



QUARTZ HILL WATER DISTRICT

5034 W Avenue L • Quartz Hill, CA 93536
661-943-3170 • www.qhwd.org

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AGENDA

BOARD OF DIRECTORS

REGULAR MEETING

November 15, 2018 7:00p.m.

5034 W Avenue L
Quartz Hill, CA 93536

ITEM 1 ROLL CALL

ITEM 2 PLEDGE OF ALLEGIANCE

ITEM 3 ADOPTION OF AGENDA

Members of the public shall have an opportunity to comment on each agenda item as the Board, prior to action being taken, is considering it.

ITEM 4 PUBLIC COMMENT

At this time, members of the public shall have an opportunity to comment on any matter within the jurisdiction of the District, which is not on the agenda. (Guidelines available at meeting.)

ITEM 5 DISCUSSION ITEMS

None

ITEM 6 ACTION ITEMS

All matters listed under the Consent Calendar are considered to be routine and non-controversial. The Board will act upon them by one motion in the order listed below. There will be no separate discussion on these items prior to the President of the Board reading the Action Item unless a Board member, staff, or member of the public, requests specific items be discussed and/or removed from the Consent Calendar for separate action.

A. CONSENT CALENDAR

1. Consideration and possible approval of the October 18, 2018 minutes of the Board Meeting.
and
2. Consideration and possible approval of check register.

B. AUTHORIZATION FOR STAFF TO ATTEND CONFERENCES, MEETINGS, SEMINARS AND TRAINING SESSIONS AS FOLLOWS:

and

C. AUTHORIZATION FOR MEMBERS OF THE BOARD TO ATTEND CONFERENCES, MEETINGS, SEMINARS AND TRAINING SESSIONS AS FOLLOWS:

None requested.

D. ACTION CALENDAR

1. Consideration and possible action to approve the proposed Master Meter Agreement and AMI Swap.

ITEM 7 INFORMATION ITEMS (Written reports included)

A. Staff Reports

i. Report by Board Secretary

Debi Pizzo

ii. Assistant General Manger

Brent Byrne

iii. Report by General Manager

Chad Reed

B. Reports by Directors

None

C. Reports by Attorney

Closed Session

ITEM 8 DIRECTOR REQUESTS FOR FUTURE AGENDA ITEMS

ITEM 9 CLOSED SESSION

A. Conference with Legal Counsel

1. EXISTING LITIGATION: (Paragraph (1) of subdivision (d) of Section 54956.9)
 - i. Diamond Farming/Bolthouse Farms Case/LA County
 - ii. Quartz Hill Water District v. The Tech Info Group, LLC, et. al., Case Number MC027801
2. Anticipated Litigation:
 - i. QHWD v Master Meter
Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9
 - i. Agreement KWHW:JHH.mh 12-10-59-6 of February 4, 1959.

B. Public Employee Performance/Discipline/Dismissal/Release.

C. Potential Well Sites 18 and 19.

ITEM 10 PUBLIC REPORT ON ACTION TAKEN IN CLOSED SESSION

ITEM 11 ADJOURNMENT



**QUARTZ HILL WATER DISTRICT
MINUTES OF THE BOARD OF DIRECTORS OF REGULAR MEETING**

A meeting of the Board of the Directors was held at 7:06p.m., on October 18, 2018, at 5034 West Avenue L, Quartz Hill, California pursuant to notice duly given.

ITEM 1 ROLL CALL

President Allen G. Flick, Sr., Director K. Michael Scott, Director Peggy Powell, Director Sheldon Carter, Board Secretary Debi Pizzo, and General Manager Chad Reed.

Absent: Vice President James Powell, D.D.S., Assistant General Manager Brent Byrne
Employees: None
Public in Attendance: Jim Krieger

ITEM 2 PLEDGE OF ALLEGIANCE

Pledge of Allegiance led by Director P Powell

ITEM 3 ADOPTION OF AGENDA

With no request for amendment, the Agenda is adopted by assent.

ITEM 4 PUBLIC COMMENT

None

ITEM 5 DISCUSSION ITEM

None

DRAFT

ITEM 6 ACTION ITEMS

A. CONSENT CALENDAR

1. Consideration and possible approval of the September 20, 2018 minutes of the Board of Directors Regular Meeting.
- and
2. Consideration and possible approval of check register.

With no request for amendment, the Consent Calendar is adopted by assent.

B. AUTHORIZATION FOR STAFF TO ATTEND CONFERENCES, MEETINGS, SEMINARS AND TRAINING SESSIONS AS FOLLOWS:

and

C. AUTHORIZATION FOR MEMBERS OF THE BOARD TO ATTEND CONFERENCES, MEETINGS, SEMINARS AND TRAINING SESSIONS AS FOLLOWS:

None requested.

D. ACTION CALENDAR

1. Consideration and possible action to approve the MUTUAL RESPONSE AGREEMENT, LOS ANGELES COUNTY WATER AGENCY MUTUAL ASSISTANCE AGREEMENT.

On motion by Director Scott, and second by Director Carter, the Mutual Response Agreement, is approved with a vote of 3-1, with Director P. Powell voting no.

ITEM 7 INFORMATION ITEMS (Written reports included)

A.

i. Report by Assistant General Manager

Brent Byrne presented by Chad Reed

ii. Report by General Manager

Chad Reed

B. Reports by Directors

None

C. Reports by Attorney

Three houses within our District, at Avenue N and 30th Street West, are going up for auction on Monday. The property taxes are behind in the neighborhood of \$70,000 per house. If they do not sell, there is a secondary auction and it keeps rolling over to the next auction.

ITEM 8 DIRECTOR REQUESTS FOR FUTURE AGENDA ITEMS

None

ITEM 9 CLOSED SESSION

A. Conference with Legal Counsel

1. EXISTING LITIGATION: (Paragraph (1) of subdivision (d) of Section 54956.9)

i. Diamond Farming/Bolthouse Farms Case/LA County

ii. Quartz Hill Water District v. The Tech Info Group, LLC, et. al., Case Number MC027801

2. Anticipated Litigation:

i. QHWD v Master Meter

Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9

i..Agreement KWHW:JHH.mh 12-10-59-6 of February 4, 1959.

ITEM 10 PUBLIC REPORT ON ACTION TAKEN IN CLOSED SESSION

No reportable action was taken.

ITEM 11 ADJOURNMENT

President Flick called for any other business. When none was presented, meeting was adjourned at 9:30 pm.

DRAFT

Attested:

Allen Flick, President

Debi Pizzo, Board Secretary

Quartz Hill Water District
 Check/Voucher Register - CHECK REGISTER
 From 10/1/2018 Through 10/31/2018

<u>Document Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Check Amount</u>	<u>Spoiled</u>
10/1/2018	12655	ACWA JOINT POWERS INSURANCE AUTHORITY	26,870.00	No
10/1/2018	12656	Antelope Valley Window Cleaning	30.00	No
10/1/2018	12657	Arrow Transit Mix, Inc.	111.65	No
10/1/2018	12658	Sheldon Carter	100.00	No
10/1/2018	12659	DITCH WITCH	60,129.89	No
10/1/2018	12660	Allen Flick	100.00	No
10/1/2018	12661	JAMS (ARBITRATION)	3,000.00	No
10/1/2018	12662	Lagerlof, Senecal, Gosney & Kruse, LLP	1,008.39	No
10/1/2018	12663	Novotox	900.00	No
10/1/2018	12664	Chad Reed	998.88	No
10/1/2018	12665	K. Michael Scott	100.00	No
10/1/2018	12666	Coverall North America, Inc.	373.17	No
10/1/2018	12667	DITCH WITCH	5,712.34	No
10/1/2018	12668	SUPERIOR TANK SOLUTIONS	101,125.00	No
10/9/2018	12669	H W HUNTER INC	35,083.37	No
10/17/2018	12670	ACWA JOINT POWERS INSURANCE AUTHORITY	25,363.75	No
10/17/2018	12671	AFSCME LOCAL 1902	391.22	No
10/17/2018	12671	AFSCME LOCAL 1902	391.22	No
10/17/2018	12672	ARCPOINT	25.00	No
10/17/2018	12673	Arrow Transit Mix, Inc.	111.65	No
10/17/2018	12673	Arrow Transit Mix, Inc.	(111.65)	No
10/17/2018	12674	ASSOCIATION OF CALIFORNIA WATER AGENCIES	13,490.00	No
10/17/2018	12675	Antelope Valley East Kern Water Agency	157,080.00	No
10/17/2018	12676	California Public Employees Retirement System	823.25	No
10/17/2018	12677	California Public Employees Retirement System	131.51	No
10/17/2018	12678	Charlton Weeks Attorneys at Law	1,718.10	No
10/17/2018	12679	Clinical Laboratory of San Bernardino, Inc.	1,250.00	No
10/17/2018	12680	Coverall North America, Inc.	693.00	No
10/17/2018	12681	DataProse, Inc.	3,944.09	No
10/17/2018	12681	DataProse, Inc.	3,224.60	No
10/17/2018	12682	General Pump Company	1,272.00	No
10/17/2018	12683	Lagerlof, Senecal, Gosney & Kruse, LLP	999.92	No
10/17/2018	12684	MACLEOD WATTS INC	3,900.00	No
10/17/2018	12685	Michael K. Nunley & Associates, Inc	1,080.00	No
10/17/2018	12686	Olivarez Madruga Lemieux O'neil	1,232.00	No
10/17/2018	12687	Debi Pizzo	323.02	No
10/17/2018	12688	RBC Incorporated	8,041.00	No
10/17/2018	12689	SHARP ELECTRONICS CORPORATION	1,552.00	No
10/17/2018	12690	Underground Service Alert/SC	67.75	No
10/17/2018	12691	Vavrinek, Trine, Day & CO	3,825.00	No
10/17/2018	12692		0.00	Yes
10/18/2018	12693	Chad Reed	66.75	No
10/18/2018	12694	Chad Reed	161.80	No
10/25/2018	FALSE CREDIT	Tesco Controls, Inc	4,930.01	No
Report Total			471,619.68	

Quartz Hill Water District
Check/Voucher Register
From 10/1/2018 Through 10/31/2018

<u>Document Date</u>	<u>Document Number</u>	<u>Payee</u>	<u>Document Amount</u>
10/17/2018	2413	LIDIA BARRERA	64.30
10/17/2018	2414	KEVIN BICE	8.70
10/17/2018	2415	RYAN BRACKEN	47.67
10/17/2018	2416	STEPHEN CROWELL	34.75
10/17/2018	2417	MARIE DAVIS	10.07
10/17/2018	2418	DORMAN HARRISON	73.17
10/17/2018	2419	ALAN HEWITT	75.00
10/17/2018	2420	SHERI HIEBERT	69.40
10/17/2018	2421	FILEMON RODRIGUEZ	29.05
10/17/2018	2422	LANA UTZINGER	69.16
10/17/2018	2423	CAROL M WELLS	27.07
10/17/2018	2424	RANDALL WOLFE	14.50
10/17/2018	2425	GEORGE ZAKOUR	19.43
Report Total			542.27



STAFF REPORT

November 8, 2018

To: President Flick and Board of Directors

From: Chad J. Reed

Subject: Master Meter Agreement and AMI Swap

Recommendation:

Approve the agreement and purchase of 2630 Allegra Registers, with an agreement not to exceed \$34,250 for AMI Tower Reading Equipment and 2630 Allegra Registers for the discounted cost of \$272,073.50

Items to be considered:

Originally, we were considering buying the fixed based equipment for \$150,000 with full price meters. This would have cost the District \$150K + \$706K for a total of \$856,000. Since the warranty issue has become apparent, we will receive the fixed based equipment for a price not to exceed \$34,250 and 2630 registers for \$272,073.50 or what would have cost 856K will now cost the District \$306,323 for a savings of \$550K.

Fiscal Impact:

\$306,323.50

Attachment:

Simplified
Agreement

Master Meter						
<i>Fixed Base Reading Equipment</i>						
Description	Quantity	unit price	total price	QHWD	Total QHWD	
Base station	2	\$ 29,411.76	\$ 58,823.52	\$ -	\$ -	
antena	2	\$ 1,779.41	\$ 3,558.82	\$ -	\$ -	
power backup	2	\$ 2,205.88	\$ 4,411.76	\$ -	\$ -	
install	2	\$ 15,441.18	\$ 30,882.36	\$ 13,125.00	\$ 26,250.00	
repeaters	6	\$ 1,911.76	\$ 11,470.56	\$ -	\$ -	
ext atena	6	\$ 558.82	\$ 3,352.92	\$ -	\$ -	
cable for repeaters	6	\$ 58.82	\$ 352.92	\$ -	\$ -	
repeaters install	1	\$ 2,941.18	\$ 2,941.18	\$ 2,500.00	\$ 2,500.00	
repeater install	5	\$ 588.24	\$ 2,941.20	\$ 500.00	\$ 2,500.00	
Core and Main (Credit)					\$ (5,000.00)	
	sub total		\$ 118,735.24		\$ 26,250.00	
<i>Optional Equipment (Based on Need)</i>						
repeaters	2	\$ 1,911.76	\$ 3,823.52	\$ -	\$ -	
anntenna	2	\$ 558.82	\$ 1,117.64	\$ -	\$ -	
cable for repeaters	2	\$ 58.82	\$ 117.64	\$ -	\$ -	
install	1	\$ 2,941.18	\$ 2,941.18	\$ 2,500.00	\$ 2,500.00	
install	1	\$ 588.24	\$ 588.24	\$ 500.00	\$ 500.00	
pre site-visit	1	\$ 5,882.35	\$ 5,882.35	\$ -	\$ -	Savings to District
			\$ 133,205.81		\$ 34,250.00	\$ 98,955.81
<i>Replacement Registers</i>						
Allegro Meters	2,630	268.5	\$ 706,155.00			
Allegro registers	2,630	188.15	\$ 494,834.50			Savings to District
Allegro Registers (Discount)	2,630	103.45	\$ -	272,073.50		\$ 222,761.00
Allegro Meter(Discount)	2,630	148.14	\$ -	389,608.20		
Total Savings						\$ 321,716.81



November 9, 2018

Mr. Brent Byrne
Assistant General Manager
Quartz Hill Water District
5034 W. Avenue L
Quartz Hill, CA 93536

Mr. Byrne:

Master Meter (MM) has analyzed your route files to identify registers that may experience a premature failure. MM is committed to provide replacement registers in exchange for each 3G register impacted by this issue. Our records indicate there are 2630 total registers impacted by this issue that have not already been replaced under warranty.

MM is pleased to provide Quartz Hill Water District (QHWD) with this exchange offer to replace each impacted 3G register with new Allegro Registers with a new 10 year full / 10 year prorated warranty.

- MM agrees to provide new Under the Glass (UTG) Allegro Registers in the quantities listed below in exchange for the registers identified by MM at a cost of 103.45 each.

<u>QTY</u>	<u>Meter Description</u>
68	3/4" BLMJ, CF, Non-Enhanced
2269	3/4" BLMJ, CF, Enhanced
284	1" BLMJ, CF, 3G
7	1.5" FLG MJ, CF, 3G
2	2" FLG MJ, CF, 3G

- Upon receipt of this signed agreement, Master Meter will enter an order for the replacement product. Replacement product will be shipped every 60 days based on the amount of product QHWD can install during this period. Initial shipment will be delivered in 90 to 120 days from date of signed agreement. Subsequent shipments will be delivered every 60 days.
- QHWD agrees to adequately package used registers for return to Master Meter to prevent damage during transport. Used registers must be ready for pickup within ninety (90) days of each shipment date from Master Meter. Subsequent orders may not be shipped until the registers previously replaced are ready for pickup by MM. Should QHWD require additional time, the utility will contact Master Meter prior to the end of the ninety (90) days to request an extension, consent to which shall not be unreasonably withheld by Master Meter.
- For each register not returned within ninety (90) days, or any mutually agreed extension, QHWD will be invoiced \$57.50 per register, due and payable upon receipt.



Allegro Fixed Network Option:

To compensate QHWD for register installation, Master Meter proposes to provide QHWD with the hardware to implement a complete Allegro AMI System. This hardware includes two (2) Allegro Base Stations and a maximum of eight (8) Allegro repeaters per the attached propagation study/quotation. To move forward with this option, QHWD agrees to the following:

- QHWD agrees to pay for base station, repeater installation and up to 2 days of on-site training at the discounted price per the attached quotation.
- QHWD agrees to sign and return a copy of the attached End User License Agreement (EULA) upon order of the Allegro Registers, Base Stations and Repeaters.
- Upon receipt of this signed agreement, End User License Agreement (EULA) and a purchase order, Master Meter will enter an order for the all product.
- All Allegro AMI System Hardware is covered under warranty for one year per the attached published warranty document. It is recommended that QHWD purchase Annual Hardware Maintenance per attached agreement/quotation on an annual basis, after the first year.
- QHWD agrees to keep the terms of this exchange offer confidential.

Please agree to the terms of this exchange offer by signing and dating below. Provide a signed copy along with a purchase order to MM and save a copy for yourself.

We look forward to completing your 3G register exchange and installing your new Allegro AMI System Infrastructure as quickly as possible and sincerely appreciate your continued business and support.

Sincerely,

Signature: Neal Farmer

11/9/2018

Neal Farmer
Master Meter, Inc.

Signature: _____

Date: _____

Brent Byrne
Operation Supervisor
Quartz Hill Water District

BOARD SECRETARY & COMMUNITY OUTREACH REPORT

Board Meeting Principles

- 1) Focus on what is best for the District and its mission.
- 2) Allow the President to conduct an orderly meeting.
- 3) Be respectful of fellow Board members and the public at all times.
- 4) Be professional and courteous in allowing others to complete their thoughts and sentences.
- 5) Put aside all distractions to focus on conducting the customer's business in a courteous manner.
- 6) Be aware that behavior during the Board Meeting affects the perception and respect for the District and its customers.
- 7) Each Director is individually responsible and accountable for his/her conduct and representation of the customers.
- 8) Refrain from interpreting other's thinking and spoken thoughts.
- 9) Stick to the topics on the agenda and do not insert unrelated topics, thoughts or accusations.

DRAFT

BREAKING NEWS **NO JANUARY RATE INCREASE!**

Due to the fact that QHWD is a not for profit agency, the increased cost of State purchased water from Antelope Valley East Kern Water Agency is historically passed on to the customers. However, due to increased operational efficiency and prudent decision by the Board of Directors, this year the 7.5% projected increase will **NOT** be added to your rates but will be absorbed by other budgeted funds

QUARTZ HILL WATER DISTRICT If you have any questions, please feel free to contact the office at (661) 943-3170.

2018 BILLING & DUE DATE CALENDAR

For your convenience, the following are your billing and due dates for the next 4 months.

Usage Month	Billing Date	Due Date & RCC Charged
November	Dec 7	Jan 2
December	Jan 8	Feb 2
January	Feb 7	Mar 5
February	Mar 7	Apr 2

QUARTZ HILL WATER DISTRICT
If you have any questions, please feel free to contact the office at (661) 943-3170.

QUARTZ HILL WATER DISTRICT

2018 Billing & Due Date Calendar

For your convenience, the following are your billing & due dates for the next 4 months.

Usage Month	Billing Date	Due Date & RCC Charged
March	April 6	May 1
April	May 7	June 1
May	June 7	July 2
June	July 7	Aug 2

QUARTZ HILL WATER DISTRICT
If you have any questions, please feel free to contact the office at (661) 943-3170.

2018 Ongoing proactive outreach mailers and website

Promoting Autopay



QUARTZ HILL WATER DISTRICT

This year our rainfall has been 37% of normal and the state water allocated for us is currently at 35%.
The best way to keep your water bill down is to avoid the higher tiers.
You don't need to remove all your plants and lawn, instead try reducing your timers by one or two minute per station!

FREE 2018 SMART Landscape Workshops

Fruit Tree Pruning—January 20th
Antelope Valley College, Room TE3, Off J-8, West of 30th, 9:00am - 11:00am
You won't think it's 'the pits' trimming your fruit trees after this workshop!

Pruning Your Roses—February 10th
Antelope Valley College, Room TE3, Off J-8, West of 30th, 9:00am - 11:00am
Everything is coming up roses at this very popular class. Seats fill up every year.

Bugs, Weeds & Other Beasts—March 17th
Antelope Valley College, Room TE3, Off J-8, West of 30th, 9:00am - 11:00am. Get down and dirty

QUARTZ HILL WATER DISTRICT

FREE 2018 AVC WORKSHOPS

WORKSHOP DATES:
July 21 - Summer plants and their care
August 16 - Design now, plant this fall
September 15 - Native Plants
October 20 - Preparing for winter, don't forget the veggies

ANTELOPE VALLEY COLLEGE

ANTHELOPE VALLEY WATER PARTNERS

QUARTZ HILL WATER DISTRICT

2018 Billing & Due Date Calendar

Fixing even the smallest leak can save you money.

Usage Month	Billing Date	Due Date & Autopay Charged
July	Aug 7	Sept 4
Aug	Sept 10	Oct 5
Sept	Oct 5	Oct 30
Oct	Nov 7	Dec 3

Please note that the September and October bills are both due in October and no payment is due in November.

QUARTZ HILL WATER DISTRICT

Upcoming Billing & Due Date Calendar

Usage Month	Billing Date	Due Date & Autopay Charged
Nov '18	Dec 7 '18	Jan 2 '19
Dec '18	Jan 8 '19	Feb 4 '19
Jan '19	Feb 7 '19	Mar 4 '19
Feb '19	Mar 7 '19	Apr 1 '19

As the seasons change, so do our watering needs. Minimal watering is the key to low bills this time of year.

Assistant GM Report
November 15, 2018 Board Meeting

1. Well #12 rehab has started. Layne Company was awarded the contract, thus far the process has been smooth. The well pump and hardware have been in the ground for 24 years (15 years is expected life), which looks to be in decent shape for the life span of the material, however new pipe and shaft is expected to be recommended for replacement. The pump can be rebuilt, saving 35% of the cost versus a new pump. Below is a picture of the nylon brush used to scrub the stainless-steel wire wrapped screen. Air bursting and air swabbing will be the next phase of the rehab process.



2. Customer outreach and water conservation continue to be a priority for the District. Below are pictures of our high bill of the month winner. After the data logs retrieved from the meter showed significantly high usage, staff investigated the property with no evident sign of leaks. We explained to the customer that the meter only turns when water passes through it...upon leaving the property Joe Lopez (District serviceman) spotted a pond out in the middle of the desert. After driving around the back side of the housing tract, we discovered a broken irrigation pipe which was causing extreme erosion from the back of the customers property (seen below in picture).

The customer was very appreciative of our efforts to investigate the issue and help suggest solutions to his problem.



3. The Annual Valve Turning and Flushing program has resumed. Exercising the District's mainline valves annually prevents corrosion build up and minimizes the chance of a valve to lock up. This program also ensures that water quality standards are maintained.
4. Monthly monitoring of the District owned ground water levels continues. These levels are currently stable and on par with historical averages. Proactive ground water management is a priority of the Districts commitment to preserving long term reliable sources.
5. Online safety training provided by the Districts insurance provider at no additional cost continues to be a success amongst staff, resulting in cost savings for the District by not having to hire safety consultants.
6. Monitoring of State water supply, ground water supply, conservation cut backs, and other available water resources continue to be a priority of management.

Thank you,

Brent Byrne

Assistant General Manager

DRAFT



General Managers Report (11/09/2018):

During the month of October, the days are continuing to get shorter and cooler and this is being manifested by the average daily demand which is down from 5.7 million gallons per day to that of 4.4 mgd which is up from the previous year's demand of 4.0 mgd.

The Department of Water Resources maintained the water supply allocation to State Water Contractors at 35%. Most of the state's major reservoirs continue to track to either above or on their historical averages. San Luis Reservoir, the largest off-stream reservoir in the United States where water is stored for the SWP and Central Valley Project (CVP), is at 60% of capacity and 110% of historical average. Shasta Lake, the CVP's largest reservoir, is at 48% of capacity. Lake Oroville is at 32% of capacity.

Water Master Metering

On October 26th the Water Master staff met with me and requested the assistance of QHWD in the administering of the Water Master Task. The task specifically we would assist with is in the meter compliance and testing program. Currently, QHWD is the only public water supplier to fully comply with Water Master meter requirements.

Brent and the field staff have done a great job documenting our current state and ensuring the Water Master Engineer is kept up to speed. Due to the fact that QHWD has been able to comply in such a successful manner, the current Water Master Staff is requesting that we assist other people in the Valley. Since we would be doing this as a directive from the Water Master staff we would be reimbursed our hourly rate for time spent performing this task. I reached out to President Flick after the meeting and communicated through voice mails back and fourth where he said we need to discuss this during our next meeting, however he trusted my opinion and thought it seemed like a good opportunity for us to show good faith.

Water Supply

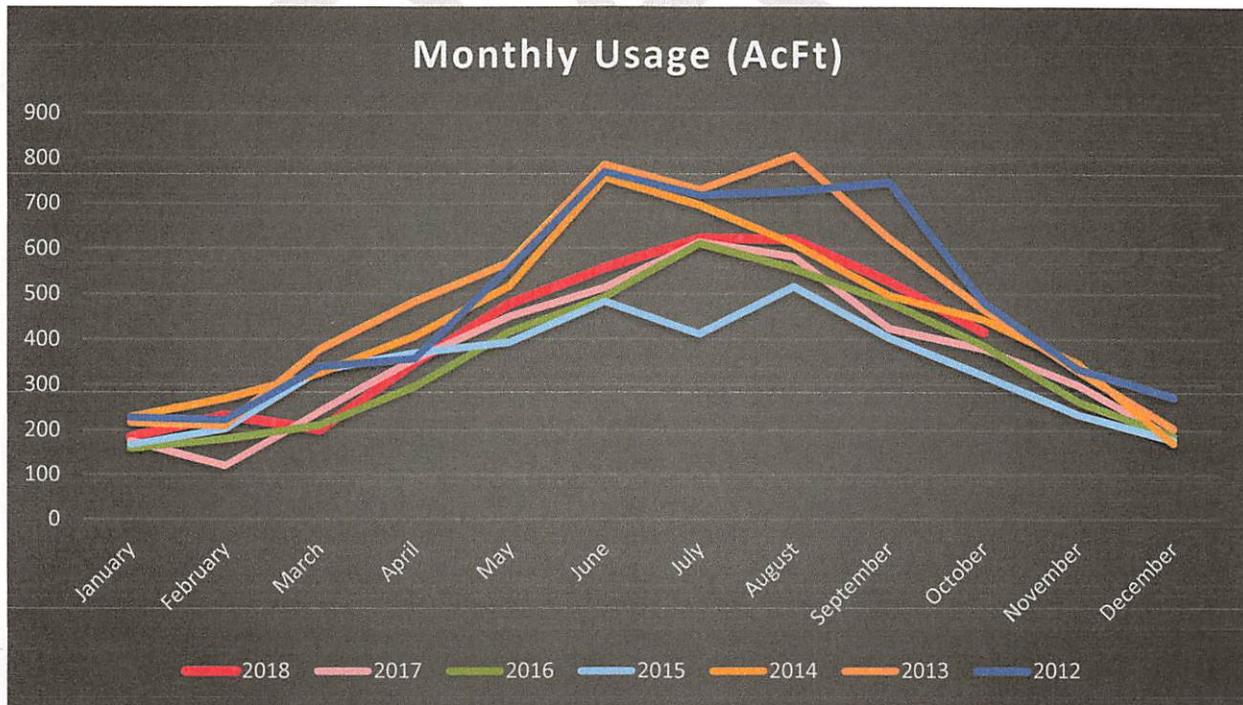
- R-GPCD for 2018 Oct 210.5 R-GPCD
- R-GPCD for 2017 Oct 191.8 R-GPCD

o R-GPCD for 2013 Oct 235.7 R-GPCD

Month	Monthly usage 14/15	Usage '13	R-GCPD	R-GCPD '13	% Diff
November	299.6	330.87	156.69	173.0	9%
December	253.05	204.19	128.08	103.3	-24%
January	184.92	217.01	93.60	109.8	15%
February	232.37	209.75	125.72	113.5	-11%
March	201.01	377.9	101.74	191.3	47%
April	348.51	482.39	182.27	252.3	28%
May	477.9	598.62	241.88	303.0	20%
June	556.97	785.26	291.30	410.7	29%
July	622.97	730.52	315.31	369.7	15%
August	620.75	806.49	314.19	408.2	23%
September	527.55	622.96	275.91	325.8	15%
October	415.85	465.66	210.48	235.7	11%
Total	4704.58	5831.62	2418.52	2996.42	2.17

Drought Report

Residential



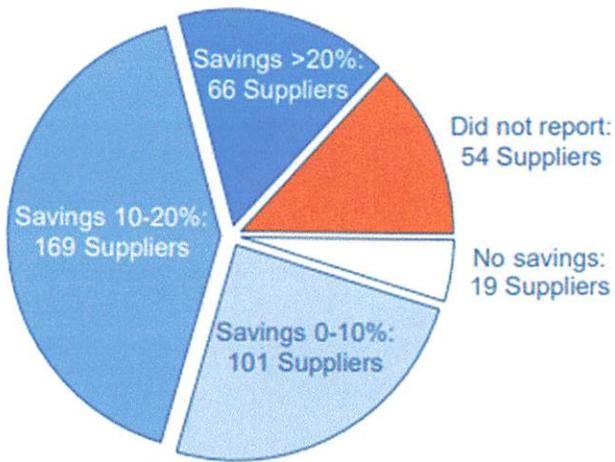
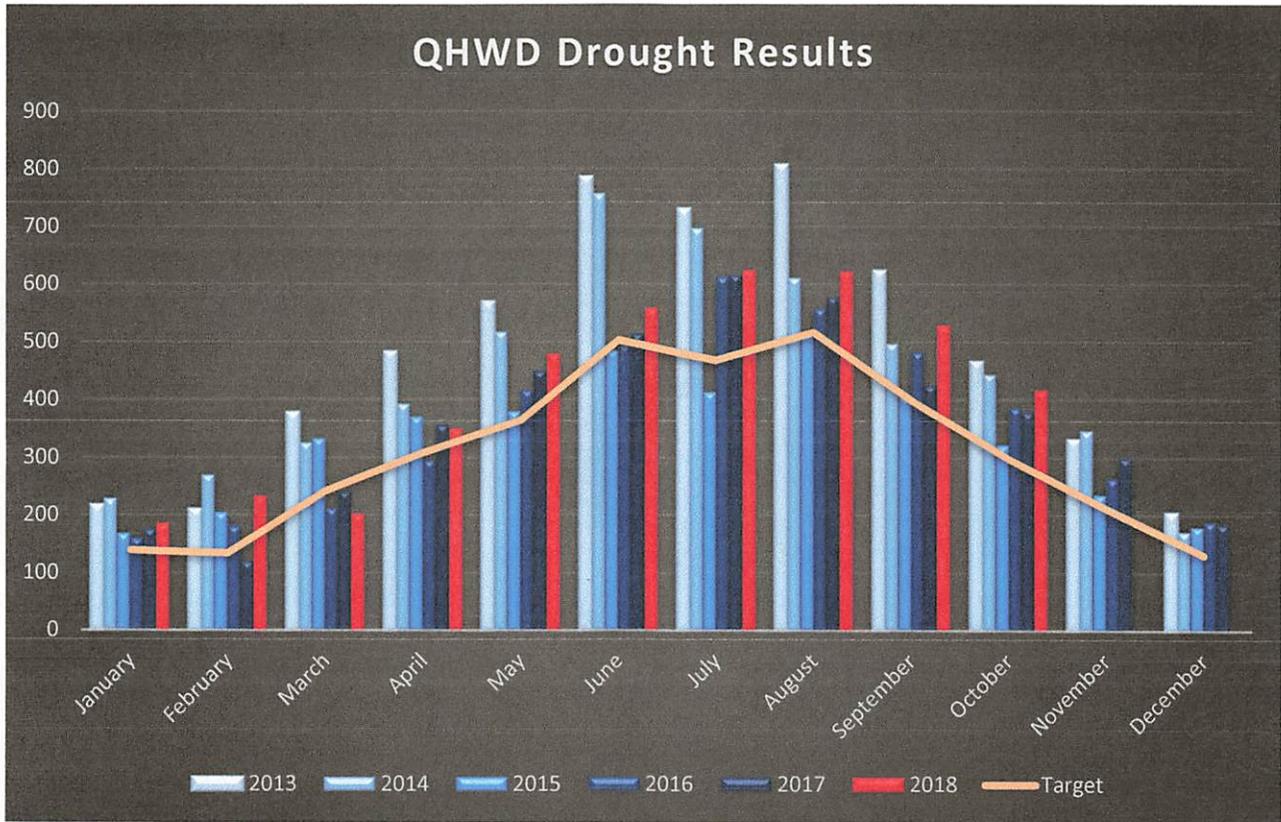


Figure 1 Show the number of suppliers achieving various levels of water savings in Aug 2018 compared to Aug 2013 Baseline. More than 1/3 of suppliers reported water saving between 10-20%. Info Taken from: https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/docs/2018oct/fs090418.pdf

Statewide urban water production

Over 201 Billion Gallons Saved in 2018

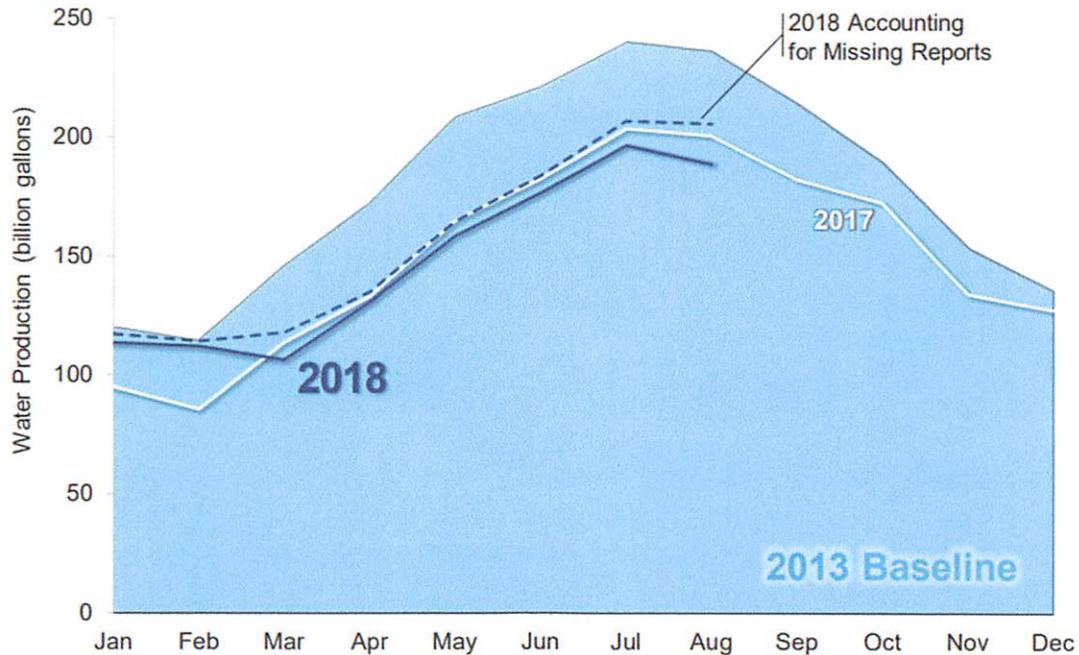


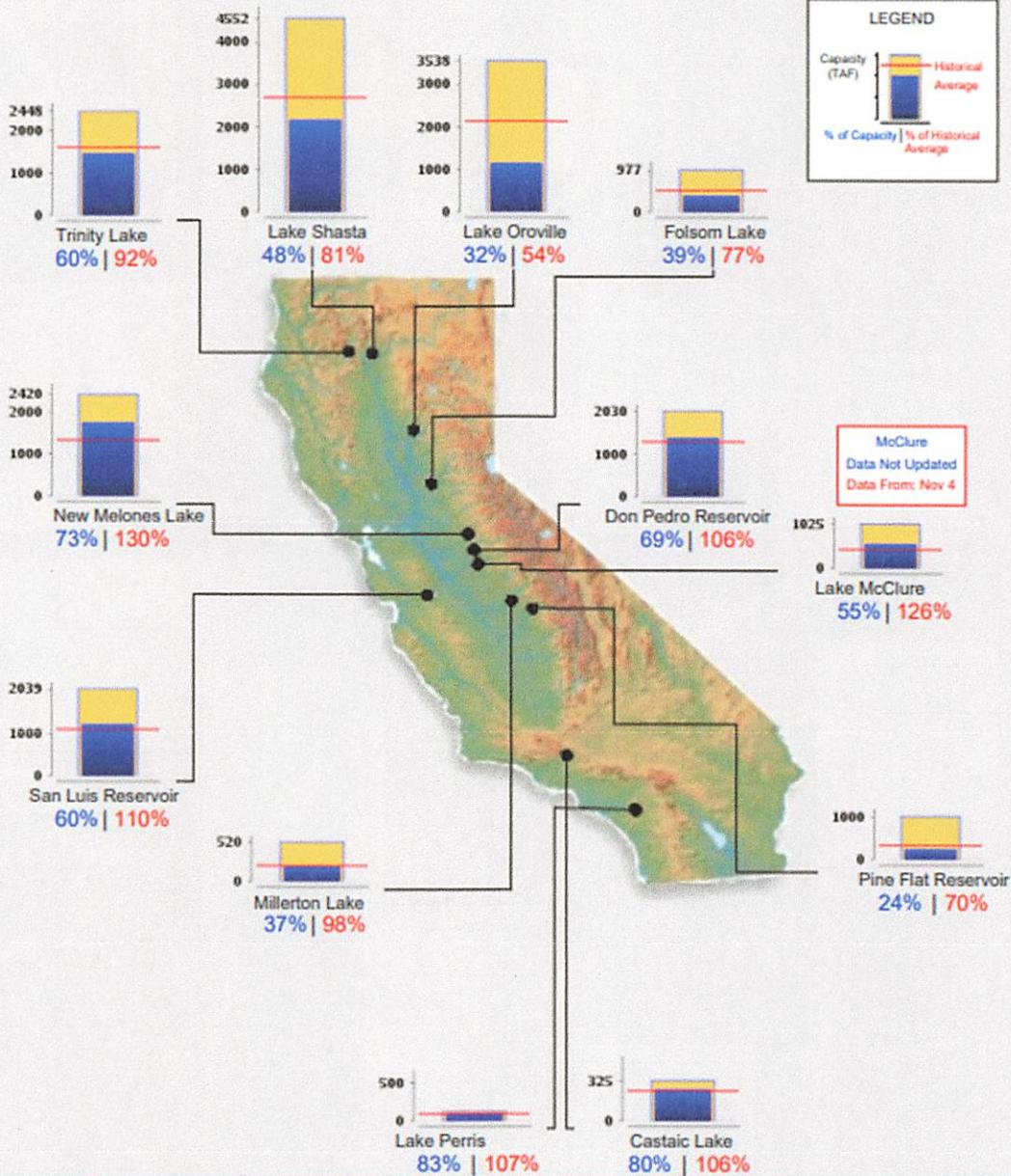
Chart through Sep 2018. The State reduction is 12.6% when compared 2013, with the District tracking slightly lower at 11% over 2013. (graphic taken from: https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/docs/2018oct/uw_presentation_100218.pdf)



Reservoir Conditions

Ending At Midnight - November 5, 2018

CURRENT RESERVOIR CONDITIONS



Graph Updated 11/06/2018 06:48 AM

Figure 2 <http://cdec.water.ca.gov/cgi-progs/products/rescond.pdf>

Hydrologic Region	Aug 14	Aug 15	Aug 16	Aug 17	Aug 18
Central Coast	15.2%	28.1%	25.2%	21.0%	18.2%
Colorado River	7.0%	24.7%	15.1%	16.3%	16.4%
North Coast	13.1%	19.7%	15.5%	11.3%	12.4%
North Lahontan	13.9%	25.0%	9.8%	13.4%	5.0%
Sacramento River	22.1%	34.5%	18.6%	12.4%	16.3%
San Francisco Bay	15.1%	30.5%	21.0%	14.6%	15.2%
San Joaquin River	13.1%	30.0%	19.7%	14.6%	16.0%
South Coast	8.4%	23.7%	15.4%	14.5%	9.9%
South Lahontan	11.1%	29.3%	23.5%	20.8%	13.9%
Tulare Lake	14.4%	28.0%	18.5%	13.2%	13.3%
Statewide Savings	12.0%	27.0%	17.5%	14.6%	12.6%

Figure 3 Water Saving by Hydrologic Region

https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/docs/2018oct/fs090418.pdf

Average monthly residential gallons per capita daily (R-GPCD)

Hydrologic Region	Aug 13*	Aug 14	Aug 15	Aug 16	Aug 17	Aug 18
Central Coast	107	91	76	80	84	85
Colorado River	236	222	172	197	197	217
North Coast	94	82	76	82	81	79
North Lahontan	161	131	118	144	138	153
Sacramento River	221	176	147	180	190	168
San Francisco Bay	104	91	72	82	88	85
San Joaquin River	187	171	132	150	154	153
South Coast	123	112	95	103	106	107
South Lahontan	194	179	148	147	151	162
Tulare Lake	224	189	164	188	194	191
Statewide R-GPCD	138	123	102	114	118	116

Figure 4 Water Savings by Hydrologic Region, (QHWD in South Lahontan) Graphic taken from:

https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/docs/2018oct/fs090418.pdf

Communities with R-GPCD below 55

August 2018

- San Francisco PUC
- Hayward
- Cal Water East Los Angeles
- Daly City
- Santa Cruz
- South Gate
- Milpitas
- Lynwood
- Huntington Park
- Cal Water South San Francisco
- East Palo Alto
- Port Hueneme
- Arcata
- Westborough Water District
- Cambria Community Services District



Figure 5 Communities with R-GPCD below 55 URL:

https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/docs/2018oct/uw_presentation_090418.pdf

Capital Improvement Projects

Water Meters

On October 31st Master Meter and QHWD staff met and conferred about the existing meter failures. Prior to this meeting Master Meter was offer a \$50,000 credit on \$55,000 worth of labor. Obviously, this was not acceptable to QHWD, so when we met again on Oct 31st the following compromise was determined:

QHWD will receive all the equipment necessary to utilize the automatic reading system for our existing 4g meters for \$34,250 while the retail cost for this equipment is \$133,206 or we will receive a savings of \$98,956. It was also concluded during this meeting that if we wanted to upgrade from 3g or current technology to that of the 4g (Allegro, New technology) they will sell QHWD the 2630 registers at cost, with no commissions or markups. With the existing Allegro already in the ground and the 2630 new registers 64% of all meters would be utilizing the new technology. The savings from purchasing the registers under the discounted cost would be greater than \$100,000. Bring the total saving to the District by agreeing to this settlement to \$202,472. Core and Main (Formally HD Water Works) also

threw in another \$5,000 to offset the cost of one of the software packages. Along with all of this savings, the benefit to our customers and staff should also be considered. Staff will not have to read these meters monthly and customers will be provided with nearly real time meter reads so they can make better decisions on watering practices and consumption.

Contract for Arsenic

We have signed contract for the Arsenic treatment facility with no significant change orders or changes to the scope of the project. Some minor changes were requested during the design to maintain constancy throughout the system and match like vendor and material to existing valves QHWD currently has in the field. We are expecting submittal process to commence within the next week.

Sewer Lateral

During the design phase it became apparent that a sewer connection would assist this project and the current practice of “pumping to waste” for well 6A. The pump to waste process is every time the well turns on or off it pumps a few hundred gallons to the atmosphere (Currently runs down the gutter, and eventually drains into the storm drain). During winter months this nuisance water can freeze and become a slip hazard. For this reason and several others, we are striving to create a physical connection to the sewer (storm drains do not exist in front of this site) system and discharge our waste water.

Income/Expense Report

Monthly Budget and Expenditures

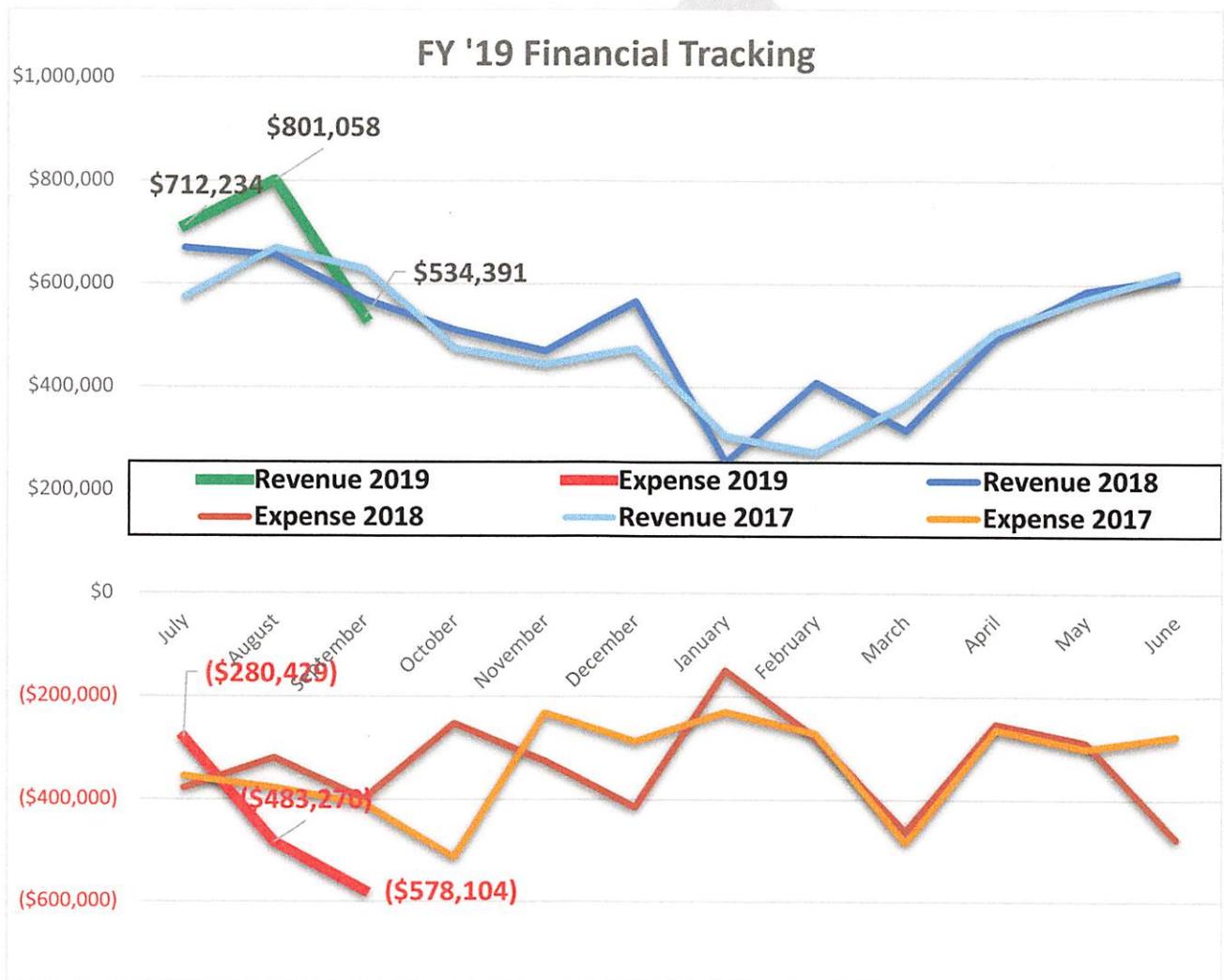
As we continue into the new fiscal year little action has taken place thus far however, it is anticipated that this year’s budget will include several large ticket capital improvement items namely the Arsenic treatment for well 6, well rehab at two to three wells, valve turner, new vacuum excavation, and work trucks. The revenue for the month of Sep was a little lower when compared to last year same period (FY 2017 Sep=\$568K) or September of this year was 6% less. The total budgeted amount for FY 2019 is \$6,315,880 or 8% greater than the previous year budget.

The budgeted expenses that were expensed during the month of September for the running of the District during FY '19 was \$578,104. The total anticipated budgeted amount for the running of the District for FY '19 is expected to be \$4,745,485.

(During previous BOD meeting the BOD has authorized the GM to move monies among different categories within the budget if the bottom line does not change.)

Accounts	September	YTD	Budget	Remaining
Revenue	\$534,391	\$2,045,979	\$6,315,880	\$4,269,901
Expense	(\$578,104)	(\$1,349,327)	(\$4,745,485)	\$3,396,158

Net Income	(\$43,713)	\$696,652	\$1,570,395	
Rebate Conservation	\$0	\$0		
Pension Liability	\$0	\$0		
Professional Services	(\$6,856)	(\$32,167)		
Net Income	(\$50,569)	\$664,485		
Non-Cash				
Depreciation Expense	\$0	\$0	(\$850,000)	(\$850,000)
OPEB Liability	\$0	\$0	(\$180,395)	(\$180,395)
Net total	(\$50,569)	\$664,485	\$540,000	(\$1,030,395)



Quartz Hill Water District
Statement of Income and Expenses
From 9/1/2018 Through 9/30/2018

		<u>Current Month</u>	<u>Year to Date</u>	<u>Budget</u>	<u>Remaining</u>
Revenues					
Revenue-Construction	4000	0.00	6,696.00	0.00	6,696.00
Revenue-Water Bank	4045	0.00	0.00	13,392.00	(13,392.00)
Gain/Loss on Investments	4080	0.00	0.00	500.00	(500.00)
Dividend Revenues	4090	0.00	0.00	6,000.00	(6,000.00)
Interest Revenues	4100	320.55	963.71	125,000.00	(124,036.29)
Rents & Leases	4110	2,830.61	30,885.87	55,000.00	(24,114.13)
Taxes & Assessments	4130	0.00	33,961.42	400,000.00	(366,038.58)
Revenue-Will Serve Letter	4135	1,500.00	1,500.00	5,000.00	(3,500.00)
Revenue-Returned Check Fee	4140	150.00	445.00	1,420.00	(975.00)
Revenue-Capacity Charge	4160	0.00	9,806.00	30,000.00	(20,194.00)
Revenue-Miscellaneous	4190	0.00	757.16	0.00	757.16
Revenue-Service Charge Residential	4500	167,463.43	502,100.82	1,809,000.00	(1,306,899.18)
Revenue-Service Charge Commercial	4510	4,841.39	14,549.71	38,458.00	(23,908.29)
Revenue-Service Charge Multi Dwelling	4520	4,165.97	12,497.91	29,409.00	(16,911.09)
Revenue-Service Charge Construction	4530	0.00	9,330.89	1,131.12	8,199.77
Revenue-Service Charge Irrigation	4540	5,495.80	16,487.40	44,114.00	(27,626.60)
Revenue - Water Use Residential	4600	285,082.30	1,168,039.06	2,537,159.84	(1,369,120.78)
Revenue-Water Usage Commercial	4610	7,089.03	36,790.26	92,912.00	(56,121.74)
Revenue-Water Usage-Multi Dwelling	4620	22,803.66	83,003.54	202,718.00	(119,714.46)
Revenue-Water Usage-Construction	4630	(832.60)	126.70	1,974.35	(1,847.65)
Revenue-Water Usage-Irrigation	4640	20,776.19	83,082.91	160,271.46	(77,188.55)
Revenue-Late Charges	4700	7,000.11	18,329.61	58,000.00	(39,670.39)
Revenue-Clean & Show	4705	0.00	0.00	100.00	(100.00)
Revenue-Fire Flow	4720	200.00	800.00	1,200.00	(400.00)
Revenue-Credit Report	4725	0.00	0.00	160.00	(160.00)
Revenue-Conservation	4735	0.00	0.00	171,843.00	(171,843.00)
Revenue-Door Tag Charge	4740	0.00	0.00	45,000.00	(45,000.00)
Revenue-Set/Pick Up Hydrant Meter	4750	0.00	30.00	150.00	(120.00)
Revenue-Fine	4755	0.00	0.00	100.00	(100.00)
Revenue-Lock Cut/Missing	4780	500.00	1,000.00	1,000.00	0.00
Revenue-Pull Meter	4790	0.00	250.00	0.00	250.00
Revenue-Door Tag/Disconnect/Reconnect Fee	4800	5,005.00	13,995.00	30,000.00	(16,005.00)
Repairs to Water System/Damage	4810	0.00	0.00	581.89	(581.89)
Revenue-New Meter	4820	0.00	550.00	1,265.00	(715.00)
Unannexed Services	4840	0.00	0.00	44.00	(44.00)
Total Revenues		<u>534,391.44</u>	<u>2,045,978.97</u>	<u>5,862,903.66</u>	<u>(3,816,924.69)</u>
Expenses					
Water Purchase AVEK	5000	157,080.00	460,084.80	1,500,000.00	1,039,915.20
Water Purchase-Los Angeles County	5010	0.00	803.63	4,281.92	3,478.29
Fuel Expense-Trucks	5100	2,216.95	7,661.08	20,000.00	12,338.92
Fuel Expense-Equipment	5105	972.00	1,140.08	5,000.00	3,859.92
Water Quality	5200	2,655.50	8,226.24	20,000.00	11,773.76
Water Quality Chemical Purchases	5210	0.00	1,944.79	8,000.00	6,055.21
Power	5305	24,390.28	64,526.11	225,000.00	160,473.89
Small Tool Purchases	5400	696.87	2,947.97	6,000.00	3,052.03
Small Equipment Purchase	5405	0.00	0.00	4,000.00	4,000.00
Repairs & Maintenance-System	5520	13,066.25	56,604.80	180,000.00	123,395.20
Repairs & Maintenance-Operations Center	5525	0.00	4,121.08	15,000.00	10,878.92
Repairs & Maintenance-Equipment	5535	213.52	1,094.22	25,000.00	23,905.78
New Service Installation	5540	0.00	1,319.16	0.00	(1,319.16)
Repairs & Maintenance-Trucks	5545	748.67	2,388.70	25,000.00	22,611.30

Quartz Hill Water District
Statement of Income and Expenses
From 9/1/2018 Through 9/30/2018

		<u>Current Month</u>	<u>Year to Date</u>	<u>Budget</u>	<u>Remaining</u>
Repairs & Maintenance-Small Tools	5550	20.93	20.93	1,000.00	979.07
Equipment Rental	5560	204.76	654.61	1,500.00	845.39
Safety Supplies	5600	395.67	987.23	15,000.00	14,012.77
Safety Training/Compliance	5605	150.00	150.00	2,000.00	1,850.00
Wages-Management	6010	0.00	100.00	0.00	(100.00)
Director Compensation	6011	500.00	1,000.00	8,000.00	7,000.00
Director Expenses	6015	0.00	0.00	3,000.00	3,000.00
Board Meeting Wages	6020	0.00	0.00	2,000.00	2,000.00
Wages	6030	74,976.09	269,832.91	975,000.00	705,167.09
Payroll Tax Expense	6040	4,822.01	19,645.57	100,000.00	80,354.43
Uniform Allowance	6045	0.00	1,500.00	0.00	(1,500.00)
Pension Expense	6070	11,852.60	38,348.68	130,000.00	91,651.32
Write Off Bad Debt	6170	0.00	0.00	1,500.00	1,500.00
Merchant Fees/Banking	6175	0.00	0.00	26,170.24	26,170.24
Bank Fees	6180	5,776.05	16,149.21	18,000.00	1,850.79
Interest Expense	6190	203,800.00	203,800.00	416,425.00	212,625.00
Dues & Subscriptions	6330	100.00	12,389.77	65,000.00	52,610.23
Education/Seminars/Training	6340	0.00	2,631.87	14,000.00	11,368.13
Insurance-General Liability & Autos	6405	0.00	0.00	35,000.00	35,000.00
Insurance-Property	6410	26,870.00	26,870.00	0.00	(26,870.00)
Insurance-Employees	6415	19,524.68	55,380.46	250,000.00	194,619.54
Insurance-Director	6416	376.30	1,128.90	5,000.00	3,871.10
Insurance-Retiree	6417	6,238.30	17,439.60	55,000.00	37,560.40
Insurance-Workers Compensation	6420	0.00	9,472.42	20,000.00	10,527.58
Computer Expense	6500	1,552.00	4,669.14	24,000.00	19,330.86
Office Expense	6550	6,104.66	19,558.84	55,000.00	35,441.16
Postage	6560	2,183.55	7,534.59	33,000.00	25,465.41
Utilities	6565	1,756.68	5,746.63	9,666.00	3,919.37
Pension Expense-Unfunded Liability	6570	0.00	0.00	25,344.00	25,344.00
Travel/Meals/Parking/Mileage	6575	692.30	1,192.23	8,000.00	6,807.77
Trash Removal	6585	105.88	317.64	1,200.00	882.36
Telephone	6595	1,095.28	2,240.96	15,000.00	12,759.04
Public Relations	6600	0.00	90.73	12,000.00	11,909.27
Accounting	6615	0.00	0.00	17,000.00	17,000.00
Legal Services	6630	5,734.57	14,471.98	25,000.00	10,528.02
Legal Fees-Adjudication	6635	1,232.00	2,975.00	30,000.00	27,025.00
Licenses & Permits	6645	0.00	0.00	2,148.00	2,148.00
Security Expense	6650	0.00	0.00	65.25	65.25
Medical Expense	6675	0.00	0.00	265.00	265.00
Rebates-/Purchases - Conservation	6700	0.00	164.00	15,000.00	14,836.00
Uniforms	6715	0.00	0.00	6,500.00	6,500.00
Total Expenses		<u>578,104.35</u>	<u>1,349,326.56</u>	<u>4,460,065.41</u>	<u>3,110,738.85</u>
Net Income (Loss) Subtotal		<u>(43,712.91)</u>	<u>696,652.41</u>	<u>1,402,838.25</u>	<u>(706,185.84)</u>
Professional Services-Other					
Professional Services	6625	6,855.83	32,167.49	40,000.00	7,832.51
Professional Fees-Other	6626	0.00	0.00	10,000.00	10,000.00
Total Professional Services-Other		<u>6,855.83</u>	<u>32,167.49</u>	<u>50,000.00</u>	<u>17,832.51</u>
Non-Cash Operating Expenses					
Depreciation	6290	0.00	0.00	850,000.00	850,000.00
OPEB Expense	6418	0.00	0.00	180,395.00	180,395.00

Quartz Hill Water District
Statement of Income and Expenses
From 9/1/2018 Through 9/30/2018

	<u>Current Month</u>	<u>Year to Date</u>	<u>Budget</u>	<u>Remaining</u>
Total Non-Cash Operating Expenses	<u>0.00</u>	<u>0.00</u>	<u>1,030,395.00</u>	<u>1,030,395.00</u>
Net Income (Loss) Total	<u>(50,568.74)</u>	<u>664,484.92</u>	<u>322,443.25</u>	<u>342,041.67</u>