AGENDA

REGULAR MEETING OF THE BOARD OF DIRECTORS
LA PUENTE VALLEY COUNTY WATER DISTRICT
112 N. FIRST STREET, LA PUENTE, CALIFORNIA
MONDAY, SEPTEMBER 28, 2026, AT 4:30 PM

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL OF BOARD OF DIRECTORS

President Barajas____ Vice President Hernandez____ Director Rojas____

Director Argudo____ 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 September 14, 2026.

7. FINANCIAL REPORTS

A. Summary of the District's Cash and Investments as of August 31, 2026.

Recommendation: Receive and File.

B. Statement of District's Revenue and Expenses as of August 31, 2026

Recommendation: Receive and File.

C. Statement of the Industry Public Utilities Water Operations Revenue and Expenses as of August 31, 2026.

Recommendation: Receive and File.

8. ACTION / DISCUSSION ITEMS

A. Consideration of California Employers' Pension Prefunding Trust (CEPPT) Participation Agreement and Delegation of Authority to Request Disbursements.

Recommendation: Approve the CEPPT Program Agreement and Election to participate in CEPPT by authorizing the Board President to execute two wet-signed original copies of the Participation Agreement for submission to CalPERS and the CEPPT Delegation of Authority to Request Disbursements designating the Board President, General Manager, and Customer Service/Accounting Supervisor as authorized positions.

9. ENGINEERING & COMPLIANCE REPORT

Recommendation: Receive and File

10. GENERAL MANAGER'S REPORT

11. OTHER ITEMS

A. Upcoming Events.

B. Information Items.

12. ATTORNEY'S COMMENTS

13. BOARD MEMBER COMMENTS

A. Report on Events Attended.

B. Other Comments.

14. FUTURE AGENDA ITEMS

15. ADJOURNMENT

POSTED: Thursday September 24, 2026.

President Cesar J. Barajas, 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

REGULAR MEETING OF THE BOARD OF DIRECTORS
LA PUENTE VALLEY COUNTY WATER DISTRICT
112 N. FIRST STREET, LA PUENTE, CALIFORNIA
MONDAY, SEPTEMBER 14, 2026, AT 4:30 PM

1. CALL TO ORDER

President Barajas called the meeting to order at 4:42 pm.

2. PLEDGE OF ALLEGIANCE

President Barajas led the Pledge of Allegiance.

3. ROLL CALL OF BOARD OF DIRECTORS

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

OTHERS PRESENT

Staff and Counsel: General Manager & Board Secretary, Roy Frausto; Customer Service & Accounting Supervisor, Shaunte Maldonado; Operations and Treatment Superintendent, Cesar Ortiz; Distribution Supervisor, Miguel Molina were all present and District Counsel, Reid Miller was present via telephone.

4. PUBLIC COMMENT

Resident, Georgene Navarrete, was in attendance but did not make a comment.

5. ADOPTION OF AGENDA

Motion: Adopt the Agenda.
1st: Barajas
2nd: Argudo

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

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

6. APPROVAL OF CONSENT CALENDAR

Motion: Adopt the Consent Calendar.
1st: Barajas
2nd: Argudo

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

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

7. Presentation by the General Manager on the California Employers' Pension Refunding Trust (CEPPT)

Mr. Frausto discussed the subject and no Board Action Needed at this time.

8. ACTION / DISCUSSION ITEMS

A. **Consideration to Rehabilitate the Industry Public Utilities Waterworks Systems' Pump Station No. 3 Booster No. 3.**

Mr. Ortiz presented the staff report on this item and was available for any questions.

Motion: Authorize the General Manager to Proceed with the Work as Proposed by Tri-County Pump Company for $49,765.40.
1st: Argudo
2nd: Rojas

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

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

B. **Consideration of Award of Contract for General Engineering Services for Water Treatment System Optimization, Technical Review, and Operational Support for the PVOU-IZ and SZ Treatment Facilities.**

Mr. Frausto presented the staff report on this item and was available for any questions.

Motion: Authorize the General Manger to Enter Into an Agreement with Trussell Technologies, Inc. for Professional Engineering Services to Support the PVOU-IZ and SZ Treatment Facilities, for a Not-to-Exceed Annual Amount of $442,545.00.
1st: Rojas
2nd: Argudo

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

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

C. **Consideration of Change Order Request from Civiltec Engineering, Inc. for the BPOU UV Treatment Feasibility Study.**

Mr. Frausto presented the staff report on this item and was available to answer questions.

Motion: Authorize the General Manager to Proceed with the Change Order Request for a Not-to-Exceed Amount of $69,755.00.
1st: Argudo
2nd: Rojas

	President Barajas	Vice President Hernandez	Director Rojas	Director Argudo	Director Escalera

Vote	Yes	Yes	Yes	Yes	Yes

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

9. OPERATIONS AND TREATMENT REPORT

Mr. Ortiz presented the treatment activities and Mr. Molina presented the distribution activities. They were both available for questions.

Motion: Receive and File.
1st: Escalera
2nd: Argudo

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

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

10. ADMINISTRATIVE REPORT

Mr. Frausto went over her report and was available for any questions.

11. GENERAL MANAGER'S REPORT

Mr. Frausto presented his report and was available for any questions.

12. OTHER ITEMS

A. **Upcoming Events.**

Mr. Frausto went over the upcoming conferences with the Board.

B. **Information Items.**

None.

13. ATTORNEY'S COMMENTS

None.

14. BOARD MEMBER COMMENTS

A. **Report on Events Attended.**

Director Rojas reported on his attendance to the County Oversight Meeting at Mount San Antonio College. Additionally, Director Rojas requested a Certificate of Recognition for the new Restaurant Final Final.

B. **Other Comments.**

None.

15. FUTURE AGENDA ITEMS

None.

16. ADJOURNMENT

President Barajas adjourned the meeting at 5:45 pm.

Attest:

Cesar J. Barajas, Board President

Roy Frausto, Board Secretary

Summary of Cash and Investments
August 2026

La Puente Valley County Water District

Investments	Interest Rate (Apportionment Rate)	Beginning Balance	Receipts/ Change in Value	Disbursements/ Change in Value	Ending Balance
Local Agency Investment Fund	3.920%	$ 25,185.93	$ -	$ -	$ 25,185.93
California CLASS	3.7484%	$ 8,055,784.08	$ 25,641.00	$ -	$ 8,081,425.08
Checking Account		.			
Rize Credit Union (Per General Ledger)		$ 1,485,985.01	$ 596,385.91	$ 558,672.40	$ 1,523,698.52
				District's Total Cash and Investments:	**$ 9,630,309.53**

Industry Public Utilities

Investments	Interest Rate (Apportionment Rate)	Beginning Balance	Receipts/ Change in Value	Disbursements/ Change in Value	Ending Balance
California CLASS	3.7484%	$ 1,003,063.43	$ 3,192.70	$ -	$ 1,006,256.13
Checking Account		**Beginning Balance**	**Receipts**	**Disbursements**	**Ending Balance**
Rize Credit Union (Per General Ledger)		$ 798,582.25	$ 319,663.82	$ 263,179.93	$ 855,066.14
				IPU's Total Cash and Investments:	**$ 1,861,322.27**

Puente Valley Operable Unit - Intermediate Zone

Checking Account	Beginning Balance	Receipts	Disbursements	Ending Balance
Rize Credit Union (Per General Ledger)	$ 1,014,199.10	$ 547,492.00	$ 59,886.17	$ 1,501,804.93
			PVOU-IZ's Total Cash and Investments:	**$ 1,501,804.93**

Puente Valley Operable Unit - Shallow Zone

Checking Account	Beginning Balance	Receipts	Disbursements	Ending Balance
Rize Credit Union (per General Ledger)	$ 218,447.78	$ 118,734.00	$ 83,374.39	$ 253,807.39
			PVOU-SZ's Total Cash and Investments:	**$ 253,807.39**

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: 09/23/26

La Puente Valley County Water District
Budget v. Actual Summary (Combined)
For The Period Ending August 31, 2026

	LPVCWD YTD Actual 2026	BPOU YTD Actual 2026	Total YTD Actual 2026	Total Adopted Budget 2026	Total YTD 66.7%	LPVCWD Prior Year Actual 2025	BPOU Prior Year Actual 2025	Total Prior Year Actual 2025
Revenues								
Rate Revenue	$ 2,665,712	$ -	$ 2,665,712	$ 4,008,724	66.5%	$ 3,654,597	$ -	$ 3,654,597
Non-Rate Revenue	1,567,742	1,405,193	2,972,934	4,132,528	71.9%	2,265,562	1,736,827	4,002,389
Non-Operating Revenue	626,212	-	626,212	1,201,650	52.1%	1,108,281	-	1,108,281
Total Revenue	**4,859,667**	**1,405,193**	**6,264,859**	**9,342,902**	**67.1%**	**7,028,440**	**1,736,827**	**8,765,267**
Expense								
Supply & Treatment	854,768	972,738	1,827,506	2,960,909	61.7%	930,481	994,083	1,924,565
Salaries & Benefits	1,928,759	276,255	2,205,015	3,335,000	66.1%	2,736,442	366,396	3,102,838
Other Operating Expenses	256,585	130,595	387,180	569,300	68.0%	420,028	299,934	719,962
General & Administrative	303,885	25,604	329,489	595,500	55.3%	419,495	37,769	457,265
Total Expense	**3,343,997**	**1,405,193**	**4,749,190**	**7,460,709**	**63.7%**	**4,506,447**	**1,698,183**	**6,204,630**
Net Income / (Loss) Before Other Items	**1,515,669**	**-**	**1,515,669**	**1,882,193**	**80.5%**	**2,521,993**	**38,644**	**2,560,637**
Capital Expenses	(180,184)	-	(180,184)	(2,256,263)	8.0%	(348,395)	-	(348,395)
Capital Reimbursements	55,720	-	55,720	135,000	41.3%	61,023	-	61,023
Loan Payments - Interest	(66,791)	-	(66,791)	(77,900)	85.7%	(70,317)	-	(70,317)
Loan Payments - Principal	(131,489)	-	(131,489)	(120,600)	109.0%	-	-	-
Prepaid Inventory Purchases	-	-	-	(40,000)	0.0%	-	-	-
Change in Cash	**1,192,925**	**-**	**1,192,925**	**(477,570)**		**2,164,303**	**38,644**	**2,202,947**
Non-Cash Items								
GASB 87 Interest and Amortization	-	-	-	-	NA	-	-	-
Depreciation Expense	-	(70,000)	(70,000)	(105,000)	66.7%	(555,793)	(214,035)	(769,828)
Transfer to Capital	-	-	-	-	NA	338,883		338,883
Loss on Asset Disposals	-	-	-	-	NA	-		-
Pension Expense	-	-	-	-	NA	(35,106)	-	(35,106)
Other Post-Employment Benefits Exp.	-	-	-	-	NA	251	-	251
Total Non-Cash Items	**-**	**(70,000)**	**(70,000)**	**(105,000)**	**66.7%**	**(251,765)**	**(214,035)**	**(465,800)**
Net Income / (Loss)	**$ 1,192,925**	**$ (70,000)**	**$ 1,122,925**	**$ (582,570)**		**$ 1,912,538**	**$ (175,391)**	**$ 1,737,147**

No assurance is provided on the financial statements. A statement of cash flows and disclosures generally required by GAAP are not included. These statements represent preliminary, unaudited financial results.

La Puente Valley County Water District
Budget v. Actual
For The Period Ending August 31, 2026

	August 2026 Actual	YTD Actual 2026	Adopted Budget 2026	YTD 66.7%	Prior Year Actual 2025
Rate Revenue					
Water Sales	331,685	1,575,925	2,370,000	66.5%	2,188,191
Service Charges	117,337	864,094	1,320,000	65.5%	1,172,271
Surplus Sales	6,920	61,781	60,000	103.0%	62,767
Customer Charges	3,367	24,856	40,000	62.1%	40,147
Fire Service	32,275	138,064	217,484	63.5%	190,230
Other Miscellaneous Charges	-	992	1,240	80.0%	992
Total Rate Revenue	**491,583**	**2,665,712**	**4,008,724**	**66.5%**	**3,654,597**
Non-Rate Revenue					
Management Fees	-	223,557	355,828	62.8%	352,196
IPU Service Fees (Labor)	98,737	799,243	1,205,000	66.3%	1,190,763
BPOU Service Fees (Labor)	40,799	276,255	364,000	75.9%	366,396
PVOU IZ Service Fees (Labor)	33,069	278,620	430,000	64.8%	384,082
PVOU SZ Service Fees (Labor)	21,972	156,321	215,000	72.7%	228,521
Other O&M Fees	-	110,000	110,000	100.0%	110,000
Total Non-Rate Revenue	**194,576**	**1,843,997**	**2,679,828**	**68.8%**	**2,631,958**
Total Operating Revenue	**686,159**	**4,509,710**	**6,688,552**	**67.4%**	**6,286,556**
Non-Operating Revenue					
Taxes & Assessments	18,124	267,570	425,000	63.0%	398,477
Rental Revenue	3,832	30,323	45,000	67.4%	45,270
Interest Revenue	25,641	197,781	295,000	67.0%	253,780
Market Value Adjustment	-	-	-	N/A	89
PVOU Revenue	4,869	43,463	340,000	12.8%	180,489
IPU Vehicle & Equipment Revenue	4,660	38,732	49,200	78.7%	47,463
Miscellaneous Income	183	46,666	47,450	98.3%	107,809
Developer Fees	1,676	1,676	-	N/A	74,904
Total Non-Operating Revenue	**58,984**	**626,212**	**1,201,650**	**52.1%**	**1,108,281**
Total Revenue	**745,143**	**5,135,922**	**7,890,202**	**65.1%**	**7,394,836**
Supply & Treatment					
Purchased & Leased Water	47,342	404,714	663,374	61.0%	418,397
Cyclic Storage Water Purchased	-	-	407,000	0.0%	-
Power	20,288	131,026	220,000	59.6%	205,228
Assessments	293,647	293,647	313,635	93.6%	251,014
Treatment	1,281	25,381	80,000	31.7%	55,781
Well & Pump Maintenance	-	-	60,000	0.0%	62
Total Supply & Treatment	**362,558**	**854,768**	**1,744,009**	**49.0%**	**$ 930,481**
Salaries & Benefits					
Total District Wide Labor	169,018	1,338,005	2,115,000	63.3%	1,994,039
Directors Fees & Benefits	8,262	69,007	115,000	60.0%	99,019
Benefits	39,202	307,464	470,000	65.4%	396,711
OPEB Payments	10,761	86,084	110,000	78.3%	120,176
OPEB Trust Contributions	-	30,000	45,000	66.7%	60,000

No assurance is provided on the financial statements. A statement of cash flows and disclosures generally required by GAAP are not included. These statements represent preliminary, unaudited financial results.

La Puente Valley County Water District
Budget v. Actual
For The Period Ending August 31, 2026

	August 2026 Actual	YTD Actual 2026	Adopted Budget 2026	YTD 66.7%	Prior Year Actual 2025
Payroll Taxes	11,866	115,731	165,000	70.1%	150,205
CalPERS Retirement (Normal Costs)	15,283	136,869	200,000	68.4%	176,310
CalPERS Unfunded Accrued Liability	-	121,854	115,000	106.0%	106,378
Total Salaries & Benefits	**254,392**	**2,205,015**	**3,335,000**	**66.1%**	**3,102,838**
Net District-Paid Salaries & Benefits Analysis:					
Total Salaries & Benefits	*254,392*	*2,205,015*	*3,335,000*	*66.1%*	*3,102,838*
Less: Labor Service Revenue	*(194,576)*	*(1,510,440)*	*(2,214,000)*	*68.2%*	*(2,169,762)*
Net District-Paid Salaries & Benefits	***59,816***	***694,575***	***1,121,000***	***62.0%***	***933,076***
Other Operating Expenses					
General Plant	7,346	27,409	60,000	45.7%	30,428
Transmission & Distribution	1,102	110,403	140,000	78.9%	251,817
Vehicles & Equipment	6,052	48,900	65,000	75.2%	53,937
Field Support & Other Expenses	3,421	47,424	60,000	79.0%	43,120
Regulatory Compliance	1,680	22,449	40,000	56.1%	40,727
Total Other Operating Expenses	**19,601**	**256,585**	**365,000**	**70.3%**	**420,028**
General & Administrative					
District Office Expenses	3,539	41,370	87,000	47.6%	55,249
Customer Accounts	4,655	22,172	32,000	69.3%	33,718
Insurance	219	62,571	140,000	44.7%	137,447
Professional Services	8,203	114,813	160,000	71.8%	101,574
Training & Certification	1,343	25,677	40,000	64.2%	36,408
Public Outreach & Conservation	230	16,695	25,000	66.8%	13,191
Other Administrative Expenses	2,651	20,587	80,000	25.7%	41,909
Total General & Administrative	**20,841**	**303,885**	**564,000**	**53.9%**	**419,495**
Total Expense	**657,391**	**3,620,253**	**6,008,009**	**60.3%**	**4,872,843**
Net Income / (Loss) before Other Items	**87,752**	**1,515,669**	**1,882,193**	**80.5%**	**2,521,993**
Capital Expenses					
Nitrate Treatment System	-	-	-	N/A	(19,684)
Recycled Water System	-	(7,699)	(40,000)	19.2%	-
Service Line Replacements	-	(27,154)	(50,000)	54.3%	(79,759)
Valve Replacements	-	(1,486)	(30,000)	5.0%	(41,392)
Scada Computer- Field	-	-	(45,000)	0.0%	-
Fire Hydrant Repair/Replacements	-	(2,039)	(30,000)	6.8%	(46,047)
Backhoe	-	(61,263)	(61,263)	100.0%	-
5th Street Waterline Project	-	-	-	N/A	-
Fleet Trucks	-	-	-	N/A	(115,692)
Ferrero Ln & Rorimer St Improve	623	(28,984)	(65,000)	44.6%	-
New Admin Building	(22,150)	(24,385)	(500,000)	4.9%	-
Main St. VFD	-	-	(80,000)	0.0%	-
Dalesford & Bamboo Project	-	(5,887)	(15,000)	39.2%	(27,867)
IT Hardware - Firewall	-	-	(60,000)	0.0%	(17,955)
Main St Reservoir Reline/Recoat	-	(21,289)	(1,200,000)	1.8%	-

La Puente Valley County Water District
Budget v. Actual
For The Period Ending August 31, 2026

	August 2026 Actual	YTD Actual 2026	Adopted Budget 2026	YTD 66.7%	Prior Year Actual 2025
PLC Upgrades	-	-	(80,000)	0.0%	-
Total Capital Expenses	**(21,527)**	**(180,184)**	**(2,256,263)**	**8.0%**	**(348,395)**
Capital Reimbursements					
Capital Reimbursement (PVOU Projects)	-	-	-	N/A	-
Grant Revenues	720	55,720	135,000	41.3%	-
Capital Contributions	-	-	-	N/A	61,023
Total Capital Reimbursements	**720**	**55,720**	**135,000**	**41.3%**	**61,023**
Debt Service Payments					
Loan Payment - Interest	(32,710)	(66,791)	(77,900)	85.7%	(70,317)
Loan Payment - Principal	(66,219)	(131,489)	(120,600)	109.0%	-
Total Debt Service Payments	**(98,929)**	**(198,280)**	**(198,500)**	**99.9%**	**(70,317)**
Prepaid Inventory Purchases	**-**	**-**	**(40,000)**	**0.0%**	**-**
Change in Cash	**(31,983)**	**1,192,925**	**(477,570)**		**2,164,303**
Non-Cash Items					
GASB 87 Interest Value	-	-	-	N/A	-
GASB 87 Amortization	-	-	-	N/A	-
Depreciation Expense	-	-	-	N/A	(555,793)
Transfer to Capital	-	-	-	N/A	338,883
Loss on Asset Disposal	-	-	-	N/A	-
Pension Expense	-	-	-	N/A	(35,106)
OPEB Expense	-	-	-	N/A	251
Total Non-Cash Items	**-**	**-**	**-**	**N/A**	**(251,765)**
Net Income / (Loss)	**(31,983)**	**1,192,925**	**(477,570)**		**1,912,538**

LPVCWD BPOU Treatment Plant
Budget v. Actual
For The Period Ending August 31, 2026

	August 2026 Actual	YTD Actual 2026	Adopted Budget 2026	YTD 66.7%	Prior Year Actual 2025
Reimbursement Revenue					
Reimbursements from CR's	347,846	1,405,193	1,816,700	77.3%	1,736,827
Total Reimbursement Revenue	**347,846**	**1,405,193**	**1,816,700**	**77.3%**	**1,736,827**
BPOU Treatment Plant Labor (1)	40,799	276,255	364,000	75.9%	366,396
Supply & Treatment					
NDMA, 1,4-Dioxane Treatment	5,105	75,678	284,700	26.6%	163,062
VOC Treatment	-	11,708	34,300	34.1%	92,964
Perchlorate Treatment	237,908	527,509	341,800	154.3%	185,679
Other Chemicals	8,881	63,220	111,700	56.6%	99,542
BPOU Plant Power	37,779	268,523	396,400	67.7%	330,213
BPOU Plant Maintenance	1,684	24,350	48,000	50.7%	68,976
Well & Pump Maintenance	-	1,750	-	N/A	53,647
Total Supply & Treatment	**291,357**	**972,738**	**1,216,900**	**79.9%**	**994,083**
Other Operating Expenses					
Contract Labor	-	-	20,000	0.0%	-
General Plant	1,526	22,454	25,000	89.8%	30,873
Transmission & Distribution	-	115	-	N/A	4,379
Vehicles & Equipment	1,164	8,277	14,300	57.9%	12,009
Field Support and Other	-	846	-	N/A	729
Regulatory Compliance	12,456	98,904	145,000	68.2%	251,944
Total Other Operating Expenses	**15,145**	**130,595**	**204,300**	**63.9%**	**299,934**
General & Administrative					
Insurance	546	17,089	24,000	71.2%	29,294
Professional Services	-	8,515	7,500	113.5%	8,475
Total General & Administrative	**546**	**25,604**	**31,500**	**81.3%**	**37,769**
Total Expense	**347,846**	**1,405,193**	**1,816,700**	**77.3%**	**1,698,183**
Change in Cash	**-**	**-**	**-**	**N/A**	**38,644**
Non-Cash Items					
Depreciation Expense	(8,750)	(70,000)	(105,000)	66.7%	(214,035)
Total Non-Cash Items	**(8,750)**	**(70,000)**	**(105,000)**	**66.7%**	**(214,035)**
Net Income / (Loss)	**$ (8,750)**	**$ (70,000)**	**$ (105,000)**		**$ (175,391)**

(1) The cost of labor on line 4 is billed to the Baldwin Park Operating Unit by La Puente Valley County Water District and recognized as a revenue to the District. The cost of labor on this schedule matches line 12 BPOU Service Fees (Labor) revenue in the La Puente Valley County Water District Budget v. Actual report.

INDUSTRY PUBLIC UTILITIES - WATER OPERATIONS

Budget v. Actual Summary

For The Period Ending August 31, 2026

(Unaudited)

	August 2026	FISCAL YTD 2026/27	BUDGET 2026/27	16.7% OF BUDGET	YEAR END 2025/26
REVENUE					
Operational Revenue	$ 420,036	$ 506,381	$ 3,228,266	16%	$ 3,037,371
Non-Operational Revenue	3,626	3,626	106,350	3%	45,348
TOTAL REVENUES	**423,662**	**510,006**	**3,334,616**	**15%**	**3,082,719**
EXPENSE					
Salaries & Benefits	98,737	197,473	1,219,408	16%	1,165,340
Supply & Treatment	25,892	51,855	1,081,582	5%	1,026,512
Other Operating Expense	13,673	41,641	467,051	9%	340,483
General & Administrative	7,136	13,602	325,800	4%	142,626
System Improvements & Miscellaneous	-	-	158,000	0%	154,309
TOTAL EXPENSE	**145,438**	**304,571**	**3,251,841**	**9%**	**2,829,270**
NET INCOME / (LOSS)	**278,224**	**205,435**	**82,775**		**253,448**

INDUSTRY PUBLIC UTILITIES - WATER OPERATIONS

Statement of Revenue and Expenses

For The Period Ending August 31, 2026

(Unaudited)

	August 2026	FISCAL YTD 2026/27	BUDGET 2026/27	16.7% OF BUDGET	YEAR END 2025/26
Water Sales	$ 264,029	$ 317,119	$ 1,904,780	17%	$ 1,700,720
Service Charges	126,308	149,543	1,039,956	14%	990,116
Customer Charges	2,431	5,625	38,700	15%	37,595
Fire Service	27,268	34,094	229,830	15%	215,509
Developer Fees	-	-	15,000	0%	93,430
Total Operational Revenues	**420,036**	**506,381**	**3,228,266**	**16%**	**3,037,371**
Contamination Reimbursement	-	-	106,350	0%	45,348
Interest Revenue - CLASS	3,063	3,063	-	N/A	-
Miscellaneous Revenue	562	562	-	N/A	-
Total Non-Operational Revenues	**3,626**	**3,626**	**106,350**	**3%**	**45,348**
TOTAL REVENUES	**423,662**	**510,006**	**3,334,616**	**15%**	**3,082,719**
Administrative Salaries	36,193	72,386	431,066	17%	415,770
Field Salaries	30,650	61,299	371,933	16%	348,599
Employee Benefits	15,955	31,910	197,047	16%	186,584
Pension Plan	10,988	21,977	150,722	15%	147,961
Payroll Taxes	4,951	9,902	60,320	16%	58,260
Workers Compensation	-	-	8,320	0%	8,167
Total Salaries & Benefits	**98,737**	**197,473**	**1,219,408**	**16%**	**1,165,340**
Purchased Water - Leased	-	-	322,140	0%	296,751
Purchased Water - Other	1,609	3,493	22,000	16%	22,213
Power	24,261	48,339	279,000	17%	145,156
Assessments	-	-	291,442	0%	229,636
Treatment	-	-	7,000	0%	8,244
Well & Pump Maintenance	22	22	160,000	0%	324,513
Total Supply & Treatment	**25,892**	**51,855**	**1,081,582**	**5%**	**1,026,512**
General Plant	3,009	9,144	180,000	5%	53,400
Transmission & Distribution	2,484	11,399	115,000	10%	154,173
Vehicles & Equipment	4,660	9,492	51,051	19%	48,639

INDUSTRY PUBLIC UTILITIES - WATER OPERATIONS
Statement of Revenue and Expenses
For The Period Ending August 31, 2026
(Unaudited)

	August 2026	FISCAL YTD 2026/27	BUDGET 2026/27	16.7% OF BUDGET	YEAR END 2025/26
Field Support & Other Expenses	1,576	3,847	60,000	6%	39,429
Regulatory Compliance	1,944	7,759	61,000	13%	44,842
Total Other Operating Expenses	**13,673**	**41,641**	**467,051**	**9%**	**340,483**
Office Expenses	2,179	4,298	45,000	10%	31,936
Insurance	-	868	44,300	2%	48,461
Professional Services	575	950	180,000	1%	10,466
Customer Accounts	3,771	6,682	35,000	19%	38,916
Public Outreach & Conservation	-	40	18,000	0%	9,418
Other Administrative Expenses	612	763	3,500	22%	3,429
Total General & Administrative	**7,136**	**13,602**	**325,800**	**4%**	**142,626**
Fire Hydrant Repair/Replace	-	-	39,000	0%	59,120
Service Line Replacements	-	-	50,000	0%	53,410
Valve Replacements & Installations	-	-	44,000	0%	41,779
SCADA Improvements	-	-	25,000	0%	-
Total Other & System Improvements	**-**	**-**	**158,000**	**0%**	**154,309**
TOTAL EXPENSES	**145,438**	**304,571**	**3,251,841**	**9%**	**2,829,270**
NET INCOME / (LOSS)	**278,224**	**205,435**	**82,775**		**253,448**

STAFF*Report*

Date: September 28, 2026

To: Honorable Board of Directors

Subject: Consideration of California Employers' Pension Prefunding Trust (CEPPT) Participation Agreement and Delegation of Authority to Request Disbursements.

Purpose: *Authorize the establishment of a CEPPT account with CalPERS and Delegation of Authority to Request Disbursements.*

Recommendation: *Approve (1) the CEPPT Program Agreement and Election to participate in CEPPT by authorizing the Board President to execute two wet-signed original copies of the Participation Agreement for submission to CalPERS and (2) the CEPPT Delegation of Authority to Request Disbursements designating the Board President, General Manager, and Customer Service/Accounting Supervisor as authorized positions.*

Fiscal Impact: *The Agreement does not impose a required contribution. It does, however, contain 0.25% Annual Fee on asset balances and financial risks that become relevant if the District funds the account.*

BACKGROUND

At the previous Board meeting, the Board received an educational presentation regarding the California Employers' Pension Prefunding Trust, commonly referred to as CEPPT. The presentation was intended to provide a high-level overview of why the District is evaluating a Section 115 pension trust and expressly stated that the purpose of the discussion was not to select or approve a funding amount at that time. CEPPT is administered by the California Public Employees' Retirement System and provides public agencies with a voluntary mechanism to set aside funds for future pension costs. Contributions made by the District would be maintained in a separate subaccount, invested under a strategy selected from the options offered by CalPERS, and restricted for eligible pension-related purposes. The program can be viewed as a dedicated pension reserve account with professional investment management and rules limiting the use of the assets to pension obligations.

The prior presentation explained that the District's pension obligations are manageable but remain long-term obligations that are sensitive to investment performance. As of June 30, 2024, the District's miscellaneous pension plan was reported as 78 percent funded, with an unfunded liability of approximately $1.36 million. The projected total District contribution for fiscal year 2026-27 was $257,889, consisting of a $125,929 unfunded accrued liability payment and $131,960 in normal cost. CEPPT would not eliminate these obligations, but it provides the District with an additional tool for planning and setting aside resources for future pension payments.

SUMMARY

Since the District's CalPERS pension plan is currently 78.0% funded, with an unfunded liability of approximately $1.36 million, the District remains responsible for funding the remaining gap between plan assets and projected pension obligations.

CEPPT provides a strategic mechanism to address that gap over time by allowing the District to voluntarily set aside funds in a dedicated pension reserve account where they can be professionally invested and potentially generate investment earnings. Unlike maintaining those reserves in traditional cash or local investment accounts, CEPPT offers investment options with higher long-term return expectations, which may allow assets to grow and offset a portion of future pension costs. While investment returns are not guaranteed and account values will fluctuate, successful long-term investment performance could help the District accumulate additional resources dedicated to pension funding, reducing reliance on future operating revenues and bringing the pension plan closer to full funding. For a plan currently funded at 78%, CEPPT can serve as an important tool to gradually build pension assets, improve financial flexibility, and support the District's long-term objective of moving toward a 100% funded status while helping stabilize future pension contribution requirements.

As previously mentioned, participation in CEPPT is voluntary. The District determines whether to contribute, when to contribute, and the amount of any contribution. The CEPPT Participation Agreement establishes the District’s contractual authority to participate in the CalPERS administered trust and maintain a separate account dedicated to future pension contributions. Under the Agreement, participation and contributions are voluntary, and approval does not require an initial deposit, minimum balance, annual contribution, or predetermined funding schedule. If the District later contributes funds, those assets will be professionally invested through the selected CEPPT strategy, restricted to eligible pension related purposes, and subject to investment fluctuations and the District’s allocated share of program administration costs. The current action is limited to approving the Participation Agreement and related account-establishment documents.

The proposed action will not:

- Require an initial contribution;
- Establish a minimum account balance;
- Require annual or recurring contributions;
- Commit the District to a specific funding schedule;
- Authorize the transfer of District funds to CEPPT; or
- Create an immediate budgetary obligation.

The CEPPT Delegation of Authority to Request Disbursements is an internal control document required by CalPERS that identifies the District positions authorized to request withdrawals or reimbursements from the CEPPT account. The delegation applies to positions rather than specific individuals, ensuring continuity when personnel changes occur. Under CalPERS requirements, participating agencies are encouraged to designate at least two authorized positions, and preferably three, because disbursements exceeding $10,000 require two authorized signatures. The document does not authorize any contributions to the trust nor does it create any financial obligation; rather, it establishes the administrative controls necessary to ensure that future disbursement requests are appropriately reviewed and approved. Consistent with sound financial management practices, staff recommends designating the Board President, General Manager, and Customer Service/Accounting Supervisor as authorized positions.

FISCAL IMPACT

The Agreement does not impose a required contribution. It does, however, contain 0.25% Annual Fee on asset balances and financial risks that become relevant if the District funds the account.

RECOMMENDATION

Approve (1) the CEPPT Program Agreement and Election to participate in CEPPT by authorizing the Board President to execute two wet-signed original copies of the Participation Agreement for submission to CalPERS and (2) the CEPPT Delegation of Authority to Request Disbursements designating the Board President, General Manager, and Customer Service/Accounting Supervisor as authorized positions.

Respectfully Submitted,

Roy Frausto

General Manager

ENCLOSURES

- Enclosure 1: CEPPT Participation Agreement
- Enclosure 2: CEPPT Delegation of Authority to Request Disbursements

CALIFORNIA EMPLOYERS' PENSION PREFUNDING TRUST PROGRAM

AGREEMENT AND ELECTION OF

____

(NAME OF EMPLOYER)

to Prefund Employer Contributions to a Defined Benefit Pension Plan

WHEREAS (1) Government Code (GC) Section 21711(a) establishes in the State Treasury the California Employers' Pension Prefunding Trust Fund (CEPPT), a special trust fund for the purpose of allowing eligible employers to prefund their required pension contributions to a defined benefit pension plan (each an Employer Pension Plan) by receiving and holding in the CEPPT amounts that are intended to be contributed to an Employer Pension Plan at a later date; and

WHEREAS (2) GC Section 21711(b) provides that the California Public Employees' Retirement System (CalPERS) Board of Administration (Board) has sole and exclusive control of the administration and investment of the CEPPT, the purposes of which include, but are not limited to (i) receiving contributions from participating employers; (ii) investing contributed amounts and income thereon, if any, in order to receive yield on the funds; and (iii) disbursing contributed amounts and income thereon, if any, to pay for costs of administration of the CEPPT and to deposit employer contributions into Employer Pension Plans in accordance with their terms; and

WHEREAS (3) ____

(NAME OF EMPLOYER)

(Employer) desires to participate in the CEPPT upon the terms and conditions set by the Board and as set forth herein; and

WHEREAS (4) Employer may participate in the CEPPT upon (i) approval by the Board and (ii) filing a duly adopted and executed Agreement and Election to Prefund Employer Contributions to a Defined Benefit Pension Plan (Agreement) as provided in the terms and conditions of the Agreement; and

WHEREAS (5) The CEPPT is a trust fund that is intended to perform an essential governmental function (that is, the investment of funds by a State, political subdivision or 115 entity) within the meaning of Internal Revenue Code (Code) Section 115 and Internal Revenue Service Revenue Ruling 77-261, and as an Investment Trust Fund, as defined in Governmental Accounting Standards Board (GASB) Statement No. 84, Paragraph 16, for accounting and financial reporting of fiduciary activities from the external portion of investment pools and individual investment accounts that are held in a trust that meets the criteria in Paragraph 11c(1).

WHEREAS (6) The CEPPT is not a Code Section 401(a) qualified trust and the assets held in the CEPPT are not assets of any Employer Pension Plan or any plan qualified under Code Section 401(a).

NOW, THEREFORE, BE IT RESOLVED THAT EMPLOYER HEREBY MAKES THE FOLLOWING REPRESENTATION AND WARRANTY AND THAT THE BOARD AND EMPLOYER AGREE TO THE FOLLOWING TERMS AND CONDITIONS:

A. Employer Representation and Warranty

Employer hereby represents and warrants that it is the State of California or a political subdivision thereof, or an entity whose income is excluded from gross income under Code Section 115(1).

B. Adoption and Approval of the Agreement; Effective Date; Amendment

(1) Employer's governing body shall elect to participate in the CEPPT by adopting this Agreement and filing with the Board a true and correct original or certified copy of this Agreement as follows:

Filing by mail, send to:	CalPERS CEPPT P.O. Box 1494 Sacramento, CA 95812-1494
Filing in person, deliver to:	CalPERS Mailroom CEPPT 400 Q Street Sacramento, CA 95811

(2) Upon receipt of the executed Agreement, and after approval by the Board, the Board shall fix an effective date and shall promptly notify Employer of the effective date of the Agreement. Employer shall provide the Board such other documents as the Board may request, including, but not limited to a certified copy of the resolution(s) of the governing body of Employer authorizing the adoption of the Agreement and documentation naming Employer’s successor entity in the event that Employer ceases to exist prior to termination of this Agreement.

(3) The terms of this Agreement may be amended only in writing upon the agreement of both the Board and Employer, except as otherwise provided herein. Any such amendment or modification to this Agreement shall be adopted and executed in the same manner as required for the Agreement. Upon receipt of the executed amendment or modification, the Board shall fix the effective date of the amendment or modification.

(4) The Board shall institute such procedures and processes as it deems necessary to administer the CEPPT, to carry out the purposes of this Agreement, and to maintain the tax-exempt status of the CEPPT. Employer agrees to follow such procedures and processes.

C. Employer Reports Provided for the Board's Use in Trust Administration and Financial Reporting and Employer Contributions

(1) Employer shall provide to the Board a defined benefit pension plan cost report on the basis of the actuarial assumptions and methods prescribed by Actuarial Standards of Practice (ASOP) or prescribed by GASB. Such report shall be for the Board's use in trust administration and financial reporting and shall be prepared at least as often as the minimum frequency required by applicable GASB Standards. This defined benefit pension plan cost report may be prepared as an actuarial valuation report or as a GASB compliant financial report. Such report shall be:

1) prepared and signed by a Fellow or Associate of the Society of Actuaries who is also a Member of the American Academy of Actuaries or a person with equivalent qualifications acceptable to the Board;

2) prepared in accordance with ASOP or with GASB; and

3) provided to the Board prior to the Board's acceptance of contributions for the reporting period or as otherwise required by the Board.

(2) In the event that the Board determines, in its sole discretion, that Employer's cost report is not suitable for the Board's purposes and use or if Employer fails to provide a required report, the Board may obtain, at Employer's expense, a report that meets the Board's trust administration and financial reporting needs. At the Board's option, the Board may recover the costs of obtaining the report either by billing and collecting such amount from Employer or through a deduction from Employer's Prefunding Account (as defined in Paragraph D(2) below).

(3) Employer shall notify the Board in writing of the amount and timing of contributions to the CEPPT, which contributions shall be made in the manner established by the Board and in accordance with the terms of this Agreement and any procedures adopted by the Board.

(4) The Board may limit Employer's contributions to the CEPPT to the amount necessary to fully fund the actuarial present value of total projected benefit payments not otherwise prefunded through the applicable Employer Pension Plan (Unfunded PVFB), as set forth in Employer's cost report for the applicable period. If Employer's contribution would cause the assets in Employer's Prefunding Account to exceed the Unfunded PVFB, the Board may refuse to accept the contribution. If Employer's cost report for the applicable period does not set forth the Unfunded PVFB, the Board may

refuse to accept a contribution from Employer if the contribution would cause the assets in Employer's Prefunding Account to exceed Employer's total pension liability, as set forth in Employer's cost report.

(5) No contributions are required. Contributions can be made at any time following the effective date of this Agreement if Employer has first complied with the requirements of this Agreement, including Paragraph C.

(6) Employer acknowledges and agrees that assets held in the CEPPT are not assets of any Employer Pension Plan or any plan qualified under Code Section 401(a), and will not become assets of such a plan unless and until such time as they are distributed from the CEPPT and deposited into an Employer Pension Plan.

D. Administration of Accounts; Investments; Allocation of Income

(1) The Board has established the CEPPT as a trust fund consisting of an aggregation of separate single-employer accounts, with pooled administrative and investment functions.

(2) All Employer contributions and assets attributable to Employer contributions shall be separately accounted for in the CEPPT (Employer's Prefunding Account). Assets in Employer's Prefunding Account will be held for the exclusive purpose of funding Employer's contributions to its Employer Pension Plan(s) and defraying the administrative expenses of the CEPPT.

(3) The assets in Employer's Prefunding Account may be aggregated with the assets of other participating employers and may be co-invested by the Board in any asset classes appropriate for a Code Section 115 trust, subject to any additional requirements set forth in applicable law, including, but not limited to, subdivision (d) of GC Section 21711. Employer shall select between available investment strategies in accordance with applicable Board procedures.

(4) The Board may deduct the costs of administration of the CEPPT from the investment income of the CEPPT or from Employer's Prefunding Account in a manner determined by the Board.

(5) Investment income earned shall be allocated among participating employers and posted to Employer's Prefunding Account daily Monday through Friday, except on holidays, when the allocation will be posted the following business day.

(6) If, at the Board's sole discretion and in compliance with accounting and legal requirements applicable to an Investment Trust Fund and to a Code Section 115 compliant trust, the Board determines to its satisfaction that all obligations to pay defined benefit pension plan benefits in accordance with the applicable Employer Pension Plan terms have been satisfied by payment or by defeasance with no remaining risk regarding the amounts to be paid or the value of assets held in the

CEPPT, then the residual Employer assets held in Employer's Prefunding Account may be returned to Employer.

E. Reports and Statements

(1) Employer shall submit with each contribution a contribution report in the form and containing the information prescribed by the Board.

(2) The Board, at its discretion but at least annually, shall prepare and provide a statement of Employer's Prefunding Account reflecting the balance in Employer's Prefunding Account, contributions made during the period covered by the statement, investment income allocated during such period, and such other information as the Board may determine.

F. Disbursements

(1) Employer may receive disbursements from the CEPPT not to exceed, on an annual basis, the amount of the total annual Employer contributions to Employer's Pension Plan for such year.

(2) Employer shall notify the Board in writing in the manner specified by the Board of the persons authorized to request disbursements from the CEPPT on behalf of Employer.

(3) Employer's request for disbursement shall be in writing signed by Employer's authorized representative, in accordance with procedures established by the Board, and the Board may rely conclusively upon such writing. The Board may, but is not required to, require that Employer certify or otherwise demonstrate that amounts disbursed from Employer's Prefunding Account will be used solely for the purposes of the CEPPT. However, in no event shall the Board have any responsibility regarding the application of distributions from Employer's Prefunding Account.

(4) No disbursement shall be made from the CEPPT which exceeds the balance in Employer's Prefunding Account.

(5) Requests for disbursements that satisfy the above requirements will be processed on at least a monthly basis.

(6) The Board shall not be liable for amounts disbursed in error if it has acted upon the written instruction of an individual authorized by Employer to request disbursements, and is under no duty to make any investigation or inquiry about the correctness of such instruction. In the event of any other erroneous disbursement, the extent of the Board's liability shall be the actual dollar amount of the disbursement, plus interest at the actual earnings rate but not less than zero.

G. Costs of Administration

Employer shall pay its share of the costs of administration of the CEPPT, as determined by the Board and in accordance with Paragraph D.

H. Termination of Employer’s Participation in the CEPPT

(1) The Board may terminate Employer’s participation in the CEPPT if:

(a) Employer’s governing body gives written notice to the Board of its election to terminate; or

(b) The Board determines, in its sole discretion, that Employer has failed to satisfy the terms and conditions of applicable law, this Agreement or the Board's rules, regulations or procedures.

(2) If Employer’s participation in the CEPPT terminates for either of the foregoing reasons, all assets in Employer’s Prefunding Account shall remain in the CEPPT, except as otherwise provided below, and shall continue to be invested and accrue income as provided in Paragraph D, and Employer shall remain subject to the terms of this Agreement with respect to such assets.

(3) After Employer’s participation in the CEPPT terminates, Employer may not make further contributions to the CEPPT.

(4) After Employer’s participation in the CEPPT terminates, disbursements from Employer’s Prefunding Account may continue upon Employer’s instruction or otherwise in accordance with the terms of this Agreement.

(5) After Employer’s participation in the CEPPT terminates, the governing body of Employer may request either:

(a) A trustee to trustee transfer of the assets in Employer’s Prefunding Account to a trust dedicated to prefunding Employer’s required pension contributions; provided that the Board shall have no obligation to make such transfer unless the Board determines that the transfer will satisfy applicable requirements of the Code, other law and accounting standards, and the Board’s fiduciary duties. If the Board determines that the transfer will satisfy these requirements, the Board shall then have one hundred fifty (150) days from the date of such determination to effect the transfer. The amount to be transferred shall be the amount in Employer's Prefunding Account as of the date of the transfer (the “transfer date”) and shall include investment earnings up to an investment earnings allocation date preceding the transfer date. In no event shall the investment earnings allocation date precede the transfer date by more than 150 days.

(b) A disbursement of the assets in Employer's Prefunding Account; provided that the Board shall have no obligation to make such disbursement unless the Board determines that, in compliance with the Code, other law and accounting standards, and the Board's fiduciary duties, all of Employer's obligations for payment of defined benefit pension plan benefits and reasonable administrative costs of the Board have been satisfied. If the Board determines that the disbursement will satisfy these requirements, the Board shall then have one hundred fifty (150) days from the date of such determination to effect the disbursement. The amount to be disbursed shall be the amount in Employer's Prefunding Account as of the date of the disbursement (the "disbursement date") and shall include investment earnings up to an investment earnings allocation date preceding the disbursement date. In no event shall the investment earnings allocation date precede the disbursement date by more than 150 days.

(6) After Employer's participation in the CEPPT terminates and at such time that no assets remain in Employer's Prefunding Account, this Agreement shall terminate. To the extent that assets remain in Employer's Prefunding Account, this Agreement shall remain in full force and effect.

(7) If, for any reason, the Board terminates the CEPPT, the assets in Employer's Prefunding Account shall be paid to Employer to the extent permitted by law and Code Section 115 after retention of (i) an amount sufficient to pay the Unfunded PVFB as set forth in a current defined benefit pension plan(s) cost report prepared in compliance with ASOP and the requirements of Paragraph C(1), and (ii) amounts sufficient to pay reasonable administrative costs of the Board. Amounts retained by the Board to pay the Unfunded PVFB shall be transferred to (i) another Code Section 115 trust dedicated to prefunding Employer's required pension contributions, subject to the Board's determination that such transfer will satisfy applicable requirements of the Code, other law and accounting standards, and the Board's fiduciary duties or (ii) Employer's Pension Plan, subject to acceptance by Employer's Pension Plan.

(8) If Employer ceases to exist but Employer's Prefunding Account continues to exist, and if no provision has been made to the Board's satisfaction by Employer with respect to Employer's Prefunding Account, the Board shall be permitted to identify and appoint a successor to Employer under this Agreement, provided that the Board first determines, in its sole discretion, that there is a reasonable basis upon which to identify and appoint such a successor and provided further that such successor agrees in writing to be bound by the terms of this Agreement. If the Board is unable to identify or appoint a successor as provided in the preceding sentence, then the Board is authorized to appoint a third-party administrator or other successor to act on behalf of Employer under this Agreement and to otherwise carry out the intent of this Agreement with respect to Employer's Prefunding Account. Any and all costs associated with such appointment shall be paid from the assets attributable to Employer's Prefunding Account. At the Board's option, and subject to acceptance by Employer's Pension Plan,

the Board may instead transfer the assets in Employer's Prefunding Account to Employer's Pension Plan and terminate this Agreement.

(9) If the Board determines, in its sole discretion, that Employer has breached the representation and warranty set forth in Paragraph A., the Board shall take whatever action it deems necessary to preserve the tax-exempt status of the CEPPT.

I. Indemnification

Employer shall indemnify, defend, and hold harmless CalPERS, the Board, the CEPPT, and all of the officers, trustees, agents and employees of the foregoing from and against any loss, liability, claims, causes of action, suits, or expense (including reasonable attorneys' fees and defense costs, lien fees, judgments, fines, penalties, expert witness fees, appeals, and claims for damages of any nature whatsoever) not charged to the CEPPT and imposed as a result of, arising out of, related to or in connection with (1) the performance of the Board's duties or responsibilities under this Agreement, except to the extent that such loss, liability, suit or expense results or arises from the Board's own gross negligence, willful misconduct or material breach of this Agreement, or (2) without limiting the scope of Paragraph F(6) of this Agreement, any acts taken or transactions effected in accordance with written directions from Employer or any of its authorized representatives or any failure of the Board to act in the absence of such written directions to the extent the Board is authorized to act only at the direction of Employer.

J. General Provisions

(1) Books and Records

Employer shall keep accurate books and records connected with the performance of this Agreement. Such books and records shall be kept in a secure location at Employer's office(s) and shall be available for inspection and copying by the Board and its representatives.

(2) Notice

(a) Any notice or other written communication pursuant to this Agreement will be deemed effective immediately upon personal delivery, or if mailed, three (3) days after the date of mailing, or if delivered by express mail or e-mail, immediately upon the date of confirmed delivery, to the following:

For the Board:

Filing by mail, send to:
CalPERS
CEPPT
P.O. Box 1494
Sacramento, CA 95812-1494

Filing in person, deliver to:
CalPERS Mailroom
CEPPT
400 Q Street
Sacramento, CA 95811

For Employer:

Name of Employer

Address

City, State, Zip

(b) Either party to this Agreement may, from time to time by notice in writing served upon the other, designate a different mailing address to which, or a different person to whom, all such notices thereafter are to be addressed.

(3) Survival

All representations, warranties, and covenants contained in this Agreement, or in any instrument, certificate, exhibit, or other writing intended by the parties to be a part of this Agreement shall survive the termination of this Agreement.

(4) Waiver

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

(5) Necessary Acts; Further Assurances

The parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

(6) Incorporation of Amendments to Applicable Laws and Accounting Standards

Any references to sections of federal or state statutes or regulations or accounting standards shall be deemed to include a reference to any amendments thereof and any successor provisions thereto.

(7) Days

Wherever in this Agreement a set number of days is stated or allowed for a particular event to occur, the days are understood to include all calendar days, including weekends and holidays, unless otherwise stated.

(8) No Third Party Beneficiaries

Except as expressly provided herein, this Agreement is for the sole benefit of the parties hereto and their permitted successors and assignees, and nothing herein, expressed or implied, will give or be construed to give any other person any legal or equitable rights hereunder. Notwithstanding the foregoing, CalPERS, the CEPPT, and all of the officers, trustees, agents and employees of CalPERS, the CEPPT and the Board shall be considered third party beneficiaries of this Agreement with respect to Paragraph I above.

(9) Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

A majority vote of Employer's Governing Body at a public meeting held on the ______ day of the month of __________________ in the year _________, authorized entering into this Agreement.

Signature of the Presiding Officer: ____

Printed Name of the Presiding Officer: ______________________________________

Name of Governing Body: ____

Name of Employer: ____

Date: _______________________________

BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY_____________________________________
MELODY BENAVIDES
DIVISION CHIEF, PENSION CONTRACTS AND PREFUNDING PROGRAMS
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

To be completed by CalPERS The effective date of this Agreement is: _________________________

1/12/2022

State of California
California Public Employees' Retirement System California Employers' Pension Prefunding Trust (CEPPT)
400 Q Street, Sacramento, CA 95811
www.calpers.ca.gov

Delegation of Authority to Request Disbursements
California Employers' Pension Prefunding Trust (CEPPT)

RESOLUTION
OF THE

____
(GOVERNING BODY)

OF THE

____
(NAME OF EMPLOYER)

The ______________________________ delegates to the incumbents
(GOVERNING BODY)

in the positions of______________________________and
(TITLE)

______________________________ , and/or
(TITLE)

______________________________ authority to request on behalf of the
(TITLE)

Employer disbursements from the Pension Prefunding Trust and to certify as to the purpose for which the disbursed funds will be used.

By ______________________________

Title ______________________________

Witness ______________________________

Date ______________________________

ENGINEERING & COMPLIANCE REPORT

SEPTEMBER 28, 2026

CAPITAL PROJECTS

Water Master Plan Update 2027

The District began updating the GIS Software and gathering production data in preparation for Civiltec conducting a hydraulic analysis. The hydraulic model will be ready to run in October,

LPVCWD Recycled Water Phase II

LACSD is confirming water availability. The District will be applying for the Clean Water State Revolving Fund through the State Water Resources Control Board to fund construction of this project.

LPVCWD Bamboo St PRV - Phase II

Phase II consists of upgrading one identified hydrant from a dwarf head to a 6-inch fire hydrant. This is scheduled to be completed this year.

LPVCWD Ferrero Ln PRV - Phase II

Phase II consists of upgrading four identified fire hydrants and replacing approximately 500 feet of 4-inch water main with 6-inch water main on Rorimer Road to increase fire flow availability.

IPUWS Pencin Pump Station Abandonment

The Pencin Pump Station piping was disconnected from the existing mainlines and abandoned over the course of two weeks, beginning September 14th. The as-built drawings will be updated to reflect the correct configuraiton to maintain historical records.

IPUWS Well 2 Destruction

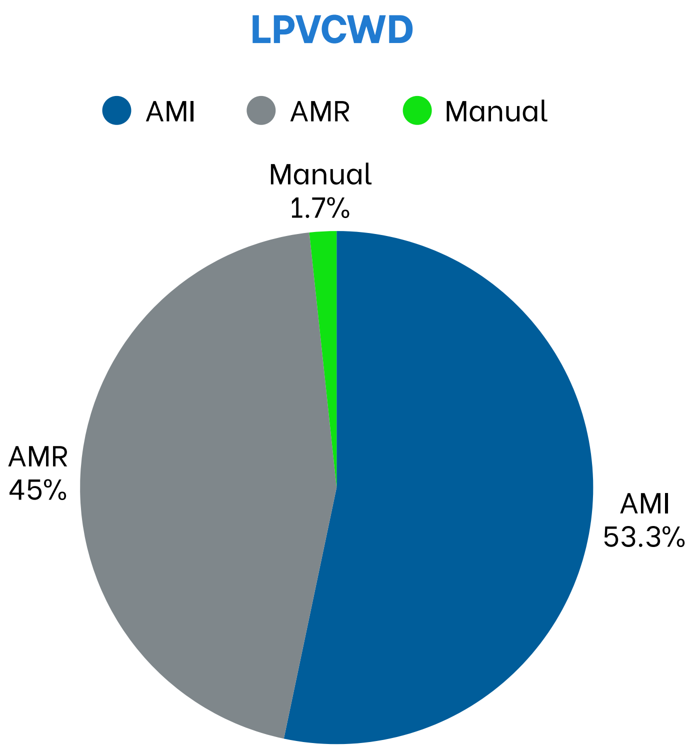
IPUWS Well 2, located at the San Fidel Well Field, is in the application process through Watermaster for well destruction.

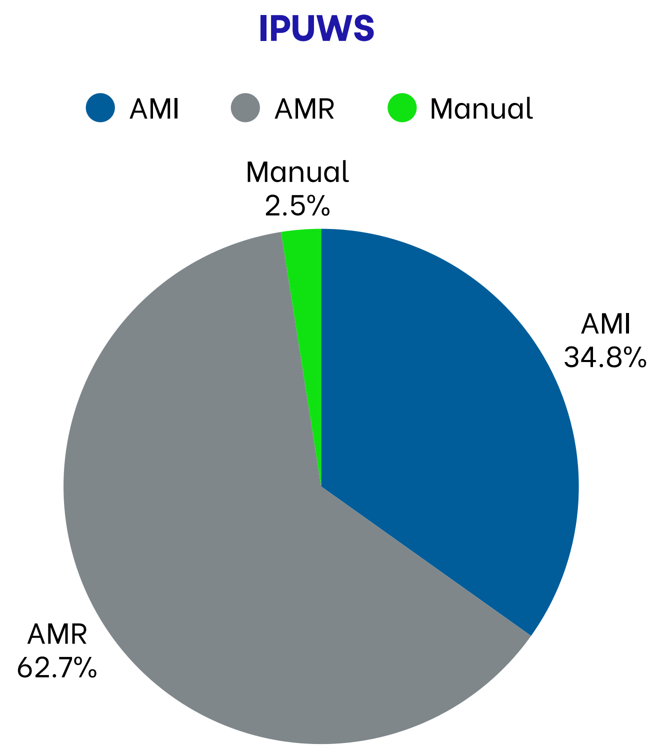
SPECIAL PROJECTS

Drone Reservoir Inspection Program

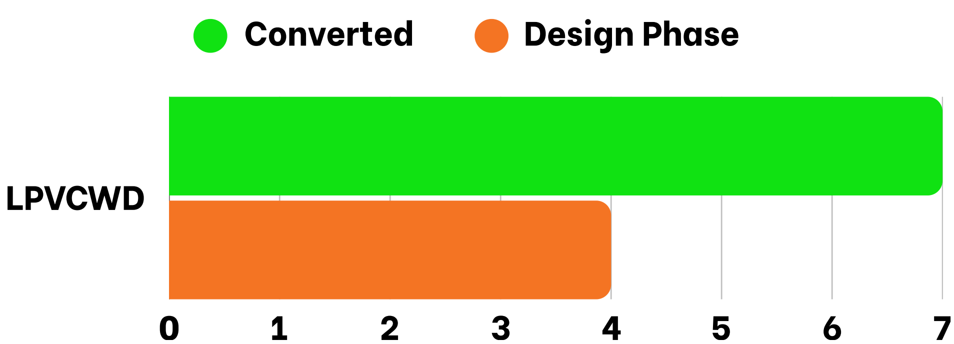
- 2 FAA Certified Remote Pilots on staff
- Administrative Documentation
- Program Highlight Video

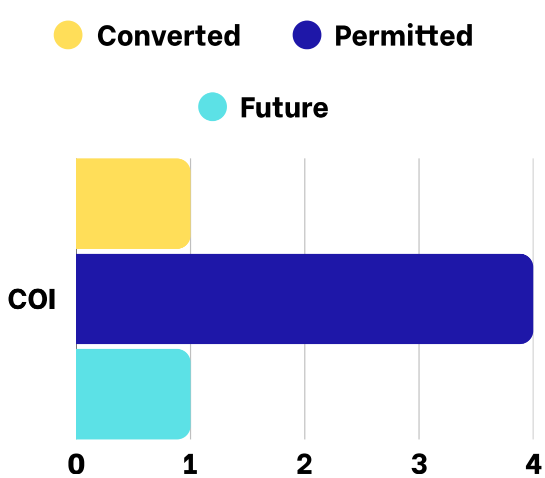
AMI PROJECT





RECYCLED WATER PHASE I

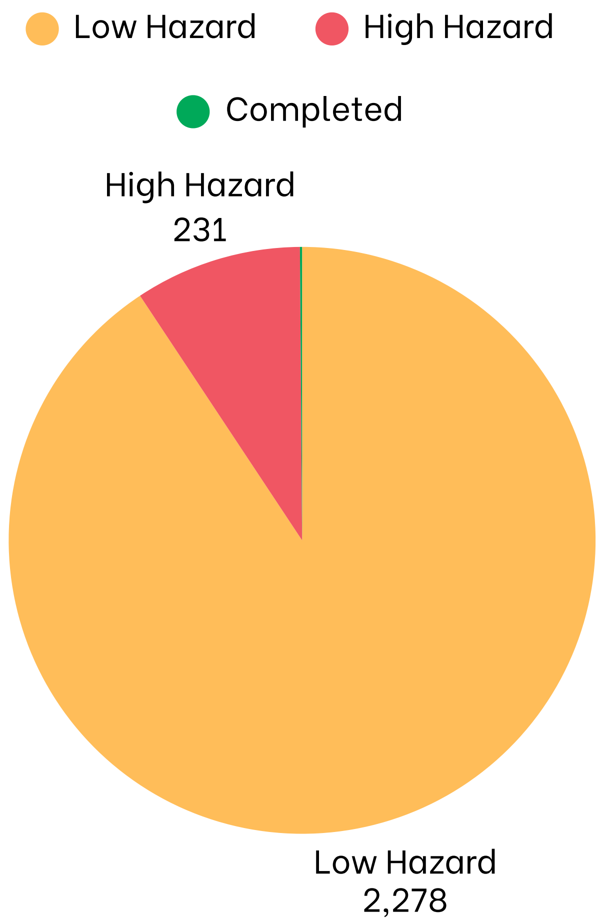




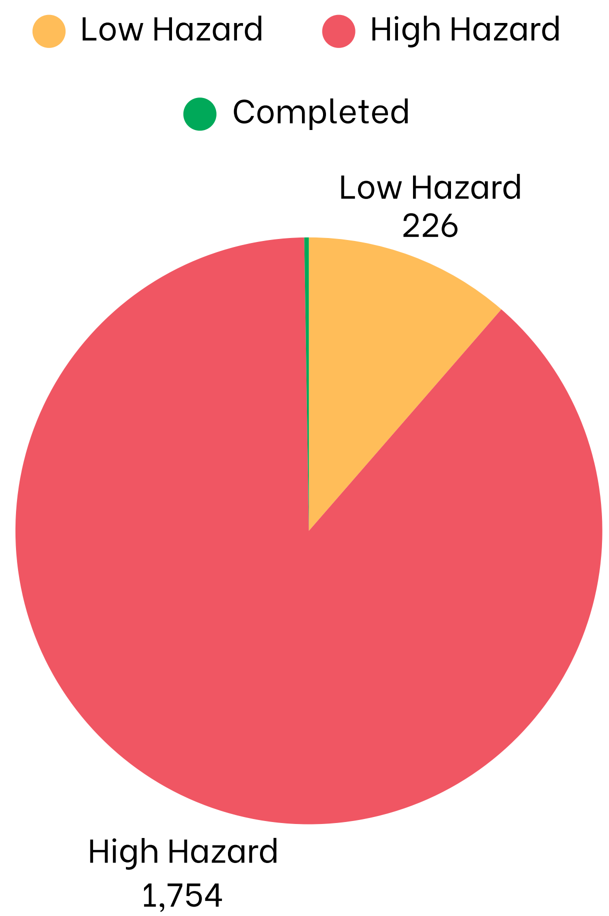
CROSS-CONNECTION CONTROL PROGRAM

HAZARD ASSESSMENTS

LPVCWD

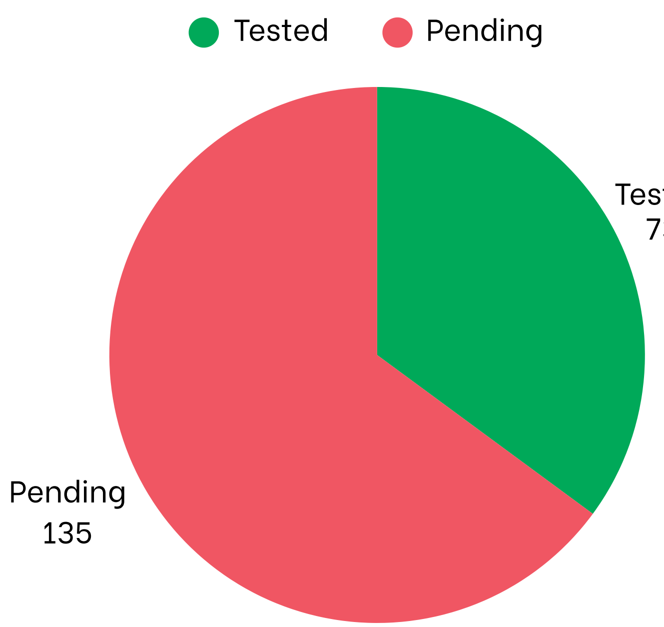


IPUWS

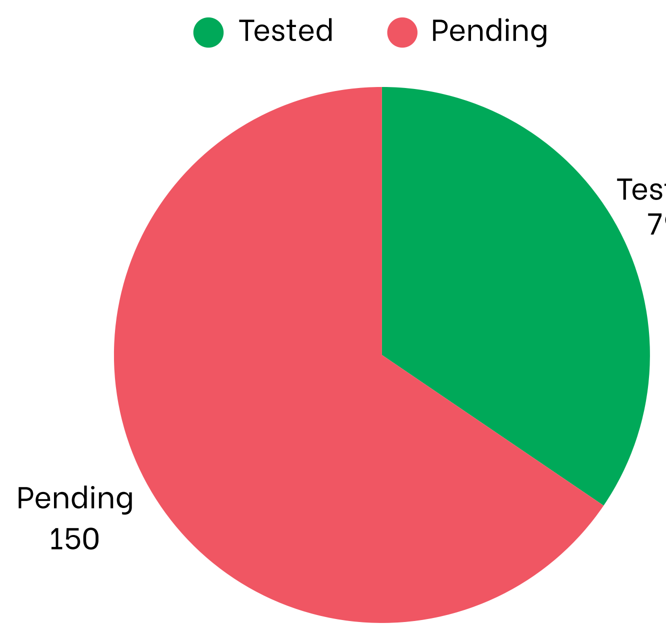


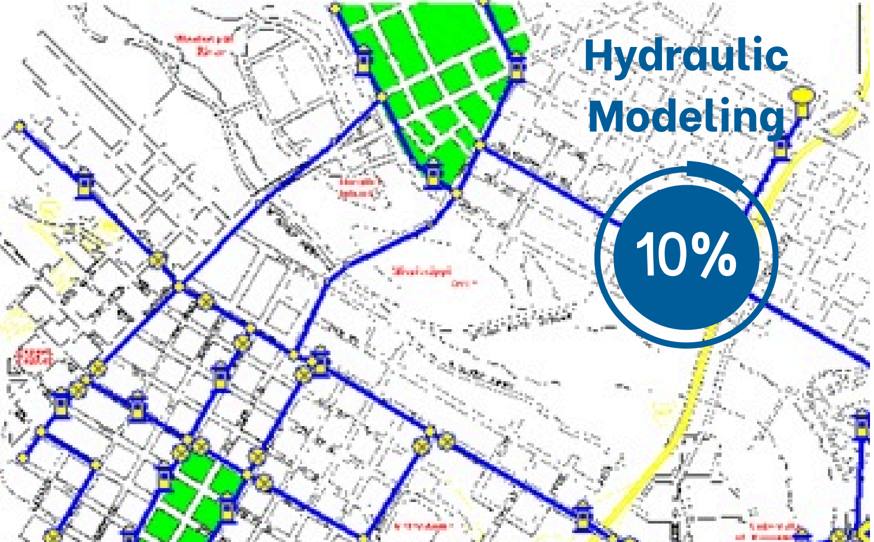
ANNUAL BACKFLOW TESTING

LPVCWD



IPUWS





LPVCWD AND IPUWS WATER MASTER PLAN

The District has begun updating the GIS Software in preparation for the Water Master Plan update to be completed in 2027.

LPVCWD MAIN ST 1.9 MG RESERVOIR REHAB

The District performs interior reservoir inspections every three years, per state requirements. The most recent reservoir inspection findings recommended relining and recoating the Main St. 1.9 MG Reservoir. The District will put the project out for bid in early October.

BPOU UV REPLACEMENT PROJECT

The current low-pressure UV/ AOP treatment system will no longer be supported by Trojan beginning in 2028. Therefore, the treatment system will be upgraded to a high-pressure Trojan UV Flex System. Currently, Civiltec is conducting a Feasibility Study for the new treatment system taking into consideration energy needs, optimal location for the new system, and operational redundancy.

Upcoming Events

Date: August 10, 2026

To: Honorable Board of Directors

RE: Upcoming Meetings and Conferences for 2026

Day/Date	Event	Argudo	Barajas	Escalera	Hernandez	Rojas
October 21-23, 2026	Watersmart Innovations Conference 2026; Portland, OR					
December 1-3, 2026	ACWA 2026 Fall Conference; Anaheim, CA					