased SWR set by USGVMWD is revised or otherwise changed and made effective prior to June 30, 2022, a reconciling payment adjustment will be made by the Lessee or the Lessor, as the case may be, to the other party within 30 days from the date the revised Pre-purchased SWR is approved by USGVMWD.

Upon execution of this Lease, Lessor will send an invoice for, and Lessee will make the full payment of \$287,287 within 30 days of Watermaster's acknowledgement of the Lease.

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

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

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

5. Other Provisions.

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

Lessor: Roy Frausto
La Puente Valley County Water District
112 N. First Street
La Puente, CA 91744

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

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

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

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

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

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

LESSOR

LESSEE

La Puente Valley County Water District

City of Industry Waterworks System

Roy Frausto
General Manager

Joshua Nelson
City Manager