

8. Action Item:

a. Ordinance No. 2015-44 First Reading

An Ordinance of the Board of Directors of San Gabriel County Water amending Ordinance No. 2014-43 and amending Resolution No. 1-93-288 (Administrative Code) as it relates to Water Conservation Measures.

**Motion:
Second:
Action:**

b. Authorize staff to move forward with studies on a replacement Well (#16) located in the Raymond Basin approximately 75-feet from existing Well #3.

**Motion:
Second:
Action:**

**c. Other Post-Employment Benefits (OPEB)
California Employers' Retiree Benefit Trust (CERBT)**

**Motion:
Second:
Action:**

9. Miscellaneous Information Items

a. Receive and File: April 2015 Monthly Revenue and Expenditure Report

b. ACWA/JPIA Executive Committee Election Results

10. General Manager Report

11. Future Agenda Items

12. Director Comments

13. Adjournment

**Motion:
Second:
Action:**

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 8366 Grand Ave., Rosemead, CA 91770.

If you have special needs because of a disability which make it difficult for you to access or participate in the meeting, please contact the District Finance & Administration Manager, (626) 287-0341, by at least noon on the Monday preceding the meeting. The District will attempt to make arrangements to accommodate your attendance.

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
SAN GABRIEL COUNTY WATER DISTRICT
HELD ON MAY 12, 2015**

- CALL TO ORDER** A regular meeting of the Board of Directors of the San Gabriel County Water District was held on Tuesday, May 12, 2015, at 8366 Grand Avenue, Rosemead, California at the hour of 4:00 p.m.
- ROLL CALL** President Cammarano; Directors Chan, Cici, DeLaTorre, and Taylor; General Manager Carrera; Assistant General Manager Prior; Finance and Administration Manager Corona; and District Counsel Keith Lemieux were present.
- AGENDA** Upon motion by Director DeLaTorre, and seconded by Director Taylor, the Board voted unanimously to adopt the agenda for this regular meeting of the Board of Directors held on May 12, 2015.
- MINUTES** Upon motion by Director DeLaTorre and seconded by Director Cici, the Board voted unanimously to approve the minutes of the regular meeting of the Board of Directors held on April 28, 2015.
- DEMANDS** Upon motion by Director Taylor and seconded by Director Cici, the Board voted unanimously to approve the payment of checks numbered 17463 through 17514 in the total amount of \$1,076,007.27 for Revolving/Payroll Account Reimbursement.
- EXPENSES** None.
- PUBLIC COMMENT** None.
- DISTRICT COUNSEL** District counsel talked about mandatory water restrictions.
- ACTION** None.
- INFORMATION** The April 2015 Banking and Investment Report was received and filed.
- The General Manager presented the Water Well Report.
- The General Manager gave a status report on Water Well #3 and Water Well #16.
- A discussion was held regarding Mandatory Water Restrictions.
- A call for candidates for ACWA Region 8 was conducted.

**GENERAL
MANAGER
COMMENTS**

None.

**FUTURE
AGENDA
ITEMS**

None.

**DIRECTOR
COMMENTS**

None.

ADJOURNMENT

Upon motion by Director Taylor and seconded by Director Cici, the Board voted unanimously to adjourn the meeting.

President

Secretary

[SEAL]

San Gabriel County Water District
Invoice Register (By Invoice Number)


05/21/15
1:10:53 PM

Invoice Number / Line Description	Vendor Name / Expense Account	Invoice Date	Posting Date	Terms Code	Purchase Order / Job	Amount
05/06/12PR	12031 REVOLVING REIMBURSEMENT 13200 - CITIZENS BANK - REVOLVING AC	05/06/15	05/06/15			\$44,833.99
					INVOICE 05/06/12PR TOTAL:	\$44,833.99
05/20/15PR.&.BOARD	12031 REVOLVING REIMBURSEMENT 13200 - CITIZENS BANK - REVOLVING AC	05/20/15	05/20/15			\$46,224.96
					INVOICE 05/20/15PR.&.BOARD TOTAL:	\$46,224.96
					REPORT TOTAL:	\$91,058.95



May 26, 2015

To: The Board of Directors

From: Barbara Carrera 

Subject: Amendment to Ordinance 2014-43 and amending Resolution No. 1-93-288 (Administrative Code) as it relates to Water Conservation Measures

As you are aware, California is in the fourth year of a severe drought which is threatening located and imported water supplies statewide. On May 5, 2015, the State Water Resources Control Board (State Water Board) adopted the final emergency regulation related to the 25 percent reduction in urban water use outlined in the April 1, 2015 executive order issued by Governor Jerry Brown. This emergency regulation imposes nine tiers of water conservation targets ranging from four percent to 36 percent based on the residential gallons per capita per day (R-GPCD). Our District will be required to conserve 20 percent from baseline year of 2013. In accordance with the regulation, water suppliers failing to meet the required conservation targets may face penalties of to \$10,000 per day.

In response to the State's initial mandate calling for a voluntary 20 percent reduction in water usage, the District declared a *Stage 1 Water Supply Emergency* (August 2014). As a result of this action, District customers have conserved 14 percent as of April 30, 2015 when compared to April 2013, the baseline year. District customers have stepped up and most are doing their part. However, the District has some work ahead to meet the target of twenty percent reduction in water usage by February 2016.

In order to achieve our target of 20 percent reduction and to comply with the State Water Board's newly adopted restrictions: Ordinance No. 2014-43 must be amended and in doing so, Resolution No. 1-93-288 (Administrative Code) will be amended as well.

Recommendation:

The Board of Directors accept the first reading of Ordinance No. 2015-44.

Attachment:

Ordinance No. 2015-44
Draft letter to residents

ORDINANCE NO. 2015-44

**AN ORDINANCE OF THE BOARD OF DIRECTORS
OF SAN GABRIEL COUNTY WATER DISTRICT
AMENDING ORDINANCE NO. 2014-43 AND AMENDING
RESOLUTION 1-93-288 (ADMINISTRATIVE CODE)
AS IT RELATES TO WATER CONSERVATION MEASURES**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN
GABRIEL COUNTY WATER DISTRICT** as follows:

Section 1. Purpose

The Board of Directors wishes to amend the Administrative Code to add additional water conservation rules.

Section 2. Amendment

Section 11.201 and Section 11.301 of Ordinance No. 2014-43 is hereby amended and reenacted to read as follows:

“11.201 The following water use efficiency requirements are effective at all times and are permanent requirements set forth in the District’s Administrative Code.

- (a) Customers shall conserve water supplied by the District by the prevention and elimination of all waste or leakage of water.
- (b) All new plumbing fixtures installed within the District service area must conform to the following requirements:
 - (1) Toilets shall use less than 1.6 gallons per flush.
 - (2) Showerheads shall flow at less than 2.5 gallons per minute.
 - (3) Non-residential lavatory faucets shall be metering or self-closing.
 - (4) Urinals shall be waterless.
- (c) The District shall confer with local authorities to ensure that all new homes and developments irrigate landscape with a drip or microspray system.

11.301**STAGE 1 WATER SUPPLY EMERGENCY
(15% - 20% Reduction in Water Use)**

When the Board of Directors declares a Stage 1 Water Emergency, due to drought, a water supply shortage, or a threatened water shortage exists, a 15% - 20% reduction in water will be required to lower the overall water demand. Percentages will be determined by action of the Board of Directors. The District shall notify all users of District drinking water by mail that the following conservation rules are to be implemented immediately:

- (a) There shall be no washing down of sidewalks, walkways, buildings, walls, patios, driveways, parking areas or other surfaces except to eliminate dangerous conditions or to eliminate a public health and/or a safety hazard.
- (b) The washing of any motor vehicle(s) or equipment shall be done only with a hand-held nozzle that shuts off, or may be done at a carwash that uses recycled water.
- (c) No water shall be used to clean, fill or maintain levels in decorative fountains, ponds, lakes or other similar structures of aesthetic value unless such water is part of a recirculating water system.
- (d) No filling, draining or refilling of pools or spas of any kind. Adding makeup water to swimming pools or spas due to evaporation is permitted.
- (e) No public place where food is sold shall serve drinking water to any customer unless specifically requested by said customer.
- (f) All water users shall repair all leaks from indoor and outdoor plumbing and fixtures within seventy-two (72) hours after written notification by the District unless arrangements are made with the District.
- (g) All watering outdoors for the purposes of irrigating landscape, lawns, etc., shall be limited to no more than two (2) days per week. Watering days shall be as follows: addresses ending in even numbers shall water on Monday and Thursday and addresses ending in odd numbers shall water on Tuesday and Friday between the hours of 6:00 p.m. and 8:00 a.m.

- (h) No water users shall cause or allow irrigation water to run off landscaped areas into or onto adjoining sidewalks, streets or other paved areas due to incorrectly directed or improperly maintained sprinklers, or excessive watering.
- (i) Application of potable water to outdoor landscapes during and within 48 hours after measurable rainfall is prohibited.
- (j) Hotel and motels must provide guests with the option of not having towels and linens laundered daily, and shall post a notice stating so in each guestroom in clear and understandable language.
- (k) Irrigation with potable water of ornamental turf on public street medians is prohibited.

**11.302 STAGE 2 WATER SUPPLY EMERGENCY
(20% - 30% Reduction of Water Use)**

When the Board of Directors declares Stage 2 Water Emergency, the District shall notify all users of District drinking water by mail that the following rules are to be implemented in addition to the rules under 11.301 immediately, and wherever two rules are similar, the stricter of the two shall take precedence.

- (a) The District shall impose a moratorium on all new water connections within the District boundaries.
- (b) Landscape or other outdoor watering and irrigation shall be limited to one (1) day per week. Watering days shall be as follows: addresses ending in even numbers shall water on Monday; addresses ending in odd numbers shall water on Tuesday between the hours of 6:00 p.m. and 8:00 a.m.
- (c) There shall be no washing of cars or motor vehicles of any kind.
- (d) The District will not allow construction water to be sold for the purposes of dust control.
- (e) Water from fire hydrants shall be used only for firefighting and public welfare activities.
- (f) Flushing of water mains will not be permitted except as necessary to protect the public health. “

PART 4. INTENTIONAL VIOLATION OF CONSERVATION POLICIES

11.401 ENFORCEMENT

- (a) Customers shall be notified in writing when the first violation of this article is discovered by the District. The notice shall include a warning that further violations could result in stricter penalties as set forth below.
- (b) Customers who violate this article for a second time within a twelve-month period have committed an infraction punishable by a fine of up to \$150.00.
- (c) Customers who violate this article for a third time within a twelve-month period have committed an infraction punishable by a fine of up to \$250.00.
- (d) Customers who violate this article for a fourth time within a twelve-month period have committed an infraction punishable by a fine of up to \$500.
- (e) The District may install flow restrictors or terminate service to customers who have violated provisions of this article five times within a twelve-month period.

Section 3. Other

Except as provided herein, Ordinance No. 2014-43 and Resolution No. 1-93-288 (Administrative Code) is hereby reaffirmed and readopted.

PASSES, APPROVED AND ADOPTED on _____, 2015.

President

ATTEST:

Secretary

DIRECTORS

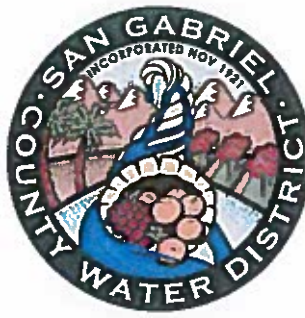
MARY CAMMARANO, President
LARRY TAYLOR, Vice President
SABINO CICI
ERIC CHAN
CHARLES DELATORRE

OFFICE

8366 GRAND AVENUE
ROSEMead, CA 91770

MAILING

P.O. BOX 2227
SAN GABRIEL, CA 91778-2227



**SAN GABRIEL
COUNTY WATER DISTRICT**

EXECUTIVE OFFICERS

BARBARA A. CARRERA
Secretary/General Manager

JAMES P. PRIOR
Assistant General Manager

CARMEN I. CORONA
Treasurer/Finance & Administration Manager

LEMIEUX & O'NEILL
General Counsel

(626) 287-0341

FAX (626) 287-8524

WWW.SGCWD.COM

DRAFT

June 10, 2015

**IMPORTANT NOTICE TO ALL
SAN GABRIEL COUNTY WATER DISTRICT CUSTOMERS**

On May 5, 2015, the State Water Resources Control Board (SWRCB) established mandatory restrictions on urban water suppliers to achieve a statewide 25 percent reduction in potable urban water usage. If this reduction in water is not achieved, San Gabriel County Water District (District) is subject to fines and penalties up to \$10,000 per day.

In response to this unprecedented drought condition and the new water restrictions mandated by the SWRCB, the District Board of Directors amended Ordinance No. 2014-43 adding additional water conservation measures and restrictions.

The following restrictions under Stage I Water Supply Emergency are in effect immediately and until further notice:

- (a) There shall be no washing down of sidewalks, walkways, buildings, walls, patios, driveways, parking areas or other surfaces except to eliminate dangerous conditions or to eliminate a public health and/or a safety hazard.
- (b) The washing of any motor vehicle(s) or equipment shall be done only with a hand-held nozzle that shuts off, or may be done at a carwash that uses recycled water.
- (c) No water shall be used to clean, fill or maintain levels in decorative fountains, ponds, lakes or other similar structures of aesthetic value unless such water is part of a recirculating water system.
- (d) No filling, draining or refilling of pools or spas of any kind. Adding makeup water to swimming pools or spas due to evaporation is permitted.
- (e) No public place where food is sold shall serve drinking water to any customer unless specifically requested by said customer.
- (f) All water users shall repair all leaks from indoor and outdoor plumbing and fixtures within seventy-two (72) hours after written notification by the District unless arrangements are made with the District.

- (g) All watering outdoors for the purposes of irrigating landscape, lawns, etc., shall be limited to no more than two (2) days per week. Water days shall be as follows: Addresses ending in even numbers shall water on Monday and Thursday and addresses ending in odd numbers shall water on Tuesday and Friday and only between the hours of 6:00pm and 8:00am.
- (h) No water users shall cause or allow irrigation water to run off landscaped areas into or onto adjoining sidewalks, streets or other paved areas due to incorrectly directed or improperly maintained sprinklers, or excessive watering.
- (i) Application of potable water to outdoor landscapes during and within 48 hours after measurable rainfall is prohibited.
- (j) Hotels and motels must provide guests with the option of not having towels and linens laundered daily, and shall post a notice stating so in each guestroom in clear and understandable language.
- (k) Irrigation with potable water of ornamental turf on public medians is prohibited.

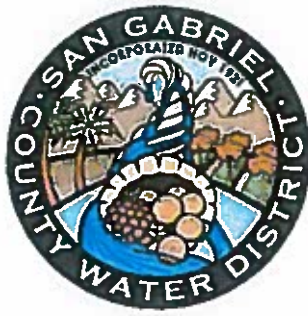
In accordance with Part 4, Section 11.401 of Ordinance No. 2014-43, enforcement of water use efficiency practices and water conservation measures declared under Stage 1 shall be administrated as follows:

- (a) Customers shall be notified in writing when the first violation of this article is discovered by the District. The notice shall include a warning that further violations could result in stricter penalties as set forth below.
- (b) Customers who violate this article for a second time within a twelve-month period have committed an infraction punishable by a fine of up to \$150.00.
- (c) Customers who violate this article for a third time within a twelve-month period have committed an infraction punishable by a fine of up to \$250.00.
- (d) Customers who violate this article for a fourth time within a twelve-month period have committed an infraction punishable by a fine of up to \$500.
- (e) The District may install flow restrictors or terminate service to customers who have violated provisions of this article five times within a twelve-month period.

San Gabriel County Water District Board of Directors is committed to helping District customers achieve the required water use reduction and by doing so the District offers water saving tips, tools and information on turf removal, high efficient washers and toilets, and other rebates. If you have questions, please contact us at (626) 287-0341 or visit our *Conservation Corner* located in the District lobby or our website at <http://sgcwd.com>.

Sincerely,

Barbara A. Carrera
General Manager



May 26, 2015

To: The Board of Directors

From: Barbara Carrera *BC*

Subject: Other Post-Employment Benefits (OPEB)
California Employers' Retiree Benefit Trust (CERBT)

As you recall, on March 10, 2015, the Board of Directors authorized staff to establish a contract agreement with the CERBT to prefund the District's OPEB obligation.

In order to complete the contract agreement, the District was required to provide CERBT with an updated actuarial review of retirement benefits which is now completed.

Recommendation:

The Board of Directors authorize the execution of the prefunding Contract Agreement with CERBT and designation of the General Manager, Assist General Manager and Finance and Administration Manager as authorized officers for requesting disbursements from CERBT on behalf of San Gabriel County Water District.

Attached:

CERBT Contract Agreement
Delegation of Authority Form
GASB 45 Updated Actuarial Review

CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST PROGRAM ("CERBT")

**AGREEMENT AND ELECTION
OF**

San Gabriel County Water District

(NAME OF EMPLOYER)

**TO PREFUND OTHER POST EMPLOYMENT
BENEFITS THROUGH CalPERS**

WHEREAS (1) Government Code Section 22940 establishes in the State Treasury the Annuitants' Health Care Coverage Fund for the prefunding of health care coverage for annuitants (Prefunding Plan); and

WHEREAS (2) The California Public Employees' Retirement System (CalPERS) Board of Administration (Board) has sole and exclusive control and power over the administration and investment of the Prefunding Plan (sometimes also referred to as CERBT), the purposes of which include, but are not limited to (i) receiving contributions from participating employers and establishing separate Employer Prefunding Accounts in the Prefunding Plan for the performance of an essential governmental function (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 Prefunding Plan and to pay for health care costs or other post employment benefits in accordance with the terms of participating employers' plans; and

WHEREAS (3) San Gabriel County Water District

(NAME OF EMPLOYER)

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

WHEREAS (4) Employer may participate in the Prefunding Plan upon (i) approval by the Board and (ii) filing a duly adopted and executed Agreement and Election to Prefund Other Post Employment Benefits (Agreement) as provided in the terms and conditions of the Agreement; and

WHEREAS (5) The Prefunding Plan is a trust fund that is intended to perform an essential governmental function within the meaning of Section 115 of the Internal Revenue Code as an agent multiple-employer plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 43 consisting of an aggregation of single-employer plans, with pooled administrative and investment functions;

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. Representation and Warranty

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

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

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

Filing by mail, send to: CalPERS
 Affiliate Program Services Division
 CERBT (OPEB)
 P.O. Box 1494
 Sacramento, CA 95812-1494

Filing in person, deliver to:
 CalPERS Mailroom
 Affiliate Program Services Division
 CERBT (OPEB)
 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.

(3) The terms of this Agreement may be amended only in writing upon the agreement of both CalPERS 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 Prefunding Plan, to carry out the purposes of this Agreement, and to maintain the tax exempt status of the Prefunding Plan. Employer agrees to follow such procedures and processes.

C. Other Post Employment Benefits (OPEB) Cost Reports and Employer Contributions

(1) Employer shall provide to the Board an OPEB cost report on the basis of the actuarial assumptions and methods prescribed by the Board. Such report shall be for the Board's use in financial reporting, and shall be prepared at least as often as the minimum frequency required by GASB 43. This OPEB cost report may be prepared as an actuarial valuation report or, if the employer is qualified under GASB 45 and 57, may be prepared as an Alternative Measurement Method (AMM) report.

- (a) Unless qualified under GASB 45 and 57 to provide an AMM report, Employer shall provide to the Board an actuarial valuation report. Such report shall be for the Board's use in financial reporting, and shall be prepared at least as often as the minimum frequency required by GASB 43 and 57, and 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 generally accepted actuarial practice and GASB 43, 45 and 57; and,
 - 3) provided to the Board prior to the Board's acceptance of contributions for the valuation period or as otherwise required by the Board.
- (b) If qualified under GASB 45 and 57, Employer may provide to the Board an AMM report. Such report shall be for the Board's use in financial reporting, shall be prepared at least as often as the minimum frequency required by GASB 43 and 57, and shall be:
 - 1) affirmed by Employer's external auditor, or 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, to be consistent with the AMM process described in GASB 45;
 - 2) prepared in accordance with GASB 43, 45, and 57; and,
 - 3) provided to the Board prior to the Board's acceptance of contributions for the valuation period or as otherwise required by the Board.

(2) The Board may reject any OPEB cost report submitted to it, but shall not unreasonably do so. In the event that the Board determines, in its sole discretion, that the OPEB cost report is not suitable for use in the Board's financial statements or if Employer fails to provide a required OPEB cost report, the Board may obtain, at

Employer's expense, an OPEB cost report that meets the Board's financial reporting needs. The Board may recover from Employer the cost of obtaining such OPEB cost report by billing and collecting from Employer or by deducting the amount from Employer's account in the Prefunding Plan.

(3) Employer shall notify the Board of the amount and time of contributions which contributions shall be made in the manner established by the Board.

(4) Employer contributions to the Prefunding Plan may be limited to the amount necessary to fully fund Employer's actuarial present value of total projected benefits, as supported by the OPEB cost report acceptable to the Board. As used throughout this document, the meaning of the term "actuarial present value of total projected benefits" is as defined in GASB Statement No. 45. If Employer's contribution causes its assets in the Prefunding Plan to exceed the amount required to fully fund the actuarial present value of total projected benefits, the Board may refuse to accept the contribution.

(5) No contributions are required. If an employer elects to contribute then the contribution amount should not be less than \$5000 or the employer's annual required contribution (ARC), whichever amount is lower. Contributions can be made at any time following the seventh day after the effective date of the Agreement provided that Employer has first complied with the requirements of Paragraph C.

D. Administration of Accounts, Investments, Allocation of Income

(1) The Board has established the Prefunding Plan as an agent plan consisting of an aggregation of single-employer plans, with pooled administrative and investment functions, under the terms of which separate accounts will be maintained for each employer so that Employer's assets will provide benefits only under employer's plan.

(2) All Employer contributions and assets attributable to Employer contributions shall be separately accounted for in the Prefunding Plan (Employer's Prefunding Account).

(3) Employer's Prefunding Account assets may be aggregated with prefunding account assets of other employers and may be co-invested by the Board in any asset classes appropriate for a Section 115 Trust.

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

(5) Investment income shall be allocated among employers and posted to Employer's Prefunding Account as determined by the Board but no less frequently than annually.

(6) If Employer's assets in the Prefunding Plan exceed the amount required to fully fund the actuarial present value of total projected benefits, the Board, in compliance with applicable accounting and legal requirements, may return such excess 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 shall prepare and provide a statement of Employer's Prefunding Account at least annually reflecting the balance in Employer's Prefunding Account, contributions made during the period and income allocated during the period, and such other information as the Board determines.

F. Disbursements

(1) Employer may receive disbursements not to exceed the annual premium and other costs of post employment healthcare benefits and other post employment benefits as defined in GASB 43.

(2) Employer shall notify CalPERS in writing in the manner specified by CalPERS of the persons authorized to request disbursements from the Prefunding Plan 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. The Board may require that Employer certify or otherwise establish that the monies will be used for the purposes of the Prefunding Plan.

(4) Requests for disbursements that satisfy the requirements of paragraphs (2) and (3) will be processed monthly.

(5) CalPERS 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. In the event of any other erroneous disbursement, the extent of CalPERS' liability shall be the actual dollar amount of the disbursement, plus interest at the actual earnings rate but not less than zero.

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

G. Costs of Administration

Employer shall pay its share of the costs of administration of the Prefunding Plan, as determined by the Board.

H. Termination of Employer Participation in Prefunding Plan

(1) The Board may terminate Employer's participation in the Prefunding Plan if:

- (a) Employer gives written notice to the Board of its election to terminate;
- (b) The Board finds that Employer fails to satisfy the terms and conditions of this Agreement or of the Board's rules or regulations.

(2) If Employer's participation in the Prefunding Plan terminates for any of the foregoing reasons, all assets in Employer's Prefunding Account shall remain in the Prefunding Plan, except as otherwise provided below, and shall continue to be invested and accrue income as provided in Paragraph D.

(3) After Employer's participation in the Prefunding Plan terminates, Employer may not make contributions to the Prefunding Plan.

(4) After Employer's participation in the Prefunding Plan 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 the Employer's participation in the Prefunding Plan terminates, the governing body of the Employer may request either:

- (a) A trustee to trustee transfer of the assets in Employer's Prefunding Account; 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 Internal Revenue 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 the 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 Internal Revenue Code, other law and accounting standards, and the Board's fiduciary duties, all of Employer's obligations for payment of post-employment health care benefits and other post-employment 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 the 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 Prefunding Plan terminates and at such time that no assets remain in Employer's Prefunding Account, this Agreement shall terminate.

(7) If, for any reason, the Board terminates the Prefunding Plan, the assets in Employer's Prefunding Account shall be paid to Employer after retention of (i) amounts sufficient to pay post employment health care benefits and other post employment benefits to annuitants for current and future annuitants described by the employer's current substantive plan (as defined in GASB 43), and (ii) amounts sufficient to pay reasonable administrative costs of the Board.

(8) If Employer ceases to exist but Employer's Prefunding Plan continues to exist and if no provision has been made by Employer for ongoing payments to pay post employment health care benefits and other post employment benefits to annuitants for current and future annuitants, the Board is authorized to and shall appoint a third party administrator to carry out Employer's Prefunding Plan. Any and all costs associated with such appointment shall be paid from the assets attributable to contributions by Employer.

(9) If Employer should breach 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 Prefunding Plan.

I. General Provisions

(1) Books and Records.

Employer shall keep accurate books and records connected with the performance of this Agreement. Employer shall ensure that books and records of subcontractors, suppliers, and other providers shall also be accurately maintained. Such books and records shall be kept in a secure location at the Employer's office(s) and shall be available for inspection and copying by CalPERS and its representatives.

(2) Audit.

(a) During and for three years after the term of this Agreement, Employer shall permit the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, at all reasonable times during normal business hours to inspect and copy, at the expense of CalPERS, books and records of Employer relating to its performance of this Agreement.

(b) Employer shall be subject to examination and audit by the Bureau of State Audits, CalPERS, and its authorized representatives, and such

consultants and specialists as needed, during the term of this Agreement and for three years after final payment under this Agreement. Any examination or audit shall be confined to those matters connected with the performance of this Agreement, including, but not limited to, the costs of administering this Agreement. Employer shall cooperate fully with the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, in connection with any examination or audit. All adjustments, payments, and/or reimbursements determined to be necessary by any examination or audit shall be made promptly by the appropriate party.

(3) Notice.

- (a) Any notice, approval, or other communication required or permitted under this Agreement will be given in the English language and will be deemed received as follows:
1. Personal delivery. When personally delivered to the recipient. Notice is effective on delivery.
 2. First Class Mail. When mailed first class to the last address of the recipient known to the party giving notice. Notice is effective three delivery days after deposit in a United States Postal Service office or mailbox.
 3. Certified mail. When mailed certified mail, return receipt requested. Notice is effective on receipt, if delivery is confirmed by a return receipt.
 4. Overnight Delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account, Notice is effective on delivery, if delivery is confirmed by the delivery service.
 5. Telex or Facsimile Transmission. When sent by telex or fax to the last telex or fax number of the recipient known to the party giving notice. Notice is effective on receipt, provided that (i) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (ii) the receiving party delivers a written confirmation of receipt. Any notice given by telex or fax shall be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a nonbusiness day.
 6. E-mail transmission. When sent by e-mail using software that provides unmodifiable proof (i) that the message was sent, (ii) that the message was delivered to the recipient's information processing system, and (iii) of the time and date the message was delivered to

the recipient along with a verifiable electronic record of the exact content of the message sent.

Addresses for the purpose of giving notice are as shown in Paragraph B.(1) of this Agreement.

- (b) Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger or overnight delivery service.
- (c) Any party may change its address, telex, fax number, or e-mail address by giving the other party notice of the change in any manner permitted by this Agreement.
- (d) All notices, requests, demands, amendments, modifications or other communications under this Agreement shall be in writing. Notice shall be sufficient for all such purposes if personally delivered, sent by first class, registered or certified mail, return receipt requested, delivery by courier with receipt of delivery, facsimile transmission with written confirmation of receipt by recipient, or e-mail delivery with verifiable and unmodifiable proof of content and time and date of sending by sender and delivery to recipient. Notice is effective on confirmed receipt by recipient or 3 business days after sending, whichever is sooner.

(4) Modification

This Agreement may be supplemented, amended, or modified only by the mutual agreement of the parties. No supplement, amendment, or modification of this Agreement shall be binding unless it is in writing and signed by the party to be charged.

(5) 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 their Agreement shall survive the termination of this Agreement until such time as all amounts in Employer's Prefunding Account have been disbursed.

(6) 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.

(7) 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.

A majority vote of Employer's Governing Body at a public meeting held on the May day of the month of 26 in the year 2015, authorized entering into this Agreement.

Signature of the Presiding Officer: _____

Printed Name of the Presiding Officer: Mary Cammarano

Name of Governing Body: Board of Directors

Name of Employer: San Gabriel County Water District

Date: May 26, 2015

BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
JOHN SWEDENSKY
AFFILIATE PROGRAM SERVICES DIVISION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

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



**DELEGATION OF AUTHORITY
TO REQUEST DISBURSEMENTS**

**RESOLUTION
OF THE**

Board of Directors

(GOVERNING BODY)

OF THE

San Gabriel County Water District

(NAME OF EMPLOYER)

The Board of Directors delegates to the incumbents
(GOVERNING BODY)

in the positions of General Manager and
(TITLE)

Assistant General Manager and/or
(TITLE)

Finance & Administration Manager authority to request on
(TITLE)

behalf of the Employer disbursements from the Other Post Employment Prefunding

Plan and to certify as to the purpose for which the disbursed funds will be used.

By Mary Cammarano

Title President of the Board of Directors

Witness _____

Date May 26, 2015

GASB45

SOLUTIONS

ACTUARIAL REVIEW

GASB 45 Alternative Measurement Method



San Gabriel County Water District

May 13, 2015

GASB45

SOLUTIONS

San Gabriel County Water District

Actuarial Review GASB 45 Alternative Measurement Method

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Actuarial Review

We have reviewed the attached report for the San Gabriel County Water District. The results show an Employer-Paid Accrued Liability (AL) of \$4,176,432 and an Annual Required Contribution (ARC) of \$418,355. These results are based on a valuation date of 1/1/2015.

Our review is limited in scope - we are attesting to the formulas having worked properly given the input and assumptions provided by the client. Different census data and actuarial assumptions could result in significantly different results. If the client believes that the liabilities are material in light of its overall financial reporting requirements, we recommend a full actuarial valuation and certification rather than reliance on the contents of this report.

A handwritten signature in black ink that reads 'Louis Filliger'.

Attested by Louis Filliger, Fellow, Society of Actuaries
Demsey, Filliger & Associates
lfilliger@demseyfilliger.com



**Summary of Results for GASB 45
Alternative Measurement Method as of 1/1/2015**

According to the results listed in the table below, San Gabriel County Water District has an Accrued Liability (AL) of \$4,176,432. Because San Gabriel County Water District does not have an irrevocable trust for the pre-funding of retiree benefits, the Unfunded Accrued Liability (UAL) is also \$4,176,432. This report also determines that the Annual Required Contributions (ARC) under GASB 45 is \$418,355. This is comprised of the present value of benefits accruing in the current year (called the "service cost") and a 30-year amortization of the UAL.

	<u>Actives</u>	<u>Retirees</u>	<u>Total as of Valuation Date</u>
Total PVB	\$4,041,866	\$2,450,911	\$6,492,777
Total PUC AL	1,725,521	2,450,911	4,176,432
Total PUC SC	170,031	0	170,031
Retiree-Paid PVB	0	0	0
Retiree-Paid PUC AL	0	0	0
Retiree-Paid PUC SC	0	0	0
Employer PVB	4,041,866	2,450,911	6,492,777
Employer PUC AL	1,725,521	2,450,911	4,176,432
Employer PUC SC	170,031	0	170,031
Accrued Liability			4,176,432
Assets (from client input)			<u>0</u>
Unfunded Accrued Liability			\$4,176,432
Annual Required Contributions (ARC) for year ending			<u>12/31/2016</u>
Service Cost at end of year			\$176,832
30 year Amortization of UAL			<u>241,523</u>
Total ARC			\$418,355

Key Definitions:

- PVB = Present Value of Benefits: this is the present value of all projected benefits
- AL= Accrued Liability: this is the present value of benefits that are attributed to past service only
- UAL = Unfunded Accrued Liability: this is equal to the AL minus assets
- ARC = Annual Required Contribution: this is the amount San Gabriel CWD would be required to report as an expense for the upcoming fiscal year under GASB 45 which Present Value of Benefits is apportioned into Accrued Liability and Service Cost
- SC = Service Cost: this is the proportion of the actuarial present value of plan benefits and expenses which is allocated to a valuation year by the actuarial cost method used in the valuation
- PUC = Projected Unit Credit: this is an actuarial cost method (one of 6 permitted by GASB 45) under which Present Value of Benefits is apportioned into Accrued Liability and Service Cost



Summary of Client Data

The actuarial review was based on the client data outlined below furnished to us by the San Gabriel County Water District.

General Information

Number of Active Employees: 15
 Number of Retirees: 16
 GASB 45 compliant irrevocable trust: \$0

Plan Information

Subscriber group	Benefit Duration	Benefit eligibility age	Assumed (average) retirement age	Minimum years of service required
1	Lifetime	50	60	5

Subscriber group	Benefits pro-rated for FTE less than 1.0	Minimum FTE Of 0.5 required	Dental Benefits	Vision Benefits	Spousal benefits	Survivor benefits
1	No	No	None	Lifetime	Yes	Yes

Monthly Premiums

This table represents weighted average of the full uncapped monthly tiered rate premiums.

Premium group	Subscriber group	Composite	Retiree only	Retiree + 1	Effective date
Medical for retirees under age 65 (pre-Medicare eligible)	1		\$591.98	\$1,186.21	1/1/2015
Medical for retirees age 65 & over (Medicare eligible)	1		\$464.91	\$932.03	1/1/2015
Dental	N/A		N/A	N/A	N/A
Vision	1		\$23.66	\$23.66	1/1/2015

Monthly Caps

Subscriber group	Employer-paid amount	Applies to
1	100%	All healthcare premiums



Census Data – Active Employees

The actuarial review was based on the client data listed below furnished to us by San Gabriel County Water District.

Record #	Name/ID	Date of Birth	Date of Hire	Gender	Subscriber Group	FTE
1	Agobian, Anthony	3/28/1988	5/12/2008	M	1	1
2	Atilano, George	8/22/1974	8/7/1995	M	1	1
3	Cardona, Carlos	6/7/1971	12/3/2002	M	1	1
4	Carrera, Barbara	2/10/1959	11/5/1991	F	1	1
5	Corona, Carmen	11/30/1971	4/22/2002	F	1	1
6	DiBenedetto, Jared	9/27/1973	8/21/2006	M	1	1
7	Dirian, Louise	11/24/1961	3/10/2014	F	1	1
8	Feilen, Casey	9/29/1964	4/15/2002	M	1	1
9	Jenkis, Jim	9/15/1982	10/15/2013	M	1	1
10	Maas, Anthony	3/22/1983	8/13/2012	M	1	1
11	Pearson Matthew	3/30/1983	1/10/2011	M	1	1
12	Piscopo, Anthony	3/8/1972	6/21/2004	M	1	1
13	Prior, James	10/15/1958	4/8/2002	M	1	1
14	Ramos, Yolanda	3/6/1951	10/4/1999	F	1	1
15	Rowland, Patrick	10/1/1967	8/11/2003	M	1	1



Census Data – Retirees

The actuarial review was based on the client data listed below furnished to us by San Gabriel County Water District.

Record #	Name/ID	Date of Birth	Gender	Subscriber Group	District Paid
1	Annis, Dianne	6/7/1938	F	1	100%
2	August, Joan	1/30/1935	F	1	100%
3	Bauchman, Donna	9/21/1944	F	1	100%
4	Carter, Edra	2/13/1927	F	1	100%
5	Casillas, Susana	8/11/1960	F	1	100%
6	Crocker, Sharon	7/5/1936	F	1	100%
7	Delmore, Fernando	12/2/1960	M	1	100%
8	Ferraro, Gloria	7/17/1939	M F	1	100%
9	Love, Wellington	12/4/1926	M	1	100%
10	McCane, Elsie	1/31/1915	F	1	100%
11	Phillips, Mary	2/8/1943	F	1	100%
12	Polley, Bob	12/16/1938	M	1	100%
13	Riley, Gary	8/21/1953	M	1	100%
14	Shaw, Charles	4/15/1947	M	1	100%
15	Terra, Steven	5/4/1951	F M	1	100%
16	Williams, Robert	4/9/1944	M	1	100%



Actuarial Assumptions

The liabilities set forth in this report are based on the actuarial assumptions listed in this section.

Valuation Date		1/1/2015
Discount Rate		0.04
Ultimate Trend Rate		0.05
HealthCare trend rates	2015	0.08
	2016	0.07
	2017	0.06
	2018	0.05
	2019	0.05
	2020	0.05
	2021	0.05
	2022	0.05
	2023	0.05
	2024	0.05
Dental		0.04
Vision (tied to dental)		0.04
Other (tied to dental)		0.04
Age-adjustment factor		0.04
Cap inflator (full inflation)		-0.01
Percent of Retirees with Spouses		0.50

REVENUE AND EXPENDITURE DISTRIBUTION

Calendar Year 2015

Month of April

Projected YTD Percent - 32%

Description	Budget	Receipts and Expenditures For The Month	Total Year to Date	Balance	YTD %
Total Revenue	6,534,812	533,232	2,260,297	4,274,515	35%
Production	2,302,615	428,629	1,274,550	1,028,065	55%
Transmissin & Distribution	390,960	30,241	107,457	283,503	27%
Customer Service	349,074	23,701	101,638	247,436	29%
General & Administrative	3,010,400	226,680	974,739	2,035,661	32%
Payment on Long Term Debt	590,000	0	0	590,000	0%
GASB 45	440,074	0	0	440,074	0%
ACE Project	1,250,000	17	43,328	1,206,672	
Total Operational Expense	8,333,123	709,251	2,458,384	5,874,739	30%
Revenue Total	6,534,812	533,232	2,260,297	4,274,515	35%
Less Operational Expense	8,333,123	709,251	2,458,384	5,874,739	30%
Gain/Loss	(1,798,311)	(176,019)	(198,087)	(1,600,224)	11%
Capital Expenditures	996,500	18,170	104,608	891,892	10%
Overall Gain/Loss	(2,794,811)	(194,189)	(302,695)	(2,492,116)	11%

Use of funds

Fund Balance Start of Month	6,322,092
Add Back Depreciation	83,258
Overall Gain/Loss	(194,189)
Total	6,211,160

News Release



ACWA/JPIA – P. O. Box 619032, Roseville, CA 95661 – www.acwajpia.com – 800 231 5742

Date: May 13, 2015

ACWA/JPIA Executive Committee Election Results

During the May 4, 2015, ACWA/JPIA Board of Directors meeting in Sacramento, an election was held to fill four Executive Committee members positions for their complete terms (four years each) and one position for the remainder of its term, two years.

The three incumbents were re-elected to four-year terms: E.G. “Jerry” Gladbach, Castaic Lake Water Agency; W.D. “Bill” Knutson, Yuima Municipal Water District; and David T. Hodgin, Scotts Valley Water District. Also elected to a four-year term was J. Bruce Rupp of Humboldt Bay Municipal Water District. The fifth member elected was David Drake of Rincon del Diablo Municipal Water District, who will serve two years to complete the remainder of an unfinished term.

The JPIA congratulates the incumbent Executive Committee members on their re-election and is pleased to welcome the newcomers, Bruce Rupp and David Drake.

Nine Board members were on the ballot for this election, making it an election with one of the highest number of candidates. With that many qualified candidates, the JPIA is the true winner in this election.

The JPIA thanks all the candidates for their willingness to participate and support of the organization.