

**San Gabriel County Water District
Regular Meeting of the Board of Directors
8366 Grand Ave.
Rosemead, CA 91770**

November 22, 2016

4:00 P.M.

AGENDA

Call to Order

1. Pledge of Allegiance

- 2. Roll Call**
- | | |
|---------------------------|-------|
| Director Taylor | _____ |
| Director Chan | _____ |
| Director Cammarano | _____ |
| Director Cici | _____ |
| Director DeLaTorre | _____ |

3. Additions, Re-order and Adoption of the Agenda:

Motion:
Second:
Action:

4. Public Comment on Agenda and Non-Agenda items

Anyone wishing to discuss items on and not on the agenda may do so at this time

5. Minutes of a Special Meeting of the Board of Directors held November 9, 2016

Motion:
Second:
Action:

6. List of Demands on the General Account

a. Revolving/Payroll Account Reimbursement

Motion:
Second:
Action:

7. District Counsel

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8. Action Items

a. Discussion, Consideration and Action on Possible Water Rate Adjustment

Motion:

Second:

Action:

b. Consider Award of Contract to Egan & Egan CPA to perform the District's 2016 Audit

Motion:

Second:

Action:

c. Consider Award of Contract to Layne Christensen for the equipping of Well 16

Motion:

Second:

Action:

9. Miscellaneous Information Items

a. Receive and File: October 2016 Monthly Revenue and Expenditure Report

10. General Manager Report

11. Future Agenda Items

12. Director Comments

13. Adjourn to Closed Session

**a. Public Employee Performance Review (\$54957)
Title: General Manager**

14. Reconvene in Open Session

a. Report of Action, if any, Taken in Closed Session

15. 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 SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF
SAN GABRIEL COUNTY WATER DISTRICT
HELD ON NOVEMBER 9, 2016**

- CALL TO ORDER** A special meeting of the Board of Directors of the San Gabriel County Water District was held on Wednesday, November 9, 2016, at 8366 Grand Avenue, Rosemead, California at the hour of 4:00 p.m.
- ROLL CALL** President Taylor; Directors Cammarano, Chan, Cici, and DeLaTorre; General Manager Prior; Finance and Administration Manager Corona; and District Counsel Colin O'Neill were present.
- AGENDA** Upon motion by Director DeLaTorre, and seconded by Director Cici, the Board voted unanimously to adopt the agenda for this special meeting of the Board of Directors held on November 9, 2016.
- 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 October 11, 2016.
- Upon motion by Director Chan and seconded by Director DeLaTorre, the Board voted unanimously to approve the minutes of the regular meeting of the Board of Directors held on October 25, 2016.
- DEMANDS** Upon motion by Director Chan, and seconded by Director DeLaTorre, the Board voted unanimously to approve the payment of check numbers 10922 through 10961 from the Revolving Account in the aggregate amount of \$42,876.66, and check numbers 18344 through 18493 from the General Account in the aggregate amount of \$289,122.66 for the October 2016 invoices.
- EXPENSES** None.
- PUBLIC COMMENT** None.
- DISTRICT COUNSEL** District counsel reported regarding the recent amendment to Elections Code section 10505 authorizing special districts whose members of the governing body are elected in odd-numbered years to require, by resolution, that its elections of governing body members be held on the same day as the statewide general election. The Board directed counsel to further review the procedures required for compliance with the statute.
- ACTION** Upon motion by Director Chan, and seconded by Director DeLaTorre, the Board voted unanimously to receive the 2017 Proposed Budget.

During the discussion of this item, Director Taylor inquired of the General Manager regarding several specific line items with significant increases. The General Manager provided answers to Director Taylor's questions and reported that he would provide the Board with a breakdown of what payroll step each employee is currently in.

Upon motion by Director DeLaTorre and seconded by Director Chan, the Board voted unanimously to schedule a budget workshop on November 22, 2016, at the hour of 2:00 p.m.

Upon motion by Director Cammarano and seconded by Director Cici, the Board voted unanimously to award the contract for the 2016 Del Mar Avenue Project to Doty Brothers in the amount of \$44,684.00.

Upon motion by Director Chan, and seconded by Director DeLaTorre, the Board voted unanimously to consider proposals for auditing services for the 2016 audit. By consensus, the Board directed staff to place the award of the contract for auditing services on the agenda for the next regular meeting.

INFORMATION

The October, 2016 Banking and Investment Report was received and filed.

The October, 2016 Water Well Report was received and filed.

GENERAL MANAGER COMMENTS

General Manager reported on the status of the Well No. 16 project: a pre-bid walk was conducted earlier on this date, and bids will be received in the near future.

FUTURE AGENDA ITEMS

As noted above, the award of the contract for auditing services will be on the agenda for the next meeting.

The District's proposed Rate Increase will be on the agenda as an action item for the next regular meeting.

Director Taylor requested that the General Manager provide a report on his work for consideration in the General Manager's upcoming performance review.

DIRECTOR COMMENTS

Director Cammarano reported that the City of San Gabriel will once again have a farmers' market next year, using a new vendor.

Director Cammarano reported that the City will be having a Lunar New Year Festival, and she will forward details as they become available.

Director Taylor reported that he was pleased to learn from his water bill that he conserved 51%.

ADJOURNMENT

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

President

Secretary

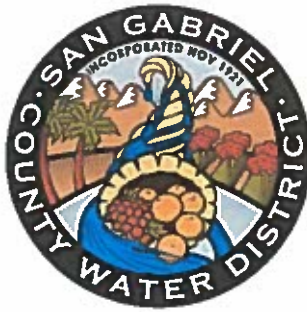
[SEAL]

San Gabriel County Water District
AP Check Register (Current by Bank)

Check Date: 11/22/2016

Check No.	Date	Status	Vendor ID	Payee Name	Amount
BANK ID: 13100B - GENERAL ACCOUNT					13100
18494	11/22/16	P	12031	REVOLVING REIMBURSEMENT	\$90,909.47
BANK 13100B REGISTER TOTAL:					\$90,909.47
GRAND TOTAL :					\$90,909.47

* Check Status Types: "P" - Printed ; "M" - Manual ; "V" - Void (Void Date); "A" - Application; "E" - EFT
** Denotes broken check sequence.



November 22, 2016

To: Board of Directors

From: General Manager ✓

Subject: Discussion, Consideration and Action on Possible Water Rate Adjustment, Effective January 1, 2017, with all Proposed Adjustments within the Parameters of the Previously Approved Rate Structure

In February 2015, the Board approved the Water Rate Study Report. Through the District's Prop. 218 process, Resolution No. 02-15-483 was approved setting forth proposed adjustments in the District's water rates and charges through 2019.

The January 1, 2017, proposed rate adjustment includes an increase in tier I (30 units or fewer) commodity rate; increases in tier II commodity rate, meter charge, and fire service meters.

District customers will see approximately an 8.5 percent increase in their water bill.

The proposed rate increase is based on cost of service.

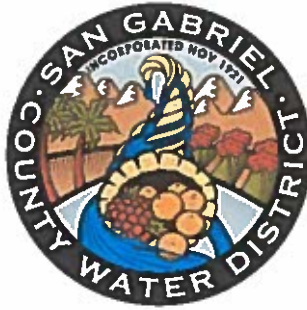
Water Commodity Rate	Current Rates	Proposed Rates
	2016	2017
Tier 1 (0 - 30 hcf)	\$1.56	\$1.71
Tier 2 (31 and above hcf)	\$2.98	\$3.25

Water Service Meters	Reservoir Fee Includ.	
	Currents Rates	Proposed Rates
Meter Size	2016	2017
5/8 inch	33.81	36.86
3/4 inch	33.81	36.86
1 inch	49.15	53.58
1 1/2 inch	87.49	95.37
2 inch	133.49	145.51
3 inch	279.15	304.28
4 inch	493.81	538.26
6 inch	1,084.15	1,181.73

Fire Service Meters	Current Rates	Proposed Rates
Meter Size	2016	2017
2 inch	31.38	34.21
3 inch	47.06	51.30
4 inch	62.74	68.39
6 inch	94.11	102.58
8 inch	125.47	136.77
10 inch	156.84	170.96

Recommendation:

The Board of Directors approve the District's Proposed Water Rates and Charges, as shown in the tables above, effective January 1, 2017.



November 22, 2016

To: Board of Directors

From: General Manager

Subject: Discussion, Consideration and Action for Professional Auditing Services

Since 2008, the District has retained Egan and Egan CPA for professional auditing services.

At the Board meeting held September 27, 2016, staff was directed to solicit proposals from professional auditing firms for completion of the annual financial audit for fiscal year ending December 31, 2016 and subsequent years thereafter.

The District solicited proposals from the following auditing firms:

Vicenti, Lloyd & Stutzman LLP	White Nelson Diehl Evans LLP
Moss, Levy & Hartzheim LLP	David Farr LLP

The date to return a proposal for consideration was October 21, 2016. One of the four auditing firms responded. The fees are listed on the attached worksheet.

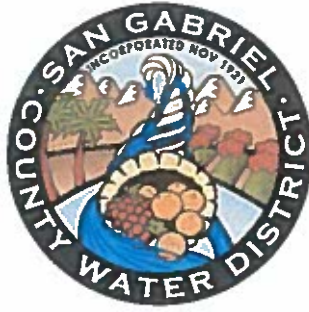
Proposal was opened in the presence of Jim Prior and Carmen Corona.

Result for 2016 Audit:

Vicenti, Lloyd & Stutzman LLP	\$17,500.00
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Recommendation:

The Board of Directors retain Egan & Egan CPA to perform the District's 2016 Audit for a fee not to exceed \$9,000.00



November 22, 2016

To: Board of Directors

From: General Manager 

Subject: Equipping of Well 16

The next phase of the Well 16 project is the equipping phase. Bid requests were sent out to eight pump equipment contractors. The bids were due on November 17, 2016 at 3:30pm. A public bid opening was conducted. The following were in attendance.

District representatives present:

James Prior General Manager
Casey Feilen, Assistant General Manager
Carlos Cardona, Operations Superintendent
Anthony Agobian, Project Manager

Equipping Contractors present:

None

The bid results are listed below.

Weber Water Resources	No bid
Hydro Resources	No bid
Layne Christensen	\$158,441.00
General Pump	No bid
Tri-Counties	No bid
Southwest Pump and Drilling	No bid
Pacific Coast Well Drilling	No bid
Bakersfield Well and Pump	No bid

Recommendation:

The Board of Directors awards the contract to Layne Christensen for the equipping of Well 16.

REVENUE AND EXPENDITURE DISTRIBUTION

Calendar Year 2016

Month of October

Projected YTD Percent - 82%

Description	Budget	Receipts and Expenditures For The Month	Total Year to Date	Balance	YTD %
Total Revenue	7,221,982	714,609	6,501,621	720,361	90%
Production	1,652,108	97,475	1,790,856	(138,748)	108%
Transmission & Distribution	478,165	30,641	300,768	177,397	63%
Customer Service	322,766	25,281	250,402	72,364	78%
General & Administrative	3,214,331	219,438	2,582,791	631,540	80%
Payment on Long Term Debt	0	0	0	0	0%
GASB 45	420,000	0	420,000	0	100%
ACE Project	50,000	0	4,368	45,633	9%
Total Operational Expense	6,137,370	372,834	5,349,186	788,184	87%
Revenue Total	7,221,982	714,609	6,501,621	720,361	90%
Less Operational Expense	6,137,370	372,834	5,349,186	788,184	87%
Gain/Loss	1,084,612	341,774	1,152,436	(67,824)	106%
Capital Expenditures	2,160,500	39,456	1,398,723	761,777	65%
Overall Gain/Loss	(1,075,888)	302,318	(246,287)	(829,601)	23%

Use of funds

Fund Balance Start of Month	3,768,865
Add Back Depreciation	84,412
Overall Gain/Loss	302,318
Total	4,155,595