

SAN GABRIEL VALLEY MUNICIPAL



WATER DISTRICT

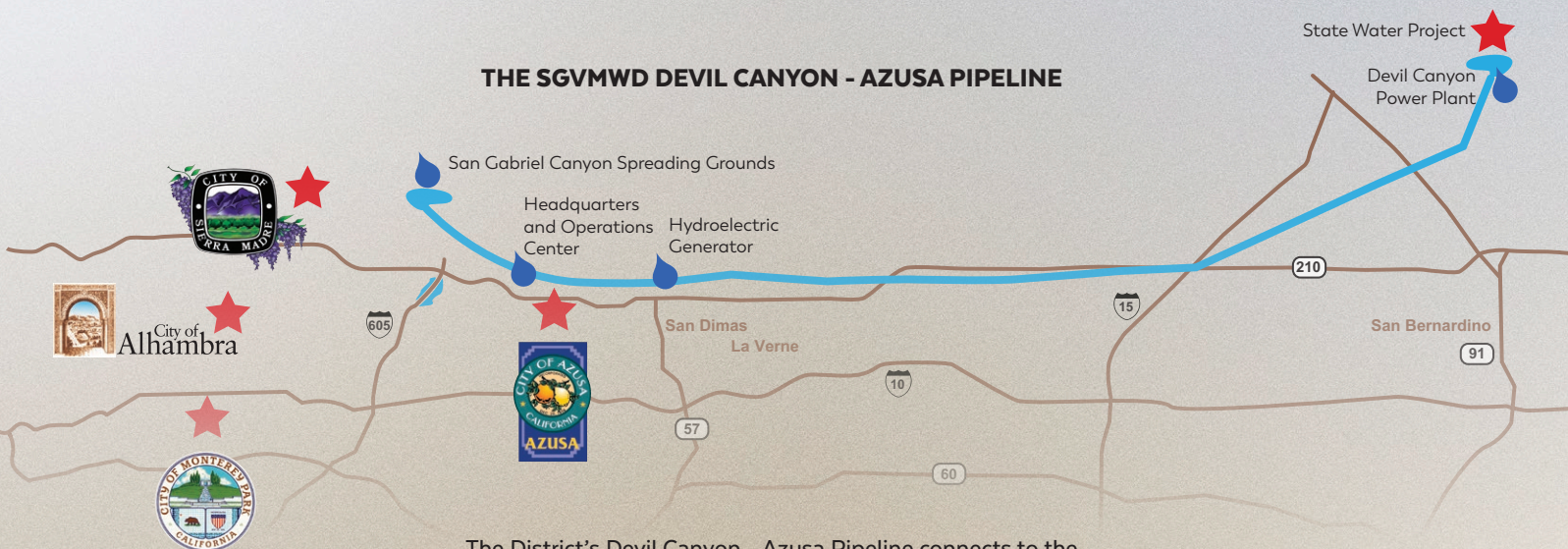
AZUSA | SIERRA MADRE | MONTEREY PARK | ALHAMBRA

MEETING THE CHALLENGES OF DROUGHT, CLIMATE CHANGE AND DECREASED
LOCAL GROUNDWATER AND IMPORTED WATER SUPPLIES...

2021-2022 ANNUAL REPORT

BY BUILDING AND MAINTAINING WATER INFRASTRUCTURE
AND A CONSERVATION ETHIC

THE SGVMWD DEVIL CANYON - AZUSA PIPELINE



The District's Devil Canyon - Azusa Pipeline connects to the
State Water Project and delivers imported water to supplement
groundwater supplies in the Main San Gabriel Basin

THE DISTRICT'S COMMITMENT

We are in the third consecutive year of drought statewide and in the Main San Gabriel Basin, with declining water supply conditions. This current drought is part of a decade-long drought scenario punctuated by two wet years. Past planning and investment are protecting us from worst-case scenarios of water supply interruptions, large price hikes and mandatory restrictions, but we must continue to develop diversified and resilient water supply solutions and instill conservation as a way of life.

In 2020, the District committed \$2.68 million to support planning for the Delta Conveyance Project to make imported water from the Sacramento-San Joaquin Delta more sustainable. We believe the seemingly constant reality of supply uncertainty and reductions is untenable as we await a concrete return on that investment.

Locally, groundwater supplies that provide 80% of the water we use are again approaching the all-time low level recorded in late 2018. The decline is due to reduced storm water run-off into the Main San Gabriel Basin, reduced State Water Project imported water deliveries and, unfortunately, lower than desired conservation levels.

In 2020, the District approved more than \$8 million in loans and grants to our member cities for water infrastructure, conservation, and pandemic relief projects. As a result, a new PFAS water treatment system in Monterey Park, and water main and water well construction projects in Sierra Madre are underway.

To further develop alternative sources of water supply, the District built on last year's Dudley Ridge Agreement to enter into a Letter of Intent to participate in the Pure Water Southern California recycled water project created by the Metropolitan Water District and Los Angeles County Sanitation Districts. And a strategic facilities maintenance program and condition assessment of the District's Devil Canyon-Azusa Pipeline is well underway.

Our commitment to our member cities is further evidenced by our decisions to keep our tax rate unchanged and to keep wholesale water rates at \$200/acre-foot, the lowest rate in the Basin, since the 2017-2018 fiscal year. We look forward to partnering with residents and businesses in our member cities, as well as leaders at all levels of government to adapt to long-term climate change and to sustain investments that ensure drought and water supply resilience for the communities we serve.



Thomas Wong,
Board President



Darin Kasamoto,
General Manager

WHY WE MUST BUILD LONG-TERM WATER SUPPLY RESILIENCE

CLIMATE CHANGE

In a recent Op-Ed, *Rising to the Climate Challenge*, Board President Thomas Wong noted California faces a confluence of climate-related crises, including drought, extreme heat, decreased water supplies, wildfires, and flooding. Wong added, "We must build out more resilient sources of water supply if our region is to thrive in the decades to come, including accelerating and expanding investments in water recycling, stormwater capture, and water use efficiency..."

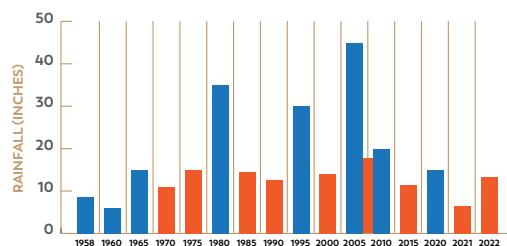
Climate models relied upon by hydrologists forecast that increasingly hot and long drought periods, and less frequent but potentially damaging precipitation events, will characterize our weather in the future.



Drought-Impacted San Gabriel Reservoir

DROUGHT IS NORMAL

SIX DROUGHT CYCLES SINCE 1970
Rainfall in the San Gabriel Valley
Long-Term Average = 18.5 Inches

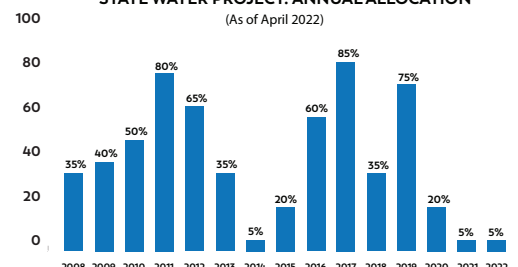


We are experiencing our 6th drought since 1970. While the Valley averages about 18 inches of rain per year, that statistic is misleading as the vast majority of our "rain years" have below average rain totals. Increasingly, our rain "events" are severe storms that add to our rainfall total, but do not help our water supply as much as desired due to dry soils, thirsty vegetation and hot temperatures that cause runoff to evaporate or be absorbed near ground level prior to reaching groundwater supplies.

DECREASED AND FLUCTUATING WATER SUPPLIES

Groundwater levels in the Main San Gabriel Basin have declined to their lowest levels since January 2019 and are approaching record low levels set in late 2018. The volatility of supplies is further illustrated by the State Water Project (SWP) where allocations were forecast to be zero late in 2021, were increased to 15% in January 2022 but were reduced to 5% in March 2022 after the driest first quarter in California history. Reductions in imported water deliveries deprive the Main San Gabriel Basin of water used to supplement declining groundwater supplies.

STATE WATER PROJECT: ANNUAL ALLOCATION
(As of April 2022)



BUILDING AND MAINTAINING OUR WATER INFRASTRUCTURE

STATE WATER PROJECT (SWP)

The District is one of 29 State Water Contractors. SWP infrastructure spans the length of California and connects to the District's Devil Canyon-Azusa Pipeline which enables up to 28,800 acre-feet of imported water per year to flow from northern California to replenish local groundwater supplies in the Main San Gabriel Basin. In 2020, the District committed \$2.68 million to help plan the Delta Conveyance Project. The Project proposes to increase the reliability of our imported water supplies. It features water-diversion facilities and tunneling beneath the Delta, the hub of two-thirds of California's water supply.

Sacramento-San Joaquin Delta



LOCAL AND REGIONAL WATER SUPPLY RELIABILITY PROJECTS

The District partners with a variety of water agencies to ensure the safety and reliability of the water we use in the San Gabriel Valley. Several recent District initiatives have helped diversify the sources of water available to the District and its member cities:

- In February 2022, the District adopted a Letter of Intent (LOI) to participate in the Pure Water Southern California recycled water project being developed by the Metropolitan Water District of Southern California and the Los Angeles County Sanitation Districts. The Project, now in the environmental planning stage, has the potential to add 6,000 AF per year to the District's water portfolio and to double the amount of purified, cleaned wastewater produced in the area within a decade.
- The District is nearing completion of a condition assessment that will test the integrity and condition of 4.3 miles of the District's Devil Canyon-Azusa Pipeline in Glendora. The Project will yield data and analysis to guide future maintenance, improvements, and funding decisions.

MEMBER CITIES' INFRASTRUCTURE PROJECTS

In 2020 and 2021, the District provided more than \$8 million of grants and zero-interest loans to member cities. Sierra Madre utilized an approximate \$2 million zero-interest loan to construct several water main replacements. Sierra Madre also received a nearly \$1.9 million grant to help fund a joint well (with Arcadia) to enhance its water supply by providing a direct connection to the Main San Gabriel Basin; the project is nearing the start of construction and will be completed in the next few years. Monterey Park utilized a \$4 million zero-interest loan to help fund a \$6 million CGTS/PFAS Water Treatment System, one of the first such systems in California to remove PFAS contamination from drinking water.

Construction of Water Treatment System in Monterey Park Nears Completion



BUILDING AND MAINTAINING A CONSERVATION ETHIC

An enduring element of the District's and the Main San Gabriel Basin's water supply strategy is to increase water conservation levels and establish a long-term ethic of water conservation as a way of life. In the most recent drought, the State imposed mandatory water use restrictions and the San Gabriel Valley came together and achieved water conservation levels exceeding 15%.

Unfortunately, residents locally and statewide did not sustain those lofty conservation levels. As recently as the first quarter of 2022, water usage was increasing, and water conservation levels were decreasing. Thus, the State imposed a voluntary water use restriction goal of 15% and required urban water suppliers to implement "Level 2" demand reduction actions, per their Water Shortage Contingency Plans. Mandatory water use restrictions remain a possibility.



DROUGHT AWARENESS PARTNERSHIP WITH MEMBER CITIES

The foundation of the District's water conservation and public education program is a working partnership with our member cities. Each year, we jointly plan and implement drought awareness projects such as educational street banners, community events, local newspaper ads, business outreach, and outreach to Asian and Spanish speaking residents.



INCENTIVES FOR WATER CONSERVATION

The District offers a conservation program which combines grants, rebates and other incentives. Outreach is focused on youth, schools, homeowners, apartment owners and residents, and employers. Key tools include the H₂Owl mascot, the O.W.L. Grant program, personalized educational materials, videos, and a new website.



A new financial incentive is a "direct install" irrigation retrofit program, valued at about \$1,000 per participant, which enables residents to install or upgrade their smart irrigation controllers and outdoor irrigation systems.

Director Thomas Wong with students and club advisor from Alhambra E.R.A.S. Club at City of Alhambra Eco-Fair.

2021-2022 HIGHLIGHTS

JULY 2021

Rainfall year ending June 30, 2021 totaled 6.49 inches of rain (37% of normal)

Governor Newsom calls for 15% voluntary water use reductions statewide

AUGUST 2021

"Saving Water...it's a Good Thing!" selected as District's drought messaging theme

SEPTEMBER 2021

Board President Thomas Wong authors opinion editorial entitled, "Rising to the Climate Challenge"

OCTOBER 2021

Drought emergency extended statewide

NOVEMBER 2021

Zero percent State Water Project allocation planned for 2022

JANUARY 2022

State Water Project allocation increased to 15%

State adopts urban water use regulations to help reduce water wasting

FEBRUARY 2022

Board adopted Letter of Intent to participate in the Pure Water Southern California recycled water project

MARCH 2022

January through March 2022 is driest first quarter in California history

State Water Project allocation reduced to 5%

APRIL 2022

Drought worsens; conservation levels lag behind State's 15% voluntary reduction goal

MAY 2022

1.3 million dollar pipeline condition assessment underway

JUNE 2022

Board approves Resolution calling for greater water use restrictions and increased water conservation

2021-2022 OPERATIONAL DATA

STATE WATER PROJECT DELIVERIES



1,440 ACRE-FEET (AF)
(5% of contracted allocation)

One AF of water (one acre of land at one-foot depth) is 326,000 gallons, the amount of water used by 2-3 households per year.

GRANTS



\$35,048
for non-profit O.W.L.
Conservation Grants

REBATES

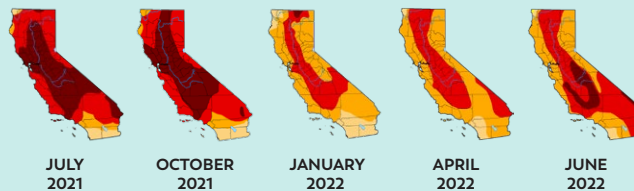


\$114,470
in rebates and irrigation
retrofits distributed

2021-2022 WATER SUPPLY CONDITIONS

CALIFORNIA DROUGHT

None Abnormally Dry Moderate Drought Severe Drought Extreme Drought Exceptional Drought



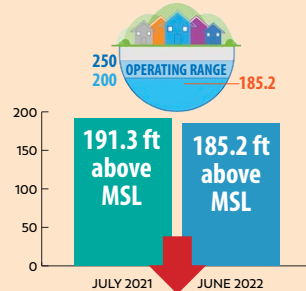
LOCAL RAINFALL: 13.4 INCHES



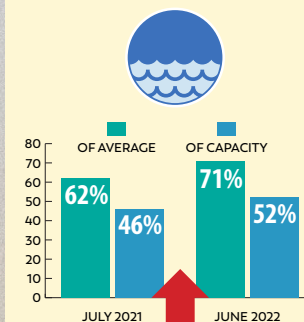
77%
OF NORMAL

* Source: L.A. Almanac
(measured July 1, 2021 through June 30, 2022)

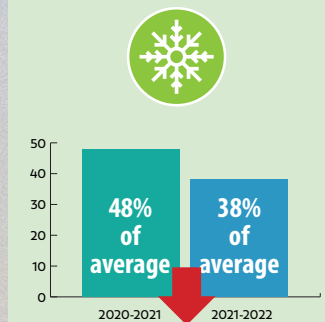
GROUNDWATER LEVEL in the Main San Gabriel Basin



STATEWIDE RESERVOIRS



STATEWIDE SNOWPACK



MISSION STATEMENT

The San Gabriel Valley Municipal Water District provides reliable supplemental water for the communities of Alhambra, Azusa, Monterey Park and Sierra Madre in a cost-effective and environmentally responsible manner.



Mark R. Paulson,
Vice President
Division I - Alhambra



Steven T. Placido, DDS,
Secretary
Division II - Alhambra
and Monterey Park



Thomas Wong,
President
Division III - Monterey Park



Miles L. Prince,
Treasurer
Division IV - Sierra Madre



Bruce H. Knoles
Director
Division V - Azusa