

8. Action Item

a. Discussion, Consideration and Action on Time Value Investment

**Motion:
Second:
Action:**

9. Miscellaneous Information Items

a. Receive and File the September 2018 Banking and Investment Report

b. Water Well 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 REGULAR MEETING OF
THE BOARD OF DIRECTORS OF
SAN GABRIEL COUNTY WATER DISTRICT
HELD ON SEPTEMBER 25, 2018**

- CALL TO ORDER** A regular meeting of the Board of Directors of the San Gabriel County Water District was held on Tuesday, September 25, 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 Cici, the Board voted unanimously to adopt the agenda for this regular meeting of the Board of Directors held on September 25, 2018.
- MINUTES** Upon motion by Director Chan and seconded by Director Cammarano, the Board voted unanimously to approve the minutes of the regular meeting of the Board of Directors held on September 11, 2018.
- DEMANDS** Upon motion by Director Chan, and seconded by Director DeLaTorre, the Board voted unanimously to approve the payment of check number 19728 from the General Account in the amount of \$122,415.41 for the Revolving Account reimbursement.
- EXPENSES** None.
- PUBLIC COMMENT** Director Chavez of the Upper San Gabriel Valley Municipal Water District was in attendance and informed that the annual Waterfest would be taking place October 13 at Arcadia Park.
- Director Chavez further reported that he just returned from a tour of the Colorado river and Los Angeles Aqueduct, and that while conditions and forecasts were not encouraging, he was nonetheless hopeful that water industry professionals will be able to arrive at solutions.
- DISTRICT COUNSEL** District counsel reported regarding the District's Resolution on the agenda as an action item as Item 8(d). Counsel advised that such Resolutions are no longer required by the County, but the County Elections Division will still retain in its records any such Resolutions that may be submitted.
- ACTION** Upon motion by Director Cammarano, and seconded by Director DeLaTorre, the Board voted unanimously to award the contract for the installation of Mainline Replacement Phase 4 to Doty Brothers Construction, in the amount of \$134,794.00.

Upon motion by Director Chan and seconded by Director Cammarano, the Board voted unanimously to retain the Services of Egan & Egan CPA to perform the District's 2018 audit.

Upon motion by Director Cammarano and seconded by Director DeLaTorre, the Board voted unanimously to re-invest the funds held in its Time Value Investment held by Wells Fargo, as the instrument has matured, and a rate of return of 2.9% interest was presently available for a two year term.

Upon motion by Director Cammarano and seconded by Director Cici, the Board voted unanimously to adopt Resolution No. 09-18-502, ordering that an election not be held, and requesting that the County Board of Supervisors appoint Directors Chan, Cici and DeLaTorre to full terms, concluding December 2, 2022.

Upon motion by Director Cammarano and seconded by Director Chan, the Board voted unanimously to schedule the annual Employee Recognition Lunch on December 11, 2018 at Jason's Lounge at the Hilton Hotel.

INFORMATION

The August, 2018 Monthly Revenue and Expenditure Report was received and filed.

The August, 2018 Water Well Report was received and filed.

GENERAL MANAGER COMMENTS

The General Manager reported that the Main San Gabriel Basin key well had recently hit a historically low level of 171.9 feet. And while this is a troubling situation, with an equally troubling forecast, the District's location in the Alhambra Hole section of the Basin depletes more slowly than other parts of the Basin, although it conversely fills more slowly than other parts of the Basin.

The General Manager reported that he had recently attended the Water Forum event and there was some talk that the leading candidate to be the next Governor was opposed to the two-tunnel model for the California Water Fix, but that it remains very much uncertain how or if any next Governor might weigh in on the Water Fix project.

The General Manager reported on a proposed project, the "Carson Project," whereby recycled and treated water from a facility in Carson would be pumped into the Main San Gabriel Basin up to a possible amount of 70,000 acre-feet/year. Numerous issues remain, however, including cost.

The General Manager shared information he received at the recent Water Forum event, that the area is presently between rain "bookends" – models show dry periods bracketed by extremely wet years, and according to such models, a wet season is likely some years away.

The General Manager reported that he and Director Chan had recently visited representatives of the development underway at the site of the San Gabriel Nursery, explaining to them that there was a possibility that the District might have to move to a Stage 2 drought response status, which could possibly impact the District's ability to serve the development.

The General Manager brought to the Board's attention a provision in the Personnel Manual providing for tuition to employees who wish to obtain additional education related to their job. Certain concerns were identified, and District Counsel will provide further analysis.

The General Manager presented the idea of hiring an intern. Several questions arose, and District Counsel will provide guidance after investigation.

The General Manager reported that ACWA was providing a tour of the Weymouth treatment facility on October 4, requesting a commitment to attend by the following day.

**FUTURE
AGENDA
ITEMS**

Consideration of increasing the District's amount of investment in its Time Value Investment.

**DIRECTOR
COMMENTS**

Director Cammarano inquired whether District customers were permitted to refill their swimming pools considering the current Stage 1 drought response status. Initially, it was believed that customers were not permitted to do so under the Stage 1 guidelines, and it was noted that enforcement of such a prohibition had its difficulties. It was then clarified that, in fact, the language of prohibition under Stage 1 conditions appears not to prevent re-filling of swimming pools, but that definitive answer would be provided promptly.

Director Taylor shared some thoughts and impressions from his recent attendance of the Water Forum. Among them: the only viable solution for imported water deliveries is the California Water Fix; conservation alone is not the answer to the region's water problems; there appears not to be enough cohesive focus among the various interests in addressing the broader long-term problems; and that there appears to be an imbalance in the favor of agricultural concerns.

ADJOURNMENT

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

President

Secretary

[SEAL]

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

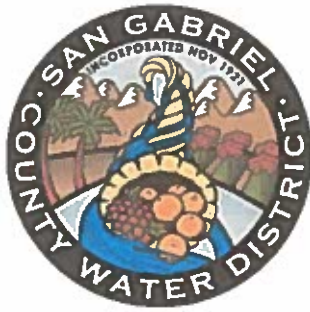
Invoice Number / Line Description	Vendor Name / Expense Account	Invoice Date	Posting Date	Terms Code	Purchase Order / Job	Amount
9/25/18.BOARDPR	12031 REVOLVING REIMBURSEMENT 13200 - CITIZENS BANK - REVOLVING AC	09/25/18	09/25/18			\$445.90
INVOICE 9/25/18.BOARDPR TOTAL:						\$445.90
REPORT TOTAL:						\$445.90

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

Check Dates: 9/1/2018 to 9/30/2018

Check No.	Date	Status	Vendor ID	Payee Name	Amount
BANK ID: 13200 - REVOLVING ACCOUNT					13200
11631	09/04/18	P	10086	BARSOUM DENTAL	\$99.00
11632	09/04/18	P	13300	BRIAN W. SNAER, D.D.S.	\$303.00
11633	09/04/18	P	11940	LINCOLN NATIONAL LIFE INS. CO.	\$2,045.00
11634	09/04/18	P	13376	MARTINEZ & ZERMENO 11 APDC	\$1,200.00
11635	09/04/18	P	13505	MEGAN PRIOR-PFEIFER	\$300.00
11636	09/05/18	P	10094	FRANCHISE TAX BOARD	\$50.00
11637	09/10/18	P	13127	JIM PRIOR	\$668.24
11638	09/11/18	P	13529	ERIC CHAN	\$92.35
11639	09/12/18	P	13191	MARK ALLEN WONG, DDS, INC	\$1,500.00
11640	09/12/18	P	13785	THOMAS C. NELSON D.D.S.	\$120.00
11641	09/12/18	P	12674	U.S. BANK	\$3,742.15
11642	09/19/18	P	10094	FRANCHISE TAX BOARD	\$50.00
11643	09/19/18	P	11940	LINCOLN NATIONAL LIFE INS. CO.	\$2,045.00
11644	09/19/18	P	10126	READY ARTWORK	\$2,500.00
11645	09/20/18	P	13594	LAWRENCE PERKINS, D.D.S.	\$460.00
11646	09/20/18	P	13458	VANESSA HO, D.D.S.	\$269.00
11647	09/25/18	P	13529	ERIC CHAN	\$92.35
11648	09/25/18	P	13189	CARMEN CORONA	\$239.40
11649	09/26/18	P	10128	IRVINE GARDEN	\$72.67
11650	09/26/18	P	10127	YAN GAN	\$879.66
11651	09/28/18	P	10129	ROWLAND WATER DISTRICT	\$150.00
11652	09/28/18	P	13285	SWRCB-DWOCF	\$60.00
BANK 13200 REGISTER TOTAL:					\$16,937.82
GRAND TOTAL :					\$16,937.82

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



October 9, 2018

To: Board of Directors
From: General Manager ✓
Time: Time Value Investment

Last year the Board approved to invest in CD's with Time Value Investment. I would like to recommend to the Board to invest either \$250,000.00 or \$500,000.00 into a 2-year Morgan Stanley CD. In speaking with our investment agent, he felt this would be the best option for the District. The current rate is 2.90. LAIF is currently 1.97 The current rate at Citizens Business Bank is .80

Thank you

Jim Prior

From: Peter Becker <Peter.Becker@timevalueinv.com>
Sent: Tuesday, October 02, 2018 2:47 PM
To: Jim Prior
Subject: RE: Disclosure

Hi Jim,

Here are the best available 2yr CD rates for the Board meeting. These might change by next week but the rates should be similar:

Identifier	Description	Mdy's/S&P /Fitch Ins (Underlying)
61747M6V8	Morgan Stanley Bk N A Utah 2.9%20, Survivor Option, Semi Cpn, FDIC#32992	FIS Rating (1-5): 1.58
61760AQT9	Morgan Stanley Pvt Bk Purchase CD 2.9%20, Survivor Option, Semi Cpn, FDIC#34221	FIS Rating (1-5): 1.99
254673UR5	Discover Bk 2.85%20, Survivor Option, Semi Cpn, FDIC#5649	FIS Rating (1-5): 2.42

Peter Becker | Vice President

Time Value Investments, Inc. | 9725 3rd Ave NE, Suite 610 | Seattle, WA 98115
Direct: 206-365-3003 | Toll Free: 877-707-7787 | Fax: 206-417-6000 | www.timevalueinv.com

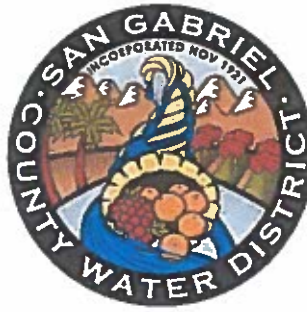


Public Funds Investment Educational Videos at www.timevalueinv.com/p/educational-videos

Securities offered through ProEquities, Inc. a Registered Broker-Dealer, Member, FINRA & SIPC. Any non-securities activities conducted by Time Value Investments, Inc. are independent of ProEquities, Inc.

From: Jim Prior [mailto:jim@sgcwg.com]
Sent: Tuesday, October 02, 2018 2:21 PM
To: Peter Becker
Subject: RE: Disclosure

Hi Peter,
What would be the CD we would be investing in.
Thanks
Jim



SAN GABRIEL COUNTY WATER DISTRICT
Bank Account September 30, 2018

State of California Local Agency Investment Fund
Transactions through Citizens Bank, Sacramento, CA

Time Value Investment	\$1,005,281.35
Amount of Investment	\$8,196,903.56
LAIF Interest Rate	2.00%
Citizens Bank - General Account	\$3,371,391.27

I hereby certify that the foregoing is true and correct and in accord with the District's Investment Policy.

Date: 10/9/18


Treasurer

<u>September 2017</u>	<u>YTD September 2017</u>	<u>September 2018</u>	<u>YTD September 2018</u>
<u>Cash Receipts</u>			
\$932,646.15	\$6,610,093.08	\$925,819.08	\$7,630,227.71
<u>Disbursements</u>			
\$908,303.97	\$6,247,575.87	\$909,027.96	\$5,672,330.34
<u>Water Sales</u>			
\$766,307.62	\$5,929,449.88	\$830,263.81	\$6,736,567.38

invest



Water Levels as of September 30, 2018

Listed below are the water levels in the Baldwin Park Key Well and Wells owned and operated by San Gabriel County Water District.

The Baldwin Park Key Well is located in the central portion of the San Gabriel Valley within the City of Baldwin Park and is used by the Main San Gabriel Basin Watermaster to monitor changes in the groundwater supply for the Basin. Each vertical foot is equivalent to about 8,000 acre-feet of groundwater in the Main Basin. The Key Well elevation is measured at sea level.

	<u>SEPTEMBER 2017</u>	<u>SEPTEMBER 2018</u>
Baldwin Park Key Well	181.2	171.9

Reservoir Storage in the San Gabriel Canyon:

Cogswell Reservoir	11,136 acre-feet
San Gabriel Reservoir	43,646 acre-feet
Morris Reservoir	<u>28,696 acre-feet</u>
Total Storage Capacity	83,478 acre-feet

As of September 24, 2018 combined storage was 21,671 acre-feet (26 percent of capacity)

San Gabriel County Water District

Listed below are water levels measured at static and pumping and also pump depth.

	<u>2017</u>	<u>2017</u>	<u>2018</u>	<u>2018</u>	
	STATIC	PUMPING	STATIC	PUMPING	PUMP DEPTH
<u>Raymond Basin</u>					
Well #16	237	NM	282	373	423
<u>Main San Gabriel Basin</u>					
Well #9	306	437	NM	404	462
Well #11	222	offline	245	NM	460
Well #12	234.5	256.5	240	262	360
Well #14	206.5	286.5	206.5	288	360
Well #15	394	433	393	433	660