

**A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
248 E. FOOTHILL BLVD, ROOM #103, MONROVIA, CALIFORNIA 91016
4:00 P.M. – April 24, 2024**

A regular meeting of the Board of Directors was held in the office of the District, 248 E. Foothill Blvd, Rm. 103, City of Monrovia, County of Los Angeles, State of California, within said Water District, on April 24, 2024 at the hour of 4:00 p.m.

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| ROLL CALL | <p>DIRECTORS PRESENT: Santana, Fellow, Garcia, Chavez, and Treviño</p> <p>DIRECTORS ABSENT: None</p> <p>STAFF PRESENT: Tom Love, General Manager; Steve O’Neill, District Counsel; Tuan Nguyen, District Engineer; Patty Cortez, Assistant General Manager, External Affairs; Evelyn Rodriguez, Chief Financial Officer/Chief Administrative Officer; Venessa Navarrette, Executive Assistant; Jennifer Aguilar, Water Use Efficiency Analyst; Katherine Vazquez, Government and Community Affairs Assistant; Ruben Gallegos, Project Assistant; Priscilla Lu, Accounting/Financial Analyst; and Frank Aguilar, Project Assistant.</p> |
| OTHERS PRESENT | Russ Bryden, Lenet Pacheco, Jose Martinez, David Muse, Javier Vargas, and Mayra Lopez |
| ADOPTION OF AGENDA | <p>On motion by Treasurer Garcia, seconded by Vice President Fellow, the agenda was unanimously adopted as presented by the following vote:</p> <p>AYES: SANTANA, FELLOW, GARCIA, CHAVEZ, AND TREVIÑO
 NOES: NONE
 ABSTAIN: NONE
 ABSENT: NONE</p> |
| PUBLIC COMMENT | None. |
| COMMITTEE REPORTS | None. |
| CONSENT CALENDAR | <p>On motion by Director Treviño, seconded by Treasurer Garcia, the consent calendar was approved by the following vote:</p> <p>AYES: SANTANA, FELLOW, GARCIA, CHAVEZ, AND TREVIÑO
 NOES: NONE
 ABSTAIN: NONE
 ABSENT: NONE</p> <p>(a) Minutes of a regular meeting of the Board of Directors held on April 10, 2024 at 4:00 p.m.</p> <p>(b) Negotiated Tax Exchange Resolution – Annexation of Tract 83183 to County Lighting Maintenance District 1687</p> |

APPROVAL OF A NEW FULL-TIME EMPLOYEE POSITION AND SALARY RANGE

The General Manager, Tom Love, provided background on the newly created full-time employee position. He explained that with Upper District’s move to its own building, maintenance demands have grown justifying the conversion of the current part-time position into a full-time position.

On motion by Vice President Fellow, seconded by President Santana, the Board of Directors approved the new full-time position, Facilities Technician, with an annual salary range set at \$58,140 to \$76,243 by the following vote:

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

Secretary Chavez and the General Manager discussed how small the District’s staffing is compared to other agencies.

UPDATE ON PROPOSED BIENNIAL BUDGET FOR FY 2024/25 AND FY 2025/26

The General Manager, Tom Love, provided an overview of the budget process. He stated that as the budget discussions progressed, several adjustments were made since the draft budget was last presented to the Board. The General Manager discussed Metropolitan Water District of Southern California (MWD) Board’s adoption of their budget and rates highlighting the significant increase in the readiness-to-serve (RTS) charge and the lower than anticipated increase in untreated water rate. He shared that recent conversations with the producers indicated a willingness to accept an increase in Upper District’s surcharge to cover Upper District’s RTS share since the resulting overall increase would still be less than Metropolitan’s original proposed rates. He stated that staff will be bringing the budget for adoption in June. He stated that Upper District does not have to adopt water rates concurrently with the budget as they will not be effective until January 1st and that a recommendation for water rates will be brought to the Board of Directors in July or August. He noted that this timeline is accepted by producers and Watermaster.

Evelyn Rodriguez, Chief Financial Officer/Chief Administrative Officer (CFO/CAO), presented the biennial budget timeline and discussed the additional budget adjustments related to the adopted rates and charges from MWD, funding for the preparation of the Urban Water Management Plan and reduction in personnel expenses as Upper District begins withdrawing from its other post-employment benefit trust fund in fiscal year 2024/25. She discussed the historical net RTS charge stating that MWD’s RTS charge has grown from a low of \$133 million in fiscal year 2020/21 to an estimated \$184.5 million in fiscal year 2025/26. She added that Upper District’s share of the RTS grew over the years, but the standby charge collected to cover the RTS stayed around the same level, thereby increasing the portion of the net RTS covered by the surcharge. She then presented the RTS portion covered by the current surcharge for the past three years along with the budget projections for fiscal years 2024/25 and 2025/26. The CFO/CAO clarified that the minimum purchase numbers for fiscal years 2024/25 and 2025/26 does not represent what Upper District is forecasting to sell. Rather, these numbers indicate how much water needs to be sold at a \$103 surcharge to cover Upper District’s operating costs.

Ms. Rodriguez presented the potential rate options staff is looking into to cover the net RTS charge which includes increasing the Upper District surcharge; increasing the minimum purchase commitment; a new fixed charge component; a combination of these options; or other options that may arise during discussions with the producers and Watermaster.

Director Treviño and the General Manager discussed how increasing the minimum purchase commitment to cover the RTS charge may not be practical given the current lower demand for replenishment water. The General Manager then went over a couple of potential iterations of the options.

The General Manager announced that MWD staff will be presenting MWD's rate structure, including the RTS charge components, at the producer meeting to be held on June 12th.

WATERFEST 2024 UPDATE

Patty Cortez, Assistant General Manager, External Affairs, highlighted Upper District's collaboration with the County of Los Angeles and Department of Parks and Recreation in organizing WaterFest scheduled for Saturday, May 11, 2024, from 10:00 a.m. to 2:00 p.m. Ms. Cortez provided an overview of the event's program schedule. She then reviewed the promotional efforts for the event, including social media posts and advertisements. Ms. Cortez elaborated on the planned activities and participating exhibitors, and new additions such as Honey Love's bee exhibit and the Street Team from Angel City Football Club, who will be conducting a soccer agility test.

INFORMATION ITEMS

The following items listed on the agenda for the information of the Board were read and ordered received and filed:

- (a) Press Releases and News Articles

ATTORNEY'S REPORT

The District Counsel reported working with staff on various ongoing agreements, including the agreement with Bravo Entertainment, the Turn-Key Turf Program agreement, the SwiftComply software agreement, and a data agreement with Valley County Water District. He also reported working with Evelyn Rodriguez on the standby charge resolution and working with Tom Love and Patty Cortez regarding sponsorship questions. Lastly, the District Counsel reported receiving a public records request concerning GIS data.

ENGINEER'S REPORT

The District Engineer reported on hydrologic conditions, basin deliveries, reservoir storage, canyon inflows and releases, and rainfall average. He stated that as of April 19, 2024, the Key Well elevation was 232.5 feet, reflecting a 2.8 ft. increase from the previous week. He reported that reservoir storage as of April 23, 2024, totaled 37,563 acre-feet, equivalent to 45 percent of capacity and that inflow to the San Gabriel Reservoir was approximately 440 cfs, with a release of 1,885 cfs. He added that Morris Reservoir recorded an inflow of about 1,839 cfs, with a release of 1,300 cfs as of the same date. In response to discussions with Los Angeles County, the District Engineer announced plans to decrease releases to approximately 300 cfs starting next week until the first week of July.

The District Engineer also reported that in March 2024, eight wells were sampled under Title 22 while 65 wells were sampled in February 2024 and that no notices of wells shutdown due to contamination were received.

GENERAL MANAGER'S REPORT

The General Manager addressed the recent announcement by the Department of Water Resources of a 40 percent State Water Project allocation. He emphasized Upper District's ongoing planning efforts for water delivery through USG-3 suggesting a practical range of 70,000 to 85,000 acre-feet of deliveries throughout the calendar year.

The General Manager expressed appreciation for the District Engineer's weekly reports on the Key Well and reservoirs storage. He also informed the Board of his upcoming vacation from May 1st through May 7th.

President Santana and the General Manager discussed the date range for water imports as being on a fiscal year.

Secretary Chavez and the General Manager discussed the water on the Rio Hondo channel and where it ultimately goes.

DIRECTORS COMMENTS

Secretary Chavez mentioned asking staff to send an email regarding a video on PFAS and encouraged board members to watch it.

Treasurer Garcia expressed her appreciation of the social media posts for WaterFest and her excitement to see the exhibitors and landscape consultants for the event.

Vice President Fellow reserved his comments for a future agenda item.

President Santana reported on her recent attendance at the annual San Gabriel Valley Protective Association meeting, noting confirmation by an LA County staff member that these past two years have been the wettest on record. She commended the Southern California Water Coalition for their recent quarterly meeting in Temecula, highlighting the quality of the panelists. Additionally, she suggested that Upper District explore the restructuring of rates.

FUTURE AGENDA ITEMS

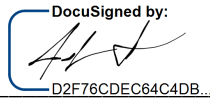
Vice President Fellow provided updates on recent discussions at MWD, focusing on the implementation of a new business model and the budget adoption. He mentioned Bill Hasencamp's remarks regarding the quantity of water in the system. Additionally, he highlighted a conversation with MWD's General Manager Adel Hagekhalil regarding the need to explore options for storing more water in the basin and noting that the Basin has available space. He suggested the possibility of acquiring an Irwindale Pit in partnership with MWD to enhance water storage capacity and expressed interest in further discussions on increasing water storage.

ADJOURN TO CLOSED SESSION

None.

ADJOURNMENT

President Santana asked if there were any other business to come before the Board. There being none, the meeting was duly adjourned to a regular meeting of the Board of Directors to be held on May 22, 2024, at 4:00 p.m. at 248 E. Foothill Blvd., Room #103, Monrovia, CA 91016.

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PRESIDENT

ATTEST

Signed by:

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SECRETARY

SEAL