

**BOARD OF DIRECTORS  
SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT  
REGULAR MEETING  
1402 N. VOSBURG DR. AZUSA, CA 91702  
MONDAY, FEBRUARY 09, 2026  
8:00 AM (PDT)**

*This meeting will be held in person at the District office, located at 1402 North Vosburg Drive, Azusa, California. While the Boardroom is open for public attendance, you are strongly encouraged to participate in the meeting virtually through the remote Zoom link provided below. If you attend the Board meeting in person, please maintain appropriate social distancing to the extent feasible (i.e., maintain a six-foot distance between yourself and other individuals). Face coverings are encouraged but not required for attendees. Lastly, if you are experiencing any COVID-19 symptoms, including fever or chills, cough, shortness of breath or difficulty breathing, fatigue, muscle or body aches, headache, new loss of taste or smell, sore throat, congestion or runny nose, nausea or vomiting or diarrhea, please do not attend the meeting in person.*

Join Zoom Meeting

<https://us02web.zoom.us/j/89013306120?pwd=SUZJRzFFSDRXUVVTY0NhOXQ0c1I6QT09>

**Meeting ID: 890 1330 6120**

**Passcode: 512838**

Dial by your location

**+1 669 444 9171 US**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL:** Eng, Knoles, Paulson, Placido, Prince

**PUBLIC COMMENTS FOR ITEMS NOT ON THE AGENDA**

**UPDATES FROM CITY REPRESENTATIVES**

**CONSENT CALENDAR:** The following matters are expected to be routine and will be acted upon by a single motion with little discussion unless any Director or citizen requests a separate action:

Minutes of the Regular Board Meeting of January 12, 2026

Minutes of the Engineering and Operations Committee of January 20, 2026

Financial Statements for January 2026

Treasurer's Investment Report Dated December 31, 2025

Disbursements of the Revolving Fund Dated January 13, 2026, Check Nos. 12851-12852

Disbursements of the Revolving Fund Dated January 22, 2026, Check Nos. 12853 - 12857, EFTs and Wires

Disbursements of the Revolving Fund Dated February 05, 2026, Check Nos. 12858 – 12863, EFT and Wires

Disbursements of the Revolving Fund, Dated February 09, 2026, Check Nos. 12864 – 12866, and Wires

Disbursements of the General Fund Dated January 13 - 31, 2026, Check Nos. 45696 - 45716, and EFTs

Disbursements of the General Fund Dated February 01 - 09, 2026, Check Nos 45717 – 45755, and EFT

Disbursements of the State Water Project (SWP) Dated: January 26, 2026, Check No. 1026, in the amount of \$2,311,740.00

Visa Recap, Dated December 31, 2025 – January 20, 2026

Future Meeting Attendance Approval: None

## **PRESENTATIONS**

1. Financial Report for Fiscal Year 2024-2025
2. Delta Conveyance Project Update

## **ACTION ITEMS**

1. Amendment No. 7 Agreement for the Supply and Conveyance of Water between DWR and SGVMWD
2. 2026 Legislative Priorities and Policy

## **INFORMATION ITEMS**

External Affairs Update

## **UNFINISHED BUSINESS**

1. Report on Basin Management
2. Report on WQA
3. Report on the Attorney
4. Report on State Water Contractor/General Managers Report
5. Report on Assistant General Manager

## **COMMITTEE MEETING REPORTS**

## **DIRECTOR REPORTS ON EVENTS ATTENDED**

## **DIRECTORS' COMMENTS**

## **ADJOURNMENT**

THIS AGENDA WAS POSTED ON FEBRUARY 05, 2026, AT SGVMWD.  
THE NEXT REGULAR BOARD MEETING WILL BE ON MARCH 09, 2026.

**MINUTES  
BOARD OF DIRECTORS  
SAN GABRIEL VALLEY MUNICIPAL  
WATER DISTRICT  
REGULAR BOARD MEETING  
1402 N. VOSBURG DR. AZUSA, CA 91702  
MONDAY, JANUARY 12, 2026  
8:00 A.M.**

At 8:01 a.m. on January 12, 2026, the Board of Directors meeting was held in person at the District office, located at 1402 North Vosburg Drive, Azusa, California. While the Boardroom was open for public attendance, the District strongly encouraged attendees wanting to attend the meeting to participate in the meeting virtually through the remote Zoom link provided below. Attendees in person were asked to please maintain appropriate social distancing to the extent feasible (i.e., maintain a six-foot distance between yourself and other individuals). Face coverings were encouraged but not required for attendees.

**<https://us02web.zoom.us/j/89013306120?pwd=SUZJRzFFSDRXUVVTY0NhOXQ0c1l6QT09>**

**Meeting ID: 890 1330 6120**

**Passcode: 512838**

Dial by your location  
**+1 669 444 9171 US**

**PLEDGE OF ALLEGIANCE**

**CALL TO ORDER:**

President Placido called the meeting to order at 8:01 a.m.

**ROLL CALL:**

Directors present at Roll Call: Eng, Knoles, Paulson, Placido, Prince

**ALSO PRESENT:**

Jose Reynoso, General Manager; Steve Kiggins, Assistant General Manager; Maria “Gigi” Jarmin, Executive Assistant; Evelyn Reyes, External Affairs Manager; Kelly Gardner, Main San Gabriel Basin Watermaster; Stan Chan and Brendan Stamper, Stetson Engineers; Melissa Barbosa and Carlos Solis, City of Azusa

Via telephone/Zoom: Albert Lu, External Affairs Specialist, SGVMWD; Jim Ciampa, SGVMWD General Counsel, Lagerlof LLP; Latoya Waters, City of Alhambra

**PUBLIC COMMENTS ON NON-AGENDA ITEMS**

None.

## **UPDATES FROM THE CITY REPRESENTATIVES**

None.

### **CONSENT CALENDAR:**

Minutes of the Regular Board Meeting of December 08, 2025

Financial Statements for December 2025

Disbursements of the Revolving Fund Dated:

December 11, 2025, Check No. 12826 – 12832, EFT and Wires in the amount of \$84,311.50

December 24, 2025, Check Nos. 12833 - 12837, EFTs and Wires in the amount of \$83,469.31

January 08, 2026, Check Nos. 12838 - 12846, EFT and Wires in the amount of \$265,257.72

January 12, 2026, Check Nos. 12847 – 12850, and Wires in the amount of \$6,118.00

Disbursements of the General Fund Dated:

December 09 -31, 2025, Check Nos. 45633 – 45656, and EFTs in the amount of \$169,365.96

January 01 - 11, 2026, Check Nos. 45657 – 45695 in the amount of \$923,246.90

Disbursements for State Water Project (SWP) expense, dated: December 22, 2025, Check No. 1025, in the amount of \$536,946.00

Visa Recap

Future Meeting Attendance Approval: None

On the motion of Director Prince, seconded by Director Paulson, and unanimously carried 5-0, the Consent Calendar was approved.

Approved by the Board of Directors of the San Gabriel Valley Municipal Water District at its regular meeting held on January 12, 2026, by the following roll call vote:

Ayes: Eng, Knoles, Paulson, Placido, Prince

Noes: None

Absent: None

Abstain: None

## **ACTION ITEMS**

### **Election of Officers and Appointment of Committees and Outside Agency Representative for Calendar Year 2026**

On motion of Director Paulson, seconded by Director Placido, and unanimously carried 5-0, Director Miles Prince was elected as the District's President for 2026.

On motion of Director Paulson, seconded by Director Knoles, and unanimously carried 5-0, Director Mike Eng was elected as the District's Vice President for 2026.

On motion of Director Placido, seconded by Director Paulson, and unanimously carried 5-0, Director Bruce Knoles was re-elected as the District's Secretary for 2026.

On motion of Director Prince, seconded by Director Knoles, and unanimously carried 5-0, Director Mark Paulson was elected as the District's Treasurer for 2026.

On motion of Director Paulson, seconded by Director Prince, and unanimously carried 5-0, the remainder of the slate of appointments and the District's 2026 Committee Assignments listed below were approved.

### **2026 Officers and Appointed Representatives**

|                                                 |                                                                              |
|-------------------------------------------------|------------------------------------------------------------------------------|
| President                                       | Miles L. Prince                                                              |
| Vice-President                                  | Mike Eng                                                                     |
| Secretary                                       | Bruce H. Knoles                                                              |
| Treasurer                                       | Mark R. Paulson                                                              |
| Deputy Secretary                                | Jose Reynoso                                                                 |
| Deputy Treasurer                                | Jose Reynoso                                                                 |
| Water Quality Authority (4 yr. term, exp.2028)  |                                                                              |
| Director                                        | Mark R. Paulson (must be a Director)                                         |
| Alternate                                       | Steven T. Placido (must be a Director)                                       |
| Main San Gabriel Basin Watermaster (1 yr. term) |                                                                              |
| Director                                        | Steven T. Placido, DDS (must be a Director)<br>(No Provisions for Alternate) |
| ACWA/JPIA                                       |                                                                              |
| Director                                        | Miles L. Prince (must be a Director)                                         |
| Alternate                                       | Jose Reynoso                                                                 |
| ACWA Region 8                                   |                                                                              |
| Delegate                                        | Miles L. Prince                                                              |
| Alternate                                       | Jose Reynoso                                                                 |
| San Gabriel Valley Protective Association       | Jose Reynoso                                                                 |
| San Gabriel Valley Water Association            |                                                                              |
| Liaison                                         | Bruce H. Knoles                                                              |
| State Water Project Contractors Authority       |                                                                              |
| Liaison                                         | Jose Reynoso                                                                 |
| San Gabriel Valley Economic Partnership         | Mike Eng                                                                     |
| Independent Cities Association                  | Mark R. Paulson / Steven T. Placido, DDS /<br>Miles L. Prince                |
| San Gabriel Valley Council of Governments       | Evelyn Reyes                                                                 |
| Energy Environment Natural Resources            |                                                                              |
| San Gabriel Valley Civic Alliance               | Mike Eng                                                                     |

## 2026 District Committees

|                                    |                                          |
|------------------------------------|------------------------------------------|
| Engineering & Operations Committee | Steven T. Placido, DDS & Mark R. Paulson |
| External Affairs Committee         | Miles L. Prince & Mike Eng               |
| Administrative/Finance Committee   | Bruce H. Knoles & Mike Eng               |

Approved by the Board of Directors of the San Gabriel Valley Municipal Water District at its regular meeting held on January 12, 2026, by the following roll call vote:

Ayes: Eng, Knoles, Paulson, Placido, Prince  
Noes: None  
Absent: None  
Abstain: None

## Consideration of Approval of Authorized Per-Diem Conferences and Meetings for Calendar Year 2026

On motion of Director Eng, seconded by Director Placido, and unanimously carried 5-0, the District's 2026 Per-Diem Conference and Meetings listed below were approved.

### ACWA [acwa.com](http://acwa.com)

|                       |           |                  |
|-----------------------|-----------|------------------|
| Spring                | May 5-7   | Sacramento, CA   |
| Fall                  | Dec 1-3   | Anaheim, CA      |
| Legislative Symposium | Feb 11    | Sacramento, CA   |
| DC Annual             | Feb 24-26 | Washington D. C. |

### AWWA [awwa.org](http://awwa.org)

|                           |              |                  |
|---------------------------|--------------|------------------|
| ACE 26 Annual Conference  | Jun. 21-24   | Washington, DC   |
| AWWA Water Infrastructure | Aug 30-Sep 2 | Indianapolis, IN |

### CA-NV Section [ca-nv-awwa.org](http://ca-nv-awwa.org)

|                              |           |               |
|------------------------------|-----------|---------------|
| Water Conference of the West | April 6-9 | San Diego, CA |
| Fall Conference              | TBA       |               |

### OTHERS

|                                                                                                                                            |         |             |
|--------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------|
| <a href="http://Pipelinesconference.org">Pipelinesconference.org</a><br>UESI Pipeline Conference<br><a href="http://csda.net">csda.net</a> | Aug 1-5 | Detroit, MI |
|--------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------|

|                                                                                                 |                                            |                                  |
|-------------------------------------------------------------------------------------------------|--------------------------------------------|----------------------------------|
| CSDA Annual Conference                                                                          | Aug 24-27                                  | Palm Desert, CA                  |
| AGWA-AGWT Annual Conf.                                                                          | Feb 18-19                                  | Ontario, CA                      |
| socalwater.org<br>Quarterly Meeting<br>Annual Meeting & Dinner                                  | Jan 23, May 1, July 24<br>Oct 22           | Santa Anita Park, Arcadia<br>TBA |
| Urban Water Institute Urbanwater.com<br>Spring                                                  | Feb 25-27                                  | Indian Wells, CA                 |
| Annual Conference                                                                               | Aug 19-21                                  | San Diego, CA                    |
| San Gabriel Valley<br>Economic Partnership                                                      | TBA                                        | All Directors                    |
| San Gabriel Valley<br>Water Association                                                         | Quarterly luncheon<br>meetings, Annual BBQ | All Directors                    |
| Alhambra Education Foundation Awards Dinner and Gala                                            |                                            | TBA                              |
| Garvey Education Foundation Gala                                                                |                                            | TBA                              |
| 2025 California Water Law Symposium Jan 24<br>San Gabriel Valley<br>Civic Alliance Awards Lunch | TBA                                        | San Francisco, CA<br>TBA         |
| CORO Water Conference                                                                           | TBA                                        | TBA                              |
| Orange County Water Summit                                                                      | TBA                                        | TBA                              |
| WELL 2025 Annual Conference                                                                     | TBA                                        | TBA                              |
| WaterSmart Innovation Conference                                                                | Oct 21-23                                  | Portland, Or                     |
| Three Valleys Leadership Breakfast                                                              | Qtrly                                      | Kellogg West Conference Center   |
| Council for Watershed Health                                                                    | All Events                                 |                                  |
| Intl. LGBTQ Leaders Conference                                                                  | TBA                                        | TBA                              |
| CA Water Data Collaborative                                                                     | All Events                                 |                                  |
| Climate Resolve                                                                                 | TBA                                        | TBA                              |
| SCAG 2025 Regional Conf                                                                         | May 7-8                                    | JW Marriott Desert Springs, CA   |

|                                                                                                             |                       |                          |
|-------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------|
| CSDA: Special District Leadership Academy                                                                   | May 11-4<br>Sep 13-16 | San Diego, CA<br>SLO, CA |
| CSDA: Special District Legislative Days                                                                     | April 7               | Sacramento, CA           |
| Allianceforwaterefficiency.org<br>Water Efficiency and Conservation Symposium<br>2025 Water Reuse Symposium | Aug 4-6<br>TBA        | Chicago, IL<br>TBA       |
| Water Quality Association Convention & Exposition                                                           | Apr 28-30             | Miami Beach, FL          |
| Rogue Water Lab: Catalyst                                                                                   | TBA                   | TBA                      |

### **Authorization to issue a Request for Proposals for Portable Chemical Dosing Unit for Golden Mussel Treatment**

General Manager Jose Reynoso presented a request to issue a Request for Proposals (RFP) for a portable chemical dosing unit to address Golden Mussel concerns in the District's Devils Canyon-Azusa pipeline. The County has made this pretreatment a condition before it will lift its prohibition on importing water from the State Water Project into the County. The proposed system would use EarthTec, a copper-based treatment that has proven effective in other water systems, including those used by San Bernardino Valley Municipal Water District and AVEK.

The Board discussed several concerns, including the need for possible County approval of the treatment method, timing, and effectiveness metrics. Mr. Reynoso clarified that the proposal is for the equipment only at this stage, not the actual implementation, with a potential 20-week lead time for equipment. The system would be designed to deliver a chemical dose of 1-3 parts per million at Devils Canyon. San Bernardino Municipal Water District is supportive, and a cost-sharing agreement is being developed. General Manager Reynoso stated the primary goal is to protect infrastructure and prevent infestation of the Golden Mussels while meeting County requirements for the resumption of water flows.

On motion of Director Knoles, seconded by Director Paulson, and unanimously carried 5-0, the Board approves the Authorization to issue a Request for Proposals for Portable Chemical Dosing Unit for Golden Mussel Treatment.

### **Resolution No. 01-2026-858 in Support of Pure Water Southern California**

General Manager Reynoso introduced this item and reviewed the contents of the resolution included in the Board meeting materials. President Prince directed attention to the final paragraph of the resolution, supporting the Pure Water Southern California project. He stated that resolution specifically noted that it does not constitute approval for use of District facilities, obligate the District to participate in the project, waive any rights, or limit Board discretion on future proposals.

Evelyn Reyes mentioned that Upper District requested this show of regional support as the Metropolitan Water District Board will be considering approval of the project's Environmental Impact Report in February.

Kelly Gardner from Watermaster also added the project has three proposed sizes (45 MGD, 75 MGD, and 150 MGD), with full implementation of the 150 MGD option estimated for 2045, approximately 12-14 years in the future.

On motion of Director Knoles, seconded by Director Eng, and unanimously carried 5-0, the Board approved Resolution No. 01-2026-858 in Support of Pure Water Southern California.

Approved by the Board of Directors of the San Gabriel Valley Municipal Water District at its regular meeting held on January 12, 2026, by the following roll call vote:

Ayes: Eng, Knoles, Paulson, Placido, Prince  
Noes: None  
Absent: None  
Abstain: None

## **INFORMATION ITEMS**

### **EXTERNAL AFFAIRS UPDATE**

External Affairs Report was included in the Agenda Packet.

External Affairs Manager Evelyn Reyes reported on the legislative calendar, the state budget, and water-related funding. She noted the state budget shortfall is now projected at \$2.9 billion rather than the initially reported \$18 billion. The governor allocated \$68 million for addressing subsidence issues in the Central Valley, though the State Water Contractors, Inc. had requested \$150 million annually for 15 years.

### **REPORT ON BASIN MANAGEMENT**

Ms. Gardner reported Watermaster's Board met on January 7 and passed resolutions similar to the one approved by the Board supporting Pure Water Southern California. She thanked General Manager Reynoso and External Affairs Manager Reyes for coordinating meetings with legislators regarding the Golden Mussel issue.

### **REPORT OF WQA**

Director Paulson reported that Mayor Robert Gonzalez from Azusa was reelected as the WQA representative, and Mayor Jeff Maloney from City of Alhambra was elected as the alternate.

## **REPORT OF THE ATTORNEY**

General Counsel Ciampa reported on a recent Court of Appeal decision issued on December 31 regarding the Department of Water Resources' 2020 validation action for bond issuance. The appellate court affirmed the trial court's decision that ruled against DWR, finding that the definition of facilities in the 2020 resolution was too broad and ambiguous. DWR had subsequently adopted a revised bond issuance resolution in January 2025, which included a more specific definition of the Delta Conveyance Program, and the validation action on that resolution is now pending in the trial court. A previously proposed budget trailer bill would have addressed these validation issues but did not pass. At this point, it is not known what DWR's next step will be with respect to the 2020 validation action.

## **REPORT OF THE STATE WATER CONTRACTOR/GENERAL MANAGERS REPORT**

The General Manager's Report was included in the Agenda Packet.

The General Manager reported that the State Water Contractors are focusing on subsidence issues and reviewing DWR's statement of charges. The District may be eligible for a refund related to recreation costs that should not have been charged to the contractors.

Mr. Reynoso continues to meet with the County and responsible agencies in regard to the Golden Mussel issue. He has requested a one-on-one meeting with the Director of Public Works to discuss potential health and safety-impacts if water flows are not restored. The District is actively engaging elected officials at state and federal levels to educate them on imported water's crucial role in the region's water supply.

Mr. Reynoso also noted that reservoirs are filling quickly with recent storms, though the State Water Project allocation remains at 10%. He is developing relationships with other State Water Contractors to potentially purchase additional water if the Golden Mussel issue can be resolved.

## **REPORT OF THE ASSISTANT GENERAL MANAGER**

The Assistant General Manager's Report was included in the Agenda Packet.

The Assistant General Manager reported the District currently has about 3,300 acre-feet of carryover water stored in San Luis Reservoir, including 2,100 acre-feet from the 5,000 acre-feet purchased from Metropolitan. The North Sierra precipitation remains low. Currently, the only water delivery is 9 CFS to Covina Valley Water Company, as deliveries to the Committee of 9 canal stopped in late December due to anticipated storm turbidity.

## **COMMITTEE MEETING REPORTS**

None.

## **DIRECTOR REPORTS ON EVENTS ATTENDED**

None.

## **DIRECTORS COMMENTS**

Newly elected President Miles Prince thanked the Board for their trust and looked forward to working together in the coming year.

## **ADJOURNED**

The meeting was adjourned at 9:57 a.m. The next Regular Board Meeting of the San Gabriel Valley Municipal Water District's Board of Directors will be on February 09, 2026, at 8:00 a.m.

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Miles L. Prince  
President

ATTEST:

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Bruce H Knoles  
Secretary

**MINUTES OF THE SPECIAL MEETING  
SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT  
ENGINEERING AND OPERATIONS COMMITTEE  
TUESDAY, JANUARY 20, 2026  
8:00 AM**

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**CALL TO ORDER:** The meeting was called to order at 8:00 a.m.

**ROLL CALL:** Director Placido; Director Paulson; Jose Reynoso, General Manager;  
Steve Kiggins, Assistant General Manager; Albert Lu, External Affairs  
Specialist

**PUBLIC COMMENTS FOR ITEMS NOT ON THE AGENDA**

None.

**DISCUSSION ITEMS**

**Importing Non-State Water Project Water**

The Committee discussed a potential agreement with Silvertip to import non-State Water Project water. Three Valleys Municipal Water District approached the District about wheeling water for them. The proposal would allow for importing up to 12,000 acre-feet annually over a 26-year term, with the District receiving 10% of the water as payment for conveyance.

Key concerns discussed included the excessive 26-year contract length, with the Committee preferring a shorter initial term with renewal options. The Committee also noted that State Water Project allocations would take priority over this agreement.

The Committee directed staff to discuss modified terms with Silvertip and Watermaster, then bring the revised proposal back for review before advancing to the full Board.

**Other**

Staff provided updates on potential Table A water purchases from other State Water Contractors and recent outreach efforts with elected officials on the golden mussels issue.

**ADJOURNMENT**

The Committee was adjourned at 8:58 a.m.

# San Gabriel Valley Municipal Water District

## Balance Sheet

As of January 31, 2026

|                                                     | Jan 31, 26           |
|-----------------------------------------------------|----------------------|
| <b>ASSETS</b>                                       |                      |
| <b>Current Assets</b>                               |                      |
| <b>Checking/Savings</b>                             |                      |
| 1001 · General Fund Bank of America                 | 2,348,194.93         |
| 1002 · SWP Fund Account                             | 4,311,176.21         |
| 1005 · Revolving Cash Fund                          | 174,327.07           |
| 1008 · Petty Cash                                   | 442.00               |
| 1009 · LAIF                                         | 18,912,681.04        |
| 1009.01 · LAIF FMV Adjustment                       | 18,419.33            |
| 1011 · UBS Resource Management Account              |                      |
| 1012 · Cash with Broker                             | 45,367.42            |
| 1013 · Certificates of Deposit                      | 10,043,185.36        |
| 1011 · UBS Resource Management Account - Other      | 1,736.05             |
| <b>Total 1011 · UBS Resource Management Account</b> | <b>10,090,288.83</b> |
| 1014 · UBS Accrued Interest                         | -49,389.21           |
| <b>Total Checking/Savings</b>                       | <b>35,806,140.20</b> |
| <b>Accounts Receivable</b>                          |                      |
| 1603 · Accounts Receivable                          | -14,509.62           |
| <b>Total Accounts Receivable</b>                    | <b>-14,509.62</b>    |
| <b>Other Current Assets</b>                         |                      |
| 1606 · Interest Receivable                          | 42,266.69            |
| 1620 · Prepaid Expenses                             | 450,263.87           |
| 1660 · Water Inventory                              | 2,091,641.18         |
| <b>Total Other Current Assets</b>                   | <b>2,584,171.74</b>  |
| <b>Total Current Assets</b>                         | <b>38,375,802.32</b> |
| <b>Fixed Assets</b>                                 |                      |
| 1701 · State Water Project Engineering              | 156,789.28           |
| 1701.1 · Accum Ammort - State Water Proj            | -4,763,900.00        |
| 1702 · State Water Prj Wtr Cntrct Pmts              | 5,627,376.00         |
| 1750 · SCADA 2013                                   | 966,165.05           |
| 1750.1 · Accum Depreciaton - SCADA 13               | -860,054.86          |
| 1801 · Pipeline                                     | 29,332,843.85        |
| 1801.1 · Accum Depreciation - Pipeline              | -17,582,240.96       |
| 1840 · SCADA Telemetry                              | 48,442.01            |
| 1840.1 · Accum Depreciation -SCADA                  | -16,346.98           |
| 1860 · Repaving                                     | 57,202.52            |
| 1860.1 · A/D Paving                                 | -1,480.21            |
| 1861 · Computer                                     | 15,335.25            |
| 1861.1 · A/D Computers                              | -4,915.73            |
| 1862 · Safety - Protection                          | 47,955.32            |
| 1862.1 · A/D Safety Project Assets                  | -3,594.04            |
| 1863 · SanDimas Hydro Deflec Batteries              | 35,595.25            |
| 1863.1 · A/D San Dimas Hydro                        | -16,905.16           |
| 1901 · Land                                         | 735,931.46           |
| 1902 · Buildings                                    | 2,404,626.42         |
| 1902.1 · Accum Depr - Buildings                     | -2,312,374.03        |
| 1904 · Furniture and Fixtures                       | 183,038.15           |
| 1904.1 · Accum Depr - Furn and Fixtures             | -140,646.92          |
| 1907 · Vehicles                                     | 394,227.88           |
| 1907.1 · Accum Depr - Vehicles                      | -215,428.02          |
| 1910 · Pipeline Misc Equipment                      | 242,527.17           |
| 1910.1 · Accum Depr - Pipeline Misc Equi            | -154,221.68          |
| 1920 · Construction in Process                      | 212,575.13           |
| 1923 · Hydroelectric Facility San Dima              | 1,386,349.71         |
| 1923.1 · Accum Depr Hydro Elect San D               | -118,434.85          |
| 1925 · Roof                                         | 70,375.47            |
| 1925.1 · A/D Roof                                   | -24,575.16           |

**San Gabriel Valley Municipal Water District**  
**Balance Sheet**  
As of January 31, 2026

|                                          | Jan 31, 26           |
|------------------------------------------|----------------------|
| Total Fixed Assets                       | 15,702,237.32        |
| Other Assets                             |                      |
| 1925.04 · Monterey Park ADV NR Discount  | -322,824.00          |
| 1927.01 · Sierra Madre NR Discount       | -115,711.00          |
| 1931 · City Of Monterey Park Loan 2021   | 3,200,000.00         |
| 1931.1 · Monterey Part Note Rec Short Te | 400,000.00           |
| 1932 · City Of Sierra Madre 2020 Loan    | 1,890,000.00         |
| 1933 · City of Azusa 2024 Loan           | 3,400,000.00         |
| 1998.99 · Deferred Outflows -OPEB        | 836,335.00           |
| 1999.99 · 1999.Deferred Outflows of Res  | 795,201.00           |
| Total Other Assets                       | 10,083,001.00        |
| <b>TOTAL ASSETS</b>                      | <b>64,161,040.64</b> |
| <b>LIABILITIES &amp; EQUITY</b>          |                      |
| Liabilities                              |                      |
| Current Liabilities                      |                      |
| Accounts Payable                         |                      |
| 2001 · Accounts Payable                  | 137,038.56           |
| Total Accounts Payable                   | 137,038.56           |
| Other Current Liabilities                |                      |
| 2010 · Accrued Payroll - V&SL            | 423,014.75           |
| 24000 · Payroll Liabilities              | -143.26              |
| Total Other Current Liabilities          | 422,871.49           |
| Total Current Liabilities                | 559,910.05           |
| Long Term Liabilities                    |                      |
| 1698.99 · Deferred Inflows- OPEB         | 3,624.00             |
| 1699.99 · Deferred Inflow of Resources   | 281,398.00           |
| 2209 · Other Post-Employment Benefits    | 2,361,139.65         |
| 2219.99 · Net Pension Liability          | 1,379,789.00         |
| Total Long Term Liabilities              | 4,025,950.65         |
| Total Liabilities                        | 4,585,860.70         |
| Equity                                   |                      |
| 2301 · Fund Balance                      | 4,336,849.73         |
| 2302 · San Bernardino Contribution       | 1,781,730.83         |
| 2970 · Retained Earnings                 | 52,391,763.88        |
| 2973 · Contribution Aid Capital          | 1,280,323.11         |
| Net Income                               | -215,487.61          |
| Total Equity                             | 59,575,179.94        |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>    | <b>64,161,040.64</b> |

# San Gabriel Valley Municipal Water District

## Income Statement - Actual vs. Budget

January 2026

|                                        | Jan 26       | Budget       | Jul '25 - Jan 26 | YTD Budget    | Annual Budget |
|----------------------------------------|--------------|--------------|------------------|---------------|---------------|
| Ordinary Income/Expense                |              |              |                  |               |               |
| Income                                 |              |              |                  |               |               |
| General Operations                     |              |              |                  |               |               |
| 3002 · Property Tax Revenue            | 653,659.08   | 525,000.00   | 3,412,019.48     | 3,675,000.00  | 6,300,000.00  |
| 3003 · Water Sales                     | 29,867.80    | 166,667.00   | 157,187.00       | 1,166,669.00  | 2,000,000.00  |
| 3004 · Interest Income                 | 232,551.71   | 74,310.00    | 575,909.42       | 520,170.00    | 891,725.00    |
| 3005 · Ready to Serve Revenue          | 990.00       | 990.00       | 6,930.00         | 6,930.00      | 11,880.00     |
| 3006 · RDA Prop Tax Trust Fund Alloc   | 282,823.77   | 58,333.00    | 664,598.19       | 408,331.00    | 700,000.00    |
| 3008 · SBVMWD Pipeline Maintenance Rev | 0.00         | 2,500.00     | 0.00             | 17,500.00     | 30,000.00     |
| 3016 · Unrealized Gain (Loss) on Inves | 7,147.65     | 49,316.95    | 23,049.13        | 219,667.65    | 233,945.93    |
| 3022 · Realized Gain (Loss) on Investm | 0.00         |              | 10,669.87        |               |               |
| Total General Operations               | 1,207,040.01 | 877,116.95   | 4,850,363.09     | 6,014,267.65  | 10,167,550.93 |
| Power Revenue Sales                    |              |              |                  |               |               |
| 3210 · Hydro Power Sales               | 0.00         | 7,500.00     | 44,087.40        | 52,500.00     | 90,000.00     |
| Total Power Revenue Sales              | 0.00         | 7,500.00     | 44,087.40        | 52,500.00     | 90,000.00     |
| Restricted Revenue - SWP               |              |              |                  |               |               |
| 3306 · Tax Revenue - State Water Proje | 1,108,217.31 | 875,000.00   | 5,647,905.25     | 6,125,000.00  | 10,500,000.00 |
| Total Restricted Revenue - SWP         | 1,108,217.31 | 875,000.00   | 5,647,905.25     | 6,125,000.00  | 10,500,000.00 |
| Total Income                           | 2,315,257.32 | 1,759,616.95 | 10,542,355.74    | 12,191,767.65 | 20,757,550.93 |
| Gross Profit                           | 2,315,257.32 | 1,759,616.95 | 10,542,355.74    | 12,191,767.65 | 20,757,550.93 |
| Expense                                |              |              |                  |               |               |
| Hydro Expenses                         |              |              |                  |               |               |
| 4402 · Salaries - Hydro                | 0.00         | 1,300.00     | 4,224.63         | 9,100.00      | 15,600.00     |
| 4403 · Hydro Maintenance Materials     | 0.00         | 2,083.00     | 4,199.91         | 14,581.00     | 25,000.00     |
| 4406 · Hydro So Cal Edison (8800)      | 0.00         | 833.00       | 3,229.96         | 5,831.00      | 10,000.00     |
| Total Hydro Expenses                   | 0.00         | 4,216.00     | 11,654.50        | 29,512.00     | 50,600.00     |
| Restricted Expense                     |              |              |                  |               |               |
| 4510 · State Project Expense           | 2,311,740.00 | 791,667.00   | 6,662,328.00     | 5,541,669.00  | 9,500,000.00  |
| 4511 · State Project Amortization      | -8,034.00    | 8,083.00     | -56,238.00       | 56,581.00     | 97,000.00     |
| 4591 · State Project Cost of Water Adj | -31,941.00   | 3,297.00     | -191,649.00      | 19,782.00     | 76,206.00     |
| Total Restricted Expense               | 2,271,765.00 | 803,047.00   | 6,414,441.00     | 5,618,032.00  | 9,673,206.00  |
| Riverside Facility                     |              |              |                  |               |               |
| 4300 · Salaries - Riverside            | 751.52       | 833.00       | 5,855.16         | 5,831.00      | 10,000.00     |
| 4301 · Riverside Maintenance and Mater | 221.01       | 1,250.00     | 1,603.46         | 8,750.00      | 15,000.00     |
| Total Riverside Facility               | 972.53       | 2,083.00     | 7,458.62         | 14,581.00     | 25,000.00     |
| Unrestricted G.O. Expenses             |              |              |                  |               |               |
| 4001 · Director Fees                   | 5,600.00     | 5,000.00     | 22,800.00        | 35,000.00     | 60,000.00     |
| 4010 · Salaries- Administrative        | 205,525.58   | 53,542.00    | 523,054.09       | 374,794.00    | 642,500.00    |
| 4014 · Field Supervision               | 19,801.60    | 21,020.00    | 137,199.70       | 147,140.00    | 252,245.00    |
| 4020 · Salaries Office                 | 18,856.62    | 19,746.00    | 130,071.51       | 138,222.00    | 236,950.00    |
| 4021 · External Affairs Wages          | 12,326.40    | 13,328.00    | 90,012.12        | 93,296.00     | 159,937.00    |
| 4022 · Part Time Employee              | 0.00         | 0.00         | 0.00             | 0.00          | 0.00          |
| 4023 · External Affairs Specialist     | 6,920.00     | 7,496.00     | 48,051.20        | 52,472.00     | 89,952.00     |
| 4027 · Office Supplies - Equipment Mai | 1,000.49     | 3,667.00     | 23,580.86        | 25,669.00     | 44,000.00     |
| 4029 · Election Expenses               | 0.00         |              | 0.00             | 0.00          | 0.00          |
| 4031 · Legal Services                  | 2,925.00     | 4,167.00     | 24,914.58        | 29,169.00     | 50,000.00     |
| 4032 · State Water Contract Services   | 0.00         | 3,917.00     | 10,853.34        | 27,419.00     | 47,000.00     |
| 4033 · Public Relations                | 2,282.18     | 11,250.00    | 47,788.66        | 78,750.00     | 135,000.00    |
| 4034 · Governmental Relations Consulti | 8,130.00     | 8,167.00     | 58,041.39        | 57,169.00     | 98,000.00     |
| 4035 · Consulting & Engineering Expens | 11,646.00    | 83,333.00    | 118,807.78       | 583,331.00    | 1,000,000.00  |
| 4036 · Medicare Tax Expense            | 4,304.30     | 2,000.00     | 16,582.68        | 14,000.00     | 24,000.00     |
| 4039 · PERS - Retirement Expenses      | 17,746.10    | 36,405.00    | 210,379.58       | 254,835.00    | 436,861.00    |

# San Gabriel Valley Municipal Water District

## Income Statement - Actual vs. Budget

January 2026

|                                           | Jan 26              | Budget              | Jul '25 - Jan 26     | YTD Budget           | Annual Budget        |
|-------------------------------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| 4039.99 · GASB 68 Contra Income Adj Acct  | 0.00                | 0.00                | 0.00                 | 0.00                 | 0.00                 |
| 4040 · Social Security Tax Expense        | 18,404.65           | 7,294.00            | 56,169.67            | 51,058.00            | 87,528.00            |
| 4041 · State Compensation Fund            | -708.84             | 2,167.00            | 14,632.10            | 15,169.00            | 26,000.00            |
| 4042 · State Unemployment Insurance Ta    | 1,096.32            | 146.00              | 1,301.26             | 1,022.00             | 1,750.00             |
| 4043 · Health Insurance Expense           | 0.00                | 38,562.00           | 150,323.72           | 269,934.00           | 462,741.00           |
| 4044 · Dental/ Vision Benefit Expense     | 15,084.57           | 7,500.00            | 41,926.59            | 52,500.00            | 90,000.00            |
| 4045 · Insurance - Liability, Casualty    | 0.00                | 6,450.00            | 45,701.77            | 45,150.00            | 77,403.00            |
| 4046 · Blue Cross Employee Reimburseme    | 9,289.09            | 7,500.00            | 61,324.63            | 52,500.00            | 90,000.00            |
| 4048 · Life Insurance                     | 0.00                | 420.00              | 1,533.20             | 2,940.00             | 5,040.00             |
| 4050 · Dues and Associations              | 220.00              | 8,333.00            | 39,844.34            | 58,331.00            | 100,000.00           |
| 4051 · Travel and Conferences -Dir        | 221.43              | 2,083.00            | 9,317.54             | 14,581.00            | 25,000.00            |
| 4052 · Publications and Periodicals       | 0.00                | 25.00               | 0.00                 | 175.00               | 300.00               |
| 4053 · State Water Contractors Audit      | 0.00                | 917.00              | 11,351.00            | 6,419.00             | 11,000.00            |
| 4054 · Financial Audit Expense            | 2,229.14            | 1,667.00            | 19,997.64            | 11,669.00            | 20,000.00            |
| 4055 · Travel & Conference -Staff         | 2,240.45            | 2,500.00            | 15,046.22            | 17,500.00            | 30,000.00            |
| 4057 · Taxes - Annual Fee                 | 0.00                | 5,667.00            | 66,690.09            | 39,669.00            | 68,000.00            |
| 4058 · Tax Collection Fees                | 0.00                | 3,458.00            | 5,625.32             | 24,206.00            | 41,500.00            |
| 4059 · Property Tax Expense               | 0.00                | 71.00               | 830.91               | 497.00               | 850.00               |
| 4060 · Telephone Expense                  | 2,823.07            | 2,500.00            | 16,037.94            | 17,500.00            | 30,000.00            |
| 4061 · Utilities - Gas, Electric, and     | 2,057.87            | 2,000.00            | 12,287.25            | 14,000.00            | 24,000.00            |
| 4063 · Safety Program                     | 0.00                | 1,667.00            | 1,948.62             | 11,669.00            | 20,000.00            |
| 4065 · Water Conservation/Rebates Prog    | 3,718.00            | 14,583.00           | 22,447.00            | 102,081.00           | 175,000.00           |
| 4067 · OPEB -Other Post Employment Ben    | 23,333.33           | 65,000.00           | 616,666.65           | 455,000.00           | 780,000.00           |
| 4090 · SWP Transportation Cost            | 0.00                | 187,500.00          | 1,646,749.79         | 1,312,500.00         | 2,250,000.00         |
| 4093 · Uniform and Material Rentals       | 285.84              | 333.00              | 2,104.30             | 2,331.00             | 4,000.00             |
| 4095 · Vehicle Maintenance, Operating     | 1,866.30            | 2,917.00            | 24,808.98            | 20,419.00            | 35,000.00            |
| 4096 · Communication Expense              | 320.00              | 2,860.00            | 5,373.77             | 20,020.00            | 34,320.00            |
| 4099 · Facility Maintenance               | 2,732.06            | 4,000.00            | 33,990.06            | 28,000.00            | 48,000.00            |
| 4100 · Salaries - Field Workers           | 27,067.32           | 32,520.00           | 181,922.06           | 227,640.00           | 390,234.00           |
| 4108 · Grounds Maintenance and Materia    | 10,633.34           | 3,750.00            | 24,035.14            | 26,250.00            | 45,000.00            |
| 4112 · Depreciation Expense               | -53,519.00          | 0.00                | -374,633.00          | 0.00                 | 0.00                 |
| 4113 · Pipeline Maintenance & Material    | 6,810.00            | 8,333.00            | 24,857.15            | 58,331.00            | 100,000.00           |
| 4114 · SCADA Maintence                    | 733.30              | 1,667.00            | 8,604.43             | 11,669.00            | 20,000.00            |
| 4120 · Grants                             | 50,800.00           | 452,500.00          | 72,892.40            | 3,167,500.00         | 5,430,000.00         |
| <b>Total Unrestricted G.O. Expenses</b>   | <b>444,802.51</b>   | <b>1,149,928.00</b> | <b>4,323,846.03</b>  | <b>8,049,496.00</b>  | <b>13,799,111.00</b> |
| 4067.99 · GASB 75 Contra Income Expense - | 0.00                | 0.00                | 0.00                 | 0.00                 | 0.00                 |
| 66000 · Payroll Expenses                  | 0.00                |                     | 443.20               | 2,173.80             | 2,173.80             |
| 66900 · Reconciliation Discrepancies      | 0.00                | 0.00                | 0.00                 | 0.00                 | 0.00                 |
| <b>Total Expense</b>                      | <b>2,717,540.04</b> | <b>1,959,274.00</b> | <b>10,757,843.35</b> | <b>13,713,794.80</b> | <b>23,550,090.80</b> |
| <b>Net Ordinary Income</b>                | <b>-402,282.72</b>  | <b>-199,657.05</b>  | <b>-215,487.61</b>   | <b>-1,522,027.15</b> | <b>-2,792,539.87</b> |
| <b>Other Income/Expense</b>               |                     |                     |                      |                      |                      |
| Other Expense                             |                     |                     |                      |                      |                      |
| 4700 · Interest Expense                   | 0.00                |                     | 0.00                 | 0.00                 | 0.00                 |
| 6001 · COVID-19 Expense                   | 0.00                |                     | 0.00                 |                      |                      |
| <b>Total Other Expense</b>                | <b>0.00</b>         |                     | <b>0.00</b>          | <b>0.00</b>          | <b>0.00</b>          |
| <b>Net Other Income</b>                   | <b>0.00</b>         |                     | <b>0.00</b>          | <b>0.00</b>          | <b>0.00</b>          |
| <b>Net Income</b>                         | <b>-402,282.72</b>  | <b>-199,657.05</b>  | <b>-215,487.61</b>   | <b>-1,522,027.15</b> | <b>-2,792,539.87</b> |

## San Gabriel Valley Municipal Water District

TREASURERS INVESTMENT REPORT  
(Activity ending December 31, 2025)

Report Date December 31, 2025

## Account EMO5573

| CUSIP#    | ACCT.<br>NO. | QUANTITY<br>PURCHASED | BANKING<br>INSTITUTION   | RATE       | DATE OF<br>PURCHASE | DATE OF<br>MATURITY | RATE OF<br>INTEREST | YIELD TO<br>MATURITY | INTEREST<br>REC'D TTD | QUANTITY<br>PURCHASED |
|-----------|--------------|-----------------------|--------------------------|------------|---------------------|---------------------|---------------------|----------------------|-----------------------|-----------------------|
| 05890QCP7 | 1013         | \$240,000             | BANC OF CALIFORNIA CA US | Fixed Rate | 10/07/2024          | 10/07/2025          | 3.900%              | 3.900%               | \$ 9,360.00           | MATURED               |
| 028402DD4 | 1013         | \$240,000             | AMER NATL BK OMA NE US   | Fixed Rate | 09/20/2024          | 09/18/2026          | 4.400%              | 4.400%               | \$ 11,427.99          | MATURED               |
| 90355UKF1 | 1013         | \$240,000             | US BK NA HO US           | Fixed Rate | 01/14/2025          | 01/03/2028          | 4.400%              | 4.400%               | \$ 7,898.30           | MATURED               |
| 13934CBX4 | 1013         | \$240,000             | CAPE COD FIVE CENT MA US | Fixed Rate | 02/26/2025          | 03/26/2027          | 4.350%              | 4.350%               | \$ 7,007.67           | MATURED               |
| 06279MEE8 | 1013         | \$240,000             | BANK OF INDIA NY US      | Fixed Rate | 12/27/2024          | 12/03/2024          | 4.100%              | 4.100%               | \$ 9,192.99           | MATURED               |
| 67054NBD4 | 1013         | \$240,000             | NUMERICA CREDIT UN WA US | Fixed Rate | 12/29/2022          | 12/29/2025          | 4.750%              | 4.750%               | \$ 33,263.07          | MATURED               |
| 867352BR6 | 1013         | \$240,000             | SUNFLOWER BK NA CO CO US | Fixed Rate | 12/30/2024          | 12/30/2025          | 4.400%              | 4.400%               | \$ 10,560.04          | MATURED               |
| 90353EBF9 | 1013         | \$240,000             | USF FED CREDIT UNI FL US | Fixed Rate | 03/28/2024          | 03/29/2027          | 5.250%              | 5.250%               | \$ 20,091.02          | MATURED               |
| 32022WDU7 | 1013         | \$240,000             | FIRST FEDERAL BANK FL US | Fixed Rate | 02/03/2025          | 02/03/2028          | 4.600%              | 4.600%               | \$ 9,194.95           | MATURED               |
| 350921AE2 | 1013         | \$200,000             | FOUR CORNERS CMNTY NM US | Fixed Rate | 06/05/2025          | 06/05/2030          | 4.400%              | 4.400%               | \$ 4,412.07           | MATURED               |
| 919853ND9 | 1013         | \$240,000             | VALLEY NATL BK NJ US     | Fixed Rate | 07/30/2024          | 01/30/2026          | 4.600%              | 4.600%               | \$ 11,040.00          | \$240,000             |
| 84614AAM1 | 1013         | \$240,000             | SPACE COAST CREDIT FL US | Fixed Rate | 02/20/2025          | 02/20/2026          | 4.300%              | 4.300%               | \$ 8,567.00           | \$240,000             |
| 60685BVH1 | 1013         | \$240,000             | MIZRAHI TEFAHOT BK CA US | Fixed Rate | 12/30/2025          | 04/03/2026          | 3.800%              | 3.800%               | \$ -                  | \$240,000             |
| 90348JG53 | 1013         | \$240,000             | UBS BANK UT US           | Fixed Rate | 04/07/2021          | 04/07/2026          | 0.950%              | 0.950%               | \$ 10,262.72          | \$240,000             |
| 90407LAL7 | 1013         | \$240,000             | UNMASSIVE COLLEGE MA US  | Fixed Rate | 11/22/2024          | 05/22/2026          | 4.200%              | 4.200%               | \$ 10,908.48          | \$240,000             |
| 39573LBL1 | 1013         | \$245,000             | GREENSTATE CREDIT IA US  | Fixed Rate | 06/16/2021          | 06/16/2026          | 0.950%              | 0.950%               | \$ 9,466.23           | \$245,000             |
| 89235MLE9 | 1013         | \$240,000             | TOYOTA FINL SVG BK NV US | Fixed Rate | 07/29/2021          | 07/29/2026          | 0.950%              | 0.950%               | \$ 7,976.91           | \$240,000             |
| 028402DD4 | 1013         | \$240,000             | GOLDMAN SACHS BANK UT US | Fixed Rate | 07/29/2021          | 07/29/2026          | 0.950%              | 0.950%               | \$ -                  | \$240,000             |
| 97412MCJ6 | 1013         | \$240,000             | WINGS FINL CREDIT MN US  | Fixed Rate | 12/08/2025          | 09/08/2026          | 3.850%              | 3.850%               | \$ -                  | \$240,000             |
| 32065RAW5 | 1013         | \$240,000             | FIRST KEYSTONE CMN PA US | Fixed Rate | 10/08/2024          | 10/08/2026          | 4.100%              | 4.100%               | \$ 11,484.54          | \$240,000             |
| 9475473L7 | 1013         | \$240,000             | WEBANK UT US             | Fixed Rate | 11/13/2024          | 11/18/2026          | 4.400%              | 4.400%               | \$ 11,427.99          | \$240,000             |
| 61765Q6N4 | 1013         | \$240,000             | MORGAN STANLEY BK UT US  | Fixed Rate | 11/19/2022          | 11/19/2026          | 1.100%              | 1.100%               | \$ 10,567.23          | \$240,000             |
| 33651FAR0 | 1013         | \$240,000             | FIRST SOURCE FED C N US  | Fixed Rate | 12/23/2026          | 23/23/2026          | 3.8000%             | 3.800%               | \$ 5,294.47           | \$240,000             |
| 17290G6V4 | 1013         | \$240,000             | CITIBANK NA NY US        | Fixed Rate | 03/26/2025          | 02/26/2027          | 4.350%              | 4.350%               | \$ 5,177.10           | \$240,000             |
| 37892MBA1 | 1013         | \$240,000             | GLOBAL FED CREDIT AK US  | Fixed Rate | 08/29/2025          | 03/01/2027          | 4.050%              | 4.050%               | \$ 3,302.12           | \$240,000             |
| 130162BS8 | 1013         | \$240,000             | CALIFORNIA CREDIT CA US  | Fixed Rate | 09/19/2025          | 03/19/2027          | 3.950%              | 3.950%               | \$ -                  | \$240,000             |
| 50625LAZ6 | 1013         | \$240,000             | LAFAYETTE FED CRED MD US | Fixed Rate | 03/30/2022          | 03/30/2027          | 2.400%              | 2.400%               | \$ 20,672.88          | \$240,000             |
| 27002YHM1 | 1013         | \$240,000             | EAGLEBANK MD US          | Fixed Rate | 04/16/2025          | 04/16/2027          | 4.050%              | 4.050%               | \$ 6,497.72           | \$240,000             |
| 64017ABR4 | 1013         | \$240,000             | NEIGHBORS FED CRED LA US | Fixed Rate | 04/21/2025          | 04/21/2027          | 4.050%              | 4.050%               | \$ 6,497.72           | \$240,000             |
| 25529LAC6 | 1013         | \$200,000             | DIVERSIFIED MEMBER MI US | Fixed Rate | 04/30/2025          | 04/30/2025          | 4.250%              | 4.250%               | \$ 5,682.20           | \$200,000             |
| 61768U4Z7 | 1013         | \$240,000             | MORGAN STANLEY PRI NY US | Fixed Rate | 06/30/2022          | 06/30/2027          | 3.750%              | 3.750%               | \$ 27,024.66          | \$240,000             |
| 064236CR1 | 1013         | \$240,000             | BANK OF OLD MONROE MO US | Fixed Rate | 06/30/2025          | 07/12/2027          | 4.250%              | 4.250%               | \$ 4,275.62           | \$240,000             |
| 44330U3E0 | 1013         | \$240,000             | HSBS BK USA VA US        | Fixed Rate | 08/30/2024          | 08/23/2027          | 4.200%              | 4.200%               | \$ 10,135.23          | \$240,000             |
| 46659CJM3 | 1013         | \$240,000             | JPMORGAN CHASE BK OH US  | Fixed Rate | 10/07/2025          | 10/07/2027          | 3.8500%             | 3.850%               | \$ -                  | \$240,000             |
| 89388CKT4 | 1013         | \$240,000             | TAB BANK INC UT US       | Fixed Rate | 10/15/2025          | 10/15/2027          | 3.600%              | 3.600%               | \$ 1,443.95           | \$240,000             |
| 44042WDJ3 | 1013         | \$240,000             | HORIZON BK NA IN US      | Fixed Rate | 12/03/2025          | 12/03/2027          | 3.800%              | 3.800%               | \$ -                  | \$240,000             |
| 72221MAF0 | 1013         | \$240,000             | PINAL CNTY FED CRE AZ US | Fixed Rate | 12/13/2024          | 12/13/2027          | 4.600%              | 4.600%               | \$ 11,039.98          | \$240,000             |
| 21677HAB6 | 1013         | \$240,000             | COOPER ST CR AZ US       | Fixed Rate | 02/11/2025          | 02/11/2028          | 4.600%              | 4.600%               | \$ 9,164.70           | \$240,000             |

**San Gabriel Valley Municipal Water District****TREASURERS INVESTMENT REPORT  
(Activity ending December 31, 2025)****Report Date December 31, 2025**

|                            |      |           |                          |            |            |            |         |         |    |           |              |
|----------------------------|------|-----------|--------------------------|------------|------------|------------|---------|---------|----|-----------|--------------|
| 92512KAJ2                  | 1013 | \$240,000 | VERSABANK USA NA MN US   | Fixed Rate | 10/10/2025 | 04/10/2025 | 3.650%  | 3.650%  | \$ | -         | \$240,000    |
| 25844MCJ5                  | 1013 | \$240,000 | DORT FINL CREDIT U MI US | Fixed Rate | 10/28/2025 | 04/28/2028 | 3.600%  | 3.600%  | \$ | -         | \$240,000    |
| 33646CRV8                  | 1013 | \$240,000 | FIRST SOURCE BANK IN US  | Fixed Rate | 06/24/2025 | 06/26/2028 | 4.400%  | 4.400%  | \$ | -         | \$240,000    |
| 320437AT3                  | 1013 | \$240,000 | FIRST GTY BK HAMMO LA US | Fixed Rate | 11/06/2024 | 11/06/2028 | 4.350%  | 4.350%  | \$ | 10,440.00 | \$240,000    |
| 53229WAC7                  | 1013 | \$240,000 | LIGHTHOUSE FED CRE NH US | Fixed Rate | 12/08/2025 | 12/08/2028 | 4.000%  | 4.000%  | \$ | -         | \$240,000    |
| 108622QC8                  | 1013 | \$240,000 | BRIDGEWATER BANK MN US   | Fixed Rate | 05/16/2025 | 05/16/2025 | 4.350%  | 4.350%  | \$ | 6,120.96  | \$240,000    |
| 15118RW52                  | 1013 | \$240,000 | CELTIC BK UT US          | Fixed Rate | 06/20/2025 | 06/20/2029 | 4.400%  | 4.400%  | \$ | 5,294.49  | \$240,000    |
| 86400LAL2                  | 1013 | \$240,000 | STUDIO BK TN US          | Fixed Rate | 09/18/2024 | 09/18/2029 | 4.500%  | 4.500%  | \$ | 13,492.59 | \$240,000    |
| 758876AN6                  | 1013 | \$240,000 | REGENT BK OK US          | Fixed Rate | 01/24/2024 | 01/24/2030 | 4.600%  | 4.600%  | \$ | 11,907.27 | \$240,000    |
| 428548CF6                  | 1013 | \$240,000 | HIAWATHA NATL BK WI US   | Fixed Rate | 03/04/2025 | 03/04/2030 | 4.600%  | 4.600%  | \$ | 8,317.80  | \$240,000    |
| 34552CAF1                  | 1013 | \$240,000 | FOURSIGHT BK MN US       | Fixed Rate | 07/09/2025 | 06/11/2030 | 4.400%  | 4.400%  | \$ | 5,294.49  | \$240,000    |
| 46256VAU9                  | 1013 | \$240,000 | IOWA ST BK HULL IA IA US | Fixed Rate | 09/05/2025 | 09/05/2030 | 4.250%  | 4.250%  | \$ | 2,543.02  | \$240,000    |
| 795451EE9                  | 1013 | \$200,000 | SALLIE MAE BANK UT US    | Fixed Rate | 12/10/2025 | 12/19/2030 | 3.9000% | 3.9000% | \$ | -         | \$200,000    |
| 85628ABK5                  | 1013 | \$240,000 | STATE BK INDIA IL US     | Fixed Rate | 12/30/2025 | 12/19/2025 | 3.9000% | 3.9000% | \$ | -         | \$240,000    |
| GRAND TOTAL CD'S PURCHASED |      |           |                          |            |            |            |         |         |    |           | \$10,005,000 |

**Money Market Account**

When CD is in transition from maturity to repurchasing, it is entered into a money market account &amp; this is the interest earned while in that account:

|                                                    |                                                                                                                        |                 |    |             |
|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|-----------------|----|-------------|
|                                                    |                                                                                                                        | Balance Forward | \$ | 9,806.47    |
| * 10/07/25-12/31/25                                | UBS INSURED SWEEP PROGRAM ENTRY AS OF 10/07/25-12/31/25- INTEREST INCOME \$ 3.46                                       |                 | \$ | 3.46        |
| * 10/15/25-12/30/25                                | UBS SELECT TREASURY INSTITUTIONAL FUND ENTRY AS OF 10/15/25-12/30/25 DIVIDEND INCOME \$ 1,774.68 SECURITY/SYMBOL SETXX |                 | \$ | 1,774.68    |
| G.T. Money Market Interest Received Total To Date: |                                                                                                                        |                 |    | \$11,584.61 |

**Recap of All CD Interest Received**

|                                                                        |                |
|------------------------------------------------------------------------|----------------|
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2008-2009                      | \$19,619.98    |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2009-2010                      | \$144,944.73   |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2010-2011                      | \$96,652.58    |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2011-2012                      | \$56,675.75    |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2012-2013                      | \$51,793.98    |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2013-2014                      | \$73,466.67    |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2014-2015                      | \$86,491.81    |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2015-2016                      | \$101,469.27   |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2016-2017                      | \$123,833.68   |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2017-2018                      | \$151,379.14   |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2018-2019                      | \$201,846.40   |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2019-2020                      | \$233,862.14   |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2020-2021                      | \$148,118.57   |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2021-2022                      | \$87,497.64    |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2022-2023                      | \$139,596.40   |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2023-2024                      | \$303,132.72   |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2024-2025                      | \$394,886.97   |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2025-2026                      | \$101,145.95   |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2025-2026 AT DECEMBER 31, 2025 | \$86,027.29    |
| GRAND TOTAL INTEREST RECEIVED FOR ALL FY'S TO DATE                     | \$2,602,441.67 |

C

## San Gabriel Valley Municipal Water District

TREASURERS INVESTMENT REPORT  
(Activity ending December 31, 2025)

Report Date December 31, 2025

## Local Agency Investment Fund (LAIF)

| ACCT.<br>NO.                                                   | INSTITUTION                                   | PMIA AVERAGE                       | DAILY YIELD      | BALANCE<br>GEN. LEDGER |
|----------------------------------------------------------------|-----------------------------------------------|------------------------------------|------------------|------------------------|
|                                                                |                                               | MONTHLY 12/2025<br>EFFECTIVE YIELD | AT<br>12/31/2025 |                        |
| 1009                                                           | LOCAL AGENCY INVESTMENT FUND - (GENERAL FUND) | 4.025%                             | 3.970%           | \$18,912,681.04        |
| GRAND TOTAL LOCAL AGENCY INVESTMENT FUND (SEE REPORT ATTACHED) |                                               |                                    |                  | \$18,912,681           |

## SUMMARY

## BALANCES

|                                                                                      |                         |
|--------------------------------------------------------------------------------------|-------------------------|
| Local Agency Investment Fund - General Fund                                          | \$ 18,912,681.04        |
| UBS Certificates of Deposit Summary Total                                            | \$ 10,005,000.00        |
| UBS Select Treasury Notes                                                            | \$ -                    |
| UBS Certificates of Deposit Interest Fiscal Year 2025-2026 At Date December 31, 2025 | \$ 86,027.29            |
| UBS Bank USA Deposit Account/UBS Select Treasury Investor Fund                       | \$ 1,778.14             |
| Money Balance Activities minus total dividend and interest income                    |                         |
| <b>TOTAL INVESTMENTS</b>                                                             | <b>\$ 29,005,486.47</b> |
| Cash Bank of America General Fund                                                    | \$2,510,124             |
| Cash Bank of America Revolving Fund                                                  | \$238,448               |
| Cash Bank of America SWP Fund Account                                                | \$5,514,699             |
| Petty Cash Fund                                                                      | \$300                   |
| <b>GRAND TOTAL INVESTMENTS AND CASH LESS RESTRICTED FUNDS</b>                        | <b>\$ 37,269,057.03</b> |

I certify that this report accurately reflects all pooled investments and is in compliance with California Government Code Sections 53601(i), 53601.1, 53635(i) and 53646 and is in conformity with the San Gabriel Valley Municipal Water District's investment policy as stated in Resolution 10-95-489, dated 10/23/95.

As Treasurer of San Gabriel Valley Municipal Water District, I hereby certify that sufficient liquidity and anticipated revenues are available to meet the next six month's estimated expenditures.

Jose Reynoso  
Deputy Treasurer

1/29/2026  
Date

Type of Investment with title held in the name of San Gabriel Valley Municipal Water District:

|      |                              |
|------|------------------------------|
| CD'S | Certificates of Deposit      |
| LAIF | Local Agency Investment Fund |
| MM   | Money Market Account         |



## PMIA/LAIF Performance Report as of 01/21/26



### Quarterly Performance Quarter Ended 12/31/25

|                                            |                     |
|--------------------------------------------|---------------------|
| LAIF Apportionment Rate <sup>(2)</sup> :   | 4.20                |
| LAIF Earnings Ratio <sup>(2)</sup> :       | 0.00011512010685708 |
| LAIF Administrative Cost <sup>(1)*</sup> : | 0.27                |
| LAIF Fair Value Factor <sup>(1)</sup> :    | 1.002181483         |
| PMIA Daily <sup>(1)</sup> :                | 3.97                |
| PMIA Quarter to Date <sup>(1)</sup> :      | 4.09                |
| PMIA Average Life <sup>(1)</sup> :         | 244                 |

### PMIA Average Monthly Effective Yields<sup>(1)</sup>

|           |       |
|-----------|-------|
| December  | 4.025 |
| November  | 4.096 |
| October   | 4.150 |
| September | 4.212 |
| August    | 4.251 |
| July      | 4.258 |

### Pooled Money Investment Account Monthly Portfolio Composition <sup>(1)</sup> 12/31/25 \$162.6 billion

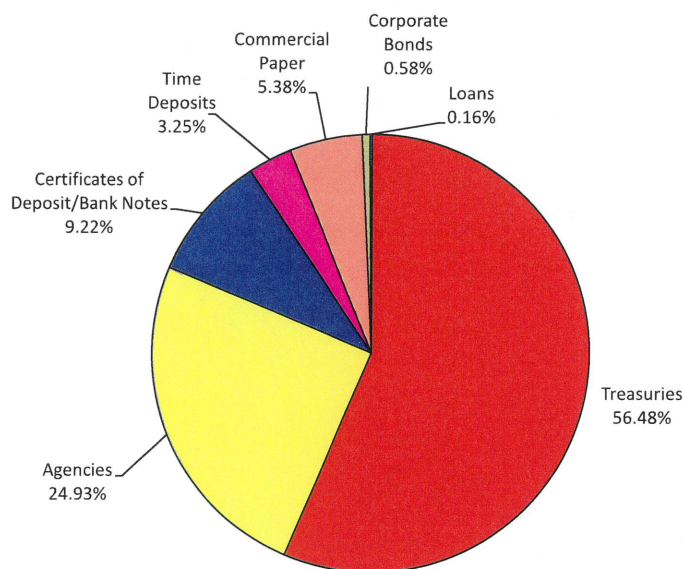


Chart does not include \$910,000.00 in mortgages, which equates to 0.001%. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1).

\*The percentage of administrative cost equals the total administrative cost divided by the quarterly interest earnings. The law provides that administrative costs are not to exceed 5% of quarterly EARNINGS of the fund. However, if the 13-week Daily Treasury Bill Rate on the last day of the fiscal year is below 1%, then administrative costs shall not exceed 8% of quarterly EARNINGS of the fund for the subsequent fiscal year.

Source:

<sup>(1)</sup> State of California, Office of the Treasurer

<sup>(2)</sup> State of California, Office of the Controller



California State Treasurer  
**Fiona Ma, CPA**



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LAIF

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LOCAL AGENCY INVESTMENT FUND

## PMIA Average Monthly Effective Yields

|      | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1977 | 5.770  | 5.660  | 5.660  | 5.650  | 5.760  | 5.850  | 5.930  | 6.050  | 6.090  | 6.090  | 6.610  | 6.730  |
| 1978 | 6.920  | 7.050  | 7.140  | 7.270  | 7.386  | 7.569  | 7.652  | 7.821  | 7.871  | 8.110  | 8.286  | 8.769  |
| 1979 | 8.777  | 8.904  | 8.820  | 9.082  | 9.046  | 9.224  | 9.202  | 9.528  | 9.259  | 9.814  | 10.223 | 10.218 |
| 1980 | 10.980 | 11.251 | 11.490 | 11.480 | 12.017 | 11.798 | 10.206 | 9.870  | 9.945  | 10.056 | 10.426 | 10.961 |
| 1981 | 10.987 | 11.686 | 11.130 | 11.475 | 12.179 | 11.442 | 12.346 | 12.844 | 12.059 | 12.397 | 11.887 | 11.484 |
| 1982 | 11.683 | 12.044 | 11.835 | 11.773 | 12.270 | 11.994 | 12.235 | 11.909 | 11.151 | 11.111 | 10.704 | 10.401 |
| 1983 | 10.251 | 9.887  | 9.688  | 9.868  | 9.527  | 9.600  | 9.879  | 10.076 | 10.202 | 10.182 | 10.164 | 10.227 |
| 1984 | 10.312 | 10.280 | 10.382 | 10.594 | 10.843 | 11.119 | 11.355 | 11.557 | 11.597 | 11.681 | 11.474 | 11.024 |
| 1985 | 10.579 | 10.289 | 10.118 | 10.025 | 10.180 | 9.743  | 9.656  | 9.417  | 9.572  | 9.482  | 9.488  | 9.371  |
| 1986 | 9.252  | 9.090  | 8.958  | 8.621  | 8.369  | 8.225  | 8.141  | 7.844  | 7.512  | 7.586  | 7.432  | 7.439  |
| 1987 | 7.365  | 7.157  | 7.205  | 7.044  | 7.294  | 7.289  | 7.464  | 7.562  | 7.712  | 7.825  | 8.121  | 8.071  |
| 1988 | 8.078  | 8.050  | 7.945  | 7.940  | 7.815  | 7.929  | 8.089  | 8.245  | 8.341  | 8.397  | 8.467  | 8.563  |
| 1989 | 8.698  | 8.770  | 8.870  | 8.992  | 9.227  | 9.204  | 9.056  | 8.833  | 8.801  | 8.771  | 8.685  | 8.645  |
| 1990 | 8.571  | 8.538  | 8.506  | 8.497  | 8.531  | 8.538  | 8.517  | 8.382  | 8.333  | 8.321  | 8.269  | 8.279  |
| 1991 | 8.164  | 8.002  | 7.775  | 7.666  | 7.374  | 7.169  | 7.098  | 7.072  | 6.859  | 6.719  | 6.591  | 6.318  |
| 1992 | 6.122  | 5.863  | 5.680  | 5.692  | 5.379  | 5.323  | 5.235  | 4.958  | 4.760  | 4.730  | 4.659  | 4.647  |
| 1993 | 4.678  | 4.649  | 4.624  | 4.605  | 4.427  | 4.554  | 4.438  | 4.472  | 4.430  | 4.380  | 4.365  | 4.384  |
| 1994 | 4.359  | 4.176  | 4.248  | 4.333  | 4.434  | 4.623  | 4.823  | 4.989  | 5.106  | 5.243  | 5.380  | 5.528  |
| 1995 | 5.612  | 5.779  | 5.934  | 5.960  | 6.008  | 5.997  | 5.972  | 5.910  | 5.832  | 5.784  | 5.805  | 5.748  |
| 1996 | 5.698  | 5.643  | 5.557  | 5.538  | 5.502  | 5.548  | 5.587  | 5.566  | 5.601  | 5.601  | 5.599  | 5.574  |
| 1997 | 5.583  | 5.575  | 5.580  | 5.612  | 5.634  | 5.667  | 5.679  | 5.690  | 5.707  | 5.705  | 5.715  | 5.744  |
| 1998 | 5.742  | 5.720  | 5.680  | 5.672  | 5.673  | 5.671  | 5.652  | 5.652  | 5.639  | 5.557  | 5.492  | 5.374  |
| 1999 | 5.265  | 5.210  | 5.136  | 5.119  | 5.086  | 5.095  | 5.178  | 5.225  | 5.274  | 5.391  | 5.484  | 5.639  |
| 2000 | 5.760  | 5.824  | 5.851  | 6.014  | 6.190  | 6.349  | 6.443  | 6.505  | 6.502  | 6.517  | 6.538  | 6.535  |
| 2001 | 6.372  | 6.169  | 5.976  | 5.760  | 5.328  | 4.958  | 4.635  | 4.502  | 4.288  | 3.785  | 3.526  | 3.261  |
| 2002 | 3.068  | 2.967  | 2.861  | 2.845  | 2.740  | 2.687  | 2.714  | 2.594  | 2.604  | 2.487  | 2.301  | 2.201  |
| 2003 | 2.103  | 1.945  | 1.904  | 1.858  | 1.769  | 1.697  | 1.653  | 1.632  | 1.635  | 1.596  | 1.572  | 1.545  |
| 2004 | 1.528  | 1.440  | 1.474  | 1.445  | 1.426  | 1.469  | 1.604  | 1.672  | 1.771  | 1.890  | 2.003  | 2.134  |
| 2005 | 2.264  | 2.368  | 2.542  | 2.724  | 2.856  | 2.967  | 3.083  | 3.179  | 3.324  | 3.458  | 3.636  | 3.808  |
| 2006 | 3.955  | 4.043  | 4.142  | 4.305  | 4.563  | 4.700  | 4.849  | 4.946  | 5.023  | 5.098  | 5.125  | 5.129  |
| 2007 | 5.156  | 5.181  | 5.214  | 5.222  | 5.248  | 5.250  | 5.255  | 5.253  | 5.231  | 5.137  | 4.962  | 4.801  |
| 2008 | 4.620  | 4.161  | 3.777  | 3.400  | 3.072  | 2.894  | 2.787  | 2.779  | 2.774  | 2.709  | 2.568  | 2.353  |
| 2009 | 2.046  | 1.869  | 1.822  | 1.607  | 1.530  | 1.377  | 1.035  | 0.925  | 0.750  | 0.646  | 0.611  | 0.569  |
| 2010 | 0.558  | 0.577  | 0.547  | 0.588  | 0.560  | 0.528  | 0.531  | 0.513  | 0.500  | 0.480  | 0.454  | 0.462  |
| 2011 | 0.538  | 0.512  | 0.500  | 0.588  | 0.413  | 0.448  | 0.381  | 0.408  | 0.378  | 0.385  | 0.401  | 0.382  |
| 2012 | 0.385  | 0.389  | 0.383  | 0.367  | 0.363  | 0.358  | 0.363  | 0.377  | 0.348  | 0.340  | 0.324  | 0.326  |
| 2013 | 0.300  | 0.286  | 0.285  | 0.264  | 0.245  | 0.244  | 0.267  | 0.271  | 0.257  | 0.266  | 0.263  | 0.264  |
| 2014 | 0.244  | 0.236  | 0.236  | 0.233  | 0.228  | 0.228  | 0.244  | 0.260  | 0.246  | 0.261  | 0.261  | 0.267  |
| 2015 | 0.262  | 0.266  | 0.278  | 0.283  | 0.290  | 0.299  | 0.320  | 0.330  | 0.337  | 0.357  | 0.374  | 0.400  |
| 2016 | 0.446  | 0.467  | 0.506  | 0.525  | 0.552  | 0.576  | 0.588  | 0.614  | 0.634  | 0.654  | 0.678  | 0.719  |
| 2017 | 0.751  | 0.777  | 0.821  | 0.884  | 0.925  | 0.978  | 1.051  | 1.084  | 1.111  | 1.143  | 1.172  | 1.239  |
| 2018 | 1.350  | 1.412  | 1.524  | 1.661  | 1.755  | 1.854  | 1.944  | 1.998  | 2.063  | 2.144  | 2.208  | 2.291  |
| 2019 | 2.355  | 2.392  | 2.436  | 2.445  | 2.449  | 2.428  | 2.379  | 2.341  | 2.280  | 2.190  | 2.103  | 2.043  |
| 2020 | 1.967  | 1.912  | 1.787  | 1.648  | 1.363  | 1.217  | 0.920  | 0.784  | 0.685  | 0.620  | 0.576  | 0.540  |

|             | Jan   | Feb   | Mar   | Apr   | May   | Jun   | Jul    | Aug   | Sep   | Oct   | Nov   | Dec   |
|-------------|-------|-------|-------|-------|-------|-------|--------|-------|-------|-------|-------|-------|
| <b>2021</b> | 0.458 | 0.407 | 0.357 | 0.339 | 0.315 | 0.262 | 0.221  | 0.221 | 0.206 | 0.203 | 0.203 | 0.212 |
| <b>2022</b> | 0.234 | 0.278 | 0.365 | 0.523 | 0.684 | 0.861 | 1.090  | 1.276 | 1.513 | 1.772 | 2.007 | 2.173 |
| <b>2023</b> | 2.425 | 2.624 | 2.831 | 2.870 | 2.993 | 3.167 | 3.305* | 3.434 | 3.534 | 3.670 | 3.843 | 3.929 |
| <b>2024</b> | 4.012 | 4.122 | 4.232 | 4.272 | 4.332 | 4.480 | 4.516  | 4.579 | 4.575 | 4.518 | 4.477 | 4.434 |
| <b>2025</b> | 4.366 | 4.333 | 4.313 | 4.281 | 4.272 | 4.269 | 4.258  | 4.251 | 4.212 | 4.150 | 4.096 | 4.025 |

\* Revised

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# State of California

## Pooled Money Investment Account

### Market Valuation

### 12/31/2025

| Description                 | Carrying Cost Plus           |                              |                              |                          |
|-----------------------------|------------------------------|------------------------------|------------------------------|--------------------------|
|                             | Accrued Interest             | Purch.                       | Amortized Cost               | Fair Value               |
|                             |                              |                              |                              | Accrued Interest         |
| United States Treasury:     |                              |                              |                              |                          |
| Bills                       | \$ 48,970,617,951.23         | \$ 49,338,506,593.25         | \$ 49,356,440,050.00         | NA                       |
| Notes                       | \$ 42,852,981,933.63         | \$ 42,838,254,758.50         | \$ 43,106,408,200.00         | \$ 413,989,011.00        |
| Federal Agency:             |                              |                              |                              |                          |
| SBA                         | \$ 272,728,568.94            | \$ 272,659,522.31            | \$ 269,920,982.04            | \$ 1,029,710.08          |
| MBS-REMICs                  | \$ 910,223.69                | \$ 910,223.69                | \$ 919,160.27                | \$ 3,970.77              |
| Debentures                  | \$ 4,721,257,842.07          | \$ 4,721,039,439.29          | \$ 4,740,550,040.00          | \$ 44,662,554.90         |
| Debentures FR               | \$ -                         | \$ -                         | \$ -                         | \$ -                     |
| Debentures CL               | \$ 2,850,000,000.00          | \$ 2,850,000,000.00          | \$ 2,862,628,300.00          | \$ 25,636,928.00         |
| Discount Notes              | \$ 28,745,345,423.63         | \$ 29,066,588,951.47         | \$ 29,075,974,500.00         | NA                       |
| Supranational Debentures    | \$ 3,935,666,630.98          | \$ 3,935,426,630.98          | \$ 3,957,557,380.00          | \$ 45,105,985.00         |
| Supranational Debentures FR | \$ -                         | \$ -                         | \$ -                         | \$ -                     |
| CDs and YCDs FR             | \$ -                         | \$ -                         | \$ -                         | \$ -                     |
| Bank Notes                  | \$ 200,000,000.00            | \$ 200,000,000.00            | \$ 200,027,928.43            | \$ 3,284,861.11          |
| CDs and YCDs                | \$ 14,800,000,000.00         | \$ 14,800,000,000.00         | \$ 14,803,815,924.21         | \$ 160,042,100.00        |
| Commercial Paper            | \$ 8,752,131,958.23          | \$ 8,834,027,027.73          | \$ 8,837,032,333.36          | NA                       |
| Corporate:                  |                              |                              |                              |                          |
| Bonds FR                    | \$ -                         | \$ -                         | \$ -                         | \$ -                     |
| Bonds                       | \$ 947,357,886.31            | \$ 947,182,657.15            | \$ 949,664,822.00            | \$ 9,580,921.31          |
| Repurchase Agreements       | \$ -                         | \$ -                         | \$ -                         | \$ -                     |
| Reverse Repurchase          | \$ -                         | \$ -                         | \$ -                         | \$ -                     |
| Time Deposits               | \$ 5,282,000,000.00          | \$ 5,282,000,000.00          | \$ 5,282,000,000.00          | NA                       |
| PMIA & GF Loans             | \$ 262,742,740.00            | \$ 262,742,740.00            | \$ 262,742,740.00            | NA                       |
| <b>TOTAL</b>                | <b>\$ 162,593,741,158.71</b> | <b>\$ 163,349,338,544.37</b> | <b>\$ 163,705,682,360.31</b> | <b>\$ 703,336,042.17</b> |

Fair Value Including Accrued Interest

\$ 164,409,018,402.48

Repurchase Agreements, Time Deposits, PMIA & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).

The value of each participating dollar equals the fair value divided by the amortized cost (1.002181483)  
 As an example: if an agency has an account balance of \$20,000,000.00, then the agency would report its participation in the LAIF valued at \$20,043,629.66 or \$20,000,000.00 x 1.002181483

# SAN GABRIEL MUNICIPAL WATER DISTRICT

## REVOLVING FUND RECAP

**January 13, 2026**

| Check No.                                          | Date     | Description      | Amount           |
|----------------------------------------------------|----------|------------------|------------------|
| 12851                                              | 01/13/26 | Steven P Kiggins | \$ 27.48         |
| 12852                                              | 01/13/26 | Terence E White  | \$ 215.82        |
| NOTE: 941 (Payroll)QB calculation in error 11/2026 |          |                  |                  |
| January 13, 2026 GRAND TOTAL DISBURSEMENTS.....    |          |                  | <u>\$ 243.30</u> |

## REVOLVING FUND RECAP

**January 22, 2026**

| Check No.                                       | Date     | Description                   | Amount              |
|-------------------------------------------------|----------|-------------------------------|---------------------|
| 12853-12856                                     | 01/22/26 | Payroll Expense               | \$ 36,784.58        |
| EFT                                             | 01/22/26 | Payroll Expense - PERS        | \$ 10,444.81        |
| Wires                                           | 01/22/26 | Federal & State Payroll Taxes | \$ 21,579.65        |
| EFT                                             | 01/22/26 | State Compensation Ins        | \$ 2,925.51         |
| 12857                                           | 01/22/26 | Fontier                       | \$ 766.92           |
| January 22, 2026 GRAND TOTAL DISBURSEMENTS..... |          |                               | <u>\$ 72,501.47</u> |

## REVOLVING FUND RECAP

**February 5, 2026**

| Check No.                                        | Date     | Description                   | Amount             |
|--------------------------------------------------|----------|-------------------------------|--------------------|
| 12858-12861                                      | 02/05/26 | Payroll Expense               | \$37,132.61        |
| Wires                                            | 02/05/26 | Federal & State Payroll Taxes | \$21,727.31        |
| EFT                                              | 02/05/26 | Payroll Expense - PERS        | \$10,444.81        |
| 12862                                            | 02/05/26 | The Gas Company               | \$55.67            |
| 12863                                            | 02/05/26 | Verizon Wireless              | \$680.65           |
| February 05, 2026 GRAND TOTAL DISBURSEMENTS..... |          |                               | <u>\$70,041.05</u> |

## REVOLVING FUND RECAP

**February 09, 2026**

| Check No.                                        | Date     | Description                   | Amount            |
|--------------------------------------------------|----------|-------------------------------|-------------------|
| 12864                                            | 02/09/26 | Bruce H Knoles                | \$1,344.22        |
| 12865                                            | 02/09/26 | Mark R Paulson                | \$910.50          |
| 12866                                            | 02/09/26 | Michael F Eng                 | \$910.50          |
| Wires                                            | 02/09/26 | Federal & State Payroll Taxes | \$767.78          |
| February 09, 2026 GRAND TOTAL DISBURSEMENTS..... |          |                               | <u>\$3,933.00</u> |

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## San Gabriel Valley Municipal Water District

02/04/26

## Transactions by Account

Accrual Basis

As of January 31, 2026

| Type                                       | Date       | Num   | Name                                   | Amount             |
|--------------------------------------------|------------|-------|----------------------------------------|--------------------|
| <b>1001 - General Fund Bank of America</b> |            |       |                                        |                    |
| Bill Pmt -Check                            | 01/13/2026 | EFT   | BeniComp (Corp)                        | -1,251.99          |
| Bill Pmt -Check                            | 01/14/2026 | EFT   | BeniComp (Corp)                        | -5,984.99          |
| Bill Pmt -Check                            | 01/23/2026 | EFT   | BeniComp (Corp)                        | -5,964.36          |
| Bill Pmt -Check                            | 01/27/2026 | EFT   | BeniComp (Corp)                        | -730.38            |
| Bill Pmt -Check                            | 01/28/2026 | EFT   | BeniComp (Corp)                        | -283.36            |
| Bill Pmt -Check                            | 01/29/2026 | EFT   | BeniComp (Corp)                        | -4,054.13          |
| Bill Pmt -Check                            | 01/26/2026 | 45696 | Alliance Communication Services (Corp) | -130.00            |
| Bill Pmt -Check                            | 01/26/2026 | 45697 | Azusa Light & Water                    | -965.10            |
| Bill Pmt -Check                            | 01/26/2026 | 45698 | Cash Revolving Fund                    | -70,000.00         |
| Bill Pmt -Check                            | 01/26/2026 | 45699 | Cintas                                 | -142.92            |
| Bill Pmt -Check                            | 01/26/2026 | 45700 | Frontier                               | -106.27            |
| Bill Pmt -Check                            | 01/26/2026 | 45701 | Grainger (Corp)                        | -37.74             |
| Bill Pmt -Check                            | 01/26/2026 | 45702 | Jim Frei                               | -3,108.00          |
| Bill Pmt -Check                            | 01/26/2026 | 45703 | Lagerlof, LLP (Atty)                   | -2,925.00          |
| Bill Pmt -Check                            | 01/26/2026 | 45704 | Lawnscape Systems, Inc.                | -2,350.00          |
| Bill Pmt -Check                            | 01/26/2026 | 45705 | Linda S Glau, CPA                      | -1,604.14          |
| Bill Pmt -Check                            | 01/26/2026 | 45706 | Meier Enterprises Inc                  | -1,600.34          |
| Bill Pmt -Check                            | 01/26/2026 | 45707 | Morrow Meadows Corporation             | -733.30            |
| Bill Pmt -Check                            | 01/26/2026 | 45708 | Primo Brands                           | -75.93             |
| Bill Pmt -Check                            | 01/26/2026 | 45709 | SCE                                    | -289.87            |
| Bill Pmt -Check                            | 01/26/2026 | 45710 | Securitas Technology Corporation       | -692.40            |
| Bill Pmt -Check                            | 01/26/2026 | 45711 | Shell - Wex Bank                       | -306.02            |
| Bill Pmt -Check                            | 01/26/2026 | 45712 | South Coast AQMD                       | -736.57            |
| Bill Pmt -Check                            | 01/26/2026 | 45713 | Spectrum Enterprise                    | -239.99            |
| Bill Pmt -Check                            | 01/26/2026 | 45714 | Stetson Engineers, Inc.                | -382.00            |
| Bill Pmt -Check                            | 01/26/2026 | 45715 | Verizon Wireless (M2M)                 | -892.36            |
| Bill Pmt -Check                            | 01/26/2026 | 45716 | Cash Revolving Fund                    | -70,000.00         |
| Total 1001 - General Fund Bank of America  |            |       |                                        | -175,587.16        |
| <b>TOTAL</b>                               |            |       |                                        | <b>-175,587.16</b> |

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02/04/26

Accrual Basis

**San Gabriel Valley Municipal Water District**  
**Transactions by Account**  
**As of February 9, 2026**

| Type                                       | Date       | Num   | Name                                     | Amount             |
|--------------------------------------------|------------|-------|------------------------------------------|--------------------|
| <b>1001 - General Fund Bank of America</b> |            |       |                                          |                    |
| Bill Pmt -Check                            | 02/03/2026 | EFT   | BeniComp (Corp)                          | -165.47            |
| Bill Pmt -Check                            | 02/09/2026 | 45717 | ACWA JPIA Medical/Life                   | -42,890.89         |
| Bill Pmt -Check                            | 02/09/2026 | 45718 | Alhambra High School                     | -1,500.00          |
| Bill Pmt -Check                            | 02/09/2026 | 45719 | Applied Technology Group, Inc.           | -320.00            |
| Bill Pmt -Check                            | 02/09/2026 | 45720 | Athens (Corporation)                     | -636.49            |
| Bill Pmt -Check                            | 02/09/2026 | 45721 | BOA-Visa                                 | -4,341.30          |
| Bill Pmt -Check                            | 02/09/2026 | 45722 | Brightwood Elementary School PTA         | -800.00            |
| Bill Pmt -Check                            | 02/09/2026 | 45723 | C.J. Brown & Company ,CPAs               | -625.00            |
| Bill Pmt -Check                            | 02/09/2026 | 45724 | California Advocates, Inc. (Corp)        | -8,000.00          |
| Bill Pmt -Check                            | 02/09/2026 | 45725 | California Underground Facilities        | -94.32             |
| Bill Pmt -Check                            | 02/09/2026 | 45726 | Cash Revolving Fund                      | -70,000.00         |
| Bill Pmt -Check                            | 02/09/2026 | 45727 | Cell Business Equipment                  | -268.68            |
| Bill Pmt -Check                            | 02/09/2026 | 45728 | Cintas                                   | -142.92            |
| Bill Pmt -Check                            | 02/09/2026 | 45729 | City of Azusa (Grants)                   | -50,000.00         |
| Bill Pmt -Check                            | 02/09/2026 | 45730 | Civiltec Inc (Corp)                      | -9,130.00          |
| Bill Pmt -Check                            | 02/09/2026 | 45731 | Dave Johnson                             | -4,440.00          |
| Bill Pmt -Check                            | 02/09/2026 | 45732 | DigAlert (Corporation)                   | -261.55            |
| Bill Pmt -Check                            | 02/09/2026 | 45733 | DWR                                      | -8,827.00          |
| Bill Pmt -Check                            | 02/09/2026 | 45734 | Evelyn Reyes                             | -78.01             |
| Bill Pmt -Check                            | 02/09/2026 | 45735 | Frontier                                 | -147.44            |
| Bill Pmt -Check                            | 02/09/2026 | 45736 | Grainger (Corp)                          | -126.34            |
| Bill Pmt -Check                            | 02/09/2026 | 45737 | HighRoad Information Technology, LLC     | -2,516.00          |
| Bill Pmt -Check                            | 02/09/2026 | 45738 | Jim Frei                                 | -3,108.00          |
| Bill Pmt -Check                            | 02/09/2026 | 45739 | Joe Reichenberger                        | -3,108.00          |
| Bill Pmt -Check                            | 02/09/2026 | 45740 | John Chapman                             | -3,108.00          |
| Bill Pmt -Check                            | 02/09/2026 | 45741 | La Rocque Better Roofs, Inc              | -11,985.00         |
| Bill Pmt -Check                            | 02/09/2026 | 45742 | Leo's Tree Service & Maintenance, Inc    | -6,050.00          |
| Bill Pmt -Check                            | 02/09/2026 | 45743 | Maria Vasquez                            | -49.01             |
| Bill Pmt -Check                            | 02/09/2026 | 45744 | Mark Paulson (Expense)                   | -49.30             |
| Bill Pmt -Check                            | 02/09/2026 | 45745 | Michael F Eng (Expense)                  | -47.13             |
| Bill Pmt -Check                            | 02/09/2026 | 45746 | Mission ACE Hardware (Corp)              | -84.83             |
| Bill Pmt -Check                            | 02/09/2026 | 45747 | Norfield Development Partners, LLC       | -799.47            |
| Bill Pmt -Check                            | 02/09/2026 | 45748 | Petty Cash                               | -176.78            |
| Bill Pmt -Check                            | 02/09/2026 | 45749 | RR Franchising, Inc DBA. Vanguard        | -895.00            |
| Bill Pmt -Check                            | 02/09/2026 | 45750 | T.E. Roberts, Inc.                       | -6,810.00          |
| Bill Pmt -Check                            | 02/09/2026 | 45751 | The Gas Company                          | -43.14             |
| Bill Pmt -Check                            | 02/09/2026 | 45752 | US National Corp dba Jimenez Painting Co | -13,695.00         |
| Bill Pmt -Check                            | 02/09/2026 | 45753 | Water Wise Consulting, Inc               | -3,398.00          |
| Bill Pmt -Check                            | 02/09/2026 | 45754 | Western Pest Control Specialists, Inc.   | -633.00            |
| Bill Pmt -Check                            | 02/09/2026 | 45755 | Yolanda McVicar                          | -4,440.00          |
| Total 1001 - General Fund Bank of America  |            |       |                                          | -263,791.07        |
| <b>TOTAL</b>                               |            |       |                                          | <b>-263,791.07</b> |

**SAN GABRIEL MUNICIPAL WATER DISTRICT**

**SWP FUND RECAP**

**January 26, 2026**

| Check No.               | Date     | Description         | Amount                        |
|-------------------------|----------|---------------------|-------------------------------|
| 1026                    | 01/26/26 | DWR                 | \$ 2,311,740.00               |
| <i>January 26, 2026</i> |          | <i>Total Amount</i> | <u><u>\$ 2,311,740.00</u></u> |

**VISA RECAP**  
**DECEMBER 21 , 2025 - JANUARY 20, 2026**

| DATE       | GL/ACCT | NAME OF GL/ACCT  | REFERENCE                   | Description                               | Charged Amount | Description | Charged Amount | Description | Charged Amount | TOTAL      |
|------------|---------|------------------|-----------------------------|-------------------------------------------|----------------|-------------|----------------|-------------|----------------|------------|
| 12/19/25   | 4055    | Staff-JR         | Lyft                        | Ride fee (SAC)                            | 27.98          |             |                |             |                | \$27.98    |
| 12/21/2025 | 4027    | Office Supply    | Amazon                      | Various Items for the Board Room computer | 177.53         |             |                |             |                | \$177.53   |
| 12/28/2025 | 4027    | Office Supply    | Constant Contact            | Email services                            | 86.00          |             |                |             |                | 86.00      |
| 12/29/25   | 4055    | Staff-JR         | Southwest                   | Airfare -SWC/SAC 1/13-15                  | 428.95         |             |                |             |                | 428.95     |
| 12/31/2025 | 4055    | Staff-JR         | Hyatt Sac                   | Lodging -SWC/SAC 1/13-15                  | 675.62         |             |                |             |                | 675.62     |
| 01/01/2026 | 4027    | Office Supply    | Google                      | Workspace monthly                         | 146.58         |             |                |             |                | 146.58     |
| 01/03/2026 | 4027    | Office Supply    | Intuit                      | QB Payroll Monthly fee                    | 84.00          |             |                |             |                | 84.00      |
| 1/07/2026  | 4055    | Staff-JR,ER      | So Cal Water Coalition      | Tickets for luncheon meeting              | 250.00         |             |                |             |                | 250.00     |
| 1/07/2026  | 4051    | Director-ME      | So Cal Water Coalition      | Ticket for luncheon meeting               | 125.00         |             |                |             |                | 125.00     |
| 1/8/2026   | 4055    | Staff-SK         | American Ground Water Trust | Registration Conference 2/18-19           | 524.44         |             |                |             |                | 524.44     |
| 1/12/2026  | 4027    | Office Supply    | Apple.com                   | Icloud-SK                                 | 2.99           |             |                |             |                | 2.99       |
| 1/12/2026  | 4033    | Public Relations | Foiled Again                | Chocolate coins for Lunar Year            | 1568.80        |             |                |             |                | 1568.80    |
| 1/13/2026  | 4055    | Staff-JR         | Cafeteria SAC               | Food at SAC 1/13-15                       | 39.33          |             |                |             |                | 39.33      |
| 1/14/2026  | 4055    | Staff-JR,SK      | SGVWA                       | Tickets for breakfast meeting 02/12       | 60.00          |             |                |             |                | 60.00      |
| 1/15/2026  | 4055    | Staff-JR         | Ontario                     | Parking SAC 1/13-15                       | 60.00          | Food        | \$ 13.20       |             |                | \$73.20    |
| 1/16/2026  | 4055    | Staff-JR         | Lyft                        | Ride fee SAC 1/13-15                      | 33.91          |             |                |             |                | 33.91      |
| 1/17/2026  | 4027    | Office Supply    | Zoom                        | monthly fee                               | 33.98          |             |                |             |                | 33.98      |
| 1/18/2026  | 4027    | Office Supply    | Apple.com                   | Icloud-ER                                 | 2.99           |             |                |             |                | 2.99       |
|            |         |                  |                             |                                           |                |             |                |             |                |            |
|            |         |                  |                             |                                           |                |             |                |             |                |            |
|            |         |                  |                             |                                           |                |             |                |             |                |            |
|            |         |                  |                             |                                           |                |             |                |             |                |            |
|            |         |                  |                             |                                           |                |             |                |             |                |            |
|            |         |                  |                             |                                           |                |             |                |             |                |            |
|            |         |                  |                             |                                           |                |             |                |             |                |            |
|            |         |                  |                             |                                           |                |             |                |             |                |            |
|            |         |                  |                             |                                           |                |             |                |             |                |            |
|            |         |                  |                             |                                           |                |             |                |             |                |            |
|            |         |                  |                             |                                           |                |             |                |             | Total          | \$4,341.30 |

**TO:** Honorable President Miles Prince and Members of the Board

**FROM:** Jose Reynoso

**DATE:** February 9, 2026

**SUBJECT:** Annual Financial Report (AFR) for the Fiscal Year Ended  
June 30, 2025

---

### **STAFF RECOMMENDATION**

Receive and file the Annual Financial Report (AFR) for the San Gabriel Valley Municipal Water District for the fiscal year ended June 30, 2025, including the Independent Auditor's Report, Management Letter, and Agreed-Upon Procedures Report related to Travel and Conference Expenses.

### **SUMMARY**

The AFR provides a comprehensive overview of the District's financial condition, including management's discussion and analysis, audited financial statements, notes, and required supplementary information. The report reflects the District's continued commitment to sound financial management, transparency, and fiscal accountability.

The District's independent audit was conducted by C.J. Brown & Company, CPAs, who issued an unmodified (clean) audit opinion, concluding that the District's financial statements present fairly, in all material respects, the financial position and results of operations of the District in accordance with Generally Accepted Accounting Principles (GAAP) and applicable Governmental Accounting Standards Board (GASB) requirements.

The audit included required testing of internal controls and compliance with applicable laws and regulations. No material weaknesses in internal control were identified during the audit process. Audit adjustments and reclassifications identified during the engagement were reviewed, approved by management, and recorded in the District's financial records.

In addition, the District engaged the auditors to perform agreed-upon procedures related to the review of Travel and Conference Expenses for fiscal year 2025. The procedures performed found that the tested expenditures were properly authorized, supported, and in compliance with District policies.

Attached for the Board's review is the Annual Financial Report (AFR) for the San Gabriel Valley Municipal Water District for the fiscal year ended June 30, 2025, together with the Independent Auditor's Report, Management Letter, and Agreed-Upon Procedures report related to Travel and Conference Expenses.

**ENVIRONMENTAL (CEQA)**

N/A

**FISCAL IMPACT**

There is no fiscal impact associated with receiving and filing the Annual Financial Report. Preparation of the AFR and completion of the annual audit were funded through the District's adopted operating budget.

**PUBLIC NOTICE**

This item has been noticed through the regular agenda notification process. Copies of this report can be accessed on the District's website at [sgvmwd.com](http://sgvmwd.com)

**ATTACHMENTS:**

1. Annual Financial Report (AFR) – Fiscal Year Ended June 30, 2025
2. Management Letter
3. Agreed-Upon Procedures Report – Travel and Conference Expenses

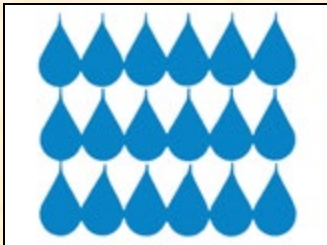
# San Gabriel Valley Municipal Water District



## **Board of Directors**

### **Presentation Of The June 30, 2025 Annual Audited Financial Statements**

**C.J. Brown & Company, CPAs**  
An Accountancy Corporation



# The Reports

## **Independent Auditor's Report**

### **Unmodified Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **San Gabriel Valley Municipal Water District** as of June 30, 2025....

# **Management Report Communication to the Governing Board**

**No Material Weakness Noted in our Testing Sample**

**The Report Covers:**

- **Auditor's Responsibility Under U.S. GAAS**
- **District's Accounting Practices**
- **Corrected and/or Uncorrected Adjustments**
- **Difficulties Encountered in Performing the Audit – None Noted**
- **Disagreements with Management – None Noted**

# **Adjustments to Net Position**

## ***OPEB Liability – Plan Funding***

**The District had determined that its funding contributions initiated in the fiscal year ending 2022 were not reported as part of the issued OPEB actuarial valuations for 2022, 2023, 2024. As a result, the OPEB liability and related deferrals for June 30, 2022, 2023, and 2024 were overstated by \$876,557, \$408,281, and \$462,791, respectively. The District obtained revised actuarial valuation reports for each of the years affected.**

## ***Construction -in-Progress– Prior Year Understatement***

**The District identified an invoice which was not reported in capital assets in fiscal year 2024 but was recorded in fiscal year 2025. The effect of this understated the reported balance of construction-in-progress in fiscal year 2024 by \$44,825. The District restated its net position for June 30, 2024, accordingly.**

# **GASB No. 101 - *Compensated Absences***

**The Objective of this Statement is to Better Meet the Information Needs of the Financial Statement Users and is Achieved by Aligning Recognition and Measurement Guidance Under a Unified Model and by Amending Certain Previously Required Disclosures.**

**The District is Believed to be in Compliance with the New Standard at June 30, 2025.**

# Financial Highlights

## Condensed Statements of Net Position

|                                       | <u>2025</u>          | <u>As Restated<br/>2024</u> | <u>Change</u>      |
|---------------------------------------|----------------------|-----------------------------|--------------------|
| <b>Assets:</b>                        |                      |                             |                    |
| Current assets                        | \$ 35,481,335        | 34,781,381                  | 699,954            |
| Non-current assets                    | 12,462,341           | 9,703,621                   | 2,758,720          |
| Capital assets, net                   | <u>15,126,912</u>    | <u>15,316,073</u>           | <u>(189,161)</u>   |
| Total assets                          | <u>63,070,588</u>    | <u>59,801,075</u>           | <u>3,269,513</u>   |
| <b>Deferred outflows of resources</b> | <u>1,631,536</u>     | <u>2,100,889</u>            | <u>(469,353)</u>   |
| <b>Liabilities:</b>                   |                      |                             |                    |
| Current liabilities                   | 727,753              | 1,672,970                   | (945,217)          |
| Non-current liabilities               | <u>3,898,681</u>     | <u>4,714,765</u>            | <u>(816,084)</u>   |
| Total liabilities                     | <u>4,626,434</u>     | <u>6,387,735</u>            | <u>(1,761,301)</u> |
| <b>Deferred inflows of resources</b>  | <u>285,022</u>       | <u>905,264</u>              | <u>(620,242)</u>   |
| <b>Net position:</b>                  |                      |                             |                    |
| Net investment in capital assets      | 15,126,912           | 15,316,073                  | (189,161)          |
| Unrestricted                          | <u>44,663,756</u>    | <u>39,292,892</u>           | <u>5,370,864</u>   |
| <b>Total net position</b>             | <u>\$ 59,790,668</u> | <u>54,608,965</u>           | <u>5,181,703</u>   |

# Financial Highlights

## Condensed Statements of Revenues, Expenses, and Changes in Net Position

|                                         |               | As Restated |             |
|-----------------------------------------|---------------|-------------|-------------|
|                                         | 2025          | 2024        | Change      |
| <b>Revenues:</b>                        |               |             |             |
| Operating revenues                      | \$ 1,686,364  | 5,235,565   | (3,549,201) |
| Non-operating revenues                  | 18,154,744    | 18,664,620  | (509,876)   |
| Total revenues                          | 19,841,108    | 23,900,185  | (4,059,077) |
| <b>Expenses:</b>                        |               |             |             |
| Operating expenses                      | 13,743,156    | 17,624,234  | (3,881,078) |
| Depreciation expense                    | 739,725       | 642,333     | 97,392      |
| Non-operating expense                   | 188,404       | 313,323     | (124,919)   |
| Total expenses                          | 14,671,285    | 18,579,890  | (3,908,605) |
| Net income before capital contributions | 5,169,823     | 5,320,295   | (150,472)   |
| <b>Capital contributions:</b>           | 11,880        | 11,880      | -           |
| <b>Change in net position</b>           | 5,181,703     | 5,332,175   | (150,472)   |
| <b>Net position, beginning of year</b>  | 54,608,965    | 49,276,790  | 5,332,175   |
| <b>Net position, end of year</b>        | \$ 59,790,668 | 54,608,965  | 5,181,703   |

# Financial Highlights

**In 2025:**

**Net Position** - Increased by \$5,181,703 to \$59,790,668 due to operating activities.

**Total Revenues** - Decreased by \$4,059,077 to \$19,841,108.

- **Operating Revenues** - Decreased by \$3,549,201, to \$1,686,364, primarily due to decreases of \$3,317,299 in water sales and \$221,689 in hydroelectric power sales.
- **Non-operating Revenues** - Decreased by \$509,876 to \$18,154,744, primarily due to decreases of \$262,201 in interest and investment earnings, \$20,029 in ad valorem property taxes, and \$223,179 in voter approved property taxes as compared to the prior year.

**Total Expenses (including depreciation)** - Decreased by \$3,908,605 to \$14,671,285.

- **Operating Expenses** - Decreased by \$3,881,078, to \$13,743,156, primarily due to decreases in two categories;
  - 1) \$3,424,309 in source of supply water deliveries principally related to a 50% allocation decrease in addition to state water supply contract cost credits, and
  - 2) \$456,769 in general and administrative expenses. The decrease in general and administrative expenses was largely due to decreases of \$473,616 in consulting and engineering fees due to completion of the Pipeline Schedule 1 Assessment and Remediation project in the prior year, \$185,186 in actuarial changes and amortization in the pension plan account balances, offset by increases of \$69,338 in salaries and benefits, \$72,383 in election expenses, \$47,892 in insurance expenses, and \$21,679 in public relations water conservation expenses.
- **Non-operating expenses** decreased 39.87% or \$124,919, to \$188,404, primarily due to decreases of \$132,907 in grant funding to other agencies as compared to the prior year.

**Capital Contributions** – Were unchanged and reported at \$11,880.

# **Agreed Upon Procedure Travel & Conference Expenses**

- **We Analyzed the Travel & Conference Expense Accounts.**
- **We Agreed Charges to the Supporting Documentation**
- **Verified Board Approvals**
- **Results of Our Procedures are Documented in the Report.**

# Questions





**San Gabriel Valley Municipal Water District**  
**Annual Financial Report**  
**For the Fiscal Years Ended June 30, 2025 and 2024**



### **Mission Statement**

***The San Gabriel Valley Municipal Water District is dedicated to providing reliable water for the communities of Alhambra, Azusa, Monterey Park, and Sierra Madre in a cost-effective manner.***

### **San Gabriel Valley Municipal Water District Board of Directors as of June 30, 2025**

| Name                  | Title          | Division |
|-----------------------|----------------|----------|
| Dr. Steven T. Placido | President      | II       |
| Miles L. Prince       | Vice-President | IV       |
| Bruce H. Knoles       | Secretary      | V        |
| Mike Eng              | Treasurer      | III      |
| Mark R. Paulson       | Director       | I        |

**San Gabriel Valley Municipal Water District  
Jose Reynoso, General Manager  
1402 N. Vosburg Drive  
Azusa, California 91702  
(626) 969-7911**

**San Gabriel Valley Municipal Water District**

**Annual Financial Report**

**For the Fiscal Years Ended June 30, 2025 and 2024**

Working Draft Subject to Review

**San Gabriel Valley Municipal Water District  
Annual Financial Report  
For the Fiscal Years Ended June 30, 2025 and 2024**

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## **Introductory Section**

*Working Draft Subject to Review*



February 9, 2026

Board of Directors  
San Gabriel Valley Municipal Water District

## **Introduction**

It is our pleasure to submit the Annual Financial Report for the San Gabriel Valley Municipal Water District for the fiscal years ended June 30, 2025 and 2024, following guidelines set forth by the Governmental Accounting Standards Board. District staff prepared this financial report. The District is ultimately responsible for both the accuracy of the data and the completeness and the fairness of presentation, including all disclosures in this financial report. We believe that the information presented is accurate in all material respects. This report is designed in a manner that we believe necessary to enhance your understanding of the District's financial position and activities.

This report is organized into two sections: (1) Introductory and (2) Financial. The Introductory section offers general information about the District's organization and current District activities and reports on a summary of significant financial results and includes Management's Discussion and Analysis of the District's basic financial statements. The Independent Auditor's Report is a component of the Introductory Section. The Financial section includes the District's audited basic financial statements with accompanying notes.

Accounting Principles Generally Accepted in the United States of America (US GAAP) requires that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of the Management's Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately after the Independent Auditors' Report.

## **District Structure and Leadership**

The San Gabriel Valley Municipal Water District was organized in 1959. Included in the District are its four member cities, the cities of Alhambra, Azusa, Monterey Park, and Sierra Madre. The District imports State Water Project water through its pipeline which was completed in 1974. The pipeline begins at the Devil Canyon Powerplant on the East Branch of the State Water Project, County of San Bernardino, and terminates in the San Gabriel Canyon Spreading Grounds, County of Los Angeles. The District's operation's include delivery of water through the Devil Canyon-Azusa Pipeline, as well as the generation of electricity at its San Dimas Hydroelectric Facility. Currently all energy produced is sold to the City of Azusa.

The imported water is spread in the Main San Gabriel Basin. The Main San Gabriel Basin Judgment requires replacement water be spread in the Main San Gabriel Basin. The replacement water spread in the Main San Gabriel Basin is to replace water pumped by the four above mentioned cities in excess of their pumping rights. In addition, the District has an obligation under the Long Beach Judgment to ensure there is adequate water flowing through the Whittier Narrows into the Central Basin. This is a requirement of the San Gabriel River Judgment and is implemented by the San Gabriel River Watermaster.

## **District Structure and Leadership, continued**

The District is governed by a five-member Board of Directors representing five divisions and managed by a General Manager. All administrative, operational, and external affairs functions report to the General Manager. Field operations are overseen by the Assistant General Manager and consist of three System Operator / Inspector positions, including one Supervising System Operator / Inspector, one Senior System Operator / Inspector, and one System Operator / Inspector position that is currently vacant. Administrative support is provided by the Executive Assistant, who also oversees the Accounting Specialist. External communications and governmental affairs are managed by the External Affairs Manager with support from the External Affairs Specialist.

The District's Board of Directors meets each month. Meetings are publicly noticed and citizens are encouraged to attend.

## **District Services**

The District provides replenishment water for the cities of Alhambra, Azusa, Monterey Park, and Sierra Madre in accordance with the Main San Gabriel Basin Judgment. The District has a contract with the California Department of Water Resources for the delivery of up to 28,800 acre-feet of water annually from the State Water Project.

## **Economic Condition and Outlook**

The District's financial outlook is influenced in part by property tax revenues derived from assessed property values of member cities in Los Angeles County, which have demonstrated stable long-term growth. The District's outlook is also affected by water supply availability, contractual obligations associated with the State Water Project, and groundwater management requirements under the Main San Gabriel Basin Judgment and Physical Solution.

## **Internal Control Structure**

District management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the District are protected from loss, theft, or misuse. The internal control structure also ensures adequate accounting data is compiled to allow for the preparation of financial statements in conformity with US GAAP. The District's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

## **Budgetary Control**

The District Board of Directors annually adopts an operating and capital budget prior to the new fiscal year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the District's enterprise operations and capital projects. The budget and reporting treatment applied to the District is consistent with the accrual basis of accounting and the financial statement basis.

## **Investment Policy**

The Board of Directors has adopted an investment policy that conforms to state law, District ordinance and resolutions, prudent money management, and the "prudent person" standards. The objective of the Investment Policy is safety, liquidity, and yield in that order. District funds are invested in the State Treasurer's Local Agency Investment Fund, and institutional savings and checking accounts.

## **Water Rates and District Revenues**

District policy direction ensures that all revenues from water sales, property taxes, interest from investments, and hydro-electric sales must support all District operations including capital project funding. Accordingly, tax rates, water rates, and the investment policy are reviewed on an annual basis.

## **Audit and Financial Reporting**

State law requires the District to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of C.J. Brown & Company, CPAs has conducted the fiscal year 2025 audit of the District's financial statements. Their unmodified Independent Auditor's Report appears in the Financial Section.

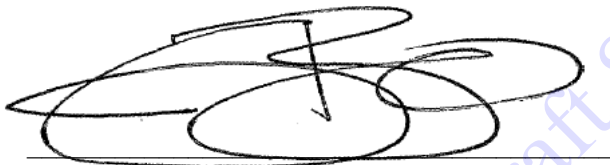
## **Other References**

More information is contained in the Management's Discussion and Analysis and the Notes to the Basic Financial Statements found in the Financial Section of the report.

## **Acknowledgements**

Preparation of this report was accomplished by the combined efforts of District staff. We appreciate the dedicated efforts and professionalism that these staff members contribute to the District. We would also like to thank the members of the Board of Directors for their continued support in planning and implementation of the San Gabriel Valley Municipal Water District's fiscal policies.

Respectfully submitted,



Jose Reynoso  
General Manager

## **Financial Section**

*Working Draft Subject to Review*

## **Independent Auditor's Report**

Board of Directors  
San Gabriel Valley Municipal Water District  
Azusa, California

### ***Opinion***

We have audited the accompanying financial statements of the San Gabriel Valley Municipal Water District (District), which comprises the statements of net position as of June 30, 2025 and 2024 and the related statements of revenues, expenses, and changes in net position for the fiscal years then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the San Gabriel Valley Municipal Water District as of June 30, 2025 and 2024, and the changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Independent Auditor's Report, continued**

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

### ***Emphasis of Matter***

As discussed in Note 9 to the financial statements, the District made several adjustments to net position. During the fiscal year 2025, the District identified that contributions to its established trust account to offset the District's total OPEB Plan liability had not been properly reported in the annual actuarial valuation reports beginning in the fiscal year ending June 30, 2022 through June 30, 2024. As a result, the District has restated its net position for the fiscal periods ending 2022, 2023, and 2024 to reflect the revised actuarial changes in its OPEB Plan; deferred outflows, net OPEB liability, and deferred inflows. Our opinion is not modified with respect to this matter.

During the fiscal year 2025, the District identified a vendor invoice related to an ongoing capital construction project was not correctly reported in the fiscal year ending June 30, 2024. As a result, the District has restated its net position to reflect the correction in its construction-in-progress balance reported within capital assets. Our opinion is not modified with respect to this matter.

## **Independent Auditor's Report, continued**

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 8 through 12 and the required supplementary information on pages 51 through 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section and schedules of operating expenses is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of operating expenses on page 55 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of operating expenses are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section on pages 1 through 3 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance.

## **Independent Auditor's Report, continued**

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance. This report can be found on pages 56 and 57.

**C.J. Brown & Company, CPAs**  
Cypress, California  
February 9, 2026

**San Gabriel Valley Municipal Water District**  
***Management's Discussion and Analysis***  
**For the Fiscal Years Ended June 30, 2025 and 2024**

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the San Gabriel Valley Municipal Water District (District) provides an introduction to the financial statements of the District for the fiscal years ended June 30, 2025 and 2024. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes which follow this section.

**Financial Highlights**

- The District's net position increased 9.49% or \$5,181,703 to \$59,790,668, as a result from ongoing operations. In 2024, the District's net position increased 10.82% or \$5,332,175, to \$54,608,965 as a result from ongoing operations.
- The District's operating revenues decreased 67.79% or \$3,549,201, to \$1,686,364. In 2024, the District's operating revenues increased 275.60% or \$3,841,656, to \$5,235,565.
- The District's non-operating revenues decreased 2.73% or \$509,876 to \$18,154,744. In 2024, the District's non-operating revenues increased 12.45% or \$2,066,622, to \$18,664,620.
- The District's operating expenses decreased 22.02% or \$3,881,078, to \$13,743,156. In 2024, the District's operating expenses increased 50.63% or \$5,923,995, to \$17,624,234.
- The District's non-operating expenses decreased 39.87% or \$124,919, to \$188,404. In 2024, the District's non-operating expenses decreased 41.84% or \$225,433, to \$313,323.

**Required Financial Statements**

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Statement of Net Position include all of the District's investments in resources (assets), deferred outflows of resources, the obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. These statements measure the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows report cash receipts, cash payments, and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

**San Gabriel Valley Municipal Water District**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

## Financial Analysis of the District

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the District in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's *net position* and changes in it. One can think of the District's net position – the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources – as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning, and new or changed government legislation, such as changes in Federal and State water quality standards.

## Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 18 through 50.

## Statements of Net Position

### Condensed Statements of Net Position

|                                       | 2025          | As Restated<br>2024 | Change      | As Restated<br>2023 | Change      |
|---------------------------------------|---------------|---------------------|-------------|---------------------|-------------|
| <b>Assets:</b>                        |               |                     |             |                     |             |
| Current assets                        | \$ 35,481,335 | 34,781,381          | 699,954     | 29,671,063          | 5,110,318   |
| Non-current assets                    | 12,462,341    | 9,703,621           | 2,758,720   | 12,404,561          | (2,700,940) |
| Capital assets, net                   | 15,126,912    | 15,316,073          | (189,161)   | 13,318,599          | 1,997,474   |
| Total assets                          | 63,070,588    | 59,801,075          | 3,269,513   | 55,394,223          | 4,406,852   |
| <b>Deferred outflows of resources</b> | 1,631,536     | 2,100,889           | (469,353)   | 2,159,787           | (58,898)    |
| <b>Liabilities:</b>                   |               |                     |             |                     |             |
| Current liabilities                   | 727,753       | 1,672,970           | (945,217)   | 1,738,021           | (65,051)    |
| Non-current liabilities               | 3,898,681     | 4,714,765           | (816,084)   | 4,924,512           | (209,747)   |
| Total liabilities                     | 4,626,434     | 6,387,735           | (1,761,301) | 6,662,533           | (274,798)   |
| <b>Deferred inflows of resources</b>  | 285,022       | 905,264             | (620,242)   | 1,614,687           | (709,423)   |
| <b>Net position:</b>                  |               |                     |             |                     |             |
| Net investment in capital assets      | 15,126,912    | 15,316,073          | (189,161)   | 13,318,599          | 1,997,474   |
| Unrestricted                          | 44,663,756    | 39,292,892          | 5,370,864   | 35,958,191          | 3,334,701   |
| <b>Total net position</b>             | \$ 59,790,668 | 54,608,965          | 5,181,703   | 49,276,790          | 5,332,175   |

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets of the District exceeded liabilities by \$59,790,668 and \$54,608,965 as of June 30, 2025 and 2024, respectively.

**San Gabriel Valley Municipal Water District**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**Statements of Net Position, continued**

Compared to the previous year, net position of the District increased \$5,181,703 and \$5,332,175 in capital assets and (2) unrestricted net position.

By far the largest portion of the District's net position (25% and 28% as of June 30, 2025 and 2024, respectively) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are not available for future spending.

At the end of fiscal year 2025 and 2024, the District showed a positive balance in its unrestricted net position of \$44,663,756 and \$39,292,892, respectively. See note 8 for the amount of spendable net position that may be utilized in future years.

**Statements of Revenues, Expenses, and Changes in Net Position**

**Condensed Statements of Revenues, Expenses, and Changes in Net Position**

|                                         | 2025          | As Restated<br>2024 | Change      | As Restated<br>2023 | Change    |
|-----------------------------------------|---------------|---------------------|-------------|---------------------|-----------|
| <b>Revenues:</b>                        |               |                     |             |                     |           |
| Operating revenues                      | \$ 1,686,364  | 5,235,565           | (3,549,201) | 1,393,909           | 3,841,656 |
| Non-operating revenues                  | 18,154,744    | 18,664,620          | (509,876)   | 16,597,998          | 2,066,622 |
| Total revenues                          | 19,841,108    | 23,900,185          | (4,059,077) | 17,991,907          | 5,908,278 |
| <b>Expenses:</b>                        |               |                     |             |                     |           |
| Operating expenses                      | 13,743,156    | 17,624,234          | (3,881,078) | 11,700,239          | 5,923,995 |
| Depreciation expense                    | 739,725       | 642,333             | 97,392      | 696,807             | (54,474)  |
| Non-operating expense                   | 188,404       | 313,323             | (124,919)   | 538,756             | (225,433) |
| Total expenses                          | 14,671,285    | 18,579,890          | (3,908,605) | 12,935,802          | 5,644,088 |
| Net income before capital contributions | 5,169,823     | 5,320,295           | (150,472)   | 5,056,105           | 264,190   |
| <b>Capital contributions:</b>           | 11,880        | 11,880              | -           | 11,880              | -         |
| <b>Change in net position</b>           | 5,181,703     | 5,332,175           | (150,472)   | 5,067,985           | 264,190   |
| <b>Net position, beginning of year</b>  | 54,608,965    | 49,276,790          | 5,332,175   | 44,208,805          | 5,067,985 |
| <b>Net position, end of year</b>        | \$ 59,790,668 | 54,608,965          | 5,181,703   | 49,276,790          | 5,332,175 |

The statements of revenues, expenses, and changes of net position show how the District's net position changed during the fiscal year. In the case of the District, net position increased by \$5,181,703 and \$5,332,175 for the fiscal years ended June 30, 2025 and 2024, respectively.

A closer examination of the sources of changes in net position reveals that:

In fiscal year 2025, total revenues decreased 16.98% or \$4,059,077 to \$19,841,108. Operating revenues decreased 67.79% or \$3,549,201, to \$1,686,364, primarily due to decreases of \$3,317,299 in water sales and \$221,689 in hydroelectric power sales. Non-operating revenues decreased 2.73% or \$509,876 to \$18,154,744, primarily due to decreases of \$262,201 in interest and investment earnings, \$20,029 in ad valorem property taxes, and \$223,179 in voter approved property taxes as compared to the prior year.

**San Gabriel Valley Municipal Water District**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**Statements of Revenues, Expenses, and Changes in Net Position**

In fiscal year 2024, total revenues increased 32.84% or \$5,908,278 to \$23,900,185. Operating revenues increased 275.60% or \$3,841,656, to \$5,235,565, primarily due to increases of \$3,641,598 in water sales and \$191,879 in hydroelectric power sales. Non-operating revenues increased 12.45% or \$2,066,622, to \$18,664,620, primarily due to increases of \$973,685 in interest and investment earnings, \$583,241 in ad valorem property taxes, and \$505,037 in voter approved property taxes as compared to the prior year.

In fiscal year 2025, total expenses (including depreciation) decreased 21.04% or \$3,908,605 to \$14,671,285. Operating expenses decreased 22.02% or \$3,881,078, to \$13,743,156, primarily due to decreases in two categories; 1) \$3,424,309 in source of supply water deliveries principally related to a 50% allocation decrease in addition to state water supply contract cost credits, and 2) \$456,769 in general and administrative expenses. The decrease in general and administrative expenses was largely due to decreases of \$473,616 in consulting and engineering fees due to completion of the Pipeline Schedule 1 Assessment and Remediation project in the prior year, \$185,186 in actuarial changes and amortization in the pension plan account balances, offset by increases of \$69,338 in salaries and benefits, \$72,383 in election expenses, \$47,892 in insurance expenses, and \$21,679 in public relations water conservation expenses. Non-operating expenses decreased 39.87% or \$124,919, to \$188,404, primarily due to decreases of \$132,907 in grant funding to other agencies as compared to the prior year.

In fiscal year 2024, total expenses (including depreciation) increased 43.63% or \$5,644,088, to \$18,579,890. Operating expenses increased 50.63% or \$5,923,995, to \$17,624,234, primarily due to increases in two categories; 1) \$5,639,969 in source of supply water deliveries related to increases in state water supply contract costs, and 2) \$284,026 in general and administrative expenses. Increases in general and administrative were principally due to increases of \$288,681 in actuarial changes in the other post-employment benefit amounts, \$138,285 in salary expenses, and \$113,149 in consulting and engineering fees, offset by decreases of \$181,291 in public employee's retirement benefit expenses and \$129,876 in public relations and water conservation program expenses. Non-operating expenses decreased 41.84% or \$225,433, to \$313,323, primarily due to decreases of \$175,363 in discount on the City of Sierra Madre note receivable recorded in the prior year and \$64,351 in grant funding to other agencies.

In fiscal year 2025, there were no changes to capital contributions reported at \$11,880. In fiscal year 2024, there were no changes to capital contributions reported at \$11,880.

**Capital Asset Administration**

Changes to capital asset amounts for 2025 were as follows:

|                                              | <b>As Restated<br/>2024</b> | <b>Additions</b> | <b>Transfers/<br/>Deletions</b> | <b>Balance<br/>2025</b> |
|----------------------------------------------|-----------------------------|------------------|---------------------------------|-------------------------|
| Capital assets:                              |                             |                  |                                 |                         |
| Non-depreciable assets                       | \$ 2,763,028                | 310,878          | (2,125,400)                     | 948,506                 |
| Depreciable and<br>amortizable assets        | 38,462,509                  | 2,365,086        | (3,200)                         | 40,824,395              |
| Accumulated depreciation and<br>amortization | <u>(25,909,464)</u>         | <u>(739,725)</u> | <u>3,200</u>                    | <u>(26,645,989)</u>     |
| Total capital assets, net                    | <u>\$ 15,316,073</u>        | <u>1,936,239</u> | <u>(2,125,400)</u>              | <u>15,126,912</u>       |

**San Gabriel Valley Municipal Water District**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**Capital Asset Administration, continued**

Changes to capital asset amounts for 2024 were as follows:

|                                              | <u>Balance<br/>2023</u> | <u>Additions</u> | <u>Transfers/<br/>Deletions</u> | <u>As Restated<br/>2024</u> |
|----------------------------------------------|-------------------------|------------------|---------------------------------|-----------------------------|
| Capital assets:                              |                         |                  |                                 |                             |
| Non-depreciable assets                       | \$ 748,544              | 2,221,800        | (207,316)                       | 2,763,028                   |
| Depreciable and<br>amortizable assets        | 37,872,878              | 625,323          | (35,692)                        | 38,462,509                  |
| Accumulated depreciation and<br>amortization | <u>(25,302,823)</u>     | <u>(642,333)</u> | <u>35,692</u>                   | <u>(25,909,464)</u>         |
| Total capital assets, net                    | <u>\$ 13,318,599</u>    | <u>2,204,790</u> | <u>(207,316)</u>                | <u>15,316,073</u>           |

At the end of fiscal years 2025 and 2024, the District's investment in capital assets (net of accumulated depreciation) amounted to \$15,126,912 and \$15,316,073, respectively. This investment in capital assets includes land, pipelines, buildings and structures, equipment, vehicles, and construction-in-process, etc. Major capital assets additions during the year included additions to construction-in-progress for ongoing projects, upgrades to pipeline assets, upgrades to buildings and structures. At the end of fiscal years 2025 and 2024, disposals amounted to \$3,200 and \$35,692, respectively.

**Conditions Affecting Current Financial Position**

Management is unaware of any conditions which could have a significant impact on the District's current financial position, net position, or operating results in terms of past, present, and future periods.

**Requests for Information**

This financial report is designed to provide the District's present users, including funding sources, customers, stakeholders, and other interested parties with a general overview of the District's finances and to demonstrate the District's accountability with respect to the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's General Manager at 1402 N. Vosburg Drive, PO Box 1299 Azusa, California 91702.

# **Basic Financial Statements**

Working Draft Subject to Review

**San Gabriel Valley Municipal Water District**  
**Statements of Net Position**  
**June 30, 2025 and 2024**

|                                                           | <b>2025</b>         | <b>As Restated<br/>2024</b> |
|-----------------------------------------------------------|---------------------|-----------------------------|
| <b>Current assets:</b>                                    |                     |                             |
| Cash and cash equivalents (note 2)                        | \$ 29,477,756       | 25,835,948                  |
| Investments (note 2)                                      | 3,619,681           | 5,426,287                   |
| Accrued interest receivable                               | 214,583             | 183,552                     |
| Accounts receivable – water sales and services            | 89,136              | 1,229,181                   |
| Accounts receivable – property taxes                      | 321,711             | 591,897                     |
| Advances to member cities – current portion (note 3)      | 670,000             | 940,000                     |
| Water-in-storage inventory                                | 990,216             | 465,600                     |
| Prepaid expenses and deposits                             | 98,252              | 108,916                     |
| <b>Total current assets</b>                               | <b>35,481,335</b>   | <b>34,781,381</b>           |
| <b>Non-current assets:</b>                                |                     |                             |
| Investments (note 2)                                      | 6,374,486           | 4,410,502                   |
| Advances to member cities, net (note 3)                   | 6,087,855           | 5,293,119                   |
| Capital assets, not being depreciated (note 4)            | 948,506             | 2,763,028                   |
| Depreciable capital assets, net (note 4)                  | 14,178,406          | 12,553,045                  |
| <b>Total non-current assets</b>                           | <b>27,589,253</b>   | <b>25,019,694</b>           |
| <b>Total assets</b>                                       | <b>63,070,588</b>   | <b>59,801,075</b>           |
| <b>Deferred outflows of resources:</b>                    |                     |                             |
| Deferred other post-employment benefits outflows (note 6) | 836,335             | 631,250                     |
| Deferred pension outflows (note 7)                        | 795,201             | 1,469,639                   |
| <b>Total deferred outflows of resources</b>               | <b>\$ 1,631,536</b> | <b>2,100,889</b>            |

*Continued on next page*

See accompanying notes to the basic financial statements.

**San Gabriel Valley Municipal Water District**  
**Statements of Net Position, continued**  
**June 30, 2025 and 2024**

|                                                          | <b>2025</b>          | <b>As Restated<br/>2024</b> |
|----------------------------------------------------------|----------------------|-----------------------------|
| <b>Current liabilities:</b>                              |                      |                             |
| Accounts payable and accrued expenses                    | \$ 152,840           | 1,158,522                   |
| Accrued salaries and wages                               | 44,543               | 32,709                      |
| Unearned revenue                                         | 381,774              | 354,675                     |
| Long-term liabilities – due within one year:             |                      |                             |
| Compensated absences (note 5)                            | 148,596              | 127,064                     |
| <b>Total current liabilities</b>                         | <b>727,753</b>       | <b>1,672,970</b>            |
| <b>Non-current liabilities:</b>                          |                      |                             |
| Long-term liabilities – due in more than one year:       |                      |                             |
| Compensated absences (note 5)                            | 274,419              | 317,756                     |
| Net other post-employment benefit liability (note 6)     | 2,244,473            | 2,604,157                   |
| Net pension liability (note 7)                           | 1,379,789            | 1,792,852                   |
| <b>Total non-current liabilities</b>                     | <b>3,898,681</b>     | <b>4,714,765</b>            |
| <b>Total liabilities</b>                                 | <b>4,626,434</b>     | <b>6,387,735</b>            |
| <b>Deferred inflows of resources:</b>                    |                      |                             |
| Deferred other post-employment benefits inflows (note 6) | 3,624                | 491,031                     |
| Deferred pension inflows (note 7)                        | 281,398              | 414,233                     |
| <b>Total deferred inflows of resources</b>               | <b>285,022</b>       | <b>905,264</b>              |
| <b>Net position:</b>                                     |                      |                             |
| Net investment in capital assets                         | 15,126,912           | 15,316,073                  |
| Unrestricted (note 8)                                    | 44,663,756           | 39,292,892                  |
| <b>Total net position</b>                                | <b>\$ 59,790,668</b> | <b>54,608,965</b>           |

See accompanying notes to the basic financial statements.

**San Gabriel Valley Municipal Water District**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

|                                                              | <b>2025</b>          | <b>As Restated<br/>2024</b> |
|--------------------------------------------------------------|----------------------|-----------------------------|
| <b>Operating revenues:</b>                                   |                      |                             |
| Water sales                                                  | \$ 1,675,025         | 4,992,324                   |
| Hydroelectric sales                                          | -                    | 221,689                     |
| Other services                                               | 11,339               | 21,552                      |
| Total operating revenues                                     | <u>1,686,364</u>     | <u>5,235,565</u>            |
| <b>Operating expenses:</b>                                   |                      |                             |
| Source of supply – water deliveries                          | 10,929,225           | 14,353,534                  |
| General and administrative                                   | 2,813,931            | 3,270,700                   |
| Total operating expenses                                     | <u>13,743,156</u>    | <u>17,624,234</u>           |
| Operating loss before depreciation and amortization expense  | (12,056,792)         | (12,388,669)                |
| Depreciation and amortization expense                        | (739,725)            | (642,333)                   |
| <b>Operating loss</b>                                        | <u>(12,796,517)</u>  | <u>(13,031,002)</u>         |
| <b>Non-operating revenue(expense):</b>                       |                      |                             |
| Property taxes – ad valorem                                  | 6,810,923            | 6,830,952                   |
| Property taxes – voter approved                              | 10,209,530           | 10,432,709                  |
| Interest and investment earnings                             | 1,134,099            | 1,396,300                   |
| Grant funding to other agencies                              | (79,220)             | (212,127)                   |
| Property tax collection and administrative expense           | (109,184)            | (101,196)                   |
| Other non-operating, net                                     | 192                  | 4,659                       |
| <b>Total non-operating revenue, net</b>                      | <u>17,966,340</u>    | <u>18,351,297</u>           |
| <b>Net income before capital contribution</b>                | 5,169,823            | 5,320,295                   |
| <b>Capital contributions:</b>                                |                      |                             |
| Reimbursement of capital expenditures                        | 11,880               | 11,880                      |
| <b>Change in net position</b>                                | 5,181,703            | 5,332,175                   |
| <b>Net position, beginning of year, as restated (note 9)</b> | <u>54,608,965</u>    | <u>49,276,790</u>           |
| <b>Net position, end of year, as restated</b>                | <u>\$ 59,790,668</u> | <u>54,608,965</u>           |

See accompanying notes to the basic financial statements.

**San Gabriel Valley Municipal Water District**  
**Statements of Cash Flows**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

|                                                                  | <b>2025</b>                 | <b>As Restated<br/>2024</b> |
|------------------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Cash flows from operating activities:</b>                     |                             |                             |
| Cash receipts from water sales                                   | \$ 1,686,364                | 5,013,876                   |
| Cash receipts from hydroelectric sales                           | -                           | 221,689                     |
| Cash paid to employees for salaries and wages                    | (1,397,093)                 | (1,159,820)                 |
| Cash paid to vendors and suppliers for materials and services    | <u>(13,659,067)</u>         | <u>(17,313,354)</u>         |
| Net cash used in operating activities                            | <u>(13,369,796)</u>         | <u>(13,237,609)</u>         |
| <b>Cash flows from non-capital financing activities:</b>         |                             |                             |
| Cash receipts from property taxes                                | 17,290,639                  | 17,256,044                  |
| Cash paid for collection fees                                    | <u>(109,184)</u>            | <u>(101,196)</u>            |
| Net cash provided by non-capital financing activities            | <u>17,181,455</u>           | <u>17,154,848</u>           |
| <b>Cash flows from capital and related financing activities:</b> |                             |                             |
| Acquisition and construction of capital assets                   | (550,558)                   | (2,639,807)                 |
| Grant funding paid to other agencies                             | (79,220)                    | (212,127)                   |
| Proceeds from capital contributions                              | 11,880                      | 11,880                      |
| Issuance of advance to member agency                             | <u>(524,736)</u>            | <u>(31,306)</u>             |
| Net cash used in capital and related financing activities        | <u>(1,142,634)</u>          | <u>(2,871,360)</u>          |
| <b>Cash flows from investing activities:</b>                     |                             |                             |
| Purchase of investments                                          | (7,589,930)                 | (2,553,127)                 |
| Proceeds for the sale of investments                             | 7,459,645                   | 2,117,195                   |
| Interest earnings received                                       | <u>1,103,068</u>            | <u>1,395,982</u>            |
| Net cash provided by investing activities                        | <u>972,783</u>              | <u>960,050</u>              |
| <b>Net increase in cash and cash equivalents</b>                 | <b>3,641,808</b>            | <b>2,005,929</b>            |
| <b>Cash and cash equivalents, beginning of year</b>              | <b>25,835,948</b>           | <b>23,830,019</b>           |
| <b>Cash and cash equivalents, end of year</b>                    | <b>\$ <u>29,477,756</u></b> | <b><u>25,835,948</u></b>    |

*Continued on next page*

See accompanying notes to the basic financial statements.

**San Gabriel Valley Municipal Water District**  
**Statements of Cash Flows, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

|                                                                                                           | <u>2025</u>     | <u>As Restated<br/>2024</u> |
|-----------------------------------------------------------------------------------------------------------|-----------------|-----------------------------|
| <b>Reconciliation of operating loss to net cash used in operating activities:</b>                         |                 |                             |
| Operating loss                                                                                            | \$ (12,796,517) | (13,031,002)                |
| <b>Adjustments to reconcile operating loss to net cash used in operating activities:</b>                  |                 |                             |
| Depreciation expense                                                                                      | 739,725         | 642,333                     |
| Other, net                                                                                                | 192             | 4,659                       |
| <b>Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:</b> |                 |                             |
| (Increase)Decrease in assets:                                                                             |                 |                             |
| Accounts receivable                                                                                       | 1,140,045       | (1,165,894)                 |
| Water-in-storage inventory                                                                                | (524,616)       | 955,050                     |
| Prepaid expenses and deposits                                                                             | 10,664          | 63,399                      |
| (Increase)Decrease in deferred outflows of resources:                                                     |                 |                             |
| Deferred other post-employment benefits outflows                                                          | (205,085)       | (198,940)                   |
| Deferred pension outflows                                                                                 | 674,438         | 257,838                     |
| Increase(Decrease) in liabilities:                                                                        |                 |                             |
| Accounts payable and accrued expenses                                                                     | (1,005,682)     | 137,110                     |
| Accrued salaries and wages                                                                                | 11,834          | 2,613                       |
| Compensated absences                                                                                      | (21,805)        | (5,856)                     |
| Other post-employment benefit liability                                                                   | (359,684)       | 99,734                      |
| Net pension liability                                                                                     | (413,063)       | (289,230)                   |
| Increase(Decrease) in deferred inflows of resources:                                                      |                 |                             |
| Deferred other post-employment benefits inflows                                                           | (487,407)       | (775,964)                   |
| Deferred pension inflows                                                                                  | (132,835)       | 66,541                      |
| Total adjustments                                                                                         | (573,279)       | (206,607)                   |
| Net cash used in operating activities                                                                     | \$ (13,369,796) | (13,237,609)                |
| <b>Non-cash investing, capital and financing transactions:</b>                                            |                 |                             |
| Change in fair-market value of funds deposited in LAIF                                                    | \$ 18,419       | (40,026)                    |
| Change in fair-market value of funds deposited in UBS                                                     | \$ (31,976)     | (145,339)                   |

See accompanying notes to the basic financial statements.

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(1) Summary of Significant Accounting Policies**

**A. Organization and Operations of the Reporting Entity**

The San Gabriel Valley Municipal Water District was organized in 1959. Included in the District are the cities of Alhambra, Azusa, Monterey Park, and Sierra Madre. The District imports state water through its pipeline which was completed in 1975. The pipeline originates at the State Water Project located at Devil Canyon, County of San Bernardino, and terminates in the San Gabriel Canyon Spreading Grounds. The District maintains the pipeline and also generates electricity, which is sold to the City of Azusa at its San Dimas electrical generating plant.

The imported water is spread in the Main San Gabriel Basin and the Central Basin. The Main San Gabriel Basin Watermaster requires that replacement water and cyclic storage be spread in the Main San Gabriel Basin. The water spread in the Main San Gabriel Basin is to replace water pumped by the four above mentioned cities in excess of their pumping rights. The San Gabriel River Watermaster requires that make-up water be spread in the Central Basin to satisfy the terms of Long Beach Judgment.

The District is governed by a five-member Board of Directors representing five divisions. The General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. The District employs eight employees. The District's Board of Directors meets each month. Meetings are publicly noticed and citizens are encouraged to attend.

**B. Basis of Accounting and Measurement Focus**

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water to its service area on a continuing basis be financed or recovered primarily through user charges (water sales), capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as water sales and water deliveries result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

**C. Financial Reporting**

The District's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the District's proprietary fund.

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(1) Summary of Significant Accounting Policies, continued**

**C. Financial Reporting, continued**

The District has adopted the following GASB pronouncements in the current year:

*Governmental Accounting Standards Board Statement No. 101*

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. See Note 1.D.10. and Note 6 for the impact of this note on the financial statements due to implementation in the current fiscal year.

*Governmental Accounting Standards Board Statement No. 102*

In December 2023, the GASB issued Statement No. 102 – *Certain Risk Disclosures*. The primary objective of this Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(1) Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position**

**1. Use of Estimates**

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net assets during the reporting period. Actual results could differ from those estimates.

**2. Cash and Cash Equivalents**

Substantially all of the District's cash is invested in interest bearing accounts. The District considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

**3. Investments and Investment Policy**

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

**4. Fair Value Measurements**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset, as follows:

- *Level 1* – This valuation level is based on quoted prices in active markets for identical assets.
- *Level 2* – This valuation level is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.
- *Level 3* – This valuation level is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity and other assumptions that are internally generated and cannot be observed in the market.

**5. Accounts Receivable and Allowance for Bad Debts**

The District considers accounts receivable to be fully collectable and accordingly, no allowance for doubtful accounts is considered necessary.

**6. Inventory**

Materials and supplies inventory consists primarily of water meters, pipe and pipefittings for construction and repair to the District's water transmission and distribution system. Inventory is valued at cost using the weighted-average method. Inventory items are charged to expense at the time that individual items are withdrawn from inventory or consumed. Water-in-storage is valued at average cost.

**7. Prepaid Expenses**

Certain payments to vendors reflects costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(1) Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued**

**8. Capital Assets**

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$1,000. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are also expensed in the current period.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Pipeline – 7 to 75 years
- Telemetry equipment – 10 years
- Buildings and structures – 7 to 30 years
- Office furniture and equipment – 5 to 15 years
- Vehicles and equipment – 5 to 10 years
- State Water Project – 60 years

**9. Deferred Outflows of Resources**

The statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of resources applicable to future periods and therefore will *not* be recognized as an outflow of resources (expenditure) until that time. The District has the following pension related items that qualify for reporting in this category:

*Post-Employment Benefits Other Than Pensions (OPEB)*

- Deferred outflow which is equal to the employer contributions made after the measurement date of the net OPEB liability. This amount will be amortized-in-full against the net OPEB liability in the next fiscal year.
- Deferred outflow for the plans' experience (gains)/losses which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan.
- Deferred outflow for the net difference in projected and actual earnings on investments of the OPEB plans' fiduciary net position. This amount is amortized over a 5-year period.

*Pensions*

- Deferred outflow which is equal to the employer contributions made after the measurement date of the net pension liability. This amount will be amortized-in-full against the net pension liability in the next fiscal year.
- Deferred outflow for the net differences between the actual and expected experience which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.
- Deferred outflow for the net change in assumptions which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(1) Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued**

**9. Deferred Outflows of Resources, continued**

*Pensions, continued*

- Deferred outflow for the net difference in projected and actual earnings on investments of the pension plans fiduciary net position. This amount is amortized over a 5 year period.
- Deferred outflow for the net difference in actual and proportionate share of employer contribution which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.

**10. Compensated Absences**

The District's policy is to permit employees to accumulate earned but unused vacation and sick time pay benefits. All vacation and sick time is accrued when incurred. Upon termination of employment, employees are paid all unused vacation and qualifying unused sick time up to a maximum of 960 hours.

The District has adopted the provisions of GASB Statement No. 101. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The District has determined that the accrued vested sick liability meets the provisions, as reported above, of GASB Statement No. 101 for reporting. Therefore, a liability for the vested and accrued value of sick leave that will be settled in the future by employees as time off is included in the liability for compensated absences.

**11. Post-Employment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB plan (Plan) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

GASB 75 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation Date: June 30, 2023
- Measurement Dates: June 30, 2024 and 2023
- Measurement Periods: July 1, 2023 to June 30, 2024 and July 1, 2022 to June 30, 2023

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(1) Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued**

**12. Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and addition to/deduction from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation Dates: June 30, 2023 and 2022
- Measurement Dates: June 30, 2024 and 2023
- Measurement Periods: July 1, 2023 to June 30, 2024 and July 1, 2022 to June 30, 2023

**13. Deferred Inflows of Resources**

The statements of net position will sometimes report a separate section for deferred inflows of resources. This financial statement element, *deferred inflows of resources*, represents an acquisition of resources applicable to future periods and therefore will *not* be recognized as an inflow of resources (revenue) until that time. The District has the following pension related item that qualifies for reporting in this category:

*Post-Employment Benefits Other Than Pensions (OPEB)*

- Deferred inflow for the net changes in assumptions which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan.

*Pensions*

- Deferred inflow for the net adjustment due to differences in the changes in proportions of the net pension liability which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.

**14. Net Position**

The District follows the financial reporting requirements of the GASB and reports net position under the following classifications:

- *Net Investment in Capital Assets* – Consists of capital assets, net of accumulated depreciation, and reduced by any debt outstanding against the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt is included in this component of net position.
- *Restricted* – Consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- *Unrestricted* – The net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted component of net position.

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(1) Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued**

**15. Water Sales**

Water sales are billed when Watermaster places an order for replacement water.

**16. Property Taxes and Assessments**

The County of Los Angeles Assessor's Office assesses all real and personal property within the County each year. The County of Los Angeles Tax Collector's Office bills and collects the District's share of property taxes and assessments. The County of Los Angeles Treasurer's Office remits current and delinquent property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

Property taxes receivable at year-end are related to property taxes collected by the County of Los Angeles, which have not been credited to the District's cash balance as of June 30. The property tax calendar is as follows:

|                  |                          |
|------------------|--------------------------|
| Lien date        | March 1                  |
| Levy date        | July 1                   |
| Due dates        | November 1 and March 1   |
| Collection dates | December 10 and April 10 |

**17. Capital Contributions**

Capital contributions represent cash and capital asset additions contributed to the District by property owners, granting agencies or real estate developers desiring services that require capital expenditures or capacity commitment.

**18. Budgetary Policies**

The District adopts an annual non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

**(2) Cash and Investments**

Cash and investments as of June 30 are classified in the accompanying financial statements as follows:

|                                        | <u>2025</u>                 | <u>2024</u>              |
|----------------------------------------|-----------------------------|--------------------------|
| Cash and cash equivalents              | \$ 29,477,756               | 25,835,948               |
| Investments:                           |                             |                          |
| Certificates-of-deposit – current      | 3,619,681                   | 5,186,287                |
| U.S. Treasury notes – current          | <u>-</u>                    | <u>240,000</u>           |
| Total investments – current            | <u>3,619,681</u>            | <u>5,426,287</u>         |
| Certificates-of- deposit – non-current | <u>6,374,486</u>            | <u>4,410,502</u>         |
| Total cash and investments             | <u><u>\$ 39,471,923</u></u> | <u><u>35,672,737</u></u> |

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(2) Cash and Investments, continued**

Cash and cash equivalents as of June 30 consist of the following:

|                                      | <u>2025</u>          | <u>2024</u>       |
|--------------------------------------|----------------------|-------------------|
| Cash on hand                         | \$ 442               | 442               |
| Deposits with financial institutions | 14,359,619           | 15,000,269        |
| Investments and cash equivalents     | <u>25,111,862</u>    | <u>20,672,026</u> |
| Total cash and investments           | <u>\$ 39,471,923</u> | <u>35,672,737</u> |

As of June 30, the District's authorized deposits had the following maturities:

|                                                                       | <u>2025</u> | <u>2024</u> |
|-----------------------------------------------------------------------|-------------|-------------|
| Deposits held with the California Local Agency Investment Fund (LAIF) | 248 days    | 217 days    |

***Investments Authorized by the California Government Code and the District's Investment Policy***

The table below identifies the investment types that are authorized by the District in accordance with the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

| <b>Authorized Investment Type</b>         | <b>Maximum Maturity</b> | <b>Maximum Percentage of Portfolio</b> | <b>Maximum Investment in One Issuer</b> |
|-------------------------------------------|-------------------------|----------------------------------------|-----------------------------------------|
| Local Government Bonds                    | 5 years                 | None                                   | None                                    |
| U.S. Treasury Obligations                 | 5 years                 | 80%                                    | N/A                                     |
| U.S. Government Agency Securities         | 5 years                 | None                                   | None                                    |
| Banker's Acceptances                      | 180 days                | 40%                                    | 30%                                     |
| Commercial Paper, Prime Quality           | 5 years                 | 15%                                    | 10%                                     |
| Certificates of Deposit                   | 5 years                 | 30%                                    | \$250,000                               |
| Negotiable Certificates of Deposit        | 5 years                 | 30%                                    | None                                    |
| Medium-Term Notes                         | 5 years                 | 30%                                    | None                                    |
| Money Market Mutual Funds                 | N/A                     | 15%                                    | None                                    |
| Local Agency Investment Fund (LAIF)       | N/A                     | None                                   | \$75 Million                            |
| Collateralized Bank Deposits              | 5 years                 | 25%                                    | None                                    |
| Investment Trust of California (CalTRUST) | N/A                     | 15%                                    | N/A                                     |

***Investment in State Investment Pool***

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(2) Cash and Investments, continued**

***Investment in State Investment Pool, continued***

The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set forth by GASB 79 for external investments pools that elect to measure, for financial reporting purposes, investments at amortized cost. LAIF does not have any legally binding guarantees of share values. LAIF does not impose liquidity fees or redemption gates on participant withdrawals.

***Custodial Credit Risk***

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits.

The California Government Code requires that a financial institution, secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. Of the bank balances, up to \$250,000 held at each institution were federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Code and the District's investment policy contain legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

***Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide for cash flow requirements and liquidity needed for operations. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the table on the following table that shows the distribution of the District's investments by maturity date:

As of June 30, 2025, the District's investments are scheduled to mature as follows:

| Investment Type              | Total         | Remaining Maturity   |                    |                    |            |
|------------------------------|---------------|----------------------|--------------------|--------------------|------------|
|                              |               | 12 Months<br>or Less | 13 to 24<br>Months | 25 to 60<br>Months | Thereafter |
| Local Agency Investment Fund | \$ 15,389,508 | 15,389,508           | -                  | -                  | -          |
| Certificates-of-deposit      | 9,722,354     | 3,347,868            | 3,295,946          | 1,439,854          | 1,638,686  |
| Total                        | \$ 25,111,862 | 18,737,376           | 3,295,946          | 1,439,854          | 1,638,686  |

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(2) Cash and Investments, continued**

As of June 30, 2024, the District's investments are scheduled to mature as follows:

| Investment Type              | Total         | Remaining Maturity   |                    |                    |            |
|------------------------------|---------------|----------------------|--------------------|--------------------|------------|
|                              |               | 12 Months<br>or Less | 13 to 24<br>Months | 25 to 60<br>Months | Thereafter |
| Local Agency Investment Fund | \$ 10,824,927 | 10,824,927           | -                  | -                  | -          |
| Certificates-of-deposit      | 9,607,099     | 5,196,597            | 1,869,633          | 1,139,023          | 1,401,846  |
| U.S. Treasury notes          | 240,000       | 240,000              | -                  | -                  | -          |
| Total                        | \$ 20,672,026 | 16,261,524           | 1,869,633          | 1,139,023          | 1,401,846  |

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Credit ratings as of June 30, 2025, were as follows:

| Investment Type              | Total         | Minimum Legal<br>Rating | Rating at Year End |              |
|------------------------------|---------------|-------------------------|--------------------|--------------|
|                              |               |                         | AAA                | Not<br>Rated |
| Local Agency Investment Fund | \$ 15,389,508 | N/A                     | -                  | 15,389,508   |
| Certificates-of-deposit      | 9,722,354     | Aaa                     | 9,722,354          | -            |
| Total                        | \$ 25,111,862 |                         | 9,722,354          | 15,389,508   |

Credit ratings as of June 30, 2024, were as follows:

| Investment Type              | Total         | Minimum Legal<br>Rating | Rating at Year End |              |
|------------------------------|---------------|-------------------------|--------------------|--------------|
|                              |               |                         | AAA                | Not<br>Rated |
| Local Agency Investment Fund | \$ 10,824,927 | N/A                     | -                  | 10,824,927   |
| Certificates-of-deposit      | 9,607,099     | Aaa                     | 9,607,099          | -            |
| U.S. Treasury notes          | 240,000       | Aaa                     | 240,000            | -            |
| Total                        | \$ 20,672,026 |                         | 9,847,099          | 10,824,927   |

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(2) Cash and Investments, continued**

***Fair Value Measurements***

Assets measured at fair value on a recurring basis, based on their fair value hierarchy at June 30, 2025, are as follows:

| Investment Type         | Total        | Fair Value Measurements Using                                              |                                                           |                                                    |
|-------------------------|--------------|----------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|
|                         |              | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| Certificates-of-deposit | \$ 9,722,354 | -                                                                          | 9,722,354                                                 | -                                                  |
| Total                   | \$ 9,722,354 | -                                                                          | 9,722,354                                                 | -                                                  |

Inputs and valuations methods used for each of the District's investment classes are as follows:

- Certificates-of-deposit – The fair value of certificate-of-deposit is generally determined using a market-based model in which valuation consideration is given to yield or price of comparable securities, coupon rate, maturity, credit quality, and dealer-provided prices (Level 2).

Assets measured at fair value on a recurring basis, based on their fair value hierarchy at June 30, 2024, are as follows:

| Investment Type         | Total        | Fair Value Measurements Using                                              |                                                           |                                                    |
|-------------------------|--------------|----------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|
|                         |              | Quoted Prices<br>in Active<br>Markets for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| Certificates-of-deposit | \$ 9,607,099 | -                                                                          | 9,607,099                                                 | -                                                  |
| U.S. Treasury notes     | 240,000      | 240,000                                                                    | -                                                         | -                                                  |
| Total                   | \$ 9,847,099 | 240,000                                                                    | 9,607,099                                                 | -                                                  |

Inputs and valuations methods used for each of the District's investment classes are as follows:

- U.S. Treasury securities – The fair value U.S. Treasury securities is generally based on quoted market prices in active markets (Level 1).
- Certificates-of-deposit – The fair value of certificate-of-deposit is generally determined using a market-based model in which valuation consideration is given to yield or price of comparable securities, coupon rate, maturity, credit quality, and dealer-provided prices (Level 2).

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(2) Cash and Investments, continued**

***Concentration of Credit Risk***

The District's investment policy contains no limitations on the amounts that can be invested in any one issuer as beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than for U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District's investments as of June 30, 2025 and 2024, respectively.

**(3) Advances to Member Cities Receivable**

Changes in notes receivable at June 30, 2025 were as follows:

|                             | <u>Balance<br/>2024</u> | <u>Additions</u> | <u>Principal Pymts/<br/>Amortization</u> | <u>Balance<br/>2025</u> | <u>Current<br/>Portion</u> | <u>Long-term<br/>Portion</u> |
|-----------------------------|-------------------------|------------------|------------------------------------------|-------------------------|----------------------------|------------------------------|
| Notes receivable:           |                         |                  |                                          |                         |                            |                              |
| City of Monterey Park       | \$ 4,000,000            | -                | -                                        | 4,000,000               | 400,000                    | 3,600,000                    |
| Less: Unamortized discount  | (322,824)               | -                | -                                        | (322,824)               | -                          | (322,824)                    |
| Total City of Monterey Park | 3,677,176               | -                | -                                        | 3,677,176               | 400,000                    | 3,277,176                    |
| City of Sierra Madre        | 2,700,000               | -                | (540,000)                                | 2,160,000               | 270,000                    | 1,890,000                    |
| Less: Unamortized discount  | (144,057)               | -                | 28,346                                   | (115,711)               | -                          | (115,711)                    |
| Total City of Sierra Madre  | 2,555,943               | -                | (511,654)                                | 2,044,289               | 270,000                    | 1,774,289                    |
| City of Azusa               | -                       | 1,036,390 *      | -                                        | 1,036,390               | -                          | 1,036,390                    |
| Less: Unamortized discount  | -                       | - **             | -                                        | -                       | -                          | -                            |
| Total City of Sierra Madre  | -                       | 1,036,390        | -                                        | 1,036,390               | -                          | 1,036,390                    |
| Total notes receivable      | \$ 6,233,119            | 1,036,390        | (511,654)                                | 6,757,855               | 670,000                    | 6,087,855                    |
| Less: Current portion       | (940,000)               |                  |                                          | (670,000)               |                            |                              |
| Long-term portion           | \$ 5,293,119            |                  |                                          | 6,087,855               |                            |                              |

\* Loan balance will accumulate as construction costs are reimbursed until balance meets approved loan amount of \$3.4 million.

\*\* Discount will be added once loan amount reaches \$3.4 million.

Changes in notes receivable at June 30, 2024 were as follows:

|                             | <u>Balance<br/>2023</u> | <u>Additions</u> | <u>Principal Pymts/<br/>Amortization</u> | <u>Balance<br/>2024</u> | <u>Current<br/>Portion</u> | <u>Long-term<br/>Portion</u> |
|-----------------------------|-------------------------|------------------|------------------------------------------|-------------------------|----------------------------|------------------------------|
| Notes receivable:           |                         |                  |                                          |                         |                            |                              |
| City of Monterey Park       | \$ 4,000,000            | -                | -                                        | 4,000,000               | 400,000                    | 3,600,000                    |
| Less: Unamortized discount  | (322,824)               | -                | -                                        | (322,824)               | -                          | (322,824)                    |
| Total City of Monterey Park | 3,677,176               | -                | -                                        | 3,677,176               | 400,000                    | 3,277,176                    |
| City of Sierra Madre        | 2,700,000               | -                | -                                        | 2,700,000               | 540,000                    | 2,160,000                    |
| Less: Unamortized discount  | (175,363)               | -                | 31,306                                   | (144,057)               | -                          | (144,057)                    |
| Total City of Sierra Madre  | 2,524,637               | -                | 31,306                                   | 2,555,943               | 540,000                    | 2,015,943                    |
| Total notes receivable      | \$ 6,201,813            | -                | 31,306                                   | 6,233,119               | 940,000                    | 5,293,119                    |
| Less: Current portion       | (670,000)               |                  |                                          | (940,000)               |                            |                              |
| Long-term portion           | \$ 5,531,813            |                  |                                          | 5,293,119               |                            |                              |

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(3) Advances to Member Cities Receivable, continued**

***City of Monterey Park***

On March 1, 2021, the District entered into a loan agreement with the City of Monterey Park for the purpose of providing funding towards the construction of a PFAS Treatment Plant. Terms of the agreement call for annual principal only payments in the amount of \$400,000 at a rate of zero percent, commencing one year after the filing of the Notice of Completion for the project. The District discounted the note using the March 1, 2021 10-year treasury bill rate of 1.56%.

Principal and discount amortization are as follows:

| <b>Fiscal Year</b>      | <b>Principal</b> | <b>Discount<br/>Amortization</b> | <b>Total</b> |
|-------------------------|------------------|----------------------------------|--------------|
| 2026                    | \$ 400,000       | (57,364)                         | 342,636      |
| 2027                    | 400,000          | (52,019)                         | 347,981      |
| 2028                    | 400,000          | (46,590)                         | 353,410      |
| 2029                    | 400,000          | (41,077)                         | 358,923      |
| 2030                    | 400,000          | (35,478)                         | 364,522      |
| 2031 - 2035             | 2,000,000        | (90,296)                         | 1,909,704    |
| Total                   | 4,000,000        | (322,824)                        | 3,677,176    |
| Less: Current portion   | (400,000)        |                                  |              |
| Less: Unamort. discount | (322,824)        |                                  |              |
| Total non-current       | \$ 3,277,176     |                                  |              |

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(3) Advances to Member Cities Receivable, continued**

***City of Sierra Madre***

On July 29, 2021, the District entered into a loan agreement with the City of Sierra Madre for the purpose of providing funding towards the planning, design, construction, and construction administration of three water main construction projects. Terms of the agreement call for annual principal only payments in the amount of \$270,000 at a rate of zero percent, commencing after the filing of the Notice of Completion for the projects. The District discounted the note using the July 29, 2021 10-year Treasury Bill rate of 1.24%.

Principal and discount amortization are as follows:

| <b>Fiscal Year</b>      | <b>Principal</b> | <b>Discount<br/>Amortization</b> | <b>Total</b> |
|-------------------------|------------------|----------------------------------|--------------|
| 2026                    | \$ 270,000       | (25,349)                         | 244,651      |
| 2027                    | 270,000          | (22,316)                         | 247,684      |
| 2028                    | 270,000          | (19,244)                         | 250,756      |
| 2029                    | 270,000          | (16,135)                         | 253,865      |
| 2030                    | 270,000          | (12,987)                         | 257,013      |
| 2031 - 2033             | 810,000          | (19,680)                         | 790,320      |
| Total                   | 2,160,000        | (115,711)                        | 2,044,289    |
| Less: Current portion   | (270,000)        |                                  |              |
| Less: Unamort. discount | (115,711)        |                                  |              |
| Total non-current       | \$ 1,774,289     |                                  |              |

***City of Azusa Loan Receivable***

On September 9, 2024, the District approved a loan request in the amount of \$3,400,000 from the City of Azusa (the City) for the purpose of financing the City's South Reservoir Replacement Project. Terms of the loan include a term of 10 years at 0% interest. At June 30, 2025, the District paid for Project claims for the City amounting to \$1,036,390. The remainder of the loan balance is expected to be fulfilled during the fiscal year ending June 30, 2026. The discount will be recorded when the loan is fulfilled. Repayment of the loan will commence on the first anniversary of the date the City signs the Notice of Completion for the Project.

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(4) Capital Assets**

Changes in capital assets for the year ended June 30, 2025 were as follows:

|                                            | <u>Balance<br/>2024</u> | <u>Additions/<br/>Transfers</u> | <u>Deletions/<br/>Transfers</u> | <u>Balance<br/>2025</u> |
|--------------------------------------------|-------------------------|---------------------------------|---------------------------------|-------------------------|
| Non-depreciable assets:                    |                         |                                 |                                 |                         |
| Land                                       | \$ 735,931              | -                               | -                               | 735,931                 |
| Construction-in-process                    | <u>2,027,097</u>        | <u>310,878</u>                  | <u>(2,125,400)</u>              | <u>212,575</u>          |
| Total non-depreciable assets               | <u>2,763,028</u>        | <u>310,878</u>                  | <u>(2,125,400)</u>              | <u>948,506</u>          |
| Depreciable assets:                        |                         |                                 |                                 |                         |
| Pipeline                                   | 27,207,443              | 2,125,400                       | -                               | 29,332,843              |
| Buildings and structures                   | 3,699,603               | 150,908                         | -                               | 3,850,511               |
| Telemetry equipment                        | 1,014,607               | -                               | -                               | 1,014,607               |
| Office furniture and equipment             | 240,121                 | 6,158                           | (1,700)                         | 244,579                 |
| Vehicles and equipment                     | 516,570                 | 82,620                          | (1,500)                         | 597,690                 |
| State water project participation rights   | <u>5,784,165</u>        | <u>-</u>                        | <u>-</u>                        | <u>5,784,165</u>        |
| Total depreciable assets                   | <u>38,462,509</u>       | <u>2,365,086</u>                | <u>(3,200)</u>                  | <u>40,824,395</u>       |
| Accumulated depreciation and amortization: |                         |                                 |                                 |                         |
| Pipeline                                   | (17,378,995)            | (487,789)                       | -                               | (17,866,784)            |
| Buildings and structures                   | (2,426,853)             | (70,583)                        | -                               | (2,497,436)             |
| Telemetry Equipment                        | (868,844)               | (18,142)                        | -                               | (886,986)               |
| Office furniture and equipment             | (144,908)               | (14,180)                        | 1,700                           | (157,388)               |
| Vehicles and equipment                     | (366,129)               | (52,628)                        | 1,500                           | (417,257)               |
| State water project participation rights   | <u>(4,723,735)</u>      | <u>(96,403)</u>                 | <u>-</u>                        | <u>(4,820,138)</u>      |
| Total accumulated depreciation             | <u>(25,909,464)</u>     | <u>(739,725)</u>                | <u>3,200</u>                    | <u>(26,645,989)</u>     |
| Total depreciable assets, net              | <u>12,553,045</u>       | <u>1,625,361</u>                | <u>-</u>                        | <u>14,178,406</u>       |
| Total capital assets, net                  | <u>\$ 15,316,073</u>    |                                 |                                 | <u>15,126,912</u>       |

Major capital assets additions during the year included additions to construction-in-progress for ongoing projects, upgrades to pipeline assets, upgrades to buildings and structures, and vehicles and equipment. There were no major disposals in the current year.

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(4) Capital Assets, continued**

Changes in capital assets for the year ended June 30, 2024 were as follows:

|                                            | <u>Balance<br/>2023</u> | <u>Additions/<br/>Transfers</u> | <u>Deletions/<br/>Transfers</u> | <u>As Restated<br/>2024</u> |
|--------------------------------------------|-------------------------|---------------------------------|---------------------------------|-----------------------------|
| Non-depreciable assets:                    |                         |                                 |                                 |                             |
| Land                                       | \$ 735,931              | -                               | -                               | 735,931                     |
| Construction-in-process                    | 12,613                  | 2,221,800                       | (207,316)                       | 2,027,097                   |
| Total non-depreciable assets               | <u>748,544</u>          | <u>2,221,800</u>                | <u>(207,316)</u>                | <u>2,763,028</u>            |
| Depreciable assets:                        |                         |                                 |                                 |                             |
| Pipeline                                   | 26,881,938              | 325,505                         | -                               | 27,207,443                  |
| Buildings and structures                   | 3,575,807               | 125,682                         | (1,886)                         | 3,699,603                   |
| Telemetry equipment                        | 932,973                 | 81,634                          | -                               | 1,014,607                   |
| Office furniture and equipment             | 181,425                 | 92,502                          | (33,806)                        | 240,121                     |
| Vehicles and equipment                     | 516,570                 | -                               | -                               | 516,570                     |
| State water project participation rights   | 5,784,165               | -                               | -                               | 5,784,165                   |
| Total depreciable assets                   | <u>37,872,878</u>       | <u>625,323</u>                  | <u>(35,692)</u>                 | <u>38,462,509</u>           |
| Accumulated depreciation and amortization: |                         |                                 |                                 |                             |
| Pipeline                                   | (17,006,890)            | (372,105)                       | -                               | (17,378,995)                |
| Buildings and structures                   | (2,407,549)             | (21,190)                        | 1,886                           | (2,426,853)                 |
| Telemetry Equipment                        | (777,819)               | (91,025)                        | -                               | (868,844)                   |
| Office furniture and equipment             | (166,070)               | (12,644)                        | 33,806                          | (144,908)                   |
| Vehicles and equipment                     | (317,163)               | (48,966)                        | -                               | (366,129)                   |
| State water project participation rights   | (4,627,332)             | (96,403)                        | -                               | (4,723,735)                 |
| Total accumulated depreciation             | <u>(25,302,823)</u>     | <u>(642,333)</u>                | <u>35,692</u>                   | <u>(25,909,464)</u>         |
| Total depreciable assets, net              | <u>12,570,055</u>       | <u>(17,010)</u>                 | <u>-</u>                        | <u>12,553,045</u>           |
| Total capital assets, net                  | <u>\$ 13,318,599</u>    |                                 |                                 | <u>15,316,073</u>           |

Major capital assets additions during the year included additions to construction-in-progress for ongoing projects, upgrades to pipeline assets, upgrades to buildings and structures, additions to telemetry equipment, and office furniture and equipment. Major disposals included disposals to office furniture and equipment.

**(5) Compensated Absences**

The District recognizes a liability for compensated absences in accordance with GASB Statement No. 101, "Compensated Absences". Compensated absences comprise unpaid vacation leave that accrue when benefits are fully vested and are determined annually. Compensated absences for governmental funds will generally be liquidated through the general fund. The balance in the proprietary fund will be liquidated through the water fund.

As of June 30 2025, the liability for compensated absences was calculated based on employees' pay rates at the fiscal year end and historical usage data, considering employment policies. The liability represents amounts that are more likely than not to be used or paid out. The liability is reported in the Statement of Net Position.

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(5) Compensated Absences, continued**

The net change in the compensated absence liability for the fiscal years ended June 30, 2025 and 2024, decreased by \$21,805 and \$5,856, respectively.

Changes to compensated absences for the year ended June 30, 2025 were as follows:

| <b>Balance<br/>2024</b> | <b>Increase /<br/>(Decrease)</b> | <b>Balance<br/>2025</b> | <b>Due Within<br/>One Year</b> | <b>Due in More<br/>Than One Year</b> |
|-------------------------|----------------------------------|-------------------------|--------------------------------|--------------------------------------|
| \$ 444,820              | (21,805) *                       | 423,015                 | 148,596                        | 274,419                              |

Changes to compensated absences for the year ended June 30, 2024 were as follows:

| <b>Balance<br/>2023</b> | <b>Increase /<br/>(Decrease)</b> | <b>Balance<br/>2024</b> | <b>Due Within<br/>One Year</b> | <b>Due in More<br/>Than One Year</b> |
|-------------------------|----------------------------------|-------------------------|--------------------------------|--------------------------------------|
| \$ 450,676              | (5,856) *                        | 444,820                 | 127,064                        | 317,756                              |

\*The changes in the compensated absence liabilities are presented as a net change.

**(6) Other Post-employment Benefits (OPEB) Plan**

***General Information about the OPEB Plan***

***Plan Description***

The District's defined benefit Other Post-Employment Benefit (OPEB) Plan (Plan) provides OPEB for all vested full-time employees who retire from the District on or after age 55 with at least five years of CalPERS service. The Plan is a single employer defined benefit OPEB plan administered by the District. The District's Board has the authority to establish and amend the benefit terms and financing requirements of the Plan. The District participates in California Employers' Retiree Benefit Trust (CERBT), a Prefunding Plan trust fund intended to perform an essential government function within the meaning of Section 115 of the Internal Revenue Code. Copies of CalPERS CERBT audited financial report may be obtained from their executive Office: 400 P Street, Sacramento, CA 95814.

***Benefits Provided***

To be eligible for retiree health benefits, an employee must retire from the District on or after age 55 with at least 5 years of continuous service. Dependents (under the age of 26) are also eligible to receive benefits. Retirees may enroll in the plan available through the District's ACWA-JPIA (Association of California Water Agencies Joint Powers Insurance Authority) Medical Program. The District provides coverage for retirees and dependents medical, dental/vision for life. The Retirees will receive a maximum of \$4,000 per family for out-of-pocket medical expenses and \$3,000 for dental/vision (combined) for the retiree and each dependent.

***Employees Covered by Benefit Terms***

At June 30, the following employees were covered by the benefit terms:

|                                                  | <b>2025</b> | <b>2024</b> |
|--------------------------------------------------|-------------|-------------|
| Active plan members                              | 8           | 8           |
| Retirees and beneficiaries<br>receiving benefits | 12          | 12          |
| Total Plan membership                            | 20          | 20          |

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(6) Other Post-employment Benefits (OPEB) Plan, continued**

***Contributions***

The contribution requirements of plan members and the District are established and may be amended by the District, District's Board of Directors, and/or the employee associations. The District pays 100% of its share of the cost of health and vision insurance for retirees and dental insurance up to age 65 under any group plan offered by ACWA-JPIA, subject to certain restrictions as determined by the District. Currently, contributions are not required from plan members. The District has established a trust for the purpose of holding funds that have been irrevocably contributed by the District toward funding of its OPEB obligation. This trust is being administered by California Employers' Retiree Benefit Trust (CERBT). Annually, the Board of Directors determines the amount that the District will fund to this trust.

As of the fiscal year ended June 30, the contributions were as follows:

|                          |    | <b>2025</b>    | <b>As Restated<br/>2024</b> |
|--------------------------|----|----------------|-----------------------------|
| Contributions – employer | \$ | <u>692,277</u> | <u>579,366</u>              |

As of June 30, 2025 and 2024, employer pension contributions of \$692,277 and \$579,366, respectively, were reported as deferred outflows of resources related to contributions subsequent to the measurement dates.

***Net OPEB Liability***

As of the fiscal year ended June 30, the District reported its net OPEB liability as follows:

|                    |    | <b>2025</b>      | <b>As Restated<br/>2024</b> |
|--------------------|----|------------------|-----------------------------|
| Net OPEB liability | \$ | <u>2,244,473</u> | <u>2,604,157</u>            |

The District's net OPEB liability was measured as of June 30, 2024 and 2023, and the net OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023, respectively. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(6) Other Post-employment Benefits (OPEB) Plan, continued**

***Changes in the Net OPEB Liability***

Changes in the net OPEB liability as of June 30, were as follows:

|                                                       | <b>Total OPEB<br/>Liability</b> | <b>Plan Fiduciary<br/>Net Position</b> | <b>Net OPEB<br/>Liability</b> |
|-------------------------------------------------------|---------------------------------|----------------------------------------|-------------------------------|
| <b>Balance at June 30, 2024, as restated</b>          | \$ 3,184,621                    | 580,464                                | 2,604,157                     |
| Changes for the year:                                 |                                 |                                        |                               |
| Service cost                                          | 100,705                         | -                                      | 100,705                       |
| Interest                                              | 185,348                         | -                                      | 185,348                       |
| Differences between expected<br>and actual experience | 1,492                           | -                                      | 1,492                         |
| Assumption changes                                    | -                               | -                                      | -                             |
| Net investment income                                 | -                               | 68,152                                 | (68,152)                      |
| Contributions                                         | -                               | -                                      | -                             |
| Employer – District's contributions                   | -                               | 570,978                                | (570,978)                     |
| Employer – Implicit subsidy                           | -                               | 8,388                                  | (8,388)                       |
| Benefit payments                                      | (170,978)                       | (170,978)                              | -                             |
| Implicit rate subsidy                                 | (8,388)                         | (8,388)                                | -                             |
| Administrative expense                                | -                               | (289)                                  | 289                           |
| <b>Net changes</b>                                    | <b>108,179</b>                  | <b>467,863</b>                         | <b>(359,684)</b>              |
| <b>Balance at June 30, 2025</b>                       | <b>\$ 3,292,800</b>             | <b>1,048,327</b>                       | <b>2,244,473</b>              |

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(6) Other Post-employment Benefits (OPEB) Plan, continued**

Changes in the net OPEB liability as of June 30, were as follows:

|                                                       | <u><b>Total OPEB<br/>Liability</b></u> | <u><b>Plan Fiduciary<br/>Net Position</b></u> | <u><b>Net OPEB<br/>Liability</b></u> |
|-------------------------------------------------------|----------------------------------------|-----------------------------------------------|--------------------------------------|
| <b>Balance at June 30, 2023, as restated</b>          | \$ 2,876,843                           | 372,420                                       | 2,504,423                            |
| Changes for the year:                                 |                                        |                                               |                                      |
| Service cost                                          | 72,160                                 | -                                             | 72,160                               |
| Interest                                              | 177,623                                | -                                             | 177,623                              |
| Differences between expected<br>and actual experience | 251,907                                | -                                             | 251,907                              |
| Assumption changes                                    | (7,250)                                | -                                             | (7,250)                              |
| Net investment income                                 | -                                      | 8,194                                         | (8,194)                              |
| Contributions                                         |                                        |                                               |                                      |
| Employer – District's contributions                   | -                                      | 384,604                                       | (384,604)                            |
| Employer – Implicit subsidy                           | -                                      | 2,058                                         | (2,058)                              |
| Benefit payments                                      | (184,604)                              | (184,604)                                     | -                                    |
| Implicit rate subsidy                                 | (2,058)                                | (2,058)                                       | -                                    |
| Administrative expense                                | -                                      | (150)                                         | 150                                  |
| <b>Net changes</b>                                    | <u>307,778</u>                         | <u>208,044</u>                                | <u>99,734</u>                        |
| <b>Balance at June 30, 2024, as restated</b>          | <u>\$ 3,184,621</u>                    | <u>580,464</u>                                | <u>2,604,157</u>                     |

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the fiscal year ended June 30, 2025 and 2024, the District recognized OPEB income of \$359,899 and \$295,804, respectively.

At June 30, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| <b>Description</b>                                                               | <b>June 30, 2025</b>                          |                                              | <b>As Restated<br/>June 30, 2024</b>          |                                              |
|----------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|-----------------------------------------------|----------------------------------------------|
|                                                                                  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
| OPEB contributions subsequent<br>to the measurement date at June 30              | \$ 692,277                                    | -                                            | 579,366                                       | -                                            |
| Net change in assumptions                                                        | -                                             | (3,624)                                      | -                                             | (352,509)                                    |
| Experience losses/(gains)                                                        | 125,438                                       | -                                            | -                                             | (138,522)                                    |
| Net difference between projected and<br>actual earnings on OPEB Plan investments | 18,620                                        | -                                            | 51,884.00                                     | -                                            |
| <b>Total</b>                                                                     | <u>\$ 836,335</u>                             | <u>(3,624)</u>                               | <u>631,250</u>                                | <u>(491,031)</u>                             |

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(6) Other Post-employment Benefits (OPEB) Plan, continued**

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

As of June 30, 2025 and 2024, employer OPEB contributions reported as deferred outflows of resources related to contributions subsequent to the measurement date of \$692,277 and \$579,366 will be and were recognized as a reduction of net OPEB liability in the fiscal year ended June 30, 2026 and 2025, respectively.

As of June 30, 2025, there were amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB which are required to be recognized in OPEB expense over future periods, respectively. OPEB related amounts will be recognized as pension expense as follows.

| <b>Fiscal Year<br/>Ending<br/>June 30,</b> | <b>Deferred Net<br/>Outflows /<br/>(Inflows) of<br/>Resources</b> |
|--------------------------------------------|-------------------------------------------------------------------|
| 2026                                       | \$ 70,275                                                         |
| 2027                                       | 74,708                                                            |
| 2028                                       | 28                                                                |
| 2029                                       | (4,577)                                                           |

***Actuarial Assumptions***

The net OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|                                          |                                                                                                                                                                                                                                                                                         |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Inflation                                | 2025 – 2.30 percent<br>2024 – 2.30 percent                                                                                                                                                                                                                                              |
| Salary increases                         | 2.80 percent                                                                                                                                                                                                                                                                            |
| Discount rate                            | 2025 – 5.80 percent<br>2024 – 5.80 percent                                                                                                                                                                                                                                              |
| Healthcare cost trend rates              | 2025 – Pre-medicare 7.40 percent per year<br>2024 – Pre-medicare 6.80 percent per year<br><br>2025 – Medicare 4.20 percent per year<br>2024 – Medicare 4.17 percent per year                                                                                                            |
| Retirees' share of benefit-related costs | Actual premium increases through 2032, followed by projected premium increases shown in the 2021 Medicare Trustees report for the next six years followed by the same assumption as medical/rx.<br><br>Cost sharing: same as medical/rx trend rates Dental/vision: 3.50% for all years. |

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(6) Other Post-employment Benefits (OPEB) Plan, continued**

***Discount Rate***

As of the measurement date June 30, 2024 and 2023, the discount rate used to measure the net OPEB liability was 5.80 percent, respectively. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates.

***Sensitivity of the Net OPEB Liability to Changes in the Discount Rate***

The table below presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate.

At June 30, 2025, the discount rate comparison was the following:

|                               | <b>Discount Rate -<br/>1% (4.80%)</b> | <b>Current<br/>Discount Rate<br/>(5.80%)</b> | <b>Discount Rate<br/>+ 1%<br/>(6.80%)</b> |
|-------------------------------|---------------------------------------|----------------------------------------------|-------------------------------------------|
| District's net OPEB liability | \$ 3,615,152                          | 2,244,473                                    | 1,931,918                                 |

At June 30, 2024, the discount rate comparison was the following:

|                               | <b>Discount Rate -<br/>1% (4.80%)</b> | <b>Current<br/>Discount Rate<br/>(5.80%)</b> | <b>Discount Rate<br/>+ 1%<br/>(6.80%)</b> |
|-------------------------------|---------------------------------------|----------------------------------------------|-------------------------------------------|
| District's net OPEB liability | \$ 2,966,028                          | 2,604,157                                    | 2,299,107                                 |

***Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates***

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

At June 30, 2025 the healthcare cost trend rate comparison was the following:

|                               | <b>1% Decrease<br/>(6.80%<br/>decreasing to<br/>5.80%)</b> | <b>Healthcare<br/>Cost Trend<br/>Rates<br/>(6.80%)</b> | <b>1% Increase<br/>(6.80%<br/>increasing to<br/>7.80%)</b> |
|-------------------------------|------------------------------------------------------------|--------------------------------------------------------|------------------------------------------------------------|
| District's net OPEB liability | \$ 1,884,272                                               | 2,244,473                                              | 2,666,136                                                  |

At June 30, 2024 the healthcare cost trend rate comparison was the following:

|                               | <b>1% Decrease<br/>(6.80%<br/>decreasing to<br/>5.80%)</b> | <b>Healthcare<br/>Cost Trend<br/>Rates<br/>(6.80%)</b> | <b>1% Increase<br/>(6.80%<br/>increasing to<br/>7.80%)</b> |
|-------------------------------|------------------------------------------------------------|--------------------------------------------------------|------------------------------------------------------------|
| District's net OPEB liability | \$ 2,279,649                                               | 2,604,157                                              | 2,982,463                                                  |

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(6) Other Post-employment Benefits (OPEB) Plan, continued**

*Schedules of Changes in the District's Net OPEB Liability and Related Ratios*

*Schedules of Other Post-Employment Benefits Plan Contributions*

See pages 51 and 52 for the Required Supplementary Schedules.

**(7) Defined Benefit Pension Plan**

***Plan Description***

All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and the District's resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

***Benefits Provided***

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the District's CalPERS 2.0% at 60 (New Classic) Risk Pool Retirement Plan to new employee entrants effective December 31, 2012. Employees hired after January 1, 2013, and have not previously participated in a CalPERS plan are eligible for the District's CalPERS 2.0% at 62 Retirement Plan under PEPRA. New employees that have previously participated in the Classic Plan are eligible for the District's CalPERS 2.0% at 55 Retirement Plan.

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(7) Defined Benefit Pension Plan, continued**

***Benefits Provided, continued***

The Plan's provisions and benefits in effect at June 30 are summarized as follows:

|                                                   | <b>Miscellaneous Plan</b>      |                                   |
|---------------------------------------------------|--------------------------------|-----------------------------------|
|                                                   | <b>Classic</b>                 | <b>PEPRA</b>                      |
|                                                   | Prior to<br>January 1,<br>2013 | On or after<br>January 1,<br>2013 |
| Hire date                                         |                                |                                   |
| Benefit formula                                   | 2.0% @ 55                      | 2.0% @ 62                         |
| Benefit vesting schedule                          | 5 years of service             | 5 years of service                |
| Benefit payments                                  | monthly for life               | monthly for life                  |
| Retirement age                                    | 55 - 60                        | 52 - 67                           |
| Monthly benefits, as a % of eligible compensation | 2.0% to 2.5%                   | 1.0% to 2.5%                      |
| 2025:                                             |                                |                                   |
| Required employee contribution rates              | 6.93%                          | 8.25%                             |
| Required employer contribution rates              | 13.31%                         | 8.18%                             |
| 2024:                                             |                                |                                   |
| Required employee contribution rates              | 6.92%                          | 8.25%                             |
| Required employer contribution rates              | 13.26%                         | 8.00%                             |

***Contributions***

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers to be determined on an annual basis by the actuary and shall be effective on the July 1, following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30, by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

As of the fiscal year ended June 30, the contributions for the Plan were as follows:

|                          | <b>Miscellaneous Plan</b> |             |
|--------------------------|---------------------------|-------------|
|                          | <b>2025</b>               | <b>2024</b> |
| Contributions – employer | \$ 286,690                | 555,433     |

***Net Pension Liability***

As of the fiscal year ended June 30, the District reported net pension liabilities for its proportionate share of the net pension liability of the Plan was as follows:

|                    | <b>Proportionate Share of<br/>Net Pension Liability</b> |             |
|--------------------|---------------------------------------------------------|-------------|
|                    | <b>2025</b>                                             | <b>2024</b> |
| Miscellaneous Plan | \$ 1,379,789                                            | 1,792,852   |

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(7) Defined Benefit Pension Plan, continued**

***Net Pension Liability, continued***

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability for the miscellaneous risk pool. As of the fiscal years ended June 30, 2025 and 2024, the net pension liability of the Plan is measured as of June 30, 2024 and 2023 (the measurement dates), respectively. The total pension liability for the Plan's miscellaneous risk pool used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 and 2022 (the valuation dates), rolled forward to June 30, 2024 and 2023, respectively, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's change in the proportionate share of the pension liability for the District's Plan as of the fiscal year ended June 30, were as follows:

|                                | <b>Miscellaneous Plan</b> |             |
|--------------------------------|---------------------------|-------------|
|                                | <b>2025</b>               | <b>2024</b> |
| Proportion – beginning of year | 0.01437%                  | 0.01803%    |
| Proportion – end of year       | 0.01138%                  | 0.01437%    |
| Change – Increase (Decrease)   | -0.00299%                 | -0.00366%   |

***Deferred Pension Outflows (Inflows) of Resources***

As of June 30, 2025 and 2024, the District recognized pension income of \$140,204 and \$182,759, respectively.

As of June 30, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| <b>Description</b>                                                                 | <b>June 30, 2025</b>                  |                                      | <b>June 30, 2024</b>                  |                                      |
|------------------------------------------------------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|
|                                                                                    | <b>Deferred Outflows of Resources</b> | <b>Deferred Inflows of Resources</b> | <b>Deferred Outflows of Resources</b> | <b>Deferred Inflows of Resources</b> |
| Pension contributions subsequent to the measurement date                           | \$ 286,690                            | -                                    | 555,433                               | -                                    |
| Net difference between actual and expected experience                              | 114,641                               | -                                    | 77,381                                | -                                    |
| Net change in assumptions                                                          | 35,463                                | -                                    | 108,243                               | -                                    |
| Net difference between projected and actual earnings on plan investments           | 79,433                                | -                                    | 290,279                               | -                                    |
| Net difference between actual contribution and proportionate share of contribution | 278,974                               | -                                    | 438,303                               | -                                    |
| Net adjustment due to differences in proportions of net pension liability          | -                                     | (281,398)                            | -                                     | (414,233)                            |
| Total                                                                              | \$ 795,201                            | (281,398)                            | 1,469,639                             | (414,233)                            |

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(7) Defined Benefit Pension Plan, continued**

***Deferred Pension Outflows (Inflows) of Resources, continued***

As of June 30, 2025 and 2024, employer pension contributions of \$286,690 and \$555,433, reported as deferred outflows of resources related to contributions subsequent to the measurement date will be and were recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2026 and 2025, respectively.

As of June 30, 2025, the District recognized other amounts reported by the Plan actuarial as deferred outflows of resources and deferred inflows of resources related to the pension liability. Pension related amounts will be recognized as pension expense as follows.

| <b>Fiscal Year<br/>Ending<br/>June 30,</b> | <b>Deferred Net<br/>Outflows /<br/>(Inflows) of<br/>Resources</b> |
|--------------------------------------------|-------------------------------------------------------------------|
| 2026                                       | \$ 82,160                                                         |
| 2027                                       | 175,097                                                           |
| 2028                                       | (2,922)                                                           |
| 2029                                       | (27,222)                                                          |

***Actuarial Assumptions***

The total pension liabilities in the June 30, 2023 and 2022, actuarial valuations were determined using the following actuarial assumptions and methods:

|                                                                      |                                                                                                                           |
|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| Valuation Dates                                                      | June 30, 2023 and 2022                                                                                                    |
| Measurement Dates                                                    | June 30, 2024 and 2023                                                                                                    |
| Actuarial cost method                                                | Entry Age Normal in accordance with the requirements of GASB Statement No. 68                                             |
| Actuarial assumptions:                                               |                                                                                                                           |
| Discount rates                                                       | 2025 - 6.90%<br>2024 - 6.90%                                                                                              |
| Inflation                                                            | 2025 - 2.30%<br>2024 - 2.30%                                                                                              |
| Salary increases                                                     | Varies by Entry Age and Service                                                                                           |
| Investment Rate of Return                                            | 6.90 % Net of pension plan investment and administrative expenses; includes inflation                                     |
| Mortality Rate Table*                                                | Derived using CalPERS' Membership Data for all Funds                                                                      |
| Period upon which actuarial Experience Survey assumptions were based | 2025 and 2024 – 1997–2015                                                                                                 |
| Post Retirement Benefit                                              | Contract COLA up to 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.30% thereafter |

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(7) Defined Benefit Pension Plan, continued**

***Actuarial Assumptions, continued***

\* The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report. Further details of the Experience Study can be found on the CalPERS website.

***Discount Rate***

The discount rate used to measure the total pension liability was 6.90% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, the amortization and smoothing periods recently adopted by CalPERS were utilized. The crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments.

Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table on the following page reflect the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(7) Defined Benefit Pension Plan, continued**

***Discount Rate, continued***

As of June 30, 2025 and 2024, the target allocation and the long-term expected real rate of return by asset class is as follows:

| <b>Asset Class</b>             | <b>New Strategic Allocation</b> | <b>Real Return Years 1–10</b> |
|--------------------------------|---------------------------------|-------------------------------|
| Global Equity - Cap-weighted   | 30.0%                           | 4.45%                         |
| Global Equity Non-Cap-weighted | 12.0%                           | 3.84%                         |
| Private Equity                 | 13.0%                           | 7.28%                         |
| Treasury                       | 5.0%                            | 27.00%                        |
| Mortgage-backed Securities     | 5.0%                            | 50.00%                        |
| Investment Grade Corporates    | 10.0%                           | 1.56%                         |
| High Yield                     | 5.0%                            | 2.27%                         |
| Emerging Market Debt           | 5.0%                            | 2.48%                         |
| Private Debt                   | 5.0%                            | 3.57%                         |
| Real Assets                    | 15.0%                           | 3.21%                         |
| Leverage                       | -5.0%                           | -0.59%                        |
| Total                          | 100%                            |                               |

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The table below presents the District's proportionate share of the net position liability for the Plan, calculated using the discount rate, as well as what the District's proportional share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

As of June 30, 2025, the Agency's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, is as follows:

|                                  | <b>Discount Rate<br/>– 1%<br/>(5.90%)</b> | <b>Current<br/>Discount Rate<br/>(6.90%)</b> | <b>Discount Rate<br/>+ 1%<br/>(7.90%)</b> |
|----------------------------------|-------------------------------------------|----------------------------------------------|-------------------------------------------|
| District's net pension liability | \$ 3,186,927                              | 1,379,789                                    | (107,751)                                 |

As of June 30, 2024, the Agency's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, is as follows:

|                                  | <b>Discount Rate<br/>– 1%<br/>(5.90%)</b> | <b>Current<br/>Discount Rate<br/>(6.90%)</b> | <b>Discount Rate<br/>+ 1%<br/>(7.90%)</b> |
|----------------------------------|-------------------------------------------|----------------------------------------------|-------------------------------------------|
| District's net pension liability | \$ 3,491,640                              | 1,792,852                                    | 394,604                                   |

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(7) Defined Benefit Pension Plan, continued**

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See pages 53 and 54 for the Required Supplementary Information.

***Payable to the Pension Plan***

At June 30, 2025 and 2024, the Agency reported \$0 in payables for the outstanding amount of contribution to the pension plan, respectively.

**(8) Unrestricted Net Position**

Calculation of net position as of June 30 was as follows:

|                                  | <b>2025</b>                 | <b>As Restated<br/>2024</b> |
|----------------------------------|-----------------------------|-----------------------------|
| Unrestricted :                   |                             |                             |
| Non-spendable net position:      |                             |                             |
| Water-in-storage inventory       | \$ 990,216                  | 465,600                     |
| Prepaid and other assets         | 98,252                      | 108,916                     |
| Total non-spendable net position | <u>1,088,468</u>            | <u>574,516</u>              |
| Spendable net position           | <u>43,575,288</u>           | <u>38,718,376</u>           |
| Total unrestricted net position  | <u><u>\$ 44,663,756</u></u> | <u><u>39,292,892</u></u>    |

**(9) Adjustments to Net Position**

***OPEB Liability – Plan Funding***

In fiscal year 2025, the District had determined that its funding contributions initiated in the fiscal year ending 2022 were not reported as part of the issued OPEB actuarial valuations from fiscal year 2022, 2023, 2024. As a result, the OPEB liability and related deferrals for June 30, 2022, 2023, and 2024 were overstated by \$876,557, \$408,281, and \$462,791, respectively. The District obtained revised actuarial valuation reports for each of the years affected and restated its net position for June 30, 2022, 2023 and 2024.

***Construction -in-Progress– Prior Year Understatement***

In fiscal year 2025, the District identified an invoice which was not reported in capital assets in fiscal year 2024 but was recorded in fiscal year 2025. The effect of this understated the reported balance of construction-in-progress in fiscal year 2024 by \$44,825. The District restated its net position for June 30, 2024, accordingly.

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(9) Adjustments to Net Position, continued**

The adjustments to net position were as follows:

|                                                                                                                                   |                             |
|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| Net position at July 1, 2022, as previously stated                                                                                | \$ <u>39,352,019</u>        |
| Change in net position at June 30, 2022, as previously stated                                                                     | 3,980,229                   |
| Effect of actuarial adjustment to reduce deferred outflows for revision due to District funding of the net OPEB liability         | (255,950)                   |
| Effect of actuarial adjustment to reduce total OPEB liability for revision due to District funding of the net OPEB liability      | 2,090,528                   |
| Effect of actuarial adjustment to increase deferred inflows for revision due to District funding of the net OPEB liability        | <u>(958,021)</u>            |
| Subtotal adjustments                                                                                                              | <u>876,557</u>              |
| Net position at June 30, 2022, as restated                                                                                        | \$ <u><u>44,208,805</u></u> |
| Change in net position at June 30, 2023, as previously stated                                                                     | 4,659,704                   |
| Effect of reversal of actuarial adjustment to deferred outflows for revision due to District funding of the net OPEB liability    | 255,950                     |
| Effect of reversal of actuarial adjustment to total OPEB liability for revision due to District funding of the net OPEB liability | (2,090,528)                 |
| Effect of reversal of actuarial adjustment to deferred inflows for revision due to District funding of the net OPEB liability     | 958,021                     |
| Effect of actuarial adjustment to reduce deferred outflows for revision due to District funding of the net OPEB liability         | 275,600                     |
| Effect of actuarial adjustment to reduce total OPEB liability for revision due to District funding of the net OPEB liability      | 1,179,163                   |
| Effect of actuarial adjustment to increase deferred inflows for revision due to District funding of the net OPEB liability        | <u>(169,925)</u>            |
| Subtotal adjustments                                                                                                              | <u>408,281</u>              |
| Net position at June 30, 2023, as restated                                                                                        | \$ <u><u>49,276,790</u></u> |

***Continued on next page***

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(9) Adjustments to Net Position, continued**

The adjustments to net position were as follows:

|                                                                                                                                   |               |
|-----------------------------------------------------------------------------------------------------------------------------------|---------------|
| Net position at June 30, 2023, as restated                                                                                        | \$ 49,276,790 |
| Change in net position at June 30, 2024, as previously stated                                                                     | 4,824,559     |
| Effect of reversal of actuarial adjustment to deferred outflows for revision due to District funding of the net OPEB liability    | (275,600)     |
| Effect of reversal of actuarial adjustment to total OPEB liability for revision due to District funding of the net OPEB liability | (1,179,163)   |
| Effect of reversal of actuarial adjustment to deferred inflows for revision due to District funding of the net OPEB liability     | 169,925       |
| Effect of actuarial adjustment to reduce deferred outflows for revision due to District funding of the net OPEB liability         | 451,884       |
| Effect of actuarial adjustment to reduce total OPEB liability for revision due to District funding of the net OPEB liability      | 1,346,928     |
| Effect of actuarial adjustment to increase deferred inflows for revision due to District funding of the net OPEB liability        | (51,183)      |
| Effect of adjustment to increase construction in progress for vendor invoice incorrectly excluded                                 | 44,825        |
| Subtotal adjustments                                                                                                              | 507,616       |
| Net position at June 30, 2024, as restated                                                                                        | \$ 54,608,965 |

**(10) Risk Management**

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the ACWA/JPIA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage.

At June 30, 2025, the District participates in the ACWA/JPIA pooled programs for liability and property programs as follows:

- General and auto liability, public officials, employment practices liability, and employees' errors and omissions: The ACWA/JPIAs total risk financing self-insurance limits of \$5,000,000 per occurrence. The ACWA/JPIA purchased additional excess coverage layers: \$50 million for general, auto and public officials' liability, which increases the limits on the insurance coverage noted above.

In addition, the District also has the following insurance coverage:

- Crime and Public officials' and Employee dishonesty coverage up to \$100,000 per loss includes public employee dishonesty, forgery or alteration, computer fraud coverage subject to a \$1,000 deductible per occurrence.

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(10) Risk Management, continued**

- Property loss is paid at the replacement cost for property on file, if replaced within two years after the loss, otherwise paid on an actual cash value basis, to a combined total of \$500 million per occurrence, subject to the following deductibles: \$2,500 per occurrence for buildings, fixed equipment, \$1,000 for mobile equipment, and \$500 deductible per occurrence for licensed vehicles. Scheduled vehicles and mobile equipment are covered on an actual basis at the time of the loss.
- Boiler and machinery coverage for the replacement cost up to \$100 million per occurrence, subject to various deductibles per occurrence on damage to scheduled items.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years. There were no reductions in insurance coverage in fiscal years 2025, 2024, and 2023. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2025, 2024, and 2023.

**(11) Deferred Compensation Savings Plan**

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program (Program). The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust. The assets are held with Lincoln Financial for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District and are not subject to the claims of the District's general creditors. The total market value of all plan assets held in trust at June 30, 2025 and 2024, was \$2,458,185 and \$2,364,110, respectively.

The District has implemented GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statements of net position.

**(12) Governmental Accounting Standards Board Statements Issued, Not Yet Effective**

***Governmental Accounting Standards Board Statement No. 103***

In April 2024, the GASB issued Statement No. 103 – *Financial Reporting Model Improvements*. The primary objective of this Statement is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government's accountability. Also, this Statement: (1) continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI); (2) describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence; (3) requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses; (4) requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements; and (5) requires governments to present budgetary comparison information using a single method of communication—RSI.

**San Gabriel Valley Municipal Water District**  
**Notes to the Financial Statements, continued**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**(12) Governmental Accounting Standards Board Statements Issued, Not Yet Effective**

***Governmental Accounting Standards Board Statement No. 103, continued***

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 104***

In September 2024, the GASB issued Statement No. 104 – Disclosure of Certain Capital Assets. The primary objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments. Also, this Statement establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this Statement apply to the financial statements of all state and local governments.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

**(13) Commitments and Contingencies**

***Grant Awards***

Grant funds received by the District are subject to audit by the grantor agencies. Such an audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. The management of the District believes that such disallowances, if any, would not be significant.

***Litigation***

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

**(14) Subsequent Events**

All other events occurring after June 30, 2025, have been evaluated for possible adjustment to the financial statements or disclosure as of February 9, 2026, which is the date the financial statements were available to be issued.

## **Required Supplementary Information**

Working Draft Subject to Review

**San Gabriel Valley Municipal Water District**  
**Schedules of Changes in the District's Total OPEB Liability and Related Ratios**  
**As of June 30, 2025**  
**Last Ten Years\***

| <b>Fiscal year</b>                                    | <b>June 30, 2025</b> | <b>As Restated<br/>June 30, 2024</b> | <b>As Restated<br/>June 30, 2023</b> | <b>As Restated<br/>June 30, 2022</b> | <b>June 30, 2021</b> | <b>June 30, 2020</b> | <b>June 30, 2019</b> | <b>June 30, 2018</b> |
|-------------------------------------------------------|----------------------|--------------------------------------|--------------------------------------|--------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Total OPEB liability                                  |                      |                                      |                                      |                                      |                      |                      |                      |                      |
| Service cost                                          | \$ 100,705           | 72,160                               | 70,195                               | 218,142                              | 180,064              | 134,409              | 184,425              | 179,271              |
| Interest                                              | 185,348              | 177,623                              | 174,191                              | 135,574                              | 153,721              | 207,620              | 200,281              | 195,701              |
| Employer contributions                                | -                    | -                                    | -                                    | -                                    | (221,696)            | (226,025)            | (222,325)            | (213,797)            |
| Assumption changes                                    | -                    | (7,250)                              | -                                    | (1,432,299)                          | 451,114              | (374,643)            | (128,680)            | -                    |
| Experience (gains)/losses                             | 1,492                | 251,907                              | (6,539)                              | (1,299,178)                          | 25,010               | (613,323)            | -                    | -                    |
| Benefit payments                                      | (170,978)            | (184,604)                            | (176,567)                            | (208,055)                            | -                    | -                    | -                    | -                    |
| Implicit subsidy                                      | (8,388)              | (2,058)                              | (6,064)                              | (22,757)                             | -                    | -                    | -                    | -                    |
| Net change in total OPEB liability                    | 108,179              | 307,778                              | 55,216                               | (2,608,573)                          | 588,213              | (871,962)            | 33,701               | 161,175              |
| Total OPEB liability – beginning                      | 3,184,621            | 2,876,843                            | 2,821,627                            | 5,430,200                            | 4,841,987            | 5,713,949            | 5,680,248            | 5,519,073            |
| Total OPEB liability – ending                         | \$ 3,292,800         | 3,184,621                            | 2,876,843                            | 2,821,627                            | 5,430,200            | 4,841,987            | 5,713,949            | 5,680,248            |
| Plan fiduciary net position                           |                      |                                      |                                      |                                      |                      |                      |                      |                      |
| Contributions                                         | \$ 570,978           | 384,604                              | 376,567                              | 408,055                              | -                    | -                    | -                    | -                    |
| Implicit subsidy                                      | 8,388                | 2,058                                | 6,064                                | 22,757                               | -                    | -                    | -                    | -                    |
| Net investment income                                 | 68,152               | 8,194                                | (47,655)                             | 20,227                               | -                    | -                    | -                    | -                    |
| Benefit payments                                      | (170,978)            | (184,604)                            | (176,567)                            | (208,055)                            | -                    | -                    | -                    | -                    |
| Implicit subsidy                                      | (8,388)              | (2,058)                              | (6,064)                              | (22,757)                             | -                    | -                    | -                    | -                    |
| Administrative expense                                | (289)                | (150)                                | (100)                                | (52)                                 | -                    | -                    | -                    | -                    |
| Net change in plan fiduciary net position             | 467,863              | 208,044                              | 152,245                              | 220,175                              | -                    | -                    | -                    | -                    |
| Plan fiduciary net position – beginning               | 580,464              | 372,420                              | 220,175                              | -                                    | -                    | -                    | -                    | -                    |
| Plan fiduciary net position – ending                  | \$ 1,048,327         | 580,464                              | 372,420                              | 220,175                              | -                    | -                    | -                    | -                    |
| Net OPEB liability                                    | \$ 2,244,473         | 2,604,157                            | 2,504,423                            | 2,601,452                            | 5,430,200            | 4,841,987            | 5,713,949            | 5,680,248            |
| Covered employee payroll                              | \$ 1,230,457         | 1,230,457                            | 1,079,038                            | 1,032,988                            | 916,068              | 916,068              | 812,255              | 810,600              |
| Net OPEB liability as a percentage of covered payroll | 267.61%              | 258.82%                              | 266.61%                              | 273.15%                              | 592.77%              | 528.56%              | 703.47%              | 700.75%              |
| Valuation Date                                        | June 30, 2023        | June 30, 2023                        | June 30, 2021                        | June 30, 2021                        | June 30, 2020        | June 30, 2019        | June 30, 2017        | June 30, 2017        |

Methods and Assumptions Used to  
Determine Contribution Rates:

|                                                   |                  |                  |                  |                  |                  |                  |                  |                  |
|---------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Single and Agent Employers<br>Amortization Method | Entry age<br>(1) | Entry age<br>(1) | Entry age<br>(1) | Entry age<br>(1) | Entry age<br>(1) | Entry age<br>(1) | Entry age<br>(1) | Entry age<br>(1) |
| Inflation                                         | 2.30%            | 2.30%            | 2.30%            | 2.30%            | 2.50%            | 2.50%            | 2.50%            | 2.50%            |
| Salary Increases                                  | 2.80%            | 2.80%            | 2.80%            | 2.80%            | 2.75%            | 2.75%            | 2.75%            | 2.75%            |
| Discount rate                                     | 5.80%            | 5.80%            | 6.22%            | 6.22%            | 2.45%            |                  |                  |                  |
| Investment Rate of Return                         | 5.80%            | 5.80%            | 6.22%            | 6.22%            | 6.22%            | 3.13%            | 3.13%            | 3.13%            |
| Mortality, Retirement, Turnover                   | (2)              | (2)              | (2)              | (2)              | (2)              | (2)              | (2)              | (2)              |

(1) Level percentage of payroll, closed

(2) Based on 2021 Getzen model that reflects actual premium increases through 2023, followed by 5.50% decreasing gradually to an ultimate rate of 4.04% in 2075 for non-Medicare and 4.00% for all years for Medicare.

\* The District has presented information for those years for which information is available until a full 10-year trend is compiled.

**San Gabriel Valley Municipal Water District**  
**Schedules of OPEB Plan Contributions**  
**As of June 30, 2025**  
**Last Ten Years\***

| Description                                                        | Fiscal Years Ended |           |           |           |           |         |         |         |
|--------------------------------------------------------------------|--------------------|-----------|-----------|-----------|-----------|---------|---------|---------|
|                                                                    | 2025               | 2024      | 2023      | 2022*     | 2021*     | 2020*   | 2019*   | 2018*   |
| Actuarial determine contribution                                   | \$ 276,447         | 255,514   | 255,079   | -         | -         | -       | -       | -       |
| Contributions in relation to the actuarial determined contribution | (692,277)          | (579,366) | (386,662) | -         | -         | -       | -       | -       |
| Contrubution deficiency (excess)                                   | \$ (415,830)       | (323,852) | (131,583) | -         | -         | -       | -       | -       |
| District's covered payroll                                         | 1,264,910          | 1,230,457 | 1,230,457 | 1,079,038 | 1,032,988 | 916,068 | 916,068 | 812,255 |
| Contribution's as a percentage of covered payroll                  | 54.73%             | 47.09%    | 31.42%    | 0.00%     | 0.00%     | 0.00%   | 0.00%   | 0.00%   |

\* Reporting is not applicable, prior to Plan funding.

**San Gabriel Valley Municipal Water District**  
**Schedules of District's Proportionate Share of the Net Pension Liability**  
**As of June 30, 2025**  
**Last Ten Years**

| Description                                                                                        | Measurement Dates |               |               |               |               |               |               |               |               |               |
|----------------------------------------------------------------------------------------------------|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                                                                                    | June 30, 2024     | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
| District's proportion of the net pension liability                                                 | 0.01138%          | 0.01437%      | 0.01803%      | 0.01524%      | 0.02370%      | 0.02298%      | 0.02209%      | 0.02179%      | 0.02102%      | 0.01869%      |
| District's proportionate share of the net pension liability                                        | \$ 1,379,789      | 1,792,852     | 2,082,082     | 824,291       | 2,578,972     | 2,355,085     | 2,128,755     | 2,161,060     | 1,819,051     | 1,283,170     |
| District's covered payroll                                                                         | \$ 1,245,434      | 1,024,751     | 1,064,443     | 1,010,926     | 919,383       | 881,317       | 804,724       | 795,176       | 844,340       | 754,456       |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 110.79%           | 174.95%       | 195.60%       | 81.54%        | 280.51%       | 267.22%       | 264.53%       | 271.77%       | 215.44%       | 170.08%       |
| District's fiduciary net position as a percentage of the district's total pension liability        | 89.70%            | 85.73%        | 82.18%        | 92.62%        | 75.89%        | 77.12%        | 78.42%        | 75.39%        | 79.58%        | 85.10%        |

**Notes To Schedule:**

There were no changes in benefits.

**Changes in Assumptions:**

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses.

The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%

From fiscal year June 30, 2018 to June 30, 2019:

The inflation rate was reduced from 2.75% to 2.50%

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was reduced from 7.15% to 6.90%

The inflation rate was reduced from 2.50% to 2.30%

From fiscal year June 30, 2023 to June 30, 2024:

There were no changes in assumptions.

From fiscal year June 30, 2024 to June 30, 2025:

There were no changes in assumptions.

**San Gabriel Valley Municipal Water District**  
**Schedules of Pension Plan Contributions**  
**As of June 30, 2025**  
**Last Ten Years**

|                                     | Fiscal Years Ended |               |               |               |               |               |               |               |               |               |
|-------------------------------------|--------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                     | June 30, 2025      | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 |
| Actuarially determined contribution | \$ 277,346         | 279,646       | 307,821       | 301,888       | 233,098       | 195,840       | 195,840       | 175,177       | 122,358       | 131,256       |
| contribution's in relation to the   |                    |               |               |               |               |               |               |               |               |               |
| actuarially determined contribution | (277,346)          | (279,646)     | (307,821)     | (301,888)     | (233,098)     | (195,840)     | (195,840)     | (175,177)     | (122,358)     | (131,256)     |
| Contribution deficiency (excess)    | \$ -               | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| Covered payroll                     | \$ 1,338,752       | 1,245,434     | 1,024,751     | 1,064,443     | 1,010,926     | 919,383       | 881,317       | 804,724       | 795,176       | 844,340       |
| Contribution's as a percentage of   |                    |               |               |               |               |               |               |               |               |               |
| covered payroll                     | 20.72%             | 22.45%        | 30.04%        | 28.36%        | 23.06%        | 21.30%        | 22.22%        | 21.77%        | 15.39%        | 15.55%        |

**Notes To Schedule:**

|                                                                  |               |               |               |               |               |               |               |               |               |               |
|------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Valuation date                                                   | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 |
| Methods and assumptions used to<br>determine contribution rates: |               |               |               |               |               |               |               |               |               |               |
| Actuarial cost method                                            | Entry Age     | Entry Age     | Entry Age     | Entry Age     | Entry Age     | Entry Age     | Entry Age     | Entry Age     | Entry Age     | Entry Age     |
| Amortization method                                              | (1)           | (1)           | (1)           | (1)           | (1)           | (1)           | (1)           | (1)           | (1)           | (1)           |
| Asset valuation method                                           | Market Value  | Market Value  | Market Value  | Market Value  | Market Value  | Market Value  | Market Value  | Market Value  | Market Value  | Market Value  |
| Inflation                                                        | 2.30%         | 2.30%         | 2.30%         | 2.50%         | 2.50%         | 2.63%         | 2.75%         | 2.75%         | 2.75%         | 2.75%         |
| Salary increases                                                 | (2)           | (2)           | (2)           | (2)           | (2)           | (2)           | (2)           | (2)           | (2)           | (2)           |
| Investment rate of return                                        | 6.90% (3)     | 6.90% (3)     | 6.90% (3)     | 7.15% (3)     | 7.00% (3)     | 7.25% (3)     | 7.375% (3)    | 7.50% (3)     | 7.50% (3)     | 7.50% (3)     |
| Retirement age                                                   | (4)           | (4)           | (4)           | (4)           | (4)           | (4)           | (4)           | (4)           | (4)           | (4)           |
| Mortality                                                        | (5)           | (5)           | (5)           | (5)           | (5)           | (5)           | (5)           | (5)           | (5)           | (5)           |

(1) Level percentage of payroll, closed.

(2) Depending on age, service, and type of employment.

(3) Net of pension plan investment expenser, including inflation.

(4) 50 for all plans with exception of 52 for Miscellaneous 2% @ 62.

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

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Working Draft Subject to Review

## **Supplemental Information**

Working Draft Subject to Review

**San Gabriel Valley Municipal Water District**  
**Schedules of Operating Expenses**  
**For the Fiscal Year Ended June 30, 2025**

|                                                 | <b>2025</b>          | <b>As Restated<br/>2024</b> |
|-------------------------------------------------|----------------------|-----------------------------|
| Source of supply:                               |                      |                             |
| Salaries and wages                              | \$ 340,974           | 292,154                     |
| Maintenance – plant and pipeline                | 64,571               | 119,902                     |
| Water sold                                      | 1,942,388            | 5,231,131                   |
| State water supply contract costs               | 8,547,175            | 8,686,151                   |
| Hydroelectric plant maintenance                 | 34,117               | 24,196                      |
| Total source of supply                          | \$ <u>10,929,225</u> | <u>14,353,534</u>           |
| General and administrative:                     |                      |                             |
| Salaries and wages                              | 1,114,181            | 1,044,843                   |
| Employee benefits:                              |                      |                             |
| Public employees retirement benefits            | 472,506              | 658,692                     |
| Payroll taxes                                   | 103,560              | 94,116                      |
| Workers' compensation insurance                 | 24,921               | 17,026                      |
| Group health, dental and life insurance         | 552,720              | 531,503                     |
| Other post-employment benefits (income)         | (552,176)            | (475,170)                   |
| Uniforms                                        | 3,547                | 2,845                       |
| Insurance                                       | 70,710               | 51,930                      |
| Office supplies and expense                     | 30,661               | 28,828                      |
| Election expenses                               | 72,383               | -                           |
| Membership dues, conferences, and travel        | 146,246              | 137,668                     |
| Public relations and water conservation program | 224,845              | 203,166                     |
| Consulting and engineering fees                 | 98,376               | 571,992                     |
| Government relations                            | 96,491               | 97,705                      |
| Directors fees                                  | 49,800               | 54,400                      |
| Legal fees                                      | 76,887               | 74,259                      |
| Accounting fees                                 | 26,686               | 36,539                      |
| Telephone and communications                    | 38,872               | 47,694                      |
| Utilities                                       | 23,004               | 20,972                      |
| Vehicle maintenance                             | 40,398               | 38,660                      |
| Maintenance – buildings and grounds             | 98,503               | 32,233                      |
| Property tax                                    | 810                  | 799                         |
| Total general and administrative                | \$ <u>2,813,931</u>  | <u>3,270,700</u>            |

# **Report on Internal Controls and Compliance**

Working Draft Subject to Review

**Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

Board of Directors  
San Gabriel Valley Municipal Water District  
Azusa, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the San Gabriel Valley Municipal Water District (District), as of and for the year June 30, 2025, and the related notes to the financial statements, which collectively comprises the District's basic financial statements, and have issued our report thereon dated February 9, 2026.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected, and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Independent Auditor's Report on Internal Controls Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*, (continued)**

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the district's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**C.J. Brown & Company, CPAs**  
Cypress, California  
February 9, 2026

**San Gabriel Valley Municipal Water District**

**Management Report**

**June 30, 2025**

Working Draft Subject to Review

**San Gabriel Valley Municipal Water District**

**Management Report**

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Board of Directors  
San Gabriel Valley Municipal Water District  
Azusa, California

**Dear Members of the Board:**

In planning and performing our audit of the financial statements of San Gabriel Valley Municipal Water District (District) as of and for the years ended June 30, 2025 and 2024, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Current Year Comment and Recommendation**

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the District are properly adjusted before the audit begins. However, in many cases audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

**Current Year Comment and Recommendation, continued**

*Management's Response*

We have reviewed and approved all of the audit adjustment and reclassification entries and have entered them into the general ledger of the District as of year end.

**Prior Year Comment and Recommendation**

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the District are properly adjusted before the audit begins. However, in many cases audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

*Management's Response*

We have reviewed and approved all of the audit adjustment and reclassification entries and have entered them into the general ledger of the District as of year end.

\* \* \* \* \*

This report is intended solely for the information and use of management and the Board of Directors of the District. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.

**C.J. Brown & Company, CPAs**

Cypress, California

February 9, 2026

## **APPENDIX**

**San Gabriel Valley Municipal Water District**

**Audit/Finance Committee Letter**

**June 30, 2025**

Board of Directors  
San Gabriel Valley Municipal Water District  
Azusa, California

We have audited the financial statements of the business-type activities, of the San Gabriel Valley Municipal Water District (District) for the years ended June 30, 2025 and 2024 and have issued our report thereon dated February 9, 2026. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated April 13, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated February 9, 2026.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

### **Required Risk Assessment Procedures per Auditing Standards:**

As auditors of the District, we are required per AU-C Section 240, "Consideration of Fraud in a Financial Statement Audit", to "ordinarily" presume and consider the following risks in designing our audit procedures:

- Management override of controls
- Revenue recognition

### **Qualitative Aspects of the Entity's Significant Accounting Practices**

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. As of and for the year ended June 30, 2025, the District implemented the provisions of *GASB Statement No. 101 – Compensated Absences*. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive accounting estimates affecting the financial statements are as follows:

Management's estimate of capital assets depreciation and amortization is based on historical estimates of each capitalized / amortized item's useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation and amortization calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the other post-employment benefits (OPEB) plan: deferred outflows of resources, net OPEB liability, and deferred inflows of resources are based on the alternative measurement method to determine the liability balance. This alternative measurement method was determined and prepared by the District's third-party actuary. We evaluated the basis, methods and assumptions used by the actuary to calculate the annual required contribution for the District to determine that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the defined benefit pension plan's deferred outflows of resources, net pension liability, and deferred inflows of resources are based on an actuarial evaluation of these amounts which was conducted by a third-party actuary. We evaluated the basis, actuarial methods and assumptions used by the actuary to calculate these amounts for the District to determine that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to:

## **Qualitative Aspects of the Entity's Significant Accounting Practices, continued**

### *Significant Accounting Estimates, continued*

The disclosure of capital assets, net in Note 4 to the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of the District's other post-employment benefits plan, in Note 6 to the basic financial statements is based on information which could differ from those in future periods.

The disclosure of the District's defined benefit pension plan, in Note 7 to the basic financial statements is based on actuarial assumptions which could differ from actual costs.

### **Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management:

### **Identified or Suspected Fraud**

We have not identified or have not obtained information that indicates that fraud may have occurred.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule on pages 5 and 6 discloses all material misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Circumstances that Affect the Form and Content of the Auditor's Report**

For the purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated February 9, 2026.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

### **Other Matters**

We applied certain limited procedures to the Management Discussion and Analysis, Schedules of Changes in the District's Net OPEB Liability and Related Ratios, Schedules of District's Proportionate Share of the Net Pension Liability, and Schedules of Pension Plan Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

### **Restriction on Use**

This information is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

### **Conclusion**

We appreciate the cooperation extended to us by Jose Reynoso, General Manager, Gigi Jarmin, Executive Assistant, Maria Vasquez, Accounting Specialist, and Linda Glau, CPA in the performance of our audit testwork. We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the District.

**C.J. Brown & Company, CPAs**

Cypress, California

February 9, 2026

*San Gabriel Valley Municipal Water District  
Schedule of Audit Adjusting Journal Entries  
June 30, 2025*

| Account                                                                                                                                                                                                                                                             | Description                      | Debit            | Credit           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|------------------|------------------|
| <b>Adjusting Journal Entries</b>                                                                                                                                                                                                                                    |                                  |                  |                  |
| <b>Adjusting Journal Entries JE # 1</b>                                                                                                                                                                                                                             |                                  |                  |                  |
| AJE - To adjust beginning net position to agree with ending net position in prior year board approved issued financial statements.                                                                                                                                  |                                  |                  |                  |
| 2970-000                                                                                                                                                                                                                                                            | Retained Earnings                | 139.00           |                  |
| 6690-000                                                                                                                                                                                                                                                            | Reconciliation Discrepancies     |                  | 139.00           |
| <b>Total</b>                                                                                                                                                                                                                                                        |                                  | <b>139.00</b>    | <b>139.00</b>    |
| <b>Adjusting Journal Entries JE # 2</b>                                                                                                                                                                                                                             |                                  |                  |                  |
| AJE - To reclassify project expense noted during testing of outstanding checks from expense account 4035 to construction in progress 1920 for Check 45297 vendor Civiltec Engineers Project - PRS Refurbishment project services through May 2025 at June 30, 2025. |                                  |                  |                  |
| 1920-000                                                                                                                                                                                                                                                            | Construction in Process          | 25,895.50        |                  |
| 4035-000                                                                                                                                                                                                                                                            | Consulting & Engineering Expense |                  | 25,895.50        |
| <b>Total</b>                                                                                                                                                                                                                                                        |                                  | <b>25,895.50</b> | <b>25,895.50</b> |
| <b>Adjusting Journal Entries JE # 3</b>                                                                                                                                                                                                                             |                                  |                  |                  |
| AJE - To accrue painting services for 1402 N. Vosburg / Riverside Meter Facility / 190 E. Foothill Blvd, San Dimas - work completed in June 2025.                                                                                                                   |                                  |                  |                  |
| 1902-000                                                                                                                                                                                                                                                            | Buildings                        | 70,255.00        |                  |
| 2001-000                                                                                                                                                                                                                                                            | Accounts Payable                 |                  | 44,850.00        |
| 2001-000                                                                                                                                                                                                                                                            | Accounts Payable                 |                  | 6,495.00         |
| 2001-000                                                                                                                                                                                                                                                            | Accounts Payable                 |                  | 18,910.00        |
| <b>Total</b>                                                                                                                                                                                                                                                        |                                  | <b>70,255.00</b> | <b>70,255.00</b> |
| <b>Adjusting Journal Entries JE # 4</b>                                                                                                                                                                                                                             |                                  |                  |                  |
| PPA - To prior period adjust for PO#2063 Generator Replacement Construction Project costs expended in FY23/24 which were determined should be capitalized as part of Construction-in-progress at June 30, 2025.                                                     |                                  |                  |                  |
| 1920-000                                                                                                                                                                                                                                                            | Construction in Process          | 15,872.50        |                  |
| 1920-000                                                                                                                                                                                                                                                            | Construction in Process          | 15,775.00        |                  |
| 1920-000                                                                                                                                                                                                                                                            | Construction in Process          | 9,637.50         |                  |
| 1920-000                                                                                                                                                                                                                                                            | Construction in Process          | 3,540.00         |                  |
| 2301-000                                                                                                                                                                                                                                                            | Fund Balance                     |                  | 44,825.00        |
| <b>Total</b>                                                                                                                                                                                                                                                        |                                  | <b>44,825.00</b> | <b>44,825.00</b> |
| <b>Adjusting Journal Entries JE # 5</b>                                                                                                                                                                                                                             |                                  |                  |                  |
| AJE - To adjust for PO#2063 Generator Replacement Construction Project costs expended in FY24/25 which were determined should be capitalized as part of Construction-in-progress at June 30, 2025.                                                                  |                                  |                  |                  |
| 1920-000                                                                                                                                                                                                                                                            | Construction in Process          | 5,116.25         |                  |
| 1920-000                                                                                                                                                                                                                                                            | Construction in Process          | 3,150.00         |                  |
| 1920-000                                                                                                                                                                                                                                                            | Construction in Process          | 2,627.50         |                  |
| 1920-000                                                                                                                                                                                                                                                            | Construction in Process          | 2,225.00         |                  |
| 1920-000                                                                                                                                                                                                                                                            | Construction in Process          | 4,537.50         |                  |
| 1920-000                                                                                                                                                                                                                                                            | Construction in Process          | 2,305.00         |                  |
| 1920-000                                                                                                                                                                                                                                                            | Construction in Process          | 6,750.00         |                  |
| 1920-000                                                                                                                                                                                                                                                            | Construction in Process          | 1,500.00         |                  |
| 1920-000                                                                                                                                                                                                                                                            | Construction in Process          | 495.00           |                  |
| 1920-000                                                                                                                                                                                                                                                            | Construction in Process          | 835.00           |                  |
| 1920-000                                                                                                                                                                                                                                                            | Construction in Process          | 697.50           |                  |
| 4035-000                                                                                                                                                                                                                                                            | Consulting & Engineering Expense |                  | 30,238.75        |
| <b>Total</b>                                                                                                                                                                                                                                                        |                                  | <b>30,238.75</b> | <b>30,238.75</b> |

*San Gabriel Valley Municipal Water District  
Schedule of Audit Adjusting Journal Entries  
June 30, 2025*

| Account                                                                                                                                                                                                                                    | Description                                        | Debit             | Credit            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-------------------|-------------------|
| <b>Adjusting Journal Entries JE # 6</b>                                                                                                                                                                                                    |                                                    |                   |                   |
| AJE - To adjust for PO#2651 PRS Refurbishment Project costs expended in FY24/25 which were determined should be capitalized as part of Construction-in-progress at June 30, 2025.                                                          |                                                    |                   |                   |
| 1920-000                                                                                                                                                                                                                                   | Construction in Process                            | 49,180.88         |                   |
| 1920-000                                                                                                                                                                                                                                   | Construction in Process                            | 29,675.00         |                   |
| 1920-000                                                                                                                                                                                                                                   | Construction in Process                            | 32,760.00         |                   |
| 4035-000                                                                                                                                                                                                                                   | Consulting & Engineering Expense                   |                   | 111,615.88        |
| <b>Total</b>                                                                                                                                                                                                                               |                                                    | <b>111,615.88</b> | <b>111,615.88</b> |
| <b>Adjusting Journal Entries JE # 7</b>                                                                                                                                                                                                    |                                                    |                   |                   |
| AJE - To remove asset - Apple Computer (ER) \$1,699.76 placed in service on 8/20/2019, as it was noted District Board approved the surplus of the asset during fiscal year 2025.                                                           |                                                    |                   |                   |
| 1861-100                                                                                                                                                                                                                                   | A/D Computers                                      | 1,699.76          |                   |
| 1861-000                                                                                                                                                                                                                                   | Computer                                           |                   | 1,699.76          |
| <b>Total</b>                                                                                                                                                                                                                               |                                                    | <b>1,699.76</b>   | <b>1,699.76</b>   |
| <b>Adjusting Journal Entries JE # 8</b>                                                                                                                                                                                                    |                                                    |                   |                   |
| AJE - To remove asset identified as impaired based on description and in service date at June 30, 2025. Description to follow: Category: 1910 Pipe Misc Equipment, Description "Misc Items", In service date 7/1/1974, amount: \$1,499.61. |                                                    |                   |                   |
| 1910-100                                                                                                                                                                                                                                   | Accum Depr - Pipeline Misc Equi                    | 1,499.61          |                   |
| 1910-000                                                                                                                                                                                                                                   | Pipeline Misc Equipment                            |                   | 1,499.61          |
| <b>Total</b>                                                                                                                                                                                                                               |                                                    | <b>1,499.61</b>   | <b>1,499.61</b>   |
| <b>Adjusting Journal Entries JE # 9</b>                                                                                                                                                                                                    |                                                    |                   |                   |
| GASB 68 Entry #1 - To reclassify 2024 pension contributions to net pension liability at June 30, 2025.                                                                                                                                     |                                                    |                   |                   |
| 4039-099                                                                                                                                                                                                                                   | GASB 68 Contra Income Expense - Adjustment Account | 555,433.00        |                   |
| 1999-099                                                                                                                                                                                                                                   | Deferred Outflows of Res                           |                   | 555,433.00        |
| <b>Total</b>                                                                                                                                                                                                                               |                                                    | <b>555,433.00</b> | <b>555,433.00</b> |
| <b>Adjusting Journal Entries JE # 10</b>                                                                                                                                                                                                   |                                                    |                   |                   |
| GASB 68 Entry #2 - To reclassify 2025 pension contributions to Deferred Outflows of Resources at June 30, 2025.                                                                                                                            |                                                    |                   |                   |
| 1999-099                                                                                                                                                                                                                                   | Deferred Outflows of Res                           | 286,690.00        |                   |
| 4039-099                                                                                                                                                                                                                                   | GASB 68 Contra Income Expense - Adjustment Account |                   | 286,690.00        |
| <b>Total</b>                                                                                                                                                                                                                               |                                                    | <b>286,690.00</b> | <b>286,690.00</b> |
| <b>Adjusting Journal Entries JE # 11</b>                                                                                                                                                                                                   |                                                    |                   |                   |
| GASB 68 Entry #3 - To record changes in pension liability and amortization during FY23/24 at June 30, 2025.                                                                                                                                |                                                    |                   |                   |
| 1699-099                                                                                                                                                                                                                                   | Deferred Inflow of Resources                       | 132,835.00        |                   |
| 1999-099                                                                                                                                                                                                                                   | Deferred Outflows of Res                           | 37,260.00         |                   |
| 2219-099                                                                                                                                                                                                                                   | Net Pension Liability                              | 413,063.00        |                   |
| 1999-099                                                                                                                                                                                                                                   | Deferred Outflows of Res                           |                   | 72,780.00         |
| 1999-099                                                                                                                                                                                                                                   | Deferred Outflows of Res                           |                   | 210,846.00        |
| 1999-099                                                                                                                                                                                                                                   | Deferred Outflows of Res                           |                   | 159,329.00        |
| 4039-099                                                                                                                                                                                                                                   | GASB 68 Contra Income Expense - Adjustment Account |                   | 140,203.00        |
| <b>Total</b>                                                                                                                                                                                                                               |                                                    | <b>583,158.00</b> | <b>583,158.00</b> |
| <b>Adjusting Journal Entries JE # 12</b>                                                                                                                                                                                                   |                                                    |                   |                   |
| AJE - To adjust beginning balance of OPEB liability to prior year balance prior to actuarial adjustment.                                                                                                                                   |                                                    |                   |                   |
| 2209-000                                                                                                                                                                                                                                   | Other Post-Employment Benefits                     | 280,000.00        |                   |
| 4067-000                                                                                                                                                                                                                                   | OPEB -Other Post Employment Ben                    |                   | 280,000.00        |
| <b>Total</b>                                                                                                                                                                                                                               |                                                    | <b>280,000.00</b> | <b>280,000.00</b> |

*San Gabriel Valley Municipal Water District  
Schedule of Audit Adjusting Journal Entries  
June 30, 2025*

| Account                                                                                                                                                                                          | Description                    | Debit                      | Credit                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------|----------------------------|
| <b>Adjusting Journal Entries JE # 13</b>                                                                                                                                                         |                                |                            |                            |
| PPA - To prior period restate deferred OPEB outflows, net OPEB liability, and deferred OPEB inflows for District funding of OPEB liability in fiscal year 2022 at June 30, 2025.                 |                                |                            |                            |
| 2209-000                                                                                                                                                                                         | Other Post-Employment Benefits | 2,090,528.00               |                            |
| 1698-099                                                                                                                                                                                         | Deferred Inflows- OPEB         |                            | 958,021.00                 |
| 1998-099                                                                                                                                                                                         | Deferred Outflows -OPEB        |                            | 255,950.00                 |
| 2970-000                                                                                                                                                                                         | Retained Earnings              |                            | 876,557.00                 |
| <b>Total</b>                                                                                                                                                                                     |                                | <b><u>2,090,528.00</u></b> | <b><u>2,090,528.00</u></b> |
| <b>Adjusting Journal Entries JE # 14</b>                                                                                                                                                         |                                |                            |                            |
| PPA - To reverse prior period restate deferred OPEB outflows, net OPEB liability, and deferred OPEB inflows for District funding of OPEB liability in fiscal year 2022 in 2023 at June 30, 2025. |                                |                            |                            |
| 1698-099                                                                                                                                                                                         | Deferred Inflows- OPEB         | 958,021.00                 |                            |
| 1998-099                                                                                                                                                                                         | Deferred Outflows -OPEB        | 255,950.00                 |                            |
| 2970-000                                                                                                                                                                                         | Retained Earnings              | 876,557.00                 |                            |
| 2209-000                                                                                                                                                                                         | Other Post-Employment Benefits |                            | 2,090,528.00               |
| <b>Total</b>                                                                                                                                                                                     |                                | <b><u>2,090,528.00</u></b> | <b><u>2,090,528.00</u></b> |
| <b>Adjusting Journal Entries JE # 15</b>                                                                                                                                                         |                                |                            |                            |
| PPA - To prior period restate deferred OPEB outflows, net OPEB liability, and deferred OPEB inflows for District funding of OPEB liability in fiscal year 2023 at June 30, 2025.                 |                                |                            |                            |
| 1998-099                                                                                                                                                                                         | Deferred Outflows -OPEB        | 275,600.00                 |                            |
| 2209-000                                                                                                                                                                                         | Other Post-Employment Benefits | 1,179,163.00               |                            |
| 1698-099                                                                                                                                                                                         | Deferred Inflows- OPEB         |                            | 169,925.00                 |
| 2970-000                                                                                                                                                                                         | Retained Earnings              |                            | 1,284,838.00               |
| <b>Total</b>                                                                                                                                                                                     |                                | <b><u>1,454,763.00</u></b> | <b><u>1,454,763.00</u></b> |
| <b>Adjusting Journal Entries JE # 16</b>                                                                                                                                                         |                                |                            |                            |
| PPA - To reverse prior period restate deferred OPEB outflows, net OPEB liability, and deferred OPEB inflows for District funding of OPEB liability in fiscal year 2023 in 2024 at June 30, 2025. |                                |                            |                            |
| 1698-099                                                                                                                                                                                         | Deferred Inflows- OPEB         | 169,925.00                 |                            |
| 2970-000                                                                                                                                                                                         | Retained Earnings              | 1,284,838.00               |                            |
| 1998-099                                                                                                                                                                                         | Deferred Outflows -OPEB        |                            | 275,600.00                 |
| 2209-000                                                                                                                                                                                         | Other Post-Employment Benefits |                            | 1,179,163.00               |
| <b>Total</b>                                                                                                                                                                                     |                                | <b><u>1,454,763.00</u></b> | <b><u>1,454,763.00</u></b> |
| <b>Adjusting Journal Entries JE # 17</b>                                                                                                                                                         |                                |                            |                            |
| PPA - To prior period restate deferred OPEB outflows, net OPEB liability, and deferred OPEB inflows for District funding of OPEB liability in fiscal year 2024 at June 30, 2025.                 |                                |                            |                            |
| 1998-099                                                                                                                                                                                         | Deferred Outflows -OPEB        | 451,884.00                 |                            |
| 2209-000                                                                                                                                                                                         | Other Post-Employment Benefits | 1,346,928.00               |                            |
| 1698-099                                                                                                                                                                                         | Deferred Inflows- OPEB         |                            | 51,183.00                  |
| 2970-000                                                                                                                                                                                         | Retained Earnings              |                            | 1,747,629.00               |
| <b>Total</b>                                                                                                                                                                                     |                                | <b><u>1,798,812.00</u></b> | <b><u>1,798,812.00</u></b> |

*San Gabriel Valley Municipal Water District  
Schedule of Audit Adjusting Journal Entries  
June 30, 2025*

| Account                                                                                                                                                                          | Description                                        | Debit                       | Credit                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-----------------------------|-----------------------------|
| <b>Adjusting Journal Entries JE # 18</b>                                                                                                                                         |                                                    |                             |                             |
| GASB 75 Entry - To adjust the deferred OPEB outflows, net OPEB liability, and deferred OPEB inflows for District funding of OPEB liability in fiscal year 2025 at June 30, 2025. |                                                    |                             |                             |
| 1698-099                                                                                                                                                                         | Deferred Inflows- OPEB                             | 487,407.00                  |                             |
| 1998-099                                                                                                                                                                         | Deferred Outflows -OPEB                            | 205,085.00                  |                             |
| 2209-000                                                                                                                                                                         | Other Post-Employment Benefits                     | 359,684.00                  |                             |
| 4067-099                                                                                                                                                                         | GASB 75 Contra Income Expense - Adjustment Account | 0.04                        |                             |
| 2209-000                                                                                                                                                                         | Other Post-Employment Benefits                     |                             | 0.04                        |
| 4067-099                                                                                                                                                                         | GASB 75 Contra Income Expense - Adjustment Account |                             | 1,052,176.00                |
| <b>Total</b>                                                                                                                                                                     |                                                    | <b><u>1,052,176.04</u></b>  | <b><u>1,052,176.04</u></b>  |
| <b>Total Adjusting Journal Entries</b>                                                                                                                                           |                                                    | <b><u>11,933,019.54</u></b> | <b><u>11,933,019.54</u></b> |
| <b>Total All Journal Entries</b>                                                                                                                                                 |                                                    | <b><u>11,933,019.54</u></b> | <b><u>11,933,019.54</u></b> |

**Legend:**

|               |                                                                |
|---------------|----------------------------------------------------------------|
| AJE           | Audit Adjusting Journal Entry                                  |
| GASB 68 Entry | Pension Liability and Related Deferral Adjusting Journal Entry |
| PPA           | Prior Period Adjusting Journal Entry                           |
| GASB 75 Entry | OPEB Liability and Related Deferral Adjusting Journal Entry    |

SAN GABRIEL VALLEY  
MUNICIPAL



WATER DISTRICT

AZUSA | SIERRA MADRE | MONTEREY PARK | ALHAMBRA

**San Gabriel Valley Municipal Water District**  
**Agreed-Upon Procedures Related to Review of**  
**Travel and Conference Expenses**  
**For the Fiscal Year Ended June 30, 2025**

**Independent Accountant's Report  
Report On Agreed-Upon Procedures**

Board of Directors  
San Gabriel Valley Municipal Water District  
Azusa, California

We have performed the procedures enumerated below solely to assist you with assessing that the payment of Travel and Conference Expenses are in compliance with the San Gabriel Valley Municipal Water District's (District) policies. The report has been prepared on the accrual basis of accounting.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assessing that the payment of Travel and Conference Expenses are in compliance with District's policies. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and findings are as follows:

- 1) We analyzed General Ledger Accounts No. 4051-000, Travel and Conference Expenses – Dir. and No. 4055-000, Travel and Conference Expenses – Staff, and prepared a detailed list of individual charges to these accounts – see the following schedule.
- 2) We vouched all charges to supporting documentation such as invoices, credit card statements, expense reports, etc.
- 3) We verified that the Board of Directors approved all District checks.
- 4) We verified authorization or approval and compliance with San Gabriel Valley Municipal Water District's policies.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, or respectively, on the compliance of payment of Travel and Conference Expenses with District's policies. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

**Independent Accountant's Report  
Report On Agreed-Upon Procedures**

We are required to be independent of San Gabriel Valley Municipal Water District and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of specified users listed above and is not intended to be and should not be used by anyone other than those specified parties.

**C.J. Brown & Company, CPAs**  
Cypress, California  
February 9, 2026

Working Draft Subject to Review

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT  
Agreed-Upon Procedure of Travel and Conference Expenses – Accrual Basis  
General Ledger Account No. 4051-000  
For the Fiscal Year Ended June 30, 2025

| Selection Number | Check Number | Check Date | Payee Vendor / Employee                 | Description                                                                                                                                                                               | Authorized or Approved by | Compliant with Policies Yes/No | Check Amount | Procedures |   |   |   |
|------------------|--------------|------------|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|--------------------------------|--------------|------------|---|---|---|
|                  |              |            |                                         |                                                                                                                                                                                           |                           |                                |              | 1          | 2 | 3 | 4 |
| 1                | 45306        | 7/14/2025  | BOA-Visa                                | Alhambra Chamber of Commerce Luncheon Registration -MEng                                                                                                                                  | Darin Kasamoto            | Yes                            | \$ 25.00     | X          | X | X | X |
| 2                | 45331        | 7/14/2025  | Michael F Eng (Expense)                 | Travel expense reimbursement 6/(7,9,12,16,20,22,26,28)                                                                                                                                    | Darin Kasamoto            | Yes                            | 122.50       | X          | X | X | X |
| 3                | 45330        | 7/14/2025  | Mark Paulson (Expense)                  | Mileage reimbursement 6/9                                                                                                                                                                 | Darin Kasamoto            | Yes                            | 23.80        | X          | X | X | X |
| 4                | 45115        | 4/14/2025  | BOA-Visa                                | MEng WELL Conference / MPaulson, BKnoles, and MEng Alhambra Chamber of Commerce Luncheon Registration                                                                                     | Darin Kasamoto            | Yes                            | 275.00       | X          | X | X | X |
| 5                | 45264        | 6/9/2025   | Mark Paulson (Expense)                  | Mileage reimbursement 5/12                                                                                                                                                                | Darin Kasamoto            | Yes                            | 23.80        | X          | X | X | X |
| 6                | 45273        | 6/9/2025   | Steven Placido (Expense)                | Mileage reimbursement 5/12                                                                                                                                                                | Darin Kasamoto            | Yes                            | 28.00        | X          | X | X | X |
| 7                | 45265        | 6/9/2025   | Michael F Eng (Expense)                 | Mileage reimbursement 5/1,5/10,11,12, 5/17,5/22,5/26                                                                                                                                      | Darin Kasamoto            | Yes                            | 37.10        | X          | X | X | X |
| 8                | 45266        | 6/9/2025   | Miles L Prince (Expense)                | Mileage reimbursement 4/(8,12,14,22), 5/12 / PEF Registration / travel expense reimbursement 4/30 - 5/2                                                                                   | Darin Kasamoto            | Yes                            | 1,058.30     | X          | X | X | X |
| 9                | 45262        | 6/9/2025   | Independent Cities                      | Summer Seminar 2025 - SPlacido                                                                                                                                                            | Darin Kasamoto            | Yes                            | 325.00       | X          | X | X | X |
| 10               | 45227        | 5/27/2025  | Independent Cities                      | Summer Seminar 2024 - MPaulson                                                                                                                                                            | Darin Kasamoto            | Yes                            | 1,150.00     | X          | X | X | X |
| 11               | 45212        | 5/12/2025  | San Gabriel Valley Economic Partnership | Legislative Reception - MEng                                                                                                                                                              | Darin Kasamoto            | Yes                            | 100.00       | X          | X | X | X |
| 12               | 45216        | 5/12/2025  | Steven Placido (Expense)                | Mileage reimbursement 3/20, 4/14                                                                                                                                                          | Darin Kasamoto            | Yes                            | 63.00        | X          | X | X | X |
| 13               | 45201        | 5/12/2025  | Mark Paulson (Expense)                  | Mileage reimbursement 4/14                                                                                                                                                                | Darin Kasamoto            | Yes                            | 23.80        | X          | X | X | X |
| 14               | 45202        | 5/12/2025  | Michael F Eng (Expense)                 | Mileage reimbursement 4/(3,4,5,12,14,21,27,30)                                                                                                                                            | Darin Kasamoto            | Yes                            | 87.50        | X          | X | X | X |
| 15               | 45159        | 4/14/2025  | Steven Placido (Expense)                | Mileage reimbursement 1/13, 2/10, 3/10 / AB1234 training / travel expense reimbursement 2/21-23, 3/6                                                                                      | Darin Kasamoto            | Yes                            | 2,093.77     | X          | X | X | X |
| 16               | 45143        | 4/14/2025  | Mark Paulson (Expense)                  | Mileage reimbursement 3/10                                                                                                                                                                | Darin Kasamoto            | Yes                            | 23.80        | X          | X | X | X |
| 17               | 45145        | 4/14/2025  | Michael F Eng (Expense)                 | Mileage reimbursement 3/(1,3,8,10,13,17,21,29) / Parking 3/8                                                                                                                              | Darin Kasamoto            | Yes                            | 159.70       | X          | X | X | X |
| 18               | 45060        | 3/10/2025  | BOA-Visa                                | Travel expense reimbursement 2/3-4 -BKnoles / Travel expense reimbursement 3/6 -SPlacido / Alhambra Chamber of Commerce Luncheon Registration -MEng / Leadership Luncheon Admission -MEng | Darin Kasamoto            | Yes                            | 1,204.77     | X          | X | X | X |
| 19               | 45077        | 3/10/2025  | Mark Paulson (Expense)                  | Mileage reimbursement 2/10 / travel expense reimbursement 2/20-22                                                                                                                         | Darin Kasamoto            | Yes                            | 1,301.57     | X          | X | X | X |
| 20               | 45080        | 3/10/2025  | Michael F Eng (Expense)                 | Mileage reimbursement 2/(8,10,20,22)                                                                                                                                                      | Darin Kasamoto            | Yes                            | 74.20        | X          | X | X | X |
| 21               | 45062        | 3/10/2025  | Bruce H Knoles (Expense)                | Travel expense reimbursement 2/3-4 / Water Assoc Breakfast Registration                                                                                                                   | Darin Kasamoto            | Yes                            | 90.21        | X          | X | X | X |
| 22               | 45025        | 2/10/2025  | Michael F Eng (Expense)                 | Mileage reimbursement 1/(13,16,18,21,23)                                                                                                                                                  | Darin Kasamoto            | Yes                            | 59.50        | X          | X | X | X |
| 23               | 45024        | 2/10/2025  | Mark Paulson (Expense)                  | Mileage reimbursement 1/13                                                                                                                                                                | Darin Kasamoto            | Yes                            | 23.80        | X          | X | X | X |
| 24               | 45026        | 2/10/2025  | Miles L Prince (Expense)                | Travel expense reimbursement 12/1-2                                                                                                                                                       | Darin Kasamoto            | Yes                            | 533.10       | X          | X | X | X |
| 25               | 44979        | 1/13/2025  | San Gabriel Valley Economic Partnership | City Managers Appreciation Mixer -MEng                                                                                                                                                    | Darin Kasamoto            | Yes                            | 75.00        | X          | X | X | X |

**Comment Legend:**

**X** Procedure performed without exception.

*Continued on next page.*

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT  
Agreed-Upon Procedures of Travel and Conference Expenses – Accrual Basis  
General Ledger Account No. 4051-000  
For the Fiscal Year Ended June 30, 2025

| Selection Number | Check Number | Check Date | Payee Vendor / Employee                 | Description                                                                                                                               | Authorized or Approved by | Compliant with Policies Yes/No | Check Amount | Procedures |   |   |   |
|------------------|--------------|------------|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|--------------------------------|--------------|------------|---|---|---|
|                  |              |            |                                         |                                                                                                                                           |                           |                                |              | 1          | 2 | 3 | 4 |
| 26               | 44891        | 12/9/2024  | BOA-Visa                                | Leadership Luncheon Admission -MEng                                                                                                       | Darin Kasamoto            | Yes                            | 60.00        | X          | X | X | X |
| 27               | 44937        | 12/23/2024 | Alhambra COC                            | Leadership Luncheon Admission -MEng, MPaulson, SPlacido                                                                                   | Darin Kasamoto            | Yes                            | 75.00        | X          | X | X | X |
| 28               | 44965        | 1/13/2025  | Mark Paulson (Expense)                  | Mileage reimbursement 12/9 / travel expense reimbursement 12/2-4                                                                          | Darin Kasamoto            | Yes                            | 1,042.61     | X          | X | X | X |
| 29               | 44967        | 1/13/2025  | Michael F Eng (Expense)                 | Mileage reimbursement 12/(4,5,6,9,10,15)                                                                                                  | Darin Kasamoto            | Yes                            | 34.84        | X          | X | X | X |
| 30               | 44907        | 12/9/2024  | Michael F Eng (Expense)                 | Mileage reimbursement 11/(4,7,11,19)                                                                                                      | Darin Kasamoto            | Yes                            | 46.90        | X          | X | X | X |
| 31               | 44906        | 12/9/2024  | Mark Paulson (Expense)                  | Mileage reimbursement 11/4                                                                                                                | Darin Kasamoto            | Yes                            | 22.78        | X          | X | X | X |
| 32               | 44838        | 11/4/2024  | Michael F Eng (Expense)                 | Mileage reimbursement 10/(5,14,24,25,27,29,30)                                                                                            | Darin Kasamoto            | Yes                            | 52.93        | X          | X | X | X |
| 33               | 44837        | 11/4/2024  | Mark Paulson (Expense)                  | Mileage reimbursement 10/14 / Leadership Luncheon Admission                                                                               | Darin Kasamoto            | Yes                            | 47.78        | X          | X | X | X |
| 34               | 44842        | 11/4/2024  | Steven Placido (Expense)                | Mileage reimbursement 10/14                                                                                                               | Darin Kasamoto            | Yes                            | 12.73        | X          | X | X | X |
| 35               | 44791        | 10/14/2024 | San Gabriel Valley Economic Partnership | Awards Gala -MEng                                                                                                                         | Darin Kasamoto            | Yes                            | 275.00       | X          | X | X | X |
| 36               | 44755        | 10/14/2024 | BOA-Visa                                | Eventbrite Leadership Luncheon Credit \$50 -BKnoles / ACWA Virtual Webinar -MPrince / ACWA Conference -MPaulson                           | Darin Kasamoto            | Yes                            | 1,263.00     | X          | X | X | X |
| 37               | 44795        | 10/14/2024 | Steven Placido (Expense)                | ICA Winter Conference and travel reimbursement 2/1-4 / ICA Summer Conference and travel reimbursement 7/11-14 / Mileage reimbursement 9/9 | Darin Kasamoto            | Yes                            | 4,335.15     | X          | X | X | X |
| 38               | 44784        | 10/14/2024 | Michael F Eng (Expense)                 | Mileage reimbursement 9/(7,9,11,16,25,27)                                                                                                 | Darin Kasamoto            | Yes                            | 51.59        | X          | X | X | X |
| 39               | 44782        | 10/14/2024 | Mark Paulson (Expense)                  | Mileage reimbursement 9/9 / COC Dinner Registration / COC Lunch Registration                                                              | Darin Kasamoto            | Yes                            | 107.78       | X          | X | X | X |
| 40               | 44717        | 9/9/2024   | Michael F Eng (Expense)                 | Mileage reimbursement 8/(9,12,17)                                                                                                         | Darin Kasamoto            | Yes                            | 28.14        | X          | X | X | X |
| 41               | 44715        | 9/9/2024   | Mark Paulson (Expense)                  | Mileage reimbursement 8/12                                                                                                                | Darin Kasamoto            | Yes                            | 22.78        | X          | X | X | X |
| 42               | 44726        | 9/9/2024   | Alhambra COC                            | Leadership Luncheon Admission -MEng                                                                                                       | Darin Kasamoto            | Yes                            | 25.00        | X          | X | X | X |
| 43               | 44656        | 8/12/2024  | Miles L Prince (Expense)                | Mileage reimbursement 7/8 / ICA Summer Seminar and travel reimbursement 7/12-14                                                           | Darin Kasamoto            | Yes                            | 1,115.72     | X          | X | X | X |
| 44               | 44655        | 8/12/2024  | Michael F Eng (Expense)                 | Mileage reimbursement 7/(8,10,23,25,28,29)                                                                                                | Darin Kasamoto            | Yes                            | 60.97        | X          | X | X | X |
| 45               | 44653        | 8/12/2024  | Mark Paulson (Expense)                  | Mileage reimbursement 7/8                                                                                                                 | Darin Kasamoto            | Yes                            | 22.78        | X          | X | X | X |
| 46               | 44627        | 8/12/2024  | BOA-Visa                                | ICA Summer Conference and travel reimbursement 7/11-14 -MPrince / League of CA ticket -MEng / ACWA Registration -MPrince                  | Darin Kasamoto            | Yes                            | 1,240.00     | X          | X | X | X |

**Comment Legend:**

**X** Procedure performed without exception.

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT  
Agreed-Upon Procedure of Travel and Conference Expenses – Accrual Basis  
General Ledger Account No. 4055-000  
For the Fiscal Year Ended June 30, 2025

| Selection Number | Check Number | Check Date | Payee Vendor / Employee | Description                                                                                                                                                                                                                                                                                                                             | Authorized or Approved by | Compliant with Policies Yes/No | Check Amount | Procedures |   |   |   |
|------------------|--------------|------------|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|--------------------------------|--------------|------------|---|---|---|
|                  |              |            |                         |                                                                                                                                                                                                                                                                                                                                         |                           |                                |              | 1          | 2 | 3 | 4 |
| 1                | 45306        | 7/14/2025  | BOA-Visa                | Darin Kasamoto Travel expense reimbursement 6/18 - 6/19, Evelyn Reyes                                                                                                                                                                                                                                                                   |                           | Yes                            | \$           |            |   |   |   |
|                  |              |            |                         | Legislative Breakfast Registration                                                                                                                                                                                                                                                                                                      | Darin Kasamoto            | Yes                            | 922.23       | X          | X | X | X |
| 2                | 45247        | 6/9/2025   | BOA-Visa                | Steve Kiggins Travel expense reimbursement 5/12 - 5/14                                                                                                                                                                                                                                                                                  | Darin Kasamoto            | Yes                            | 680.02       | X          | X | X | X |
| 3                | 45115        | 4/14/2025  | BOA-Visa                | Darin Kasamoto Travel expense reimbursement 2/19, 3/19 / EReyes, ALu                                                                                                                                                                                                                                                                    |                           |                                |              |            |   |   |   |
|                  |              |            |                         | Alhambra Chamber of Commerce Luncheon Registration                                                                                                                                                                                                                                                                                      | Darin Kasamoto            | Yes                            | 998.82       | X          | X | X | X |
| 4                | 45184        | 5/12/2025  | BOA-Visa                | Darin Kasamoto Travel expense reimbursement 3/19, 4/16                                                                                                                                                                                                                                                                                  | Darin Kasamoto            | Yes                            | 718.84       | X          | X | X | X |
| 5                | 45060        | 3/10/2025  | BOA-Visa                | Central Valley Tour Registration -SKiggins / CA AGWT Conference - SKiggins / TVMWD Leadership Breakfast -SKiggins, EReyes, ALu / Water Assoc Breakfast -SKiggins, EReyes, ALu / ACWA Conference travel reimb -SKiggins / AWWA Conference travel reimb -EReyes / SCWUA Christmas Luncheon -SKiggins, EReyes, LEsquivel, MVasquez, TWhite | Darin Kasamoto            | Yes                            | 5,779.34     | X          | X | X | X |
| 6                | 44891        | 12/9/2024  | BOA-Visa                | Leadership Luncheon Admission -EReyes                                                                                                                                                                                                                                                                                                   | Darin Kasamoto            | Yes                            | 315.00       | X          | X | X | X |
| 7                | 44937        | 12/23/2024 | Alhambra COC            | Town & Country Lodging Credit \$261.70 / travel expense reimbursement - ALu / Water Smart Conference -ALu / travel expense reimbursement -GJ                                                                                                                                                                                            | Darin Kasamoto            | Yes                            | 25.00        | X          | X | X | X |
| 8                | 44755        | 10/14/2024 | BOA-Visa                | Travel expense reimbursement -DKasamoto / SCWUA Luncheon - Skiggins, EReyes / SGV Water Assoc Quarterly Dues -SKiggins                                                                                                                                                                                                                  | Darin Kasamoto            | Yes                            | 245.54       | X          | X | X | X |
| 9                | 44627        | 8/12/2024  | BOA-Visa                | Gjarmin cancelled Calpers seminar credit \$1,054 / Travel expense reimbursement -DKasamoto / AWWA conference -ALu / Travel expense reimbursement -EReyes / Travel expense reimbursement -KWise / American Water Works Conference -SKiggins / CA Special District Conference -GJ                                                         | Darin Kasamoto            | Yes                            | 954.23       | X          | X | X | X |
| 10               | 44700        | 9/9/2024   | BOA-Visa                | Alhambra COC Luncheon -EReyes / ACWA Event Registration -SKiggins                                                                                                                                                                                                                                                                       | Darin Kasamoto            | Yes                            | 2,308.97     | X          | X | X | X |
| 11               | 44825        | 11/4/2024  | BOA-Visa                | American Water Works Asse webinar subscription-SKiggins                                                                                                                                                                                                                                                                                 | Darin Kasamoto            | Yes                            | 924.00       | X          | X | X | X |
| 12               | 44944        | 1/13/2025  | BOA-Visa                | Travel expense reimbursement 6/(19,22-23,26,28)                                                                                                                                                                                                                                                                                         | Darin Kasamoto            | Yes                            | 195.00       | X          | X | X | X |
| 13               | 45359        | 7/28/2025  | Evelyn Reyes            | Travel expense reimbursement June- Department of Water Resources and April- Legislative Staff Meeting and Tour                                                                                                                                                                                                                          | Darin Kasamoto            | Yes                            | 114.66       | X          | X | X | X |
| 14               | 45280        | 6/23/2025  | Albert Lu               | Mileage expense reimbursement 6/(2-5,9-12,16-19,23-26)                                                                                                                                                                                                                                                                                  | Darin Kasamoto            | Yes                            | 1,604.04     | X          | X | X | X |
| 15               | 45329        | 7/14/2025  | Maria Vasquez           | Travel expense reimbursement AWWA ACE 2025 Conference                                                                                                                                                                                                                                                                                   | Darin Kasamoto            | Yes                            | 87.22        | X          | X | X | X |
| 16               | 45287        | 6/23/2025  | Evelyn Reyes            | Mileage expense reimbursement 5/(1,22,28,29)                                                                                                                                                                                                                                                                                            | Darin Kasamoto            | Yes                            | 1,189.72     | X          | X | X | X |
| 17               | 45259        | 6/9/2025   | Evelyn Reyes            | Mileage expense reimbursement 5/(5-8,12-15,19-22,27-29)                                                                                                                                                                                                                                                                                 | Darin Kasamoto            | Yes                            | 67.62        | X          | X | X | X |
| 18               | 45263        | 6/9/2025   | Maria Vasquez           | ACWA Spring Conference 5/13 & 5/14 expense reimbursement                                                                                                                                                                                                                                                                                | Darin Kasamoto            | Yes                            | 112.14       | X          | X | X | X |
| 19               | 45263        | 5/27/2025  | Steve Kiggins           | Travel Expense reimbursement 4/22 Meal and 4/23 Hotel                                                                                                                                                                                                                                                                                   | Darin Kasamoto            | Yes                            | 71.39        | X          | X | X | X |
| 20               | 45215        | 5/12/2025  | Steve Kiggins           | Mileage expense reimbursement 4/(15,29)                                                                                                                                                                                                                                                                                                 | Darin Kasamoto            | Yes                            | 182.58       | X          | X | X | X |
| 21               | 45199        | 5/12/2025  | Maria Jarmin            | Mileage expense reimbursement 4/(1-3,7-10,14,16-17,21-24,28)                                                                                                                                                                                                                                                                            | Darin Kasamoto            | Yes                            | 15.68        | X          | X | X | X |
| 22               | 45200        | 5/12/2025  | Maria Vasquez           | Mileage expense reimbursement 4/(3-4,7,12,17,21,23-24,28,30)                                                                                                                                                                                                                                                                            | Darin Kasamoto            | Yes                            | 82.18        | X          | X | X | X |
| 23               | 45193        | 5/12/2025  | Evelyn Reyes            | Mileage expense reimbursement 3/(1,13,20-21,25-27,29)                                                                                                                                                                                                                                                                                   | Darin Kasamoto            | Yes                            | 182.35       | X          | X | X | X |
| 24               | 45109        | 4/14/2025  | Albert Lu               | Mileage expense reimbursement 1/(15-16,22,27,29-30), 2/(8,13,24,26-27), 3/(6,13,17,20,26-27) / Parking and meal reimbursement                                                                                                                                                                                                           | Darin Kasamoto            | Yes                            | 145.60       | X          | X | X | X |
| 25               | 45133        | 4/14/2025  | Evelyn Reyes            |                                                                                                                                                                                                                                                                                                                                         |                           |                                | 424.43       | X          | X | X | X |

**Comment Legend:**

X Procedure performed without exception.

Continued on next page.

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT  
 Agreed-Upon Procedures of Travel and Conference Expenses – Accrual Basis  
 General Ledger Account No. 4055-000  
 For the Fiscal Year Ended June 30, 2025

| Selection<br>Number | Check<br>Number | Check<br>Date | Payee<br>Vendor / Employee | Description                                                                                    | Authorized<br>or<br>Approved by | Compliant<br>with<br>Policies<br>Yes/No | Check<br>Amount | Procedures |   |   |   |
|---------------------|-----------------|---------------|----------------------------|------------------------------------------------------------------------------------------------|---------------------------------|-----------------------------------------|-----------------|------------|---|---|---|
|                     |                 |               |                            |                                                                                                |                                 |                                         |                 | 1          | 2 | 3 | 4 |
| 26                  | 45142           | 4/14/2025     | Maria Vasquez              | Mileage expense reimbursement 3/(3-6,10-13,17-20,24-27,31)                                     | Darin Kasamoto                  | Yes                                     | 87.78           | X          | X | X | X |
| 27                  | 45076           | 3/10/2025     | Maria Vasquez              | Mileage expense reimbursement 2/(3-6,10,12-13,18-19,24-28)                                     | Darin Kasamoto                  | Yes                                     | 70.00           | X          | X | X | X |
| 28                  | 45023           | 2/10/2025     | Maria Vasquez              | Mileage expense reimbursement 1/(2,6-9,13-16,21-23,27-30)                                      | Darin Kasamoto                  | Yes                                     | 74.34           | X          | X | X | X |
| 29                  | 44964           | 1/13/2025     | Maria Vasquez              | Mileage expense reimbursement 12/(2-5,10-11,16-19,23,26,30)                                    | Darin Kasamoto                  | Yes                                     | 66.60           | X          | X | X | X |
| 30                  | 44953           | 1/13/2025     | Evelyn Reyes               | Mileage expense reimbursement 11/20, 12/(4-5,11,14,18)                                         | Darin Kasamoto                  | Yes                                     | 205.29          | X          | X | X | X |
| 31                  | 44905           | 12/9/2024     | Maria Vasquez              | Mileage expense reimbursement 11/(4-5,6-7,12-14,18-21,25)                                      | Darin Kasamoto                  | Yes                                     | 64.58           | X          | X | X | X |
| 32                  | 44859           | 11/18/2024    | Maria Vasquez              | Notary Seminar,Live Scan,Photo,Bond                                                            | Darin Kasamoto                  | Yes                                     | 553.94          | X          | X | X | X |
| 33                  | 44836           | 11/4/2024     | Maria Vasquez              | Mileage expense reimbursement 10/(1-4,7-10,15-17,21-24,28-31)                                  | Darin Kasamoto                  | Yes                                     | 85.76           | X          | X | X | X |
| 34                  | 44835           | 11/4/2024     | Maria Jarmin               | Travel, Hotel, Meals Expense Reimbursement -Board Secretary Seminar 10/20 - 10/22              | Darin Kasamoto                  | Yes                                     | 701.75          | X          | X | X | X |
| 35                  | 44820           | 11/4/2024     | Albert Lu                  | WaterSmart Innovation Confernce 9/(12,23-26) / Mileage reimbursement 10/(5/12/24/29-30) 9/12   | Darin Kasamoto                  | Yes                                     | 800.22          | X          | X | X | X |
| 36                  | 44772           | 10/14/2024    | Evelyn Reyes               | WaterSmart Innovation Confernce 9/25 / Mileage reimbursement 9/(17,26)                         | Darin Kasamoto                  | Yes                                     | 159.18          | X          | X | X | X |
| 37                  | 44781           | 10/14/2024    | Maria Jarmin               | Mileage expense reimbursement 9/(3-5,9-12,16-19,23-26,30)                                      | Darin Kasamoto                  | Yes                                     | 82.14           | X          | X | X | X |
| 38                  | 44714           | 9/9/2024      | Maria Jarmin               | Mileage expense reimbursement 8/(1,5-8,12-15,19-22,26-29)                                      | Darin Kasamoto                  | Yes                                     | 81.20           | X          | X | X | X |
| 39                  | 44681           | 8/26/2024     | Kevin Wise                 | Tri-State Seminar Travel, Hotel, Meals expense reimbursement 8/5-8/8                           | Darin Kasamoto                  | Yes                                     | 466.41          | X          | X | X | X |
| 40                  | 44678           | 8/26/2024     | Evelyn Reyes               | 8/6-9 Alliance for Water Efficiency Conference - travel, hotel, meals registration and parking | Darin Kasamoto                  | Yes                                     | 1,095.67        | X          | X | X | X |
| 41                  | 44644           | 8/12/2024     | Evelyn Reyes               | Mileage expense reimbursement 7/(2,9-11,22,24-25)                                              | Darin Kasamoto                  | Yes                                     | 137.41          | X          | X | X | X |
| 42                  | 44652           | 8/12/2024     | Maria Jarmin               | Mileage expense reimbursement 7/(1-3,8-11,15-18,22-25,29-31)                                   | Darin Kasamoto                  | Yes                                     | 82.41           | X          | X | X | X |

**Comment Legend:**

**X** Procedure performed without exception.

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**TO:** Honorable President Miles Prince and Members of the Board

**FROM:** Jose Reynoso

**DATE:** February 9, 2025

**SUBJECT:** Delta Conveyance Project- Project Update  
Presentation by Delta Conveyance Design and  
Construction Authority and California Department  
of Water Resources

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### **STAFF RECOMMENDATION**

Receive the presentation from representatives from the Delta Conveyance Authority and California Department of Water Resources.

### **SUMMARY ANALYSIS**

Staff invited representatives from the Delta Conveyance Design and Construction Authority (DCA) and the California Department of Water Resources (DWR) to provide the Board with a status update on the Delta Conveyance Project. The presentation will focus on recent project milestones, permitting and legal updates, engineering refinements, cost and schedule considerations, and next steps toward potential implementation.

### **PRESENTERS**

The presentation will be provided by the following individuals:

- **Graham Bradner**, Executive Director, Delta Conveyance Design and Construction Authority
- **Carrie Buckman**, Environmental Program Manager, California Department of Water Resources

### **PUBLIC NOTICE**

This item has been noticed through the regular agenda notification process. Copies of this report can be accessed on the District's website at [sgvmwd.com](http://sgvmwd.com)

### **ATTACHMENTS:**

1. DCA Presentation



# Delta Conveyance Project Update

**Graham Bradner**  
**Executive Director**

Delta Conveyance Design  
& Construction Authority

**Carrie Buckman**

**Environmental Program Manager**

Department of  
Water Resources

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**February 9, 2026**

[DELTA CONVEYANCE PROJECT.COM](http://DELTA CONVEYANCE PROJECT.COM) | [DCDCA.ORG](http://DCDCA.ORG)

# Agenda

- 1** Introductions
- 2** DCP Status
- 3** Permitting Activities Update
- 4** Engineering Activities Update
- 5** Q & A



# Collaboration & Momentum



# Laser Focus on Information Needed Ahead of Implementation Decisions

- Completion of key permits
- Updated costs and benefits – based on refinements
- Environmental compliance updates
- Address affordability and expand beneficiaries
- Advancing and further defining Accountability Action Plan
- Develop implementation communication program
- Update the JEPA for implementation



# Missed Opportunities

If the Delta Conveyance Project was operational over the past five winters, a significant amount of water could have been captured and moved

|                                                                    | Amount of water that could have been captured:* | That's enough water to supply:                                                      |                                                                                     |
|--------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
|                                                                    |                                                 |  |  |
| Water Year 2022                                                    | <b>110,000</b><br>acre-feet                     | Over<br><b>1.1 MILLION</b><br>people for one year                                   | OR<br>Over<br><b>385,000</b><br>households for one year                             |
| Water Year 2023                                                    | <b>186,000</b><br>acre-feet                     | Nearly<br><b>2 MILLION</b><br>people for one year                                   | OR<br>Over<br><b>650,000</b><br>households for one year                             |
| Water Year 2024                                                    | <b>815,000</b><br>acre-feet                     | Over<br><b>8.5 MILLION</b><br>people for one year                                   | OR<br>Over<br><b>2.8 MILLION</b><br>households for one year                         |
| Water Year 2025                                                    | <b>956,000</b><br>acre-feet                     | Over<br><b>10 MILLION</b><br>people for one year                                    | OR<br>Over<br><b>3.3 MILLION</b><br>households for one year                         |
| Water Year 2026<br>(Oct 1, 2025 – Jan 29, 2026)                    | <b>348,000</b><br>acre-feet                     | Nearly<br><b>3.8 MILLION</b><br>people for one year                                 | OR<br>Over<br><b>1.2 MILLION</b><br>households for one year                         |
| *Estimates have been updated to reflect the Incidental Take Permit |                                                 |                                                                                     |                                                                                     |

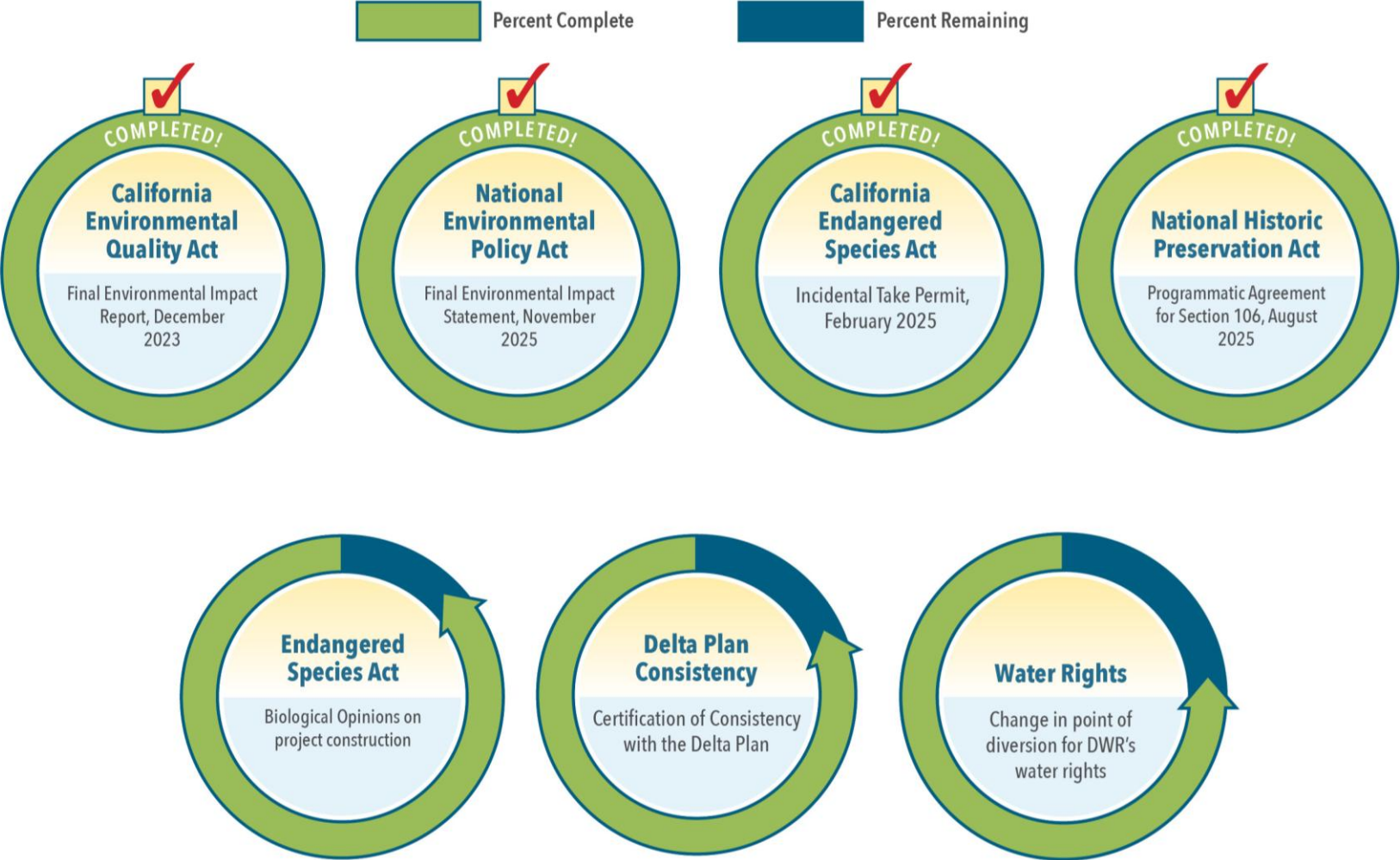


# Permitting Activities Update

C. Buckman



# Key Planning & Permitting Progress



# Legal Update

- **Geotech Win**

- Court of appeals ruled in DWR's favor, trial court to lift injunction and allow geotech work to proceed

- **Validation Actions**

- The court did not conclude that DWR lacks the authority to build the Delta Conveyance Project or to borrow funds to pay for it. Rather, it affirmed the trial court's conclusion that the description of the project in the proposed financing documents presented to the court was overly broad.
- DWR respectfully disagrees with that conclusion and is currently evaluating next steps.



# Accountability Action Plan:

Avoid, Minimize, Offset Local Effects



# Engineering Activities Update

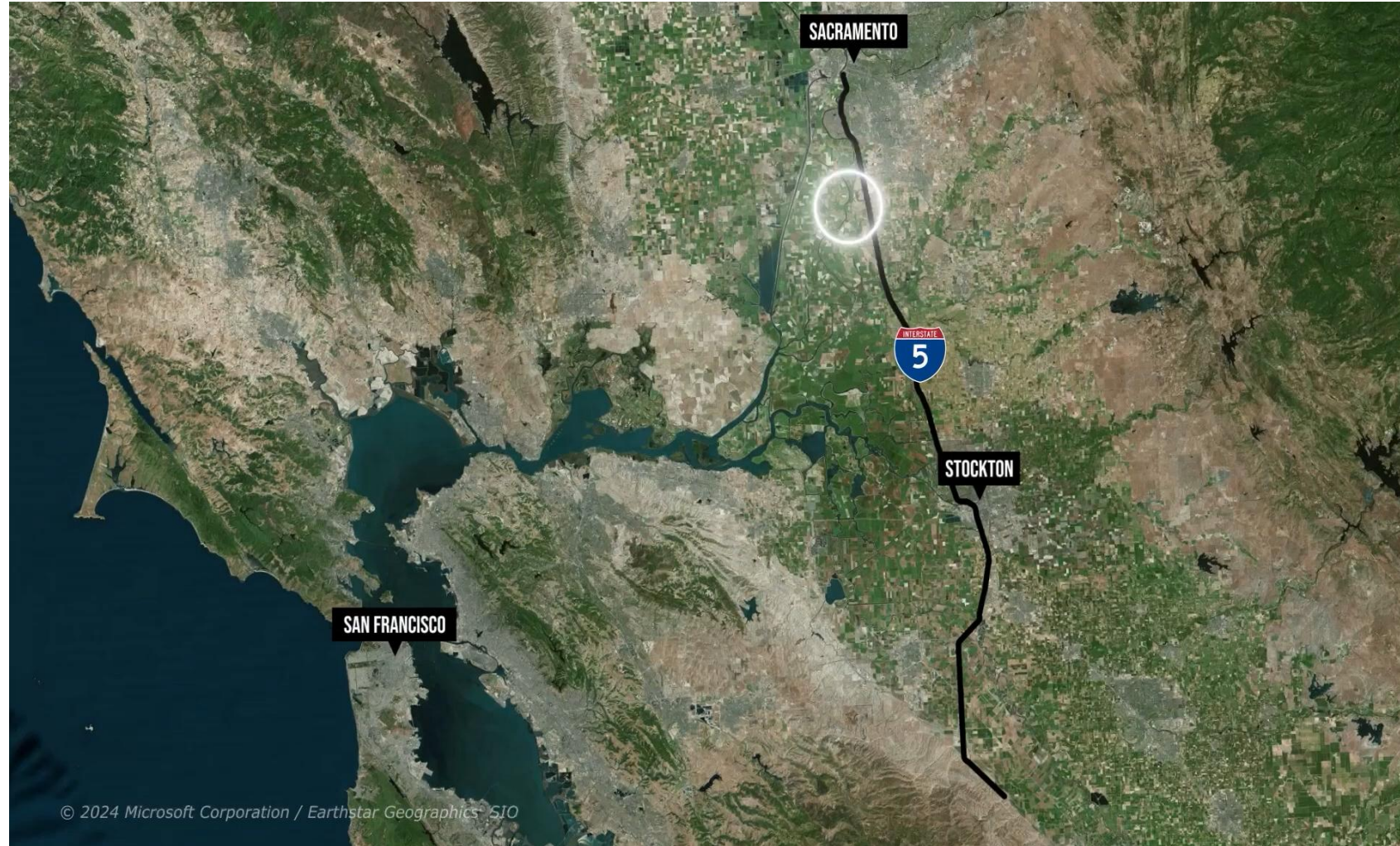
G. Bradner



# Bethany Reservoir Alignment – A Very Different Project

## Bethany Reservoir Alignment – 6,000 cfs (~10% design)

- Two (2) new intakes in the North Delta
- Conveyance tunnel: 45 miles of 36-ft ID single tunnel, 11 shafts
- New pumping plant, aqueducts and discharge structure connecting directly to Bethany Reservoir



# Engineering Focus Areas

“Preparing DCP to transition from planning to delivery”

Analysis of Refinements – improve constructability and reduce risk/schedule/cost

Systemwide Basis of Design Report and Updated Cost Estimate – advance design to reduce cost uncertainty; prepare updated AACE Class 3 cost estimate

Prepare for handoff to Engineer of Record teams – geotechnical data collection; development of procedures, systems, standards

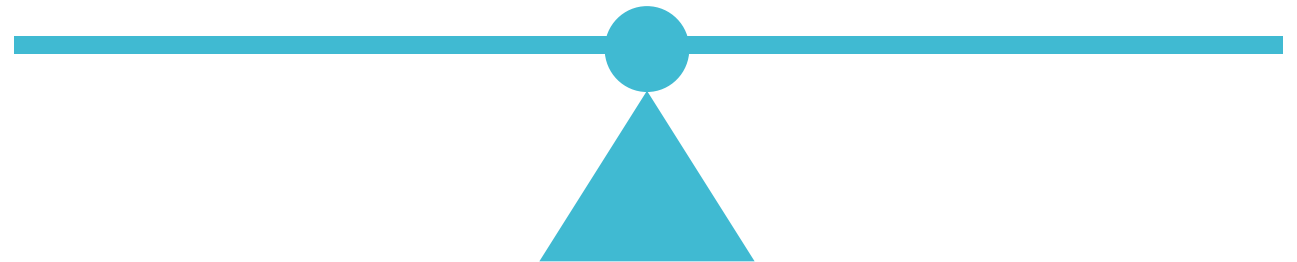
# DCP Refinements

- Consider newly collected subsurface information; reconsider conservatisms
- Include meaningful environmental commitments, mitigations, and response to comments
- Inclusion of refinements will be subject to review and consideration by DWR

The current effort seeks to strike a balance:

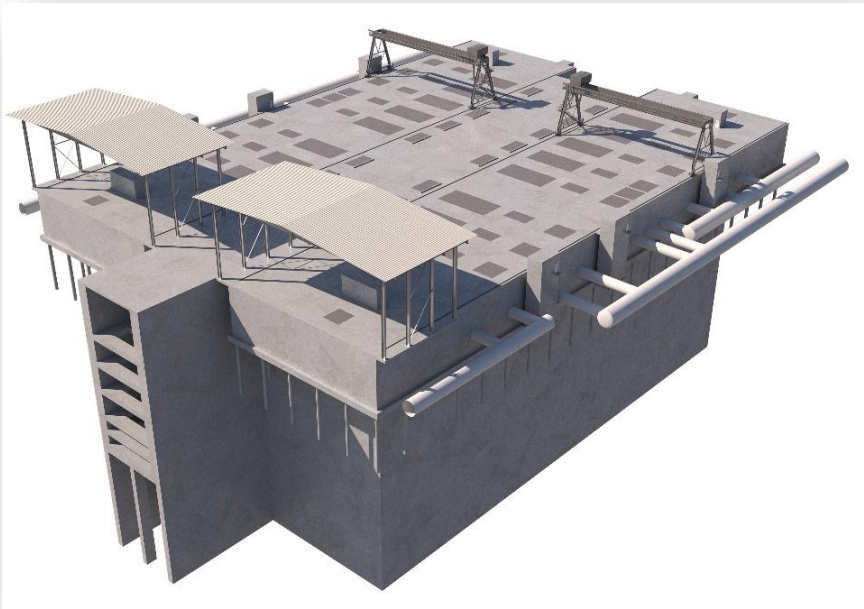
Maintain appropriate conservatisms and permit flexibility for future design evolution

Analyze refinements and capture benefits by including in the BODR and updated Class 3 cost estimate



# Bethany Reservoir Pumping Plant

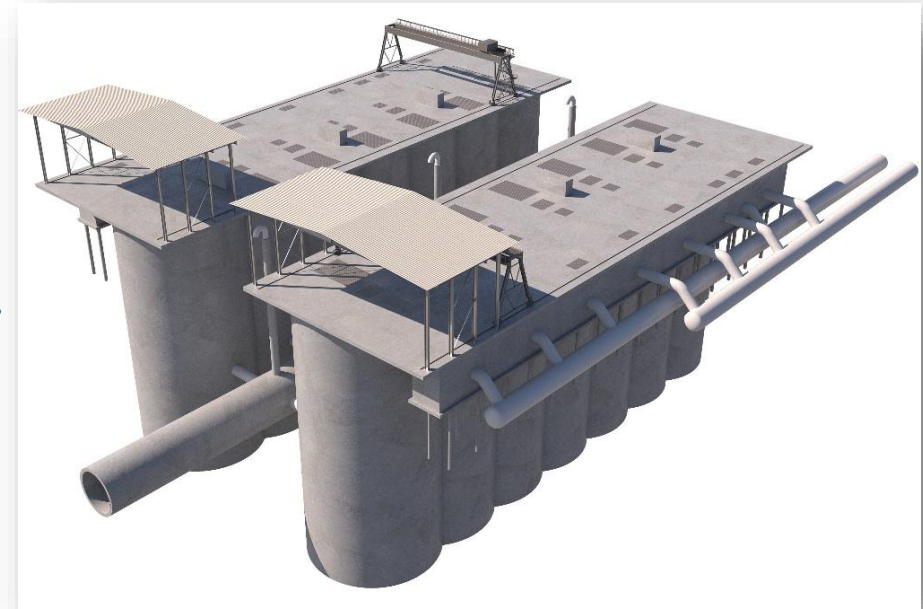
ORIGINAL CONCEPT DESIGN



## Innovation Advantages

- Reduced quantities
- Shortens construction schedule
- Reduces direct construction costs
- No changes to above ground configuration or features

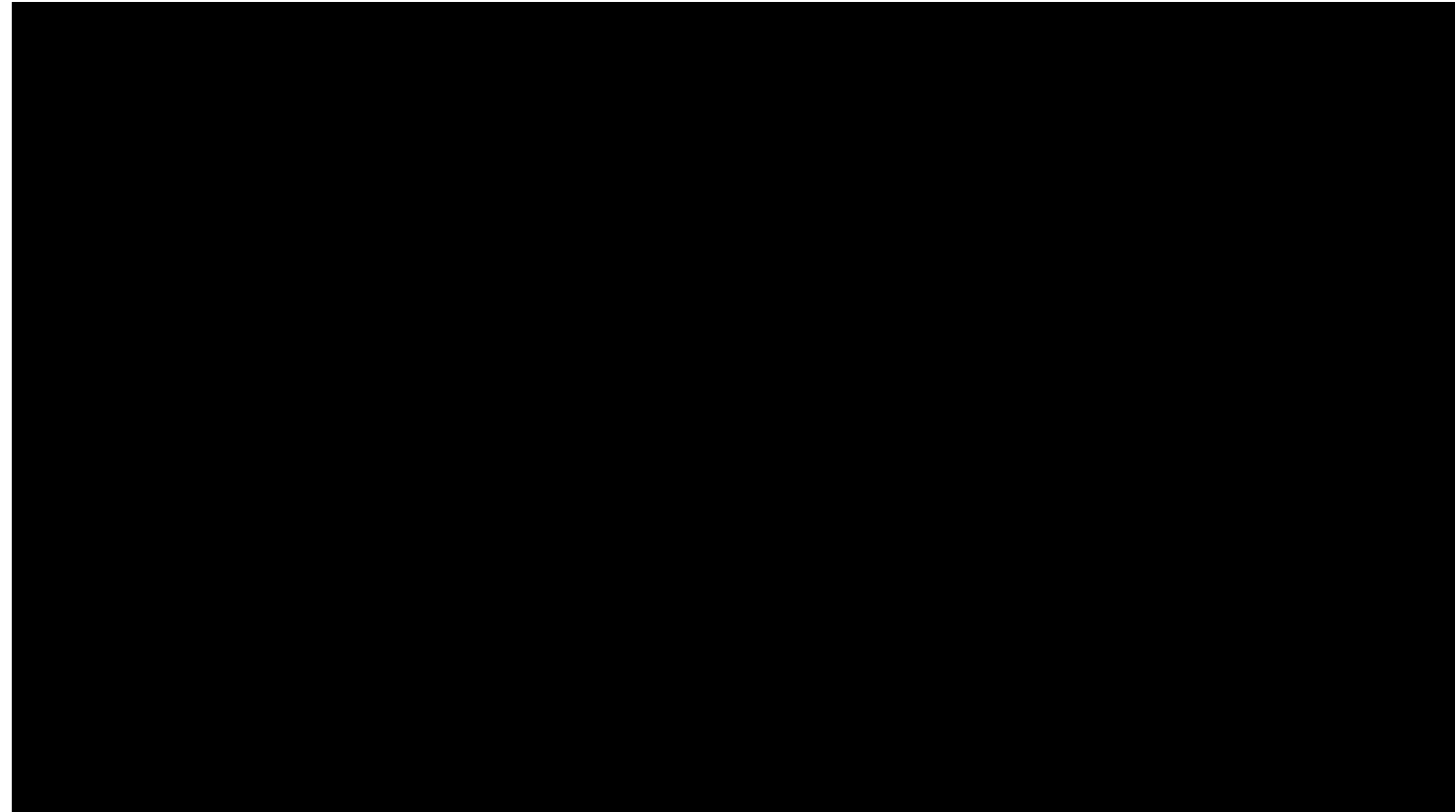
IMPROVED DESIGN



# BRPP & Surge Basin Refinements

## Key Refinements:

- Complete pumping plant below ground structure reconfiguration
- Revised surge basin ground improvement
- ~\$500M in potential costs savings & 2 years of construction schedule savings



# Aqueduct & Discharge Structure

## Key Refinements:

- Reduce materials needed for construction
- Reduced environmental footprint
- Simplify operation and reduce maintenance needs
- ~\$150 million in potential cost savings & 1 year of construction schedule savings

ORIGINAL CONCEPT DESIGN



IMPROVED DESIGN

# Next Steps:

## Maintain Momentum

**Secure key remaining permits related to water rights, federal Endangered Species Act, and Delta Plan consistency**

**Continue evaluation of design and construction refinements to improve constructability and manage costs and risks**

**Update cost and economic evaluations, address project affordability considerations and develop finance plan for implementation**

**Disciplined, robust communications and legislative outreach program that conveys sustained momentum toward implementation**

**Ensure PWA boards receive the precise information and data necessary to support informed implementation votes**



# Thank you. Questions?



DCA

Delta Conveyance  
Authority Website



Delta Conveyance  
Project Website



# Stay Informed



DWR: [DeltaConveyance@water.ca.gov](mailto:DeltaConveyance@water.ca.gov)

DCA: [info@dcdca.org](mailto:info@dcdca.org)



**Multilingual Project Hotline**

866.924.9955



**TO:** Honorable President Miles Prince and Members of the Board

**FROM:** Jose Reynoso

**DATE:** February 9, 2026

**SUBJECT: AMENDMENT NO. 7 TO AGREEMENT FOR THE SUPPLY AND CONVEYANCE OF WATER BY THE DEPARTMENT OF WATER RESOURCES OF THE STATE OF CALIFORNIA UNDER THE DRY YEAR WATER PURCHASE PROGRAM BETWEEN THE DEPARTMENT OF WATER RESOURCES AND SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT**

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### **STAFF RECOMMENDATION**

Approve the Agreement to participate through AMENDMENT 7 (Amendment) to the "Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California Under the Dry Year Water Purchase Program (Agreement), consistent with the terms of the Agreement, to provide the District with optional access to supplemental water supplies on a year-to-year basis.

### **BACKGROUND**

The Agreement is a long-standing settlement framework that governs water operations on the Yuba River and provides for additional surface water and groundwater substitution water to be made available to participating State Water Contractors in certain hydrologic conditions. The Agreement has been in place since 2008 and has facilitated the transfer of significant volumes of water statewide without impacting environmental protections or senior water rights.

The proposed Amendment extends the Agreement framework and provides participating State Water Project contractors, including potentially the District, with the opportunity to access supplemental water supplies on an optional, annual basis.

### **DISCUSSION**

Participation in the Agreement provides the District with flexible, non-permanent access to additional water supplies that can supplement State Water Project deliveries during years when water is available. Participation is optional each year, and the District

retains discretion over whether to participate and which components of the program to elect.

Water pricing under the Agreement is transparent and tied to hydrologic conditions, with pricing established in advance by water year type and are subject to conveyance losses.

Participation in the Agreement enhances the District's ability to manage water supply reliability, respond to variable hydrologic conditions, and provide operational flexibility without committing the District to long-term purchase obligations.

### **ENVIRONMENTAL (CEQA)**

Approval of this action is not a project under CEQA because it does not commit the District to a specific physical activity and does not result in a direct or reasonably foreseeable indirect physical change to the environment.

### **STRATEGIC PLAN CORRELATION**

Continually explore strategies to improve our ability to import water.

### **FISCAL IMPACT**

There is no immediate fiscal impact associated with adopting the resolution. Any future costs associated with participation would be incurred only if the District elects to participate in a given year. That participation decision would be brought to the Board for consideration as part of the annual water supply and budgeting process.

### **PUBLIC NOTICE**

This item has been noticed through the regular agenda notification process. Copies of this report can be accessed on the District's website at [sgvmwd.com](http://sgvmwd.com)

### **ATTACHMENTS:**

Amendment No. 7 to Agreement for the Supply and Conveyance of Water by the DWR of the State of California under the Dry Year Water Purchase Program Between the Department of Water Resources and San Gabriel Valley Municipal Water District.

Yuba Accord Overview

State of California  
California Natural Resources Agency  
DEPARTMENT OF WATER RESOURCES

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AMENDMENT NO. 7  
TO  
AGREEMENT FOR THE SUPPLY AND CONVEYANCE OF WATER  
BY THE DEPARTMENT OF WATER RESOURCES OF THE STATE OF CALIFORNIA  
UNDER THE DRY YEAR WATER PURCHASE PROGRAM  
BETWEEN  
THE DEPARTMENT OF WATER RESOURCES  
AND  
SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

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SWP #26828

THIS AMENDMENT 7 (Amendment) to the “Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California Under the Dry Year Water Purchase Program” (Participation Agreement) is entered into as of \_\_\_\_\_ between the Department of Water Resources of the State of California (DWR), pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, and the San Gabriel Valley Municipal Water District, a public agency in the State of California, herein referred to as the “AGENCY.” DWR and the AGENCY are herein referred to separately as the “Party” and collectively as the “Parties.” Unless otherwise provided in this Amendment, the definitions in the Yuba Water Purchase Agreement, and the exhibits to that agreement shall apply to this Amendment.

## RECITALS

- A. The Yuba County Water Agency (Yuba) is engaged in the Yuba River Accord initiative (Yuba River Accord) to resolve issues associated with operation of the Yuba Project in a way that protects lower Yuba River fisheries and local water-supply reliability, while providing revenues for local flood control projects, water to use for protection and restoration of Sacramento-San Joaquin Delta (Delta) fisheries, and improvements in state-wide water supply management.
- B. The Yuba River Accord includes three major elements, all of which must be in place for the Yuba River Accord to become effective: (1) the Fisheries Agreement (dated November 3, 2007) to provide higher flows for fish in the lower Yuba River under certain conditions, (2) Conjunctive Use Agreements between Yuba and its Member Units for implementing a conjunctive use and water use efficiency program; and (3) the “Agreement for the Long-Term Purchase of Water from Yuba County Water Agency by the Department of Water Resources” dated December 4, 2007 (Yuba Water Purchase Agreement), as amended.
- C. Under the Yuba Water Purchase Agreement, Yuba makes surface water available for delivery and purchase by DWR, some of which is made available through substitution of groundwater for surface flows that would otherwise be used by its Member Units.
- D. In 2007 and 2008, 21 State Water Project (SWP) Contractors and the San Luis & Delta-Mendota Water Authority (Authority) entered into agreements with DWR for the purchase and delivery of the water made available under the Yuba Water Purchase Agreement (cumulatively referred to as the Participation Agreements). The Participating SWP Contractors and the Authority are jointly referred to as “Participating Contractors.” In 2014, two additional Participating SWP Contractors entered into Participation Agreements; and in 2020, one Participating SWP Contractor declined to renew the Participation Agreements. In 2025, two additional Participating SWP Contractors, including the AGENCY, entered into Participation Agreements, increasing the total number of Participating Contractors to 25.
- E. Since entering into the Participation Agreements, the Participating Contractors have approved Amendments 1 through 6.
- F. The Parties desire to extend the term and other provisions of this water supply and conveyance agreement whereby DWR will purchase water under the Yuba River

Accord to make available for purchase by the Participating Contractors, including the AGENCY, through this Amendment 7.

Now, therefore, in accordance with the Recitals and in consideration of the terms and conditions herein, the Parties agree to the following:

## 1. **DEFINITIONS**

When used in this Participation Agreement, the following definitions will apply:

**“Amendment”** means this Amendment 7 to this Participation Agreement.

**“Balanced Conditions”** mean the hydrologic condition of the Delta as defined in the November 24, 1986 “Agreement between the United States of America and the State of California for Coordinated Operations of the Central Valley Project and the State Water Project” (COA), as amended.

**“Banks Pumping Plant”** means a SWP facility in the south Delta owned and operated by DWR.

**“Carriage Water”** means the water losses due to increased Delta outflow necessary to maintain baseline Delta salinity conditions as determined by DWR and Reclamation, that are associated with Storage Component Water and Net Accrued Groundwater Substitution Component Water that is exported by the Projects.

**“Conference Year”** means a Water Year for which the North Yuba Index is less than 500,000 acre-feet, calculated according to the procedures and formulas set forth in Exhibits 4 and 5 of the Fisheries Agreement, and using the latest available forecasts for the Water Year.

**“Delivered Transfer Water”** means Released Transfer Water from Yuba that is accounted as being exported by the Projects, or contributing to exports, as described in Section 5 of Exhibit 1 of the Yuba Water Purchase Agreement.

**“Final Classification”** means the Water Year classification for the Sacramento Valley Index in the May issue of DWR’s Bulletin 120.

**“Fisheries Agreement”** means the agreement, which is part of the Yuba River Accord, among Yuba, the California Department of Fish and Game (now known as Department of Fish and Wildlife), and other parties, under which Yuba operates the Yuba Project to

provide higher flows in the lower Yuba River under certain conditions to improve fisheries protection.

**“Management Committee”** means the committee, consisting of one representative each from Yuba, DWR, and Participating Contractors, established under Section 12 (“Technical Committee and Management Committee”) of the Yuba Water Purchase Agreement.

**“Member Unit”** means a “Member Unit” as defined in Section 2(g) of the 1959 Yuba County Water Agency Act.

**“Net Accrued Groundwater Substitution Component Water”** is the net amount of water resulting from Yuba’s groundwater substitution pumping program that is made available to the Participating Contractors. The Net Accrued Groundwater Substitution Component Water will be released and delivered by Yuba to DWR in accordance with the Yuba Water Purchase Agreement.

**“Participating Contractors”** means all SWP Contractors and the Authority that have executed an agreement with DWR to purchase water originating from the Yuba Water Purchase Agreement.

**“Participating SWP Contractors”** means all Participating Contractors that are also SWP contractors.

**“Participation Agreement”** means the December 21, 2007 “Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California Under the Dry Year Water Purchase Program” as amended.

**“Projects”** means the State Water Project (SWP) and the Central Valley Project (CVP).

**“Purchased Water”** means the supply of Storage Component Water and Net Accrued Groundwater Substitution Component Water that has been delivered by Yuba to DWR and is accounted for as Delivered Transfer Water in the manner set forth in Exhibit 1 (“Scheduling and Accounting Principles”) of the Yuba Water Purchase Agreement. Purchased Water includes Carriage Water, water used as Delta outflow when the Export/Inflow ratio is controlling in the time period of July 1 through January 31 pursuant to the Revised Water Right Decision 1641, evaporation, and other losses assessed by DWR.

**“Released Transfer Water”** means the average daily flows measured at the Marysville Gage that are greater than the Baseline Flows and is further described in Section 4.2 of Exhibit 1 of the Yuba Water Purchase Agreement.

**“Storage Component Water”** means the water supplies available to DWR pursuant to Section 6 of the Yuba Water Purchase Agreement.

**“SWP Long-Term Water Supply Contract”** means the long-term water supply contract between the Parties, as amended.

**“Technical Committee”** means the committee, consisting of technical representatives from Yuba, DWR, and Participating Contractors, established under Section 12 (“Technical Committee and Management Committee”) of the Yuba Water Purchase Agreement.

**“Third Party”** means an agency, entity or individual other than DWR, a Participating Contractor, a Member Unit, customer, landowner, or any other entity within the boundaries of a Participating Contractor, as defined in Section 9 (“Right of Yuba to Transfer Certain Quantities of Water to a Third Party”) of the Yuba Water Purchase Agreement.

**“Third-Party Transfer”** means a water transfer from Yuba to a Third Party as defined in Section 9 (“Right of Yuba to Transfer Certain Quantities of Water to a Third Party”) of the Yuba Water Purchase Agreement.

**“Water Accounting Year”** means the twelve-month period commencing January 1 through December 31.

**“Water Year”** means the twelve-month period from October 1 of one year through September 30 of the following year. For this Participation Agreement, each Water Year will be classified: (1) as “Wet,” “Above Normal,” “Below Normal,” “Dry” or “Critical,” based on the Sacramento Valley Water Year Hydrologic Classification in Figure 1 on page 188 of the State Water Resources Control Board's March 15, 2000, Revised Water-Right Decision 1641; or (2) as a “Conference Year.”

**“Yuba Project”** means the Yuba River Development Project, including New Bullards Bar Dam and Reservoir on the North Yuba River.

**“Yuba River Accord”** means Yuba’s initiative as described in Recitals A and B of this Participation Agreement.

**“Yuba Water Purchase Agreement”** means the Agreement for the Long-Term Purchase of Water from Yuba County Water Agency by the Department of Water Resources, which is attached hereto as Attachment A, and as amended.

## **2. EFFECT OF THIS AMENDMENT**

After December 31, 2025, this Amendment supersedes the Participation Agreement in its entirety.

## **3. TERM OF PARTICIPATION AGREEMENT**

- A. This Participation Agreement will become effective upon execution by the Parties and will terminate on December 31, 2050.
- B. The Parties may terminate this Participation Agreement on December 31, 2030, if the Parties fail to amend this Participation Agreement pursuant to Section 4.B.3 as necessary to address amendments made to the Yuba Water Purchase Agreement regarding the quantity and pricing of water pursuant to Section 10 thereof.
- C. This Participation Agreement will remain in effect beyond the termination dates set forth above to the extent required to enable the Parties to satisfy all obligations then existing or outstanding.

## **4. PURCHASED WATER**

### **A. METHODS FOR ESTABLISHING ALLOCATIONS AND SHARING OF WATER**

- 1. DWR will make available to the Participating SWP Contractors, as a group, 50% of the following types of water: Storage Component Water and Net Accrued Groundwater Substitution Component Water.
- 2. DWR will make available to the Participating SWP Contractors, and the Participating SWP Contractors may accept and purchase, Storage Component Water and Net Accrued Groundwater Substitution Component Water that is made available to the Authority, if the Authority elects to not take said water.
- 3. All water made available to the Participating SWP Contractors shall be allocated among the Participating SWP Contractors as follows:

- a) DWR will allocate to the AGENCY its share of water that is made available to the Participating SWP Contractors based on the AGENCY'S maximum Table A amount in its SWP Long-Term Water Supply Contract as a proportion of the total Table A amounts provided under the Long-Term Water Supply Contracts of the Participating SWP Contractors.
  - b) If any Participating SWP Contractor does not request some or any of its share of the water, the remaining Participating SWP Contractors have the first right to that water, and DWR will allocate that water among them, but excluding from the calculation the maximum Table A amount of the Participating SWP Contractors not requesting their full allocation.
  - c) The above process will repeat until all water is allocated to all Participating SWP Contractors that requested Purchased Water.
- 4. DWR will offer to the Authority any Storage Component Water and Net Accrued Groundwater Substitution Component Water made available pursuant to this Section and remaining unrequested water after completing the above allocation process.
  - 5. For Storage Component Water, if the AGENCY does not take some or all of the water made available to it after the May 22 initial allocation, DWR will make that water available first to the other Participating SWP Contractors and then to the Authority. If that water is not purchased by the Participating SWP Contractors or the Authority, then the AGENCY will be required to purchase the remaining amount.

## B. TYPES AND PRICES OF PURCHASED WATER

### 1. STORAGE COMPONENT WATER

- a) For Storage Component Water that is accounted for as Purchased Water and made available to the AGENCY from January 1, 2026 through December 31, 2030, the AGENCY will pay:
  - i) Wet Year. \$75 per acre-foot in a Final Classification Wet Water Year.
  - ii) Above Normal Year. \$150 per acre-foot in a Final Classification Above Normal Water Year.

- iii) Below Normal Year. \$225 per acre-foot in a Final Classification Below Normal Water Year.
  - iv) Dry Year. \$300 per acre-foot in a Final Classification Dry Water Year (except as provided in subsection vi, below).
  - v) Critical Year. \$450 per acre-foot in a Final Classification Critical Water Year (except as provided in subsection vi, below).
  - vi) Consecutive Dry or Critical Years. \$525 per acre-foot in two or more consecutive years with either a Final Classification of Dry or Critical Water Years.
- b) Specified quantities of Storage Component Water in Dry and Critical Years (previously known as Component 2 Water) are subject to a price reduction. In 2004 during development of the Yuba River Accord, the Participating Contractors identified quantities of water they believed that the SWP and CVP would have received in Dry and Critical Years from the Yuba Project if alternative regulatory conditions of D-1644 had gone into effect (i.e., the long-term flow requirements). To address this concern, DWR and Yuba agreed to discount pricing for a portion of the Storage Component Water delivered in these year types. As a result, the price for such discounted Storage Component Water in Dry and Critical Water Years is 80% of the price of Storage Component Water agreed to by the Parties for the following quantities.
- i) In any Water Year that has a Final Classification as Dry, the first 15,000 acre-feet of Storage Component Water; and
  - ii) In any Water Year that has a Final Classification as Critical, the first 30,000 acre-feet of Storage Component Water.

2. NET ACCRUED GROUNDWATER SUBSTITUTION COMPONENT WATER

The following provisions shall apply to Net Accrued Groundwater Substitution Component Water made available by Yuba, through DWR, to the AGENCY beginning on January 1, 2016 and continuing through the term of this Participation Agreement.

- a) Except as otherwise provided herein, Net Accrued Groundwater Substitution Component Water will be accounted for in accordance with the provisions of the Yuba Water Purchase Agreement.
- b) In every year within the term of this Participation Agreement when one or more Participating Contractors desire to purchase Net Accrued Groundwater Substitution Component Water from Yuba through DWR, the Management Committee representatives of DWR, Yuba, and the Participating Contractors will convene by February 15 and conclude by March 31 to negotiate the price per acre-foot of Net Accrued Groundwater Substitution Component Water, any provisions for the Delta export priority for such water, and any other terms applicable to the transfer of Net Accrued Groundwater Substitution Component Water. If necessary, the dates herein may be adjusted if approved in writing by Yuba and DWR with written notice to the AGENCY.
- c) In every Water Accounting Year when: (1) one or more Participating Contractors desire to purchase Net Accrued Groundwater Substitution Component Water; (2) the annual negotiations referenced in Section 4.B.2.b have reached a successful conclusion calling for the purchase of such water that year; (3) the Management Committee representatives have agreed as to the terms of, and each of these representatives has recommended in writing said terms and the approval of, a letter agreement between Yuba and DWR establishing the price per acre-foot and any modified terms that will be applicable to the Net Accrued Groundwater Substitution Component Water for that Water Accounting Year; and (4) DWR and Yuba have executed said letter agreement, DWR will offer in writing to the AGENCY the opportunity to purchase Net Accrued Groundwater Substitution Component Water at the price and terms as provided in the letter agreement between DWR and Yuba.

### 3. POSSIBLE FUTURE ADJUSTMENTS TO QUANTITIES

If the provisions of Section 10 or 20 of the Yuba Water Purchase Agreement require changes to the quantity of water available therein, the Parties agree that amendment of this Participation Agreement for such purposes will be a condition precedent of any amendment of the Yuba Water Purchase Agreement pursuant to Section 10 or 20 thereof. The Parties agree to meet

and negotiate in good faith potential changes to this Participation Agreement.

4. PRICE FOR FALL DELIVERED WATER

Storage Component Water and Net Accrued Groundwater Substitution Component Water that is accounted as Delivered Transfer Water in the months of October and November will be priced using the determination of Water Year that was in effect before September 30 of that year.

C. THIRD-PARTY TRANSFERS PURSUANT TO SECTION 9 OF THE YUBA WATER PURCHASE AGREEMENT

The Yuba Water Purchase Agreement provides for the sale of water to Third Parties under the terms outlined in Section 9 (“Right of Yuba to Transfer Certain Quantities of Water to a Third Party”) of the Yuba Water Purchase Agreement. So long as a Third-Party Transfer is carried out consistent with the accounting provisions of Exhibit 1 for Released Transfer Water during Balanced Conditions in the Yuba Water Purchase Agreement, the AGENCY will not object based on the use of the transfer water accounting provisions of Exhibit 1 to such a transfer as not protective of DWR and the AGENCY as legal users of water during the time the AGENCY remains a Participating Contractor. The AGENCY also agrees that, as a Participating Contractor, it will not purchase water directly from Yuba other than through the Yuba Water Purchase Agreement.

5. REQUESTS, SCHEDULING, CONVEYANCE, AND STORAGE

Scheduling and conveyance of Purchased Water will be dependent on factors like releases by Yuba (including the flow schedule for the lower Yuba River as provided for in the Fisheries Agreement, the North Yuba Index, or the Yuba River Index), capacity of CVP and SWP facilities, and Bay-Delta conditions. To meet the goals of Section 7, the AGENCY may modify the requests in writing and DWR may update the allocation of Purchased Water without amending this Participation Agreement.

A. REQUESTS FOR STORAGE COMPONENT WATER

1. On or about April 11 of each Water Accounting Year, DWR will inform the AGENCY of the potential quantity of Storage Component Water that is available to the AGENCY.

2. On or before April 18, the AGENCY will submit an initial request to DWR for Storage Component Water.
3. On or about May 22, DWR will notify the AGENCY of the quantity of Storage Component Water to be allocated to the AGENCY pursuant to Section 5.A. DWR will continue to update the allocation to reflect the latest conditions.
4. In the event that Yuba wishes to conduct the First Type of Third-Party Transfer (as described in the Yuba Water Purchase Agreement) in the months of July through November during Balanced Conditions, and Yuba notifies DWR to not back a specified quantity of Released Transfer Water into Project storage, DWR will notify the AGENCY within 5 business days after Yuba issued the notice and provide an opportunity for the AGENCY to guarantee purchase of that portion of such water allocated to the AGENCY in accordance with Section 4.A at the current year pricing regardless of whether it becomes Delivered Transfer Water. Such water, when stored in Project storage, will be released in a subsequent year to the AGENCY provided it was stored in Project storage and not spilled by flood control releases before its scheduled release. The AGENCY will pay for this allocated amount at the current year pricing regardless of whether it becomes Delivered Transfer Water in the current year.

**B. REQUESTS FOR NET ACCRUED GROUNDWATER SUBSTITUTION COMPONENT WATER**

1. On or about April 1 of each Water Accounting Year, DWR will notify the AGENCY of the quantity of Net Accrued Groundwater Substitution Component Water that Yuba will make available and the terms of such water, including the price per acre-foot, and any other applicable terms.
2. On or before April 11, the AGENCY will submit an initial request to DWR for the amount of Net Accrued Groundwater Substitution Component Water.
3. On or before May 14, the AGENCY may adjust the requested quantity of Net Accrued Groundwater Substitution Component Water.
4. On or before May 14, the AGENCY will commit to the final quantity of Net Accrued Groundwater Substitution Component Water to be purchased during the Water Accounting Year, but such amount will not be less than the actual amount of Net Accrued Groundwater Substitution Component Water

made available between April 1 and May 15 in accordance with the accounting provisions for Net Accrued Groundwater Substitution Component Water set forth in Exhibit 1 of the Yuba Water Purchase Agreement.

5. On or about May 22, DWR will notify the AGENCY of the final quantity of Net Accrued Groundwater Substitution Component Water to be allocated to the AGENCY.
6. DWR will provide Yuba not less than 72-hours' notification for suspension or termination of groundwater pumping due to limitations on the ability to divert the Net Accrued Groundwater Substitution Component Water. In the event of such suspension or termination, the AGENCY will pay for its allocated quantity of Net Accrued Groundwater Substitution Component Water, including the amount incurred through the 72-hour notification period irrespective of whether DWR was able to divert the Net Accrued Groundwater Substitution Component Water.
7. The Parties acknowledge that Section 5.1.8 of the Yuba Accord Fisheries Agreement allows the River Management Team to schedule the release of a portion of Net Accrued Groundwater Substitution Component Water at a time when it might not be transferable. The AGENCY will not be required to pay for any portion of Net Accrued Groundwater Substitution Component Water that is released under Section 5.1.8 to the extent that it is not transferable under the accounting provisions set forth in Exhibit 1 of the Yuba Water Purchase Agreement.
8. The final allocated Net Accrued Groundwater Substitution Component Water can be reduced if Yuba Member Units pump less than the quantity in letter agreement between Yuba and DWR. The AGENCY will not be required to pay for this reduction.
9. If necessary, the dates herein may be adjusted if approved in writing by Yuba and DWR with written notice to the AGENCY.

C. SCHEDULING

1. The AGENCY shall submit monthly water delivery schedules and revised monthly schedules, if any, for approval to the Division of Operation and Maintenance, Office of the Division Manager, Water Deliveries Reporting

Unit, indicating timing and point of delivery requested under this Agreement with reference to SWP #26828. Monthly and revised schedules shall be sent by electronic mail to SWP-SWDS@water.ca.gov.

2. The AGENCY shall submit weekly water delivery schedules that indicate timing and point of delivery requested with reference to SWP #26828, by electronic mail by 10:00 am, Wednesday, for Monday through Sunday of next week to the following:
  - a) Water Delivery Scheduling  
Water\_deliv\_sched@water.ca.gov
  - b) Power Management and Optimization Section  
POCOptimization@water.ca.gov
  - c) Day-Ahead Scheduling Unit  
Presched@water.ca.gov
  - d) Water Operations Scheduling Section  
WOSS@water.ca.gov

#### D. CONVEYANCE

1. Purchased Water is subject to deduction of Carriage Water and other losses assessed by DWR. The conveyance of the remaining Purchased Water to the AGENCY's turnouts from the SWP Delta facilities is subject to the terms and conditions of this Participation Agreement, Article 55 of the AGENCY's SWP Long-Term Water Supply Contract, and applicable laws. Use of Purchased Water under this Participation Agreement shall be restricted to the AGENCY's service area inside SWP place of use. Delivery priorities shall be determined in accordance with Article 12(f) of the AGENCY's SWP Long-Term Water Supply Contract, with Purchased Water being classified as non-project water.
2. The AGENCY shall be responsible for, and shall bear all risks for, all conveyance losses and other water losses, if applicable. DWR shall deduct any losses, as determined by DWR, from the amount of Purchased Water.
3. In the event that further adjustments are required, including if final Carriage Water value differs from the initial estimate, DWR may, after consulting with

the AGENCY, reclassify the AGENCY's Table A water to address any discrepancies.

#### E. STORAGE

The storage of Purchased Water under this Participation Agreement is subject to the terms and conditions of this Participation Agreement, Article 56(c) of the AGENCY's SWP Long-Term Water Supply Contract, and applicable laws. AGENCY acknowledges that DWR solely determines the available storage capacity and such storage may not interfere with SWP operations or other SWP Contractor's contractual rights. DWR will notify AGENCY of the risk of loss of the stored Purchased Water as soon as practicable. AGENCY acknowledges that stored Purchased Water is subject to spill, actual or theoretical, as determined by DWR. No power credit will accrue to AGENCY for storage of Purchased Water.

### 6. INVOICING AND PAYMENTS

DWR will invoice the AGENCY and the AGENCY will submit payment to DWR based on each invoice as provided below.

#### A. INVOICING FOR PURCHASED WATER

1. Initial Storage Component Water Invoice: On or about May 22 (or within 10 business days of the date that DWR receives an invoice from Yuba), DWR will invoice the AGENCY for 50% of the estimated amount of Storage Component Water allocated to the AGENCY.
2. Initial Net Accrued Groundwater Substitution Component Water Invoice: On or about May 22 (or within 10 business days of the date that DWR receives an invoice from Yuba) DWR will invoice the AGENCY for 50% of the amount of Net Accrued Groundwater Substitution Component Water allocated to the AGENCY.
3. Second Net Accrued Groundwater Substitution Component Water Invoice: On or about August 30 (or within 10 business days of the date that DWR receives an invoice from Yuba) DWR will invoice the AGENCY for 40% of the allocated Net Accrued Groundwater Substitution Component Water allocated to the AGENCY.
4. Final Invoice for Purchased Water: On January 17 of the next calendar year (or within 10 business days of the date that DWR receives an invoice from

Yuba), DWR will invoice the AGENCY for the remaining unpaid cost for Purchased Water.

#### B. INVOICE FOR CONVEYANCE COSTS

DWR will invoice the AGENCY monthly for conveyance charges in accordance with Article 55 of the SWP Long-Term Water Supply contract. Specifically, the AGENCY shall pay the power resources (including on-aqueduct, off-aqueduct, and any other power) incurred in the conveyance of such water from the Delta for the year in which the Purchased Water is conveyed.

#### C. PAYMENTS FOR COSTS ATTRIBUTABLE TO YUBA WATER PURCHASE AGREEMENT

The Parties agree that costs DWR is obligated to pay Yuba pursuant to the Yuba Water Purchase Agreement, and that have not been identified by this Participation Agreement, will be an obligation of the Participating Contractors. If necessary, the Parties will amend this Participation Agreement to provide for invoicing and payment of such costs if not provided for herein.

#### D. PAYMENT TERMS AND CONDITIONS

1. The AGENCY will pay DWR within 31 days after receiving an invoice.
2. DWR will assess on the AGENCY a 1% interest rate per month from the due date until paid in full.
3. If the AGENCY disputes an invoice, the AGENCY will still pay the full invoiced amount. The AGENCY will submit a notice to DWR identifying the dispute within 31 days of receipt of the invoice. Within 21 days after DWR receives the notice, the Parties will meet and, if appropriate, obtain assistance from the Technical Committee and Management Committee to resolve the dispute. If the Parties find that the AGENCY overpaid, DWR will apply a credit on the next invoice. If there is no resolution, the Parties will follow the dispute resolution process in Section 11.
4. Invoices will itemize any prior payments and credits, and the total due, less any additional credits.

## **7. EFFORTS TO MAXIMIZE THE BENEFICIAL USE OF WATER**

DWR will use all reasonable efforts to maximize the amount of Purchased Water available to the Participating Contractors. Those efforts will include, but are not limited to fully exercising its rights and obligations under the Yuba Water Purchase Agreement, coordinating with Reclamation on the operations of the SWP and CVP, and storing water in SWP facilities when Delta pumping is constrained, as provided in the Yuba Water Purchase Agreement.

## **8. MEMBERSHIP ON COMMITTEES**

DWR agrees that a representative of the Participating Contractors will be a member of the Management Committee and Technical Committee.

## **9. CONFERENCE YEAR PRINCIPLES**

During any Conference Year, DWR will meet with Yuba and the other parties to the Fisheries Agreement and the Conjunctive Use Agreements to: (1) determine how to address the circumstances, and (2) discuss the operation of the Yuba Project during that Water Accounting Year.

## **10. LIABILITY**

- A. DWR will not assert that the AGENCY, its directors, officers, agents or employees, are liable for damages of any nature whatsoever arising out of any actions or omissions by DWR, its Director, officers, agents or employees, related to DWR's performance of this Participation Agreement, where such liability is caused by an act, error or omission of DWR, its Director, officers, agents or employees.
- B. The AGENCY will not assert that DWR, its Director, officers, agents or employees, are liable for damages of any nature whatsoever arising out of any actions or omissions by the AGENCY, its directors, officers, agents or employees, related to the AGENCY's performance of this Participation Agreement, where such liability is caused by an act, error or omission of the AGENCY, its director, officers, agents or employees.
- C. To the extent permitted by California law, the AGENCY will indemnify, defend and hold DWR, its Director, officers, agents and its employees safe and harmless from any and all, claims, judgments, damages, penalties, costs, liabilities and losses (including without limitation, sums paid in settlement of

claims, actual attorney's fees paralegal fees, consultant fees, engineering fees, expert fees, and any other professional fees) that arise from or are related in any way to the AGENCY's activities or performance under this Participation Agreement that are under the exclusive control of the AGENCY, including but not limited to the release, conveyance, use or distribution of water by the AGENCY for purposes of this Participation Agreement.

- D. To the extent permitted by California law, DWR will indemnify, defend and hold the AGENCY, its directors, officers, agents and its employees safe and harmless from any and all, claims, judgments, damages, penalties, costs, liabilities and losses (including without limitation, sums paid in settlement of claims, actual attorney's fees, paralegal fees, consultant fees, engineering fees, expert fees, and any other professional fees) that arise from or are related in any way to DWR's activities or performance under this Participation Agreement that are under the exclusive control of DWR, including but not limited to the release, conveyance, use or distribution of water by DWR for purposes of this Participation Agreement.

## **11. DISPUTE RESOLUTION**

- A. Should any material disputes arise concerning any provision of this Participation Agreement, or the rights and obligations of the Parties hereunder, including those involving possible termination or those that might cause the initiation of any administrative or judicial proceeding to enforce or interpret this Participation Agreement, the Party that believes a dispute exists will notify the other Party, and the Parties will promptly meet and confer to attempt to resolve the perceived dispute.
- B. If the process described in the preceding subsection fails to resolve the dispute within 30 days, the Parties will submit the dispute to a mediator who has experience in water-related disputes. The costs of any such mediation will be borne equally by the Parties. Initiation of this mediation process will be through written notice by one Party to the other Party. The Parties reserve all of their other remedies that may be provided by law or equity in the event that such mediation fails to resolve a dispute. The Parties, in consultation with the mediator, will use their best efforts to resolve the dispute within 30 days. Under no circumstances, however, will mediation under this Section result in a requirement that diminishes, limits or contravenes the discretion, authority or

any delegated authority of the Director of DWR or the AGENCY under State law.

- C. If mediation fails to resolve the dispute, and prior to commencing any legal action to resolve the dispute, the Party proposing to commence legal action will provide the other Party 30 days' written notice of such action, provided that such notice will not be required where a delay in commencing an action would prejudice the interests of the Party that intends to file suit. During the 30-day notice period, the Parties will continue to attempt to resolve the dispute.

## **12. NOT A PRECEDENT**

The terms and conditions set forth in this Participation Agreement are not intended to set a precedent for any future contractual arrangements for conveying non-SWP water by DWR to the AGENCY.

## **13. PAYMENTS, NOTICES, OR OTHER COMMUNICATIONS**

The time for providing any payments, notices, or other communications specified in this Participation Agreement may be extended within the term of this Participation Agreement with the consent of the Parties, confirmed in writing, without requiring an amendment to this Participation Agreement. All payments, notices, or other communications required under this Participation Agreement will be in writing, and will be deemed to have been duly given upon the date of service, if: (a) served personally on the Party to whom notice is to be given; (b) sent by electronic mail, and the Party to whom notice is to be given confirms receipt; or (c) on the third day after mailing, if mailed to the Party to whom payment, notice or other communication is directed, by first-class mail, postage prepaid, and properly addressed to the designated representatives of the Party set forth below.

DWR:

Assistant Division Manager of Water Management  
Department of Water Resources  
P.O. Box 942836  
Sacramento, CA 94236-0001  
cc: swpwatertransfers@water.ca.gov

**AGENCY:**

Jose Reynoso  
 General Manager  
 San Gabriel Valley Municipal Water District  
 1402 N. Vosburg Drive, P.O. Box 1299  
 jreynoso@sgvmwd.com

A Party may notify the other Party in writing of a change in its designated representatives, without requiring an amendment to this Participation Agreement. When requested, unless otherwise specified in this Participation Agreement, DWR will provide to the AGENCY copies of any and all communications it sends or receives pursuant to the terms of the Yuba Water Purchase Agreement. These communications will be shared as soon as possible, but not later than 14 days after DWR receives, or sends, such communications to Yuba, the Authority, and/or other Participating SWP Contractors.

**14. SIGNATORIES' AUTHORITY**

The signatories to this Participation Agreement represent that they have authority to execute this Participation Agreement and to bind the Party on whose behalf they execute this Participation Agreement.

The Parties agree that this Participation Agreement will be executed using DocuSign by electronic signature, which shall be considered an original signature for all purposes and shall have the same force and effect as an original signature. All Parties will receive an executed copy of this Agreement via DocuSign after all Parties have signed.

**15. COUNTERPARTS OF THIS PARTICIPATION AGREEMENT**

This Participation Agreement may be signed in any number of counterparts by the Parties, each of which will be deemed to be an original, and all of which together will be deemed to one and the same instrument. This Participation Agreement, if executed in counterparts, will be valid and binding on a Party as if fully executed all in one copy.

**16. BINDING ON SUCCESSORS/ASSIGNMENT**

This Participation Agreement will bind and inure to the benefit of the respective successors and assigns of the Party, except that, none of the obligations of the Parties set forth in this Participation Agreement will be assigned without the prior, written approval of the other Party, which approval will not unreasonably be withheld.

## **17. NO THIRD-PARTY BENEFICIARIES**

This Participation Agreement will not be construed to create any third-party beneficiaries, except as set forth in this section. This Participation Agreement is for the sole benefit of the Parties, their respective successors and assigns, and no other person or entity will be entitled to rely on or receive any benefit from this Participation Agreement or any of its terms.

## **18. AMENDMENTS**

- A. This Participation Agreement may be amended or modified only by written agreement approved and executed by the Parties.
- B. Prior to any amendment of this Participation Agreement, the Parties will meet and confer with the other Participating SWP Contractors and the Authority. The Parties will not agree to any amendment to this Participation Agreement that would adversely affect the rights and obligations of the Participating SWP Contractors under each of their respective “Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California to the Participating SWP Contractors under the Dry Year Water Purchase Program” or the Authority under its “Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California to the San Luis & Delta-Mendota Water Authority under the Dry Year Water Purchase Program.”
- C. Prior to any amendment of any “Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California to the Participating SWP Contractors Under the Dry Year Water Purchase Program”, DWR will meet and confer with the AGENCY. DWR will not agree to any amendments to any “Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California to the Participating SWP Contractors Under the Dry Year Water Purchase Program” or the “Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California to the San Luis & Delta-Mendota Water Authority under the Dry Year Water Purchase Program” that would adversely affect the rights and obligations under this Participation Agreement.
- D. DWR will meet and confer with the AGENCY, the other Participating SWP Contractors and the Authority before agreeing to any proposed changes, amendments, or supplements to the Yuba Water Purchase Agreement. DWR

will not agree to any changes, amendments, or supplements to the Yuba Water Purchase Agreement or its Exhibits that would be inconsistent with or adversely affect the Parties' rights and obligations under this Participation Agreement, any other "Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California to the Participating SWP Contractors Under the Dry Year Water Purchase Program" or under the "Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California to the San Luis & Delta-Mendota Water Authority under the Dry Year Water Purchase Program."

## **19. OPINIONS AND DETERMINATIONS**

Where the terms of this Participation Agreement provide for action to be based upon the opinion, determination, approval or review of either Party, such terms are not intended to be, and will not be construed as permitting such actions to be arbitrary, capricious or unreasonable. Any opinion, determination, approval or review required of a Party under this Participation Agreement will be provided in a timely manner.

## **20. REASONABLE COOPERATION**

The Parties will reasonably cooperate with each other, including the execution of all necessary documents and providing assistance in obtaining approvals and permits from regulatory agencies required to perform the obligations under this Participation Agreement and to carry out the purpose and intent of this Participation Agreement.

## **21. CONSTRUCTION AND INTERPRETATION**

This Participation Agreement is entered into freely and voluntarily. This Participation Agreement has been arrived at through negotiation, and each Party has had a full and fair opportunity to revise the terms of this Participation Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party will not apply in construing or interpreting this Participation Agreement.

## **22. COMPLETE CONTRACT**

This Participation Agreement constitutes the sole, final, complete, exclusive and integrated expression and statement of the terms of this Participation Agreement among the Parties concerning the subject matter, and supersedes all prior negotiations, representations or agreements, either oral or written, that may be related to the subject

matter of this Participation Agreement, except as to those other agreements that are expressly referred to in this Participation Agreement.

**23. DETERMINATION OF UNENFORCEABLE PROVISIONS**

If any term or provision of this Participation Agreement is deemed invalid or unenforceable by any court of final jurisdiction, the Parties will meet and attempt to address this situation pursuant to the provisions of Section 11 of this Participation Agreement.

**24. WAIVER**

The waiver at any time by a Party of its rights with respect to a default or other matter arising in connection with this Participation Agreement will not be deemed a waiver with respect to any other default or matter.

**25. TIME**

Time is of the essence in this Participation Agreement. Any date specified in this Participation Agreement may be changed with the written consent of the Parties.

**26. APPLICABLE LAW**

This Participation Agreement will be construed under and will be deemed to be governed by the laws of the State of California.

**27. VENUE**

Any appropriate County under California law will be venue for any state court litigation concerning the enforcement or interpretation of this Participation Agreement.

**28. REMEDIES NOT EXCLUSIVE**

The remedies provided in this Participation Agreement are cumulative and not exclusive, and are in addition to any other remedies that may be provided by law or equity. The exercise by the Party of any remedy under this Participation Agreement will be without prejudice to the enforcement of any other remedy.

**29. OFFICIALS NOT TO BENEFIT**

No member or delegate to Congress, Resident Commissioner, or Federal or State official will be admitted to any share or part of this Participation Agreement or to any benefit that may arise therefrom.

**30. STANDARD CLAUSES**

With respect to the mutual obligations of the Parties under this Participation Agreement, the Parties will comply with the Standard Clauses as shown on Attachment B ("State of California Standard Clauses") to this Participation Agreement for the State of California, Contracts with Public Entities.

**31. ATTACHMENTS INCORPORATED**

Each attachment to which reference is made is deemed incorporated in this Participation Agreement, whether or not actually attached.

**IN WITNESS WHEREOF**, the Parties hereto, by their authorized representatives, have executed this Participation Agreement on the last date set forth below.

Approved as to legal form  
and sufficiency:

STATE OF CALIFORNIA DEPARTMENT  
OF WATER RESOURCES

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Ann Carroll  
General Counsel

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Karla Nemeth  
Director

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Date

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Date

Approved as to legal form  
and sufficiency:

San Gabriel Valley Municipal Water  
District

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Name  
Counsel

---

Miles Prince  
Board President

---

Date

---

Date

**ATTACHMENTS:**

Attachment A: Amendment 8 to the Agreement for the Long-Term Purchase of Water from Yuba County Water Agency by the Department of Water Resources

Attachment B: DWR Standard Clauses

**ATTACHMENT A**

AMENDMENT 8 TO THE AGREEMENT FOR THE LONG-TERM PURCHASE OF  
WATER FROM YUBA COUNTY WATER AGENCY BY THE DEPARTMENT OF  
WATER RESOURCES

**ATTACHMENT B**  
**DEPARTMENT OF WATER RESOURCES STANDARD CLAUSES**  
**FOR**  
**AGREEMENT FOR THE SUPPLY AND CONVEYANCE OF WATER**  
**BY THE DEPARTMENT OF WATER RESOURCES**  
**OF THE STATE OF CALIFORNIA**  
**TO THE AGENCY**  
**UNDER**  
**THE DRY YEAR WATER PURCHASE PROGRAM**

**Worker's Compensation Clause.** Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700).

**Nondiscrimination Clause.** During the performance of this Agreement, Contractor and its subcontractors shall not deny the contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article. Contractor shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. Contractor and its subcontractors shall give written notice of their obligations under this clause to

labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, §11105.)

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

**Compliance with Laws, Regulations, Permit Requirements.** Contractor shall at all times comply with, and require its contractors and subcontractors to comply with, all applicable federal and State laws, rules and regulations, permits and all applicable local ordinances, specifically including but not limited to environmental, procurement and safety laws, rules, regulations, permits and ordinances.

**Availability of Funds.** Work to be performed under this contract is subject to the availability of funds through the State's normal budget process.

**Audit Clause.** Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).

**Compensation.** The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

**Drug-Free Workplace Certification.** Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

- a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
- b. Establish a Drug-Free Awareness Program to inform employees about:

- 1) the dangers of drug abuse in the workplace;
- 2) the person's or organization's policy of maintaining a drug-free workplace;
- 3) any available counseling, rehabilitation and employee assistance programs; and,
- 4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Agreement will:

- 1) receive a copy of the company's drug-free workplace policy statement; and,
- 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

**Americans with Disabilities Act.** Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

**Conflict of Interest.** Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

- 1) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the

employment, activity or enterprise is required as a condition of regular state employment.

2) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

1) For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.

2) For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

**Child Support Compliance Act.** For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:

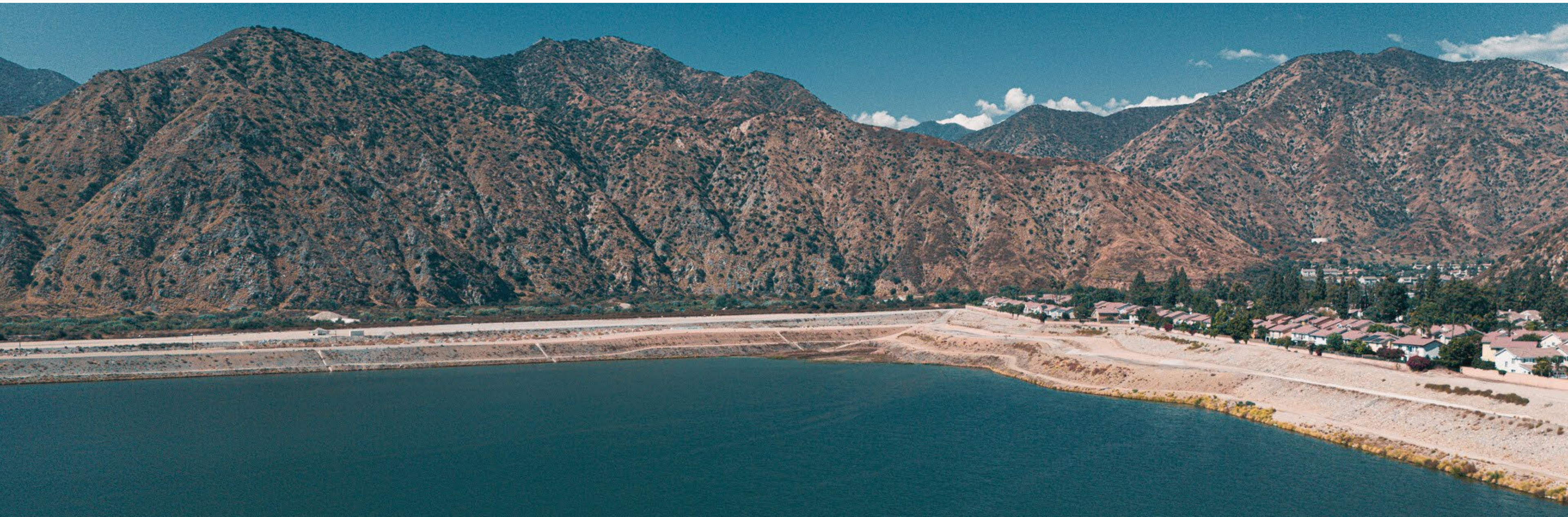
- a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
- b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

**Air or Water Pollution Violation.** Under the State laws, the Contractor shall not be: 1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; 2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or 3) finally determined to be in violation of federal law relating to air or water pollution.

**Recycling Certification.** The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post-consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).



## Yuba Accord





# Yuba Accord – What It is

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- 💧 Long-term framework
- 💧 Hydrology dependent
- 💧 Environmental protections intact
- 💧 Participation Options



# How Yuba Water Is Made Available

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- 💧 Yuba River Hydrology driven
- 💧 Use existing SWP infrastructure
- 💧 Annual election
- 💧 Unused rolls to others



# Carriage Loss – What It Means

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-  Conveyance losses
-  30 % planning factor
-  Pay on release
-  Net cost



# Yuba Accord – Cost Impact with Carriage Loss

| Water Year Type          | Base Cost (\$/AF) | Assumed Carriage Loss | Net Cost (\$/AF) |
|--------------------------|-------------------|-----------------------|------------------|
| Wet                      | \$75              | 30%                   | \$107            |
| Above Normal             | \$150             | 30%                   | \$214            |
| Below Normal             | \$225             | 30%                   | \$321            |
| Dry                      | \$300             | 30%                   | \$429            |
| Critical                 | \$450             | 30%                   | \$643            |
| Consecutive Dry/Critical | \$525             | 30%                   | \$750            |



# SGVMWD Supply & Cost Considerations

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 Base allocation 280 acre-feet

 Competitive base cost

 Carriage Loss-adjusted price

 Risk



# Staff Recommendation

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Participate in the Yuba Accord



Evaluate cost and hydrology each year

# Questions

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**TO:** Honorable President Miles Prince and Members of the Board

**FROM:** Evelyn Reyes, External Affairs Manager

**REVIEWED BY:** Jose Reynoso, General Manager

**DATE:** February 4, 2026

**SUBJECT:** Adoption of 2026 Legislative Priorities and Policy Principles

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### **STAFF RECOMMENDATION**

Adopt the 2026 Legislative Priorities and Policy Principles and authorize the General Manager and/or the External Affairs Manager to advocate at the state and federal level, and to direct the District's legislative consultant on state policy advocacy.

### **SUMMARY**

In prior years, the Board has taken legislative positions on a bill-by-bill basis. Staff is recommending the adoption of the 2026 Legislative Priorities and Policy Principles to provide Board direction at the beginning of the legislative session to guide the District's state legislative consultant and staff.

The 2026 Legislative Priorities and Policy Principles will be reviewed and updated as needed.

### **ANALYSIS**

Adopting the 2026 Legislative Priorities and Policy Principles will improve efficiency and consistency in the District's legislative outreach program. By providing staff and consultants with clear direction, the District can respond more effectively to time-sensitive legislative and regulatory matters while maintaining appropriate Board oversight.

The District's key priorities for 2026, include:

- Golden mussel mitigation and invasive species prevention
- Continued State Water Project deliveries into the Main San Gabriel Basin
- Subsidence funding to address subsidence impacts affecting SWP infrastructure
- Delta Conveyance Project
- State Water Contractors issues (SWP governance, cost allocation, and long-term reliability)

Following Board adoption, staff may support or oppose legislative proposals based on these guidelines. Any policy matters falling outside these established priorities, or those deemed potentially controversial by the General Manager, will be brought to the Board for further direction. Staff will continue to provide monthly updates and a bill matrix to the Board regarding legislative activity and District positions.

**ENVIRONMENTAL (CEQA)**

N/A

**STRATEGIC PLAN CORRELATION**

Aligns with the District's water policy advocacy and external affairs priorities.

**FISCAL IMPACT**

none

**PUBLIC NOTICE**

This item has been noticed through the regular agenda notification process. Copies of this report can be accessed on the District's website at [sgvmwd.com](http://sgvmwd.com)

**ATTACHMENTS:**

2026 Legislative Priorities and Policy Principles

## **2026 Legislative Priorities**

To protect water supply reliability, safeguard groundwater replenishment operations, and improve resilience of statewide imported water infrastructure, SGVMWD will work to support administrative and/or legislative actions and state/federal funding for the following priorities in 2026:

### **Top 2026 Legislative Priorities**

#### **1. Golden Mussel Mitigation and Invasive Species Prevention**

Support comprehensive policy and dedicated funding to prevent, detect, control, and mitigate the spread of golden mussels and other invasive species that threaten groundwater replenishment operations, water conveyance systems, treatment facilities, and regional/statewide water infrastructure.

#### **2. Protect Imported Water Deliveries into the Main Basin**

Support actions that ensure reliable imported water deliveries into the Main San Gabriel Basin to support groundwater replenishment and regional water supply reliability.

#### **3. Subsidence Funding and Infrastructure Protection for the State Water Project**

Support funding and policy actions to address subsidence impacts in the Central Valley that have damaged or threaten State Water Project infrastructure and long-term delivery reliability. Support includes dedicated state and federal funding for subsidence monitoring and mitigation, infrastructure repair funding, and programs that reduce future subsidence risk.

#### **4. Delta Conveyance Project and Bay-Delta Water Supply Reliability**

Continue support for planning, permitting, and implementation of the Delta Conveyance Project and related actions that improve long-term imported supply reliability while supporting ecosystem goals.

#### **5. State Water Contractors Issues / SWP Governance and Cost Allocation**

Support policies that protect the interests of State Water Project contractors, including fair and transparent cost allocation, equitable statewide funding for public benefit components of SWP facilities, and contractor involvement in decisions that affect reliability and long-term viability of the SWP.

## **2026 Legislative Policy Principles**

The following Policy Principles guide SGVMWD engagement on state and federal legislative and regulatory activities. These principles are consistent with major policy areas affecting the District's mission and statewide water reliability.

### **I. Groundwater Replenishment and Regional Water Resource Management**

- Provide our member cities with reliable supplemental water in a cost-effective and environmentally responsible manner.
- Protect source water quality and reduce threats from invasive species.
- Protect and enhance groundwater recharge operations in the Main San Gabriel Basin.
- Improve operational flexibility and coordination between imported water deliveries and groundwater replenishment.
- Support watershed, water recycling, and recharge-related infrastructure investments that strengthen local and regional reliability.
- Protect existing water rights and adjudication.

### **II. Imported Water Supply Reliability (State Water Project / Bay-Delta)**

- Advance Delta Conveyance and associated Bay-Delta improvements to support California's coequal goals.
- Improve scientific understanding, monitoring, and modeling that support effective and adaptive Bay-Delta operations.
- Address subsidence impacts on the SWP and prevent future infrastructure damage from unsustainable groundwater pumping.
- Support the repair and modernization of SWP infrastructure to maintain delivery reliability.

### **III. Sustainability, Resiliency, and Innovation**

- Improve drought and climate resiliency of water supply systems.
- Advance practical, cost-effective climate adaptation measures for water infrastructure.
- Support innovation and technologies that improve monitoring, operations, and source water protection.

### **IV. Infrastructure Investment and Funding**

- Initiate, expedite, and defray costs of planning, financing, constructing, repairing, and rehabilitating water infrastructure through grants, low-interest loans, and appropriations.
- Ensure statewide projects follow a beneficiaries pay approach and avoid cost shifting to local agencies and ratepayers.
- Ensure public funding participation for non-water-supply public benefits (environmental mitigation, flood protection, recreation) associated with multi-purpose SWP facilities.

### **V. System Resiliency, Emergency Preparedness, and Security**

- Improve water system resilience to climate impacts and extreme events.
- Support emergency-preparedness and response funding for emergency management, water infrastructure, and groundwater-recharge operations.
- Support enhanced physical security and cybersecurity for critical water infrastructure.

Last Updated: February 4, 2026

**TO:** Honorable President Miles Prince and Members of the Board

**FROM:** Evelyn Reyes, External Affairs Manager

**REVIEWED BY:** Jose Reynoso, General Manager

**DATE:** February 2, 2026

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### **Meetings & Events Attended**

- DCP Communications Focus Briefing
- San Gabriel Valley COG – Energy, Environment and Natural Resources Committee Meeting
- State Water Contractors Legislative Check-in Meeting
- Meeting with the Office of Assemblymember Mike Fong
- SDASGV – chapter meeting
- Sierra Madre Fire Safety Council Event
- Meeting with Senator Sasha Perez
- Meeting with Asian Pacific Islander Forward Movement
- Meeting with Water for Los Angeles
- PWAG CET – quarterly meeting
- Brightwood Elementary School STEM/Earth Day
- Southern California Water Coalition Quarterly Meeting
- San Gabriel Valley Water Association's Board of Directors Meeting and Legislative Committee Meeting
- SGV Economic Partnership Legislative Committee Meeting
- Meeting with the Officer of Supervisor Kathryn Barger
- Alhambra Chamber of Commerce Government Affairs Committee Meeting

### **Legislative Update**

#### **Legislative Calendar:**

- January 31 - House of origin deadline for two-year bills
- February 20 - Bill introduction deadline
- March 16 – SGVMWD Sacramento Legislative Day

### **O.W.L. Grants**

- Brightwood Elementary – Approved an \$800 grant for Brightwood's annual Earth Day event that helps highlight environmental issues, including water conservation, to students on campus.
- Alhambra High School Social Science Department – Approved a \$1,500 grant for their International Economic Summit. It is a semester-long senior project in which all students act as "economic advisors" for a country and develop a strategic improvement plan with a water conservation component to improve the quality of life for their people and the water environment.

### **Upcoming Events**

City of Alhambra Lunar New Year Event: The District will have a booth at the annual Lunar New Year Festival in Alhambra on Saturday, February 28, from 9:00 am to 6:00 pm on Main Street.

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL OF WATERMASTER MEMBERS
4. ADOPTION OF AGENDA [1]
5. TIME RESERVED FOR PUBLIC COMMENT
6. ITEMS REMOVED FROM CONSENT CALENDAR [1]
7. CONSENT CALENDAR [1]  
All items on Consent Calendar may be approved with single action.
  - a) Minutes of a Public Hearing and Regular Meeting of Watermaster held January 7, 2026
  - b) Lists of Demands
  - c) Financial Statements, January 2026
  - d) Authorization to attend Association of California Water Agencies Spring Conference, May 5 – 7, 2026
8. REQUEST FROM COVINA VALLEY WATER COMPANY FOR CYCLIC STORAGE ACCOUNT (3,000 AF limit) [1]
9. REPORT FROM ADMINISTRATIVE COMMITTEE [1]
  - a) San Gabriel Valley Municipal Water District Cyclic Storage Accounting
  - b) Rescind Los Angeles County Water Plan Resolution
  - c) Recommendation of 2026 Watermaster Committee Assignments and Representatives to Outside Organizations
10. REPORT FROM BASIN WATER MANAGEMENT COMMITTEE [2]
11. ATTORNEY'S REPORT [2]
12. ENGINEER'S REPORT [2]
13. EXECUTIVE OFFICER'S REPORT [2]

14. REPORT FROM RESPONSIBLE AGENCIES [2]

15. INFORMATION ITEMS [2]

- a) Permanent Transfer of 3.21 acre-feet of Prescriptive Pumping Right from Tyler Nursey to San Gabriel Valley Water Company
- b) Temporary assignment or lease of 0.80 acre-feet of Carry-over Right from NCL Co, LLC to Vulcan Materials Company for Fiscal Year 2025-26
- c) Change in Designee for Metropolitan Water District of Southern California to Sarah C. Foley
- d) Change in Designee for Anton C. and Anita Garnier Family Trust to Anton C. Garnier
- e) San Gabriel Valley Municipal Water District transmittal of monthly report for December 2025
- f) County of Los Angeles Department of Public Works Correspondence: Coordination on Invasive Detection and Operational Response

16. COMMENTS FROM WATERMASTER MEMBERS [2]

17. FUTURE AGENDA ITEMS [1]

18. CLOSED SESSION [1]

A closed session may be called to discuss pending or potential litigation.

19. ADJOURNMENT

**LEGEND**

- [1] INDICATES ACTION ANTICIPATED BY WATERMASTER ON THIS ITEM
- [2] INDICATES INFORMATION ITEM - NO ACTION ANTICIPATED

**Chair Lynda Noriega Presiding**



**SAN GABRIEL BASIN  
WATER QUALITY AUTHORITY**

**REGULAR BOARD MEETING  
at  
1720 W. CAMERON AVENUE, SUITE 100  
WEST COVINA, CALIFORNIA**

**WEDNESDAY, JANUARY 21, 2026 AT 12:00 P.M.**

**Zoom Link:**

<https://us06web.zoom.us/j/6412042866?pwd=ceyJWbkVW6BsjqL55GVtZpzKD5wtiV.1>

**AGENDA**

**I. CALL TO ORDER NORIEGA**

**II. PLEDGE OF ALLEGIANCE**

**III. REMOTE PARTICIPATION DECLARATION - AB 2449 MORENO  
[Government Code Section 54953(f)]**

(a) Notification of Just Cause Remote Participation

**IV. ROLL CALL OF BOARD MEMBERS MORENO**

|                                |       |       |       |
|--------------------------------|-------|-------|-------|
| Lynda Noriega, Chairwoman      | _____ | _____ | (alt) |
| Robert Gonzales, Vice-Chairman | _____ | _____ | (alt) |
| Valerie Munoz, Secretary       | _____ | _____ | (alt) |
| Bob Kuhn, Treasurer            | _____ | _____ | (alt) |
| Mark Paulson                   | _____ | _____ | (alt) |
| Ed Chavez                      | _____ | _____ | (alt) |
| Robert DiPrimio                | _____ | _____ | (alt) |

**V. PUBLIC COMMENTS (Agendized Matters Only): NORIEGA**

As provided under Government Code Section 54954.3, this time has been set aside for persons in the audience to provide comment or make inquiries on matters appearing on this Special Meeting agenda only. Please complete the appropriate request card and submit it to the Secretary, prior to the item being heard. A five-minute time limit on remarks is requested.

**VI. ITEMS TOO LATE TO BE AGENDIZED - Recommended Action: NORIEGA**

Approve motion determining need to take action on item(s) which arose subsequent to posting of the Agenda (ROLL CALL VOTE:  
Adoption of this recommendation requires a two-thirds vote of the Board or, if less than two-thirds of Board members are present, a unanimous vote)

## **VII. ELECTION OF OFFICERS**

**NORIEGA**

- (a) Chairman
- (b) Vice-Chairman
- (c) Treasurer
- (d) Secretary

## **VIII. APPOINTMENT OF COMMITTEE MEMBERS**

**CHAIRPERSON**

- (a) Administrative/Finance Committee
- (b) Legislative/Public Information Committee

## **IX. CONSENT CALENDAR**

**CHAIRPERSON**

(Consent items may all be approved by single motion) [enc]

- (a) Minutes for 12/17/25 Regular Board Meeting
- (b) Minutes for 1/14/26 Legislative/Public Information Committee Meeting
- (c) Minutes for 1/14/26 Administrative/Finance Committee Meeting
- (d) Demands on Administrative Fund for January 21, 2026
- (e) Demands on Project Fund for January 21, 2026

## **X. COMMITTEE REPORTS**

(These items may require action)

- (a) Legislative/Public Information Committee Report
- (b) Administrative/Finance Committee Report
  - 1. Adopt Resolution 26-001, Authorizing the Extension of the Contract with BMO Bank and Authorizing Board Officers to Contract for Service and Establish Accounts with BMO Bank [enc]

## **XI. OTHER ACTION/INFORMATION ITEMS**

**CHAIRPERSON**

(These items may require action)

- (a) Report on Cash and Investments – 4<sup>th</sup> Quarter 2025 [enc]
- (b) Draft San Gabriel Basin Groundwater Quality Management and Remediation Plan “\$406 Plan” for 2026 [available prior to meeting]
  - 1. Open of 28-day Public Comment Period

## XII. PROJECT REPORTS

COLBY

(a) Treatment Plants:

|    |                                                                | <u>Status</u> |
|----|----------------------------------------------------------------|---------------|
| 1. | Baldwin Park Operable Unit                                     |               |
|    | • Arrow/Lante Well (Subarea 1)                                 | Operational   |
|    | • Monrovia Wells                                               | Operational   |
|    | • SGVWC B6 Plant                                               | Operational   |
|    | • SGVWC B5 Plant                                               | Operational   |
|    | • CDWC Well No. 14                                             | Operational   |
|    | • La Puente Valley County Water District                       | Operational   |
|    | • VCWD Nixon                                                   | Operational   |
|    | • VCWD Maine                                                   | Operational   |
| 2. | El Monte Operable Unit                                         |               |
|    | • Eastern Shallow Zone                                         | Operational   |
|    | • Eastern Deep Zone                                            | Operational   |
|    | • GSWC Encinita Plant                                          | Operational   |
|    | • Western Shallow Zone                                         | Operational   |
| 3. | South El Monte Operable Unit                                   |               |
|    | • Whitmore Street. Ground Water Remediation Treatment Facility | Operational   |
|    | • City of M.P. Well No. 5 VOC Treatment Facility               | Operational   |
|    | • City of M.P. Well No. 12 VOC Treatment Facility              | Operational   |
|    | • City of M.P. Well No. 15                                     | Operational   |
|    | • City of M.P. Well Nos. 1, 3, 10 VOC Treatment Facility       | Operational   |
|    | • GSWC Wells SG-1 & SG-2                                       | Operational   |
|    | • GSWC Garvey                                                  | Operational   |
|    | • SGVWC Plant No. 8                                            | Operational   |
|    | • SGVWC Plant G4                                               | Operational   |
| 4. | Puente Valley Operable Unit                                    |               |
|    | • Intermediate Zone                                            | Construction  |
|    | • SGVWC Plant B11                                              | Operational   |
| 5. | Area 3 Operable Unit                                           |               |
|    | • City of Alhambra Phase 1                                     | Operational   |
|    | • City of Alhambra Phase 2                                     | Operational   |
|    | • City of South Pasadena Wilson                                | Operational   |
| 6. | Non-Operable Unit                                              |               |
|    | • City of Arcadia Longden                                      | Operational   |
|    | • City of Arcadia Live Oak                                     | Operational   |
|    | • City of Monrovia Tower 1&2                                   | Operational   |

- City of Monrovia Tower 3&4
- SGVWC Plant 11

Operational  
Operational

**XIII. ATTORNEY'S REPORT**

**PADILLA**

**XIV. LEGISLATIVE REPORT**

**MONARES**

**XV. EXECUTIVE DIRECTOR'S REPORT**

**SCHOELLERMAN**

**XVI. FUTURE AGENDA ITEMS**

**CHAIRPERSON**

**XVII. INFORMATION ITEMS [enc]**

**MORENO**

- (a) San Gabriel Basin Water Calendar
- (b) Upcoming Events

**XVIII. FUTURE BOARD/COMMITTEE MEETINGS**

**CHAIRPERSON**

- (a) The next for Legislative/Public Information Committee meeting was scheduled Wednesday, February 11, 2026 at 9:00 a.m.
- (b) The next Administrative/Finance Committee Meeting was scheduled for Wednesday, February 11, 2026 at 10:00 a.m.
- (c) The next WQA Board meeting was scheduled for Wednesday, February 18, 2025 at 12:00 p.m.

**XIX. CLOSED SESSION**

**CHAIRPERSON**

- (a) Closed Session Pursuant to 54956.9(d)(4) – Conference with Legal Counsel re: Initiation of Litigation (Settlement Opportunities with potential defendants) – Two (2) Matters

**XX. RECONVENE OPEN SESSION**

**CHAIRPERSON**

**XXI. BOARD MEMBERS' COMMENTS/REPORTS**

**CHAIRPERSON**

**XXII. ADJOURNMENT**

**CHAIRPERSON**

*Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection in the lobby of the Authority's business office located at 1720 W. Cameron Ave., Suite 100, West Covina, CA 91790, during regular business hours. When practical, these public records will also be made available on the Authority's internet web site, accessible at [www.wqa.com](http://www.wqa.com).*

**TO:** Honorable President Miles Prince and Members of the Board

**FROM:** Jose Reynoso

**DATE:** February 9, 2026

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### **Golden Mussel Prevention and Regional Coordination**

On January 23, 2026, District staff participated in a follow-up meeting with the California Department of Water Resources (DWR) to discuss the installation of Golden Mussel treatment facilities at the Devils Canyon Power Plant and at the District's intake. During this meeting, DWR informed us that it will take the lead on constructing a temporary chemical dosing facility and will provide a chemical feed line to the intake of the District's pipeline. DWR has established a target date of May 1, 2026, for the temporary facility to be operational.

On January 29, 2026, the District coordinated a briefing with Supervisor Kathryn Barger's staff to share the operational impacts, risks, and regional challenges associated with the Golden Mussel and the importance of restoring imported water deliveries.

Executive Officer of the Main San Gabriel Basin Watermaster, Kelly Gardner, met with Los Angeles County Public Works Director Mark Pestrella regarding the County's suspension of imported water deliveries to County facilities due to Golden Mussel concerns. As a result of that meeting, Los Angeles County has agreed to resume imported water deliveries beginning March 1, 2026.

On February 4, 2026, the Responsible Agencies met to review Los Angeles County's comments on the draft Golden Mussel Prevention Plan and to prepare the final draft for submission.

In addition, staff is coordinating a meeting with the California Department of Fish and Wildlife (CDFW) to review the Prevention Plan and provide an update on the region's Golden Mussel response efforts.

### **State Water Project Update**

On January 13 and 14, 2026, I attended meetings at the State Water Contractors (SWC) office in Sacramento.

During these meetings, the Delta Conveyance Design and Construction Authority (DCA) provided an update on the status of the Delta Conveyance Project. SWC also received a legal briefing regarding the recent court decision related to bond financing for the

Delta Conveyance Project, including potential options and next steps available following the court's ruling.

Additional updates were provided regarding permitting, including requirements associated with the Incidental Take Permit (ITP), which is a regulatory permit issued under state and federal endangered species laws that authorizes project operations while minimizing and mitigating impacts to protected species.

SWC's federal lobbyists provided a legislative update, including proposed federal budget changes that would reduce funding for the Bureau of Reclamation while increasing funding for the U.S. Army Corps of Engineers. Staff also received a briefing on Senator Padilla's More Water Act, which could include future funding opportunities for conveyance infrastructure and subsidence mitigation.

## **Energy and Water Operations**

DWR and SWC staff provided a briefing on the relationship between water operations and energy markets, including DWR's role in pumping during peak electricity demand periods. Unlike traditional energy producers, DWR does not currently receive the same financial or market benefits from reducing pumping during peak demand periods as other energy users or generators. This structural difference continues to be an issue in statewide discussions related to energy costs, grid reliability, and operational flexibility for the State Water Project.

## **State Water Contractors – Financial and Operations Updates**

With respect to the State Water Project Cost Recovery Bond (SCRB) and related charges, SWC continues to provide updates from DWR and SWC staff regarding potential impacts to State Water Contractors.

We also received updates from SWC Water Operations on near-term precipitation forecasts and snowpack conditions, which continue to inform projections for State Water Project allocations.

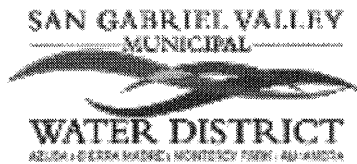
## **State Water Project Allocation Update**

The California Department of Water Resources (DWR) has increased the 2026 State Water Project (SWP) allocation from 10 percent to 30 percent, effective January 29, 2026. This increase reflects improved reservoir storage resulting from a series of winter storms and associated runoff, while acknowledging continued uncertainty related to snowpack conditions and future hydrology.

For the San Gabriel Valley Municipal Water District, the 30 percent allocation equates to 8,640 acre-feet of SWP water for the 2026 water year, based on the District's Annual Table A amount of 28,800 acre-feet. DWR has indicated that it will continue to evaluate hydrologic conditions and may adjust allocations as the water year progresses.

### **Joint Well Project – Arcadia / Sierra Madre**

On February 2, 2026, I met with the City of Arcadia to receive an update on the joint well project. I was informed that the project plans are approximately 99 percent complete and that Arcadia has met with engineers from the California Department of Drinking Water (DDW) for plan review and approval. Upon receipt of final approval from DDW, Arcadia can proceed with issuing a notice to bid for construction.



**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT**  
**Assistant General Manager Report**

Miles L. Prince, President  
Mike Eng, Vice-President  
Bruce H. Knoles, Secretary  
Mark R. Paulson, Treasurer  
Dr. Steven T. Placido, Director

**TO:** Honorable President Miles Prince and Members of the Board

**FROM:** Steve Kiggins, Assistant General Manager

**REVIEWED BY:** Jose Reynoso, General Manager

**DATE:** 2/4/2026

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**DCAP Water Delivery Update**

- January 2026 DCAP deliveries: 834 acre-feet (AF) - 0 AF to SGVMWD cyclic storage, 590 AF to Covina Valley Water Company (CVWC) for Three Valleys Municipal Water District, and SBVMWD delivered 244 AF through the Lytle Creek Turnout
- Table A allocation for the calendar year (CY) 2026: 30% / 8,640 AF (as of 1/29/26)
- 2025 Table A Carryover Balance: 3,335 AF
- Remaining balance of 5,000 AF purchased from MWD: 2,120 AF
- Deliveries to cyclic storage CY 2026: 0 (AF). Cyclic storage balance as of December 31, 2025: 11,078.41 AF
- Dudley Ridge Water District (DRWD) banked water balance: 10,209 AF
- Water delivery forecast: 14 CFS to CVWC is expected to continue until further notice

**Meetings and Activities**

- SCADA 5G/fiber-optic network upgrade meetings with Verizon and SoCal SCADA Solutions (Webex)
- Azusa Flow Control Structure- Building roof felt and fascia board replacement (La Rocque Better Roofs)
- Azusa Flow Control Structure- Building trim and misc. site painting (US National Corp.)
- Watermaster Admin. Committee meeting- Discussed cyclic storage for C9 canal deliveries
- Devil Canyon Golden Mussel pilot treatment project coordination meetings (Teams)
- Attended Class 8 SWC Quarterly Meeting for the General Manager
- Watermaster and Basin Water Management Committee meetings
- Weekly DWR/SWC Operations update meetings (Teams)