

**A REGULAR MEETING OF THE BOARD OF DIRECTORS  
UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT  
602 E. HUNTINGTON DRIVE, SUITE B, MONROVIA, CA 91016  
8:00 A.M. – DECEMBER 8, 2021**

**SPECIAL NOTICE  
Teleconference Accessibility**

*Pursuant to AB-361 issued by Governor Newsom in response to the COVID-19 pandemic, the Upper District will hold its board meeting via teleconference or the most rapid means of communication available at the time. Instructions to participate in the teleconference are below:*

**Zoom Meeting Link**  
<https://us02web.zoom.us/j/84284379726>

**Meeting ID: 842 8437 9726**

**Telephone Dial:**  
**1 (669) 900-6833 US**

**Meeting ID: 842 8437 9726**

*Public comments may be made through teleconference when prompted by the President during the public comment period. Public comments may also be provided by emailing [venessa@usqvmwd.org](mailto:venessa@usqvmwd.org) in advance of the meeting. Please indicate "PUBLIC COMMENT" in the subject line.*

*If you have difficulty connecting to the teleconference line, please call (626) 443-2297 or email [ruben@usqvmwd.org](mailto:ruben@usqvmwd.org). It may take a few minutes to join Zoom or connect via telephone so please join early.*

**AGENDA**

1. PLEDGE OF ALLEGIANCE
2. ROLL CALL OF BOARD OF DIRECTORS
3. ADOPTION OF AGENDA [1]
4. PUBLIC COMMENT  
Anyone wishing to discuss items should do so now. The Board of Directors may allow additional input during the meeting. A three-minute time limit on remarks is requested.
5. COMMITTEE REPORTS [2]
  - (a) Water Resources and Facility Management (Treviño, Chair – Garcia, Vice-Chair)  
*Minutes of meeting held on December 1, 2021 enclosed.*
  - (b) Government Affairs and Community Outreach (Fellow, Chair – Treviño, Vice-Chair)  
*Minutes of meeting held on December 6, 2021 to be distributed at the meeting.*
6. CONSENT CALENDAR [1]
  - (a) Minutes of a special meeting of the Board of Directors held on November 17, 2021 at 8:00 a.m.
  - (b) List of Demands.
  - (c) Financial Reports – October 2021.
    1. Financial Statements.
    2. Director's Public Outreach.

- (d) Adopt Resolution No. 12-21-630, Re-ratifying the Proclamation of a State of Emergency by Governor Newsom, and Reauthorizing Remote Teleconference Meetings.
- (e) Receive and file the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021.

7. ACTION/DISCUSSION ITEMS [1]

- (a) Update on San Gabriel Basin Water Quality Authority Activities

Recommendation

This item is for information only. No action is anticipated.

- (b) Award of Construction Contract for Upper District's Tenant Improvement Project  
(*Staff memorandum enclosed.*)

Recommendation

The Water Resources and Facility Management Committee recommends that the Board of Directors accept the bid submitted by the lowest responsive bidder, E. Avico, Inc., in the amount of \$2,685,956.00 and authorize the General Manager to execute a contract and Notice to Proceed, subject to District Counsel review, to perform the required work.

- (c) Award of Water Education Grants for FY 2021-22 (*Staff memorandum enclosed.*)

Recommendation

The Government Affairs and Community Outreach Committee met on December 6, 2021 and will provide its recommendation to the Board of Directors at the meeting.

Staff recommends that the Board of Directors approve either option 1 or option 2 below and direct staff accordingly.

Option 1

Fund 12 grants for water education programs per Upper District's FY 20-21 Water Education Grant Program for a total amount of \$9,951.66.

Option 2

Fund 28 grants for water education programs per Upper District's FY 20-21 Water Education Grant Program for a total amount of \$22,672.68.

- (d) Revision of the 2021-22 Legislative Policy Principles. (*Staff memorandum enclosed.*)

Recommendation

The Government Affairs and Community Outreach Committee met on December 6, 2021 and will provide its recommendation to the Board of Directors at the meeting.

Staff recommends that the Board of Directors revise the 2021-22 Legislative Policy Principles and authorize the General Manager and/or the Director of Government Affairs to direct advocacy consultants on positions consistent with these principles.

(e) Metropolitan's Demand Management Cost Recovery and Funding Mechanism

Recommendation

Staff recommends that the Board of Directors discuss this matter and direct staff accordingly.

8. INFORMATION ITEMS (These items are for the information of the Board of Directors and require no action) [2]
  - (a) Press Releases and News Articles.
9. ATTORNEY'S REPORT [2]
10. ENGINEER'S REPORT [2]
11. GENERAL MANAGER'S REPORT [2]
12. METROPOLITAN REPORT [2]
13. WATER QUALITY AUTHORITY REPORT [2] -
14. WATERMASTER REPORT [2]
15. AB 1234 COMPLIANCE REPORT [2]
16. DIRECTOR'S COMMENTS [2]
17. FUTURE AGENDA ITEMS [1]
18. ADJOURN TO CLOSED SESSION – None.
19. ADJOURNMENT - To a regular meeting of the Board of Directors to be held on January 12, 2021 at 8:00 a.m. via teleconference or the most rapid means of communication available at the time.

LEGEND: [1] INDICATES ACTION ANTICIPATED BY BOARD OF DIRECTORS ON THIS ITEM  
[2] INDICATES INFORMATION ITEM - NO BOARD ACTION NECESSARY

**PRESIDENT ED CHAVEZ, PRESIDING**

**American Disabilities Act Compliance** *(Government Code Section 54954.2(a))*



To request special assistance to participate in this meeting, please contact the Upper District office at (626) 443-2297 or [valeria@usgvmwd.org](mailto:valeria@usgvmwd.org) at least 24 hours prior to meeting.







# MEMORANDUM



## 5. (a) COMMITTEE REPORTS

December 1, 2021

**TO: BOARD OF DIRECTORS**

**FROM: WATER RESOURCES AND FACILITY MANAGEMENT COMMITTEE**

**SUBJECT: MINUTES OF THE WATER RESOURCES AND FACILITY MANAGEMENT COMMITTEE AND SPECIAL MEETING OF THE BOARD OF DIRECTORS - DECEMBER 1, 2021**

**SPECIAL NOTICE - Teleconference Meeting**

*Pursuant to Executive Order N-29-20 issued by Governor Newsom in response to the COVID-19 pandemic, this meeting was held via teleconference.*

<b>ATTENDANCE:</b>	<b>Charles Treviño (Chair)</b>	Evelyn Rodriguez	Steve Johnson	Jenny Savron
	<b>Katarina Garcia (Vice Chair)</b>	Venessa Navarrette	Jeff Helsley	Tara Robinson
	Jennifer Santana	Ruben Gallegos	Keith Nobriga	
	Tom Love	Nichol Delgado	Nathan Chen	
	Patty Cortez	Jennifer Aguilar	Frank Cuomo	

**1. Call to Order.**

**2. Public Comment. None.**

**3. Award of Construction Contract for the New Building Tenant Improvement Project.**

The General Manager provided the Committee with an update on the bids that were opened on November 23, 2021, after a five-week bidding period. He stated that all three pre-qualified bidders submitted bids which ranged from \$2.6M to \$3.8M. The General Manager shared that the initial published architect estimate was \$2.3M - \$2.6M. He reported that the lowest bidder was E. Avico, Inc. in the amount of \$2,685,956 and that all of their bid documents have been verified. The General Manager recommended that the project be awarded to E. Avico, Inc.

Director Treviño requested that Frank Cuomo from WLC Architects provide his recommendation. Mr. Cuomo stated that he has worked with this company and that they have done acceptable work in the past.

Following discussion, the Water Resources and Facility Management (WRFM) Committee recommended that the bid proposal from E. Avico, Inc. be approved by the Board.



**4. Water Supply Update.**

The General Manager reported that the State Water Project (SWP) allocation was just announced at 0%, the lowest allocation in history. He added that without rain or snow in Northern CA, this allocation will provide some issues. The General Manager turned the presentation over to Keith Nobriga, the Metropolitan Water District (MWD) staff coordinating all our deliveries through USG-3, to provide additional information on the water supply.

Mr. Nobriga shared that Lake Oroville, which is the indicator for the state allocation, is at a record low. He stated that the rain received in late October 2021 was helpful in bringing up the water levels, but there would need to be five or six more storms of this magnitude to bring the levels up to last year's.

Director Treviño asked if the Delta outflow was able to be captured. Keith clarified that there are avenues to do that, but they are in progress and not able to be utilized at this time.

Mr. Nobriga continued with information related to SWP storage and SWP demands from MWD. He shared that 2021 is estimated to be very similar to that of 2014, so there is a correlation between the two years of drought beginning. He shared that the Los Angeles Department of Water and Power shifted 19 TAF, Three Valleys Municipal Water District shifted 1 TAF and deferred 2 TAF, and Upper District deferred 40 TAF of water to help with the current SWP shortage. Mr. Nobriga shared that the health and safety needs will be met within the 0% allocation and there is hope that if levels go up within the SWP, there may be a change to the allocation in the coming months.

The General Manager discussed the option of reverse cyclic storage which allows Upper District to pay for the water at the current rate with delivery deferred to a future date. He shared that he would provide an update to this information after further discussion with Watermaster.

**5. Cyclic Storage and Payment Schedule Update.**

The General Manager reported that Upper District received the official order from Watermaster last week for 64 TAF. He shared that of that 64 TAF, 25 TAF will come out of the MWD cyclic storage account from 2017 and 2019 to keep the order at this year's rate. He reported that there are about 6 TAF of wet water going into the canyon basins through December 31<sup>st</sup> and if local conditions remain dry, another 6 TAF will continue to be delivered through the beginning of 2022. The General Manager stated that the remaining 26 TAF will be a future delivery when supplies become available. He shared that the preference would be for the remaining deliveries to be SWP should rain occur in the north or Colorado River Water (CRW) becomes available. He reported that if that does not happen and it remains dry, then the key well could hit historic lows in September 2022. The General Manager and the District Engineer confirmed that this projection uses 200 TAF groundwater production estimated based on dry conditions and needs of the region.

The General Manager mentioned that due to the MWD policy on cyclic storage, the 2017 deliveries need to be purchased by 2021 and 2019 deliveries need to be purchased by 2023. He shared that Upper District is requesting to enter into a new cyclic storage agreement that would increase the term to 10 years and the amount of storage cap. He believes that this item should be ready for board approval in early 2022.

Director Santana asked about the deferred amount in deliveries and how that is affecting the basin levels. The General Manger explained that as producers keep pulling water from the basin and wet water deliveries cannot come through to replenish the basin, the key well level will drop down through the winter months rather than rising back up. He mentioned that some specific locations struggle to produce when the key well gets too low and that can create larger issues for those producers. The General Manager mentioned that while this might be the case with SWP right now, Upper District is not waiting for SWP to receive rain. He stated that Upper District is working diligently on a quagga mussel mitigation plan that would allow CRW deliveries to meet the needs. He shared that it may be possible to work through the alternative options for CRW to meet the needs should that be necessary.

**6. Oral Reports – Upper District/MWD IRP Update**

The General Manager reported that MWD staff appears to be nearing the end of the process for their integrated resources plan (IRP). He shared that the current SWP situation has been a significant wake-up call during the IRP process, especially for those agencies that rely solely on SWP to meet their demand. He stated that the IRP is currently working its way through the MWD board and committees, and it will be brought to another WRFM meeting in the future once MWD has something complete. The General Manager reported that the Upper District's IRP has been placed on hold while MWD finished their process but plans to reinstate the Upper District IRP soon after MWD's is concluded.

**7. Other Matters.**

None.

**NEXT MEETING: Wednesday, February 2, 2022, at 4:00 p.m.**

**cc: General Manager**

**A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT  
602 E. HUNTINGTON DRIVE, SUITE B, MONROVIA, CALIFORNIA 91016  
8:00 A.M. – November 17, 2021**

Pursuant to Executive Order N-29-20 issued by Governor Newsom in response to the COVID-19 outbreak, the Upper District held a regular meeting of the Board of Directors via zoom teleconference on November 17, 2021, at the hour of 8:00 a.m.

**ROLL CALL**

**DIRECTORS PRESENT:** Chavez, Treviño, Garcia, and Fellow.

**DIRECTORS ABSENT:** Santana.

**STAFF PRESENT:** Tom Love, General Manager; Martin Koczanowicz, District Counsel; Steve Johnson, Consulting Engineer; Evelyn Rodriguez, Director of Finance and Administration; Venessa Navarrete, Executive Assistant; Nichol Delgado, Community & Government Affairs Representative; Ruben Gallegos, Project Assistant; Priscilla Lu, Accounting/Financial Analyst; and Jennifer Aguilar, Water Use Efficiency Analyst.

**OTHERS PRESENT**

Jenny Savron, David Muse, Anthony Alberti, Dan Arrighi, Cris Fealy, Javier Vargas, Lynda Noriega, Marty Zvirbulis, Andy Bullington, Ben Lewis, and Jazmin Lopez.

**ADOPTION OF AGENDA**

On motion by Director Fellow, seconded by Secretary Garcia, the agenda was adopted by the following roll call vote:

**FELLOW:** AYE  
**TREVIÑO:** AYE  
**GARCIA:** AYE  
**SANTANA:** ABSENT  
**CHAVEZ:** AYE

**PUBLIC COMMENT**

None.

**COMMITTEE REPORTS**

Next scheduled committee meeting dates are as follows:

- (a) Water Resources and Facility Management – December 1, 2021 at 4:00 p.m.
- (b) Government Affairs and Community Outreach – December 6, 2021 at 4:00 p.m.
- (c) Administration and Finance – December 7, 2021 at 4:00 p.m.

**CONSENT CALENDAR**

Director Fellow moved to approve Consent Calendar items (a) through (e). Treasurer Treviño seconded the motion, which was approved by the following roll call vote:

**FELLOW:** AYE  
**TREVIÑO:** AYE  
**GARCIA:** AYE  
**SANTANA:** ABSENT  
**CHAVEZ:** AYE

- (a) Minutes of a regular meeting of the Board of Directors held on October 27, 2021 at 8:00 a.m.
- (b) List of Demands.
- (c) Financial Reports – September 2021.
  - 1. Financial Statements.
  - 2. Quarterly Report on Investments.
  - 3. Director's Public Outreach.



- (d) Adopt Resolution No. 11-21-628, Re-ratifying the Proclamation of a State of Emergency by Governor Newsom, and Reauthorizing Remote Teleconference Meetings.
- (e) Adopt Resolution No. 11-21-629, Honoring the Retirement of Thomas Tait, City of Arcadia, Director of Public Works.

**AUTHORIZE THE GENERAL MANAGER TO NEGOTIATE AND EXECUTE A LEASE AGREEMENT WITH SAN GABRIEL VALLEY ECONOMIC PARTNERSHIP**

Treasurer Treviño moved to authorize the General Manager to negotiate and execute a lease agreement with the San Gabriel Valley Economic Partnership. Director Fellow seconded the motion.

The General Manager stated that District Counsel has reviewed the lease agreement and that the primary outstanding item is the escalation rate.

The motion was approved by the following roll call vote:

**FELLOW: AYE**  
**TREVIÑO: AYE**  
**GARCIA: AYE**  
**SANTANA: ABSENT**  
**CHAVEZ: AYE**

**AUTHORIZE THE GENERAL MANAGER TO EXECUTE A PURCHASE AGREEMENT LETTER WITH THE MAIN SAN GABRIEL BASIN WATERMASTER FOR REPLENISHMENT WATER PURCHASES**

Secretary Garcia moved to authorize the General Manager to execute a purchase agreement letter with the Main San Gabriel Basin Watermaster for replenishment water purchases for fiscal years 2021/22, 2022/23 and 2023/24. Director Fellow seconded the motion.

The General Manager stated that there had been extensive discussions with the producers and Watermaster regarding this item, specifically to address Metropolitan's increasing net readiness-to-serve (RTS) charge. He stated that the proposed purchase agreement with Watermaster includes a three-year annual minimum purchase commitment for untreated water which would fully cover the increasing RTS charge without the need to readopt a new rate resolution by the Board.

The motion was approved by the following roll call vote:

**FELLOW: AYE**  
**TREVIÑO: AYE**  
**GARCIA: AYE**  
**SANTANA: ABSENT**  
**CHAVEZ: AYE**

**INFORMATION ITEMS**

The following items listed on the agenda for the information of the Board were read and ordered received and filed:  
 (a) Press Releases and News Articles.

**ENGINEER'S REPORT**

The District Engineer provided a report on hydrologic conditions, basin deliveries, reservoir storage and rainfall averages. He reported that the Baldwin Park Key Well groundwater elevation has dropped to 183.3 feet as of November 12, 2021. He then stated that it could hit historic lows again by September 2022 should current trends continue. The District Engineer reported that Watermaster has collected funds to purchase about 64,000 AF of water, of which 12,000AF will be going to the canyon from November to January 2022. He added that Watermaster is holding some funds to possibly purchase wet water in early 2022.

He reported that combined storage in the canyon is down to minimum pool. He also reported that no notices of wells shutdown due to contamination were received during the month of October 2021.

The following is a summary of contamination ranges found in samples under Title 22 from 13 wells during September 2021.

<u>Contaminant</u>	<u>Range (ppb)</u>	<u>MCL (ppb)</u>
PCE	ND – 3.2	5*
TCE	ND – 0.6	5*

A detailed written report was also provided to the Board.

Treasurer Treviño and the District Engineer discussed the timeframe for the estimated water deliveries to the canyon. The District Engineer stated that about 6,000 acre-feet will be delivered during the fourth quarter of 2021 and another 6,000 acre-feet will be delivered in January 2022, and will continue as long as drought conditions exist.

Treasurer Treviño and the District Engineer also discussed production issues for the City of Azusa. The District Engineer stated that the City of Azusa is working on expanding its capacity by reactivating some wells in the main basin, anticipated to be completed within the next year.

#### GENERAL MANAGER'S REPORT

The General Manager reported on the Metropolitan Board's adoption of a drought emergency resolution calling on member agencies to minimize their dependence on State Water Project water. He then reported on Metropolitan's upcoming actions regarding the Integrated Resources Plan. He also discussed the remaining viable rate structure options for Metropolitan's demand management charge, after the courts ruled out the options Upper District was supporting previously. He added that this year would be extremely challenging for Metropolitan because of the limited State Water Project supply.

A General Manager's report was provided in the Board's agenda packet.

#### ATTORNEY'S REPORT

None.

#### METROPOLITAN REPORT

Director Fellow briefly reported on the recently passed drought restriction plan and the court's decision on the San Diego case, impacting available rate structure options. He also reported on the recent evaluations of Metropolitan's attorney and auditor. He then announced that Ms. Nancy Sutley is joining the Board of Directors of the Metropolitan Water District.

A Metropolitan summary report was provided in the Board's agenda packet.

#### WATER QUALITY AUTHORITY REPORT

President Chavez requested a presentation on Water Quality Authority activities at the next board meeting.

A Water Quality Authority report was provided in the Board's agenda packet

#### WATERMASTER REPORT

A Watermaster summary report was provided in the Board's agenda packet.

#### AB 1234 COMPLIANCE REPORT

A summary report was provided in the Board's agenda packet.

#### DIRECTOR'S COMMENTS

Director Fellow requested that the meeting be adjourned in memory of Mr. Roger Chandler, council member for the City of Arcadia.

Secretary Garcia shared her experience regarding the video recording and commended staff for doing a good job in engaging the community.

President Chavez stated that he also had the pleasure of working with staff for the video recording and thanked them for what they have done.

**FUTURE AGENDA ITEMS**

None.

**ADJOURN TO CLOSED SESSION**

None.

**ADJOURNMENT**

President Chavez asked if there were other business to come before the Board. There being none, the meeting was duly adjourned in memory of Mr. Roger Chandler to a regular meeting of the Board of Directors to be held on December 8, 2021, at 8:00 a.m. via teleconference or the most rapid means of communication available at the time.

**ATTEST**

\_\_\_\_\_  
PRESIDENT

\_\_\_\_\_  
SECRETARY

SEAL

DRAFT



Demands numbered 21309 through 21340 on the General Fund Account of the Upper District at Citizens Business Bank, in the amount of \$534,621.00 and demands numbered 1001 through 1006 on the Water Fund Account at the same bank in the amount of \$1,168,537.78.

21309	Edward L. Chavez	Director's Compensation, October 2021 10 Days District Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld <i>(Previously paid 11/10/21)</i>	2,550.00 516.87 <u>(1,600.00)</u> <u>(929.73)</u>	537.14
21310	Charles M. Treviño	Director's Compensation, October 2021 10 Days District Business Meeting/Travel Expenses/Allowance Expense Reimbursement Less Deferred Comp. Less Taxes Withheld <i>(Previously paid 11/10/21)</i>	2,550.00 516.87 (40.00) (500.00) <u>(545.10)</u>	1,981.77
21311	Jennifer Santana	Director's Compensation, October 2021 10 Days District Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld <i>(Previously paid 11/10/21)</i>	2,550.00 516.87 (500.00) <u>(384.21)</u>	2,182.66
21312	Anthony R. Fellow	Director's Compensation, October 2021 8 Days District Business 6 Days MWD Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld <i>(Previously paid 11/10/21)</i>	2,040.00 1,530.00 516.87 (500.00) <u>(1,250.26)</u>	2,336.61
21313	Accent Computer Solutions, Inc.	Inv. 148071, IT Management Support, November 2021 <i>(Board approved 10/06/15)</i>		2,653.85
21314	ACWA/JPIA	Inv. 2022, 2022 Annual Agency Dues		21,185.00
21315	ACWA/JPIA	Inv. 10/01/21-22, Auto and General Liability Program, 10/01/21-09/30/22		42,902.00
21316	ACWA/JPIA	Inv.0675059, Health Insurance Premium - November 2021		28,972.24
21317	Best Best & Krieger, LLP	Inv. 917583, Lobbying Services through September 30, 2021 <i>(Board approved 02/09/20)</i>		7,500.00
21318	BizFed	Inv. 4349, 2022 Membership Dues		6,000.00
21319	California Special Districts Association	Inv. 2022, 2022 Membership Dues		8,195.00
21320	Center for Financial Empowerment	Inv. 11/23/21UD, 2021 Operation Gobble Sponsorship		1,500.00
21321	Concentra	Inv. 72930982, Pre-employment Medical		426.00
21322	Discovery Science Center	Inv. 1529, 4th - 6th Grade Virtual Visit Program, September 2021 <i>(Board approved 07/08/20)</i>		1,380.00
21323	Ecotech Services, Inc.	Inv. 2002REI, Water Smart Home Program Inv. 2083, Water Smart Home Program <i>(Board approved 02/07/19)</i>	25,851.00 <u>58,030.00</u>	83,881.00
21324	Foothill Technology Center, LLC	Inv. DEC 21LEA, Office Lease - December 2021 <i>(Board approved 04/09/11)</i>		20,751.00
21325	Howard's Appliances	Inv. 11/15/21UD, Conserve-A-Palooza Giveaway		1,686.80
21326	Joey C. Soto	Inv. UD #83, Grant Writing Services, Septembr 2021 <i>(Board approved 08/04/15)</i>		866.25

21327	Kelly Services, Inc.	Temporary Staff Services Inv. 38022077, W/E 09/26/21 Inv. 39022908, W/E 10/03/21 <i>(Board approved 02/07/19)</i>	488.00 <u>475.20</u>	961.20
21328	Media Marketing Services, Inc.	Inv. USG W210923, Bottled Water Program		1,378.60
21329	Olivarez Madruga Lemieux & O'Neill	Professional Services, September 2021 Inv. 325.001-16704, Transactional Fees Inv. 325.996-16706, Transactional Fees Inv. 325.999-16707, Retainer <i>(Board Approved 05/17/11)</i>	722.00 3,699.10 <u>4,064.00</u>	8,485.10
21330	Pro Printing	Inv. 53764, Boy Scout Event Program Sponsorship		557.10
21331	Rogers, Anderson, Malody and Scott, LLP	Inv. 66933, Progress Billing for FY 06/30/21 Audit <i>(Board approved 06/19/19)</i>		9,500.00
21332	San Gabriel Valley Newspaper	Inv. 525886, Water Conservation Ads, September 2021		1,500.00
21333	Stetson Engineers, Inc.	Inv. 2533-186, General Engineering Support Services, September 2021		12,488.49
21334	Upper District Revolving Payroll Fund	Inv. SEP 21, Reimbursement for Payroll and Payroll Taxes for Employees Inv. SEP 21D, Reimbursement for Payroll Taxes for Directors	143,709.95 <u>10,984.28</u>	154,694.23
21335	Upper District Revolving Fund	Replenish Revolving Fund Account - October 2021 Office Supplies Computer Systems/Equipment/Maintenance/Insurance/Outside Service Director's Outreach Meeting/Travel/Conferences/Dues/Assessments/Membership Telephone/Utilities/Building Maintenance Workers Comp Water Conservation Program Expenses WRP Operation and Maintenance Medical/ODA Reimbursement/Processing Fee	512.05 2,434.56 1,150.00 418.16 1,562.32 2,337.60 1,092.00 59,683.86 <u>5,682.87</u>	74,873.42
21336	U.S. Bank Corporate Payment System	CalCard Charges through 10/22/21 Meetings, Travel, Conferences Computer Systems/Office Equipment/Supplies/Maintenance & Service/Utilities Conservation Program Expenses, Education and Outreach	5,326.68 190.64 <u>1,588.70</u>	7,106.02
21337	Via Promotionals	Inv. 17926, District Logo Items		588.27
21338	WaterReuse Association	Inv. D44081, 2022 Membership Dues		12,941.25
21339	WLC Architects	Inv. 12, Architectural Services for October 2021 <i>(Board approved 08/12/20)</i>		13,250.00
21340	World Journal LA, LLC	Inv. 3646228, Water Conservation Ad 10/09/21		<u>1,360.00</u>
			<b>TOTAL</b>	<b><u>\$ 534,621.00</u></b>

1001	Central Basin MWD	Invoice No. USGV-SEP21, Purchase of 6.8 AF of Recycled Water in August 2021 <i>(Previously Paid 11/10/21)</i>	\$	9,886.38
1002	City of Industry City Hall	Invoice No. SEP-21, Purchase of 77.6 AF of Recycled Water in September 2021		23,047.20
1003	Metropolitan Water District	Invoice No. 10573, Purchase of 328.5 AF of Treated Water and 964 AF of Untreated Water through Service Connections in September 2021		1,091,578.60
1004	San Gabriel Valley MWD	Invoice No. 533, 267.6 AF of Water Delivered through the Alhambra/MWD Exchange Agreement in September 2021 @ \$200 per AF		20,016.00
1005	San Gabriel Valley Water Company	Invoice No. 21-10306, O&M Cost for FY 2020-21		22,450.95
1006	Suburban Water System	Invoice No. 6656, Phase IIB Normal Operating Charge, October 2021		<u>1,558.65</u>
			<b>TOTAL</b>	<b><u>\$ 1,168,537.78</u></b>

## List of Demands

Board of Directors  
Upper San Gabriel Valley Municipal Water District

Submitted herewith for action by the Board of Directors of the Upper San Gabriel Valley Municipal Water District are the following demands on the District's General Fund Account at Citizens Business Bank:

21341	Aaron Read & Associates, LLC	Inv. 211799, State Legislative Advocacy Services, October 2021 (Board approved 12/09/20)		10,000.00
21342	Accent Computer Solutions, Inc.	Inv. 148593, IT Management Support, December 2021 (Board approved 10/06/15)		2,656.19
21343	ACWA/JPIA	Inv.0676661, Health Insurance Premium - December 2021		29,021.55
21344	Best Best & Krieger, LLP	Inv. 920162, Lobbying Services through October 31, 2021 (Board approved 02/09/20)		7,500.00
21345	Civic Publications	Inv. 1688, CA Water 2021 Section, October 2021		4,967.00
21346	Discovery Science Center	Inv. 1534, 4th-7th Grade Water Education Program, October 2021 (Board approved 07/08/20)		13,457.50
21347	Ecotech Services, Inc.	Inv. 2091, Conserve-A-Palooza Giveaway Items Inv. 2110, Conserve-A-Palooza Giveaway Items	660.00 125.00	785.00
21348	Foothill Technology Center, LLC	Inv. JAN 22LEA, Office Lease - January 2022 (Board approved 04/09/11)		20,751.00
21349	G3LA, LLC	Inv. 915, Water Conservation Webinar and Flyers, November 2021		1,750.00
21350	Joey C. Soto	Inv. UD #84, Grant Writing Services, October 2021 (Board approved 08/04/15)		990.00
21351	La Opinion	Inv. 129491021, Water Conservation Ads, October 2021		3,125.00
21352	Olivarez Madruga Lemieux & O'Neill	Professional Services, October 2021 Inv. 325.996-17085, Transactional Fees Inv. 325.999-17086, Retainer (Board Approved 05/17/11)	1,419.10 4,064.00	5,483.10
21353	Spectrum Reach/Charter	Inv. 90523877, Water Conservation Commercial, October 2021 Inv. 90526241, Water Conservation Commercial, October 2021 Inv. 90529585, Conserve-A-Palooza Promotion, October 2021	1,800.00 1,500.00 38.20	3,338.20
21354	Stetson Engineers, Inc.	Inv. 2533-187, General Engineering Support Services, October 2021		16,700.64
21355	Upper District Revolving Payroll Fund	Inv. OCT 21, Reimbursement for Payroll and Payroll Taxes for Employees Inv. OCT 21D, Reimbursement for Payroll Taxes for Directors	130,231.65 9,378.81	139,610.46
21356	U.S. Bank Corporate Payment System	CalCard Charges through 11/22/21 Membership/Others Meetings, Travel, Conferences Computer Systems/Office Equipment/Supplies/Maintenance & Service/Utilities Conservation Program Expenses, Education and Outreach	111.98 1,425.70 29.00 378.84	1,945.52
21357	Via Promotionals	Inv. 17967, District Logo Items Inv. 17979, District Logo Items	3,332.03 6,704.81	10,036.84
21358	WLC Architects	Inv. 13, Architectural Services for November 2021 (Board approved 08/12/20)		3,288.88
21359	John Robinson Consulting, Inc.	Inv. USD201501-35, TO1 State/Federal Loan/Grants Reporting, November 2021 (Board approved 08/04/15)		600.00
21360	La Opinion	Inv. 129490821, Water Conservation Ads, August 2021 Inv. 129490921, Water Conservation Ads, September 2021	1,375.00 375.00	1,750.00
21361	San Gabriel Valley Newspaper	Inv. 528433, October 2021 Water Conservation Ads		6,000.00
21362	Upper District Revolving Fund	Replenish Revolving Fund Account - November 2021 Office Supplies Computer Systems/Equipment/Maintenance/Insurance/Outside Service Director's Outreach Meeting/Travel/Conferences/Dues/Assessments/Membership Telephone/Utilities/Building Maintenance Water Conservation Program Expenses WRP Operation and Maintenance Medical/ODA Reimbursement/Processing Fee	445.29 960.20 1,000.00 270.89 2,512.42 1,506.62 21,164.53 4,426.72	32,286.67



21363	Katarina Garcia	Director's Compensation, October 2021 7 Days District Business	1,785.00	
		Meeting/Travel Expenses/Allowance	516.87	
		Less Deferred Comp.	(500.00)	
		Less Taxes Withheld	<u>(315.89)</u>	1,485.98
21364	Edward L. Chavez	Director's Compensation, November 2021 10 Days District Business	2,550.00	
		Meeting/Travel Expenses/Allowance	516.87	
		Less Deferred Comp.	(814.00)	
		Less Taxes Withheld	<u>(1,036.88)</u>	1,215.99
21365	Charles M. Treviño	Director's Compensation, November 2021 9 Days District Business	2,295.00	
		Meeting/Travel Expenses/Allowance	516.87	
		Expense Reimbursement	(24.66)	
		Less Deferred Comp.	(500.00)	
		Less Taxes Withheld	<u>(489.38)</u>	1,797.83
21366	Jennifer Santana	Director's Compensation, November 2021 9 Days District Business	2,295.00	
		Meeting/Travel Expenses/Allowance	516.87	
		Less Deferred Comp.	(500.00)	
		Less Taxes Withheld	<u>(333.59)</u>	1,978.28
21367	Katarina M. Garcia	Director's Compensation, November 2021 7 Days District Business	1,785.00	
		Meeting/Travel Expenses/Allowance	516.87	
		Less Deferred Comp.	(500.00)	
		Less Taxes Withheld	<u>(315.89)</u>	1,485.98
		<b>TOTAL</b>		<b><u>\$ 324,027.61</u></b>

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Board of Directors  
Upper San Gabriel Valley Municipal Water District

Submitted herewith for action by the Board of Directors of the Upper San Gabriel Valley Municipal Water District are the following demands on the District's Water Fund Account at Citizens Business Bank:

1007	Central Basin MWD	Invoice No. USGV-OCT21, Purchase of 5.8 AF of Recycled Water in September 2021 <i>(Previously Paid 12/02/21)</i>	\$ 4,220.84
1008	City of Industry City Hall	Invoice No. OCT-21, Purchase of 53.8 AF of Recycled Water in October 2021	15,978.60
1009	Metropolitan Waterd District	Invoice No. 1062, Purchase of 301.9 AF of Treated Water and 3,039 AF of Untreated Water in October 2021	2,847,126.41
1010	Sanitation Districts of Los Angeles County	Invoice No. 33544, Contract No. 4101 & 4101A - Fiscal Year 2020/21 Purchase of 1,558.10 AF of Recycled Water Chlorine Residual Chemical Cost Pump Operation & Maintenance	\$ 222,403.19 7,276.33 <u>17,447.73</u>
1011	San Gabriel Valley MWD	Invoice No. 534, 95.89 AF of Water Delivered through the Alhambra/MWD Exchange Agreement in October 2021 @ \$200 per AF	19,178.00
1012	Suburban Water System	Invoice No. 6658, Phase IIB Normal Operating Charge, November 2021	<u>1,558.65</u>
			<u><u>\$ 3,135,189.75</u></u>

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UPPER SAN GABRIEL VALLEY MWD  
FINANCIAL SUMMARY FOR OCTOBER 31, 2021

Expenses	FY ACTUAL	FY ACTUAL	FY 2021-22	AMOUNT OF	PERCENT OF	Comments
	MONTH	YEAR-TO-DATE	BUDGET	BUDGET	BUDGET	
	\$	\$	\$	REMAINING	REMAINING	
Administrative Expenses	134,947	728,625	2,423,600	\$ 1,694,975	69.9%	YTD expenses include payment of annual contribution to CalPERS related to Upper District's unfunded accrued liability.
Water Conservation Program	82,748	466,220	2,216,150	1,749,930	79.0%	
Stormwater Program	545	1,469	3,700	2,231	60.3%	
Water Recycling Program	201,814	544,482	1,851,000	1,306,518	70.6%	
Water Quality and Supply Program	73,222	273,801	853,500	579,699	67.9%	
Water Purchases	793,809	4,766,313	29,616,500	24,848,187	83.9%	Expenses for the month consist of 700 AF of treated water and 964 AF untreated water purchases for the month of August.
Operating Expenses	1,287,085	6,782,910	36,964,450	30,181,540	81.7%	
Operating Revenues	1,537,091	5,903,935	37,313,450	31,409,515	84.2%	YTD revenue includes two of four grant fund repayments of \$250,000 each from Sunny Slope Water Company.
Net Reserve Activity from Operations (-/+)	250,006	(878,975)	349,000	n/a	n/a	
Capital Expenditures	22,500	106,655	3,134,000	3,027,345	96.6%	YTD expenses consist of architectural services. Construction activities for the district building renovation are expected to commence in December.
Capital Program Revenues	-	-	-	-	0.0%	
Net Change in Cash Due to Capital Outlays	(22,500)	(106,655)	(3,134,000)	n/a	n/a	
Total Change in Fund Balances	\$ 227,506	\$ (985,630)	\$ (2,785,000)	n/a	n/a	



UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT  
MONTHLY FINANCIAL STATEMENT AND BUDGET COMPARISON  
FOR THE MONTH ENDED OCTOBER 31, 2021

	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2021-22 BUDGET	AMOUNT OF BUDGET REMAINING	PERCENT OF BUDGET REMAINING
<b>ADMINISTRATIVE AND OPERATING REVENUES</b>					
67% @ 10-31-21					
<b>Water Rate Revenues</b>					
Tier 1 Treated	354,192	2,527,283	3,366,100	838,817	25%
Tier 1 Untreated	490,287	490,287	23,310,000	22,819,713	98%
Upper Surcharge Tier 1 Treated	31,563	264,739	309,000	44,261	14%
Upper Surcharge Tier 1 Untreated	64,993	64,993	3,090,000	3,025,007	98%
MWD Capacity Charge Revenue	63,398	129,471	333,200	203,729	61%
Gross MWD Standby Charge-Revenue Reconciliation	-	625,544	1,894,000	1,268,456	67%
MSGB Watermaster-Ready-to-Serve	6,300	25,200	75,600	50,400	67%
<b>Sub Total</b>	<b>1,010,733</b>	<b>4,127,517</b>	<b>32,377,900</b>	<b>28,250,383</b>	<b>87%</b>
<b>Revolving Revenue</b>					
MSGB Watermaster-SG River Watermaster	-	97,000	105,000	8,000	8%
<b>Sub Total</b>	<b>-</b>	<b>97,000</b>	<b>105,000</b>	<b>8,000</b>	<b>8%</b>
<b>Other Administrative Revenues</b>					
Interest/Investment Earnings	(7,316)	1,303	42,000	40,697	97%
Taxes	-	113,530	425,000	311,470	73%
Other Income (Loss)	250,000	500,469	2,000	(498,469)	-24923%
<b>Sub Total</b>	<b>242,684</b>	<b>615,302</b>	<b>469,000</b>	<b>(146,302)</b>	<b>-31%</b>
<b>TOTAL ADMINISTRATIVE REVENUES</b>	<b>1,253,417</b>	<b>4,839,819</b>	<b>32,951,900</b>	<b>28,112,081</b>	<b>85%</b>
<b>CAPITAL PROJECT FUND REVENUES</b>					
<b>Recycled Water Revenues</b>					
Recycled Water Sales	55,931	221,488	430,000	208,512	48%
Upper Recycled Water Surcharge Revenue	207,868	734,209	1,099,000	364,791	33%
Metropolitan Water District LRP Funds	20,796	59,077	112,000	52,923	47%
Parcel/Standby Charge	20	28,999	2,050,000	2,021,001	99%
Prop 84 Passthrough Grant	-	-	-	-	0%
Interest/Investment Earnings	(794)	(238)	7,200	7,438	103%
<b>Sub Total</b>	<b>283,821</b>	<b>1,043,535</b>	<b>3,698,200</b>	<b>2,654,665</b>	<b>72%</b>
<b>Capital Program Revenues</b>					
Grants - Other	-	-	-	-	0%
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>
<b>Water Conservation Revenues</b>					
Conservation Program Contributions	1,500	19,650	640,150	620,500	97%
<b>Sub Total</b>	<b>1,500</b>	<b>19,650</b>	<b>640,150</b>	<b>620,500</b>	<b>97%</b>
<b>TOTAL CAPITAL PROJECT FUND REVENUES</b>	<b>285,321</b>	<b>1,063,185</b>	<b>4,338,350</b>	<b>3,275,165</b>	<b>75%</b>
<b>OTHER FUND REVENUES</b>					
<b>Water Quality and Supply Program Revenues</b>					
Interest/Investment Earnings	(1,292)	886	19,600	18,714	95%
<b>Sub Total</b>	<b>(1,292)</b>	<b>886</b>	<b>19,600</b>	<b>18,714</b>	<b>95%</b>
<b>Rate Stabilization Fund Revenues</b>					
Interest/Investment Earnings	(355)	45	3,600	3,555	99%
<b>Sub Total</b>	<b>(355)</b>	<b>45</b>	<b>3,600</b>	<b>3,555</b>	<b>99%</b>
<b>TOTAL OTHER FUND REVENUES</b>	<b>(1,647)</b>	<b>931</b>	<b>23,200</b>	<b>22,269</b>	<b>96%</b>
<b>TOTAL REVENUES</b>	<b>1,537,091</b>	<b>5,903,935</b>	<b>37,313,450</b>	<b>31,409,515</b>	<b>84%</b>

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT  
MONTHLY FINANCIAL STATEMENT AND BUDGET COMPARISON  
FOR THE MONTH ENDED OCTOBER 31, 2021

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	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2021-22 BUDGET	AMOUNT OF BUDGET REMAINING	PERCENT OF BUDGET REMAINING
<b>ADMINISTRATIVE AND OPERATING EXPENSES</b>					67% @ 10-31-21
<b>Personnel Expenses</b>					
Employee Salaries	126,525	463,035	1,435,000	971,965	68%
Employee Benefits	21,920	91,485	315,000	223,515	71%
Retired Employee Benefits	6,690	23,004	73,000	49,996	68%
Employee Travel/Conference	1,239	3,451	40,000	36,549	91%
<b>Sub Total</b>	<b>156,374</b>	<b>580,975</b>	<b>1,863,000</b>	<b>1,282,025</b>	<b>69%</b>
<b>Director Expenses</b>					
Director Compensation	15,844	62,394	216,000	153,606	71%
Director Benefits	12,287	51,131	185,000	133,869	72%
Retired Director Benefits	2,439	10,030	42,000	31,970	76%
Director Public Outreach	1,150	9,777	25,000	15,223	61%
Director Travel/Conference	5,362	8,098	40,000	31,902	80%
<b>Sub Total</b>	<b>37,082</b>	<b>141,430</b>	<b>508,000</b>	<b>366,570</b>	<b>72%</b>
<b>Pension Expense</b>					
CalPERS-Employees, Directors, Retirees	10,481	259,359	515,000	255,641	50%
<b>Sub Total</b>	<b>10,481</b>	<b>259,359</b>	<b>515,000</b>	<b>255,641</b>	<b>50%</b>
<b>Office Expenses</b>					
Office Supplies/Equipment	1,670	7,857	35,000	27,143	78%
Equipment Operations & Maintenance	1,212	6,297	25,000	18,703	75%
Computer Systems	2,993	13,361	60,000	46,639	78%
Dues and Assessments	-	14,329	75,000	60,671	81%
Meeting Expense	379	4,893	30,000	25,107	84%
<b>Sub Total</b>	<b>6,254</b>	<b>46,737</b>	<b>225,000</b>	<b>178,263</b>	<b>79%</b>
<b>Facility Expenses</b>					
Building Maintenance	827	2,993	35,000	32,007	91%
Liability/Property Insurance	-	8,107	70,000	61,893	88%
Office Lease	20,751	83,004	83,000	(4)	0%
Telephone/Utilities	1,552	6,741	50,000	43,259	87%
<b>Sub Total</b>	<b>23,130</b>	<b>100,845</b>	<b>238,000</b>	<b>137,155</b>	<b>58%</b>
<b>Professional Services</b>					
Legal/Financial	9,166	34,177	95,000	60,823	64%
Engineering	8,350	34,650	120,000	85,350	71%
Auditor	-	4,500	40,000	35,500	89%
Outside Services	6,227	13,776	70,000	56,224	80%
Public Information/Outreach	-	644	3,000	2,356	79%
<b>Sub Total</b>	<b>23,743</b>	<b>87,747</b>	<b>328,000</b>	<b>240,253</b>	<b>73%</b>
<b>Other Expenses</b>					
Election Costs	-	-	212,000	212,000	100%
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>212,000</b>	<b>212,000</b>	<b>100%</b>
<b>Allocation to Projects and Programs</b>					
Salaries/Overhead Allocated to Projects	(122,117)	(488,468)	(1,465,400)	(976,932)	67%
<b>Sub Total</b>	<b>(122,117)</b>	<b>(488,468)</b>	<b>(1,465,400)</b>	<b>(976,932)</b>	<b>67%</b>
<b>TOTAL</b>	<b>134,947</b>	<b>728,625</b>	<b>2,423,600</b>	<b>1,694,975</b>	<b>70%</b>
<b>Water Purchases</b>					
Tier 1 Treated	793,032	3,371,871	3,366,100	(5,771)	0%
Tier 1 Untreated	777	490,287	23,310,000	22,819,713	98%
MWD Capacity Charge	-	77,843	333,200	255,357	77%
MWD Ready-to-Serve Charge	-	731,312	2,502,200	1,770,888	71%
<b>Sub Total</b>	<b>793,809</b>	<b>4,671,313</b>	<b>29,511,500</b>	<b>24,840,187</b>	<b>84%</b>
<b>Revolving Expenses</b>					
San Gabriel River Watermaster	-	97,000	105,000	8,000	8%
<b>Sub Total</b>	<b>-</b>	<b>97,000</b>	<b>105,000</b>	<b>8,000</b>	<b>8%</b>
<b>TOTAL</b>	<b>793,809</b>	<b>4,768,313</b>	<b>29,616,500</b>	<b>24,848,187</b>	<b>84%</b>
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>928,756</b>	<b>5,496,938</b>	<b>32,040,100</b>	<b>26,543,162</b>	<b>83%</b>

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT  
MONTHLY FINANCIAL STATEMENT AND BUDGET COMPARISON  
FOR THE MONTH ENDED OCTOBER 31, 2021

	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2021-22 BUDGET	AMOUNT OF BUDGET REMAINING	PERCENT OF BUDGET REMAINING
<b>RECYCLED WATER PROGRAM EXPENSES</b>					67% @ 10-31-21
Water Purchases-Recycled Water	34,673	129,523	430,000	300,477	70%
SWRCB Loan Repayment	86,782	188,281	791,000	602,719	76%
Salaries and Overhead Allocation	7,417	29,668	89,000	59,332	67%
Standby Charge Development/Implementation	-	3,465	18,500	15,035	81%
Engineering - General	4,200	6,270	50,000	43,730	87%
Prop 84 Passthrough Payments	-	-	50,000	50,000	100%
Lobbyist	7,500	30,000	90,000	60,000	67%
Legal and Financial	-	-	8,000	8,000	100%
Public Information	-	4,770	3,500	(1,270)	-36%
Operation and Maintenance Phase I/IIA	47,128	96,140	221,000	124,860	56%
Operation and Maintenance Phase IIB	14,114	56,365	100,000	43,635	44%
<b>Sub Total</b>	<b>201,814</b>	<b>544,482</b>	<b>1,851,000</b>	<b>1,306,518</b>	<b>71%</b>
<b>TOTAL RECYCLED WATER EXPENSES</b>	<b>201,814</b>	<b>544,482</b>	<b>1,851,000</b>	<b>1,306,518</b>	<b>71%</b>
<b>CAPITAL PROGRAM EXPENSES</b>					
<u>San Gabriel Valley Water Recycling Project</u>					
Direct Reuse Program	-	-	100,000	100,000	100%
USG Connections	-	-	30,000	30,000	100%
Legal and Financial	-	-	4,000	4,000	100%
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>134,000</b>	<b>134,000</b>	<b>100%</b>
<u>Other Capital Program Expenses</u>					
District Headquarters	22,500	106,655	3,000,000	2,893,345	96%
<b>Sub Total</b>	<b>22,500</b>	<b>106,655</b>	<b>3,000,000</b>	<b>2,893,345</b>	<b>96%</b>
<b>TOTAL CAPITAL PROGRAM EXPENSES</b>	<b>22,500</b>	<b>106,655</b>	<b>3,134,000</b>	<b>3,027,345</b>	<b>97%</b>
<b>STORMWATER PROGRAM EXPENSES</b>					
<u>Stormwater Program</u>					
Professional/Engineering Services	237	237	-	(237)	0%
Salaries and Overhead Allocation	308	1,232	3,700	2,468	67%
<b>Sub Total</b>	<b>545</b>	<b>1,469</b>	<b>3,700</b>	<b>2,231</b>	<b>60%</b>
<b>TOTAL STORMWATER EXPENSES</b>	<b>545</b>	<b>1,469</b>	<b>3,700</b>	<b>2,231</b>	<b>60%</b>



UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT  
MONTHLY FINANCIAL STATEMENT AND BUDGET COMPARISON  
FOR THE MONTH ENDED OCTOBER 31, 2021

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	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2021-22 BUDGET	AMOUNT OF BUDGET REMAINING	PERCENT OF BUDGET REMAINING
<b>WATER CONSERVATION PROGRAM EXPENSES</b>					
<b>WATER USE EFFICIENCY</b>					
<u>Residential Programs</u>					
Member Agency Administered Programs	-	27,981	340,000	312,019	92%
Regional Rebate Program	987	5,199	20,000	14,801	74%
<b>Sub Total</b>	<b>987</b>	<b>33,180</b>	<b>360,000</b>	<b>326,820</b>	<b>91%</b>
<u>Commercial/Industrial/Institution Programs</u>					
Member Agency Administered Programs	-	38,500	208,150	169,650	82%
Regional Rebate Program	-	-	20,000	20,000	100%
<b>Sub Total</b>	<b>-</b>	<b>38,500</b>	<b>228,150</b>	<b>189,650</b>	<b>83%</b>
<u>Landscape/Other Programs</u>					
Member Agency Administered Programs	-	-	97,000	97,000	100%
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>97,000</b>	<b>97,000</b>	<b>100%</b>
<u>Allocation to Conservation Programs</u>					
Salaries & Overhead	22,542	90,168	270,500	180,332	67%
<b>Sub Total</b>	<b>22,542</b>	<b>90,168</b>	<b>270,500</b>	<b>180,332</b>	<b>67%</b>
<b>TOTAL WATER USE EFFICIENCY EXPENSES</b>	<b>23,529</b>	<b>161,848</b>	<b>955,650</b>	<b>793,802</b>	<b>83%</b>
<b>EDUCATION &amp; COMMUNITY OUTREACH</b>					
<u>Watershed Programs</u>					
Natural Vegetation Restoration Program	-	-	20,000	20,000	100%
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>20,000</b>	<b>100%</b>
<u>Educational Programs</u>					
Water Awareness Youth Art Contests	-	1,950	10,000	8,050	81%
Educational Activities	-	3,720	139,500	135,780	97%
Solar Cup	-	-	13,000	13,000	100%
Memberships	-	17,164	126,000	108,836	86%
Educational Materials/Grant Program	(593)	(593)	45,000	45,593	101%
Educational Outreach Programs/Events	-	4,326	100,000	95,674	96%
<b>Sub Total</b>	<b>(593)</b>	<b>26,567</b>	<b>433,500</b>	<b>406,933</b>	<b>94%</b>
<u>Outreach and Information Programs</u>					
Public Workshops/Seminars	-	2,791	35,000	32,209	92%
Conservation Devices/Items	836	27,096	40,000	12,904	32%
Bottled Water Program	615	2,286	17,000	14,714	87%
Community/Industry Sponsorships	1,750	10,100	35,000	24,900	71%
Displays/Fairs/Presentations	-	584	2,500	1,916	77%
Conferences/Meetings	-	-	6,500	6,500	100%
Public Information	9,948	33,435	76,800	43,365	56%
Technical Assistance	2,994	27,619	70,000	42,381	61%
Legal/Financial	819	2,494	10,000	7,506	75%
<b>Sub Total</b>	<b>16,962</b>	<b>106,405</b>	<b>292,800</b>	<b>186,395</b>	<b>64%</b>
<u>Allocation to Conservation Programs</u>					
Salaries & Overhead	42,850	171,400	514,200	342,800	67%
<b>Sub Total</b>	<b>42,850</b>	<b>171,400</b>	<b>514,200</b>	<b>342,800</b>	<b>67%</b>
<b>TOTAL EDUCATION &amp; COMMUNITY OUTREACH EXPENSES</b>	<b>59,219</b>	<b>304,372</b>	<b>1,260,500</b>	<b>956,128</b>	<b>76%</b>
<b>TOTAL WATER CONSERVATION EXPENSES</b>	<b>82,748</b>	<b>466,220</b>	<b>2,216,150</b>	<b>1,749,930</b>	<b>79%</b>
<b>WATER QUALITY AND SUPPLY PROGRAM EXPENSES</b>					
<u>Policy 9-00-B Groundwater Remediation Projects</u>					
Engineering for Water Supply Projects	3,858	26,101	44,500	18,399	41%
Legislative Consultant	20,000	50,000	125,000	75,000	60%
Outside Services	-	-	10,000	10,000	100%
<b>Sub Total</b>	<b>23,858</b>	<b>76,101</b>	<b>179,500</b>	<b>103,399</b>	<b>58%</b>
<u>Other Expenses</u>					
Urban Water Management Plan/Related Studies	-	286	10,000	9,714	97%
Integrated Resources Plan	-	-	50,000	50,000	100%
Water Supply Reliability Plan/Emergency Preparedness	-	-	10,000	10,000	100%
Long Range Finance Plan/Others	-	-	10,000	10,000	100%
Legal and Financial	364	1,414	6,000	4,586	76%
Salaries and Overhead Allocation	49,000	196,000	588,000	392,000	67%
<b>Sub Total</b>	<b>49,364</b>	<b>197,700</b>	<b>674,000</b>	<b>476,300</b>	<b>71%</b>
<b>TOTAL WATER QUALITY AND SUPPLY EXPENSES</b>	<b>73,222</b>	<b>273,801</b>	<b>853,500</b>	<b>579,699</b>	<b>68%</b>
<b>TOTAL EXPENSES</b>	<b>1,309,585</b>	<b>6,889,565</b>	<b>40,098,450</b>	<b>33,208,885</b>	<b>83%</b>

**UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT  
SUMMARY OF CASH AND INVESTMENTS  
October 31, 2021**

**CASH AND INVESTMENT BALANCES**

**Cash Account Balances**

	<u>Amount (\$)</u>
General Fund-Checking	\$ 660,900.64
Water Fund-Checking	547,097.94
Revolving Fund	30,809.45
Revolving Payroll Fund	193,270.81
Total Cash Account Balances	<u>\$ 1,432,078.84</u>

**Investment Account Balances**

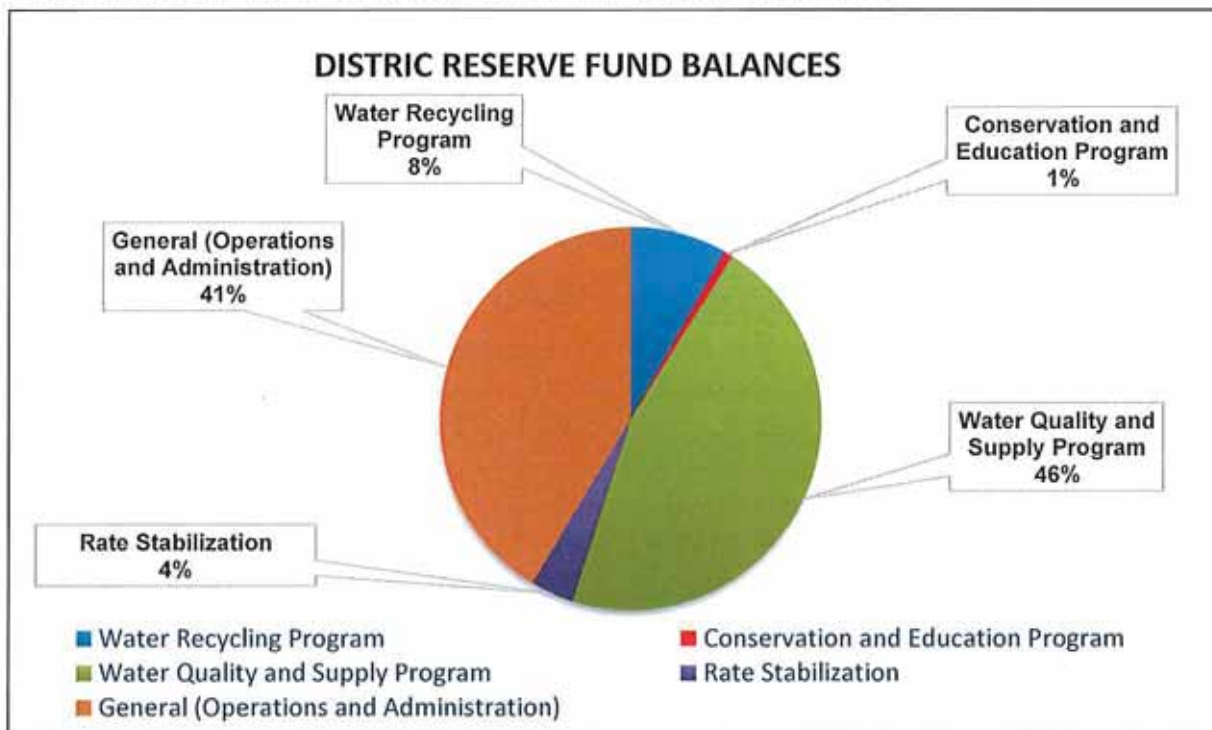
	<u>Market Value</u>	<u>Cost/Book Value</u>
Local Agency Investment Fund	\$ 9,551,823.25	\$ 9,551,823.25
Other Investments	6,191,367.42	6,182,282.51
Total Investment Account Balances	<u>\$ 15,743,190.67</u>	<u>\$ 15,734,105.76</u>

**Total Cash and Investment Balances** \$ 17,175,269.51

**DISTRICT FUND BALANCES**

Capital Program Fund:		
Water Recycling Program		\$ 1,405,252.00
Conservation and Education Program		130,926.00
Water Quality and Supply Program		7,897,412.00
Sub Total		<u>9,433,590.00</u>
Rate Stabilization Fund		636,256.00
General Fund (Operations and Administration)		7,105,423.51
Total Fund Balances		<u><u>\$ 17,175,269.51</u></u>

**MANAGEMENT STATEMENT:** It is the opinion of management that all fund balances are in compliance with all applicable statutes and the current investment policy of the District. It is also the opinion of management that projected cash flow liquidity is adequate to meet the next six months of expected obligations of the District.



California State Treasurer  
**Fiona Ma, CPA**



Local Agency Investment Fund  
 P.O. Box 942809  
 Sacramento, CA 94209-0001  
 (916) 653-3001

November 02, 2021

[LAIF Home](#)  
[PMIA Average Monthly Yields](#)

UPPER SAN GABRIEL VALLEY MUNICIPAL  
 WATER DISTRICT  
 GENERAL MANAGER  
 602 EAST HUNTINGTON DRIVE, SUITE B  
 MONROVIA, CA 91016

[Tran Type Definitions](#)

Account Number: 90-19-021

October 2021 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
10/13/2021	10/12/2021	RW	1686244	N/A	EVELYN RODRIGUEZ	-700,000.00
10/15/2021	10/14/2021	QRD	1687990	N/A	SYSTEM	6,238.74

**Account Summary**

Total Deposit:	6,238.74	Beginning Balance:	10,245,584.51
Total Withdrawal:	-700,000.00	Ending Balance:	9,551,823.25





# Upper San Gabriel Valley Municipal Water District - Account #10214

## MONTHLY ACCOUNT STATEMENT

OCTOBER 1, 2021 THROUGH OCTOBER 31, 2021

### Chandler Team:

For questions about your account, please call (800) 317-4747,  
or contact [operations@chandlerasset.com](mailto:operations@chandlerasset.com)

### Custodian

US Bank  
Ryan Morris  
(503) 464-3685

**CHANDLER ASSET MANAGEMENT**  
[chandlerasset.com](http://chandlerasset.com)

*Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures.*



**PORTFOLIO CHARACTERISTICS**

Average Modified Duration	1.43
Average Coupon	1.02%
Average Purchase YTM	0.98%
Average Market YTM	0.35%
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	1.44 yrs
Average Life	1.44 yrs

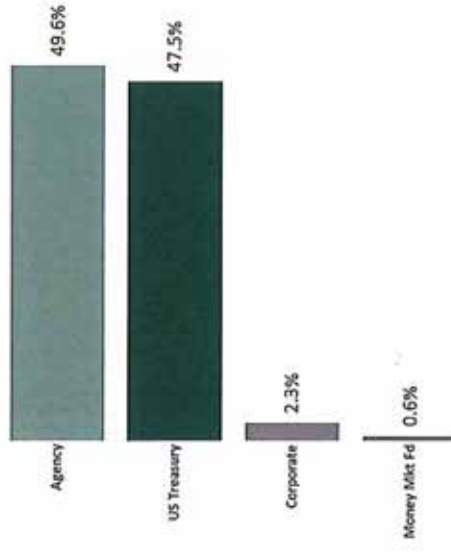
**ACCOUNT SUMMARY**

	Beg. Values as of 9/30/21	End Values as of 10/31/21
Market Value	5,181,241	5,168,430
Accrued Interest	12,459	13,495
<b>Total Market Value</b>	<b>5,193,700</b>	<b>5,181,925</b>
Income Earned	4,545	4,320
Cont./WD		-624
Par	5,148,192	5,151,022
Book Value	5,156,811	5,159,471
Cost Value	5,152,699	5,155,269

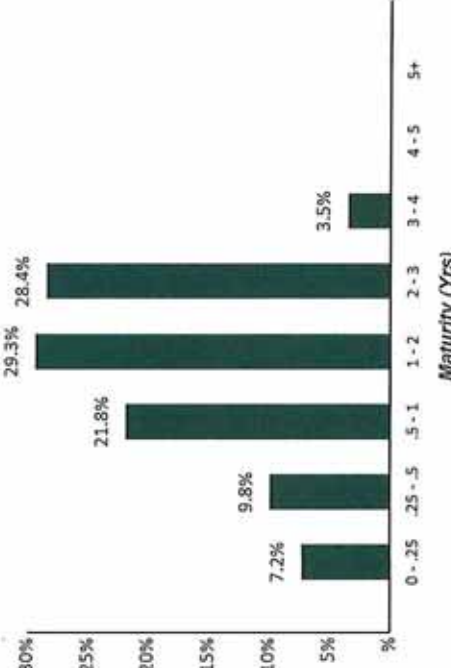
**TOP ISSUERS**

Government of United States	47.5%
Federal Home Loan Bank	15.3%
Federal Home Loan Mortgage Corp	14.3%
Federal Farm Credit Bank	12.7%
Federal National Mortgage Assoc	7.3%
Apple Inc	1.2%
Amazon.com Inc	0.8%
First American Govt Oblig Fund	0.6%
<b>Total</b>	<b>99.6%</b>

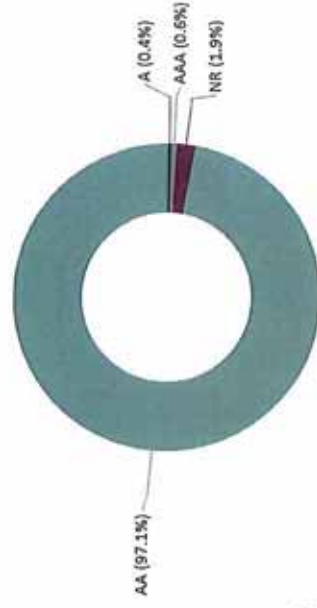
**SECTOR ALLOCATION**



**MATURITY DISTRIBUTION**



**CREDIT QUALITY (S&P)**



**PERFORMANCE REVIEW**

	Annualized								
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	5/31/2014
Upper San Gabriel Valley Municipal Water District	-0.21%	-0.28%	-0.18%	-0.08%	1.28%	2.28%	1.56%	N/A	1.32%
ICE BofA 0-3 Yr US Treasury Index*	-0.21%	-0.28%	-0.19%	-0.12%	1.24%	2.25%	1.45%	N/A	1.25%

\*ICE BofA 1-3 Yr US Treasury & Agency Index to 3/31/19

# Statement of Compliance

As of October 31, 2021



## Upper San Gabriel Valley Municipal Water District

Assets managed by Chandler Asset Management are in full compliance with state law and with the District's investment policy.

Category	Standard	Comment
U.S. Treasuries	No limitation; 5 year max maturity	Complies
Federal Agencies	60% max for Federal Agency obligations that do not have a guarantee by the U.S. Government; No limitation for Federal Agencies guaranteed by the U.S. Government; 5 year maximum maturity	Complies
Supranational Obligations	"AA" rating category or higher by a NRSRO; 30% max; 10% max per issuer; USD denominated senior unsecured unsubordinated obligations; Issued or unconditionally guaranteed by IBRD, IFC, or IADB	Complies
Corporate Notes and Bonds	"A" rating category or better by a NRSRO if < 2 years maturity; "AA" rated or better by a NRSRO if maturity is > 2 years; 30% max; 5% max per issuer; Corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S.; 5 years max maturity	Complies
Negotiable Certificates of Deposit	"F1" or higher rating by Fitch; 1 year maximum maturity; Credit requirements may be waived for any time deposit that is FDIC insured	Complies
Certificates of Deposit/ Time Deposits	"F1" or higher rating by Fitch; 1 year max maturity; Credit requirements may be waived for any time deposit that is FDIC insured	Complies
Local Agency Investment Fund (LAIF)	Maximum amount permitted by State Treasury policy	Complies
Local Government Investment Pools		Complies
Money Market Mutual Funds	Registered with SEC under Investment Company Act of 1940, provided that Funds meet either of the following criteria: (i) Highest rating by two NRSROs; or (ii) Retained an investment adviser registered or exempt from SEC registration with > 5 years experience managing money market mutual funds with AUM >\$500 million; 20% max in Money Market Funds	Complies
Maximum Maturity	5 years	Complies





BOOK VALUE RECONCILIATION		CASH TRANSACTION SUMMARY	
<b>BEGINNING BOOK VALUE</b>		<b>BEGINNING BALANCE</b>	\$28,191.88
<u>Acquisition</u>		<u>Acquisition</u>	
+ Security Purchases	\$99,992.19	Contributions	\$0.00
+ Money Market Fund Purchases	\$103,445.98	Security Sale Proceeds	\$0.00
+ Money Market Contributions	\$0.00	Accrued Interest Received	\$0.00
+ Security Contributions	\$0.00	Interest Received	\$3,445.58
+ Security Transfers	\$0.00	Dividend Received	\$0.40
<b>Total Acquisitions</b>	<b>\$203,438.17</b>	Principal on Maturities	\$100,000.00
<u>Dispositions</u>		Interest on Maturities	\$0.00
- Security Sales	\$0.00	Calls/Redemption (Principal)	\$0.00
- Money Market Fund Sales	\$99,992.19	Interest from Calls/Redemption	\$0.00
- MMF Withdrawals	\$623.73	Principal Paydown	\$0.00
- Security Withdrawals	\$0.00	<b>Total Acquisitions</b>	<b>\$103,445.98</b>
- Security Transfers	\$0.00	<u>Dispositions</u>	
- Other Dispositions	\$0.00	Withdrawals	\$623.73
- Maturities	\$100,000.00	Security Purchase	\$99,992.19
- Calls	\$0.00	Accrued Interest Paid	\$0.00
- Principal Paydowns	\$0.00	<b>Total Dispositions</b>	<b>\$100,615.92</b>
<b>Total Dispositions</b>	<b>\$200,615.92</b>	<b>ENDING BOOK VALUE</b>	<b>\$31,021.94</b>
<u>Amortization/Accretion</u>			
+/- Net Accretion	(\$162.13)		
<u>Gain/Loss on Dispositions</u>			
+/- Realized Gain/Loss	\$0.00		
<b>ENDING BOOK VALUE</b>	<b>\$5,159,471.46</b>		

Upper San Gabriel Valley Municipal Water District

Holdings Report

Account #10214

As of October 31, 2021



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>AGENCY</b>									
3130AAB49	FHLB Note 1.875% Due 12/10/2021	75,000.00	12/15/2017 2.16%	74,182.50 74,978.06	100.19 0.15%	75,139.65 550.78	1.46% 161.59	Aaa / AA+ AAA	0.11 0.11
3130AHSR5	FHLB Note 1.625% Due 12/20/2021	65,000.00	12/19/2019 1.68%	64,929.80 64,995.29	100.21 0.07%	65,137.28 384.36	1.26% 141.99	Aaa / AA+ AAA	0.14 0.14
3135GOS38	FNMA Note 2% Due 1/5/2022	100,000.00	09/27/2017 1.90%	100,394.00 100,016.42	100.34 0.11%	100,335.40 644.44	1.95% 318.98	Aaa / AA+ AAA	0.18 0.18
313378CR0	FHLB Note 2.25% Due 3/11/2022	150,000.00	09/15/2017 1.81%	152,800.50 150,222.81	100.77 0.11%	151,156.80 468.75	2.93% 933.99	Aaa / AA+ NR	0.36 0.36
313378WG2	FHLB Note 2.5% Due 3/11/2022	90,000.00	04/10/2018 2.66%	89,451.90 89,950.17	100.86 0.11%	90,777.96 312.50	1.76% 827.79	Aaa / AA+ NR	0.36 0.36
3133ELWD2	FFCB Note 0.375% Due 4/8/2022	90,000.00	04/03/2020 0.45%	89,866.80 89,971.17	100.13 0.07%	90,118.26 21.56	1.74% 147.09	Aaa / AA+ AAA	0.44 0.44
3133ELYR9	FFCB Note 0.25% Due 5/16/2022	100,000.00	04/30/2020 0.31%	99,873.00 99,967.64	100.09 0.08%	100,085.40 121.53	1.93% 117.76	Aaa / AA+ AAA	0.51 0.51
3133ELE75	FFCB Note 0.25% Due 6/2/2022	100,000.00	06/02/2020 0.25%	99,999.00 99,999.71	100.08 0.12%	100,075.60 103.47	1.93% 75.89	Aaa / AA+ AAA	0.59 0.59
3134GVJ66	FHLMC Note 0.25% Due 6/8/2022	100,000.00	06/17/2020 0.28%	99,942.00 99,982.36	100.10 0.09%	100,097.40 99.31	1.93% 115.04	Aaa / NR AAA	0.60 0.60
3130AEBM1	FHLB Note 2.75% Due 6/10/2022	100,000.00	07/05/2018 2.81%	99,774.00 99,965.19	101.61 0.10%	101,608.30 1,077.08	1.98% 1,643.11	Aaa / AA+ NR	0.61 0.60
3137EAET2	FHLMC Note 0.125% Due 7/25/2022	55,000.00	07/21/2020 0.24%	54,875.70 54,954.83	100.00 0.12%	55,002.59 18.33	1.06% 47.76	Aaa / AA+ AAA	0.73 0.73
3135GOW33	FNMA Note 1.375% Due 9/6/2022	100,000.00	09/25/2019 1.62%	99,307.00 99,800.99	101.05 0.13%	101,052.70 210.07	1.95% 1,251.71	Aaa / AA+ AAA	0.85 0.84
3133EKY91	FFCB Note 1.375% Due 10/11/2022	100,000.00	10/15/2019 1.64%	99,239.00 99,760.05	101.17 0.14%	101,168.10 76.39	1.95% 1,408.05	Aaa / AA+ AAA	0.95 0.94
3130AFE78	FHLB Note 3% Due 12/9/2022	100,000.00	12/20/2018 2.77%	100,868.00 100,241.41	103.09 0.20%	103,091.00 1,183.33	2.01% 2,849.59	Aaa / AA+ AAA	1.11 1.08
3133ELJH8	FFCB Note 1.6% Due 1/23/2023	100,000.00	03/03/2020 0.78%	102,332.00 100,990.27	101.64 0.26%	101,644.50 435.56	1.97% 654.23	Aaa / AA+ AAA	1.23 1.21
3133EMPH9	FFCB Note 0.125% Due 2/3/2023	80,000.00	01/26/2021 0.15%	79,955.20 79,971.83	99.82 0.27%	79,854.80 24.44	1.54% (117.03)	Aaa / AA+ AAA	1.26 1.25



Upper San Gabriel Valley Municipal Water District

Holdings Report

Account #10214

As of October 31, 2021



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>AGENCY</b>									
313382AX1	FHLB Note 2.125% Due 3/10/2023	195,000.00	Various 0.72%	203,061.40 198,654.75	102.46 0.31%	199,799.15 587.03	3.87% 1,144.40	Aaa / AA+ AAA	1.36 1.34
3137EAER6	FHLMC Note 0.375% Due 5/5/2023	95,000.00	05/05/2020 0.39%	94,960.10 94,979.92	100.02 0.36%	95,018.81 174.17	1.84% 38.89	Aaa / AA+ AAA	1.51 1.50
3135G04Q3	FNMA Note 0.25% Due 5/22/2023	105,000.00	05/20/2020 0.35%	104,683.95 104,836.35	99.78 0.39%	104,768.90 115.94	2.02% (67.45)	Aaa / AA+ AAA	1.56 1.55
3137EAES4	FHLMC Note 0.25% Due 6/26/2023	100,000.00	09/24/2020 0.23%	100,044.00 100,026.38	99.74 0.41%	99,743.60 86.81	1.93% (282.78)	Aaa / AA+ AAA	1.65 1.65
3135G05G4	FNMA Note 0.25% Due 7/10/2023	70,000.00	07/08/2020 0.32%	69,849.50 69,915.34	99.68 0.44%	69,774.67 53.96	1.35% (140.67)	Aaa / AA+ AAA	1.69 1.68
3137EAEV7	FHLMC Note 0.25% Due 8/24/2023	95,000.00	08/19/2020 0.28%	94,903.10 94,941.67	99.60 0.47%	94,619.34 44.20	1.83% (322.33)	Aaa / AA+ AAA	1.81 1.81
3137EAEW5	FHLMC Note 0.25% Due 9/8/2023	65,000.00	09/02/2020 0.26%	64,978.55 64,986.81	99.59 0.47%	64,731.81 23.92	1.25% (255.00)	Aaa / AA+ AAA	1.85 1.84
3137EAEY1	FHLMC Note 0.125% Due 10/16/2023	80,000.00	10/14/2020 0.25%	79,701.60 79,805.43	99.35 0.46%	79,478.16 4.17	1.53% (327.27)	Aaa / AA+ AAA	1.96 1.95
3137EAEZ8	FHLMC Note 0.25% Due 11/6/2023	105,000.00	11/03/2020 0.28%	104,905.50 104,936.63	99.46 0.52%	104,436.99 127.60	2.02% (499.64)	Aaa / AA+ AAA	2.02 2.00
3137EAFZ2	FHLMC Note 0.25% Due 12/4/2023	50,000.00	12/02/2020 0.28%	49,950.50 49,965.51	99.48 0.50%	49,738.10 51.04	0.96% (227.41)	Aaa / AA+ AAA	2.09 2.08
3133EMRZ7	FFCB Note 0.25% Due 2/26/2024	85,000.00	02/22/2021 0.26%	84,969.40 84,976.33	99.26 0.57%	84,372.45 38.37	1.63% (603.88)	Aaa / AA+ AAA	2.32 2.31
<b>Total Agency</b>		<b>2,550,000.00</b>	<b>0.97%</b>	<b>2,559,798.00</b> <b>2,553,793.32</b>	<b>0.25%</b>	<b>2,562,827.72</b> <b>7,099.11</b>	<b>49.59%</b> <b>9,034.40</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>1.08</b> <b>1.07</b>
<b>CORPORATE</b>									
037833CQ1	Apple Inc Callable Note Cont 4/11/2022 2.3% Due 5/11/2022	60,000.00	07/09/2019 2.18%	60,190.80 60,030.57	100.92 0.24%	60,549.30 651.67	1.18% 518.73	Aa1 / AA+ NR	0.53 0.44
89236TJD8	Toyota Motor Credit Corp Note 0.4% Due 4/6/2023	20,000.00	04/06/2021 0.44%	19,983.80 19,988.39	99.87 0.49%	19,973.12 5.56	0.39% (15.27)	A1 / A+ A+	1.43 1.42



Upper San Gabriel Valley Municipal Water District

Holdings Report

Account #10214

As of October 31, 2021



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>CORPORATE</b>									
0231358W5	Amazon.com Inc Note 0.45% Due 5/12/2024	40,000.00	05/10/2021 0.50%	39,941.60 39,950.82	99.26 0.74%	39,705.96 84.50	0.77% (244.86)	A1 / AA AA-	2.53 2.50
<b>Total Corporate</b>		<b>120,000.00</b>	<b>1.33%</b>	<b>120,116.20</b> <b>119,969.78</b>	<b>0.45%</b>	<b>120,228.38</b> <b>741.73</b>	<b>2.33%</b> <b>258.60</b>	<b>Aa3 / AA</b> <b>AA-</b>	<b>1.34</b> <b>1.28</b>
<b>MONEY MARKET FUND</b>									
31846V203	First American Govt Obligation Fund Class Y	31,021.94	Various 0.01%	31,021.94	1.00 0.01%	31,021.94 0.00	0.60% 0.00	Aaa / AAA AAA	0.00 0.00
<b>Total Money Market Fund</b>		<b>31,021.94</b>	<b>0.01%</b>	<b>31,021.94</b> <b>31,021.94</b>	<b>0.01%</b>	<b>31,021.94</b> <b>0.00</b>	<b>0.60%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>0.00</b> <b>0.00</b>
<b>US TREASURY</b>									
912828U65	US Treasury Note 1.75% Due 11/30/2021	100,000.00	10/12/2018 2.92%	96,523.44 99,911.72	100.13 0.12%	100,133.20 736.34	1.95% 221.48	Aaa / AA+ AAA	0.08 0.08
912828W55	US Treasury Note 1.875% Due 2/28/2022	100,000.00	11/29/2017 2.06%	99,257.81 99,943.06	100.59 0.09%	100,592.80 321.13	1.95% 649.74	Aaa / AA+ AAA	0.33 0.33
912828W89	US Treasury Note 1.875% Due 3/31/2022	75,000.00	02/27/2018 2.60%	72,902.34 74,789.11	100.73 0.12%	75,544.95 123.63	1.46% 755.84	Aaa / AA+ AAA	0.41 0.41
912828XR6	US Treasury Note 1.75% Due 5/31/2022	100,000.00	03/12/2018 2.60%	96,621.09 99,537.05	100.96 0.10%	100,960.90 736.34	1.96% 1,423.85	Aaa / AA+ AAA	0.58 0.58
9128282P4	US Treasury Note 1.875% Due 7/31/2022	100,000.00	12/30/2019 1.60%	100,683.59 100,197.18	101.33 0.10%	101,328.10 473.85	1.96% 1,130.92	Aaa / AA+ AAA	0.75 0.75
912828L24	US Treasury Note 1.875% Due 8/31/2022	100,000.00	11/26/2018 2.90%	96,363.28 99,197.43	101.45 0.13%	101,453.10 321.13	1.96% 2,255.67	Aaa / AA+ AAA	0.83 0.83
912828L57	US Treasury Note 1.75% Due 9/30/2022	100,000.00	12/11/2019 1.66%	100,257.81 100,083.92	101.47 0.14%	101,468.80 153.85	1.96% 1,384.88	Aaa / AA+ AAA	0.92 0.91
912828M80	US Treasury Note 2% Due 11/30/2022	100,000.00	11/25/2019 1.61%	101,132.81 100,405.75	101.97 0.18%	101,968.80 841.53	1.98% 1,563.05	Aaa / AA+ AAA	1.08 1.07

Upper San Gabriel Valley Municipal Water District

Holdings Report

Account #10214

As of October 31, 2021



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>US TREASURY</b>									
912828YW4	US Treasury Note 1.625% Due 12/15/2022	100,000.00	01/16/2020 1.57%	100,156.25 100,060.12	101.60 0.20%	101,597.70 617.14	1.97% 1,537.58	Aaa / AA+ AAA	1.12 1.11
91282CAK7	US Treasury Note 0.125% Due 9/15/2023	100,000.00	05/28/2021 0.19%	99,855.47 99,882.48	99.36 0.47%	99,355.50 16.23	1.92% (526.98)	Aaa / AA+ AAA	1.87 1.87
91282CAP6	US Treasury Note 0.125% Due 10/15/2023	100,000.00	11/09/2020 0.24%	99,660.16 99,773.33	99.28 0.49%	99,281.20 5.84	1.92% (492.13)	Aaa / AA+ AAA	1.96 1.95
91282CAW1	US Treasury Note 0.25% Due 11/15/2023	100,000.00	06/17/2021 0.29%	99,906.25 99,920.74	99.45 0.52%	99,445.30 115.49	1.92% (475.44)	Aaa / AA+ AAA	2.04 2.03
91282CBA8	US Treasury Note 0.125% Due 12/15/2023	100,000.00	12/17/2020 0.19%	99,816.41 99,869.51	99.10 0.55%	99,097.70 47.47	1.91% (771.81)	Aaa / AA+ AAA	2.12 2.11
91282CBE0	US Treasury Note 0.125% Due 1/15/2024	100,000.00	01/12/2021 0.24%	99,644.53 99,738.67	99.00 0.58%	99,003.90 37.02	1.91% (734.77)	Aaa / AA+ AAA	2.21 2.20
91282CBM2	US Treasury Note 0.125% Due 2/15/2024	100,000.00	02/16/2021 0.20%	99,761.72 99,817.75	98.95 0.59%	98,949.20 26.49	1.91% (868.55)	Aaa / AA+ AAA	2.29 2.28
91282CBR1	US Treasury Note 0.25% Due 3/15/2024	100,000.00	03/10/2021 0.33%	99,769.53 99,818.11	99.11 0.63%	99,113.30 32.46	1.91% (704.81)	Aaa / AA+ AAA	2.37 2.36
91282CBV2	US Treasury Note 0.375% Due 4/15/2024	100,000.00	04/14/2021 0.36%	100,035.16 100,028.74	99.32 0.66%	99,316.40 17.51	1.92% (712.34)	Aaa / AA+ AAA	2.46 2.44
91282CCC3	US Treasury Note 0.25% Due 5/15/2024	100,000.00	05/12/2021 0.35%	99,707.03 99,752.02	98.95 0.67%	98,953.10 115.49	1.91% (798.92)	Aaa / AA+ AAA	2.54 2.52
91282CCG4	US Treasury Note 0.25% Due 6/15/2024	100,000.00	06/09/2021 0.31%	99,820.31 99,843.10	98.85 0.69%	98,847.70 94.95	1.91% (995.40)	Aaa / AA+ AAA	2.62 2.60
91282CCL3	US Treasury Note 0.375% Due 7/15/2024	100,000.00	07/13/2021 0.42%	99,863.28 99,876.88	99.11 0.71%	99,109.40 111.07	1.91% (767.48)	Aaa / AA+ AAA	2.71 2.68
912828YE4	US Treasury Note 1.25% Due 8/31/2024	100,000.00	08/05/2021 0.39%	102,605.47 102,403.26	101.46 0.73%	101,457.00 214.09	1.96% (946.26)	Aaa / AA+ AAA	2.84 2.78
91282CCX7	US Treasury Note 0.375% Due 9/15/2024	100,000.00	09/10/2021 0.44%	99,804.69 99,813.07	98.98 0.73%	98,984.40 48.69	1.91% (828.67)	Aaa / AA+ AAA	2.88 2.85
91282CDB4	US Treasury Note 0.625% Due 10/15/2024	100,000.00	10/14/2021 0.63%	99,992.19 99,992.31	99.61 0.76%	99,609.40 29.19	1.92% (382.91)	Aaa / AA+ AAA	2.96 2.92

Upper San Gabriel Valley Municipal Water District

Holdings Report

Account #10214

As of October 31, 2021



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>US TREASURY</b>									
912828YM6	US Treasury Note 1.5% Due 10/31/2024	100,000.00	09/23/2021 0.52%	103,003.91 102,903.16	102.17 0.77%	102,171.90 4.14	1.97% (731.26)	Aaa / AA+ AAA	3.00 2.93
912828YV6	US Treasury Note 1.5% Due 11/30/2024	75,000.00	09/29/2021 0.57%	77,188.48 77,127.95	102.14 0.79%	76,608.37 473.36	1.49% (519.58)	Aaa / AA+ AAA	3.08 2.99
<b>Total US Treasury</b>		<b>2,450,000.00</b>	<b>0.99%</b>	<b>2,444,333.01</b> <b>2,454,686.42</b>	<b>0.46%</b>	<b>2,454,352.12</b> <b>5,714.43</b>	<b>47.47%</b> <b>(334.30)</b>	<b>Aaa / AA+ AAA</b>	<b>1.84</b> <b>1.82</b>
<b>TOTAL PORTFOLIO</b>		<b>5,151,021.94</b>	<b>0.98%</b>	<b>5,155,269.15</b> <b>5,159,471.46</b>	<b>0.35%</b>	<b>5,168,430.16</b> <b>13,495.27</b>	<b>100.00%</b> <b>8,958.70</b>	<b>Aaa / AA+ AAA</b>	<b>1.44</b> <b>1.43</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>5,181,925.43</b>			





# Brokerage Account Statement

October 1, 2021 - October 31, 2021  
Account Number: GPC-016100

UPPER SAN GABRIEL VALLEY  
WATER DISTRICT  
602 E HUNTINGTON DR STE B  
MONROVIA CA 91016-3600

## Portfolio at a Glance

	This Period
<b>BEGINNING ACCOUNT VALUE</b>	\$1,013,029.75
Dividends, Interest and Other Income	11.60
Net Change in Portfolio <sup>1</sup>	-3,810.00
<b>ENDING ACCOUNT VALUE</b>	<b>\$1,009,231.35</b>
Accrued Interest	\$210.64
Account Value with Accrued Interest	\$1,009,441.99
Estimated Annual Income	\$37.49

<sup>1</sup> Net Change in Portfolio is the difference between the ending account value and beginning account value after activity.

Your Registered Representative:  
KRISTAIN MILLS  
(714)619-3000

## Your Account Information

**TAX LOT DEFAULT DISPOSITION METHOD**  
 Default Method for Mutual Funds: First In First Out  
 Default Method for Stocks in a Dividend Reinvestment Plan: First In First Out  
 Default Method for all Other Securities: First In First Out  
**BOND AMORTIZATION ELECTIONS**  
 Amortize premium on taxable bonds based on Constant Yield Method: Yes  
 Accrue market discount method for all other bond types: Constant Yield Method  
 Include market discount in income annually: No





## Your Account Information (continued)

### ELECTRONIC DELIVERY

Your electronic delivery selections for account communications are listed below:

#### Electronic Delivery

##### Enrollment

- Communication Statements and Reports
- Trade Confirmations
- Tax Documents
- Notifications
- Prospectus\*
- Proxy/Shareholder Communications\*

E-mail notifications are delivered to the following e-mail address(es):

evelyn@usgvmwd.org

\*evelyn@usgvmwd.org is on file for these documents

Please log in to your account or contact your Registered Representative to make any changes to your electronic delivery preferences.

## Portfolio Holdings

Description	Quantity	Opening Balance	Closing Balance	Accrued Income	Income This Year	30-Day Yield
<b>CASH, MONEY FUNDS AND BANK DEPOSITS 52.00% of Portfolio</b>						
MONEY MARKET						
GOLDMAN SACHS FSQ GOVT CMS	523,431.350	523,419.75	523,431.35	0.00	37.49	0.03%
<b>Total Money Market</b>		<b>\$523,419.75</b>	<b>\$523,431.35</b>	<b>\$0.00</b>	<b>\$37.49</b>	
<b>TOTAL CASH, MONEY FUNDS AND BANK DEPOSITS</b>		<b>\$523,419.75</b>	<b>\$523,431.35</b>	<b>\$0.00</b>	<b>\$37.49</b>	

Description	Quantity	Market Price	Market Value	Accrued Interest	Estimated Annual Income
<b>FIXED INCOME 48.00% of Portfolio (In Maturity Date Sequence)</b>					
<b>U.S. Treasury Securities</b>					
UNITED STS TREAS NTS 0.250% 08/31/25 B/E DTD 08/31/20 1ST CPN	500,000.000	97.1600	485,800.00	210.64	
DTE 02/28/21 CPN PMT SEMI ANNUAL ON FEB 28 AND AUG 31 Moody					
Rating Aaa					
Security Identifier: 9282CAJ0					
<b>Total U.S. Treasury Securities</b>	<b>500,000.000</b>		<b>\$485,800.00</b>	<b>\$210.64</b>	
<b>TOTAL FIXED INCOME</b>	<b>500,000.000</b>		<b>\$485,800.00</b>	<b>\$210.64</b>	

Total Portfolio Holdings			Market Value	Accrued Interest	Estimated Annual Income
			<b>\$1,009,231.35</b>	<b>\$210.64</b>	<b>\$37.49</b>





October 1, 2021 - October 31, 2021  
UPPER SAN GABRIEL VALLEY

## Portfolio Holdings Disclosures

### Pricing

This section includes the net market value of the securities in your account on a settlement date basis, including short positions, at the close of the statement period. The market prices, unless otherwise noted, have been obtained from independent vendor services, which we believe to be reliable. In some cases the pricing vendor may provide prices quoted by a single broker or market maker. Market prices do not constitute a bid or an offer, and may differ from the actual sale price. Securities for which a price is not available are marked "N/A" and are omitted from the Total.

THE AS OF PRICE DATE ONLY APPEARS WHEN THE PRICE DATE DOES NOT EQUAL THE STATEMENT DATE.

### Estimated Annual Figures

The estimated annual income (EAI) and estimated annual yield (EAY) figures are estimates and for informational purposes only. These figures are not considered to be a forecast or guarantee of future results. These figures are computed using information from providers believed to be reliable; however, no assurance can be made as to the accuracy. Since interest and dividend rates are subject to change at any time, and may be affected by current and future economic, political, and business conditions, they should not be relied on for making investment, trading, or tax decisions. These figures assume that the position quantities, interest and dividend rates, and prices remain constant. A capital gain or return of principal may be included in the figures for certain securities, thereby overstating them. Refer to [www.pershing.com/disclosures](http://www.pershing.com/disclosures) for specific details as to formulas used to calculate the figures. Accrued interest represents interest earned but not yet received.

### Reinvestment

The dollar amount of Mutual Fund distributions, Money Market Fund dividend income, Bank Deposit interest income, or dividends for other securities shown on your statement may have been reinvested. You will not receive confirmation of these reinvestments. Upon written request to your financial institution, information pertaining to these transactions, including the time of execution and the name of the person from whom your security was purchased, may be obtained. In dividend reinvestment transactions, Pershing acts as your agent and receives payment for order flow.

### Option Disclosure

Information with respect to commissions and other charges incurred in connection with the execution of option transactions has been included in confirmations previously furnished to you. A summary of this information is available to you promptly upon your written request directed to your introducing firm. In order to assist your introducing firm in maintaining current background and financial information concerning your option accounts, please promptly advise them in writing of any material change in your investment objectives or financial situation. Expiring options which are valuable are exercised automatically pursuant to the exercise by exception procedure of the Options Clearing Corporation. Additional information regarding this procedure is available upon written request to your introducing firm.

### Foreign Currency Transactions

Pershing will execute foreign currency transactions as principal for your account. Pershing may automatically convert foreign currency to or from U.S. dollars for dividends and similar corporate action transactions unless you instruct your financial organization otherwise. Pershing's currency conversion rate will not exceed the highest interbank conversion rate identified from customary banking sources on the conversion date or the prior business day, increased by up to 1%, unless a particular rate is required by applicable law. Your financial organization may also increase the currency conversion rate. This conversion rate may differ from rates in effect on the date you executed a transaction, incurred a charge, or received a credit. Transactions converted by agents (such as depositories) will be billed at the rates such agents use.

### Proxy Vote

Securities not fully paid for in your margin account may be lent by Pershing to itself or others in accordance with the terms outlined in the Margin Agreement. The right to vote your shares held on margin may be reduced by the amount of shares on loan. The Proxy Voting Instruction Form sent to you may reflect a smaller number of shares entitled to vote than the number of shares in your margin account.





### Income and Expense Summary

	Current Period		Year-to-Date	
	Taxable	Non Taxable	Taxable	Non Taxable
Dividend Income				
Money Market-Non-Qualified	11.60	0.00	37.49	0.00
Interest Income				
Bond Interest	0.00	0.00	1,250.00	0.00
<b>Total Income</b>	<b>\$11.60</b>	<b>\$0.00</b>	<b>\$1,287.49</b>	<b>\$0.00</b>

### Activity Summary (All amounts shown are in base currency)

	Credits This Period		Debits This Period		Net This Period		Credits Year-to-Date		Debits Year-to-Date		Net Year-to-Date	
<b>Securities</b>												
Securities Bought	0.00		0.00		0.00		0.00		-492,751.90			-492,751.90
Securities Sold	0.00		0.00		0.00		495,879.02		0.00			495,879.02
<b>Total Securities</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$495,879.02</b>	<b>\$495,879.02</b>	<b>-\$492,751.90</b>			<b>\$3,127.12</b>
<b>Dividends and Interest</b>												
Fees	\$11.60		\$0.00		\$11.60		\$1,287.49		\$0.00			\$1,287.49
	\$0.00		\$0.00		\$0.00		\$0.00		-\$2.00			-\$2.00
<b>Totals</b>	<b>\$11.60</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$11.60</b>	<b>\$11.60</b>	<b>\$497,166.51</b>	<b>\$497,166.51</b>	<b>-\$492,753.90</b>			<b>\$4,412.61</b>

### Transactions in Date Sequence

Process/ Settlement Date	Activity Type	Description	Quantity	Price	Accrued Interest	Amount	Currency
10/29/21	MONEY MARKET FUND INCOME RECEIVED PER382220	GOLDMAN SACHS FSQ				11.60	USD

### Total Value of Transactions

The price and quantity displayed may have been rounded.

	\$0.00	\$11.60	USD
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### Money Market Fund Detail

Date	Activity Type	Description	Amount	Balance
	Sweep Money Market Fund			
	GOLDMAN SACHS FSQ GOVT CMS			
	Current Yield: 0.03%	Activity Ending: 10/29/21		
10/01/21	Opening Balance		523,419.75	523,419.75





October 1, 2021 - October 31, 2021  
UPPER SAN GABRIEL VALLEY

### Money Market Fund Detail (continued)

Date	Activity Type	Description	Amount	Balance
	Sweep Money Market Fund (continued)			
	GOLDMAN SACHS FSQ GOVT CMS (continued)			
10/29/21	Deposit	INCOME REINVEST	11.60	\$23,431.35
10/29/21	Closing Balance			\$523,431.35
Total All Money Market Funds				\$523,431.35

### Messages

Although a money market mutual fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in a money market mutual fund. Shares of a money market mutual fund or the balance of a bank deposit product held in your brokerage account may be liquidated upon request with the proceeds credited to your brokerage account. Please see the money market mutual fund's prospectus or the bank deposit product's disclosure document or contact your Investment Professional for additional information. Pursuant to SEC Rule 10b-10(b)(1) confirmations are not sent for purchases into money market mutual funds processed on the sweep platform. Pursuant to applicable regulation, account statements will be produced monthly or quarterly.

### eDelivery

Going digital is more important than ever before, and the benefits of electronic delivery--speed, convenience and safety--are clear. We offer eDelivery for account statements, prospectus documents, proxy or shareholder communications, tax documents, trade confirmations and more.

To enroll, log in to your brokerage account and look for the one-click eDelivery pop-up or simply select 'Go Paperless' at the top of any page and follow the on-screen prompts for set-up. Enrollment can be activated as quickly as the day you register, and you will be notified when documents are available in an online, password-protected portal.

Contact your financial professional if you have any questions about any of our efficient digital tools.

### Client Service Information

Your Registered Representative:

KRISTAIN MILLS  
151 KALMUS DRIVE  
SUITE H8  
COSTA MESA CA 92626-5971

Contact Information

Business: (714) 619-3000

Client Service Information

Service Hours: Monday - Friday 06:00 a.m. - 03:00 p.m. (PT)  
Client Service Telephone Number: (714) 619-3000  
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## Accrued Interest Summary

	Current Period		Year-to-Date	
	Taxable	Non Taxable	Taxable	Non Taxable
Accrued Interest Paid	0.00	0.00	-101.90	0.00
U.S. Treasury Securities	\$0.00	\$0.00	-\$101.90	\$0.00
Total Accrued Interest Paid	0.00	0.00	-101.90	0.00
Accrued Interest Received				
U.S. Treasury Securities	0.00	0.00	1,019.02	0.00
Total Accrued Interest Received	\$0.00	\$0.00	\$1,019.02	\$0.00

## Important Information and Disclosures

### The Role of Pershing

- Pershing carries your account as clearing broker pursuant to a clearing agreement with your financial institution. Pershing may accept from your financial institution without inquiry or investigation (i) orders for the purchase and sale of securities and other property and (ii) any other instructions concerning your account. Pershing is not responsible or liable for any acts or omissions of your financial institution or its employees and it does not supervise them. Pershing provides no investment advice nor does it assess the suitability of any transaction or order. Pershing acts as the agent of your financial institution and you agree that you will not hold Pershing or any person controlling or under common control with it liable for any investment losses incurred by you.
- Pershing performs several key functions at the direction of your financial institution. It acts as custodian for funds and securities you may deposit with it directly or through your financial institution or that it receives as the result of securities transactions it processes.
- Your financial institution is responsible for adherence to the securities laws, regulations and rules which apply to it regarding its own operations and the supervision of your account, its sales representatives and other personnel. Your financial institution is also responsible for approving the opening of accounts and obtaining account documents; the acceptance and, in certain instances, execution of securities orders; the assessment of the suitability of those transactions, where applicable; the rendering of investment advice, if any, to you and in general, for the ongoing relationship that it has with you.
- Inquiries concerning the positions and balances in your account may be directed to the Pershing Customer Service Department at (201) 413-3333. All other inquiries regarding your account or activity should be directed to your financial institution. Your financial organization's contact information can be found on the first page of this statement.
- For a description of other functions performed by Pershing please consult the Disclosure Statement provided to you upon the opening of your account. This notice is not meant as a definitive enumeration of every possible circumstance, but as a general disclosure. If you have any questions regarding this notice or if you would like additional copies of the Disclosure Statement, please contact your financial institution.
- Pershing is a member of the Securities Investor Protection Corporation (SIPC®). Please note that SIPC does not protect against loss due to market fluctuation. In addition to SIPC protection, Pershing provides coverage in excess of SIPC limits. For more detailed information please visit: [www.pershing.com/about/strength-and-stability](http://www.pershing.com/about/strength-and-stability).
- This statement will be deemed conclusive. You are advised to report any inaccuracy or discrepancy (including unauthorized trading) promptly, but no later than ten days after receipt of this statement, to your financial organization and Pershing. Please be advised that any oral communication should be re-confirmed in writing to further protect your rights, including your rights under the Securities Investor Protection Act.
- Your financial organization's contact information can be found on the first page of this statement. Pershing's contact information is as follows: Pershing LLC, Legal Department, One Pershing Plaza, Jersey City, New Jersey 07399; (201) 413-3330. Errors and Omissions excepted.

### Important Arbitration Disclosures

- All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
- Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- The arbitrators do not have to explain the reason(s) for their award, unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.
- The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
- The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.



Upper San Gabriel Valley Municipal Water District  
 Summary of Director Outreach Expenses  
 For the period of July 1, 2021 through October 31, 2021

Director	Jul-21	Aug-21	Sep-21	Oct-21	Actual to Date	Balance Remaining
Director Chavez	\$ 210.00	-	-	-	\$ 210.00	\$ 4,790.00
Director Fellow	50.00	2,750.00	1,097.00	-	3,897.00	1,103.00
Director Treviño	1,950.00	220.00	-	500.00	2,670.00	2,330.00
Director Santana	50.00	300.00	750.00	-	1,100.00	3,900.00
Director Garcia	-	500.00	750.00	650.00	1,900.00	3,100.00
<b>Total</b>	<b>\$ 2,260.00</b>	<b>3,770.00</b>	<b>2,597.00</b>	<b>1,150.00</b>	<b>\$ 9,777.00</b>	<b>\$ 12,123.00</b>

Upper San Gabriel Valley Municipal Water District  
Director Public Outreach Program Expenses  
For the period of July 1, 2021 through October 31, 2021

Director Chavez

<u>Paid Date</u>	<u>Description</u>	<u>Amount</u>	<u>Check #</u>	<u>Recipient</u>
07/19/21	Conservation Ad	210.00	22945	San Gabriel Valley Examiner

Total 210.00

Outreach Fund Balance 4,790.00





Upper San Gabriel Valley Municipal Water District  
 Director Public Outreach Program Expenses  
 For the period of July 1, 2021 through October 31, 2021

Director Treviño

<u>Paid Date</u>	<u>Description</u>	<u>Amount</u>	<u>Check #</u>	<u>Recipient</u>
07/19/21	Day of the Dead Fundraiser Sponsorship	500.00	22947	Vecinos De South Pasadena
07/19/21	2021 Local 300 Scholarship Fundraiser Sponsorship	1,000.00	22948	Local 300 Scholarship Fund
07/19/21	32nd Anniversary Celebration Sponsorship	400.00	22949	Asian Youth Center
07/19/21	Membership Renewal 2021-2022	50.00	22950	Temple City Chamber of Commerce
08/17/21	Membership Renewal 7/01/21 - 7/01/22	220.00	22981	San Gabriel Chamber of Commerce
10/26/21	2021 Virtual Tiger Run Sponsorship	500.00	23036	South Pasadena High School Tiger Booster
		<hr/>		
	<b>Total</b>	<b><u>2,670.00</u></b>		
	<b>Outreach Fund Balance</b>	<b><u>2,330.00</u></b>		

Upper San Gabriel Valley Municipal Water District  
 Director Public Outreach Program Expenses  
 For the period of July 1, 2021 through October 31, 2021

Director Santana

<u>Paid Date</u>	<u>Description</u>	<u>Amount</u>	<u>Check #</u>	<u>Recipient</u>
07/20/21	Membership Renewal 2021-2022	50.00	22952	Baldwin Park Business Association
08/17/21	Veteran's Charity Golf Tournament Sponsorship	300.00	22982	American Legion Post 241
09/03/21	Information Booth and Sponsorship	250.00	22990	City of Duarte
09/17/21	Day of the Dead Family Festival Sponsorship	500.00	23007	Downtown El Monte Business Association

Total 1,100.00

Outreach Fund Balance 3,900.00



Upper San Gabriel Valley Municipal Water District  
 Director Public Outreach Program Expenses  
 For the period of July 1, 2021 through October 31, 2021

Director Garcia

<u>Paid Date</u>	<u>Description</u>	<u>Amount</u>	<u>Check #</u>	<u>Recipient</u>
08/03/21	2021 Film Festival Sponsorship	500.00	22966	Film It West Covina
09/17/21	Annual Oak Tree Challenge 5K/1Mile Run/Walk Sponsorship	500.00	23006	Charter Oak Education Foundation
09/17/21	First Annual Golf Tournament Sponsorship	250.00	23010	Optimist International
10/27/21	Christmas Parade Sponsorship	500.00	23043	City of Covina
10/27/21	Charity Golf Tournament Sponsorship	150.00	23047	Kiwanis Club of West Covina
		<b>Total</b>		
		<u>1,900.00</u>		
	<b>Outreach Fund Balance</b>			
		<u>3,100.00</u>		

## RESOLUTION NO. 12-21-630

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT PROCLAIMING A LOCAL EMERGENCY PERSISTS, RE-RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR NEWSOM, AND REAUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE BOARD FOR THE NEXT MEETING**

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

**WHEREAS**, the Brown Act, 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**, the Board of Directors on November 17, 2021 adopted Resolution Number 11-21-628, finding that the requisite conditions exist for the legislative bodies of District to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953 and these emergency conditions persist to exist; and

**WHEREAS**, the Board of Directors does hereby find that the COVID-19 pandemic, the Delta variant virus and the fact that not all people have been vaccinated has caused, and will continue to cause, conditions of peril to the safety of persons within the District boundaries that are likely to be beyond the control of services, personnel, equipment, and facilities of the District, and 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 legislative bodies 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 the Board 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 by providing virtual and audio access to the public, staff and Directors.

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

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

**Section 2.** The Board of Directors hereby considers the conditions of the state of emergency in the District boundaries and proclaims that since a local emergency persists throughout those boundaries, and in view of the fact that substantial part of the population remains unvaccinated and COVID-19 virus has mutated into a Delta variant, holding in-person meetings would create a health risk to the public, staff and Directors.

**Section 3.** The Board hereby ratifies the Governor Newsom's Proclamation of State of Emergency.

**Section 4.** The staff and consultants 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.** This Resolution shall take effect immediately upon its adoption and shall be effective for 30 days from passage, or until such time the Board of Directors makes additional findings or adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the District's legislative bodies may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953, whichever comes first.

**PASSED, APPROVED, AND ADOPTED** this 8th day of December, 2021.

AYES:

NOES:

ABSTAIN:

ABSENT:

---

Ed Chavez, President

ATTEST:

---

Katarina Garcia, Secretary

(SEAL)

APPROVED AS TO FORM:

---

Martin Koczanowicz, District Counsel





# MEMORANDUM



## ITEM 6. (e) Consent

**DATE:** October 28, 2021  
**TO:** Administration and Finance Committee and Board of Directors  
**FROM:** General Manager  
**SUBJECT:** Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021.

---

### Recommendation

Staff recommends that the Board of Directors receive and file the Annual Comprehensive Financial Report (Attachment 1) for the fiscal year ended June 30, 2021.

### Background

Upper District's independent auditors, Rogers, Anderson, Malody & Scott, LLP (RAMS), have completed their audit of the financial statements for the fiscal year ended June 30, 2021. As in prior years, RAMS expressed an unmodified or clean opinion on the financial statements.

Staff will also be submitting, for the 11th consecutive year, the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021 to the Government Finance Officers Association of the United States and Canada (GFOA) to participate in the Certificate of Achievement for Excellence in Financial Reporting program.

Attachments

*Upper San Gabriel Valley Municipal  
Water District*

**Annual Comprehensive Financial Report**

For the fiscal year ended June 30, 2021  
*(With comparative data for prior year)*

Prepared by:  
Finance and Administration Department

602 E. Huntington Drive, Suite B  
Monrovia, California 91016

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**Annual Comprehensive Financial Report  
For the fiscal year ended June 30, 2021  
(With comparative data for prior year)**

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## Introductory Section



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November 2, 2021

The Honorable Board of Directors  
Upper San Gabriel Valley Municipal Water District

**Board of Directors:**  
Anthony R. Fellow, Ph.D.,  
*Division 1*  
Charles M. Treviño,  
*Division 2*  
Ed Chavez,  
*Division 3*  
Alfonso "Al" Contreras,  
*Division 4*  
Jennifer Santana,  
*Division 5*

The Upper San Gabriel Valley Municipal Water District (Upper District) staff is pleased to present the Upper District's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. This report is prepared in accordance with the guidelines set forth by the Governmental Accounting Standards Board (GASB).

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control established for this purpose. Because the cost of internal control should not exceed anticipated benefits, this effort provides reasonable, rather than absolute, assurance that the financial statements contain no material misstatements.

Rogers, Anderson, Malody & Scott, LLP, Certified Public Accountants, has issued an unmodified ("clean") opinion on the financial statements for the year ended June 30, 2021. The independent auditor's report is located at the front of the financial section of this report.

The MD&A complements this letter of transmittal and should be read in conjunction with it.

## **Profile of the Upper District**

### History

Upper District, formed by voters in the San Gabriel Valley on December 8, 1959 to help solve water problems in the rapidly developing San Gabriel Valley, was incorporated on January 7, 1960. On March 12, 1963, residents of the District voted to annex to the Metropolitan Water District of Southern California (MWD), to provide supplemental water, first from the Colorado River and later the State Water Project, to replenish local groundwater supplies.

Upper District played a vital role in determining water rights within the Main San Gabriel Basin by acting as plaintiff in the 1973 court case of the Upper San Gabriel Valley Municipal Water District, Plaintiff, v. City of Alhambra, et al, Defendants. This case brought about the creation of the Main San Gabriel Basin Watermaster (Watermaster), ordered by the court to administer and enforce provisions of the Judgment.

Upper District's service area covers approximately 144 square miles and includes all or parts of 18 cities and portions of unincorporated Los Angeles County with more than 950,000 residents. Upper District partners with many public and private entities to provide a sustainable, high quality water supply to residents and businesses within the greater San Gabriel Valley. Consistent with its motto of "Where Solutions Flow," Upper District is widely recognized for its customer service orientation, community involvement, and creativity in promoting water quality, water recycling, and water conservation.

Vision

Upper District aims to support a high quality of life in the greater San Gabriel Valley by providing valued water services.

Mission

Upper District's mission is to consistently meet our region's need for reliable, high quality and affordable water.

Core Values

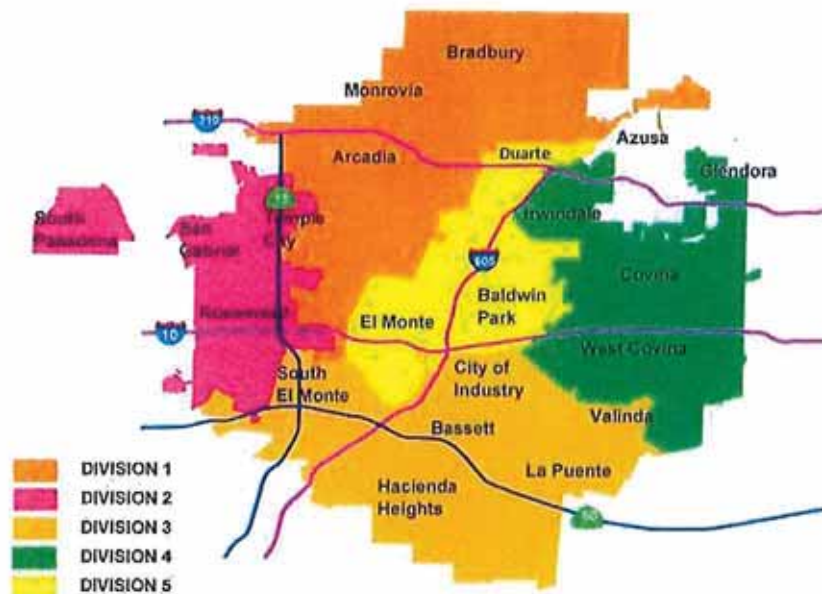
Upper District team, consisting of Board and staff, will embody the following core values in conducting the business of the district:

- Transparency – Our team will interact with all in a fair, open and honest manner.
- Professionalism – Our team will professionally, respectfully, and responsively serve the needs of its customers.
- Integrity – Our team will consistently adhere to high moral and ethical principles.
- Collaborative – Our team is collaborative, supporting each other's efforts, loyal to one another, and cares for each other both personally and professionally.
- Innovative – Our team will encourage and value the introduction of new ideas and methods.

Service Area

Five elected Directors, each serving a 4-year term and representing a designated geographic area within the Upper District's boundaries, govern the Upper District. Additionally, as a member agency of the MWD, the Upper District appoints one representative to the MWD Board of Directors. The Upper District also has representation on the San Gabriel Basin Water Quality Authority and Watermaster Boards.

Most of the water imported into the Upper District service area is used to replenish the Main San Gabriel Groundwater Basin (the Basin). A small percentage is purchased by city water departments and private water utilities for direct sale to customers.





Upper District Board of Directors



Division 1 – Director Dr. Anthony R. Fellow  
Representing all or portions of Arcadia, Bradbury,  
El Monte, Monrovia, Rosemead and Temple City



Division 2 – Director Charles M. Treviño  
Representing all or portions of Arcadia, Rosemead, San  
Gabriel, South Pasadena, South San Gabriel and Temple City



Division 3 – Director Ed Chavez  
Representing all or portions of Avocado Heights, Bassett, City  
of Industry, Hacienda Heights, La Puente, Spy Glass Hill,  
South El Monte, Valinda and West Covina



Division 4 – Director Katarina Garcia  
Representing all or portions of Azusa, Covina, Glendora,  
Baldwin Park, Irwindale and West Covina



Division 5 – Director Jennifer Santana  
Representing all or parts of Baldwin Park, Duarte, El Monte  
and Irwindale

## Local Economy

Like the rest of United States, California has been severely impacted by the COVID-19 pandemic. The pandemic and subsequent crisis initiated immense shifts in the economic performance of California in 2020. The first half of 2020 brought a sharp spike in unemployment due to a rapid decline in consumer spending and mandated business closures. However, the next two years will be characterized by economic recovery, the speed of which remains tied to the public health crisis.

California's unemployment rose sharply from 3.9 percent in February to a peak of 16.4 percent in April and May of 2020. As daily case rates fell, businesses were able to open with restrictions and the unemployment rate declined to 9 percent in December. The unemployment rate for the third quarter of 2021 is expected to be 7.2% while annual rates for 2021, 2022 and 2023 are expected to be 7.6%, 5.6% and 4.4%, respectively.

Although California began significant recovery later than some other states because of stricter public health interventions, the State's recovery is expected to outpace that of the U.S. as a whole based on two factors. First, the State's better public health outcomes should result in a more rapid return to normalcy. Second, the transition to new ways of work and social interaction will disproportionately benefit California through its technology sectors.

Despite the recession, the continued demand for a limited housing stock coupled with low interest rates leads to a forecast of a relatively rapid return of home building. An estimated 123,000 net new units in are forecasted to be built in 2021, increasing to 139,000 net new units in 2023. This level of home building means the private sector will not be able to build its way out of the state's housing affordability problem over the next three years.

The Los Angeles County economy has been severely affected by the COVID-19 pandemic with a large share of its economic base in industries hardest hit by the pandemic with unemployment rate peaking at 21.1% in May 2020. By December 2020, the unemployment rate in the County had fallen to 11%. The region continues to recover jobs in the wake of the pandemic. However, many industries facing the most severe restrictions are still trailing behind in the recovery process including arts, entertainment and recreation, food services and drinking places, and other services. When public gatherings are safe again, L.A. County is expected to, once again, be a vibrant center of food, culture, and economic activity. In the housing sector, Los Angeles County home prices continue to hit record highs driven by low interest rates and lean supply.

The San Gabriel Valley faced extraordinary challenges in the spring and summer months of 2020 as statewide safer at home orders brought much of the local economy to a standstill. After employment bottomed out in April 2020, hard hit industries like health care and retail trade were soon hiring again. The San Gabriel Valley unemployment rate began a slow but steady descent, falling to 9.7% by the end of 2020. Progress in bringing down the unemployment rate will occur through the remaining months of 2021 and into 2022 as economic activity accelerates.

Like most of California, Los Angeles County and the San Gabriel Valley economies are headed in the right direction. Economic growth is expected to accelerate as the second half of 2021 unfolds and pandemic-related restrictions are lifted. As more businesses fully open and people head back to work, gains will become more widespread.

*Sources: San Gabriel Valley Economic Partnership's 2021 Economic Forecast Report, Los Angeles County Economic Development Corporation's Economic Forecast 2021, and the September 2021 UCLA Anderson Forecast*



## Major Initiatives

Consistent with its mission, the Upper District strives to assist local retail water providers manage their water supply safely and cost-effectively by improving water quality and increasing supply reliability. This is a challenging goal because factors such as climate, water quality legislation, regulations, government policy, economics, population, and market demand change and, thus, affect the Upper District's planning and operations. Upper District's primary function has been to provide supplemental water to its retail water providers, sourced from the State Water Project, the Colorado River, and more recently, in the form of recycled water.

### Imported Water Deliveries

In December 2014, Upper District executed a ten-year extension to the current purchase order with MWD, retaining the ability to purchase about 67,000 acre feet per year of the less expensive Tier 1 water.

Recognizing the long-term drought conditions and the continuing decline of the Basin level, the stakeholders, consisting of producers, responsible agencies and Watermaster, developed a water resource development assessment to purchase untreated water for stormwater augmentation (RDA II Program) in May 2017. Unlike an earlier version of this program, which provided for Watermaster's pre-purchase of replacement water, the RDA II Program supplements the lack of local stormwater replenishment by purchasing imported Tier I water. There is no "right of recovery" using a water right, by any Basin producer. Funding for this program is obtained by an annual assessment against every acre foot of production regardless of whether the producer is within or above its production rights.

In August 2019, Upper District, MWD and Watermaster executed the 11<sup>th</sup> amendment to the Cyclic Storage Agreement extending the term for another five years. The agreement gives MWD the right to store up to 200,000 acre feet of State Water Project water in the Basin.

During the first quarter of 2021, Upper District initiated discussions with Watermaster and the producers to develop and define options for addressing the growing gap between Metropolitan's readiness-to-serve (RTS) charge and the standby charge revenue Metropolitan collects on behalf of Upper District. It is anticipated that a new rate structure will be adopted in the last quarter of 2021.

### Integrated Resources Plan (IRP)

Completed in 2012, Upper District's IRP defines a long-term strategy for investments in a balanced portfolio of water supplies that are reliable and affordable. Upper District is currently implementing the strategy defined in the IRP, which includes the Recycled Water Program described in the next section.

Upper District is working on updating the Integrated Resource Plan to address significant changes regarding potential water resource programs and supply availability and strives to work with all stakeholders to implement innovative conservation, recycling, and storm water capture projects to improve long-term water supply reliability.

### Recycled Water Program

Recycled water is a key element of Upper District's overall strategy of supplementing local water supplies. Recycled water is being used throughout California to irrigate golf courses, parks, freeway landscaping and crops. It is also being used to replenish groundwater basins, to serve as a barrier to seawater intrusion, and by industry for cooling processes and other purposes. Recycled water directly offsets the need to import increasingly expensive water that is pumped from the sensitive Bay-Delta ecosystem.

Upper District's success in proactively advancing water recycling is largely attributable to the support of its partners: the United States Bureau of Reclamation (USBR); State Water Resources Control Board; Metropolitan Water District; Sanitation Districts of Los Angeles County; Watermaster, local retail water providers and many others who have contributed to the successful development of recycled water in the San Gabriel Valley.

Direct Reuse

The Direct Reuse Program includes the phased construction of a recycled water distribution system used to provide water for irrigation purposes. Over \$51 million has been invested to construct a direct reuse recycled water distribution system consisting of more than 24 miles of distribution pipeline. The major components of the direct reuse system are summarized below. All components of the system are in service.

Whittier Narrows – The Upper District's Whittier Narrows Water Recycling Project supplies the 2,500 acre Whittier Narrows Recreation Area with about 400 million gallons of recycled water each year. The recycled water provides irrigation for a large public park, soccer, baseball, and softball fields as well as the 18-hole Whittier Narrows Golf Course.

South El Monte High School – In 2007, Upper District converted South El Monte High School to recycled water for irrigating campus green areas and athletic fields. Recycled water used at the high school conserves nearly 17 million gallons of drinking water each year, enough to supply about 100 households.

Rose Hills Memorial Park – In early 2006, Upper District converted about half of the Rose Hills Memorial Park (Rose Hills) to recycled water for irrigation purposes. Prior to using recycled water, Rose Hills used approximately 388 million gallons (1,200 acre-feet) per year or about 1,000,000 gallons per day of drinking water for irrigation. By using recycled water, Rose Hills reduced their drinking water demand by about 600 acre-feet per year, saving about 500,000 gallons of drinking water per day or enough drinking water to supply about 1,200 average single-family homes each year. As part of this project, an additional 21 million gallons of recycled water per year are provided to Rio Hondo College, Mill Elementary School and Gateway Pointe Industrial Park for irrigation purposes.

In 2014, Upper District assisted Rose Hills in obtaining \$500,000 in Proposition 84 grant funds to expand the recycled water system and serve an additional 600 acre-feet per year. This effort required Rose Hills to contribute \$500,000 towards the needed improvements which were completed in 2016, increasing the use of recycled water by another 600 acre-feet per year.

Rosemead Extension - The San Gabriel Valley Water Recycling Project Phase IIA – Rosemead Extension consists of recycled water pipelines extending north and west from the Whittier Narrows Recreation Area to supply approximately 98 million gallons of recycled water per year to Southern California Edison corporate headquarters, Panda Express corporate headquarters, Walmart and several nurseries, schools, and businesses.

City of Industry – In 2010, the Upper District's City of Industry Water Recycling Project began providing recycled water for irrigation purposes by extending an existing recycled water pipeline, stretching from the City of Industry through Hacienda Heights, to West Covina. The project supplies more than 260 million gallons of recycled water per year for irrigation to a landfill, golf course, baseball complex, schools, parks, medians, and green belts in the San Gabriel Valley.



South El Monte and El Monte Extension – In 2014, Upper District assisted the San Gabriel Valley Water Company in obtaining \$1.28 million in Proposition 84 grant funds to expand the Whittier Narrows Recycled Water system to serve an additional 95 acre-feet per year of recycled water in South El Monte and El Monte. The San Gabriel Valley Water Company provided approximately \$2.13 million to complete the facilities needed.

La Puente Valley County Water District Recycled Water System – In 2014, Upper District assisted the La Puente Valley County Water District in obtaining \$428,000 in Proposition 84 grant funds to construct a recycled water system to serve 60 acre-feet per year of recycled water in La Puente and the City of Industry. The La Puente Valley County Water District will provide \$1.57 million to complete the facilities needed. The construction award was approved in December 2019, with construction beginning in the first quarter of 2020. The pipeline construction is complete with remaining work focused on individual customer connections.

### Storm Water

#### *MillerCoors Storm Water Capture Project*

Upper District facilitated several meetings with Vulcan, MillerCoors, the LAFCD and Watermaster to determine feasible means of including MillerCoors' east pit as part of the LAFCD storm water capture system. LAFCD, Vulcan, and MillerCoors discussed the most feasible means to develop a storm water capture facility that meets the needs of all parties. At this time, no additional discussions are underway.

#### *MS4 Stormwater Permit*

Upper District staff participated in extensive discussions with the Council of Government Water Committee members on the MS4 stormwater permit and the potential to use regional facilities to reduce the cost of compliance. A technical study of the Peck Lake Park area was prepared for use by the Flood Control District and cities that currently benefit from the use of Peck Lake.

### Water Use Efficiency

The effects of climate change and continuing drought-like conditions have left many groundwater basins at low or near record low levels. Upper District continues to maintain a proactive and innovative conservation outreach program for our residents in the San Gabriel Valley. For FY 20/21, Upper District continued to implement residential and commercial water use efficiency programs. Upper District's approach is in keeping with the State's long-term framework for conservation and drought planning titled, "*Making Conservation a California Way of Life*", which outlines implementation of EO-B-37-16.

The COVID-19 pandemic continued to be a considerable challenge throughout FY 20/21, as the Governor continued to issue mandates that prohibited large events, and limited activities across the state and county. While the pandemic restrictions were issued in March 2020, the effects of the stay-at-home order and social distancing remained in effect through the end of FY 20/21 which resulted in events being reformatted to fit a virtual setting and projects being altered to permit distancing.

### Water Conservation and Education

Water conservation is a vital and cost-effective method of preserving our water supply and is a critical aspect of an effective, sustainable water supply program. Throughout California and the San Gabriel Valley, cities, water companies, utilities, and water districts are deeply involved in conservation and public education efforts that promote water use efficiency. Informing residents, businesses, and our youth about water use efficiency remains a top priority of Upper District's public education program.



### *Residential Programs*

Residential Rebate Program – Through Metropolitan's SoCal Water Smart Regional Residential Rebate Program, Upper District's residents are offered rebates for retrofitting several types of high water-use fixtures/equipment. Rebate items include the following: High-Efficiency Clothes Washers (HECW), Premium High Efficiency Toilets (PHET), Weather-Based Irrigation Controllers (WBIC), Rotating Sprinkler Nozzles, Soil Moisture Sensor Systems (SMSS), Hos Bib Irrigation Controllers (HBIC), Rain Barrels, Cisterns, and turf removal. Rebates were paid for 58,951 residential devices during the fiscal year that will produce approximately 350 acre feet (113,920,769 gallons) of lifetime water savings.

Residential Landscape Survey and Retrofit Program – During FY 20/21, two surveys were completed and multiple water efficient irrigation devices were provided through a purveyor-run residential survey and retrofit landscape program. The program provided these locations with large landscape areas an opportunity to update their irrigation systems to include a WBIC, efficient sprinkler systems, and even replacement irrigation lines to efficiently meet the needs of the landscape. Upper District provided a total of \$15,769 in incentive payments to the producers for this program through MWD's Member Agency Administered Program.

### *Commercial, Industrial, and Institutional (CII) Program*

CII Rebate Program – Through Metropolitan's SoCal Water Smart Commercial Rebate Program, Southern California businesses are eligible for rebates to help encourage water use efficiency. This program offers rebates on a wide variety of water-saving technologies including premium PHETs and Zero Water Urinals (ZWU), Ultra-Low Water Urinals (ULWU), WBICs, Central Computer Irrigation Controllers (CCIC), SMSS, HBIC, Large Rotary Nozzles, In-Stem Flow Regulators, pH-Cooling Tower Controller (pH-CTC), Cooling Tower Conductivity Controller (CTCC), Dry Vacuum Pumps, Connectionless Food Steamers, Ice-Making Machines, and turf removal. Rebates were paid for 15,074 CII devices during FY 20/21 that will produce approximately 121 acre feet (39,427,971 gallons) of lifetime water savings.

Water Savings Incentive Program – Metropolitan's Water Savings Incentive Program (WSIP) provides funding incentives for projects that improve the efficiency of large water using CII customers. The program supports the use of water efficient technologies and projects, tailored to the participating sites, that help achieve water efficiency goals. Incentives totaling \$554,703 were paid for 2 projects during the 2020/21 fiscal year that will produce approximately 4,884 acre feet (1,591,521,950 gallons) of lifetime water savings.

Water Fill Station Program – During FY 20/21, Upper District continued its Water Filling Station program (WFS) which involves the installation of water bottle filling stations at designated public facilities located within Upper District's service area with high pedestrian traffic or provide recreational activity. The program provides accessibility to tap water, highlighting the quality of tap water while providing an alternative to one-time use plastic bottles. The production, packaging, and transportation of one-time use plastic bottles is both water and energy intensive. The aftermath of using one-time plastics is a long-term negative impact on the environment.

The success of the WFS program resulted in several water producers stepping forward to fund additional water fill stations, expanding the program far beyond the original number of site installation pilot projects. The WFS program benefits local communities, delivering positive environmental impacts while highlighting the safety of local drinking water. Accommodating this partnering approach capitalized on the economies of scale, ensured consistent program guidelines, maintained a consistent regional water use efficiency message to the public, and created a successful partnering endeavor between the Upper District and its water producers. A total of 19 WFS were installed during FY 20/21.



*Education and Community Outreach Programs*

- ✓ Watershed Restoration Program – This program is a cooperative partnership between the Upper District and the U.S. Forest Service that incorporates volunteers into efforts to protect and maintain the local watershed. Program activities typically include collection of native seeds, planting of saplings, and trash removal. During FY 20/21, the volunteer events continued to be cancelled due to the COVID-19 pandemic.

4th-6th Grade Sustainable Watershed Education Program – The partnership with the Discovery Science Foundation provides exciting 4th-7th grade student curriculum that focuses on water use efficiency, highlights watershed issues, and groundwater awareness. Offered free to participating schools, the program includes interactive assemblies for fourth and fifth graders and in-class hands-on workshops for sixth graders.

During FY 20/21, 3,823 students from 26 schools participated in the assemblies and hands-on workshops. Due to COVID-19, the program has been revamped to include options for virtual learning and the program was expanded to 7<sup>th</sup> grade utilizing STEM curriculum for the science-based workshops.

Upper District also offers a number of free class trips to the Discovery Cube's Los Angeles or Santa Ana locations. The trip includes free admission for up to 60 students and a \$250 transportation grant. The closure of schools as well as the Discovery Science Foundation sites resulted in the postponement of all trips. Upper District will evaluate the ability to offer these field trips in the coming year, depending on continued COVID restrictions.

Water Efficiency Workshops – Upper District and MWD had to make changes to the water efficiency workshop format to allow for social distancing. Virtual workshops became the norm for FY 20/21 and a total of 617 individuals virtually attended 15 workshops hosted by Upper District during FY 20/21.

Solar Cup – Sponsored by MWD, Solar Cup is a youth program that provides high school teams the hands-on opportunity to build solar powered boats that they compete in race and endurance categories. Due to COVID-19, Solar Cup was held in a virtual format for FY 20/21. Solar Cup 2021 will be an online STEAM-focused program where students will learn skills by working as a team and selecting from a menu of activities that cover a wide range of STEAM fields including robotics, solar power vehicles, utilizing CAD software, building online gaming, social media messaging, visual arts, and dream job skills. At the end of the five-month program, there was a competition with ten different challenges for the teams to compete within. Upper District supported five teams for entry into the FY 20/21 event.

Water Awareness Art Contest – Upper District's "Water is Life" art contest inspires students to think about how important water is to all life and encourages youth to express the value of water through their artwork. The contest has 4 categories: K-2, 3-5, 6-8 and 9-12<sup>th</sup> grade. Due to the continuation of the COVID-19 pandemic resulted in schools continuing a virtual learning structure, Upper District postponed the art contest for this school year.

Water Education Grant Program – The Upper District's Water Education Grant Program (WEGP) offers teachers an opportunity to apply for grants of up to \$1,000 for proposed school projects that are related to water. A total of 22 applications amounting to \$16,653.77 were awarded for the 2020/21 school year.

Water Conservation Booths – Upper District maintains an aggressive grassroots outreach campaign to educate the residents of the San Gabriel Valley. Informational booths on water conservation are hosted by Upper District at city sponsored events such as summer concerts, community, and environmental fairs. Due to COVID-19, no outreach booths were held for FY 20/21.

Waterfest – Upper District hosts an annual conservation event in partnership with the Los Angeles County Department of Parks and Recreation. This educational event for residents, families and children features interactive educational booths, environmental displays, informative presentations, free water-saving materials, raffles and more. Due to the COVID-19 pandemic, WaterFest was cancelled and readapted into a virtual conservation giveaway program marketed as Conserve-a-palooza.

Conserve-a-palooza – Conserve-a-palooza is a virtual conservation program that was adapted in lieu of Upper District's annual WaterFest. For five weeks, residents within Upper District's service area have the opportunity to participate by answering weekly conservation trivia. Randomly selected participants received water-use efficiency devices as giveaways. Prizes range from high-efficiency washer machines to native plant vouchers.

San Gabriel Valley Water Smart Award – In 2015, Upper District unveiled the San Gabriel Valley Water Smart Award which recognizes cities, businesses, elected officials and/or community partners for their efforts in promoting water conservation through education, advocacy, or community engagement. The SGV Water Smart Awards are normally awarded during the WaterFest event; however, due to the COVID-19 pandemic, Upper District did not host the award recognition ceremony in 2020.

News Splash Newsletter – In 2020, Upper District unveiled a monthly e-newsletter called "News Splash" to engage and inform residents and key regional stakeholders. Each monthly edition includes water related news, information on Upper District's conservation and educational programs, water smart workshops, and water saving resources.

Upper District's Website – Upper District's website features a streamlined format and meets all accessibility and public access guidelines for special districts. To outreach to residents during the COVID-19 pandemic and to continue providing valuable water conservation materials, a teacher/parent tool kit was created and added to the website. The tool kit included conservation videos, water saving materials, activities and curriculum categorized by grade level.

Upper District's "Where Solutions Flow" Tours – Upper District has actively engaged the region's local elected officials by offering educational programs on key water policies and issues that affect the San Gabriel Valley. Upper District, in partnership with the Main San Gabriel Basin Watermaster, MWD, the Army Corps of Engineers, LA County Flood Control District, and San Gabriel Valley Water Company, have provided educational tours of the San Gabriel Valley water infrastructure. Due to COVID-19 pandemic, the tour program has been put on hold until further notice.

Speakers' Bureau Presentations – Upper District Board members and management make numerous presentations to city councils, school boards, chambers of commerce, and other community organizations. These presentations provide stakeholders with information about the history of the Upper District, local water issues and challenges, recycled water projects, water-related legislation, and water conservation programs. During FY 20/21, water supply presentations continued via virtual teleconferencing platforms.



Water Smart Video Series – In response to the COVID-19 pandemic, Upper District began an aggressive messaging campaign on local water quality and safety. A series of informational videos were created on the San Gabriel Valley's local water supply, water quality, gardening and landscaping, and best practices for water conservation.

## **Relevant Financial Policies**

### Internal Control Structure

Management is responsible for establishing and maintaining an internal control structure that ensures that assets are protected from loss, theft, or misuse. The internal control structure also ensures that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (a) the cost of a control should not exceed the benefits likely to be derived, and (b) the valuation of costs and benefits requires estimates and judgments by management.

### Investment Policy

Annually, the Board of Directors adopts an investment policy consistent with the requirements of the California Government Code. In order of priority, three fundamental criteria are followed by the Upper District in the investment program:

- (a) *Safety of Principal* - Investments shall be undertaken in a manner that first seeks to ensure the preservation of principal in the portfolio. Each investment transaction shall be entered into after taking into consideration the quality of the issuer, the underlying security or collateral, and diversification of the portfolio.
- (b) *Liquidity* - Investments shall be made so that the maturity date is compatible with cash flow needs and safety of principal.
- (c) *Return on Investment* - Investments shall be undertaken to produce an acceptable rate of return after first considering safety of principal and liquidity and the prudent investor standard.

During fiscal year 2020/21, all funds were invested in accordance with Upper District's investment policy.

### Designated Reserve Policy

Upper District's adopted Designated Reserve Fund Policy sets prudent levels of reserve funds to provide financial resources not only during emergencies or planned capital projects but also for scheduled and unscheduled expenses such as operation and maintenance, debt service and stabilization of rates. The Reserve Fund Policy establishes the following six designated reserves, each with its own recommended minimum, target, and maximum levels: 1) Emergency Reserve; 2) Operating Reserve; 3) Pay-go Capital Improvement and Replacement Reserve; 4) Capital Reserve; 5) Revenue Stabilization Reserve; and 6) Water Banking Reserve.

### Budget Process and Controls

Budgets are often used as a performance tool for measuring accountability of public agencies to its stakeholders. Though not legally required to do so, Upper District annually adopts a budget not only as a management tool for planning and control purposes but also to demonstrate its commitment to fiscal responsibility and transparency. Upper District also uses the budget as a communication tool that shows how the District intends to allocate its resources in support of its mission, goals and objectives.

Developing and monitoring the budget is an ongoing process. Upper District conducts a series of budget workshops to encourage stakeholder participation and input prior to adoption of the final budget. Monthly financial statements showing budget-to-actual comparison and analysis are presented to management and the Board of Directors to facilitate review and assessment throughout the fiscal year.

#### Water Rates

Pursuant to Water Code Section 71614 et seq., Upper District establishes water rates and charges through a resolution by the Board of Directors. Prior to adoption of the water rates and charges, workshops are held to solicit input from all stakeholders.

#### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Upper District for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the 10th consecutive year that the Upper District has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report was accomplished by the combined efforts of Upper District staff. We appreciate the dedicated efforts and professionalism that our staff members bring to the Upper District. We would also like to thank the members of the Board of Directors for their continued support in the planning and implementation of Upper District's fiscal policies.

Respectfully submitted,



Thomas A. Love  
General Manager



Evelyn M. Rodriguez  
Director of Finance and Administration



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Upper San Gabriel Valley Municipal Water District  
California**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morrill*

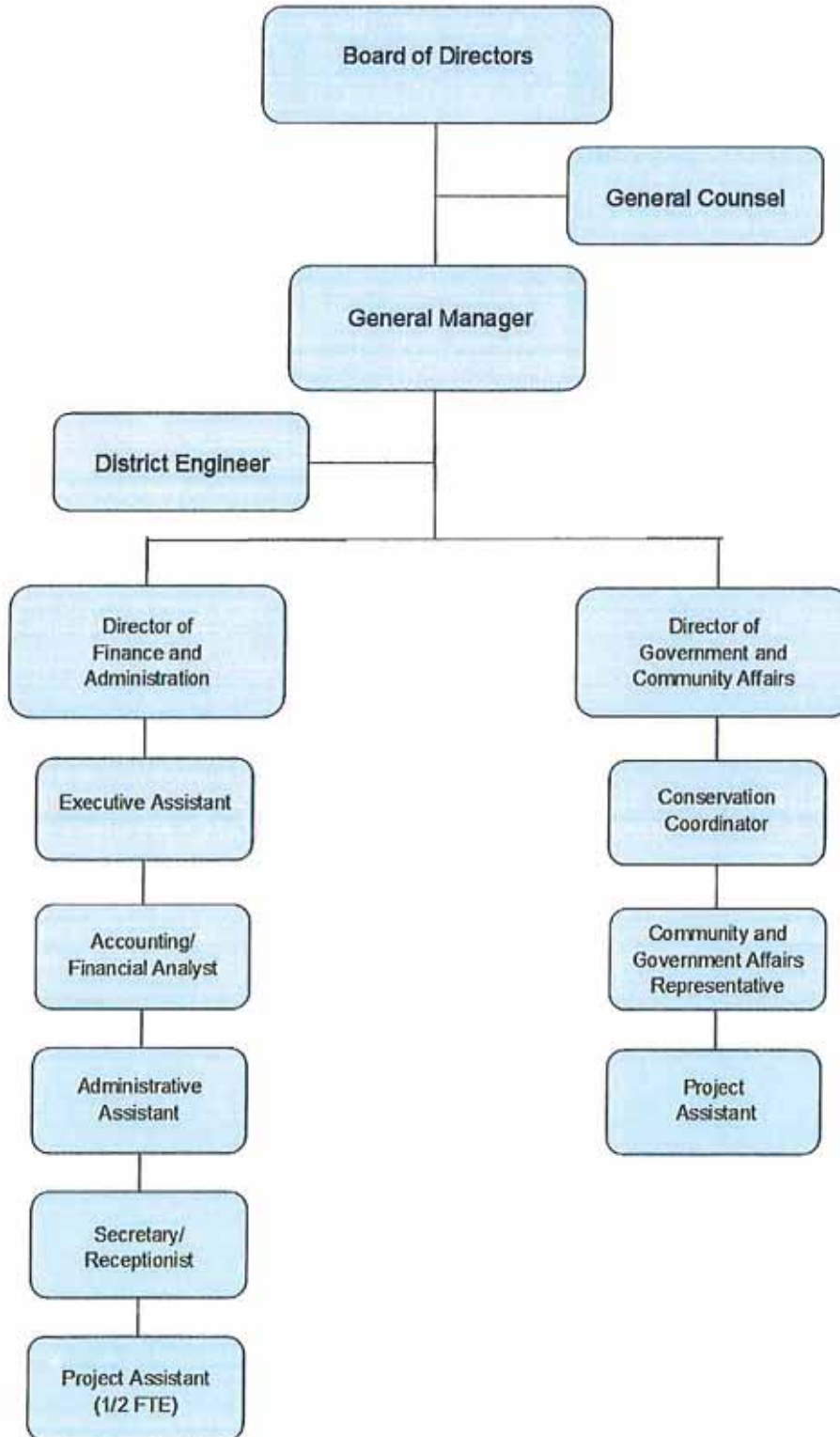
Executive Director/CEO



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Organizational Chart

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**Financial Section**

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*Independent Auditor's Report*

Honorable Member of the Board of Directors  
Upper San Gabriel Valley Municipal Water District

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the accompanying financial statements of the Upper San Gabriel Valley Municipal Water District (Upper District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Upper District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of Upper District, as of June 30, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the California State Controller's office and state regulations governing special districts.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's *Minimum Audit Requirements for California Special Districts*. 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 Upper 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 opinion.

***Responsibility of Management for the Financial Statements***

Upper District's 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 Upper District's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.



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

***Other Information***

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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.

***Report on Summarized Comparative Information***

We have previously audited Upper District's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 19, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Other Matter***

***Prior-Year Comparative Information***

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2020, from which such summarized information was derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2021, on our consideration of Upper 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 solely 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 the effectiveness of 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 Upper District's internal control over financial reporting and compliance

*Rogers, Anderson, Malody & Scott, LLP.*

San Bernardino, California  
October 28, 2021



*Upper San Gabriel Valley Municipal Water District*

**Management's Discussion and Analysis  
For the fiscal year ended June 30, 2021**

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The following Management's Discussion and Analysis (MD&A) provides an overview of the financial performance and activities of the Upper San Gabriel Valley Municipal Water District (Upper District) for the fiscal years ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes, which follow this section.

**Required Financial Statements**

Upper District is a wholesale water utility enterprise and presents its financial statements using the economic resources measurement focus and the full accrual basis of accounting. As an enterprise fund, Upper District's basic financial statements include the statement of net position, statement of revenues, expenses and changes in net position and statement of cash flows. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The statement of net position presents information on all Upper District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Upper District is improving or deteriorating.

The statement of revenues, expenses and changes in net position presents information showing how Upper District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are recognized on the accrual basis.

The statement of cash flows is related to the other financial statements by the way it links changes in assets and deferred outflows of resources and liabilities and deferred inflows of resources to the effect on cash and cash equivalents over the course of the fiscal year.

The notes to the financial statements provide useful information regarding Upper District's significant accounting policies, and they explain significant account balances and activities, certain material risks, obligations, commitments, contingencies and subsequent events, if any.

**Financial Highlights**

- During fiscal year 2020/21, the producers and Watermaster made combined imported water purchases of about 60,000 acre feet, an increase of about 25,400 acre feet compared to prior fiscal year's.
- Capital expenditures during the fiscal year consisted mostly of costs associated with the renovation of Upper District's new office amounting to about \$0.29 million.
- District revenues have not been significantly impacted by the COVID-19 pandemic.
- Conservation events and programs scheduled or planned for fiscal year 2020/21 requiring face-to-face encounters have either been postponed or cancelled due to COVID-19 restrictions.

More information on the financial statement variances is covered in the next sections.



**Management's Discussion and Analysis  
For the fiscal year ended June 30, 2021****Financial Analysis of Upper District**

The statements of net position and the statements of revenues, expenses and changes in net position report provide an indication of Upper District's financial health. It provides a basis for evaluating the capital structure and assessing the liquidity and financial flexibility of Upper District.

The following tables summarize Upper District's financial condition and the changes in its net position for the past two years.

**Statements of Net Position****Consolidated Statements of Net Position**

	June 30		Change	
	2021 (in thousands)	2020 (in thousands)	Dollar (in thousands)	Percentage
<b>Assets</b>				
Current assets	\$ 25,716	\$ 21,972	\$ 3,744	17.04%
Capital assets, net	54,668	55,482	(814)	-1.47%
Total assets	<u>80,384</u>	<u>77,454</u>	<u>2,930</u>	3.78%
<b>Deferred outflows of resources</b>	<u>1,755</u>	<u>927</u>	<u>828</u>	89.32%
<b>Liabilities</b>				
Current liabilities	3,655	3,277	378	11.53%
Noncurrent liabilities	11,608	12,040	(432)	-3.59%
Total liabilities	<u>15,263</u>	<u>15,317</u>	<u>(54)</u>	-0.35%
<b>Deferred inflows of resources</b>	<u>338</u>	<u>474</u>	<u>(136)</u>	-28.69%
<b>Net position</b>				
Net investment in capital assets	46,707	46,884	(177)	-0.38%
Unrestricted	19,831	15,706	4,125	26.26%
Total net position	<u>\$ 66,538</u>	<u>\$ 62,590</u>	<u>\$ 3,948</u>	6.31%

As shown above, Upper District's total assets exceeded liabilities and deferred inflows of resources by \$66.54 million and \$62.59 million as of June 30, 2021 and 2020, respectively, or an increase in net position of \$3.95 million between 2021 and 2020.

**Assets**

To help address the rapidly declining Basin levels, Upper District began pre-purchasing untreated water for cyclic storage in 2015. As of June 30, 2021 and 2020, Upper District's cyclic storage account has about 8,000 acre feet of water, reported as part of current assets in Upper District's statements of net position.

Increase in current assets amounting to \$3.74 million is largely attributable to significant increase in imported water sales during the fiscal year of about 25,400 acre feet, generating \$2.62 million additional revenue.

**Management's Discussion and Analysis  
For the fiscal year ended June 30, 2021**

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The decrease in net investment in capital assets of about \$0.17 million during fiscal year 2020/21 is mainly due the annual provision for depreciation. There were minimal capital asset additions during fiscal year 2020/21 related to the new office building renovation. Upper District's Indirect Reuse Replenishment Program remained on hold as the District evaluates the full availability of tertiary treated wastewater and alternative project configurations or partnerships particularly Metropolitan's regional, large-scale advanced treated wastewater project.

*Liabilities*

The increase in Upper District's current liabilities as of June 30, 2021 is due to higher amount owed to MWD for imported water purchases during the months of May and June due to seasonal fluctuations in demand.

Upper District continued to pay down its state revolving loan, reducing amount owed to State Water Resources Control Board by \$0.64 million and \$0.62 million for fiscal years ended June 30, 2021 and 2020, respectively.

*Net Position*

A large portion of Upper District's net position consists of net investment in capital assets. Capital assets are used by Upper District to provide services to its customers and are, therefore, not available for spending. Consequently, as Upper District continued to invest in its recycled water program to improve water supply reliability, unrestricted net position will generally decrease.

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

The statement of revenues, expenses and changes in net position provide information on the nature and sources of these changes. For the fiscal years ended June 30, 2021 and 2020, Upper District's net position increased by \$3.95 million and \$1.24 million, respectively, as shown by the table below.

Management's Discussion and Analysis  
For the fiscal year ended June 30, 2021

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

	June 30		Change	
	2021 (in thousands)	2020 (in thousands)	Dollar (in thousands)	Percentage
<b>Operating revenue</b>				
Water revenue	\$ 55,708	\$ 32,810	\$ 22,898	69.79%
Water conservation	31	371	(340)	-91.64%
Other operating revenue	115	205	(90)	-43.90%
Total operating revenue	55,854	33,386	22,468	67.30%
<b>Total operating expenses</b>	57,164	37,392	19,772	52.88%
Operating loss	(1,310)	(4,006)	2,696	-67.30%
Standby charges	4,244	4,047	197	4.87%
Investment earnings, taxes, other	764	1,081	(317)	-29.32%
Net nonoperating revenues	5,008	5,128	(120)	-2.34%
Income before contributions	3,698	1,122	2,576	229.59%
Capital contributions	249	121	128	105.79%
Change in net position	3,947	1,243	\$ 2,704	217.54%
Net position, beginning of year	62,591	61,346		
Net position, end of year	\$ 66,538	\$ 62,589		

*Operating Revenues*

During fiscal year 2020/21, Watermaster ramped up its purchase of untreated water for various producer cyclic storage accounts. Watermaster's untreated water purchases also increased by 11,000 acre feet using additional funds generated by the higher RDA assessment rate for fiscal year 2019/20 groundwater production. These combined increases in untreated water sales generated an additional \$22.5 million in overall revenue.

*Nonoperating Revenue/Expenses and Capital Contributions*

Nonoperating revenue, generally consisting of standby charges, investment earnings and taxes, have remained relatively stable over the years. In fiscal year 2020/21, Upper District's standby charge rate was set at \$10 per acre per year or \$10 per parcel less than one acre per year. This charge, generating about \$2 million, provides funding for the recycled and water conservation programs. MWD levies a separate standby charge, set at \$9.27 per acre or portion thereof per year, on behalf of Upper District. This charge, generating about \$1.90 million, is used to offset MWD's RTS charge.

*Operating Expenses*

Upper District purchases imported water from MWD and sets its rates based on MWD's prevailing rates plus a per-acre-foot surcharge.

During fiscal year 2020/21, Watermaster ramped up its purchase of untreated water for various producer cyclic storage accounts as well as its purchases of replenishment water using RDA funds. This increased untreated water purchases by \$20.66 million.

Cancellation or postponement of various water conservation events and projects continued during 2020/21, decreasing programs costs for fiscal year.



**Management's Discussion and Analysis**  
**For the fiscal year ended June 30, 2021****Capital Asset Administration**

As of June 30, 2021 and 2020, Upper District's investments in capital assets, net of accumulated depreciation, amounted to \$54.67 million and \$55.48 million, respectively. The following is a summary of capital assets:

	June 30		Change	
	2021 (in thousands)	2020 (in thousands)	Dollar (in thousands)	Percentage
Intangible utility plant	\$ 657	\$ 657	\$ -	0.00%
Construction in progress	8,866	8,576	290	3.38%
Water recycling	52,106	52,106	-	0.00%
Building and improvements	3,548	3,548	-	100.00%
Furniture and equipment	441	437	4	0.92%
Other	116	116	-	0.00%
Subtotal	65,734	65,440	294	0.45%
Less accumulated depreciation	(11,065)	(9,958)	(1,107)	11.12%
Net capital assets	\$ 54,669	\$ 55,482	\$ (813)	-1.47%

For more information regarding Upper District's capital assets, please refer to Note 4 of the Notes to Financial Statements.

**Long-term Debt**

Construction activities for the City of Industry Project were partially funded by a State Revolving Fund (SRF) loan from the California State Water Resources Control Board (CSWRCB) which, as of June 30, 2021 and 2020, amounted to \$7,961,230 and \$8,597,277, respectively. Detailed information on Upper District's long-term debt is presented under Note 6 in the Notes to Financial Statements.

**Water Rates and Other Charges**

On June 10, 2020, the Board of Directors approved the water rates and charges for the different classes of water effective January 1, 2021. Please refer to page 51 of the statistical section for Upper District's water rates for the last ten fiscal years. The Board of Directors also approved the adoption of a water standby or availability of service charge at \$10 per acre of land or \$10 for each parcel of land less than an acre within Upper District's service area. This charge generates about \$2 million in revenues.

**Conditions Affecting Current Financial Position**

Shortly after signs of the COVID-19 pandemic first appeared in California in 2020, Upper District, like most agencies, immediately transitioned staff to a teleworking schedule with minimal disruption in essential service delivery. As vaccines were rolled out and COVID-19 cases declined in Los Angeles County, Upper District was able to fully transition staff to pre-pandemic schedule in the office in June 2021. However, planned events and projects that involve face-to-face encounters continued to be cancelled as concerns about the virus persist.

*Upper San Gabriel Valley Municipal Water District*

**Management's Discussion and Analysis  
For the fiscal year ended June 30, 2021**

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Upper District has not seen any significant impacts of the pandemic on its major revenue sources - water sales, standby charge, or taxes. But there has been a notable decrease in water conservation program costs due to cancellation of events and projects impacted by the COVID-19 restrictions in effect.

**Requests for Information**

This financial report is designed to provide Upper District's funding sources, customers, stakeholders and other interested parties with an overview of Upper District's financial operations and overall financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact Upper District's Director of Finance and Administration at 602 E. Huntington Drive, Suite B, Monrovia, California 91016.

**Basic Financial Statements**



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*Upper San Gabriel Valley Municipal Water District*

**Statement of Net Position**  
**June 30, 2021**  
**(With comparative data for prior year)**

	2021	2020
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 11,984,460	\$ 9,493,989
Investments	6,162,244	5,166,413
Receivables:		
Water sales	1,473,647	1,017,011
Grants	3,800	25,990
Other	214,090	384,731
Prepurchased water	5,749,227	5,749,227
Prepaid expenses	128,904	134,737
Total current assets	<u>25,716,372</u>	<u>21,972,098</u>
Noncurrent assets:		
Capital assets, not being depreciated (Note 4)	9,522,471	9,233,369
Capital assets, net of depreciation (Note 4)	45,145,324	46,248,591
Total noncurrent assets	<u>54,667,795</u>	<u>55,481,960</u>
Total assets	<u>80,384,167</u>	<u>77,454,058</u>
<b>Deferred outflows of resources</b>		
Pension related (Note 7)	641,535	693,626
OPEB related (Note 9)	1,113,066	233,665
Total deferred outflows of resources	<u>1,754,601</u>	<u>927,291</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable:		
Metropolitan Water District	1,790,814	918,470
Other	1,016,120	1,258,382
Accrued liabilities	124,677	390,116
Unearned revenue	30,375	23,900
Due to State Water Resources Control Board, current portion	647,529	636,047
Compensated absences, current portion (Note 5)	45,807	49,825
Total current liabilities	<u>3,655,322</u>	<u>3,276,740</u>
Noncurrent liabilities:		
Net pension liability (Note 7)	2,752,218	2,539,000
Net OPEB liability (Note 9)	1,496,461	1,503,381
Due to State Water Resources Control Board, net of current portion	7,313,701	7,961,230
Compensated absences, net of current portion (Note 5)	45,621	35,999
Total noncurrent liabilities	<u>11,608,001</u>	<u>12,039,610</u>
Total liabilities	<u>15,263,323</u>	<u>15,316,350</u>
<b>Deferred inflows of resources</b>		
Pension related (Note 7)	77,508	168,236
OPEB related (Note 9)	260,355	305,977
Total deferred inflows of resources	<u>337,863</u>	<u>474,213</u>
<b>Net position</b>		
Net investment in capital assets	46,706,565	46,884,683
Unrestricted	19,831,017	15,706,103
Total net position	<u>\$ 66,537,582</u>	<u>\$ 62,590,786</u>

*The accompanying notes are an integral part of these financial statements.*

**Statement of Revenues, Expenses and Changes in Net Position**  
**For the fiscal year ended June 30, 2021**  
**(With comparative data for prior year)**

	<u>2021</u>	<u>2020</u>
<b>Operating revenues</b>		
Water revenue	\$ 55,708,272	\$ 32,810,349
Water conservation	30,769	372,176
Other revenues	114,802	205,417
Total operating revenues	<u>55,853,843</u>	<u>33,387,942</u>
<b>Operating expenses</b>		
Sources of supply	48,111,188	28,321,398
Water quality and supply program	3,216,926	2,962,421
Water recycling	895,068	938,739
Conservation	1,265,465	1,694,838
Depreciation	1,106,869	1,101,741
General and administrative	2,568,452	2,372,741
Total operating expenses	<u>57,163,968</u>	<u>37,391,878</u>
Operating loss	<u>(1,310,125)</u>	<u>(4,003,936)</u>
<b>Nonoperating revenues</b>		
Standby charges	4,244,157	4,046,838
Investment earnings	54,657	352,895
Gain on disposal of property	-	4,225
Taxes	708,881	723,563
Total nonoperating revenues	<u>5,007,695</u>	<u>5,127,521</u>
Income before contributions	3,697,570	1,123,585
Capital contributions	<u>249,226</u>	<u>121,005</u>
Change in net position	3,946,796	1,244,590
Net position, beginning of year	<u>62,590,786</u>	<u>61,346,196</u>
Net position, end of year	<u>\$ 66,537,582</u>	<u>\$ 62,590,786</u>

*The accompanying notes are an integral part of these financial statements.*



**Upper San Gabriel Valley Municipal Water District**

**Statement of Cash Flows**  
**For the fiscal year ended June 30, 2021**  
**(With comparative data for prior year)**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities</b>		
Cash received from customers	\$ 55,596,513	\$ 33,855,466
Cash payments to suppliers for goods and services	(52,280,398)	(31,391,775)
Cash payments for employees for services	(4,157,983)	(1,767,216)
Net cash provided by (used for) operating activities	<u>(841,868)</u>	<u>696,475</u>
<b>Cash flows from noncapital financing activities</b>		
Cash received from property taxes	708,881	723,563
Cash received from standby charges	4,244,157	4,046,838
Net cash provided by (used for) noncapital financing activities	<u>4,953,038</u>	<u>4,770,401</u>
<b>Cash flows from capital and related financing activities</b>		
Acquisition and construction of capital assets	(292,704)	(3,594,044)
Proceeds from sale of property	-	4,225
Repayment of project finance agreements	(636,047)	(624,770)
Capital contributions	249,226	121,005
Net cash provided by (used for) capital and related financing activities	<u>(679,525)</u>	<u>(4,093,584)</u>
<b>Cash flows from investing activities</b>		
Cash received from sale and maturity of investments	1,489,960	5,300,450
Acquisition of investments	(2,485,791)	(5,421,427)
Investment earnings	54,657	307,583
Net cash provided by (used for) investing activities	<u>(941,174)</u>	<u>186,606</u>
Net change in cash and cash equivalents	2,490,471	1,559,898
Cash and cash equivalents, beginning of year	<u>9,493,989</u>	<u>7,934,091</u>
Cash and cash equivalents, end of year	<u>\$ 11,984,460</u>	<u>\$ 9,493,989</u>

*The accompanying notes are an integral part of these financial statements.*

*Upper San Gabriel Valley Municipal Water District*

**Statement of Cash Flows**  
**For the fiscal year ended June 30, 2021**  
**(With comparative data for prior year), (continued)**

	2021	2020
Reconciliation of operating loss to net cash provided by (used for) operating activities:		
Operating loss	\$ (1,310,125)	\$ (4,003,936)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:		
Depreciation	1,106,869	1,101,741
(Increase) decrease in assets and deferred outflows of resources:		
Receivables	(263,805)	471,424
Prepurchased water	-	2,473,879
Prepaid expenses	5,833	(53,100)
Deferred outflows of resources	(827,310)	45,665
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable and accrued liabilities	364,643	523,740
Unearned revenue	6,475	(3,900)
Compensated absences	5,604	27,418
Deferred inflows of resources	(136,350)	302,016
Net pension liability	(6,920)	(404,382)
Net OPEB liability	213,218	215,910
Net cash provided by (used for) operating activities	\$ (841,868)	\$ 696,475
<b>Schedule of non-cash operating, noncapital and capital related financing and investing activities</b>		
Fair market value adjustment	\$ (71,853)	\$ 113,940

*The accompanying notes are an integral part of these financial statements.*

*Upper San Gabriel Valley Municipal Water District*

Notes to Financial Statements  
For the fiscal year ended June 30, 2021

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Description of the entity***

Upper San Gabriel Valley Municipal Water District (Upper District), which comprises an area of approximately 144 square miles, was incorporated on January 7, 1960 under the provisions of the Municipal Water District Law of 1911, as amended, (now cited as "The Municipal Water District Law of 1911", Division 20, California Water Code) as a result of a special election held on December 8, 1959. On March 12, 1963, the voters of Upper District elected to join the Metropolitan Water District of Southern California. On November 2, 1965, the citizens of West Covina voted to join Upper District.

Adjudication proceedings, which established the legal determination of water rights of individual pumpers in the area in relation to the safe yield of the total water basin, were completed on December 29, 1972. The decree established a Watermaster, the Main San Gabriel Basin Watermaster, who took over the function of levying and collecting the assessments that had previously been levied and collected by Upper District through its reimbursement contract and replenishment funds.

Upper District's mission is to consistently meet our region's need for reliable, high quality and affordable water.

***Basis of accounting and measurement focus***

Upper District is considered an enterprise fund for financial reporting purposes. The accompanying financial statements have been prepared using the economic measurement focus and the accrual basis of accounting, in conformity with generally accepted accounting principles (GAAP) and the Uniform Systems of Accounts for Water Utility Districts as prescribed by the Controller of the State of California. Under this basis of accounting and measurement focus, revenues are recognized when they are earned and expenses are recognized when they are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they were levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the providers have been met.

***Net position***

Sometimes Upper District will fund outlays for a particular purpose from both restricted (e.g., grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.



*Upper San Gabriel Valley Municipal Water District*

Notes to Financial Statements  
For the fiscal year ended June 30, 2021

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Net position (continued)*

Net position is categorized as follows:

- *Net investment in capital assets* – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- *Restricted* – This component of net position consists of constraints placed on resources through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted* – This component of net position consists of resources that do not meet the definition of "restricted" or "net investment in capital assets."

Upper District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an entity's ongoing operations. Upper District defines operating revenues as those realized by Upper District in exchange for providing its primary services for water sales and water programs including conservation and recycled water. Nonoperating revenues are those derived from the investment of cash reserves and from entities other than customers and other ancillary sources.

***Pension***

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 Upper District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's 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.

*Upper San Gabriel Valley Municipal Water District*

Notes to Financial Statements  
For the fiscal year ended June 30, 2021

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Postemployment benefits other than pensions (OPEB)***

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the Upper District's OPEB Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

***Use of estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

***Risk management***

Upper District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters. It is a member of the Association of California Water Agencies Joint Powers Insurance Authority (Insurance Authority). The Insurance Authority is a risk-pooling, self-insurance authority, created under the provisions of California Government Code Sections 6500 et. seq. The purpose of the Insurance Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

On June 30, 2021, Upper District participated in the self-insurance program of the Insurance Authority as follows:

*Property Loss* – The Insurance Authority has pooled self-insurance up to \$100,000 per occurrence and has purchased excess insurance coverage up to \$500,000,000, with deductibles ranging from \$2,500 to \$50,000.

*General, Auto and Public Officials Errors and Omissions Liability* – The Insurance Authority has pooled self-insurance up to \$5,000,000 and has purchased excess insurance coverage up to \$55,000,000.

*Cyber Liability* – The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence subject to a \$5,000,000 aggregate limit.



*Upper San Gabriel Valley Municipal Water District*

Notes to Financial Statements  
For the fiscal year ended June 30, 2021

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***Risk management (continued)***

*Fidelity: Public Employee Dishonesty, Forgery or Alteration, Computer Fraud & ERISA* – The Insurance Authority has pooled self-insurance up to \$100,000 per occurrence, with \$1,000 deductible.

*Workers' Compensation* – The Insurance Authority has pooled self-insurance up to \$2,000,000 each for workers' compensation and employers' liability. The Insurance authority purchases excess coverage up to the statutory limit of \$4,000,000.

There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

***Cash and cash equivalents***

For purposes of the statements of cash flows, cash and cash equivalents have been defined as deposits and highly liquid investments with maturity of 90 days or less at the date of purchase.

***Investments***

Investments are stated at fair value (the value at which financial instruments could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale). 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.

***Capital assets and depreciation***

Capital assets are recorded at cost. If applicable, donated assets are stated at acquisition value on the date donated. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets. Upper District uses differing capitalization thresholds for the classes of assets based on materiality. Upper District's policy is to review for capitalization those expenditures greater than \$500 that have a useful life of more than one year. Estimated service lives for Upper District's classes of assets are as follows:

Distribution system	50 years
Building	50 years
Building improvements	10 - 15 years
Furniture and equipment	2 - 10 years



*Upper San Gabriel Valley Municipal Water District*

Notes to Financial Statements  
For the fiscal year ended June 30, 2021

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***Unearned revenue***

Unearned revenue is water revenue paid by customers, as well as, rental revenue paid by a lessee in the current period but is yet to be earned by Upper District.

***Compensated absences***

Upper District's policy is to permit employees to accumulate a limited amount of earned vacation and sick leave. Accumulated vacation time is accrued at year-end to account for Upper District's obligation to the employees for the amount owed. It is management's belief that the majority of the obligation will be utilized during the course of the next fiscal year. Vacation pay is payable to employees at the time a vacation is taken, cashed out, or upon termination of employment. Normally, an employee cannot accrue more than thirty days of vacation each year. Sick leave is payable when an employee is unable to work because of illness. Upon retirement, an employee will be paid for any unused sick leave.

***Overhead absorption***

Certain operating expenses are allocated to capital assets using management's allocation of manpower and service estimates that are directly related to the construction of capital assets.

***Contributions for capital acquisitions/construction***

Contributions for capital acquisitions/construction represent cash and capital asset additions contributed to Upper District by federal, state, and local granting agencies.

***Reclassifications***

Upper District has reclassified certain prior year information to conform to current year presentation, with no effect on net position.

***Budgetary policies***

Upper 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.

***Allowance for doubtful accounts***

Upper District recognizes bad debt expense relating to receivables when it is probable that the accounts will be uncollectible. As of June 30, 2021, all receivables were deemed collectible.

*Upper San Gabriel Valley Municipal Water District*

**Notes to Financial Statements**  
**For the fiscal year ended June 30, 2021**

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Property taxes***

The County bills and collects property taxes on behalf of numerous special districts and incorporated cities, including Upper District. The Upper District's current year tax collection is received through periodic apportionments from the County. The County's tax calendar is from July 1 to June 30. Property taxes attach as a lien on the property on January 1. Taxes are levied on July 1 and are payable in two equal installments on November 1 and February 1, and become delinquent after December 10 and April 10, respectively.

***Prepurchased water***

Pre-purchased water consists of groundwater purchased from the Metropolitan Water District and not immediately sold to client agencies. It is valued based upon purchase cost and consumed on a first in first out basis.

**NOTE 2: CASH AND INVESTMENTS**

Cash and investments are presented in the accompanying financial statements as follows:

Cash and cash equivalents	\$	11,984,460
Investments		<u>6,162,244</u>
Total cash and investments	\$	<u><u>18,146,704</u></u>

Cash and investments as of June 30, 2021 consist of the following:

Imprest cash on hand	\$	500
Deposits with financial institutions		1,720,559
Cash with investment broker		26,891
Total cash		<u>1,747,950</u>
Local Agency Investment Fund <sup>(1)</sup>		10,236,510
Money market mutual funds		112,240
Agency Funds		2,739,766
U.S. Treasury Funds		3,068,838
U.S. Corporate Funds		241,400
Total investments		<u>16,398,754</u>
Total cash and investments	\$	<u><u>18,146,704</u></u>

<sup>(1)</sup>Upper District is a voluntary participant in the Local Agency Investment Fund (LAIF), a special fund regulated by the California State Treasury through which each city, district or agency may invest up to \$75 million. As of June 30, 2021, the total fair value of LAIF, including accrued interest was approximately \$193 billion. Upper District's proportionate share of that value is \$7.7 million as of June 30, 2021. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. As regards to credit rating, LAIF is unrated as of June 30, 2021.

*Upper San Gabriel Valley Municipal Water District*

**Notes to Financial Statements**  
**For the fiscal year ended June 30, 2021**

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**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

***Investment policy***

The Upper District's investment policy outlines the guidelines required to be used in effectively managing Upper District's available cash in accordance with the California Government Code. To address interest rate risk, the Upper District's existing policy limits the maturity of investments to five years, with the exception of special trust funds which shall not be subject to this limitation. To mitigate credit risks associated with its investments, the Upper District's investment policy limits investments to large institutions and requires diversification to ensure that failure of one issuer will not significantly affect the Upper District's cash flow.

***Interest rate risk***

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Upper District's investments in LAIF have a weighted average maturity of 291 days, generally consistent with its cash flow and liquidity needs. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest.

Information about the sensitivity of the fair values of the Upper District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Upper District's investments by maturity.

Maturities of investments at June 30, 2021, were as follows:

Investment Type (including LAIF)	Total	Remaining maturing (in months)			
		12 Months or Less	13 to 36 Months	37 to 60 Months	More than 60 Months
Local Agency Investment Fund	\$ 10,236,510	\$ 10,236,510	\$ -	\$ -	\$ -
Money market mutual funds	112,240	112,240	-	-	-
Agency funds	2,739,766	1,145,104	1,594,662	-	-
U.S. Treasury funds	3,068,838	1,072,480	1,996,358	-	-
U.S. Corporate funds	241,400	181,470	59,930	-	-
<b>Total</b>	<b>\$ 16,398,754</b>	<b>\$ 12,747,804</b>	<b>\$ 3,650,950</b>	<b>\$ -</b>	<b>\$ -</b>

***Concentration of credit risk***

A concentration of credit risk is the risk of loss attributable to the magnitude of the Upper District's investment in a single issuer. The Upper District's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2021, there were no investments in any one issuer (other than U.S. Treasury securities, agency funds, corporate funds, and external investment pools) that represent 5% or more of total Upper District investments.



*Upper San Gabriel Valley Municipal Water District*

Notes to Financial Statements  
For the fiscal year ended June 30, 2021

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**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

*Custodial credit risk*

Custodial credit risk is the risk that the Upper District will not be able to (a) recover deposits if the depositor financial institution fails, or (b) recover the value of investments or collateral securities that are in the possession of an outside party if the counterparty to the investment or deposit transaction fails.

*Deposits*

The California Government Code requires California banks and savings and loan associations to secure a local governmental agency's (agency) deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150% of an agency's total deposits. The agency may waive collateral requirements for deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC).

Deposits are exposed to custodial credit risk if they are uninsured and are either:

- a. Uncollateralized;
- b. Collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the depositor-government's name.

At June 30, 2021, Upper District's deposits (bank balances) exceeded the maximum deposit insurance amount by \$1,475,394, which is collateralized as described above.

*Investments*

The California Government Code authorizes Upper District to invest in obligations of the United States Treasury, agencies, and instrumentalities; prime commercial paper; bankers' acceptances; repurchase and reverse repurchase agreements; financial futures or financial option contracts; negotiable certificates of deposit; obligations of the State of California; and, obligations of local agencies within California.

Investments are exposed to custodial credit risk if they are uninsured, unregistered and held by either:

- a. Counterparty;
- b. The counterparty's trust department or agent but not in the government's name.

*Upper San Gabriel Valley Municipal Water District*

**Notes to Financial Statements  
For the fiscal year ended June 30, 2021**

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**NOTE 2: CASH AND INVESTMENTS (CONTINUED)**

***Credit risk***

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Upper District's investment policy limits eligible investments to large institutions. As of June 30, 2021, Upper District had the majority of its investments in LAIF.

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 actual rating as of year-end for each investment type.

Credit ratings of investments as of June 30, 2021, were as follows:

Investment Type (including LAIF)	Total	Minimum legal rating	Standard & Poor's Rating as of year end
Local Agency Investment Fund	\$ 10,236,510	N/A	Unrated
Investments:			
Money market mutual funds	112,240	A	AAA
Agency funds	2,739,766	N/A	AA+
U.S. Corporate funds	241,400	N/A	A+
Subtotal	13,329,916		
U.S. Treasury funds	3,068,838		
Total	<u>\$ 16,398,754</u>		

**NOTE 3: FAIR VALUE MEASUREMENTS**

Generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Upper District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; while Level 3 inputs are significant unobservable inputs.

- Level 1 inputs are quoted prices for identical assets or liabilities in active markets that government can access at the measurement date.

*Upper San Gabriel Valley Municipal Water District*

**Notes to Financial Statements  
For the fiscal year ended June 30, 2021**

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**NOTE 3: FAIR VALUE MEASUREMENTS (CONTINUED)**

- Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive market; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
  
- Level 3 inputs are unobservable inputs for an asset or liability.

The following table represent the Upper District's fair value hierarchy for its financial assets measured at fair value on a recurring basis:

Investment by fair value level	Fair value measurement using			
	Total	Level 1	Level 2	Level 3
Agency funds	\$ 2,739,766	\$ -	\$ 2,739,766	.
U.S. Treasury funds	3,068,838	-	3,068,838	-
U.S. Corporate funds	241,400	-	241,400	-
	6,050,004	\$ -	\$ 6,050,004	\$ -
Investments not subject to fair value measurements:				
LAIF	10,236,510			
Money market mutual funds	112,240			
Total investments	\$ 16,398,754			

Upper District's investments in LAIF as of June 30, 2021 are reported at the Upper District's pro-rata share of the amortized cost provided by LAIF for the entire portfolio.

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*Upper San Gabriel Valley Municipal Water District*

**Notes to Financial Statements  
For the fiscal year ended June 30, 2021**

**NOTE 4: CAPITAL ASSETS**

Changes in capital assets for the year ended June 30, 2021 were as follows:

	Beginning balance	Increases	Decreases	Ending balance
Capital assets, not being depreciated				
Intangible utility plant	\$ 656,874	\$ -	\$ -	\$ 656,874
Construction in progress	8,576,495	289,102	-	8,865,597
Total capital assets, not being depreciated	<u>9,233,369</u>	<u>289,102</u>	<u>-</u>	<u>9,522,471</u>
Capital assets, being depreciated:				
Buildings and improvements	3,548,056	-	-	3,548,056
Water recycling	52,105,171	-	-	52,105,171
Furniture and equipment	437,377	3,602	-	440,979
Other	116,490	-	-	116,490
Total capital assets, being depreciated	<u>56,207,094</u>	<u>3,602</u>	<u>-</u>	<u>56,210,696</u>
Less accumulated depreciation for:				
Water recycling	(9,504,950)	(1,072,636)	-	(10,577,586)
Furniture and equipment	(331,605)	(34,233)	-	(365,838)
Other	(121,948)	-	-	(121,948)
Total accumulated depreciation	<u>(9,958,503)</u>	<u>(1,106,869)</u>	<u>-</u>	<u>(11,065,372)</u>
Total capital assets being depreciated, net	<u>46,248,591</u>	<u>(1,103,267)</u>	<u>-</u>	<u>45,145,324</u>
Total capital assets, net	<u>\$ 55,481,960</u>	<u>\$ (814,165)</u>	<u>\$ -</u>	<u>\$ 54,667,795</u>

Major capital asset additions during the year include work on various stages of construction projects. A significant portion of these additions were constructed by the Upper District and/or subcontractors.

**NOTE 5: COMPENSATED ABSENCES**

Changes in compensated absences for the year ended June 30, 2021 were as follows:

Balance at beginning of year	\$ 85,824
Earned by employees	85,890
Taken by/paid to employees	<u>(80,286)</u>
Balance at end of year	91,428
Less current portion	45,807
Long-term portion	<u>\$ 45,621</u>

*Upper San Gabriel Valley Municipal Water District*

**Notes to Financial Statements  
For the fiscal year ended June 30, 2021**

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**NOTE 6: AGREEMENTS WITH STATE WATER RESOURCES CONTROL BOARD**

*Project finance agreements (direct borrowing)*

In December 2009, Upper District entered into four (4) project finance agreements with the California State Water Resources Control Board (CSWRCB) for a total amount of \$17.02 million for the purpose of financing the planning, design, acquisition, construction, and installation of the Water Recycling Pipeline and Pump Station Project Phase IIB. Principal payments range from \$75,541 to \$527,409 varying by loan. These project funds shall be repaid in annual installments commencing on the date that is one year after completion of construction and payable up to 21 years at zero interest rate. In addition, the Upper District has pledged all net revenues for repayment of the debt. As of June 30, 2021, Upper District has drawn down a total of \$13,171,937 under this agreement. Construction activities funded by the CSWRCB loans were completed as of June 30, 2013.

Balance at the beginning of year	\$	8,597,277
Principal payments		<u>(636,047)</u>
Balance at end of year		7,961,230
Less short-term portion		<u>(647,529)</u>
Long-term portion		<u><u>\$ 7,313,701</u></u>

Amounts due under the agreements, which include imputed interest, are as follows:

Fiscal year ending June 30,	Amount
2022	\$ 791,232
2023	791,232
2024	791,232
2025	791,232
2026	791,232
2027-2031	3,956,162
2032-2033	<u>953,557</u>
Total	<u><u>\$ 8,865,879</u></u>

Upper District repaid \$791,232 during the year ended June 30, 2021, of which \$636,047 related to principal payments and \$155,185 related to imputed interest.

In the event of a termination, Upper District has agreed, upon demand, to immediately repay to the State Water Board an amount equal to installment payments due hereunder, including accrued interest, and all penalty assessments due. In the event of termination, interest shall accrue on all amounts due at the highest legal rate of interest from the date that notice of termination is mailed to the Upper District to the date of full repayment by the Upper District.

*Upper San Gabriel Valley Municipal Water District*

Notes to Financial Statements  
For the fiscal year ended June 30, 2021

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**NOTE 7: DEFINED BENEFIT PENSION PLAN**

***A. General information about the Pension Plan***

*Plan description*

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District sponsors a cost sharing multiple employer defined benefit pension plan. Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

*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 5 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 Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures, and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.



*Upper San Gabriel Valley Municipal Water District*

**Notes to Financial Statements  
For the fiscal year ended June 30, 2021**

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**NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

*Benefits provided (continued)*

The Plan's provisions and benefits in effect at June 30, 2021 are summarized as follows:

	Prior to January 1, 2013	On or after January 1, 2013
Hire date	2.7% @ 55	2% @ 62
Benefit formula	5 years service	5 years service
Benefit vesting schedule	monthly for life	monthly for life
Benefit payments	50 - 55	52 - 67
Retirement age	2.0% to 2.7%	1.0% to 2.5%
Monthly benefits, as a % of eligible compensations	8.00%	7.50%
Required employee contribution rates (reporting period)	16.045%	8.239%
Required employer contribution rates (reporting period)		

*Contributions*

Section 20814(c) of the California Public Employees' Retirement Law (PERL) 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. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2021 were \$332,348. The actual employer payments of \$313,575 made to CalPERS by the District during the measurement period ended June 30, 2020 differed from the District's proportionate share of the employer's contributions of \$353,476 by \$39,901, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

***B. Net Pension Liability***

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

*Upper San Gabriel Valley Municipal Water District*

**Notes to Financial Statements  
For the fiscal year ended June 30, 2021**

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**NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

*Actuarial methods and assumptions used to determine Total Pension Liability*

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method:	Market Value of Assets
Discount Rate	7.15%
Inflation	2.50%
Salary Increase	Varies by Entry Age and Service
Mortality Rate Table <sup>1</sup>	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

<sup>1</sup> The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

*Long-term expected rate of return*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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 above and adjusted to account for assumed administrative expenses.



*Upper San Gabriel Valley Municipal Water District*

**Notes to Financial Statements  
For the fiscal year ended June 30, 2021**

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**NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

*Long-term expected rate of return (continued)*

The expected real rates of return by asset class are as follows:

Asset Class <sup>1</sup>	Current Strategic Allocation	Real Return Years 1 - 10 <sup>2</sup>	Real Return Year 11+ <sup>3</sup>
Global Equity	50.0%	4.80%	5.98%
Fixed income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	(0.92%)
Total	<u>100.0%</u>		

<sup>1</sup> In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

<sup>2</sup> An expected inflation of 2.0% used for this period

<sup>3</sup> An expected inflation of 2.92% used for this period

*Change of assumptions*

The Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019.

*Discount rate*

The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.



*Upper San Gabriel Valley Municipal Water District*

**Notes to Financial Statements  
For the fiscal year ended June 30, 2021**

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**NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

*Pension Plan Fiduciary Net Position*

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov). The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and Other Post-Employment Benefits (OPEB) expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

**C. Proportionate share of Net Pension Liability**

The following table shows the Plan's proportionate share of the net pension liability over the measurement period.

	Plan Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Plan Net Pension Liability
	(a)	(b)	(c) = (a) - (b)
Balance at: 6/30/2019 (VD)	\$ 9,914,683	\$ 7,375,683	\$ 2,539,000
Balance at: 6/30/2020 (MD)	10,663,559	7,911,341	2,752,218
Net change during 2019-20	748,876	535,658	213,218
Valuation Date (VD), Measurement Date (MD)			

The District's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

*Upper San Gabriel Valley Municipal Water District*

**Notes to Financial Statements**  
**For the fiscal year ended June 30, 2021**

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**NOTE 7: DEFINED BENEFIT PENSION PLAN, (CONTINUED)**

The District's proportionate share of the net pension liability for the Plan (miscellaneous) as of the June 30, 2019 and 2020 measurement dates was as follows:

Proportion share of NPL - MD June 30, 2019	0.06340%
Proportion share of NPL - MD June 30, 2020	0.06525%
Change - Increase (Decrease)	0.00185%

*Sensitivity of the proportionate share of the Net Pension Liability to changes in the discount rate*

The following presents the District's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Miscellaneous Plan's Net Pension Liability	\$ 4,171,277	\$ 2,752,218	\$ 1,579,694

*Subsequent events*

There were no subsequent events that would materially affect the results presented in this disclosure.

*Amortization of deferred outflows and deferred inflows of resources*

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

*Upper San Gabriel Valley Municipal Water District*

Notes to Financial Statements  
For the fiscal year ended June 30, 2021

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NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)

*Amortization of deferred outflows and deferred inflows of resources (continued)*

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
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All other amounts	Straight-line amortization over the average expected remaining services lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period
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The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2020 is 3.8 years, which was obtained by dividing the total service years of 548,581 (the sum of remaining service lifetimes of the active employees) by 145,663 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

***D. Pension expense and deferred outflows and deferred inflows of resources related to pensions***

As of the state of the measurement period (July 1, 2019), the District's net pension liability was \$2,539,000. For the measurement period ending June 30, 2020 (the measurement date), the District incurred a pension expense of \$506,929.



*Upper San Gabriel Valley Municipal Water District*

**Notes to Financial Statements**  
**For the fiscal year ended June 30, 2021**

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**NOTE 7: DEFINED BENEFIT PENSION PLAN (CONTINUED)**

As of June 30, 2021, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ 141,830	\$ -
Changes in assumptions	-	19,630
Difference between projected and actual investment earnings	81,759	-
Difference between employer's contribution and proportionate share of contributions	-	57,878
Change in employer's proportion	85,598	-
Pension contributions made subsequent to measurement date	332,348	-
Totals	\$ 641,535	\$ 77,508

These amounts above are net of outflows and inflows recognized in the 2019-20 measurement period expense. Contributions subsequent to the measurement date of \$332,348 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal year ended June 30,	Deferred outflows/(inflows) of resources, net
2022	\$ 40,914
2023	86,413
2024	65,138
2025	39,214
2026	-
Thereafter	-

***E. Payable to the pension plan***

At June 30, 2021, the District reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year then ended.

*Upper San Gabriel Valley Municipal Water District*

**Notes to Financial Statements**  
**For the fiscal year ended June 30, 2021**

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**NOTE 8: DEFERRED COMPENSATION AGREEMENT**

Upper District offers its employees a deferred compensation plan (DC Plan) created in accordance with Internal Revenue Code Section 457. The DC Plan, available to all of the Upper District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency.

All amounts of compensation deferred under the DC Plan are held in trust, not controlled by the District and are not subject to the creditors of the Upper District. Accordingly, the assets and liabilities of the DC Plan are not reflected on these financial statements in accordance with GASBS 84.

**NOTE 9: OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**A. General information about the OPEB Plan**

*Plan description*

Upper District has an agent multiple-employer defined benefit plan administered by CalPERS through an irrevocable trust, the California Employer's Retiree Benefit Trust (CERBT). The CalPERS Board of Administration has sole and exclusive control and power over the administration and investment of the CERBT. The plan itself does not issue a separate set of financial statements. The CERBT plan does issue a separate set of financial statements that can be obtained from the CalPERS website.

Upper District's postemployment healthcare benefits provided to certain qualified employees, directors and their dependents based on resolutions by the Board of Directors are as follows:

- A Health & Accident and Major Medical Payments Insurance Policy, as selected and approved by the Board.
- A maximum of \$2,500 per calendar year for retirees and their dependents for medical costs not covered by the insurance policy above.
- A maximum of \$2,500 per calendar year for costs of dental, vision and/or hearing.

These benefits are provided to each retired employee who has served the Upper District for more than ten years before terminating employment at age 55 years or older and each retired director who served in office after January 1, 1981, was elected to the board prior to January 1, 1995, has served not less than twelve years or three full terms of office and has attained the age of 50 years.

*Upper San Gabriel Valley Municipal Water District*

**Notes to Financial Statements  
For the fiscal year ended June 30, 2021**

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**NOTE 9: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

*Employees covered by benefit terms*

At June 30, 2019 (valuation date), the following employees were covered by the benefit terms of the Plan:

Category	Count
Active employees	12
Inactive employees or beneficiaries currently receiving benefits	8
Inactive employees entitled to but not yet receiving benefit payments	-
<b>Total</b>	<b>20</b>

*Contributions and funding policy*

The contribution requirements of plan members and the Upper District are established and may be amended by the Board of Directors. In March 2014, the Board of Directors authorized the execution of the prefunding agreement with the CERBT and fully funding the annual required contributions (contractually determined) for OPEB.

During fiscal year ended June 30, 2021, Upper District contributed \$1,078,249 to the Plan. At June 30, 2020, the Trust account balance was \$1,100,993. The Trust assets are dedicated to providing benefits to retirees and are legally protected from the creditors of the Upper District and the plan members. The Trust assets are not reported in the Upper District's financial statements.

**B. Net OPEB Liability**

Upper District's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019.

*Actuarial assumptions*

This valuation assumes that the Upper District will fund the Plan on an ad hoc basis, in an amount sufficient to fully fund the obligation over a period not to exceed 30 years. The Normal Cost is the portion of the Actuarial Present Value of benefits allocated to a valuation year. The UAAL is the excess of the Entry Age Normal Actuarial Accrued Liability over the Market Value of Assets.



*Upper San Gabriel Valley Municipal Water District*

**Notes to Financial Statements  
For the fiscal year ended June 30, 2021**

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**NOTE 9: OTHER POSTEMPLOYMENT BENEFITS (OPEB), (CONTINUED)**

The total OPEB liability for the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

<b>Actuarial Assumptions:</b>	
Actuarial cost method	Entry age actuarial cost method
Asset valuation method	Market value of assets
Inflation	2.75%
Salary Increases	2.75% per year
Investment Rate of Return	7.0% per year of net experience; based on assumed long-term return on plan assets assuming 100% funding through CERBT using the Building Block Method
Healthcare cost trend rates	4% per year
Mortality rates	Based on 2014 CalPERS active mortality for miscellaneous employees

The valuation used historic 30-year real rates of return for each class along with the assumed long-term inflation assumption to set the discount rate. It offsets the expected investment return by investment expenses of 25 basis points. Following is the assumed asset allocation and assumed rate of return for each asset class:

Asset Class	Percentage of Portfolio	Assumed Growth Return
Equities	59%	7.7950%
Fixed income	25%	4.5000%
Real estate investment trusts	8%	7.5000%
Commodities	3%	7.7950%
Treasury Inflation Protected Securities (TIPS)	5%	3.2500%
Total	100%	

*Discount rate*

The discount rate used to measure the total OPEB liability was 7.0%. This assumes that contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years. The rate is based on the real rate of return expected for plan assets plus long-term inflation assumption.

*Upper San Gabriel Valley Municipal Water District*

Notes to Financial Statements  
For the fiscal year ended June 30, 2021

**NOTE 9: OTHER POSTEMPLOYMENT BENEFITS (OPEB), (CONTINUED)**

*Change in the Net OPEB Liability*

	Increases (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
<b>Balance at June 30, 2020</b> (Measurement Date June 30, 2019)	\$ 2,460,087	\$ 956,706	\$ 1,503,381
<b>Changes for the year:</b>			
Service cost	77,388	-	77,388
Interest on the total OPEB liability	171,028	-	171,028
Contributions - employer	-	226,843	(226,843)
Investment income	-	33,812	(33,812)
Expected less actual benefit payment	4,851	-	4,851
Investment gains/losses	-	-	-
Benefit payments	(115,900)	(115,900)	-
Administrative expenses	-	(468)	468
<b>Net Changes</b>	<u>137,367</u>	<u>144,287</u>	<u>(6,920)</u>
<b>Balance at June 30, 2021</b> (Measurement Date June 30, 2020)	<u>\$ 2,597,454</u>	<u>\$ 1,100,993</u>	<u>\$ 1,496,461</u>

*Sensitivity of the net OPEB liability to changes in the discount rate*

The net OPEB liability of the Upper District, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) follows:

	Discount rate 1% Lower	Valuation Discount Rate	Discount rate 1% Higher
Net OPEB Liability	\$ 1,784,057	\$ 1,496,461	\$ 1,254,117

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates*

The net OPEB liability of the Upper District, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates follows:

	Trend 1% Lower	Valuation Trend	Trend 1% Higher
Net OPEB Liability	\$ 1,225,992	\$ 1,496,461	\$ 1,811,032

*Upper San Gabriel Valley Municipal Water District*

Notes to Financial Statements  
For the fiscal year ended June 30, 2021

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**NOTE 9: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

*OPEB expense and deferred inflows and outflows of resources related to OPEB*

For the year ended June 30, 2021, Upper District recognized OPEB expense of \$146,306 with details as follows:

	Total
Service cost	\$ 77,388
Interest on total OPEB liability	171,028
Recognized experience (gains)/losses	(40,771)
Expected return of assets	(70,836)
Recognized investment (gains)/losses	9,029
Administration expense	468
<b>Total OPEB Expense</b>	<b>\$ 146,306</b>

At June 30, 2021, Upper District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
OPEB contributions subsequent to measurement date	\$ 1,078,249	\$ -
Experience gains/losses	-	260,355
Investment gains/losses	34,817	-
<b>Total</b>	<b>\$ 1,113,066</b>	<b>\$ 260,355</b>

The \$1,078,249 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the upcoming fiscal year. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as follows:

Fiscal year ended June 30:	Deferred outflows/(inflows) of resources
2022	\$ (31,742)
2023	(31,742)
2024	(31,416)
2025	(33,367)
2026	(40,771)



*Upper San Gabriel Valley Municipal Water District*

**Notes to Financial Statements  
For the fiscal year ended June 30, 2021**

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**NOTE 10: COMMITMENTS AND CONTINGENCIES**

***Operating lease***

Upper District has entered into a non-cancellable operating lease for its office space in Monrovia, California. Amounts due under the lease are as follows:

Year ending June 30	Amount
2021	\$ 246,013
2022	20,551
Total	\$ 266,564

On July 25, 2018, the lease was amended providing the Upper District an ongoing right to terminate the lease on or after August 1, 2018 with twelve (12) months prior written notice to the lessor. The Upper District incurred rental expense of \$241,243 for the year ended June 30, 2021.

***Grant awards***

Upper District has received funds for specific purposes that are subject to review and audit by the grantors. Although such audits could generate expenditure disallowances under terms of the grants or contracts, management believes that any required reimbursements will not be material.

***Litigation***

Legal claims and lawsuits arise from time to time in the normal course of business, which, in the opinion of management, will have no material effect on the Upper District's financial position.

***Construction activities***

Upper District has a variety of agreements with private contractors relating to the construction of water recycling projects. Upper District has no commitments from open construction contracts as of June 30, 2021.

**NOTE 11: COVID 19 CONSIDERATIONS**

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States caused business disruption through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services. It is possible that this matter may still negatively impact the District as new strains may occur, however, the ultimate financial impact and duration cannot be estimated at this time, and no adjustments have been made to these financial statements as a result of this uncertainty.

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**Required Supplementary Information**



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Schedule of the District's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date Last 10 Years\*

Measurement date	Employer's proportion of the collective net pension liability (asset)	Employer's proportionate share of the collective net pension liability <sup>1</sup>	Covered payroll	Employer's proportionate share of the collective net pension liability as a percentage of the employer's covered payroll	Pension plan's fiduciary net position as a percentage of the total pension liability
June 30, 2014	0.020400%	\$ 1,269,653	\$ 1,087,130	116.79%	83.23%
June 30, 2015	0.022304%	1,528,941	1,188,341	128.66%	79.89%
June 30, 2016	0.023155%	2,003,628	1,191,276	168.19%	75.67%
June 30, 2017	0.023753%	2,355,668	943,618	249.64%	75.44%
June 30, 2018	0.024108%	2,323,090	1,127,628	206.02%	75.50%
June 30, 2019	0.024778%	2,539,000	1,310,022	193.81%	74.39%
June 30, 2020	0.025300%	2,752,218	1,423,225	193.38%	74.39%

<sup>1</sup> Proportion of the collective net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

\* Historical information is required only for measurement periods for which it is applicable. Future years' information will be displayed up to 10 years as information becomes available.

Schedule of Pension Plan Contributions  
Last 10 Years\*

Fiscal year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a Percentage of Covered Payroll
June 30, 2015	\$ 204,555	\$ (708,613)	\$ (504,058)	\$ 1,188,341	59.63%
June 30, 2016	228,626	(228,626)	-	1,191,276	19.19%
June 30, 2017	203,040	(203,040)	-	943,618	21.52%
June 30, 2018	217,448	(217,448)	-	1,127,628	19.28%
June 30, 2019	270,063	(270,063)	-	1,310,122	20.61%
June 30, 2020	313,575	(313,575)	-	1,423,225	22.03%
June 30, 2021	332,348	(332,348)	-	1,361,709	24.41%

Notes to Schedule:

Change in benefit terms: None

Changes in assumptions: For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

\* Historical information is required only for measurement periods for which it is applicable. Future years' information will be displayed up to 10 years as information becomes available.



Upper San Gabriel Valley Municipal Water District

FINAL DRAFT  
SUBJECT TO CHANGES

Schedule of Changes in the Net OPEB Liability and Related Ratios  
Last 10 Years\*

Measurement date	2017	2018	2019	2020
<b>Total OPEB Liability</b>				
Service cost	\$ 62,554	\$ 53,999	\$ 55,484	\$ 77,388
Interest on the Total OPEB Liability	171,159	177,712	183,972	171,028
Actual and expected experience difference	-	-	-	-
Experience gains/losses	-	-	(307,813)	-
Changes in assumptions	-	-	-	-
Expected less actual benefit payments	-	-	-	4,851
Benefit payments	(120,998)	(142,099)	(143,959)	(115,900)
<b>Net change in Total OPEB Liability</b>	<b>102,715</b>	<b>89,612</b>	<b>(212,316)</b>	<b>137,367</b>
Total OPEB Liability - beginning	2,480,076	2,582,791	2,672,403	2,460,087
<b>Total OPEB Liability - ending (a)</b>	<b>2,582,791</b>	<b>2,672,403</b>	<b>2,460,087</b>	<b>2,597,454</b>
<b>Plan Fiduciary Net Position</b>				
Contribution - employer	433,842	261,275	247,902	226,843
Net investment income	43,890	46,053	58,540	33,812
Investment gains and losses	-	1,650	(9,766)	-
Benefit payments	(120,998)	(142,099)	(104,446)	(115,900)
Administrative expense	(232)	(1,112)	(164)	(468)
<b>Net change in Plan Fiduciary Net Position</b>	<b>356,502</b>	<b>165,767</b>	<b>192,066</b>	<b>144,287</b>
Plan Fiduciary Net Position - beginning	242,371	598,873	764,640	956,706
<b>Plan Fiduciary Net Position - ending (b)</b>	<b>598,873</b>	<b>764,640</b>	<b>956,706</b>	<b>1,100,993</b>
<b>Net OPEB Liability - ending (a) - (b)</b>	<b>\$ 1,983,918</b>	<b>\$ 1,907,763</b>	<b>\$ 1,503,381</b>	<b>\$ 1,496,461</b>
Plan fiduciary net position as a percentage of the total OPEB liability	23.19%	28.61%	38.89%	42.39%
Covered-employee payroll <sup>1</sup>	\$ 1,107,374	\$ 1,294,561	\$ 1,366,231	\$ 1,449,600
Net OPEB liability as a percentage of covered-employee payroll <sup>1</sup>	179.16%	147.37%	110.04%	103.23%

<sup>1</sup> Contributions to the OPEB plan are not based on a measure of pay.

Notes to schedule:

The following assumptions were changed from the 2017 valuation to the 2019 valuation:

**Mortality assumptions:** Based on the 2014 CalPERS Active Mortality for Miscellaneous Employees.

**Healthcare trend:** Medical plan premiums are assumed to increase at somewhat higher rates than assumed in the prior valuation, with the ultimate trend of 5.0% per year, rather than 4.5% per year assumed in the prior valuation.

**Excise Tax on high cost coverage:** The valuation reflects the two year delay in the effective date from 2020 to 2022, as enacted in the Tax Cuts and Jobs Act.

\* Historical information is required only for measurement periods for which it is applicable. Future years' information will be displayed up to 10 years as information becomes available.

Schedule of OPEB Plan Contributions  
Last 10 Years\*

Fiscal year	Contractually determined contribution	Contributions in relation to the contractually determined contribution	Contribution deficiency (excess)	Covered-employee payroll <sup>1</sup>	Contributions as a percentage of employee covered payroll
June 30, 2018	\$ 120,856	\$ (240,032)	\$ (119,176)	\$ 1,294,561	18.54%
June 30, 2019	104,446	(247,902)	(143,456)	1,366,231	18.14%
June 30, 2020	226,843	(226,843)	-	1,449,600	15.65%
June 30, 2021	230,663	(1,078,249)	(847,586)	1,077,504	100.07%

<sup>1</sup> Contributions to the OPEB plan are not based on a measure of pay.

Notes to schedule:

Actuarial methods and assumptions used to set actuarially determined contributions for fiscal year 2019 were from the June 30, 2019 actuarial valuation.

Methods and assumptions used to determine contributions:

Actuarial cost method	Entry age actuarial cost method
Amortization methodology	Straight-line recognition over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits as of the beginning of the Measurement Period. In determining the EARSL, all active, retired, and inactive (vested) members are counted, with the latter two groups having 0 remaining service years
Asset valuation method	Market value of assets
Inflation	2.75%
Payroll growth	2.75% per year; since benefits are not related to pay, this is used only to allocate the cost of benefits between service years
Investment rate of return	7.0% per year of net experience; based on assumed long-term return on plan assets assuming 100% funding through CERBT using the Building Block Method
Healthcare trend	4.0% per year
Retirement age	2009 CalPERS 2.0% @ 60 rates for Miscellaneous Employees; 2009 CalPERS 2.7% @ 55 rates for Miscellaneous Employees
Mortality	2014 CalPERS Active Mortality for Miscellaneous Employees

\* Historical information is required only for measurement periods for which it is applicable. Future years' information will be displayed up to 10 years as information becomes available.

**Statistical Section  
(Unaudited)**



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**Statistical Section**

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This part of the Upper District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Upper District's overall financial health.

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Financial Trends These schedules contain information to help the reader understand how the Upper District's financial performance and financial condition have changed over time.	45
Revenue Capacity These schedules contain information to help the reader assess the Upper District's most significant own-source revenue, water sales.	47
Demographic Information This schedule offers demographic indicators to help the reader understand the environment within which the Upper District's financial activities take place.	53
Operating Information This schedule contains service and infrastructure data to help the reader understand how the information in the Upper District's financial report relates to the service the Upper District provides.	55

*Upper San Gabriel Valley Municipal Water District*

**Changes in Net Position  
Last Ten Fiscal Years (Unaudited)  
(In Thousands)**

	Fiscal Year Ended June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Changes in net position:										
Operating revenues	\$ 15,316	\$ 12,837	\$ 26,691	\$ 37,928	\$ 20,800	\$ 38,154	\$ 22,671	\$ 36,384	\$ 33,398	\$ 55,854
Operating expenses	(18,856)	(16,842)	(29,801)	(39,848)	(23,770)	(39,557)	(26,900)	(39,515)	(36,290)	(56,057)
Depreciation and amortization	(377)	(496)	(1,068)	(1,072)	(1,121)	(1,100)	(1,090)	(1,111)	(1,102)	(1,107)
Operating income (loss)	(3,917)	(4,501)	(4,178)	(2,993)	(4,091)	(2,503)	(5,319)	(2,242)	(4,004)	(1,310)
Nonoperating revenues (expenses)										
Standby charges	3,576	3,542	3,664	3,623	3,541	3,576	3,541	3,648	4,047	4,244
Nonoperating program expenses	(2,305)	(991)	(524)	(592)	(168)	29	29	-	-	-
Investment earnings	65	41	32	65	91	48	132	422	353	55
Taxes	337	379	416	372	441	546	586	613	724	709
Gain on sale of property and equipment	-	-	3	2	-	-	1,427	-	4	-
Change in fair value of investments	-	-	-	-	-	-	-	-	-	-
Net nonoperating revenues (expenses)	1,672	2,971	3,511	3,471	3,305	4,199	5,715	4,663	5,128	5,008
Net income (loss) before capital contributions	(2,245)	(1,530)	(657)	478	(186)	1,696	396	2,441	1,124	3,688
Contributions for capital acquisition/construction	1,645	4,927	349	348	208	685	1,329	186	121	249
Changes in net position	\$ (600)	\$ 3,397	\$ (318)	\$ 826	\$ 22	\$ 2,381	\$ 1,725	\$ 2,627	\$ 1,245	\$ 3,947

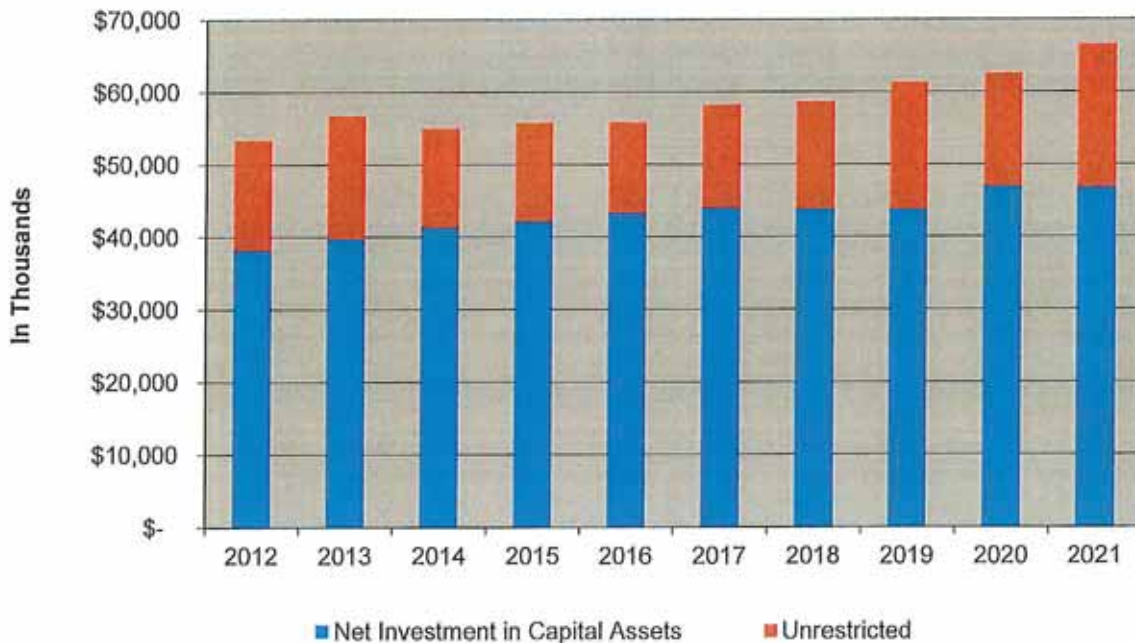
Source: Finance and Administration Department



*Upper San Gabriel Valley Municipal Water District*

**Net Position by Component  
Last Ten Fiscal Years (Unaudited)  
(In Thousands)**

June 30	Net Investment in Capital Assets	Unrestricted	Total
2012	\$ 38,165	\$ 15,216	\$ 53,381
2013	39,778	17,000	56,778
2014	41,349	13,667	55,016
2015	42,128	13,714	55,842
2016	43,278	12,587	55,865
2017	44,009	14,237	58,246
2018	43,847	14,872	58,719
2019	43,768	17,578	61,346
2020	46,885	15,706	62,591
2021	46,707	19,831	66,538

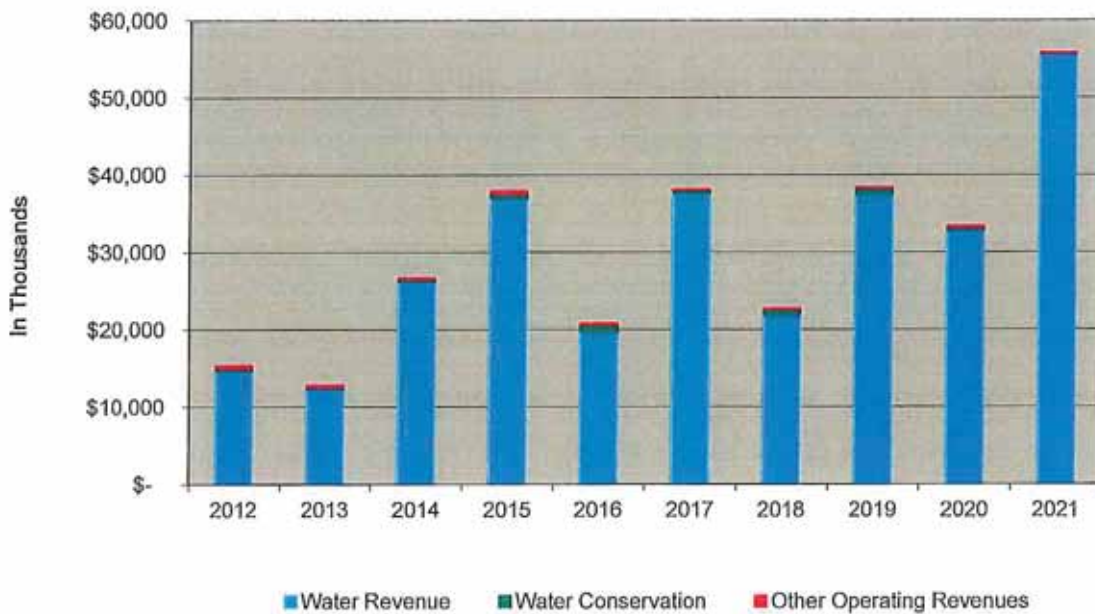


Source: Finance and Administration Department

*Upper San Gabriel Valley Municipal Water District*

**Operating Revenues by Major Source  
Last Ten Fiscal Years (Unaudited)  
(In Thousands)**

Fiscal Year Ended June 30	Water Revenue	Water Conservation	Other Operating Revenues	Total Operating Revenues
2012	\$ 14,714	\$ 333	\$ 269	\$ 15,316
2013	12,395	195	247	12,837
2014	26,259	245	187	26,691
2015	37,021	545	362	37,928
2016	19,670	996	134	20,800
2017	37,646	430	78	38,154
2018	21,880	713	77	22,670
2019	37,459	837	88	38,384
2020	32,810	372	206	33,388
2021	55,708	31	115	55,854

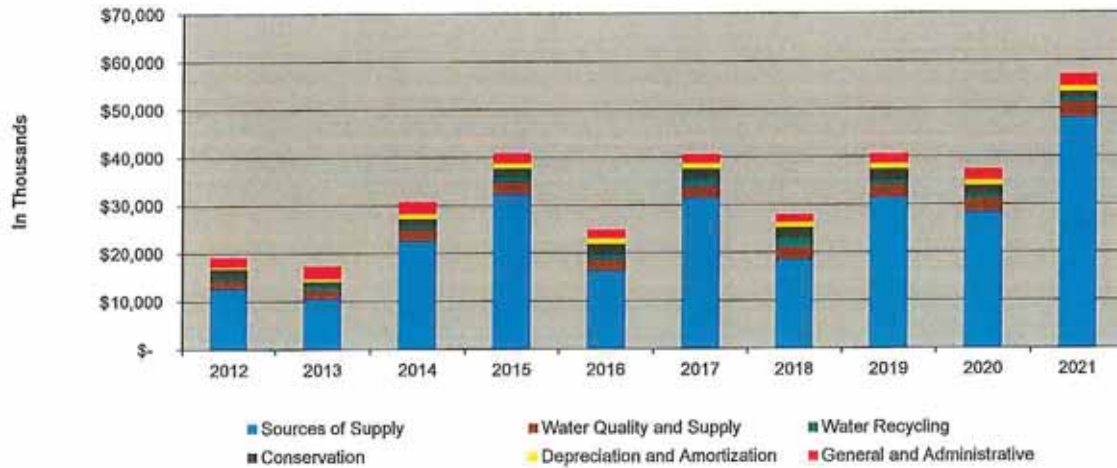


Source: Finance and Administration Department

*Upper San Gabriel Valley Municipal Water District*

**Operating Expenses by Activity  
Last Ten Fiscal Years (Unaudited)  
(In Thousands)**

Fiscal Year Ended June 30	Sources of Supply	Water Quality and Supply	Water Recycling	Conservation	Depreciation and Amortization	General and Administrative	Total Operating Expenses
2012	\$ 12,730	\$ 1,619	\$ 639	\$ 1,782	\$ 378	\$ 2,085	\$ 19,233
2013	10,524	1,814	1,080	776	496	2,648	17,338
2014	22,657	2,439	781	1,323	1,068	2,601	30,869
2015	32,366	2,623	927	1,767	1,072	2,166	40,921
2016	16,345	2,342	1,066	2,127	1,121	1,890	24,891
2017	31,502	2,441	1,650	2,020	1,100	1,944	40,657
2018	18,590	2,569	2,008	2,049	1,090	1,684	27,990
2019	31,458	2,782	883	2,335	1,111	2,057	40,626
2020	28,321	2,962	939	1,695	1,102	2,373	37,392
2021	48,111	3,217	895	1,265	1,107	2,569	57,164



Source: Finance and Administration Department

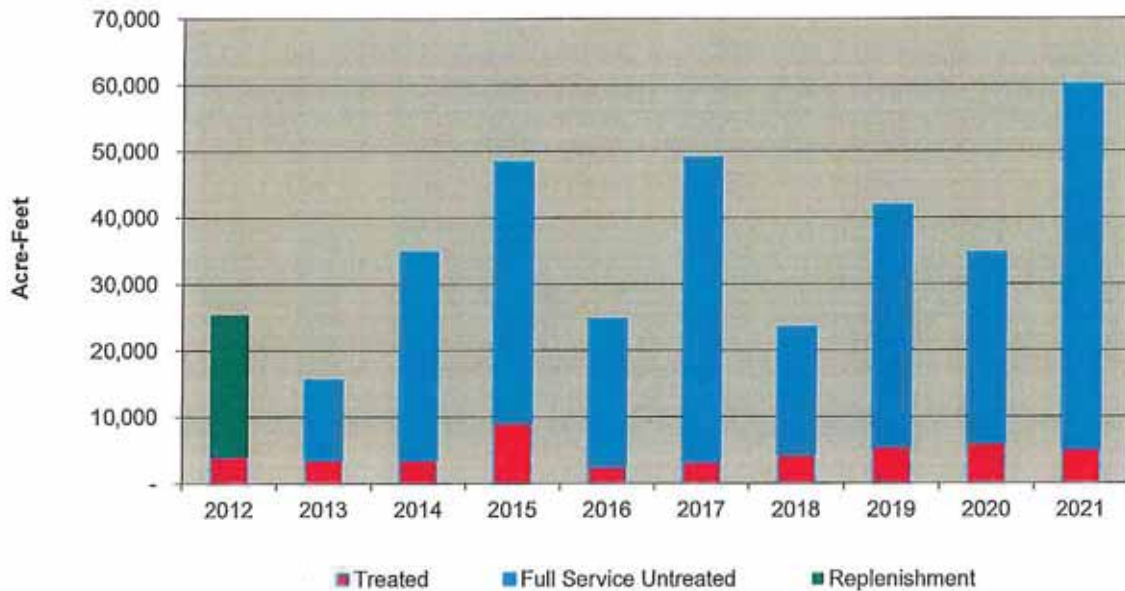


# Upper San Gabriel Valley Municipal Water District

FINAL DRAFT  
SUBJECT TO CHANGES

## Imported Water Deliveries Last Ten Fiscal Years (Unaudited) (In Acre Feet)

Fiscal Year Ended June 30	Treated	Full Service Untreated	Replenishment	Total
2012	3,975	-	21,426	25,401
2013	3,528	12,035	-	15,563
2014	3,490	31,289	-	34,779
2015	9,069	39,287	-	48,356
2016	2,495	22,254	-	24,749
2017	3,197	45,813	-	49,010
2018	4,204	19,273	-	23,477
2019	5,420	36,421	-	41,841
2020	6,026	28,616	-	34,642
2021	5,146	54,895	-	60,041



Source: Finance and Administration Department

*Upper San Gabriel Valley Municipal Water District*

**Imported Water Rates and Charges**  
**Fiscal years ended June 30, 2021 and 2020 (Unaudited)**

	Rate per Acre-Foot		
	MWD	Upper District Surcharge	Total
<b>Fiscal Year Ended June 30, 2021</b>			
<i>July 1, 2020 to December 31, 2020</i>			
Full Service Treated Tier 1	\$ 1,078	\$ 103	\$ 1,181
Full Service Treated Tier 2	1,165	103	1,268
Full Service Untreated Tier 1	755	103	858
Full Service Untreated Tier 2	842	103	945
 <i>January 1, 2021 to June 30, 2021</i>			
Full Service Treated Tier 1	\$ 1,104	\$ 103	\$ 1,207
Full Service Treated Tier 2	1,146	103	1,249
Full Service Untreated Tier 1	777	103	880
Full Service Untreated Tier 2	819	103	922
 <b>Fiscal Year Ended June 30, 2020</b>			
<i>July 1, 2019 to December 31, 2019</i>			
Full Service Treated Tier 1	\$ 1,050	\$ 103	\$ 1,153
Full Service Treated Tier 2	1,136	103	1,239
Full Service Untreated Tier 1	731	103	834
Full Service Untreated Tier 2	817	103	920
 <i>January 1, 2020 to June 30, 2020</i>			
Full Service Treated Tier 1	\$ 1,078	\$ 103	\$ 1,181
Full Service Treated Tier 2	1,165	103	1,268
Full Service Untreated Tier 1	755	103	858
Full Service Untreated Tier 2	842	103	945

Source: Finance and Administration Department

Upper San Gabriel Valley Municipal Water District

Water Rates per Acre Foot  
Last Ten Fiscal Years (Unaudited)

As of June 30	Full Service Treated Tier 1	Full Service Treated Tier 2	Full Service Untreated Tier 1	Full Service Untreated Tier 2	Replenishment
2012	\$ 874	\$ 1,000	\$ 640	\$ 766	\$ 522
2013	927	1,077	673	823	-
2014	970	1,112	673	815	-
2015	1,014	1,146	673	805	-
2016	1,045	1,179	697	831	-
2017	1,082	1,176	769	863	-
2018	1,118	1,204	798	884	-
2019	1,153	1,239	834	920	-
2020	1,181	1,268	858	945	-
2021	1,207	1,249	860	922	-

Source: Finance and Administration Department



Upper San Gabriel Valley Municipal Water District

Treated Water Sales by Customer  
Last Ten Fiscal Years (Unaudited)  
(In Acre Feet)

Fiscal Year Ended June 30	Golden State Water Company	City of South Pasadena	Suburban Water Systems	Watermaster/ City of Alhambra	City of Arcadia	City of Monrovia	City of Azusa	Valley County Water District		Total
2012	172	5	799	2,999	-	-	-	-	-	3,975
2013	17	196	278	3,037	-	-	-	-	-	3,528
2014	38	106	361	2,984	1	-	-	-	-	3,490
2015	5	145	6,208	2,711	-	-	-	-	-	9,069
2016	2	2	4	2,487	-	-	-	-	-	2,495
2017	22	4	294	2,877	-	-	-	-	-	3,197
2018	21	1,134	62	2,987	-	-	-	-	-	4,204
2019	125	1,577	773	2,944	1	-	-	-	-	5,420
2020	16	173	2,848	2,983	6	-	-	-	-	6,026
2021	30	246	1,884	2,986	-	-	-	-	-	5,146

Source: Finance and Administration Department

*Upper San Gabriel Valley Municipal Water District*

**Demographics and Economic Statistics – Los Angeles County  
Last Ten Calendar Years (Unaudited)**

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<b>Fiscal Year</b>	<b>Population (In Millions)</b>	<b>Real GDP Growth</b>	<b>Unemployment Rate</b>
2011	9.9	0.4%	12.2%
2012	10.0	2.9%	10.9%
2013	10.1	1.9%	9.8%
2014	10.1	4.1%	8.3%
2015	10.2	4.9%	6.6%
2016	10.2	2.4%	5.3%
2017	10.2	3.1%	4.8%
2018	10.2	2.0%	4.6%
2019	10.3	3.3%	4.4%
2020	10.1	-3.0%	13.6%

**Notes:**

*Upper District believes that trends shown by these data are indicative of conditions within its service area.*

*Source: Los Angeles County Economic Development Corporation's Economic Forecast and Industry Outlook Reports and Los Angeles County Economic Development Corporation's May 2020 Report on Impact of COVID -19 on Census Bureau Data*

<sup>1</sup> In 2009 dollars.

<sup>2</sup> In 2012 dollars.

<sup>3</sup> Includes estimated impact of Covid-19.

*Upper San Gabriel Valley Municipal Water District*

**Ten Largest Employers in Los Angeles County  
June 30, 2021 (Unaudited)**

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<u>Employer</u>	<u>Number of Employees</u>
County of Los Angeles	95,210
Los Angeles Unified School District	75,670
City of Los Angeles (includes DWP)	72,600
University of California, Los Angeles	51,010
Kaiser Permanente	41,340
Federal Government <sup>1</sup>	30,600
State of California <sup>2</sup>	27,990
University of Southern California	22,160
Target Corp.	20,000
Northrop Grumman Corp.	18,000

*Source: Los Angeles Business Journal*

<sup>1</sup> Excludes law enforcement and judiciary.

<sup>2</sup> Excludes proprietary departments (LA DWP, LAWA, Port of LA).

<sup>3</sup> Excludes education employees.



*Upper San Gabriel Valley Municipal Water District*

**Operating and Capital Indicators - General  
Last Ten Fiscal Years (Unaudited)**

Service Area	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Service Area</b>										
Approximate Service Area (in sq. miles)	144	144	144	144	144	144	144	144	144	144
Number of Member Agencies	29	29	29	29	29	29	29	29	29	29
Number of Cities/Communities	18	18	18	18	18	18	18	18	18	18
<b>Active Employees (FTE)</b>	10	9	12	12	11	11	12	12	12	11
<b>Imported Water System</b>										
Number of Service Connections	9	9	9	9	9	9	9	9	9	9
Peak System Capacity (Imported)										
Cubic feet per second	583	583	323	323	323	323	323	323	323	323
Million gallons per day	376	376	208	208	208	208	208	208	208	208
<b>Recycled Water System</b>										
Number of Pump Stations	1	1	2	2	2	2	2	2	2	2
Number of Reservoirs	-	-	2	2	2	2	2	2	2	2
Number of Service Connections	33	60	74	76	76	76	76	113	113	113
Length of Pipeline (in miles)	5	9	22	22	22	22	22	22	22	22

Sources: Finance and Administration Department  
Government Affairs and Community Outreach Department  
Planning, Engineering and Resources Department  
Metropolitan Water District of Southern California

Upper San Gabriel Valley Municipal Water District

Operating Indicators – Water Conservation  
Last Ten Fiscal Years (Unaudited)  
(In Millions of Gallons)

An effective water conservation program plays a critical role in promoting water use efficiencies that increase available supply of water from existing sources to support economic growth. It is also significantly less costly and more energy and cost-efficient than developing new sources of water. Recognizing these, Upper District has developed over the years a robust program that not only promotes water conservation and public awareness on water issues but also one that has generated significant lifetime water savings. The table below shows the lifetime water savings from Upper District's various conservation programs for the past ten fiscal years.

Project/Device	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Turf Removal Program	67.79	-	-	-	-	-	-	-	-	-
City SoCal WaterSmart Rebate Program <sup>1</sup>	218.89	44.04	122.09	209.11	869.45	437.44	188.00	37.04	103.26	15.74
ULFT/HET Retrofit Program	554.52	646.34	963.13	893.51	143.36	23.41	36.00	-	19.31	-
Residential SoCal WaterSmart Rebate Program <sup>2</sup>	267.54	192.18	209.45	740.17	1,107.61	406.85	258.00	171.23	138.21	72.81
Rain Barrel Distribution Program	-	-	-	-	6.14	0.92	-	-	-	-
Landscape Survey and Retrofit Program	-	7.37	3.26	1,108.76	815.00	303.11	122.00	107.80	22.14	-
Water Savings Incentive Program	-	-	-	-	-	-	-	-	-	1,591.52
<b>Total</b>	<b>1,108.74</b>	<b>889.93</b>	<b>1,297.93</b>	<b>2,951.55</b>	<b>2,941.56</b>	<b>1,171.73</b>	<b>604.00</b>	<b>316.07</b>	<b>282.92</b>	<b>1,680.17</b>

Source: Planning, Engineering and Resources Department

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# MEMORANDUM



## ITEM 7(b) ACTION

**DATE:** November 23, 2021  
**TO:** Water Resources and Facility Management Committee and Board of Directors  
**FROM:** General Manager  
**SUBJECT:** Award of Construction Contract for Upper District's Tenant Improvement Project

---

### Recommendation

Staff recommends that the Board of Directors accept the bid submitted by the lowest responsive bidder, E. Avico, Inc., in the amount of \$2,685,956.00 and authorize the General Manager to execute a contract and Notice to Proceed, subject to District Counsel review, to perform the required work.

### Background

In April 2020, Upper District purchased an existing commercial building located at 248 E. Foothill Blvd, Monrovia CA. The building was constructed in 1981 with a lot size of approximately 14,500 square feet (SF) and a building size of approximately 10,600 SF. The building is a three-story commercial structure with an open parking garage located on the ground level.

Upper District engaged the services of WLC Architects in August 2020 to provide architectural design and development services for the new building. Interior demolition to facilitate assessment of the structural and mechanical elements of the building was completed by Telacu in April 2021. In October 2021, WLC completed the plans and specifications and obtained plan check approval of the project from the City of Monrovia.

The project consists of two floors of office tenant improvements of the existing building. Each of the two (2) floor levels is about 4,800 SF and will include new walls of wood stud construction, new acoustic lay-in ceilings and new floor finishes. The project also includes new HVAC and electrical/low voltage systems. The existing exterior plaster and wood finishes will be repainted. The open parking garage at grade level will have a new ceiling and perimeter fencing and the existing open parking lot will be sealed and restriped with an addition of five new vehicle charging stations. The existing 4,800 SF roof has a 2 ply bitumen roof which will be removed and replaced with a new 3 ply bitumen roof. Part of the roof work will include removing the five existing mechanical units and replacing them with new units to be installed at the same location, on new wood curbs.

On October 14, 2021, the notice inviting bids for Upper District's tenant improvements project was advertised in the Greensheet. The three contractors that have pulled the plans and attended the mandatory pre-bid meeting On October 25<sup>th</sup> indicated that a four-month construction period is sufficient. At the request of one of the contractors, the bid opening date, originally scheduled for Monday November 15<sup>th</sup> was extended and moved to Tuesday, November 23<sup>rd</sup> at 2 p.m. to generate more accurate and competitive bids for the project estimated at \$2.30 million.



Upper District received the three (3) bids listed below at the close of the bid period on November 23, 2021. The District's fiscal year 2021/22 capital budget includes \$3 million for the new building.

<b>Contractor</b>	<b>Project Bid</b>
E. Avico, Inc.	\$2,685,956.00
Gillman Builders, Inc.	\$3,634,000.00
Dalke and Sons	\$3,838,680.00

Staff reviewed and evaluated the bid packages submitted by each contractor to evaluate responsiveness. Following review, staff determined E. Avico, Inc. as the lowest responsive bidder and recommends that the Board of Directors:

1. Accept the bid submitted by the lowest responsive bidder, E. Avico, Inc., in the amount of \$2,685,956.
2. Authorize the General Manager to execute a contract with E. Avico, Inc. and issue a Notice to Proceed, subject to District Counsel review, to perform the required work.

Founded in 1987, E. Avico, Inc. has worked on projects across Southern California for both private and public sectors, including commercial and residential structures, specializing in structural steel buildings. Government clients include the Department of Motor Vehicle, Los Angeles Airport, Los Angeles County Metropolitan Authority, and Burbank High School, among others.



# MEMORANDUM



## ITEM 7 (c) ACTION

**DATE:** November 30, 2021  
**TO:** Government Affairs & Community Outreach Committee  
**FROM:** General Manager  
**SUBJECT:** Staff recommendation for Upper District's FY 21-22 Water Education Grant Program

---

### **Recommendation**

#### Option 1

Approve staff recommendation to fund 12 grants for water education programs per Upper District's FY 20-21 Water Education Grant Program for a total amount of \$9,951.66.

#### Option 2

Approve staff recommendation to fund 28 grants for water education programs per Upper District's FY 20-21 Water Education Grant Program for a total amount of \$22,672.68.

### **Background**

Notification of the open application period for Upper District's Water Education Grant Program (WEGP) was emailed in September 2021 to the principals of all eligible schools in Upper District's service area. The application was also made available on Upper District's website, social media accounts, and announced to the water producers via the Conservation Action Roundtable (CAR). The deadline for the first round of completed applications was November 12, 2021.

For the fiscal year 2021-22, the Board of Directors approved a budget allocation of \$10,000 for the Water Education Grant Program. A total of 28 WEGP applications were received for a combined amount of \$22,672.68 in requested grant funds. The success of staff outreach to schools directly contributed to the significant number of applications. Staff has reviewed and evaluated all applications considering the criteria and educational goals of the program as well as grant application guidelines. The review criteria for the applications included consideration of the following elements:

- Does the project offer a better understanding of water and the important role it plays?
- Does the project actively engage students in the learning process and enhance the classroom experience?
- Are components of the project inter-disciplinary?
- Does the budget cover the activities proposed?

- Are the student activities, goals, and objectives clearly defined?

The attached table lists each application with a project summary and recommendation. A total of 28 grant applications totaling \$22,672.68 meet the criteria listed above. Due to the initial budget allocation of \$10,000, staff ranked the applications and chose the top 12 applications for immediate funding under this year's budget of \$10,000. The remaining 16 applications also meet all of the criteria listed above and are recommended for funding based on a proposed budget reallocation of funding dedicated for the purchase of educational outreach materials.

The current budget allocation for educational materials/grant programs is \$45,000. The WEGP accounts for \$10,000 with the remaining allocated to educational videos (\$25,000) and educational materials (\$10,000). Based on these allocations and the ability of inhouse staff to create educational materials and videos, it is possible to reallocate the required \$12,672.68 from these areas to fully fund all WEGP applications. With the current drought conditions and in class education returning to pre-pandemic schedules, it is important to support and encourage students, parents, and educators to participate in water efficiency awareness. Staff is recommending that the remaining 16 grants be awarded.

Attachment





# MEMORANDUM



## ITEM 7(d) ACTION

**DATE:** December 6, 2021  
**TO:** Government and Community Affairs Committee and Board of Directors  
**FROM:** General Manager  
**SUBJECT:** Revise the 2021-2022 Legislative Policy Principles and authorize the General Manager and/or the Director of Government Affairs to direct advocacy consultants on positions consistent with these principles.

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### **Recommendation**

Revise the 2021-22 Legislative Policy Principles and authorize the General Manager and/or the Director of Government Affairs to direct advocacy consultants on positions consistent with these principles.

### **Background**

Consistent with the 2-year legislative policy cycle, these principles will provide general guidance by which the General Manager and/or the Director of Government Affairs are authorized to direct resources to advocate bill positions that are consistent with advancing Upper District's mission and strategic goals.

The 2021-22 Legislative Policy Principles considers the legislative focus of: Metropolitan Water District of Southern California, Association of California Water Agencies, San Gabriel Valley Water Association, WaterReuse, and California Special District Association.

### **Upper District Legislative Priorities**

- Support initiatives and funding that will advance the research and development of local water resources including recycled water, groundwater storage and stormwater projects.
- Support administrative/legislative actions and funding to facilitate watershed restoration projects.
- Support legislation or administrative action that strongly protects existing water rights and oppose legislative action that would infringe upon existing water rights or is inconsistent with water rights priorities/adjudications.
- Support actions to ensure progress on Delta Conveyance and California EcoRestore.
- Support administrative/legislative actions and funding for water quality projects that treat, monitor and/or remediate per-and polyfluoroalkyl substances.
- Support administrative/legislative actions to secure funding to help public water systems offset the costs associated with COVID-19.
- Support tax exemptions for water conservation/efficiency incentives including, but not limited to,



turf removal, local stormwater capture (e.g., rain barrels, cisterns), and other measures to reduce consumption of water or enhance the absorption and infiltration capacity of the landscape.

- Support continued funding for water efficiency programs including but not limited to U.S. EPA's WaterSense program.
- Support legislation and funding for ACOE projects including but not limited to sediment removal and dam safety.

## **2021-22 Legislative Policy Principles**

### **A. Water Resource Management**

**SUPPORT** administrative/legislative action and state funding to expedite the development of recycled water, groundwater, and stormwater as beneficial water resources.

**SUPPORT** administrative/legislative action that streamlines the regulatory oversight of recycled water use.

**SUPPORT** integrated water resources portfolio planning by advocating for clear, concise, and streamlined regulations/policies.

**SUPPORT** groundwater storage policy is implemented in a way that protects existing water rights, water users and the environment.

**SUPPORT** administrative/legislative actions that help achieve the state's recycled water goals while limiting one-size-fits-all mandates on the uses of recycled water and specific reductions of wastewater discharges.

**SUPPORT** administrative/legislative actions that promote stormwater as a beneficial resource and facilitate the funding and permitting of stormwater capture projects.

**SUPPORT** administrative/legislative actions that require consideration of cost/benefits, local uses for recycled water and stormwater capture projects, and available state funding to implement programs that mandate reduction or reuse of ocean discharges.

**SUPPORT** legislative/administrative actions and funding to accelerate new local supply development, including recycled water, water quality treatment, groundwater remediation and storage, water loss detection and repair, and water conservation measures.

**SUPPORT** administrative/legislative actions and funding that help enhance local watershed management in the San Gabriel River Watershed that provide water quality benefits, enhanced reliability and mitigates the effects of wildfires.

### **B. Conservation**

**SUPPORT** tax exemptions for water conservation or efficiency incentives for measures including, but not limited to, turf removal, rain barrels, cisterns, and other measures to reduce consumption of water or

enhance water use efficiency.

**SUPPORT** funding for water conservation and water-use efficiency programs such as the U.S. EPA WaterSense program, and other water resource projects.

**SUPPORT** legislation that advances Conservation as a California Way of Life in a manner that maintains flexibility and control of water resources management decisions at the local and regional level.

**SUPPORT** legislation or administrative actions that create new conservation mandates or regulations are based on science, recognize regional distinctions and potential impacts to wastewater operations and recycled water projects.

**SUPPORT** administrative/legislative actions and funding for demand management activities and new local supply projects to conserve existing supplies and prepare for a dry future.

**SUPPORT** administrative/legislative actions and funding to reduce water loss. Support the development and implementation of flexible water loss standards for both retail and wholesale water systems.

### **C. Imported Water Supply**

**SUPPORT** administrative/legislative action and funding that advances Delta conveyance and California EcoRestore in support of the state's coequal goals of water supply reliability, Delta ecosystem restoration and the Governor's California Water Resilience Portfolio.

**SUPPORT** for implementation of state policies adopted as part of the 2009 Delta Reform Act and water management package, including clarification of the monitoring, reporting, and enforcement provisions related to in-Delta diversions.

**SUPPORT** administrative/legislative action and funding for new or expanded water infrastructure that complements the State Water Project.

**SUPPORT** administrative/legislative actions in the Delta watershed to account for and administer the water rights system including protecting stored water releases.

**SUPPORT** administrative/legislative actions and funding for the Colorado River System water conservation projects, including implementation of the Drought Contingency Plan.

### **D. Drought/Climate Change Related Legislation**

**SUPPORT** legislation that provides funding and regulatory assistance for regions affected by the drought for immediate and long-term water projects that aid in the development, storage, treatment, and delivery of water.

**SUPPORT** legislation/administrative actions and funding that facilitates drought preparedness and drought response projects and programs.



**SUPPORT** administrative/legislative actions that support research into potential water resources and water quality effects of climate change.

#### **E. Environmental Planning/Sustainability**

**SUPPORT** administrative/legislative action to improve clarity and workability of the California Environmental Quality Act (CEQA).

**SUPPORT** administrative/legislative action for environmental regulatory compliance that provide flexibility, promotes consistency, and reduces regulatory duplication, while protecting public health and the environment.

**SUPPORT** legislation that includes actions and funding for control and eradication of invasive species including, but not limited to, quagga mussels.

#### **F. Water Quality**

**SUPPORT** legislation, initiatives/funding to protect and improve water quality from various constituents such as chromium 6, nitrate, perchlorate, salinity, uranium, MTBE, and pharmaceuticals/personal care products and other constituents of emerging concern.

**SUPPORT** regulatory/legislation that utilize best available science, occurrence and health affects data, appropriate cost benefit analyses for public health protections and improved water quality. Apply these principles when setting maximum contaminant levels (MCLs), setting notification/response levels and implementation, identifying constituents of emerging concern (CECs) and other regulatory standards or guidance levels.

**SUPPORT** administrative/legislative actions and funding that apply the “responsible party” principle to addressing contamination treatment and mitigation measures to comply with new regulatory standards.

**SUPPORT** administrative/legislative actions to secure funding to help public water systems defray the costs of monitoring and/or remediation of per- and polyfluoroalkyl substances and ensure drinking water and wastewater facilities are not held liable for the cleanup of contamination.

#### **G. Emergency Preparedness**

**SUPPORT** administrative/legislation that assist the water industry to prepare, respond and recover from natural disasters, catastrophic events and sabotage. Support funding that provides resources for emergency response, planning and restoration of service.

#### **H. Fiscal Policy**

**SUPPORT** authorizations to fund local projects through the Bureau of Reclamation’s Title XVI and WaterSMART programs, the ACOE or EPA

**SUPPORT** administration/legislation to reduce the local cost of financing water projects such as: tax-

credit financing & tax-exempt municipal bonding; expanded Water Infrastructure Finance Innovation Act (WIFIA); and Water Resources Development Act (WRDA).

**SUPPORT** administrative/legislative actions that reform or create water financing mechanisms to provide water systems with voluntary options for financing low-income rate assistance programs.

**SUPPORT** administrative/legislative actions to secure funding to help public water systems offset the costs associated with COVID-19.

**SUPPORT** administrative/legislative actions that meaningfully improve water affordability throughout the region at both the individual and the water system level without burdening existing ratepayers.

## **I. Water System Governance**

**SUPPORT** administrative/legislative actions that improve the governance of non-compliant water systems and aid with consolidations that increase their technical, managerial, or financial capacity.

**SUPPORT** administrative/legislative action to ensure that all affected public water systems are consulted on proposed consolidations or extension of service area.

**SUPPORT** funding to help water systems provide low-income ratepayer assistance programs without operational constraints.





# WATER BOARD RELEASES DRAFT EMERGENCY REGS PROHIBITING WASTEFUL WATER USE

BY STATE WATER RESOURCES CONTROL BOARD DEC 1, 2021 NEWS RELEASES

SACRAMENTO – As California continues to face severe drought conditions exacerbated by climate change, today the State Water Resources Control Board released a draft emergency regulation to prohibit water waste and bolster water conservation. Members of the public can comment on the draft before the State Water Board considers it for adoption early next year.

If passed, the regulation will make wasteful water practices, such as excessive irrigation causing runoff, using potable water for street cleaning, or irrigating landscapes within 48 hours of measurable rainfall, a violation for all Californians, including businesses and institutions.

Local water districts would be expected to enforce the regulations, and violations could result in fines. In addition, the regulation would allow the State Water Board to prevent homeowners associations from restricting water conservation measures, like installing drought-tolerant landscaping.

The emergency regulation draws on Governor Newsom's October drought proclamation, which directed the State Water Board to consider and adopt the prohibitions if necessary.

## How to submit written comments on the draft emergency regulations:

Members of the public can provide feedback on the draft regulation **no later than noon P.S.T., Thursday, December 23, 2022**, as follows:

Email comments to: [commentletters@waterboards.ca.gov](mailto:commentletters@waterboards.ca.gov), with a courtesy copy to [Christopher.Hyun@waterboards.ca.gov](mailto:Christopher.Hyun@waterboards.ca.gov)

## Background:

California and the entire Western United States are facing a significant drought in the wake of one of the driest periods on record. Climate change is making droughts more frequent and severe. The current drought has already caused significant impacts to ecosystems, agricultural production, and municipal water supplies across the state. Although Californians have maintained lower water use from

conservation actions taken during the last drought, there is still significant statewide conservation potential, and conservation is the quickest and least costly way to stretch water supplies.

On October 19, 2021, the Governor issued a statewide drought proclamation that enabled the State Water Board to ban wasteful water practices. The prohibited practices proposed in the draft regulation published today are listed in full below:

The application of potable water to outdoor landscapes in a manner that causes more than incidental runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures;

The use of a hose that dispenses water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use;

The use of potable water for washing sidewalks, driveways, buildings, structures, patios, parking lots, or other hard surfaced areas, except in cases where health and safety are at risk;

The use of potable water for street cleaning or construction purposes, unless no other method can be used to protect the health and safety of the public;

The use of potable water for decorative fountains or the filling or topping-off of decorative lakes or ponds, with exceptions for those decorative fountains, lakes, or ponds that use pumps to recirculate water and only require refilling to replace evaporative losses;

The application of water to irrigate turf and ornamental landscapes during and within 48 hours after measurable rainfall of at least one fourth of one inch of rain. In determining whether measurable rainfall of at least fourth of one inch of rain occurred in a given area, enforcement may be based on records of the National Weather Service, the closest CIMIS station to the parcel, or any other reliable source of rainfall data available to the entity undertaking enforcement of this subdivision; and

The use of potable water for irrigation of turf on public street medians or publicly owned or maintained landscaped areas between the street and sidewalk.

*The State Water Board's mission is to preserve, enhance and restore the quality of California's water resources and drinking water for the protection of the environment, public health and all beneficial uses, and to ensure proper resource allocation and efficient use for the benefit of present*





## **Metropolitan General Manager Issues Statement on Announcement of Zero Percent Allocation for State Water Project**

**Dec. 1, 2021**

Adel Hagekhalil, general manager of the Metropolitan Water District of Southern California, issues the following statement on the Department of Water Resources' announcement today of a zero percent initial State Water Project allocation:

"The conditions on the State Water Project are unlike anything we've ever seen before. While we certainly hope they improve, we must be prepared for the reality that the state project may not have any water to allocate in 2022. Parts of Southern California depend on this supply almost exclusively for their water. We are working with our member agencies serving those communities – in parts of Ventura and northern Los Angeles counties as well as the Inland Empire – to make sure residents and businesses understand the severity and complexity of the situation and are responding by reducing their water use as much as necessary. At the same time, Metropolitan will continue doing everything we can to get water from other sources to these communities.

"Metropolitan's board last month declared a drought emergency in anticipation of the zero percent allocation. While Southern California's diverse supply portfolio means other parts of our region can turn to water from the Colorado River and local sources during this time, the dramatic reduction of our Northern California supplies means we all must step up our conservation efforts. Earlier this year, Gov. Newsom asked all Californians to voluntarily reduce their water use by 15 percent. We all need to keep working toward this goal. Reduce the amount you are watering outside by a day, or two. Take shorter showers. Fix leaks. If we all do our part, we'll get through this together."

"Climate change is creating a new normal. Looking ahead, we need to increase our investments in water efficiency, recycling and storage. Southern California has done a lot, but we need to do more. And we can't do it alone. We need our state and federal partners to help accelerate



these investments through a coordinated strategy for resilient, integrated and balanced water management. We are one.”

# California water districts will get no requested supplies from the state

LA Times | December 1, 2021



A kayaker paddles in August in Lake Oroville as water levels remain low. The lake, the largest reservoir in the State Water Project, is at 30% capacity, about half of where it normally is this time of year. (Ethan Swope / Associated Press)

SACRAMENTO, Calif. —

California water agencies that serve 27 million residents and 750,000 acres of farmland won't get any of the water they've requested from the state heading into 2022 other than what's needed for

critical health and safety, state officials announced Wednesday.

It's the earliest date the Department of Water Resources has issued a 0% water allocation, a milestone that reflects the dire conditions in California as drought continues to grip the nation's most populous state and reservoirs sit at historically low levels. State water officials said mandatory water restrictions could be coming.

"If conditions continue to be this dry, we will see mandatory cutbacks," Karla Nemeth, director of DWR, told reporters.

A complex system of reservoirs, canals and dams called the State Water Project supplies water to 29 districts across the state. The districts have a maximum amount they can request each year, and the allocation represents how much the state can give based on available supplies.

The allocations are adjusted in early winter and spring depending on how much snow and rainfall the state receives. Last year, the state's second driest on record, districts' allocation went from 10% in December down to 5% by March. The only other time since 1996 that districts have been granted nothing was in January 2014, during the last drought.

Seven districts that requested it will get a small amount of water — about 340,000 acre feet total — from the state for critical health and safety needs, such as fire suppression or indoor sanitation. That's a fraction of the more than 4.2 million acre feet of water the system is designed to supply, Nemeth said.

One of the districts that will get some water for health and safety is the Metropolitan Water District in Southern California, the state's largest customer, supplying water to about 19 million people. About a third of its supply comes from the state, with the rest coming from the

Colorado River and elsewhere. It declared a drought emergency in November and mandated that people conserve water. Some of its member agencies in northern Los Angeles and Ventura counties rely almost exclusively on state supplies for their water.

“We are working with our member agencies serving those communities ... to make sure residents and businesses understand the severity and complexity of the situation and are responding by reducing their water use as much as necessary,” Adel Hagekhalil, the district’s general manager, said in a statement. “At the same time, Metropolitan will continue doing everything we can to get water from other sources to these communities.”

It’s rare for districts to get all or nothing, and the amount typically goes up from the first December estimate to May, after winter storms have ended.

Amid the dry conditions, Gov. Gavin Newsom proclaimed a statewide drought emergency in October and urged people to save water. But the voluntary conservation efforts are falling far short of what he requested.

Meanwhile, Lake Oroville, the largest reservoir in the State Water Project, is at 30% capacity, about half of where it normally is this time of year.





## **New San Diego County Water Authority Director Joins Metropolitan Board**

**Nov. 29, 2021**

Community leader and Vista Irrigation District board member Marty Miller has been seated as one of four delegates representing the San Diego County Water Authority on the board of directors of the Metropolitan Water District of Southern California.

Miller took his seat during a special board meeting last Tuesday (Nov. 23). He replaced outgoing director Michael Hogan, who served on Metropolitan's 38-member board since 2013. Elected to the VID board in 2008, Miller represents Vista, a community in northeast San Diego County. He has twice served as VID's board president, as well as chair of its fiscal policy, public affairs, water sustainability and Warner Ranch committees.

In 2011, Miller was appointed to the San Diego County Water Authority's Board of Directors, where he serves as chair of the Administrative and Finance and Labor Negotiations Work Group and as a member of the Engineering and Operations and Financial Strategy Work Group. He is a member of the agency's Engineering and Operations committee and formerly served on its Imported Water, Legislation, Conservation and Outreach, and Water Planning committees, as well as its San Vicente Energy Task Force, San Vicente Project Negotiations Work Group, and Small Contractor Outreach and Opportunities Program (SCOOP).

Miller has owned a commercial construction company for the last 45 years and moved from his home in Idaho to Vista in the mid-1980s. He is a member and former president of the Vista Optimist Club and a member of the Rancho Buena Vista Little League Board. Miller has a long coaching career that includes leading Vista's Little League baseball team to second place at the Little League World Series in 2005. He graduated from the College of Southern Idaho with a degree in architectural drafting.

## Can lithium cure what ails the Salton Sea?

LA Times | November 27, 2021



UC Riverside researchers plunge a corer from a raft into the Salton Sea to collect a sediment sample.  
(Irfan Khan / Los Angeles Times)

SALTON SEA, Calif. —

Studying the complexity of mud on the ocean floor is a life's work for Timothy Lyons, so when the tall and lean biogeochemist asks you to join an expedition in search of chemical mysteries buried deep beneath the waves, be prepared to get wet and dirty.

On a recent foray onto California's largest and most troubled lake, Lyons rode a Zodiac skiff with a 15-horsepower engine across the Salton Sea against a backdrop of desolate mountains, dunes and miles of shoreline bristling with the bones of thousands of dead fish and birds.

As he approached the center of the lake with a clutch of passengers including two members of his laboratory at UC Riverside, Lyons said, "Cut the engine. Let's grab some mud."

Moments later, Caroline Hung, 24, and Charles Diamond, 36, dropped a coring device over the side, then hauled up a sample of sediment that was gray on the bottom, dark brown on top, and as goeey as peanut butter.

"The big problem at the Salton Sea is intermingled with that organic brown layer on top — and to be honest, it's scary," said Lyons, 63. "It's loaded with pesticides and heavy metals — molybdenum, cadmium and selenium — that linger in greatest concentrations in deeper water."

"That should worry people, because the Salton Sea is shrinking and exposing more and more of this stuff to scouring winds that carry them far and wide," he added. "Our goals include mapping where these hazardous materials are located, and determining where they came from and what may become of them if trends continue."



UC Riverside professor Tim Lyons and doctoral student Caroline Hung prepare a corer on the Salton Sea to collect sediment for their research.  
(Irfan Khan / Los Angeles Times)



For Lyons' research team, filling blanks in existing data is an obsession, and it could have significant implications at a time when the air practically crackles with a volatile mix of environmental danger and economic opportunities promised by ongoing efforts to tap immense reserves of lithium, a key ingredient of rechargeable batteries.

Few dispute the need for swift action at the 343-square-mile lake straddling Imperial and Riverside counties, about 150 miles southeast of Los Angeles. Clouds of salty, alkaline toxic dust containing heavy metals, agricultural chemicals and powdery-fine particulates linked to asthma, respiratory diseases and cancer are rolling off newly exposed playa, threatening the health of thousands of nearby residents.

Delays and costs are mounting for many projects that were designed to be showcases of restoration and dust mitigation. Scientists say it's because the projects were developed without consideration for heat waves, severe droughts and water cutbacks due to climate change, or for the constantly evolving underlying geology at the hyper-saline landlocked lake at the southern end of the San Andreas Fault, where shifting tectonic plates bring molten material and hot geothermal brine closer to Earth's surface.

Now, large corporations investing in proposals to suck lithium out of the brine produced by local geothermal operations have revived hopes of jobs and revenue from land leases, with lithium recovery projects potentially supporting internships, education programs and environmental restoration projects for years to come.

The big question during a recent meeting sponsored by the Lithium Valley Commission, a group of lawmakers and community leaders organized to help guide decisions that could affect low-income communities surrounding the Salton Sea, was this: What's in it for us?

"The lithium rush at the Salton Sea cannot be stopped," said Frank Ruiz, Audubon California's program director for the lake and a member of the lithium commission. Communities surrounding the Salton Sea, he said, "see that as a victory — a ticket to a better life."

"If done correctly," he said, "it will elevate the region by creating jobs, benefit the state and the nation by making geothermal energy more affordable, and lay the groundwork for negotiations aimed at ensuring that some of the royalties from lithium production and related land leases are used to support dust reduction and environmental restoration projects."

Jonathan Weisgall, a spokesman for Berkshire Hathaway Energy, which was recently awarded a \$6-million California Energy Commission grant for a demonstration project at a geothermal facility in the nearby community of Calipatria, agreed, but stopped short of guarantees.



“My passion is workforce development and economic opportunities in the clean energy sector,” Weisgall said. “We don’t want to bring in a workforce from outside Imperial County if we don’t have to.”

“The big problem at the Salton Sea is intermingled with that organic brown layer on top — and to be honest, it’s scary,” says Tim Lyons, center. “It’s loaded with pesticides and heavy metals.”

(Irfan Khan / Los Angeles Times)



A core sample of Salton Sea sediment shows a gradual change from gray mud at the bottom to darker, organic-rich material caused by fertilizer runoff from farmland.

(Irfan Khan / Los Angeles Times)

The Salton Sea was created in 1905 when the Colorado River broke through a silt-laden canal and roared unimpeded for two years into a basin

near Brawley then known as the Salton Sink.

Fishermen flocked to its barnacle-covered shores to catch corvina, croaker and sargo. Birds flocked to its wetlands, turning it into one of the most important stops along the Pacific Flyway for species including 90% of the migration’s white pelicans.

But the Salton Sea is a non-draining body of water — which is what makes it technically a sea and not a lake — with no ability to cleanse itself. Trapped in its waters are salt and selenium-laden agricultural runoff as well as heavy metals deposited over the last 116 years, authorities say.

Some scientists believed that 2018 would be the start of a profound environmental, public health and economic disaster for California.

The change was predicted in 2003 when the state Legislature promised to slow the shrinking of the lake as part of a successful effort to persuade the Imperial Irrigation District to sell some of its water to San Diego. Under the agreement, the district stopped sending fresh water into the lake on Dec. 31, 2017.

With relatively little water flowing in, the salinity level continues to rise. It is now at about 68 parts per thousand, authorities say. That’s nearly twice as high as the salinity of the Pacific Ocean, which is about 35 parts per thousand.

The Salton's high salinity has made it inhospitable to tilapia, a primary food source for migrating birds; the fish has all but stopped reproducing. Visiting bird populations are a small fraction of what they once were.

The only fish in the Salton Sea today are inch-long desert pupfish and hybrid tilapia. Scientists say even these will survive only near the mouths of rivers and canals once the salinity level reaches 70 parts per thousand, which is expected within the next few years.

A study by the U.S. Bureau of Reclamation concluded that doing nothing to keep the Salton Sea viable could end up requiring nearly \$10 billion in mitigation projects.

Critics point to the U.S. Fish and Wildlife Service's Red Hill Bay project on the Salton Sea as an example of what has not been accomplished. The restoration program was designed to create more than 500 acres of shallow marine habitat for migratory shorebirds at the sea's southern end in Imperial County, using water from a nearby river and a 183,000-pound steel barge equipped with pumps anchored a mile offshore.

Six years of delays have added costs to the project's original \$5.3-million budget. But it may never cross the finish line because of a series of unforeseen problems that have cropped up as the Salton Sea recedes and the flows of its tributaries decline. For example, the Alamo River is no longer considered a source of water for the project because its flows have fallen below an inlet that was designed to guide water into the proposed marine habitat.



UC Riverside researchers Tim Lyons, Charlie Diamond and Caroline Hung, from left, launch a skiff into the Salton Sea.  
(Irfan Khan / Los Angeles Times)

As of November, the Fish and Wildlife Service has spent roughly \$1 million in grants and budget allocations on the project, federal officials said. A \$3.3-million grant awarded by the California Wildlife Conservation Board to help complete the work requires that the Fish and Wildlife Service secure a 25-year lease agreement with the Imperial Irrigation District by Dec. 31, said Pam Bierce, a spokeswoman for the federal agency.

On top of that, a year ago the Imperial County Air Pollution Control District slapped the irrigation district, which owns the property, with an order to deal with dust emanating from the



work site. The irrigation district responded with surface-roughening techniques that reduced dust by 90%.

“The Red Hill Bay project was a solution to a problem that existed 15 years ago,” said Tina Shields, water department manager at the irrigation district. “The design doesn’t work anymore because it is a dynamic place and conditions have changed.”

Beyond that, CalEnergy Resources Ltd., a subsidiary of Berkshire Hathaway Energy, has a preexisting lease for the entire surface area of the project.

In a recent response to questions from Rep. Raul Ruiz (D-Coachella), the irrigation district said it “will work with CalEnergy to incorporate their plans for geothermal energy and lithium development on a commercial scale for the benefit of the local community and the rest of California.”

The Salton Sea remains an environmental war zone like no other. Lyons’ team aims to collect information that can help stakeholders make the best decisions moving forward.

His team members’ recent venture into the Salton Sea got off to a wobbly start when they gathered in bulging life vests at one of the few remaining places where a boat can be put into the water: a remote stretch of ankle-deep shallows and ooze.

After several minutes of pushing and pulling their little skiff into deeper water, they climbed aboard and set out on tea-colored water as smooth as glass. Their goal was 30 feet below the surface.

“It is an exciting time to be investigating the contents of the mud we’re pulling up out of the water,” Hung said. “In it are pieces of information that could help bring environmental justice to local communities.”



## California drought unlikely to end this winter

Forecasters expected continued dry, warm weather for Southern California

SGV Tribune | November 22, 2021



While the October storms that pounded northern California helped the state's drought a bit, Lake Oroville — seen above on Oct. 25 — and other major reservoirs remain well below usual levels and federal forecasters say the drought is likely to continue after this winter. (AP Photo/Noah Berger)

Don't hold your breath for California's drought ending with this winter's rains. Instead, you'd do well to hold your shower time to a minimum.

There's less than a 40% chance of water supplies getting back to normal after this winter, with a slightly better than 50% chance that the state's drought will worsen, according to forecasters at a Monday, Nov. 22, drought webinar hosted by the National Integrated Drought Information Center. The center is led by NOAA, the National Oceanic and Atmospheric Administration.

The record atmospheric river storms that pelted Northern California in late October helped a bit, but water levels at major reservoirs remain far below normal and La Nina conditions increase the likelihood of Southern California having a drier, warmer winter than is usual.

"The drought has been built over years. And autumn storms do not necessarily mean the rest of the winter will be wet," said Amanda Sheffield, the region's coordinator for the drought center.

All of California continues to experience moderate to exceptional drought, with 80% of the state at the two highest levels of "extreme" and "exceptional" drought. Southern California is marginally better off, with much of the greater Los Angeles area considered under a "severe" drought and San Diego labelled as having a "moderate" drought.

But while Southern California ranks a bit better than the rest of the state, it failed to get much direct benefit from October's atmospheric river — aside from a dampening of brush to temporarily lower the risk of wildfire.

"We're still relatively dry here and warmer than normal," Sheffield said.

That's expected to continue at least through December, thanks in part to La Nina, a weather pattern that typically includes cooler oceans, less precipitation in Southern California and more precipitation in Northern California.

While La Nina is expected to continue through the early winter and increase the chance of a warmer, drier Southern California, that forecast becomes less certain after the beginning of the year.

"These odds are really quite modest," said Jon Gottschalck of the National Weather Service's Climate Prediction Center.

### **Drought emergency**

The Metropolitan Water District, which manages Southern California's water imports from Northern California and the Colorado Rivers, started off the year with more water in storage than ever before, thanks to increased storage capacity and increased conservation efforts. But while the drought has hit Northern and Central California the hardest, the southern part of the state also is starting to feel the effects of drought.

The California Department of Water Resources has said there would be no initial December allocation of water for Southern California from the State Water Project because of record low storage levels in the reservoirs that store water from Northern California. The Metropolitan Water District on Nov. 9 declared a drought emergency, focused particularly on six agencies spread across Los Angeles, Ventura and San Bernardino counties that are dependent on the water from the state project.

But everyone is being asked to voluntarily cut back on water use.

"We're reaching uncharted territory here and we need all Southern Californians to be part of the solution," Metropolitan General Manager Adel Hagekhalil said when announcing the emergency. The district said the past two years have been the driest two-year sequence on record.

On the bright side, the October rain was a step toward moisturizing the soil in Northern California. The more water content in the soil when the snow starts melting next year, the more of that snowpack ends up in reservoirs and aqueducts rather than being soaked up by the ground.

"That could really help in the spring," Sheffield said Monday.

But Sheffield was quick to follow that up with a warning: "It's too early in the season to say how (the drought) will be impacted. It could take months to years to recover."



## Calif. releases updated groundwater report

Nov. 18, 2021

The report is a comprehensive update, released to provide better understanding of groundwater basins. The update also features a new, real-time groundwater data platform for the public.



Groundwater irrigation for a rice field in the agriculture region of Yuba County east of Marysville, Calif.

With a severe drought and an increased reliance on groundwater basins, Calif.'s Department of Water Resources (DWR) released the final version of its California's Groundwater – Update 2020 report. The report, also known as Bulletin

118, contains critical information about the condition and use of the state's groundwater, which is especially important as California faces the real-time impacts of climate change and drought.

"Groundwater plays a central role in sustaining our state's ecosystems, businesses, agriculture and people, with some Californians relying solely on groundwater for drinking water," said DWR Director Karla Nemeth. "The updated California's Groundwater provides key information for the state and locals to better understand and manage groundwater as we adapt to variations in climate and navigate a historic drought."

This version of the groundwater report provides a comprehensive look at statewide groundwater conditions and activities, including implementation of the Sustainable Groundwater Management Act (SGMA) and the framework it provides to share information as locals work to improve groundwater management. It also focuses on emerging topics such as water markets and the impacts of climate change on groundwater and summarizes groundwater information for each of the state's 10 hydrologic regions.

The report contains a Highlights overview section in English and Spanish, 10 Hydrologic Regional Summaries and a detailed Statewide Report, which features current knowledge of groundwater resources including information on the location, characteristics, use, management status and conditions of the state's groundwater. The bulletin also presents findings and recommendations that support the future management and protection of groundwater.

This information also supports statewide actions being implemented as part of the state's 2020 Water Resilience Portfolio.

New this year, DWR has developed a companion web-based dashboard, called California's Groundwater Live, that leverages the California Natural Resources Agency's Open Data Platform to improve the timeliness of statewide groundwater information and make it easily



accessible for water managers and the public. California's Groundwater Live is a dynamic platform with real-time data that will help generate greater awareness and improved understanding of groundwater to support more informed decisions.

## **UCR experts weigh drought's long-term impacts**

Researchers consider implications for the Central Valley, and for health

Gov. Gavin Newsom declared a drought emergency for the entire state of California this past month. The period from Oct. 1, 2020, to Sept. 30, 2021, was the second-driest year on record in California. Almost 90% of the state is in throes of extreme drought. Reservoir storage is 60% of average. Said one state water official: "It's almost beyond comprehension." We asked UCR experts what the future holds if drought conditions persist.

**Hoori Ajami, groundwater hydrologist**

**Q:** What will happen to the Central Valley, in terms of groundwater and sinkholes, if farmers continue to highly grow water intensive crops?

**A:** If farmers continue to pump groundwater at the current rate and do not implement any conservation measures such as managed aquifer recharge, the land subsidence issues become worse. The groundwater levels will drop so far it will not be economically feasible to pump groundwater anymore. The Central Valley aquifer system is already amongst the top three highly depleted aquifer systems in the country. Therefore, improving water resource management based on comprehensive monitoring and water supply forecasting system is needed to maintain a diverse portfolio of crops in the region.

**Dr. Rajesh Gulati, associate dean of graduate medical education**

**Q:** What are the health implications of drought?

**A:** Effects of drought can be short term which can be easily defined but some of the long-term effects that affect the health of the population are only known later. Drought directly affects agriculture, but it also impacts the environment, economy and health. When drought affects a particular area, it impacts the economy in that area by affecting the financial infrastructure which causes people to move to areas not affected by drought. Drought can also cause poor sanitation facilities thereby increasing the risk of illnesses, some of which may cause fatalities. More information about drought and health.

**Q:** How do we address health implications of drought?

**A:** Doctors can educate their patients about how to avoid certain viral (West Nile virus) and fungal (Valley fever) illnesses that are related to drought. Mental health can also be affected by drought. The threat to lives and property from wildfires can be another cause of distress. Climate change, drought, and health are linked, and it is important to be informed about how they are linked.

## California to Receive More Than \$5.5 Million for Conservation Projects



NOVEMBER 17, 2021

The U.S. Department of Agriculture (USDA) recently announced it is awarding \$25 million to conservation partners across the country for 18 new projects under the Conservation Innovation Grants (CIG) program's On-Farm Conservation Innovation Trials, including four projects and more than \$5.5 million in California.

On-Farm Trials projects support widespread adoption and evaluation of innovative conservation approaches in partnership with agricultural producers. This year's awarded projects increase the adoption of new approaches and technologies to help agricultural producers mitigate the effects of climate change, increase the resilience of their operations and boost soil health.

"Farmers, ranchers and forest landowners play a crucial role in charting the course towards a climate-smart future," said Carlos Suarez, NRCS State Conservationist in California. "On-Farm Trials enable partners to work with producers to test and adopt new climate-smart systems on their operations that support agricultural production and conserve natural resources, while also building climate resilience. This large investment in innovation is an acknowledgement of California agricultural and conservation partnerships' ability to address emerging and existing conservation issues."

### Awarded Projects in California:

- **Climate-smart Irrigation for Drought, Fertility, and Structural Resilience in Almond Systems (California)** University of California, Davis, will incentivize almond growers to adopt deep root irrigation, pressure compensated subsurface drip irrigation and Hybrid Pb. Hybrid Pb is a new cool-season grass cover crop which differs from traditional cover crops in that it is perennial with a decadal lifespan, and it is dormant in the summer.
- **Decision Support System for Irrigation with Limited Water (California, Oregon)** Irrigation for the Future will demonstrate an advanced decision support system designed to calculate the productivity of water and optimize the economics of irrigation management field-by-field.
- **Stacking Climate-Smart Agriculture and Pollinator Conservation to Leverage Market-Based Incentives (California, Maine, Montana, Oregon, Washington)** Xerces Society will demonstrate, evaluate, and quantify conservation practices designed to maximize the dual goals of climate-smart agriculture and pollinator conservation at the farm level.
- **Addressing Barriers for Historically Underserved Producers in California's San Joaquin Valley to Implement Combined Soil Health Practices through Participatory Planning and Evaluation on Diversified Farms (California)** The Regents of the University of California will address barriers faced by small-scale historically underserved producers to adopt soil health practices and systems. The project will build flexibility for producers to adapt practices to the unique circumstances of their operations and to test the performance of various practice combinations.



## Infrastructure bill unleashes funding to address risky dams

By: David A. Lieb | November 16, 2021



JEFFERSON CITY, Mo. (AP) — States will soon be flooded with federal money to address a pent-up need to repair, improve or remove thousands of aging dams across the U.S., including some that could inundate towns or neighborhoods if they fail.

The roughly \$3 billion for dam-related projects pales in comparison to the tens of billions of dollars going to roads, rails and high-speed internet in the \$1 trillion infrastructure plan signed Monday by President Joe Biden. But it's a lot more than dam projects had been getting.

The money could give "a good kick-start to some of these upgrades that need to be done to make the dams as safe as possible," said David Griffin, manager of Georgia's Safe Dams Program and president-elect of the Association of State Dam Safety Officials.

The U.S. has more than 90,000 dams, averaging over a half-century old. An Associated Press analysis in 2019 identified nearly 1,700 dams in 44 states and Puerto Rico that were in poor or unsatisfactory condition and categorized as

high-hazard — meaning their failure likely would result in a deadly flood. The actual number almost certainly is higher, because some states declined to provide complete data for their dams.

Though many large dams are maintained by federal or state agencies, most of the nation's dams are privately owned. That makes fixing them more challenging, because regulators have little leverage over dam owners who don't have the money to make repairs or simply neglect the needed fixes.

Over the past decade, the Federal Emergency Management Agency provided more than \$400 million for projects involving dams, mostly to repair damage from natural disasters. But until just a few years ago, there was no national program focused solely on improving the thousands of dams overseen by state and local entities.

FEMA's Rehabilitation of High Hazard Potential Dams Grant Program has divvied up \$31.6 million among 36 participating states from 2019-2021. That amount, appropriated by Congress, was barely one-fifth of what had been authorized under a 2016 federal law.

The infrastructure bill provides more than 18 times that amount, pumping \$585 million into the program for hazardous dams, including \$75 million set aside for their removal. Because of administrative requirements, FEMA said the new money likely won't start flowing to states before the 2023 fiscal year, which begins Oct. 1, 2022. Previous grants often have been enough only to cover engineering or planning expenses.

"This funding will allow for significant increases in the number and amount of actual dam rehabilitation and removal projects which the current funding levels have not allowed," said David Maurstad, FEMA's deputy associate administrator for insurance and mitigation.

Repairing and modernizing all 14,343 high-hazard dams that aren't owned by the federal government could cost more than \$20 billion, according to an estimate by the dam safety association.

"The program is not really intended to fix all of them, but this will definitely help to fix some of the worst of those," said Mark Ogden, a former Ohio dam safety official who is now a technical specialist at the association. "It will definitely improve public safety."

The infrastructure legislation also includes \$148 million for FEMA to distribute to state dam safety offices — a significant increase over the \$6 million to \$7 million annually that has been divided among states. The new money could help states hire more staff or consultants to assess the safety of dams and develop emergency action plans. Every state except Alabama has a dam safety program, but many are underfunded and understaffed, creating a backlog of work.

After dam failures resulted in flooding that forced the evacuation of about 10,000 people last year in Michigan, a review by the dam safety association found the state's dam safety office was "extremely understaffed" and that it hadn't invested in dam safety "for many decades."

Michigan responded by beefing up its budget. A state spending plan that took effect last month includes \$13 million for grants to repair and remove dams and \$6 million for an emergency fund that could be tapped when dam owners are unwilling or unable to make repairs. It also includes money to hire more staff for the dam safety program.

Additional dam funding is sprinkled throughout the federal infrastructure legislation.

The Bureau of Reclamation will get \$500 million over five years for its dam safety program, a 50% increase over its current annual appropriation. The money is likely to go toward major renovation projects at B.F. Sisk Dam on San Luis Reservoir in California and El Vado Dam in New Mexico, said reclamation dam safety officer Bob Pike. That will free up other funds to hasten repairs at about 20 other high-hazard dams in the bureau's footprint of 17 western states, he said.

Reclamation will get an additional \$100 million for repairs at certain old dams. An additional \$118 million will fund repairs at dams through the Natural Resources Conservation Service. And \$75 million will flow through the U.S. Army Corps of Engineers for a loan program to make dam repairs.

The bill includes up to \$800 million through several federal agencies that could be used to remove dams, allowing fish to pass through.

The large influx of federal funds shows that "removing dams in many places is good and appropriate and healthy for river

resilience,” said Tom Kiernan, president of the nonprofit group American Rivers.

The infrastructure bill also includes about \$750 million that could fund improvements at hydroelectric dams or retrofit existing dams to start producing energy. That includes a new grant program capped at \$5 million a year per facility. The hydropower industry is pushing for separate legislation that also would create a tax credit for improvements to hydroelectric dams.

The funding in the infrastructure bill “is just a down payment,” said LeRoy Coleman, spokesperson for the National Hydropower Association. “We need transformational change for more clean energy and for healthier rivers.”



## EPA Advances Science to Protect the Public from PFOA and PFOS in Drinking Water

November 16, 2021

### Contact Information

EPA Press Office ([press@epa.gov](mailto:press@epa.gov))

**WASHINGTON (Nov. 16, 2021)** – Today, the U.S. Environmental Protection Agency (EPA) is asking the agency’s Science Advisory Board to review draft scientific documents regarding the health effects of certain Per- and Polyfluoroalkyl Substances (PFAS). EPA is committed to science-based approaches to protect public health from exposure to Perfluorooctanoic acid (PFOA) and Perfluorooctane sulfonic acid (PFOS), including by quickly updating drinking water health advisories with new peer-reviewed approaches and expeditiously developing National Primary Drinking Water Regulations for these contaminants.

“Under our new PFAS Strategic Roadmap, EPA is moving aggressively on clear, robust, and science-based actions to protect communities suffering from legacy PFOA and PFOS contamination,” said EPA Administrator Michael S. Regan. “This action will ensure a rigorous review from experienced scientists to strengthen our understanding of this preliminary information as the agency works toward developing revised health advisories for PFOA and PFOS, and soon establishing regulations that protect communities from these contaminants.”

EPA has transmitted to the Science Advisory Board four draft documents with recent scientific data and new analyses that indicate that negative health effects may occur at much lower levels of exposure to PFOA and PFOS than previously understood and that PFOA is a carcinogen. The draft documents present EPA’s initial analysis and findings with respect to this new information.

Following peer review, this information will be used to inform health advisories and the development of Maximum Contaminant Level Goals and a National Primary Drinking Water Regulation for PFOA and PFOS. EPA is now seeking independent scientific review of these documents. EPA is making these draft documents available to the public to ensure a transparent and robust evaluation of the available information.

EPA will not wait to take action to protect the public from PFAS exposure. The agency will be actively engaging with its partners regarding PFOA and PFOS in drinking water, including supporting their monitoring and remediation efforts. Importantly, the Bipartisan Infrastructure Law, signed by President Biden on November 15, 2021, invests \$10 billion to help communities test for and clean up PFAS and other emerging contaminants in drinking water and wastewater, and can be used to support projects in disadvantaged communities.

EPA will move as quickly as possible to issue updated health advisories for PFOA and PFOS that reflect this new science and input from the SAB. Concurrently, EPA will continue to develop a proposed PFAS National Primary Drinking Water Regulation for publication in Fall 2022.

## California, Arizona and Nevada in talks on new plan to save Colorado River water

LA Times | November 17, 2021



Visitors view the “bathtub ring” at Lake Mead. The nation’s largest reservoir is at its lowest level since it was filled 85 years ago.

(Allen J. Schaben / Los Angeles Times)

Two and a half years after signing a deal aimed at averting a damaging crisis along the Colorado River, water officials from California, Arizona and Nevada are discussing plans to take even less water from the shrinking river and leave it in Lake Mead in an effort to prevent the reservoir from falling to dangerously low levels.

Representatives of water agencies from the three states said they are firming up the details of a deal that would leave an additional 500,000 acre-feet of water in the reservoir next year, and the same amount again in 2023 — about double the quantity of water used annually by Las Vegas and the rest of southern Nevada.

For California, the deal would mean participating in water reductions prior to Lake Mead reaching levels that would otherwise trigger mandatory cuts.

The talks took on urgency this summer after federal projections showed growing risks of Lake Mead falling to critically low levels, despite plans for mandatory cutbacks throughout the Southwest that the states agreed to in 2019.

With the reservoir in a first-ever shortage and those cuts still insufficient, water management officials settled on a goal of together leaving half a million acre-feet of additional water in the reservoir instead of sending it flowing to farms, cities and tribal lands. The stored water would be roughly as much as 1.5 million average single-family households use in a year.

“We’ve got to stabilize the lake with this plan,” said Tom Buschatzke, director of the Arizona Department of Water Resources.

He said representatives of California, Arizona and Nevada developed the framework of the deal within about two months after they saw projections showing growing risks of Lake Mead dropping to lows that would trigger much larger water reductions in all three states.

“I think coming together in that short a period of time is indicative of urgency we’re feeling to do more,” Buschatzke said. “If the lake keeps falling, cuts are going to be deeper and deeper and deeper. So, I think it’s indicative of the risks.”

The deal would nearly double the reductions in planned water deliveries next year among the three states beyond those already planned under the 2019 agreement, called the Drought Contingency Plan. This new proposal, dubbed the 500+ Plan, would partially involve securing money to pay some water users to voluntarily relinquish water.

“We are estimating that we’ll need \$100 million for those two years from the three



states,” Buschatzke said. And while it’s unclear how much may be available from the federal government, Buschatzke and others said they hope to see a similar amount contributed from Washington, with funds available through the newly signed infrastructure legislation.

The water would come from various sources, including farmers who would be paid for leaving portions of their land dry, tribes that would contribute water supplies, and water agencies that would leave some water in Lake Mead instead of taking it out as planned.

Negotiations on the details are continuing, and officials from California and Arizona said they hope to have the overarching agreement ready to be signed next month at a conference in Las Vegas.

Arizona has pledged \$40 million toward the deal. Board members of the Southern Nevada Water Authority are scheduled to consider approving up to \$20 million in contributions this week.

The board of the Metropolitan Water District of Southern California is scheduled to consider the proposed agreement next month.

If the details of the proposal come together as planned, 500,000 acre-feet of water over two years would translate into water levels about 16 feet higher in Lake Mead.

The reservoir, the largest in the country, has declined to just 34% of its full capacity, the lowest point since it was filled in the 1930s with the construction of Hoover Dam.

For now, the talks have focused on lining up funds and water for two years. But

Buschatzke said it’s intended to be a five-year plan, lasting until the current agreement expires at the end of 2026, by which time the states will need to have negotiated new rules for dealing with shortages.

If the winter were to bring heavy snow to the Rocky Mountains, it could still help ease the shortages. But the region’s water managers said they’ve decided to plan for more of the dismal runoff they’ve seen in the watershed during the past two years of extreme heat and parched conditions.

Bill Hasencamp, MWD’s manager of Colorado River resources, said if such extreme dryness persists for another year or two, then Mead could end up at such low levels that cuts would become “unmanageable.”

“By proactively taking the actions now, we can reduce the risk of hitting those levels and having to make these large, unpredictable cuts,” Hasencamp said. “It’s better to do it sooner than you need it, so you can have a little bit more control.”

Without such a plan, if nothing were done and the reservoir continued to drop, he said, then the whole region could be forced to deal with much larger cuts.

“Then it’s unmanageable. And its lawsuit time and fighting,” Hasencamp said. “So, a much more collaborative approach has always been our preference. And we think now is the time to step up.”



Word of the proposal came as California water officials announced that statewide conservation efforts were “backsliding.” Although Gov. Gavin Newsom has urged state residents to voluntarily cut water use by 15%, urban areas statewide decreased water use just 3.9% in September compared to the same month a year ago. The reduction in water use was smaller than in August, when Californians used 5% less.

Buschatzke said officials from the three states have together identified 500,000 acre-feet of water that could be freed up in 2022 and 2023. He declined to give details, saying negotiations are continuing and those that contribute water could include farmers, tribes, cities and other entities.

“It’s basically paying people not to use water they’ve historically used,” he said, adding that participants would voluntarily and temporarily cede water in exchange for payments.

Such deals have been tried on a smaller scale in recent years. In California, MWD has recently scaled up a deal in which farmers in the Palo Verde Irrigation District are paid to leave a portion of their lands dry and fallow. In Arizona, the leaders of the Colorado River Indian Tribes have also been leaving some of their farmland dry in a similar deal.

“We’re going to look at mixing and matching water and money to come up with the plan that works,” Buschatzke said. “The key is getting the agreement down on paper in an enforceable way so that we know the conservation is going to occur in 2022.”

The Colorado River has long been chronically overallocated, with so much water diverted to supply farms and cities that its once-vast delta in Mexico has been largely transformed into a stretch of desert, with only a smattering of wetlands remaining. Most of the water that’s diverted — approximately 70% — is used for agriculture.

While a large portion of the water is likely to be purchased through the fallowing of farmland, participants in the talks said some water will also come from other sources, including urban agencies leaving water in Lake Mead instead of sending it through their aqueducts.

For example, California’s Imperial Irrigation District has been underusing its allotment in recent years. And that “underrun” of water then typically ends up going free-of-charge to MWD, which is the next entity in line in the priority system.

That unused water is projected to be about 95,000 acre-feet this year, and likely a similar amount next year, said J.B. Hamby, vice president of the IID board.

“All that water we don’t use or over-consume in a year, instead of that going to Metropolitan, Metropolitan has agreed not to consume it and to leave it in the river, which is a huge plus,” Hamby said. “That’s kind of a major shift.”

Hamby said it’s encouraging that the three states have come up with the plan in just a few months.

Others agreed that the quick negotiations bode well for more collaboration in dealing with worsening shortages. Kathryn Sorensen, director of research for Arizona State University's Kyl Center for Water Policy, said with Lake Mead at such low levels, the need for quick action is clear.

"If we get another bad year or two, you know, things look really dire. So, I think the speed is commensurate with the nature and scale of the crisis," Sorenson said.

When Buschatzke testified in a congressional hearing on the Colorado River last month, he noted that snowpack in the Colorado River Basin peaked at 89% of average this year, but runoff in the watershed was only 33% of average.

"This phenomenon is likely the result of the hotter and drier conditions caused by climate change," Buschatzke said in his written testimony. "This trend is one that water managers must take into account as we plan for the future of the Colorado River."

The options for immediate measures, Buschatzke told senators, include additional mandatory water cuts or voluntary conservation of more water in Lake Mead, and the talks among the states were focused on the voluntary path.

Since 2000, the Colorado River has been ravaged by a series of mostly dry years, which have been compounded by the heating of the planet with the burning of fossil fuels. In that time, the flow of the

Colorado River has declined nearly 20% below the 20th century average.

Scientists have estimated that about half the decrease in runoff in the watershed since 2000 has been caused by unprecedented warming. And this heat-driven aridification is projected to significantly worsen as temperatures continue to climb.

Brad Udall, a water and climate scientist at Colorado State University, recently likened the planned water reductions under the existing deal to a parachute — one that is too small and being opened too close to the ground.

"This new plan gives us both a bigger parachute and we're going to deploy it sooner," Udall said. "So hopefully we can have a softer landing."

Given the alarming declines in the river's reservoirs, the flaw with the parachute analogy is that the end of the story would put the parachutist safely on the ground, Udall said.

"We're landing on the edge of a cliff if you will. And there's still further to fall. We need another parachute here," Udall said.

Hopefully that next parachute will be ready well before 2027, he said, when the existing rules expire, and the Southwest needs to have long-term plans in place for adapting to a hotter, drier watershed and a river that yields less water.





DECEMBER 8, 2021

## REPORT OF THE DISTRICT ENGINEER ON HYDROLOGIC CONDITIONS

### Baldwin Park Key Well (see attached graph)

- Located in the central portion of the San Gabriel Valley within the City of Baldwin Park and used as a general indication of water elevations throughout the San Gabriel Valley
- One vertical foot is equivalent to about 8,000 acre-feet of groundwater in the Main Basin
- On October 29, 2021, the Baldwin Park Key Well groundwater elevation was 183.6 feet.
- On November 29, 2021, the Baldwin Park Key Well groundwater elevation was 182.4 feet, a decrease of about 0.6 feet from the prior week. **The historical low was 169.4 feet on November 21, 2018.**
  - ❖ A decrease of about 1.2 feet from the prior month.
  - ❖ About 17 feet lower than one year ago (represents 136,000 acre-feet). Includes an estimated 148,000 acre-feet of untreated imported water in cyclic storage accounts, which represents about 19 feet of groundwater elevation at the Key Well.
    - Producer Cyclic Storage – 51,000 AF
    - MWD Cyclic Storage (for UD RDA delivery) – 68,000 AF
    - Other Cyclic Storage – 29,000 AF

### Reservoir Storage and Releases

- There are three dams and reservoirs located along the San Gabriel River above San Gabriel Canyon. Their primary function is for flood control and also used to store watershed runoff for subsequent groundwater replenishment.
  - ❖ Cogswell Reservoir is located highest in the watershed and has a maximum storage capacity of 10,475 acre-feet
  - ❖ San Gabriel Reservoir is located downstream of and receives releases from Cogswell Reservoir, and has a maximum storage capacity of 44,044 acre-feet




Report of the District Engineer on Hydrologic Conditions – December 8, 2021 (continued)

- ❖ Morris Reservoir is located downstream of and receives releases from San Gabriel Reservoir and has a maximum storage capacity of 28,736 acre-feet. Releases from Morris Reservoir and San Gabriel Reservoir are used at local surface water treatment plants and used for groundwater replenishment
- ❖ Total storage capacity is 83,255 acre-feet
- ❖ The combined minimum pool behind Cogswell, San Gabriel and Morris Reservoirs is about 10,500 acre-feet.
- ❖ Combined storage as of November 29, 2021 was 10,701 acre-feet (about 13 percent of capacity).
- ❖ San Gabriel Reservoir inflow was 8 cfs and release was 0 cfs as of November 29, 2021.
- ❖ Morris Reservoir inflow was 0 cfs and release was 0 cfs as of November 29, 2021.

 USG-3

- Located in San Gabriel Canyon just below Morris Dam, it represents Upper District's primary point of delivery of untreated imported water for groundwater replenishment to the San Gabriel Valley. The typical delivery rate is about 190 cfs (or about 375 acre-feet per day)
  - ❖ Total USG-3 deliveries.
    - During November 2021, Upper District did not make deliveries through USG-3.
  - ❖ Three Valleys District/MWD
    - During November 2021, Three Valleys District did not make deliveries through USG-3.

 San Gabriel Canyon Spreading Grounds

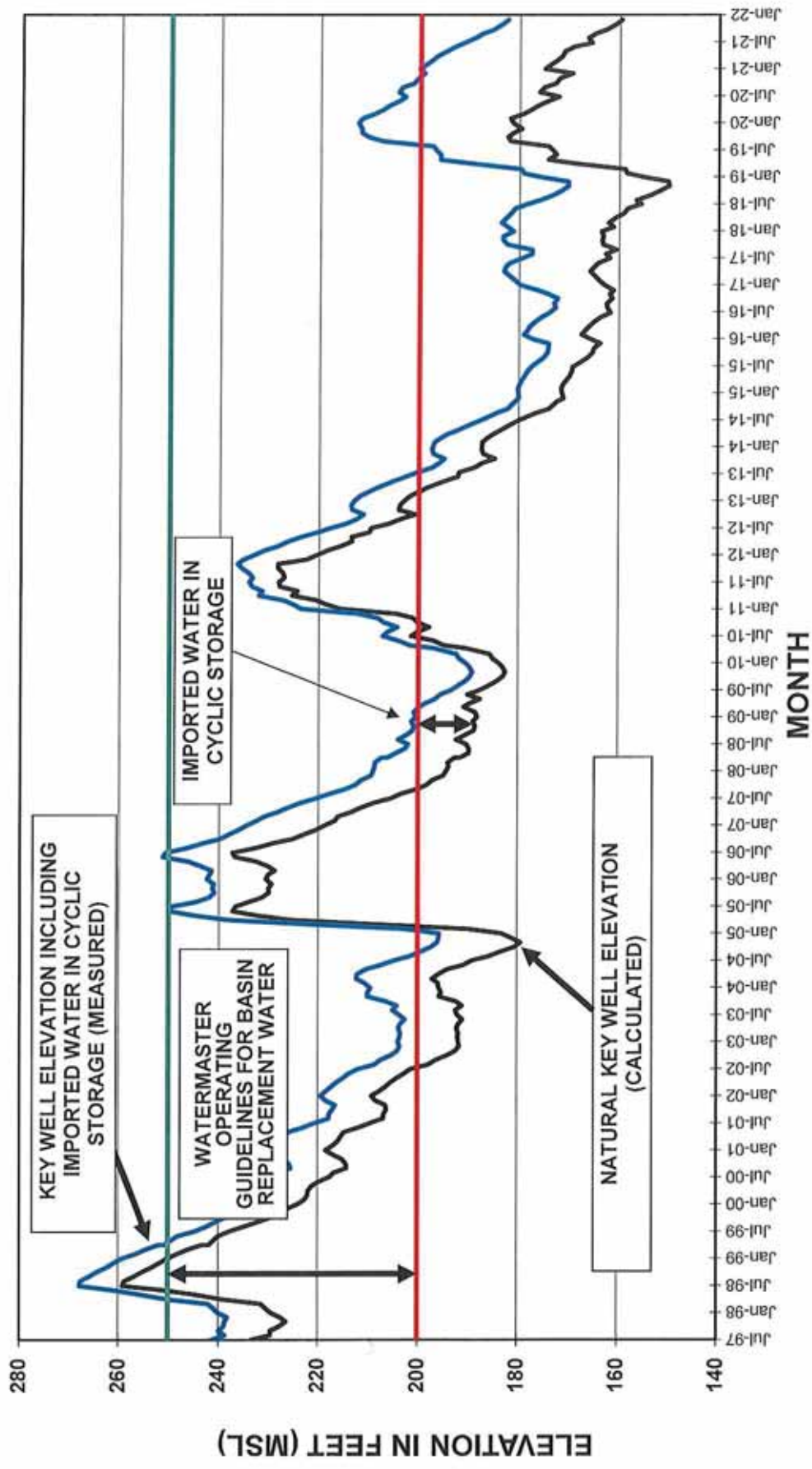
- From October 5 to October 31, Upper District delivered 1,938 acre-feet through the San Gabriel District pipeline to the San Gabriel Canyon and Azusa Surface Water Treatment Plant.
- During November 2021, Upper District delivered 2,169 acre-feet through the San Gabriel District pipeline to the San Gabriel Canyon and Azusa Surface Water Treatment Plant.
- Three Valleys District/MWD did not make deliveries to the San Gabriel Canyon during October and November 2021.
- San Gabriel District delivered 87 acre-feet to the San Gabriel Canyon during October 2021.
- San Gabriel District did not make deliveries to the San Gabriel Canyon during November 2021.

✚ Rainfall (see attached graphs)

- Data are readily available on a daily basis and are indicative of comparative amount of rainfall in the San Gabriel Valley (percent of average)
- Puddingstone Dam as of November 30, 2021
  - ❖ Average rainfall from July 1<sup>st</sup> through November 30<sup>th</sup> of each year is 2.60 inches
  - ❖ Rainfall during July 1, 2021 through November 30, 2021 is 0.80 inches, which is 31 percent of average.
  - ❖ Rainfall during July 1, 2020 through June 30, 2021 was 6.23 inches, which was 34 percent of average.
- Los Angeles Civic Center as of November 30, 2021
  - ❖ Average rainfall from July 1<sup>st</sup> through November 30<sup>th</sup> of each year is 1.99 inches
  - ❖ Rainfall during July 1, 2021 through November 30, 2021 is 0.94 inches, which is 47 percent of average.
  - ❖ Rainfall during July 1, 2020 through June 30, 2021 was about 5.82 inches, which was about 38 percent of average.

✚ Water Quality

- Water systems are required by the Division of Drinking Water (DDW) to collect water quality data from source wells and provide the results to DDW staff pursuant to Title 22
  - ❖ During November 2021, 82 wells were sampled under Title 22
  - ❖ During October 2021, 59 wells were sampled under Title 22
  - ❖ During October 2021, Stetson Engineers Inc. received no public notice of wells shut down due to contamination.



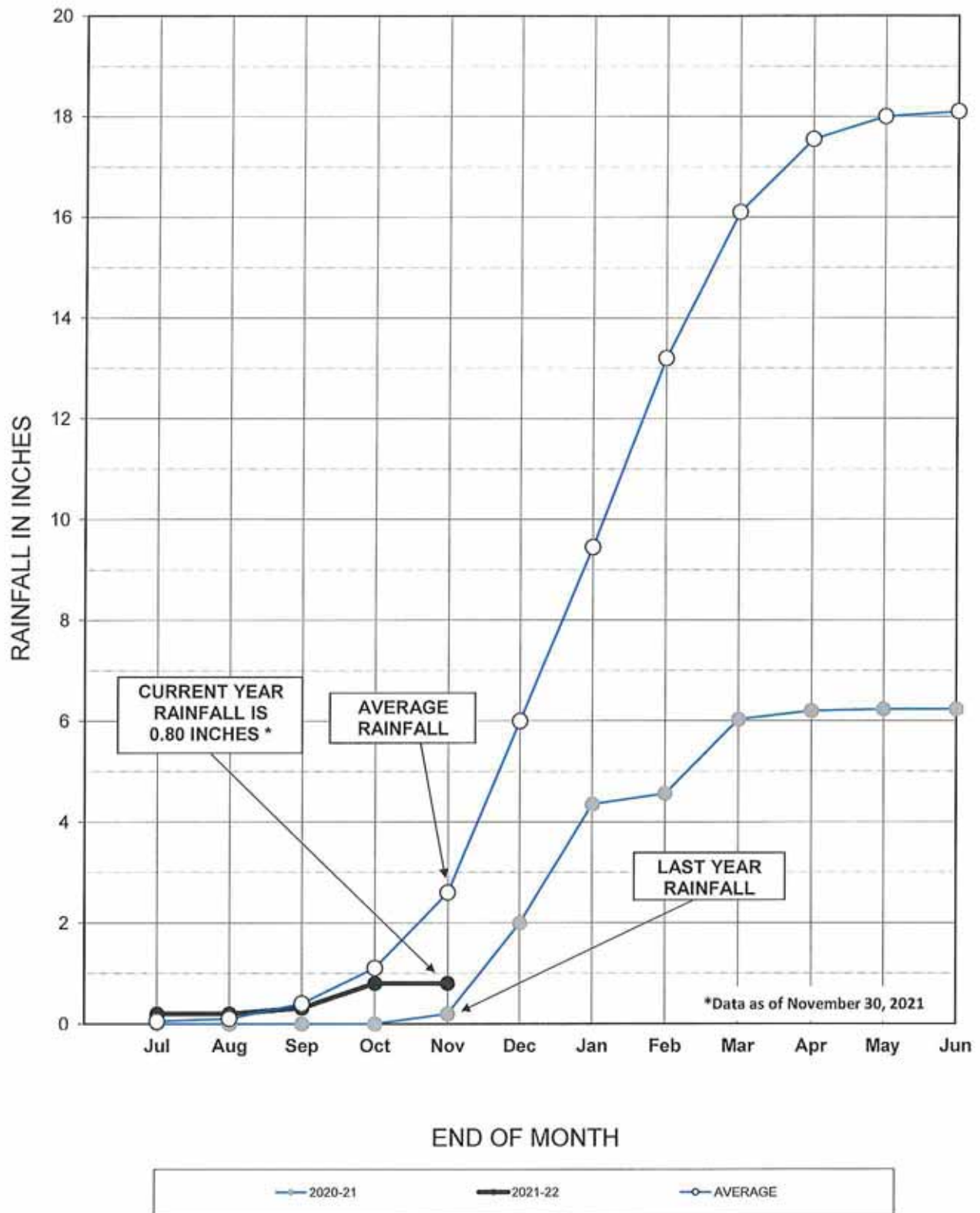
**UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT**

**BALDWIN PARK KEY WELL  
GROUNDWATER ELEVATION**



**STETSON ENGINEERS INC.**  
Covina San Rafael Mesa, Arizona  
WATER RESOURCE ENGINEERS

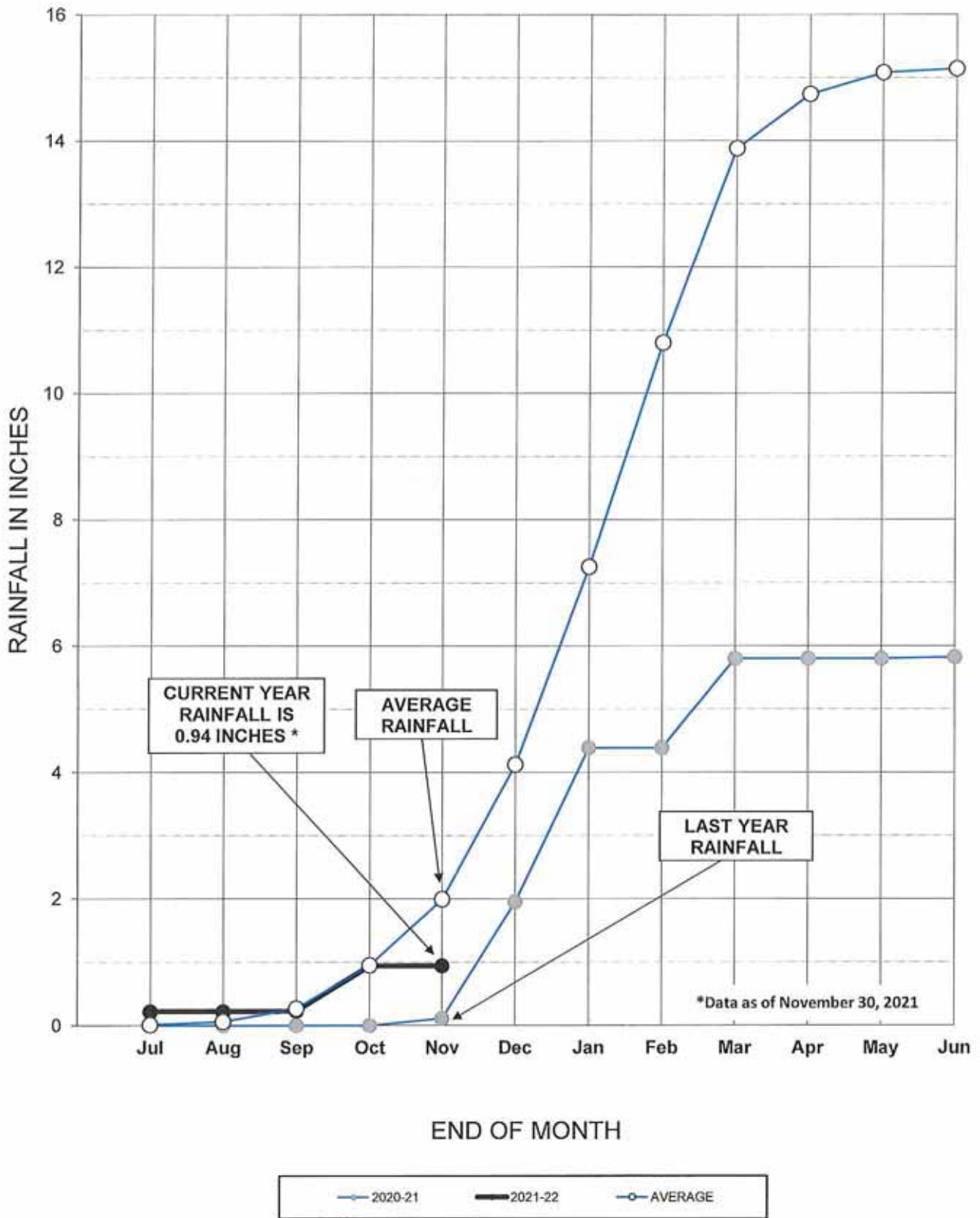




**STETSON ENGINEERS INC.**  
 Covina San Rafael Mesa, Arizona  
 WATER RESOURCE ENGINEERS

**UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT**

**ACCUMULATED RAINFALL  
 AT PUDDINGSTONE DAM (STATION NO. 96-C)**



**STETSON ENGINEERS INC.**  
 Covina San Rafael Mesa, Arizona  
 WATER RESOURCE ENGINEERS

**UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT**

**ACCUMULATED RAINFALL  
 AT LOS ANGELES CIVIC CENTER**

**USG-3 DELIVERIES**  
**(acre-feet)**

<u>End of Month</u>	<u>USG-3</u>		<u>Cost</u>
Apr-05	0.00		\$246.65
May-05	0.00		\$246.65
Jun-05	0.00		\$246.65
Jul-05	0.00		\$246.65
Aug-05	1,042.20		\$246.65
Sep-05	4,836.30		\$246.65
Oct-05	4,848.50		\$246.65
Nov-05	7,597.00		\$246.65
Dec-05	9,986.80		\$246.65
Jan-06	8,243.30		\$246.65
Feb-06	7,434.30		\$251.90
Mar-06	9,488.20		\$251.90
Apr-06	916.40		\$251.90
May-06	599.10		\$251.90
Jun-06	0.00		\$251.90
Jul-06	0.00		\$251.90
Aug-06	0.00		\$251.90
Sep-06	0.00		\$251.90
Oct-06	0.00		\$251.90
Nov-06	0.00		\$251.90
Dec-06	0.00		\$251.90
Jan-07	0.00		\$251.90
Feb-07	0.00		\$251.90
Mar-07	0.00		\$251.90
Apr-07	0.00		\$251.90
May-07	0.00		\$251.90
Jun-07	0.00		\$251.90
Jul-07	1,733.80	1/	\$251.90
Aug-07	1,813.10	1/	\$251.90
Sep-07	1,842.40	1/	\$251.90
Oct-07	1,961.60	1/	\$251.90
Nov-07	2,013.20	2/	\$251.90
Dec-07	1,965.30	2/	\$251.90
Jan-08	1,745.90	2/	\$251.90
Feb-08	0.00		\$251.90
Mar-08	0.00		\$251.90
Apr-08	0.00		\$251.90
May-08	0.00		\$251.90
Jun-08	0.00		\$251.90
Jul-08	0.00		\$251.90
Aug-08	0.00		\$251.90
Sep-08	0.00		\$251.90
Oct-08	0.00		\$251.90
Nov-08	0.00		\$251.90
Dec-08	0.00		\$251.90
Jan-09	0.00		\$251.90
Feb-09	0.00		\$251.90
Mar-09	0.00		\$337.00
Apr-09	0.00		\$337.00
May-09	0.00		\$337.00
Jun-09	0.00		\$337.00
Jul-09	0.00		\$337.00
Aug-09	0.00		\$337.00
Sep-09	0.00		\$337.00
Oct-09	0.00		\$386.00



**USG-3 DELIVERIES**  
**(acre-feet)**

<u>End of Month</u>	<u>USG-3</u>		<u>Cost</u>
Nov-09	0.00		\$386.00
Dec-09	0.00		\$386.00
Jan-10	579.50		\$526.00
Feb-10	0.00		\$526.00
Mar-10	4,620.90		\$526.00
Apr-10	10,876.00		\$526/\$655
May-10	0.00		\$655.00
Jun-10	0.00		\$655.00
Jul-10	0.00		\$655.00
Aug-10	0.00		\$655.00
Sep-10	2,052.70		\$655.00
Oct-10	10,423.30		\$655.00
Nov-10	11,439.50		\$655.00
Dec-10	1,495.50		\$655.00
Jan-11	0.00		\$569.00
Feb-11	0.00		\$569.00
Mar-11	1,302.20	3/	\$569.00
Apr-11	1,441.70	3/	\$569.00
May-11	1,974.60		\$429.00
Jun-11	5,254.90	4/	\$429.00
Jul-11	9,186.20	5/	\$479.00
Aug-11	4,845.80		\$479.00
Sep-11	7,394.30		\$479.00
Oct-11	0.00		\$597.00
Nov-11	0.00		\$597.00
Dec-11	0.00		\$597.00
Jan-12	0.00		\$640.00
Feb-12	0.00		\$640.00
Mar-12	0.00		\$640.00
Apr-12	0.00		\$640.00
May-12	0.00		\$640.00
Jun-12	0.00		\$640.00
Jul-12	0.00		\$640.00
Aug-12	0.00		\$640.00
Sep-12	0.00		\$640.00
Oct-12	8,753.30		\$640.00
Nov-12	3,281.40		\$640.00
Dec-12	0.00		\$640.00
Jan-13	0.00		\$673.00
Feb-13	0.00		\$673.00
Mar-13	0.00		\$673.00
Apr-13	0.00		\$673.00
May-13	0.00		\$673.00
Jun-13	0.00		\$673.00
Jul-13	0.00		\$673.00
Aug-13	0.00		\$673.00
Sep-13	0.00		\$673.00
Oct-13	16,093.80		\$673.00
Nov-13	5,120.80		\$673.00
Dec-13	4,788.80		\$673.00
Jan-14	0.00		\$673.00
Feb-14	2,315.90		\$673.00
Mar-14	2,720.20		\$673.00
Apr-14	249.40		\$673.00
May-14	0.00		\$673.00

**USG-3 DELIVERIES**  
(acre-feet)

<u>End of Month</u>	<u>USG-3</u>		<u>Cost</u>
Jun-14	0.00		\$673.00
Jul-14	358.40	6/	\$673.00
Aug-14	1,204.00	6/	\$673.00
Sep-14	1,204.00	6/	\$673.00
Oct-14	2,695.30	7/	\$673.00
Nov-14	3,628.90		\$673.00
Dec-14	3,211.60		\$673.00
Jan-15	3,482.10	8/	\$673.00
Feb-15	4,729.30	9/	\$673.00
Mar-15	6,464.30	10/	\$673.00
Apr-15	4,877.50	11/	\$673.00
May-15	3,630.40		\$673.00
Jun-15	3,355.10		\$673.00
Jul-15	0.00		\$673.00
Aug-15	0.00		\$673.00
Sep-15	0.00		\$673.00
Oct-15	0.00		\$673.00
Nov-15	7,854.80		\$673.00
Dec-15	8,383.30		\$673.00
Jan-16	0.00		\$697.00
Feb-16	0.00		\$697.00
Mar-16	3,000.90		\$697.00
Apr-16	0.00		\$697.00
May-16	0.00		\$697.00
Jun-16	0.00		\$697.00
Jul-16	0.00		\$697.00
Aug-16	0.00		\$697.00
Sep-16	0.00		\$697.00
Oct-16	19,421.50		\$697.00
Nov-16	17,377.00		\$697.00
Dec-16	3,701.10		\$697.00
Jan-17	0.00		\$769.00
Feb-17	0.00		\$769.00
Mar-17	0.00		\$769.00
Apr-17	0.00		\$769.00
May-17	0.00		\$769.00
Jun-17	0.00		\$769.00
Jul-17	0.00		\$769.00
Aug-17	0.00		\$769.00
Sep-17	0.00		\$769.00
Oct-17	0.00		\$769.00
Nov-17	0.00		\$769.00
Dec-17	16,000.00		\$769.00
Jan-18	0.00		\$798.00
Feb-18	0.00		\$798.00
Mar-18	0.00		\$798.00
Apr-18	3,265.60		\$798.00
May-18	0.00		\$798.00
Jun-18	0.00		\$798.00
Jul-18	0.00		\$798.00
Aug-18	0.00		\$798.00
Sep-18	0.00		\$798.00
Oct-18	933.40		\$798.00
Nov-18	17,032.90		\$798.00
Dec-18	13,923.30		\$798.00

**USG-3 DELIVERIES**  
**(acre-feet)**

<b><u>End of Month</u></b>	<b><u>USG-3</u></b>	<b><u>Cost</u></b>
Jan-19	0.00	\$834.00
Feb-19	0.00	\$834.00
Mar-19	0.00	\$834.00
Apr-19	5,008.00	\$834.00
May-19	0.00	\$834.00
Jun-19	0.00	\$834.00
Jul-19	0.00	\$834.00
Aug-19	0.00	\$834.00
Sep-19	0.00	\$834.00
Oct-19	0.00	\$834.00
Nov-19	0.00	\$834.00
Dec-19	20,056.00	\$834.00
Jan-20	0.00	\$858.00
Feb-20	0.00	\$858.00
Mar-20	0.00	\$858.00
Apr-20	0.00	\$858.00
May-20	0.00	\$858.00
Jun-20	0.00	\$858.00
Jul-20	0.00	\$858.00
Aug-20	0.00	\$858.00
Sep-20	0.00	\$858.00
Oct-20	0.00	\$858.00
Nov-20	10,179.50	\$858.00
Dec-20	0.00	\$858.00
Jan-21	0.00	\$880.00
Feb-21	0.00	\$880.00
Mar-21	0.00	\$880.00
Apr-21	0.00	\$880.00
May-21	0.00	\$880.00
Jun-21	0.00	\$880.00
Jul-21	0.00	\$880.00
Aug-21	0.00	\$880.00
Sep-21	0.00	\$880.00
Oct-21	0.00	\$880.00
Nov-21	0.00	\$880.00

**Note:**

- 1/ All water deliveries were for CIC/Azusa deliveries
  - 2/ All water deliveries were for Azusa/Glendora deliveries
  - 3/ Deliveries made through CenB-48.
  - 4/ Of the 5,254.90 AF, 258.5 AF was delivered through CenB-48.
  - 5/ Of the 9,186.20 AF, 564.6 AF was delivered through CenB-48.
  - 6/ Deliveries made through UD-SGP. Deliveries were for Azusa.
  - 7/ Of the 2,628.9 AF, 1,234.6 AF was delivered through UD-SGP.
  - 8/ Of the 3,482.1 AF, 745.3 AF was delivered through CenB-48.
  - 9/ Of the 4,729.3 AF, 1,626.3 AF was delivered through CenB-48.
  - 10/ Of the 6,464.3 AF, 2,826.9 AF was delivered through CenB-48.
  - 11/ Of the 4,877.5 AF, 1,301.5 AF was delivered through CenB-48.
- \*July 2014 through October 2014 reflects 1,000 AF deduction made to Canyon Basin through UD-SGP.  
January 2015 through April 2015 reflects CenB-48 adjustment from 10,000 AF to 6,500 AF.



2533

During October 2021, 59 wells were sampled under Title 22. Raw water results from active wells that do not pump to a treatment plant follow:

<u>Contaminant</u>	<u>Range (ppb)</u>	<u>MCL (ppb)</u>
PCE	ND - 3.7	5*
TCE	ND	5*

In addition, 82 wells were sampled under Title 22 in November 2021.

\*Note: Based on rounding, results greater than or equal to 5.5 ppb are above an MCL.



# MEMORANDUM



**11.**  
**GENERAL MANAGER'S**  
**REPORT**

## General Manager's Monthly Report December 8, 2021

### Imported Water Deliveries

On November 29, 2021, the Baldwin Park Key Well groundwater elevation was 182.4'. This level represents a decrease of about 1.2 feet from the month prior and about 17 feet lower than one year ago (represents approximately 136,000 acre-feet).

Combined storage in the San Gabriel Canyon as of November 29, 2021 was 10,701 AF (about 13% of capacity).

On November 29, 2021, San Gabriel Reservoir inflow was 8 cfs and release was 0 cfs. Morris Reservoir inflow was 0 cfs and release was 0 cfs. Releases, if any, were diverted from the San Gabriel River at the Azusa Duarte intake for use by the Committee of Nine.

During November 2021, Upper District did not make deliveries through USG-3.

During November 2021, Upper District delivered 2,169 acre-feet through the San Gabriel Valley Municipal Water District pipeline to the San Gabriel Canyon and Azusa Surface Water Treatment Plant.

Measured rainfall at the Los Angeles Civic Center from July 1, 2021 through November 30, 2021 is 0.94 inches, about 47% of average.

### MWD Water Supply Conditions as of November 28, 2021 are summarized as follows:

Reservoir	Capacity*	Current Storage (%, Volume)	Notes
San Luis	2.04 MAF	24%, 410 TAF	About 137 TAF less in State Water Project (SWP) than this time last year
Oroville Res.	3.54 MAF	30%, 1.05 MAF	About 266 TAF less than this time last year
D. Valley Lake	810 TAF	75%, 605 TAF	About 100 TAF less than this time last year
Lake Powell	24.3 MAF	29%, 7.03 MAF	About 3.61 MAF less than this time last year
Lake Mead	26.1 MAF	34%, 8.82 MAF	About 1.28 MAF less than this time last year

*\*Storage volumes are in units of Million Acre-Feet (MAF), or Thousand Acre-Feet (TAF)*

## Proposition 84 – Upper District Recycled Water Projects

Upper District submitted three projects as part of the Proposition 84, Round 3, Part 1 funding, in partnership with the producers. These projects were among the Greater LA IRWMP projects selected for grant funding and are summarized as follows:

- Rose Hills Memorial Park Retrofit

Work is complete and increase use of recycled water for irrigation is anticipated to be 600 acre-feet per year (AFY). The budget for construction of this project was \$1 million with an offset of up to \$0.50 million in funding. Funds received from DWR have been disbursed to Rose Hills.

- The San Gabriel Valley Water Company, South El Monte and El Monte Extension

The total AF of conversion is estimated at 72 AFY for the initial phase. The construction estimate is \$3.8 million for the first phase of the project. This project was approved for up to \$1.28 Million in offsetting grants from DWR. Funds received from DWR have been disbursed to SGVWC. Construction of the South El Monte and El Monte initial phase expansion is complete.

- The La Puente Valley County Water District Project

This project provides for conversion of approximately 60 AFY. The construction estimate is \$2 million and is anticipated to receive up to \$0.43 million in Proposition 84 funding. Construction of the new recycled water pipeline is complete, including the bridge crossing at Patriot Place and San Jose Creek and the connection to the City of Industry's recycled water transmission main. This project will also receive funding from Metropolitan's Local Resources Program based on a sliding scale incentive over 25 years.

LPVCWD is currently working on the project completion and customer connections.

Upper District anticipates completing the grant reconciliation and requesting for the release of retention by the first quarter of 2022.

## Water Use Efficiency

### SoCal WaterSmart Rebates

A total of \$13,362.25 has been paid out in residential rebates and \$441.08 in commercial rebates through October 2021.

### Water Filling Station Pilot Program

Through its Water Filling Station Program, Upper District raises awareness about sustainability while reducing the amount of disposable one-time use plastic bottles. The program results in water savings from reduced plastic bottle production, helps mitigate microplastic pollution in our local waterways, as well as reduces greenhouse gas emissions.

Staff is working with the consultant to finalize an installation schedule for the 25 backordered units that were recently received. 20 units will be installed in the West Covina Unified School District, 3 units in South Pasadena and 2 units in Valley County Water District's service area. The 1 unit is installed for South Pasadena and the other 2 are expected to be installed within the month. The 2 units in Valley County are being assessed and should also be installed prior to the end of the calendar year. Staff is also working to site 24 additional units to complete the





project in the coming months. 5 units have been given a location, but require assessment still and the remaining 19 units are still in the process of being sited.

#### Water Smart Home Program

Staff has been busy marketing and tracking customer sign ups since the roll out of our new Water Smart Home Program in mid-June. The program offers qualifying residents an opportunity to choose up to six types of water conservation items to be installed at their home, free of charge, by a licensed contractor. This cutting-edge program focuses on bringing water use efficiency to households within its underserved communities by providing access to new water efficient technologies while alleviating the financial burden of installation costs for participants. Since the start of the program, 83 homes have been approved and retrofitted with water efficient devices.

#### **Education and Outreach**

##### Sustainable Watershed Education Program

Staff has been working with the Discovery Science Foundation to provide an education program to 4<sup>th</sup>-7<sup>th</sup> grade students within the District boundaries. Currently, the program covers the basics of a watershed, pollution factors, and conservation ideas. Through October 2021, 965 students received the program so far this school year with another 489 scheduled for November.

##### Water Conservation Webinar Series

Staff held a webinar for the Fall and is working with consultants to ensure that there are numerous workshops or webinars for Spring 2022. The first webinar for FY 21/22 was:

Compost: Building the Soil Sponge

Wednesday, November 10<sup>th</sup>, 6:00pm – 7:00pm

89 participants.

#### **Federal Update**

##### **Monumental Infrastructure Package Provides 5 Years of Robust Funding**

A major legislative win for the Biden Administration was the final passage of the Bipartisan Infrastructure Plan, H.R.3684. The monumental infrastructure package will provide \$1.2 trillion in federal investments throughout the nation. There is a total of \$550 billion in new, federal investment for bridges, roads, broadband, water systems, and ports. The bill is intended to revitalize the nation's economy on a local, state, national level, with ample federal loan and grant opportunities.

Due to increased advocacy regarding climate change, drought, and water infrastructure needs, water infrastructure investments include a total of \$55 billion for the Environmental Protection Agency (EPA). In addition, \$8.3 billion is designated for the Bureau of Reclamation in order to address water drought issues as well as water storage and recycling efforts by Reclamation states. The Army Corps of Engineers of Civil Works received \$16.65 billion for the projects under their administration.

##### **Build Back Better Act: Part II of President Biden's Economic Plan**

A legislative win is expected again for the Biden Administration if Congress can pass the second key part of Biden's economic agenda, the Build Back Better Act. In total, the current reconciliation bill amounts to \$1.75 trillion, which infuses spending in social programs, Medicare costs, drug pricing, climate change

efforts, and more. The bill contains major tax policy changes, ranging from child tax credit to increased corporate taxes to trust and estates taxes.

A tax policy provision of note is a provision that would exclude from an individual's gross income utility or government rebates or subsidies for water conservation, stormwater management, and wastewater management. The provision would be effective retroactively to Tax Year 2019.

The Congressional Budget Office released its evaluation of the reconciliation bill. It estimated the bill would increase the deficit by a net of \$367 billion from fiscal year 2022 through 2031. It would raise an estimated \$1.27 trillion in revenue over that period. The cost of the bill is a major sticking point for more moderate Democratic senators.

The House passed the bill with an expected party-line vote through the reconciliation process. The Senate is currently negotiating various provisions in the bill and certain parts will be changed due to demands from Sens. Joe Manchin (D-WV) and Krysten Sinema (D-AZ). The reconciliation bill, upon its passage in the House, is a lower priority in the Senate due to the pressing deadlines for appropriations, budget, and the NDAA.

#### **Finance and Administration**

Total operating expenses for the month ended October 31, 2021 amount to \$6.8 million or 18.3% of budgeted amounts for fiscal year 2021/22. Total operating revenues for the same period amount to \$5.9 million or 15.8% of budgeted revenue for fiscal year 2021/22. Year-to-date revenue includes two of four payments of \$250,000 each from Sunny Slope Water Company (SSWC) to return grant funds provided by Upper District in 2011 for the construction of a liquid-phase granular activated carbon treatment vessels. There were no major capital expenditures for the month. The budget variance summary and detailed reports are included in the consent calendar.

On October 31, 2021, Upper District has about 8,000 acre-feet of water in its cyclic storage account.

No new agreements were executed under the General Manager's authority during October 2021.

**Summary Report for  
The Metropolitan Water District of Southern California  
Special Board Meeting  
November 23, 2021**

**CONSENT CALENDAR ITEMS – ACTION**

The Board:

Directed staff to incorporate the 100 percent Supply Alternative as the demand management cost recovery method used in the proposals for rates and charges. **(Agenda Item 7-1)**

Adopted the Board's Principles of Governance Statement. **(Agenda Item 7-2)**

Approved the recommendations for changes in the Board committee structure as set forth in the letter. **(Agenda Item 7-3)**

**CONSENT CALENDAR OTHER ITEMS – ACTION**

Adopted resolution to continue remote teleconference meetings pursuant to the Brown Act Section 54953(e) for meetings of Metropolitan's legislative bodies for a period of 30 days. **(Agenda Item 6A)**

Elected Los Angeles Director Miguel Luna as a nonofficer member of the Executive Committee for the completion of a two-year term effective November 23, 2021 and ending at the January 2023 Board Meeting. **(Agenda Item 6B)**

**OTHER MATTERS AND REPORTS**

Inducted new Director C. Martin (Marty) Miller from the San Diego County Water Authority. **(Agenda Item 5A)**

Inducted new Director Lois Fong-Sakai from the San Diego County Water Authority.

**THIS INFORMATION SHOULD NOT BE CONSIDERED THE OFFICIAL MINUTES OF THE MEETING.**

All current month materials, and materials after July 1, 2021 are available on the public website here: <https://mwdh2o.legistar.com/Calendar.aspx>

This database contains archives from the year 1928 to June 30, 2021:  
<https://bda.mwdh2o.com/Pages/Default.aspx>



## Summary Report for the San Gabriel Basin Water Quality Authority November 17, 2021

### Action/Discussion

The Board of Directors approved the appointments of Ms. Munoz, Mr. Marquez, Mr. Whitehead, Mr. Schoellerman and Mr. Monares to a Legislative ADHOC committee for a period of 6 months.

### Executive Director's Report

Mr. Schoellerman reported that he continues to talk to stakeholders regarding a WQA Extension bill. He stated that the fiscal year 2020/2021 audit will be presented at the December Board meeting. He also stated that he will be providing a presentation at the Upper District board meeting on December 8<sup>th</sup>.

### Future Board and Committee Meetings

Administrative/Finance Committee Meeting – December Canceled

Legislative/Public Information Committee Meeting – Wednesday, December 8, 2021 11:00 a.m.

WQA Board Meeting – Wednesday, December 15, 2021 at 12:00 p.m.

## Summary Report for the Main San Gabriel Basin Watermaster Regular Board Meeting November 3, 2021

### **Election of Producer Nominees for Watermaster for Calendar Year 2022**

Nominations of Producer Members to Watermaster for Calendar Year 2022 were received. The Chair directed the Attorney to submit the names of David DeJesus, Garry Hofer, David Michalko, Lynda Noriega, Anteneh Tesfaye and Martin Zvirbulis to the Court to serve as Producer Members.

### **Receipt of FY 2020-21 Annual Report**

The Board ordered the FY 2020-21 Watermaster Annual Report be received and filed.

### **Receipt of Draft Annual 5-Year Water Quality and Supply Plan**

The Board unanimously set the public comment period for the Five-Year Water Quality and Supply Plan to begin Wednesday, November 3, 2021 and continue through the public hearing set for the regular Watermaster meeting on January 5, 2022.

### **Authorization to Purchase Reliability Storage Water Using Water Resource Development Assessment for FY 2020-21**

The Board unanimously authorized the Executive Officer to make the appropriate purchases for emergency water supply.

### **Authorization To Purchase Replacement Water Requirements for FY 2020-21**

The Board unanimously authorized the purchase of Replacement Water from the appropriate Responsible Agencies, as presented by staff, for overproduction during FY 2020-21.

### **Attorney's Report**

The Attorney reported that a hearing is scheduled for December 17, 2021, to confirm the nominees for the calendar year 2022 Watermaster Board of Directors.

### **Engineer's Report**

The Consulting Engineer reported on current basin and water supply conditions as well as canyon storage. He also provided an overview on imported water deliveries. He then stated that all three landfills were inspected and found to be operating normally with no violations.

### **Executive Officer's Report**

The Executive Officer reported on the wet water deliveries through the San Gabriel Valley MWD pipeline. He stated that meetings with Metropolitan were held to discuss wet water deliveries, State Water Project water availability, and Metropolitan's demands. He also reported briefly on replenishment water purchases.



# MEMORANDUM



**15.**  
**DIRECTORS'**  
**REPORT (AB 1234)**

**Directors' Activity Report – (AB 1234)**  
*In accordance with CA Government Code Section 53232.3 (d)*  
**November 2021**

**ANTHONY R. FELLOW, Division 1**

Date	Event	Description
	No reportable activity.	

**CHARLES M. TREVIÑO, Division 2**

Date	Event	Description
November 30- December 2, 2021	ACWA/ Fall Conference	Discussions: Executive and Board of Directors Meeting. ACWA – Various Committee Meetings and Technical Sessions; Ethics AB1234 and AB 1825 Training; General Sessions. <u>Speakers:</u> Steve LaMar, Mayor Victor Gordo, Dave Eggerton, Jerry Gladbach, Andy Sells, Tanya Trujillo, Douglas Coty, Rachel Murphy, Karen Donovan, Felicia Marcus, Catherine Stites, Edgar Dymally, Piret Harmon, Kirsten Struve, Floyd E. Wicks

**ED CHAVEZ, Division 3**

Date	Event	Description
	No reportable activity.	

**KATARINA GARCIA, Division 4**

Date	Event	Description
	No reportable activity.	

**JENNIFER SANTANA, Division 5**

Date	Event	Description
	No reportable activity.	