

**BOARD OF DIRECTORS
SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
REGULAR MEETING
1402 N. VOSBURG DR. AZUSA, CA 91702
MONDAY, JANUARY 23, 2023
8:00 AM – 10:00 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=SUZJRzFFSDRXUVVTY0NhOXQ0c1l6QT09>

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 December 12, 2022

Financial Statements of December 2022

Disbursements of the Revolving Fund Dated December 15, 2022, Check Nos. 12191 – 12196, EFT, and Wires

Disbursements of the Revolving Fund Dated December 29, 2022, Check Nos. 12197 – 12209, EFT, and Wires

Disbursements of the Revolving Fund dated January 12, 2023, Check Nos. 12210 – 12217, EFT, and Wires

Disbursements of the Revolving Fund Dated January 23, 2023, Check Nos. 12218 – 12220, and Wires

Disbursements of the General Fund Dated December 13 - 27, 2022, Check Nos. 43325 – 43343 and EFTs

Disbursements of the General Fund Dated January 6 – 9, 2023, Check Nos. 43344 – 43364, and EFT

Disbursements of the General Fund Dated January 10 – 23, 2023, Check Nos. 43365 – 43397, and EFTs

Note: Voided Duplicate Printing Error on Check Nos. 43398 – 43430.

Future Meeting Attendance Approval – Resolution No. 01-2023-816 Continuation of Virtual Meetings Of The Board of Directors

ACTION ITEMS

1. 2021-2022 Draft Audit and Travel and Expense Report
2. Election of Officers and Committee Appointments
3. Per Diem Conferences for 2023
4. Annual Proposal for California Advocates
5. Resolution No. 01-2023-817 Amending Administrative Code on Travel Policy
6. Resolution No. 01-2023-818 Grant Application for DWR Drought Relief Funding
7. Alhambra Water Conservation Grant Request
8. Proposal From Stetson Engineers to Prepare A White Paper on MWD Use of District Pipeline for Pure Water Southern California Project
9. Future Board Meetings

INFORMATION ITEMS

External Affairs Update

UNFINISHED BUSINESS

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

COMMITTEE MEETING REPORTS

DIRECTOR REPORTS ON EVENTS ATTENDED

DIRECTORS COMMENTS

ADJOURNMENT

THIS AGENDA WAS POSTED ON JANUARY 19, 2023 AT SGVMWD.
THE NEXT REGULAR BOARD MEETING WILL BE ON FEBRUARY 13, 2023.

**MINUTES
BOARD OF DIRECTORS
SAN GABRIEL VALLEY MUNICIPAL
WATER DISTRICT
REGULAR BOARD MEETING
1402 N. VOSBURG DR. AZUSA, CA 91702
MONDAY, DECEMBER 12, 2022
8:00 A.M.**

At 8:12 a.m. on December 12, 2022, 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.

Join Zoom Meeting

<https://us02web.zoom.us/j/89013306120?pwd=SUZJRzFFSDRXUVVTY0NhOXQ0c1I6QT0>

9

Meeting ID: 890 1330 6120

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CALL TO ORDER:

Vice President Paulson called the meeting to order at 8:12 a.m.

ROLL CALL:

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

ALSO PRESENT:

Darin Kasamoto, General Manager; Steve Kiggins, Assistant General Manager; Linda Esquivel, Executive Assistant; Evelyn Reyes, External Affairs Manager; Jim Ciampa, Lagerlof LLP; Thomas Wong, Randy Schoellerman, Water Quality Authority

Via telephone/Zoom: Dave DePinto, DMCI; Dennis Ahlen, City of Alhambra; Melissa Barbosa, City of Azusa; Shawn Igoe, City of Monterey Park; Steven McGee, City of Sierra Madre, Mike Eng

PUBLIC COMMENTS ON NON-AGENDA ITEMS

None

UPDATES FROM THE CITY REPRESENTATIVE

Melissa Barbosa from the City of Azusa thanked Darin Kasamoto and Steve Kiggins for their efforts in ensuring water deliveries to Azusa and looks forward to working with Ms. Reyes on water conservation projects.

CONSENT CALENDAR:

Minutes of the Regular Board Meeting of November 14, 2022
Financial Statements for November 2022

Disbursements of the Revolving Fund Dated:

November 17, 2022, Check Nos. 12180 – 12183, EFTs, and Wires in the amount of \$52,607.70

December 01, 2022, Check No. 12184 - 12187, EFT, and Wires in the amount of \$52,402.52

December 12, 2022, Check Nos. 12188 – 12190, and Wires in the amount of \$1,516.70

Disbursements of the General Fund Dated:

November 28, 2022, Check Nos. 43273 – 43286, and EFT in the amount of \$588,809.79

December 12, 2022, Check Nos. 43287 – 43324, in the amount of \$276,034.50

Future Meeting Attendance Approval: Resolution No. 12-2022-812 Continuation of Virtual Meetings of The Board of Directors.

On the motion of Director Prince, seconded by Director Placido, and unanimously carried 4-0, the Consent Calendar was approved.

ACTION AGENDA ITEM

RESOLUTION NO. 12-2022-813 IN APPRECIATION FOR THOMAS WONG

On the motion of Director Knoles, seconded by Director Placido, and unanimously carried 4-0, A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN GABARAEIL VALLEY MUNICIPAL WATER DISTRICT HONORING THOMAS WONG FOR HIS OUTSTANDING SERVICE AS A MEMBER OF THE BOARD OF DIRECTORS, Resolution No. 12-2022-813 was passed, approved, and adopted.

Approved by the Board of Directors of the San Gabriel Valley Municipal Water District at its regular meeting held on December 12, 2022, by the following roll call vote:

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

Ms. Reyes presented Thomas Wong with certificates from Congresswoman Grace Napolitano, Assemblymember Mike Fong, Assembly Member Chris Holden, Congresswoman Judy Chu, and Assemblyman Anthony Portantino for his 10 years of service to the District.

W Q A UPDATE

Randy Schoellerman, Executive Director of the San Gabriel Basin Water Quality Authority (WQA) gave a PowerPoint presentation on the San Gabriel Basin and WQA's activities in remediating contamination and improving water quality in the Basin.

RESOLUTION NO. 12-2022-814 SALARY ADJUSTMENT

On the motion of Director Knoles, seconded by Director Placido, and unanimously carried 4-0, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT REVISING SALARIES, Resolution No. 12-2022-814 was passed, approved, and adopted.

Approved by the Board of Directors of the San Gabriel Valley Municipal Water District at its regular meeting held on December 12, 2022, by the following roll call vote:

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

PROPOSALS FOR PREPARATION OF DWR DROUGHT RELIEF GRANT APPLICATION

The General Manager reported the DWR Drought Relief Grant Program includes funding for turf replacement programs, water conservation rebates, water conservation education programs, and certain infrastructure projects that will lead to water savings. The External Affairs Committee met with representatives from the cities to see if there was interest in turf replacement and to see if the cities had potential projects that would be eligible for funding under this grant program. Based on the responses of the cities, the Committee recommended to the Board that the District hire a consultant to put together a grant application that would bundle all the needs into a single grant request. Staff solicited proposals from three firms and two of the firms' submitted proposals.

On the motion of Director Placido, seconded by Director Prince, and unanimously carried 4-0, the San Gabriel Valley Municipal Water District Board of Directors approved the proposal from Hazen and Sawyer to prepare a grant application for the estimated budget and not to exceed the amount of \$10,000.

RESOLUTION NO. 12-2022-815 AMENDING 2022-2023 BUDGET

On the motion of Director Knoles, seconded by Director Prince, and unanimously carried 4-0, RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT AMENDING 2022-2023 FISCAL YEAR BUDGET, Resolution No. 12-2022-815 was passed, approved, and adopted.

Approved by the Board of Directors of the San Gabriel Valley Municipal Water District at its regular meeting held on December 12, 2022, by the following roll call vote:

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

MONTEREY PARK WATER CONSERVATION GRANT REQUEST

The General Manager reported the 2022-2023 Budget included \$50,000 for each city to help fund infrastructure improvements to help conserve water. The City of Monterey Park would like to use these funds to help with irrigation system improvements at the city's parks.

On the motion of Director Prince, seconded by Director Knoles, and unanimously carried 4-0, the San Gabriel Valley Municipal Water District Board of Directors approved the request from the City of Monterey Park to obtain a \$50,000 grant from the District for irrigation system improvements for the city's Parks Division, and directed Legal Counsel to draft a grant agreement.

DISCUSSION ON FILLING THE VACANT DIRECTOR POSITION

The General Manager included this agenda item to allow the Board to have an open forum to discuss the format for the interviews on January 9, 2023, and to discuss any other issues pertaining to the appointment of a new director.

FUTURE BOARD MEETINGS

The General Manager reported Future Board Meetings will continue to be an agenda action item and the Board will re-visit procedures at these meetings as COVID-19 conditions dictate.

INFORMATION ITEMS

EXTERNAL AFFAIRS

External Affairs Report in Agenda Packet.

Ms. Reyes reported on the District's Irrigation Direct Install Program. She also reported the Conservation Report provided by the California State Water Resources Control Board for October. Ms. Reyes provided a legislative update and wished everyone a Merry Christmas and Happy New Year.

UNFINISHED BUSINESS

REPORT ON BASIN MANAGEMENT

Director Placido reported the Watermaster Board gave Charles Trevino and Brian Bowcock Certificates of Appreciation for their service. Director Placido reported that there were five items concerning cyclic storage issues and some water quality management concerns that were addressed.

REPORT OF WQA

Director Paulson had no report since Randy Schoellerman had already reported on the Basin.

REPORT OF THE ATTORNEY

Legal Counsel Ciampa followed up on a question from Director Prince regarding Hartwell litigation lawsuits from the early 2000's that addressed water supplier liability for water quality issues where water is provided in compliance with applicable water quality standards. He also wished everyone a Merry Christmas and Happy Holidays.

REPORT OF THE GENERAL MANAGER/ASSISTANT GENERAL MANAGER

The General Manager's written report is in the Agenda Packet.
The General Manager reported the audit will be presented in January. Stetson has been asked to develop a proposal to analyze the benefits and potential downside of Metropolitan Water District using the District's pipeline. Also, the General Manager thanked the Board for their generosity with the approval of staff salary adjustments.
He also wished happy holidays to all.

The Assistant General Manager's written report is in the Agenda Packet.
The Assistant General Manager reported total water delivered in December 2022 was 129 acre-feet. The total deliveries to cyclic storage year to date is 1,365 AF. The Assistant General Manager also updated the Board on operational projects that are documented in his report.
He also wished everyone a Merry Christmas.

REPORT OF THE STATE WATER CONTRACTORS

The General Manager's written report is on the Agenda Packet.
The General Manager reported the SWP initial allocation on December 1, 2022, was 5%. Handouts for current precipitation and snowpack were included in the General Manager's report.

COMMITTEE MEETING REPORTS

None.

DIRECTOR REPORTS ON EVENTS ATTENDED

None.

DIRECTOR COMMENTS

Director Prince wished everyone Happy Holidays and congratulated his colleagues on another four years.

Director Placido wanted to thank Steve Kiggins for all the details that he provides when attending the Basin Management meetings. He also recognized Kelly Gardner for all her support and knowledge. Director Placido Wished everyone a Merry Christmas and Happy New Year.

Director Knoles wished everyone a Merry Christmas.

Director Paulson wished everyone a Merry Christmas and Happy New Year.

ADJOURNED at 9:33 A.M.

There being no further business, upon motion made, seconded, and carried unanimously, the meeting was duly adjourned at 9:33 a.m. The next Regular Board Meeting of the San Gabriel Valley Municipal Water District will be on January 23, 2023, at 8:00 a.m., with a Special Board Meeting to be held on January 9, 2023, at 8:45 a.m. for interviews with candidates to fill the vacancy on the Board of Directors.

President

ATTEST:

Secretary

San Gabriel Valley Municipal Water District

Balance Sheet

As of December 31, 2022

	Dec 31, 22
ASSETS	
Current Assets	
Checking/Savings	
1001 · General Fund Bank of America	5,473,899.68
1005 · Revolving Cash Fund	69,657.11
1008 · Petty Cash	442.00
1009 · LAIF	14,620,947.48
1009.01 · LAIF FMV Adjustment	-232,061.50
1011 · UBS Resource Management Account	
1012 · Cash with Broker	10,200.15
1013 · Certificates of Deposit	9,628,767.77
Total 1011 · UBS Resource Management Account	9,638,967.92
1014 · UBS Accrued Interest	-22,644.17
Total Checking/Savings	29,549,208.52
Accounts Receivable	
1603 · Accounts Receivable	19,488.00
Total Accounts Receivable	19,488.00
Other Current Assets	
1605 · Taxes Receivable	-0.34
1606 · Interest Receivable	9,636.35
1620 · Prepaid Expenses	207,368.18
1660 · Water Inventory	688,485.96
Total Other Current Assets	905,490.15
Total Current Assets	30,474,186.67
Fixed Assets	
1701 · State Water Project Engineering	156,789.28
1702 · State Water Prj Wtr Cntrct Pmts	5,627,376.00
1703 · Accum Ammort - State Water Proj	-4,579,133.25
1801 · Pipeline	26,742,615.16
1830 · Accum Depreciation - Pipeline	-16,809,284.48
1840 · SCADA Telemetry	49,492.08
1841 · Accum Depreciation -SCADA	-8,014.45
1750 · SCADA 2013	884,531.22
1851 · Accum Depreciaton - SCADA 13	-724,105.40
1901 · Land	735,931.46
1902 · Buildings	2,322,562.42
1903 · Accum Depr - Buildings	-2,313,584.49
1904 · Furniture and Fixtures	173,585.69
1905 · Accum Depr - Furn and Fixtures	-157,944.89
1907 · Vehicles	257,156.24
1908 · Accum Depr - Vehicles	-173,517.68
1910 · Pipeline Misc Equipment	225,581.49
1911 · Accum Depr - Pipeline Misc Equi	-89,855.89
1920 · Construction in Process	
1920.06 · Condition Assessment Project	1,034,590.64
1920.05 · HydroElectric Facility San Dima	1,455.40
1920.04 · Hydro Elec Generator Expansion	950,782.80
1920 · Construction in Process - Other	141,812.35
Total 1920 · Construction in Process	2,128,641.19
1921 · Capital Expenditures	
1921.07 · SanDimas Hydro Deflec Batteries	35,595.25
1921.05 · Computer	6,198.90
1921.03 · Roof	58,390.47
1921.04 · Repaving	3,950.00
Total 1921 · Capital Expenditures	104,134.62
1916 · A/D Computers	-3,857.69

San Gabriel Valley Municipal Water District
Balance Sheet
As of December 31, 2022

	Dec 31, 22
1917 · A/D Paving	-856.16
1918 · A/D San Dimas Hydro	-10,087.57
1922 · A/D Roof	-16,055.60
Total Fixed Assets	14,522,099.30
Other Assets	
1998.99 · Deferred Outflows -OPEB	201,703.00
1999.99 · 1999.Deferred Outflows of Res	618,162.00
1931 · City Of Monterey Park Loan 2021	4,000,000.00
1932 · City Of Sierra Madre 2020 Loan	2,499,937.00
Total Other Assets	7,319,802.00
TOTAL ASSETS	52,316,087.97
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2001 · Accounts Payable	181,025.96
Total Accounts Payable	181,025.96
Other Current Liabilities	
2010 · Accrued Payroll - V&SL	371,199.14
24000 · Payroll Liabilities	50.48
Total Other Current Liabilities	371,249.62
Total Current Liabilities	552,275.58
Long Term Liabilities	
1698.99 · Deferred Inflows- OPEB	746,998.00
2219.99 · Net Pension Liability	2,355,085.00
1699.99 · Deferred Inflow of Resources	298,520.00
2209 · Other Post-Employment Benefits	5,541,986.90
Total Long Term Liabilities	8,942,589.90
Total Liabilities	9,494,865.48
Equity	
2301 · Fund Balance	4,524,449.82
2302 · San Bernardino Contribution	1,781,730.83
2970 · Retained Earnings	35,127,989.19
2973 · Contribution Aid Capital	1,280,323.11
Net Income	106,729.54
Total Equity	42,821,222.49
TOTAL LIABILITIES & EQUITY	52,316,087.97

San Gabriel Valley Municipal Water District

Income Statement - Actual vs. Budget

December 2022

	Dec 22	Budget	Jul - Dec 22	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
General Operations					
3002 · Property Tax Revenue	1,982,209.98	408,333.00	2,063,374.54	2,449,998.00	4,900,000.00
3003 · Water Sales	18,498.00	166,667.00	668,016.00	1,000,002.00	2,000,000.00
3004 · Interest Income	12,868.59	11,250.00	122,197.04	67,500.00	135,000.00
3005 · Ready to Serve Revenue	990.00	990.00	5,940.00	5,940.00	11,880.00
3006 · RDA Prop Tax Trust Fund Alloc	0.00	83,333.00	503,896.45	499,998.00	1,000,000.00
3008 · SBVMWD Pipeline Maintenance Rev	0.00	2,500.00	0.00	15,000.00	30,000.00
3016 · Unrealized Gain (Loss) on Inves	61,069.85	0.00	-80,838.90	0.00	0.00
Total General Operations	2,075,636.42	673,073.00	3,282,585.13	4,038,438.00	8,076,880.00
Restricted Revenue - SWP					
3306 · Tax Revenue - State Water Proje	3,782,555.50	766,667.00	3,867,049.71	4,600,002.00	9,200,000.00
Total Restricted Revenue - SWP	3,782,555.50	766,667.00	3,867,049.71	4,600,002.00	9,200,000.00
3401 · Grants-St Wtr Board&Reclamation	0.00	0.00	0.00	0.00	0.00
Total Income	5,858,191.92	1,439,740.00	7,149,634.84	8,638,440.00	17,276,880.00
Gross Profit	5,858,191.92	1,439,740.00	7,149,634.84	8,638,440.00	17,276,880.00
Expense					
Unrestricted G.O. Expenses					
4001 · Director Fees	1,400.00	2,917.00	9,800.00	17,502.00	35,000.00
4010 · Salaries- Administrative	34,597.60	24,822.00	143,429.60	148,932.00	297,864.00
4014 · Field Supervision	22,436.80	16,055.00	90,730.40	96,330.00	192,665.00
4020 · Salaries Office	25,458.32	18,265.00	105,544.27	109,590.00	219,180.00
4021 · External Affairs Wages	15,616.80	11,144.00	63,886.30	66,864.00	133,726.00
4022 · Part Time Employee	0.00	1,226.00	535.50	7,356.00	14,717.00
4027 · Office Supplies - Equipment Mai	1,047.26	3,667.00	16,086.53	22,002.00	44,000.00
4028 · Water Forum	99.99		99.99		
4029 · Election Expenses	0.00	10,322.00	0.00	61,932.00	123,864.00
4031 · Legal Services	2,100.00	4,167.00	11,550.00	25,002.00	50,000.00
4032 · State Water Contract Services	4,769.55	3,333.00	13,778.70	19,998.00	40,000.00
4033 · Public Relations	2,500.00	11,250.00	47,424.26	67,500.00	135,000.00
4034 · Governmental Relations Consulti	8,000.00	8,000.00	48,000.00	48,000.00	96,000.00
4035 · Consulting & Engineering Expens	57,466.00	187,667.00	200,335.30	1,126,002.00	2,252,000.00
4036 · Medicare Tax Expense	1,908.82	1,500.00	7,864.92	9,000.00	18,000.00
4039 · PERS - Retirement Expenses	33,872.64	70,833.00	666,821.37	424,998.00	850,000.00
4040 · Social Security Tax Expense	4,464.24	4,917.00	22,535.00	29,502.00	59,000.00
4041 · State Compensation Fund	4,702.06	1,500.00	11,099.87	9,000.00	18,000.00
4042 · State Unemployment Insurance Ta	9.60	134.00	62.96	804.00	1,605.00
4043 · Health Insurance Expense	0.00	32,000.00	186,435.11	192,000.00	384,000.00
4044 · Dental/ Vision Benefit Expense	3,016.04	7,667.00	32,872.20	46,002.00	92,000.00

San Gabriel Valley Municipal Water District

Income Statement - Actual vs. Budget

December 2022

	Dec 22	Budget	Jul - Dec 22	YTD Budget	Annual Budget
4045 · Insurance - Liability, Casualty	3,206.54	3,750.00	36,245.74	22,500.00	45,000.00
4046 · Blue Cross Employee Reimburseme	32,287.26	6,667.00	47,405.55	40,002.00	80,000.00
4048 · Life Insurance	0.00	300.00	2,033.40	1,800.00	3,600.00
4050 · Dues and Associations	6,416.51	7,917.00	38,819.09	47,502.00	95,000.00
4051 · Travel and Conferences -Dir	650.00	2,083.00	2,647.64	12,498.00	25,000.00
4052 · Publications and Periodicals	0.00	25.00	69.95	150.00	300.00
4053 · State Water Contractors Audit	980.00	833.00	9,804.00	4,998.00	10,000.00
4054 · Financial Audit Expense	4,995.00	1,667.00	18,105.00	10,002.00	20,000.00
4055 · Travel & Conference -Staff	1,174.17	2,500.00	8,172.93	15,000.00	30,000.00
4057 · Taxes - Annual Fee	50,403.52	4,333.00	50,403.52	25,998.00	52,000.00
4058 · Tax Collection Fees	0.00	2,917.00	4,821.55	17,502.00	35,000.00
4059 · Property Tax Expense	0.00	54.00	608.67	324.00	650.00
4060 · Telephone Expense	3,094.32	3,333.00	20,121.29	19,998.00	40,000.00
4061 · Utilities - Gas, Electric, and	1,542.02	1,542.00	9,352.26	9,252.00	18,500.00
4063 · Safety Program	0.00	1,667.00	860.98	10,002.00	20,000.00
4065 · Water Conservation/Rebates Prog	20,629.00	20,833.00	93,776.53	124,998.00	250,000.00
4067 · OPEB -Other Post Employment Ben	23,333.33	40,000.00	339,999.98	240,000.00	480,000.00
4090 · SWP Transportation Cost	19,909.60	166,667.00	83,328.38	1,000,002.00	2,000,000.00
4093 · Uniform and Material Rentals	189.12	333.00	1,229.28	1,998.00	4,000.00
4095 · Vehicle Maintenance, Operating	1,762.98	2,083.00	16,853.53	12,498.00	25,000.00
4096 · Communication Expense	765.69	700.00	4,594.14	4,200.00	8,400.00
4099 · Facility Maintenance	1,220.40	2,500.00	13,176.91	15,000.00	30,000.00
4100 · Salaries - Field Workers	31,061.33	19,737.00	123,093.74	118,422.00	236,844.00
4108 · Grounds Maintenance and Materia	1,957.00	2,750.00	11,158.00	16,500.00	33,000.00
4112 · Depreciation Expense	38,992.00	0.00	236,964.00	0.00	0.00
4113 · Pipeline Maintenance & Material	27,442.49	4,167.00	28,409.75	25,002.00	50,000.00
4114 · SCADA Maintence	4,840.00	667.00	19,777.83	4,002.00	8,000.00
4120 · Grants	0.00	422,520.00	103,279.71	2,535,120.00	5,070,245.00
Total Unrestricted G.O. Expenses	500,318.00	1,143,931.00	3,004,005.63	6,863,586.00	13,727,160.00
Riverside Facility					
4300 · Salaries - Riverside	538.88	1,337.00	3,568.52	8,022.00	16,043.00
4301 · Riverside Maintenance and Mater	319.01	2,358.00	2,006.36	14,148.00	28,300.00
Total Riverside Facility	857.89	3,695.00	5,574.88	22,170.00	44,343.00
Hydro Expenses					
4402 · Salaries - Hydro	0.00	758.00	102.15	4,548.00	9,092.00
4403 · Hydro Maintenance Materials	0.00	1,125.00	1,440.00	6,750.00	13,500.00
4406 · Hydro So Cal Edison (8800)	342.52	433.00	2,090.24	2,598.00	5,200.00
Total Hydro Expenses	342.52	2,316.00	3,632.39	13,896.00	27,792.00
Restricted Expense					
4510 · State Project Expense	468,202.00	641,667.00	4,014,882.00	3,850,002.00	7,700,000.00
4511 · State Project Amortization	8,034.00	8,083.00	48,204.00	48,498.00	97,000.00

San Gabriel Valley Municipal Water District

Income Statement - Actual vs. Budget

December 2022

	Dec 22	Budget	Jul - Dec 22	YTD Budget	Annual Budget
4591 · State Project Cost of Water Adj	-6,916.00	0.00	-34,578.00	0.00	0.00
Total Restricted Expense	469,320.00	649,750.00	4,028,508.00	3,898,500.00	7,797,000.00
66000 · Payroll Expenses	0.00	0.00	0.00	0.00	0.00
Total Expense	970,838.41	1,799,692.00	7,041,720.90	10,798,152.00	21,596,295.00
Net Ordinary Income	4,887,353.51	-359,952.00	107,913.94	-2,159,712.00	-4,319,415.00
Other Income/Expense					
Other Expense					
6001 · COVID-19 Expense	0.00	0.00	1,184.40	0.00	0.00
Total Other Expense	0.00	0.00	1,184.40	0.00	0.00
Net Other Income	0.00	0.00	-1,184.40	0.00	0.00
Net Income	4,887,353.51	-359,952.00	106,729.54	-2,159,712.00	-4,319,415.00

SAN GABRIEL MUNICIPAL WATER DISTRICT

REVOLVING FUND RECAP

December 15, 2022

Check No.	Date	Description	Amount
12191-12194	12/15/22	Payroll Expense	\$ 30,749.26
EFT	12/15/22	Payroll Expense - PERS	\$ 7,704.11
Wires	12/15/22	Federal & State Payroll Taxes	\$ 13,844.12
12195	12/15/22	Lowes	\$ 33.23
12196	12/15/22	SCE	\$ 640.44

December 15, 2022 GRAND TOTAL DISBURSEMENTS..... \$ 52,971.16

REVOLVING FUND RECAP

December 29, 2022

Check No.	Date	Description	Amount
12197-12207	12/29/22	Payroll Expense	\$ 30,872.68
EFT	12/29/22	Payroll Expense - PERS	\$ 7,780.33
Wires	12/29/22	Federal & State Payroll Taxes	\$ 13,907.85
Wires	12/29/22	State Compensation Insurance	\$ 1,701.13
12208	12/29/22	Azusa Light & Water	\$ 61.96
12209	12/29/22	Frontier	\$ 306.03

December 29, 2022 GRAND TOTAL DISBURSEMENTS..... \$ 54,629.98

REVOLVING FUND RECAP

January 12, 2023

Check No.	Date	Description	Amount
12210-12213	01/12/23	Payroll Expense	\$ 29,946.50
EFT	01/12/23	Payroll Expense - PERS	\$ 8,017.89
Wires	01/12/23	Federal & State Payroll Taxes	\$ 17,643.87
12214	01/12/23	ATT	\$ 106.17
12215	01/12/23	Frontier	\$ 579.91
12216	01/12/23	Spectrum Enterprise	\$ 239.98
12217	01/12/23	The Gas Company	\$ 44.63

January 12, 2023 GRAND TOTAL DISBURSEMENTS..... \$ 56,578.95

REVOLVING FUND RECAP

January 23, 2023

Check No.	Date	Description	Amount
12218	01/23/23	Bruce H Knoles	\$ 182.90
12219	01/23/23	Mark R Paulson	\$ 548.70
12220	01/23/23	Miles L Prince	\$ 548.70
Wires	01/23/23	Federal & State Payroll Taxes	\$ 249.20

January 23, 2023 GRAND TOTAL DISBURSEMENTS..... \$ 1,529.50

3:44 PM

San Gabriel Valley Municipal Water District

01/19/23

Transactions by Account

Accrual Basis

As of January 9, 2023

Type	Date	Num	Name	Amount
1001 - General Fund Bank of America				
Bill Pmt -Check	01/06/2023	EFT	BeniComp (Corp)	-3,160.22
Bill Pmt -Check	01/09/2023	43344	ACWA JPIA Medical/Life	-27,668.02
Bill Pmt -Check	01/09/2023	43345	Athens (Corporation)	-252.70
Bill Pmt -Check	01/09/2023	43346	Azusa Light & Water	-767.78
Bill Pmt -Check	01/09/2023	43347	Bucknam & Associates Inc. (Corp)	-4,321.00
Bill Pmt -Check	01/09/2023	43348	California Underground Facilities	-84.08
Bill Pmt -Check	01/09/2023	43349	Cash Revolving Fund	-70,000.00
Bill Pmt -Check	01/09/2023	43350	Cell Business Equipment	-306.91
Bill Pmt -Check	01/09/2023	43351	Cintas	-189.12
Bill Pmt -Check	01/09/2023	43352	D.H. Maintenance Services	-185.00
Bill Pmt -Check	01/09/2023	43353	DePinto Morales Communications, Inc.	-3,732.99
Bill Pmt -Check	01/09/2023	43354	DigAlert (Corporation)	-167.50
Bill Pmt -Check	01/09/2023	43355	DWR	-122,389.00
Bill Pmt -Check	01/09/2023	43356	EcoTech Services, Inc	-19,809.00
Bill Pmt -Check	01/09/2023	43357	Fish N Weeds (Corp)	-1,772.00
Bill Pmt -Check	01/09/2023	43358	Frontier	-115.08
Bill Pmt -Check	01/09/2023	43359	Kerber Automotive Service	-301.41
Bill Pmt -Check	01/09/2023	43360	Mission ACE Hardware (Corp)	-34.52
Bill Pmt -Check	01/09/2023	43361	Thinking Green Consultants	-1,050.00
Bill Pmt -Check	01/09/2023	43362	US Postal Service	-160.00
Bill Pmt -Check	01/09/2023	43363	World Journal (LLC-Corp)	-2,000.00
Bill Pmt -Check	01/09/2023	43364	BOA-Visa	-1,466.59
Total 1001 - General Fund Bank of America				-259,932.92
TOTAL				-259,932.92

3:45 PM

San Gabriel Valley Municipal Water District

01/19/23

Transactions by Account

Accrual Basis

As of January 23, 2023

Type	Date	Num	Name	Amount
1001 - General Fund Bank of America				
Bill Pmt -Check	01/10/2023	EFT	BeniComp (Corp)	-287.99
Bill Pmt -Check	01/12/2023	EFT	BeniComp (Corp)	-4,201.06
Bill Pmt -Check	01/13/2023	EFT	BeniComp (Corp)	-5.55
Bill Pmt -Check	01/18/2023	EFT	BeniComp (Corp)	-1,097.81
Bill Pmt -Check	01/23/2023	EFT	ExxonMobil	-1,885.42
Bill Pmt -Check	01/23/2023	43365	A-1 Printing & Graphics (Corp)	-640.58
Bill Pmt -Check	01/23/2023	43366	Alliance Communication Services (Co...	-130.00
Bill Pmt -Check	01/23/2023	43367	Applied Technology Group, Inc.	-320.00
Bill Pmt -Check	01/23/2023	43368	California Advocates, Inc. (Corp)	-8,000.00
Bill Pmt -Check	01/23/2023	43369	Cash Revolving Fund	-70,000.00
Bill Pmt -Check	01/23/2023	43370	Cintas	-54.12
Bill Pmt -Check	01/23/2023	43371	Dave Johnson	-4,047.70
Bill Pmt -Check	01/23/2023	43372	David Rawson	-275.00
Bill Pmt -Check	01/23/2023	43373	DWR	-1,830,711.00
Bill Pmt -Check	01/23/2023	43374	EcoTech Services, Inc	-13,977.00
Bill Pmt -Check	01/23/2023	43375	Evelyn Reyes	-44.07
Bill Pmt -Check	01/23/2023	43376	Frontier	-422.48
Bill Pmt -Check	01/23/2023	43377	Golden State Fire Protection (Corp)	-936.00
Bill Pmt -Check	01/23/2023	43378	Grainger (Corp)	-12.65
Bill Pmt -Check	01/23/2023	43379	Joe Reichenberger	-13,063.20
Bill Pmt -Check	01/23/2023	43380	Lagerlof, LLP (Atty)	-1,610.00
Bill Pmt -Check	01/23/2023	43381	Linda Flowers-Armour	-4,082.40
Bill Pmt -Check	01/23/2023	43382	Linda Gaylor	-4,082.40
Bill Pmt -Check	01/23/2023	43383	LOWES	-211.85
Bill Pmt -Check	01/23/2023	43384	Maria Jarmin	-51.50
Bill Pmt -Check	01/23/2023	43385	Petty Cash	-131.98
Bill Pmt -Check	01/23/2023	43386	Public Water Agencies Group (PWAG)	-1,838.75
Bill Pmt -Check	01/23/2023	43387	SCE	-641.89
Bill Pmt -Check	01/23/2023	43388	South Coast AQMD	-620.61
Bill Pmt -Check	01/23/2023	43389	Sparkletts	-100.92
Bill Pmt -Check	01/23/2023	43390	Stanley Convergent Security Solution...	-709.02
Bill Pmt -Check	01/23/2023	43391	Staples	-85.23
Bill Pmt -Check	01/23/2023	43392	Stetson Engineers, Inc.	-303.50
Bill Pmt -Check	01/23/2023	43393	SyTech, Inc	-350.00
Bill Pmt -Check	01/23/2023	43394	Three Valleys Municipal Water District	-60.00
Bill Pmt -Check	01/23/2023	43395	USA Blue Book	-381.71
Bill Pmt -Check	01/23/2023	43396	Verizon Wireless (M2M)	-797.21
Bill Pmt -Check	01/23/2023	43397	Yolanda McVicar	-4,082.40
Total 1001 - General Fund Bank of America				-1,970,253.00
TOTAL				-1,970,253.00

VISA Recap
October 21, 2022 - November 20, 2022

11/1/22	Staff	SWC - SAC 11/17/22	Expenses	\$73.38								\$73.38
11/18/2022	Office Supply	DRI VMware	software	\$176.77								\$176.77
11/18/2022	Office Supply	Apple.com	Icloud Storage	\$2.99								\$2.99
11/19/2022	Staff	SWC-SAC 12/14/22	Airfare	\$367.96								\$367.96
11/21/2022	Staff	Meeting with Director Wong	Lunch	\$42.34								\$42.34
11/26/2022	Office Supply	Apple.com	Icloud Storage	\$0.99								\$0.99
12/1/2022	Office Supply	Google	Workspace	\$84.00								\$84.00
12/3/2022	Office Supply	Intuit Payroll	Monthly Subscription	\$55.00								\$55.00
12/8/2022	Office Supply	Amazon	Icloud Storage	\$35.27								\$35.27
12/13/2022	Staff	Board Meeting	Brkfst	\$64.67								\$64.67
12/15/2022	Staff	SWC-SAC	Expenses	\$530.25								\$530.25
12/17/2022	Office Supply	Zoom	Monthly Subscription	\$29.98								\$29.98
12/18/2022	Office Supply	Apple.com	Icloud Storage	\$2.99								\$2.99
												\$0.00
												\$0.00
			Total	\$1,466.59		\$0.00		\$0.00		\$0.00	Total Due	\$1,466.59

RESOLUTION NO. 01-2023-816

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT PROCLAIMING A STATE OF EMERGENCY PERSISTS, RE-RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR GAVIN NEWSOM, AND RE-AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE BOARD OF DIRECTORS OF THE SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT FOR THE PERIOD JANUARY 14, 2023 TO FEBRUARY 13, 2023 PURSUANT TO BROWN ACT PROVISIONS.

WHEREAS, the San Gabriel Valley Municipal Water District (the “District”) is committed to preserving and nurturing public access and participation in meetings of its Board of Directors; and

WHEREAS, all meetings of the District’s Board of Directors and its standing committees are open and public, as required by the Ralph M. Brown Act (California Government Code Sections 54950 – 54963), so that any member of the public may attend, participate, and watch those bodies conduct their business; and

WHEREAS, the Brown Act, in Government Code Section 54953(e), makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code Section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition for application of Section 54953(e) is that a state of emergency is declared by the Governor pursuant to Government Code Section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code Section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District’s boundaries, caused by natural, technological or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, the Board of Directors previously adopted a Resolution, Resolution No. 10-2021-788 on October 11, 2021, finding that the requisite conditions exist for the District’s Board of Directors and standing committees to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of Section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in Section 54953(e), the Board of Directors must reconsider the circumstances of the state of emergency that exists in the District, and the Board of Directors has done so; and

WHEREAS, emergency conditions persist in the District, specifically, COVID-19, and its Delta variant, remain highly contagious and, therefore, a threat to the health, safety and well-being of the District's employees, directors, vendors, contractors, customers and residents; and

WHEREAS, orders from the Los Angeles County Department of Public Health and regulations from the State of California impose limitations on gatherings and provide guidance on best practices with respect to actions to reduce the spread of COVID-19; and

WHEREAS, the District's Board of Directors does hereby find that a state of emergency continues to exist within the District's service area as a result of the continuing presence of COVID-19 and resulting local, state and federal orders and guidance, which has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District, and the Board of Directors desires to affirm a local emergency exists and re-ratify the proclamation of state of emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the local emergency persisting, the Board of Directors does hereby find that the District's Board of Directors and all standing committees shall continue to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code Section 54953, as authorized by subdivision (e) of Section 54953, and that such legislative bodies shall continue to comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of Section 54953; and

WHEREAS, the District will continue to provide proper notice to the public regarding all District of Board of Directors' and standing committee meetings, in accordance with Government Code Section 54953(e)(2)(A) and shall provide notice to the public of how they may access any such meeting via call-in number and/or internet link.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Affirmation that Local Emergency Persists. The Board of Directors hereby considers the conditions of the state of emergency in the District and proclaims that a local emergency persists throughout the District, and that conducting District Board of Directors and standing committee meetings virtually will minimize the possible spread COVID-19 and any variant thereof.

Section 3. Re-ratification of Governor's Proclamation of a State of Emergency. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency regarding COVID-19, dated March 4, 2020.

Section 4. Remote Teleconference Meetings. The District's General Manager, or his or her delegee, and the Board of Directors and standing committees of the District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) the expiration of thirty (30) days from the date this Resolution was adopted, as set forth below, or (ii) such time as the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the Board of Directors and standing committees of the District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of the San Gabriel Valley Municipal Water District this 23rd day of January 2023.

President

ATTEST:

Secretary

AGENDA ACTION ITEM NO. 1

2021-2022 DRAFT AUDIT AND TRAVEL EXPENSE REPORT

RECOMMENDED ACTION: Information only, no action required.

BACKGROUND: Moss, Levy, and Hartzheim, LLP will present the findings of the 2021-2022 Audit and Travel Expense Report. The Audit will be brought back for final approval at the February Board Meeting.

BUDGET IMPACT: N/A

PRIOR BOARD ACTION: N/A

**SAN GABRIEL VALLEY MUNICIPAL
WATER DISTRICT**

**Annual Financial Report
For the Fiscal Year Ended June 30, 2022**

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

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December 1, 2022

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

Introduction

It is our pleasure to submit the Annual Financial Report for the San Gabriel Valley Municipal Water District for the fiscal year ended June 30, 2022, 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 data presented is accurate in all material respects. This report is designed in a manner that we believe is 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, reports on a summary of significant financial results and includes the 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 General 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 on page 9.

District Structure and Leadership

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 water from the State Water Project 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 at 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 Watermaster 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 Watermaster.

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 seven full-time employees and one part-time employee. The District's Board of Directors meet each month. Meetings are publicly noticed and citizens are encouraged to attend.

District Services

The District's customer is the Main San Gabriel Basin Watermaster acting on behalf of the cities of Alhambra, Azusa, Monterey Park, and Sierra Madre which consume 100% of the water annually delivered by the District. The District has a contract with the State of California Department of Water Resources for up to 28,800 acre-feet of water delivered annually from the State Water Project.

Economic Condition and Outlook

The District's offices are located in the City of Azusa in the County of Los Angeles. Development potential is limited due to lack of available land. The region's economy has experienced improvement, tempered by the slow recovery in labor market.

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

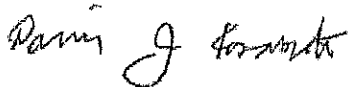
State law requires the District to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of Moss, Levy & Hartzheim LLP has conducted the fiscal year 2022 audit of the District's financial statements. Their unmodified Independent Auditor's Report is located on page 5.

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.



Darin Kasamoto
General Manager

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MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA
ALEXANDER C HOM, CPA
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INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying basic financial statements and major fund of the San Gabriel Valley Municipal Water District (District) as of and for the fiscal year ended June 30, 2022, and related notes to the financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of June 30, 2022, and the changes in financial position and cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and those standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control 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.

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 opinions. 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 generally accepted auditing standards 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 the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 9 through 12 and the required supplementary information on pages 33 through 36 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the District's basic financial statements. The introductory section and accompanying supplementary information, such as schedule of operating expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates 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 supplementary information is fairly stated, in all material respects in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2022, 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.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
December 3, 2022

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**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 year ended June 30, 2022. Readers should consider the information presented here in conjunction with the transmittal letter and with the basic financial statements and related notes, which follow this section.

Financial Highlights

- The District's net position increased 11.80% or \$4,643,362 in 2022 as a result of operations.
- The District's operating revenue decreased 64.65% or \$1,758,213, in fiscal year 2022, primarily due to a decrease in water sales.
- The District's operating expenses decreased 27.23% over the prior fiscal year due lack of State Water Project water for delivery. Non-operating expenses increased due to grants passed through the District, which had no effect on the District's new position.
- The District's non-operating revenue, mostly composed of property taxes, remained largely the same.

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 includes all of the District's investments in resources (assets and deferred outflows) and obligations (liabilities and deferred inflows). 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 fiscal year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the District's operations over the past fiscal 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 reports cash receipts, cash payments and, net changes in cash resulting from operation 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.

Financial Analysis of the District

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the District finances in the current fiscal year.

**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. All of the current fiscal 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. The District's net position – the difference between assets and deferred outflows less liabilities and deferred inflows – is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. Readers should 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 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 financial statements can be found beginning on page 17.

Condensed Statement of Net Position

	<u>2022</u>	<u>2021</u>	<u>Change</u>
<u>Assets</u>			
Current and other assets	\$ 28,962,850	\$ 27,669,741	\$ 1,293,109
Non-current assets	9,188,131	6,984,595	2,203,536
Capital assets, net	12,875,784	13,926,709	(1,050,925)
Total Assets	51,026,765	48,581,045	2,445,720
<u>Deferred Outflows of Resources</u>			
Pension related	1,325,016	1,104,366	220,650
OPEB related	755,039	839,996	(84,957)
Total Def. Outflows	2,080,055	1,944,362	135,693
<u>Liabilities</u>			
Current liabilities	985,050	1,144,888	(159,838)
Non-current liabilities	5,814,470	8,365,766	(2,551,296)
Total Liabilities	6,799,520	9,510,654	(2,711,134)
<u>Deferred Inflows of Resources</u>			
Pension related	1,069,338	205,921	863,417
OPEB related	1,242,581	506,030	736,551
Total Def. Inflows	2,311,919	711,951	1,599,968
<u>Net Position</u>			
Net investment in capital assets	12,875,784	13,926,709	(1,050,925)
Unrestricted	31,119,597	26,376,093	4,743,504
Total Net Position	\$ 43,995,381	\$ 40,302,802	\$ 3,692,579

**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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 and deferred outflows of the District exceeded liabilities and deferred inflows by \$43,995,381 as of June 30, 2022, which is an increase of \$4,643,362 when compared to the prior fiscal year.

A large portion of the District's net position, 29.27% and 34.56%, as of June 30, 2022 and 2021 respectively, reflects the District 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 years June 30, 2022 and 2021, the District showed a positive balance in its unrestricted net position of \$31,119,597 and \$26,376,093, respectively.

Condensed Statement of Revenues, Expenses and Changes in Net Position

	<u>2022</u>	<u>2021</u>	<u>Change</u>
<u>Revenues</u>			
Operating revenue	\$ 981,421	\$ 2,719,634	\$ (1,758,213)
Non-operating revenue	15,025,575	14,353,644	671,931
Total Revenues	<u>15,986,996</u>	<u>17,073,278</u>	<u>(1,086,282)</u>
<u>Expenses</u>			
Operating expenses	10,548,638	14,495,728	(3,947,090)
Depreciation	567,236	569,088	(1,852)
Non-operating expenses	227,760	563,227	(335,467)
Total Expenses	<u>11,343,634</u>	<u>15,628,043</u>	<u>(4,284,409)</u>
Change in Net Position	<u>4,643,362</u>	<u>1,445,235</u>	<u>3,198,127</u>
Beginning Net Position	<u>40,302,802</u>	<u>38,857,567</u>	<u>1,445,235</u>
Prior Period Adjustments	<u>(950,783)</u>	<u>-</u>	<u>(950,783)</u>
Beginning Net, Restated	<u>39,352,019</u>	<u>38,857,567</u>	<u>494,452</u>
Ending Net Position	<u>\$ 43,995,381</u>	<u>\$ 40,302,802</u>	<u>\$ 3,692,579</u>

The statement of revenues, expenses, and changes in net position shows how the District's net position changed during the fiscal years. In the case of the District, net position increased by \$4,643,362 for the fiscal year ended June 30, 2022.

In 2022, the District's net position increased 11.80% or \$4,643,362 as a result of operations compared to 2021.

The District's operating revenue decreased 64.65% or \$1,758,213, in fiscal year 2022, primarily due to a decrease in water sales and a decrease in interest revenue.

The District's operating expenses decreased 27.23%, or \$3,947,090 primarily due to lack of State water supply and therefore lack of water delivery expenses. The District's non-operating expenditures also remained largely the same if passthrough grants are not taken into account.

**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Capital Asset Administration

At the end of fiscal year 2022 and 2021, the District's investment in capital assets amounted to \$12,875,784, and \$13,913,992 (net of accumulated depreciation), respectively. This investment in capital assets includes land, pipelines and structures, equipment, vehicles and construction-in- process, etc. Major capital asset additions during the fiscal year included upgrades to the pipeline.

	Balance as of June 30, 2021	Additions	Deletions	Prior Period Adjustments	Balance as of June 30, 2022
Total non-depreciable capital assets	\$ 1,686,714	\$ 204,853	\$ -	(950,783)	\$ 940,784
Total depreciable capital assets	36,299,684	274,958	(32,576)	-	36,542,066
Total accumulated depreciation	(24,072,406)	(567,236)	32,576		(24,607,066)
Net depreciable capital assets	12,227,278	(292,278)	-	-	11,935,000
Net capital assets	\$ 13,913,992	\$ (87,425)	\$ -	\$ (950,783)	\$ 12,875,784

Conditions Affecting Current Financial Position and Outlook

Management is unaware of any conditions, which could have a significant impact on the District's current financial position, net assets, or operating results to terms of past, present and future. Covid-19 impacts are expected to be minimal because the District derives its tax revenue solely from property taxes.

Requests for Information

This financial report is designed to provide an overview of the District's financial operations and condition. Should the reader have questions regarding the information included in this report or wish to request additional information, please contact the District's General Manager at 1402 N. Vosburg Drive, PO Box 1299, Azusa, California 91702.

FINANCIAL SECTION

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
STATEMENT OF NET POSITION
June 30, 2022

Assets	
Current Assets:	
Cash and cash equivalents	\$ 22,559,303
Investments	4,509,910
Accounts receivable, net	205,625
Interest receivable	19,946
Property taxes receivable	825,807
Water inventory	551,280
Prepaid expenses	80,670
Total current assets	<u>28,752,541</u>
Noncurrent Assets:	
Investments	5,188,131
Advances to other governments, net	4,000,000
Capital assets not being depreciated	940,784
Capital assets, net of accumulated depreciation	11,935,000
Total noncurrent assets	<u>22,063,915</u>
Deferred Outflows of Resources	
Pension related	1,325,016
OPEB related	755,039
Total deferred outflows of resources	<u>2,080,055</u>
Total assets and deferred outflows of resources	<u>52,896,511</u>
Liabilities	
Current Liabilities:	
Accounts payable	384,330
Accrued liabilities	23,824
Unearned revenue	503,896
Current portion of compensated absences	73,000
Total current liabilities	<u>985,050</u>
Noncurrent liabilities:	
Compensated absences	298,199
Net pension liability	824,291
Net OPEB liability	4,691,980
Total noncurrent liabilities	<u>5,814,470</u>
Total liabilities	<u>6,799,520</u>
Deferred Inflows of Resources	
Pension related	1,069,338
OPEB related	1,242,581
Total deferred inflows of resources	<u>2,311,919</u>
Total liabilities and deferred inflows of resources	<u>9,111,439</u>
Net Position	
Net investment in capital assets	12,875,784
Unrestricted	30,909,288
Total net position	<u>\$ 43,785,072</u>

See Notes to Basic Financial Statements

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2022

Operating Revenues:	
Water sales	\$ 943,485
Other services	17,936
Total operating revenues	961,421
Operating Expenses:	
Source of supply - water deliveries	7,831,833
General and administrative expenses	2,716,805
Total operating expenses	10,548,638
Operating income (loss) before depreciation	(9,587,217)
Depreciation expense	(567,236)
Operating income (loss)	(10,154,453)
Non-Operating Revenues (Expenses):	
Property taxes - ad valorem	6,090,169
Property taxes - voter approved	9,206,425
Grant funding to other agencies	(227,760)
Interest and investment earnings	(481,328)
Total non-operating revenues (expenses)	14,587,506
Change in net position	4,433,053
Total Net Position - beginning of fiscal year	40,302,802
Prior Period Adjustments	(950,783)
Total Net Position - beginning of fiscal year, restated	39,352,019
Total Net Position - end of fiscal year	<u><u>\$ 43,785,072</u></u>

See Notes to Basic Financial Statements

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2022

Cash Flows from Operating Activities:	
Cash received from water sales	\$ 928,708
Cash payments to vendors and suppliers	(8,619,740)
Cash payments for employees and benefit programs	(2,888,520)
Net cash provided (used) by operating activities	(10,579,552)
Cash Flows from Non-capital Financing Activities:	
Cash received from property taxes	14,662,878
Net cash provided (used) by non-capital financing activities	14,662,878
Cash Flows from Capital and Related Activities:	
Cash received (payments) from (to) other governments	(227,760)
Purchase of capital assets	(479,811)
Advances to other governments	(4,000,000)
Net cash provided (used) by capital and related financing activities	(4,707,571)
Cash Flows from Investing Activities:	
Use of money and property	(187,390)
Net cash provided (used) by investing activities	(187,390)
Net Increase (Decrease) in Cash and Cash Equivalents	(811,635)
Cash and Cash Equivalents, Beginning of Fiscal Year	23,370,938
Cash and Cash Equivalents, End of Fiscal Year	\$ 22,559,303
Reconciliation to Statement of Net Position:	
Cash and investments	\$ 22,559,303
Cash and Cash Equivalents	\$ 22,559,303

(Continued)

See Notes to Basic Financial Statements

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2022

(Continued)

Reconciliation of Operating Income (Loss) to Net Cash

Provided (Used) by Operating Activities:

Operating income (loss)	<u>\$ (10,154,453)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	567,236
(Increase) decrease in accounts receivable	(32,713)
(Increase) decrease in inventory	201,059
(Increase) decrease in prepaid expenses	86,178
(Increase) decrease in deferred outflows of resources - pension and OPEB	(135,693)
Increase (decrease) in accounts payable and accrued expenses	(159,838)
Increase (decrease) in compensated absences	(58,395)
Increase (decrease) net pension liability	(1,754,681)
Increase (decrease) net OPEB liability	(738,220)
Increase (decrease) in deferred inflows of resources - pension and OPEB	<u>1,599,968</u>
Total adjustments	<u>(425,099)</u>
Net cash provided by (used by) operating activities	<u><u>\$ (10,579,552)</u></u>

See Notes to Basic Financial Statements

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the San Gabriel Valley Municipal Water District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below:

A. Financial 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 (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 Watermaster requires that make-up water be spread in the Central Basin to satisfy the terms of the 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 seven employees. The District's Board of Directors meets each month. Meetings are publicly noticed and citizens are encouraged to attend.

B. Basis of Accounting

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 areas 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 transaction 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 expense not included in the above categories are reported as non-operating revenues and expenses.

C. Basis of Preparation

The District's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP), as applied to enterprise funds. The 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.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers cash and cash equivalents as short term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents have an original maturity date of three months or less from the date of purchase.

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents (Continued)

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy as follows: Level 1 – Investments reflect prices quoted in active markets; Level 2 – Investments reflect prices that are based on similar observable asset either directly or indirectly, which may include inputs in markets that are not considered active; and Level 3 – Investments reflect prices based upon unobservable sources.

E. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the AICPA, require management to make assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

F. 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.

G. Receivables

For customer accounts receivables, the District considers these receivables to be fully collectable and accordingly, no allowance for doubtful accounts has been provided. For tax revenue receivables, when management deems a tax receivable amount is uncollectable, the District uses the direct write off method for recording the bad debt. In 2022, the District wrote off \$84,495 of old receivables related to property tax revenues in prior fiscal year. The District believes the bad debt recorded under this method approximates the amount that would be recorded if the District used the allowance method.

H. Property Tax

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 fiscal year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countrywide assessed valuations.

Property taxes receivable at fiscal 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

I. Inventory

Water held in inventory is valued at cost using the first-in first-out method. The District holds minor supplies inventory for emergency repairs which is expensed as incurred.

J. Prepaid Expenses

Certain payments to vendors reflect 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 BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical costs. District policy has set the capitalization threshold for recording capital assets at \$1,000. Donated assets are recorded at acquisition 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.

L. Depreciation

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as shown herein.

<u>Description</u>	<u>Estimated Lives</u>
Pipeline	7 to 75 years
Telemetry Equipment	10 years
Building 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

M. 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.

N. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of the District's defined benefit retirement plan, Miscellaneous, of the California Employees' Retirement System ("CalPERS") and additions to/deductions 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.

O. Other Post-Employment Benefits (OPEB)

The total OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense of the District's defined benefit OPEB plan of the CalPERS are measured 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.

P. Deferred Outflows and Inflows of Resources

The District recognizes deferred outflows and inflows of resources in relation to full accrual, pension, and OPEB. Deferred outflow and inflow of resources are defined as a consumption or resource of net position by the government that is applicable to a future report period. Pursuant to GASB Statements 68 and 71, the District recognizes deferred outflows/inflows of resources related to pensions. Pursuant to GASB Statement 75, the District recognizes deferred outflows/inflows of resources related to OPEB.

Q. Water Sales

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

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Net Position and Fund Equity

Net position is reported in three categories under GASB Statement No. 34. These captions are described below.

Net Investment in Capital Assets describes the portion of net position which is represented by the current net book value of the District's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the District cannot unilaterally alter.

Unrestricted describes the portion of net position which is not restricted as to use.

S. Fiscal Year

The fiscal year of the District begins on July 1 and ends on June 30.

T. Budgets and Budgetary Accounting

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.

U. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements.

The provisions for Statement Number 91 "*Conduit Debt Obligations*" are effective for fiscal years beginning after December 15, 2021.

The provisions for Statement Number 94 "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*" are effective for fiscal years beginning after June 15, 2022.

The provisions for Statement Number 96 "*Subscription-Based Information Technology Arrangements*" are effective for fiscal years beginning after June 15, 2022.

The provisions for GASB Statement Number 99, "Omnibus 2022" are effective for fiscal year beginning after June 15, 2022, and June 15, 2023.

The provisions of Statement Number 100 "Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62" are effective for fiscal years beginning after June 15, 2023.

The provisions of Statement Number 101 "*Compensated Absences*" are effective for fiscal years beginning after December 15, 2023.

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2022 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and cash equivalents	\$	22,559,303
Investments (current)		4,509,910
Investments (non-current)		5,188,131
Total cash and investments, Statement of Net Position	\$	32,257,344

Cash and investments as of June 30, 2022 consist of the following:

Cash on hand	\$	442
Deposits with financial institutions		4,762,572
Investments		27,494,330
Total cash and investments	\$	32,257,344

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

The table below identifies the investment types that are authorized for the San Gabriel Valley Municipal Water District (District) by 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. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
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

B. Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. The District does not currently hold any investments that are bound by debt agreements.

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

C. Disclosures Relating to 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 is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

<u>Investment Type</u>	<u>Totals</u>	<u>Remaining maturity (in Months)</u>		
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25-60 Months</u>
Local Agency Investment Fund (LAIF)	\$ 17,792,712	\$ 17,792,712	\$ -	\$ -
Certificates of Deposit	9,701,618	4,509,910	2,021,371	3,170,337
	<u>\$ 27,494,330</u>	<u>\$ 22,302,622</u>	<u>\$ 2,021,371</u>	<u>\$ 3,170,337</u>

D. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The District has no investments including investments held by bond trustees that are highly sensitive to interest rate fluctuations.

E. Disclosures Relating to Credit Risk

Generally, 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 (Standard & Poor's) as of fiscal year end for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Fiscal Year End</u>	
			<u>AAA</u>	<u>Not Rated</u>
Local Agency Investment Pool (LAIF)	\$ 17,792,712	N/A	\$ -	\$ 17,792,712
Certificates of Deposit	9,701,618	N/A	9,701,618	
Total	<u>\$ 27,494,330</u>		<u>\$ 9,701,618</u>	<u>\$ 17,792,712</u>

F. Concentration of Credit Risk

The investment policy of the District contains limitations on the amount that can be invested in any one issuer. There was no investment in any one issuer (other than external investment pools) that represents 5% or more of total District investments.

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

G. 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 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 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 or investments, 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 government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2022, none of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

H. 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 under the oversight of the Treasurer of the State of California and operates in accordance with appropriate state laws and regulations. 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 reported value of the pool is the same as the fair value of the pool shares. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Deposits and withdrawals are made on the basis of \$1 and not fair value.

I. Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy establish by generally accepted accounting principles. These principles recognize a three tiered fair value hierarchy as follows: Level 1 – Investments reflect prices quoted in active markets; Level 2 – Investments reflect prices that are based on similar observable asset either directly or indirectly, which may include inputs in markets that are not considered active; and Level 3 – Investments reflect prices based upon unobservable sources.

		FMV Measurement
	Total	Level 2
<u>Pooled investments by fair value hierarchy</u>		
Investments subject to fair value hierarchy:		
Negotiable Certificates of Deposit	\$ 9,701,618	\$ 9,701,618
Total Investments measured at fair value hierarchy	9,701,618	9,701,618
Investments measured using uncategorized inputs:		
State Investment Pool (LAIF)	17,792,712	
Total investments not subject at fair value hierarchy	17,792,712	
Total pooled investments	27,494,330	
Total investments	\$ 27,494,330	

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 – ADVANCES TO MEMBER CITIES RECEIVABLE

Advances to member cities activity for the fiscal year ended June 30, 2022 was as follows:

	Balance as of June 30, 2021	Additions	Reductions	Balance as of June 30, 2022
Notes receivable:				
City of Monterey Park	\$ -	\$ 4,000,000	\$ -	\$ 4,000,000
Total notes receivable	\$ -	\$ 4,000,000	\$ -	\$ 4,000,000

City of Monterey Park

On December 13, 2021, the City of Monterey Park was provided with \$4,000,000 in loan funding for the construction of a PFAS Treatment Plant. Terms of the loan agreement call for annual principal-only payments in the amount of \$400,000 at a zero percent, commencing one year after the filing of the Notice of Completion for the project. As of June 30, 2022, the city has yet to file the Notice of Completion.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Balance as of June 30, 2021	Additions	Deletions	Prior Period Adjustments	Balance as of June 30, 2022
Nondepreciable capital assets					
Land	\$ 735,931	\$ -	\$ -	\$ -	\$ 735,931
Construction in progress	950,783	204,853	-	(950,783)	204,853
Total nondepreciable capital assets	1,686,714	204,853	-	(950,783)	940,784
Depreciable capital assets					
Pipeline	26,742,616	-	-	-	26,742,616
Telemetry equipment	885,581	48,442	-	-	934,023
Buildings and structures	2,350,182	-	(23,670)	-	2,326,512
Office furniture and equipment	179,790	-	-	-	179,790
Vehicles and equipment	298,960	226,516	(8,906)	-	516,570
State water project participation rights	5,784,165	-	-	-	5,784,165
Roof	58,390	-	-	-	58,390
Total depreciable capital assets	36,299,684	274,958	(32,576)	-	36,542,066
Less accumulated depreciation					
Pipeline	(16,290,108)	(346,118)	-	-	(16,636,226)
Telemetry equipment	(602,252)	(83,323)	-	-	(685,575)
Buildings and structures	(2,337,153)	(640)	23,670	-	(2,314,123)
Office furniture and equipment	(136,354)	(20,013)	-	-	(156,367)
Vehicles and equipment	(257,414)	(17,819)	8,906	-	(266,327)
State water project participation rights	(4,434,527)	(96,403)	-	-	(4,530,930)
Roof	(14,598)	(2,920)	-	-	(17,518)
Total accumulated depreciation	(24,072,406)	(567,236)	32,576	-	(24,607,066)
Net depreciable capital assets	12,227,278	(292,278)	-	-	11,935,000
Net capital assets	\$ 13,913,992	\$ (87,425)	\$ -	\$ (950,783)	\$ 12,875,784

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 – LONG-TERM LIABILITY

The following is a summary of long-term liability activity of the District's activities for the fiscal year ended June 30, 2022:

	Balance as of June 30, 2021	Additions	Reductions	Balance as of June 30, 2022	Due Within One Year
Compensated absences	\$ 429,594	\$ 14,605	\$ (73,000)	\$ 371,199	\$ 73,000
Total long-term liability	\$ 429,594	\$ 14,605	\$ (73,000)	\$ 371,199	\$ 73,000

NOTE 6 – 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; inquiries to employees and natural disasters. The District is a member of the ACWA/Joint Powers Insurance Authority (JPIA), a risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the JPIA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage. At June 30, 2022, the District participated in the liability and property programs of the JPIA as follows:

- General and auto liability, public officials and employees' errors and omissions: Total risk financing self-insurance limits of \$1,000,000 per occurrence. The JPIA purchased additional excess coverage layers: \$59,000,000 for general, auto and public officials liability, which increases the limits on the insurance coverage noted above.

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

- 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.
- 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 \$100 million per occurrence, subject to the following deductibles: \$1,000 per occurrence for buildings, fixed equipment, mobile equipment, and \$500 deductible per occurrence for licensed vehicles.
- 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 year 2022. 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, 2022.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

Grant Awards

Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. 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.

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Participation in the State Water Project

The District has entered into a long-term water supply contract with the State of California, Department of Water Resources (DWR). Under the terms of the contract, the State will deliver specified amounts of water to the District through the year 2035. The District is obligated to pay to the State a portion of the capital and operations and maintenance costs of the State Water Project (SWP).

All of the SWP charges incurred prior to fiscal year 1976 were capitalized because the District's pipeline was not operational until fiscal year 1976. These charges are amortized over the life of the contract. The yearly amortization of pre-fiscal year 1976 charges is \$96,403.

The District expenses all SWP charges incurred after fiscal year 1976 because of the uncertainty regarding projected future water deliveries and because the District's contract with the State indicates that unused annual entitlements cannot be carried forward to future years.

In fiscal year 2022, charges of \$8,041,039 were expensed. The SWP charges are allocated between two components, capital charges and operating and maintenance charges. Capital charges totaled \$106,439 and operating and maintenance charges were \$7,934,600 before the application of \$755,245 in SWP credits which reduced the expenses to \$7,285,794. The credits comprised of bond costs, final adjustments, and interest credits on aqueduct payments. The credits comprised of bond costs, final adjustments, and interest credits on aqueduct payments.

NOTE 8 – PENSION PLAN

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 Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS Financial Office. 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.

A. General Information about the Pension Plan

Plan Descriptions - All qualified employees are eligible to participate in the District's Miscellaneous Plan, cost sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans 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.

The Plans' provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Misc. Plan	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52-67
Required employee contribution rates	6.902%	7.250%
Required employer contribution rates	10.868%	7.072%

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 – PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers 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 both Plans 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.

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2022, the District reported net pension liabilities for its proportionate share of the net position liability of the Plan as follows:

Proportionate Share of Net Pension Liability
<u>Misc. Plan</u>
<u>\$ 824,291</u>

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 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 proportionate share of the net pension liability for the Plan as of June 30, 2020 and 2021 was as follows:

Proportion - June 30, 2020	0.06114%
Proportion - June 30, 2021	<u>0.04341%</u>
Change - Increase (Decrease)	<u>-0.01773%</u>

For the fiscal year ended June 30, 2022, the District recognized pension expense of \$123,475 related to prior contributions. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 909,553	\$ -
Differences between projected and actual contributions	265,839	89,434
Differences between expected and actual experience	92,435	-
Changes in assumptions	-	-
Net Difference between projected and actual earnings on plan investments	-	719,563
Changes in proportion	57,189	260,341
Total	<u>\$ 1,325,016</u>	<u>\$ 1,069,338</u>

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 – PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

\$909,553 reported as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and will be recognized as pension expense as follows:

Fiscal Year Ended	
June 30,	Amount
2023	\$ (150,791)
2024	(146,784)
2025	(157,450)
2026	(198,850)
Total	<u>\$ (653,875)</u>

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions - The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

	Misc. Plan
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.15%
Mortality	Derived using CalPERS' Membership Data for all Funds

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2019 valuation were based on the results of a December 2017 actuarial experience study. Further details of the Experience Study can found on the CalPERS' website.

Discount Rate - The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS' website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.15 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.15 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 – PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

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 geometric returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 rounded 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 equal to the single equivalent rate calculated and adjusted to account for assumed administrative expenses.

The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The long-term expected real rate of return by asset class and the target allocation adopted by the CalPERS' Board effective on July 1, 2020, are as follows:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Year 1-10(a)</u>	<u>Real Return Year 11+(b)</u>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

a) An expected inflation of 2% used for this period

b) An expected inflation of 2.92% used for this period

Sensitivity of the Net Pension Liability to Changes in the Discount Rate -The following presents the net pension liability of the District for each Plan, calculated using the discount rate for each Plan, as well as what the District's net pension 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 rate:

	<u>Misc. Plan</u>
1% Decrease	6.15%
Net Pension Liability	\$ 2,299,629
Current Discount Rate	7.15%
Net Pension Liability	\$ 824,291
1% Increase	8.15%
Net Pension Liability	\$ (395,349)

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS' financial reports.

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

The District administers an Agent Multiple-Employer defined benefit postemployment healthcare plan. Dependents are eligible to enroll and benefits continue to surviving spouses. Retirees are eligible for medical benefits if they retire at age 55+ and have 5+ years of CalPERS service. The District pays 100% of the actual premium costs of the health insurance for retirees and dependents and also provides reimbursement for cost sharing under the plan offered by the District subject to restrictions as determined by the District.

Eligibility

The table below presents a summary of the basic participant information for the active and retired participants covered under the terms of the Plan.

Participant type	Count
Inactive participants currently receiving benefits	11
Inactive participants entitled to but not yet receiving benefit payments	-
Active employees	7
Total	18

Funding Policy

The District makes contributions based on projected pay-as-you-go financing requirements. As of June 30, 2022, the District has not established a plan or equivalent that contains an irrevocable transfer of assets dedicated to providing benefits to retirees in accordance with the terms of the Plan and that are legally protected from creditors.

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. Since the District has not established an irrevocable trust for the pre-funding of retiree healthcare benefits, the total OPEB Liability and Net OPEB Liability are both \$4,691,980.

Actuarial Method and Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Actuarial Assumptions	
Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Inflation	2.50%
Salary Increases	2.80%
Discount Rate	1.92%
Health Care Trend Rate	5.75%
Mortality Rates	Based on CalPERS tables

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

The discount rate used to measure the total OPEB liability was 1.92 percent. The District's OPEB plan is an unfunded plan, therefore, the discount rate was set to the rate of tax-exempt, high-quality 20-year municipal bonds as of the valuation date. Since the most recent GASB 75 valuation, the following changes have been made:

- The discount rate and expected rate of return on assets was changed from 2.45 percent to 1.92 percent.
- The initial healthcare trend rate changed from 6.50 percent to 5.75 percent.
- The inflation rate changed from 0.75 percent to 2.50 percent.

Change in Total OPEB Liability

	<u>Total/Net OPEB Liability</u>
Balance for fiscal year ended June 30, 2021	<u>\$ 5,430,200</u>
Changes for the fiscal year:	
Service cost	218,142
Interest	135,574
Differences between expected and actual experience	(1,299,178)
Changes of assumptions	438,054
Benefits payments	(230,812)
Net changes	<u>(738,220)</u>
Balance for fiscal year ended June 30, 2022	<u>\$ 4,691,980</u>

There is sensitivity of the total OPEB liability due to changes in the discount rate and healthcare cost trend rates. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using the discount and trend rate that were 1 percentage point lower or 1 percentage point higher than the current discount and healthcare cost trend rates.

Sensitivity of the Total OPEB Liability to changes in the Discount Rate

	<u>Total OPEB Liability</u>
1% decrease in Discount Rate (1.45%)	\$ 5,397,926
Current Discount Rate (2.45%)	\$ 4,691,980
1% increase in Discount Rate (3.45%)	\$ 4,114,625

Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates

	<u>Total OPEB Liability</u>
1% decrease in Healthcare Cost Trend Rates (5.50%)	\$ 4,071,541
Current Healthcare Cost Trend Rates (6.50%)	\$ 4,691,980
1% increase in Healthcare Cost Trend Rates (7.50%)	\$ 5,444,705

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

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

For the fiscal year ended June 30, 2022, the District recognized OPEB expense of \$480,000. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Summary of Deferred Outflows/Inflows</u>	<u>Outflows</u>	<u>Inflows</u>
Change of assumptions	\$ 559,598	\$ (103,648)
Differences between expected and actual experience	12,810	(1,138,933)
Amounts paid subsequent to the measurement date	182,631	
Total	<u>\$ 755,039</u>	<u>\$ (1,242,581)</u>

\$182,631 reported as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction of the total OPEB liability in the fiscal year ended June 30, 2023.

Amounts reported as deferred outflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Fiscal Year ended</u>	<u>Future recognition</u>
2023	\$ (343,257)
2024	(123,247)
2025	(203,669)
2026	
	<u>\$ (670,173)</u>

NOTE 10 – PRIOR PERIOD ADJUSTMENT

There was a prior period adjustment \$(950,783) of capital assets due to an overstatement of construction in progress in the prior fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2022**

Cost Sharing Defined Benefit Pension Plan

Schedule of the District's Proportionate Share of the Net Pension Liability – Last 10 Years*

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Proportion of the net pension liability	0.01524%	0.02370%	0.02298%	0.02209%
Proportionate share of the net pension liability	\$ 824,291	\$ 2,578,972	\$ 2,355,085	\$ 2,128,755
Covered payroll	\$ 1,036,057	\$ 974,580	\$ 892,605	\$ 796,000
Proportionate Share of the net pension liability as a percentage of covered payroll	79.56%	264.62%	263.84%	267.43%
Plan fiduciary net position as a percentage of total pension liability	92.62%	75.98%	77.12%	77.69%
	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Proportion of the net pension liability	0.02179%	0.02102%	0.01869%	0.01991%
Proportionate share of the net pension liability	\$ 2,161,060	\$ 1,819,051	\$ 1,283,170	\$ 1,238,997
Covered payroll	\$ 781,000	\$ 772,000	\$ 820,000	\$ 754,000
Proportionate Share of the net pension liability as a percentage of covered payroll	276.70%	235.63%	156.48%	164.32%
Plan fiduciary net position as a percentage of total pension liability	75.39%	79.58%	85.10%	83.03%

Notes to Schedule

Change in Assumptions: In the 2016 valuation, the accounting discount rate was reduced from 7.65 percent to 7.15 percent.

*Fiscal year 2015 was the 1st year of implementation, therefore only eight years are shown.

**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2022**

Cost Sharing Defined Benefit Pension Plan

Schedule of Contributions – Last 10 Years*

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Contractual required contribution (actuarially determined)	\$ 271,376	\$ 233,098	\$ 195,840	\$ 195,840
Contributions in relation to the actuarially determined contributions	<u>(271,376)</u>	<u>(233,098)</u>	<u>(195,840)</u>	<u>(195,840)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,036,057	\$ 974,580	\$ 892,605	\$ 835,000
Contributions as a percentage of covered payroll	26.19%	23.92%	21.94%	23.45%
	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractual required contribution (actuarially determined)	\$ 175,177	\$ 122,358	\$ 131,256	\$ 132,987
Contributions in relation to the actuarially determined contributions	<u>(175,177)</u>	<u>(122,358)</u>	<u>(131,256)</u>	<u>(132,987)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 796,000	\$ 781,000	\$ 772,000	\$ 820,000
Contributions as a percentage of covered payroll	22.01%	15.67%	17.00%	16.22%

Notes to Schedule

Valuation Date: June 30, 2020

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry-Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	Varies based on age, service, and type of employment
Investment Rate of Return	7.15%, net of pension plan investment and administrative Expenses; includes Inflation
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds

*Fiscal year 2015 was the 1st year of implementation, therefore only eight years are shown.

**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2022**

Schedule of Changes in Total OPEB Liability and Related Ratios - Last 10 Years*

	Fiscal Year Ending 6/30/2022	Fiscal Year Ending 6/30/2021	Fiscal Year Ending 6/30/2020
Total OPEB Liability			
Service cost	\$ 218,142	\$ 180,064	\$ 134,409
Interest	135,574	153,721	207,620
Diff. between expected and actual exp.	438,054	25,010	(613,323)
Changes of assumptions	(1,299,178)	451,114	(374,643)
Benefit payments	(230,812)	(198,939)	(196,854)
Implicit rate subsidy	(738,220)	(22,757)	(29,171)
Net change in total OPEB liability	(738,220)	588,213	(871,962)
Total OPEB Liability - beg. of fiscal year	5,430,200	4,841,987	5,713,949
Total OPEB Liability - end of fiscal year	\$ 4,691,980	\$ 5,430,200	\$ 4,841,987
Covered payroll	\$ 1,032,988	\$ 916,068	\$ 916,068
Total OPEB Liability as a % of eligible payroll	454.2%	592.8%	528.6%
	Fiscal Year Ending 6/30/2019	Fiscal Year Ending 6/30/2018	
Total OPEB Liability			
Service cost	\$ 184,425	\$ 179,271	
Interest	200,281	195,701	
Diff. between expected and actual exp.	(128,680)	(213,797)	
Changes of assumptions	(196,533)	(25,792)	
Benefit payments	(25,792)	161,175	
Implicit rate subsidy	33,701	161,175	
Net change in total OPEB liability	33,701	161,175	
Total OPEB Liability - beg. of fiscal year	5,680,248	5,519,073	
Total OPEB Liability - end of fiscal year	\$ 5,713,949	\$ 5,680,248	
Covered payroll	\$ 812,255	\$ 810,600	
Total OPEB Liability as a % of eligible payroll	703.5%	700.7%	

Notes to Schedule

Funding Policy: The District funds the benefits on a pay-as-you-go basis. No assets are accumulated in a trust.

*Fiscal year 2018 was the 1st year of implementation, therefore only five years are shown.

**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2022**

Schedule of OPEB Employer Contributions - Last 10 Years*

	Fiscal Year Ending 6/30/2022	Fiscal Year Ending 6/30/2021	Fiscal Year Ending 6/30/2020
Actuarially determined contribution (ADC) ¹	N/A	N/A	N/A
Contributions in relation to the ADC	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A
OPEB-eligible pr for reporting period (fiscal year)	\$ 1,032,988	\$ 810,600	\$ 812,255
Contributions as a percent of payroll	N/A	N/A	N/A
	Fiscal Year Ending 6/30/2019	Fiscal Year Ending 6/30/2018	
Actuarially determined contribution (ADC) ¹	N/A	N/A	
Contributions in relation to the ADC	N/A	N/A	
Contribution deficiency (excess)	N/A	N/A	
OPEB-eligible pr for reporting period (fiscal year)	\$ 916,068	\$ 916,068	
Contributions as a percent of payroll	N/A	N/A	

¹ Per GASB 75 paragraph 57c., these disclosures are only required if the employer calculates an Actuarially Determined Contribution (ADC). The District does not currently calculate an ADC.

*Fiscal year 2018 was the 1st year of implementation, therefore only five years are shown.

**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Changes in Net OPEB Liability

The schedule is intended to show the funded status of the District's actuarially determined liability for postemployment benefits other than pensions. In the future, as data becomes available, 10 years of information will be presented.

Schedule of OPEB Employer Contributions

The schedule presents information on the District's required contribution, the amounts actually contributed and any excess or deficiency related to the required contribution. In the future, as data becomes available, 10 years of information will be presented.

Schedule of District's Proportionate Share of the Net Pension Liability

The schedule presents information on the District's proportionate share of the net pension liability, the plan's fiduciary net position and, when applicable, the State's proportionate share of the net pension liability associated with the District. In the future, as data becomes available, 10 years of information will be presented.

Schedule of District's Pension Contributions

The schedule presents information on the District's required contribution, the amounts actually contributed and any excess or deficiency related to the required contribution. In the future, as data becomes available, 10 years of information will be presented.

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OTHER SUPPLEMENTARY INFORMATION

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
SCHEDULE OF OPERATING EXPENSES
For the Fiscal Year Ended June 30, 2022

Operating Expenses:

Source of supply:

Salaries and wages	\$ 317,004
Maintenance - plant and pipeline	30,197
Water sold	7,236,575
State water supply contract costs	233,083
Hydroelectric plant maintenance	14,974
Total source of supply	<u>7,831,833</u>

General and administrative:

Salaries and wages	845,401
Employee benefits:	
Public employees' retirement benefits	(264,893)
Payroll taxes	83,504
Workers' compensation insurance	14,034
Group health, dental and life insurance	520,162
Other post-employment benefits	283,288
Uniforms	2,999
Insurance	44,508
Office supplies and expense	29,115
Membership dues, conferences, and travel	86,823
Public relations and water conservation program	189,894
Consulting and engineering fees	420,899
Government relations	90,000
Director fees	31,600
Legal and state water contractors fees	49,456
Accounting and audit fees	28,566
Telephone and communications	56,564
Utilities	18,076
Vehicle maintenance	28,466
Maintenance - buildings and grounds	73,250
Property tax	598
Bad debt expenses	84,495
Total general and administrative	<u>2,716,805</u>

Total operating expenses	<u>\$ 10,548,638</u>
---------------------------------	-----------------------------

**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

NOTE 1 – PURPOSE OF SCHEDULE

Schedule of Operating Expenses

This schedule is to provide greater detail of operating expenses for the fiscal year ended June 30, 2022.

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
AGREED-UPON PROCEDURES RELATED TO REVIEW OF
TRAVEL AND CONFERENCE EXPENSES

For the Fiscal Year Ended June 30, 2022



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA
ALEXANDER C HOM, CPA
ADAM V GUISE, CPA
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**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

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

We have performed the procedures enumerated below, which were agreed to by the San Gabriel Valley Municipal Water District (the District) and the Board of Directors and Management, on the travel and conference expenses of the District as of and for the fiscal year ended June 30, 2022. The District's management is responsible for the travel and conference expenses. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purposes.

We obtained the Travel and Conference Expenses General Ledger for Account No. 4051-000 (Directors) and Account No. 4055-000 (Staff), and prepared a detailed list of individual charges to these accounts which are attached to this report.

The procedures and the associated findings are as follows:

1. We vouched all charges to supporting documentation such as invoices, credit card statements, expense reports, etc.
 - i. Exceptions- None
2. We verified that the Board of Directors approved all District checks that were issued for payment of travel and conference expenses by reviewing Board Agenda Packet for approval.
 - i. Exceptions- None
3. We verified authorization and/or approval of expenditures and that those expenditures were in compliance with the District's policies for travel and conference expenses by reviewing each employee's Statement of Expenditures for proper approvals and reviewed the expenses and back-up documentation to determine if the expenses are in compliance with the District's travel policies
 - i. Exceptions- See Current Year Recommendations on Page 3

This agreed-upon procedures engagement was conducted 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 an expression of an opinion or conclusion, respectively, on the travel and conference expenses. 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.

The purpose of this report is solely to describe the procedures and findings related to travel and conference expenses. Accordingly, this report is not suitable for any other purpose.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
December 2, 2022

CURRENT YEAR RECOMMENDATIONS

Travel Policy Compliance

2022-01 Observation – Lack of compliance with travel policy

During our performance of agreed-upon procedures, it was noted that lodging was paid for by the District for a conference that was less than 75 miles away from the District. The travel policy only allows for lodging when the destination is more than 75 miles away from the District.

Effect:

The District did not comply with its own travel policy.

Recommendation:

We recommend that the District review all travel reimbursements and requests prior to approval for conformance with District travel policies.

Management's Response:

Upon discovery of this lapse in conformance with the District's travel policy, the Board Member has since reimbursed the District for lodging costs.

	Date	Name	Memo	Amount	Procedures:		
					1	2	3
4055 • Travel & Conference -Staff							
	07/31/2021	Maria Jarmin	Mileage expense reimbursement 07/01/21 - 0/29/21, GJ	52.42	✓	✓	✓
	07/31/2021	Evelyn Reyes	Travel expense reimbursement 07/13, 07/19, 07/20, 07/28 -EReyes	38.58	✓	✓	✓
	08/20/2021	BOA-Visa	EReyes - 8/18 California Data Collaborative 6th Annual Summit	125.00	✓	✓	✓
	08/31/2021	Evelyn Reyes	Travel expense reimbursement Aug 3-4 , EReyes	42.22	✓	✓	✓
	08/31/2021	L Esquivel	Mileage expense reimbursement Aug 24-26, L Esquivel	11.76	✓	✓	✓
	08/31/2021	Maria Jarmin	Mileage expense reimbursement 8/2/21 - 8/31/21 , GJ	43.01	✓	✓	✓
	09/20/2021	BOA-Visa	SKiggins - 9/16 Ca Nv Section AWWA Virtual event 10/18-10/21	475.00	✓	✓	✓
	09/30/2021	Maria Jarmin	Mileage reimbursement expense 09/01/21 -09/30/21, GJ	45.70	✓	✓	✓
	10/20/2021	BOA-Visa	DK - SWC 10/20/21 Sacramento Airfare	317.96	✓	✓	✓
	10/20/2021	BOA-Visa	TWhite - CA Nv Section AWWA -Virtual event 10/18-10/21	375.00	✓	✓	✓
	10/31/2021	Maria Jarmin	Mileage expense reimbursement 10/4/21 - 10/28/21, GJ	44.02	✓	✓	✓
	11/20/2021	BOA-Visa	DK - SWC 10/21/21 Gas,Parking,Meals \$144.44, Hotel \$190.46, Rental \$216.20	1,290.63	✓	✓	✓
	12/02/2021	CAPIO	EReyes Webinar Registration - Dec 9 Webinar	25.00	✓	✓	✓
	12/13/2021	Maria Jarmin	Mileage expense reimbursement 11/01/21 - 11/30/21, GJ	68.54	✓	✓	✓
	12/20/2021	BOA-Visa	DK - 11/18/21 SAC Hotel\$207.35, Parking \$26.00, Meal \$26.07	259.42	✓	✓	✓
	12/31/2021	Evelyn Reyes	Travel expense reimbursement 12/7, 12/9, 12/21 -EReyes	55.66	✓	✓	✓
	12/31/2021	Maria Jarmin	Mileage expense reimbursement 12/2/21-12/29/21, GJarmin	65.07	✓	✓	✓
	01/20/2022	BOA-Visa	SKiggins - 12/29 AAUA,Org Webinars \$195, 1/19 SCWUA Annual Dues \$42.00	237.00	✓	✓	✓
	01/31/2022	Maria Jarmin	Mileage expense reimbursement 1/3/22 - 1/27/22, GJarmin	88.59	✓	✓	✓
	02/17/2022	ACWA	ACWA 2022 Virtual Legislative Symposium - EReyes	155.00	✓	✓	✓
	02/28/2022	Maria Jarmin	Mileage expense reimbursement 02/01/22 - 02/28/22, GJarmin	66.86	✓	✓	✓
	02/28/2022	Evelyn Reyes	Travel expense reimbursement 2/21, EReyes	22.05	✓	✓	✓
	03/20/2022	BOA-Visa	SKiggins - SCWUA March Mtg 3/24/22	30.00	✓	✓	✓
	03/20/2022	BOA-Visa	EReyes- SCWUA March mtg 3/24/22	30.00	✓	✓	✓
	03/31/2022	Maria Jarmin	Mileage reimbursement expense 03/01/22 - 03/31/22, GJ	69.44	✓	✓	✓
	03/31/2022	Evelyn Reyes	Travel expense reimbursement 3/30/22, EReyes	26.38	✓	✓	✓
	04/20/2022	BOA-Visa	4/6 DK Southw est airlines to SWC Sac \$397.97, 4/18 Meeting with Direcotr Wong \$30.73 4/11 EReyes ...	1,179.24	✓	✓	✓
	04/20/2022	BOA-Visa	4/6 DK Southw est airlines credit adj	(15.01)	✓	✓	✓
	04/30/2022	Maria Jarmin	Mileage reimbursement 04/04/22 - 04/28/22, GJarmin	75.11	✓	✓	✓
	04/30/2022	Evelyn Reyes	Travel expense reimbursement 04/12, 04/22 , EReyes	35.10	✓	✓	✓
	05/20/2022	BOA-Visa	4/20 DK SWC/SAC 4/20-21 meals \$68.27, Hotle \$171.35 Rental \$383.69, Parking \$51.00	674.31	✓	✓	✓
	05/31/2022	Evelyn Reyes	Travel expense reimbursement May 1-28, EReyes	76.34	✓	✓	✓
	05/31/2022	L Esquivel	Mileage expense reimbursement May 9-26, L Esquivel	10.53	✓	✓	✓
	05/31/2022	Maria Jarmin	Mileage expense reimbursement May 2 - 31, GJarmin	62.71	✓	✓	✓
	06/30/2022	Evelyn Reyes	Travel expense reimbursement - Jun 8,9,27,28,29 EReyes	79.21	✓	✓	✓
	06/30/2022	Maria Jarmin	Mileage expense reimbursement 06/01/22 - 06/30/22, GJarmin	104.01	✓	✓	✓
			Total	6,341.86			

AGENDA ACTION ITEM NO. 2

ELECTION OF OFFICERS AND COMMITTEE APPOINTMENTS

RECOMMENDED ACTION: None

BACKGROUND: This is done at the first meeting of each year. Current appointments are enclosed.

BUDGET IMPACT: N/A

PRIOR BOARD ACTION: N/A

MEMORANDUM

FROM: Darin Kasamoto, General Manager
DATE: January 10, 2022 (Approved at 1/10/2022 Board Meeting)
SUBJECT: 2022 Committee Appointments (designee gets Per Diem)

2022 Election of Officers

President	Thomas Wong
Vice-President	Mark R. Paulson
Secretary	Steven T. Placido
Treasurer	Miles L. Prince
Deputy Secretary	Darin J. Kasamoto
Deputy Treasurer	Darin J. Kasamoto
 Water Quality Authority	
Director	Mark R. Paulson (must be a Director)
Alternate	Steven T. Placido (must be a Director)
 Main San Gabriel Basin Watermaster	
Director	Steven T. Placido, DDS (must be a Director) (No Provisions for Alternate)
 ACWA/JPIA	
Director	Miles L. Prince (must be a Director)
Alternate	Darin J. Kasamoto
 ACWA Region 8	
Delegate	Miles L. Prince
Alternate	Darin J. Kasamoto
 San Gabriel Valley Protective Association	Darin J. Kasamoto
 San Gabriel Valley Water Association	
Liaison	Bruce H. Knoles
 State Water Project Contractors Authority	
Liaison	Darin J. Kasamoto
 San Gabriel Valley Economic Partnership	Thomas Wong
 Independent Cities Association	Mark R. Paulson / Steven T. Placido, DDS / Miles L. Prince
 San Gabriel Valley Council of Governments	Steven T. Placido, DDS
 San Gabriel Valley Civic Alliance	Bruce H. Knoles

2022 District Committees

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

February 7, 2021

AGENDA ACTION ITEM NO. 3

PER DIEM CONFERENCES FOR 2023

RECOMMENDED ACTION: Approve provided list of 2023 Per Diem Conferences.

BACKGROUND: Attached is a listing of conferences that have been approved for attendance in the past. The listing is not final and can be modified at any time.

BUDGET IMPACT: N/A

PRIOR BOARD ACTION: N/A

MEMORANDUM

TO: Board of Directors
FROM: Darin Kasamoto, General Manager
DATE: January 23, 2023
SUBJECT: Per-Diem Conferences for 2023

ACWA acwa.com
Spring

May 9 – 11

Monterey

Fall

Nov 28 – 30

Indian Wells

Legislative Symposium

Mar 23

Sacramento

DC Annual

Feb 28 – Mar 2

Washington D. C.

AWWA awwa.org

ACE 23 Annual Conference Jun. 11 – 14

Toronto, Canada

AWWA Water Infrastructure

Sep 10 – 13

Philadelphia, PA

CA-NV Section ca-nv-awwa.org

Spring

Apr 2 – 5

San Diego

Fall

TBA

TBA

OTHERS

asce.org

ASCE Pipeline Conference

Aug 12 - 16

San Antonio, TX

cawaterpolicy.org

CA Water Policy

TBA

TBA

csda.net

CSDA Annual Conference

Aug 28 – 31

Monterey, Ca

AGWA-AGWT Annual Conf.

Feb 7 - 8

Ontario, Ca

socalwater.org

So California Water Committee Quarterly Meeting

Annual Meeting & Dinner TBA

Urban Water Institute Urbanwater.com

Spring

Feb 22- 24

Palm Springs, CA

Annual Conference

TBA

TBA

San Gabriel Valley

Economic Partnership

TBA

All Directors

San Gabriel Valley
Water Association

Quarterly luncheon
meetings, Annual BBQ

All Directors

January 23, 2023

San Gabriel Valley Civic Alliance Awards Lunch	TBA	TBA
CORO Water Conference	TBA	TBA
Orange County Water Summit	TBA	TBA
WELL 2023 Annual Conference	Mar 31 – Apr 1	Van Nuys, CA
WaterSmart Innovation Conference	Oct 3 - 5	Las Vegas, NV
Three Valleys Leadership Breakfast	Qtrly	Sheraton Hotel, Pomona
Council for Watershed Health	All Events	
Water Replenishment District	All Mtgs	
Intl. LGBTQ Leaders Conference	TBA	TBA
CA Water Data Collaborative	All Events	
Climate Resolve	TBA	TBA
SCAG 2023 Regional Conf	May 4 – 5	JW Marriott Desert Springs, Ca
Catalyst 2023	TBA	San Antonio, TX
CSDA: Special District Leadership Academy	Feb 26 – Mar 1	La Quinta, CA
	Oct 22 – 25	Santa Rosa, CA
CSDA: Special District Legislative Days	May 16 -17	Sacramento, CA

Approved By Minute Order

All travel expenses incurred by the General Manager, or his authorized staff representative to attend any Department of Water Resources (DWR) or State Water Contractors (SWC) meetings is considered part of his job description and is authorized by the Board of Directors.

AGENDA ACTION ITEM NO. 4

APPROVE ANNUAL PROPOSAL FOR CALIFORNIA ADVOCATES

RECOMMENDED ACTION: Approve proposal.

BACKGROUND: The scope of services remains the same as prior year. The monthly fee of \$8,000 remains the same as the prior year.

BUDGET IMPACT: None, this is already built into the 2022-2023 budget.

PRIOR BOARD ACTION: None



CALIFORNIA ADVOCATES

December 20, 2022

Mr. Darin Kasamoto
General Manager
San Gabriel Valley Municipal Water District
P.O. Box 1299
Azusa, CA 91702

Dear Darin,

Thank you for the opportunity to provide governmental/public affairs consulting services to the San Gabriel Valley Municipal Water District. Consistent with the communication with Evelyn, attached is a proposed consulting agreement between San Gabriel Valley Municipal Water District and California Advocates.

As you know, California Advocates is the longest continuously operated multi-client public affairs/lobbying firm in Sacramento. Rest assured, San Gabriel Valley will continue to have quality representation. Below we describe the team, and we have an exciting announcement that Annalee Akin will join the advocacy staff for CalAd working on San Gabriel MWD.

Dennis Albiani, President of California Advocates, will continue to lead the representation and will be assisted by Annalee Akin, who has been working with CalAd since 2019. Just having passed the bar and graduated from law school, Annalee will be serving clients in the water and natural resources area as well as privacy and general business. Mr. Albiani will put his years of experience advocating on water policy, serving the previous two Governor's on water, energy and natural resource issues and having served as a staff consultant to the Senate Agriculture and Water Committee. Ms. Akin will put her knowledge and contacts, having worked as a Legislative Aide in the Assembly and serving as a Fellow in the Prestigious Assembly Fellowship program prior. Mr. Molina will continue to be available and work with San Gabriel MWD as needed.

California Advocates team, look forward to the opportunity to work closely with SGVMWD to continue to provide government affairs representation to the district and strengthen the service and relations with the cities the district serves.

Sincerely,

Dennis Albiani, President

Dennis K. Albiani ~ Cliff Costa ~ Michael D. Belote ~ Faith L. Borges ~ Anthony Molina ~ Annalee Akin

1112 11th Street, Sacramento, CA 95814 phone: (916) 441-5050 email: calad@californiaadvocates.com

2023 CONSULTING AGREEMENT

This document shall serve as the 2023 consulting agreement between San Gabriel Valley Municipal Water District (District), and California Advocates, Inc. (Legislative Consultant). The District, located in Azusa, California, wishes to retain Legislative Consultant to provide government/public affairs consulting services for calendar 2023.

SERVICES

Legislative Consultant shall, in good workmanlike and professional manner, provide the following services to the District:

- A. Represent the District's interests before the California State Legislature, the executive branch and the resource agency by lobbying the District's positions on legislation and administrative actions relating to water development, quality, storage, reclamation and delivery.
- B. Monitor and report on legislative initiatives of interest that may promote or hinder the District's goals and objectives.
- C. Guide District sponsored legislation through the legislative process.
- D. Conduct outreach and advocacy efforts with the District's Assembly and Senate delegations, as well as with other key legislators and legislative leadership, to further the District's goals and objectives.
- E. Provide written and or oral notification of financial resources available at the state level for District projects, both current and future.
- F. Arrange and coordinate District's Director, Board Member and staff meetings with members of the legislature, legislative staff and the Administration.
- G. Provide an effective legislative strategy that is proactive and strategic as well as reactive when dealing with legislation or proposed legislation during the legislative session.
- H. Attend legislative hearings and provide information regarding those hearings as they may affect the District.
- I. Provide resources necessary to establish relationships with new members of the legislature while maintaining existing relationships with incumbents.
- J. Build and maintain a political presence for the District using the District's legislative delegation as a base.

- K. Build coalitions and alliances with representatives of other water districts/organizations and take a leadership role in Sacramento when appropriate.
- L. Develop and implement the long and short term public affairs and legislative strategies previously endorsed by the District.
- M. Provide written and or oral reports to members of the Board of Directors and the General Manager or their designee on legislative matters.
- N. Develop, with the General Manager, a reporting process to update the Board of Directors on legislative matters when requested.
- O. Participate in board meetings to provide legislative updates and other commentary of interest to Board Members. The frequency of participation in Board meetings shall be mutually agreed upon between Legislative Consultant and the General Manager after consultation with the Board of Directors.
- P. Actively seek state funding opportunities for District projects. This shall include working with District personnel and consultants to assist in securing bond funds and other funds that may be available on a statewide basis.

CONSIDERATION

The District agrees to pay Legislative Consultant a monthly consulting fee of \$8,000. In addition to the monthly consulting fee, the District shall reimburse Legislative Consultant for all reasonable out of pocket expenses previously approved by the District and incurred by Legislative Consultant while acting solely on behalf of the District. These expenses shall include travel expenses associated with Consultant's participation in District Board of Director meetings.

The District also agrees to reimburse Consultant for costs paid by Consultant to Consultant's outside accounting firm for the preparation of and the filing of quarterly lobbyist employer reports (form 635). Consultant will bill the District for the actual costs associated with the quarterly reports (currently \$140.50 per quarter).

TERM

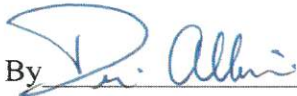
This agreement shall become effective January 1, 2023, and terminate on December 31, 2023. Either party to this agreement may terminate the agreement before conclusion of the term by providing thirty days written notice.

INDEPENDENT CONTRACTOR

Legislative Consultant is and shall be considered an independent contractor and not an employee of the District. As such, this agreement is non-exclusive, and Legislative Consultant may represent other clients.

APPROVED:

California Advocates, Inc.

By  _____

Dennis Albani, President

Dated December 20, 2022

APPROVED:

San Gabriel Valley Municipal
Water District

By _____

Dated _____

Title:

AGENDA ACTION ITEM NO. 5

RESOLUTION NO. 01-2023-817 MODIFYING ADMINISTRATIVE CODE ON TRAVEL POLICY

RECOMMENDED ACTION: Adopt Resolution No. 01-2023-817 which approves an amendment to the Administrative Code to reimburse all lodging outside of Los Angeles County as opposed to all lodging more than 75 miles from the District headquarters.

BACKGROUND: The Administrative Code would be revised as follows:

lodging at the rate established for the event or, if a rate established for the event is not available at actual cost, whichever is less. As used herein, "lodging" includes the reasonable and necessary cost of overnight accommodations ~~located more than 75 miles from District headquarters.~~ outside the boundaries of the County of Los Angeles.

This modification was proposed by Director Prince.

BUDGET IMPACT: None, the approved travel budget has sufficient funds to cover any increase

PRIOR BOARD ACTION: None

RESOLUTION NO. 01-2023-817

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
AMENDING DISTRICT ADMINISTRATIVE CODE**

WHEREAS, the Board of Directors of the San Gabriel Valley Municipal Water District ("District") adopted the District's Administrative Code ("Code") by Resolution No. 12-96-510 to govern the District's operations; and

WHEREAS, the Board of Directors reviews and updates the Code from time to time to ensure the Code reflects current law and regulations and the current policies of the Board of Directors; and

WHEREAS, at the request of a director, the District's staff and legal counsel have recently reviewed subdivision (e) of Section 2-2.502 in Title 2 of the Code with respect to a suggested change to the provision concerning reimbursement of lodging expenses, and that suggested change is reflected in the proposed redlined change attached hereto as Exhibit A; and

WHEREAS, the Board of Directors has reviewed that proposed revision and agrees that such change to the Code is necessary and appropriate,

NOW, THEREFORE, IT IS RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT that the proposed amendment to subdivision (e) of Section 2-2.502, as set forth on Exhibit A hereto, which is fully incorporated herein by this reference, is hereby approved and District staff and legal counsel are directed to incorporate such revisions into the Code.

PASSED, APPROVED AND ADOPTED this 23rd day of January, 2023.

President

ATTEST:

Secretary

EXHIBIT A

2-2.502 EXPENSES

(a) through (d) – no change

(e) Directors shall be reimbursed for lodging at the rate established for the event or, if a rate established for the event is not available at actual cost, whichever is less. As used herein, “lodging” includes the reasonable and necessary cost of overnight accommodations located ~~more than 75 miles from District headquarters~~ outside of the boundaries of Los Angeles County.

(f) and (g) – no change

AGENDA ACTION ITEM NO. 6

RESOLUTION NO. 01-2023-818 GRANT APPLICATION FOR DWR DROUGHT RELIEF FUNDING

RECOMMENDED ACTION: Adopt Resolution No. 01-2023-818

BACKGROUND: The District is preparing a grant application to DWR for drought relief. The grant request is about \$7 million which will provide funding for a turf replacement program, enhancement of the district's rebate, direct-install, and education programs, funding for Sierra Madre/Arcadia joint well, and well rehabilitation projects in each of the four cities. The Resolution is required as part of the grant application.

BUDGET IMPACT: N/A

PRIOR BOARD ACTION: N/A

RESOLUTION NO. 01-2023-818

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT AUTHORIZING THE GRANT APPLICATION, ACCEPTANCE, AND EXECUTION FOR THE SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT REGIONAL DROUGHT RESILIENCY PROGRAM

WHEREAS, the San Gabriel Valley Municipal Water District proposes to implement the San Gabriel Valley Municipal Water District Regional Drought Resiliency Program;

WHEREAS, the San Gabriel Valley Municipal Water District has the legal authority and is authorized to enter into a funding agreement with the State of California; and

WHEREAS, the San Gabriel Valley Municipal Water District intends to apply for grant funding from the California Department of Water Resources for the San Gabriel Valley Municipal Water District Regional Drought Resiliency Program;

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT AS FOLLOWS:

1. That pursuant and subject to all of the terms and provisions of Budget Act of 2021 (Stats. 2021, ch. 240, § 80) as amended (Stats. 2022, ch. 44, § 25), the General Manager (the "Authorized Representative") or designee is hereby authorized and directed to prepare and file an application for funding with the Department of Water Resources and take such other actions necessary or appropriate to obtain grant funding.
2. The Authorized Representative, or designee is hereby authorized and directed to execute the funding agreement with the Department of Water Resources and any amendments thereto.
3. The Authorized Representative, or designee is hereby authorized and directed to submit any required documents, invoices, and reports required to obtain grant funding.

CERTIFICATION, I hereby certify that the foregoing Resolution was duly and regularly adopted by the Board of Directors of the San Gabriel Valley Municipal Water District at the meeting held on January 23, 2023, motion passed by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

[Printed Name], President

Attest: _____
[Printed Name], Secretary

ACTION AGENDA ITEM NO. 7

ALHAMBRA WATER CONSERVATION GRANT REQUEST

RECOMMENDED ACTION: Approve the request from the City of Alhambra to use \$50,000 AMI installation. Instruct legal counsel to develop a grant agreement.

BACKGROUND: The 2022-2023 Budget included \$50,000 for each city to help fund infrastructure improvements that would help conserve water. The City of Alhambra would like to use these funds to help with the city's AMI installation program.

BUDGET IMPACT: None, this was built into the 2022-2023 Budget.

PRIOR BOARD ACTION: N/A

City of Alhambra

Department of Utilities



Gateway
to the
San Gabriel Valley

111
South First Street
Alhambra
California
91801

January 4, 2023

San Gabriel Valley Municipal Water District
1402 N. Vosburg Drive
Azusa, California 91702
Attn: Darin Kasamoto

Subject: Request for Funding - Water Conservation Project

Dear Mr. Kasamoto:

The City of Alhambra (City) is requesting \$50,000.00 offered by SGVMWD to its member agencies for funding water conservation projects. The City proposes to utilize the funds to purchase Advanced Metering Infrastructure (AMI) meters. The City received initial funding through the Bureau of Reclamation's FY2018 Water and Energy Efficiency Grant Program BOR-DO-18-F006 to begin implementation of the AMI Program.

The purpose of the AMI Program is to increase water conservation and water use efficiency by providing real-time water consumption data to the City and its customers. The AMI meters will improve the City's ability to detect leaks, audit water usage, and accurately meter usage at each connection. As a region reliant on groundwater as its primary source, and given recent drought conditions, there is a vital need for the agencies to manage their resources as efficiently as possible.

The City is actively implementing the AMI program which includes the purchase and installation of new water meters for residential, commercial, and irrigation users. Currently, there are 3,400 meters installed in the system and with SGVMWD funding, we will be able to purchase an additional 200 meters. It is our intention to replace the entire system with AMI meters.

Sincerely,

A handwritten signature in blue ink, appearing to read "Martin Ray".

Martin Ray
Director of Public Works and Utilities



ACTION AGENDA ITEM NO. 8

**PROPOSAL FROM STETSON ENGINEERS TO PREPARE A WHITE PAPER ON
MWD USE OF DISTRICT PIPELINE FOR PURE WATER SOUTHERN CALIFORNIA
PROJECT**

RECOMMENDED ACTION: Approve the proposal from Stetson Engineers.

BACKGROUND: MWD has approached the District to potentially use the District's pipeline to deliver recycled water to its Weymouth treatment plant as part of the Pure Water project. Preliminary engineering analysis indicates that this is feasible. In order to help analyze the pros and cons of this, Stetson Engineers was asked to develop a proposal to prepare a white paper on this concept.

BUDGET IMPACT: None, there is sufficient funding in the adopted 2022-2023 budget for consultant activities.

PRIOR BOARD ACTION: N/A



861 Village Oaks Drive, Suite 100 • Covina, California 91724
Phone: (626) 967-6202 • Fax: (626) 331-7065 • Website: www.stetsonengineers.com

Northern California • Southern California • Arizona • Colorado • Oregon

08-003

January 12, 2023

Mr. Darin Kasamoto
General Manager
San Gabriel Valley Municipal Water District
1402 E. Vosburg Drive
Azusa, CA 91702

Subject: San Gabriel Valley Municipal Water District
White Paper
Potential Metropolitan Water District of Southern California
Use of Devil Canyon-Azusa Pipeline
Proposed Scope of Work and Estimated Budget

Dear Mr. Kasamoto:

Stetson Engineers Inc. (Stetson) is pleased to provide San Gabriel Valley Municipal Water District (SGVMWD) with this proposal to prepare a "White Paper" regarding the potential use or take over of SGVMWD's Devil Canyon-Azusa Pipeline (DCAP) by Metropolitan Water District of Southern California (MWD). The DCAP currently consists of 38 miles of pipeline (from the Devil Canyon Power Plant Afterbay to the San Gabriel Canyon Spreading Grounds) as well as two metering stations, three pressure reducing stations, turnouts, one hydroelectric plant, flow control structures, and valve structures.

MWD is currently developing the Pure Water Southern California (Pure Water) project to provide up to 150 million gallons per day (MGD) of advanced treated recycled water from Los Angeles County Sanitation District's (LACSD's) Joint Water Pollution Control Plant. The Pure Water project would deliver purified water through approximately 60 miles of transmission pipelines to groundwater basins within MWD's service area, including the Main Basin (at the Santa Fe Spreading Grounds and the San Gabriel Canyon Spreading Grounds). These deliveries would help restore water levels in the Main Basin and reduce the need for imported water.

It is Stetson's understanding MWD is considering the potential use (e.g. through lease or purchase) of SGVMWD's DCAP as part of the delivery infrastructure for the Pure Water project. As a result, SGVMWD wishes to prepare a "White Paper" to review potential issues and financial impacts associated with MWD's potential use of the DCAP. The proposed Scope of Work below presents Stetson's approach and budget for preparing the White Paper for SGVMWD.



Mr. Darin Kasamoto
January 12, 2023
Page 2

Task 1 History/Background Information

Stetson will prepare a Technical Memorandum providing background information regarding SGVMWD's historical use of the DCAP. Stetson will discuss information including current uses, average deliveries of State Water Project (SWP) water, historical pipeline usage and downtime, and recent pipeline condition assessments/evaluations.

Stetson will provide a brief discussion on recent drought conditions and the impact on SWP allocations to SGVMWD. The discussion will also include information regarding historical and projected imported water demands within SGVMWD's service area (i.e. from Azusa Light and Water and the Cities of Alhambra, Monterey Park, and Sierra Madre). It is anticipated SGVMWD will use potential water supplies it may receive from MWD's proposed Pure Water project.

Stetson will also provide background information regarding MWD's proposed Pure Water Project including a discussion of the planning stages and current project status/planning. Stetson will summarize MWD's proposed plans for utilizing the DCAP and current studies on the DCAP.

Task 2 Proposed Uses of SGVMWD's DCAP

Stetson will prepare a Technical Memorandum discussing MWD's proposed uses of SGVMWD's DCAP. The DCAP currently delivers water east to west to the San Gabriel Canyon Spreading Grounds. However, MWD would potentially use the DCAP to deliver Pure Water project water supplies from west to east, including deliveries to water treatment plants owned and operated by MWD in the Cities of La Verne (Weymouth) and Yorba Linda (Diemer), by the Three Valleys Municipal Water District in the City of Claremont (Miramar), and/or by the Water Facilities Authority in the City of Upland (Agua de Lejos). Potential MWD deliveries will be verified with MWD.

Stetson will also discuss potential deliveries for SGVMWD by MWD. MWD may deliver SGVMWD's SWP allocation to the San Gabriel Canyon Basin / River through the Upper Feeder or deliver Pure Water to the San Gabriel Basin / River in exchange for SGVMWD's SWP allocation.

Task 3 Potential Immediate Impacts to SGVMWD

Stetson will discuss the potential immediate impacts to SGVMWD in the scenarios where MWD utilizes (e.g. through lease or purchase) the DCAP. Potential immediate impacts to SGVMWD may include the loss of revenue generated from the shutdown of the San Dimas hydroelectric power plant and the potential resulting changes in SGVMWD operations and maintenance staffing and budget.



Mr. Darin Kasamoto
January 12, 2023
Page 3

Task 4 Agreement for DCAP Use

Stetson will discuss potential agreement options and conditions between MWD and SGVMWD for the use (e.g. through lease or purchase) of the DCAP. A discussion on how MWD could deliver SGVMWD's SWP allocation will also be provided. Stetson will present a potential exchange program between SGVMWD and MWD in which Pure Water project water (if sufficient supplies are available) may be delivered in-lieu of delivery of SWP water for replenishment purposes. In addition, Stetson will discuss expected future maintenance and rehabilitation costs of DCAP. The pros and cons of MWD taking over DCAP will be presented and quantified to the extent information is available.

Stetson will review the permitting impacts on the existing wells located at the San Gabriel Canyon Spreading Grounds based on Pure Water project water being spread for groundwater replenishment, based upon current regulatory requirements. This will let SGVMWD know if spreading Pure Water in the San Gabriel Canyon Spreading Grounds is feasible. Stetson will include consideration of SGVMWD's purchasing surplus Pure Water when it is available. Stetson will also consider the MWD delivery priorities of SWP water supply and Pure Water project water, including Upper San Gabriel Municipal Water District, Three Valleys Municipal Water District, SGVMWD, USG-3, drought MWD allocations, MWD regulations/conservation goals, etc.

Task 5 Financial Scenarios

Stetson will discuss financial scenarios for MWD utilizing SGVMWD's DCAP and/or MWD taking ownership of the DCAP. Stetson will investigate the various ways in which MWD could pay for the DCAP use/take-over, including: purchasing, leasing, paying the MWD wheeling rate, shared benefits, etc. Furthermore, Stetson will discuss potential MWD liability/responsibility for future maintenance and/or replacement costs of the DCAP in the case MWD does not purchase the DCAP.

Stetson previously prepared the "DCAP Inventory and Management Plan", dated January 2014, in which the cost to replace the DCAP was estimated based on 2013 dollars. Stetson also estimated the replacement costs for the associated DCAP facilities (including two metering stations, three pressure reducing stations, turnouts, one hydroelectric plant, flow control structures, and valve structures). Remaining service life estimates for these DCAP facilities were also evaluated.

Stetson will update the pipeline and facility cost estimates from 2013 using current cost quotations from actual vendors and contractors, RS Means Building Construction Cost Data, and/or construction cost indices from Engineering News-Record (ENR). Stetson will update the remaining service life estimates for the pipeline and facilities using



Mr. Darin Kasamoto

January 12, 2023

Page 4

current ages and appropriate survivor curves provided by the California Public Utilities Commission. Stetson will prepare a current valuation of the DCAP facilities using a Reproduction Cost New Less Accrued Depreciation (RCNLD) method. Under this method, the cost of reproducing the facilities on the valuation date, identical to those being valued, is estimated. Accrued depreciation is then deducted from the current reproduction cost, based on the age and useful life of the existing facilities to account for depreciation accruing from the time that the facilities were constructed. This method recognizes the appreciation of value of the facilities from the time they were actually installed to the valuation date due to increased construction costs, and that all facilities in service or available for service have value.

Based on evaluations provided above, Stetson will provide an analysis of the costs (and avoided costs) associated with selling the DCAP, leasing the DCAP, operations and maintenance, rehabilitation, wheeling, purchasing Pure Water project, and purchasing SWP water. A summary of advantages and disadvantages will be provided based on MWD utilizing SGVMWD's DCAP and/or MWD taking ownership of the DCAP.

Task 6 Preparation of White Paper

Stetson will submit to SGVMWD the Technical Memorandums prepared under Tasks 1 through 5 for review and comment. Following review by SGVMWD, Stetson will incorporate comments received and compile the Technical Memorandums into a White Paper format. Stetson will provide conclusions and recommendations within the compiled White Paper.

Budget and Schedule

The estimated budget to complete the White Paper regarding the potential issues and financial impacts associated with MWD's use of SGVMWD's DCAP is \$45,000 and is based on the following task budgets:

• (Task 1)	History/Background Information	\$3,000
• (Task 2)	Proposed Uses of SGVMWD's DCAP	\$3,000
• (Task 3)	Potential Immediate Impacts to SGVMWD	\$3,000
• (Task 4)	Agreement for DCAP Use	\$6,000
• (Task 5)	Financial Scenarios	\$20,000
• (Task 6)	<u>Preparation of White Paper</u>	<u>\$10,000</u>
	TOTAL	\$45,000

The total estimated budget for this work assignment will not be exceeded without your approval. Stetson will invoice monthly in accordance with the attached Fee Schedule.



STETSON ENGINEERS INC.

Mr. Darin Kasamoto
January 12, 2023
Page 5

It is anticipated the draft White Paper detailed in Task 1 through Task 5 will be provided within eight (8) to ten (10) weeks following SGVMWD's notice to proceed. It is anticipated the draft White Paper will be provided within four (4) to six (6) weeks following receipt of comments from SGVMWD.

Thank you for considering Stetson's Scope of Work and Budget and this opportunity to assist San Gabriel Valley Municipal Water District. Please contact Mr. Steve Johnson at (626) 967-6202 if there are any questions or comments concerning Stetson's approach to the work assignment.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read 'S. B. Johnson', with a stylized flourish at the end.

Stephen B. Johnson
President/CEO
Stetson Engineers Inc.

Attachments



2171 E. Francisco Blvd., Suite K • San Rafael, California 94901
Phone: (415) 457-0701 • Fax: (415) 457-1638 • Website: www.stetsonengineers.com

Northern California • Southern California • Arizona • Colorado • Oregon

Standard Billing Rate Schedule Professional Fees

Principal	\$249.00	Per Hour
Special Project Director	\$249.00	Per Hour
Project Manager, Senior	\$216.00	Per Hour
Supervisor I	\$216.00	Per Hour
Supervising Soil Scientist	\$201.00	Per Hour
Supervisor II	\$201.00	Per Hour
Supervisor III	\$195.00	Per Hour
Senior I	\$173.00	Per Hour
Senior II	\$156.00	Per Hour
Senior III	\$141.00	Per Hour
Construction Manager	\$141.00	Per Hour
Construction Manager / Oversight	\$124.00	Per Hour
Senior Construction Inspector	\$124.00	Per Hour
Senior Field Geologist	\$141.00	Per Hour
Senior Associate	\$135.00	Per Hour
Associate I	\$129.00	Per Hour
Associate II	\$121.00	Per Hour
Associate III	\$116.00	Per Hour
Associate Soil Scientist	\$116.00	Per Hour
Senior Assistant	\$108.00	Per Hour
Assistant I	\$103.00	Per Hour
Assistant II	\$98.00	Per Hour
Assistant Soil Scientist	\$98.00	Per Hour
Assistant III	\$93.00	Per Hour
GIS Manager	\$129.00	Per Hour
GIS Specialist I	\$106.00	Per Hour
GIS Specialist II	\$96.00	Per Hour
Technical Illustrator	\$93.00	Per Hour
AutoCAD Technician	\$93.00	Per Hour
Soil Technician	\$81.00	Per Hour
Aide I	\$75.00	Per Hour
Aide II	\$65.00	Per Hour
Aide III	\$60.00	Per Hour
Project Coordinator I	\$141.00	Per Hour
Project Coordinator II	\$103.00	Per Hour
Project Coordinator III	\$93.00	Per Hour
Contract Management	\$108.00	Per Hour
Administrative I	\$75.00	Per Hour
Administrative II	\$70.00	Per Hour
Administrative III	\$65.00	Per Hour

Effective January 1, 2023

W A T E R R E S O U R C E P R O F E S S I O N A L S
S E R V I N G C L I E N T S S I N C E 1 9 5 7

Direct Expense Rates

Expense Description	Billing Rate
Mileage	\$* / Mile
Reproduction: Black & White (In-House)	\$0.15 / Page
Reproduction: Color - 8.5" x 11" (In-House)	\$0.89 / Page
Reproduction: Color - 11" x 17" (In-House)	\$1.89 / Page
Plotter Reproduction (In-House)	\$1.50 / Sq. Ft.
Survey Equipment	\$120.00 / Day

Notes:

- 1) * Mileage is billed at the current IRS approved mileage rate and may be subject to change.
- 2) Subcontractor services will be charged at cost plus 10% administration fee.
- 3) All other project reimbursable expenses (i.e. telephone, commercial transportation, meals, lodging, postage, outside reproduction, etc.) will be billed at cost.
- 4) Testimony fees are 150% of standard rates and apply to depositions, court time and time spent on stand-by at attorney's request. Travel time and preparation time is charged at standard rates. Stetson Engineers Inc. authorizes only staff at associate classification or higher to testify as expert witnesses.

Memorandum

To: San Gabriel Valley Municipal Water District Board of Directors

Cc: Darin Kasamoto, General Manager

From: Evelyn Reyes, External Affairs Manager

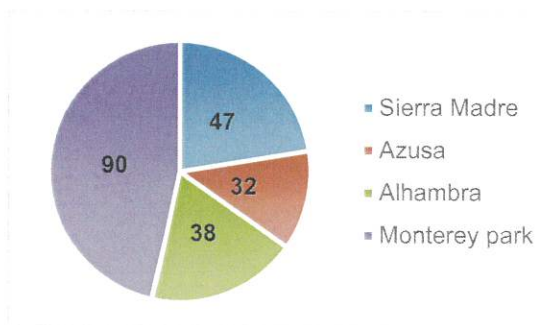
Date: January 18, 2023

Subject: External Affairs Report

Rebates:

	Rain Barrel	Washing Machines	High-Efficiency Toilets	Waterless Urinals	Smart Controllers	Sprinkler Nozzles	Soil Sensor	Flow Meter Monitor
	\$35	\$85	\$40	\$150	Up to \$80	\$2 – Min. 30	Up to \$80	Up to \$100
Monthly Total	5	5	0	0	0	0	0	0
FY 22/23 Total	24	28	25	0	11	30	1	3

Irrigation Direct Install Program:



Assessed Properties	251
Waiting Install	5
Total Installed	203

Avg. cost per property \$1,133.82

Upcoming Events:

City of Alhambra Lunar New Year Event: Sunday, January 29 at 9am

DWR's Urban Community Drought Relief Grant Program:

Hazen and Sawyer are scheduled to submit the grant application to DWR by January 31.

Meetings/events attended:

- San Gabriel Basin Watermaster Meeting
- Save Our Water Outreach Taskforce Meeting
- SGV COG Water Policy Committee Meeting
- PWAG Community Engagement Committee Meeting
- Meeting with California Advocates

**PUBLIC HEARING AND REGULAR MEETING OF
THE MAIN SAN GABRIEL BASIN WATERMASTER
JANUARY 4, 2023 AT 2:30 O'CLOCK P.M.**

Zoom Meeting ID link

<https://us02web.zoom.us/j/81825581890>

Meeting ID: 818 2558 1890

Password: 299152

<u>Agenda</u>	<u>Action/Notes</u>
1. CALL TO ORDER 2. PLEDGE OF ALLEGIANCE 3. ROLL CALL OF WATERMASTER MEMBERS 4. ELECTION OF OFFICERS [1] 5. PUBLIC HEARING ON WATERMASTER DRAFT 5-YEAR WATER QUALITY AND SUPPLY PLAN [1] 6. ADOPTION OF AGENDA [1] 7. TIME RESERVED FOR PUBLIC COMMENT 8. ITEMS REMOVED FROM CONSENT CALENDAR [1] 9. CONSENT CALENDAR [1] All items on Consent Calendar may be approved with single action. a) Minutes of a Regular Meeting of Watermaster held December 7, 2022 b) Lists of Demands c) Financial Statements, December 2022 10. REPLACEMENT WATER/SURCHARGE ACCOUNTING [1] 11. WATER QUALITY MANAGEMENT ACTIVITIES [1] a) Golden State Water Company, Section 28, "Application to Destroy Well" Saxon Well No. 3. 12. ATTORNEY'S REPORT [2] 13. ENGINEER'S REPORT [2] 14. EXECUTIVE OFFICER'S REPORT [2]	

15. REPORT FROM RESPONSIBLE AGENCIES [2]
16. OUTSIDE COMMITTEE LIAISONS [2]
17. INFORMATION ITEMS [2]
 - a) Temporary assignment or lease of 162.65 acre-feet of Production Right from Anton C. and Anita Garnier Family Trust to San Gabriel Valley Water Company for FY 2022-23
 - b) ACWA-JPIA "President's Special Recognition Award"
 - c) Transmittal of San Gabriel Valley Municipal Water District Monthly Report for November 2022
18. COMMENTS FROM WATERMASTER MEMBERS [2]
19. FUTURE AGENDA ITEMS [1]
20. CLOSED SESSION [1]

A closed session may be called to discuss pending or potential litigation.
21. ADJOURNMENT

LEGEND [1] INDICATES ACTION ANTICIPATED BY WATERMASTER ON THIS ITEM
 [2] INDICATES INFORMATION ITEM - NO ACTION ANTICIPATED

Chair Lynda Noriega Presiding

With passage and signing of AB 361 and in light of the ongoing Statewide State of Emergency originally declared by Governor Newsom on March 4, 2020, WQA Board Meetings will continue to be conducted via remote teleconferencing, subject to the requirements of Government Code Section 54953(e). Members of the public can participate remotely via Zoom following the instructions provided below. Members of the public may also submit comments in writing to Stephanie@wqa.com which comments will be distributed to the members of the Board, provided such written comments are received prior to the meeting start time. To address the Board during the meeting you may use the "raise hand" feature and you will be called upon when appropriate.

To attend the meeting please register in advance at:

<https://us06web.zoom.us/join/zoom-join?secret=7890&url=https://us06web.zoom.us/join/zoom-join?secret=7890>

A confirmation email will be sent to you with instructions on how to join the meeting virtually or a call-in option

**A REGULAR MEETING
OF THE
SAN GABRIEL BASIN WATER QUALITY AUTHORITY
AT
1720 W. CAMERON AVENUE, SUITE 100
WEST COVINA, CALIFORNIA**

WEDNESDAY, JANUARY 18, 2023 AT 12:00 P.M.

AGENDA

I. CALL TO ORDER

MUNOZ

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL OF BOARD MEMBERS

MORENO

Valerie Munoz, Chairwoman	_____	_____	(alt)
Mark Paulson, Vice-Chairman	_____	_____	(alt)
Bob Kuhn, Secretary	_____	_____	(alt)
Lynda Noriega	_____	_____	(alt)
Mike Whitehead	_____	_____	(alt)
Ed Chavez	_____	_____	(alt)
Robert Gonzales	_____	_____	(alt)

IV. PUBLIC COMMENTS (Agendized Matters Only):

MUNOZ

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.

V. ITEMS TOO LATE TO BE AGENDIZED - Recommended Action:

MUNOZ

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)

VI. ELECTION OF OFFICERS

CHAIRPERSON

- (a) Chairman
- (b) Vice-Chairman
- (c) Treasurer
- (d) Secretary

VII. APPOINTMENT OF COMMITTEE MEMBERS

CHAIRPERSON

- (a) Administrative/Finance Committee
- (b) Legislative/Public Information Committee
- (c) Special Legislative Ad Hoc Committee

VIII. WORKSHOP

SCHOELLERMAN

“Proposed Pumping Right Assessment Limitation Adjustment”

IX. CONSENT CALENDAR

CHAIRPERSON

(Consent items may all be approved by single motion) [enc]

- (a) Minutes for 12/21/22 Regular Board Meeting
- (b) Demands on Administrative Fund
- (c) Demands on Project Fund
- (d) Resolution No. 23-001 (AB 361)

X. COMMITTEE REPORTS

(These items may require action)

None.

XI. OTHER ACTION/INFORMATION ITEMS

CHAIRPERSON

(These items may require action)

- (a) Discussion Regarding Report on Cash and Investments for 4th Quarter 2022 [enc]
- (b) Adopt Resolution No. 23-002, Authorizing Board Officers to Contract for Services with Bank of the West [enc]
- (c) Draft San Gabriel Basin Groundwater Quality Management and Remediation Plan “§406 Plan” for 2023 [available prior to meeting]

- 1. Open of 30-day Public Comment Period

XII. PROJECT REPORTS

COLBY

- (a) Treatment Plants:

- 1. Baldwin Park Operable Unit
 - Arrow/Lante Well (Subarea 1)
 - Monrovia Wells
 - SGVWC B6 Plant

Status
Operational
Operational
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	Operational
	•	SGVWC Plant 11	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]

CHAIRPERSON

- (a) San Gabriel Basin Water Calendar

XVIII. FUTURE BOARD/COMMITTEE MEETINGS

CHAIRPERSON

- (a) The next Legislative/Public Information Committee meeting was scheduled for Wednesday, February 8, 2023 at 11:00 a.m.
- (b) The next Administrative/Finance Committee Meeting is scheduled for Tuesday, February 14, 2023 at 10:00 a.m.
- (c) The next WQA Board meeting is scheduled for Wednesday, February 22, 2023 at 12:00 p.m. ******
****Staff is recommending this change due to multiple Wednesdays in the month.**

XIX. CLOSED SESSION

CHAIRPERSON

- (a) Closed Session Pursuant to Government Code Section 54956.9(d)(4)
– Conference with Legal Counsel – Anticipated Litigation – One (1) potential matter

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.

Memorandum

To: San Gabriel Valley Municipal Water District Board of Directors

From: Darin Kasamoto General Manager

Date: January 17, 2023

Subject: General Manager's Report

1. SWP UPDATE

The Delta Conveyance Project (DCP) Public Draft EIR Comment Period is set to end on December 16, 2022.

See Handouts for current precipitation and snowpack,

2. MAIN SAN GABRIEL BASIN UPDATE

As of January 13, 2023, the Key Well is at 178.9 feet which is .6 feet lower than the level on December 2, 2022. The historic low is 169.4 feet.

3. GRANT PROGRAM UPDATES

Steve Bucknam is continuously evaluating grant opportunities. There is potential to apply for funding for the Foothill Water Coalition through the Bureau of Reclamation. The group will meet on December 13 to discuss the next steps. Funding for District and member cities' projects could also be incorporated into the Foothill Water Coalition project list. John Robinson is completing a feasibility study on recycled water opportunities in Monterey Park and Alhambra to potentially apply for federal funding through the Bureau of Reclamation. The District will apply for a State Grant through DWR for Turf Replacement, supplement existing rebate programs, supplement direct install programs, and education programs. The grant application will also include some well projects from the four cities. The application is due January 31, 2023, and has a minimum request of \$3 million.

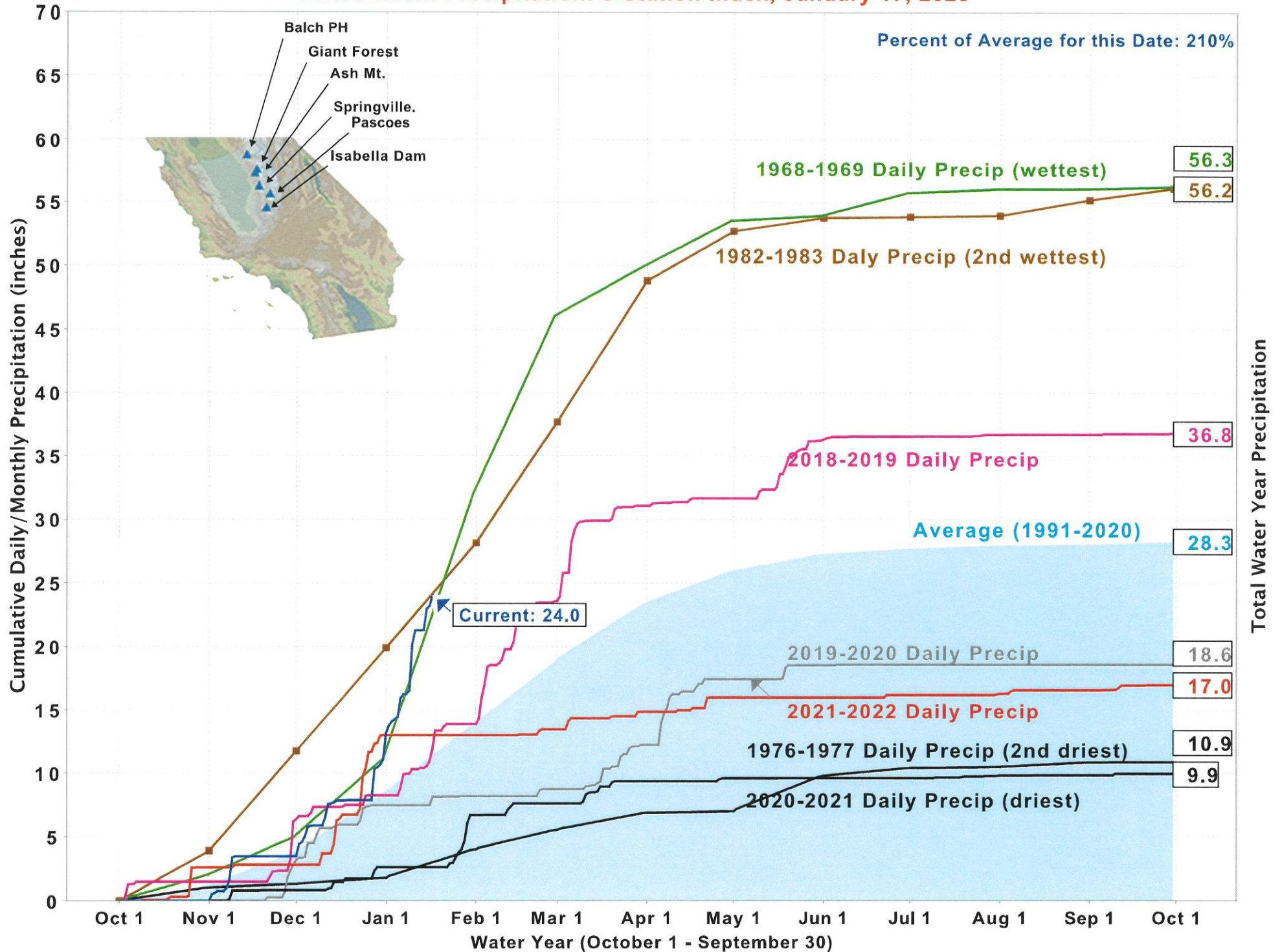
4. MANAGEMENT ISSUES

The Letter of Intent for the Regional Recycled Water Project has been approved by all parties. I have had a follow-up with MWD on the next steps, and they want to look into the use of SGVMWD's existing infrastructure to add flexibility to the project. We have sent all of the information requested by MWD for them to begin this analysis. The preliminary analysis performed by MWD indicates that it is physically possible to use our pipeline to get water to the treatment plant in LaVerne. I have requested Stetson Engineers to develop a proposal to analyze the benefits and potential downside of this proposal. The proposal should be presented at the January 2023 board meeting.

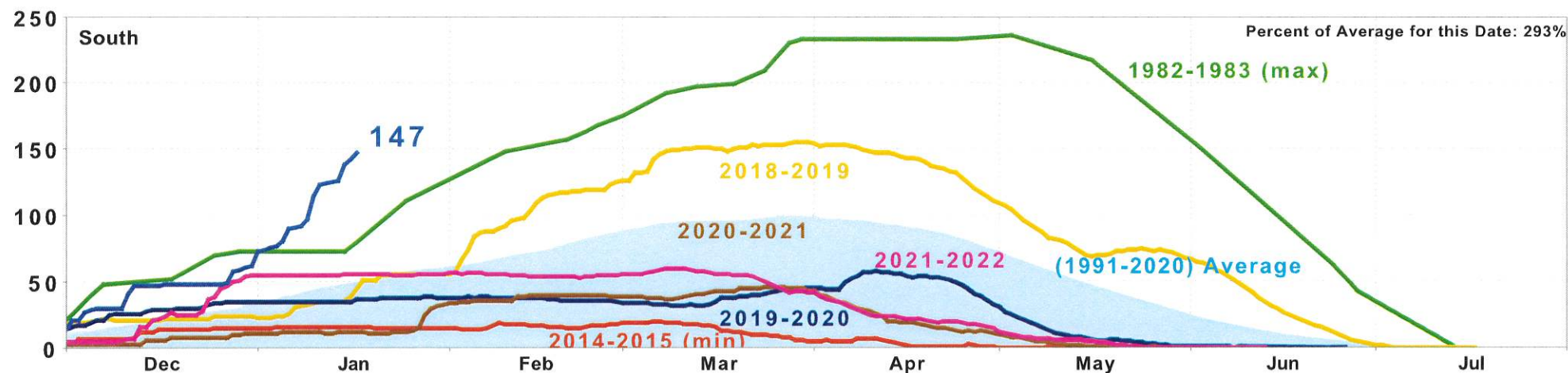
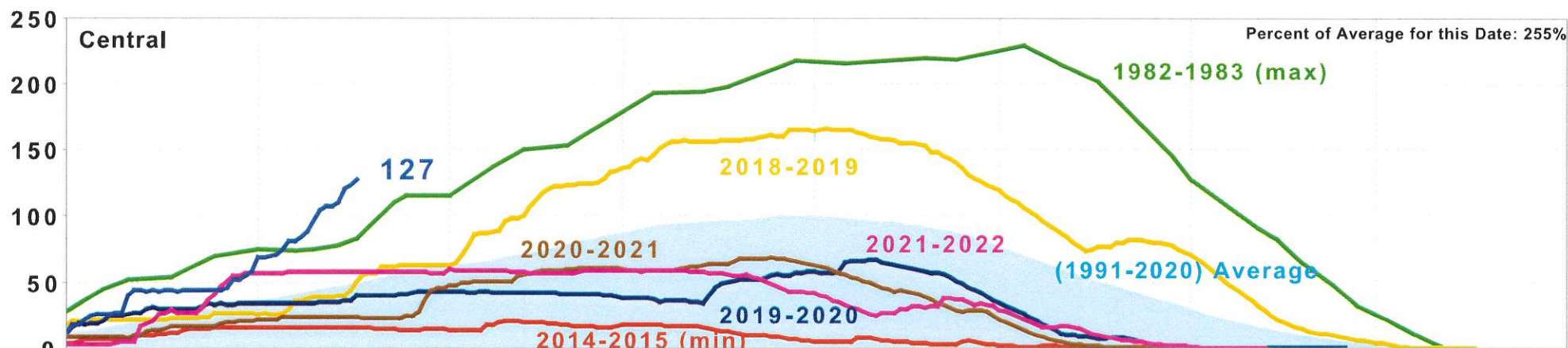
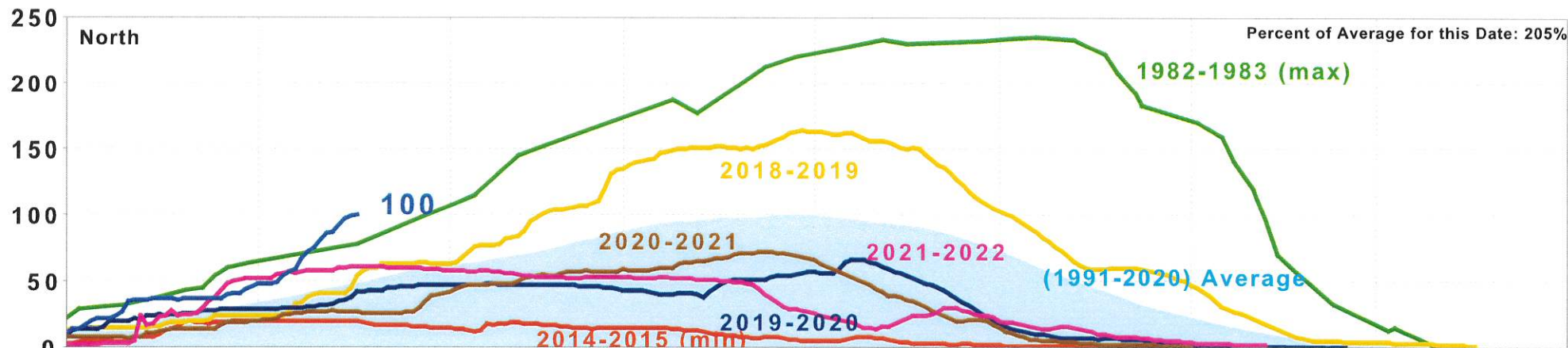
The Auditors have wrapped up field work and should have a draft audit for presentation at the January board meeting.

We will work with California Advocates to plan a trip to Sacramento to meet with our state legislators.

Tulare Basin Precipitation: 6-Station Index, January 17, 2023



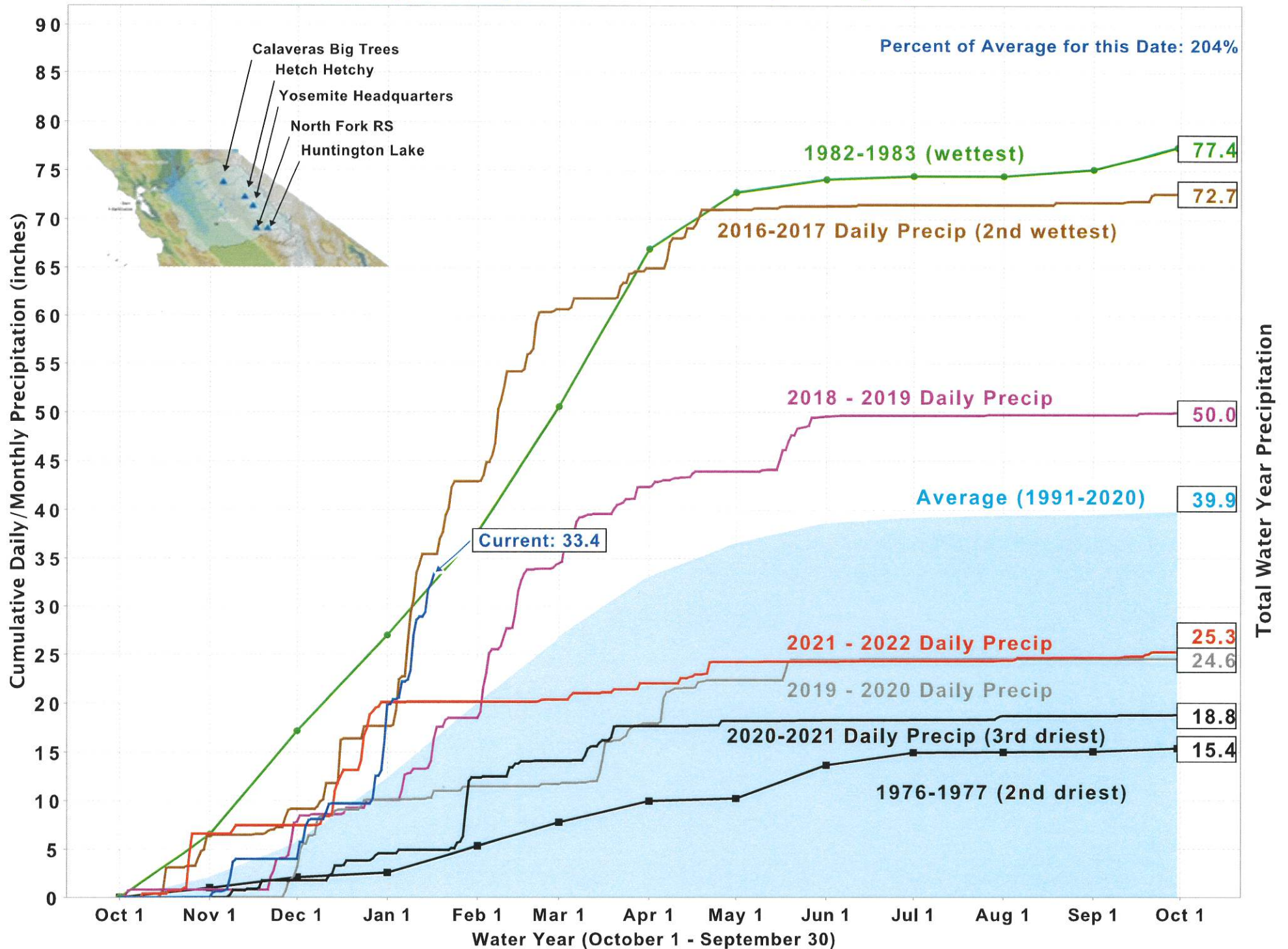
California Snow Water Content, January 17, 2023, Percent of April 1 Average



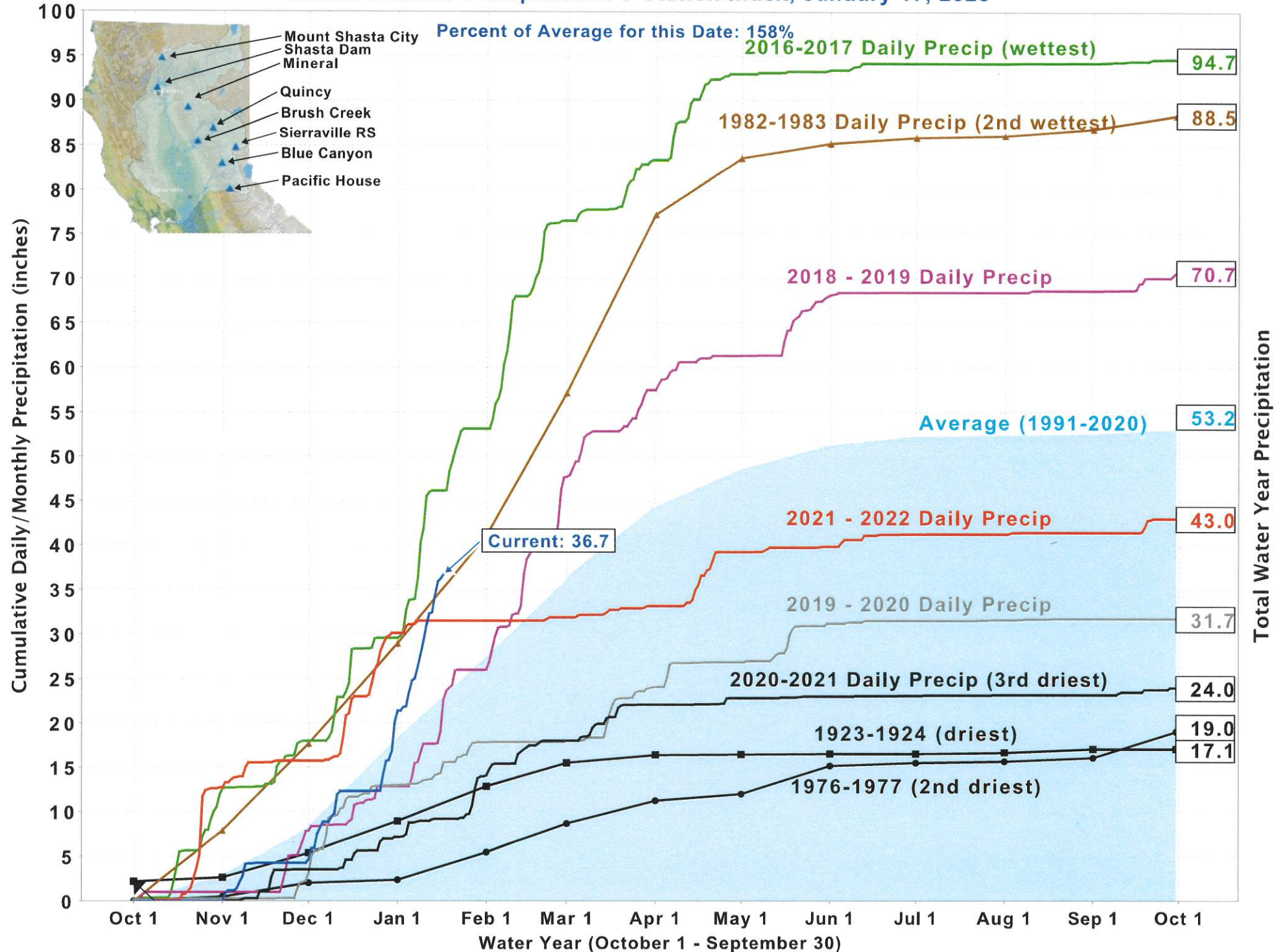
Statewide Percent of April 1: 124%

Statewide Percent of Average for Date: 251%

San Joaquin Precipitation: 5-Station Index, January 17, 2023



Northern Sierra Precipitation: 8-Station Index, January 17, 2023



Memorandum

To: San Gabriel Valley Municipal Water District Board of Directors

From: Steve Kiggins, Assistant General Manager

Cc: Darin Kasamoto, General Manager

Date: January 18, 2023

Subject: Assistant General Manager's Report

1. Total water delivered in December 2022: 129 AF. SGVMWD's allocation for CY 2023 is 1,440 AF (5% of 28,800 AF); SGVMWD has 1,440 AF available for delivery.
2. Total deliveries to cyclic storage CY 2022: 1,365 AF. Cyclic storage balance as of November 30, 2022: 3,066.26 AF. Amount of water banked on behalf of Dudley Ridge Water District: 14,209 AF.
3. January 2023 delivery forecast: A 6 CFS delivery to Covina Irrigating Company (CIC) on behalf of Three Valleys Municipal Water District (TVMWD) was initiated January 17, 2023.
4. Project Updates:
 - A. DCAP SCH I MODIFICATIONS FOR PIPELINE CONDITION ASSESSMENT: PICA Corp. staff should now have the structural assessment report from the engineering contractor. This final report should include failure risk analysis and repair prioritization recommendations.
 - B. HYDROELECTRIC FACILITY 24" BUTTERFLY VALVE REPLACEMENT: (No change) The contractor is in the process of acquiring the replacement valve and actuator.
 - C. SAN GABRIEL FLOW CONTROL STRUCTURE 30" BALL VALVE REPLACEMENT: (No change) Delivery is expected in March / April 2023.
5. Assistant General Manager meetings and activities:
 - A. Reviewed PICA Corp. Final Inspection Report and submitted notes to Civiltec for review
 - B. Attended weekly SWC/DWR Operations Update meetings
 - C. Coordinated and assisted Operations staff with unscheduled North Azusa Connection delivery to Covina Irrigating Company
 - D. Attended WQA Board Meeting
 - E. Attended Raymond Basin Management Board Meeting