

**A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
248 E. FOOTHILL BLVD, ROOM #103, MONROVIA, CALIFORNIA 91016
4:00 P.M. – OCTOBER 09, 2024**

A regular meeting of the Board of Directors was held in the office of the District, 248 E. Foothill Blvd, Rm. 103, City of Monrovia, County of Los Angeles, State of California, within said Water District, on October 09, 2024 at the hour of 4:00 p.m.

ROLL CALL

DIRECTORS	Santana, Fellow, Chavez, and Garcia
PRESENT:	
DIRECTORS	Treviño
ABSENT:	
STAFF	Tom Love, General Manager; Evelyn Rodriguez, Chief
PRESENT:	Financial Officer/Chief Administrative Officer; Steve O’Neill, District Counsel; Tuan Nguyen, District Engineer; Venessa Navarrette, Executive Assistant; and Katherine Vazquez, Government and Community Affairs Assistant

OTHERS PRESENT Lenet Pacheco and Jose Martinez

ADOPTION OF AGENDA On motion by Vice President Fellow, seconded by Treasurer Garcia, the agenda was adopted as presented by the following vote:

AYES:	SANTANA, FELLOW, CHAVEZ, AND GARCIA
NOES:	NONE
ABSTAIN:	NONE
ABSENT:	TREVIÑO

PUBLIC COMMENT None

COMMITTEE REPORTS Minutes of the Water Resources and Facility Management Committee meeting held on October 07, 2024 was distributed at the meeting.

CONSENT CALENDAR On motion by Treasurer Garcia, seconded by Vice President Fellow, the consent calendar was approved by the following vote:

AYES:	SANTANA, FELLOW, CHAVEZ, AND GARCIA
NOES:	NONE
ABSTAIN:	NONE
ABSENT:	TREVIÑO

- (a) Minutes of a regular meeting of the Board of Directors held on September 25, 2024 at 4:00 p.m.
- (b) List of Demands
- (c) Financial Reports – August 2024
 - 1. Financial Statements
 - 2. Director’s Public Outreach
- (d) Joint Tax Transfer Resolution - City of San Gabriel Annexation No. 2022-09

NOMINATION OF TWO UPPER DISTRICT REPRESENTATIVES TO THE MAIN SAN GABRIEL BASIN WATERMASTER FOR CALENDAR YEAR 2025 Vice President Fellow nominated himself and President Santana. No other nominations were received.

On motion by Vice President Fellow, seconded by Treasurer Garcia, the Board of Directors appointed President Santana and Vice President Fellow as Upper District’s representatives to the Main San Gabriel Basin Watermaster for Calendar Year 2025 by the following vote:

AYES: SANTANA, FELLOW, CHAVEZ, AND GARCIA
NOES: NONE
ABSTAIN: NONE
ABSENT: TREVIÑO

**APPOINTMENT OF A REPRESENTATIVE
AND AN ALTERNATE TO THE SAN
GABRIEL BASIN WATER QUALITY
AUTHORITY FOR FOUR-YEAR TERMS
ENDING DECEMBER 31, 2028**

Vice President Fellow nominated Secretary Chavez as the representative and Treasurer Garcia as the alternate. No other nominations were received.

On a motion by Vice President Fellow, seconded by Treasurer Garcia, the Board of Directors appointed Secretary Chavez as the representative and Treasurer Garcia as the alternate to the San Gabriel Basin Water Quality Authority for four-year terms ending December 31, 2028 by the following vote:

AYES: SANTANA, FELLOW, CHAVEZ, AND GARCIA
NOES: NONE
ABSTAIN: NONE
ABSENT: TREVIÑO

On a motion by Vice President Fellow, seconded by Treasurer Garcia, the Board of Directors instructed the Secretary of the District to transmit a copy of Resolution No. 10-24-665 to the WQA by the following vote:

AYES: SANTANA, FELLOW, CHAVEZ, AND GARCIA
NOES: NONE
ABSTAIN: NONE
ABSENT: TREVIÑO

**AMENDMENT OF THE BUDGET FOR
FISCAL YEAR 2024/25 AND ADOPTION
OF WATER RATES AND CHARGES FOR
CALENDAR YEAR 2025**

Tom Love, General Manager, stated that Upper District has been in discussions with Watermaster and producers regarding budgetary challenges encountered this year, including the increase in the Metropolitan Water District's (MWD) readiness-to-serve (RTS) charge and the lower water sales projections. He discussed Watermaster's proposals to help meet Upper District's operational revenue needs. He then briefly went over the highlights of the biennial budget adopted earlier during the year.

The General Manager stated staff recognized the difficulty the producers have in incorporating a new RTS charge in their FY 2024/25 rate structures. He then presented staff's recommendations and the timeline of the proposed actions. He explained that while Upper District establishes its rates by calendar year to be effective on January 1st, the District operates on a fiscal year basis that begins in July. He then presented the proposed water rates and charges for calendar year 2025 as well as the proposed ordinance for adoption.

President Santana and the General Manager discussed how the debt service ratio remains sound under the new plan and whether the proposed actions have been discussed with Watermaster.

The General Manager reviewed the producers and Watermaster's purchases of untreated water. He also explained how MWD assesses a gross RTS charge and applies the standby charge collected for Upper District against the RTS charge. He stated MWD is in the process of developing new business model that includes rate restructuring.

On a motion by Treasurer Garcia, seconded by Vice President Fellow, the Board of Directors 1) approved an amendment to Upper District's adopted budget for fiscal year 2024/25 reflecting a reduction in forecasted untreated water sales from 44,000 acre-feet to 28,000 acre-feet; 2) authorized the use of rate stabilization reserves amounting to about \$1.65 million to cover the shortfall resulting from lower untreated surcharge revenue; 3) approved the proposed water rates and charges for calendar year 2025; and 4) authorized the General Manager to negotiate a purchase

letter agreement with the Main San Gabriel Basin Watermaster regarding full service water purchases for fiscal years 2024/25 and 2025/26 by the following vote:

AYES: SANTANA, FELLOW, CHAVEZ, AND GARCIA
NOES: NONE
ABSTAIN: NONE
ABSENT: TREVIÑO

On a motion by Treasurer Garcia, seconded by Vice President Fellow, the Board of Directors adopted Ordinance No. 24-2, Repealing Ordinance No. 23-2 and Adopting the Water Rates and Charges for Calendar Year 2025, by the following roll call vote:

SANTANA: AYE
FELLOW: AYE
CHAVEZ: AYE
GARCIA: AYE
TREVIÑO: ABSENT

Press Releases and News Articles.

INFORMATION ITEMS

ATTORNEY’S REPORT

Steve O’Neill, District Counsel, reviewed his recent tasks including finalizing the General Manager’s new employment agreement, communicating with Best, Best, & Krieger regarding the District’s decision to opt out of the new PFAS settlements, responding to an auditor’s request letter, and working with staff regarding a consulting agreement approved by the General Manager. He also followed up on Vice President Fellow’s request for information on a recent court decision regarding flouride.

ENGINEER’S REPORT

Tuan Nguyen, District Engineer, stated that Stetson Engineers is still exploring options for water supply interconnections with San Gabriel County Water District and Sunnyslope Water Company and that both agencies are expected to provide additional information regarding flow requirements and peak demand. He also provided an update on the Emergency Response Plan, stating that Upper District has received a complete draft of the report for review, which will also be presented at a future producer meeting.

Tuan Nguyen also provided an update on the reactivation of the USG-7 connection for the City of Monrovia, noting that Stetson Engineers will continue developing cost analyses as more information becomes available. He then discussed the progress on the Integrated Resource Plan update, stating that they are currently working on the supply and demand assessment within Upper District boundaries.

GENERAL MANAGER’S REPORT

The General Manager stated that as of September 20th, the Key Well level was at 243.1 feet and continues to rise by one-tenth of a foot per week.

Tuan Nguyen noted that as of October 3rd, the Key Well level has reached 243.7 feet.

The General Manager reported that USG-3 is on and delivering water at 250 CFS, adding that Three Valleys and the San Gabriel Valley Municipal Water District are maximizing deliveries to the basin.

He briefly discussed the MWD Business Model, noting that a member agency general managers retreat will be held in Pomona on October 10 and 11. Lastly, he recognized staff anniversaries, congratulating Jessica Hernandez on her one-year anniversary at Upper District, Jennifer Aguilar on her three-year anniversary, and Evelyn Rodriguez on her 17th year.

Secretary Chavez and the General Manager discussed the tree growing in the middle of the spreading grounds and whether its roots could impact the ground.

METROPOLITAN REPORT

Vice President Fellow acknowledged Water Professionals Week, expressing his appreciation to the staff, and commended MWD’s efforts to celebrate the week as well. He noted important discussions about Pure Water Southern California, particularly regarding the project's costs. He also highlighted the lack of interest from legislators in the State Water Project and the Delta Conveyance Project. Additionally, he mentioned that Adan Ortega was reelected as MWD Board Chair. Lastly, he noted that a special executive committee meeting is scheduled for October 23rd to discuss MWD’s leadership.

President Santana commented on the increasing frequency of earthquakes, expressing concern about the fragility of the water supply and emphasizing the importance of securing resources.

WATER QUALITY AUTHORITY REPORT

Secretary Chavez mentioned that the WQA recognized Tony Zampiello and Congresswoman Grace Napolitano with resolutions commemorating their retirements.

WATERMASTER REPORT

None.

AB 1234 COMPLIANCE REPORT

None.

DIRECTORS’ COMMENTS

Secretary Chavez announced that he would not be attending the Board of Directors meeting on October 23rd.

Treasurer Garcia wished everyone a happy Water Professionals Week and expressed her enjoyment of the Full House social media video.

President Santana echoed Treasurer Garcia’s remarks.

FUTURE AGENDA ITEM

None.

ADJOURNMENT

President Santana asked if there were any other business to come before the Board. There being none, the meeting was duly adjourned to a regular meeting of the Board of Directors to be held on October 23, 2024, at 4:00 p.m., at 248 E. Foothill Blvd., Room #103, Monrovia, CA 91016.

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PRESIDENT

ATTEST

Signed by:

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SECRETARY

SEAL