

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

May 22, 2018

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

a. PWAG Michael Holmes Emergency Preparedness Coordinator

5. Minutes of a Special Meeting of the Board of Directors held May 7, 2018

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. Approve Resolution No. 05-18-501 amending Financial Reserve Policy**

Motion:

Second:

Action:

- b. Consider award of contract for San Marino Ave Mainline Project**

Motion:

Second:

Action:

- c. Approve to open a separate account for JPIA safety refund.**

Motion:

Second:

Action:

- d. Approve to open a separate account for credit card transactions.**

Motion:

Second:

Action:

9. Miscellaneous Information Items

- a. Receive and File 2017 Audited Financial Statement and 2018 Approved Budget**

- b. Receive and File: January 2018 Monthly Revenue and Expenditure Report
February 2018 Monthly Revenue and Expenditure Report
March 2018 Monthly Revenue and Expenditure Report**

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 SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF
SAN GABRIEL COUNTY WATER DISTRICT
HELD ON MAY 7, 2018**

- CALL TO ORDER** A special meeting of the Board of Directors of the San Gabriel County Water District was held on Monday, May 7, 2018, 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; Assistant General Manager Feilen; Finance and Administration Manager Corona; and District Counsel Colin O’Neill were present.
- AGENDA** Upon motion by Director DeLaTorre, and seconded by Director Chan, the Board voted unanimously to adopt the agenda for this special meeting of the Board of Directors held on May 7, 2018.
- MINUTES** 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 April 24, 2018.
- DEMANDS** Upon motion by Director Chan, and seconded by Director Cammarano, the Board voted unanimously to approve the payment of check numbers 11488 through 11514 from the Revolving Account in the aggregate amount of \$21,521.98, and check numbers 19464 through 19513 from the General Account in the aggregate amount of \$648,884.75 for the April, 2018 invoices.
- EXPENSES** None.
- PUBLIC COMMENT** Director Chavez of the Upper San Gabriel Municipal Water District was present and reported that on April 24, Upper District hosted a dinner for three schools participating in the Solar Cup, and which are being sponsored by Upper District. Director Chavez explained that the event is a race for solar-powered boats built by the students from 31 schools from around Southern California, and is hosted by the Metropolitan Water District.
- DISTRICT COUNSEL** District counsel reported regarding the use of the funds received by the District as a safety record refund from ACWA/JPIA.
- ACTION** None.
- INFORMATION** The April, 2018 Banking and Investment Report was received and filed. The April, 2018 Water Well Report was received and filed.
- GENERAL MANAGER COMMENTS** The General Manager reported that Mike Holmes, the PWAG emergency preparedness coordinator, would be attending the next meeting.

The General Manager solicited Directors' comments on the draft of the District newsletter. Director Cammarano stated that she would like an item added thanking the District's ratepayers, and sharing some of the District's projects, such as the new well, with an explanation that this is an example of how the District spends its funds.

Director Cici added that he would like to see employee headshots in the Employee Appreciation feature.

Director Taylor stated that he would like a slight modification to the copy, to include the fact that water runoff also flows into surrounding communities.

The General Manager reported that staff had taken Title XII water samples from Well No. 16 to provide the Health Department.

The General Manager reported that there is a possibility of the District leasing 600 acre-feet of water rights to Cal-Am, but the deal is not yet firm.

The General Manager reported that the District was still waiting to hear back from the Health Department concerning approval of the Well Nos 11 & 12 blending program.

The General Manager reported that a ratepayer had called the District to complain that the water rates are too high.

**FUTURE
AGENDA
ITEMS**

Creation of an ACWA/JPIA Safety Refund Account for use for funding future safety lunches.

Revision to the District's Emergency Reserve Policy.

The Board will conduct its mid-year budget review in July.

**DIRECTOR
COMMENTS**

Director Cici inquired as to some of the technology currently used by the District. The General Manager provided a summary, including the District's use of AutoCAD and smart meters. A discussion ensued concerning further implementation of smart meters in the future.

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: 5/22/2018

Check No.	Date	Status	Vendor ID	Payee Name	Amount
BANK ID: 13100B - GENERAL ACCOUNT					13100
19514	05/22/18	P	12031	REVOLVING REIMBURSEMENT	\$120,199.91
BANK 13100B REGISTER TOTAL:					\$120,199.91
GRAND TOTAL :					\$120,199.91

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

RESOLUTION NO. 05-18-501

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
SAN GABRIEL COUNTY WATER DISTRICT
AMENDING RESOLUTION NO. 1-93-288
(THE ADMINISTRATIVE CODE)
AS IT RELATES TO THE FINANCIAL RESERVE POLICY**

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

1. Purpose and Scope

This resolution establishes the standards to maintain the District's reserves at fiscally responsible levels to ensure the continued orderly operation of the District's water system, the provision of services to residents at established levels, and the continued stability of the District's rate structure.

2. Amendment

Section 9.09. Administrative Code is amended to read as follows:

"Section 9.09. Financial Reserve Policy.

1. (a) The District will strive to maintain a balanced operating budget for all operational funds with annual revenues equal to or greater than annual expenditures.
- (b) The District shall maintain an Operating Reserve at least equal to one year's variable budget costs. The total annual variable budget cost includes the cost to purchase, produce, treat and deliver water as well as two-thirds salaries and personnel compensation. The total cost shall be calculated based on the total operating expense as stated in the Annual Budget. The appropriate funding source when needed is the water commodity rate.

- (c) The District shall maintain a Capital and Equipment Replacement reserve of at least 25% of the previous year's total revenue.
- (d) The District shall maintain a Rate Stabilization Reserve equal to the cost of purchasing replacement water for water pumped over the Districts share of the operative safe yield.
- (e) The District shall maintain reserves in the Debt-Service Reserve equal to one year's annual debt service obligation and maintain revenues at levels sufficient to meet the rate covenant requirements.
- (f) The District shall maintain an Emergency Reserve in the amount of \$4,000,000 for unforeseen catastrophic disasters."

3. Other.

Except as provided herein, Resolution No. 1-93-288 is reaffirmed and readopted.

PASSES, APPROVED AND ADOPTED on May 22, 2018.

President

ATTEST:

Secretary



May 22, 2018

To: Board of Directors
From: General Manager *P*
Subject: San Marino Ave. Pipeline Project

The City of San Gabriel is doing street improvements on San Marino Ave. sometime this summer. San Gabriel County Water District currently has 4" cast iron on San Marino Ave. The main is on San Marino Ave. between Leslie Dr. and Longden Dr. We would like to replace the existing water main with 8" ductile iron. The District sent out bids proposals on April 30, 2018 and were due back on May 15, 2018 at 1 pm. The Contractors below were given bid packages. Bids were opened at the District office on May 15, 2018 at 1:30 pm. Present for the bid opening were James Prior, Casey Feilen, Carlos Cardona and Anthony Agobian.

Brkich Const	\$281,690.00
Doty Bros	\$399,472.00
McKinney Const	\$341,486.00
Frajjo Bros Inc.	\$370,006.71

Recommendation:

It is staff's recommendation that we choose Brkich Construction to install the San Marino Ave. Pipeline Project.



May 22, 2018

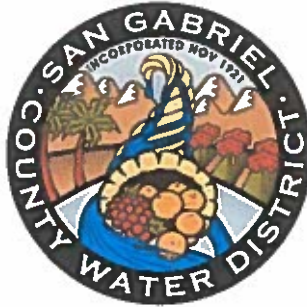
To: Board of Directors

From: General Manager ✓


Subject: JPIA Safety Refund

On April 24, 2018 San Gabriel County Water District received a check from JPIA for its outstanding safety record by all staff members for their constant diligence in maintaining low loss claims on liability, workers compensation and property. It is my recommendation that we create a new account to hold our refund to use for safety lunches and incentives. This would not impact our current budget. Staff feels that this is valid due to the following court decisions. The California Constitution prohibits public agencies from making gifts of public funds. (Ca. Const., art. XVI, section 6) However, courts have found that, in the case of employment, lump-sum payments and the granting of benefits to employees for past services are not invalid as a gift of public funds serving no substantial public purpose because they further the agency's self-interest by ensuring continued recruitment and retention of qualified employees. (San Joaquin County Employees' Association, Inc. v. San Joaquin County (1974) 39 Cal.App. 3d 83; Walker v. Los Angeles County (1961) 55 Cal.2d 626; Jarvis v. Cory (1980) 28 Cal.3d 562.)

Thank you



May 22, 2018

To: Board of Directors
From: General Manager 
Subject: Credit Card Account

Our new software company (Caselle) and our accounting advisor would like to see the District open a separate account for credit card payments from our customers. This would simplify the accounting process which currently has all payments going to the general account. This will keep third-party merchant services from accessing our general account.

Recommendation:
Staff recommends opening a new account for credit card payments.

REVENUE AND EXPENDITURE DISTRIBUTION

Calendar Year 2018

Month of January

Projected YTD Percent - 8%

Description	Budget	Receipts and Expenditures For The Month	Total Year to Date	Balance	YTD %
Total Revenue	8,412,054	731,784	731,784	7,680,270	9%
Production	1,788,934	144,775	144,775	1,644,159	8%
Transmission & Distribution	566,772	27,934	27,934	538,838	5%
Customer Service	342,960	17,270	17,270	325,690	5%
General & Administrative	3,449,290	403,091	403,091	3,046,199	12%
Payment on Long Term Debt	0	0	0	0	0%
GASB 45	420,000	0	0	420,000	0%
ACE Project	0	0	0	0	0%
Total Operational Expense	6,567,956	593,071	593,071	5,974,885	9%
Revenue Total	8,412,054	731,784	731,784	7,680,270	9%
Less Operational Expense	6,567,956	593,071	593,071	5,974,885	9%
Gain/Loss	1,844,098	138,714	138,714	1,705,384	8%
Capital Expenditures	2,085,500	21,411	21,411	2,064,089	1%
		117,303	117,303		
		Use of Funds			
Fund Balance Start of Month		8,245,380			
Add Back Depreciation		92,640			
Overall Gain/Loss		117,303			
Total		8,455,324			

REVENUE AND EXPENDITURE DISTRIBUTION

Calendar Year 2018

Month of February

Projected YTD Percent - 16%

Description	Budget	Receipts and Expenditures For The Month	Total Year to Date	Balance	YTD %
Total Revenue	8,412,054	738,420	1,470,204	6,941,850	17%
Production	1,788,934	116,237	261,012	1,527,922	15%
Transmission & Distribution	566,772	37,817	65,751	501,021	12%
Customer Service	342,960	23,732	41,002	301,958	12%
General & Administrative	3,449,290	237,619	640,710	2,808,580	19%
Payment on Long Term Debt	0	0	0	0	0%
GASB 45	420,000	0	0	420,000	0%
ACE Project	0	0	0	0	0%
Total Operational Expense	6,567,956	415,404	1,008,475	5,559,481	15%
Revenue Total	8,412,054	738,420	1,470,204	6,941,850	17%
Less Operational Expense	6,567,956	415,404	1,008,475	5,559,481	15%
Gain/Loss	1,844,098	323,016	461,730	1,382,368	25%
Capital Expenditures	2,085,500	114,728	136,139	1,949,361	7%
		208,287	325,591		
		Use of Funds			
Fund Balance Start of Month		8,455,324			
Add Back Depreciation		92,682			
Overall Gain/Loss		208,287			
Total		8,756,294			

REVENUE AND EXPENDITURE DISTRIBUTION

Calendar Year 2018

Month of March

Projected YTD Percent - 24%

Description	Budget	Receipts and Expenditures For The Month	Total Year to Date	Balance	YTD %
Total Revenue	8,412,054	659,097	2,129,301	6,282,753	25%
Production	1,788,934	55,863	316,875	1,472,059	18%
Transmission & Distribution	566,772	34,515	100,266	466,506	18%
Customer Service	342,960	24,723	65,725	277,235	19%
General & Administrative	3,449,290	230,779	871,489	2,577,801	25%
Payment on Long Term Debt	0	0	0	0	0%
GASB 45	420,000	0	0	420,000	0%
ACE Project	0	0	0	0	0%
Total Operational Expense	6,567,956	345,880	1,354,355	5,213,601	21%
Revenue Total	8,412,054	659,097	2,129,301	6,282,753	25%
Less Operational Expense	6,567,956	345,880	1,354,355	5,213,601	21%
Gain/Loss	1,844,098	313,217	774,946	1,069,152	42%
Capital Expenditures	2,085,500	82,380	218,519	1,866,981	10%
		230,837	556,427		
		Use of Funds			
Fund Balance Start of Month		8,756,294			
Add Back Depreciation		93,476			
Overall Gain/Loss		230,837			
Total		9,080,607			