



**BOARD OF COMMISSIONERS
MEETING AGENDA
REVISED**

Walnut Valley Water District
271 S. Brea Canyon Road
Walnut, CA 91789

**Thursday, April 5, 2018
To begin at 7:00 A.M.**

Each item on the agenda shall be deemed to include any appropriate motion, resolution, or ordinance, to take action on any item.

Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review during regular business hours at the Walnut Valley Water District office, located at 271 S. Brea Canyon Road, Walnut, California.

- I. Welcome and Introductions Chairman Lima
- II. Flag Salute
- III. Roll Call

Commissioner Lewis	_____	Commissioner Ebenkamp	_____
Commissioner Lima	_____	Commissioner Lee	_____
- IV. Public Comment
The Chair may impose reasonable limitation on public comments to assure an orderly and timely meeting.
- V. Approval of Minutes for February 8, 2018 (attachment) Chairman Lima
 - a. Discussion
 - b. Action Taken
- VI. Consider Adoption of Resolution No. 04-18-010 Mr. Teuber
Local Agency Investment Fund (attachment)
 - a. Discussion
 - b. Action Taken
- VII. Consider Adoption of Resolution No. 04-18-011 Mr. Teuber
Designating Check Signers for PBWA Bank Account (attachment)
 - a. Discussion
 - b. Action Taken
- VIII. Discussion and Approval of the Proposed Annual Mr. Teuber
PBWA Budget for FY 2018-19 (attachment)
 - a. Discussion
 - b. Action Taken
- IX. Consider Contract for Auditing Services (attachment) Mr. Teuber
 - a. Discussion
 - b. Action Taken
- X. Regional Water Supply Reliability Program Updates/Status: Mr. Coleman/Mr. Hitchman
 - (1) California Domestic Water Company
 - a. Project Update (verbal)

- i. Discussion
 - ii. Action Taken
- (2) Pathfinder Mr. Hitchman
 - a. Pathfinder Road 20-inch Water Main Installation (P.N. PB17-0004)
Adoption of Notice of Exemption (attachment)
 - i. Discussion
 - ii. Action Taken
 - b. Project Update (verbal)
 - i. Discussion
 - ii. Action Taken
- (3) Pomona Basin Regional Groundwater Project
 - a. Project Update (verbal)
 - b. Update: Proposition 84 (verbal)
 - i. Discussion
 - ii. Action Taken
- (4) Central Basin Well
 - a. Project Update (verbal)
- (5) Proposition 1 Integrated Regional Water Management Grant
 - a. Project Update (verbal)
 - b. LA Solutions for Engineering Solutions, LLC (LASER): Second Addendum to Professional Services Agreement for Strategic Consulting Services
 - i. Discussion
 - ii. Action Taken
- XI. Commission Follow-Up (attachment)
 - a. Discussion
 - b. Action Taken
- XII. Commissioner Comments
 - a. Discussion
 - b. Action Taken
- XIII. Items for Future Discussion/Review Chairman Lima
 - a. Discussion
 - b. Action Taken
- XIV. Attorney's Report
 - a. Legal Counsel will report on matters of interest or having an effect on the Agency
- XV. Public Comment on Closed Session Chairman Lima
- XVI. Closed Session
 - (1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR [§54956.8]
Property: Acquisition and/or Lease
Negotiators: Tom Coleman, Erik Hitchman
Negotiating Parties: Various Property Owners
Under Negotiations: Price and Payment Term
 - (2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR [§54956.8]
Property: Acquisition and/or Lease of Central Basin and Main San Gabriel Basin Water Rights
Negotiators: Tom Coleman, Erik Hitchman
Negotiating Parties: Various Water Rights Holders
Under Negotiations: Price and Payment Term
 - (3) CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION [§54956.9(d)(4)]
Initiation of Litigation – One Potential Case
- XVII. Reconvene in Open Session
Report of action, if any, taken in Closed Session

- *Next Commission Meeting: Thursday, June 7, 2018, 7:00 a.m., at Rowland Water District*

Adjournment

**MINUTES OF MEETING
OF THE BOARD OF COMMISSIONERS OF
PUENTE BASIN WATER AGENCY**

**February 8, 2018
At the Offices of the
Rowland Water District**

COMMISSIONERS PRESENT:

Theodore L. Ebenkamp, Commissioner
Anthony Lima, Commissioner
Theresa Lee, Commissioner
Robert Lewis, Commissioner

STAFF PRESENT:

Mike Holmes, Administrative Officer
Tom Coleman, Assistant Administrative Officer
Andy Turner, Legal Counsel
Brian Teuber, Treasurer
Sean Henry, Assistant Treasurer
Carmen Fleming, Secretary

Staff, guests and others in attendance: Mr. Dave Warren, Rowland Water District, and Mr. Erik Hitchman, Mr. Josh Byerrum, Walnut Valley Water District.

The meeting was called to order at 7:00 a.m. with Chair Ebenkamp presiding.

Item IV: Public Comment

None.

Item V: Approval of Minutes for December 7, 2017 and January 10, 2018

Upon consideration thereof, it was moved by Commissioner Lewis, seconded by Commissioner Lima and unanimously carried (4-0) to approve the minutes of the Commission meeting held on December 7, 2017 and approve the minutes of the January 10, 2018 with a 3-0-1 vote (Commissioner Lewis passed).

Chair Ebenkamp indicated that the motion for December 17, 2017 was approved by a 4-0 vote, and the motion for January 10, 2018 was approved by 3-0-1 (Commissioner Lewis passed).

Item VI: Receive and File Rowland and Walnut Valley Water Districts' 2018 PBWA Board Member Appointment Resolutions

- ◆ Mr. Holmes reported that the attached resolutions were previously approved by the Agency's individual Water District members.

Upon consideration thereof, it was moved by Commissioner Lima seconded by Commissioner Lee and unanimously carried (4-0), to receive and file the Rowland Water District and Walnut Valley Water District Board Member appointment resolutions.

Chair Ebenkamp indicated that the motion was approved by a 4-0 vote

Item VII: Annual Selection of Commission Officers and Commission Staff

- ◆ As per the rotation policy, the Commission selected Commissioner Lima to be the Chair and Commissioner Lee be seated as Vice-Chair of the Puente Basin Water Agency for the 2018 term, effective immediately.

Upon consideration thereof, it was moved by Commissioner Lewis, seconded by Commissioner Lima and unanimously carried (4-0), that Commissioner Lima be seated as Chair, and Commissioner Lee be seated as Vice-Chair of the Puente Basin Water Agency for the 2018 term, effective immediately.

Upon consideration thereof, it was moved by Commissioner Lewis, seconded by Commissioner Lima and unanimously carried (4-0), that the Agency's administrative positions will be as follows for the 2018 term: Mr. Coleman as Assistant Administrative Officer, Mr. Henry as Assistant Treasurer, Ms. Fleming as Secretary, Mr. Teuber as Treasurer, and Mr. Hitchman as Administrative Officer of the Puente Basin Water Agency, effective immediately.

Chair Ebenkamp indicated that the motion was approved by a 4-0 vote

Commissioner Lima proceeded as Chair for the remainder of the meeting

Item VIII: 2016-17 Audited Financial Statements Prepared by Davis Farr

- ◆ An overview of the Agency's Audit Report for Fiscal Year 2016-17 was presented via telephone by Ms. Jennifer Farr, of the firm Davis Farr, LLP. Mr. Turner suggested a change on the "Summary of Audit Results" letter to change wording from "Board of Directors" to "Board of Commissioners".

Upon consideration thereof, it was moved by Commissioner Ebenkamp, seconded by Commissioner Lewis, and unanimously carried (4-0), to approve, receive and file the Agency's Audit Report for Fiscal Year 2016-17 with the attorney's corrections.

Chair Lima indicated that the motion was approved by a 4-0 vote

Item IX: Review of Financial Statements: Second Quarter FY 2017-18

- ◆ Mr. Teuber reviewed the Second Quarter Fiscal Year 2017-18 financials.

Upon consideration thereof, it was moved by Commissioner Ebenkamp seconded by Commissioner Lewis, and unanimously carried (4-0), to receive and file the financials for the Second Quarter Fiscal Year 2017-18.

Chair Lima indicated that the motion was approved by a 4-0 vote

Item X: Regional Water Supply Reliability Program Updates/Status:

(1) *California Domestic Water Company:*

- a. *Project Update:* Mr. Coleman reported that the Cal Domestic project is continuing to produce water. Staff is maintaining a one-pump flow.

(2) *Pathfinder:*

- a. *Consider Award of Contract for the 20" Water Transmission Main (P.N. PB17-0004):* Mr. Hitchman reported that bids were solicited and received by the WVWD staff for the 20" pipeline. The Commissioners were asked to authorize the Administrative Officer to execute contracts for labor and materials based on the bids received.

Upon consideration thereof, it was moved by Commissioner Ebenkamp seconded by Commissioner Lewis, and unanimously carried (4-0), to authorize the Administrative Officer to execute contracts for labor and materials for the 20" Water Transmission Main (P.N. PB17-0004).

Chair Lima indicated that the motion was approved by a 4-0 vote

- b. *Project Update:* Mr. Hitchman reported the project is tentatively scheduled to begin in late June.

(3) *Pomona Basin Regional Groundwater Project*

- a. *Project Update:* 100% design drawings are being reviewed.
- b. *Update: Old Baldy Well Agreement:* Mr. Holmes reported that staff sent the aforementioned agreement to Mr. Keeseey and has since received confirmation that the City of La Verne City Council has approved the agreement. A separate letter was sent to the City regarding site locations for the Durward Well, and staff will meet with City staff to review that item at a later time.

c. *Update: Proposition 84:* Pending execution of the City of La Verne agreement, Ms. Wendy La, of LASER, Inc. is continuing her efforts regarding the deadline on this item.

(4) *Central Basin Well*

a. *Project Update:* Mr. Coleman stated that staff has finalized the agreement with the Central Basin Hydrogeologist for the well analysis study. The results will be brought to the Commission upon completion.

(5) *Update: Proposition 1 Integrated Regional Water Management Grant:* Mr. Holmes reported that staff is continuing to work with LASER, Inc., on potential projects for which grant funding may be sought.

Item XI: Commission Follow-Up

◆ The Commission received a follow-up on report on prior actions.

Item XII: Commissioner Comments

None.

Item XIII: Items for Future Discussion/Review

Item XIV: Attorney's Report

Nothing to report.

Item XV: Public Comment on Closed Session

There were no requests to comment on closed session.

Item XVI: Closed Session at 7:44 a.m.

(1) The Commission met in closed session in accordance with Government Code [§54956.8] to discuss one real property matter pertaining to the acquisition of Central Basin and Main San Gabriel water rights. The negotiators are Mr. Tom Coleman and Mr. Michael Holmes. The negotiating parties are various water rights holders. Under negotiations are the price and terms of payment.

- No discussion on this item.

(2) The Commission met in closed session in accordance with Government Code [§54956.8] to discuss one real property matter. The negotiators are Mr. Tom Coleman and Mr. Michael Holmes. The negotiating parties are various water rights holders. Under negotiations are the price and terms of payment.

- No discussion on this item.

(3) The Commission was briefed on the facts and circumstances of anticipated litigation under Government Code Section [§54956.9(d)(4)] (one case) and no reportable action under the Brown Act was taken.

Item XVII: Reconvene in Open Session at 8:12 a.m. – see above for the closed session report concerning Item 3.

Adjournment – 8:14 a.m.

There being no further business to discuss, upon consideration thereof, it was moved by Commissioner Lee, seconded by Commissioner Lewis and unanimously carried (4-0), to adjourn the Commission meeting.

Chair Lima indicated that the motion was approved by a 4-0 vote



April 5, 2018

TO: Board of Commissioners
FROM: Brian Teuber, Treasurer
RE: Consider Adoption of Resolution No. 04-18-010 – Designating Check Signers for Local Agency Investment Fund

Recommendation

That the Commission consider adoption of Resolution No. 04-18-010, designating check signers for the Agency to participate in the Local Agency Investment Fund (LAIF).

Background

The Local Agency Investment Fund (LAIF) is a voluntary investment program offering agencies the opportunity to participate in a major portfolio which daily invests hundreds of millions of dollars, using the investment expertise of the California State Treasurer's Office Investment staff at no additional cost to the taxpayer. Investment in LAIF, considered a short-term investment, is readily available for cash withdrawal on a daily basis.

LAIF requires that those named on the LAIF account are authorized to deposit or withdraw monies with LAIF by agency resolution. To be "authorized by resolution" the name and title of each individual must be listed on the agency's Agency-adopted resolution approving participation in LAIF. LAIF requires two signatures to make any changes in authorization.

Therefore, in order to be in compliance with LAIF requirements, it will be necessary to adopt the Agency's resolution, to reflect current personnel and naming Erik Hitchman, Administrative Officer; Tom Coleman, Assistant Administrative Officer; Brian Teuber, Treasurer; and Sean Henry, Assistant Treasurer, as authorized to deposit or withdraw monies with LAIF.

Attachments:

- *Resolution No. 04-18-010*
- *Authorization for Transfer of Funds*

RESOLUTION NO. 04-18-010

**RESOLUTION OF THE PUENTE BASIN WATER AGENCY
DESIGNATING CHECK SIGNERS FOR
THE LOCAL AGENCY INVESTMENT FUND**

WHEREAS, The Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1 et. seq. for the deposit of money of a local agency for purposes of investment by the State Treasurer; and;

WHEREAS, the Puente Basin Water Agency Commissioners hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein is in the best interests of the Puente Basin Water Agency;

NOW, THEREFORE, BE IT RESOLVED that the Agency Commissioners hereby authorize the deposit and withdrawal of Puente Basin Water Agency monies in the Local Agency Investment Fund in the State Treasury in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein.

BE IT FURTHER RESOLVED, as follows: Section 1. The following Agency officers holding the title(s) specified herein below **or their successors in office** are each hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:

Erik Hitchman
Puente Basin Water Agency
Administrative Officer

Brian Teuber
Puente Basin Water Agency
Treasurer

(SIGNATURE)

(SIGNATURE)

Thomas L. Coleman
Puente Basin Water Agency
Assistant Administrative Officer

Sean Henry
Puente Basin Water Agency
Assistant Treasurer

(SIGNATURE)

(SIGNATURE)

Section 2. This resolution shall remain in full force and effect until rescinded by Puente Basin Water Agency Commissioners by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer's Office.

PASSED AND ADOPTED at a regular meeting of the Puente Basin Water Agency, held April 5, 2018.

Chairman

ATTEST:

Secretary



**California State Treasurer's Office
Local Agency Investment Fund (LAIF)
Authorization for Transfer of Funds**

Effective Date _____

Agency Name _____

LAIF Account # _____

Agency's LAIF Resolution # _____ or Resolution Date _____

ONLY the following individuals whose names appear in the table below are hereby authorized to order the deposit or withdrawal of funds in LAIF. ***This authorization REPLACES AND SUPERCEDES all prior authorizations on file with LAIF for the transfer of funds.***

Name	Title

Two authorized signatures required. Each of the undersigned certifies that he/she is authorized to execute this form under the agency's resolution, and that the information contained herein is true and correct.

Signature

Print Name

Title

Telephone

Signature

Print Name

Title

Telephone

Please provide email address to receive LAIF notifications.

Name	Email

**Mail completed form to: State Treasurer's Office
Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001**



April 5, 2018

TO: Board of Commissioners
FROM: Brian Teuber, Treasurer
RE: Consider Adoption of Resolution No. 04-18-011 -
Designating Check Signers for PBWA Bank Account

Recommendation

1. That the Commission consider adoption of Resolution No. 04-18-011, designating check signers for the Puente Basin Water Agency's Bank of America Merrill Lynch account.
2. That the Commission adopt the Bank of America Merrill Lynch Banking Resolution and Certificate of Incumbency.

Background

The Puente Basin Water Agency currently maintains a checking account with Bank of America to pay the expenses of the Agency. Due to staff changes at the Walnut Valley Water District and in the interest of ensuring all checks are approved and signed by at least one designee of each agency, it is recommended that the Commission approve Resolution No. 04-18-011 as well as Bank of America Merrill Lynch Banking Resolution and Certificate of Incumbency, which designates the following positions and current incumbents as signers on behalf of the Puente Basin Water Agency.

Rowland Water District - Designees
Chairman-Anthony Lima
Assistant Administrative Officer – Thomas Coleman
Director of Administrative Services – Rosemarie Perea

Walnut Valley Water District – Designees
Vice-Chairman – Theresa Lee
Administrative Officer – Erik Hitchman
Treasurer – Brian Teuber

Attachments:

- *Resolution No. 04-18-011*
- *Banking Resolution and Certificate of Incumbency*

RESOLUTION NO. 04-18-011

**RESOLUTION OF THE PUENTE BASIN WATER AGENCY
DESIGNATING CHECK SIGNERS FOR PBWA BANK ACCOUNT**

WHEREAS, Puente Basin Water Agency maintains a checking account at Bank of America to pay the expenses of the Agency;

WHEREAS, the Agency hereby designates and authorizes those positions listed as designated signees on behalf of the Puente Basin Water Agency;

1. Chairman
2. Vice-Chairman
3. Administrative Officer
4. Assistant Administrative Officer
5. Treasurer
6. Director of Administrative Services (RWD)

NOW, THEREFORE, BE IT RESOLVED that the Puente Basin Water Agency does hereby requires a minimum of two authorized signatures, one Rowland Water District designee and one Walnut Valley Water District designee, for all checks written;

BE IT FURTHER RESOLVED, that the designees or their successors in office shall be authorized as a signee on behalf of the Puente Basin Water Agency.

PASSED AND ADOPTED at a regular meeting of the Puente Basin Water Agency, held April 5, 2018.

Chairman

ATTEST:

Secretary

Note: Please enable Macros

CLIENT INFORMATION

Please select one of the following options:

- New Resolution/Incumbency
- Update Incumbency (*Used to Add or Delete individual authorized signers*)
- Supersede Resolution/Incumbency (*Replaces any and all prior banking resolutions*)

ORGANIZATION LEGAL NAME (Must match legal name indicated in company formation documents)

Puente Basin Water Agency

- This Banking Resolution and Certificate of Incumbency will apply to all accounts the Organization maintains with us.
- The Organization adopts the following Banking Resolution and Certificate of Incumbency (with specimen signatures)*

The undersigned certifies that:

1) Any individual (each an "Authorized Signer") with any of the following Titles

Title:	Chairman
Title:	Vice-Chairman
Title:	Administrative Officer
Title:	Assistant Administrative Officer
Title:	Treasurer
Title:	Director of Administrative Services (RWD)
Title:	

is authorized, acting alone, including by electronic signature, electronic record or other electronic form, (a) to establish accounts from time to time for the Organization at Bank of America, N.A. (the "Bank"), as well as to operate and close such accounts, (b) to enter into any and all agreements and transactions contemplated by the provision of treasury management services by the Bank, including but not limited to Electronic Funds Transfer Services, and (c) designate persons to operate each such accounts including closing the account, and to designate persons to act in the name and on behalf of the Organization/Client with respect to the establishment and operation of treasury management services.

2) the person whose signature, name, and title appear in the "AGREEMENT, TAX INFORMATION CERTIFICATION and AUTHORIZATION" section of the Deposit Account Documentation Signature Card ("Signature Card") and those persons listed below on the Incumbency Certificate, are Authorized Signers who are authorized, including by electronic signature, electronic record or other electronic form, to establish accounts and to designate persons to operate each such account and to execute contracts and agreements (including treasury management service agreements, including but not limited to Electronic Funds Transfer Agreements) with the Bank and that the signatures of such Authorized Signers are genuine.

3) the persons who signed in the Designated Account Signers section of the Signature Card are authorized to operate any accounts opened with the deposit account documentation unless otherwise noted on the Signature Card, and that the signatures of such Designated Account Signers are genuine.

4) the foregoing is a complete, true and correct copy of the banking resolutions adopted by the Board of Directors, the Members or the General Partners, Commission, Council or Governing Board as applicable, of the Organization, government entity or authority and that the resolutions are still in full force and effect and have not been amended or revoked and do not exceed the objects or powers of the Organization, government entity, authority or the powers of its management or Governing Board, Commission or Council.

Incumbency Certificate:

Add/Delete	Name	Title	Signature
Add	Anthony Lima	Chairman	
Add	Theresa Lee	Vice-Chairman	
Add	Erik Hitchman	Administrative Officer	
Add	Thomas Coleman	Assistant Administrative Officer	
Add	Treasurer	Brian Teuber	
Add	Director of Administrative Services	Rosemarie Perea	
Select One			

* If you choose to provide your own Banking Resolution and Certificate of Incumbency (with specimen signatures), it must be attached to the signature card.

This Banking Resolution and Certificate of Incumbency must be signed as follows:

- **Corporations:** Secretary or assistant secretary of the company must sign.
- **Any Partnership type:** One of the general partners must sign. If the general partner is an organization, show the name of the general partner and include capacity of signer.
- **Limited Liability Company:**
 - **Member Managed LLC:** One of the members or an officer of the company must sign. If the member or manager is an organization, show the name of the member or manager and include capacity of signer.
 - **Manager Managed LLC:** The manager or managers or an officer authorized of the company must sign. If the member or manager is an organization, show the name of the member or manager and include capacity of signer.
- **Other unincorporated organizations:** An officer of the organization who is authorized by the by-laws or operating agreement of the company must sign.
- **Government entities, authorities or agencies:** An authorized signer of the government entity/authority who is authorized by the statutes must sign.

In Witness Whereof, I have hereunto set my hand as (title) of the Organization listed above

Title: Administrative Officer

Type or Print Name of Certifying Individual

Erik Hitchman

Name of Company who is General Partner or Member, leave blank if not applicable. (Type or print Name of company including the legal name of any member, managing member, manager, or general partner who is signing and who is not an individual)

Signature:		Date:	4/5/2018
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April 5, 2018

TO: Board of Commissioners
FROM: Brian Teuber, Treasurer
RE: Discussion and Approval of the Proposed Annual PBWA Budget for FY 2018-19

Recommendation:

That the Commissioners approve the proposed PBWA FY 2018-2019 Administration Budget.

Background:

As you are all aware, the PBWA continues an active role in finding, promoting, and developing a variety of water resource projects that will benefit our customers. Regarding the proposed FY 2018-2019 budget:

- Three Valleys Municipal Water District (TVMWD) is based on RWD and WVWD production demands, budgeted production is 12,664 AF, a decrease of 686 AF from prior year. The budget also includes each agencies respective share of TVMWD and MWD fixed charges.
- The California Domestic Water Company (CDWC) project is budgeted to produce 3,000 AF of water, an increase of 2,200 AF from the prior year. Costs associated with the project relate to CDWC water charges, MSGBWM charges, electricity costs, and treatment costs.
- No water production has been included in the budget for La Habra Heights County Water District
- The Pomona Basin, City of La Verne lease, is a new expense relating to the Old Baldy well site. Water production is expected to start in FY 2019-2020.
- Other costs of note are administrative legal costs which are budgeted to be \$100,000 or an increase of \$50,000 from prior year.

Budget Process

Each of the two member agencies, Rowland Water District and Walnut Valley Water District, is allocated one-half of the budget amount with the exception of TVMWD which is allocated on water produced by each agency. The agencies are invoiced accordingly for expenses as they occur. For this reason, upon the Agency's approval of the proposed FY 2018-2019 budget, the two member agencies Boards will also be asked for approval.

- *Attachment: as noted*

PUENTE BASIN WATER AGENCY
FY 2018-19 OPERATING BUDGET

	Projected FY 17-18	Budget FY 17-18	Budget FY 18-19	Administrative	TVMWD	CDWC	Pomona Basin	LHHCWD
REVENUES:								
Administrative Assessment - RWD	\$ 103,295	\$ 111,750	\$ 139,020	\$ 139,020	\$ -	\$ -	\$ -	\$ -
Administrative Assessment - WVWD	103,295	111,750	139,020	139,020	-	-	-	-
Other - TVMWD	-	-	-	-	-	-	-	-
Water Sales - Project - RWD	490,120	266,424	1,008,645	-	-	957,145	51,500	-
Water Sales - Project - WVWD	490,120	266,424	1,008,645	-	-	957,145	51,500	-
Water Sales - TVMWD - RWD	4,448,995	5,161,580	5,379,940	-	5,379,940	-	-	-
Water Sales - TVMWD - WVWD	10,253,275	8,787,156	8,128,990	-	8,128,990	-	-	-
Project Maintenance Reserve - RWD	5,910	2,000	7,500	-	-	7,500	-	-
Project Maintenance Reserve - WVWD	5,910	2,000	7,500	-	-	7,500	-	-
Total Revenues	15,900,920	14,709,084	15,819,260	278,040	13,508,930	1,929,290	103,000	-
Use of Stored/Leased Water	488,420	208,800	1,581,000	-	-	1,581,000	-	-
Total	16,389,340	14,917,884	17,400,260	278,040	13,508,930	3,510,290	103,000	-
EXPENSES:								
<u>Source of Supply</u>								
Purchased Water - TVMWD	14,116,220	13,351,450	12,969,260	-	12,969,260	-	-	-
Purchased Water - LHHCWD	-	-	-	-	-	-	-	-
Purchased Water - CDWC	558,850	272,212	1,081,510	-	-	1,081,510	-	-
Purchased Water - CDWC Stored Water	488,420	208,800	1,581,000	-	-	1,581,000	-	-
Surcharge - Orchard Dale	-	-	-	-	-	-	-	-
Assessments - WRD	-	-	-	-	-	-	-	-
Assessments - MSGBWM	127,440	52,000	405,000	-	-	405,000	-	-
Subtotal	15,290,930	13,884,462	16,036,770	-	12,969,260	3,067,510	-	-
<u>Fixed Charges</u>								
TVMWD Equivalent Small Meters	59,610	59,501	62,590	-	62,590	-	-	-
TVMWD Water Use Charge	62,920	62,521	70,780	-	70,780	-	-	-
TVMWD Connected Capacity	58,500	60,694	59,330	-	59,330	-	-	-
MWD Capacity Reservation Charge	402,960	412,470	344,870	-	344,870	-	-	-
CDWC - Ready to Serve Charge	7,440	7,436	7,440	-	-	7,440	-	-
Subtotal	591,430	602,622	545,010	-	537,570	7,440	-	-
<u>Other Costs</u>								
Energy - Pumping and Treatment	176,690	153,600	324,000	-	-	324,000	-	-
Materials & Supplies - Chemicals	21,180	10,400	39,000	-	-	39,000	-	-
Materials & Supplies - Other	18,040	-	19,000	-	-	19,000	-	-
Other Costs (RWD Labor etc.)	37,200	37,200	38,340	-	-	38,340	-	-
Lease Agreements - Old Baldy	33,400	-	103,000	-	-	-	103,000	-
Permits & Fees	2,060	2,100	2,100	-	2,100	-	-	-
Subtotal	288,570	203,300	525,440	-	2,100	420,340	103,000	-
<u>Administrative & General</u>								
Legal	50,000	50,000	100,000	100,000	-	-	-	-
Engineering	1,400	5,000	5,000	5,000	-	-	-	-
Professional Services- Other	120,000	125,000	125,000	125,000	-	-	-	-
Insurance - Property & Liability	4,860	5,000	10,000	10,000	-	-	-	-
Accounting/Auditing	8,500	8,500	8,040	8,040	-	-	-	-
Administrative Expenses - Other	21,830	30,000	30,000	30,000	-	-	-	-
Subtotal	206,590	223,500	278,040	278,040	-	-	-	-
Total Expenses	\$ 16,377,520	\$ 14,913,884	\$ 17,385,260	\$ 278,040	\$ 13,508,930	\$ 3,495,290	\$ 103,000	\$ -
<u>Other Income/(Expense)</u>								
Interest Income	370	-	400	400	-	-	-	-
Leased Water Revenue	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Subtotal	370	-	400	400	-	-	-	-
Net Income (Loss) Before Transfers	\$ 12,190	\$ 4,000	\$ 15,400	\$ 400	\$ -	\$ 15,000	\$ -	\$ -
Transfers In: Maint. Reserve Funds Used	-	-	-	-	-	-	-	-
Transfers Out: Maint. Reserve Funds Collected	(11,820)	(4,000)	(15,000)	-	-	(15,000)	-	-
Net Income (Loss) After Transfers	\$ 370	0	\$ 400	\$ 400	\$ -	\$ -	\$ -	\$ -
<u>PBWA Maintenance Reserve</u>								
		Total	Total	Administrative	TVMWD	CDWC	Pomona Basin	LHHCWD
Beginning Balance July 1	\$ 124,174	\$ 124,174	\$ 135,994	\$ -	\$ -	\$ 114,900	\$ -	\$ 21,094
Transfers In	11,820	4,000	15,000	-	-	15,000	-	-
Transfers Out	-	-	-	-	-	-	-	-
Ending Balance June 30	\$ 135,994	\$ 128,174	\$ 150,994	\$ -	\$ -	\$ 129,900	\$ -	\$ 21,094



April 5, 2018

TO: Board of Commissioners
FROM: Brian Teuber, Treasurer
RE: Consider Contract for Auditing Services

Recommendation

Approve the engagement of Davis Farr LLP for auditing services for an additional 2-year term commencing with fiscal year 2018.

Background

In February 2018, staff requested from Davis Farr LLP an engagement letter that would extend audit services for an additional 2-year term (FY 2018 thru 2019). The proposal included pricing for performance of the audit as well as preparation of the State Controller's Report.

Over the past three years staff believes the Agency has been well served by the professionals from Davis Farr LLP. Their expertise in auditing, particularly the government sector, has helped ensure that the Agency meets the highest standards for financial reporting. The firm has made various recommendations to improve internal controls and implement reporting changes to ensure compliance with applicable accounting standards.

Price Proposal

The engagement fees proposed for the two-year period are shown below. Davis Farr is proposing a 3% annual increase for Year 1 and no increase for Year 2. The total cost for the two-year period would be \$16,080. By comparison, the fees for services for FY 2016 and FY 2017 were \$7,650 and \$7,803 respectively.

Proposed Extension FY 2018 thru 2019	
FY 2018	\$8,040
FY 2019	\$8,040
Total	\$16,080

Based on Davis Farr LLP's experience and expertise in the government sector, their familiarity with the Agency, and their competitive pricing, staff is recommending the Commission approve an additional 2-year term with Davis Farr LLP for auditing services.

Attachments:

- *Engagement Letter*

March 2, 2018

**Brian Teuber
Puente Basin Water Agency
c/o Walnut Valley Water District
271 South Brea Canyon Road
Walnut, California 91789-3002**

Dear Mr. Teuber:

We are pleased to confirm the arrangements of our engagement and the nature of the services we will provide for the Puente Basin Water Agency (the "Entity").

ENGAGEMENT OBJECTIVES

We will audit the Entity's basic financial statements for the years ending June 30, 2018 and June 30, 2019 and the related notes to the financial statements.

Also, accounting principles generally accepted in the United States of America ("US GAAP") provide for certain required supplementary information ("RSI"), such as management's discussion and analysis ("MD&A"), to supplement the Entity's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Entity's RSI in accordance with auditing standards generally accepted in the United States of America ("US GAAS"). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by US GAAP and will be subjected to certain limited procedures, but will not be audited.

1. Management's Discussion and Analysis

Additionally, we will prepare the Special Districts Financial Transactions Report Financial Statements ("SCR") in accordance with the California State Controller's Office Instructions based on information provided by you. The SCR will not include related notes to the financial statements. We will not provide an opinion on or any assurance on the SCR.

OUR RESPONSIBILITIES

The objective of our audit is the expression of an opinion as to whether the financial statements are fairly presented, in all material respects, in conformity with US GAAP and to report on the fairness of the additional information referred to above when considered in relation to the financial statements taken as a whole.

We will also provide a report, which does not include an opinion, on internal controls related to the financial statements and compliance with the provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The reports on internal control and compliance will each include a paragraph that states the report is solely to describe the scope and testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance and that the report is not suitable for any other purpose.

Audit

Our audit will be conducted in accordance with US GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records and other procedures we consider necessary to enable us to express such an opinion. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion on the financial statements is other than unmodified, we will fully discuss the reasons with management in advance. If, for any reason, we are unable to complete the audit, or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw this engagement.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts (e.g., tests of the physical existence of inventories, direct confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions, etc.). We may also request written representations from the Entity's attorneys as part of the engagement, and they may bill the Entity for responding to this inquiry.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the Entity or to acts by management or employees acting on behalf of the Entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal controls, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with US GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. We will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility, as

auditors, is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Internal Control

Our audit will include obtaining an understanding of the Entity and its environment, including internal controls sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures.

We will obtain an understanding of the design of the relevant controls and whether they have been placed in operation, and we will assess control risk. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Tests of controls relative to the financial statements are required only if control risk is assessed below the maximum level. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal controls or to identify control deficiencies. However, we will inform management and those charged with governance of internal control matters that are required to be communicated under professional standards.

Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Entity's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The services described above do not relieve management or those charged with governance of their responsibilities.

THOSE CHARGED WITH GOVERNANCE

The preparation and presentation of the financial statements of the Entity are the responsibility of management with oversight from those charged with governance. Those charged with governance are also responsible for overseeing the strategic direction of the Entity and any obligations related to its accountability, resolving disagreements between management and us regarding financial reporting, appointing us to perform the services described above, and informing us about all known or suspected fraud involving the Entity. In turn, we will provide those charged with governance with any communications required by the professional standards described above.

MANAGEMENT'S RESPONSIBILITIES

Management is responsible for all management decisions and performing all management functions, and for designating an individual, preferably from senior management, with suitable skill, knowledge, or experience to oversee these services, any bookkeeping services, tax services, or other services we provide. Management is responsible for evaluating the adequacy and results of the services performed and accepting responsibility for them.

Management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Management is also responsible for providing us with (a) access to all information they are aware of that is relevant to the preparation and fair presentation of the financial statements, (b) additional information that we may request for the purpose of this engagement, and (c) unrestricted access to persons within the Entity from whom we determine it necessary to obtain information.

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities, for the selection and application of accounting principles, for the safeguarding of assets, and for the preparation and fair presentation of the financial statements in conformity with US GAAP even though we may assist management with their preparation. Accordingly, management may be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and that management has reviewed and approved the financial statements and related notes prior to their issuance and has accepted responsibility for them.

Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Entity involving (a) management, (b) employees who have significant roles in internal controls, and (c) others where the fraud could have a material effect on the financial statements. Management is also responsible for informing us of any known allegations of fraud or suspected fraud affecting the Entity received in communications from employees, former employees, regulators, or others. In addition, management is also responsible for identifying and ensuring that the Entity complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

During the course of our engagement, we will request information and explanations from management regarding the Entity. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide certain representations in a written representation letter. The procedures we will perform in our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the written and oral representations that we receive from management. In view of the foregoing, the Entity agrees to release our firm, its shareholders, and other personnel from any liability and costs relating to our services under this letter resulting from false or misleading representations made to us by any member of the Entity's management.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other related studies. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. Management is responsible for providing its views on our current findings, conclusions, and recommendations, as well as management's planned corrective actions, for the report, and for the timing and format for providing that information.

OTHER SERVICES

The Entity must obtain our written consent before including its financial statements and our report in an offering or other document, or otherwise distributing our report or referencing our Firm in connection with an offering. Management agrees to provide reasonable notice to allow sufficient time for us to perform certain additional procedures. Management will also provide us with a copy of the final reproduced material for our approval before it is distributed. Our fees for such services are in addition to those discussed elsewhere in this letter, and the specific terms of any such future services will be determined at the time the services are to be performed.

As a result of our prior or future services, we might be requested to provide information or documents to the Entity or a third party in a legal, administrative, or arbitration or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be deemed billable to the Entity as a separate engagement. We shall be entitled to compensation for our time and reasonable reimbursement for our expenses (including legal fees) in complying with the request. For all requests, we will observe the confidentiality requirements of our profession and will notify management promptly of the request.

ENGAGEMENT FEES

Our fixed fees for the services previously outlined above are as follows:

2018	\$8,040
2019	\$8,040

Our fees are based upon the complexity of the work to be performed, timing of the engagement, experience level of the personnel required, and estimates of the professional time to complete the required services.

Additionally, our fees are dependent on the availability, quality, and completeness of the Entity's records and, where applicable, upon the Entity's personnel providing the level of assistance identified in the "prepared by client" request list distributed at the end of our planning work (e.g., Entity employees preparing confirmations and schedules we request, locating documents selected by us for testing, etc.).

Should our assumptions with respect to these matters be incorrect, or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates. If significant additional time is necessary, we will discuss it with management and arrive at a new fee estimate as soon as reasonably practicable. In addition, fees for any related projects, such as proposed business combinations or research and/or consultation on special business or financial issues, will be billed separately from the fee referred to above and will be subject to separate arrangements.

We consider telephone calls and meetings on accounting and reporting matters to be an integral part of the engagement and no additional fees are charged for these services. If, however, there is a significant transaction or new accounting issue that requires us to spend a substantial amount of time that was not anticipated in our fees, there may be additional billings.

The fee estimate above assumes no adjustments will be necessary for routine accounting entries normally made before the beginning of the engagement. If, for any reason, we are asked to assist

in the preparation of these entries, before beginning this service, we will provide an estimate of the time required to perform such services and the additional fees to be billed.

Invoices will be submitted as the work progresses and a final invoice will be submitted upon completion of the services. Invoices are payable upon receipt. If our invoices for this, or any other engagements the Entity may have with us, are not paid within 30 days, we may suspend or terminate our services for this and any other engagements. In the event our work is suspended or terminated as a result of nonpayment, the Entity agrees we will not be responsible for any consequences.

OTHER ENGAGEMENT MATTERS

This letter sets forth the rights and responsibilities of the parties with respect to the services to be provided. This engagement is being undertaken solely for the benefit of the parties to this agreement and no other person shall be entitled to enforce the terms of this agreement.

Enclosed, as required by *Government Auditing Standards*, is a copy of the report on the most recent peer review of our firm.

The undersigned is the engagement partner responsible for supervising the engagement and signing the report.

We appreciate the opportunity to provide these services and believe this letter accurately summarizes the significant terms of our engagement. Please sign the enclosed copy of this letter and return it to us.

Very truly yours,



Jennifer Farr, CPA
Davis Farr LLP

The services and arrangements described in this letter are in accordance with our understanding and are acceptable to us.

Puente Basin Water Agency

By _____
Administrative Officer

By _____
Board of Commissioners

Date _____

Date _____



April 5, 2018

TO: Board of Commissioners
FROM: Erik Hitchman, Administrative Officer
RE: Pathfinder Road 20-inch Water Main Installation (P.N. PB17-0004)
Adoption of Notice of Exemption

Recommendation

That the Commission find:

1. The Pathfinder Road 20-inch Water Main Installation Project exempt from environmental review pursuant to CEQA Guideline Section 15061(b)(3).
2. Authorize staff to file the Notice of Exemption.

Background

As stated under Section 15002(i) of the CEQA Guidelines, CEQA applies to discretionary projects, which includes projects for which a public agency can use its judgement in deciding whether and how to carry out or approve a project. Under CEQA, the lead agency undergoes several steps to determine whether a project is subject to CEQA or if it is exempt (section 15002(k)). If a project is exempt, the process does not need to proceed any farther and the lead agency has the option to prepare a Notice of Exemption (NOE).

Based on a review of the Pathfinder Road 20-inch Water Main Installation Project, the new conveyance pipeline falls within a General Exemption under Section 15061(b)(3) of the CEQA Guidelines. This General Exemption applies in situations “where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment” (Section 15061(b)(3)). Since the pipeline installation will occur within existing developed sites, roadways which have already been disturbed by past and present use, and comply with applicable construction standards, the project does not have the potential for causing significant effect on the environment.

Once the project is determined exempt, PBWA can approve the project without CEQA documentation. Filing the NOE is optional, but is recommended in order to document this decision and limit the exposure to legal challenges. Filing the NOE after project approval starts a 35 day statute of limitations on legal challenges to the agency’s decision, as opposed to a 180 day statute of limitations if the NOE is not filed.

Attached is a copy of the NOE, which describes the project and provides the basis for exemption.

PUENTE BASIN WATER AGENCY
271 S. Brea Canyon Road, Walnut, CA 91789

Notice of Exemption

To: County Clerk
County of Los Angeles
Registrar-Recorder/County Clerk
12400 Imperial Highway
Norwalk, CA 90650

From: (Public Agency)
Puente Basin Water Agency
271 S. Brea Canyon Road
Walnut, CA 91789

Project Title:

Pathfinder Road 20-inch Water Main Installation (P.N. PB17-0004)

Project Location - Specific:

On Pathfinder Road between Fullerton Road and Nogales Street. (See attached vicinity map).

Project Location – City:

City of Rowland Heights
(Unincorporated Area of Los Angeles County)

Project Location – County:

Los Angeles

Description of Nature, Purpose, and Beneficiaries of Project:

The 20-inch Water Main project on Pathfinder Road is proposed by Puente Basin Water Agency (PBWA) which was created by a Joint Powers Agreement between Rowland Water District (RWD) and Walnut Valley Water District (WVWD). The project consists of the installation of approximately 8,765 linear feet of new 20-inch cement-mortar-lined-and-coated steel pipeline primarily by conventional trenching in currently paved street rights-of-way along Pathfinder Road. The pipeline will connect to PBWA's existing 20-inch steel pipeline located just east of the intersection of Pathfinder Road and Fullerton Road and RWD's existing 20-inch steel pipeline located approximately 400 linear feet west of Nogales Street.

The purpose of the project is to convey local stored groundwater purchased and treated by PBWA via PBWA's existing 24-inch pipeline and 20-inch pipeline to reduce reliance on imported water and to improve system reliability for both RWD and WVWD.

Name of Public Agency Approving Project:

Puente Basin Water Agency

Name of Person or Agency Carrying Out Project:

Puente Basin Water Agency

Exempt Status: *(check one)*

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State type and section Number:
General Rule Exemption, CEQA Guidelines, Section 15061(b)(3)
Authority cited: Section 21083, Public Resources Code
- Statutory Exemptions. State code number:

Reasons why project is exempt:

This project is exempt from environmental review pursuant to CEQA Guidelines Section 15061 (b)(3) which states "A project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.

Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.” In this particular case, the general exemption applies as the installation of the new 20-inch steel pipeline will occur within the paved street rights-of-way; will occur along roadways that have been disturbed by past and present use; and will comply with applicable construction standards. The installation will take approximately six months to complete and there will be no street closures impacting the public use of the roadway nor surrounding roadways. The project does not present any public health or safety hazards and has no significant impact on the resources or services within this area such as water and sanitation, schools, nor existing agricultural uses. In summary, the project does not have the potential to cause a significant effect on the environment.

Lead Agency Contact Person:

Erik J. Hitchman

Area Code/Telephone/Extension:

(909) 595-1268, Ext. 244

Signature: _____

Erik J. Hitchman
Administrative Officer

Date:

Date received for filing with County Clerk: _____

PUENTE BASIN WATER AGENCY
271 S. Brea Canyon Road, Walnut, CA 91789



20-inch Water Main Project
Pathfinder Road, City of Rowland Heights

PUENTE BASIN WATER AGENCY

April 5, 2018

TO: Board of Commissioners
FROM: Erik Hitchman, Administrative Officer
RE: LA Solutions for Engineering Solutions, LLC (LASER): Second Addendum to Professional Services Agreement for Strategic Consulting Services

Recommendation:

Request that the Board of Commissioners authorize the Administrative Officer to execute a Third Addendum to the Professional Services Agreement for Strategic Consulting Services for LA Solutions for Engineering Resources (LASER), LLC:

- Increase the funding for by \$60,000;
- Extend the contract to June 30, 2019; and
- Authorize legal counsel to prepare the Third Amendment.

All other terms and conditions are proposed to remain the same.

Background:

In April 2014, the PBWA entered into an agreement with LASER and was able to secure with LASER's assistance a \$3 million grant from Prop 84, Round 3 Funding. As provided, "this agreement may be extended from time to time as agreed by the PBWA and the Consultant."

As discussed at each PBWA meeting, LASER remains invaluable as she assists PBWA through the maze of grant funding and strategic insights. In addition, she assists with the following:

- Round 3b of the Proposition 84 Funding (oversight and strategic guidance) regarding implementation of our \$3 million grant;
- Proposition 1 State Funding and the potential for additional grant funding;
- State Board's Groundwater Grant Program Guidelines; and
- State Loans / Revolving Funds

To summarize; LASER continues to work very closely with PBWA staff in pursuit of various funding opportunities. Ms. Wendy La, PE, founder of LASER, has in-depth knowledge and hands-on experience working with the Proposition 84 Integrated Regional Water Management (IRWM) Grant Funding Process for more than ten years. As the former chair of the Upper San Gabriel and Rio Hondo Sub-region, Ms. La has first-hand experience collaborating with the local, regional, and county-wide stakeholders in the IRWM plan development and project selection process.

Given our ongoing successful partnership combined with Ms. La's experience and expertise, staff recommends that we enter into this Third contract addendum with a not-to-exceed additional increase of \$60,000 and extend the date of her services through June 30, 2019.

Attached: Decision History

Puente Basin Water Agency & LA Solutions for Engineering Resources (LASER), LLC

Date	Item	Notes
March 2014	<ul style="list-style-type: none"> • PBWA entered into strategic consulting services agreement with LASER seeking Prop 84 Integrated Regional Water Management Grant Funding. • At a not-to-exceed cost of \$36,000. 	The PBWA was awarded a \$3 million Prop 84 grant. Work continues on implementation of the grant as a part of the Pomona Basin Regional Groundwater Project.
March 2015	PBWA approved a new agreement for consulting for Round 3b of the Proposition 84 Funding and, Proposition 1 in a not-to-exceed amount of \$63,000.	
December 2016	First addendum to the March 2015 agreement approved with the contract extended through December 31, 2018	
April 2017	Not-to-exceed funding increased by \$60,000.	Currently pursuing Proposition 1 Grant funding opportunities.



April 5, 2018

TO: Board of Commissioners
 FROM: Erik Hitchman, Administrative Officer
 RE: Commission Follow-Up

Recommendation

For information only.

Background

Following is an update regarding matters that have recently come before the Commission.

Item	Meeting Date	Commission Activity	Completed	Follow-Up
Proposition 84: Pomona Basin Groundwater Project – Old Baldy Well Lease Agreement with the City of La Verne	10/5/17 1/10/18	Staff was authorized to finalize terms for the Old Baldy Well Lease Agreement with the City of La Verne	2/22/18: Fully executed agreement received from City of La Verne	10/10/17: Rowland Water District's Board of Directors ratified the Lease Agreement 10/16/17: Walnut Valley Water District's Board of Directors ratified the Lease Agreement 1/10/18: Approved and signed by Commission
Water Rights Lease of 1,000 acre feet for FY 2017-18 to Bellflower-Somerset Mutual Water Co.	1/22/18		2/12/18: Confirmation received from the Water Replenishment District 3/7/18: \$25,000 water lease payment received	
Award Contract for the 20" Water Transmission Main (P.N. PB17-0004)	2/8/18	Commission authorized the Administrative Officer to execute contracts for labor and materials	Contracts executed	