



**A REGULAR MEETING OF THE BOARD OF DIRECTORS  
UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT  
248 E. FOOTHILL BLVD. ROOM #103, MONROVIA, CA 91016  
4:00 P.M. – SEPTEMBER 13, 2023**

**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. ADJOURN TO CLOSED SESSION
  - (a) Public Employee Performance Evaluation (Government Code section 54957); Position: General Manager
6. RESUME REGULAR MEETING AND REPORT ON CLOSED SESSION
7. COMMITTEE REPORTS [2]
  - (a) Government Affairs and Community Outreach (*Fellow, Chair – Chavez, Vice-Chair*)  
*Minutes of meeting held on September 11, 2023 to be distributed at the meeting.*
  - (b) Administration and Finance (*Santana, Chair – Treviño, Vice-Chair*)  
*Minutes of meetings held on September 5 and July 11, 2023 enclosed.*
  - (c) Water Resources and Facility Management (*Treviño, Chair – Garcia, Vice-Chair*)  
*Minutes of meetings held on September 6 and July 11, 2023 enclosed.*
8. CONSENT CALENDAR [1]
  - (a) Minutes of a regular meeting of the Board of Directors held on July 12, 2023 at 4:00 p.m.
  - (b) List of Demands.
  - (c) Financial Reports – July 2023.
    1. Financial Statements.
    2. Director's Public Outreach.
  - (d) Amendments to Sections 3.2.6 (b)(3) and 3.2.6 (d)(1) of the Investment Policy (*Staff memorandum enclosed.*)
  - (e) Execution of Negotiated Tax Exchange Resolution for the Annexation of Tract 65296 to County Lighting Maintenance District 1687
9. ACTION/DISCUSSION ITEMS [1]
  - (a) Association of California Water Agencies Board Officers' and Region 8 Board Elections for the 2024/25 Term. (*Staff memorandum enclosed.*)

Recommendation

Staff recommends that the Board of Directors provide the General Manager with direction on voting for candidates for the Association of California Water Agencies Board Officers' and Region 8 Board elections for the 2024/2025 term.

- (b) State Legislative Summaries and Bill Positions. (*Staff memorandum enclosed.*)

Recommendation

The Government Affairs and Community Outreach Committee met on September 11, 2023 to discuss this matter and will provide its recommendation at the Board of Directors meeting.

Staff recommends that the Board of Directors approve state legislative bill positions for ACA 1 and ACA 13, which are consistent with Upper District's 2023-24 Legislative Policy Principles adopted by the Board in January 2023.

10. INFORMATION ITEMS [2]

- (a) Press Releases and News Articles.

11. ATTORNEY'S REPORT [2]

12. ENGINEER'S REPORT [2]

13. GENERAL MANAGER'S REPORT [2]

14. METROPOLITAN REPORT [2]

15. WATER QUALITY AUTHORITY REPORT [2]

16. WATERMASTER REPORT [2]

17. AB 1234 COMPLIANCE REPORT [2]

18. DIRECTOR'S COMMENTS [2]

19. FUTURE AGENDA ITEMS [1]

20. ADJOURNMENT - To a regular meeting of the Board of Directors to be held on September 27, 2023 at 4:00 p.m. at 248 E. Foothill Blvd. Room #103, Monrovia, CA 91016.

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

**PRESIDENT JENNIFER SANTANA, 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 [venessa@usgvmwd.org](mailto:venessa@usgvmwd.org) at least 24 hours prior to meeting.





# MEMORANDUM



## 7. (b-1) COMMITTEE REPORTS

September 7, 2022

**TO:** BOARD OF DIRECTORS

**FROM:** ADMINISTRATION AND FINANCE COMMITTEE

**SUBJECT:** MINUTES OF THE ADMINISTRATION AND FINANCE COMMITTEE MEETING AND SPECIAL MEETING OF THE BOARD OF DIRECTORS – September 5, 2023

<b>ATTENDANCE:</b>	<b>Jennifer Santana, Chair</b> <b>Charles Trevino, Vice Chair</b> Ed Chavez Tom Love Evelyn Rodriguez	Patty Cortez Venessa Navarrette Jessica Hernandez Lenet Pacheco
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**1. Call to Order.**

**2. Public Comment.** None.

**3. Proposed Amendments to the Investment Policy.**

Evelyn Rodriguez, Chief Financial Officer/Chief Administration Officer, presented the proposed amendments to the Upper District’s Investment Policy. Ms. Rodriguez stated that the California Government Code requires public agencies to periodically review their investment policies and enact amendments required by new statute and/or other applicable modifications.

Ms. Rodriguez stated that Chandler recommends adding securities with a forward settlement date exceeding 45 days to the list of prohibited investments as required under Senate Bill No. 1489. Chandler also recommends adding an exception to the delivery versus payment requirement for non-deliverable securities such as money market funds and local government investment pools.

Director Santana and Ms. Rodriguez discussed how these proposed amendments will make Upper District’s investment policies stricter.

Following discussion, the Administration and Finance Committee recommended that the Board of Directors approve the recommended amendments to Sections 3.2.6 (b)(3) and 3.2.6 (d)(1) of the Investment Policy.

**4. Oral Reports – Update on Fiscal Year 2022/23 Audit**

Ms. Rodriguez presented a letter from Rogers, Anderson, Malody & Scott, LLP (RAMS) regarding the fiscal year 2022/23 audit.

Ms. Rodriguez stated that the letter aims to communicate the auditor’s responsibilities, planned scope of work and timing of the audit. She mentioned the audit will include examination of transactions on a test basis. She also discussed the auditor’s planned review of internal controls and the scheduled start of the audit on September 11, 2023.

Director Santana and Ms. Rodriguez discussed the anticipated completion date of the audit and presentation of results to the Board Directors.

The General Manager announced that Upper District’s Annual Comprehensive Financial Report for the previous fiscal year 2021/22 received recognition from the Government Finance Officers Association and that this is the 12<sup>th</sup> consecutive year Upper District has been recognized for excellence in financial reporting.

This item was presented for information purposes only. No action was taken by the Committee.

**5. Oral Reports – CERBT & CEPPT Update.**

Ms. Rodriguez provided a brief update on the account balances and investment returns of the two existing trust accounts of Upper District, the California Employers’ Retiree Benefit Trust (CERBT) and the California Employers’ Pension Prefunding Trust (CEPPT). She reported that the CERBT trust account, dedicated to other post-employment benefits related liabilities, has a balance of \$2.35 million as of August 30, 2023. She added that the CEPPT trust account, dedicated to pension-related liabilities, has a balance of \$0.52 million as of the same date.

The General Manager stated that staff will evaluate and recommend, if appropriate, additional future contributions to the trust accounts.

**6. Other Matters. None.**

**NEXT MEETING:** Tuesday, October 3, 2023, at 4:00 p.m.

**cc:** General Manager



# MEMORANDUM



## 7. (b-2) COMMITTEE REPORTS

July 13, 2023

**TO: BOARD OF DIRECTORS**

**FROM: ADMINISTRATION AND FINANCE COMMITTEE**

**SUBJECT: MINUTES OF THE ADMINISTRATION AND FINANCE COMMITTEE MEETING AND SPECIAL MEETING OF THE BOARD OF DIRECTORS – July 11, 2023**

<b>ATTENDANCE:</b>	<b>Jennifer Santana, Chair</b> <b>Charles Treviño</b> Tom Love Evelyn Rodriguez	Patty Cortez Venessa Navarrette Jessica Hernandez Kara Hooks
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1. **Call to Order.**

2. **Public Comment.** None.

3. **Quarterly Investment Update – June 30, 2023**

Kara Hooks, representative from Chandler Asset Management (Chandler), presented the investments managed by Chandler as of the quarter ended June 30, 2023. Ms. Hooks provided an economic update, discussing the recent employment report, concerns about higher inflation, consumer activity, a decline in economic activity, the growth of gross domestic product (GDP), the increased probability of recession based upon the shape of the current yield curve and other leading economic indicators.

Ms. Hooks presented a summary of the District’s portfolio holdings, including investment performance, quality, duration and sector distribution. She stated that the District’s investments continues to outperform the benchmark in every area and are in compliance with the Investment Policy.

Director Trevino and Ms. Hooks discussed Inter-American Development Bank and the types of investments they provide.

President Santana and Ms. Hooks discussed the timeframe of the previous recession and the agency responsible for calling a recession. Ms. Hooks also provided information on the contributing factors for calling a recession.

**4. Oral Reports - Financial Report – June 30, 2023**

Evelyn Rodriguez, Chief Financial Officer/Chief Administration Officer, gave a presentation highlighting the District's net operating revenue, water sales, administrative and program expenses, and fund balances for the fiscal year ended June 30, 2023. She stated that imported water purchases and sales exceeded the budget for fiscal year 2022/23 creating a positive variance. She reported that administrative and program expenses are mostly well under budget except for the Water Recycling Program. She stated the Water Recycling Program exceeded the projected budget due to the prior year's operation and maintenance expenses and recycled water purchases that have rolled over into the current fiscal year. She also reported that as of June 30, 2023, the district has adequate funds to cover cash flow requirements for the next six months.

President Santana and Tom Love, General Manager, discussed the District's reserves. Mr. Love stated that staff will be working on potential revisions to the Reserve policy for Board consideration at a later date.

**5. Other Matters.**

The General Manager announced the District's open position for a Receptionist/Administrative Assistant.

**NEXT MEETING:** Tuesday, September 5, 2023 at 4:00 p.m.

**cc:** General Manager



# MEMORANDUM



## 7. (c-1) COMMITTEE REPORTS

September 6, 2023

**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 - SEPTEMBER 6, 2023**

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**ATTENDANCE:** Charles Treviño (Chair)      Evelyn Rodriguez      Steve O'Neill  
Jennifer Santana      Venessa Navarrette      Lenet Pacheco  
Tony Fellow      Jennifer Aguilar      Kelly Gardner  
Ed Chavez      Katherine Vazquez  
Tom Love  
Patty Cortez

1. **Call to Order.**
2. **Public Comment.** None.
3. **Building Update – Elevator, EV Charging.**

The General Manager shared that he is still working with the contractor on the last few punch list items. The main one being the three HVAC units which are not working properly. He shared that the last contact with the subcontractor was on August 1<sup>st</sup> and they have been unresponsive since. He also explained that the parts needed to repair the three units should be under the manufacturer warranty and repaired without any additional cost to the District. The General Manager shared that the remaining retention from the contract should cover the cost of the repairs and he is in discussions with legal counsel.

The General Manager reported that the elevator upgrade is on schedule with equipment delivery expected at the end of the month and a start date of November 10<sup>th</sup>. He explained that project will start after the board and committee meetings in November and completed prior to the first meeting in December.

The General Manager reported that the EV charging station agreement is with legal counsel for review. He shared that he met with the contractor to discuss modifications to the installation to improve the layout for the charging stations. The stations will include the ability to pay for charging using a phone app but the City wants to provide the ability to pay by credit card through a large kiosk in the District parking lot. He explained that the kiosk will cost \$9,000 and the City is willing to pay half the cost. Based on this information, the General Manager is reevaluating the District's participation with the City to see if the installation can be done for the same cost without the partnership with the City and the kiosk requirement.

4. **MWD Initiatives – Pure Water, Drought Mitigation Portfolio, CAMP4 Water.**

The General Manager shared that there is a lot of activity at MWD right now. He shared four different items that have been brought to the MWD committees and board in recent months. The first being the Climate Adaptation Master Plan for Water or CAMP4W which evaluates the projects and programs established by MWD's 2020 IRP. He shared that MWD's long range financial plan model falls within the CAMP4W process and aids in the 2-year plan that will go into their capital improvement projects and budget in the Spring. He shared that there have been robust discussions at quite a few meetings and that input is still happening on this plan.

Director Treviño asked the General Manager to bring someone from MWD in to further discuss CAMP4W and get more clarity on the goals as a member agency. The General Manager agreed that he would contact MWD to have a representative present at a future Board meeting.

The General Manager discussed the drought mitigation action plan which started in 2020 with the SWP dependent areas. He shared that many ideas were brought to the table and there are two main projects that have been discussed to aid in reliability. One brings Diamond Valley Lake (DVL) water through the Rialto pipeline and provides SWP water through USG-3 for the east side connections; Upper District, IEUA, and Three Valleys. The anticipated timeline is end of 2024 or early 2025 for completion of that project. He also mentioned other projects that would move water to the west side of MWD's service area.

Director Treviño asked if having additional water sources provides more cyclic storage options. The General Manager explained that with USG-3 running as much as possible, there has been more water placed into the basin and more storage has been achieved. Director Treviño asked about the relationship with San Gabriel Valley Municipal Water District. The General Manager shared that they are working together quite a bit and there is no issue with that relationship. He shared that they have a letter of intent with MWD about Pure Water and the relationship will continue to be strong due to the benefits achieved on both sides.

The General Manager shared an update on Pure Water. He explained that they are working on the environmental documents and engineering right now as well as increasing marketing throughout the region. He shared a project called Operation NEXT which involves LADWP connecting to Pure Water from their Hyperion plant and how that connection might impact the timeline for Pure Water's completion. The General Manager shared that MWD is working to mitigate those delays and focused on being as effective with their time management as possible to prevent scheduling delays.

The General Manager provided an update on MWD's Long Range Financial Plan needs assessment. He explained that this plan comes from the 2020 IRP findings and leads into the CAMP4W plan as well. He went through details on the four possible scenarios and how each of scenario relates to storage, water availability, and water rates.

Director Fellow asked how the rates and scenarios for additional storage and reliability would be affected if another agency, like San Diego, refuse to pay for these projects. The General Manager explained that the way the MWD rate structure exists is the main issue. The rates cover projects that might not directly impact or benefit certain ratepayers, but in the overall storage and availability of water will benefit when these projects provide reliability to other areas. He shared that it is a higher-systems level thinking that agencies need to be engaged in to see the benefit to their agencies in the long run.

Director Santana asked about the San Gabriel Valley Municipal Water District's direct SWP connection and their decreased rate since they do not go through MWD for their SWP water. The General Manager explained that they have a different method of financially working their system which includes higher tax rates than MWD and far lower overhead costs for staff and infrastructure due to their size. Director Santana asked if the MWD rates would affect San Gabriel Valley Municipal Water District. The General Manager explained that SGVMWD's potential participation in the Pure Water project would impact their rates because they need more water to meet their obligations than they can receive with their SWP connection.



**5. Water Supply Update.**

The General Manager reported that the water supply update is the bright spot in all the activity happening right now. He shared that Hurricane Hilary brought in 5.5” of rain in Arcadia which is a historic number for the area especially in August. He explained that the water this year provides a major reprieve, but is not a permanent fix for the region. The General Manager reported that California will not have to take a reduction in their CRW deliveries this year due to the snowpack and rain but other states will still have slight reductions. He reported that MWD is estimating 3.18 MAF of supply this year with only 1.54 MAF of demand, so MWD will be storing water everywhere they can for the time being. He also shared that this is a record high storage based on the projected figures.

Director Treviño asked what was happening with Sites Reservoir. The General Manager shared that he believed the issues were related to environmental impact report problems. Director Fellow shared that he had last heard that the environmental impact reports were delayed and that they could not acquire land without those reports finalized.

**6. Other Matters. None.**

**NEXT MEETING: Wednesday, October 4, 2023, at 4:30 p.m.**

**cc: General Manager**



# MEMORANDUM



## 7. (c-2) COMMITTEE REPORTS

July 11, 2023

**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 - JULY 11, 2023**

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<b>ATTENDANCE:</b>	<b>Charles Treviño (Chair)</b>	Evelyn Rodriguez	Christine Carson
	Jennifer Santana	Venessa Navarrette	Lenet Pacheco
	Ed Chavez	Jennifer Aguilar	Renee Chavez
	Tom Love	Ruben Gallegos	Kelly Gardner
	Patty Cortez		

1. **Call to Order.**

2. **Public Comment.** None.

3. **Building Update – Elevator, EV Charging**

The General Manager shared that the contractor has been given a deadline of July 25<sup>th</sup> to complete the tasks that remain under contract, or they will be placed as warranty claims and charged against the remaining retention. He shared that the elevator contract was executed and the contractor has ordered the equipment. With a delivery window of 12-14 weeks, the parts should be in by the end of September. He explained that prior to scheduling the installation, staff will ensure that there are no public meetings which may push the installation into November.

The General Manager reported hearing back from the City of Monrovia regarding the EV charging stations. He stated that the City will pay for the purchase of the public charging stations and the users will have to pay for their use to cover Upper District’s electrical costs. He shared that the stations in the employee garage will have a code or other access mechanism to provide free charging to the user and the District will cover the utility costs. He also explained that the City will be taking an agreement for the installation of these stations to their council for approval in August and then schedule the installation subsequently.

Director Treviño and the General Manager discussed how October meetings will be rearranged to accommodate the elevator upgrade should the vendor not be able to hold off installation until November.

The General Manager shared that the current quote for the EV charging installation is in the \$45,000 range with the City only covering the installation of the public facing units, stating that additional cost will need to be covered by the District. He shared that to save on costs, it may be possible to install the additional infrastructure for the second or third units but not the units themselves for the time being since there is not a high demand for the stations in the employee lot at this time.

**4. MWD Climate Action Master Plan.**

The General Manager shared that MWD is currently developing its Climate Action Master Plan for Water (CAMP4W). He shared that at the last workshop, MWD defined the problems and created definitions for reliability and resilience, providing more clarity on the plan. He shared the development of the themes and how MWD has been working closely with the member agencies and managers to ensure that the plan is holistic. He reported that the future is uncertain and they want to incorporate changing conditions and trends in their decision making. The General Manager explained that there are four scenarios that MWD is using based on demand and import supply stability.

Director Treviño asked where Upper District falls on those scenarios. The General Manager shared that the demands are lower in the region and the population is fairly built out other than densification which is not expected to increase demands significantly, so Upper District is more uncertain on the supply side than the demand side of things. He added that lower demand and reduced imports would be the issue if the basin is unable to be filled and maintain higher levels.

Director Treviño asked if Pure Water was scheduled to be completed in 2034. The General Manager stated that MWD has shown the completion date in 2032 and are working on design and pipeline analysis right now. He shared that realistically, complications will happen that might delay the completion, but the timeline has not been changed yet.

The General Manager shared that he wanted to provide this information to the Board to make sure there is a foundation for what is to come with the CAMP4W in the future.

Director Santana shared that there was an interesting article in the Board packet for the meeting tomorrow related to the drought, La Niña, and the Australian wildfires. The General Manager shared that La Niña and El Niño do not accurately predict rainfall, but only define the temperature of the ocean water. He shared that the goal is to plan for the next year to be dry every year, since forecasts beyond 7-10 days are not reliable.

**5. Water Supply Update.**

The General Manager reported that USG-3 is currently running at 200 cfs. He shared that he has been meeting with the County to improve the flow and deal with the required truck crossing. He shared that the main concern right now is that the river is saturated and percolation is declining. He added USG-3 had to be reduced to 200 cfs from 250-300 cfs to prevent water from going past Whittier Narrows Dam. Right now, there is water going down to Lower Azusa, but remaining in the river. He shared that the County does not think the percolation issue is related to sediment but to the longevity of the saturation in the river. The General Manager shared that at this point, it is projected that only 70 TAF will be delivered through USG-3 this year instead of the original goal of 125 TAF due to the reduced percolation rate and the large local water supply. He explained that USG-3 will run through January or even February 2024 as long as MWD has the supplies available.

Director Treviño asked how much water has been stored this year so far. The General Manager shared that there was approximately 40 TAF imported water in storage and based on the basin levels, approximately 300 TAF of local water has been stored. He explained that this is the highest the basin has been in over 10 years.

Director Treviño asked if the District has been negotiating with MWD to get more water for the coming year. The General Manger confirmed that there have been negotiations to ensure that the water is available, but it has been a struggle to get the water into the ground fast enough.

6. **Other Matters.** None.

**NEXT MEETING:** Wednesday, September 6, 2023, at 4:30 p.m.

**cc:** General Manager

**A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT  
248 E. FOOTHILL BLVD, ROOM #103, MONROVIA, CALIFORNIA 91016  
4:00 P.M. – July 12, 2023**

8. (a)  
Minutes

A regular meeting of the Board of Directors was held in the office of the District, 248 E. Foothill Blvd, Rm. 103, City of Monrovia, County of Los Angeles, State of California, within said Water District, on July 12, 2023 at the hour of 4:00 p.m.

**ROLL CALL**

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

**DIRECTORS ABSENT:** None.

**STAFF PRESENT:** Tom Love, General Manager; Patty Cortez, Assistant General Manager, External Affairs; Martin Koczanowicz, District Counsel; Jeff Helsley, District Engineer; Evelyn Rodriguez, Chief Financial Officer/Chief Administrative Officer; Venessa Navarrette, Executive Assistant; Jennifer Aguilar, Water Use Efficiency Analyst; and Katherine Vazquez, Government and Community Affairs Assistant.

**OTHERS PRESENT**

Kelly Gardner, Lynda Noriega, Che Venegas, Julyanne Ward and Terri Prado.

**ADOPTION OF AGENDA**

On motion by Treasurer Garcia, seconded by Director Treviño, the agenda was unanimously adopted as presented by the following vote:

**AYES:** TREVIÑO, CHAVEZ, GARCIA, FELLOW, SANTANA  
**NOES:** NONE  
**ABSTAIN:** NONE  
**ABSENT:** NONE

**PUBLIC COMMENT**

None.

**COMMITTEE REPORTS**

Next scheduled committee meeting dates are as follows:

- (a) Administration and Finance – September 5, 2023 at 4:00 p.m.
- (b) Water Resources and Facility Management – September 6, 2023 at 4:30 p.m.
- (c) Government Affairs and Community Outreach – September 11, 2023 at 4:00 p.m.

**CONSENT CALENDAR**

On motion by Treasurer Garcia, seconded by Vice President Fellow, the consent calendar was approved by the following vote:

**AYE:** TREVIÑO, CHAVEZ, GARCIA, FELLOW, SANTANA  
**NOES:** NONE  
**ABSTAIN:** NONE  
**ABSENT:** NONE

- (a) Minutes of a regular meeting of the Board of Directors held on June 28, 2023 at 4:00 p.m.
- (b) List of Demands
- (c) Financial Reports – May 2023
  1. Financial Statements
  2. Director's Public Outreach

**ADOPT ORDINANCE NO. 23-2,  
REPEALING RESOLUTION  
NO. 5-22-642 AND ADOPTING  
WATER RATES AND CHARGES  
FOR CALENDAR YEAR 2024**

Tom Love, General Manager, reported that in anticipation of a ballot measure in 2024 related to taxes and assessments, District Counsel advised Upper District to adopt the water rates and charges by ordinance.

On motion by Director Treviño, seconded by Vice President Fellow, the Board of Directors unanimously adopted Ordinance No.23-2, Repealing Resolution No. 5-22-642 and Adopting Water Rates and Charges for Calendar Year 2024 by the following roll call vote:

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

**APPROVE A PROFESSIONAL  
SERVICES AGREEMENT WITH 789  
INC. FOR PUBLIC RELATIONS  
SERVICES**

Patty Cortez, Assistant General Manager, External Affairs, provided a brief overview of the services 789 Inc. will provide under the agreement which include: Upper District's "Thank U" campaign, rebranding project, update of facts sheets, marketing materials, and website.

President Santana stated that this item was discussed at the Government Affairs and Community Outreach Committee meeting.

On motion by Treasurer Garcia, seconded by Vice President Fellow, the Board of Directors authorized the General Manager to execute a new professional service agreement with 789 Inc. for public relations services, for a one-year term ending on June 30, 2024 and a not-to-exceed contract amount of \$66,900 by the following vote:

**AYE: TREVIÑO, CHAVEZ, GARCIA, FELLOW, SANTANA**  
**NOES: NONE**  
**ABSTAIN: NONE**  
**ABSENT: NONE**

**APPROVE FEDERAL LEGISLATIVE  
BILL POSITIONS: H.R. 872 AND H.R.  
215**

Patty Cortez, Assistant General Manager, External Affairs, shared that this item was discussed by the Government Affairs and Community Outreach Committee and comes with a recommendation for approval from the Committee.

On motion by Director Treviño, seconded by Treasurer Garcia, the Board of Directors approved the federal legislative bill positions for H.R 872 and H.R. 215 by the following vote:

**AYE: TREVIÑO, CHAVEZ, GARCIA, FELLOW, SANTANA**  
**NOES: NONE**  
**ABSTAIN: NONE**  
**ABSENT: NONE**

**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

**ATTORNEY'S REPORT**

District Counsel reported working with staff on the ordinance for the 2024 water rates and charges. He also provided a report on the Supreme Court decision on Arizona vs. Navajo Nation. He stated that the Supreme Court ruled in favor of the government.

Director Treviño expressed disappointment over the decision stating that the Court has hurt the Navajo Nation.

**ENGINEER'S REPORT**

The District Engineer commented that it is unusual for the courts to not support the requirements of the government to provide water supply to reservations.

He then provided a report on hydrologic conditions, basin deliveries, reservoir storage, canyon releases and rainfall averages. He stated that the Baldwin Park Key Well groundwater elevation was 231.3 feet as of July 7, 2023, which showed a decline of two feet from the prior month despite the Santa Fe Spreading Grounds being full. He reported that they are in the process of looking at non-production wells that have a reasonable record of static groundwater level measurements to see if there is a correlation with the Key Well behavior. He then reported that no notices of wells shutdown due to contamination were received during the month of May 2022.

The General Manager reported that Upper District continues to meet with the County of Los Angeles to increase the capacity of USG-3 but plans to continue running the connection at 200 CFS for the remainder of the year. He stated that current estimated deliveries for 2023 now stands at 75,000 AF.

President Santana requested information on the San Gabriel Canyon imported deliveries included in the Engineer's Report.

**GENERAL MANAGER'S REPORT**

The General Manager reported that all the June water deliveries through USG-3 were credited to the reverse cyclic account. He also reported that Upper District relinquished its claim on the generator to avoid incurring additional costs in excess of its market value. He then provided an update on the EV charging stations stating that the city pilot program will pay about \$10,000 for the public chargers. The General Manager announced that the Receptionist/Administrative Assistant position is open, and that the recruitment process will start soon. He mentioned District Counsel's office has sent the General Manager's performance review questionnaire to the Board of Directors. Lastly, he reported that Metropolitan has been working on a new Climate Action Master Plan 4 Water and will keep the Board posted as it moves forward.

**METROPOLITAN REPORT**

Director Fellow reported that Metropolitan has two new Directors: Gary Bryant, representing Foothill Municipal Water District and Carl E. Douglas, an appointee of Mayor Karen Bass. He also reported that the San Diego County LAFCO authorized Fallbrook Public Utility District and Rainbow Municipal Water District to separate from the San Diego Water Quality Authority. He then reported that the Communications, Regulatory and Legislative subcommittee has been given the task of getting people off bottled water. He also reported being assigned to the Naming Committee to name something after Congresswomen Grace Napolitano.

**WATER QUALITY AUTHORITY REPORT**

Director Chavez reported that the Board of Directors approved the public outreach proposal from Civic Publications. He also reported that a 5% cost of living increase was approved and that WQA will go dark for the month of July.

**WATERMASTER REPORT**

A summary report was included in the packet.

**AB 1234 COMPLIANCE REPORT**

A summary report was included in the packet.

**DIRECTORS COMMENTS**

Director Treviño commented on the Navajo ruling stating that the government has failed the native Americans.

Secretary Chavez commented on the Tulsa, Oklahoma massacre court ruling.

President Santana reminded the Board that Upper District will go dark for the month of August.

**FUTURE AGENDA ITEMS**

None.

**ADJOURN TO CLOSED SESSION**

None.

**ADJOURNMENT**

The Board President asked if there was any other business to come before the Board. There being none, the meeting was duly adjourned to a regular meeting of the Board of Directors to be held on September 13, 2023, at 4:00 p.m. at 248 E. Foothill Blvd., Room #103, Monrovia, CA 91016.

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PRESIDENT

ATTEST

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SECRETARY

SEAL

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Demands numbered 22050 through 22087 on the General Fund Account of the Upper District at Citizens Business Bank, in the amount of \$541,297.70 and demands numbered 1116 through 1121 on the Water Fund Account at the same bank in the amount of \$155,538.05.

22050	GMS Elevator Service Inc.	Inv. 115756, First 30% of Elevator Modernization Contract <i>(Previously Paid 06/23/23)</i>	\$	28,747.20
22051	VOID Check	Printer Error		0.00
22052	CalPERS	Inv. 100000017216687, OPEB Prefunding FY 2022/23 <i>(Previously Paid 06/29/23)</i>		44,298.65
22053	Aaron Read & Associates, LLC	Inv. 212835, State and Legislative Advocacy Services, June 2023 <i>(Board approved 10/12/22)</i>		10,000.00
22054	Accent Computer Solutions, Inc	Inv. 157885, Vmware / vSphere - 3 year License <i>(Board approved 02/09/22)</i>		200.21
22055	ACWA/JPIA	Inv. 0699675, Health Insurance Premium - July 2023		26,098.45
22056	Aleshire & Wynder, LLP	Professional Services, May 2023 Inv. 76490, Retainer Inv. 76491, Transactional Fees Inv. 76492, Transactional Fees <i>(Board approved 04/13/22)</i>	4,267.00 78.80 <u>1,521.90</u>	5,867.70
22057	American Water Works Association	Inv. SO55062, Renewal of AWWA Water Use Efficiency Certificate and Membership		311.00
22058	Best Best & Krieger, LLP	Inv. 968298, Federal Legislative Advocacy Services through 05/31/23 <i>(Board approved 10/12/22)</i>		7,500.00
22059	B and H Signs	Inv. 20327, UD Wall Brass Lettering Installation		1,100.00
22060	California-Nevada Section, AWWA	Inv. 1856JA-2023, Renewal of Water Use Efficiency Certificate		100.00
22061	California-Nevada Section, AWWA	Inv. 2017KV-2023, Renewal of Water Use Efficiency Certificate		100.00
22062	Discovery Science Center	Inv. 1682, Sustainable Watershed Education Program Inv. 1725-A, Sustainable Watershed Education Program	6,130.00 <u>1,440.00</u>	7,570.00
22063	EcoTech Services, Inc.	Inv. 2690, Landscaping Maintenance - July 2023		900.00
22064	G3LA, LLC	Inv. 1127, Landscape Myth Busters - June 2023 <i>(Board approved 03/08/23)</i>		2,000.00
22065	Image Property Services, LLC	Inv. MCS-8101, Consumables March 2023 Inv. MCS-8155, Detailed Cleaning Inv. MCS-8893, Consumables May 2023	411.26 747.50 <u>239.26</u>	1,398.02
22066	Independent Cities Association	Inv. 1299, 2023 Membership Dues and Sponsorship		5,000.00
22067	Joey C. Soto	Inv. 2023-UD-GA-MAY-104, Grant Writing Services, May 2023 <i>(Board approved 06/08/22)</i>		1,725.00
22068	John Robinson Consulting, Inc.	Inv. UD202301-01REV1, As-needed Engineering Support Services		495.00
22069	Kelly Services, Inc.	Inv. 2201084923, Temporary Services Week Ending 06/04/23 Inv. 2300784123, Temporary Services Week Ending 06/11/23 Inv. 2400853023, Temporary Services Week Ending 06/18/23 <i>(Board approved 12/16/21)</i>	1,240.68 1,727.25 <u>1,688.82</u>	4,656.75
22070	L.A. County Auditor-Controller	Inv. FY 2023-24, LAFCO Cost Allocation		20,372.60
22071	La Opinion	Inv. 129490523, Public Hearing Notice Ad, May 2023		997.00
22072	Luis Aguilar	Inv. 309066, UD Logo Items		63.28
22073	Means Consulting, LLC	Inv. USGV-5909, Strategic Planning and Facilitation Services		8,436.84
22074	San Gabriel Valley Council of Governments	Inv. 2435, FY 2023-2024 Annual Membership Dues		13,411.16

22075	San Gabriel Valley Protective Association	Inv. FY 2023-24, Assessment		58,090.83
22076	San Gabriel Valley Water Company	Inv. 18-07204, RW Operations and Maintenance Cost		838.92
22077	Sing Tao Newspapers	Inv. 88911, Public Hearing Notice Ad, May 2023		600.00
22078	Stetson Engineers, Inc.	Inv. 2533-206, General Engineering Support Services, May 2023		18,161.83
22079	Sunny Slope Water	Inv. MAAEWCPMET126-030723, MAA Funding Inv. MAAEWCPMET126-051723, MAA Funding	3,330.38 <u>5,139.31</u>	8,469.69
22080	Upper District Payroll Fund	Inv. May 23, Reimbursement of Payroll and Payroll Taxes for Employees Inv. May 23D, Reimbursement of Payroll Taxes for Directors	124,450.22 <u>17,511.14</u>	141,961.36
22081	Upper District Revolving Fund	Inv. JUN 23, Replenish Revolving Fund Account - June 2023 Office Supplies Computer Systems/Equipment/Maintenance/Insurance/ Outside Service Directors's Outreach Telephone/Utilities/Building Maintenance Travel/Conference Water Conservation Program Expenses WRP Operation & Maintenance/Permits/Water Purchases/PM/Public Info Medical/ODA Reimbursement/Processing Fee/Retirement Plan/Overdeposit	193.65 935.30 1,800.00 3,613.57 3.28 1,769.56 30,493.42 <u>7,383.76</u>	46,192.54
22082	U.S. Bank Corporate Payment System	CalCard Charges through 06/22/23 Membership/Other Meetings, Travel, Conferences Computer Systems/Office Equipment/Supplies/Maintenance & Service/Utilities Conservation Program Expenses, Education and Outreach	8,472.30 2,491.30 <u>1,011.78</u>	11,975.38
22083	Valley County Water District	Inv. 66-662, MAA Funding		60,000.00
22084	Via Promotionals	Inv. 21073, UD Logo Items		1,646.44
22085	Ed Chavez	Director's Compensation, June 2023 10 Days District Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	2,550.00 516.87 (1,700.00) <u>(1,292.95)</u>	73.92
22086	Charles Treviño	Director's Compensation, June 2023 10 Days District Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	2,550.00 380.17 (500.00) <u>(525.65)</u>	1,904.52
22087	Jennifer Santana	Director's Compensation, June 2023 7 Days District Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	1,785.00 516.87 (2,000.00) <u>(268.46)</u>	33.41
			<b>TOTAL</b>	<b>\$ 541,297.70</b>

1116	Central Basin MWD	Invoice No. USGV-MAY23, Purchase of 0.9 AF of Recycled Water in April 2023 <i>(Previously paid 07/07/23)</i>	\$	679.06
1117	City of Industry City Hall	Invoice No. MAY-23, Purchase of 49.9 AF of Recycled Water in May 2023		17,215.50
1118	City of Industry City Hall	Invoice No. MAY-23CIP, CIP Charge for MAY 2023 @ \$98 per AF		4,890.20
1119	Metropolitan Water District	Invoice No. 11159, Purchase of 167.7 AF of Treated Water in May 2023		118,485.13
1120	San Gabriel Valley MWD	Invoice No. 553, 62.46 AF of Water Delivered through the Alhambra/MWD Exchange Agreement in May 2023 @ \$200 per AF		12,492.00
1121	Suburban Water System	Invoice No. 6721, Phase IIB Normal Operating Charge, June 2023		<u>1,776.16</u>
			<b>TOTAL</b>	<b>\$ 155,538.05</b>

Board of Directors  
Upper San Gabriel Valley Municipal Water District

8. (b-1)  
Consent

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, previously paid on August 9, 2023 unless otherwise noted:

22088	VOID Check	Printer Error		\$0.00
22089	Upper District Payroll Fund	Inv. Jun 23, Reimbursement of Payroll and Payroll Taxes for Employees <i>(Previously Paid 07/20/23)</i>		291,390.86
22090	B and H Signs	Inv. 8084, Board Room Logo, 50% Deposit <i>(Previously Paid 07/20/23)</i>		1,785.71
22091	Aaron Read & Associates, LLC	Inv. 212888, State and Legislative Advocacy Services, July 2023 <i>(Board approved 10/12/22)</i>		10,000.00
22092	Accent Computer Solutions, Inc	Inv. 157486, IT Management Support, May 2023 Inv. 158443, IT Management Support, July 2023 Inv. 158719, Adobe Subscription Renewals <i>(Previously Paid 08/02/23) (Board approved 02/09/22)</i>	2,768.86 2,949.55 <u>611.76</u>	6,330.17
22093	ACI Consulting	Inv. IN-006017, Sage 100 Upgrade		1,250.00
22094	ACWA/JPIA	Inv. 0010417, Property Program FY 2023-24 <i>(Previously Paid 08/02/23)</i>		14,067.90
22095	ACWA/JPIA	Inv. INV014325, Cyber Liability Program FY 2023-24 <i>(Previously Paid 08/02/23)</i>		2,090.00
22096	ACWA/JPIA	Inv. 0699945, Health Insurance Premium - August 2023		26,098.45
22097	Aleshire & Wynder, LLP	Professional Services, June 2023 Inv. 76842, Transactional Fees Inv. 76843, Transactional Fees Inv. 76844, Retainer <i>(Board approved 04/13/22)</i>	2,883.60 39.40 <u>4,267.00</u>	7,190.00
22098	Best Best & Krieger, LLP	Inv. 968745, Federal Legislative Advocacy Services through 06/30/23 <i>(Board approved 10/12/22)</i>		7,500.00
22099	Boys & Girls Club of West Covina	Inv. 10/14/23UD, 56th District College & Career Fair Sponsorship		1,000.00
22100	Civic Publications	Inv. 1796, Civic Leadership 2023 Ad		5,000.00
22101	EcoTech Services	Inv. 2722, Landscaping Maintenance - August 2023		900.00
22102	Image Property Services, LLC	Inv. MCS-9050, Janitorial Services - June 2023 Inv. MCS-9336, Janitorial Services - July 2023	1,907.59 <u>1,907.59</u>	3,815.18
22103	It's The Pressure Boys, LLC	Inv. 1073, Exterior Window Cleaning <i>(Previously Paid 08/02/23)</i>		750.00
22104	Joey C. Soto	Inv. 2023-JD-GA-JUN-105, Grant Writing Services, June 2023 <i>(Board approved 06/08/22)</i>		1,190.00
22105	John Robinson Consulting, Inc.	Inv. UD202301-02, As-needed Engineering Support Services, June 2023		1,320.00
22106	Kelly Services, Inc.	Inv. 2500788223, Temporary Services Week Ending 06/25/23 Inv. 2600726623, Temporary Services Week Ending 07/02/23 Inv. 2700717423, Temporary Services Week Ending 07/09/23 Inv. 2800716423, Temporary Services Week Ending 07/16/23 Inv. 2900675323, Temporary Services Week Ending 07/23/23 <i>(Board approved 02/07/19)</i>	1,655.64 1,330.14 1,055.25 1,407.21 <u>1,706.46</u>	7,154.70
22107	Lands' End Business Outfitters	Inv. SIN11353046, UD Logo Items		79.36
22108	Sanitation Districts of Los Angeles County	Inv. 04/22/23UD, Earth Day 2023 Sponsorship <i>(Previously Paid 08/02/23)</i>		2,500.00
22109	San Gabriel River Watermaster	Inv. FY 2023-24, Tentative Watermaster Budget for Water Year 2023-24		98,500.00
22110	Spectrum Reach/Charter	Inv. 820026650, Public Information, June 2023 Inv. 820026651, Public Information, June 2023	1,688.20 <u>1,500.00</u>	3,188.20
22111	Sunny Slope Water	Inv. MAAEWCPMET126-061923, MAA Funding		4,494.00
22112	State Water Resources Control Board	Inv. 083123-120, Package 2 Annual State Revolving Fund Loan Repayment		101,498.85
22113	Upper District Payroll Fund	Inv. JUN 23D, Reimbursement of Payroll Taxes for Directors		8,547.15

22114	Upper District Revolving Fund	Inv. JUL 23, Revolving Fund Account Replenishment - July 2023		
		Office Supplies	1,055.88	
		Computer Systems/Equipment/Maintenance/Insurance/ Outside Service	1,352.12	
		Directors's Outreach	2,575.00	
		Telephone/Utilities/Building Maintenance	2,194.66	
		Meeting Expense	186.89	
		Workers Compensation	2,335.83	
		Water Conservation Program Expenses	1,382.11	
		WRP Operation & Maintenance/Permits/Water Purchases/PM/Public Info	37,892.88	
		Medical/ODA Reimbursement/Processing Fee/Retirement Plan/Overdeposit	<u>3,826.72</u>	52,802.09
22115	Via Promotionals	Inv. 21166, UD Logo Items		597.86
22116	Water Education Foundation	Inv. WEFMEM2023KS4497, 2023 Annual Membership Dues		4,400.00
22117	South Coast AQMD	Inv. 4173609, CA Air Toxics "Hot Spots" Fee	160.89	
		Inv. 4181153, Flat Fee for Last Fiscal Year Emissions	<u>168.37</u>	329.26
22118	U.S. Bank Corporate Payment System	CalCard Changes through 07/24/23		
		Meetings, Travel, Conferences	3,498.47	
		Computer Systems/Office Equipment/Supplies/Maintenance & Service/Utilities	1,514.32	
		Conservation Program Expenses, Education and Outreach	<u>2,265.92</u>	7,278.71
22119	Anthony Fellow	Director's Compensation, June 2023		
		10 Days District Business	2,550.00	
		8 MWD Business	2,040.00	
		Meeting/Travel Expenses/Allowance	516.87	
		Less Deferred Comp.	(500.00)	
		Less Taxes Withheld	<u>(1,444.42)</u>	3,162.45
22120	Katerina Garcia	Director's Compensation, June 2023		
		7 Days District Business	1,785.00	
		Meeting/Travel Expenses/Allowance	516.87	
		Less Deferred Comp.	(500.00)	
		Less Taxes Withheld	<u>(292.05)</u>	1,509.82
22121	Ed Chavez	Director's Compensation, July 2023		
		10 Days District Business	2,550.00	
		Meeting/Travel Expenses/Allowance	2,012.25	
		Less Deferred Comp.	(2,200.00)	
		Less Taxes Withheld	<u>(1,615.81)</u>	746.44
22122	Charles Treviño	Director's Compensation, July 2023		
		10 Days District Business	2,550.00	
		Meeting/Travel Expenses/Allowance	516.87	
		Less Deferred Comp.	(500.00)	
		Less Taxes Withheld	<u>(525.65)</u>	2,041.22
22123	Jennifer Santana	Director's Compensation, July 2023		
		8 Days District Business	2,040.00	
		Meeting/Travel Expenses/Allowance	516.87	
		Less Deferred Comp.	(1,900.00)	
		Less Taxes Withheld	<u>(319.07)</u>	337.80
		<b>TOTAL</b>		<b>\$ 680,846.18</b>

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, previously paid on August 9, 2023 unless otherwise noted:

1122	Central Basin MWD	Invoice No. USGV-JUN23, Purchase of 3.5 AF of Recycled Water in May 2023 <i>(Previously paid 08/02/23)</i>	\$ 2,508.21
1123	City of Industry City Hall	Invoice No. JUN-23, Purchase of 55.9 AF of Recycled Water in June 2023	19,285.50
1124	City of Industry City Hall	Invoice No. JUN-23CIP, CIP Charge for June 2023 @ \$98 per AF	5,478.20
1125	Metropolitan Water District	Invoice No. 11189, Purchase of 152.1 AF of Treated Water and 4015.7 AF of Untreated Water in June 2023	167,769.90
1126	San Gabriel Valley MWD	Invoice No. 554, 56.81 AF of Water Delivered through the Alhambra/MWD Exchange Agreement in June 2023 @ \$200 per AF	11,362.00
1127	Suburban Water System	Invoice No. 6724, Phase IIB Normal Operating Charge, July 2023	1,776.16
<b>TOTAL</b>			<b>\$ <u>208,179.97</u></b>

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Board of Directors  
Upper San Gabriel Valley Municipal Water District

8. (b-2)  
Consent

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:

22124	It's The Pressure Boys, LLC	Inv. 1073REI, Exterior Window Cleaning <i>(Previously paid 09/01/23)</i>		\$ 750.00
22125	Joey C. Soto	Inv. 2023-UD-GA-APR-103RE, Grant Writing Services, April 2023 <i>(Previously paid 09/01/23) (Board approved 06/08/22)</i>		842.50
22126	La Opinion	Inv. 129490423REI, Earth Day 2023 Ad <i>(Previously paid 09/01/23)</i>		1,250.00
22127	Unisource Solutions, Inc.	Inv. 34301, Building Renovations <i>(Previously paid 09/01/23)</i>		150.00
22128	Total Compensation System, Inc.	Inv. 12322, GASB 75 Full Valuation - 1st Installment <i>(Previously paid 09/01/23)</i>		1,530.00
22129	789, Inc	Inv. USGV-325270, Marketing and Creative Services, Aug. 2023 Inv. USGV-325280, Marketing and Creative Services, Sept. 2023	5,575.00 <u>5,575.00</u>	11,150.00
22130	Aaron Read & Associates, LLC	Inv. 212944, State and Legislative Advocacy Services, August 2023 <i>(Board approved 10/12/22)</i>		10,000.00
22131	Accent Computer Solutions, Inc	Inv. 158806, IT Management Support, August 2023 <i>(Board approved 02/09/22)</i>		2,949.55
22132	ACI Consulting Corporation	Inv. IN-006119, Sage Support, August 2023 Inv. IN-006167, Sage Support, August 2023 Inv. IN-006239, Sage Installation and Migration	150.00 650.00 <u>1,700.00</u>	2,500.00
22133	ACWA/JPIA	Inv. 0700216, Health Insurance Premium - September 2023		26,098.45
22134	Aleshire & Wynder, LLP	Professional Services, July 2023 Inv. 78558, Transactional Fees Inv. 78559, Retainer Inv. 78560, Transactional Fees <i>(Board approved 04/13/22)</i>	121.80 4,404.00 <u>2,954.10</u>	7,479.90
22135	Center For Financial Empowerment	Inv. 11/19/23UD, Operation Gobble Turkey Giveaway Sponsorship		2,000.00
22136	City of Monrovia	Inv. 2301875, MAA Funding - Outdoor Irrigation Surveys		3,675.00
22137	EcoTech Services, Inc.	Inv. 2756, Landscaping Maintenance - September 2023		900.00
22138	G3LA, LLC	Inv. 1193, Hugelkultur Basics Workshop, Aug 2023		1,500.00
22139	Image Property Services, LLC	Inv. MCS-9679, Janitorial Services - August 2023		1,907.59
22140	Joey C. Soto	Inv. 2023-UD-GA-JUL-106, Grant Writing Services, July 2023 <i>(Board approved 06/08/22)</i>		1,262.50
22141	John Robinson Consulting, Inc.	Inv. UD202301-03, As-needed Engineering Support Services, July 2023		660.00
22142	Kelly Services, Inc.	Inv. 3000728423, Temporary Services Week Ending 07/30/23 Inv. 3100894823, Temporary Services Week Ending 08/06/23 Inv. 3201415123, Temporary Services Week Ending 08/13/23 Inv. 3302041023, Temporary Services Week Ending 08/20/23 <i>(Board approved 02/17/19)</i>	1,666.14 1,638.00 1,666.14 <u>1,487.64</u>	6,457.92
22143	Luis Aguilar	Inv. 309069, UD Logo Items		8.58
22144	Media Marketing Services, Inc.	Inv. USG W230813, Bottle Water Program, August 2023		3,297.00
22145	Newspapers in Education	Inv. 120893, Sponsorship / Monthly Recognition Ad		300.00
22146	SG Creative, LLC	Inv. 001, Graphic Design for Women in Water Logo		880.00
22147	SGV Public Affairs Network	Inv. 20230914-USGVMWD, MWD Update & Initiatives Luncheon Sponsorship		3,000.00
22148	Southern CA Water Coalition	Inv. 1791, SCWC Annual Patron Membership		5,000.00
22149	Spectrum Reach	Inv. 820023668, Public Information, April 2023 Inv. 820023669, Public Information, April 2023	1,500.00 <u>1,626.70</u>	3,126.70
22150	Stetson Engineers, Inc.	Inv. 2533-207, General Engineering Support Services, June 2023 Inv. 2533-208, General Engineering Support Services, July 2023	17,815.66 <u>11,418.91</u>	29,234.57

22151	Sunny Slope Water Co.	Inv. MAAEWCPMET126-072023, MAA Funding		2,610.00
22152	Upper District Payroll Fund	Inv. JUL 23, Reimbursement of Payroll and Payroll Taxes for Employees Inv. JUL 23D, Reimbursement of Payroll Taxes for Directors	135,872.82 <u>13,719.87</u>	149,592.69
22153	Upper District Revolving Fund	Inv. AUG 23, Revolving Fund Account Replenishment - August 2023 Office Supplies Computer Systems/Equipment/Maintenance/Insurance/ Outside Service Directors's Outreach Telephone/Utilities/Building Maintenance Meeting/Travel/Conferences/Dues/Assessments/Membership Water Conservation Program Expenses WRP Operation & Maintenance/Permits/Water Purchases/PM/Public Info Medical/ODA Reimbursement/Processing Fee/Retirement Plan/Overdeposit	555.29 629.73 885.00 7,474.37 22.33 1,879.47 74,249.90 <u>309.23</u>	86,005.32
22154	U.S. Bank Corporate Payment System	CalCard Changes through 08/22/23 Membership/Other Meetings, Travel, Conferences Computer Systems/Office Equipment/Supplies/Maintenance & Service/Utilities Conservation Program Expenses, Education and Outreach	970.00 3,988.72 2,887.42 <u>2,027.08</u>	9,873.22
22155	Willdan Financial Services	Inv. 010-55516, Standby Charge Administration Services through July 2023 <i>(Board approved 02/09/22)</i>		3,799.96
22156	Anthony Fellow	Director's Compensation, August 2023 8 Days District Business 8 MWD Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	2,040.00 2,040.00 516.87 (500.00) <u>(1,328.95)</u>	2,767.92
22157	Ed Chavez	Director's Compensation, August 2023 10 Days District Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	2,550.00 1,437.85 (1,000.00) <u>(1,776.74)</u>	1,211.11
22158	Charles Treviño	Director's Compensation, August 2023 10 Days District Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	2,550.00 516.87 (500.00) <u>(525.65)</u>	2,041.22
22159	Jennifer Santana	Director's Compensation, August 2023 6 Days District Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	1,530.00 516.87 (500.00) <u>(220.44)</u>	1,326.43
22160	Katerina Garcia	Director's Compensation, August 2023 3 Days District Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	765.00 516.87 (500.00) <u>(136.32)</u>	645.55
22161	Anthony Fellow	Director's Compensation, July 2023 8 Days District Business 8 MWD Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	2,040.00 2,040.00 516.87 (500.00) <u>(1,328.95)</u>	2,767.92
22162	Katerina Garcia	Director's Compensation, July 2023 6 Days District Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	1,530.00 516.87 (500.00) <u>(241.43)</u>	1,305.44
			<b>TOTAL</b>	<b><u>\$ 391,857.04</u></b>

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:

1128	Central Basin MWD	Invoice No. USGV-JUL23, Purchase of 3.1 AF of Recycled Water in June 2023 <i>(Previously paid 09/01/23)</i>	\$	2,236.91
1129	City of Industry City Hall	Invoice No. July-23, Purchase of 94.3 AF of Recycled Water in July 2023		32,533.50
1130	City of Industry City Hall	Invoice No. July-23CIP, CIP Charge for July 2023 @ \$98 per AF		9,241.40
1131	Metropolitan Water District	Invoice No. 11219, Purchase of 282.8 AF of Treated Water in July 2023		743,960.18
1132	San Gabriel Valley MWD	Invoice No. 555, 80.22 AF of Water Delivered through the Alhambra/MWD Exchange Agreement in July 2023 @ \$220 per AF		17,648.40
1133	Suburban Water System	Invoice No. 6730, Phase IIB Normal Operating Charge, August 2023		1,776.16
			<b>TOTAL</b>	<b>\$ 807,396.55</b>

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UPPER SAN GABRIEL VALLEY MWD  
FINANCIAL SUMMARY FOR JULY 31, 2023

Expenses	FY ACTUAL	FY ACTUAL	FY 2023-24	AMOUNT OF		PERCENT OF	Comments
	MONTH	YEAR-TO-DATE	BUDGET	BUDGET	REMAINING	BUDGET	
	\$	\$	\$	\$	\$	REMAINING	
Administrative Expenses	362,280	362,280	2,848,200	2,485,920		87.3%	July expenses include payment of annual contribution to CalPERS related to Upper District's unfunded accrued liability.
Water Conservation Program	169,445	169,445	2,078,200	1,908,755		91.8%	
Stormwater Program	3,558	3,558	42,700	39,142		91.7%	
Water Recycling Program	78,558	78,558	2,178,200	2,099,642		96.4%	
Water Quality and Supply Program	48,124	48,124	589,700	541,576		91.8%	
Water Purchases	215,241	215,241	39,433,600	39,218,359		99.5%	
Operating Expenses	877,206	877,206	47,170,600	46,293,394		98.1%	
Operating Revenues	550,586	550,586	47,346,100	46,795,514		98.8%	
Net Reserve Activity from Operations (-/+)	(326,620)	(326,620)	175,500	n/a		n/a	
Capital Expenditures	2,886	2,886	217,000	214,114		98.7%	
Capital Program Revenues	-	-	-	-		0.0%	
Net Change in Cash Due to Capital Outlays	(2,886)	(2,886)	(217,000)	n/a		n/a	
Total Change in Fund Balances	\$ (329,506)	\$ (329,506)	\$ (41,500)	n/a		n/a	

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT  
MONTHLY FINANCIAL STATEMENT AND BUDGET COMPARISON  
FOR THE MONTH ENDED JULY 31, 2023

	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2023-24 BUDGET	AMOUNT OF BUDGET REMAINING	PERCENT OF BUDGET REMAINING
<b>ADMINISTRATIVE AND OPERATING REVENUES</b>					
<b>Water Rate Revenues</b>					
Tier 1 Treated	81,985	81,985	3,692,100	3,610,115	98%
Tier 1 Untreated	-	-	31,635,000	31,635,000	100%
Upper Surcharge Tier 1 Treated	32,282	32,282	309,000	276,718	90%
Upper Surcharge Tier 1 Untreated	-	-	3,811,000	3,811,000	100%
MWD Capacity Charge Revenue	28,885	28,885	353,200	324,315	92%
Gross MWD Standby Charge-Revenue Reconciliation	-	-	1,950,000	1,950,000	100%
MSGB Watermaster-Ready-to-Serve	6,300	6,300	75,600	69,300	92%
<b>Sub Total</b>	<b>149,452</b>	<b>149,452</b>	<b>41,825,900</b>	<b>41,676,448</b>	<b>100%</b>
<b>Revolving Revenue</b>					
MSGB Watermaster-SG River Watermaster	-	-	105,000	105,000	100%
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>105,000</b>	<b>105,000</b>	<b>100%</b>
<b>Other Administrative Revenues</b>					
Interest/Investment Earnings	99,821	99,821	83,900	(15,921)	-19%
Taxes	9,401	9,401	500,000	490,599	98%
Other Income (Loss)	2,166	2,166	26,400	24,234	92%
<b>Sub Total</b>	<b>111,388</b>	<b>111,388</b>	<b>610,300</b>	<b>498,912</b>	<b>82%</b>
<b>TOTAL ADMINISTRATIVE REVENUES</b>	<b>260,840</b>	<b>260,840</b>	<b>42,541,200</b>	<b>42,280,360</b>	<b>99%</b>
<b>CAPITAL PROJECT FUND REVENUES</b>					
<b>Recycled Water Revenues</b>					
Recycled Water Sales	31,319	31,319	624,000	592,681	95%
Upper Recycled Water Surcharge Revenue	119,112	119,112	1,323,000	1,203,888	91%
Metropolitan Water District LRP Funds	6,492	6,492	128,000	121,508	95%
Parcel/Standby Charge	22,214	22,214	2,050,000	2,027,786	99%
Interest/Investment Earnings	6,261	6,261	14,300	8,039	56%
<b>Sub Total</b>	<b>185,398</b>	<b>185,398</b>	<b>4,139,300</b>	<b>3,953,902</b>	<b>96%</b>
<b>Water Conservation Revenues</b>					
Conservation Program Contributions	87,156	87,156	585,000	497,844	85%
<b>Sub Total</b>	<b>87,156</b>	<b>87,156</b>	<b>585,000</b>	<b>497,844</b>	<b>85%</b>
<b>TOTAL CAPITAL PROJECT FUND REVENUES</b>	<b>272,554</b>	<b>272,554</b>	<b>4,724,300</b>	<b>4,451,746</b>	<b>94%</b>
<b>OTHER FUND REVENUES</b>					
<b>Water Quality and Supply Program Revenues</b>					
Interest/Investment Earnings	13,152	13,152	75,200	62,048	83%
<b>Sub Total</b>	<b>13,152</b>	<b>13,152</b>	<b>75,200</b>	<b>62,048</b>	<b>83%</b>
<b>Rate Stabilization Fund Revenues</b>					
Interest/Investment Earnings	4,040	4,040	5,400	1,360	25%
<b>Sub Total</b>	<b>4,040</b>	<b>4,040</b>	<b>5,400</b>	<b>1,360</b>	<b>25%</b>
<b>TOTAL OTHER FUND REVENUES</b>	<b>17,192</b>	<b>17,192</b>	<b>80,600</b>	<b>63,408</b>	<b>79%</b>
<b>TOTAL REVENUES</b>	<b>550,586</b>	<b>550,586</b>	<b>47,346,100</b>	<b>46,795,514</b>	<b>99%</b>

**UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT  
MONTHLY FINANCIAL STATEMENT AND BUDGET COMPARISON  
FOR THE MONTH ENDED JULY 31, 2023**

	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2023-24 BUDGET	AMOUNT OF BUDGET REMAINING	PERCENT OF BUDGET REMAINING
<b>ADMINISTRATIVE AND OPERATING EXPENSES</b>					
<b>Personnel Expenses</b>					
Employee Salaries	116,360	116,360	1,455,000	1,338,640	92%
Employee Benefits	23,824	23,824	288,000	264,176	92%
Retired Employee Benefits	5,881	5,881	103,000	97,119	94%
Employee Travel/Conference	1,822	1,822	50,000	48,178	96%
<b>Sub Total</b>	<b>147,887</b>	<b>147,887</b>	<b>1,896,000</b>	<b>1,748,113</b>	<b>92%</b>
<b>Director Expenses</b>					
Director Compensation	8,436	8,436	216,000	207,564	96%
Director Benefits	11,842	11,842	155,000	143,158	92%
Retired Director Benefits	1,214	1,214	33,000	31,786	96%
Director Public Outreach	1,076	1,076	25,000	23,924	96%
Director Travel/Conference	4,663	4,663	50,000	45,337	91%
<b>Sub Total</b>	<b>27,231</b>	<b>27,231</b>	<b>479,000</b>	<b>451,769</b>	<b>94%</b>
<b>Pension Expense</b>					
CalPERS-Employees, Directors, Retirees	168,881	168,881	500,000	331,119	66%
<b>Sub Total</b>	<b>168,881</b>	<b>168,881</b>	<b>500,000</b>	<b>331,119</b>	<b>66%</b>
<b>Office Expenses</b>					
Office Supplies/Equipment	2,062	2,062	40,000	37,938	95%
Equipment Operations & Maintenance	1,014	1,014	26,000	24,986	96%
Computer Systems	426	426	60,000	59,574	99%
Dues and Assessments	78,463	78,463	75,000	(3,463)	-5%
Meeting Expense	1,043	1,043	35,000	33,957	97%
<b>Sub Total</b>	<b>83,008</b>	<b>83,008</b>	<b>236,000</b>	<b>152,992</b>	<b>65%</b>
<b>Facility Expenses</b>					
Building Maintenance	3,895	3,895	45,000	41,105	91%
Liability/Property Insurance	-	-	65,000	65,000	100%
Telephone/Utilities	1,683	1,683	45,000	43,317	96%
<b>Sub Total</b>	<b>5,578</b>	<b>5,578</b>	<b>155,000</b>	<b>149,422</b>	<b>96%</b>
<b>Professional Services</b>					
Legal/Financial	5,549	5,549	112,000	106,451	95%
Engineering	14,842	14,842	145,000	130,158	90%
Auditor	-	-	31,000	31,000	100%
Outside Services	14,662	14,662	55,000	40,338	73%
Public Information/Outreach	-	-	3,500	3,500	100%
<b>Sub Total</b>	<b>35,053</b>	<b>35,053</b>	<b>346,500</b>	<b>311,447</b>	<b>90%</b>
<b>Other Expenses</b>					
Election Costs	-	-	500,000	500,000	100%
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>500,000</b>	<b>500,000</b>	<b>100%</b>
<b>Allocation to Projects and Programs</b>					
Salaries/Overhead Allocated to Projects	(105,358)	(105,358)	(1,264,300)	(1,158,942)	92%
<b>Sub Total</b>	<b>(105,358)</b>	<b>(105,358)</b>	<b>(1,264,300)</b>	<b>(1,158,942)</b>	<b>92%</b>
<b>TOTAL</b>	<b>362,280</b>	<b>362,280</b>	<b>2,848,200</b>	<b>2,485,920</b>	<b>87%</b>
<b>Water Purchases</b>					
Tier 1 Treated	215,241	215,241	3,692,100	3,476,859	94%
Tier 1 Untreated	-	-	31,635,000	31,635,000	100%
MWD Capacity Charge	-	-	353,200	353,200	100%
MWD Ready-to-Serve Charge	-	-	3,648,300	3,648,300	100%
<b>Sub Total</b>	<b>215,241</b>	<b>215,241</b>	<b>39,328,600</b>	<b>39,113,359</b>	<b>99%</b>
<b>Revolving Expenses</b>					
San Gabriel River Watermaster	-	-	105,000	105,000	100%
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>105,000</b>	<b>105,000</b>	<b>100%</b>
<b>TOTAL</b>	<b>215,241</b>	<b>215,241</b>	<b>39,433,600</b>	<b>39,218,359</b>	<b>99%</b>
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>577,521</b>	<b>577,521</b>	<b>42,281,800</b>	<b>41,704,279</b>	<b>99%</b>

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT  
MONTHLY FINANCIAL STATEMENT AND BUDGET COMPARISON  
FOR THE MONTH ENDED JULY 31, 2023

	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2023-24 BUDGET	AMOUNT OF BUDGET REMAINING	PERCENT OF BUDGET REMAINING
<b>RECYCLED WATER PROGRAM EXPENSES</b>					
	92% @7-31-23				
Water Purchases-Recycled Water	22,785	22,785	624,000	601,215	96%
SWRCB Loan Repayment	-	-	791,000	791,000	100%
Salaries and Overhead Allocation	5,433	5,433	65,200	59,767	92%
Standby Charge Development/Implementation	-	-	18,500	18,500	100%
Engineering - General	495	495	52,500	52,005	99%
Lobbyist	7,500	7,500	95,000	87,500	92%
Legal and Financial	240	240	3,000	2,760	92%
Public Information	1,597	1,597	5,000	3,403	68%
Operation and Maintenance Phase I/IIA	31,284	31,284	361,000	329,716	91%
Operation and Maintenance Phase IIB	9,224	9,224	163,000	153,776	94%
<b>Sub Total</b>	<b>78,558</b>	<b>78,558</b>	<b>2,178,200</b>	<b>2,099,642</b>	<b>96%</b>
<b>TOTAL RECYCLED WATER EXPENSES</b>	<b>78,558</b>	<b>78,558</b>	<b>2,178,200</b>	<b>2,099,642</b>	<b>96%</b>
<b>CAPITAL PROGRAM EXPENSES</b>					
<b>San Gabriel Valley Water Recycling Project</b>					
Direct Reuse Program	-	-	100,000	100,000	100%
USG Connections	-	-	15,000	15,000	100%
Legal and Financial	-	-	2,000	2,000	100%
<b>Sub Total</b>	<b>-</b>	<b>-</b>	<b>117,000</b>	<b>117,000</b>	<b>100%</b>
<b>Other Capital Program Expenses</b>					
District Headquarters	2,886	2,886	100,000	97,114	97%
<b>Sub Total</b>	<b>2,886</b>	<b>2,886</b>	<b>100,000</b>	<b>97,114</b>	<b>97%</b>
<b>TOTAL CAPITAL PROGRAM EXPENSES</b>	<b>2,886</b>	<b>2,886</b>	<b>217,000</b>	<b>214,114</b>	<b>99%</b>
<b>STORMWATER PROGRAM EXPENSES</b>					
<b>Stormwater Program</b>					
Salaries and Overhead Allocation	3,558	3,558	42,700	39,142	92%
<b>Sub Total</b>	<b>3,558</b>	<b>3,558</b>	<b>42,700</b>	<b>39,142</b>	<b>92%</b>
<b>TOTAL STORMWATER EXPENSES</b>	<b>3,558</b>	<b>3,558</b>	<b>42,700</b>	<b>39,142</b>	<b>92%</b>

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT  
MONTHLY FINANCIAL STATEMENT AND BUDGET COMPARISON  
FOR THE MONTH ENDED JULY 31, 2023

	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2023-24 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	-	-	335,000	335,000	100%
Regional Rebate Program	4,692	4,692	40,000	35,308	88%
<b>Sub Total</b>	<b>4,692</b>	<b>4,692</b>	<b>375,000</b>	<b>370,308</b>	<b>99%</b>
<u>Commercial/Industrial/Institution Programs</u>					
Member Agency Administered Programs	68,470	68,470	210,000	141,530	67%
Regional Rebate Program	-	-	-	-	0%
<b>Sub Total</b>	<b>68,470</b>	<b>68,470</b>	<b>210,000</b>	<b>141,530</b>	<b>67%</b>
<u>Allocation to Conservation Programs</u>					
Salaries & Overhead	20,942	20,942	251,300	230,358	92%
<b>Sub Total</b>	<b>20,942</b>	<b>20,942</b>	<b>251,300</b>	<b>230,358</b>	<b>92%</b>
<b>TOTAL WATER USE EFFICIENCY EXPENSES</b>	<b>94,104</b>	<b>94,104</b>	<b>836,300</b>	<b>742,196</b>	<b>89%</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	-	-	11,000	11,000	100%
Educational Activities	7,570	7,570	60,000	52,430	87%
Memberships	18,922	18,922	135,000	116,078	86%
Educational Materials/Grant Program	-	-	55,000	55,000	100%
Educational Outreach Programs/Events	104	104	150,000	149,896	100%
<b>Sub Total</b>	<b>26,596</b>	<b>26,596</b>	<b>411,000</b>	<b>384,404</b>	<b>94%</b>
<u>Outreach and Information Programs</u>					
Public Workshops/Seminars	2,000	2,000	40,000	38,000	95%
Conservation Devices/Items	2,427	2,427	40,000	37,573	94%
Bottled Water Program	561	561	15,500	14,939	96%
Community/Industry Sponsorships	-	-	35,000	35,000	100%
Displays/Fairs/Presentations	270	270	5,000	4,730	95%
Conferences/Meetings	434	434	7,000	6,566	94%
Public Information	628	628	100,000	99,372	99%
Technical Assistance	1,725	1,725	70,000	68,275	98%
Legal/Financial	-	-	10,000	10,000	100%
<b>Sub Total</b>	<b>8,045</b>	<b>8,045</b>	<b>322,500</b>	<b>314,455</b>	<b>98%</b>
<u>Allocation to Conservation Programs</u>					
Salaries & Overhead	40,700	40,700	488,400	447,700	92%
<b>Sub Total</b>	<b>40,700</b>	<b>40,700</b>	<b>488,400</b>	<b>447,700</b>	<b>92%</b>
<b>TOTAL EDUCATION &amp; COMMUNITY OUTREACH EXPENSES</b>	<b>75,341</b>	<b>75,341</b>	<b>1,241,900</b>	<b>1,166,559</b>	<b>94%</b>
<b>TOTAL WATER CONSERVATION EXPENSES</b>	<b>169,445</b>	<b>169,445</b>	<b>2,078,200</b>	<b>1,908,755</b>	<b>92%</b>
<b>WATER QUALITY AND SUPPLY PROGRAM EXPENSES</b>					
<u>Policy 9-00-8 Groundwater Remediation Projects</u>					
Engineering for Water Supply Projects	3,320	3,320	32,000	28,680	90%
Legislative Consultant	10,000	10,000	130,000	120,000	92%
<b>Sub Total</b>	<b>13,320</b>	<b>13,320</b>	<b>162,000</b>	<b>148,680</b>	<b>92%</b>
<u>Other Expenses</u>					
Water Supply Reliability Plan/Emergency Preparedness	-	-	5,000	5,000	100%
Legal and Financial	79	79	6,000	5,921	99%
Salaries and Overhead Allocation	34,725	34,725	416,700	381,975	92%
<b>Sub Total</b>	<b>34,804</b>	<b>34,804</b>	<b>427,700</b>	<b>392,896</b>	<b>92%</b>
<b>TOTAL WATER QUALITY AND SUPPLY EXPENSES</b>	<b>48,124</b>	<b>48,124</b>	<b>589,700</b>	<b>541,576</b>	<b>92%</b>
<b>TOTAL EXPENSES</b>	<b>880,092</b>	<b>880,092</b>	<b>47,387,600</b>	<b>46,507,508</b>	<b>98%</b>

**UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT  
SUMMARY OF CASH AND INVESTMENTS  
July 31, 2023**

**CASH AND INVESTMENT BALANCES**

**Cash Account Balances**

	<u>Amount (\$)</u>
General Fund-Checking	\$ 380,904.34
Water Fund-Checking	233,472.01
Revolving Fund	51,024.63
Revolving Payroll Fund	312,390.87
Total Cash Account Balances	<u>\$ 977,791.85</u>

**Investment Account Balances**

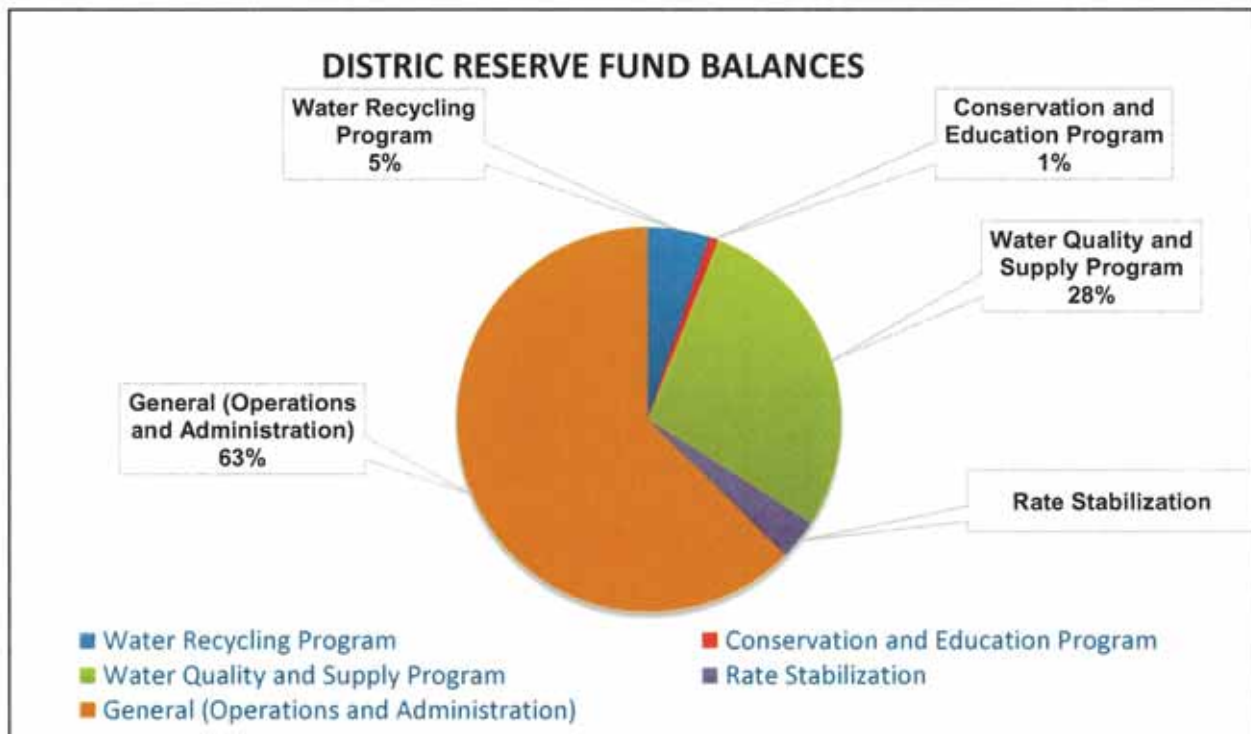
	<u>Market Value</u>	<u>Cost/Book Value</u>
Local Agency Investment Fund	\$ 12,335,492.12	\$ 12,335,492.12
Other Investments	5,603,282.81	5,750,554.18
Total Investment Account Balances	<u>\$ 17,938,774.93</u>	<u>\$ 18,086,046.30</u>

**Total Cash and Investment Balances** \$ 18,916,566.78

**DISTRICT FUND BALANCES**

Capital Program Fund:		
Water Recycling Program		\$ 964,968.00
Conservation and Education Program		156,338.00
Water Quality and Supply Program		5,316,724.00
Sub Total		<u>6,438,030.00</u>
Rate Stabilization Fund		646,988.00
General Fund (Operations and Administration)		11,831,548.78
Total Fund Balances		<u><u>\$ 18,916,566.78</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.





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

August 01, 2023

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

UPPER SAN GABRIEL VALLEY MUNICIPAL  
WATER DISTRICT  
GENERAL MANAGER  
248 E. FOOTHILL BLVD, SUITE 200  
MONROVIA, CA 91016

[Tran Type Definitions](#)

Account Number: 90-19-021

July 2023 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
7/10/2023	7/10/2023	RW	1731368	N/A	EVELYN RODRIGUEZ	-1,000,000.00
7/14/2023	7/19/2023	QRD	1735615	N/A	SYSTEM	103,836.26

**Account Summary:**

Total Deposit:	103,836.26	Beginning Balance:	13,231,655.86
Total Withdrawal:	-1,000,000.00	Ending Balance:	12,335,492.12



# Brokerage Account Statement

UPPER SAN GABRIEL VALLEY  
WATER DISTRICT  
248 E FOOTHILL BLVD STE 200  
MONROVIA CA 91016-5523

July 1, 2023 - July 31, 2023  
Account Number: GPC-016100

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

### Portfolio at a Glance

	This Period
BEGINNING ACCOUNT VALUE	\$455,508.50
Dividends, Interest and Other Income	6.91
Net Change in Portfolio <sup>†</sup>	1,250.00
<b>ENDING ACCOUNT VALUE</b>	<b>\$456,765.41</b>
Accrued Interest	\$519.70
Account Value with Accrued Interest	\$457,285.11
Estimated Annual Income	\$39.52

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

### 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
Accrual market discount method for all other bond types:	Constant Yield Method
Include market discount in income annually:	No

#### ELECTRONIC DELIVERY

Congratulations! All your documents are enrolled for electronic delivery. Please log in to your account or contact your Registered Representative to make any changes to your electronic delivery preferences.

E-mail notifications are delivered to the following e-mail address(es):  
evelyn@usgvmwd.org  
\*evelyn@usgvmwd.org is on file for these documents





## Portfolio Holdings

Description	Quantity	Opening Balance	Closing Balance	Accrued Income	Income This Year	30-Day Yield
<b>CASH, MONEY FUNDS AND BANK DEPOSITS 1.00% of Portfolio</b>						
<b>Money Market</b>						
GOLDMAN SACHS FSG GOVT OMS	1,920,4100	1,913.50	1,920.41	0.00	39.52	4.23%
<b>Total Money Market</b>		<b>\$1,913.50</b>	<b>\$1,920.41</b>	<b>\$0.00</b>	<b>\$39.52</b>	
<b>TOTAL CASH, MONEY FUNDS AND BANK DEPOSITS</b>		<b>\$1,913.50</b>	<b>\$1,920.41</b>	<b>\$0.00</b>	<b>\$39.52</b>	
Description	Quantity	Market Price	Market Value	Accrued Interest		
<b>FIXED INCOME 99.00% 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 DTE 02/28/21 CPN PMT SEMI ANNUAL ON FEB 28 AND AUG 31 Moody Rating Aaa Security Identifier: 91282CA0	500,000,0000	90.9690	454,845.00	\$19.70		
<b>Total U.S. Treasury Securities</b>	<b>500,000,0000</b>		<b>\$454,845.00</b>	<b>\$519.70</b>		
<b>TOTAL FIXED INCOME</b>	<b>500,000,0000</b>		<b>\$454,845.00</b>	<b>\$519.70</b>		
<b>Total Portfolio Holdings</b>			<b>Market Value \$456,765.41</b>	<b>Accrued Interest \$519.70</b>	<b>Estimated Annual Income \$39.52</b>	

## 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.



July 1, 2023 - July 31, 2023  
UPPER SAN GABRIEL VALLEY

**Portfolio Holdings Disclosures (continued)**

**Reinvestment (continued)**

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	\$6.91	0.00	\$66.52	0.00
Interest Income				
Bond Interest	0.00	0.00	\$625.00	0.00
Total Income	\$6.91	\$0.00	\$691.52	\$0.00



### 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
Dividends and Interest	\$8.91	\$0.00	\$8.91	\$664.52	\$0.00	\$664.52
Fees	\$0.00	\$0.00	\$0.00	\$0.00	-\$2.00	-\$2.00
Totals	\$8.91	\$0.00	\$8.91	\$664.52	-\$2.00	\$662.52

### Transactions in Date Sequence

Process/ Settlement Date	Activity Type	Description	Quantity	Price	Accrued Interest	Amount	Currency
07/31/23	MONEY MARKET FUND INCOME RECEIVED Non-Qualified PER362220	GOLDMAN SACHS FSO				8.91	USD
Total Value of Transactions						\$0.00	\$8.91 USD

The price and quantity displayed may have been rounded.

### Money Market Fund Detail

Date	Activity Type	Description	Amount	Balance
Sweep Money Market Fund				
GOLDMAN SACHS FSO GOVT CMS				
Current Yield: 4.27% Activity Ending: 07/31/23				
07/01/23	Opening Balance		1,913.50	1,913.50
07/31/23	Deposit	INCOME REINVEST	8.91	1,920.41
07/31/23	Closing Balance			\$1,920.41
Total All Money Market Funds				\$1,920.41

### Messages

Although a money market mutual fund (money fund) seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in a money fund. Shares of a money 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 fund's prospectus or the bank deposit product's disclosure document or contact your advisor for additional information. Pursuant to SEC Rule 10b-10(b)(1) confirmations are not sent for purchases into money funds processed on the sweep platform. Pursuant to applicable regulation, account statements will be produced monthly or quarterly. Balances in Federal Deposit Insurance Corporation (FDIC)-insured bank deposit sweep products are not protected by Securities Investor Protection Corporation (SIPC).

#### eDelivery

Eliminate paper and save natural resources with digital adoption. Electronic delivery (eDelivery) is faster, convenient and more secure. We offer eDelivery for account statements.



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

## MONTHLY ACCOUNT STATEMENT

JULY 1, 2023 THROUGH JULY 31, 2023

**Chandler Team:**

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

**Custodian**

US Bank  
Alexander Bazan  
(503) 402-5305

**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.*

Upper San Gabriel Valley Municipal Water District

Portfolio Summary



Account #10214

As of July 31, 2023

PORTFOLIO CHARACTERISTICS

Average Modified Duration	1.19
Average Coupon	1.97%
Average Purchase YTM	2.14%
Average Market YTM	5.23%
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	1.26 yrs
Average Life	1.26 yrs

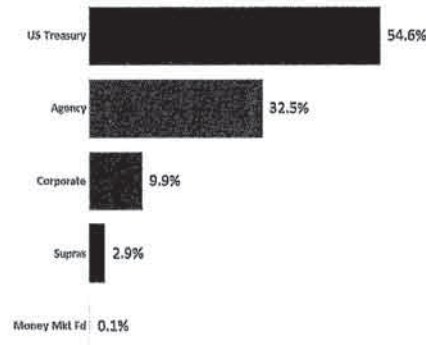
ACCOUNT SUMMARY

	Beg. Values as of 6/30/23	End Values as of 7/31/23
Market Value	5,104,254	5,119,349
Accrued Interest	22,779	26,648
<b>Total Market Value</b>	<b>5,127,034</b>	<b>5,145,997</b>
Income Earned	9,211	9,276
Cont/WD		-617
Par	5,261,762	5,265,182
Book Value	5,250,101	5,254,891
Cost Value	5,245,041	5,249,254

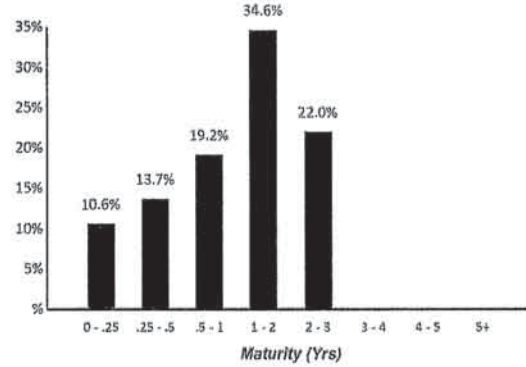
TOP ISSUERS

Government of United States	54.6%
Federal Farm Credit Bank	14.6%
Federal Home Loan Bank	10.2%
Federal Home Loan Mortgage Corp	7.6%
Inter-American Dev Bank	2.9%
Wal-Mart Stores	1.3%
Bank of New York	1.2%
Microsoft	1.2%
<b>Total</b>	<b>93.7%</b>

SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	5/31/2014
Upper San Gabriel Valley Municipal Water District	0.39%	0.25%	1.87%	1.41%	-0.36%	-0.16%	1.35%	N/A	1.02%
ICE BofA 0-3 Yr US Treasury Index*	0.39%	0.08%	1.77%	1.28%	-0.50%	-0.29%	1.27%	N/A	0.93%

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

## Statement of Compliance

As of July 31, 2023



### 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	<i>Complies</i>
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	<i>Complies</i>
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	<i>Complies</i>
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	<i>Complies</i>
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	<i>Complies</i>
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	<i>Complies</i>
Local Agency Investment Fund (LAIF)	Maximum amount permitted by State Treasury policy	<i>Complies</i>
Local Government Investment Pools		<i>Complies</i>
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	<i>Complies</i>
Maximum Maturity	5 years	<i>Complies</i>



BOOK VALUE RECONCILIATION		
<b>BEGINNING BOOK VALUE</b>		<b>\$5,250,100.91</b>
<b>Acquisition</b>		
+ Security Purchases	\$190,643.00	
+ Money Market Fund Purchases	\$74,798.41	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
<b>Total Acquisitions</b>		<b>\$265,441.41</b>
<b>Dispositions</b>		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$190,761.75	
- MMF Withdrawals	\$617.08	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$70,000.00	
- Calls	\$0.00	
- Principal Paydowns	\$0.00	
<b>Total Dispositions</b>		<b>\$261,378.83</b>
<b>Amortization/Accretion</b>		
+/- Net Accretion	\$727.02	
		\$727.02
<b>Gain/Loss on Dispositions</b>		
+/- Realized Gain/Loss	\$0.00	
		\$0.00
<b>ENDING BOOK VALUE</b>		<b>\$5,254,890.51</b>

CASH TRANSACTION SUMMARY		
<b>BEGINNING BALANCE</b>		<b>\$122,762.41</b>
<b>Acquisition</b>		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$4,659.38	
Dividend Received	\$139.03	
Principal on Maturities	\$70,000.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
<b>Total Acquisitions</b>	<b>\$74,798.41</b>	
<b>Dispositions</b>		
Withdrawals	\$617.08	
Security Purchase	\$190,643.00	
Accrued Interest Paid	\$118.75	
<b>Total Dispositions</b>	<b>\$191,378.83</b>	
<b>ENDING BOOK VALUE</b>		<b>\$6,181.99</b>



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>									
3137EAEV7	FHLMC Note 0.25% Due 8/24/2023	95,000.00	08/19/2020 0.28%	94,903.10 94,997.97	99.68 5.24%	94,697.90 103.58	1.84% (300.07)	Aaa / AA+ AAA	0.07 0.06
3133ENJ68	FFCB Note 3.25% Due 9/1/2023	100,000.00	08/29/2022 3.44%	99,810.00 99,983.86	99.73 6.38%	99,733.60 1,354.17	1.96% (250.26)	Aaa / NR AAA	0.09 0.08
3137EAEW5	FHLMC Note 0.25% Due 9/8/2023	65,000.00	09/02/2020 0.26%	64,978.55 64,999.26	99.46 5.50%	64,650.56 64.55	1.26% (348.70)	Aaa / AA+ AAA	0.11 0.10
3137EAEY1	FHLMC Note 0.125% Due 10/16/2023	80,000.00	10/14/2020 0.25%	79,701.60 79,979.29	98.90 5.48%	79,116.56 29.17	1.54% (862.73)	Aaa / AA+ AAA	0.21 0.21
3137EAEZ8	FHLMC Note 0.25% Due 11/6/2023	105,000.00	11/03/2020 0.28%	104,905.50 104,991.64	98.64 5.49%	103,567.91 61.98	2.01% (1,423.73)	Aaa / AA+ AAA	0.27 0.26
3137EAF2	FHLMC Note 0.25% Due 12/4/2023	50,000.00	12/02/2020 0.28%	49,950.50 49,994.35	98.28 5.39%	49,137.65 19.79	0.96% (856.70)	Aaa / AA+ AAA	0.35 0.34
3130AT7D3	FHLB Note 3.5% Due 12/8/2023	60,000.00	09/27/2022 4.51%	59,307.54 59,795.12	99.27 5.59%	59,559.78 309.17	1.16% (235.34)	Aaa / AA+ NR	0.36 0.35
3133EMRZ7	FFCB Note 0.25% Due 2/26/2024	85,000.00	02/22/2021 0.26%	84,969.40 84,994.16	97.13 5.44%	82,557.61 91.49	1.61% (2,436.55)	Aaa / AA+ AAA	0.58 0.55
3130A0XE5	FHLB Note 3.25% Due 3/8/2024	70,000.00	06/13/2022 3.23%	70,016.80 70,005.84	98.74 5.40%	69,118.56 903.68	1.36% (887.28)	Aaa / AA+ NR	0.61 0.58
3130ASDS5	FHLB Note 2.75% Due 6/28/2024	60,000.00	06/09/2022 2.87%	59,860.80 59,938.30	97.66 5.43%	58,593.72 151.25	1.14% (1,344.58)	Aaa / AA+ NR	0.91 0.88
3130ATT31	FHLB Note 4.5% Due 10/3/2024	75,000.00	10/27/2022 4.56%	74,918.25 74,950.32	99.02 5.37%	74,265.53 1,106.25	1.46% (684.79)	Aaa / AA+ NR	1.18 1.11
3133ENS43	FFCB Note 4.375% Due 10/17/2024	100,000.00	10/11/2022 4.44%	99,875.00 99,924.25	98.47 5.69%	98,474.90 1,263.89	1.94% (1,449.35)	Aaa / AA+ AAA	1.22 1.15
3130AQF40	FHLB Note 1% Due 12/20/2024	75,000.00	12/21/2021 1.03%	74,934.00 74,969.41	94.36 5.27%	70,769.03 85.42	1.38% (4,200.38)	Aaa / AA+ AAA	1.39 1.34
3133ENK58	FFCB Note 1.125% Due 1/6/2025	40,000.00	01/06/2022 1.20%	39,910.00 39,956.77	94.38 5.26%	37,751.24 31.25	0.73% (2,205.53)	Aaa / AA+ AAA	1.44 1.39
3133ENPG9	FFCB Note 1.75% Due 2/14/2025	70,000.00	02/10/2022 1.84%	69,813.10 69,903.90	95.19 5.04%	66,635.10 568.26	1.31% (3,268.80)	Aaa / AA+ AAA	1.55 1.47
3133ENPY0	FFCB Note 1.75% Due 2/25/2025	100,000.00	03/09/2022 1.90%	99,578.00 99,776.13	94.55 5.43%	94,547.40 758.33	1.85% (5,228.73)	Aaa / AA+ AAA	1.58 1.50





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>									
3130AUZC1	FHLB Note 4.625% Due 3/14/2025	100,000.00	03/23/2023 4.18%	100,823.00 100,674.61	99.25 5.11%	99,254.90 2,106.94	1.97% (1,419.71)	Aaa / AA+ NR	1.62 1.51
3133EN7J3	FFCB Note 3.875% Due 2/2/2026	69,000.00	02/15/2023 4.51%	67,798.71 67,983.01	97.96 4.75%	67,589.99 1,329.45	1.34% (393.02)	Aaa / AA+ AAA	2.51 2.31
3133EPCF0	FFCB Note 4.5% Due 3/2/2026	100,000.00	03/23/2023 3.97%	101,445.00 101,270.09	99.64 4.65%	99,639.20 1,862.50	1.97% (1,630.89)	Aaa / AA+ AAA	2.59 2.37
3133EPFT7	FFCB Note 3.75% Due 4/13/2026	100,000.00	04/10/2023 3.99%	99,332.00 99,399.04	97.67 4.68%	97,666.50 1,125.00	1.92% (1,732.54)	Aaa / AA+ AAA	2.70 2.50
3130AWLZ1	FHLB Note 4.75% Due 6/12/2026	90,000.00	07/19/2023 4.45%	90,720.00 90,711.83	100.30 4.64%	90,272.07 249.38	1.76% (439.76)	Aaa / AA+ AA+	2.87 2.64
<b>Total Agency</b>		<b>1,689,000.00</b>	<b>2.55%</b>	<b>1,687,550.85</b> <b>1,689,199.15</b>	<b>5.29%</b>	<b>1,657,599.71</b> <b>13,575.50</b>	<b>32.48%</b> <b>(31,599.44)</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>1.19</b> <b>1.12</b>
<b>CORPORATE</b>									
14913R2S5	Caterpillar Financial Service Note 0.95% Due 1/10/2024	50,000.00	01/14/2022 1.07%	49,886.00 49,974.39	98.02 5.55%	49,008.65 27.71	0.95% (965.74)	A2 / A A+	0.45 0.43
24422EVN6	John Deere Capital Corp Note 0.45% Due 1/17/2024	50,000.00	03/09/2022 1.98%	48,619.50 49,655.38	97.74 5.47%	48,871.90 8.75	0.95% (783.48)	A2 / A A+	0.47 0.45
09247XAL5	Blackrock Inc Note 3.5% Due 3/18/2024	50,000.00	05/11/2022 2.82%	50,606.50 50,206.66	98.51 5.94%	49,253.35 646.53	0.97% (953.31)	Aa3 / AA- NR	0.63 0.60
023135BW5	Amazon.com Inc Note 0.45% Due 5/12/2024	40,000.00	05/10/2021 0.50%	39,941.60 39,984.81	96.15 5.56%	38,460.12 39.50	0.75% (1,524.69)	A1 / AA AA-	0.78 0.76
69371RR81	Paccar Financial Corp Note 3.15% Due 6/13/2024	60,000.00	06/06/2022 3.16%	59,986.20 59,994.02	97.98 5.56%	58,790.10 252.00	1.15% (1,203.92)	A1 / A+ NR	0.87 0.84
037833BG4	Apple Inc Note 3.2% Due 5/13/2025	50,000.00	05/11/2022 3.02%	50,260.50 50,154.73	96.87 5.05%	48,437.20 346.67	0.95% (1,717.53)	Aaa / AA+ NR	1.79 1.69
06406RBF3	Bank of NY Mellon Corp Callable Note Cont 6/13/2024 3.43% Due 6/13/2025	65,000.00	06/08/2022 3.43%	65,000.00 65,000.00	97.86 5.87%	63,610.30 297.27	1.24% (1,389.70)	A1 / A AA-	1.87 1.76
194162AM5	Colgate Palmolive Co. Note 3.1% Due 8/15/2025	25,000.00	08/01/2022 3.13%	24,977.00 24,984.45	96.53 4.91%	24,133.48 357.36	0.48% (850.97)	Aa3 / AA- NR	2.04 1.91
931142EW9	Wal-Mart Stores Note 3.9% Due 9/9/2025	65,000.00	Various 3.84%	65,103.50 65,072.71	98.15 4.83%	63,796.92 999.92	1.26% (1,275.79)	Aa2 / AA AA	2.11 1.96

## Upper San Gabriel Valley Municipal Water District

Account #10214

## Holdings Report

As of July 31, 2023



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>									
594918BJ2	Microsoft Callable Note Cont 8/3/2025 3.125% Due 11/3/2025	65,000.00	01/24/2023 4.28%	63,051.30 63,411.39	96.44 4.81%	62,688.02 496.53	1.23% (723.37)	Aaa / AAA NR	2.26 2.13
<b>Total Corporate</b>		<b>520,000.00</b>	<b>2.85%</b>	<b>517,432.10</b> <b>518,438.54</b>	<b>5.36%</b>	<b>507,050.04</b> <b>3,472.24</b>	<b>9.92%</b> <b>(11,388.50)</b>	<b>Aa3 / AA-</b> <b>AA-</b>	<b>1.36</b> <b>1.28</b>
<b>MONEY MARKET FUND</b>									
31846V203	First American Govt Obligation Fund Class Y	6,181.99	Various 4.87%	6,181.99 6,181.99	1.00 4.87%	6,181.99 0.00	0.12% 0.00	Aaa / AAA AAA	0.00 0.00
<b>Total Money Market Fund</b>		<b>6,181.99</b>	<b>4.87%</b>	<b>6,181.99</b>	<b>4.87%</b>	<b>6,181.99</b> <b>0.00</b>	<b>0.12%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>0.00</b> <b>0.00</b>
<b>SUPRANATIONAL</b>									
4581X0EE4	Inter-American Dev Bank Note 3.25% Due 7/1/2024	50,000.00	06/22/2022 3.26%	49,995.00 49,997.71	97.93 5.59%	48,967.20 135.42	0.95% (1,030.51)	Aaa / AAA AAA	0.92 0.88
4581X0EK0	Inter-American Dev Bank Note 4.5% Due 5/15/2026	100,000.00	06/27/2023 4.53%	99,923.00 99,924.92	99.68 4.63%	99,675.40 312.50	1.94% (249.52)	Aaa / AAA AAA	2.79 2.58
<b>Total Supranational</b>		<b>150,000.00</b>	<b>4.11%</b>	<b>149,918.00</b> <b>149,922.63</b>	<b>4.94%</b>	<b>148,642.60</b> <b>447.92</b>	<b>2.90%</b> <b>(1,280.03)</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>2.18</b> <b>2.02</b>
<b>US TREASURY</b>									
91282CAK7	US Treasury Note 0.125% Due 9/15/2023	100,000.00	05/28/2021 0.19%	99,855.47 99,992.26	99.36 5.28%	99,359.40 47.21	1.93% (632.86)	Aaa / AA+ AAA	0.13 0.12
91282CAP6	US Treasury Note 0.125% Due 10/15/2023	100,000.00	11/09/2020 0.24%	99,660.16 99,976.16	98.94 5.30%	98,937.50 36.89	1.92% (1,038.66)	Aaa / AA+ AAA	0.21 0.21
91282CAW1	US Treasury Note 0.25% Due 11/15/2023	100,000.00	06/17/2021 0.29%	99,906.25 99,988.71	98.54 5.34%	98,543.00 52.99	1.92% (1,445.71)	Aaa / AA+ AAA	0.29 0.29
9128285P1	US Treasury Note 2.875% Due 11/30/2023	100,000.00	05/31/2023 5.24%	98,851.56 99,236.48	99.18 5.34%	99,183.60 487.02	1.94% (52.88)	Aaa / AA+ AAA	0.33 0.33



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>									
91282CBA8	US Treasury Note 0.125% Due 12/15/2023	100,000.00	12/17/2020 0.19%	99,816.41 99,977.07	98.10 5.30%	98,101.60 16.05	1.91% (1,875.47)	Aaa / AA+ AAA	0.38 0.37
91282CBE0	US Treasury Note 0.125% Due 1/15/2024	100,000.00	01/12/2021 0.24%	99,644.53 99,945.79	97.69 5.30%	97,691.40 5.77	1.90% (2,254.39)	Aaa / AA+ AAA	0.46 0.45
91282CBM2	US Treasury Note 0.125% Due 2/15/2024	100,000.00	02/16/2021 0.20%	99,761.72 99,956.83	97.22 5.41%	97,218.80 57.67	1.89% (2,738.03)	Aaa / AA+ AAA	0.55 0.53
91282CBR1	US Treasury Note 0.25% Due 3/15/2024	100,000.00	03/10/2021 0.33%	99,769.53 99,952.27	96.89 5.38%	96,886.70 94.43	1.88% (3,065.57)	Aaa / AA+ AAA	0.62 0.61
91282CBV2	US Treasury Note 0.375% Due 4/15/2024	100,000.00	04/14/2021 0.36%	100,035.16 100,008.28	96.55 5.41%	96,550.80 110.66	1.88% (3,457.48)	Aaa / AA+ AAA	0.71 0.69
91282CCC3	US Treasury Note 0.25% Due 5/15/2024	100,000.00	05/12/2021 0.35%	99,707.03 99,922.87	96.03 5.45%	96,031.30 52.99	1.87% (3,891.57)	Aaa / AA+ AAA	0.79 0.77
91282CCG4	US Treasury Note 0.25% Due 6/15/2024	100,000.00	06/09/2021 0.31%	99,820.31 99,947.70	95.68 5.38%	95,675.80 32.10	1.86% (4,271.90)	Aaa / AA+ AAA	0.88 0.85
91282CCL3	US Treasury Note 0.375% Due 7/15/2024	100,000.00	07/13/2021 0.42%	99,863.28 99,956.46	95.39 5.38%	95,390.60 17.32	1.85% (4,565.86)	Aaa / AA+ AAA	0.96 0.93
912828YE4	US Treasury Note 1.25% Due 8/31/2024	100,000.00	08/05/2021 0.39%	102,605.47 100,920.40	95.69 5.40%	95,687.50 523.10	1.87% (5,232.90)	Aaa / AA+ AAA	1.09 1.05
91282CCX7	US Treasury Note 0.375% Due 9/15/2024	100,000.00	09/10/2021 0.44%	99,804.69 99,926.76	94.62 5.37%	94,621.10 141.64	1.84% (5,305.66)	Aaa / AA+ AAA	1.13 1.09
91282CDB4	US Treasury Note 0.625% Due 10/15/2024	100,000.00	10/14/2021 0.63%	99,992.19 99,996.86	94.56 5.33%	94,562.50 184.43	1.84% (5,434.36)	Aaa / AA+ AAA	1.21 1.17
912828YM6	US Treasury Note 1.5% Due 10/31/2024	100,000.00	09/23/2021 0.52%	103,003.91 101,211.64	95.44 5.32%	95,441.40 379.08	1.86% (5,770.24)	Aaa / AA+ AAA	1.25 1.21
91282CDH1	US Treasury Note 0.75% Due 11/15/2024	100,000.00	11/29/2021 0.81%	99,816.41 99,919.84	94.40 5.30%	94,398.40 158.97	1.84% (5,521.44)	Aaa / AA+ AAA	1.30 1.25
912828YV6	US Treasury Note 1.5% Due 11/30/2024	75,000.00	09/29/2021 0.57%	77,188.48 75,921.17	95.19 5.28%	71,393.55 190.57	1.39% (4,527.62)	Aaa / AA+ AAA	1.34 1.29
91282CDN8	US Treasury Note 1% Due 12/15/2024	100,000.00	12/09/2021 1.00%	100,003.91 100,001.79	94.44 5.25%	94,437.50 128.42	1.84% (5,564.29)	Aaa / AA+ AAA	1.38 1.33
91282CDS7	US Treasury Note 1.125% Due 1/15/2025	100,000.00	03/16/2022 2.06%	97,437.50 98,680.37	94.33 5.22%	94,328.10 51.97	1.83% (4,352.27)	Aaa / AA+ AAA	1.46 1.41

Upper San Gabriel Valley Municipal Water District

Holdings Report



Account #10214

As of July 31, 2023

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>									
912828ZF0	US Treasury Note 0.5% Due 3/31/2025	100,000.00	04/04/2022 2.63%	93,921.88 96,612.74	92.77 5.08%	92,773.40 168.03	1.81% (3,839.34)	Aaa / AA+ AAA	1.67 1.62
91282CEH0	US Treasury Note 2.625% Due 4/15/2025	100,000.00	04/27/2022 2.72%	99,738.28 99,849.44	96.05 5.07%	96,050.80 774.59	1.88% (3,798.64)	Aaa / AA+ AAA	1.71 1.63
91282CEQ0	US Treasury Note 2.75% Due 5/15/2025	100,000.00	06/01/2022 2.84%	99,738.28 99,841.46	96.16 5.02%	96,156.30 582.88	1.88% (3,685.16)	Aaa / AA+ AAA	1.79 1.71
91282CEY3	US Treasury Note 3% Due 7/15/2025	100,000.00	09/29/2022 4.28%	96,667.97 97,665.29	96.44 4.93%	96,441.40 138.59	1.88% (1,223.89)	Aaa / AA+ AAA	1.96 1.87
91282CFE6	US Treasury Note 3.125% Due 8/15/2025	100,000.00	05/31/2023 4.32%	97,503.91 97,692.82	96.62 4.88%	96,621.10 1,441.64	1.91% (1,071.72)	Aaa / AA+ AAA	2.04 1.92
91282CFP1	US Treasury Note 4.25% Due 10/15/2025	120,000.00	12/12/2022 4.15%	120,318.75 120,247.75	98.85 4.80%	118,621.92 1,504.92	2.33% (1,625.83)	Aaa / AA+ AAA	2.21 2.06
91282CGA3	US Treasury Note 4% Due 12/15/2025	120,000.00	12/15/2022 3.96%	120,150.00 120,118.77	98.37 4.73%	118,045.32 616.39	2.31% (2,073.45)	Aaa / AA+ AAA	2.38 2.22
91282CGE5	US Treasury Note 3.875% Due 1/15/2026	45,000.00	01/24/2023 3.89%	44,977.15 44,981.11	98.11 4.70%	44,147.48 80.55	0.86% (833.63)	Aaa / AA+ AAA	2.46 2.31
91282CHB0	US Treasury Note 3.625% Due 5/15/2026	140,000.00	05/23/2023 3.98%	138,610.94 138,699.11	97.55 4.57%	136,576.58 1,075.68	2.67% (2,122.53)	Aaa / AA+ AAA	2.79 2.60
<b>Total US Treasury</b>		<b>2,900,000.00</b>	<b>1.66%</b>	<b>2,888,171.13</b> <b>2,891,148.20</b>	<b>5.18%</b>	<b>2,799,874.85</b> <b>9,152.55</b>	<b>54.59%</b> <b>(91,273.35)</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>1.23</b> <b>1.18</b>
<b>TOTAL PORTFOLIO</b>		<b>5,265,181.99</b>	<b>2.14%</b>	<b>5,249,254.07</b> <b>5,254,890.51</b>	<b>5.23%</b>	<b>5,119,349.19</b> <b>26,648.21</b>	<b>100.00%</b> <b>(135,541.32)</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>1.26</b> <b>1.19</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>5,145,997.40</b>			

**Upper San Gabriel Valley Municipal Water District  
 Summary of Director Outreach Expenses  
 For the period ended July 31, 2023**

Director	Jul-23	YTD Actual	Balance Remaining
Director Chavez	\$ -	\$ -	\$ 5,000.00
Director Fellow	162.50	162.50	4,837.50
Director Treviño	600.00	600.00	4,400.00
Director Santana	312.50	312.50	4,687.50
Director Garcia	-	-	5,000.00
<b>Total</b>	<b>\$ 1,075.00</b>	<b>\$ 1,075.00</b>	<b>\$ 23,925.00</b>

Upper San Gabriel Valley Municipal Water District  
Director Public Outreach Program Expenses  
For the period ended July 31, 2023

Director Chavez

<u>Paid Date</u>	<u>Description</u>	<u>Amount</u>	<u>Check #</u>	<u>Recipient</u>
		<u>Total</u>		
		<u>-</u>		
	<b>Outreach Fund Balance</b>	<u><u>5,000.00</u></u>		

Upper San Gabriel Valley Municipal Water District  
Director Public Outreach Program Expenses  
For the period ended July 31, 2023

Director Fellow

<u>Paid Date</u>	<u>Description</u>	<u>Amount</u>	<u>Check #</u>	<u>Recipient</u>
07/12/23	Membership Dues: 07/01/23 - 07/01/24	162.50	23555	El Monte/S. El Monte Chamber of Commerce
		<b>Total</b>		
		<u>162.50</u>		
	<b>Outreach Fund Balance</b>	<u>4,837.50</u>		

Upper San Gabriel Valley Municipal Water District  
Director Public Outreach Program Expenses  
For the period ended July 31, 2023

Director Treviño

<u>Paid Date</u>	<u>Description</u>	<u>Amount</u>	<u>Check #</u>	<u>Recipient</u>
07/19/23	2023 Parti-Gras Tickets	600.00	23562	South Pasadena Education Foundation
		<b>Total</b>		
		<u>600.00</u>		
	<b>Outreach Fund Balance</b>	<u>4,400.00</u>		



Upper San Gabriel Valley Municipal Water District  
 Director Public Outreach Program Expenses  
 For the period ended July 31, 2023

Director Santana

<u>Paid Date</u>	<u>Description</u>	<u>Amount</u>	<u>Check #</u>	<u>Recipient</u>
07/12/23	2023 Summer Concert Series	150.00	23554	City of Duarte
07/12/23	Membership Dues: 07/01/23 - 07/01/24	162.50	23555	El Monte/S. El Monte Chamber of Commerce
		<b>Total</b>		
		<u>312.50</u>		
	<b>Outreach Fund Balance</b>	<u>4,687.50</u>		

Upper San Gabriel Valley Municipal Water District  
Director Public Outreach Program Expenses  
For the period ended July 31, 2023

Director Garcia

<u>Paid Date</u>	<u>Description</u>	<u>Amount</u>	<u>Check #</u>	<u>Recipient</u>
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Total           -

Outreach Fund Balance           5,000.00



# MEMORANDUM



## ITEM 8. (d) Consent

**DATE:** September 7, 2023  
**TO:** Board of Directors  
**FROM:** General Manager  
**SUBJECT:** Approve Amendments to Upper District’s Investment Policy

### Recommendation

Approve the proposed amendments to Upper District’s Investment Policy.

### Background

Section 53600 et seq. of the California Government Code (CGC) requires the periodic review of public agency investment policies by the governing bodies of those agencies. The purpose of the review is to permit the governing bodies of public agencies to enact amendments to investment policies required by new statute and/or other modifications deemed appropriate.

The investment policy, in order of priority, follows the three fundamental principles of safety of principal, liquidity and return on investment. It also provides that all investment activities are to be consistent with the prudent investor standard. Each year, working with District Counsel and Chandler Asset Management (Chandler), Upper District reviews the investment policy for any changes required by statute. This year, Chandler recommends the following:

1. Adding securities with a forward settlement date exceeding 45 days to the list of prohibited investments as required under Senate Bill No. 1489.
2. Adding an exception to the Delivery versus Payment (DVP) requirement for non-deliverable securities such as money market funds and local government investment pools like LAIF.

A copy of the District’s Investment Policy is attached showing the proposed redlined changes in Section 3.2.6 (b) (3) and (d) (1).

### Attachment



Upper San Gabriel Valley Municipal Water District			
MANUAL OF POLICIES			
Subject	Policy Number	Date Adopted	Date Revised
INVESTMENT POLICY	3.2		Last adopted on: 07-14-21

### Purpose

**3.2.1** Investments by the General Manager under the supervision of the Treasurer pursuant to the delegation hereby made by this Statement of Investment Policy are limited to those instruments specified by the Board as defined in this Statement of Investment Policy.

### Background

**3.2.2** In accordance with Section 53600 et seq. of the Government Code of the State of California, the authority to invest public funds is expressly delegated to the Board of Directors for subsequent re-delegation to the General Manager under the supervision of the Treasurer.

### Policy

**3.2.3** In order of priority, three fundamental criteria shall be followed in the investment program:

- (a) Safety of Principal - Investments shall be undertaken in a manner which 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. Market risk shall be reduced by limiting the average maturity of the portfolio, the maximum maturity of any one security, and by performing continuous cash flow analysis to avoid the need to sell securities prior to maturity.
- (b) Liquidity - In an effort to ensure that the Upper District's portfolio will be sufficiently liquid to meet current and anticipated operating requirements, a cash flow analysis will be performed on an ongoing basis. 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.

**3.2.4** All investment activity shall be consistent with the prudent investor standard.

**3.2.5** Prudent Investor Standard: As applicable to Upper District, the prudent investor standard is a standard of conduct whereby any person authorized to make investment decisions on behalf of the Upper District acts with care, skill, prudence and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of the Upper District, that a prudent person acting in like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and meet the liquidity needs of the Upper District.

**3.2.6** Portfolio: Any reference to the portfolio shall mean the total of the Upper District's cash and securities under management by the General Manager under the supervision of the Treasurer,

excluding cash and securities held in escrow or trust on behalf of the Upper District. The General Manager may invest in any security authorized for investment under the State law, subject to the limitations described below. All percentage holding limitations and credit quality minimums apply at the time of purchase.

(a) Maturity Limitations

- (1) The General Manager is authorized to invest the Upper District's fund balances up to a maximum term of five years. Special trust funds shall not be subject to the five-year maximum maturity. The General Manager is therefore authorized to invest special trust funds in excess of five years. These funds include, but are not limited to the following:

Employees' Deferred Compensation Fund

- (2) For certain instruments, the term of the investment is limited by market convention or as otherwise prescribed herein.
- (3) Not more than 20 percent of the portfolio shall consist of securities with a term to maturity in excess of three years, after deducting those Funds noted in 1a.

(b) Investment Transactions

- (1) Information concerning investment opportunities and market developments will be gained by maintaining contact with the financial community.
- (2) Annually the General Manager shall transmit a copy of the current Statement of Investment Policy to the investment management agent(s) or approved dealers. The investment management agent(s) or each dealer is required to return a signed statement indicating receipt and understanding of the Upper District's investment policies.
- (3) Prohibited investments include inverse floaters, range notes, interest only strips derived from a pool of mortgages (Collateralized Mortgage Obligations), securities with a forward settlement date exceeding 45 days from the time of the investment, and any security that could result in zero interest accrual if held to maturity. (Zero interest accrual means the security has the potential to realize zero earnings depending upon the structure of the security. Zero coupon bonds and similar investments that start at a level below the face value are legal because their value does increase).

(c) Portfolio Adjustments

- (1) Should an investment percentage of portfolio limitation be exceeded due to an incident such as a fluctuation in portfolio size, the affected securities may be held to maturity to avoid losses.
- (2) When no loss is indicated, the General Manager shall consider reconstructing the portfolio basing his decision in part on the expected length of time the portfolio will be imbalanced.
- (3) Should a security held in the portfolio be downgraded below the minimum criteria included in this Statement of Investment Policy, the General Manager shall use discretion in determining whether to sell or hold the security based on its maturity, the outlook for the issuer, and other relevant factors.

(d) Safekeeping

- (1) All securities transactions entered into by the Upper District shall be conducted on a delivery versus payment (DVP) basis, with the exception of non-deliverable securities;

money market mutual funds, time deposits, and local government investment pools.

- (2) Securities will be held by an independent custodian designated by the General Manager and held in safekeeping pursuant to a safekeeping agreement.
- (3) All financial institutions that provide safekeeping services for the Upper District shall be required to provide reports or safekeeping receipts directly to the General Manager to verify securities taken into their possession.

3.2.7 Authorized Investments:

(a) U.S. Government and Agencies:

- (1) Investments in U.S. Treasury obligations shall not be subject to any limitations.
- (2) Investments in direct obligations of Federal Agencies guaranteed by the U.S. Government shall not be subject to any limitations. (Please refer to Appendix)
- (3) Investments in Federal Agency obligations that do not have a guarantee by the U.S. Government shall not exceed 60 percent of all investments in effect immediately after any such investment is made.

(b) Demand and Time Deposits/Certificates of Deposits: For purposes of this policy, collateralized demand deposits and time deposits shall be considered investments.

The following criteria will be used in evaluating financial institutions and form of collateral to determine eligibility for deposits:

- (1) The financial institution must have been in existence for at least five years.
- (2) Eligibility for deposits shall be limited to those financial institutions that maintain a rating equivalent to F1 by Fitch or better. Credit requirements may be waived for any time deposit that is federally insured.
- (3) The deposit shall not exceed the shareholders' equity of any depository bank. For the purposes of this constraint, shareholders' equity shall be deemed to include capital notes and debentures.
- (4) The deposit shall not exceed the total of the net worth of any depository savings and loan association, except that deposits not exceeding a total of five hundred thousand dollars (\$500,000) may be made to a savings and loan association without regard to the net worth of that depository, if such deposits are insured or secured as required by law.
- (5) In order to secure such demand deposits, the financial institution shall maintain in the collateral pool, securities having a market value of at least 10 percent in excess of the total amount deposited.
- (6) Promissory notes secured by real estate mortgages or deeds of trust may not be accepted as collateral.
- (7) Purchased time deposits will be limited to a maximum maturity of one year.

(c) Corporate Notes and Bonds - Restrictions are as follows:

- (1) Investment in corporate notes and bonds are limited to corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.
- (2) Corporate notes and bonds eligible for investment under this subdivision shall be rated in a rating category of at least "A" or its equivalent or better by a nationally recognized rating service. Maturities greater than two years must be rated "AA" or better.
- (3) Purchases of corporate notes and bonds may not exceed 30 percent of the portfolio.

- (4) Purchases of corporate notes and bonds will be limited to a maximum maturity of five years.
- (5) Purchases of corporate notes and bonds from a single issuer may not exceed 5% of the portfolio.
- (d) Local Agency Investment Fund Deposits: Deposits for the purpose of investment in the Local Agency Investment Fund of the State Treasury may be made up to the maximum amount permitted by State Treasury policy.
- (e) Local Government Investment Pools
- (f) Money Market Mutual Funds: Registered with the Securities and Exchange Commission under the Investment Company Act of 1940, provided that:
  - (1) Such Funds meet either of the following criteria:
    - Have attained the highest ranking provided by not less than two (2) Nationally Recognized Statistical Rating Organizations (NRSROs); or
    - Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code, Section 53601 and with assets under management in excess of \$500 million.
    - No more than 20% of the total portfolio may be invested in money market funds.
- (g) Supranationals:
  - (1) Issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation or Inter-American Development Bank.
  - (2) The securities are rated in a rating category of "AA" or equivalent or higher by a NRSRO.
  - (3) No more than 30% of the portfolio may be invested in these securities.
  - (4) No more than 10% of the portfolio may be invested in a single issuer.
  - (5) The maximum maturity does not exceed 5 years.

3.2.8 In accordance with Administrative Code Section 5114, the General Manager shall submit a monthly report to the Board of Directors via the Treasurer indicating the type of investment, issuer, and date of maturity, and shall provide the par value, current market value of all securities, rates of interest, and expected yield to maturity, along with a statement that the Upper District has adequate funds to meet its cash flow requirements for the next six months. The report shall also include a statement of compliance with the investment policy, or manner in which the portfolio is not in compliance along with a timetable for resolution. The General Manager shall also submit a monthly summary report to the Board of Directors via the Treasurer showing investment activity, including yield and earnings, and the status of cash by depository. These monthly reports shall be submitted within 30 days following the end of the month covered by the report.

3.2.9 The General Manager and the Treasurer shall monitor or cause to be monitored the extent to which financial institutions with which the Upper District maintains deposits or investments are consistent with the Upper District's policies regarding business activities within countries that may jeopardize the safety and liquidity of Upper District funds or violate other Upper District policies. Such matters shall be reported to the Budget Committee or as part of the General Manager's monthly report.

3.2.10 The Treasurer may, at any time, temporarily further restrict the securities approved for

investment as deemed appropriate, subject to ratification by the Board of Directors at the next scheduled Board meeting.





MARK PESTRELLA, Director

# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

900 SOUTH FREMONT AVENUE  
ALHAMBRA, CALIFORNIA 91803-1331  
Telephone: (626) 458-5100  
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

July 27, 2023

IN REPLY PLEASE  
REFER TO FILE: T-5

Mr. Thomas Love, General Manager  
Upper San Gabriel Valley Municipal Water District  
602 East Huntington Drive, Suite B  
Monrovia, CA 91016

Attention Ms. Venessa Navarrette

Dear Mr. Love:

**NEGOTIATED TAX EXCHANGE RESOLUTION  
ANNEXATION OF TRACT 65296  
TO COUNTY LIGHTING MAINTENANCE DISTRICT 1687**

We request that the Upper San Gabriel Valley Municipal Water District (Municipal Water District) participate in the exchange of ad valorem property tax in conjunction with the annexation of the territory known as Tract 65296 to County Lighting Maintenance District (CLMD) 1687. This proposed exchange would provide revenue to CLMD 1687 to partially fund the operation and maintenance of new street lighting services to be provided within the annexed territory. This territory, whose boundary is shown on the enclosed proposed annexation map, is being processed for the Board of Supervisors' concurrent approval of the annexation and transfer of ad valorem property tax between the affected taxing agencies and CLMD 1687.

For new annexations to a CLMD, our procedures require us to process the exchange of property tax revenues with all nonexempt taxing agencies. Under Section 99.01 of the California Revenue and Taxation Code, special districts providing new services to an area as a result of a jurisdictional change are entitled to a share of the annual tax increment generated in the area being annexed. CLMD 1687 meets the definition of a special district under Section 95(m) of the California Revenue and Taxation Code. CLMD 1687's share of the annual tax increment is to be taken from all of the other local taxing agencies providing services within the annexed area with the exception of school entities, which are exempted by law. If a taxing agency involved in the negotiation does not adopt a resolution providing for the exchange of property tax revenues, the Board can determine the exchange of property tax revenues for that taxing agency.

Mr. Thomas Love  
July 27, 2023  
Page 2

Enclosed are two Joint Resolutions between Los Angeles County and the Municipal Water District approving and accepting the negotiated exchange of property tax revenues resulting from the annexation of the subject territory to CLMD 1687. Attached to the Joint Resolutions are Property Tax Transfer Resolution Worksheets prepared for Tax Rate Areas 04427 and 12008 listing the share of the annual tax increment to be exchanged with Municipal Water District, other affected taxing agencies, and CLMD 1687. The tax share ratio(s) listed on the worksheets were calculated using a formula approved by the County Auditor-Controller and County Counsel. As shown on the Property Tax Transfer Resolution Worksheets for Tract 65296, the current and net tax share ratios for the Municipal Water District and allocations to CLMD 1687 are summarized below:

Tax Rate Area	Current Tax Share Ratio	Net Tax Share Ratio	To CLMD 1687
04427	0.000591500	0.000578828	0.000012672
12008	0.000608195	0.000595166	0.000013029

Monetarily speaking, for TRA 04427, a \$10,000 increment in assessed valuation of a parcel means that the parcel will pay an additional \$100 in property taxes, of which the Municipal Water District would receive \$0.0579 and CLMD 1687 would receive \$0.0013.

Please have the resolution executed and returned to us by email with an e-signature approval of the resolution to [ttrujill@pw.lacounty.gov](mailto:ttrujill@pw.lacounty.gov) by September 7, 2023.

If you have any questions, please contact Mr. Tony Trujillo, Traffic Safety and Mobility Division, at (626) 300-4865 or [ttrujill@pw.lacounty.gov](mailto:ttrujill@pw.lacounty.gov).

Very truly yours,

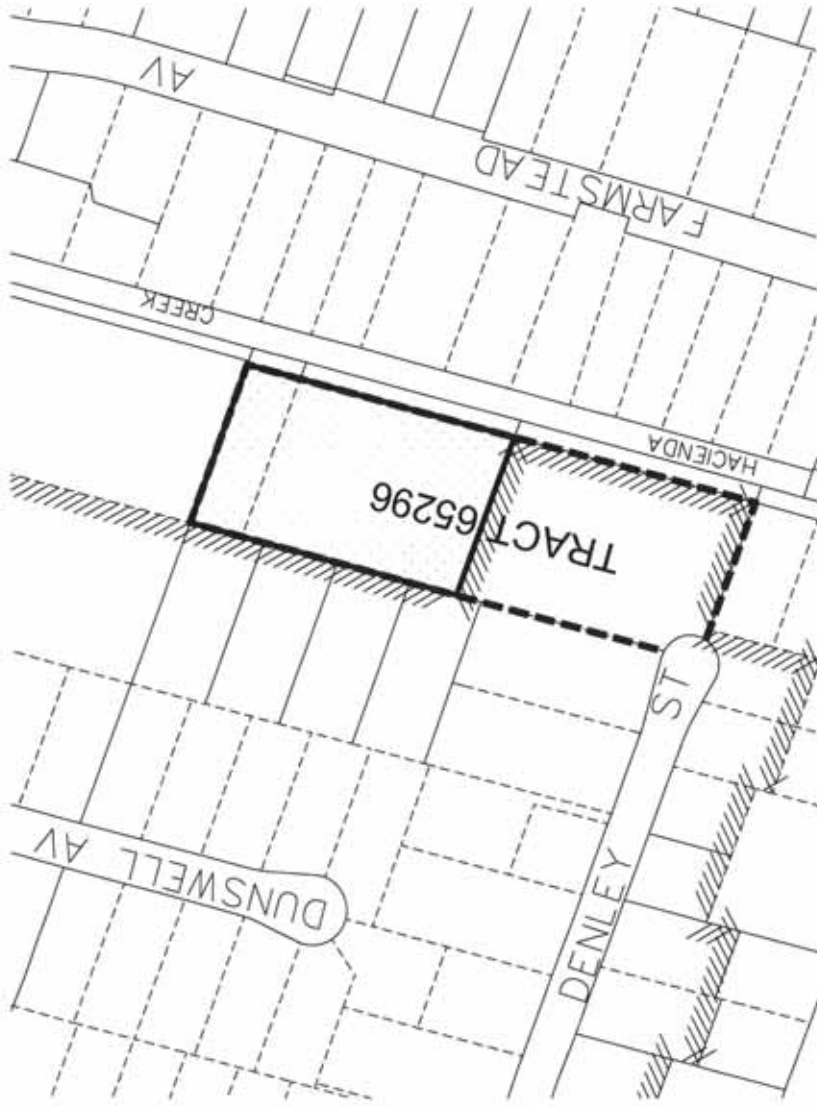
MARK PESTRELLA, P.E.  
Director of Public Works

  
for ELAINE KUNITAKE  
Assistant Deputy Director  
Traffic Safety and Mobility Division

TD:al

Enc.

TRACT 65296



PROJECT LOCATION VICINITY MAP T.G. page 678-B2

TRA 04427  
 12008  
 APN 8218-017-052  
 8218-017-053

LOS ANGELES COUNTY PUBLIC WORKS  
 TRAFFIC SAFETY AND MOBILITY DIVISION  
 STREET LIGHTING SECTION

CLMD 1687  
 HACIENDA HEIGHTS AREA

Prepared By	TR	Sheet 1 of 1	Sup. Dist 1
Recommended By	<i>TepedDesta</i>	Date	7/13/2023
Approved By	<i>JHerrera</i>	Date	7/13/2023

PROPOSED ANNEXATION AREA  
 EXISTING LIGHTING MAINTENANCE DISTRICT 1687  
 TRACT 65296 BOUNDARY

PROPOSED ANNEXATION TO COUNTY LIGHTING  
 MAINTENANCE DISTRICT 1687 AND COUNTY  
 LIGHTING DISTRICT LLA-1 (UNINCORPORATED ZONE)

LEGEND

- [Hatched Box] PROPOSED ANNEXATION AREA
- [Dashed Box] TRACT 65296 BOUNDARY

**JOINT RESOLUTION OF  
THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES,  
THE BOARD OF TRUSTEES OF THE GREATER LOS ANGELES COUNTY VECTOR  
CONTROL DISTRICT, THE BOARD OF DIRECTORS OF THE COUNTY SANITATION  
DISTRICT NO. 15 OF LOS ANGELES COUNTY, AND THE BOARD OF DIRECTORS  
OF THE UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT  
APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF  
PROPERTY TAX REVENUES RESULTING FROM  
ANNEXATION OF TRACT 65296  
TO COUNTY LIGHTING MAINTENANCE DISTRICT 1687**

WHEREAS, pursuant to Section 99.01 of the California Revenue and Taxation Code, prior to the effective date of any jurisdictional change that will result in a special district providing one or more services to an area where those services have not previously been provided by any local agency, the special district and each local agency that receives an apportionment of property tax revenue from the area must negotiate an exchange of property tax increment generated in the area subject to the jurisdictional change and attributable to those local agencies; and

WHEREAS, the Board of Supervisors of the County of Los Angeles, acting on behalf of the County Lighting Maintenance District (CLMD) 1687, Los Angeles County General Fund, Los Angeles County Public Library, Los Angeles County Road District 1, the Consolidated Fire Protection District of Los Angeles County, Los Angeles County Flood Control Drainage Improvement Maintenance District, and Los Angeles County Flood Control District; the Board of Trustees of the Greater Los Angeles County Vector Control District; the Board of Directors of the County Sanitation District No. 15 of Los Angeles County; and the Board of Directors of the Upper San Gabriel Valley Municipal Water District have determined that the amount of property tax revenue to be exchanged between their respective agencies as a result of the annexation proposal identified as Tract 65296 to CLMD 1687 is as shown on the attached Property Tax Transfer Resolution Worksheet.

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NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The negotiated exchange of property tax revenues between CLMD 1687, Los Angeles County General Fund, Los Angeles County Public Library, Los Angeles County Road District 1, the Consolidated Fire Protection District of Los Angeles County, Los Angeles County Flood Control Drainage Improvement Maintenance District, Los Angeles County Flood Control District, the Greater Los Angeles County Vector Control District, the County Sanitation District No. 15 of Los Angeles County, and the Upper San Gabriel Valley Municipal Water District resulting from the annexation of Tract 65296 to CLMD 1687 is approved and accepted.

2. For fiscal years commencing on or after July 1, 2024, or the July 1 after the effective date of this jurisdictional change, whichever is later, the property tax revenue increment generated from the area within Tract 65296, Tax Rate Area 04427, shall be allocated to the affected agencies as indicated on the Property Tax Transfer Resolution Worksheet.

3. No transfer of property tax revenues other than those specified in Paragraph 2 shall be made as a result of the annexation of Tract 65296.

4. If at any time after the effective date of this resolution, the calculations used herein to determine initial property tax transfers or the data used to perform those calculations are found to be incorrect, thus, producing an improper or inaccurate property tax transfer, the property tax transfer shall be recalculated and the corrected transfer shall be implemented for the next fiscal year.

PASSED, APPROVED, AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_ 2023, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

UPPER SAN GABRIEL VALLEY  
MUNICIPAL WATER DISTRICT

By \_\_\_\_\_  
President, Board of Directors

ATTEST:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date

ANNEXATION TO: CO LIGHTING MAINT DIST NO 1687  
 ACCOUNT NUMBER: 019.40  
 TRA: 04427  
 EFFECTIVE DATE: 07/01/2023  
 ANNEXATION NUMBER: TR 65296 PROJECT NAME: TRACT 65296  
 DISTRICT SHARE: 0.021423831

ACCOUNT #	TAXING AGENCY	CURRENT TAX SHARE	PERCENT	PROPOSED DIST SHARE	ALLOCATED SHARE	ADJUSTMENTS	NET SHARE
001.05	LOS ANGELES COUNTY GENERAL	0.329185036	32.9194 %	0.021423831	0.007052414	-0.007216871	0.321968165
001.20	L.A. COUNTY ACCUM CAP OUTLAY	0.000116841	0.0116 %	0.021423831	0.000002503	0.000000000	0.000116841
003.01	L A COUNTY LIBRARY	0.024080700	2.4080 %	0.021423831	0.000515900	-0.000515900	0.023564800
005.05	ROAD DIST # 1	0.005981114	0.5981 %	0.021423831	0.000128138	-0.000128138	0.005852976
007.30	CONSOL. FIRE PRO.DIST.OF L.A.CO.	0.179663030	17.9663 %	0.021423831	0.003849070	-0.003849070	0.175813960
007.31	L A C FIRE-FFW	0.007559538	0.7559 %	0.021423831	0.000161954	0.000000000	0.007559538
030.10	L.A.CO.FL.CON.DR.IMP.DIST.MAINT.	0.001801120	0.1801 %	0.021423831	0.000038586	-0.000038586	0.001762534
030.70	LA CO FLOOD CONTROL MAINT	0.010192934	1.0192 %	0.021423831	0.000218371	-0.000218371	0.009974563
061.80	GREATER L A CO VECTOR CONTROL	0.000387088	0.0387 %	0.021423831	0.000008292	-0.000008292	0.000378796
066.50	CO SANIT DIST NO 15 OPERATING	0.013684215	1.3684 %	0.021423831	0.000293168	-0.000293168	0.013391047
368.05	UPPER SAN GAB. VY. MUN. WATER	0.000591500	0.0591 %	0.021423831	0.000012672	-0.000012672	0.000578828
400.00	EDUCATIONAL REV AUGMENTATION FD	0.069138904	6.9138 %	0.021423831	0.001481220	EXEMPT	0.069138904
400.01	EDUCATIONAL AUG FD IMPOUND	0.131877650	13.1877 %	0.021423831	0.002825324	EXEMPT	0.131877650
400.15	COUNTY SCHOOL SERVICES	0.001449143	0.1449 %	0.021423831	0.000031046	EXEMPT	0.001449143
400.21	CHILDREN'S INSTIL TUITION FUND	0.002876030	0.2876 %	0.021423831	0.000061615	EXEMPT	0.002876030
809.04	MT.SAN ANTONIO COMMUNITY COLLEGE	0.031039726	3.1039 %	0.021423831	0.000664989	EXEMPT	0.031039726
809.20	MT SAN ANTONIO CHILDRENS CTR FD	0.000299596	0.0299 %	0.021423831	0.000006418	EXEMPT	0.000299596
870.03	HACIENDA-LA PUENTE UNIF. SCH.DIS	0.181519570	18.1519 %	0.021423831	0.003888844	EXEMPT	0.181519570
870.06	CO.SCH.SER.FD.HACIENDA-LA PUENTE	0.007668805	0.7668 %	0.021423831	0.000164295	EXEMPT	0.007668805

ANNEXATION NUMBER: TR 65296 PROJECT NAME: TRACT 65296 TRA: 04427

ACCOUNT #	TAXING AGENCY	CURRENT TAX SHARE	PERCENT	PROPOSED DIST SHARE	ALLOCATED SHARE	ADJUSTMENTS	NET SHARE				
870.07	DEV.CTR.HDCPD.MINOR-HACI-LA PUTE	0.000887460	0.0887 %	0.021423831	0.000019012	EXEMPT	0.000887460				
***019.40	CO LIGHTING MAINT DIST NO 1687	0.000000000	0.0000 %	0.021423831	0.000000000	0.000000000	0.012281068				
TOTAL:							1.000000000	100.0000 %	0.021423831	-0.012281068	1.000000000

**JOINT RESOLUTION OF  
THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES,  
THE BOARD OF TRUSTEES OF THE GREATER LOS ANGELES COUNTY VECTOR  
CONTROL DISTRICT, AND THE BOARD OF DIRECTORS OF THE UPPER SAN  
GABRIEL VALLEY MUNICIPAL WATER DISTRICT APPROVING AND ACCEPTING  
THE NEGOTIATED EXCHANGE OF  
PROPERTY TAX REVENUES RESULTING FROM  
ANNEXATION OF TRACT 65296  
TO COUNTY LIGHTING MAINTENANCE DISTRICT 1687**

WHEREAS, pursuant to Section 99.01 of the California Revenue and Taxation Code, prior to the effective date of any jurisdictional change that will result in a special district providing one or more services to an area where those services have not previously been provided by any local agency, the special district and each local agency that receives an apportionment of property tax revenue from the area must negotiate an exchange of property tax increment generated in the area subject to the jurisdictional change and attributable to those local agencies; and

WHEREAS, the Board of Supervisors of the County of Los Angeles, acting on behalf of the County Lighting Maintenance District (CLMD) 1687, Los Angeles County General Fund, Los Angeles County Public Library, Los Angeles County Road District 4, the Consolidated Fire Protection District of Los Angeles County, Los Angeles County Flood Control Drainage Improvement Maintenance District, and Los Angeles County Flood Control District; the Board of Trustees of the Greater Los Angeles County Vector Control District; and the Board of Directors of the Upper San Gabriel Valley Municipal Water District have determined that the amount of property tax revenue to be exchanged between their respective agencies as a result of the annexation proposal identified as Tract 65296 to CLMD 1687 is as shown on the attached Property Tax Transfer Resolution Worksheet.

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NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The negotiated exchange of property tax revenues between the CLMD 1687, Los Angeles County General Fund, Los Angeles County Public Library, Los Angeles County Road District 4, the Consolidated Fire Protection District of Los Angeles County, Los Angeles County Flood Control Drainage Improvement Maintenance District, Los Angeles County Flood Control District, the Greater Los Angeles County Vector Control District, and the Upper San Gabriel Valley Municipal Water District resulting from the annexation of Tract 65296 to CLMD 1687 is approved and accepted.

2. For fiscal years commencing on or after July 1, 2024, or the July 1 after the effective date of this jurisdictional change, whichever is later, the property tax revenue increment generated from the area within Tract 65296, Tax Rate Area 12008, shall be allocated to the affected agencies as indicated on the Property Tax Transfer Resolution Worksheet.

3. No transfer of property tax revenues other than those specified in Paragraph 2 shall be made as a result of the annexation of Tract 65296.

4. If at any time after the effective date of this resolution, the calculations used herein to determine initial property tax transfers or the data used to perform those calculations are found to be incorrect, thus, producing an improper or inaccurate property tax transfer, the property tax transfer shall be recalculated and the corrected transfer shall be implemented for the next fiscal year.

PASSED, APPROVED, AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_ 2023, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

UPPER SAN GABRIEL VALLEY  
MUNICIPAL WATER DISTRICT

By \_\_\_\_\_  
President, Board of Directors

ATTEST:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date

ANNEXATION TO: CO LIGHTING MAINT DIST NO 1687  
 ACCOUNT NUMBER: 019.40  
 TRA: 12008  
 EFFECTIVE DATE: 07/01/2023  
 ANNEXATION NUMBER: TR 65296 PROJECT NAME: TRACT 65296  
 DISTRICT SHARE: 0.021423831

ACCOUNT #	TAXING AGENCY	CURRENT TAX SHARE	PERCENT	PROPOSED DIST SHARE	ALLOCATED SHARE	ADJUSTMENTS	NET SHARE
001.05	LOS ANGELES COUNTY GENERAL	0.338973065	33.8980 %	0.021423831	0.007262113	-0.007431429	0.331541636
001.20	L.A. COUNTY ACCUM CAP OUTLAY	0.000119090	0.0119 %	0.021423831	0.000002551	0.000000000	0.000119090
003.01	L A COUNTY LIBRARY	0.024655907	2.4655 %	0.021423831	0.000528223	-0.0000528223	0.024127684
005.20	ROAD DIST # 4	0.006096293	0.6096 %	0.021423831	0.000130605	-0.000130605	0.005965688
007.30	CONSOL. FIRE PRO.DIST.OF L.A.CO.	0.183122053	18.3122 %	0.021423831	0.003923175	-0.003923175	0.179198878
007.31	L A C FIRE-FFW	0.007784108	0.7784 %	0.021423831	0.000166765	0.000000000	0.007784108
030.10	L.A.CO.FL.CON.DR.IMP.DIST.MAINT.	0.001854039	0.1854 %	0.021423831	0.000039720	-0.000039720	0.001814319
030.70	LA CO FLOOD CONTROL MAINT	0.010492481	1.0492 %	0.021423831	0.000224789	-0.000224789	0.010267692
061.80	GREATER L A CO VECTOR CONTROL	0.000397952	0.0397 %	0.021423831	0.000008525	-0.000008525	0.000389427
368.05	UPPER SAN GAB. VY. MUN. WATER	0.000608195	0.0608 %	0.021423831	0.000013029	-0.000013029	0.000595166
400.00	EDUCATIONAL REV AUGMENTATION FD	0.063932702	6.3932 %	0.021423831	0.001369683	EXEMPT	0.063932702
400.01	EDUCATIONAL AUG FD IMPOUND	0.131877650	13.1877 %	0.021423831	0.002825324	EXEMPT	0.131877650
400.15	COUNTY SCHOOL SERVICES	0.001477043	0.1477 %	0.021423831	0.000031643	EXEMPT	0.001477043
400.21	CHILDREN'S INSTIL TUITION FUND	0.002931399	0.2931 %	0.021423831	0.000062801	EXEMPT	0.002931399
809.04	MT.SAN ANTONIO COMMUNITY COLLEGE	0.031637323	3.1637 %	0.021423831	0.000677792	EXEMPT	0.031637323
809.20	MT SAN ANTONIO CHILDRENS CTR FD	0.000305351	0.0305 %	0.021423831	0.000006541	EXEMPT	0.000305351
870.03	HACIENDA-LA PUENTE UNIF. SCH.DIS	0.185014361	18.5014 %	0.021423831	0.003963716	EXEMPT	0.185014361
870.06	CO.SCH.SER.FD.HACIENDA-LA PUENTE	0.007816432	0.7816 %	0.021423831	0.000167457	EXEMPT	0.007816432
870.07	DEV.CTR.HDCPD.MINOR-HACI-LA PUTE	0.000904556	0.0904 %	0.021423831	0.000019379	EXEMPT	0.000904556

ANNEXATION NUMBER: TR 65296 PROJECT NAME: TRACT 65296 TRA: 12008

ACCOUNT #	TAXING AGENCY	CURRENT TAX SHARE	PERCENT	PROPOSED DIST SHARE	ALLOCATED SHARE	ADJUSTMENTS	NET SHARE
***019.40	CO LIGHTING MAINT DIST NO 1687	0.000000000	0.0000 %	0.021423831	0.000000000	0.000000000	0.012299495
TOTAL:		1.000000000	100.0000 %	0.021423831	0.021423831	-0.012299495	1.000000000



# MEMORANDUM



## 9. (a) ACTION

**DATE:** September 13, 2023  
**TO:** Board of Directors  
**FROM:** General Manager  
**SUBJECT:** Association of California Water Agencies Board Officers' and Region 8 Board Elections for the 2024/2025 term.

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### **Recommendation**

Staff recommends the Board of Directors provide the General Manager with direction on voting for candidates for the Association of California Water Agencies Board Officers' and Region 8 Board elections for the 2024/2025 term.

### **Background**

The Association of California Water Agencies (ACWA) is currently conducting two election processes for the 2024/2025 term. Both the Board officers' election for President and Vice President and the Region Board elections are occurring at the same time due to a bylaw change that was approved by members in 2022. Both processes follow a similar path and have been aligned with the same deadlines for election. The deadline to submit candidates was June 16<sup>th</sup>, 2023, and ballots were distributed to authorized voters from each agency on July 17<sup>th</sup>, 2023. The authorized voter for the Upper District is the General Manager. The ballots for both election processes are due no later than September 15<sup>th</sup>, 2023. Both election results will be announced on September 27<sup>th</sup>, 2023, and formal introductions of elected members will be held at the ACWA Fall conference beginning on November 29<sup>th</sup>, 2023. There will no longer be any election activities at the Fall conference as all election deadlines will be met well in advance of the conference this year.

### **ACWA Board Election**

For the 2024/25 ACWA Board Officer's election, the ballot consists of a single vote for President and Vice President by the authorized voter for each agency. There is only one official candidate for the 2024/25 ACWA President, Cathy Green. Cathy Green has been the ACWA Vice President since 2022 and served on the Executive Committee since 2020. She has been on the Region 10 Board since 2012 and was the Chair from 2018-2019. She also served on the Water Quality Committee, Energy Committee, and State Legislative Committee during her time at ACWA. Currently, Cathy is the President of the Orange County Water District and has served there since 2010.

The 2023 ACWA Board Officers' Election Ballot contains two official candidates for Vice President: Ernesto "Ernie" A. Avila and Michael Saunders.

Ernesto “Ernie” A. Avila has over 40 years in the water industry and has served as the Executive Committee of the ACWA Board of Directors, the Region 5 Board of Directors, and the ACWA Foundation Steering Committee. He was the Chair of the Local Government Committee and served on the Federal Affairs Committee during his time with ACWA. Currently, Mr. Avila is the President of the Contra Costa Water District Board and is the Vice President of Avila and Associates Consulting Engineers, Inc. He also served as the General Manager for the Monterey Peninsula Water Management District and was the Director of Engineering for the Contra Costa Water District.

Michael Saunders has served on the ACWA Region 3 Board of Directors since 2022. He also served on the ACWA Membership Committee, Diversity, Equity, and Inclusion Workgroup, Headwaters Workgroup, Water Use Efficiency Workgroup, and State Infrastructure Workgroup during his time with ACWA. Mr. Saunders participated in various workgroups through the Department of Water Resources for water use efficiency and stakeholder advisory as well. Currently, Mr. Saunders is a Director for Georgetown Divide Utility District and has served as the Treasurer, Vice President, and President during his 5 years as a Director. He also serves on the El Dorado County LAFCO Commission, Mountain Counties Water Resources Association, and Regional Water Authority Board.

*As the authorized voter, the General Manager seeks the Board’s direction for casting the agency’s vote for the ACWA President and Vice-President.*

### **Region 8 Board Election**

The ACWA Region 8 board is comprised of seven members who serve two-year terms. The 2023 ACWA Region 8 Board Election Ballot determines the Chair, Vice Chair, and three to five additional board members for the region. Each ACWA Region has a Nominating Committee to pursue qualified member candidates and recommend a slate of those candidates for the ballot process. The Nominating Committee for Region 8 announced their recommended slate on July 10<sup>th</sup> and the ballot for the Region 8 election includes the committee’s recommendation for Chair and Vice Chair. The ballot has been attached for the Board to review. The Board may accept the Nominating Committee’s recommended slate or vote for individual candidates on the ballot. There is only one candidate listed for both Chair and Vice Chair positions and up to five candidates may be chosen for board members on the attached ballot.

The Nominating Committee has recommended the following:

- Chair:
  - Anthony R. Fellow, Ph. D - Vice President, Upper San Gabriel Valley Municipal Water District
- Vice Chair:
  - William Cooper - Director, Santa Clarita Valley Water Agency
- Board Members:
  - Frank Colcord – Director, Foothill Municipal Water District
  - Robert Lewis – Board of Directors, Rowland Water District
  - John T. Morris – Member, Board of Directors, Metropolitan Water District of Southern California
  - Leonard E. Polan – Director, Las Virgenes Municipal Water District
  - Scott Quady – Board Member, Calleguas Municipal Water District

*As the authorized voter, the General Manager seeks the Board’s direction for casting the agency’s vote for the Region 8 election.*

# OFFICIAL REGION 8 Board Ballot

2024-2025 TERM



Please return completed ballot  
by Sept. 15, 2023

E-mail: [regionelections@acwa.com](mailto:regionelections@acwa.com)  
Mail: ACWA  
980 9th Street, Suite 1000  
Sacramento, CA 95814

## General Voting Instructions:

- 1 You may either vote for the slate recommended by the Region 8 Nominating Committee or vote for individual region board members. Mark the appropriate box to indicate your decision.
- 2 Complete your agency information. The authorized representative is determined by your agency in accordance with your agency's policies and procedures.

Submitted board candidate bios and headshots are available on [www.acwa.com/elections/2023-region-elections/](http://www.acwa.com/elections/2023-region-elections/).

CLEAR FORM

## 1 Nominating Committee's Recommended Slate

- I concur with the Region 8 Nominating Committee's recommended slate below.

### CHAIR:

- **Anthony R. Fellow, Ph. D.**, Vice President, Upper San Gabriel Valley Municipal Water District

### VICE CHAIR:

- **William Cooper**, Director, Santa Clarita Valley Water Agency

### BOARD MEMBERS:

- **Frank Colcord**, Director, Foothill Municipal Water District
- **Robert Lewis**, Board of Director, Rowland Water District
- **John T. Morris**, Member, Board of Directors, Metropolitan Water District of Southern California
- **Leonard E. Polan**, Director, Las Virgenes Municipal Water District
- **Scott Quady**, Board Member, Calleguas Municipal Water District

OR

## Individual Board Candidate Nominations

- I do not concur with the Region 8 Nominating Committee's recommended slate. I will vote for individual candidates below as indicated.

### CANDIDATES FOR CHAIR: (CHOOSE ONE)

- Anthony R. Fellow, Ph. D.**, Vice President, Upper San Gabriel Valley Municipal Water District

### CANDIDATES FOR VICE CHAIR: (CHOOSE ONE)

- William Cooper**, Director, Santa Clarita Valley Water Agency

### CANDIDATES FOR BOARD MEMBERS: (MAX OF 5 CHOICES)

- Frank Colcord**, Director, Foothill Municipal Water District
- William Cooper**, Director, Santa Clarita Valley Water Agency
- Robert Lewis**, Board of Director, Rowland Water District
- John T. Morris**, Member, Board of Directors, Metropolitan Water District of Southern California
- Leonard E. Polan**, Director, Las Virgenes Municipal Water District
- Scott Quady**, Board Member, Calleguas Municipal Water District

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AGENCY NAME

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AUTHORIZED REPRESENTATIVE

DATE

# MEMORANDUM



## 9. (b) Action

**DATE:** September 13, 2023  
**TO:** Board of Directors  
**FROM:** General Manager  
**SUBJECT:** State Legislative Summaries and Positions

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### **RECOMMENDATION**

Approve staff recommendation for ACA 1 and ACA 13, which are consistent with Upper District's 2023-24 Legislative Policy Principles adopted by the Board in January 2023.

### **State Bill Analysis**

**ACA 1 (Aguiar-Curry): Local government financing: affordable housing and public infrastructure: voter approval**

**Introduced:** 12/05/2022 **Location:** Senate Rules

**Summary:** The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions.

**Analysis:** This measure would create an additional exception to the 1% limit that would authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, including downpayment assistance, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters of the city, county, city and county, or special district, as applicable, and the proposition includes specified accountability requirements.

The measure would prohibit a city, county, city and county, or special district from placing a proposition on the ballot pursuant to these provisions if the voters have previously approved a proposition pursuant to these provisions or the below special tax provisions until all funds from the previous proposition are committed to programs and projects listed in the specific local program or ordinance, as described. The measure, subject to certain vote thresholds, would authorize the Legislature to enact laws establishing additional accountability measures and laws for the downpayment assistance programs authorized by the measure, as specified. The California Special Districts Association is in support of this measure.

**Staff Recommendation:** Support

### **ACA 13 (Ward): Voting Thresholds**

**Introduced:** 07/13/2023 **Location:** Senate Rules

**Summary:** The California Constitution provides that a proposed constitutional amendment and a statewide

initiative measure each take effect only if approved by a majority of the votes cast on the amendment or measure.

**Analysis:** This measure further provides that an initiative measure that includes one or more provisions that would amend the Constitution to increase the voter approval requirement to adopt any state or local measure would be approved by the voters only if the proportion of votes cast in favor of the initiative measure is equal to or greater than the highest voter approval requirement that the initiative measure would impose. Additionally, this measure would expressly authorize at any election a local governing body to hold an advisory vote concerning any issue of governance to allow voters within the jurisdiction to voice their opinions on the issue.

In summary, ACA 13 would retain the majority vote requirement for passage of state and local initiatives. For example, in the event a water bond is advanced via a legislative initiative, under ACA 13, a majority vote of the voters voting would still be required for passage. The League of California Cities, California Special Districts Association (CSDA), and Association of California Water Agencies (ACWA) are in support of this measure.

**Staff Recommendation:** Support





## California water purification facility marks major milestone

SEPTEMBER 5, 2023 BY [WFM STAFF](#)

***Facility to produce 15,000 acre-feet per year of purified water for injection into Southern California's largest groundwater storage basin***

The [Chino Basin Program \(CBP\)](#), a program led by the Inland Empire Utilities Agency (IEUA) and partners, has reached a significant milestone as environmental engineering firm Brown and Caldwell completes the preliminary design of a new 13.4 million gallons per day Advanced Water Purification Facility (AWPF), a vital component of the innovative water program.

The preliminary design, developed in partnership with Water Systems Consulting, Inc., provides the technical feasibility, planning-level design, and preliminary costs for the AWPF that can produce 15,000 acre-feet per year of purified water (water for approx. 100,000 people) for groundwater replenishment that meets Chino Basin water quality objectives and integrates the flexibility to meet potential future regulations.

When integrated into IEUA's Regional Water Recycling Plant No. 4 in Rancho Cucamonga, the new AWPF will treat recycled water from three sources, conveying purified water to a new aquifer replenishment wellfield for indirect potable reuse. The purification process will be comprised of equalization, microfiltration, reverse osmosis, ultraviolet/advanced oxidation process disinfection, and product water conditioning. In coordination with stakeholders, the stored water will be extracted over the program's 25-year duration.

This milestone aids in the development of the CBP, a first-of-its kind program that will deliver water security, flexibility, and affordability benefits to both northern and southern California. The CBP is comprised of several water treatment, storage, and delivery projects designed to help increase local supply reliability. Once implemented, the projects will address the immediate needs of the region while unlocking the potential for additional storage and water recycling projects in the future.

Brown and Caldwell Project Management Director Andrew Lazenby commented on the new facility's role within the CBP and integration with IEUA's recycled water program expansion:

"We congratulate IEUA and program partners on this significant milestone vital to the program's success. The AWPF is central to CBP operations and considered key infrastructure for IEUA to diversify its water portfolio while maintaining compliance with local groundwater replenishment and augmentation requirements."

The CBP's network of new infrastructure and upgrades will begin construction in 2026, with operations anticipated to be phased in by 2030.

## As cost for Doheny desalination plant grows, California aims to streamline more projects

*State leaders draw lessons from local plants as they develop recommendations to make desal a bigger player in meeting future water needs.*

By [BROOKE STAGGS](#) | [bstaggs@scng.com](mailto:bstaggs@scng.com) | Southern California News Group

PUBLISHED: September 1, 2023 at 6:44 p.m. | UPDATED: September 1, 2023 at 6:45 p.m.

Whenever California has a dry year, or decade, it's hard not to look west and wonder: Why aren't we drinking more ocean water?

It's far from a pipe dream in places like Saudi Arabia, where desalination plants suck in supplies from the Red Sea, purge the salt, and meet half the nation's water needs.

But while California's population is nearly the same size as [Saudi Arabia](#) and its coastline is twice as long, such a tiny fraction of the Golden State's tap water comes from the sea that the figure won't register on a standard calculator without scientific notation getting involved.

The state's supply of drinkable ocean water could jump 10% in five years — from 55 million to 60 million gallons per day — if the Doheny Desalination Plant in Dana Point becomes a reality.

The project, which is being developed by South Coast Water District in Laguna Beach, has reached a few minor milestones since the California Coastal Commission [approved it](#) last fall.

Yet other targets have been nudged back. And the plant's projected hit to residents' monthly water bills has inched up.

State regulators are watching the Doheny proposal, in part because it offers a real-time look at both the promise and the challenge of turning seawater into tap water for consumers in California. And they're taking cues from the project — along with others proposed in recent years that have been less successful, including a failed venture in Huntington Beach — as they write guidelines for future desalination plants, all with a goal of getting more ocean water flowing through California's taps before the next drought hits.

### **Doheny advances with caveats**

Let's start with the not-great news.

The projected cost of water from the Doheny Ocean Desalination Project has jumped 30% in the year since the California Coastal Commission voted to greenlight the Dana Point plant.

That's according to the latest estimate from South Coast Water District, which has spent more than \$10 million and 20 years planning for a desalination plant to help stabilize supplies for residents who currently depend on pricey and frequently restricted imports from the Colorado River or the State Water Project.

Water from the Doheny plant is now expected to cost \$2,058 per acre foot the first year vs. the prior estimate of \$1,589 per acre foot. Instead of the average customer bill going up by \$2.38 a month if the plant gets built, the water district now expects monthly bills would increase by \$4.01 — or perhaps more than \$5 a month, if interest rates continue to jump.

Skyrocketing energy costs are the main reason for the price increase, said Rick Shintaku, general manager of South Coast Water District. Inflation and supply chain issues also have driven up construction costs, he said, while rising interest rates have compounded the challenges.

All in, the plant is now expected to cost \$175 million — up from the \$140 million price tag pitched last year. A fifth of the cost is already covered by state and federal grants, with more grants possible. Local ratepayers will be on the hook for the rest.

A \$4 monthly bill increase is still well within the range that most residents said was acceptable in exchange for a more reliable water supply when South Coast Water District surveyed its customers three years ago, Shintaku noted. He also pointed out that while desalinated water would initially cost at least 30% more than imported water, they expect that dynamic to flip by 2032, as likely water shortages continue to drive up the cost of water from the Colorado River and State Water Project.

“That’s when we’re actually saving money and producing a reliable local supply,” Shintaku said.

The date when the plant might come online also has shifted.

While the district had hoped to start operations as soon as 2027, chief engineer Marc Serna said they’re now eyeing late 2028 or early 2029.

That’s in part because they’d hoped to sign agreements in the first half of this year with neighboring water agencies willing to help pay for the plant in exchange for a share of the water it will produce. But that hasn’t yet happened, and Shintaku said they’re now hoping to ink those deals, and get money from those partners, by the end of the year.

Without such partnerships, the project will almost certainly die, since South Coast Water customers would then have to absorb the entire cost of the plant.

The good news, Shintaku said, is that interest in the project shows no signs of waning, even as one wet year has lifted California out of drought. He said the city of San Clemente, Laguna Beach Water District, Eastern Municipal Water District in Perris and Elsinore Valley Municipal Water District are all reviewing commitment letters his district has drafted, which he said are aimed at getting the agencies to cover a share of the plant’s \$10 million design contract. And his team is still pitching the plan to other agencies, with a presentation scheduled for Wednesday, Sept. 6, at the Santa Margarita Water District board meeting.

South Coast Water District had hoped to award a design contract by the end of this year. Now, Serna said they’re aiming for the spring.

The district did put out a request for qualifications to interested companies in late July. With such a narrow field of companies that can develop desalination plants like this worldwide, Serna said they hope to hear back from five or six companies by their Sept. 14 deadline, then shortlist three that would be asked to submit full proposals.

That first contract would be for a company to design 60% of the facility, which Serna hopes can happen by spring 2025. At that point, the company would have to give South Coast Water a guaranteed maximum price to finish designing, building and running the facility long term.

That’s when South Coast Water and any neighboring districts that have signed on to help develop the project would have to cast their final votes on whether to cut their losses — expected to be more than \$20 million at that point — or hire the company to build out what would be California’s eighth active desalination plant.

**What desal looks like in California**

Among the seven desalination plants operating along California's coast today, six combined produce less water than what the Doheny plant is slated to produce each day.

Some of that water goes to homes in places such as [Catalina Island](#), [Sand City](#) and [Santa Barbara](#). A third is used for something other than drinking, such as running the Diablo Canyon nuclear power plant or flushing toilets at the Monterey Bay Aquarium.

The seventh plant, in northern San Diego County, accounts for more than 90% of California's desalinated water supply.

The Claude "Bud" Lewis Carlsbad Desalination Plant — which came online in 2015 as a public-private partnership between San Diego Water Authority and the private company Poseidon Water — hasn't been without controversy. Environmental groups tried to block the project from the beginning, while the cost of water from the plant has continued to go up. But the Carlsbad facility reached a milestone last fall of serving 100 billion gallons of purified ocean water to area residents, and it remains the largest desalination plant in the United States.

Interest in desalination has risen and fallen over the years as droughts have come and gone and as other water solutions have become more viable.

The West Basin Municipal Water District, which serves residents in coastal Los Angeles County, discussed building a desalination plant in El Segundo for 20 years before [shelving the concept](#) in late 2021. The agency said improvements in water recycling and conservation meant that project, which was expected to cost more than half a billion dollars, no longer made sense.

The steep price of desalinated water combined with California's strong environmental protections have prevented other projects from moving forward in recent years.

Poseidon spent 21 years and an estimated \$100 million on plans to replicate its Carlsbad facility in Huntington Beach. But the California Coastal Commission [shot the project down](#) last spring over concerns with costs and how the large facility would affect the ocean and the neighborhood.

Another private company, California American Water, has spent a decade trying to build a desalination plant in the small Monterey Bay town of Marina.

The Coastal Commission approved a scaled-back version of CalAm's plan last fall, despite estimates that the 6.4 million gallons of water the plant is slated to produce each day could cost seven times more than traditional water supplies. The company still hasn't applied for water permits it needs to keep the project moving forward. A CalAm spokesman said Friday that they're working to answer outstanding questions from the regional water board and hope to file their application by the end of the year.

Gov. Gavin Newsom championed both of those controversial projects, as he's pushed for desalination to become a bigger part of California's water supply.

Alongside advocating for some continued use of nuclear power, Newsom's support for more desalination is another area where he breaks with many environmental groups, who argue that the process of turning ocean water into tap water requires too much energy, is too expensive, and poses too many problems for marine life. But the governor cites dangers of continuing to overdraft our groundwater supply, as spelled out in a recent New York Times investigation. And he argues that conservation and new recycling and stormwater capture projects alone won't be enough to meet California's water needs amid worsening climate change.

"California needs to diversify our water portfolio and stretch existing supplies as extreme weather threatens to reduce the state's water supply 10% by 2040," Newsom said in a statement last fall.

Despite that push, water regulators said the only other desalination plant still pending approval in California today is a [small pilot project](#) in Fort Bragg that would use wave energy for power. But they hope a new set of guidelines that's in the works might help.

### **State recommends changes**

It's not a good look for public agencies or private companies in California to spend millions of dollars on desalination dreams that never get off the ground. So a team of water and environment experts, led by the State Water Resources Control Board, spent the past year developing a set of recommendations that they hope will help expedite smart projects and dissuade riskier ones.

The [draft plan](#), released this summer, takes several pages from the Doheny plant playbook.

It recommends, for example, that companies or public agencies avoid plans to suck ocean water in from the surface, since that process also can suck in and kill marine life. The Doheny plant would be the first commercial-scale desalination project to use slant wells designed to collect ocean water from beneath the seafloor and pull it through sand, which eliminates risks to most sea life.

The state draft plan also calls for projects that are sized to fit the water needs in local communities after they've pursued other solutions, such as conservation and recycling. That favors smaller projects, such as Doheny, vs. big plants, like the one Poseidon proposed in Huntington Beach.

Companies or public agencies also are advised to do extensive public outreach early in the process while showing they've taken steps to limit cost hikes and made the projects as energy efficient as possible. And the plan calls for submitting proposed projects to multiple state agencies at once, so permits can be considered concurrently.

If such recommendations are applied, the group's report says future desalination projects "can be permitted relatively quickly," with fewer risks to the environment or local communities.

Water board staff is sorting through public comments they received in response to the draft recommendations. They plan to publish a final set of recommended best practices this fall, then use them to develop new requirements for desalination plants in California.

Those rules are due out in 2025.

## California is now practically drought-free, but we keep wasting so much rainwater

Story by Grace Toohey • Tue, August 29, 2023 at 3:00 AM PDT-6 min read

Almost all of California is finally drought-free, after Tropical Storm [Hilary](#)'s rare summer drenching added to this winter's record-setting rainfall totals.

But despite all that drought-busting precipitation, California continues to capture only a percentage of that water. Much of the abundance in rain from Hilary ended up running off into the ocean — not captured or stored for future use, when California will [inevitably face its next drought](#).

"We're not even coming close to capturing all the runoff," said [Mark Gold](#), the director of Water Scarcity Solutions for the Natural Resources Defense Council. He still called Hilary's rainfall "an unexpected boon" for Southern California's local water supplies, but said too much of the storm's water washed away — the latest reminder of the state's urgent [challenge to better capture rainwater](#) to help refill vital groundwater resources.

"The potential is really there for us to do even better," Gold said. "We can definitely do a lot more than what we're doing."

Following the torrent of winter storms from a parade of atmospheric rivers, much of California pulled out of [drought conditions](#) after three of the state's driest years on record. And Hilary continued to build on that trend — pulling one of the state's driest regions out of such dire conditions.

"Most of that lingering drought ... has been essentially removed from the Mojave Desert," said David Simeral, a climatologist at the Desert Research Institute, who mapped the latest U.S. Drought Monitor update. While much of the state [moved out of drought conditions](#) after strong winter and spring atmospheric river storms, Simeral said the Mojave didn't benefit as much from those rainmakers.

But after Hilary dumped 2 to 6 inches across the Mojave, "it was enough to be able to remove the remaining areas of drought," he said. The Mojave had been in drought conditions since August 2020.

Only California's most northwestern and southeastern corners remain under moderate drought or in abnormally dry conditions — just 6% of the state, according to the drought monitor.

State and local officials have been actively [working to improve](#) methods to capture stormwater, but it's simply not been fast enough to keep up with growing water demands in a more extreme climate — while balancing flood control. Los Angeles County recently shared its [latest water plan](#), which includes lofty goals to greatly increase yearly groundwater recharge.

But when fast, strong storms like Hilary currently hit, the local infrastructure isn't able to capture a majority of the deluge.

"What that means is that there's larger amounts of rainwater rolling down the hill, rolling down to the street ... our systems are getting flooded and overwhelmed pretty quickly," said Art Castro, a watershed manager for the Los Angeles Department of Water and Power. He said that happened during Tropical Storm Hilary at the [Tujunga Spreading Grounds](#) — one of the county's larger spreading grounds, which employ earthen bowls to capture runoff and encourage the rain to percolate into the earth, recharging important aquifers.

When the basins are full, the water will just "bypass the system," Castro said, running off into the Pacific.

Still, the city was able to capture more than 10,000 acre-feet of water from Hilary's rainfall, as of preliminary numbers last week, with more expected as water continues to be diverted from regional dams, Castro said. That's about 3.2 billion gallons, enough to provide a year's worth of water to 40,000 households, he said.

However that 10,000 acre-feet only makes up about 7% of the water the city has captured since October, Castro said.

"In a perfect world, we should have captured a lot more than 10,000 acre-feet because of Hilary," Castro said. "But because of the limitations of our infrastructure ... we weren't able to maximize that potential."

And maximizing that water is increasingly important for L.A., as drained aquifers cannot just bounce back after one good water year.

"What we need to do is either capture a lot of the wet season, or develop more stormwater recapture projects that can take advantage of an average year," Castro said. That will likely require "back-engineering" of L.A.'s water system, he said, as much of it was designed with older rain models in mind, when storms weren't as intense.

County-operated spreading grounds, of which there more than two dozen, captured approximately 8,600 acre-feet of stormwater during Hilary's storms, about 2.8 billion gallons, according to L.A. County Public Works spokesperson Steven Frasher. But in this above-average rainfall year, that amounts to less than 2% of the county's stormwater captured since October.

On a statewide level, Hilary also didn't have a major effect on water supplies.

"This was a very fast moving storm and, really, it was largely a Southern California event," said Jeanine Jones, the interstate resources manager for the California Department of Water Resources. "It caused a lot of flash flooding in places that aren't designed to handle a lot of water, like Death Valley and some of the desert areas, but from a water supply perspective, it's not really very significant."

Most of the state's reservoirs, and its largest, are located in northern California, which meant they were largely unaffected by the southern tropical storm, Jones said. And, perhaps more importantly, most of those reservoirs already sit at some of the [highest levels in years](#), many measuring well above 100% of historical averages, state data show.

"We got a lot of water all at once in a really short time, but it wasn't the kind of storm that does much for water supply," Jones said.

The ground can only absorb so much moisture so fast from such quick, intense storms, like Hilary, Jones said.

"The groundwater takes time to recharge," Jones said. "Most of that water is going to run out to the ocean or run into a desert playa."

But in the short term, officials are hopeful the rainfall from the unusual tropical storm will help with one thing: wildfires.

"It should help some in terms of adding some soil moisture and helping the plants to not be so dried out," Simeral said, which creates less fuel for flames.

Forecasters typically expect September to begin the peak of Southern California's fire season, but the recently added moisture could help delay that, said Rose Schoenfeld, a meteorologist with the National Weather Service in Oxnard.

"Hopefully this extra precipitation will push that back even further," she said.

## News Releases

# OceanWell and LVMWD Announce Partnership to Pilot California's First Blue Water Farm

**Post Date:** 08/16/2023 11:56 AM

OceanWell and Las Virgenes Municipal Water District (LVMWD) announced today their partnership to pilot California's first-ever Blue Water farm. LVMWD Board of Directors unanimously approved a Memorandum of Understanding (MOU) that paves the way for the public/private partnership to research an environment-first approach that addresses the increasing concern of water scarcity and reliability. Blue Water is fresh water harvested from the deep ocean or other raw water sources.

This, first-of-its-kind project, will test OceanWell's proprietary water purification technology to produce safe, clean drinking water without the environmental impacts of traditional coastal desalination methods.

The collaboration comes at an opportune time, as the region recovers from years of record-breaking drought that disproportionately impacted LVMWD's customers. Diversifying LVMWD's water portfolio is critical to minimizing future climate change impacts. The strategy includes embracing innovative solutions to create local water resources that reduce the region's dependence on imported water.

"We are excited to embark on this cutting-edge initiative with OceanWell," commented David Pedersen, LVMWD general manager. "Providing clean, healthy, and consistent water to our customers is the most important function of our water utility. Researching new technology can help us ensure a more sustainable and reliable water future."

This partnership aims to establish the first-ever Blue Water farm by using OceanWell's state-of-the-art submerged filtration technology that revolutionizes the process of supplying fresh drinking water from any raw water source, including the ocean. Blue Water farms use water pressure at depths of over 1,000 feet to drive the reverse osmosis process, while safeguarding marine life and protecting delicate aquatic ecosystems. The system is reliable, low energy, scalable and minimizes the need for onshore facilities and the associated environmental impacts.

"This MOU and the collaboration with LVMWD are a major milestone in our 'environment first' strategy, aiming to bring OceanWell water farms to California municipal water systems," said Robert Bergstrom,

OceanWell's founder and CEO. "After seven years of research and technological development, we are proud to present OceanWell as a sustainable, reliable, and environmentally friendly source of fresh water."


OceanWell's technology can be used in fresh, brackish, or saltwater environments, allowing any raw water source to become a potential source for drinking water. The pilot project will start testing the state-of-the-art technology in the District's Las Virgenes Reservoir in the City of Westlake Village.

Learn more about OceanWell at [www.oceanwellwater.com](http://www.oceanwellwater.com).

[Return to full list >>](#)



# DELTA LEAD SCIENTIST: A tool for optimizing groundwater recharge; update on nutria eradication efforts

 [mavensnotebook.com/2023/08/17/delta-lead-scientist-a-tool-for-optimizing-groundwater-recharge-update-on-nutria-eradication-efforts/](https://mavensnotebook.com/2023/08/17/delta-lead-scientist-a-tool-for-optimizing-groundwater-recharge-update-on-nutria-eradication-efforts/)

Maven Science August 17, 2023 0 53

August 17, 2023

At the July meeting of the Delta Stewardship Council, Delta Lead Scientist Dr. Laurel Larsen spotlighted an article that developed a model to optimize groundwater recharge, gave an update on nutria eradication efforts in the Delta, and highlighted the activities of the Delta Science Program.

Dr. Laurel Larsen began her report by noting that a local TV station has been running a week-long series on how California stores its water, with the premise that California's climate is changing rapidly, creating challenges for water management. More precipitation is falling as rain and snow, and variability is also increasing, underscoring the need for storage that balances flood protection with water supply.

The previous night's segment looked at the potential for groundwater storage, which could store needed water and replenish depleted aquifers. Groundwater depletion leads to dry wells, land subsidence, and mounting expenses for continued groundwater extraction, among other impacts.

Groundwater storage is increasingly being recognized as a priority statewide and will likely loom large in future conversations around the state with implications for the Delta. Dr. Larsen noted that plans to actively use aquifers from the Central Valley as an underground storage reservoir may require exporting more water from the Delta during wet years, reducing Delta outflow. It may also result in reduced inflows from the San Joaquin River system. However, she pointed out that the later use of that stored water within the Central Valley during dry periods may reduce demand for exports during those times.

While the benefits of added water supply reliability might be clear, potential negative impacts include the cost of conveying and storing water underground. Reducing flushing flows through the Delta during very wet water years could offset any large improvements to water quality those flows might have made or affect the cues that fish use to migrate. Dr. Larsen also noted that some concern has been expressed that policymakers may favor exports for underground storage over meeting water quality standards in the Delta, which could have a suite of social, economic, and ecological costs.

There are several ways to recharge a groundwater aquifer, but it often involves flooding large swaths of land, which might require compensating the landowner for using it. Infrastructure might need to be upgraded to accommodate the delivery of large amounts of excess water, and new points of diversion may be required. And if the water is sourced from the Delta or other distant locations from the place of recharge, there might be pumping and conveyance costs to consider.

The main challenge is that there are many possible points of diversion and locations for the recharge to occur when you consider the Sacramento-San Joaquin system and all of its tributaries. Those different sites are variable in terms of their associated costs, their feasibility with respect to the landowner's willingness to participate, and the efficiency of storage. Dr. Larsen explained that efficiency in the groundwater recharge context refers to the fact that groundwater and surface water are quite well connected, and in some locations, quite a bit of water might be lost to streamflow relatively soon after recharge, meaning that it would be unavailable when needed during the drought years.

Dr. Larsen noted that, fortunately, there are ways that science can contribute to resolving the challenges and uncertainties and potentially accelerate the development of new policies related to subsurface storage. This month's article in the spotlight, Optimizing managed aquifer recharge locations in California's Central Valley using an evolutionary multiobjective genetic algorithm coupled with a hydrological simulation model, came from UC Davis and was funded through the US Department of Agriculture and the National Science Foundation. The research team created a tool to help resolve some of the planning uncertainty around costs and storage efficiency.

"What they did is pretty neat and creative," said Dr. Larsen. "First of all, they developed several different decision scenarios, in which they looked at different maximum and minimum thresholds for diverting water to aquifer recharge; an example of a combination of possible thresholds is shown on the slide on the upper left. The scenarios also involve different decisions about whether the water would be sourced locally and diverted to nearby fields or whether it might come from places like the Delta. Then they took the historical streamflow record, also shown in the upper left, and determined how much water would be available for recharge based on the decision criteria in the different scenarios."

So once they know how much water is available, as shown in light blue on the graph on the upper left, there is still an almost intractable combination of ways that the water could be diverted and directed into aquifers. And this is where their creativity really came in. Using a groundwater model and an economic model, they explored possible solutions using what's known as a genetic algorithm, which is inspired by how actual genetics and the concept of survival of the fittest works."

"In their modeling strategy, solutions for where the water is diverted from and where it's diverted to are randomly selected; those solutions are run through the groundwater model to determine storage efficiency and their economic model to determine costs.

The solutions that result in the best combination of storage and low cost are selected from all these random possibilities. They are then mated with each other, meaning that some of the diversion points and recharge locations associated with one best solution will be mixed with the diversion points and recharge locations from the other best solution. And the offspring will be evaluated for how well they produce high storage, low-cost solutions."

The procedure is iterated over several "generations" until the solutions produce a smooth curve, as shown on the graph on the right, known as a "Pareto Front." The curve represents designs that maximize storage while minimizing costs. The graph shows that policymakers would have several combinations of cost and storage to choose from, depending on how they balance the two factors. The authors made Pareto Fronts for each of their policy and engineering scenarios available as a web tool.

The graph on the right shows a rather conservative scenario in which just the top 5% highest flows are taken for aquifer recharge, the recharge occurs near the point of diversion, and there's a relatively conservative cap on the maximum amount of flows that can be conveyed by the infrastructure per month.

There are several things to be learned from this analysis, Dr. Larsen said. "For one, as storage increases, so does cost (not surprisingly) because you progressively use the lowest cost sites first and eventually might need to do things like pump water uphill. Policies that allow more water to be used, for example, the highest 10% of flows rather than 5%, produce substantial cost savings; that's not shown on this graph, but I provide some numbers in my report. As you expand the allowable water sources and include the Delta, you do produce solutions that achieve more storage for less cost than when the water sources are more restricted. But because we're talking about a lot of storage, the total cost ends up being fairly high."

However, Dr. Larsen noted that the storage volumes through an approach like this are fairly massive, potentially exceeding the volume of Shasta Lake in the conservative scenario depicted on the graph. Yet, the price tag is over an order of magnitude less than the cost of constructing additional surface water reservoirs.

"I just put a comparison with the proposed Sites reservoir, which has a capacity of 1.8 million acre-feet at a cost of \$4.4 billion, whereas the costs that we're looking at for these groundwater storage solutions on the graph are on the order of hundreds of millions of dollars."

Dr. Larsen noted that there is more work to be done at a policy level to pave the way towards managed aquifer recharge, but it is a priority of the Newsom administration; it's also relevant to the recommendations of the ISB in their recent water supply reliability review.

"Overall, this paper that I'm highlighting is a great example of how a couple of models and a scenario-based approach could be used to directly inform policy decisions and public conversations about the trade-offs associated with those decisions," she said. "This is very well aligned with major ongoing initiatives within the Delta science program."

## Update on nutria eradication efforts

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As part of the Delta Science Program's core function of coordinating science related to major management challenges, Council staff are actively involved in the Delta Interagency Invasive Species Coordination Team and other teams focused on managing individual invasive species.

Nutria are large semi-aquatic rodents native to South America with distinctive orange teeth. Beyond their native habitat, nutria can be incredibly damaging to wetlands, agriculture, and infrastructure. They feed on plant material and crops and can burrow up to 50 meters into banks and levees, compromising their stability. In places like Louisiana, nutria have caused massive destruction of coastal marsh areas.

Since they were discovered in California in 2017, just over 3500 nutria have been removed by the California Department of Fish and Wildlife, the state agency leading nutria eradication efforts.

The first reproducing population in the Delta was discovered in September 2018 south of Lathrop, and since then, over 100 nutria have been removed from that specific location, with the last nutria taken in March 2021. Also, at the time, nutria were detected near Rough and Ready Island and French Camp Slough between May 2019 to February 2021.

There were no subsequent detections until October 2022, when a family group of nutria was detected on lower Sherman Island. There was concern that high flows and wet conditions during the 2022 to 2023 water year would aid in spreading invasive species like nutria. So in April of this year, the CDFW Nutria Eradication Program, or NEP, made a temporary operational shift in response to these conditions, increasing their staff presence and expanding further northward into the Delta. Now nearly all NEP field staff are part of an early detection rapid response effort to address any nutria that could have potentially been washed into the Delta from flooding and high flow events in the San Joaquin River system where the nutria had formerly been trapped actively.

In May 2023, the NEP conducted the first nutria detector dog field trials on multiple currently and previously infected sites within the Delta. During the field trial, the dogs located an additional area of nutria presence on Sherman Island. Following that detection, eight additional nutria were trapped and removed from the site, with the last taken on June 1.

The dogs did consistently detect nutria in sites that were already known or suspected to be infested, and they did not detect any nutria present at the Delta sites with previous detections or infestations, indicating that those previous local eradication efforts were successful. The nutria detector dogs program was funded by a Delta Conservancy Prop One grant, and they will be an increasingly valuable tool as nutria densities decrease and the remaining animals become increasingly difficult to detect.

As a result of the expanded operations of the NEP into the Delta, one nutria was captured on camera on May 22, 2023, on Hammond Island, which is to the west of Sherman Island, and trapping operations and intensified survey efforts commenced immediately to characterize the extent of nutria presence and rapidly remove the infestation. And then since that time since June 1, the department has captured 34 nutria on Hammond and Southern Grizzly Island, including four pregnant females.

One thing that has been unclear is whether the ramp-up and program activity, including the use of detector dogs, might have driven the dispersal of nutria from Sherman Island further outward. In the past few years, the NEP has observed increased movement among remaining individuals when a local population is depleted due to management actions. So as such, the NEP sees spikes and detections across the landscape despite decreasing overall population size.

Finally, despite the concerns associated with recent nutria detections in the western Delta, in the Suisun marsh area, the NEP continues to see steady declines in the annual number of sites with nutria taken, the number of nutria taken, and the density taken by site. Dr. Larsen noted that this might be an artifact of the drought that occurred throughout the years leading up to this one.

"With increased water in the system comes increased habitat and additional battles for the NEP," said Dr. Larsen. "In the face of these challenges, the NEP continues to expand both its Delta-centered staffing levels and its toolbox, such as the use of detector dogs and Judas nutria, which are tagged nutria designed to betray the location of other populations of nutrias. And so these early detection and rapid response efforts continue to locate and remove the nutria from the Delta as quickly as possible."

## Activities of the Delta Science Program

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**Adaptive Management Forum:** The second part of the Adaptive Management Forum took place on June 27. Part two built on the theme of adaptive governance explored within the first session. Participants worked through a visioning process to collaboratively identify aspirational goals for governance and adaptive management for the Delta by the year 2050. They brainstormed strategies that might be needed to achieve those goals and the governance components to ensure that those strategies could be implemented and maintained.

"A few examples of the goals identified in different groups were to create more inclusive governance systems in which all perspectives have a seat at the table and establish an equitable water rights system reflective of changing water availability and historical injustices," said Dr. Larsen. "This is a very controversial topic statewide right now, but this reflects what some breakout groups came up with. Also, to develop an equitable, evidence-based and risk-informed governance system where information flows easily."

**Integrated Modeling Framework Workshop:** A comprehensive summary report is now available, which captures the full set of topics covered during the two-day workshop and provides a short summary of every workshop session with a link to the video. The summary report is intended to serve as a foundation for developing a white paper highlighting key recommendations and near-term actions critical to advancing the vision of collaborative and integrative modeling for the Delta. A white paper is expected to be released in the fall.

**State of Bay-Delta Science Executive Summary:** An Executive Summary for the State of Bay-Delta Science will be released soon. It is a high-level summary of the full report released in January 2023, which focuses on some of the management recommendations and key findings from each chapter.

**NCEAS partnership to focus on the human dimensions of resource management in the Delta:** The Delta Science Program just began a collaborative working group in partnership with the National Center for Ecological Analysis and Synthesis (or NCEAS). This provides training for scientists spanning 16 different agencies and academic institutions and is designed to address gaps and understanding of the human dimensions of the Delta, as identified in the Delta social science community of practice's Advancing Interdisciplinary research, training, and workshop event, which took place in October of last year. The working group's theme involves multi-benefit approaches to managing the Delta as a social-ecological system and integrating human dimension data into research and management decision-making.

## PRESS RELEASES

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# **Feinstein-Marshall Bill Would Improve Local Water Districts' Access to USDA Grants (/public/index.cfm/press-releases?ID=4B141937-214E-4F4B-AE56-82E12756B1F1)**

Aug 14 2023

Washington—Senators Dianne Feinstein (D-Calif.) and Roger Marshall (R-Kan.) today announced the *EQIP Water Conservation Act* to allow local water agencies to access larger U.S. Department of Agriculture grants for water efficiency and conservation projects that benefit multiple farmers.

In the 2018 Farm Bill, Congress authorized the secretary of agriculture to support water projects that conserve water, provide fish and wildlife habitat, and combat drought through the USDA's Environmental Quality Incentives Program (EQIP). However, a subsequent USDA rule effectively nullified this provision by capping EQIP payments for water agencies at \$900,000, only twice the funding limit for individual farmers' projects.

Since water agencies can represent hundreds of farmers, the bill would remove that \$900,000 cap and allow water agencies to receive EQIP grants proportional to the number of farmers they serve.

**"Climate change is making drought a persistent threat to agriculture in the United States and our farmers need more tools to adapt. EQIP grants are crucial to that effort,"** Senator Feinstein said. **"Unfortunately, sufficient funds aren't being made available to water agencies to complete larger-scale projects that benefit multiple farmers. Our bill would fix that, by allowing water agencies greater access to USDA grants to invest in water efficiency and conservation projects."**

**"While in recent weeks we have got some much-needed rain at home, 70 percent of Kansas still remains in drought conditions. Even though I can't change the weather, I am looking to the Farm Bill to help mitigate future droughts. Having flexibility in programs is key to helping farmers diminish the impacts of adverse weather. This bipartisan legislation would ensure that irrigation districts and groundwater management districts have meaningful access to EQIP dollars when they are undertaking a project that will benefit multiple farms,"** Senator Marshall said.

Drought cost California's agricultural sector \$1.1 billion in direct costs and nearly 9,000 jobs in 2021, while farmers were forced to leave 400,000 acres of land unplanted.

In addition to Senators Feinstein and Marshall, the bill is cosponsored by Senators Ben Ray Lujan (N.M.), Alex Padilla (Calif.), Mark Kelly (Ariz.), Michael Bennett (Colo.) and Martin Heinrich (N.M). It was introduced on July 27.

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## California water board under investigation for discriminatory water management practices

Story by Will Conybeare •5d

The Environmental Protection Agency has [launched an investigation](#) into whether discriminatory practices by the California State Water Resources Control Board contributed to the rapid environmental decline of a large watershed.

[According to](#) the Los Angeles Times, a [complaint](#) was filed by several Native tribes and environmental justice groups this past December, accusing the board of “discriminatory practices and mismanagement contributing to the ecological deterioration of the Sacramento-San Joaquin River Delta.”

The groups filing the complaint include non-profit organizations [Little Manila Rising](#) and [Restore the Delta](#) along with community advocacy group [Save California Salmon](#). They are joined by the [Shingle Springs Band of Miwok Indians](#) and the [Winnemen Wintu Tribe](#) in accusing the water board of allegedly violating Title VI of the Civil Rights Act, which prohibits discrimination in programs that receive federal financial assistance.

A [letter](#) from the EPA addressed to California State Water Resources Control Board Executive Director Eileen Sobeck claims that the board’s “failure to update Bay-Delta water quality standards” discriminates against Native American, Black, Asian and Latino residents in and around the Sacramento-San Joaquin Delta watershed, particularly in the South Stockton community.

### [Hollywood Hills mansion worth millions trashed by squatters](#)

“Furthermore, the complaint alleges that the Board has intentionally excluded local Native Tribes and Black, Asian and Latino residents from participation in the policymaking process associated with the Bay-Delta Plan,” read part of the EPA’s letter.

The [original complaint](#) claims that the alleged discriminatory policies are affecting Native tribes especially hard.

“The State Water Board’s failures to maintain California Water Association-compliant water quality standards have disproportionately harmed Native tribes by impairing tribes’ access to fish, riparian resources and waterways essential to their sustenance, ceremony, religion and identity,” the complaint said.

Water quality standards for the watershed were adopted in 1995 but were last updated in 2006. According to the groups, a review is supposed to be conducted every three years.

The discrimination complaint comes a year after a [\\$2.6 billion deal](#) was agreed between California officials, the federal government and major water suppliers to strengthen the deteriorating ecosystem.

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## Colorado River Basin ranks among the world's most water-stressed regions, analysis finds

Story by Ian James • 1d

A research effort tracking water scarcity around the world shows California, Arizona and other Western states are experiencing water stress at high levels similar to arid countries such as Saudi Arabia and Qatar.

The analysis by researchers with the World Resources Institute found that all seven states that rely on the Colorado River face high or extremely high water stress. Arizona ranked first for the most severe water stress in the country, followed by New Mexico and Colorado, while California ranked fifth.

"When I put the results on a map, the first thing I saw was the Colorado River Basin," said Samantha Kuzma, the nonprofit group's data lead for the assessment, called the Aqueduct Water Risk Atlas.

The [analysis](#) found that 25 countries, with about one-fourth of the world's population, are exposed to extremely high water stress. Those countries include Bahrain, Cyprus, Lebanon, Israel, Chile, Jordan, Greece and Tunisia, among others.

The United States as a whole doesn't meet the threshold to be considered a country with high water stress.

"But if you were only to count the Colorado River Basin, it would be one of the most water-stressed countries in the world," Kuzma said. "It ranks at the top of the list with the other extremely high countries."

The analysis was released after the federal government announced Tuesday that a snowy winter and rising reservoir levels had slightly eased the severity of the water shortage on the Colorado River, an improvement that will mean smaller reductions in water deliveries next year for Arizona, Nevada and Mexico.

But the analysis highlights warnings from experts who say that even though the Colorado River has benefited from one of the [wettest winters in years](#), the long-term gap between heavy demands and limited supply will require significant reductions in water use.

Lake Mead and Lake Powell, the two largest reservoirs in the country, remain at historically low levels. Even with the rise in water levels this year, the reservoirs are at 36% of capacity.

"The problem on the Colorado River does not get erased with one wet year. And in fact, climate change pretty well ensures that this problem continues," said Jennifer Pitt, director of the National Audubon Society's Colorado River program. "While there is a temporary reprieve, and while there will always be wet years and dry years, the overall trend is warmer, drier, and less water availability."

In assessing water-stressed regions globally, the World Resources Institute's team worked with researchers at Utrecht University in the Netherlands to examine long-term trends in water demand and supply using various data sources and a global hydrologic model. They defined countries and regions facing extremely high water stress as those using most of the water they have — more than 80% of their renewable supply every year.

The researchers said their large-scale comparison shows that the world's most water-stressed regions include the Middle East and North Africa, followed by South Asia. They also analyzed how global warming is making water scarcity worse.

They found that about 4 billion people, or half the world's population, are exposed to extremely high water stress at least some of the time, and that by 2050 that number could reach nearly 60% of the global population. They also examined how water stress threatens economies, and estimated that about one-third of global gross domestic product may be "exposed to high water stress" by 2050.

“There is a lot to be concerned about. Our ability to manage this water stress in the future won’t be as easy as it’s been in the past,” Kuzma said.

The researchers considered long-term trends based on data from 1979 to 2019. Even though California has benefited from heavy snow and rain this year, the researchers found the state is under high water stress based on long-term trends.

The analysis doesn’t consider how states or regions are taking steps to address water stress using infrastructure, such as transporting water from other regions through canals and tunnels, as California and Arizona do. The analysis also doesn’t fully account for overpumping of groundwater, a widespread problem in much of the American West and many of the world’s food-producing regions.

The data may offer a large-scale look at parts of the world with limited water supplies, but its usefulness is limited because it seems to overestimate risks in some regions and underestimate risks in others, said John Matthews, executive director of the Alliance for Global Water Adaptation.

Looking at the water-stressed zones that researchers mapped in red around the world, Matthews said, “it feels to me like a very alarming diagnosis with kind of no sense of what the treatment options are.”

He said he’s concerned that the way the data are presented might discourage investments in parts of the world that are highly water stressed, such as Mexico, where more investment is needed.

In the Colorado River Basin, Matthews said, the data are simply “validating truths already self-evident.”

“Those states have difficult choices to make, and I think they already knew that. These are states that have work to do,” Matthews said.

The Colorado River has long been overallocated, and its reservoirs have declined during severely dry years since 2000. In one recent [study](#), scientists estimated that the river’s flow has decreased 10.3% because of higher temperatures, and these declines are projected to worsen as warming driven by the burning of fossil fuels continues to dry out the watershed.

During its annual [announcement of reservoir operation plans](#) Tuesday, the Bureau of Reclamation said that in 2024, Lake Mead will be in a Level 1 shortage, a step down from a Level 2 shortage, which under shortage-sharing agreements means slightly smaller reductions for Arizona and Nevada than those states saw in 2023.

Mexico is also participating in reductions under an agreement with the U.S.

Beyond those agreed-to reductions, the seven states have [proposed plans](#) to cut water use further over the next three years. The federal government in June also [initiated negotiations](#) on long-term plans for dealing with shortages after 2026, when the existing interim rules expire.

Recent discussions among the region’s water management officials have focused largely on efforts to reduce water use with support from [\\$1.2 billion in federal funds](#) made available through the Inflation Reduction Act. Interior Department officials have said much of the reductions in water use will come by [paying agricultural landowners](#), water districts and others to conserve water, helping to reduce the pressures on the limited supply in Lake Mead.

The Bureau of Reclamation said this year’s water releases from Lake Mead at Hoover Dam are projected to be the lowest in 30 years, reflecting conservation efforts supported by federal funds as well as other factors.

The Southwest needs a range of solutions to reduce water use in the coming years, Matthews said, including improving efficiency, recycling and reusing water, and reducing the amounts used for water-intensive crops like alfalfa, as well as for thirsty lawns in cities and suburbs.



“We really need to be thinking about a lot of really large-scale changes,” Matthews said.

The researchers at the World Resources Institute said the latest update of the data, called Aqueduct 4.0, is designed for comparing regions on a large scale as a “prioritization tool,” and that local assessments are also needed.

The researchers said improving water management is vital for adapting to the effects of climate change and feeding the world’s growing population. They recommended solutions such as increasing water efficiency in agriculture by installing water-saving irrigation systems, recycling wastewater and embracing nature-based solutions by protecting and restoring forests and wetlands, among other things.

“The issues we have with water are solvable,” Kuzma said. “And we have a lot of the solutions that we need to address them. We just are lacking the political will to actually do something about it.”

This story originally appeared in [Los Angeles Times](#).



## Opinion: California shouldn't block attempts to help struggling Rainbow, Fallbrook farmers survive

*Opinion by The San Diego Union-Tribune Editorial Board • 1w*

*The [editorial board](#) operates independently from the U-T newsroom but holds itself to similar ethical standards. We base our editorials and endorsements on reporting, interviews and rigorous debate, and strive for accuracy, fairness and civility in our section. What do you think? [Let us know](#).*

For years, farmers in North County have warned they are imperiled by the high rates they have to pay the San Diego County Water Authority. Concerns are particularly acute among avocado growers within the Rainbow Municipal Water District and Fallbrook Public Utility District, where about 600 growers produce about 10 percent of the state's crop on 5,300 acres. "Agriculture's dying in the North County," Rainbow Municipal Water District General Manager Tom Kennedy said in April.

But Rainbow and Fallbrook officials — because their already-built infrastructure is also connected to the Eastern Metropolitan Water District in Riverside County — have an option to readily change water providers to a significantly cheaper supplier, an option not available to districts without such connections. They pursued it at the behest of their farmers. And last month, the San Diego County Local Agency Formation Commission, or LAFCO, which is tasked under state law with approving and managing changes to local jurisdictions, voted 5-3 to authorize the switch if voters within the two districts' borders ratify the decision. This would affect about 79,000 acres and 59,000 people. Michael Hanemann, an emeritus professor at UC Berkeley who is one of the [leading authorities](#) on agricultural economics, was hired by LAFCO to independently evaluate what would be an appropriate exit fee for the districts to pay the county water authority to cover costs related to the departure. LAFCO accepted his recommendation of \$24.3 million over five years.

Now, though, some local elected leaders — most prominently San Diego Mayor Todd Gloria — are rallying behind new legislation — [Assembly Bill 399](#) by Assemblymember Tasha Boerner, D-Encinitas — that would modify state law and block the districts' exits unless they were also agreed to by voters in all county water authority service areas. Their prime objection is to the fact that the change would force remaining water authority customers to pay more for water — LAFCO staff's estimate is an additional \$2.20 per household per month. In interviews in recent days, Boerner and Nick Serrano — county water authority board vice chair and deputy chief of staff to Gloria — have said they are motivated by the need to protect constituents from the two districts exploiting a loophole that would allow them to escape paying their share of long-term infrastructure commitments and debt obligations that they agreed to as member agencies of the water authority. Bill advocates also worry that the agencies' exits would [slightly minimize](#) the voting clout the county water authority had on the board of the giant Metropolitan Water District of Southern California, which provides water for 19 million people. MWD policy proposals often pass or fail on narrow margins.

These arguments are legitimate. But advocates also maintain — without hard evidence — that Rainbow's and Fallbrook's departure could trigger copy-cat moves by agencies that don't have infrastructure in place. To his credit, Serrano says he wishes the water authority had taken farmers' concerns more seriously in the years leading up to the LAFCO vote. But he and other supporters bristle at the notion that this is a David-and-Goliath struggle in which underdogs are taking on powerful interests. On Wednesday, Serrano said his main goal was expanding democracy by letting county residents have input on a decision that would affect them financially. These rules have existed for decades, though. Changing them now is akin to changing the rules of a football game at the two-minute warning.

It's dubious to suggest Rainbow and Fallbook are getting a sweetheart deal since they would pay exit fees recommended by a distinguished, independent expert. It's more dubious to characterize long-established LAFCO provisions as loopholes.

Because of the circumstances of its introduction, AB 399 would only advance to Gov. Gavin Newsom if it receives two-thirds support in both the Assembly and the Senate. It would be a shame if the legislation gets that far. That would be a triumph for hardball politics — not expanded democracy — and one more blow to two reeling farming communities.

This story originally appeared in [San Diego Union-Tribune](#).

## POLITICS

### Small San Diego Water Buyers Vie to Usurp Big City Power

The city of San Diego is the biggest water purchaser in the region and therefore has the most say on water decisions. Small and rural water districts want to change that.

by [MacKenzie Elmer](#) August 7, 2023

Some of the region's smaller, rural water buyers are fed up with how the city of San Diego's been throwing its weight around recently and they see an opportunity to change things as the city scurries to stop two other agencies from defecting.

The city is [pushing a bill in the state Legislature](#) that would undo an attempt by two small rural farming communities to divorce from the San Diego County Water Authority. That upset a growing list of smaller and rural water districts that already have less voting power than San Diego in local water decisions.

The bill needs unwavering support from Democrats to pass. There's [already evidence](#) they may not have the votes.

So, some of these water districts from more conservative parts of the region want to make a deal with the bill's author, Assemblymember Tasha Boerner, a Democrat from Encinitas: We'll support your bill, if you give us more voting power over the Water Authority.

Boerner's bill would amend the County Water Authority Act, which created the San Diego County Water Authority in 1944 in response to the U.S. Navy's growing presence there. The bill would require voters across San Diego approve any agency's bid to leave. Since you've cracked that act open, the rural water districts say, let's adjust how votes are weighted at the Water Authority, too.

**Right now, it works like this:** The biggest water buyers (aka the biggest cities) get the most votes or most appointed directors to the Water Authority's 36-member board. The city of San Diego gets 10 board members, representing nearly 40 percent of the vote, [according to the County Water Authority Act](#).

No other water district comes close to that. The most voting weight by percentage held by any one is Otay Water District at about 6 percent.

The Water Authority voting rules say decisions need a 55 percent majority vote to pass when San Diego is also voting. So that means, as long as San Diego joins forces with a few other water districts, they control the Water Authority.

A good example is when the Water Authority [wanted to build a \\$5 billion parallel pipeline](#) to the Colorado River back in September of 2020. Even though the project wouldn't bring one new drop of water to the region, the region would have control over its main drinking water source – instead of [paying the Los Angeles-based Metropolitan Water District of Southern California](#) to transport it.

Twenty of the agency's 36 directors [said no to the pipeline](#), and 14 said yes including "the city 10" – how local water nerds refer to the city of San Diego.

At the time, Gary Arant, general manager of Valley Center Municipal Water District, argued Water Authority votes should work like Congress – a decision should pass two houses, one weighted by population or property values and another by an equal number of votes per water district.

Arant, with approval from his own board, [sent a letter to Boerner](#) with a similar proposal. Some of his board members were hesitant in supporting the bill at all.

“That’s what we’re saying your leverage is,” Arant said in response. “We’ll go along with the legislation if you change the voting structure.”

Kim Thorner, general manager of Olivenhain Municipal Water District which serves portions of coastal cities including Encinitas, wrote her own letter to Boerner on July 26 asking the same. James Hickle, president of the Ramona Municipal Water District board, opposed the bill outright in a July 12 letter.

“I urge you to send a strong message to big cities and large agencies who want to dictate what is good for the smaller communities and cities, then turn around and do what is best for themselves without regard for others,” Hickle wrote.

## Southern California's 'water doctor' pushes for transformation to adapt to climate change

Story by Ian James • 1d

When Adel Hagekhalil speaks about the future of water in Southern California, he often starts by mentioning the three conduits the region depends on to bring water from hundreds of miles away: the Los Angeles Aqueduct, the Colorado River Aqueduct and the California Aqueduct.

As general manager of the Metropolitan Water District of Southern California, Hagekhalil is responsible for ensuring water for 19 million people, leading the nation's largest wholesale supplier of drinking water. He says that with climate change upending the water cycle, the three existing aqueducts will no longer be sufficient.

Southern California urgently needs to buttress its water resources, he says, by designing the equivalent of a "fourth aqueduct" — not another concrete artery to draw water from distant sources, but a set of projects that will harness local water supplies and help prepare for more intense extremes as temperatures continue to rise.

"The organization is going through a transformation," Hagekhalil told employees during a recent visit to a water treatment plant. "It's all about us adapting," he said, and the water district must prepare for hotter and drier times as global warming continues to undermine the region's water lifelines in the coming decades.

For Southern California to adapt, Hagekhalil said, it will need to recycle more wastewater, capture stormwater, clean up contaminated groundwater, and design new infrastructure to more nimbly transport and store water, taking advantage of wet years such as this one to prepare for longer and more severe droughts.

Whether he is ultimately able to deliver on these ambitious goals could be determined in part by the actions of the board that hired him. The MWD's 38-member board has a history of [contentious politics](#), and resistance to change among some leaders might slow Hagekhalil's efforts to revamp priorities at the district, where he oversees more than 1,900 employees and more than [\\$2.2 billion in annual spending](#).

But Hagekhalil, who previously managed sewer systems and street services for Los Angeles, has a reputation for being an affable, diplomatic manager who isn't afraid to take on difficult tasks and values hearing from all sides. He has made headway building alliances to advance his goals. And he also has a disarming demeanor, with a playful streak and a knack for using slogans to market his priorities.

He [took the job](#) in 2021 after a [bitter debate among board members](#), some of whom said they saw him as too inexperienced in Western state water politics. After the board narrowly voted to hire him, Hagekhalil sought to emphasize unity, and began wearing a blue lapel pin with the slogan "We Are One."

He regularly hands out the pins to board members, employees and others.

"I'm a believer in branding," Hagekhalil said. "And I believe that I probably am pretty good at doing it."

Tracy Quinn, an MWD board member and chief executive of the environmental group Heal the Bay, said she thinks Hagekhalil is succeeding in bringing people together around a vision of holistic water solutions.

"Adel is a convener," Quinn said. "It's been really impressive to watch him do what he's known for: building a bigger tent, bringing people in, getting buy-in."

Hagekhalil earns \$465,000 a year as general manager. The 58-year-old engineer regularly talks with top state leaders and members of Congress. He has built rapport with environmental activists by joining them in virtual meetings to hear their concerns about the climate crisis, conservation efforts and proposed infrastructure projects.

His openness to listening is a welcome change and a sign that he is trying to take the agency in a new direction, said Charming Evelyn, who chairs the Sierra Club's water committee in Southern California. She said she sees him as a "people pleaser," who knows what each camp wants to hear and is careful not to antagonize anyone while trying to strike a balance.

"He is walking a tightrope," Evelyn said, "trying to please the folks that have been there a very, very long time, that don't like change, and trying to see how he can implement change in increments."

She said she expects Hagekhalil's campaign will be a difficult test, a "rough road."

Hagekhalil is optimistic.

"I think it's a great opportunity to really reshape the future and build the infrastructure for the next hundred years," he said. "Time is not on our side. We cannot act with anything less than urgency."

Hagekhalil said California's current water challenges demand ambitious innovations on the scale of the works planned more than a century ago by William Mulholland, who led L.A.'s water department and oversaw the [construction of the aqueduct](#) that took water from the Eastern Sierra and enabled the rise of Los Angeles. Now, he said, Southern California needs a new "Mulholland moment," but one based on a new ethic of developing solutions to withstand climate change.

On a recent morning, Hagekhalil met with workers at the [Robert B. Diemer Water Treatment Plant](#) in Yorba Linda, where he spoke about the importance of workplace safety and the changes he is prioritizing. He talked about the climate adaptation plan the district is preparing to become more resilient and more self-reliant on local sources.

"What we did the last hundred years was great, but we know that the Colorado River is drying up," Hagekhalil said. "The future is ensuring that everyone has safe, reliable water across the region, with no one left behind."

After taking questions, Hagekhalil handed out raffle prizes, including water bottles and earbuds.

Then an employee drove him to the MWD headquarters in downtown Los Angeles. Walking into his office, he passed a wall with rows of black-and-white portraits of the 13 other men who have led the agency since its founding in 1928, followed by a color photo of Hagekhalil smiling.

He has used his office window, which overlooks the 101 Freeway, as a whiteboard of sorts, with a list of five bulleted words written in black marker on the glass: Empower. Sustain. Protect. Adapt. Partner.

Hagekhalil said he distilled his goals into these five categories, which he calls "anchors" to guide the organization.

In a series of meetings with managers, Hagekhalil discussed a project in the Antelope Valley that will store water underground, efforts to work with partner agencies to bank water elsewhere, and the district's plans to rework its system to provide redundancy in areas that now rely solely on imported water from Northern California via the State Water Project.

He chatted by phone with Assemblymember Laura Friedman (D-Glendale) about a [bill](#) the district is supporting to prohibit the use of drinking water for grass that is purely decorative along roads and outside businesses.

Hagekhalil received an update on a planned project in Carson called [Pure Water Southern California](#), which is slated to become the country's largest wastewater recycling facility, at a cost of \$5 billion to \$7 billion. It's

scheduled to deliver its first water as soon as 2028, and later reach full capacity in 2032, treating 150 million gallons a day, enough to supply about half a million homes.

That recycled water is intended to help offset declines in supplies from the shrinking [Colorado River](#) — a goal that agencies in Nevada and Arizona have supported by contributing money for the planning work.

Hagekhalil said he expects the share of water that Southern California gets from imported sources, now about 50%, to shrink in the coming decades to roughly 30%. He said that will be driven by expected [long-term declines](#) in available supplies from the Colorado River and the Sacramento-San Joaquin River Delta, a gap that will need to be filled with other supplies.

The district also must prepare for more of the heat-supercharged “climate whiplash” conditions that California has been experiencing, he said, including the driest three-year period on record from 2020-2022, followed by one of the wettest winters in decades.

Even with the state’s reservoirs now [nearly full](#), Hagekhalil said it’s crucial not to lose momentum on building infrastructure projects such as the water recycling facility, because the state could soon be dealing with even more severe bouts of dryness.

Last year, the drought situation was so dire that the district imposed [mandatory water restrictions](#) in areas that depend on the State Water Project, [affecting nearly 7 million people](#) and leading to a [dramatic reduction](#) in water use. Hagekhalil said the shortages could have worsened if the drought had persisted, and he intends to prevent a repeat of — or any scenarios like — the crisis of 2017-18 in Cape Town, South Africa, when residents lined up to fill jugs as declining reservoirs approached a feared “[Day Zero](#).”

“I don’t want people ever to be in a place where they do not have water,” Hagekhalil said. “This cannot happen here.”

Hagekhalil's values and views were partly shaped by his experiences growing up during the civil war in Lebanon, where his Palestinian family lived through bloodshed, hardships and water shortages. For a time in 1982, after Israeli troops invaded, they had no running water at home, so Hagekhalil would line up to fill two jugs at a communal spigot.

“When that water came out and you filled your jugs, you’re coming home, you’d have a big smile,” Hagekhalil said. “I know what the value of water is.”

Later, as fighting raged between the Lebanese military and militia fighters in 1984, his family was living in a second-story apartment when a rocket hit, ripping through the home and exploding on the floor below, killing many neighbors. Hagekhalil, who was then 19, said he remembers his mother had him lie in a bathtub and covered him so he wouldn’t be wounded.

When the family fled to an underground shelter, Hagekhalil carried his grandmother, who was ill. He also carried two suitcases and remembers stepping past dead bodies as he fled.

After a stint living in a hotel, Hagekhalil and his parents took a cab to Syria and boarded a flight out of the country. They moved to Houston, where Hagekhalil’s older brother was living, and embraced their new home.

“Deep inside, when you go through this trauma, it stays with you. And that’s why I don’t like to see people who are traumatized,” Hagekhalil said. “I want to help people.”

He said he isn’t particularly religious, but he follows the teachings of Islam in seeking to care for others. Early in life, Hagekhalil wanted to become a doctor to help save lives. Even though he ended up studying engineering, he said he sees his current work of ensuring people have clean water as being, in a way, about saving lives.



"To me, I'm the top surgeon now," he said with a chuckle. "So it starts from my dream of being a doctor, to now probably being a water doctor."

Continuing with the analogy, he said he's working to "help heal this patient that we're dealing with because of climate change, to make it continue for the future and live long."

Doing that requires shifting the agency's focus from being purely a water importer to being more of a regional steward and caretaker of water, he said, "a co-op to build this reliability system for everyone." He said the transformation also requires changing the financial model from one that depends on selling imported water to member agencies, to one that will support investments in local infrastructure.

"'How are we going to pay for it' is going to be the biggest discussion that the board should take on," he said.

While the agency's former leaders helped spearhead a controversial state proposal to [build a water tunnel](#) in the Sacramento-San Joaquin River Delta, Hagekhalil has taken a different approach, saying he hopes to see more analysis of the long-term water-supply benefits that the project would bring.

"We can't put all our eggs in that one basket. In the past, everyone was focused on the delta as the solution for our future," he said. "We need to diversify. We need to look at other options."

At the same time, Hagekhalil sees one of his key tasks as addressing the organization's internal woes, including issues of discrimination and [harassment of women](#), which last year led to a scathing [state audit](#) showing the district failed to commit resources to properly investigate complaints of misconduct, among other failings. Hagekhalil tells his managers they are crucial in "creating this culture of inclusion."

This isn't the first time Hagekhalil has campaigned for change. In his previous work for the city of L.A., he led various efforts, including reducing sewer spills and experimenting with efforts to [cool streets](#) by painting pavement a light shade to reflect sunlight.

At times, he showed his playful side. In the early 2000s, when the city launched a campaign urging restaurants to stop dumping grease into sewers, Hagekhalil dressed up as a superhero called the [Grease Avenger](#), appearing at community events wearing a blue leotard, mask and purple cape. He said the gimmick worked, helping to raise awareness.

Now, his goals are bigger and his responsibilities are weighty. But he said he's simply building on an approach he has always taken in his work: never saying no to a difficult task.

He said his style as a manager draws on a bit of wisdom he gleaned years ago from the title of a book about stress and spirituality by Brian Luke Seaward: "[Stand Like Mountain, Flow Like Water](#)."

Hagekhalil said he thinks about being strong to face challenges but being "flexible, adaptable and welcoming like water."

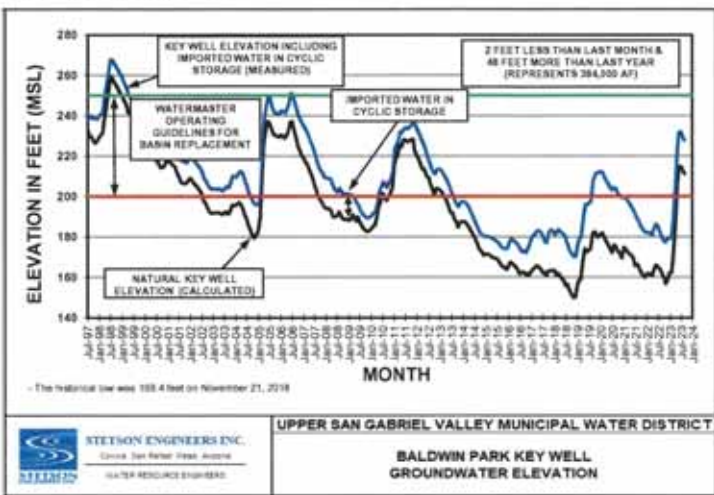
"You can move around the challenges you're facing, and not be stopped in that effort," he said.

This story originally appeared in [Los Angeles Times](#).

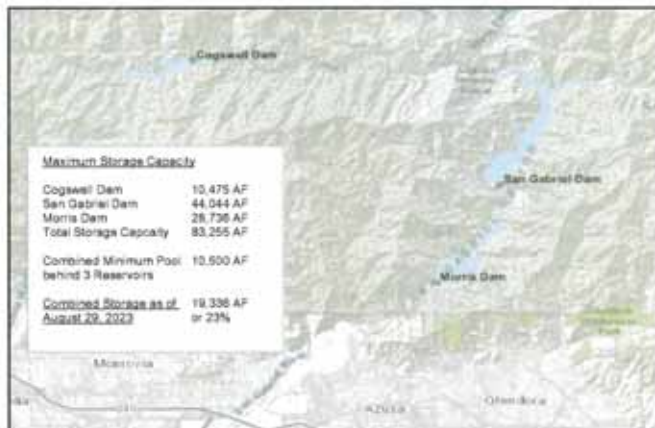


**REPORT OF THE DISTRICT ENGINEER  
ON HYDROLOGIC CONDITIONS  
SEPTEMBER 13, 2023**

**Baldwin Park Key Well**



**Reservoir Storage and Releases**



**Groundwater Elevation  
August 2023**

	Groundwater Elevation (ft)	Difference from prior month (ft)	Difference from prior year (ft)
August 26, 2022	179.8		
July 28, 2023	229.2		
August 25, 2023	227.7	-1.5	47.9

**Untreated Imported Water in Cyclic Storage Accounts**

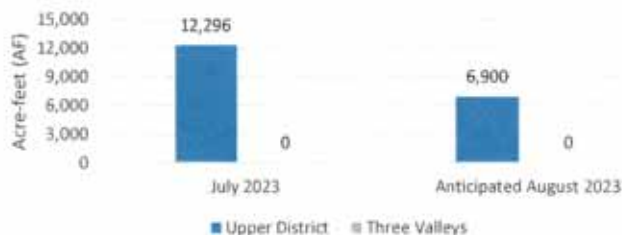
Producer Cyclic Storage	55,000 AF
MWD Cyclic Storage (For UD RDA Delivery)	25,000 AF
Other Cyclic Storage	18,000 AF
<b>Total</b>	<b>98,000 AF*</b>

\*Represents about 12 feet of groundwater elevation at the Key Well

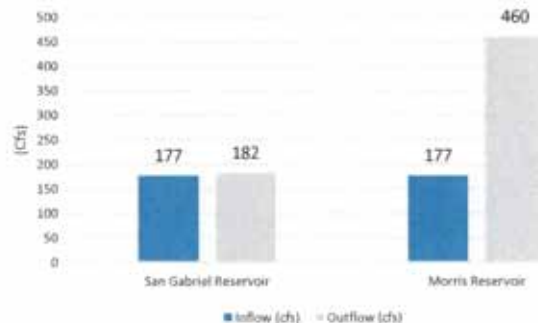
**USG-3**

- 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
- Typical delivery rate is about 190 cfs (or about 375 AF per day)

**Imported Deliveries through USG-3**

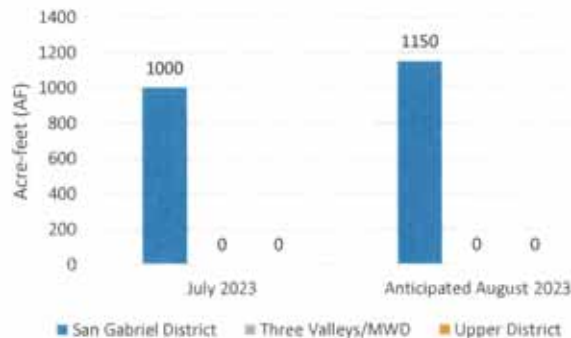


**Reservoir Flow  
As of August 28, 2023**



**San Gabriel Canyon Spreading Grounds**

**Imported Deliveries to San Gabriel Canyon**

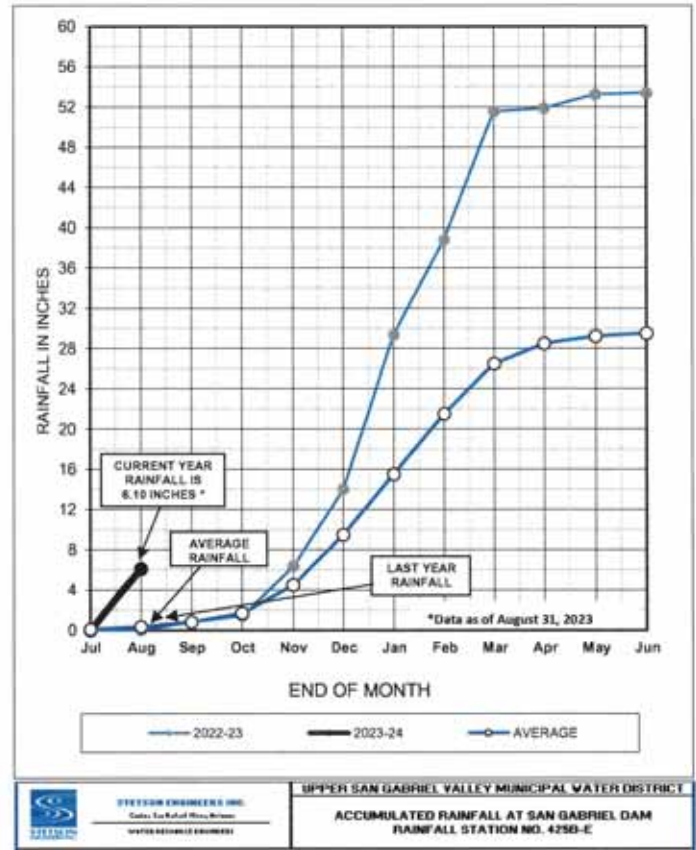
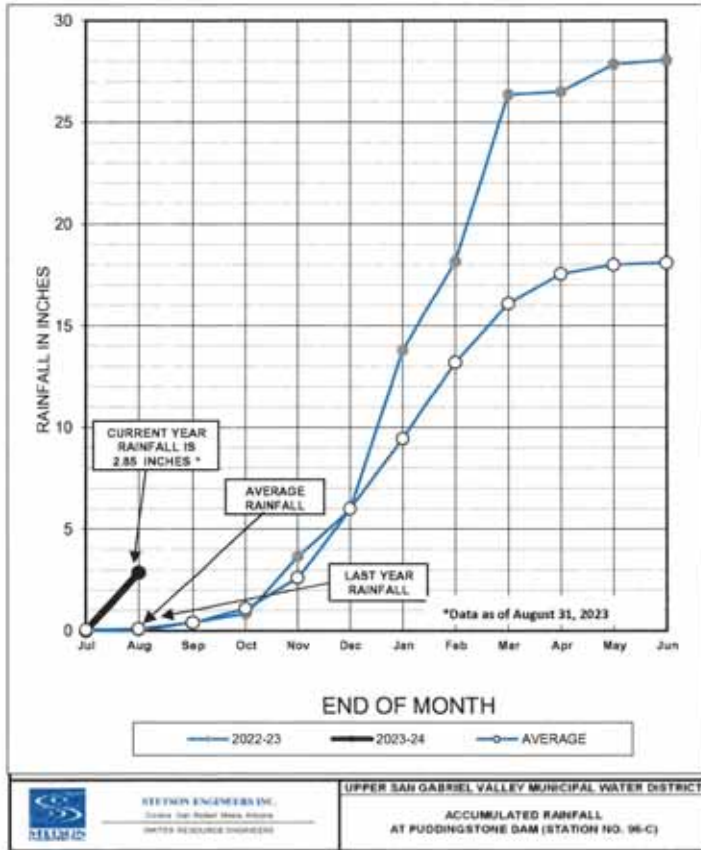




**REPORT OF THE DISTRICT ENGINEER  
ON HYDROLOGIC CONDITIONS  
SEPTEMBER 13, 2023**

**Rainfall**

• Data are readily available on a daily basis and are indicative of comparative amount of rainfall in the San Gabriel Valley (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 Pursuant to Title 22 (Water quality data collected through Main San Gabriel Basin Watermaster's Basinwide Groundwater Quality Monitoring Program)

- During August 2023, 74 wells were sampled under Title 22
- During July 2023, 53 wells were sampled under Title 22
- During July 2023, Stetson Engineers Inc. received no public notice of wells shut down due to contamination

# MEMORANDUM



## GENERAL MANAGER'S REPORT

### General Manager's Monthly Report September 13, 2023

#### Water Supply Update



**Baldwin Park Key Well:** 227.7 feet on 8/25/23  
**San Gabriel Canyon:** 19,336 AF combined storage as of 8/29/23  
**San Gabriel Reservoir:** inflow 177 cfs; release 182 cfs  
**Morris Reservoir:** inflow 177 cfs; release 460 cfs



**USG-3 deliveries during July 2023:**  
 10,984.3 AF to reverse cyclic and 1,311.7 AF to MWD Cyclic  
**Rainfall as of 8/31/23:**

- 2.85" - Puddingstone Dam
- 6.10" - San Gabriel Dam

#### MWD Water Supply Conditions as of August 28, 2023, are summarized as follows:

Reservoir	Capacity	Current Storage	Compared to last year
San Luis	2.04 MAF	87%, 1.78 MAF	578 TAF more
Oroville	3.54 MAF	82%, 2.91 MAF	1.57 MAF more
D. Valley Lake	810 TAF	80%, 648 TAF	128 TAF more
Lake Powell	24.3 MAF	37%, 8.92 MAF	2.91 MAF more
Lake Mead	26.1 MAF	34%, 8.80 MAF	1.58 MAF more

\*Storage volumes are in units of Million Acre-Feet (MAF), or Thousand Acre-Feet (TAF)



#### Drought Actions

WSCP status: Level 2, 20% conservation target, 3 day/week outdoor watering summer, 2 day/week outdoor watering in winter

#### Building Update

The Monrovia City Council approved a reimbursement agreement with the District to pay for the charging stations available to the public. In addition, the Monrovia Fire Department issued its signoff for the issuance of the final occupancy permit for the building.

#### Water Use Efficiency



**Residential Water\$mart Rebates**  
 Since July 2023 - \$34,633.68



**Commercial Water\$mart Rebates**  
 Since July 2023 - \$5,000.00



**Water Smart Home Kits**  
 Homes Served: 38  
 Baldwin Park project is live  
 Grant funds to allow non-DAC Oct. 2023



**MAAP Funds 2023-2025 - \$572,000**  
 Reserved: \$598,000 (pending \$80,000 program)  
 Available: -\$26,000 (closing 2 programs)  
 Invoiced to MWD: \$186,291 (pending \$9,215)

## Education and Outreach



### 2023 Outreach Booths

50 booths hosted – 2 remaining (Sept 23)  
14 different cities/locations



### Watershed Restoration

Fall 2023 event dates:  
October 21<sup>st</sup> & November 4<sup>th</sup> 8am-12pm



### Upcoming Landscaping Workshops

September 23, 2023 – Gardening for Shade and other Landscaping Challenges – 9am @ UD office  
October 10, 2023 – Good-bye Grass: Qualify for Turf Replacement (virtual) – 6pm \*MWD hosted  
October 14, 2023 – Landscape Transformation on a Budget – 9am @ UD office  
October 24, 2023 – Rainwater Harvesting (virtual) – 6pm \*MWD hosted  
November 9, 2023 – Alternatives to Removing Your Turf – 6pm @ UD office

## Legislative Update



### State Legislative Update

Leadership Change - Assemblymember Robert Rivas (D-Salinas) has replaced Anthony Rendon (D-Lakewood) as the 71st Speaker of the California State Assembly. A similar leadership change is now taking place in the Senate where Senator Mike McGuire (D-Geyserville) has been selected to replace President pro Tem Toni Atkins (D-San Diego) at a time to be determined in 2024. The Legislature will adjourn the 2023 session on Friday, September 14th. The Governor has until the end of September to sign or veto bills sent to his desk. The Legislature will reconvene on January 3, 2024.

### Washington D.C. Update

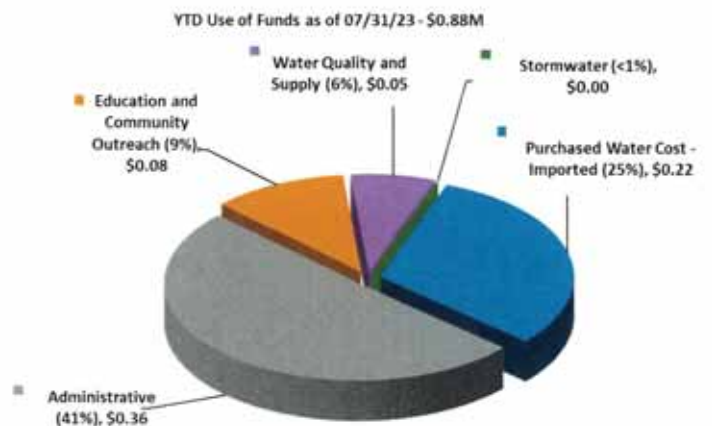
Both the House and Senate have been on summer recess throughout the month of August. The Senate returned on September 5th, and the House returns on September 12th. Congress will have three weeks to pass all 12 appropriations bills before the Fiscal Year ends on September 30th. Congress will face significant challenges in passing the FY24 budget by the September 30th deadline. In the House, Speaker McCarthy faces an uphill battle in passing legislation. The Speaker has received opposition from the Democratic party, and even more difficult pushback within his own party. Disagreement over cuts to spending and partisan issues will make a bill difficult to pass in the House.

## Finance and Administration



### Financial Highlights for FY 23/24

- Treated water sales: 282.8 AF
- Untreated water sales: 10,984.30 AF
- YTD net operating revenues: -\$0.33M



**Summary Report for  
The Metropolitan Water District of Southern California  
Special Board Meeting  
August 22, 2023**

**OTHER MATTERS**

Department Head Performance Evaluations. **(Agenda Item 5-1)**  
**(Heard in Closed Session; No action taken)**

Report on Department Head 2023 Salary Survey. **(Agenda Item 5-2) (Item Deferred)**

Discuss and Approve Compensation Recommendations for General Manager, General Counsel,  
and Ethics Officer. **(Agenda Item 5-3) (Item Deferred)**

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OF THE MEETING.**

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**Summary Report for  
The Metropolitan Water District of Southern California  
Board Meeting  
August 15, 2023**

**CONSENT CALENDAR ITEMS - ACTION**

(a) Awarded a \$1,962,691 contract to Structural Preservation Systems for urgent relining of Sepulveda Feeder; (b) Authorized a \$280,000 increase to a professional services agreement with HDR Engineering Inc. for a new not-to-exceed amount of \$15,780,000; and (c) Authorized a \$240,000 increase to an existing land lease agreement with Los Angeles Community College District for a new not-to-exceed amount of \$1,090,000. **(Agenda Item 7-1)**

Authorized an agreement with Nth Generation Computing Inc. in an amount not to exceed \$367,448 for the Datacenter Backup Infrastructure Upgrade. **(Agenda Item 7-2)**

Authorized amendments to the Cyclic Cost-Offset Program terms and authorized the general manager to execute other agreements, including surface storage, that achieve the same benefits under the same financial terms and conditions, as amended. **(Agenda Item 7-3)**

(Committee members actively discussed the amended motion introduced by Director Miller. Because of uncertainty around the inclusion of surface water, this amendment clarifies that surface-water storage within the service area is included in the Cyclic Cost-Offset Program).

Authorized implementation of the tree rebate option for the Turf Replacement Program. **(Agenda Item 7-4)**

Approved proposed amendment to Administrative Code Section 6471 to increase the amount of the Ethics Officer's authority to obtain professional services for external investigations from \$100,000 to \$250,000 per contract per year. **(Agenda Item 7-5)**

Approved the nomination and renaming of Metropolitan's Pure Water Southern California Demonstration Plant as the Grace F. Napolitano Pure Water Southern California Innovation Center. **(Agenda Item 7-6)**

**CONSENT CALENDAR OTHER ITEMS – ACTION**

Approved Commendatory Resolution for Director Heather Repenning representing the City of Los Angeles. **(Agenda Item 7B)**

Confirmed the appointment of the Board Executive Secretary, Rickita C. Hudson, effective August 6, 2023. **(Agenda Item 7C)**

Approved Committee Assignments. **(Agenda Item 7D)**

Engineering, Operations, and Technology Committee (EOT)

Added Director Bryant

Ethics, Organization, and Personnel Committee (EOP)

Added Director Bryant

**OTHER BOARD ITEMS – ACTION**

(a) Adopted the Resolution Levying Ad Valorem Property Taxes for the Fiscal Year Commencing July 1, 2023 and ending June 30, 2024 for the Purposes of The Metropolitan Water District of Southern California (Attachment 1 in the board letter) maintaining the tax rate at .0035 percent of assessed valuation, the same rate levied in FY 2022/23; and (b) Directed staff to transmit that resolution to the county auditor-controllers, or equivalent, for the levy and collection of the ad valorem property tax. **(Agenda Item 8-1)**

Authorized an agreement with Computer Aid Incorporated in an amount not to exceed \$1,750,000 to provide staff augmentation support services for the operation and maintenance of the Metropolitan Cybersecurity Operations Center for a period of up to one year. **(Agenda Item 8-2)**

**OTHER MATTERS AND REPORTS**

Reported on list of certified assessed valuations for fiscal year 2023/24 and tabulation of assessed valuations, percentage participation, and vote entitlement of member agencies as of August 15, 2023. **(Agenda Item 5G)**

Presented Commendatory Resolution for Director Richard Atwater representing Foothill Municipal Water District. **(Agenda Item 6H)**

Presented 20-year Service Pin to Director Larry D. Dick, Municipal Water District of Orange County. **(Agenda Item 6I)**

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**Summary Report for  
The Metropolitan Water District of Southern California  
Board Meeting  
July 11, 2023**

**OTHER MATTERS AND REPORTS**

Induction of new Director Gary E. Bryant of Foothill Municipal Water District.  
**(Agenda Item 6G)**

Induction of new Director Carl Douglas of the City of Los Angeles.

Presented 5-year Service Pin to Director Tim M. Smith, San Diego County Water Authority.  
**(Agenda Item 6H)**

**CONSENT CALENDAR OTHER ITEMS – ACTION**

Approved Commendatory Resolution for Director Richard Atwater representing Foothill Municipal Water District. **(Agenda Item 7B)**

Approved Committee Assignments. **(Agenda Item 7C)**

Equity, Inclusion, and Affordability Committee (EIA)

Removed Director Pressman

Engineering, Operations, and Technology Committee (EOT)

Removed Vice Chair Director M. Petersen

Added Director Camacho – Vice Chair

One Water and Stewardship Committee (OWS)

Added Director Pressman

Board and Executive Committee (Exec)

Added Director Sutley as Board Vice Chair for Climate Action

As well as added the following new Ad Hoc Committee:

Ad Hoc Committee on Policy Impacts of Third-Party Changes to Member Agency Boundaries (PITPCMAB)

Director Miller – Chair

Director Armstrong – Vice Chair

Director Erdman – Member

Director McMillan – Member

Director McCoy – Member

Director Smith, Chair of Finance, Audit, Insurance, and Real Property Committee, announced the following appointments:

Subcommittee on Long-Term Regional Planning Processes and Business Modeling (LTRPPBM)

Director M. Petersen – Chair

Director Seckel – Vice Chair

**CONSENT CALENDAR ITEMS - ACTION**

Authorized an increase of \$950,000 in change order authority for the contract with W.A. Chester LLC to terminate 6.9 kV power cables at all five CRA pumping plants. **(Agenda Item 7-1)**

Authorized an increase of \$2 million to an existing agreement with Jacobs Engineering Group Inc., for a new not-to-exceed amount of \$2.65 million for final design of the first stage of security upgrades at all five CRA pumping plants and the Camino Electrical Switching Station. **(Agenda Item 7-2)**

Awarded a \$452,886 contract to Best Contracting Services Inc. to replace the roofs of the administration and warehouse buildings at the Lake Mathews site. **(Agenda Item 7-3)**

Awarded a \$349,527.80 procurement contract to TechnoFlo for 50 flow meters to comply with surface water diversion regulations on Metropolitan's Delta Island properties. **(Agenda Item 7-4)**

Adopted Ordinance No. 152, determining that the interests of Metropolitan require the use of revenue bonds in the aggregate principal amount of \$500 million to finance a portion of Metropolitan's capital expenditures and waive the full reading of Ordinance No. 152 (two-thirds vote of the Board required). **(Agenda Item 7-5)**

Reviewed and considered the Lead Agency's adopted Mitigated Negative Declaration and take related CEQA actions, and adopted resolution for 114th Fringe Area Annexation to Eastern Municipal Water District and Metropolitan. **(Agenda Item 7-6)**

Awarded a \$359,725 contract to Mesa Energy Systems Inc. for the repair of heating, ventilation, and air conditioning chiller #2 located at the Metropolitan Headquarters Building. **(Agenda Item 7-7)**

Approved General Auditor's Business Plan for fiscal year 2023/24. **(Agenda Item 7-8)**

**OTHER BOARD ITEMS - ACTION**

Awarded a \$3,740,792 contract to M.S. Construction Management Group Inc. to replace a portion of the existing fire sprinkler system's piping and network components at Metropolitan's Headquarters Building. **(Agenda Item 8-1)**

Approved amendment of the Metropolitan Water District Administrative Code to delete the requirement that matters may not be placed on consent if a roll call is required and increase the cost of items that may be placed on the Consent Calendar from \$2 million to \$10 million.

**(Agenda Item 8-2)**

Awarded a \$16,490,000 contract to J. F. Shea Construction Inc. for furnishing and installation of pre-engineered storage buildings at the Hinds, Eagle Mountain, and Iron Mountain pumping plants. **(Agenda Item 8-3)**

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**Summary Report for the  
Main San Gabriel Basin Watermaster  
Regular Board Meeting  
September 6, 2023**

The Board of Directors received and filed the following items:

- a) Temporary assignment of lease of 38.07 acre-feet of Production Right from Vulcan Materials Company to City of Azusa for FY 2023-24
- b) Change of Designee for the City of Monterey Park to Inez Alvarez

Summary Report for the  
Main San Gabriel Basin Watermaster  
Regular Board Meeting  
August 2, 2023

1. Under Consent, the Board of Directors approved the following items:
  - a) Authorization to attend Association of California Water Agencies Fall Conference, November 28-30, 2023
  - b) Stipulation Re Intervention After Judgement of: Martin Marietta Southern California Aggregates LLC
  
2. The Board of Directors received and filed the following items:
  - a) Temporary assignment or lease of 168.00 acre-feet of Production Right from Lucy A. Rosedale and Harry E. Rosedale Jr. Trust Dated May 24, 1985 to Canyon Water Company for FY 2023-24
  - b) Transmittal of San Gabriel Valley Municipal Water District monthly report for May 2023

# MEMORANDUM



**17. (a)**  
**DIRECTORS'**  
**REPORT (AB 1234)**

**Directors' Activity Report – (AB 1234)**  
*In accordance with CA Government Code Section 53232.3 (d)*  
**August 2023**

**ANTHONY R. FELLOW, Division 1**

Date	Event	Description/Topics
August 23-25, 2023	Urban Water Institute	Compare the Last 30 Years in California Water with the Future – Planning to Use Every Drop, Who Does the Public Trust? What Happens When Trust is Lost?, AWWA's View of the Water Industry, Tools to Manage "Every Drop, Not Everywhere, and Not All At Once"- Monitoring and Predicting Western Water, Where it Stands Today- Overview of Agreement on Managing Every Drop, Digging into the Weeds of the Recent Colorado River Agreement-Response Panel, Interest Group Relationships Report Card-Has Collaboration Among Advocacy Groups Been Effective at Meeting Everyone's Goals?, Water Bond Update, The California Data Collaborative: Empowering Water Agencies with Data and New Insights

**CHARLES M. TREVIÑO, Division 2**

Date	Event	Description
	No reportable activity.	

**ED CHAVEZ, Division 3**

Date	Event	Description
August 23-25, 2023	Urban Water Institute	Compare the Last 30 Years in California Water with the Future – Planning to Use Every Drop, Who Does the Public Trust? What Happens When Trust is Lost?, AWWA's View of the Water Industry, Tools to Manage "Every Drop, Not Everywhere, and Not All At Once"- Monitoring and Predicting Western Water, Where it Stands Today- Overview of Agreement on Managing Every Drop, Digging into the Weeds of the Recent Colorado River Agreement-Response Panel, Interest Group Relationships Report Card-Has Collaboration Among Advocacy Groups Been Effective at Meeting Everyone's Goals?, Water Bond Update, The California Data Collaborative: Empowering Water Agencies with Data and New Insights
August 28-29, 2023	California Special District Association	Role of the Board, Parliamentary Procedure, Brown Act, and Conflicts of Interest; Public Events to Build Community Equity; LAFCOs – An Additional Resource for Districts; You Can (Central) Bank On It: The Importance and Impact of the Federal Reserve System to Your District's Investment Program; Leadership vs. Management; Avoiding Conflicts of Interest and Maintaining Public Trust; Understanding Board Member Liability; The California Public Records Act: Don't Get Caught Unaware!; 10 Best Practices Every Board Member Should Know; Cybersecurity Best Practices for Special Districts

**KATARINA GARCIA, Division 4**

Date	Event	Description
	No reportable activity.	

**JENNIFER SANTANA, Division 5**

Date	Event	Description
	No reportable activity.	



# MEMORANDUM



**17. (b)  
DIRECTORS'  
REPORT (AB 1234)**

**Directors' Activity Report – (AB 1234)**  
*In accordance with CA Government Code Section 53232.3 (d)*  
**July 2023**

**ANTHONY R. FELLOW, Division 1**

Date	Event	Description
	No reportable activity.	

**CHARLES M. TREVIÑO, Division 2**

Date	Event	Description
	No reportable activity.	

**ED CHAVEZ, Division 3**

Date	Event	Description
July 27-30, 2023	Independent Cities Association	

**KATARINA GARCIA, Division 4**

Date	Event	Description
	No reportable activity.	

**JENNIFER SANTANA, Division 5**

Date	Event	Description
	No reportable activity.	