

**ADMINISTRATION AND FINANCE
COMMITTEE MEETING
AND
SPECIAL MEETING OF THE
BOARD OF DIRECTORS**

**Tuesday, February 1, 2022
4:00 P.M.**

Committee Members:

Jennifer Santana, Chair
Tony R. Fellow, Vice-Chair

SPECIAL NOTICE - Teleconference Accessibility

Pursuant to the newly adopted provisions of the Brown Act and consistent with the Board's Resolution ratifying the declaration of a state of emergency by the State of California in response to the COVID-19 pandemic, the Upper District will hold the public hearing and its board meeting via teleconference or the most rapid means of communication available at the time. Instructions to participate in the teleconference are below:

Join Zoom Meeting

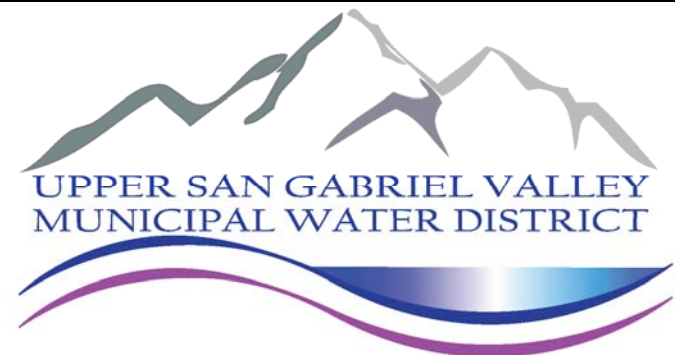
<https://us02web.zoom.us/j/88097892259>

Telephone Dial: 1 (669) 900-6833

Meeting ID: 880 9789 2259

Public comments may be made through teleconference when prompted by the Chair during the public comment period. Public comments may also be provided by emailing Venessa@usgvmwd.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@usgvmwd.org. It may take a few minutes to join Zoom or connect via telephone so please join early.



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

(626) 443-2297
www.upperdistrict.org

*The Administration and Finance Committee meeting is noticed as a joint committee meeting with the Board of Directors for the purpose of compliance with the Brown Act. Members of the Board who are not assigned to the Administration and Finance Committee may attend and participate as members of the Board, whether or not a quorum of the Board is present. To preserve the function of the Committee as advisory to the Board, members of the Board who are not assigned to the Administration and Finance Committee will not vote on matters before the Committee.

Communications

1. Call to Order
2. Public Comment

Discussion/Action

3. Quarterly Investment Update – December 31, 2021 (*Quarterly report enclosed. A representative from Chandler Asset Management will be in attendance to provide a presentation.*)
4. Amendment of Professional Services Agreement with Accent Computer Solutions, Inc. (*Staff memorandum enclosed.*)
5. Amendment of Professional Services Agreement with Rogers, Anderson, Malody & Scott, LLP (*Staff memorandum enclosed.*)
6. Amendment of Professional Services Agreement with Willdan Financial Services (*Staff memorandum enclosed.*)

Oral Reports

7. Financial Report and Quarterly Report on Investments– December 31, 2021
8. FY 2022/23 Budget Process

Other Matters

- 9.

Adjournment

Next Meeting: Tuesday, March 1, 2022 at 4:00 p.m.



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 venessa@usgvmwd.org at least 24 hours prior to meeting.



Upper San Gabriel Valley Municipal Water District

Period Ending December 31, 2021

CHANDLER ASSET MANAGEMENT, INC. | 800.317.4747 | www.chandlerasset.com



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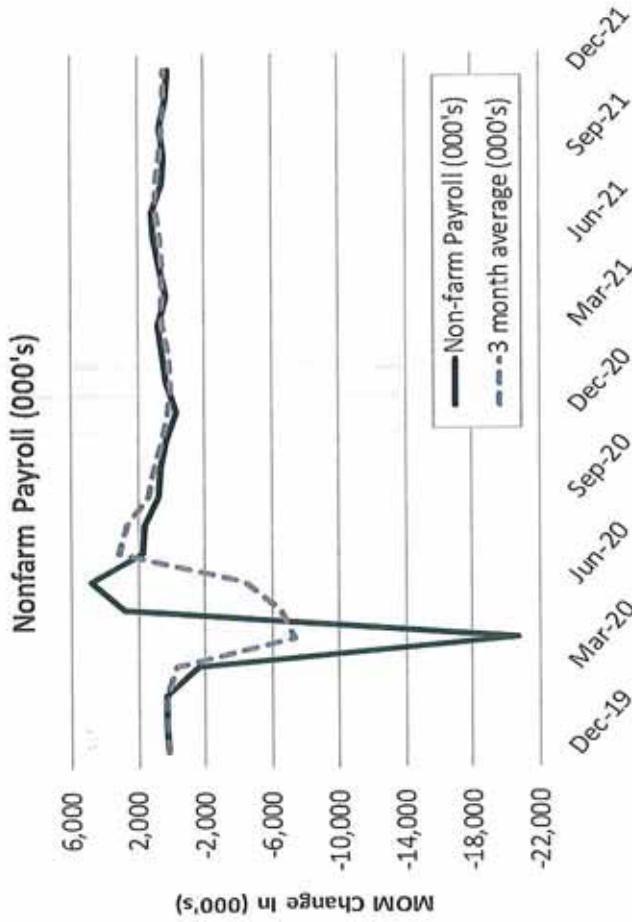
SECTION 1	Economic Update
SECTION 2	Account Profile
SECTION 3	Portfolio Holdings
SECTION 4	Transactions

Section 1 | Economic Update

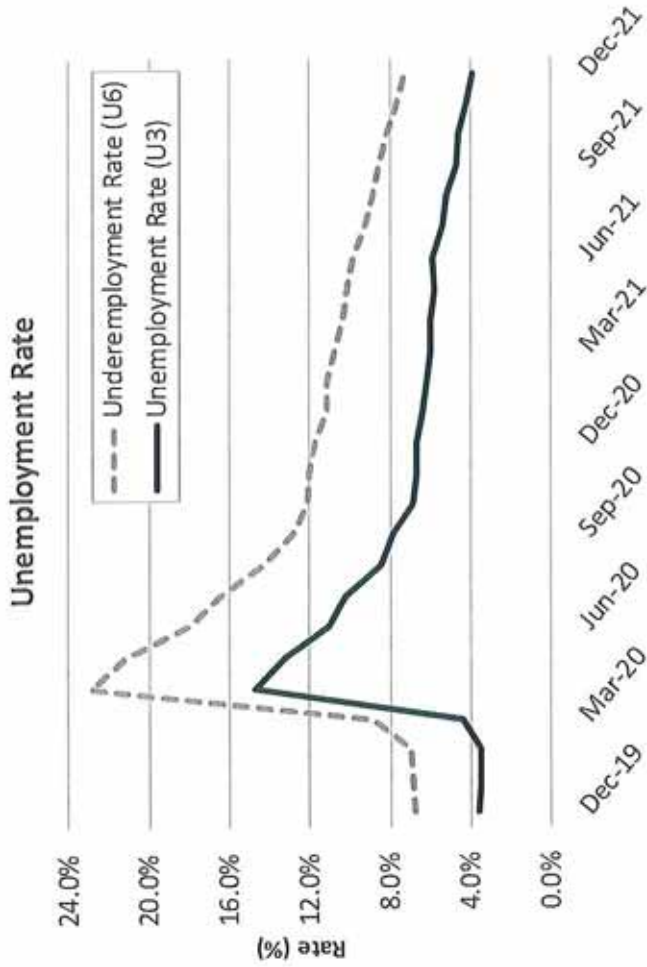
Economic Update

- In our view, economic growth is likely to moderate but remain modestly above-trend in 2022, fueled in part by ongoing tailwinds from fiscal support, accommodative monetary policy, and continued progress on vaccinations. Our outlook assumes an improving global health backdrop, though risks to the downside remain. Covid infection rates in the US and on a global basis have recently increased, and the new omicron variant poses a significant risk to the outlook. Given the high level of uncertainty regarding omicron's impact on the global health situation, supply chains, and the broader economy, we expect financial market volatility will be elevated over the near-term. Inflation readings continue to run hot, but market-based inflation expectations remain relatively contained and we believe inflation may be at or near a peak. We expect supply chain bottlenecks will continue to put upward pressure on prices over the near-term but should improve during 2022.
- The Federal Open Market Committee (FOMC) kept the fed funds target rate unchanged in December, in a range of 0.0%-0.25%, but announced plans to accelerate the pace of their tapering process. The Fed will reduce the magnitude of their monthly asset purchases by \$30 billion in January, doubling the pace of the monthly reduction in asset purchases that began in November. Should the Fed continue to reduce their monthly asset purchases at the new pace, their bond-buying program would end this spring (late-March or mid-April). The FOMC's updated Summary of Economic Projections indicates that policymakers may be prepared to hike the fed funds rate three times in 2022 (based on the median estimate), up from the previous projection of just one 25 basis point hike. The Fed's updated projections suggest that these hikes would be amid a backdrop of strong economic growth. With inflation now more elevated and prolonged than originally anticipated, we believe the Fed's decision to accelerate the tapering process is prudent. However, we do not believe that monetary policy is on a pre-set course and expect the Fed will adjust policy if necessary, depending on developments in the economy.
- In December, the 2-year Treasury yield increased nearly 17 basis points to 0.73%, the 5-year Treasury yield increased ten basis points to 1.26%, and the 10-year Treasury yield increased about seven basis points to 1.51% in the month.

Employment



Source: US Department of Labor

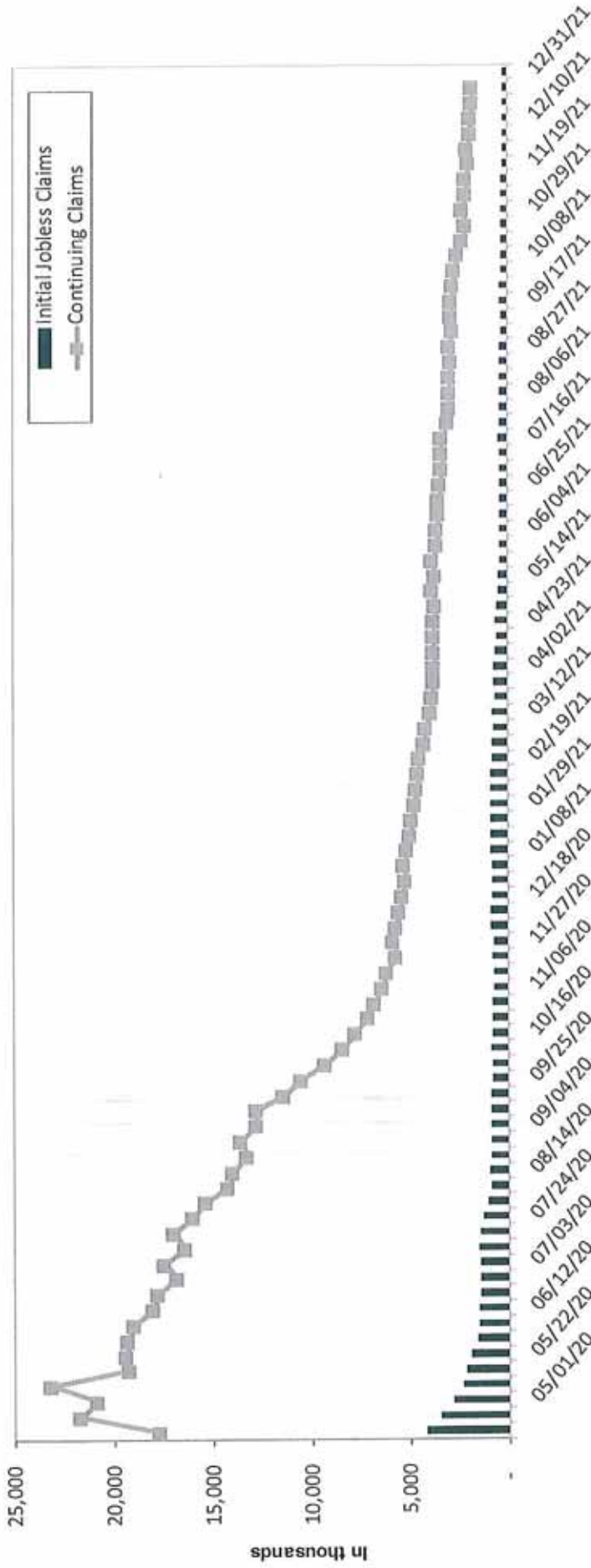


Source: US Department of Labor

Job growth slowed in December, with US nonfarm payroll growth of just 199,000 in the month versus the consensus forecast of 450,000, but the unemployment rate still declined to 3.9%, the lowest level since February 2020. On a trailing 3-month and 6-month basis, payrolls increased an average of 365,000 and 508,000 per month, respectively, which still compares favorably to the average job gains in the five years leading up to the pandemic of about 196,000 per month. We believe a variety of factors are keeping some workers out of the labor force for now, which continues to hold back job growth despite strong demand from employers. The labor participation rate was unchanged in December at 61.9% and remains lower than the pre-pandemic level of 63.4%. The employment-population ratio increased to 59.5% in December from 59.3% in November, but also remains below the pre-pandemic level of 61.2%. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons, declined to 7.3% in December from 7.7% in November (versus 7.0% in February 2020). Annualized average hourly earnings rose 0.6% month-over-month and were up 4.7% year-over-year in December versus 5.1% in November.

Initial Claims for Unemployment

Initial Claims For Unemployment April 17, 2020 - December 31, 2021

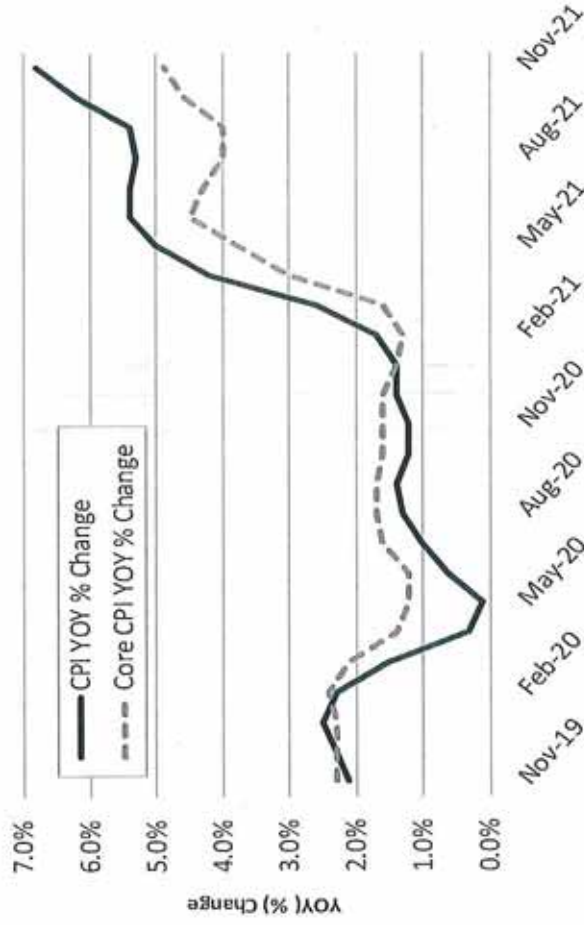


Source: US Department of Labor

In the most recent week, the number of initial jobless claims was 207,000, versus 200,000 in the prior week. The level of continuing unemployment claims (where the data is lagged by one week) was also little changed at 1.754 million versus 1.718 million in the prior week. Continuing jobless claims have declined significantly from the peak of nearly 25 million in May 2020, and are in the range of pre-pandemic levels (the 2019 average was 1.7 million).

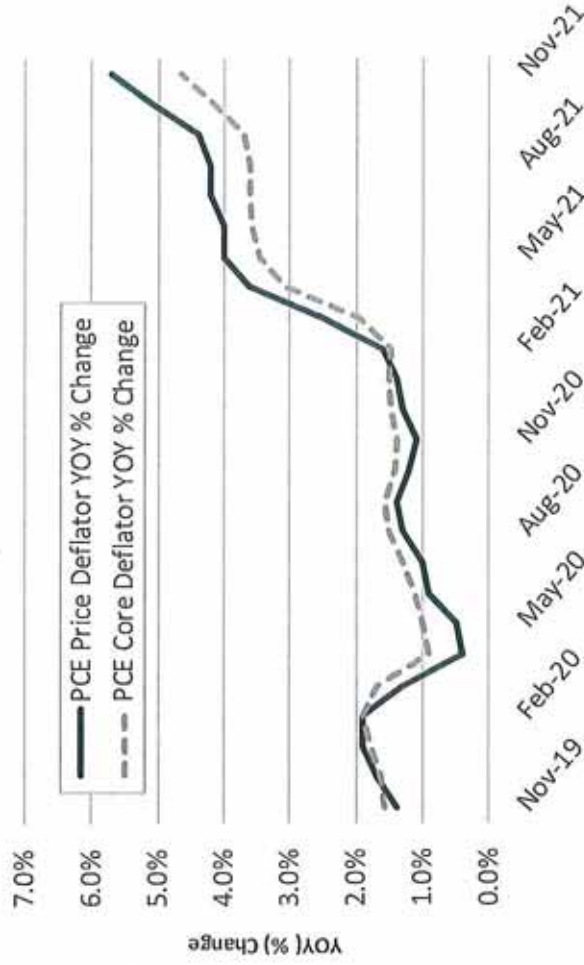
Inflation

Consumer Price Index (CPI)



Source: US Department of Labor

Personal Consumption Expenditures (PCE)

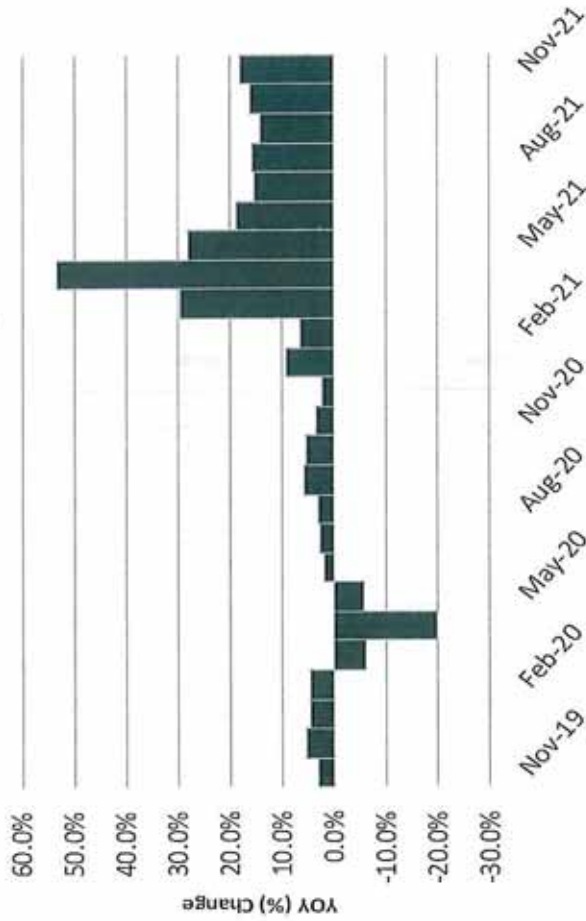


Source: US Department of Commerce

The Consumer Price Index (CPI) was up 6.8% year-over-year in November, versus up 6.2% year-over-year in October. Core CPI (CPI less food and energy) was up 4.9% year-over-year in November, versus up 4.6% in October. Pricing pressures were widespread in November, with notable gains for energy, food, used cars and trucks, new vehicles, and rent. The Personal Consumption Expenditures (PCE) index was up 5.7% year-over-year in November, up from 5.1% in October. Core PCE was up 4.7% year-over-year in November, versus up 4.2% in October. Current inflation readings continue to run well above the Fed's longer-run target of around 2.0%. Upward pressure on inflation from supply chain bottlenecks and pandemic-related disruptions is likely to remain elevated over the near-term.

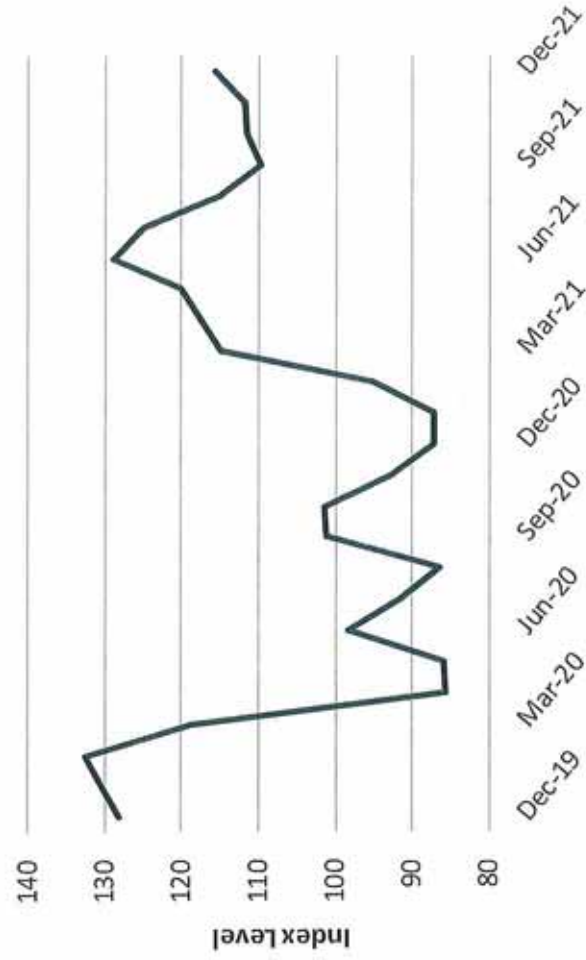
Consumer

Retail Sales YOY % Change



Source: US Department of Commerce

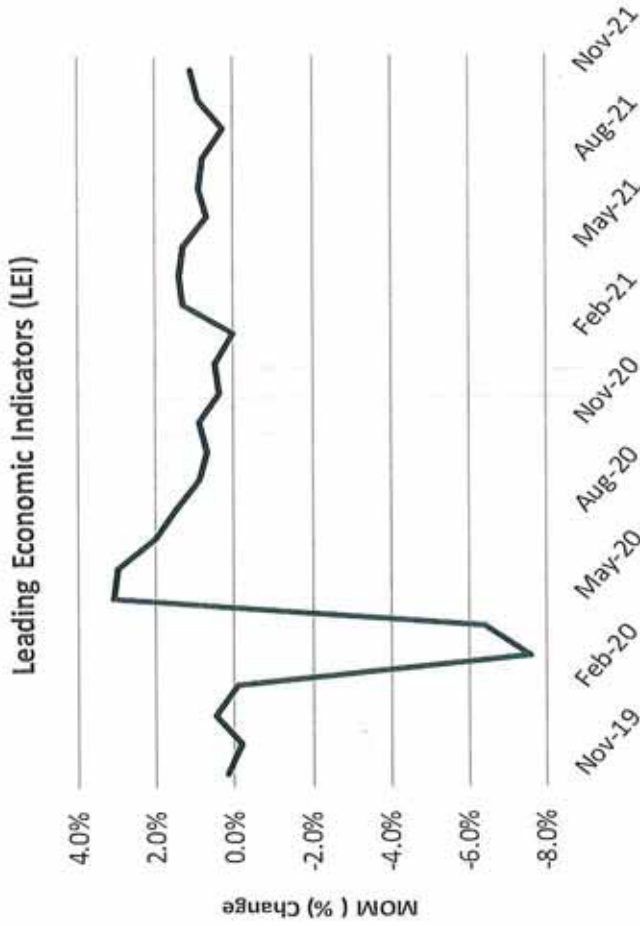
Consumer Confidence



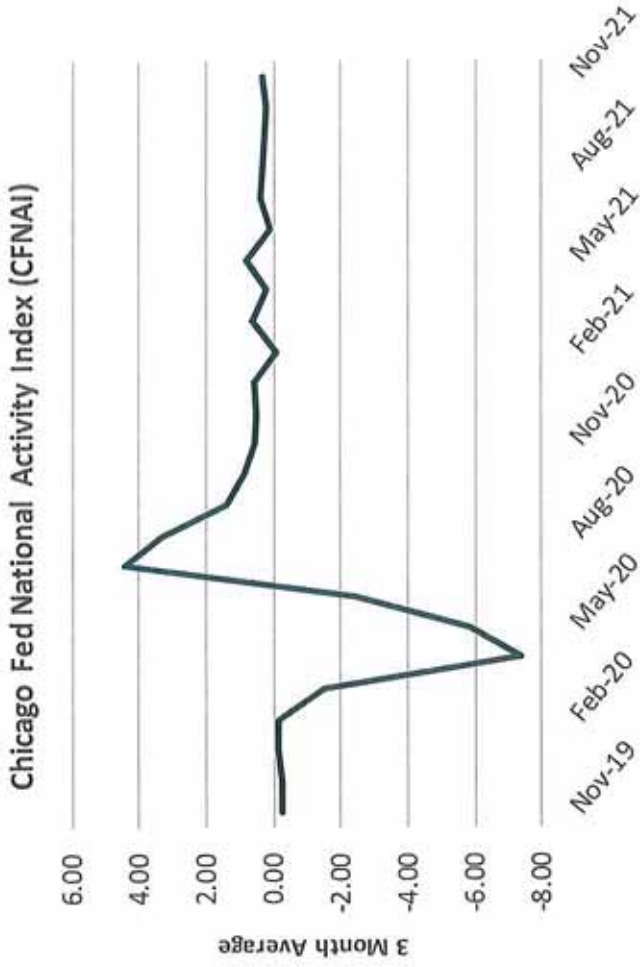
Source: The Conference Board

On a year-over-year basis, retail sales were up 18.2% in November versus up 16.3% in October. On a month-over-month basis, retail sales were softer than expected in November, up 0.3% versus expectations of 0.8%, but this followed an upwardly revised gain of 1.8% in October. In our view, the data suggests that consumers may have started shopping early this holiday season in anticipation of supply shortages. Higher gas prices seem to have taken some wallet share, with spending at gasoline stations up 1.7% month-over-month. Amid the current resurgence of virus cases, the outlook for December retail sales is uncertain, and nonstore retailers (online) may be poised to outperform. The Consumer Confidence index increased to 115.8 in December from 111.9 in November. The improvement came despite the arrival of the omicron variant and still elevated inflation.

Economic Activity



Source: The Conference Board

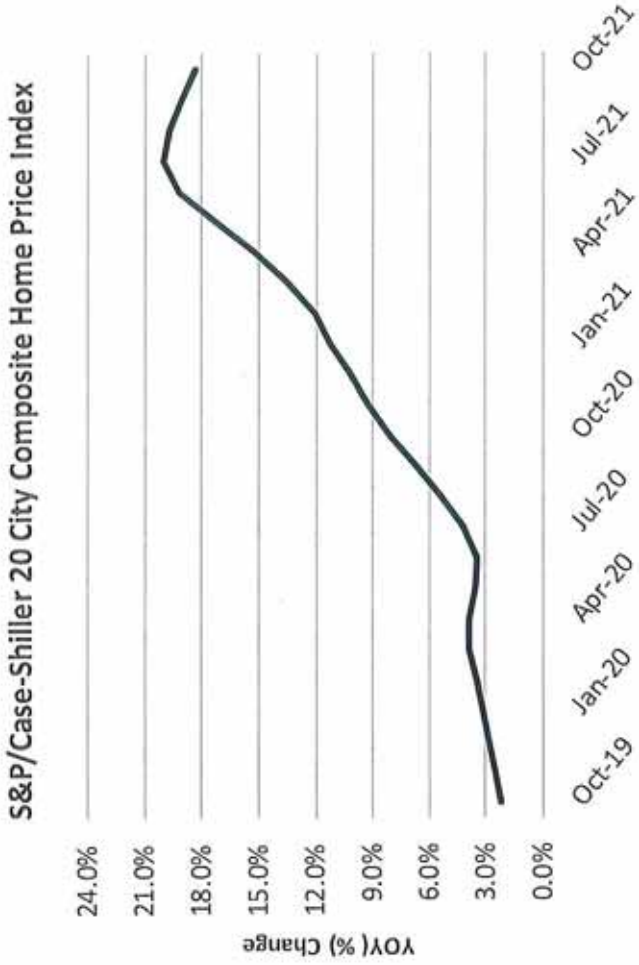
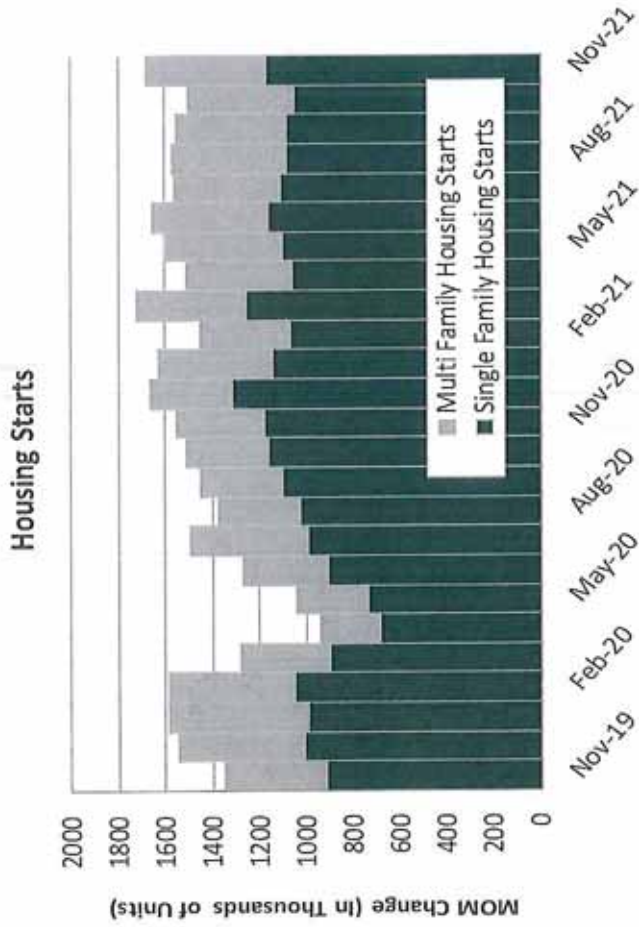


Source: Federal Reserve Bank of Chicago

The Conference Board's Leading Economic Index (LEI) increased 1.1% month-over-month in November, following a 0.9% increase in October. On a year-over-year basis, the LEI was up 9.8% in November versus up 9.6% in October. The Conference Board believes the strong gain in the LEI in November suggests that the economic expansion will continue into the first half of 2022, but they caution that ongoing supply chain headwinds and the current resurgence of the virus pose risks to the outlook. The Conference Board expects GDP growth to moderate in the first quarter to 2.2% versus their forecast of 6.5% growth in the fourth quarter of this year. Meanwhile, the Chicago Fed National Activity Index (CFNAI) declined to 0.37 in November from 0.76 in October. On a 3-month moving average basis, the CFNAI increased to 0.37 in November versus 0.21 in October.

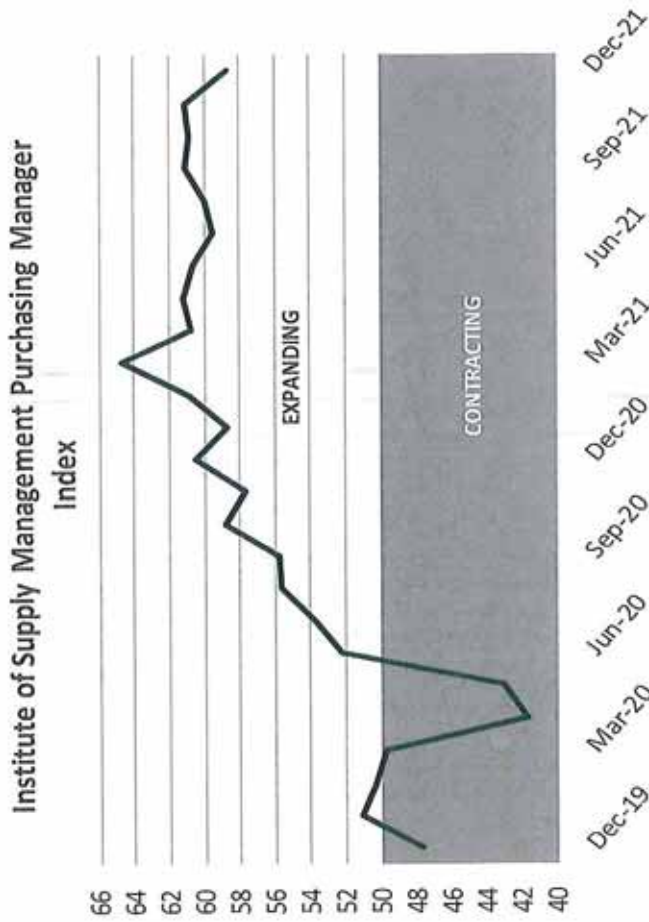


Housing

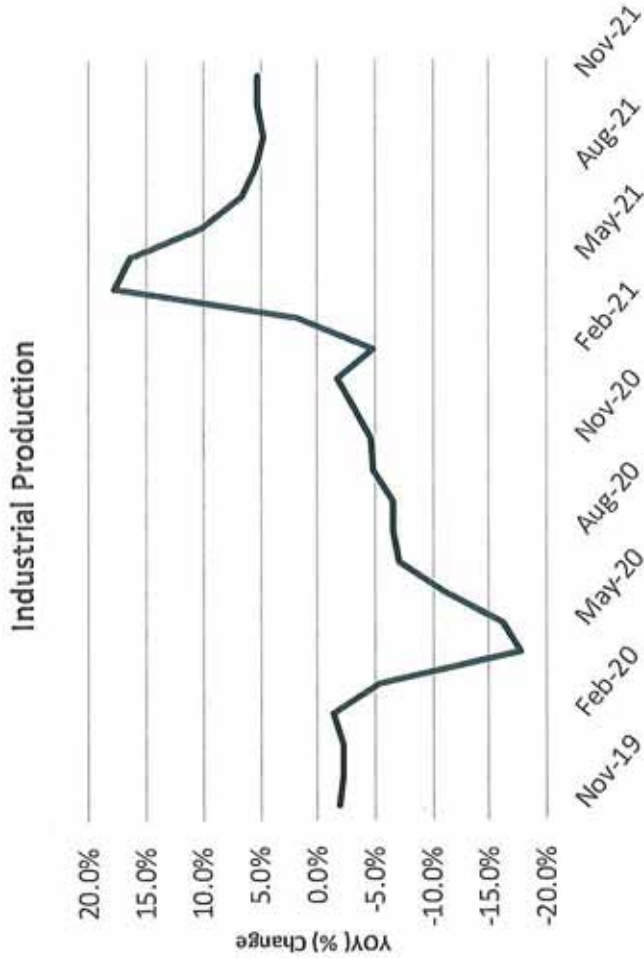


Total housing starts jumped 11.8% in November to an annual pace of 1,679,000. Single-family starts increased 11.3% while multi-family starts increased 12.9%, month-over-month. On a year-over-year basis total housing starts were up 8.3% in November. According to the Case-Shiller 20-City home price index, home prices were up 18.4% year-over-year in October versus up 19.1% year-over-year in September, suggesting the acceleration in home prices is easing. However, tight supply will likely continue to support prices.

Manufacturing



Source: Institute for Supply Management



Source: Federal Reserve

The Institute for Supply Management (ISM) manufacturing index declined to 58.7 in December from 61.1 in November. Nevertheless, readings above 50.0 are indicative of expansion in the manufacturing sector. The Industrial Production index was up 5.3% in November, on par with October's year-over-year gain. On a month-over-month basis, the Industrial Production index increased 0.5% in November, following an upwardly revised 1.7% increase in October. Though manufacturing production likely remains constrained by supply chain bottlenecks, capacity utilization increased to 76.8% in November from 76.5% in October. Although capacity utilization remains below its longer-run average of 79.6%, it is running above the pre-pandemic level of 76.3%.

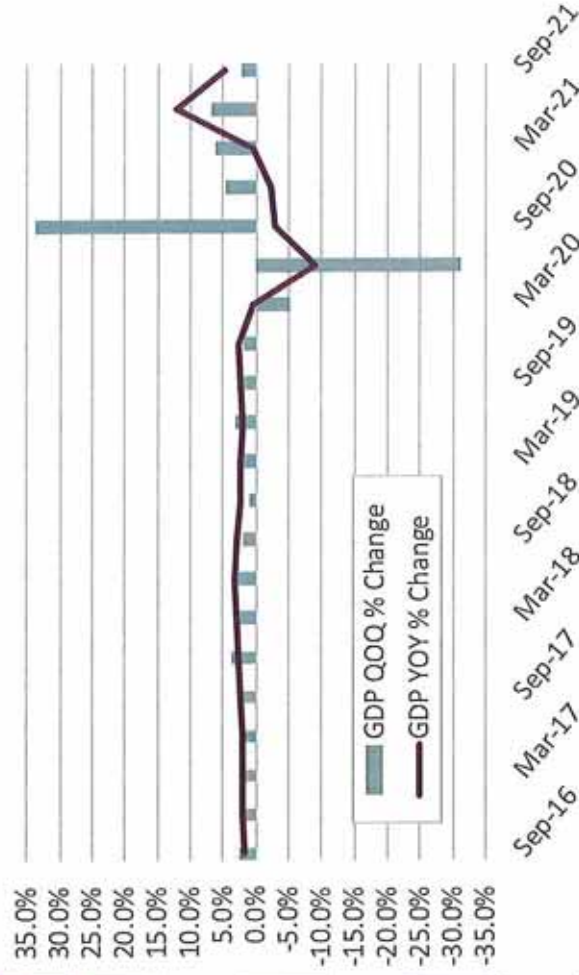


Gross Domestic Product (GDP)

Components of GDP	12/20	3/21	6/21	9/21
Personal Consumption Expenditures	2.3%	7.4%	7.9%	1.4%
Gross Private Domestic Investment	4.0%	-0.4%	-0.7%	2.1%
Net Exports and Imports	-1.7%	-1.6%	-0.2%	-1.3%
Federal Government Expenditures	-0.2%	0.8%	-0.4%	-0.4%
State and Local (Consumption and Gross Investment)	0.1%	0.0%	0.0%	0.5%
Total	4.5%	6.3%	6.7%	2.3%

Source: US Department of Commerce

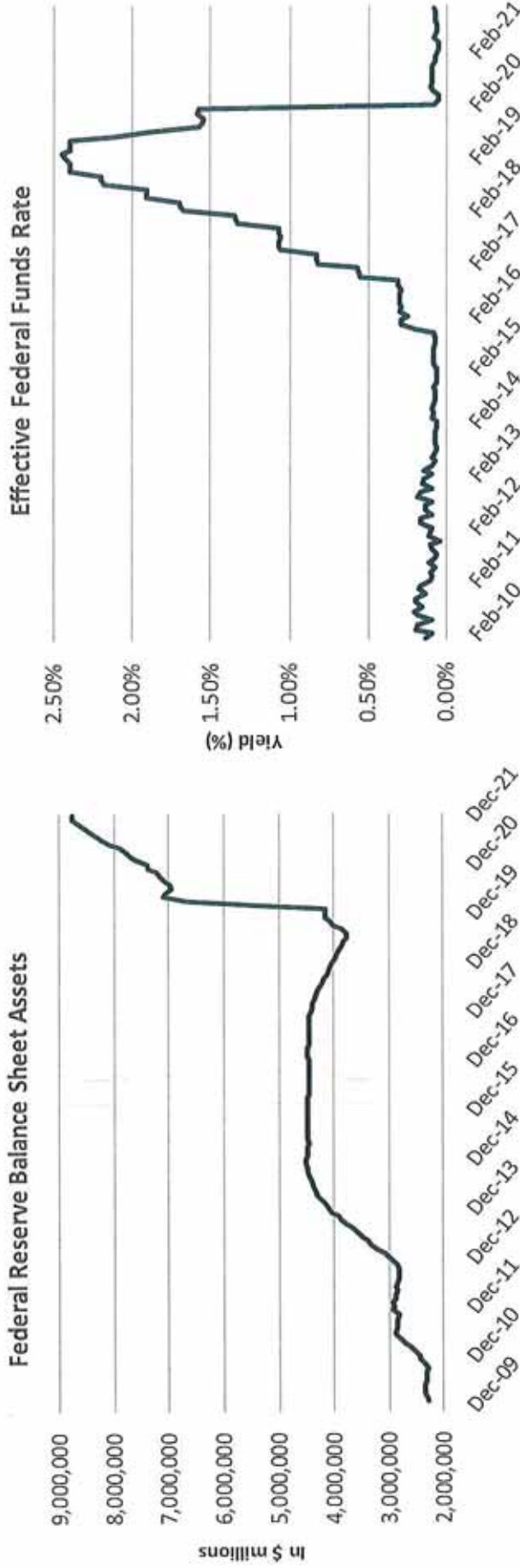
Gross Domestic Product (GDP)



Source: US Department of Commerce

Real US gross domestic product (GDP) growth decelerated in the third quarter of 2021 amid widespread supply chain disruptions and a surge in the Covid Delta variant. However, third quarter growth was slightly better than previously estimated. According to the final estimate, third quarter GDP grew at an annualized rate of 2.3% in the third quarter, revised up from the second estimate of 2.1% and the advance estimate of 2.0%. This follows a much stronger pace of growth in the first half of 2021, with first and second quarter annualized GDP growth up 6.3% and 6.7%, respectively. The consensus estimate is 6.0% GDP growth in the fourth quarter, and 3.9% GDP growth in the current quarter. Though the impact on economic activity from each resurgence of the virus seems to lessen with each wave, we believe there is risk to the current quarter growth outlook.

Federal Reserve



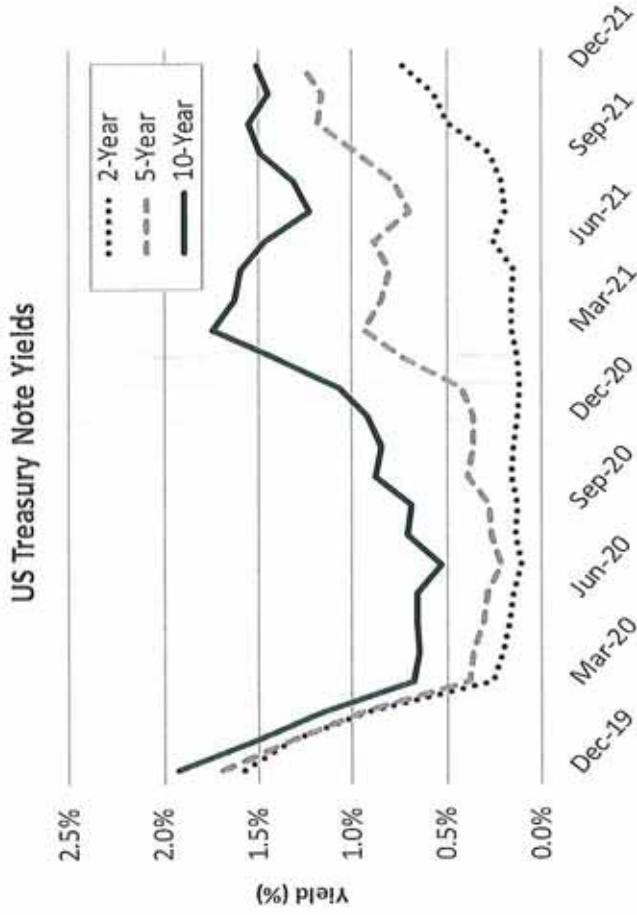
Source: Federal Reserve

Source: Bloomberg

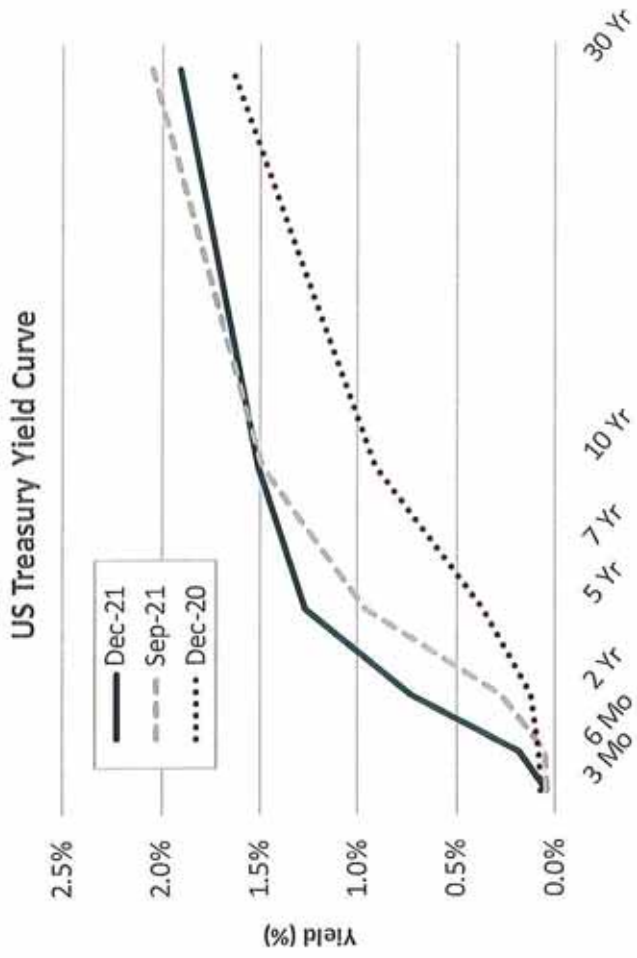
Last year, the Fed took a wide range of aggressive actions to help stabilize and provide liquidity to the financial markets. The Fed lowered the fed funds target rate to a range of 0.0%-0.25% and started purchasing Treasury and agency mortgage-backed securities (MBS) to support smooth market functioning. Last year, policymakers reinstated the Commercial Paper Funding Facility and Money Market Mutual Fund Liquidity Facility, and established the Primary Market Corporate Credit Facility, Secondary Market Corporate Credit Facility, Term Asset-Backed Securities Loan Facility, Paycheck Protection Program Liquidity Facility, Main Street Lending Facility, and Municipal Liquidity Facility. The Fed has also provided short-term funding through large-scale repo operations and lowered the reserve requirement for depository institutions. Many of the Fed's lending facilities expired at the end of 2020. In June 2021, the Fed announced plans to unwind its corporate credit facility. The Fed started to taper their Treasury and agency MBS purchases in November 2021, and we believe the Fed's bond-buying program is likely to end in the spring of 2022. The Fed has also signaled that they are likely to start hiking the fed funds target rate in 2022.



Bond Yields



Source: Bloomberg



Source: Bloomberg

At the end of December, the 2-year Treasury yield was about 61 basis points higher and the 10-Year Treasury yield was about 60 basis points higher, year-over-year. The spread between the 2-year Treasury yield and 10-year Treasury yield was 78 basis points at year-end compared to the average historical spread (since 2002) of about 135 basis points.





Section 2 | Account Profile

Investment Objectives

The investment objectives of the Upper San Gabriel Valley Municipal Water District are first, to provide safety of principal to ensure the preservation of capital in the overall portfolio; second, to provide sufficient liquidity to meet all disbursement requirements; and third, to earn an acceptable rate of return after first considering safety of principal and liquidity.

Chandler Asset Management Performance Objective

The performance objective for the portfolio is to earn a total rate of return through a market cycle that is equal to or above the return on the benchmark index.

Strategy

In order to achieve these objectives, the portfolio invests in high quality fixed income securities consistent with the investment policy and California Government Code.

Compliance

As of December 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 for maturities 2 years or less; "AA" rated or better by a NRSRO for maturities greater than 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

Portfolio Characteristics

As of December 31, 2021

Upper San Gabriel Valley Municipal Water District

	Benchmark*	12/31/2021	9/30/2021
		Portfolio	Portfolio
Average Maturity (yrs)	1.42	1.43	1.47
Average Modified Duration	1.40	1.42	1.46
Average Purchase Yield	n/a	0.92%	1.03%
Average Market Yield	0.54%	0.54%	0.24%
Average Quality**	AAA	AA+/Aaa	AA+/Aaa
Total Market Value		5,173,523	5,193,700

*ICE BofA 0-3 Yr US Treasury Index

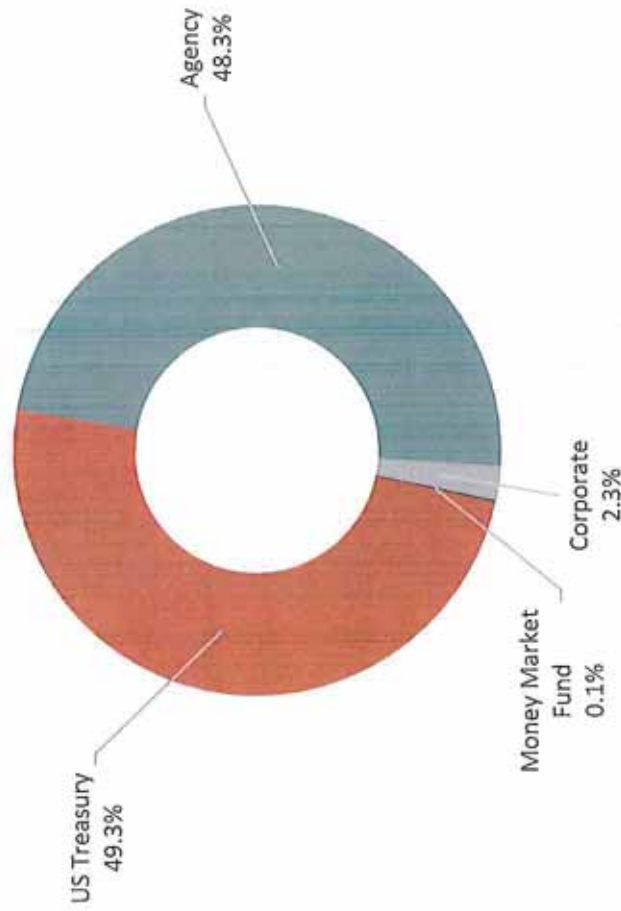
**Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

Sector Distribution

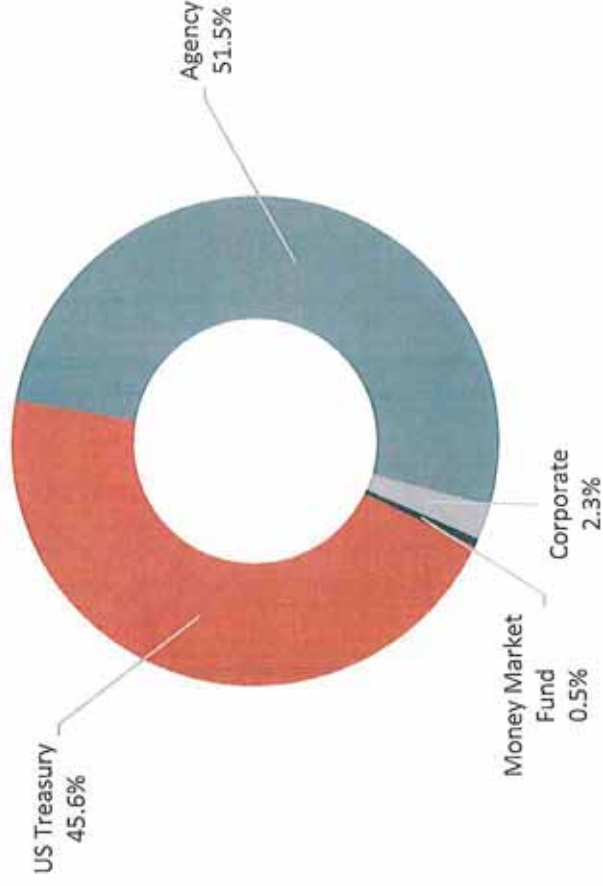
As of December 31, 2021

Upper San Gabriel Valley Municipal Water District

December 31, 2021



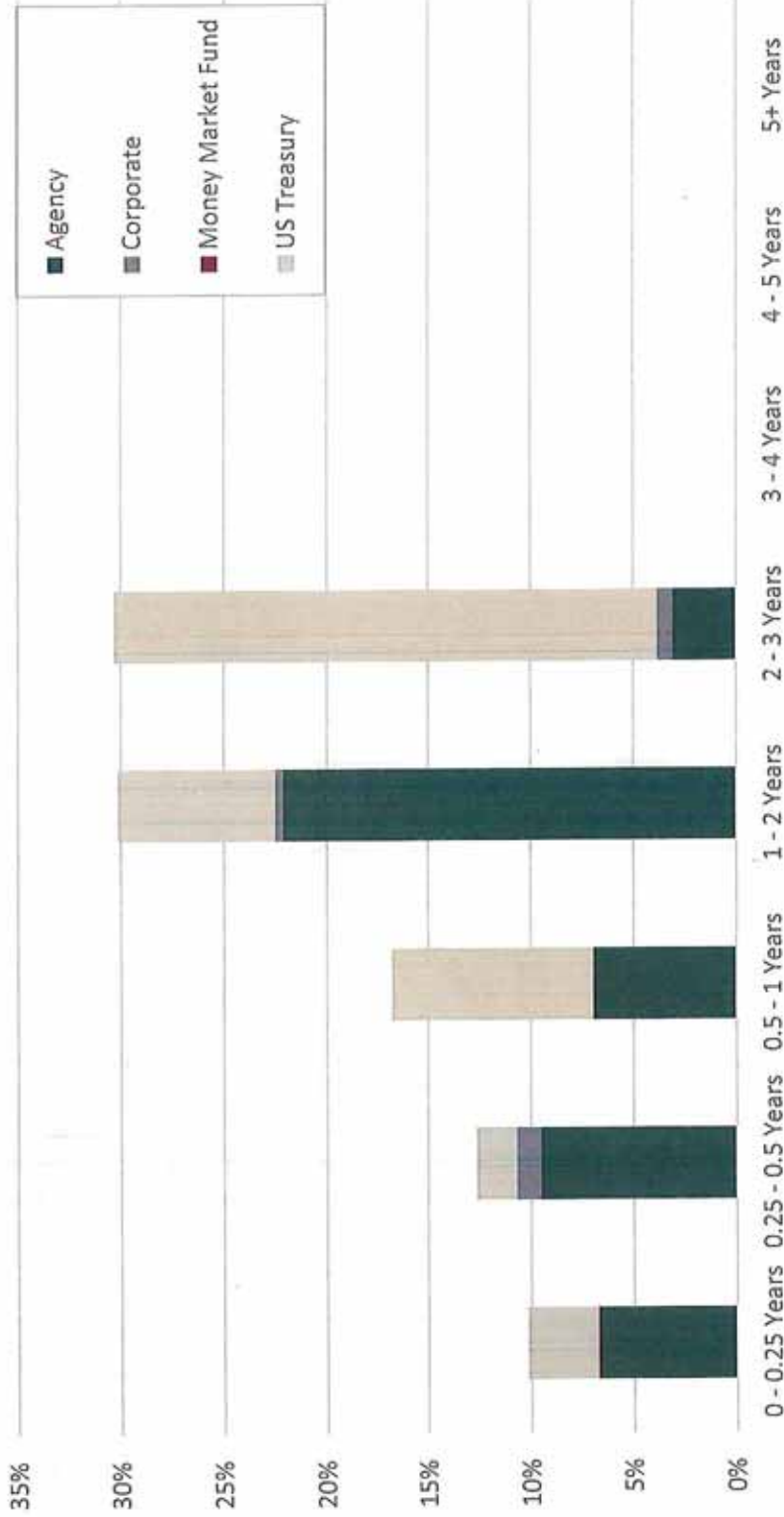
September 30, 2021



Duration Allocation

As of December 31, 2021

Upper San Gabriel Valley Municipal Water District



0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
10.2%	12.6%	16.8%	30.1%	30.3%	0.0%	0.0%	0.0%

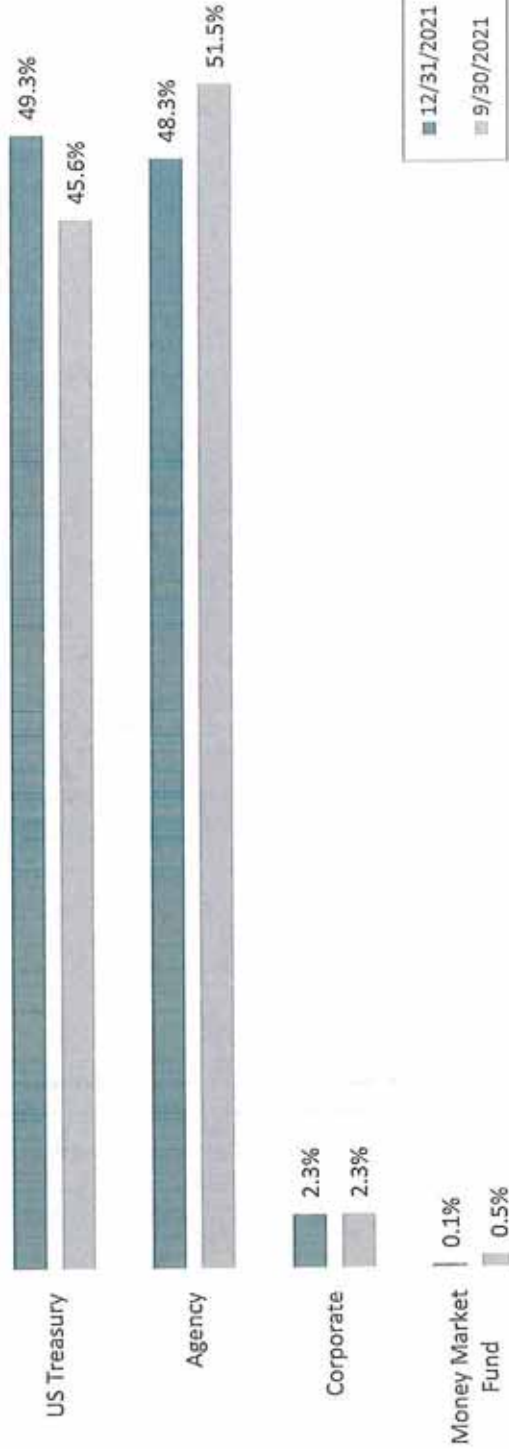
12/31/21

Portfolio Allocation & Duration Changes

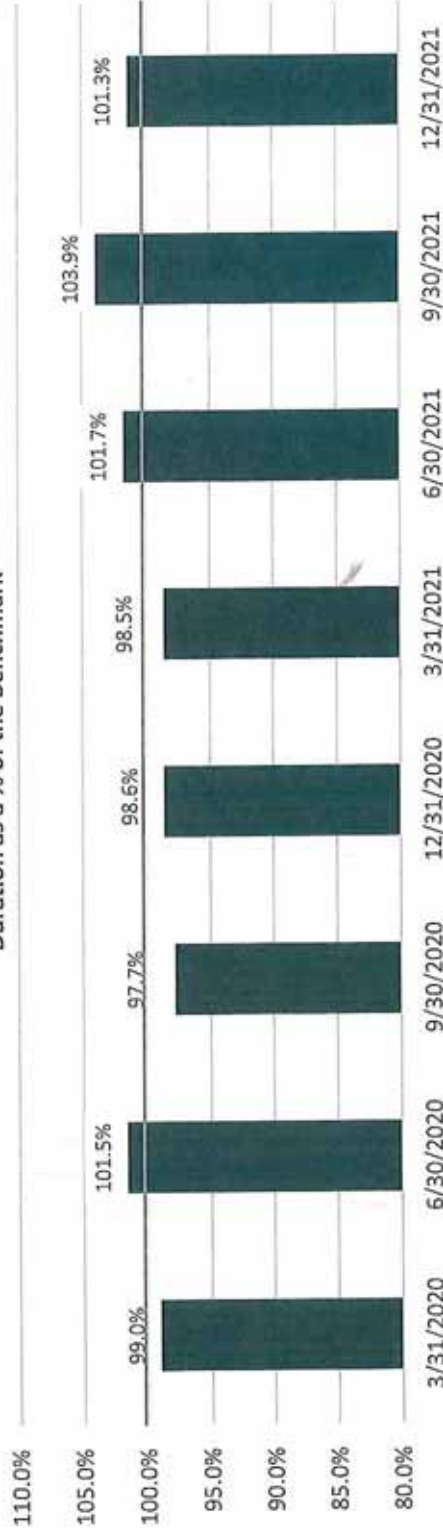
As of December 31, 2021

Upper San Gabriel Valley Municipal Water District

Portfolio Allocation



Duration as a % of the Benchmark



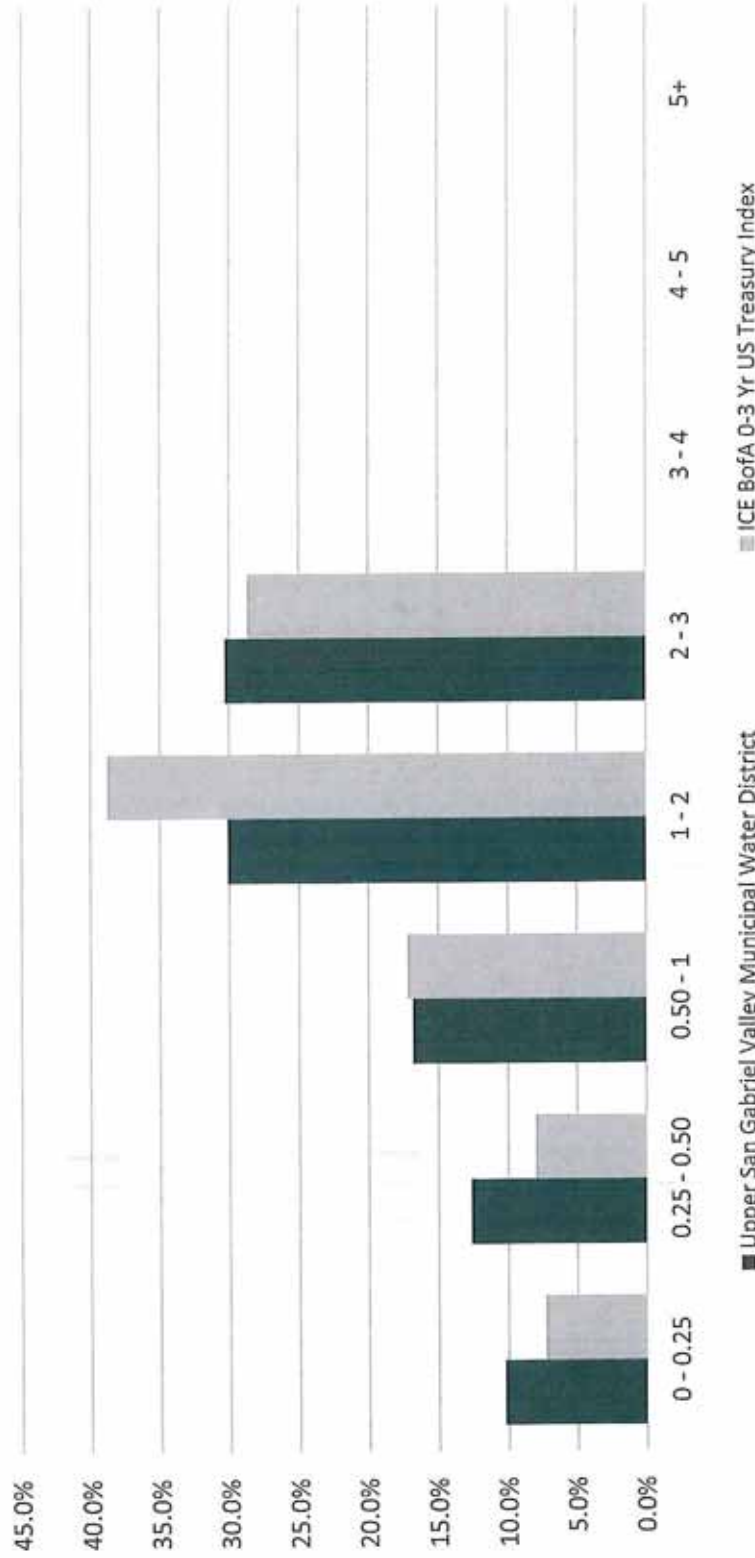
Benchmark: ICE BofA 0-3 Yr US Treasury Index



Duration Distribution

As of December 31, 2021

Upper San Gabriel Valley Municipal Water District
Portfolio Compared to the Benchmark as of December 31, 2021



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
Portfolio	10.2%	12.6%	16.8%	30.1%	30.3%	0.0%	0.0%	0.0%
Benchmark*	7.3%	8.0%	17.2%	38.8%	28.7%	0.0%	0.0%	0.0%

*ICE BofA 0-3 Yr US Treasury Index

Issuers

As of December 31, 2021

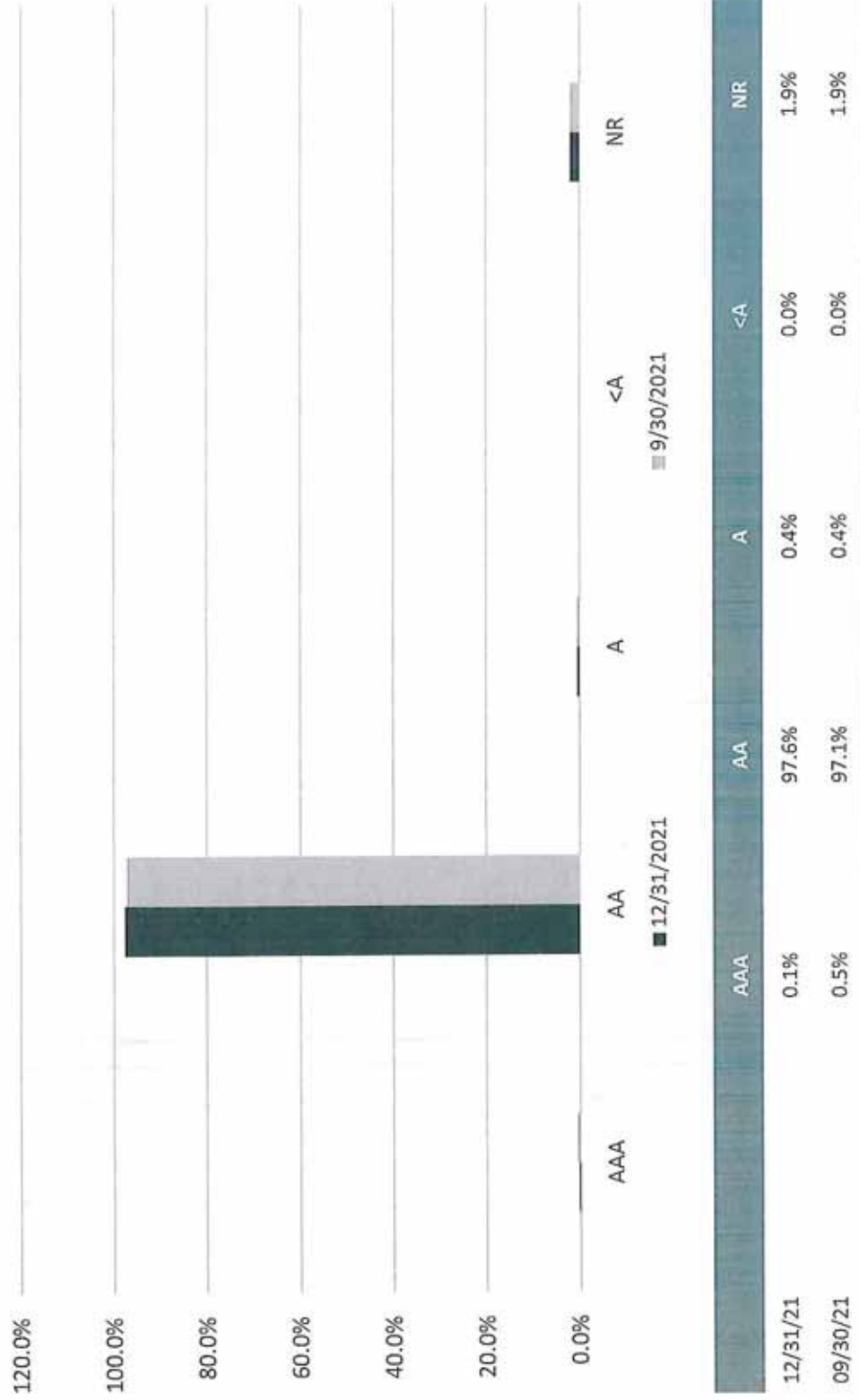
Upper San Gabriel Valley Municipal Water District – Account #10214

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	49.30%
Federal Home Loan Mortgage Corp	Agency	14.33%
Federal Home Loan Bank	Agency	13.95%
Federal Farm Credit Bank	Agency	12.71%
Federal National Mortgage Association	Agency	7.28%
Apple Inc	Corporate	1.17%
Amazon.com Inc	Corporate	0.77%
Toyota Motor Corp	Corporate	0.39%
First American Govt Oblig Fund	Money Market Fund	0.11%
TOTAL		100.00%

Quality Distribution

As of December 31, 2021

Upper San Gabriel Valley Municipal Water District December 31, 2021 vs. September 30, 2021

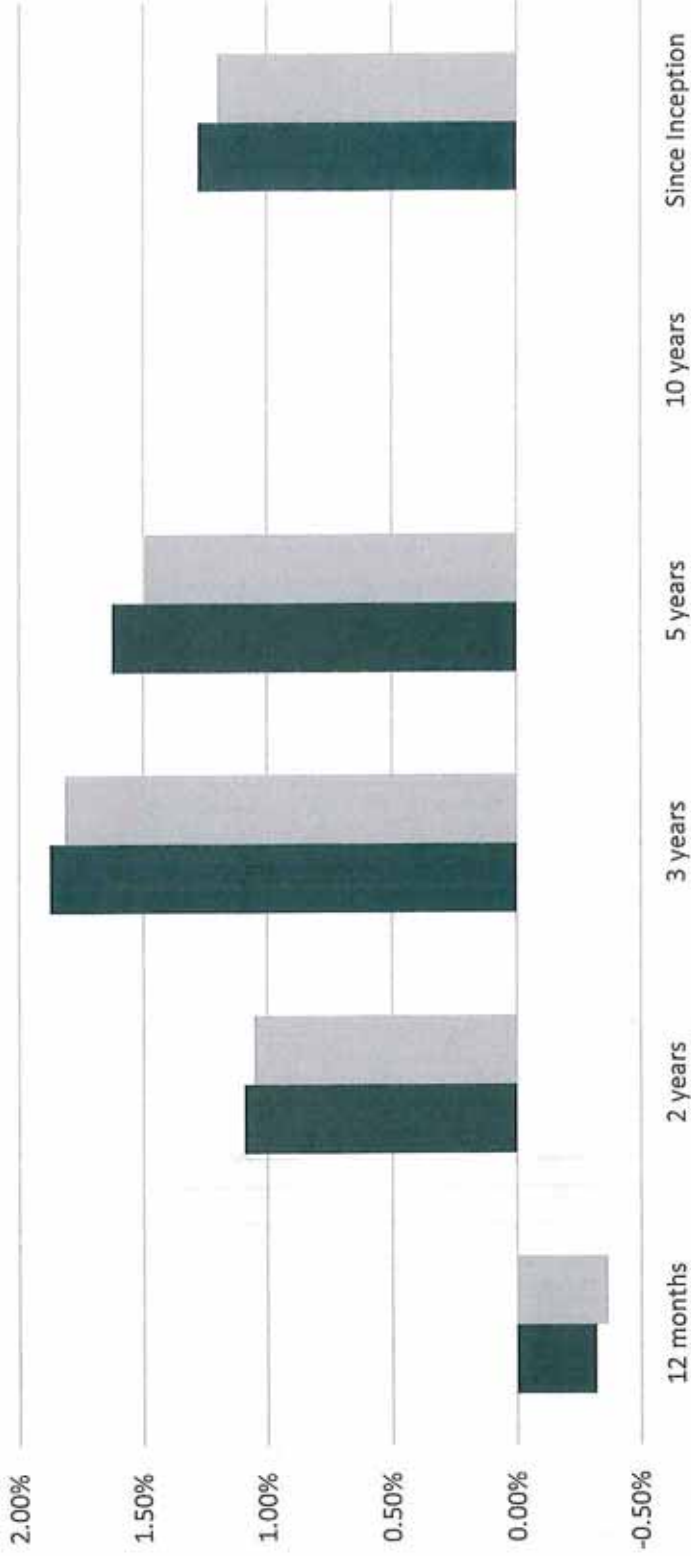


Source: S&P Ratings

Investment Performance

As of December 31, 2021

Upper San Gabriel Valley Municipal Water District Total Rate of Return Annualized Since Inception 05/31/2014



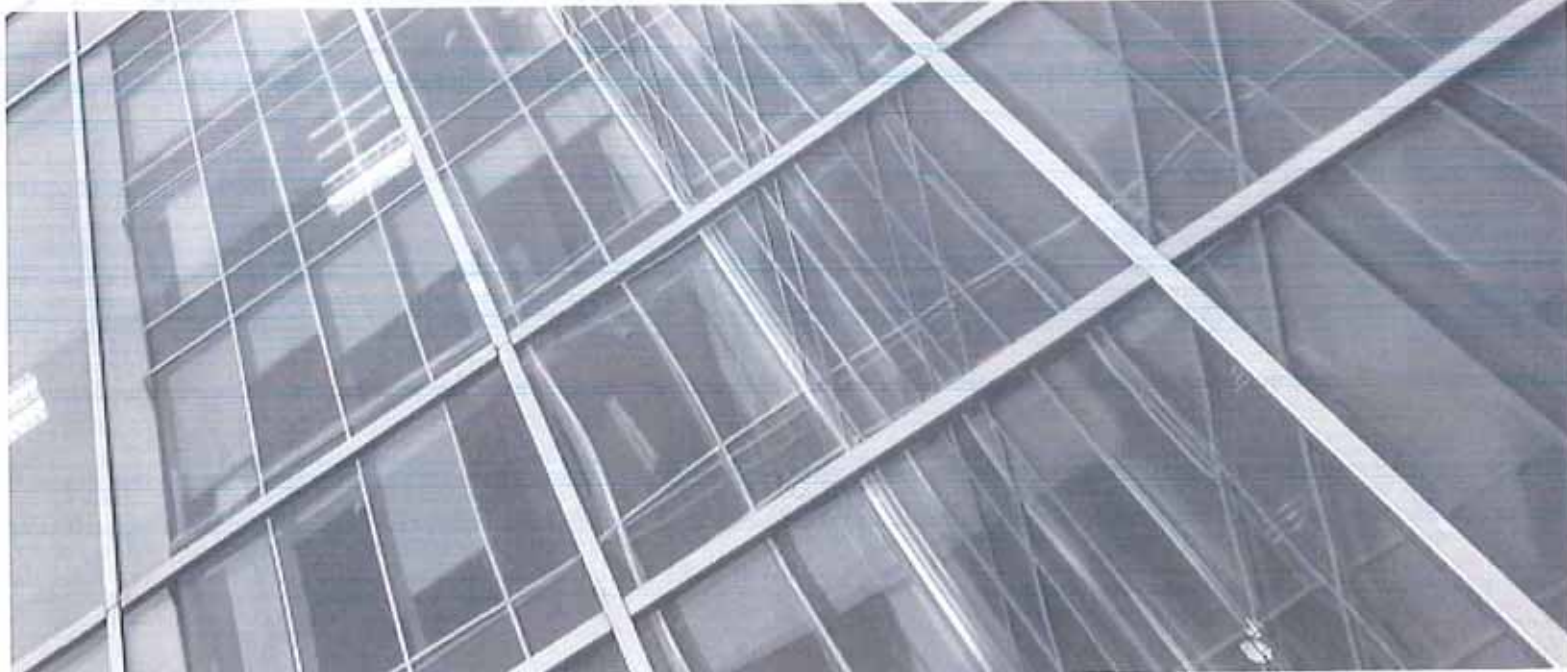
■ Upper San Gabriel Valley Municipal Water District ■ ICE BofA 0-3 Yr US Treasury Index*
Annualized

TOTAL RATE OF RETURN	3 months	12 months	2 years	3 years	5 years	10 years	Since Inception
Upper San Gabriel Valley Municipal Water District	-0.38%	-0.37%	1.05%	1.09%	1.62%	N/A	1.27%
ICE BofA 0-3 Yr US Treasury Index	-0.35%	-0.32%	1.09%	1.87%	1.62%	N/A	1.20%

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

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.

Section 3 | Portfolio Holdings



Holdings Report

As of December 31, 2021

Upper San Gabriel Valley Municipal Water District - Account #10214

GUSIP	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
Agency									
3135G0S38	FNMA Note 2.000% Due 01/05/2022	100,000.00	09/27/2017 1.90%	100,394.00 100,001.01	100.01 1.03%	100,010.70 977.78	1.95% 9.69	Aaa / AA+ AAA	0.01 0.01
313378CR0	FHLB Note 2.250% Due 03/11/2022	150,000.00	09/15/2017 1.81%	152,800.50 150,118.26	100.41 0.16%	150,608.25 1,031.25	2.93% 489.99	Aaa / AA+ NR	0.19 0.19
313378WG2	FHLB Note 2.500% Due 03/11/2022	90,000.00	04/10/2018 2.66%	89,451.90 89,973.55	100.45 0.17%	90,408.15 687.50	1.76% 434.60	Aaa / AA+ NR	0.19 0.19
3133ELWD2	FFCB Note 0.375% Due 04/08/2022	90,000.00	04/03/2020 0.45%	89,866.80 89,982.30	100.08 0.09%	90,068.49 77.81	1.74% 86.19	Aaa / AA+ AAA	0.27 0.27
3133ELVR9	FFCB Note 0.250% Due 05/06/2022	100,000.00	04/30/2020 0.31%	99,873.00 99,978.25	100.04 0.12%	100,044.10 38.19	1.93% 65.85	Aaa / AA+ AAA	0.35 0.35
3133ELE75	FFCB Note 0.250% Due 06/02/2022	100,000.00	06/02/2020 0.25%	99,999.00 99,999.79	100.02 0.21%	100,017.00 20.14	1.93% 17.21	Aaa / AA+ AAA	0.42 0.42
3134GVJ66	FHLMC Note 0.250% Due 06/08/2022	100,000.00	06/17/2020 0.28%	99,942.00 99,987.27	100.03 0.19%	100,026.80 15.97	1.93% 39.53	Aaa / NR AAA	0.44 0.44
3130AEBM1	FHLB Note 2.750% Due 06/10/2022	100,000.00	07/05/2018 2.81%	99,774.00 99,974.80	101.14 0.16%	101,144.70 160.42	1.96% 1,169.90	Aaa / AA+ NR	0.44 0.44
3137EAE72	FHLMC Note 0.125% Due 07/25/2022	55,000.00	07/21/2020 0.24%	54,875.70 54,965.19	99.95 0.22%	54,971.29 29.79	1.06% 6.10	Aaa / AA+ AAA	0.56 0.57
3135G0W33	FNMA Note 1.375% Due 09/06/2022	100,000.00	09/25/2019 1.62%	99,307.00 99,840.28	100.75 0.26%	100,754.60 439.24	1.96% 914.32	Aaa / AA+ AAA	0.68 0.68
3133EKY91	FFCB Note 1.375% Due 10/11/2022	100,000.00	10/15/2019 1.64%	99,239.00 99,802.60	100.97 0.12%	100,974.00 305.56	1.96% 1,171.40	Aaa / AA+ AAA	0.78 0.77
3130AFE78	FHLB Note 3.000% Due 12/09/2022	100,000.00	12/20/2018 2.77%	100,868.00 100,204.87	102.45 0.38%	102,449.90 183.33	1.98% 2,245.03	Aaa / AA+ AAA	0.94 0.93
3133ELI18	FFCB Note 1.600% Due 01/23/2023	100,000.00	03/03/2020 0.78%	102,332.00 100,855.44	101.48 0.21%	101,475.90 702.22	1.98% 620.46	Aaa / AA+ AAA	1.06 1.05
3133EMPH9	FFCB Note 0.125% Due 02/03/2023	80,000.00	01/26/2021 0.15%	79,955.20 79,975.57	99.68 0.42%	79,740.08 41.11	1.54% (235.49)	Aaa / AA+ AAA	1.09 1.09
313382AX1	FHLB Note 2.125% Due 03/10/2023	195,000.00	Various 0.72%	203,061.40 198,203.46	101.94 0.49%	198,779.30 1,277.66	3.87% 575.84	Aaa / AA+ AAA	1.19 1.17
3137EAE66	FHLMC Note 0.375% Due 05/05/2023	95,000.00	05/05/2020 0.39%	94,960.10 94,982.15	99.78 0.54%	94,794.61 55.42	1.83% (187.54)	Aaa / AA+ AAA	1.34 1.34
3135G04Q3	FNMA Note 0.250% Due 05/22/2023	105,000.00	05/20/2020 0.35%	104,683.95 104,853.95	99.59 0.55%	104,567.19 28.44	2.02% (286.76)	Aaa / AA+ AAA	1.39 1.39



Holdings Report

As of December 31, 2021

Upper San Gabriel Valley Municipal Water District - Account #10214

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
3137EAE54	FHLMC Note 0.250% Due 06/26/2023	100,000.00	09/24/2020 0.23%	100,044.00 100,023.71	99.53 0.57%	99,527.20 3.47	1.92% (496.51)	Aaa / AA+ AAA	1.48 1.48
3135G05G4	FNMA Note 0.250% Due 07/10/2023	70,000.00	07/08/2020 0.32%	69,849.50 69,923.72	99.46 0.60%	69,624.80 83.13	1.35% (298.92)	Aaa / AA+ AAA	1.52 1.52
3137EAEV7	FHLMC Note 0.250% Due 08/24/2023	95,000.00	08/19/2020 0.28%	94,903.10 94,947.05	99.36 0.64%	94,392.38 83.78	1.83% (554.67)	Aaa / AA+ AAA	1.65 1.64
3137EAEW5	FHLMC Note 0.250% Due 09/08/2023	55,000.00	09/02/2020 0.26%	64,978.55 64,988.00	99.33 0.65%	64,565.15 51.01	1.25% (422.85)	Aaa / AA+ AAA	1.69 1.68
3137EAEV1	FHLMC Note 0.125% Due 10/16/2023	80,000.00	10/14/2020 0.25%	79,701.60 79,822.05	99.02 0.68%	79,216.88 20.83	1.53% (605.17)	Aaa / AA+ AAA	1.79 1.78
3137EAEZ8	FHLMC Note 0.250% Due 11/06/2023	105,000.00	11/03/2020 0.28%	104,905.50 104,941.89	99.13 0.73%	104,081.78 40.10	2.01% (860.11)	Aaa / AA+ AAA	1.85 1.84
3137EAF42	FHLMC Note 0.250% Due 12/04/2023	50,000.00	12/02/2020 0.28%	49,950.50 49,968.27	99.07 0.74%	49,532.75 9.38	0.96% (435.52)	Aaa / AA+ AAA	1.93 1.91
3133EMRZ7	FFCB Note 0.250% Due 02/26/2024	85,000.00	02/22/2021 0.26%	84,969.40 84,978.04	98.98 0.73%	84,129.01 73.78	1.63% (849.03)	Aaa / AA+ AAA	2.16 2.14
3130AQF40	FHLB Note 1.000% Due 12/20/2024	75,000.00	12/21/2021 1.03%	74,934.00 74,934.60	100.08 0.97%	75,063.53 18.75	1.45% 128.93	Aaa / AA+ AAA	2.97 2.92
TOTAL Agency		2,485,000.00	0.92%	2,495,619.70 2,488,226.07	0.43%	2,490,968.54 6,456.06	48.27% 2,742.47	Aaa / AA+ Aaa	1.03 1.02
Corporate									
037833CQ1	Apple Inc Callable Note Cont 4/11/2022 2.300% Due 05/11/2022	60,000.00	07/09/2019 2.18%	60,190.80 60,018.99	100.51 0.45%	60,306.54 191.67	1.17% 287.55	Aaa / AA+ NR	0.36 0.28
89236TJ08	Toyota Motor Credit Corp Note 0.400% Due 04/06/2023	20,000.00	04/06/2021 0.44%	19,983.80 19,989.75	99.77 0.58%	19,954.70 18.89	0.39% (35.05)	A1 / A+ A+	1.26 1.26
023135BW5	Amazon.com Inc Note 0.450% Due 05/12/2024	40,000.00	05/10/2021 0.50%	39,941.60 39,954.07	99.04 0.86%	39,615.28 24.50	0.77% (338.79)	A1 / AA AA-	2.36 2.34
TOTAL Corporate		120,000.00	1.33%	120,116.20 119,962.81	0.61%	119,876.52 235.06	2.32% (86.29)	Aa2 / AA AA-	1.17 1.12



Holdings Report

As of December 31, 2021

Upper San Gabriel Valley Municipal Water District - Account #10214

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
Money Market Fund									
31846V203	First American Govt Obligation Fund Class Y	5,443.54	Various 0.01%	5,443.54 5,443.54	1.00 0.01%	5,443.54 0.00	0.11% 0.00	Aaa / AAA AAA	0.00 0.00
TOTAL Money Market Fund		5,443.54	0.01%	5,443.54	0.01%	0.00	0.00	Aaa / AAA	0.00
US Treasury									
912828W55	US Treasury Note 1.875% Due 02/28/2022	100,000.00	11/29/2017 2.06%	99,257.81 99,972.25	100.28 0.15%	100,281.50 637.09	1.95% 309.25	Aaa / AA+ AAA	0.16 0.16
912828W89	US Treasury Note 1.875% Due 03/31/2022	75,000.00	02/27/2018 2.60%	72,902.34 74,874.87	100.43 0.15%	75,319.65 359.29	1.46% 444.78	Aaa / AA+ AAA	0.25 0.25
912828XR6	US Treasury Note 1.750% Due 05/31/2022	100,000.00	03/12/2018 2.60%	96,621.09 99,670.89	100.65 0.18%	100,652.30 153.85	1.95% 981.41	Aaa / AA+ AAA	0.41 0.41
9128282P4	US Treasury Note 1.875% Due 07/31/2022	100,000.00	12/30/2019 1.60%	100,683.59 100,152.96	100.94 0.27%	100,937.50 784.65	1.97% 784.54	Aaa / AA+ AAA	0.58 0.58
912828L24	US Treasury Note 1.875% Due 08/31/2022	100,000.00	11/26/2018 2.90%	96,363.28 99,359.00	101.05 0.29%	101,046.90 637.09	1.97% 1,687.90	Aaa / AA+ AAA	0.67 0.66
912828L57	US Treasury Note 1.750% Due 09/30/2022	100,000.00	12/11/2019 1.66%	100,257.81 100,068.55	101.07 0.32%	101,066.40 447.12	1.96% 997.85	Aaa / AA+ AAA	0.75 0.74
912828M80	US Treasury Note 2.000% Due 11/30/2022	100,000.00	11/25/2019 1.61%	101,132.81 100,342.93	101.45 0.41%	101,449.20 175.82	1.96% 1,106.27	Aaa / AA+ AAA	0.92 0.91
912828YW4	US Treasury Note 1.625% Due 12/15/2022	100,000.00	01/16/2020 1.57%	100,156.25 100,051.15	101.18 0.39%	101,179.70 75.89	1.96% 1,128.55	Aaa / AA+ AAA	0.96 0.95
91282CAK7	US Treasury Note 0.125% Due 09/15/2023	100,000.00	05/28/2021 0.19%	99,855.47 99,892.98	99.09 0.66%	99,093.80 37.29	1.92% (799.18)	Aaa / AA+ AAA	1.71 1.70
91282CAP6	US Treasury Note 0.125% Due 10/15/2023	100,000.00	11/09/2020 0.24%	99,660.16 99,792.73	99.01 0.68%	99,011.70 26.79	1.91% (781.03)	Aaa / AA+ AAA	1.79 1.78
91282CAW1	US Treasury Note 0.250% Due 11/15/2023	100,000.00	06/17/2021 0.29%	99,906.25 99,927.24	99.19 0.69%	99,187.50 32.46	1.92% (799.74)	Aaa / AA+ AAA	1.87 1.86
91282CBA8	US Treasury Note 0.125% Due 12/15/2023	100,000.00	12/17/2020 0.19%	99,816.41 99,879.80	98.86 0.71%	98,863.30 5.84	1.91% (1,016.50)	Aaa / AA+ AAA	1.96 1.95
91282CBE0	US Treasury Note 0.125% Due 01/15/2024	100,000.00	01/12/2021 0.24%	99,644.53 99,758.48	98.75 0.74%	98,753.90 57.74	1.91% (1,004.58)	Aaa / AA+ AAA	2.04 2.03
91282CBM2	US Treasury Note 0.125% Due 02/15/2024	100,000.00	02/16/2021 0.20%	99,761.72 99,831.05	98.71 0.74%	98,710.90 47.21	1.91% (1,120.15)	Aaa / AA+ AAA	2.13 2.11



Holdings Report

As of December 31, 2021

Upper San Gabriel Valley Municipal Water District - Account #10214

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
91282CBR1	US Treasury Note 0.250% Due 03/15/2024	100,000.00	03/10/2021 0.33%	99,769.53 99,830.93	98.82 0.79%	98,820.30 74.59	1.91% (1,010.63)	Aaa / AA+ AAA	2.21 2.19
91282CBV2	US Treasury Note 0.375% Due 04/15/2024	100,000.00	04/14/2021 0.36%	100,035.16 100,026.79	99.02 0.81%	99,015.60 80.36	1.92% (1,011.19)	Aaa / AA+ AAA	2.29 2.27
91282CCC3	US Treasury Note 0.250% Due 05/15/2024	100,000.00	05/12/2021 0.35%	99,707.03 99,768.35	98.66 0.82%	98,656.20 32.46	1.91% (1,112.16)	Aaa / AA+ AAA	2.37 2.36
91282CCG4	US Treasury Note 0.250% Due 06/15/2024	100,000.00	06/09/2021 0.31%	99,820.31 99,853.10	98.55 0.85%	98,546.90 11.68	1.91% (1,306.20)	Aaa / AA+ AAA	2.46 2.44
91282CCL3	US Treasury Note 0.375% Due 07/15/2024	100,000.00	07/13/2021 0.42%	99,863.28 99,884.49	98.79 0.85%	98,785.20 173.23	1.91% (1,099.29)	Aaa / AA+ AAA	2.54 2.52
91282CE4	US Treasury Note 1.250% Due 08/31/2024	100,000.00	08/05/2021 0.39%	102,605.47 102,261.48	100.94 0.89%	100,941.40 424.72	1.96% (1,320.08)	Aaa / AA+ AAA	2.67 2.61
91282CCX7	US Treasury Note 0.375% Due 09/15/2024	100,000.00	09/10/2021 0.44%	99,804.69 99,823.94	98.61 0.90%	98,609.40 111.88	1.91% (1,214.54)	Aaa / AA+ AAA	2.71 2.68
91282CDB4	US Treasury Note 0.625% Due 10/15/2024	100,000.00	10/14/2021 0.63%	99,992.19 99,992.75	99.21 0.91%	99,210.90 133.93	1.92% (781.85)	Aaa / AA+ AAA	2.79 2.75
912828YM6	US Treasury Note 1.500% Due 10/31/2024	100,000.00	09/23/2021 0.52%	103,003.91 102,741.43	101.59 0.93%	101,589.80 256.91	1.97% (1,151.63)	Aaa / AA+ AAA	2.84 2.76
91282CDH1	US Treasury Note 0.750% Due 11/15/2024	100,000.00	11/29/2021 0.81%	99,816.41 99,821.84	99.45 0.94%	99,450.90 97.38	1.92% (360.94)	Aaa / AA+ AAA	2.88 2.83
912828YV6	US Treasury Note 1.500% Due 11/30/2024	75,000.00	09/29/2021 0.57%	77,188.48 77,012.57	101.60 0.94%	76,198.28 98.90	1.47% (814.29)	Aaa / AA+ AAA	2.92 2.85
91282CDN8	US Treasury Note 1.000% Due 12/15/2024	100,000.00	12/09/2021 1.00%	100,003.91 100,003.85	100.13 0.95%	100,132.80 46.70	1.94% 128.95	Aaa / AA+ AAA	2.96 2.91
TOTAL US Treasury		2,550,000.00	0.91%	2,547,629.89 2,554,596.41	0.65%	2,545,521.93 5,020.87	49.30% (9,074.48)	Aaa / AA+ Aaa	1.84 1.82
TOTAL PORTFOLIO		5,160,443.54	0.92%	5,168,809.33 5,168,228.83	0.54%	5,161,810.53 11,711.99	100.00% (6,418.30)	Aaa / AA+ Aaa	1.43 1.42
TOTAL MARKET VALUE PLUS ACCRUALS						5,173,522.52			





Section 4 | Transactions

Transaction Ledger

As of December 31, 2021

Upper San Gabriel Valley Municipal Water District - Account #10214

September 30, 2021 through December 31, 2021

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	10/15/2021	91282CDB4	100,000.00	US Treasury Note 0.625% Due: 10/15/2024	99.992	0.63%	99,992.19	0.00	99,992.19	0.00
Purchase	11/30/2021	91282CDH1	100,000.00	US Treasury Note 0.75% Due: 11/15/2024	99.816	0.81%	99,815.41	31.08	99,847.49	0.00
Purchase	12/15/2021	91282CDN8	100,000.00	US Treasury Note 1% Due: 12/15/2024	100.004	1.00%	100,003.91	0.00	100,003.91	0.00
Purchase	12/22/2021	3130AQF40	75,000.00	FHLB Note 1% Due: 12/20/2024	99.912	1.03%	74,934.00	0.00	74,934.00	0.00
Subtotal			375,000.00				374,746.51	31.08	374,777.59	0.00
TOTAL ACQUISITIONS			375,000.00				374,746.51	31.08	374,777.59	0.00
DISPOSITIONS										
Maturity	10/12/2021	3130AF589	100,000.00	FHLB Note 3% Due: 10/12/2021	100.000		100,000.00	0.00	100,000.00	0.00
Maturity	11/30/2021	91282U65	100,000.00	US Treasury Note 1.75% Due: 11/30/2021	100.000		100,000.00	0.00	100,000.00	0.00
Maturity	12/10/2021	3130AAB49	75,000.00	FHLB Note 1.875% Due: 12/10/2021	100.000		75,000.00	0.00	75,000.00	0.00
Maturity	12/20/2021	3130AHSR5	65,000.00	FHLB Note 1.625% Due: 12/20/2021	100.000		65,000.00	0.00	65,000.00	0.00
Subtotal			340,000.00				340,000.00	0.00	340,000.00	0.00
TOTAL DISPOSITIONS			340,000.00				340,000.00	0.00	340,000.00	0.00

Important Disclosures

As of December 31, 2021

2022 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

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Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.

Benchmark Disclosures

As of December 31, 2021

ICE BofA 0-3 Yr US Treasury Index*

The ICE BofA 0-3 Year US Treasury Index tracks the performance of US Dollar denominated Sovereign debt publicly issued by the US government in its domestic market with maturities less than three years. Qualifying securities must have at least 18 months to maturity at point of issuance, at least one month and less than three years remaining term to final maturity, a fixed coupon schedule, and a minimum amount outstanding of \$1 billion.

The ICE BofA 1-3 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than three years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule, and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies.



MEMORANDUM



ITEM 4.

DATE: January 27, 2022
TO: Administration and Finance Committee and Board of Directors
FROM: General Manager
SUBJECT: Amendment of Agreement with Accent Computer Solutions, Inc. for Information Technology (IT) Management and Support Services

Recommendation

The General Manager recommends that the Board of Directors approve an amendment to the existing professional services agreement with Accent Computer Solutions, Inc. (Accent) for information technology management and support services, extending the agreement term through December 31, 2023 and increasing the maximum amount payable by \$100,000 for a total not-to-exceed maximum of \$400,000.

Background

Upper District has a relatively limited need for specialized IT services and has historically outsourced this work. In 2015, Upper District issued a formal Request for Proposals (RFP) for IT services and awarded an IT consulting services agreement to Accent for \$100,000 which has had three amendments.

Established in 1987, Accent is an IT solutions company that provides full end-to-end technical services for both private and public sector clients. Accent is headquartered in Rancho Cucamonga, CA and has additional offices in Los Angeles, Orange County, Riverside and San Bernardino Counties. Accent currently provides unlimited technical support for Upper District directors and staff. Accent also handles server and network maintenance and monitoring, troubleshooting and repair, hardware and software acquisition, system maintenance and update, security management, data backup, offsite storage, and disaster recovery solutions.

Staff is fully satisfied with the quality of professional services provided by Accent. However, for Accent to continue to provide IT management and support services to Upper District, it will be necessary to amend the existing agreement. The proposed amendment will also cover anticipated hardware/server upgrades and IT support related to the office move.



MEMORANDUM



ITEM 5.

DATE: January 27, 2022
TO: Administration and Finance Committee and Board of Directors
FROM: General Manager
SUBJECT: Amendment of Agreement with Rogers, Anderson, Malody & Scott, LLP for Financial Audit Services

Recommendation

The General Manager recommends that the Board of Directors approve an amendment to the existing professional services agreement with Rogers, Anderson, Malody & Scott, LLP (RAMS) to provide financial audit services for the fiscal years ending June 30, 2022 and 2023, increasing the maximum amount payable by \$59,970 for a total not-to-exceed maximum of \$148,040.

Background

In 2019, staff issued a Request for Proposals (RFQ) to 49 firms and received responses from 11 audit firms. Staff evaluated the proposals based on government audit experience, audit team qualification, professional references and results of last peer review, audit approach and fees. Since RAMS consistently scored high in all areas and received glowing recommendations from clients, the Board authorized a professional services agreement with RAMS for the audit of Upper District's financial statements for three fiscal years through June 30, 2021.

Staff is fully satisfied with the quality of professional services provided by RAMS. However, for RAMS to continue providing financial audit services to Upper District, it will be necessary to amend their agreement.

The cost proposal letter submitted by RAMS in 2019 includes an option to extend for two additional one-year periods (fiscal years ending June 30, 2022 and 2023) at Upper District's discretion. Staff recommends the Board exercise this option and approve an amendment extending the agreement with RAMS for two additional one-year periods and increasing the maximum amount payable by \$59,970 or an average annual fee increase of less than one percent.



MEMORANDUM



ITEM 6.

DATE: January 27, 2022
TO: Administration and Finance Committee and Board of Directors
FROM: General Manager
SUBJECT: Amendment of Agreement with Willdan Financial Services for Standby Charge Administration Services

Recommendation

Staff recommends that the Board of Directors approve an amendment to the existing professional services agreement with Willdan Financial Services (Willdan) to provide standby charge administration services for fiscal years 2022/23, 2023/24 and 2024/25, increasing the maximum amount payable by \$54,600 for a total not-to-exceed maximum of \$108,100.

Background

Upper District has been utilizing revenue generated from a water availability standby charge to fund its water conservation and water recycling program budgets. That charge was established at a maximum annual rate of \$10 per acre and/or portion thereof for parcels of land within Upper District boundaries and generates about \$2.05 million every year.

In 2019, the Board of Directors approved a three-year contract with Willdan for the administration of Upper District's standby charge for three fiscal years through fiscal year 2021/22. For Willdan to continue assisting Upper District, it will be necessary to amend their agreement. Willdan has been providing excellent service to Upper District for many years and is uniquely positioned to continue to perform well at a reasonable cost.

Under the amended agreement, Willdan will continue providing services necessary to complete the following tasks associated with the administration of Upper District's existing standby charge:

1. Preparation of the Engineer's Report for the renewal of the water standby charge;
2. Update of parcel database/roll for submission to the Los Angeles County Tax Assessor for collection of standby charge; and
3. Addressing taxpayer inquiries and processing exemption requests.