



## AGENDA

Regular Meeting of the Board of Directors

May 1, 2012

6:00 P.M.

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### CALL TO ORDER

### PLEDGE OF ALLEGIANCE

### ROLL CALL OF DIRECTORS

Anthony J. Lima, President  
Szu Pei Lu-Yang, Vice President  
Robert W. Lewis  
John Bellah  
Teresa P. Rios

### ADDITION(S) TO THE AGENDA

### PUBLIC COMMENT ON AGENDA ITEMS

*Any member of the public wishing to address the Board of Directors regarding items on the Agenda or other matters within the subject matter jurisdiction of the Board should do so at this time. The Board may allow additional input on Agenda items during the meeting. A three-minute time limit on remarks is requested.*

*Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning Rose Perea, Secretary to the Board at (562) 697-1726, or writing to Rowland Water District, at P.O. Box 8460, Rowland Heights, CA 91748. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included, so that District staff may discuss appropriate arrangements. Anyone requesting a disability-related accommodation should make the request with adequate time prior to the meeting in order for the District to provide the requested accommodation.*

*Materials related to an item on this Agenda submitted after distribution of the Agenda packet are available for public review at the District office, located at 3021 S. Fullerton Road, Rowland Heights, CA 91748.*

## **Tab 1 CONSENT CALENDAR**

*All items under the Consent Calendar are considered to be routine matters, status reports, or documents covering previous Board instruction. The items listed on the Consent Calendar will be enacted by one motion, unless separate discussion is requested.*

- 1.1 Approval of the Minutes of Regular Board Meeting held on April 10, 2012**  
*Recommendation: The Board of Directors approve the Minutes as presented.*
- 1.2 Approval of the Minutes of Special Board Meeting held on April 11, 2012**  
*Recommendation: The Board of Directors approve the Minutes as presented.*
- 1.3 Approval of the Minutes of Special Board Meeting held on April 24, 2012**  
*Recommendation: The Board of Directors approve the Minutes as presented.*
- 1.4 Calendar of Events for May and June 2012**  
*For information purposes only.*  
  
**Special Board Meeting to be held May 22, 2012**  
**Regular Board Meeting to be held June 12, 2012**

## **Tab 2 ACTION ITEMS**

*This portion of the Agenda is for items where staff presentations and Board discussions are needed prior to formal Board action.*

- 2.1 Review and Approve Directors' Meeting Reimbursements for April 2012**  
*Recommendation: The Board of Directors approve the reimbursements as presented.*
- 2.2 Review and Approve Water Production and Delivery Agreement between Rowland Water District, La Habra Heights County Water District and Orchard Dale Water District**  
*Recommendation: The Board of Directors approve the Water Production and Delivery Agreement as presented.*
- 2.3 Review and Approve Rowland Water District's Statement of Operations Ending March 31, 2012**  
*Recommendation: The Board of Directors approve the Statement of Operations as presented.*
- 2.4 Review and Approve Rowland Water District's Quarterly Investment Report as of March 31, 2012**  
*Recommendation: The Board of Directors approve the Quarterly Investment Report as presented.*

**2.5 Discussion of Upcoming Conferences, Workshops, or Events (Including Items that May Have Arisen after the Posting of the Agenda)**

- ACWA Region 8 "What Lies Beneath? A Look at Groundwater in the Central Basin, June 1, 2012, 9:00 a.m. - 3:00 p.m. at the Water Replenishment District, Lakewood, CA
- TVMWD Leadership Breakfast scheduled June 7, 2012  
*(This binder tab is intentionally blank.)*

**Tab 3 LEGISLATIVE INFORMATION**

**3.1 Updates on Legislative Issues**

**Tab 4 REVIEW OF CORRESPONDENCE**

*(This tab is intentionally blank.)*

**Tab 5 COMMITTEE REPORTS**

- 5.1 Three Valleys Municipal Water District (Directors Lu-Yang/Lima)**
  - Minutes of the Regular Board Meeting held April 18, 2012
  - Report on Tour of the Cadiz Project
- 5.2 Joint Powers Insurance Authority (Director Lewis/Mr. Deck)**
- 5.3 Association of California Water Agencies (Directors Lewis/Bellah)**
- 5.4 Puente Basin Water Agency (Directors Lima/Lewis)**
  - Approve Puente Basin Water Agency 2012-2013 Budget

*There are no tabs for the remainder of the meeting.*

- 5.5 Project Ad-Hoc Committee (Directors Lima/Lu-Yang)**
- 5.6 Regional Chamber of Commerce (Directors Lu-Yang/Lewis)**
- 5.7 PWR Joint Water Line Commission (Directors Lima/Bellah)**
- 5.8 Sheriff's Community Advisory Council (Directors Lu-Yang/Rios)**
- 5.9 Rowland Heights Community Coordinating Council (Directors Bellah/Rios)**

**Tab 6 ATTORNEY'S REPORT (Ms. Morningstar)**

**Tab 7 CLOSED SESSION**

**a. Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8**

Property: Acquisition of Water Rights in the Central and Main San Gabriel Basins

District Negotiator: Ken Deck, General Manager

Negotiating Parties: Titan Terminal

Under Negotiation: Price and Terms

**b. Conference with Real Property Negotiator Pursuant to Government Code Sec. 54956.8**

Property: A Portion of the Parcel at 1015 Nogales Street, Rowland Heights, Ca APN# 8264-021-028

Negotiating Parties: John A. Rowland, Jr., Trustee

Under Negotiation: Price and Terms of Sale

**Tab 8 OTHER REPORTS, INFORMATION ITEMS AND COMMENTS**

**8.1 Public Relations (Ms. Perea)**

**8.2 Personnel Report (Mr. Deck)**

**8.3 Engineer's Report (Mr. Carrera)**

**Directors' and General Manager's Comments**

**Future Agenda Items**

**Late Business**

*No action shall be taken on any items not appearing on the posted agenda, except upon a determination by a majority of the Board that an emergency situation exists, or that the need to take action arose after the posting of the agenda.*

*Next Special Meeting of the Board of Directors May 22, 2012*

*Next Regular Meeting of the Board of Directors June 12, 2012*

**ADJOURNMENT**

President Anthony J. Lima, Presiding

1.1



Minutes of the Regular Meeting  
of the Board of Directors of the Rowland Water District

April 10, 2012 - 6:00 p.m.  
Location: District Office

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**PLEDGE OF ALLEGIANCE**

**ROLL CALL OF DIRECTORS**

President Anthony J. Lima  
Vice President Szu Pei Lu-Yang  
Director Robert W. Lewis  
Director John Bellah  
Director Teresa P. Rios

**ABSENT:**

None

**OTHERS PRESENT:**

Janet Morningstar, Legal Counsel  
Dan Horan, Three Valleys Municipal Water District  
Joe Ruzicka, Three Valleys Municipal Water District  
Erin Gilhuly, CV Strategies  
David Malkin, Rowland Heights Resident  
Teri Malkin, Rowland Heights Resident  
Stephen Blagden, La Habra Heights Resident  
George Edwardz, The Avocado Express

**ROWLAND WATER DISTRICT STAFF:**

Ken Deck, General Manager  
Ted Carrera, Assistant General Manager  
Sean Henry, Finance Officer  
Rose Perea, Director of Administrative Services

**ADDITION(S) TO AGENDA**

None

## **PUBLIC COMMENT ON AGENDA ITEMS**

Mr. Stephen Blagden, La Habra Heights resident, presented comments on proposed Agreement between Rowland Water District, Orchard Dale Water District and La Habra Heights Water District.

### **Tab 1 - CONSENT CALENDAR**

Upon motion by Director Lewis, seconded by Vice President Lu-Yang, the Consent Calendar was approved as presented. The motion was unanimously carried.

The approval of the Consent Calendar included:

#### **1.1**

Approval of the Minutes of Regular Board Meeting Held on March 13, 2012

#### **1.2**

Approval of the Minutes of Special Board Meeting Held on March 16, 2012

#### **1.3**

Approval of the Minutes of Special Board Meeting Held on March 27, 2012

#### **1.4**

Demands on General Fund Account for March 2012

#### **1.5**

Investment Report for March 2012

#### **1.6**

Calendar of events for April and May 2012

### **Tab 2 - ACTION ITEMS**

#### **2.1**

##### **Approve Directors' Meeting Reimbursements for March 2012**

Upon motion by Director Lewis, seconded by Vice President Lu-Yang, the Directors' Meeting Reimbursement Report was approved as presented. The motion was unanimously carried.

#### **2.2**

##### **Public Hearing to Adopt a Mitigated Negative Declaration and Mitigated Monitoring and Reporting Program for the Joint Effort Regional Water Supply Project**

Board President Lima opened the Public Hearing at 6:17 p.m. Mr. Stephen Blagden, La Habra Heights resident, submitted a response letter which included comments to the Draft Mitigated Negative Declaration Joint Effort Regional Water Supply Project. General Manager, Ken Deck, advised that Mr. Blagden's comments had previously been addressed. Mr. George Edwardz, Avocado Express, commented on the need for fire hydrants along the project site. Mr. W. David Byrum, Civiltec Engineering, responded regarding the fire protection system and advised that

this project does not create additional fire danger and, thus, requires no mitigation. Neither Mr. Blagden's nor Mr. Edwardz' comments required modification to the Mitigated Negative Declaration. There being no further Public comment, President Lima closed the Public Hearing at 6:35 p.m.

### 2.3

#### **Review and Approve Resolution No. 4-2012 Adoption of Final Mitigated Negative Declaration for the Joint Effort Regional Water Supply Project**

Director Lewis requested additional information on the requirement for fire protection. Legal counsel, Janet Morningstar, addressed this by adding that this Project does not create a fire hazard which would require mitigation. General Manager, Ken Deck, advised that this project is strictly a transmission pipeline. Mr. Byrum provided information on wildfires and advised that the Department of Fish and Game had no comments on the Mitigated Negative Declaration documents.

A motion was made by Director Lewis, seconded by Director Rios, and unanimously carried to approve Resolution No. 4-2012 adopting the Final Mitigated Negative Declaration for the Joint Effort Regional Water Supply Project, upon the following roll call vote:

Roll call vote.

Ayes: Directors Lima, Lewis, Lu-Yang, Bellah and Rios

Noes: None

Absent: None

Abstain: None

Motion was passed by a vote of 5-0.

### 2.4

#### **Review and Approve Resolution No. 4.1-2012 Designating Citizens Business Bank as Depository for Funds of Rowland Water District and Pomona-Walnut-Rowland Joint Waterline Commission**

Finance Officer, Sean Henry, outlined the services provided by Citizens Business Bank and the cost savings which the District will benefit from. He advised that three banks had been considered and that Citizens Business Bank had the best proposal. The cost savings would be approximately \$6,000.00 per year. He indicated that since Rowland Water District is the Treasurer for the Pomona-Walnut-Rowland Joint Waterline Commission (PWR-JWL Commission), he recommended designating Citizens Business Bank for the PWR-JWL Commission as well. He advised that the contract with Citizens Business Bank can be cancelled at any time without penalty. General Manager, Ken Deck, informed the Board that a lock box will be utilized through Citizens Business Bank, in which customer payments are sent to a P. O. Box and are collected and processed by the bank rather than by District personnel. This system will provide for more efficient posting of payments. He also reported that the District will be upgrading the night payment box and is looking into the possibility of a kiosk to accommodate its customers.



A motion was made by Vice President Lu-Yang, seconded by Director Rios, and unanimously carried to approve Resolution No. 4.1-2012 Designating Citizens Business Bank as Depository for Funds of Rowland Water District and Pomona-Walnut-Rowland Joint Waterline Commission, upon the following roll call vote:

Roll call vote.

Ayes: Directors Lima, Lewis, Lu-Yang, Bellah and Rios

Noes: None

Absent: None

Abstain: None

Motion was passed by a vote of 5-0.

## **2.5**

### **Receive and File Puente Basin Water Agency Basic Financial Statements June 30, 2011 and 2010**

President Lima reported that the Puente Basin Commissioners have reviewed and approved the Audited Financial Statements. A motion was made by Director Lewis, seconded by Vice President Lu-Yang, and unanimously carried to receive and file the Puente Basin Water Agency Basic Financial Statements.

## **2.6**

### **Consider Sponsorship of the Kiwanis Club Annual Scholarship Dinner on April 22, 2012**

Mr. Malkin, Rowland Heights resident, advised that the date on the initial letter was incorrect and that the date of the dinner is Sunday, May 6, 2012. Mr. Deck described the sponsorship options available and advised that CV Strategies would prepare a message to be included in the program, promoting water conservation or other appropriate initiatives of the District. It was the consensus of the Board that the District purchase the Gold Sponsorship for \$250.00 which includes a one-half page ad in the program, table placard, banner display and four tickets. The Board felt that this is an excellent opportunity to get the District's message out in the community. Directors Lewis, Bellah, Rios and Lu-Yang indicated that they would attend the dinner. Additional tickets can be purchased for \$25.00 each, if necessary.

A motion was made by Vice President Lu-Yang, seconded by Director Bellah, and unanimously carried to purchase the Gold sponsorship for \$250.00

## **2.7**

### **Discussion of Upcoming Conferences, Workshops, or Events (Including Items that May Have Arisen after the Posting of the Agenda)**

- ACWA Region 8 "What Lies Beneath? A Look at Groundwater in the Central Basin, June 1, 2012, 9:00 a.m. - 3:00 p.m. at the Water Replenishment District, Lakewood, CA

Staff was instructed to make reservations for Directors Lewis, Rios and Bellah for their attendance at the ACWA Region 8 Program on June 1, 2012.

## 2.8

### **Review and Approve Resolution No. 4.2-2012 Approving Membership in the ACWA Joint Powers Insurance Authority, Consenting to Join the Health Benefits Program of the ACWA Joint Powers Insurance Authority, Ratifying the Action of the ACWA Health Benefits Authority Board of Directors to Terminate the Health Benefits Authority Joint Powers Agreement, and Authorizing and Directing the General Manager to Execute all Necessary Documents**

General Manager, Ken Deck, provided background information on the Health Benefits Authority separation from ACWA and their subsequent joining with the Joint Powers Authority and advised that this new union could potentially save the member agencies money in connection with their health benefits.

A motion was made by Director Lewis, seconded by Director Bellah, and unanimously carried to approve Resolution No. 4.2-2012 Approving Membership in the ACWA Joint Powers Insurance Authority, Consenting to Join the Health Benefits Program of the ACWA Joint Powers Insurance Authority, Ratifying the Action of the ACWA Health Benefits Authority Board of Directors to Terminate the Health Benefits Authority Joint Powers Agreement, and Authorizing and Directing the General Manager to Execute all Necessary Documents upon the following roll call vote:

Roll call vote.

Ayes: Directors Lima, Lewis, Lu-Yang, Bellah and Rios

Noes: None

Absent: None

Abstain: None

Motion was passed by a vote of 5-0.

## 2.9

### **Approve Sponsorship of Regional Chamber of Commerce Green Conference**

Vice President Lu-Yang expressed to the Board that she felt that this conference would be an excellent venue to educate the public on what the District is doing in the community. General Manager, Ken Deck, recommended that the Board authorize staff to purchase the \$2,500.00 sponsorship with the objective of presenting a panel and leading a break-out session at the conference, provided staff can prepare a quality program in partnership with CV Strategies, on an appropriate topic promoting District purposes. If this is not feasible by the conference date, May 2, 2012, then it would be his recommendation to purchase the \$750.00 sponsorship. In either instance, he requested that the Board give staff the flexibility to make that determination.

A motion was made by Director Lewis, seconded by Director Bellah, and unanimously carried to rely on staff to assess the possibility of preparing an appropriate program, in partnership with CV Strategies, promoting the District's message for participation in the Regional Chamber of Commerce Green Expo and Conference to be held on May 2, 2012, for a sponsorship in the amount of \$2,500.00. If this is not possible by the conference date of May 2, 2012, then the Board authorizes the sponsorship in the amount of \$750.00.

**Tab 3 LEGISLATIVE INFORMATION**

**3.1**

**Updates on Legislative Issues**

Nothing to report.

**Tab 4 REVIEW OF CORRESPONDENCE**

None.

**Tab 5 COMMITTEE REPORTS**

**5.1**

**Three Valleys Municipal Water District**

Vice President Lu-Yang discussed the March 21, 2012 Board meeting and advised that voting on their participation in the San Gabriel Valley Summit and the decision as to whether they will sponsor the event in September in the amount of \$10,000.00 will be put to a vote at a future Board meeting.

**5.2**

**Joint Powers Insurance Authority**

Nothing to report.

**5.3**

**Association of California Water Agencies**

Nothing to report.

**5.4**

**Project Ad-Hoc Committee**

Vice President Lu-Yang reported that the Committee reviewed the Mitigated Negative Declaration responses to ensure that all comments had been addressed.

**5.5**

**Regional Chamber of Commerce**

Vice President Lu-Yang again referred to the Regional Chamber of Commerce Green Expo & Conference to be held on May 2, 2012 and noted that the Mt. San Antonio College Farmers Market continues to be held on Saturdays. Director Lewis reported on the Government Affairs Committee (GAC) and advised that Senator Huff had introduced new legislation addressing pension reform. Mr. Ruzicka, Three Valleys, encouraged District staff to attend the GAC meetings.

**5.6**

**PWR Joint Water Line Commission**

Director Bellah advised that the next meeting will be held in June. Mr. Henry responded to Director Bellah's request for clarification on payments included in the general ledger.

**5.7**

**Puente Basin Water Agency**

President Lima advised that the changes to the Main San Gabriel Basin Judgment are still pending, RMC Project is proceeding, negotiations with the Central Basin are continuing and approval of the La Habra Heights Agreement is also pending.

**5.8**

**Sheriff's Community Advisory Council**

Nothing to report.

**5.9**

**Rowland Heights Community Coordinating Council**

Director Bellah reported on the major issues:

- (1) On-going prison reform with the proposal of moving inmates to the local level; and
- (2) Superintendent for Rowland Unified, Maria Ott, advises that over-all enrollment is down in the Rowland Unified School District which has affected District income. The school population is down approximately 2,000 in the last four years.

**Tab 6 ATTORNEY'S REPORT (Ms. Morningstar)**

Nothing to report.

*President Lima re-ordered the Agenda and moved Tab 8 to this point.*

**Tab 8 OTHER REPORTS, INFORMATION ITEMS AND COMMENTS**

**8.1**

**Public Relations**

Mrs. Perea reported that the deadline for entries to the Water Conservation Contest (formerly Video/PSA Contest) was March 16, 2012, and two entries from the District had been received: Wilson High School and Nogales High School. A total of fifteen entries were received. Winners will be announced at the May 10, 2012 Awards Ceremony. First prize will be \$600.00, second prize \$400.00 and third prize \$200.00. Honorable Mentions will receive \$50.00 each.

**8.2**

**Personnel Report**

Mr. Carrera reported that District employee Allen Davidson had been promoted from the Maintenance I position to Maintenance II and will serve a six-month probationary period. Mr. Davidson was formerly employed by the City of La Habra Heights.

**8.3**

**Engineer's Report**

In answer to Director Bellah's inquiries as to the reservoir inspection process, General Manager, Ken Deck, provided a general overview of the cost and process. He advised that the District has enlisted the services of Harper and Associates to complete the reservoir inspection process at a cost of approximately \$15,000.00. Mr. Deck further explained that the \$15,000.00 fee includes the inspection of 7 of the District's 18 reservoirs. Harper and Associates uses a diver to enter the

reservoir and provides the District with a video recording and a written report so that the District can view the interior and assess the interior condition, which then enables the District to budget and plan for repairs. He explained that if a diver were not used to assess needed repairs, it would be necessary to completely drain each reservoir which would result in a water loss of approximately 10 acre feet or \$8,000.00, in addition to increased energy and labor costs.

#### **Tab 7 CLOSED SESSION**

President Lima adjourned the meeting to closed session at 7:43 p.m. Legal counsel, Morningstar announced that the closed session was being held pursuant to Government Code Section 54956.8 in order to confer with the District's negotiator concerning purchase of real estate.

- a. **Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8**  
Property: Purchase of Water Rights  
District Negotiator: Ken Deck, General Manager  
Negotiating Parties: Evolution Markets  
Under Negotiation: Price and Terms
  
- b. **Conference with Real Property Negotiator Pursuant to Government Code Sec. 54956.8**  
Property: A Portion of the Parcel at 1015 Nogales Street, Rowland Heights, Ca APN# 8264-021-028  
Negotiating Parties: John A. Rowland, Jr., Trustee  
District Negotiator: Ken Deck, General Manager  
Under Negotiation: Price and Terms of Sale

The closed session was adjourned and the Board resumed the meeting in open session at 8:17 p.m. The Board President reported that instructions had been given to Mr. Deck.

*Open session reconvened at 8:17 p.m.*

#### **Directors' and General Manager's Comments**

Director Bellah noted that the San Gabriel Valley Tribune had an article on Metropolitan Water District's rate increase. Director Lewis commended staff on the seating arrangements for this evening's meeting.

#### **Future Agenda Items**

- Purchase of Water Rights
- IT Technology update and status
- Public Outreach increased funding

**Late Business**

None.

*Next Special Board Meeting of the Board of Directors to be held on April 24, 2012*  
*Next Regular Meeting of the Board of Directors to be held on May 1, 2012.*

A motion was made by Director Rios, seconded by Vice President Lu-Yang, and unanimously carried to adjourn the meeting. The meeting was adjourned at 8:23 p.m.

\_\_\_\_\_  
ANTHONY J. LIMA  
Board President

Attest: \_\_\_\_\_  
KEN DECK  
Board Secretary

1.2



Minutes of the Special Meeting of  
the Board of Directors of the Rowland Water District

April 11, 2012 - 3:00 p.m.  
Location: District Office

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**PLEDGE OF ALLEGIANCE**

**ROLL CALL OF DIRECTORS**

President Anthony J. Lima  
Vice President Szu Pci Lu-Yang  
Director Robert W. Lewis  
Director John Bellah  
Director Teresa P. Rios

**ABSENT:**

None.

**OTHERS PRESENT:**

Karyn Keese, Atkins North America, Inc.  
Cara VanDijk, CV Strategies  
Stephen Blagden, La Habra Heights Resident

**ROWLAND WATER DISTRICT STAFF:**

Ken Deck, General Manager  
Ted Carrera, Assistant General Manager  
Rose Perea, Director of Administrative Services  
Sean Henry, Finance Officer

**PUBLIC COMMENT ON AGENDA ITEMS**

**COMMENTS:**

None.



**Tab 1 ACTION ITEMS**

**1.1**

**Water Rate Study Workshop:** Discussion and Presentation by Karyn Keese, Senior Project Manager, Financial Services, Atkins North America, Inc.

Ms. Keese presented a Power Point "Water Rate Study" and held an open discussion with the Board during which she answered specific questions from the Board members.

**Directors' and General Manager's Comments**

None.

**Future Agenda Items**

None.

**Late Business**

None.

*Next Special Meeting of the Board of Directors to be held April 24, 2012.*

*Next Regular Meeting of the Board of Directors to be held May 1, 2012.*

A motion was made by Director Bellah, seconded by Director Rios, and unanimously carried to adjourn the meeting. The meeting was adjourned at 5:01 p.m.

\_\_\_\_\_  
ANTHONY J. LIMA  
Board President

Attest: \_\_\_\_\_  
KEN DECK  
Board Secretary

1.3



Minutes of the Special Meeting of  
the Board of Directors of the Rowland Water District

April 24, 2012 - 5:00 p.m.  
Location: District Office

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**PLEDGE OF ALLEGIANCE**

**ROLL CALL OF DIRECTORS**

President Anthony J. Lima  
Vice President Szu Pei Lu-Yang  
Director Robert W. Lewis  
Director John Bellah  
Director Teresa P. Rios

**ABSENT:**

None.

**OTHERS PRESENT**

Cara VanDijk, CV Strategies  
Ashley Hudgens, CV Strategies

**ROWLAND WATER DISTRICT STAFF:**

Ken Deck, General Manager  
Ted Carrera, Assistant General Manager  
Rose Perea, Director of Administrative Services  
Sean Henry, Finance Officer

**PUBLIC COMMENT ON AGENDA ITEMS**

**COMMENTS:**

None.

## Tab 1 ACTION ITEMS

### 1.1

#### Strategic Planning Workshop:

(a) **Review and Discussion of Water Rate Study**

Staff presented a revised Power Point presentation of the Water Rate Study which included the cost of service and a five percent increase in the recycled water rate.

(b) **Presentation by Staff: Overview and Comparison of Employee Benefit Programs**

Staff presented a Power Point presentation of employee benefit programs which included a comparison of benefit programs with other agencies, future concerns and trends and discussed the District's options.

After an in depth discussion of the various options, the Board instructed staff to present their recommendations at a future Board meeting.

### 1.2

#### Review and Approve Water Rate Study

Staff addressed and answered questions posed by the members of the Board and after discussing the rate setting goals, a motion was made by Vice President Lu-Yang, seconded by Director Rios and unanimously carried, directing staff to proceed with the Proposition 218 process based on the cost of service, as presented.

### 1.3 CLOSED SESSION

President Lima adjourned the meeting to closed session at 6:35 p.m. and announced that the closed session was being held pursuant to Government Code Section 54956.8 in order to confer with the District's negotiator concerning purchase of real estate.

a. **Conference with Real Property Negotiator Pursuant to Government Code Section 54956.8**

Property: Acquisition of Water Rights in the Central and Main San Gabriel Basins

District Negotiator: Ken Deck, General Manager

Negotiating Parties: Titan Terminal

Under Negotiation: Price and Terms

b. **Conference with Real Property Negotiator Pursuant to Government Code Sec. 54956.8**

Property: A Portion of the Parcel at 1015 Nogales Street, Rowland Heights, Ca APN# 8264-021-028

Negotiating Parties: John A. Rowland, Jr., Trustee

District Negotiator: Ken Deck, General Manager

Under Negotiation: Price and Terms of Sale

The closed session was adjourned and the Board resumed the meeting in open session at 7:50 p.m. The Board President reported that instructions had been given to Mr. Deck.

*Open session reconvened at 7:50 p.m.*

**Directors' and General Manager's Comments**

Mr. Deck advised the Board that Three Valleys MWD had scheduled a trip to the Cadiz Project on Monday, April, 30, 2012, and that he and President Lima would be attending.

**Future Agenda Items**

None.

**Late Business**

None.

***Next Regular Meeting of the Board of Directors to be held May 1, 2012.***

A motion was made by Director Rios, seconded by Vice President Lu-Yang, and unanimously carried to adjourn the meeting. The meeting was adjourned at 7:57 p.m.

\_\_\_\_\_  
ANTHONY J. LIMA  
Board President

Attest: \_\_\_\_\_  
KEN DECK  
Board Secretary

1.4

## **Directors Calendar of Events May 2012**

### **Director Lima scheduled to attend:**

May 1 -- RWD Regular Board Meeting at 6:00 p.m.

May 2 -- TVMWD Workshop at 8:00 a.m.

~~May 3 -- Project Ad-Hoc Committee Meeting 4:30 p.m.~~ to be Rescheduled

May 16 -- TVMWD Regular Board Meeting at 8:00 a.m.

May 17 -- PBWA Board Meeting (at RWD) at 7:00 a.m.

May 22 -- RWD Special Board Meeting: Strategic Planning at 5:00 p.m.

### **Director Lu-Yang scheduled to attend:**

May 1 -- RWD Regular Board Meeting at 6:00 p.m.

May 2 -- TVMWD Workshop at 8:00 a.m.

~~May 3 -- Project Ad-Hoc Committee Meeting 4:30 p.m.~~ to be Rescheduled

May 16 -- TVMWD Regular Board Meeting at 8:00 a.m.

May 22 -- RWD Special Board Meeting: Strategic Planning at 5:00 p.m.

May 24 -- Regional Chamber Board Meeting at 7:30 a.m.

### **Director Lewis scheduled to attend:**

May 1 -- RWD Regular Board Meeting at 6:00 p.m.

May 14 -- Regional Chamber Governmental Affairs Meeting at noon

May 17 -- PBWA Board Meeting (at RWD) at 7:00 a.m.

May 22 -- RWD Special Board Meeting: Strategic Planning at 5:00 p.m.

### **Director Bellah scheduled to attend:**

May 1 -- RWD Regular Board Meeting at 6:00 p.m.

May 14 -- RHCCC Meeting at 7:00 p.m.

May 22 -- RWD Special Board Meeting: Strategic Planning at 5:00 p.m.

### **Director Rios scheduled to attend:**

May 1 -- RWD Regular Board Meeting at 6:00 p.m.

May 14 -- RHCCC Meeting at 7:00 p.m.

May 22 -- RWD Special Board Meeting: Strategic Planning at 5:00 p.m.





## **Directors Calendar of Events June 2012**

### **Director Lima scheduled to attend:**

- June 6 -- TVMWD Workshop at 8:00 a.m.
- June 7 -- Project Ad-Hoc Committee Meeting 7:00 a.m.
- June 12 -- RWD Regular Board Meeting at 6:00 p.m.
- June 20 -- TVMWD Regular Board Meeting at 8:00 a.m.
- June 21 -- PWR Board Meeting (at WVWD) at 3:30 p.m.
- June 21 -- PBWA Board Meeting (at WVWD) at 4:00 p.m.
- June 26 -- RWD Special Board Meeting: Strategic Planning at 5:00 p.m.

### **Director Lu-Yang scheduled to attend:**

- June 6 -- TVMWD Workshop at 8:00 a.m.
- June 7 -- Project Ad-Hoc Committee Meeting 7:00 a.m.
- June 12 -- RWD Regular Board Meeting at 6:00 p.m.
- June 20 -- TVMWD Regular Board Meeting at 8:00 a.m.
- June 26 -- RWD Special Board Meeting: Strategic Planning at 5:00 p.m.
- June 28 -- Regional Chamber Board Meeting at 7:30 a.m.

### **Director Lewis scheduled to attend:**

- June 11 -- Regional Chamber Governmental Affairs Meeting at noon
- June 12 -- RWD Regular Board Meeting at 6:00 p.m.
- June 21 -- PBWA Board Meeting (at WVWD) at 4:00 p.m.
- June 26 -- RWD Special Board Meeting: Strategic Planning at 5:00 p.m.

### **Director Bellah scheduled to attend:**

- June 11 -- RHCCC Meeting at 7:00 p.m.
- June 12 -- RWD Regular Board Meeting at 6:00 p.m.
- June 21 -- PWR Board Meeting (at WVWD) at 3:30 p.m.
- June 26 -- RWD Special Board Meeting: Strategic Planning at 5:00 p.m.

### **Director Rios scheduled to attend:**

- June 11 -- RHCCC Meeting at 7:00 p.m.
- June 12 -- RWD Regular Board Meeting at 6:00 p.m.
- June 26 -- RWD Special Board Meeting: Strategic Planning at 5:00 p.m.

# June 2012

Sun	Mon	Tues	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
			TVMWD Workshop 8:00 a.m. Directors Lima and Lu-Yang to attend	Project Ad Hoc Meeting 7:00 a.m. Directors Lima and Lu-Yang to attend		
10	11	12	13	14	15	16
	Regional Chamber GAC Meeting noon. Director Lewis to attend RHCCC Meeting 7:00 p.m. Directors Bellah and Rios to attend	RWD Regular Board Meeting 6:00 p.m.				
17	18	19	20	21	22	23
Father's Day			TVMWD Regular Bd. Meeting 8:00 a.m. Directors Lima and Lu-Yang to attend	PWR Board Meeting(WVWWD) 3:30 p.m. Directors Lima and Bellah to attend PBWA (WVWWD) 4:00 p.m. Directors Lima and Lewis to attend		
24	25	26	27	28	29	30
		RWD Special Board Meeting 5:00 p.m.		Regional Chamber Board Meeting 7:30 a.m. Director Lu-Yang to attend		

2.1



## APRIL 2012 DIRECTOR REIMBURSEMENTS

Director	Date of Meeting/Event	Meeting/Event Attended	Reimburse	No Charge	Additional Comments <i>(Submit info if you are claiming mileage reimbursement)</i>
<b>Anthony J. Lima</b>					
	4/04/12	Three Valleys Board Meeting	\$110.00		Mileage
	4/05/12	RWD Project Meeting	\$110.00		
	4/10/12	RWD Board Meeting	\$110.00		
	4/11/12	RWD Special Board Meeting	\$110.00		
	4/18/12	Three Valleys Board Meeting	\$110.00		Mileage
	4/19/12	PBWA at Walnut	\$110.00		Mileage
	4/24/12	RWD Special Board Meeting	\$110.00		
	4/30/12	Cadiz Project Tour	\$110.00		
		<b>TOTAL PAYMENT</b>	<b>\$880.00</b>		
<b>John Bellah</b>					
	4/09/12	RHCC Board Meeting	\$88.00		
	4/10/12	RWD Board Meeting	\$88.00		
	4/11/12	RWD Special Board Meeting	\$88.00		
	4/19/12	PBWA at Walnut	\$88.00		
	4/24/12	RWD Special Board Meeting	\$88.00		
		<b>TOTAL PAYMENT</b>	<b>\$440.00</b>		
<b>Robert W. Lewis</b>					
	4/09/12	San Gabriel Valley Regional Chamber of Commerce	\$110.00		
	4/10/12	RWD Board Meeting	\$110.00		
	4/11/12	RWD Special Board Meeting	\$110.00		
	4/19/12	PBWA at Walnut	\$110.00		
	4/24/12	RWD Special Board Meeting	\$110.00		

		<b>TOTAL PAYMENT</b>	<b>\$550.00</b>		
<b>Szu-Pei Lu</b>					
	4/04/12	Three Valleys Board Meeting	\$110.00		Mileage
	4/05/12	RWD Project Meeting	\$110.00		
	4/10/12	RWD Board Meeting	\$110.00		
	4/11/12	RWD Special Board Meeting	\$110.00		
	4/18/12	Three Valleys Board Meeting	\$110.00		Mileage
	4/24/12	RWD Board Meeting	\$110.00		
	4/26/12	Regional Chamber Board Meeting at Walnut	\$110.00		Mileage
		<b>TOTAL PAYMENT</b>	<b>\$770.00</b>		
<b>Teresa Rios</b>					
	4/10/12	RWD Board Meeting	\$110.00		
	4/11/12	RWD Special Board Meeting	\$110.00		
	4/24/12	RWD Special Board Meeting	\$110.00		
		<b>TOTAL PAYMENT</b>	<b>\$330.00</b>		

APPROVED FOR PAYMENT:



Ken Deck

2.2

## WATER PRODUCTION AND DELIVERY AGREEMENT

THIS WATER PRODUCTION AND DELIVERY AGREEMENT ("Agreement") is entered into on the latest of the dates shown opposite the signatures of the Parties to this Agreement, by and between LA HABRA HEIGHTS COUNTY WATER DISTRICT ("LHHCWD"), a county water district formed and existing under Division 12 of the California Water Code, ROWLAND WATER DISTRICT, a county water district formed and existing under Division 12 of the California Water Code ("Rowland"), and ORCHARD DALE COUNTY WATER DISTRICT, a county water district formed and existing under Division 12 of the California Water Code ("Orchard Dale"). LHHCWD, Rowland and Orchard Dale are referred to together as the "Parties," and individually as a "Party." This Agreement is based upon the recitals stated below.

### RECITALS

WHEREAS, Rowland currently receives 100% of its potable water supply from Metropolitan Water District of Southern California (MWD) through Three Valleys Municipal Water District ; and,

WHEREAS, Rowland is seeking to develop alternative supplies of water in order to prepare for planned interruptions in water deliveries from MWD, as well as to provide additional sources of water to Rowland's service area to mitigate wholesale water cost increases; and,

WHEREAS, Rowland has acquired pumping rights in the Central Groundwater Basin of Los Angeles County ("Central Basin") as an alternative source of water, but currently has no facilities to produce water in the Central Basin or convey water from the Central Basin to Rowland's service area; and,

WHEREAS, LHHCWD has facilities to produce water from the Central Basin, and with the construction of the additional transmission facilities described in Section 5 of the Agreement would be able to assist Rowland to produce, pursuant to Rowland's water rights, and deliver water to Rowland's water distribution system; and

WHEREAS, LHHCW and Orchard Dale are parties to an agreement dated September 6, 1957, and amendments thereto, (the "Orchard Dale Agreement") under which Orchard Dale has certain rights and obligations in groundwater produced by LHHCW and the facilities used to transmit and store such water; and,

WHEREAS, LHHCW and Orchard Dale have excess pumping, transmission and storage capacity in the facilities described in the Orchard Dale Agreement, and Orchard Dale agrees that LHHCW may use this excess capacity to pump and deliver water to Rowland pursuant to Rowland's water rights, subject to the terms and conditions of this Agreement.

WHEREAS, Rowland acknowledges it has reviewed and understands the obligations of LHHCW and Orchard Dale as set forth in the Orchard Dale Agreement.

WHEREAS, Rowland is willing and able to act as lead agency for the purpose of complying with the California Environmental Quality Act in connection with any environmental review that may be required in connection with this Agreement and the transactions contemplated hereunder.

## AGREEMENTS

In consideration of the mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and adequacy of which are acknowledged by each Party, the Parties agree as follows:

1. Production and Conveyance

1.1 Subject to the terms hereof, LHHCW will convey to Rowland, groundwater from the Central Basin pursuant to water rights held by Rowland, and deliver such groundwater as set forth in Section 1.2.

1.2 LHHCW shall deliver water to Rowland when the following conditions exist:

(a) The water stored in LHHCW's Reservoir 9 shall be at a level of not less than fifteen (15) feet; and the water stored in LHHCW's La Mirada Reservoir shall be at a level of not less than twenty (20) feet; and the water stored in LHHCW's Lyons Reservoir shall be at a level of not less than twenty



(20) feet. If the total water stored in any reservoir falls below the specified level, then deliveries to Rowland shall be suspended until such time as the level in each of the reservoirs that was below the level specified herein reaches four (4) feet above that specified level. LHCWD shall have sole authority for operation of LHCWD's water system but shall make reasonable efforts to maintain reservoirs at levels which permit deliveries to Rowland. LHCWD shall have the sole authority and reasonable discretion to determine when the water is below the levels specified herein.

(b) Subject to the provisions in Section 1.2(a), Rowland shall be entitled to draw a maximum flow from LHCWD's upper zone of four cubic feet per second (4 cfs) or 1,800 gallons per minute (gpm). LHCWD makes no guarantee regarding the pressures or flows of water delivered to Rowland hereunder.

(c.) Rowland acknowledges that LHCWD and Orchard Dale have first priority to the excess pumping, transmission, and storage capacity in the facilities described in the Orchard Dale Agreement, and further acknowledges that it shall be within LHCWD's reasonable discretion to determine when there is excess capacity.

1.3 Upon written request to LHCWD by Rowland, requesting to use available capacity during Southern California's Edison's (SCE) summer peak rate period, Rowland shall be responsible for all costs associated with SCE peak rate period.

1.4 In the event LHCWD is not able to produce groundwater in sufficient quantity to make deliveries to Rowland of water produced under Rowland's pumping rights, then upon written request by Rowland, LHCWD will take delivery of imported water from Metropolitan Water District of Southern California (Metropolitan) in the amount specified in the written request and deliver the same quantity to Rowland through LHCWD's system at a maximum flow of four (4) cfs or 1,800 gpm. LHCWD shall not be obligated to wheel Metropolitan water to Rowland if to do so would result in the reservoir levels specified in 1.2 (a) dropping below minimum levels. LHCWD will notify Rowland prior to purchasing Metropolitan water on Rowland's behalf whether the

reservoir levels will permit wheeling of water to Rowland. LHHWCWD shall determine when the water is below the level specified in Section 1.2(a).

## 2. Term

This Agreement shall have an initial term of twenty (20) years from the Effective Date. After the expiration of the initial term, unless terminated by either LHHWCWD or Rowland in accordance with Paragraph 3, below, the Agreement shall renew for subsequent five (5) year periods.

## 3. Termination

After expiration of the initial term under Paragraph 2, above, this Agreement may be terminated by either Party by giving written notice to the other at least sixty (60) days prior to the expiration of the then existing term. Notwithstanding any provision of Paragraph 2 or this Paragraph 3 to the contrary, either Party may terminate this Agreement in the event the other Party commits a breach of any material term of this Agreement, which breach remains uncured for at least sixty (60) calendar days after the Party desiring to terminate the Agreement provides written notice to the breaching Party of such breach.

## 4. Effective Date

The Effective Date of this Agreement shall be \_\_\_\_\_.

## 5. Facilities

### 5.1

(a) Water produced and conveyed pursuant to this Agreement shall be delivered to Rowland through facilities (the "Delivery Facilities") to be constructed which are necessary to connect LHHWCWD's production facilities with Rowland's distribution system. The Delivery Facilities shall consist of a twelve-inch pipeline in Fullerton Road, running from LHHWCWD's facilities in the intersection of East Road and Fullerton Road in La Habra Heights to a point of connection with Rowland's facilities at Fullerton Road and Harbor Boulevard in Rowland Heights, a twelve-inch meter to measure the quantity of water flowing into Rowland's distribution system, and all necessary valves and appurtenances.

(b) Rowland shall bear all costs involved in designing and constructing the Delivery Facilities (including, but not limited to, engineering costs, permitting costs,

labor and material costs, inspection costs, and financing costs) and in connection with any legally required environmental review ("Rowland's Capital Costs"). The meter shall be owned, operated, and maintained by Rowland. The stretch of the twelve-inch pipeline that runs between Rowland's facilities at Fullerton Road and Harbor Boulevard and the boundary between Rowland and LHHCWWD shall be owned, operated and maintained by Rowland. The stretch of the twelve-inch pipeline that runs between the boundary and the connection point with the LHHCWWD facilities shall be owned, operated, and maintained by LHHCWWD. LHHCWWD shall have the right to review and approve the design of the Delivery Facilities.

5.2 Rowland shall, when designing and constructing the Delivery Facilities, construct and install seven (7) fire hydrants and four (4) service connections to replace existing service connections to properties currently served by LHHCWWD.

5.3 LHHCWWD and Rowland shall determine the location of the 7 fire hydrants. The following are the 4 service connections:

- 2360 Fullerton Road – 1" service.
- 2400 Fullerton road – 1" service.
- Across from 2360 Fullerton Road – 1-1/2" service.

(Serves property of the Puente Hills Landfill Native Habitat Preservation Authority.)

- LHHCWWD's Sample Station – 3/4" service.

(Presently located at 2360 Fullerton Road.)

Rowland shall pay for all the costs associated with the construction and installation of fire hydrants and service connections, including design, construction, materials, and labor.

5.4 After construction of the Delivery Facilities, LHHCWWD shall have the right to construct without Rowland's consent and at LHHCWWD's sole cost up to seven (7) additional service connections from the Delivery Facilities to services in LHHCWWD which are in existence on the effective date of this Agreement.

5.5 Rowland shall be entitled to ninety percent (90%) of the capacity of the Delivery Facilities at all times, except that LHHCWWD may use the entire capacity of the Delivery Facilities during times when it is necessary for firefighting. LHHCWWD shall

not make any connection to the Delivery Facilities to serve properties or developments not currently served by LHHCWd.

5.6 Rowland and LHHCWd shall each be responsible for the maintenance and repair of that portion of the Delivery Facilities, (as defined in Section 5.1) that is within that Party's boundaries. In the event that there is damage to, or a failure of, the Delivery Facilities within LHHCWd's boundaries which interferes with delivery of water to Rowland, and LHHCWd is not able to, or fails to cause repairs or replacement to be made within sixty (60) days, Rowland may elect to cause the repairs or replacement to be made. LHHCWd agrees to reimburse Rowland for the cost of such repairs or replacement, either by payment directly to Rowland, or by a credit against wheeling charges for water delivered to Rowland pursuant to Section 8, until fully repaid.

#### 6. Water Quality Warranty

To LHHCWd's best current, actual knowledge, the water to be supplied under this Agreement meets all applicable federal and state water quality standards. Notwithstanding the preceding sentence, LHHCWd makes no representation or warranty regarding the quality of any water to be provided to Rowland hereunder. LHHCWd makes no guarantee regarding the pressures or flows of water delivered to Rowland hereunder.

#### 7. Measurement of Amount of Water Provided; Disputes

The amount of water provided through the connection shall be measured by the meter to be installed pursuant to Paragraph 5.1, above. LHHCWd shall be responsible for reading the meter. LHHCWd shall bill Rowland on a monthly basis for the water delivered, as reflected by the reading of that meter. If within ten (10) days after its receipt of the bill, Rowland disputes the accuracy of the bill with respect to the quantities set forth thereon, the Parties shall meet and confer to determine the accuracy of the bill. The Parties may thereafter test the meter to determine the accuracy of the meter. If the quantity of water recorded by the meter measures above 102 percent, or below 98 percent, of the actual water passing through the meter, then the bill shall be adjusted accordingly and the Parties shall equally divide all costs incurred in testing the meter. If the meter is found to be accurate, i.e., if the quantity of water recorded by the meter does

not measure above 102 percent, or below 98 percent, of the actual water passing through the meter, then the Party challenging the accuracy of the meter shall bear all costs incurred in testing the meter. If Rowland does not dispute the bill within ten (10) days of receipt, the quantities set forth on the bill are deemed correct and Rowland waives any right to later dispute that bill. At Rowland's expense, the meter will be tested for accuracy and calibrated on an annual basis.

8. Price Billing

8.1. Rowland shall pay LHHCWd for producing and/or transporting water through LHHCWd's system, as provided hereunder at the following rates per acre-foot:

(a) For water produced by LHHCWd pursuant to rights which Rowland has Purchased or Leased in the Central Basin. The rate shall be composed of the following:

- (1) LHHCWd's direct cost of production (i.e., energy costs associated with pumping).
- (2) The energy costs associated with the delivery of the water to the delivery point. (The energy costs associated with lifting the water to LHHCWd's Reservoir 9.)
- (3) Any other variable cost directly attributable to the production of water for Rowland.
- (4) An additional per acre-foot charge that is calculated as set forth in subsection (c) below. This shall be the charge for LHHCWd to wheel water to Rowland through its facilities ("wheeling charge").
- (5) In addition, Rowland shall pay TEN DOLLARS (\$10) per acre-foot to Orchard Dale for all water delivered by LHHCWd to Rowland from the Central Basin, which amount shall be increased on and effective March 1, 2013 in accordance with the increase, in the consumer price index CPI-U for the Los Angeles-Riverside-Orange Counties for the 2012 calendar year of not less than two percent (2%), and provided,

however, that such increase shall not exceed five percent (5%). For subsequent years, the then-existing amount to be paid to Orchard Dale, as previously increased, shall be increased on March 1 of each subsequent year in accordance with the increase, in the Consumer Price Index CPU-U for Los Angeles-Riverside-Orange Counties for the immediately preceding calendar year, however that such increase shall not be less than two percent (2%) and not exceed five percent (5%) for any single year.

(b) For water transported through the LHCWD System pursuant to a specific written request from Rowland to LHCWD to purchase and deliver water from Metropolitan through the LHCWD system, the rate shall be composed of the following:

- (1) The price paid to Metropolitan by LHCWD for the water.
- (2) The energy costs associated with lifting the water from the point of delivery from Metropolitan's transmission line at LHCWD's Plant 2 to the delivery point.
- (3) The wheeling charge that is calculated as set forth in subsection (c) below.
- (4) No payment shall be due from Rowland to Orchard Dale for the delivery of water from Metropolitan by LHCWD to Rowland

(c) **Method of Calculating Wheeling Charge.**

- (1) **Wheeling Charge prior to Amortization of Rowland's Capital Costs.** Until Rowland has amortized all of the Rowland's Capital Costs, as described above in Section 5.1(b) and 5.2, the wheeling charge shall be FIFTY DOLLARS (\$50) per acre-foot.
- (2) **Wheeling Charge After Amortization of Rowland's Capital Costs.** Rowland shall amortize Rowland's Capital Costs by calculating the cumulative cost savings to Rowland from taking

water from the Central Basin under this Agreement, versus what the same quantity of water would cost if Rowland obtained all of its water from sources other than the Central Basin, and charging it against Rowland's Capital Costs. After Rowland has fully amortized Rowland's Capital Costs, the wheeling charge shall be SEVENTY-FIVE DOLLARS (\$75) per acre-foot plus a share of the cost savings that Rowland realizes as a result of LHHCWd pumping and delivering water to Rowland from the Central Basin instead of Rowland purchasing water from other sources. The LHHCWd share shall be calculated as set forth in subsection (d) below.

(3) **Calculation of Amortization of Rowland's Capital Costs.**

Rowland shall have amortized Rowland's Capital Costs when the accumulated savings from obtaining Central Basin water as calculated in subsection (d) below equals Rowland's Capital Costs. Annually, Rowland shall prepare and submit to LHHCWd for its review and approval a calculation of the accumulated amortization of Rowland's Capital Costs.

(d) **Method of Calculating LHHCWd's Share of Cost Savings.**

LHHCWd's share of cost savings shall be calculated as follows:

- (1) For every year after Rowland has fully amortized Rowland's Capital Costs, the wheeling charge for each acre-foot of water pumped and delivered by LHHCWd to Rowland from the Central Basin shall include a share of the cost savings, if any, that Rowland realizes from taking water from the Central Basin as calculated in this subsection.

If amortization is achieved before the end of a year, then for the water pumped and delivered between when amortization is achieved and the end of the year, the wheeling charge to LHHCWd will include a share of the cost savings as calculated in this subsection.

(2) Rowland's cost savings after fully amortization of Rowland's Capital Costs shall be calculated on a "per acre-foot basis" as the difference between the average cost to Rowland per acre foot of potable water obtained from all sources including Metropolitan and California Domestic Water Company (Cal Domestic) excepting Central Basin, and the average cost to Rowland of water from the Central Basin. The cost of water from the Central Basin is defined as the total of all of the following:

(i) The payments made to LHHCW and Orchard Dale pursuant to Section 8.1 subsections (a) (1), (2), (3), (4) and (5), Section 8.4 (additional power costs) and Section 12 (maintenance and repair costs), (i.e. all payments made by Rowland).

(ii) Cost to Rowland of obtaining water rights including charges from the Water Replenishment District and the lease value of water rights acquired or leased by Rowland in the Central Basin as calculated in accordance with subsection (e) below.

(3) The average cost to Rowland of obtaining water from all sources per acre-foot, shall be determined as follows:

The cost to Rowland shall be the total cost of potable water purchased from Metropolitan, plus the total cost of potable water purchased from Cal Domestic (section 8(b) above) plus the total cost of potable water obtained from all other sources, except for the Central Basin.

Rowland will for the applicable time period add the total cost to purchase water from Metropolitan and Cal Domestic to the total cost to obtain water from all other sources except for the Central Basin, and divide that amount by the total amount of acre-feet of water acquired during that time period from all of



those sources resulting in the average cost of acquiring water for the time period. The calculation shall be made for each fiscal year or portion of a fiscal year beginning with the date Rowland first receives delivery of water through the Delivery Facilities. Rowland's calculation of the blended cost shall be subject to LHHCWD's review and approval.

- (4) The cost savings per acre-foot is the difference in the average cost per acre-foot to obtain potable water from Metropolitan, Cal Domestic and other sources except Central Basin, as calculated pursuant to subsection (d)(3), less the cost per acre-foot to obtain water from the Central Basin, as calculated pursuant to subsection (d)(2).
- (5) The total cost savings per billing period (on a monthly basis) is determined by multiplying the cost savings per acre-foot as calculated under subsection (d)(4) by the amount of acre-feet of water produced from Central Basin and delivered to Rowland for that billing period.
- (6) Subtract from the total cost savings per billing period, as determined pursuant to subsection (d)(5), \$75 for each acre-foot produced from Central Basin and delivered to Rowland for that billing period (the "net cost savings"). The net cost savings will be divided between LHHCWD and Rowland. (For example, if the time period being used is one (1) year and LHHCWD produces 2,000 acre-feet of water for Rowland, then \$150,000 ( $\$75 \times 2,000$  acre-feet) would be subtracted from the total cost savings under subsection (d) (5) before LHHCWD is entitled to share in the cost savings.)
- (7) Determine the ratio of water usage by LHHCWD and Rowland to total water usage. (For example, if the total amount of water pumped by LHHCWD from the Central Basin for its use and for Rowland's use is 4,800 acre-feet in a year and LHHCWD

uses 2,800 acre-feet and Rowland uses 2,000 acre-feet, then LHHWCWD's share would be 58% and Rowland's share would be 42%.)

(8) LHHWCWD's share of cost savings for a billing period is the amount determined in subsection (d)(6) to be shared between LHHWCWD and Rowland multiplied by LHHWCWD's share of the total amount of water pumped from Central Basin as determined in subsection (d)(7).

(9) Attached to illustrate how LHHWCWD's share of cost savings will be calculated are the following exhibits.

(i) Exhibit "A-1", which illustrates how the cost to pump and deliver water from Central Basin to Rowland will be calculated and compared to the cost for Rowland to obtain potable water from Metropolitan, Cal Domestic and other sources except Central Basin.

(ii) Exhibit "A-2", which illustrates how the cost savings from Rowland obtaining Central Basin water would be shared between LHHWCWD and Rowland.

(e) The calculation of the wheeling charge shall be done in accordance with the following.

(1) The amount used for the cost of water rights in calculating LHHWCWD's share of the cost savings shall be the lesser of \$150 per acre-foot or the actual cost to Rowland of leasing water rights. (For example, if the actual cost of leasing water rights is \$160 per acre-foot, the amount used in the calculation would be \$150 per acre-foot, and if the actual cost is \$80 per acre-foot, the amount used in the calculation would be \$80 per acre-foot.)

(2) To the extent that Rowland purchases water rights instead of leases water rights, \$150 per acre-foot will be used in the calculation as the lease value of the water rights, to determine

LHHCWD's share of the cost savings until the amount of the purchase price for the water rights is amortized after which time the lease value of owned water rights used in the calculation will be zero.

- (3) If for a billing period Rowland leases and purchases water rights, then in calculating the cost of water rights for that billing period Rowland shall first use purchased water rights and then use the leased water rights.

## 8.2

(a) The amounts billed under Paragraph 8.1 shall be pro-rated for any portion of an acre-foot delivered. LHHCWD shall bill Rowland on a monthly basis for the water provided hereunder. Payment of such invoices shall be due immediately upon receipt of the invoice and delinquent if not received by LHHCWD within thirty (30) days from the date of mailing of the invoice. The penalty for delinquent payment of any invoice is five percent (5%) of the unpaid balance on the account.

(b) Each month, LHHCWD shall provide Orchard Dale with the quantity of water provided to Rowland that is water for which Rowland has purchased or leased the right to produce such water from the Central Basin and is therefore subject to the TEN DOLLAR (\$10) per acre-foot charge to be paid by Rowland to Orchard Dale pursuant to Subparagraph 8.1(a)(5). Orchard Dale shall bill Rowland on a monthly basis for all water that is subject to that TEN DOLLAR (\$10) per acre-foot charge. Payment of such invoices shall be due immediately upon receipt of the invoice and delinquent if not received by Orchard Dale within thirty (30) days from the date of mailing of the invoice. The penalty for delinquent payment of any invoice is five percent (5%) of the unpaid balance on the account.

8.3 The wheeling charge is intended to compensate LHHCWD for all indirect and incidental costs associated with the production and delivery of water to Rowland including maintenance and repair of LHHCWD's pipelines and reservoirs, as well as a reasonable return to LHHCWD for the use of its surplus system capacity. No additional payment will be due from Rowland to LHHCWD for such costs.

8.4 LHCWD's General Manager shall monitor the use and cost of electricity to deliver water from Central Basin to Rowland versus the cost and use of electricity to refill the LHCWD reservoirs to replace water delivered to Rowland. Annually at its discretion, LHCWD, in combination with Rowland, shall prepare an analysis of the cost to deliver water to Rowland and the cost to refill the LHCWD reservoirs and if it is determined that the cost of electricity to refill the LHCWD reservoirs is more than the cost of electricity to deliver water to Rowland, Rowland shall pay LHCWD the amount of that difference.

8.5 Rowland shall have the right to audit LHCWD's allocation of energy costs for production and delivery of water hereunder, and LHCWD shall provide documentation of its costs to Rowland upon request for such purposes.

9. No Damages

If LHCWD is unable for reasons beyond its control, to deliver water to Rowland, including delivering the amount of water requested by Rowland or delivering the water in the manner specified herein, LHCWD and Orchard Dale, including their respective Board members, officers, employees, consultants, agents, attorneys, and representatives shall have no liability to Rowland or anyone else for any damages, including consequential damages, incidental damages, special damages, or any other type of damages, including the costs incurred in designing and constructing the Delivery Facilities, arising from or relating to the delivery, non-delivery or use of water.. In the event LHCWD breaches its obligations under this Agreement, in addition to other damages, LHCWD shall reimburse Rowland for Rowland's Un-Amortized Capital Costs as defined in Section 8.1 C (3) incurred by Rowland in constructing the Delivery Facilities as defined in Section 5.1(b) and 5.2.

10. Conditions Precedent

10.1 Conditions Precedent to LHCWD's Obligations

The obligations of LHCWD to produce and deliver water and the resulting obligation of Rowland to accept and pay for deliveries are conditioned upon the satisfaction or waiver of the following conditions precedent:

- (a) Rowland shall acquire, lease or otherwise obtain pumping rights within the Central Basin.

(b) To the extent required by law, full and complete compliance by Rowland, at Rowland's expense, with the requirements of the California Environmental Quality Act ("CEQA").

10.2 Conditions Precedent to Rowland's Obligations

The obligations of Rowland to construct the Delivery Facilities and take delivery of water from LHCWD are conditioned upon the satisfaction of the following conditions precedent:

- (a) Rowland's review and approval to proceed with construction of the Delivery Facilities after environmental review.
- (b) The successful resolution of any lawsuits or administrative actions challenging this Agreement, or any other matters necessary and incidental to carrying out the intent of this Agreement.

11. Effect of Failure of Condition

(a) In the event both of the conditions in Paragraph 10 are not satisfied, then LHCWD shall be under no obligation to produce or deliver water to Rowland in accordance with Paragraph 1, above.

(b) In the event both conditions in Paragraph 10.2 are not satisfied, then Rowland shall be under no obligation to construct the Delivery Facilities or perform any other obligations of Rowland under this Agreement.

(c) If either party is relieved of its obligations due to the failure of a condition precedent, then each party shall be responsible for its own costs incurred to the date of the failure of the condition precedent, and neither party shall be liable to the other parties for such costs.

12. Maintenance & Repair of Wells and Pumps

(a) Rowland shall be responsible for a percentage of the actual cost of repair and maintenance of the facilities described below which are used to produce and deliver water to Rowland equal to the quantity of groundwater produced and delivered to Rowland from Rowland's pumping rights as a percentage of all water produced by those facilities for all

parties, including Orchard Dale, on an annual basis. These facilities are the following:

a. LHHCW and Orchard Dale Joint Facilities.

Well No. 8 – 10528 Dunlop Crossing  
(Space 65 on South Hills Road), Whittier

Well Nos. 10 and 11 – 7412 Norwalk Boulevard,  
Whittier

La Mirada Conduit - 28" Transmission Main

La Mirada Reservoir – 10652 Mills Avenue, Whittier

b. LHHCW Facilities.

La Mirada Plant and La Mirada Treatment Facility –  
13663 Telegraph Road, Whittier

Plant No. 1 – 15703 Whittier Boulevard, Whittier

Plant No. 5 - 335 Reposado, La Habra Heights

Plant No. 6 – 2000 Coban Road, La Habra Heights

Maintenance and repair of static facilities, such as reservoirs and pipelines that are solely owned by LHHCW are included in the wheeling charge under Section 8.

(b) In addition to Rowland sharing in the cost of repair and maintenance of the facilities described in subsection 12 (a) and 12 (b), Rowland shall also share in the cost of the replacement of those facilities if replacement is required in order to continue to deliver water to LHHCW, Orchard Dale and Rowland as determined in the reasonable discretion of LHHCW. Rowland's share of the replacement cost shall be equal to the quantity of ground water produced and delivered to Rowland from Rowland's pumping rights as a percentage of water produced by those facilities for all parties for the previous fiscal three years.

If LHHCW determines that a facility needs to be replaced, it shall provide written notice to Rowland and Orchard Dale with a description of the replacement and an estimate of the cost. Rowland and Orchard Dale shall have forty-five (45) days in which to decide whether to share in the cost of the replacement of the facility. If

Rowland determines not to participate in paying the cost of replacement of the facility or does not respond to the notice, then LHHCWWD shall have no obligation to use that facility to provide water to Rowland under this Agreement. Orchard Dale's decision not to participate or respond shall not affect LHHCWWD's obligations to Rowland under this Agreement.

13. Representations and Warranties

(a) Representations and Warranties of Rowland. Rowland makes the following representations, warranties and covenants to LHHCWWD:

(i) Organization. Rowland is a county water district formed under Division 12 of the California Water Code.

(ii) Power and Authority to Execute and Perform this Agreement. Rowland has the right, power and authority to enter into this Agreement and to perform its obligations hereunder, and the person(s) executing this Agreement on behalf of Rowland has (have) the right, power and authority to do so.

(iii) Power and Authority to Produce and Transfer Water

Rowland has the right, power and authority to transfer water from the Central Basin to its service area.

(iv) Enforceability. This Agreement constitutes a legal, valid and binding obligation on Rowland, enforceable against Rowland in accordance with its terms.

(b) Representations or Warranties of LHHCWWD.

LHHCWWD makes the following representations, warranties and covenants to Rowland:

(i) Organization. La Habra Heights County Water District is a county water district formed under Division 12 of the California Water Code.

(ii) Power and Authority to Execute and Perform this Agreement. LHHCWWD has the right, power and authority under this Agreement to perform its obligations hereunder

and the person executing this Agreement on behalf of LHHCWD has (have) the right, power and authority to do so.

- (iii) Enforceability. This Agreement constitutes a legal, valid and binding obligation of LHHCWD, enforceable against LHHCWD in accordance with its terms unless LHHCWD is unable for any reason, outside of LHHCWD's control, to deliver water to Rowland in the amount or in the manner specified herein.

#### 14. Cooperation

LHHCWD, Orchard Dale, and Rowland agree to cooperate with each other in implementing the terms of this Agreement and achieving its objectives. The Parties also agree Rowland shall bear the cost of defending any litigation brought by any third party to challenge or prevent the implementation of this Agreement. Rowland, in its sole discretion shall determine whether to defend or settle any litigation to challenge or prevent the implementation of this Agreement, or may elect not to defend the litigation and terminate the Agreement.

#### 15. Operating Protocols

Within twelve (12) months of the effective date, LHHCWD and Rowland will jointly develop tentative written procedures and protocols for implementing this Agreement. The purpose of the procedures and protocols is to provide a guide for each agency to operate in the most efficient and effective manner during water transfer operations. Such tentative procedures and protocols will be reviewed within twenty-four (24) months of the effective date. Such procedures and protocols will include operating procedures based on experience gained in operating under this Agreement. At some point after 12 months from the effective date and before 30 months from the effective date, LHHCWD and Rowland shall prepare a written document containing the procedures and protocols which, upon agreement by both Parties, will govern water transfers under this Agreement for the term of the Agreement.



## 16. Indemnity

### 16.1 Force Majeure

LHHCWD shall not be liable to Rowland for any loss or damage to person or property caused by theft, fire, act of God, acts of a public enemy, riot, strike, insurrection, war, court order, requisition or order of governmental body or authority, or other causes, or any damage or inconvenience which may arise from or relate to use of the water after delivered by LHHCWD.

### 16.2 Rowland's Indemnity

Rowland shall save, indemnify, hold harmless and defend (with counsel chosen by LHHCWD), LHHCWD and Orchard Dale, and their successors, assigns and affiliates, and their respective officers, directors, controlling persons (if any), employees, attorneys, agents, consultants and shareholders (the "LHHCWD/Orchard Dale Indemnities") from, against and in respect of any and all claims, suits, actions, proceedings (formal and informal), investigations, judgments, deficiencies, damages, settlements, liabilities and legal and other expenses (including legal fees and expenses) as and when incurred by any of the LHHCWD/Orchard Dale Indemnitees, arising out of or based upon any breach or alleged breach of any express representation, warranty, covenant, or agreement of Rowland contained in this Agreement, any loss or damage or alleged loss or damage to person or property related in any way to the water delivered by LHHCWD pursuant to this Agreement after delivery thereof, or from any challenge alleging LHHCWD or Orchard Dale lack the legal authority to enter into or execute this Agreement. Rowland will indemnify and hold LHHCWD and Orchard Dale harmless against all cost, damage and or injury to LHHCWD's and Orchard Dale's facilities and system which is directly or indirectly caused by a malfunction in Rowland's system.

### 16.3 LHHCWD's and ODWD's Indemnity

LHHCWD shall save, indemnify, hold harmless and defend (with counsel chosen by Rowland), Rowland, its successors, assigns and affiliates, and their respective officers, council members, controlling persons (if any), employees, attorneys, agents, and consultants (the "Rowland Indemnitees") from, against and in respect of any and all claims, suits, actions, proceedings (formal and informal), investigations, judgments, deficiencies, damages, settlements, liabilities and legal and other expenses

(including legal fees and expenses) as and when incurred by any of the Rowland Indemnitees, arising out of or based upon any breach or alleged breach of any express representation, warranty, covenant, or agreement of LHCWD contained in this Agreement, or any loss or damage or alleged loss or damage to person or property related in any way to the water delivered by LHCWD pursuant to this Agreement prior to delivery thereof.

Orchard Dale shall save, indemnify, hold harmless and defend (with counsel chosen by Rowland), the Rowland Indemnitees from, against and in respect of any and all claims, suits, actions, proceedings (formal and informal), investigations, judgments, deficiencies, damages, settlements, liabilities and legal and other expenses (including legal fees and expenses) as and when incurred by any of the Rowland Indemnitees, arising out of or based upon any breach or alleged breach of any express representation, warranty, covenant, or agreement of Orchard Dale contained in this Agreement.

#### 16.4 Defense of Claims

No right to indemnification under this paragraph shall be available unless the Party seeking indemnification (the "Indemnified Party") shall have given to the Party obligated to provide indemnification (the "Indemnitor") to such Indemnified Party a notice (a "Claim Notice") describing in reasonable detail the facts giving rise to any claim for indemnification hereunder promptly after receipt of knowledge of the facts upon which such claim is based. Any delay or failure to so notify the Indemnitor shall relieve the Indemnitor of its obligations hereunder only to the extent, if at all, that it is prejudiced by reason of such delay or failure. Upon receipt by the Indemnitor of a Claim Notice from an Indemnified Party with respect to a claim of a third party, such Indemnitor may assume the defense thereof with counsel chosen by the Indemnified Party, and the Indemnified Party shall cooperate in the defense or prosecution thereof and shall furnish such records, information, and testimony and attend all such conference, discovery proceedings, hearings, trials and appeals as may be reasonably requested by the Indemnitor in connection therewith. If the Indemnitor assumes such defense as provided above, then: (a) the Indemnified Party shall have the right, in its sole discretion, to settle any claim for which indemnification has been sought and is

available hereunder, provided the Indemnified Party is fully released from all known and unknown claims of such third party and the Indemnified party is not obligated to perform any actions or pay any money on account of such settlement. If the Indemnitor does not assume such defense as provided above, then: (a) the Indemnified Party shall have the right to employ its own counsel in any such case, and the fees and expenses of such counsel shall be at the expense of Indemnitor; and (b) the Indemnified Party shall have the right, in its sole discretion, to settle any claim for which indemnification has been sought and is available hereunder, at the expense of Indemnitor.

## 17. Miscellaneous Provisions

### 17.1 Further Actions

At any time and from time to time after the date hereof, each Party agrees to take such actions and to execute and deliver such documents as the other Party may reasonably request to effectuate the purposes of this Agreement.

### 17.2 Amendment

Except as otherwise provided in this Agreement, neither this Agreement nor any provision hereof may be waived, modified, amended, discharged, or terminated except by an instrument in writing signed by the Party against which the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such writing.

### 17.3 Entire Agreement

This Agreement constitutes the entire understanding between the Parties with respect to the matters set forth herein, and supersedes all prior or contemporaneous understandings or agreements between the Parties with respect to the subject matter hereof, whether oral or written.

### 17.4 Notices

Any notice, approval, consent, waiver or other communication required or permitted to be given or to be served upon either Party in connection with this Agreement shall be in writing. Such notice shall be personally served, sent by facsimile, or sent prepaid by registered or certified mail with return receipt requested, or sent by reputable overnight delivery service, such as Federal Express, and shall be deemed given: (a) if personally served, when delivered to the Party to whom such notice is

addressed; (b) if given by facsimile, when sent; (c) if given by prepaid or certified mail with return receipt requested, on the date of execution of the return receipt; or (d) if sent by reputable overnight delivery service, such as Federal Express, on the date of delivery. Such notices shall be addressed to the Party to whom such notice is to be given at the Party's address set forth below or as such Party shall otherwise direct in writing to the other Party delivered or sent in accordance with this paragraph.

If to LHHCCWD: La Habra Heights County Water District  
Attn: Michael Gualtieri, General Manager  
1271 North Hacienda Road  
La Habra Heights, California 90631  
Telephone: (562) 697-6769  
Fax: (562) 697-5568

If to ODWD: Orchard Dale Water District  
Attn: Tom Coleman, General Manager  
13819 East Telegraph Road  
Whittier, CA 90604  
Telephone: (562) 941-0114  
Fax: (562) 944-6384

If to Rowland: Rowland Water District  
Attn: Ken Deck, General Manager  
3021 South Fullerton Road  
Rowland Heights, CA 91748  
Telephone: (562) 697-1726  
Fax: (562) 697-6149

#### 17.5 Controlling Law

This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of California, without giving effect to any choice-of-law or conflicts-of-laws rule or principle that would result in the application of any other laws.

#### 17.6 Headings

Headings, titles and captions are for convenience only and shall not constitute a portion of this Agreement or be used for the interpretation thereof.

#### 17.7 Cumulative Rights; Waiver

The rights created under this Agreement or by law or equity, shall be cumulative and may be exercised at any time and from time to time. No failure by either Party to exercise, and no delay in exercising any rights, shall be construed or deemed to be a waiver thereof, nor shall any single or partial exercise by either Party preclude any other or future exercise thereof or the exercise of any other right. Any waiver of any provision or of any breach of any provision of this Agreement must be in writing, and any waiver by either Party of any breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any other breach of that provision or of any breach of any other provision of this Agreement. The failure of either Party to insist upon strict adherence to any term of the Agreement on one or more occasions shall not be considered or construed or deemed a waiver of any provision or any breach of any provision of this Agreement or deprive that Party of the right thereafter to insist upon strict adherence to that term or provision or any other term or provision of this Agreement. No delay or omission on the part of either Party in exercising any right under this Agreement shall operate as a waiver of any such right or any other right under this Agreement.

#### 17.8 Liberal Construction

This Agreement constitutes a fully negotiated agreement between commercially sophisticated Parties, each assisted by legal counsel, and the terms of this Agreement shall not be construed or interpreted for or against either Party hereto because that Party or its legal representative drafted or prepared such provision.

#### 17.9 Severability

If any provision of this Agreement is invalid, illegal or unenforceable, such provision shall be deemed to be severed or deleted from this Agreement and the balance of this Agreement shall remain in full force and effect notwithstanding such invalidity, illegality or unenforceability.

#### 17.10 No Third Party Beneficiaries

This Agreement does not create, and shall not be construed to create, any rights enforceable by any person, partnership, corporation, joint venture, limited liability company or other form of organization or association of any kind that is not a party to this Agreement.

#### 17.11 No Assignment

Neither Party shall assign this Agreement nor any of its rights and duties hereunder and any purported impermissible assignment shall be void.

#### 17.12 Execution in Counterparts; Facsimile Signatures

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon, provided such signature page is attached to any other counterpart identical thereto except for having an additional signature page executed by the other Party. Each Party agrees that the other Party may rely upon the facsimile signature of the other Party on this Agreement as constituting a duly authorized, irrevocable, actual, current delivery of this Agreement as fully as if this Agreement contained the original ink signature of the Party supplying a facsimile signature.

#### 17.13 Time of the Essence

Time is of the essence of each and every provision of this Agreement. Unless business days are expressly provided for, all references to "days" herein shall refer to consecutive calendar days. If any date or time period provided for in this Agreement is or ends on a Saturday, Sunday or federal, state or legal holiday, then such date shall automatically be extended to the next day which is not a Saturday, Sunday or federal, state or legal holiday.

#### 17.14 Attorneys' Fees

In the event of any legal action to interpret or enforce this Agreement, or any provision hereof, the prevailing Party in such action shall be entitled, in addition to such other relief as may be granted, to be reimbursed by the losing Party for all costs and expenses incurred, including without limitation all attorneys' fees and costs for services rendered to the prevailing Party and any attorneys' fees and costs incurred in enforcing any judgment or order entered. The prevailing Party shall be determined by the court (or arbitrator, if arbitration is agreed to by the Parties) in the initial or any subsequent proceeding.

17.15 Right to Audit

LHHCWD and Rowland shall each have the right to conduct audits from time-to-time in their discretion of all calculations made pursuant to the Agreement, including especially those contained in Section 8. All parties shall be obligated to provide to the other parties documentation for their calculations upon request from a party.

Executed as of the date(s) set forth below.

"LHHCWD"  
LA HABRA HEIGHTS COUNTY WATER DISTRICT

Date: \_\_\_\_\_

By  \_\_\_\_\_

Its \_\_\_\_\_

"Rowland"  
ROWLAND WATER DISTRICT

Date: \_\_\_\_\_

By \_\_\_\_\_  
KEN DECK

Its \_\_\_\_\_  
GENERAL MANAGER

"Orchard Dale"  
ORCHARD DALE COUNTY WATER DISTRICT

Date: \_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

## EXHIBIT "A-1"

Exhibit to show LHHCWCD cost calculation to move an A/F water to RWD

### Cost to move water from Wells to Lower Zone Reservoirs

Power - Wells	29.32
Power - La Mirada Plant	18.40
Chlorination	7.90
Power - Plant 1	113.17
	<b>168.79</b>

### Cost to move water from Lower Zone to Upper Zone Reservoirs

Power - Plants 5 & 6	59.56
Power - Reservoir	0.60
	<b>60.16</b>

Labor - Pumping	12.28
Maintenance - Pumping	7.16
	<b>19.44</b>

### Cost to RWD

Water Replenishment District (WRD)	244.00	as of 1/1/12
Lease Market - Estimated	150.00	
	<b>394.00</b>	
Total	<b>642.39</b>	

RWD's Metropolitan Water District (MWD) cost      **793.00**      as of 1/1/12



## Exhibit "A-2"

### Estimated Proposed Shared Cost Savings From RWD After Capital is Recouped based on RWD's proposed 2,000 A/F

Central Basin (CB) cost per A/F	642.39
RWD's cost per A/F (MWD)	793.00
CB Total Cost for 2,000 A/F (2,000 X \$642.39)	\$1,284,780.00
RWD's Total Cost for 2,000 AF (2,000 X \$793.00)	\$1,586,000.00
Difference (\$1,586,000 - \$1,284,780)	\$301,220.00
RWD (first \$150,000 of difference allocated to RWD)	\$150,000.00
Remaining to shared cost savings (\$301,220 - \$150,000)	\$151,220.00

Based on water used % to total water used

Total water used by both District's in A/F	4,800		
LHHCWD's usage	2,800	58.33%	\$88,206.63
RWD's usage	2,000	41.67%	\$63,013.37

Total monies received from agreement (\$150,000 + \$88,206.63)

**\$238,206.63**

2.3

**ROWLAND WATER DISTRICT**  
**STATEMENT OF OPERATIONS**



*Nine Months Ended March 31, 2012*

BUDGET FYE 6/30/2012	% OF BUDGET	AMOUNT	CY ACTUAL	PY ACTUAL	% OF SALES	VARIANCE FAVORABLE (UNFAVORABLE)	% OF BUDGET
WATER REVENUE	75%	8,025,000	7,903,089	8,514,769	71.66%	(721,911)	-9.37%
WATER METER CHARGES	75%	3,375,000	3,126,099	3,262,099	28.34%	(248,901)	-7.37%
		12,000,000	11,029,188	11,776,868	100.00%	(970,812)	-8.08%
COST OF SALES:							
WATER PURCHASED	75%	6,525,000	7,395,229	5,846,481	67.05%	(870,229)	-13.54%
FIXED CHARGES	75%	195,000	166,687	217,147	1.51%	28,313	14.52%
PUMPING POWER	75%	187,500	206,908	208,051	1.89%	(19,408)	-10.35%
TOTAL COST OF SALES		6,907,500	7,768,824	6,273,659	70.44%	(861,324)	-12.47%
GROSS PROFIT		5,092,500	3,260,364	5,503,209	29.56%	(1,532,136)	-35.98%
GROSS PROFIT %	42%		30%	47%			
OTHER INCOME	75%	483,750	527,040	531,917	5.67%	78,167	17.23%
TOTAL OPERATING REVENUE		5,575,250	3,787,404	6,035,126	34.34%	(1,753,969)	-31.45%
OPERATING EXPENSES							
SALARIES AND WAGES	75%	1,743,750	1,621,536	1,553,635	14.70%	122,214	7.01%
EMPLOYEE & RETIREE BENEFITS	75%	952,500	1,033,180	899,335	9.37%	(80,660)	-8.47%
DEBT SERVICE INTEREST EXPENSE	75%	1,125,000	998,625	604,125	3.43%	525,375	46.79%
ENGINEERING	75%	7,500	10,394	5,200	0.06%	(2,854)	-38.45%
OFFICE EXPENSES	75%	75,000	107,899	58,250	0.96%	(32,699)	-43.50%
MAINTENANCE OF WATER SYSTEM	75%	262,500	339,003	265,253	3.07%	(76,303)	-29.14%
MAINTENANCE AND OPERATION	75%	18,750	11,423	22,942	0.10%	7,327	39.08%
EQUIPMENT EXPENSES	75%	11,250	4,030	4,943	0.04%	7,220	64.18%
PROFESSIONAL SERVICES	75%	63,750	76,288	67,122	0.70%	(13,148)	-20.62%
SERVICE CONTRACTS	75%	187,500	190,465	168,040	1.73%	(2,965)	-1.58%
GENERAL LIABILITY INSURANCE	75%	71,250	103,637	93,957	0.94%	(32,587)	-45.74%
TOOLS AND SUPPLIES	75%	13,750	17,983	16,369	0.16%	757	4.04%
VEHICLE EXPENSES	75%	52,500	63,010	51,577	0.57%	(10,510)	-20.02%
UTILITY SERVICES	75%	48,750	47,697	43,518	0.43%	1,053	2.16%
DIRECTORS' COMPENSATION & BENEFITS	75%	75,000	67,447	75,209	0.61%	7,553	10.07%
WATER TESTS	75%	33,750	32,438	32,905	0.29%	1,312	3.89%
COMPLIANCE	75%	22,500	20,820	22,961	0.19%	1,880	7.47%
OPERATING ASSESSMENTS	75%	33,750	105,541	38,841	0.96%	(71,791)	-212.71%
WATER CONSERVATION	75%	45,000	33,314	33,114	0.30%	11,686	25.97%
CONFERENCES	75%	45,000	2,500	1,744	0.02%	5,000	66.57%
SEMINARS & TRAINING	75%	45,000	28,936	48,778	0.26%	16,081	35.69%
BANK & INVESTMENT MGMT. FEES	75%	41,250	38,173	47,953	0.35%	6,827	15.17%
PUBLIC RELATIONS	75%	41,250	43,877	50,087	0.40%	(2,827)	-6.37%
MISCELLANEOUS EXPENSES	75%	28,250	83,785	18,336	0.76%	(42,515)	-103.07%
			38,675	27,802	0.35%	(12,425)	-47.33%
TOTAL OPERATING EXPENSES		5,055,000	4,721,249	4,254,171	42.81%	333,751	6.60%
NET OPERATING INCOME	75%	521,250	(933,845)	1,780,955	-8.47%	(1,455,095)	-279.15%
INTEREST INCOME		375,000	292,288	353,233	2.65%	(62,712)	-22.06%
NET INCOME		\$ 896,250	\$ (641,557)	\$ 2,139,188	-5.82%	\$ (1,537,807)	-171.58%

**SUPPLEMENTAL OTHER INCOME - 3/31/12**

	BUDGET FYE 6/30/2012	% OF BUDGET	AMOUNT	CY ACTUAL	PY ACTUAL	% OF SALES	VARIANCE FAVORABLE (UNFAVORABLE)	% OF BUDGET
CUSTOMER PENALTIES	190,000	75%	142,500	141,913	154,304	1.53%	(587)	-0.41%
CONNECTION FEES	50,000	75%	37,500	29,900	33,595	0.32%	(7,600)	-20.27%
RECONNECTION FEES	20,000	75%	15,000	16,215	18,530	0.17%	1,215	6.10%
PROPERTY TAXES	200,000	75%	150,000	154,690	143,862	1.66%	4,690	3.13%
ACREAGE SUPPLY CHARGE	10,000	75%	7,500	-	15,780	0.00%	(7,500)	-100.00%
CONTRACT INCOME	120,000	75%	90,000	111,151	103,198	1.20%	21,151	23.50%
FLOW TESTS	5,000	75%	3,750	3,780	3,430	0.04%	30	0.80%
MISCELLANEOUS INCOME	50,000	75%	37,500	69,391	58,218	0.75%	31,891	85.04%
<b>TOTAL OTHER INCOME</b>	<b>645,000</b>	<b>75%</b>	<b>483,750</b>	<b>527,040</b>	<b>531,917</b>	<b>5.67%</b>	<b>78,167</b>	<b>17.23%</b>

**SUPPLEMENTAL EXPENSES - 3/31/12**

	CY Actual	PY Actual
<b><u>SALARIES &amp; WAGES</u></b>		
ADMINISTRATIVE	677,768.00	639,410.00
CUSTOMER ACCOUNTS	91,457.00	101,242.00
MAINS AND SERVICES	446,359.00	410,170.00
WATER TREATMENT	405,952.00	402,873.00
<b>TOTAL SALARIES &amp; WAGES</b>	<b><u>1,621,536.00</u></b>	<b><u>1,553,695.00</u></b>
<b><u>EMPLOYEE BENEFITS</u></b>		
DENTAL INSURANCE	27,721.00	24,922.00
EMPLOYEE ASSISTANCE PROGRAM	797.00	743.00
HEALTH INSURANCE	345,153.00	285,693.00
LIFE INSURANCE PLAN	2,074.00	1,832.00
DISABILITY INSURANCE	6,752.00	6,045.00
PAYROLL TAXES	83,832.00	99,260.00
PENSION CONTRIBUTIONS	452,517.00	344,189.00
RETIRES HEALTH INSURANCE	80,930.00	85,175.00
UNEMPLOYMENT INSURANCE	759.00	10,277.00
VISION INSURANCE PLAN	5,943.00	5,552.00
WORKER'S COMPENSATION INSURANCE	26,682.00	35,647.00
<b>TOTAL EMPLOYEE BENEFITS</b>	<b><u>1,033,160.00</u></b>	<b><u>899,335.00</u></b>
<b><u>OFFICE EXPENSES</u></b>		
INFO TECH. SUPPORT SERVICES	87,762.00	47,950.00
POSTAGE, PRINTING & STATIONARY	11,835.00	3,793.00
SHORTLIFE SUPPLIES	8,102.00	6,547.00
<b>TOTAL OFFICE EXPENSES</b>	<b><u>107,699.00</u></b>	<b><u>58,290.00</u></b>
<b><u>PROFESSIONAL SERVICES</u></b>		
AUDITING	18,800.00	16,250.00
LEGAL	58,098.00	50,872.00
<b>TOTAL PROFESSIONAL EXPENSES</b>	<b><u>76,898.00</u></b>	<b><u>67,122.00</u></b>

**MAINTENANCE OF WATER SYSTEM**

HYDRANTS	6,309.00
MAINS	37,314.00
METERS	23,520.00
PUMPS	32,031.00
RECYCLED WATER	8,148.00
RESERVOIRS	46,939.00
SERVICES	56,590.00
TELEMETRY	31,522.00
VALVES	3,203.00
RECYCLED WATER - COI	19,707.00

**TOTAL MAINTENANCE OF WATER SYSTEM**

**339,003.00**

**265,283.00**

**CAPITAL / CIP / WATER IN STORAGE EXPENDITURES - 3/31/12**

	CY Actual	PY Actual
OFFICE FURNITURE AND EQUIPMENT	8,650.00	-
OFFICE BUILDING	22,868.00	-
METERS	-	30,563.00
PUMPING PLANT	-	71,490.00
SERVICES	8,298.00	26,304.00
TRANSMISSION / MAINS	4,637.00	-
TRANSPORTATION EQUIPMENT	6,934.00	4,161.00
<b>TOTAL CAPITAL EXPENDITURES (NON CONSTRUCTION)</b>	<b>51,387.00</b>	<b>132,518.00</b>
<b>TOTAL CONSTRUCTION IN PROGRESS (CIP) EXPENDITURES</b>	<b>1,171,807.00</b>	<b>1,480,076.00</b>
<b>TOTAL CAPITAL / CIP EXPENDITURES</b>	<b>1,223,194.00</b>	<b>1,612,594.00</b>
<b>TOTAL WATER IN STORAGE EXPENDITURES</b>	<b>1,054,000.00</b>	-



**2.4**

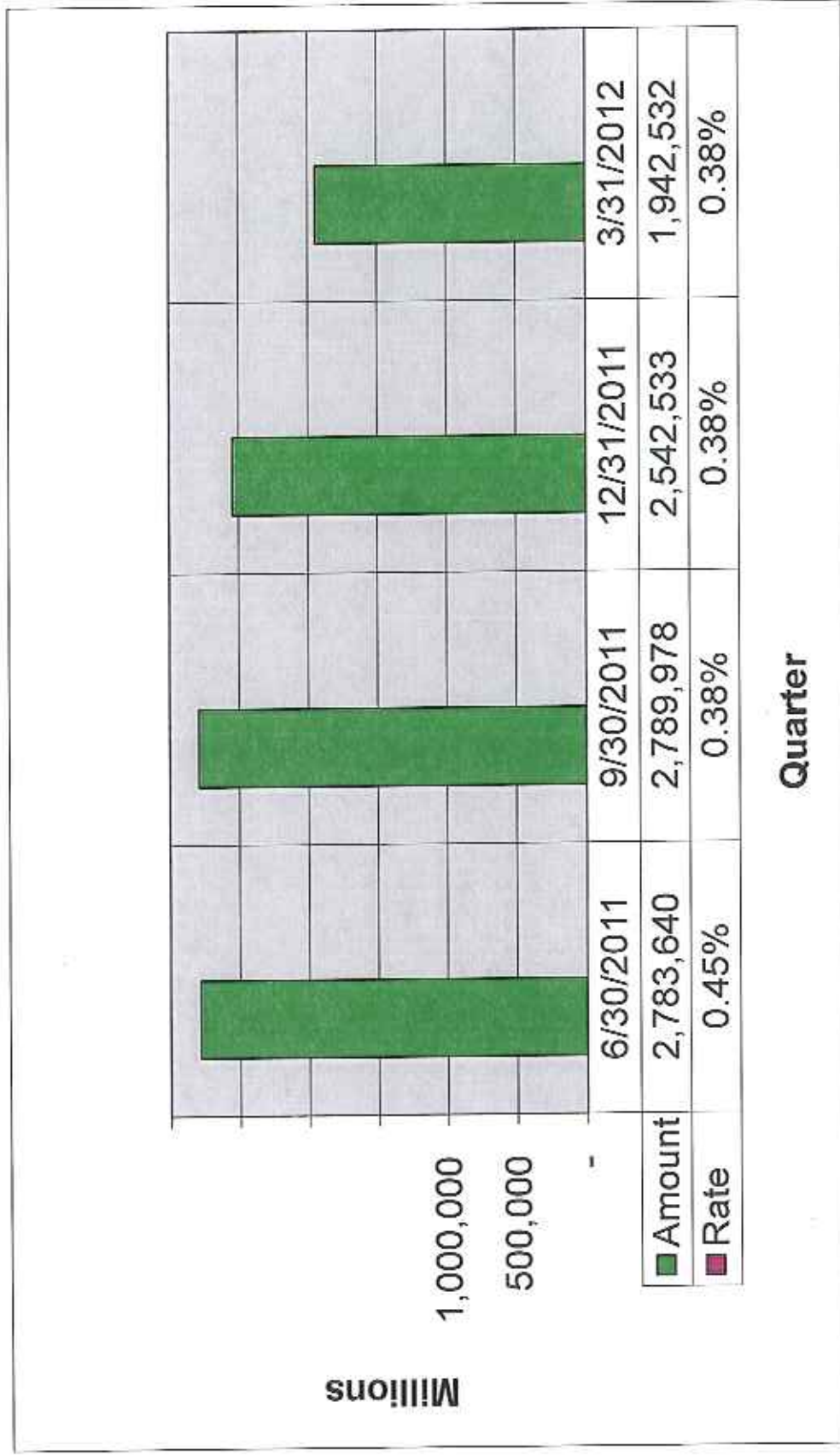
ROWLAND WATER DISTRICT

**QUARTERLY INVESTMENT REVIEW**



March 31, 2012

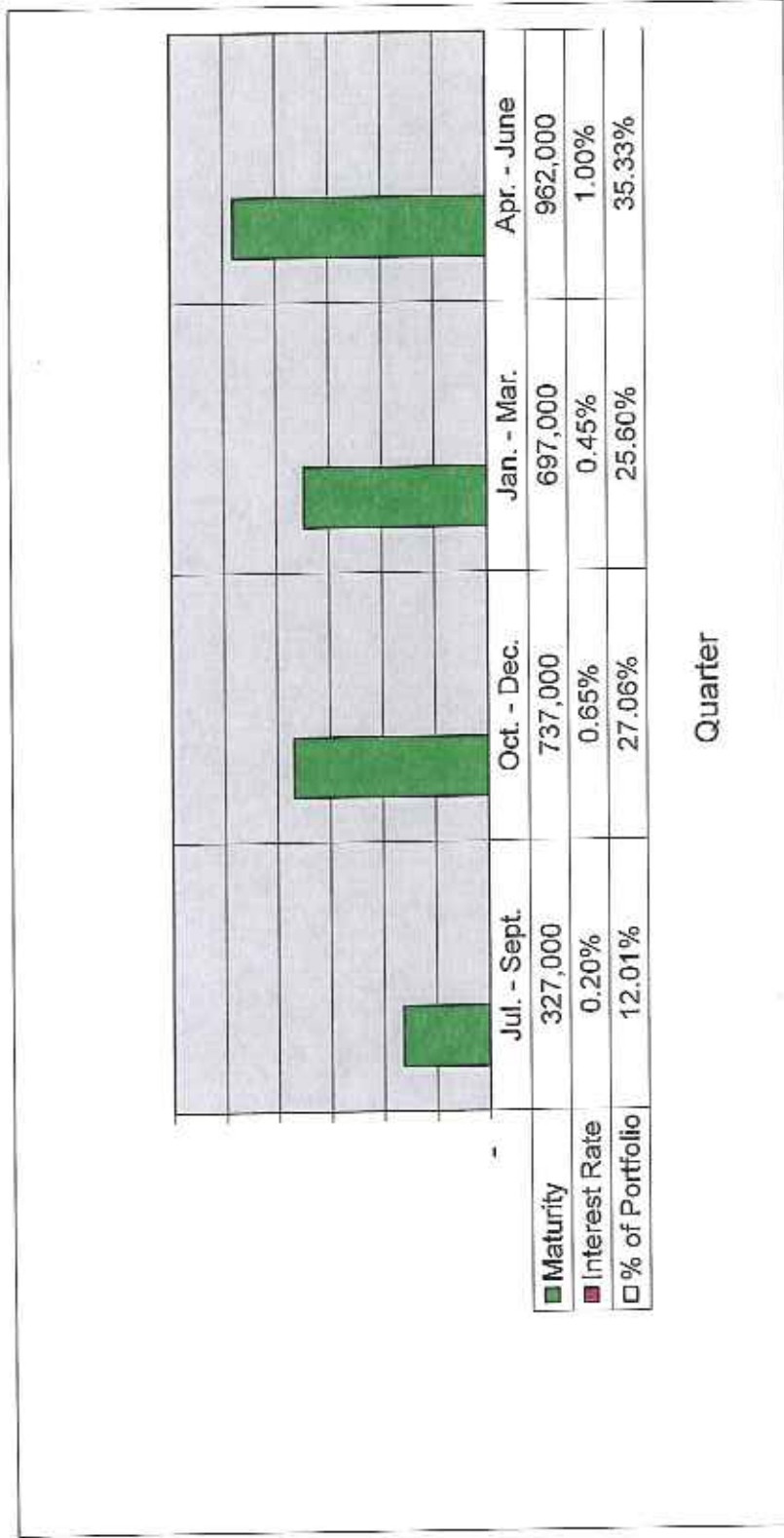
	Amount	Rate
6/30/2011	2,783,640	0.45%
9/30/2011	2,789,978	0.38%
12/31/2011	2,542,533	0.38%
3/31/2012	1,942,532	0.38%



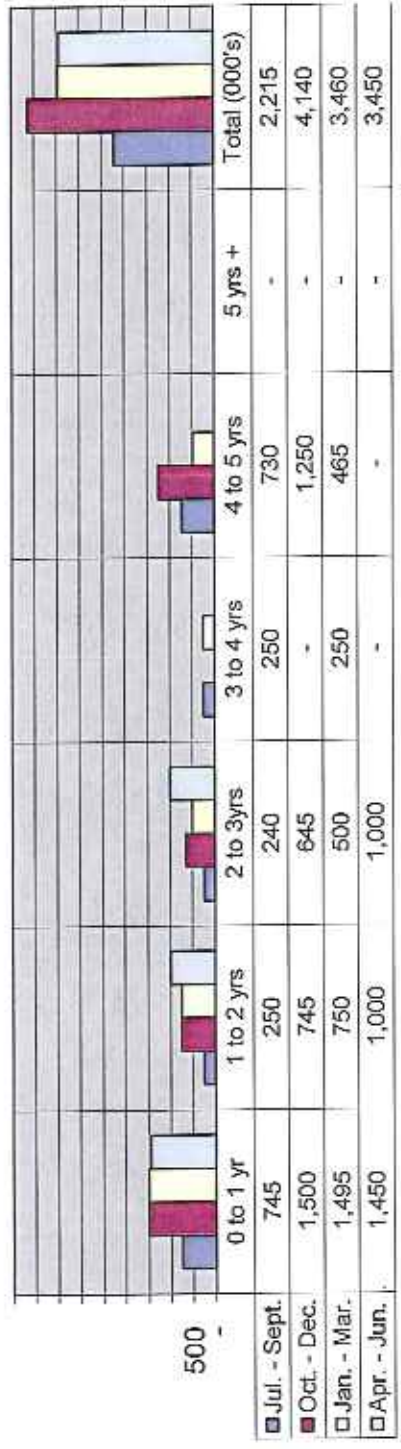
	Jul. - Sept.	Oct. - Dec.	Jan. - Mar.	Apr. - June
Maturity	327,000	737,000	697,000	962,000
Interest Rate	0.20%	0.65%	0.45%	1.00%
% of Portfolio	12.01%	27.06%	25.60%	35.33%

0.67%  
100.00%

Total CD Placement Portfolio 2,723,000



	Jul. - Sept.	Oct. - Dec.	Jan. - Mar.	Apr. - Jun.	Interest Rate	% of Portfolio
0 to 1 yr	745	1,500	1,495	1,450	3.15%	39.13%
1 to 2 yrs	250	745	750	1,000	3.06%	20.69%
2 to 3yrs	240	645	500	1,000	2.35%	17.98%
3 to 4 yrs	250	-	250	-	2.32%	3.77%
4 to 5 yrs	730	1,250	465	-	1.20%	18.43%
5 yrs +	-	-	-	-	-	-
Total (000's)	2,215	4,140	3,460	3,450	2.42%	100.00%
Total Bond Portfolio	13,265,000	Cash Account	345,702	Total		13,610,702



**Maturity**

2.5

Nicole Palacios

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From: Katie Dahl [KatieD@acwa.com]  
Date: Tuesday, March 27, 2012 9:26 AM  
To: Katie Dahl  
Cc: Tiffany Giammona  
Subject: Save the Date! ACWA Region 8 Program, June 1

# SAVE THE DATE

## ACWA Region 8 Presents *What Lies Beneath?* *A Look at Groundwater in the Central Basin*

ACWA Region 8 invites you to a one-day program to discuss groundwater management in the Central Basin. This exciting program will highlight local groundwater storage projects, local agency innovations and policy issues surrounding management practices.

**Who:** ACWA Members

**What:** Region 8 Program

**When:** Friday, June 1, 2012  
9:00 a.m. to 3:00 p.m.

**Where:** Water Replenishment District of So. California  
4040 Paramount Blvd.  
Lakewood, CA 90712  
<http://www.wrd.org/>

Registration is available online April 30 – May 25 at  
**[www.acwa.com](http://www.acwa.com)**

**Pre-Registration Fee: \$50**  
(Onsite Registration Fee: \$60 - Space Permitting)

**Registration deadline is May 25, 2012 or until space is full.** Registration is available online only until May 25 or until space is full. Onsite registrations will be accommodated if space is available. Cancellations must be received in writing by May 25 in order to receive a reimbursement.

**Program agenda coming soon!**

3.1



**AB 2422 (Berryhill, Bill R) Sacramento-San Joaquin Delta: Western Delta Intakes Concept: feasibility study.**

**Current Text:** Amended: 3/29/2012 [pdf](#) [html](#)

**Introduced:** 2/24/2012

**Last Amend:** 3/29/2012

**Status:** 4/9/2012-Re-referred to Com. on W., P. & W.

**Is Urgency:** N

**Is Fiscal:** Y

**Location:** 4/9/2012-A. W.,P. & W.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

**Calendar:** 4/24/2012 9 a.m. - State Capitol, Room 437 SPECIAL ORDER OF BUSINESS - 9 A.M. ASSEMBLY WATER, PARKS AND WILDLIFE SPECIAL ORDER, HUFFMAN, Chair

**Summary:** Under existing law, the Department of Water Resources operates the State Water Resources Development System that includes dams, reservoirs, and other infrastructure. This bill would require the department to undertake an expedited evaluation and feasibility study of the Western Delta Intakes Concept, as defined, and to consult with the Department of Fish and Game, as specified. This bill would require the department to prepare and submit to the Legislature, on or before January 1, 2014, a prescribed report about the feasibility study. This bill contains other related provisions and other existing laws.

**Laws:** An act to add Section 148 to the Water Code, relating to water resources, and making an appropriation therefor.

**Position**

Oppose

**Notes 2:**

NCWD Current Position: Not Yet Considered

NCWD Recommended Position: Oppose

**SB 1045 (Emmerson R) Metal theft: damages.**

**Current Text:** Amended: 4/17/2012 [pdf](#) [html](#)

**Introduced:** 2/6/2012

**Last Amend:** 4/17/2012

**Status:** 4/17/2012-From committee with author's amendments. Read second time and amended. Re-referred to Com. on JUD.

**Is Urgency:** N

**Is Fiscal:** N

**Location:** 4/17/2012-S. JUD.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

**Summary:** Existing law governs the business of buying, selling, and dealing in secondhand and used machinery and all ferrous and nonferrous scrap metals and alloys, also known as "junk." Existing law further requires junk dealers and recyclers to keep and maintain a written record of all sales and purchases made in the course of their business, including the name and address of each person to whom junk is sold or disposed of. This bill would prohibit any junk dealer or recycler from possessing a fire hydrant, fire department connection, manhole cover or lid or any part of that cover or lid, or backflow device or connection to that device without a written certification on the letterhead of the agency or utility that owns or previously owned the material certifying that the entity has sold or is offering the material for sale and that the person possessing and identified in the certificate is authorized to negotiate the sale of the material. The bill would make junk dealers and recyclers civilly liable for actual damages and also for exemplary damages of 3 times the agency's or utility's actual damages, including the value of the material, repair and replacement costs, and labor costs. Under the bill, the agency or utility could also recover court costs and attorney's fees.

**Laws:** An act to add Section 3336.5 to the Civil Code, relating to metal theft.

**Position**

Not yet considered

**SB 1146 (Pavley D) Wells: reports: public availability.**

**Current Text:** Amended: 4/9/2012 [pdf](#) [html](#)

**Introduced:** 2/21/2012

**Last Amend:** 4/9/2012

**Status:** 4/17/2012-Set for hearing April 23.

**Is Urgency:** N

**Is Fiscal:** Y

Location: 4/11/2012-S. E.Q.

2Year Dead	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
	1st House				2nd House							

**Calendar:** 4/23/2012 1:30 p.m. - Room 112 SENATE ENVIRONMENTAL QUALITY, SIMITIAN, Chairman  
**Summary:** Existing law requires a person who digs, bores, or drills a water well, cathodic protection well, or a monitoring well, or abandons or destroys a well, or deepens or re-perforates a well, to file a report of completion with the Department of Water Resources. Existing law prohibits those reports from being made available to the public, except under certain circumstances. This bill would instead require the department to, upon request, make the reports available to the public. The bill would require the department to provide specified disclaimers when providing the reports to the public. The bill would also allow the department to charge a fee for the provision of a report to recover the department's costs, that does not exceed the reasonable costs to the department of providing the report, and would require the release of a report to comply with the Information Practices Act of 1977. The bill would also require a person who requests a report to provide his or her name, address, and reason for making the request.

**Laws:** An act to amend Section 13752 of the Water Code, relating to water.

**Position**

Oppose Unless  
Amended

**Total Measures: 14**

**Total Tracking Forms: 14**

5.1

## THREE VALLEYS MWD BOARD OF DIRECTORS



# Action Line

Information: (909) 621-5568

Date: April 19, 2012

*The following is a summary of the Three Valleys Municipal Water District's Regular Board Meeting of Wednesday, April 18, 2012*

### BOARD MEMBERS

CARLOS GOYTIA  
DIVISION I

DAVID D. DE JESUS  
DIVISION II

BRIAN BOWCOCK  
DIVISION III

BOB G. KUHN  
DIVISION IV

JOSEPH T. RUZICKA  
DIVISION V

JOHN MENDOZA  
DIVISION VI

DAN HORAN  
DIVISION VII

### THREE VALLEYS MWD

1021 E. Miramar Avenue

Claremont, CA 91711

Phone: 909-621-5568

Fax: 909-626-5470

[www.threevalleys.com](http://www.threevalleys.com)

Board Meetings are  
scheduled the first  
and third  
Wednesday of each  
month at 8:00 a.m.

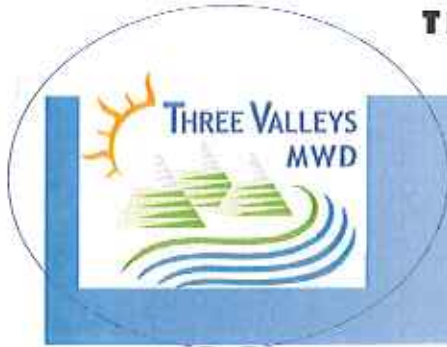
**Approved:** Motion #12-04-4861 was approved as modified to approve support of Three Valleys MWD's participation in the San Gabriel Valley Water Summit (Summit) as a founding partner, contingent on the following stipulations: (i) the first Summit must occur no less than 60 days prior to general election scheduled for November 6, 2012; (ii) event will be scheduled at the new Fairplex Convention Center in Pomona; (iii) no TVMWD directors will serve as panelists or moderators during the first Summit; (iv) content of Summit will be educational only and will not include any advocacy or legislative sessions; (v) any TVMWD directors that attend the Summit will forfeit their daily stipend. A roll call vote was called and approved with a 5-2 vote.

**Approved:** Motion #12-04-4862 was approved following consideration of a substitute motion to determine the meeting time prior to adoption of Resolution No. 12-04-688. The original motion was adopted and will cause the initiation of procedures to fix, adjust, levy & collect a water standby charge.

*This summary may not include all agenda items and should not be construed as minutes of the meeting.*

TVMWD is a water resources management agency that covers approximately 133 square miles and is governed by an elected Board of seven officials. The present population is about 550,000. Since its formation, the Three Valleys Municipal Water District has installed some 37,000 feet of pipeline and delivered more than 175 billion gallons of water.

**THREE VALLEYS MWD BOARD OF DIRECTORS**



*Action Line*

*April 18, 2012*

*~ Page 2 ~*

The proposed standby charge is \$20.46 per equivalent dwelling unit. The engineers report and timeline for this action are available for review at the district office upon request. A roll call vote was called and approved with a 6-1 vote.

**Approved:** Motion #12-04-4863 was unanimously approved to approve project encumbrances for FY 12-13.

**Approved:** Motion #12-04-4864 was unanimously approved to adopt Three Valleys MWD FY 12-13 budget.

**Approved:** Motion #12-04-4865 was unanimously approved to adopt Resolution No. 12-04-689 approving water rates and charges for calendar year 2013. The approved charges will be effective January 1, 2013.

**Approved:** Motion #12-04-4866 was unanimously approved to fund the California Employer's Retiree Benefit Trust Fund (CERBT) for Other Post-Employment Benefits (OPED) at 90%.

**Future meeting dates:**

**May 2, 2012 @ 8:00 a.m. (workshop format)**

**May 16, 2012 @ 8:00 a.m.**

**All meetings are held at the District Office, 1021 East  
Miramar Avenue in Claremont, CA**

5.4

**PUENTE BASIN WATER AGENCY**

April 19, 2012

TO: Board of Commissioners  
FROM: Michael Holmes  
RE: Proposed 2012-2013 Budget

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**Recommendation:**

After a review with staff, that the Commissioners consider approval of the proposed PBWA 2012-2013 Budget.

**Background:**

By way of background, Section C(1) of the amended and restated Puente Basin Water Agency (PBWA) Joint Powers agreement states, "...the annual budget meeting shall be held no later than the third week of April of each year." Therefore, the proposed 2012-2013 budget is presented for your review and consideration at this time (see attached).

As you are all aware, the PBWA has taken a more active role over the past year in finding, promoting, and developing a variety of water resource projects that will benefit our customers.

- You will note a change in format from past budgets as new sections and categories have been added
- There is a notable increase in the proposed budget for the coming fiscal year.
- Each of the two member agencies, Walnut and Rowland, is allocated one-half of the budget amount. The agencies are invoiced accordingly for expenses as they occur. For this reason, upon the Agency's approval of the proposed budget, the two member agencies will also be asked for approval.
- We have also included a preliminary project budget that is not a part of the budget approval process but is provided for discussion.
- As always, the budget will provide the tools to ensure financial accountability, commissioner oversight, and audit functions in serving the public interest.

## Puente Basin Water Agency

*Proposed Operating Budget Fiscal Year 2012-2013*

Operating Revenues	FY 2010-2011	FY 2011-12	Proposed	Change from Prior Year	
			FY 2012-13	\$	%
Assessments to Member Agencies	101,500	104,685	132,500	\$ 27,815	26.57%

Detail

Operating Expenses						
Legal fees	75,000	75,000	75,000	\$ -	0.00%	
Accounting Fees		3,185	5,000	\$ 1,815	56.99%	
Engineering Fees	25,000	25,000	25,000	\$ -	0.00%	
Administrative Expenses	1,500	1,500	2,500	\$ 1,000	66.67%	
Planning						
Water Resources Development Plan	-	-	25,000	\$ 25,000	n/a	

**Preliminary Project Budgets (for discussion only)**

Water Supply			
Purchase	n/a	n/a	4,500,000
Lease	n/a	n/a	unknown
Replenishment	n/a	n/a	1,186,000
Infrastructure			
Cal Domestic	n/a	n/a	8,000,000
La Habra Heights	n/a	n/a	1,000,000
Covina Irrigating Company	n/a	n/a	unknown
Azusa-Glendora	n/a	n/a	65,000,000
Pomona Regional Project	n/a	n/a	unknown

(\$593 X 2,000AF)