

SPECIAL NOTICE

Teleconference Accessibility

Pursuant to Executive Order N-29-20 issued by Governor Newsom in response to the COVID-19 outbreak and as a precaution to protect both staff, our constituents, and elected officials, the San Gabriel County Water District will hold its meeting via teleconference or the most rapid means of communication available at the time. The public may participate in the teleconference by calling the number below and entering the passcode.

(866)691-4340 Access Code 6372794244

Public comments may be made through teleconference when prompted by the Chair during the public comment period. Public comments may also be provided by emailing: carmen@sgcwd.com in advance of or during the meeting. Please indicate "PUBLIC COMMENT" in the subject line.

If you have difficulty connecting to the teleconference line, please call (626) 287-0341, or email carmen@sgcwd.com

**San Gabriel County Water District
Regular Meeting of the Board of Directors**

April 14, 2020

4:00 P.M

VIA TELECONFERENCE

**Or the most rapid means of communication available at the time
(866)691-4340 Access Code 6372794244**

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 Regular Meeting of the Board of Directors held March 24, 2020

Motion:

Second:

Action:

6. List of Demands on General Account

a. March 2020 Invoices

Motion:

Second:

Action:

Regular Meeting of the Board of Directors

April 14, 2020

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7. District Counsel

8. Action Item

a. Discussion, Consideration and Action on Time Value Investment

Motion:

Second:

Action:

b. Lease 300 AF of Water Rights from Azusa Valley Water Company for \$236,808.00

Motion:

Second:

Action:

9. Miscellaneous Information Items

a. 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 MARCH 24, 2020**

- CALL TO ORDER** A regular meeting of the Board of Directors of the San Gabriel County Water District was held on Tuesday, March 24, 2020, at 8366 Grand Avenue, Rosemead, California at the hour of 4:00 p.m., available to the public via teleconference.
- ROLL CALL** President Taylor was physically present at the District's office; Directors Cammarano, Chan, Cici, and DeLaTorre each appeared via teleconference; General Manager Prior; Assistant General Manager Feilen; Finance and Administration Manager Corona were physically present at the District's office.
- 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 March 24, 2020.
- PUBLIC COMMENT MINUTES** Ms Cici, appearing telephonically, urged everyone to be careful and safe.
Upon motion by Director Chan, and seconded by Director Cammarano, the Board voted 4 – 0 – 1 to approve the minutes of the regular meeting of the Board of Directors held on March 10, 2020, with Director Cici abstaining because he was not present at the meeting.
- DEMANDS** Upon motion by Director Chan, and seconded by Director DeLaTorre, the Board voted unanimously to approve an electronic funds transfer from the General Account to the Revolving Account in the amount of \$129,115.88.
- DISTRICT COUNSEL** None.
- ACTION** Upon motion by Director Chan, and seconded by Director DeLaTorre, the Board voted unanimously to cast the District's vote for LAFCO representative in favor of West basin Municipal Water District Director Donald L. Dear.
Upon motion by Director Cammarano and seconded by Director Chan, the Board voted unanimously to approve the opening of a bank account reserved strictly for the payments withheld from the City of San Gabriel to reimburse customers.
- INFORMATION** The February 2020 Banking and Investment Report was received and filed.
- GENERAL MANAGER** The General Manager reported that the ACWA conference had been rescheduled to July 28 – July 31.

COMMENTS

The General Manager reported on the weekly PWAG coronavirus conference call.

The General Manager reported that the District plans to lease 300 acre-feet of water rights from the City of Azusa at 92% of Upper District’s price.

The General Manager reported that he would like to purchase badges for District personnel for emergency situations in order to indicate their roles as vital service providers. Directors Taylor and Cici were wholly supportive of the idea. Director Chan voiced his reservation, not sure if such a measure was necessary, but indicated that he would follow whatever the remaining Board members decided.

The General Manager reported that the District had a Time Value CD account that had matured and advised that the money should be re-invested.

FUTURE AGENDA ITEMS

- The lease of 300 acre-feet of water rights from the City of Azusa.
- The re-investment of funds from the recently matured CD account.

DIRECTOR COMMENTS

Director Cammarano advised that the School District had extended the time that school will remain out of session. Director Cammarano also reminded that the tour of the Emergency Operations Center needs to be rescheduled.

Director Cici wished everyone a happy Easter, and added that in his 40 years of public service, the current COVID-19 pandemic was the worst situation he had ever seen.

Director Chan confirmed that the ACWA conference had been postponed and that accommodations had been adjusted appropriately.

The Directors unanimously wished everyone to stay well during these troubling times.

ADJOURNMENT

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

President

Secretary

[SEAL]

Report Criteria:

Report type: Summary
 Check.Type = {<>} "Adjustment"
 Bank.Bank number = {=} 3

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
03/20	03/04/2020	12100	11940	Lincoln National Life Insurance Co.	102000	3,230.00
03/20	03/04/2020	12101	10423	SCWUA	102000	125.00
03/20	03/09/2020	12102	10161	AppleOne Employment Services	102000	910.77
03/20	03/09/2020	12103	10167	Helman Architects, Inc.	102000	1,601.65
03/20	03/09/2020	12104	13337	Kevin J. Snaer, DDS	102000	341.00
03/20	03/09/2020	12105	13494	Roy H. Chang, DDS	102000	290.00
03/20	03/09/2020	12106	12674	U.S. Bank	102000	5,369.13
03/20	03/10/2020	12107	13529	Eric Chan	102000	92.35
03/20	03/17/2020	12108	13465	Anthony Maas	102000	153.25
03/20	03/18/2020	12109	11940	Lincoln National Life Insurance Co.	102000	3,480.00
03/20	03/23/2020	12110	10161	AppleOne Employment Services	102000	907.52
03/20	03/23/2020	12111	13546	Maria Melissa Francisco, DDS	102000	1,170.00
03/20	03/23/2020	12112	12209	Paul M. Reischl, DDS	102000	289.00
03/20	03/24/2020	12113	13529	Eric Chan	102000	92.35
03/20	03/31/2020	12114	10161	AppleOne Employment Services	102000	1,037.74
03/20	03/31/2020	12115	10172	Trugreen	102000	1,488.60

Grand Totals:

20,578.36

EFT-From the General Account for the Revolving Reimbursement

	Date Paid	Amount Paid
Board of Director's Payroll	3/24/2020	\$ 445.90
Revolving Reimbursement	3/31/2020	\$ 20,578.36
	Total Amount to be Reimbursed:	\$ 21,024.26



April 14, 2020

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

In 2017 the Board approved to invest in CD's with Time Value Investment. One of those CD's is maturing, so I would like to reinvest the maturing CD's in a 2-year Bmw Bk North Amer Salt Lake CD. In speaking with our investment agent, he felt this would be the best option for the District. The current rate is 1.350 for Bmw Bk North Amer Salt Lake. The interest information is currently unavailable for LAIF.

Thank you

From: Peter Becker <Peter.Becker@timevalueinv.com>

Sent: Monday, April 06, 2020 4:28 PM


To: Jim <jim@sgcwg.com>

Subject: RE: CD Maturity


Hi Jim,

Sure thing, here are the best CD rates available. With LAIF falling (it should settle around .25%), it might be a good time to allocate additional funds into CDs. There is an additional \$74,000 in the money market fund so if the Board wants to do another CD you would only need to add \$174,000.


4 YEARS:

CUSIP Asset	Mdy/S&P Underlying	Issue Description	Coupon	Maturity  Next Call
05580AWF7 CD Hist	FedFIS 1.6	Bmw Bk North Amer Salt Lake <i>Death Put BMW Semi-Annual Pay Restricted States: OH</i>	1.500%	04/12/2024

3 YEARS:

CUSIP Asset	Mdy/S&P Underlying	Issue Description	Coupon	Maturity  Next Call
14042TDM6 CD Hist	FedFIS 2.27	Capital One Bk Usa Natl Assn Glen Allen Va <i>Death Put Semi-Annual Pay</i>	1.400%	04/17/2023
87165HA59 CD Hist	FedFIS 2.47	Synchrony Bk Retail Ctf Dep Program Bo... <i>Death Put Semi-Annual Pay Restricted States: TX</i>	1.300%	04/17/2023

2 YEARS:

CUSIP Asset	Mdy/S&P Underlying	Issue Description	Coupon	Maturity  Next Call
05580AWL4 CD Hist	FedFIS 1.6	Bmw Bk North Amer Salt Lake <i>Death Put BMW Semi-Annual Pay Restricted States: OH</i>	1.350%	04/14/2022
14042TDH7 CD Hist	FedFIS 2.27	Capital One Bk Usa Natl Assn Glen Allen Va <i>Death Put Semi-Annual Pay</i>	1.300%	04/18/2022

Thanks,

Peter

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

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April 14, 2020

To: Board of Directors

From: General Manager

Subject: Lease Water Rights

Azusa Valley Water Company has 300 acre-feet of production rights that are available for lease. The water rate for untreated water is \$858.00, we can get it at a rate of \$789.36 for a total of \$236,808.00 which would be a savings of \$20,592.00. Even though we have had close to average rainfall this year it would be in the District's best interest to lease these rights for future use.

Recommendation:

It is staff's recommendation that we lease 300 acre-feet of production rights from Azusa Valley Water Company.

TEMPORARY ASSIGNMENT OR LEASE OF WATER RIGHT

For valuable consideration, receipt of which is hereby acknowledged, **AZUSA VALLEY WATER COMPANY** ("Assignor") does hereby assign and transfer to **SAN GABRIEL COUNTY WATER DISTRICT** ("Assignee") commencing on **JULY 1, 2019** and terminating on **JUNE 30, 2020**, the following water right(s):

(Check the following appropriate category)

- | | |
|---|---|
| <p><input checked="" type="checkbox"/> <u>Production Right</u> <u> 300 </u> AF</p> <p><input type="checkbox"/> <u>Prescriptive Pumping Right</u> _____ AF</p> <p><input type="checkbox"/> <u>Base Annual Diversion Right</u> _____ AF</p> | <p><input type="checkbox"/> <u>Integrated Production Right</u> (consisting of _____ acre-feet of "Prescriptive Pumping Component" and _____ acre-feet of "Diversion Component")</p> <p><input type="checkbox"/> Carry-over Right _____ AF</p> |
|---|---|

adjudicated to Assignor or his predecessor in the Judgment in the case of "Upper San Gabriel Valley Municipal Water District v. City of Alhambra, et al." Los Angeles Superior Court No. 924128.

Said assignment is made upon condition that:

- (1) Assignee shall exercise said right on behalf of Assignor for the period described hereinabove and the first water produced by Assignee from the Relevant Watershed of the Main San Gabriel Basin after the date hereof shall be that produced hereunder;
- (2) Assignee shall put all waters utilized pursuant to said transfer to reasonable beneficial use; and
- (3) Assignee shall pay all Watermaster assessments on account of the water production hereby assigned or leased.

DATED: _____

ASSIGNEE

ASSIGNOR

SAN GABRIEL COUNTY WATER DISTRICT

AZUSA VALLEY WATER COMPANY

(Signature) *James Prior, General Manager*

(Signature) *Jared Macias, Assistant Director – Water*

Name of Designee (of Assignee) to receive service of Processes & Notice:

Name of Designee (of Assignor) to receive service of Processes & Notices:

James Prior

Jared Macias

8366 Grand Avenue

Azusa Valley Water Company

Rosemead, CA 91770
Address

729 North Azusa Avenue, Azusa, CA 91702
Address

Telephone No. of Designee: 626-287-0341

Telephone No. of Designee: 626-812-5209

To be executed by both Assignee and Assignor and, if separately requested by Watermaster, be accompanied by a map of the service area where the water was used by Assignor and a map of the service area where the water is intended to be used by the Assignee.

(Have the appropriate individual(s) or corporate attached acknowledgments completed as part of the temporary transfer.)

A TRUE COPY HEREOF MUST BE FILED WITH WATERMASTER WITHIN 15 DAYS OF EXECUTION.

(To be accompanied by completed Exhibit "E" if Assignee is not a party to the Judgment.)

LEASE OF WATER RIGHTS

PRODUCTION RIGHT

THIS LEASE OF WATER RIGHTS (the "Lease") is entered into on this 18th day of May 2020 by and between Azusa Valley Water Company ("Lessor") and the San Gabriel County Water District ("Lessee"), a California corporation, with respect to the following:

RECITAL

This Agreement is made with respect to the following facts:

Lessor owns of record and beneficially or otherwise controls, or is the duly authorized and acting agent for the owners of 300 acre-feet of Production Rights in the Main San Gabriel Basin as adjudicated in the case of "Upper San Gabriel Valley Municipal Water District vs. City of Alhambra, et al." LASC No. 92418. The ownership of said Rights entitle Lessor to take delivery or otherwise produce from the Main San Gabriel Basin said 300 acre-feet of water on an annual basis or in such amount as is determined from time to time by the Main San Gabriel Groundwater Basin Watermaster ("Watermaster"). As of the date hereof, the Rights associated with said Production Right are 300 acre-feet for the 2019-20 water year.

AGREEMENT

IN CONSIDERATION of the foregoing recital and the mutual promises set forth herein, Lessor and Lessee agree as follows:

1. Leasing of Production Rights. Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, 300 acre-feet of Production Rights ("Leased Production Rights") for the term and upon the terms and conditions set forth in this Lease.
2. Term. The term of this Lease shall be for a period commencing July 1, 2019 and ending June 30, 2020.
3. Lease Rate, Payment and Adjustment.

The prevailing Pre-purchased Supplemental Water Rate ("SWR") was set by Upper San Gabriel Valley Municipal Water District's ("USGVMWD") Board of Directors in the amount of \$858 per acre foot for the current calendar year.

The gross rental amount payable for the lease of the Leased Production Rights under this Lease for the term as listed in paragraph 2 above shall be \$236,808. This amount has been calculated on the basis of 92% of the Pre-purchased

SWR of \$858 per acre foot set by the USGVMWD Board of Directors at its June 5, 2019 meeting. If the SWR set by the USGVMWD Board is revised or otherwise changed, to be effective prior to June 30, 2020, from the current SWR set forth herein, a reconciling payment adjustment will be made by the Lessee or the Lessor to the other party within 30 days from the date of the SWR approval by the USGVMWD Board. Upon execution of this Lease, Lessor will send an invoice and the Lessee will make the full payment of \$236,808 within 45 days of Watermaster's acknowledgement of the lease.

All payments due to Lessor pursuant to this Lease shall be made and sent as follows:

Azusa Valley Water Company
729 North Azusa Avenue
Azusa, CA 91702

4. Agreement Re: Main San Gabriel Basin Watermaster.

- (a) Lessor agrees to execute and deliver to Lessee all documents which, from time to time, may be required by the Watermaster to reflect the lease to Lessee of the Leased Production Rights which are the subject of this Lease. All such documents shall be in such form and substance as shall be reasonably satisfactory to Lessor, Lessee and the Watermaster. If for any reason, the Watermaster elects not to honor this Lease, the Lessor agrees to refund prior payments to the Lessee within 60 days from the date of refund request by the Lessee and substantiation of said refusal by Watermaster.
- (b) Lessee shall, at its expense, prepare and submit all reports required by the Watermaster in connection with the exercise by Lessee of the Leased Production Rights.
- (c) Lessee shall pay all assessments required by the Watermaster, San Gabriel Basin Water Quality Authority, and San Gabriel Valley Water Association in connection with the exercise by Lessee of the Leased Production Rights.
- (d) This Lease entitles Lessee to the use of only the Leased Production Rights (i.e., lease of water rights) associated with the Production Rights. Lessor retains and does not convey to Lessee any other rights associated with said Production Rights.

5. Other Provisions.

- (a) In the event any dispute shall arise between the parties to this Lease, the same shall be resolved by arbitration conducted by the American

Arbitration Association in accordance with the Commercial Arbitration Rules of the American Arbitration, as then in affect. Such arbitration shall be conducted in a site within Los Angeles County, California agreeable to both parties before three (3) arbitrators who shall be selected by mutual agreement of the parties; if agreement is not reached on the selection of arbitrators within fifteen days, then each of the parties shall select an arbitrator and the two (2) arbitrators so selected shall select a third. The provisions of the Commercial Arbitration Rules of the American Arbitration Association shall apply and govern such arbitration except that the prevailing party shall be entitled to recover from the other party its attorney's fees actually incurred in such amount as may be determined by the arbitrators.

- (b) All communications, notices and demands (collectively "Notices") of any kind shall be made in writing and personally served or sent by registered or certified mail, postage prepaid to the following:

Azusa Valley: Manny Robledo
Azusa Valley Water Company
729 North Azusa Avenue
Azusa, California 91702

San Gabriel County: James Prior
San Gabriel County Water District
8366 Grand Avenue
Rosemead, California 91770

Any Notice personally served shall be effective upon service. Any Notice sent by mail, and properly addressed, shall be effective upon date of receipt, or refusal as indicated on the return receipt. Either party may change its address for Notices by notice to the other given in a manner provided in this subparagraph.

- (c) This Lease shall inure to the benefit of and be binding upon the heirs, successors and assigns of both parties hereto.
- (d) Each party shall, upon request of the other party, take such further actions and execute and deliver such further instruments as shall be reasonably required to carry out the purpose and intent of this Lease.
- (e) This Lease is executed in the State of California and shall be governed by and construed in accordance with California law. Venue for any action arising out of or related to the Lease shall be placed in any court of the State of California with appropriate jurisdiction and located in the County of Los Angeles, with service of process to be in

accordance with the then provisions of the California Code of Civil Procedure.

- (f) This Lease may be executed in two or more counterparts, each of which shall be an original but all of which, together, shall constitute a single instrument. It shall not be necessary for both parties to execute the same counterpart(s) of this Lease for this Lease to become effective.
- (g) This Lease constitutes the entire agreement of the Lessor and Lessee with respect to the subject matter hereof. This Lease supersedes all prior discussions and understandings with respect to the subject matter hereof. There are no representations, warranties, promises or covenants as to the subject matter hereof except as expressly set forth in this Lease.
- (h) This Lease may be amended only by a written instrument executed by the party to be charged.
- (i) The paragraph headings contained in this Lease are for convenience only and shall not be considered in the construction or interpretation of any provision hereof.
- (j) Lessor represents and acknowledges that it is executing this Lease either as the beneficial and recorded owner of certain of the Production Rights or as the duly authorized representative of the beneficial and recorded owner of all Production Rights not beneficially owned by Lessor.

IN WITNESS WHEREOF, Lessor and Lessee have executed and delivered this Lease of Water Rights as of the day first above written:

LESSOR

Azusa Valley Water Company
A California Corporation

Robert Gonzales
Chief Executive Officer

LESSEE

San Gabriel County Water District
A California Corporation

James Prior
General Manager



Water Levels as of March 31, 2020

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>MARCH 2019</u>	<u>MARCH 2020</u>
Baldwin Park Key Well	185.4	208.0

Reservoir Storage in the San Gabriel Canyon:

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

As of March 24, 2020, combined storage was 40,870 acre-feet (49 percent of capacity)

San Gabriel County Water District

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

	<u>2019</u>	<u>2019</u>	<u>2020</u>	<u>2020</u>	
	STATIC	PUMPING	STATIC	PUMPING	PUMP DEPTH
<u>Raymond Basin</u>					
Well #16	272	369	300.5	382	423
<u>Main San Gabriel Basin</u>					
Well #9	NM	399.5	NM	399.5	471
Well #11	236	291	229	NM	483
Well #12	227.5	251.5	219	243	380
Well #14	195	283	178.5	265	381
Well #15	388	427	373	411	650