



**BOARD OF COMMISSIONERS
MEETING AGENDA**

**Thursday, August 5, 2021
To begin at 7:00 A.M.**

Pursuant to the provisions of Executive Order N-25-20 Issued by Governor Gavin Newsom on March 12, 2020, any Commissioner and any member of the public who desires to participate in the open session items of this meeting may do so by accessing the Webex link below without otherwise complying with the Brown Act's teleconference requirements:

<https://walnutvalley.webex.com/meet/bmeeting>
(Computer and Telephone Audio Accessible)

Any member of the public wishing to make any comments to the Commission may do so by accessing the above-referenced link where they may select the option to join via webcam or teleconference. The meeting Chair will acknowledge such individual(s) at the appropriate time in the meeting prior to making his or her comment. Members of the public will be disconnected from the meeting prior to the Closed Session.

NOTE: To comply with the Americans with Disabilities Act, if you need special assistance to participate in any Commission meeting, please contact the Administrative Officer's office at least 4 hours prior to a Commission meeting to inform the Agency of your needs and to determine if accommodation is feasible. 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 at <https://puentebasin.com/board-packets/>.

- I. Welcome and Introductions Chair Tang
- II. Flag Salute
- III. Roll Call Commissioner Lewis _____ Commissioner Lee _____
 Commissioner Lima _____ Commissioner Tang _____
- IV. Public Comment
The Chair may impose reasonable limitations on public comments to assure an orderly and timely meeting.
- V. [Approval of Minutes for June 3, 2021 and July 13, 2021 \(attachment\)](#) Chair Tang
 - a. Discussion
 - b. Action Taken
- VI. Regional Water Supply Reliability Program Updates/Status: Mr. Coleman/
Mr. Hitchman
 - (1) California Domestic Water Company

(2) Pathfinder Road – Colima Interties

(3) Pomona Basin Regional Groundwater Project

- a. Consideration of Approval of the Agreement for Operation and Maintenance of Six Basins Groundwater Project (attachment)
 - i. Discussion
 - ii. Action Taken
- b. Consideration of Approval of the City of La Verne Lease Agreement Amendment (attachment)
 - i. Discussion
 - ii. Action Taken
- c. Six Basins Groundwater Project Update
- d. Proposition 84

(4) Proposition 1 Integrated Regional Water Management Grant

VII. Commission Follow-Up (attachment)

Mr. Hitchman

- a. Discussion
- b. Action Taken

VIII. Commissioner Comments

- a. Discussion
- b. Action Taken

IX. Items for Future Discussion/Review

Chair Tang

- a. Discussion
- b. Action Taken

X. Attorney's Report

- a. Legal Counsel will report on matters of interest or having an effect on the Agency

XI. Public Comment on Closed Session

Chair Tang

XII. 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 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

XIII. Reconvene in Open Session

Report of action, if any, taken in Closed Session

Adjournment

Next Commission Meeting: Thursday, October 7, 2021, 7:00 a.m.

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

June 3, 2021

Rowland Water District hosted the Zoom Teleconference Meeting

COMMISSIONERS PRESENT:

Theresa Lee, Commissioner
Anthony Lima, Commissioner
Robert Lewis, Commissioner
Jerry Tang, Commissioner

STAFF PRESENT:

Erik Hitchman, Administrative Officer
Tom Coleman, Assistant Administrative Officer
Josh Byerrum, Treasurer
Myra Malner, Assistant Treasurer
Jim Ciampa, Legal Counsel
Carmen Fleming, Secretary

Staff, guests and others in attendance: Ms. Rose Perea, Mr. Dusty Moisio, and Mr. Dave Warren, Rowland Water District; and Ms. Sherry Shaw, Mr. Brian Teuber, Walnut Valley Water District.

The Zoom teleconference meeting was called to order at 7:01 a.m. with Chair Tang presiding.

Item IV: Public Comment

None.

Item V: Approval of Minutes for April 1, 2021

Upon consideration thereof, it was moved by Commissioner Lewis, seconded by Commissioner Lima, and carried (4-0) to approve the minutes of the Commission meeting held April 1, 2021. A roll call vote was then taken:

Yes: Lee, Lewis, Lima, Tang

Noes: None

Motion Passed (4-0)

Chair Tang indicated that the motion was approved by a 4-0 roll call vote

Item VI: Review of Financial Statements: Third Quarter FY 20-21

- ◆ Mr. Byerrum reviewed the Third Quarter Fiscal Year 2020-21 financials.

Upon consideration thereof, it was moved by Commissioner Lima, seconded by Commissioner Lee, and unanimously carried (4-0), to approve, receive and file the financial statements for the Third Quarter of Fiscal Year 2020-21.

Yes: Lee, Lewis, Lima, Tang

Noes: None

Motion Passed (4-0)

Chair Tang indicated that the motion was approved by a 4-0 roll call vote

Item VII: Puente Narrows Underflow-Fiscal Year 2020-21

- ◆ Mr. Hitchman reported on the letter that was received from the Puente Narrows Watermaster to the Main San Gabriel Basin Watermaster regarding the annual measurement of the Puente Narrows subsurface flow for the Fiscal Year 2020-21.

Upon consideration thereof, it was moved by Commissioner Lima, seconded by Commissioner Lee, and unanimously carried (4-0), to approve, receive and file the Puente Narrow Underflow-Fiscal Year 2020-21.

Yes: Lee, Lewis, Lima, Tang

Noes: None

Motion Passed (4-0)

Chair Tang indicated that the motion was approved by a 4-0 roll call vote

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

(1) California Domestic Water Company

- ♦ Mr. Coleman reported that the Cal Domestic project was continuing to operate at a single pump flow.

(2) Pathfinder Road-Colima Interties

- ♦ Ms. Shaw reported that the project is continuing to move forward. Final activities with Southern California Edison are pending completion.

(3) Pomona Basin Regional Groundwater Project

- a. *Six Basins Groundwater Project Update:* Ms. Shaw reported that staff is working with the contractors to continue the work on the project.
- b. *Proposition 84:* Mr. Hitchman reported that he submitted the project quarterly report. He also stated staff continues to work towards an extension to December 2022.

(4) Proposition 1 Integrated Regional Water Management Grant:

- a. *LA Solutions for engineering Solutions, LLC (LASER): Sixth Addendum to Professional Services Agreement for Strategic Consulting Services:* Mr. Hitchman requested that the Commissioners authorize the Administrative Officer to execute a Sixth Amendment to the Professional Services Agreement for Strategic Consulting Services for LA Solutions for Engineering Resources (LASER), LLC, with an increase of funding in the amount of \$40,000, extending the contract to June 30, 2022.

Upon consideration thereof, it was moved by Commissioner Lewis seconded by Commissioner Lima, and carried (4-0), to authorize the Administrative Officer to execute a Sixth Amendment to the Professional Services Agreement for Strategic Consulting Services for LA Solutions for Engineering Resources (LASER), LLC, to cover an increase of funding of \$40,000 and an extension of the agreement's term to June 30, 2022. A roll call vote was then taken:

Yes: Lee, Lewis, Lima, Tang

Noes: None

Motion Passed (4-0)

Chair Tang indicated that the motion was approved by a 4-0 roll call vote

Item IX: Commission Follow-Up

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

Item X: Commissioner Comments

None.

Item XI: Items for Future Discussion/Review

None.

Item XII: Attorney's Report

- ◆ Mr. Ciampa updated the Commission on Executive Order N-25-20 from Governor Newsom's office regarding the Brown Act Teleconference meetings order.

Item XIII: Public Comment on Closed Session

There were no requests to comment on closed session.

Item XIV: Closed Session at 8:04 a.m.

- (1) 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. Erik Hitchman. The negotiating parties are various property owners. 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 pertaining to the acquisition and/or lease of Central Basin water rights. The negotiators are Mr. Tom Coleman and Mr. Erik Hitchman. The negotiating parties are various water rights holders. Under negotiations are the price and terms of payment.
 - The Commission was briefed on a water rights lease and no reportable action under the Brown Act was taken.
- (3) The Commission met in closed session in accordance with Government Code 54956.9(d)(4) regarding anticipated litigation concerning one case.
 - The Commission was briefed on the facts and circumstances of the potential case and no reportable action under the Brown Act was taken.

Item XV: Reconvene in Open Session at 8:11 a.m.

Adjournment at 8:16 a.m.

There being no further business to discuss, by common consensus the Commission meeting was adjourned. The next Commission meeting to be held August 5, 2021.

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

July 13, 2021

Walnut Valley Water District hosted the Webex Teleconference Meeting

COMMISSIONERS PRESENT:

Theresa Lee, Commissioner
Anthony Lima, Commissioner
Robert Lewis, Commissioner
Jerry Tang, Commissioner

STAFF PRESENT:

Erik Hitchman, Administrative Officer
Tom Coleman, Assistant Administrative Officer
Josh Byerrum, Treasurer
Myra Malner, Assistant Treasurer
Jim Ciampa, Legal Counsel
Carmen Fleming, Secretary

Staff, guests and others in attendance: Mr. Michael Busch, and Mr. Branden Kfoury, Urban Futures, Inc.; Mr. Brian Forbath, Stradling Law; Ms. Rose Perea, Mr. Dusty Moisio, Mr. Dave Warren, Rowland Water District; and Ms. Sherry Shaw, Mr. Brian Teuber, Walnut Valley Water District.

The Webex teleconference meeting was called to order at 7:02 a.m. with Chair Tang presiding.

Item IV: Public Comment

None.

Item V: Consider a Change Order to Doty Bros. Equipment Co. on a Time and Materials Basis for Colima Interties Project (P.N. PB17-0004)

- ♦ Ms. Shaw requested the Commission authorize the Administrative Officer to execute a change order for the Colima Interties Project (P.N. P17-0004) on a time and materials basis with Doty Bros. Equipment Co.

Upon consideration thereof, it was moved by Commissioner Lewis, seconded by Commissioner Lima, and carried (4-0) to authorize the Administrative Officer to execute a change order for the Colima Interties Project (P.N. P17-0004) on a time and materials basis with Doty Bros. Equipment Co. A roll call vote was then taken:

Yes: Lee, Lewis, Lima, Tang

Noes: None

Motion Passed (4-0)

Chair Tang indicated that the motion was approved by a 4-0 roll call vote

Item VI: Escrow Agreements Related to Refunding of Walnut Valley Water District and Rowland Water District Bond Obligations and Consider Adoption of Resolution No. 07-21-017

- ♦ Mr. Forbath of Stradling Law briefed the Commission on the escrow agreements and refunding of Bond obligations. Staff requested the Commission to review and consider adoption of PBWA Resolution No. 07-21-017, authorize the Administrative Officer to execute

the Escrow Agreements (2012 Bonds), and authorize the Administrative Officer to execute the Escrow Agreements (2013 Bonds).

Upon consideration thereof, it was moved by Commissioner Lima, seconded by Commissioner Lee, and carried (4-0) to adopt PBWA Resolution No. 07-21-017, authorize the Administrative Officer to execute Escrow Agreements (2012 Bonds), and execute Escrow Agreements (2013 Bonds). A roll call vote was then taken:

Yes: Lee, Lewis, Lima, Tang

Noes: None

Motion Passed (4-0)

Chair Tang indicated that the motion was approved by a 4-0 roll call vote

Adjournment at 7:22 a.m.

There being no further business to discuss, by common consensus the Commission meeting was adjourned. The next Commission meeting to be held August 5, 2021.

RESOLUTION NO. 07-21-017

**A RESOLUTION OF THE PUENTE BASIN WATER AGENCY
AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF
ESCROW AGREEMENTS AND OTHER DOCUMENTS IN CONNECTION
WITH THE REFUNDING OF CERTAIN OBLIGATIONS OF WALNUT
VALLEY WATER DISTRICT AND ROWLAND WATER DISTRICT AND
AUTHORIZING CERTAIN OTHER MATTERS RELATING THERETO**

WHEREAS, the Puente Basin Water Agency (the "**Agency**") is a joint exercise of powers authority that is duly organized and existing under and pursuant to the laws of the State of California (the "**State**"); and

WHEREAS, the Agency previously issued its Water Revenue Bonds, 2012 Series A (Rowland Water District Project) (the "**2012 Bonds**") to assist Rowland Water District, a member of the Agency ("**Rowland**"), in financing certain capital improvements to Rowland's municipal water system; and

WHEREAS, the Agency previously issued its Water Revenue Bonds, 2013 Series A (Walnut Valley Water District Project) (the "**2013 Bonds**") to assist Walnut Valley Water District, a member of the Agency ("**Walnut Valley**"), in financing certain capital improvements to Walnut Valley's municipal water system; and

WHEREAS, Rowland desires to provide for the issuance of its Water Revenue Refunding Bonds, Series 2021A (Green Bonds) (Federally Taxable) (the "**2021 Rowland Bonds**") in order to refund all or a portion of the outstanding 2012 Bonds in order to achieve debt service savings; and

WHEREAS, Walnut Valley desires to provide for the issuance of its Water Revenue Refunding Bonds, Series 2021A (Federally Taxable) (the "**2021 Walnut Valley Bonds**") in order to refund all or a portion of the outstanding 2013 Bonds in order to achieve debt service savings; and

WHEREAS, in connection with the refunding of the 2012 Bonds, there has been prepared the form of an Escrow Agreement (2012 Bonds) (such Escrow Agreement (2012 Bonds), in the form on file with the Secretary with such changes, insertions and deletions as are made pursuant to this Resolution, being referred to herein as the "**2012 Escrow Agreement**"); and

WHEREAS, in connection with the refunding of the 2013 Bonds, there has been prepared the form of an Escrow Agreement (2013 Bonds) (such Escrow Agreement (2013 Bonds), in the form on file with the Secretary with such changes, insertions and deletions as are made pursuant to this Resolution, being referred to herein as the "**2013 Escrow Agreement**" and, together with the 2012 Escrow Agreement, the "**Escrow Agreements**"); and

WHEREAS, this Board of Commissioners now desires to authorize the execution and delivery of the Escrow Agreements, including the execution of such other documents and the performance of such acts as may be necessary or desirable to effect the refunding of all or a portion of the 2012 Bonds and the 2013 Bonds, and the other actions contemplated by this Resolution;

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE PUENTE BASIN WATER AGENCY hereby adopts the following resolutions:

SECTION 1: Each of the above recitals is true and correct.

SECTION 2: The Escrow Agreements, in substantially the forms on file with the Secretary, and made a part hereof as though set forth in full herein, be and the same are hereby approved. Each of the Chair, the Vice Chair, the Administrative Officer, the Treasurer and the Secretary of the Commission, and any designee thereof (each an "**Authorized Officer**"), acting singly, is hereby authorized to execute and deliver the Escrow Agreements, in the name of and on behalf of the Authority, in substantially the forms attached hereto with such changes, insertions and deletions as may be approved by the Authorized Officer executing the Escrow Agreements, said execution being conclusive evidence of such approval, and the Secretary is hereby authorized to attest thereto;

SECTION 3: The Authorized Officers and any other proper official, officer or employee of the Authority, acting singly, be and each of them hereby is authorized to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or convenient in carrying out the actions authorized by this Resolution and the transactions contemplated by the documents and instruments approved or authorized by this Resolution, including, without limitation, making any determinations or submission of any documents or reports which are required by any rule or regulation of any governmental entity, the giving of any notices and directions or the seeking of any consents or acknowledgements in connection with the refunding, redemption and defeasance of all or a portion of the 2012 Bonds or the 2013 Bonds, the selection of an escrow agent, the execution and delivery of escrow and/or redemption instructions with respect to the 2012 Bonds or the 2013 Bonds and the authorization, execution, delivery of, and the performance by the Agency of its obligations under, the documents and instruments approved or authorized by this Resolution.

SECTION 4: All actions heretofore taken by any committee of the Board of Commissioners, or any official, officer, employee, representative or agent of the Authority, in connection with the refunding of the 2012 Bonds or the 2013 Bonds or the authorization, execution, delivery, or performance of the Authority's obligations under the documents and instruments approved or authorized by this Resolution, and the other actions contemplated by this Resolution, are hereby ratified, approved and confirmed.

SECTION 5: This Resolution shall take effect from and after its date of adoption.


SECTION 6: The Secretary of the Commission shall certify to the adoption of this resolution.

PASSED by roll call vote and ADOPTED this 13th day of July, 2021.

Attest:


Chair, Puente Basin Water Agency


Secretary, Puente Basin Water Agency


Legal Counsel



August 5, 2021

TO: Board of Commissioners
FROM: Erik Hitchman, Administrative Officer
RE: Consideration of Approval of the Agreement for Operation and Maintenance of Six Basins Groundwater Project

Recommendation

Request the Board of Commissioners authorize the Administrative Officer to execute an Agreement for Operation and Maintenance of Six Basins Groundwater Project with Three Valleys Municipal Water District.

Background

As you know, the Agency has been working on the planning design and development of the Six Basins Groundwater Project since 2011, construction of the project is expected to be completed in June 2022. In addition to the completion of project construction, we need to permit the project through the Division of Drinking Water (DDW). During the original planning for the project, the Agency had contemplated that the most efficient way to permit the project would be to enter into a contract with Three Valleys Municipal Water District (Three Valleys) for the Operation and maintenance of the project.

After numerous discussions with Three Valley's staff, we have developed the attached "Agreement for Operation and Maintenance of the Six Basins Groundwater Project". Under the terms of the Agreement Three Valleys will be responsible for the day to day operation of the project, including blend water source coordination through the PM-15 JWL and PM-21 Miramar connections.

Aside from their existing expertise in operating a surface water treatment plant, Three Valleys also has several wells that they operate. Additionally, Three Valleys has a Grade 5 Water Treatment Permit issued through DDW. As the operator, Three Valleys can project facilities including the Old Baldy and Durward Wells through the permit amendment process streamlining the process with DDW.

Attachment

**AGREEMENT FOR OPERATION
AND MAINTENANCE OF SIX BASINS GROUNDWATER PROJECT**

This Agreement is by and between THREE VALLEYS MUNICIPAL WATER DISTRICT, a public agency (“TVMWD” herein), and PUENTE BASIN WATER AGENCY, a public agency (“PBWA” herein). TVMWD and PBWA are each referred to as “Party” and jointly referred to as “Parties” herein.

RECITALS:

A. WHEREAS the Puente Basin Water Agency (“PBWA” herein) is a Joint Powers Authority created by a Joint Powers Agreement (“JPA” herein) between the Walnut Valley Water District and the Rowland Water District.

B. WHEREAS the TVMWD is a Municipal Water District organized pursuant to Section 71000 et. Seq. of the California Water Code and is a member agency of the Metropolitan Water District of Southern California (“MWD”).

C. On or about April 2018, PBWA funded and constructed the “Six Basins Groundwater Project” (“Project”) specifically intended to increase groundwater production from the Six Basins Groundwater Basin. Groundwater produced from the Project is delivered into a 54” diameter pipeline section of the Joint Water Line (“JWL” herein). The JWL obtains its water from the following three sources:

1. MWD’s Weymouth Treatment Plant, which treats a combination of Colorado River and State Project water via TVMWD PM-15A/B, as defined herein;

2. TVMWD's Miramar Treatment Plant, which treats and delivers State Project water at a metered connection at the City of La Verne's 5th and C Street Plant; and
3. Groundwater from the 6 Basins Groundwater Basins from the Project through a lease agreement with the City of La Verne, specifically the Old Baldy Well and the new replacement of the Durward Well.

E. The Parties wish by execution of this Agreement to set forth the respective rights and duties of the Parties concerning the operation and maintenance of the Project.

COVENANTS:

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions hereof, the Parties hereto do agree as follows:

SECTION I **EFFECTIVE DATE; EFFECT; TERM.**

A. EFFECTIVE DATE.

This Agreement must be executed by each Party before it is binding on any Party. TVMWD shall be the last Party to execute this Agreement, which shall become effective on the date executed by TVMWD ("Effective Date").

B. EFFECT.

TVMWD shall undertake Project operations upon issuance of a permit amendment by the State of California Division of Drinking Water to TVMWD Drinking Water Supply Permit No. 04-15-99P-017 ("DDW Permit").

C. TERM.

Unless earlier terminated, extended, and/or amended in accordance with the provisions hereof, the term of this Agreement shall commence on the Effective Date and

expire on December 31, 2038. Upon expiration of the initial term, in 2038, the agreement shall automatically renew for four (4) additional five-year (5) terms thereafter (“Term”).

SECTION II DEFINITIONS.

A. SIX BASINS GROUNDWATER PROJECT.

The “Project” means the Old Baldy Well, Durward Well, and all Water Transmission Facilities as depicted in Exhibit A hereof and incorporated herein by this reference. Additionally, the Project includes any future groundwater production wells delivering water to the Project, Repairs and Replacements (as defined in Subsection E) and/or Capital Improvements (as defined in Subsection F).

B. TVMWD MIRAMAR TREATMENT FACILITY CONNECTION.

The “TVMWD Miramar Treatment Facility Connection” means the facilities as depicted in Exhibit B hereof and incorporated by this reference.

C. TVMWD PM-15 A/B CONNECTION.

The “TVMWD PM-15 A/B Connection” means the facilities as depicted in Exhibit C hereof and incorporated by this reference.

D. JOINT WATER LINE.

The “JWL” means the water transmission main and related facilities as depicted in Exhibit D hereof and incorporated by this reference.

E. REPAIRS AND REPLACEMENTS.

For purposes of this Agreement, “Repairs and Replacements” means those modifications to the Project that are not a Capital Improvement.

F. CAPITAL IMPROVEMENTS.

For purposes of this Agreement, “Capital Improvements” means modifications to the Project that enhance or expand its operation.

SECTION III: OPERATIONAL PROCEDURES.

I. GENERAL.

Groundwater production from Old Baldy and Durward Wells will be maximized for delivery into the JWL when there is sufficient MWD/TVMWD flow for blending of the groundwater produced from the Old Baldy Well, Durward Well and/or any future well(s) to meet all water quality requirements as stated in the DDW Permit issued to TVMWD.

A. JWL BLEND SOURCE PRIORITY.

1. Priority for the source of blending water into the JWL water is as follows:
 - a. Treated water from MWD’s Weymouth Treatment Plant via TVMWD PM-15A/B up to a maximum flow rate of 3cfs will have first priority.
 - b. Treated water from the TVMWD 5TH and C connection will have second priority.
2. Treated water from MWD’s Weymouth Treatment Plant via TVMWD PM-15A/above a flow rate of 3 cfs will have third priority.

SECTION IV OWNERSHIP

The Project shall be owned by PBWA. PBWA shall hold clear and unencumbered title in and to the Project facilities and TVMWD shall possess all rights to operate the Project on behalf of PBWA under the DDW Permit and in accordance with this Agreement, including all well flow rates and blending source flow rates.

SECTION V OPERATION AND MAINTENANCE.

A. TVMWD TO OPERATE.

1. TVMWD shall operate and inspect the Project on behalf of PBWA in accordance with TVMWD internal operating procedures and in accordance with the DDW Permit.

2. TVMWD shall control all devices, meters, and valves appurtenant to the Project either manually and/or via the TVMWD SCADA system.

3. As a Metropolitan Member Agency, TVMWD will operate the Metropolitan Service Connections in accordance with Metropolitan's Administrative Code.

4. Subject to the provisions of this Agreement, TVMWD shall not be impaired from exercising its rights, powers and duties as a Municipal Water District under law and as set forth in the Water Code of the State of California.

5. TVMWD's General Manager shall be responsible for the management, operation, and routine inspection of the Project. TVMWD's General Manager, or his or her designee, shall promptly notify PBWA's Administrator of any operational problems with any Project facility or component that may require maintenance under Subsection 6, below, or Repair and/or Replacement pursuant to Section VIII(A).

6. At its sole cost and expense, all routine and non-routine maintenance of the Project facilities shall be the responsibility of the PBWA. PBWA shall coordinate any such maintenance or any Repair and Replacement with TVMWD.

7. All flow changes shall be administered and managed by TVMWD operations staff.

8. The Parties shall be responsible for the operation, maintenance, repair, and/or replacement of their respective systems beyond the termination points of the Project.

9. In the event of an emergency, TVMWD may, without notice, take such action as it deems necessary to prevent damage to persons or property.

SECTION VI WATER QUALITY.

A. All water delivered to the JWL by the Project shall meet all primary and secondary standards as outlined in the DDW Permit.

B. All required water quality sampling and reporting shall be the responsibility of TVMWD.

C. All water quality sampling results will be provided by TVMWD to PBWA on a monthly basis in accordance with the permitting agency's approved sampling plan.

SECTION VII PROJECT OPERATIONAL COSTS AND CHARGES.

A. All costs incurred by TVMWD for the management, inspection and operation of the Project shall be borne by PBWA as outlined in herein. TVMWD shall invoice PBWA monthly for all costs incurred to operate the Project. PBWA shall pay such costs within thirty (30) days of the date of the invoice provided by TVMWD.

SECTION VIII EXTRAORDINARY PROJECT ACTIVITIES.

A. PROJECT REPAIRS AND REPLACEMENTS.

1. TVMWD shall inspect and identify all necessary Repairs and Replacements. All identified repairs and replacements shall be transmitted by TVMWD to PBWA in a prompt and timely manner.

2. Repairs and Replacements, and the costs and expenses thereof, shall be the sole responsibility of PBWA.

3. In the event of an emergency, TVMWD may cease all Project operations.

4. All Repairs or Replacements shall be consistent with sound engineering, construction, and operating practices.

B. CAPITAL IMPROVEMENTS.

PBWA may undertake Capital Improvements at its sole cost and expense.

SECTION IX DEFAULT; REMEDIES.

A. DEFINITION OF DEFAULT BY PBWA.

A default by PBWA shall be a breach of this Agreement by PBWA and/or a failure by PBWA to make payment for operational costs incurred for a period of sixty (60) days after invoicing thereof from TVMWD to the PBWA.

B. TVMWD'S REMEDIES ON DEFAULT BY PBWA.

If PBWA should fail to remedy any default within fifteen (15) days after receiving written notice from TVMWD specifying such failure (provided that this fifteen (15) day period shall be extended in the event PBWA's failure cannot reasonably be remedied within fifteen (15) days so long as PBWA timely commences that remedy and diligently pursues it to completion), then TVMWD shall have the right, at its option, without any further demand or notice, to pursue any or all legal, equitable, and/or administrative remedies available to TVMWD under this Agreement and/or TVMWD policy, including but not limited to ceasing Project operations.

C. DEFINITION OF DEFAULT BY TVMWD.

A default by TVMWD shall be the intentional and willful failure or refusal of TVMWD to provide operational services for the Project to the PBWA, provided such failure or refusal is not due to or the result of any of the following: unavailability of water from MWD; physical defects or operational failure of the Miramar System; required operation and

maintenance activities; riots, wars, sabotage, civil disturbances, insurrection, explosion, natural disasters such as floods, earthquakes, wind, landslides, and fire, or labor disputes or other catastrophic events beyond the reasonable control of TVMWD; or compliance with any order or directive of a court of competent jurisdiction or of any Federal, State or local government agency exercising applicable jurisdiction over TVMWD, the operation of the Miramar System, or the quality or quantity of water produced therefrom.

D. PBWA REMEDIES ON DEFAULT BY TVMWD.

For any financially calculable losses incurred by PBWA as a result of default by TVMWD, PBWA shall submit a claim to TVMWD to be reviewed and considered by the TVMWD Board of Directors for possible payment in the exercise of its sole discretion. If TVMWD's Board of Directors does not accept the responsibility to pay for those losses within forty-five (45) days after PBWA submits its claim, then PBWA may pursue any remedies provided under applicable law.

E. ALL OTHER REMEDIES IN LAW AND EQUITY AVAILABLE.

The Parties agree that the remedies set forth herein are not exclusive, and any one or all or other remedies provided by law or equity may be exercised against a defaulting Party.

F. ATTORNEYS FEES AND COSTS TO PREVAILING PARTY.

Should any Party commence an action to enforce the provisions of, or actions arising out of, this Agreement, then such Party that prevails in that action, proceeding, or suit shall be entitled to recover reasonable attorney's fees, costs, expert witness fees, consultant's fees and testing fees in connection therewith, including such fees for prosecuting, defending any appeal, or incurred in any supplemental proceeding, until judgment is satisfied in full.

SECTION X DISPUTE RESOLUTION.

Except as specifically provided herein to the contrary, if any dispute shall arise among any of the Parties regarding the Project, or otherwise arising out of or related to this Agreement, and if such dispute cannot be settled by conference among the parties within a period of thirty (30) consecutive calendar days after such dispute arises, or within such additional time as the parties may agree upon, in writing, then such dispute shall be submitted to mediation for possible resolution prior to any Party initiating legal action in a court of competent jurisdiction under the terms of this Agreement.

SECTION XI NOTICE.

A. PRESENTATION.

Any notice or written approval to be given under this Agreement shall be given by personal delivery to the Parties or by addressing it as set forth below, depositing it in any United States Post Office, Registered or Certified mail, postage prepaid, and effective two days after the date of deposit.

B. ADDRESS.

Notice or written approval shall be addressed as follows:

Three Valleys Municipal Water District
Attn: General Manager/Chief Engineer
1021 E. Miramar Avenue
Claremont, California 91711

Puente Basin Water Agency
Attn: Administrative Officer
271 S. Brea Canyon Road
Walnut, California 91789

C. CHANGE.

Any Party may change its address for notices or written approvals by written notice to the other Parties.

SECTION XII INDEMNIFICATION AND INSURANCE.

A. INDEMNIFICATION.

TVMWD shall defend, indemnify, and hold PBWA harmless from and against any and all claims, demands, causes of action, suits, debts, obligations, liabilities, damages, costs, expenses, attorneys' fees, awards, fines, settlements, judgments, or losses or whatever nature character, and description (collectively, "Claims"), to the extent that any or all such Claims arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of TVMWD in performing its obligations under this Agreement, except to the extent such Claims result from PBWA's negligence, recklessness or willful misconduct. With respect to any and all other Claims resulting from or relating to the Project, PBWA shall defend, indemnify, and hold harmless TVMWD and its directors, officers, employees, and agents, except to the extent such Claims result from TVMWD's negligence, recklessness or willful misconduct.

B. INSURANCE.

During the Term, each Party shall procure and maintain such policies of insurance as will reasonably protect it and the other Parties from any and all exposure to loss or liability arising out of this Agreement.

SECTION XIII GENERAL PROVISIONS.

A. SUCCESSORS AND ASSIGNS.

1. This Agreement shall inure to the benefit of and be binding upon each of the Parties and their successors and assigns.

2. The Parties shall not assign any of their rights or duties under this Agreement without the prior written consent of the other Parties, which consent shall not be unreasonably withheld.

B. INTEGRATION AND AMENDMENT.

1. This Agreement constitutes the entire understanding of the Parties with respect to the Project and supersedes any and all prior agreements, whether oral or written, between and/or among the Parties in connection therewith.

2. This Agreement may not be amended, nor the Term extended, unless by written instrument duly executed by all Parties.

C. INTERPRETATION AND ENFORCEMENT.

1. This Agreement shall be construed as if it was jointly prepared by all Parties, and any uncertainty or ambiguity contained herein shall not be interpreted against the Party drafting same.

2. This Agreement shall be enforced and governed by the laws of the State of California. Venue for any action brought to interpret or enforce any provision of this Agreement shall be a state or federal Court of competent jurisdiction situated in the County of Los Angeles, State of California.

D. HEADINGS.

The paragraph headings contained herein are for convenience and reference and are not intended to define or limit the scope of any provision of this Agreement.

E. SEVERABILITY.

If any section, subsection, sentence, clause or phrase of this Agreement, or the application thereof to either Party or any other person or circumstance is for any reason held

invalid, it shall be deemed severable, and the validity of the remainder of the Agreement or the application of such provision to the other Party or to any person or circumstance shall not be affected thereby.

F. COUNTERPARTS; ELECTRONIC SIGNATURES.

This Agreement shall be executed by all Parties in duplicate counterparts, each of which shall be considered an original Agreement. This Agreement may be executed by signatures transmitted electronically, including transmission by e-mail or PDF, and any such electronic signature shall be as valid as an original, "wet" signature.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement which is effective the date executed by TVMWD.

Dated _____ THREE VALLEYS MUNICIPAL
WATER DISTRICT

Approved as to form:

Steven M. Kennedy
Brunick, McElhaney & Kennedy

By: _____ By: _____
General Counsel President

Approved as to form:

PUENTE BASIN WATER AGENCY

James D. Ciampa
Lagerlof, LLP

By: _____ By: _____
General Counsel President

Attest: _____

DRAFT



August 5, 2021

TO: Board of Commissioners
FROM: Erik Hitchman, Administrative Officer
RE: Consideration of the City of La Verne Lease Agreement Amendment

Recommendation

Request the Board of Commissioners authorize the Administrative Officer and Commission Chair to execute an amendment to the City of La Verne Lease Agreement for the Old Baldy Well.

Background

Earlier this year, the Agency and the City of La Verne received a letter from Six Basins Watermaster regarding the Old Baldy Lease Agreement (Agreement). Specifically, Watermaster was concerned that the language of the Agreement did not conform to the provisions of the Six Basin adjudication. Specifically, Section 2.2 of the agreement contains the following language. "Lease of Water Assets: City agrees to lease to the Agency the following:

2.2.1. The right to produce up to 750 acre feet of groundwater from the Ganesha Basin..."

However, pursuant to Article III B Section 3 of the Judgement limits transfer of Six Basin water rights to parties to the Six Basins Judgement. The amended language clarifies that the agreement results in a sale of water produced by the City of La Verne, not a transfer of production rights to the Agency. Also, the Amendment specifies that the Agency shall operate the Old Baldy Well during the term of the lease.

Attached is a copy of the Lease amendment. The Amendment was approved by the City of La Verne at June 21st, 2021 City Council Meeting.

Attachment

LEASE AMENDMENT

This Lease Amendment ("Amendment") is dated for reference purposes this 21st day of June, 2021, by and between the City of La Verne ("City") and Puente Basin Water Agency ("Agency"), with respect to the following:

RECITALS

A. The City and Agency entered into a lease dated February 5, 2018 (the "Lease"), under which the Agency currently leases from the City a groundwater production well and related assets.

B. The City and Agency now desire to amend the Lease to clarify it, as specified below.

AGREEMENT

NOW, THEREFORE, Lessor and Lessee agree as follows:

1. Clarification of Section 2.2. Notwithstanding any provision of the Lease to the contrary, including the provisions of Section 2.2, the intent of the City and the Agency was and remains to lease the City's Old Baldy Well, as described in Section 2.1.1 of the Lease, to the Agency for the production of groundwater in amounts up to 750 acre-feet per year on behalf of the City, and such groundwater produced shall then be sold by the City to the Agency. The intent of this amended provision is to clarify: (a) the right addressed in the Lease is a sale of water by the City to the Agency, and not a transfer of any groundwater production rights to the Agency; and (b) the Agency shall operate the Old Baldy Well during the term of the Lease.

2. No Additional Changes. Except as otherwise amended by the foregoing provisions, the Lease shall remain in full force and effect.

EXECUTED on June 21, 2021 at Los Angeles County, California.

CITY OF LA VERNE



Robert Russi, City Manager



Tim Hepburn, Mayor

PUENTE BASIN WATER AGENCY



Erik Hitchman, Administrative Officer



Jerry Tang, Chair

RESOLUTION NO. 21-37

1 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA VERNE, COUNTY OF LOS
2 ANGELES, STATE OF CALIFORNIA, AUTHORIZING THE EXECUTION OF AN
3 AMENDMENT TO THE AGREEMENT WITH THE PUENTE BASIN WATER AGENCY FOR THE
4 PURPOSE OF LEASING THE OLD BALDY WELL FACILITY AND LEASE OF
5 GROUNDWATER RIGHTS FROM THE GANESHA BASIN

6 **WHEREAS**, the Old Baldy well facility has been unavailable for City use for about three
7 decades due to water quality concerns; and

8 **WHEREAS**, The City Council adopted Resolution No. 18-02 on February 5, 2018,
9 authorizing the Mayor to execute a lease agreement with the "PBWA" for the purpose of leasing
10 the Old Baldy well facility and lease of groundwater rights from the Ganesha Basin.

11 **WHEREAS**, The City and "PBWA" now wish to amend the agreement to clarify section
12 2.2 of the agreement that the lease is a sale of water by the City to the "PBWA", and not a
13 transfer of any groundwater production rights to the "PBWA";

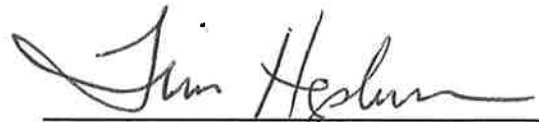
14 **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LA VERNE DOES
15 RESOLVE AS FOLLOWS:**

16 **Section 1.** That the Mayor is **HEREBY AUTHORIZED** to enter into an amendment to
17 the agreement with the Puente Basin Water Agency for the purpose of leasing water and not the
18 transfer of any groundwater production rights to the Agency from the old Baldy Well and up to
19 750 acre-feet per year. Said amendment being in the form attached hereto and made a part
20 hereof by reference as though the same were set forth in full herein.

21 **Section 2.** That the City Council **HEREBY FINDS and DETERMINES** that approval
22 of this amendment is exempt from the California Environmental Quality Act (CEQA) under
23 Section 1530(b) – existing facilities of both investor and publicly owned utilities.

24 **Section 3.** That the Mayor shall sign and the Assistant City Clerk shall certify to the
25 passage and adoption of this Resolution.

26 **PASSED, APPROVED AND ADOPTED this 21st day of June 2021.**

27 
28 _____
29 Tim Hepburn, Mayor

30 ATTEST:

31 
32 _____
33 Lupe Gaeta Estrella, Assistant City Clerk

CERTIFICATION

I hereby certify that the foregoing **Resolution No. 21-37** was duly and regularly adopted by the City Council of the City of La Verne at a meeting thereof held on the **21st day of June, 2021**, by the following vote:

AYES: Lau, Crosby, Davis, Carder, and Mayor Hepburn.
NOES: None.
ABSENT: None.
ABSTAIN: None.



Lupe Gaeta Estrella, Assistant City Clerk



August 5, 2021

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
LA Solutions for Engineering Solutions, LLC (LASER): Sixth Addendum to Professional Services Agreement for Strategic Consulting Services	06/03/2021	Approved agreement	06/22/2020: Received executed agreement from LA Solutions for Engineering Solutions, LLC (LASER)	
Water Rights Lease of 500 acre-feet for FY 2022/23 and FY 2023/24 to South Montebello Irrigation District	06/03/21	Closed Session report	7/15/2020: Received recording of lease from the Water Replenishment District of Southern California for 500 acre-feet. (see attached)	Complete

June 14, 2021

South Montebello Irrigation District
437 Bluff Road
Montebello, CA 90640
Attn: Alberto Corrales, General Manager

Dear Mr. Corrales:

The Administrative Body of the Central Basin Watermaster has received, recorded, and filed your water right lease agreement that includes the information shown below.

Licensor:	Puente Basin Water Agency
Licensee:	South Montebello Irrigation District
Lease dated:	May 19, 2021
Date received:	June 3, 2021
Lease amount:	500.00 acre-feet of Allowed Pumping Allocation
Carryover flexibility right:	Remain with Licensor
Applicable for period:	July 1, 2022 through June 30, 2023
Watermaster service area:	Central Basin

Your lease transaction is confirmed. To view the confirmed lease, please log on to our website at <https://rights.wrd.org/> after allowing for approximately one week for processing. If you have any questions regarding this transaction, please contact me at tjohnson@wrd.org or (562) 275-4240.

Sincerely,



Theodore A. Johnson, PG, CHg
Assistant General Manager/CAO/Watermaster

cc: Puente Basin Water Agency
271 S. Brea Canyon Rd
Walnut, CA 91789
Attn: Erik Hitchman, Administrative Officer

June 14, 2021

South Montebello Irrigation District
437 Bluff Road
Montebello, CA 90640
Attn: Alberto Corrales, General Manager

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Sincerely,



Theodore A. Johnson, PG, CHg
Assistant General Manager/CAO/Watermaster

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