### PUBLIC HEARING

# AND A REGULAR MEETING OF THE BOARD OF DIRECTORS UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT 602 E. HUNTINGTON DRIVE, SUITE B, MONROVIA, CA 91016 10:00 A.M. – JUNE 5, 2019

# AGENDA

- 1. PLEDGE OF ALLEGIANCE
- 2. ROLL CALL OF BOARD OF DIRECTORS
- ADOPTION OF AGENDA [1]
- PUBLIC HEARING REGARDING PROPOSED REAUTHORIZATION OF A WATER AVAILABILITY STANDBY CHARGE FOR FISCAL YEAR 2019/20 [1]
  - (a) Open Public Hearing
  - (b) Proposed Reauthorization of a Water Availability Standby Charge for Fiscal Year 2019/20. (Staff memorandum enclosed, A representative from Willdan Financial Services will be at the meeting to answer any questions.)
  - (c) Public Comment A three-minute time limit on remarks is requested. Questions will be answered after all who wish to speak have had the opportunity to do so. Staff will record all questions. Staff response will be given at the conclusion of the public comment period.
  - (d) Close Public Hearing
- ADJOURN TO REGULAR MEETING
- 6. 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.

- COMMITTEE REPORTS [2]
  - (a) Water Policy (Director Treviño, Chair Director Contreras, Vice-Chair)
     (Minutes of meeting held on May 22, 2019 enclosed.)
  - (b) Administration and Finance (Director Contreras, Chair Director Treviño, Vice-Chair) (Minutes of meeting held on May 23, 2019 to be distributed at meeting.)
- ITEMS REMOVED FROM CONSENT CALENDAR [1]
- CONSENT CALENDAR [1]
  - (a) Approve minutes of a special meeting of the Board of Directors held on May 15, 2019 at 5:00 p.m.

- (b) Approve List of Demands.
- (c) Financial Reports April 2019.
  - Financial Statements.
  - 2. Director's Public Outreach.
- (d) Authorize General Manager's unused vacation cash out of 10 days and unused administrative leave cash out of 6 days.
- (e) Execution of Negotiated Tax Exchange Resolution from Annexation of Project L 086-2017 to County of Los Angeles Lighting Maintenance District 1687.

## ACTION/DISCUSSION ITEMS [1]

(a) Adopt Ordinance No. 19-1 Imposing Standby Charges for Fiscal Year Commencing July 1, 2019. (Ordinance No. 19-1 enclosed.)

#### Recommendation

Staff recommends that the Board of Directors adopt Ordinance No. 19-1 as presented.

(b) Adopt Proposed FY 2019/20 Budget and Calendar Year 2020 Water Rates and Charges. (Staff memorandum and Resolution No. 6-19-604 enclosed.)

#### Recommendation

Due to a lack of quorum, the Administration and Finance Committee forwarded this item to the Board of Directors without a recommendation from the Committee.

Staff recommends that the Board of Directors: a) approve the Fiscal Year 2019/20 Budget, b) approve Resolution 6-19-604, adopting the water rates and charges for calendar year 2020, and c) approve a cost of living adjustment for District wages effective July 1, 2019.

(c) Approve Financial Audit Services for Fiscal Year 2018/19 through 2020/21. (Staff memorandum enclosed.)

#### Recommendation

Due to a lack of quorum, the Administration and Finance Committee forwarded this item to the Board of Directors without a recommendation from the Committee.

Staff recommends that the Board of Directors authorize the General Manager to execute a professional services agreement with Rogers, Anderson, Malody & Scott, LLP to provide financial audit services for fiscal years ending June 30, 2019, 2020 and 2021, for a not-to-exceed maximum amount of \$79,925.

(d) Preparation of the Updated 2019 Integrated Resources Plan (IRP). (Staff memorandum enclosed.)

#### Recommendation

Due to a lack of quorum, the Water Policy Committee forwarded this item to the Board of Directors without a recommendation from the Committee.

Staff recommends that the Board of Directors approve the following actions related to the preparation of the 2019 Integrated Resources Plan:

- Waive Manual of Policies Section 3.4.9 relating to a formal RFP process in recognition of Stetson Engineers', in partnership with INTERA Incorporated, extensive regional knowledge, industry-wide analytic capabilities, and in recognition of significant cost efficiencies.
- Authorize the General Manager to execute a Task Order, pursuant to the "Agreement for District Engineering Services", with Stetson Engineers Inc. to provide an update to the Integrated Resources Plan for an amount not to exceed \$125,000, with an associated term through June 2020.
- (e) Nomination for ACWA Region 8 Board for the 2020/21 Term. (Staff memorandum and Resolution No. 6-19-605 enclosed.)

## Recommendation

Staff recommends that the Board of Directors consider nominating a board member to be included in the ACWA Region 8 Board elections for the 2020/21 term and adopt Resolution No. 6-19-605 reflecting that nomination.

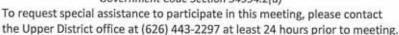
- INFORMATION ITEMS (These items are for the information of the Board of Directors and require no action) [2]
  - (a) Press Releases.
  - (b) Newspaper Articles.
- ATTORNEY'S REPORT [2]
- 13. ENGINEER'S REPORT [2]
- GENERAL MANAGER'S REPORT [2]
- METROPOLITAN REPORT [2]
- WATER QUALITY AUTHORITY REPORT [2]
- WATERMASTER REPORT [2]

- 18. AB 1234 COMPLIANCE REPORT [2]
- DIRECTOR'S COMMENTS [2]
- 20. FUTURE AGENDA ITEMS [1]
- 21. ADJOURN TO CLOSED SESSION
  - (a) Government Code Section 54956.9: Potential Litigation one case.
- 22. RESUME REGULAR MEETING AND REPORT ON CLOSED SESSION
- ADJOURNMENT To a regular meeting of the Board of Directors to be held on June 19, 2019 at 10:00 a.m. at 602 E. Huntington Drive, Suite B in Monrovia, CA 91016.
  - LEGEND: [1] INDICATES ACTION ANTICIPATED BY BOARD OF DIRECTORS ON THIS ITEM [2] INDICATES INFORMATION ITEM NO BOARD ACTION NECESSARY

## PRESIDENT ED CHAVEZ, PRESIDING









# MEMORANDUM



4. (b) PUBLIC HEARING

DATE:

May 23, 2019

TO:

Board of Directors

FROM:

General Manager

SUBJECT:

Public Hearing Regarding the Proposed Reauthorization of a Water Availability Standby

Charge for Fiscal Year 2019/20.

#### Recommendation

Staff recommends that the Board of Directors receive and consider all public comments and testimony regarding the proposed reauthorization of a water availability standby charge for fiscal year 2019/20.

At the conclusion of public testimony, the public hearing will be closed. The Board of Directors will have the opportunity to adopt Ordinance No. 19-1, imposing a standby charge for fiscal year 2019/20, during the regular meeting that convenes immediately following the public hearing.

### Background

The purpose of the public hearing is to allow the Board of Directors to receive public comments and testimony and answer questions regarding the Upper District's proposal to reauthorize a standby charge to be levied on all parcels of real property located within the Upper District boundaries. Pursuant to the authority established by Water Code Section 71638, et seq., if the Board of Directors adopts the ordinance as proposed on or before the third Monday of August 2019, the standby charge will be effective for the fiscal year beginning July 1, 2019 and ending June 30, 2020.

On May 1, 2019, the Board of Directors adopted Resolution No. 5-19-603 (Attachment 1), initiating the proceedings for this public hearing. Pursuant to Government Code Section 6066, notice of this public hearing was published in the San Gabriel Valley Tribune, La Opinion and Sing Tao News (Attachment 2). As set forth in Resolution No. 5-19-603, an engineer's report (Attachment 3) was developed and kept on file for public inspection at the Upper District office as of May 15, 2019. The report describes the Upper District's water supply circumstances, projects to be funded with standby charge proceeds, project benefits, associated financial issues and the proposed standby charge rate.

Since fiscal year 1992/93, the Upper District has utilized revenues generated from a water availability standby charge to fund its water conservation and water recycling program budgets. That charge was originally established at a maximum annual rate of \$10 per acre and/or portion thereof for parcels of land within the District boundaries. The Engineer's Report recommends that Upper District assess the standby charge at a rate of \$10 per acre per year or \$10 per parcel less than one acre per year for Fiscal Year 2019/20. The proposed rate is for Fiscal Year 2019/2020 only and may or may not be maintained in subsequent years. At the rate of \$10 per acre, the standby charge will provide approximately \$2.05 million in revenue for Fiscal Year 2019/20. This revenue would be utilized to fund a portion of the Upper District's Water Conservation and Water Recycling Programs.

The Upper District budget for fiscal year 2019/20 proposes Water Conservation Program expenditures of \$2.21 million which includes programs that produce tangible water savings as well as a number of educational and public outreach activities promoting water resource awareness and water use efficiency. The budget also includes operating expenses for direct reuse projects of about \$1.96 million and capital costs of about \$0.34 million for water recycling projects.

Attachments

### RESOLUTION NO. 5-19-603

# A RESOLUTION OF THE BOARD OF DIRECTORS OF THE UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT INITIATING PROCEEDINGS FOR THE ESTABLISHMENT OF A WATER AVAILABILITY OR STANDBY CHARGE FOR FISCAL YEAR 2019/20

WHEREAS, the Upper San Gabriel Valley Municipal Water District, herein after referred to as "Upper District", has initiated the design and implementation of the San Gabriel Valley Water Recycling Program; and

WHEREAS, the Upper District has executed a Memorandum of Understanding to implement Best Management Practices for Urban Water Conservation requiring the development of comprehensive conservation programs; and

WHEREAS, the Upper District has undertaken a Recycled Water Program and a Water Conservation Program that shall require an increased stable revenue source for implementation; and

WHEREAS, the state legislature has provided the Upper District with statutory powers to impose water standby or availability of service charges, by and through Water Code Section 71638 et seq., in addition to preexisting District powers to set rates and charges; and

WHEREAS, rapidly fluctuating water supply conditions have demonstrated the economic and political deficiencies in relying on water sales as the sole alternative revenue source to ad valorem taxes, inasmuch as obtaining reasonably stable revenues from water sales would require rate increases of unacceptable percentages to occur in order to implement necessary water recycling and water conservation projects in a timely manner; and

WHEREAS, the Upper District's financial advisors have counseled this Board that a lack of a stable annual revenue source would significantly and adversely impact the Upper District's ability to fund the development and implementation of long term water recycling and water conservation projects required by the Community to achieve water supply reliability; and

WHEREAS, a program of water standby or availability of service charges collected on parcel or per acre basis would provide a stable and dependable annual revenue source which would allow implementation of necessary projects benefiting the entire Upper District service area; and

**WHEREAS**, information secured from the County of Los Angeles shows estimated revenues to be received from a water standby or availability of service charge of \$10.00 (Ten Dollars) per acre of land or \$10.00 (Ten Dollars) for each parcel of land less than an acre, would be approximately \$2,050,000.00 (Two Million and Fifty Thousand Dollars); and

WHEREAS, in order to fix such a charge by ordinance pursuant to Water Code Sections 71638, et seq., it is necessary to set forth by resolution the schedule of the proposed charges and give notice of a public hearing; and

**WHEREAS**, the General Manager and staff believe the proposed recommendation is fair, proper and necessary in order to fund the foregoing programs within the existing service area of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF THE UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT as
follows:

- Section 1. In accordance with applicable law, a public hearing is hereby set to receive public comment on the implementation of a water standby or availability of service charge on all lands within the Upper District. Said public hearing shall be conducted at the Upper San Gabriel Valley Municipal Water District Office, 602 E. Huntington Drive, Suite B, Monrovia, California on June 5, 2019 at the hour of 10:00 a.m., or as soon thereafter as the matter can be heard for the purpose of considering the adoption of an Ordinance fixing a water availability standby charge on or before the third (3<sup>rd</sup>) Monday of August, 2019; pursuant to the Water Code Sections 71638, et seq.
- **Section 2.** The imposition of such a charge for Fiscal Year 2019/20 is \$10.00 (Ten Dollars) per acre of land, or \$10.00 (Ten Dollars) per parcel of land less than one acre within the boundaries of the Upper District.
- **Section 3**. The General Manager/Secretary of the Upper District is hereby directed to cause due notice of the public hearing to be given in compliance with the applicable state law.
- **Section 4.** The General Manager shall cause a written Engineer's Report to be prepared and filed with the Secretary of the Upper District and made available for public review on or before May 20, 2019. Said report shall be designed to provide the Board and the public with information describing the benefits which create the basis for water standby or availability of service charges as described herein.

**Section 5.** The General Manager shall cause any and all necessary acts to occur so as to implement this Resolution and conduct the Upper District's public hearing on the proposed water standby or availability of service charge.

PASSED, APPROVED, AND ADOPTED this 1st day of May, 2019.

AYES:

FELLOW, TREVIÑO, SANTANA, CHAVEZ

NOES:

NONE

ABSTAIN:

NONE

ABSENT:

CONTRERAS

Ed Chavez, President

ATTEST:

Anthony R. Fellow, Secretary

(SEAL)

APPROVED AS TO FORM:

Steven P. O'Neill, District Counsel

San Gabriel Valley Tribune

Affiliated with SGV Newspaper Group 605 E. Huntington Dr., Suite 100 Monrovia, CA 91016 626-962-8811 ext. 40891

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> PROOF OF PUBLICATION (2015.5 C.C.P.)

# STATE OF CALIFORNIA County of Los Angeles

I am a citizen of the United States, and a resident of the county aforesaid. I am over the age of eighteen years and not a party to or interested in the above-entitled matter. I am the principal clerk of the printer of SAN GABRIEL VALLEY TRIBUNE, a newspaper of general circulation for the City of West Covina, by the Superior Court of the County of Los Angles, State of California, on the date of September 10, 1957, Case Number 684891. The notice, of which the annexed is a true printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

05/22/2019, 05/29/2019

I declare under the penalty of perjury that the foregoing is true and correct.

Executed at Monrovia, LA Co. California On this 29th day of May, 2019.

Carla Asmunds

Signature

(Space below for use of County Clerk Only)

Legal No.

0011272128

NOTICE OF PUBLIC HEARING Upper San Gabriel Valley Municipal Water District For Fiscal Year 2019/2020 Water Standby Charge

The Upper San Gabriel Valley Municipal Water District will hold a public hearing on Wednesday, June 5, 2019 at the hour of 10:00 a.m. at the Upper District Office, 602 East Huntington Drive, Suite B, Monrovia, California,

A copy of the adopted resolution initiating proceedings to levy water standby charges and describing how the Upper District will fund water recycling and conservation programs for Fiscal Year 2019/2020 is available for public review at the Upper District's address listed above. The Upper District's program involves the design and construction of recycled water facilities to transport and deliver recycled water to areas of need as well as promoting water conservation through the distribution of water-saving devices, rebates, incentives and public information.

The proposed annual standby charge for a parcel is \$10.00 per acre or portion thereof. Any person may mail or file written protest, with the Upper District Secretary, at the Upper District's address noted above. Protests must be received at the District office no later than 5:00 p.m., June 4, 2019. The protest must identify the landowner and contain a description sufficient to identify the land owned by the landowner. The Board will hear and consider all objections or protests at the time stated above. The charge, if adopted, will be collected on the annual property tax bill. For more information call (626) 443-2297 or (866) 807-6864.

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

Publish: May 22, 2019 and May 29, 2019 San Gabriel Valley Tribune

## AVISO DE AUDIENCIA PÚBLICA

Upper San Gabriel Valley Municipal Water District

Cargo por Agua en Espera para el Año Fiscal 2019/2020

El Upper San Gabriel Valley Municipel Water District llevará a cabo una audiencia pública el miércoles 5 de Junio de 2019 en el horario de las 10:00 a.m. el la oficina del Distrito Upper, 602 East Huntington Drive, Suite B, Monrovin, CA, 91016.

Una copia de la resolución adoptada iniciando procedimientos para cobros por agua en espera y describir cómo el Upper District Inanciará los programas de reciclaje y conservación del agua para el Año Fiscal 2019/2020 está disponible para consulta pública en el la domicilión mencionado anteriormente. El programa del Upper District involucre el diseño y construcción de las instalaciones de agua reciclada para transportar y entregar agua reciclada a las áreas necesitadas, sel promoviendo la conservación de agua a través de la distribución de dispositivos ahorradores de agua, reembolsos, incentivos e información pública.

El cargo de espera annual para una parcela de menos de un acre es \$10.00 por año e \$10.00 por acre por año para parcelas más grandes de un acre. Cualquier persona puede enviar protesta escrita por correo o archivo, a la Secretaria del Distrito Upper, el dumicilito del Upper District indicado anteriormente. Las protestas deben ser rocibidas en la oficina del Distrito a más tardor los 5:00 p.m., del 4 de Junio de 2019. Protestas doben indentificar al propietario y contaner usa descripción suficiente para indentificar el terreno de la propiedad del propietario. La Junta Directiva escuchará y considerará todas las objeciones o protestas en el momento indicado anteriormente. El cargo, si es aprobado, será recopilado en el recibo de impuesto ennual sobre la propiedad. Para más información, llame al 626-443-2297 o al 866-807-6864.

Thomas A. Love, Gerente General Upper San Gabriel Valley Municipal Water District 502 E. Huntington Drive, Suite B, Monrovia, CA 91016

Fechus de Publicación: 22 de Mayo de 2019 y 29 de Mayo de 2019

# 聖蓋博谷水局

# 聽證會通知

# 聖蓋博谷水局

(Upper San Gabriel Valley Municipal Water District)
將於6月5日週三上午十點,
在位於蒙羅維亞市(Monrovia)的
602 East Huntington Drive, Suite B
水局辦公室舉行公聽會。

民眾可前往上列地點,查詢水局針對2019/2020 財政年度的水源循環再用計劃、保護方案,以及徵收水源的備用收費等最新提案及相關資料。水局的計劃包括設計和建造循環水設施,以便將再循環水運送到需要的地區。並通過分發節水設備、回扣、獎勵和公共信息來促進節水。

下年度的備用水收費,將提議以每英畝10美元計算;如果有民眾對上訴提議有不同意見而需要投訴或抗議,皆可以郵寄或書面方式遞送到上訴地址給水局秘書。

抗議文件須在2019年6月4日下午5點前送達水局辦公室。抗議者必須為土地擁有者,並能證明其身份。理事會將在上訴時間內聽取抗議內容。年度備用水收費計劃如果通過,將會每年透過地產稅收取。

詳情致電

(626) 443-2297或(866) 807-6864



# Upper San Gabriel Valley Municipal Water District

2019/2020 ENGINEER'S ANNUAL LEVY REPORT FOR THE RENEWAL OF STANDBY CHARGE

INTENT MEETING: MAY 1, 2019
PUBLIC HEARING: JUNE 5, 2019

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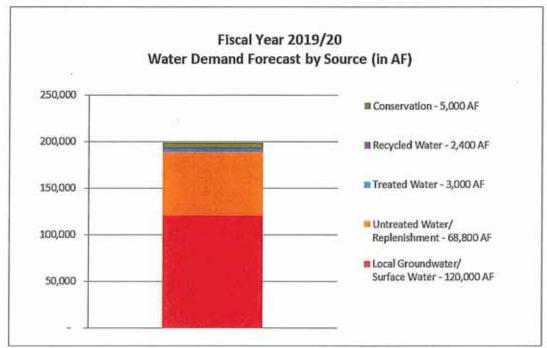
# I. REPORT PURPOSE

This report describes the expected benefits and related costs from the Upper San Gabriel Valley Municipal Water District's ("Upper District") comprehensive water recycling program and water conservation program as well as the proposed method and basis for the continuation of the previously adopted (prior to the passage of Proposition 218) standby charge program.

# II. WATER SUPPLY

For FY 2019/2020, Upper District expects to deliver 3,000 acre feet (AF) of treated water. The Upper District also expects to supply approximately 2,400 AF of recycled water for large area landscape and turf irrigation. A moderate increase in Upper District's conservation efforts could supply an additional 5,000 AF. To meet forecasted demand for FY 2019/2020, Upper District will have to supply approximately 68,600 AF, either from existing or alternative sources, for groundwater replenishment operations.

Figure 1





# III. RECYCLED WATER PROGRAM

While some years have produced above-average rainfall in California, consecutive dry years are very common. Drought is an ever-present challenge. Southern California is subject to an increasing shortage of dependable water supplies for its growing population. On average, approximately fifty percent of the region's water supplies are imported from Northern California and the Colorado River. Both of these sources have become less dependable. In recent years, Metropolitan's dependable, imported supply from the Colorado River and Northern California has also been facing increasing demands and restrictions. This places even greater importance on the development of new local water supplies in Southern California.

There is little dispute that seasonal and cyclic droughts will re-occur in Southern California. The key to drought management is planning and preparation prior to those years when Southern California experiences drought and/or reduced regional water supplies. Advanced planning and preparation is especially important since California's population continues to grow (projected at 15.4 million between FY 2010 and 2060 <sup>(1)</sup>) and to place increased demand on the limited available potable water resources of the State.

Additionally, endangered species issues prompted a reduction in imported water supplies. The State Water Project is the primary source of imported water supplies to Southern California and the Upper District.

Water reclamation and recycling is one alternative source of water that offers the San Gabriel Valley a very cost effective solution for improving water supply reliability and addressing cyclical drought conditions. Water recycling uses existing, proven technologies to treat wastewater to local, state and federal quality levels and is safe for many non-potable applications. Although substantial volumes of wastewater are still being discharged into the ocean in portions of Los Angeles County, water recycling provides an alternative to disposal and an excellent opportunity to conserve and reuse this scarce natural resource in Southern California. By shifting non-potable demands to recycled water, more drinking water is made available to meet the potable demands of our communities. Water recycling has proven to be not only acceptable to the general public, but is also mandated by the State of California and most municipalities in Southern California.

<sup>(1)</sup> California Department of Finance - January 2013 Press Release



# IV. PROJECT DESCRIPTION

Since 2006, the Upper District has pursued a Water Recycling Program to reduce the San Gabriel Valley's dependence on expensive and increasingly scarce imported water supplies and lessen the overproduction of the groundwater basin. From the very beginning, the Upper District recognized the value of "a partnership approach" to its Water Recycling Program. The Upper District's partners include many of its customer agencies, cities and private water purveyors. Other partners include the Los Angeles County Sanitation Districts (LACSD), the Metropolitan Water District of Southern California, the U.S. Bureau of Reclamation, State Water Resources Control Board and the California Department of Natural Resources.

The first projects to begin delivering recycled water for irrigation purposes, were the Rose Hills Memorial Park Water Recycling Project and the Whittier Narrows Water Recycling Project. Prior to using recycled water, Rose Hills used approximately 293 million gallons per year or 803,000 gallons per day of drinking water for irrigation purposes. In the fall of 2006, the Whittier Narrows Water Recycling Project began supplying the 2,500 acre Whittier Narrows Recreation Area with over 2 billion gallons of recycled water since inception.

Additional projects completed include the South El Monte High School (2007) and Rosemead Extension (2010) Water Recycling Projects. Together these two projects save 250 million gallons of drinking water per year. The South El Monte project provides recycled water to the school's athletic fields and green areas while the Rosemead Extension serves 14 commercial and public sector customers including the Whittier Narrows Golf Course, Edison headquarters campus, Walmart, University of the West, various schools, parks, and nurseries, and the Panda Express corporate offices.

In 2015, the Upper District finalized recycled water expansion into the City of West Covina, with the conversion of irrigation customers from potable to recycled water as part of the Phase IIB Recycled Water Project. The Phase IIB System added about 14 miles of "purple pipe" and a 2 million gallon reservoir to deliver an additional 290 million gallons per year to 25 more customers including the BKK Landfill (2012), South Hills Country Club (2012), Big League Dreams Sports Complex (2012), Shadow Oak Park (2014), West Covina High School (2014), 5 additional West Covina Schools (2014-15), Rimgrove Park (2014), Woodgrove Park, Cortez Park (2014), and several City of West Covina street medians and landscaped walking paths (2012 – 2014).

The Upper District is working with local water purveyors and property owners to increase the use of recycled water in the region. The three proposed recycled water projects currently under design and construction include: Rose Hills Memorial Park, South El Monte Recycled Water System, and La Puente Valley County Water Districts Recycled Water System. The largest recycled water demand for these projects is Rose Hills Memorial Park. Rose Hills already uses recycled water for irrigation on part of their



site. In order to fully convert their irrigation system to use recycled water, the project will modify the infrastructure to meet state health code requirements for the safe use of recycled water. The Rose Hills Project expanded the use of recycled water at the cemetery, saving an additional 200 million gallons of water per year or roughly 550,000 gallons per day. Altogether, the three recycled water expansion projects are expected to increase the use of recycled water by an estimated 246 million gallons per year or about 674,000 gallons per day.

# V. PROJECT BENEFITS

The purpose of the project is to augment local water supply and reduce the need for less reliable and costlier imported water. Thus all retail water purveyors and the public they serve in the Upper District's service area that utilize groundwater and/or utilize treated imported supplies receive benefits from the project's supplemental capacity. All water supplied from the LACSD plants will comply with the strictest requirements of Title 22 of the California Code of Regulations. The quality of the water will be suitable for all categories of recycled water use that are planned in the current and future programs. Over the long-term, the project will improve the water supply reliability of the San Gabriel Valley by increasing the quantity of local supplies, reduce the area's dependence on imported water, and help protect the region from future drought impacts. Recycled water produced by this program will be distributed locally for a wide range of beneficial uses. As the Upper District continues to expand its distribution system and pipeline infrastructure, recycled water will benefit many throughout the San Gabriel Valley.

As the Upper District implements projects such as its water recycling program, the reliability of the San Gabriel Valley's water supply is dramatically improved. Improving the reliability of local water resources helps mitigate water shortages even during extended periods of drought and allows the Upper District to keep future water rate increases to a minimum.

# VI. CAPITAL PROGRAM FINANCE

The Upper District serves as the lead agency in the water recycling program and will be responsible for obtaining funds, construction of facilities, and providing for the operation and maintenance of the system (except for the proposed Rose Hills, South El Monte, and La Puente Recycled Water Projects, that will be constructed and maintained by the local water purveyor and/or owner, for which Upper District will only serve as the lead agency for obtaining funds). The Upper District is aggressively pursuing several sources of project funding to expand its recycled water program as rapidly as practical.



The Upper District has secured grant funding from the Bureau of Reclamation in the amount of 25% of the construction cost of recycled water projects. The Upper District has also secured project construction funding through the State of California State Revolving Fund (SRF) and the Metropolitan Water District. The standby charge revenues pay the interest and principal payments on the loans from the SRF and provide a limited source of cash financing for the program. It is also expected that additional federal, state, and regional grant money will be utilized to fund a portion of the cost for future project phases.

# VII. WATER USE EFFICIENCY PROGRAM

Due to several years of increasingly severe drought conditions, Governor Brown signed Executive Order B-29-15 directing the State Water Board to impose restrictions to achieve a statewide 25% reduction in potable urban water usage through February 2016, as compared to the amount used in 2013. The Governor instructed the State Water Board to consider the relative per capita water usage of each supplier's service area and to require those areas with high per capita use to achieve proportionally greater reductions than those with low use.

In May 2016 Executive Order B-37-16 was signed which builds on the conservation accomplished during the recent drought and implementation of the Governor's California Water Action Plan. It required longer-term water conservation measures, including permanent monthly water use reporting, new budget-based water use targets for California communities, bans on clearly wasteful practices, as well as strengthened Water Shortage Contingency Plans and improved Agricultural Water Management Plans for drought planning with metrics for quantifying water use efficiency. The State Water Board replaced the state-developed urban water conservation standards with locally-developed conservation standards based upon each agency's specific circumstances. The regulation required individual urban water suppliers to conduct a 'stress test' and self-certify the level of available water supplies they have assuming three additional dry years, as well as the level of conservation necessary to assure adequate supply over that time.

In February 2017, the State Water Board re-adopted and extended EO B-37-16, while agreeing to consider repeal of the regulation in May following a more thorough review of the state's water supply conditions. In effect, the Board's action continues the stress test approach, existing water use reporting requirements, and prohibitions on wasteful water use practices that have been in place since 2015. The current regulation does not require mandatory conservation unless water suppliers determine that they have a shortfall. The State Water Board continues to assess compliance, using suppliers' monthly reported data.



Following unprecedented water conservation and plentiful winter rain and snow, the Governor implemented Executive Order B-40-17 which lifted the drought emergency in most of California while maintaining water reporting requirements and prohibitions on wasteful practices.

While some areas of the state have indeed experienced significant snow and rainfall in recent months, groundwater storage remains depleted in many areas due to the continued impact of prolonged drought. Hydrologic conditions are subject to change and, while recent precipitation has helped improve water supply conditions, the Main San Gabriel Basin remains at record lows. The Upper District remains active in its conservation efforts by implementing new programs and outreach that emphasize water efficient practices as a continued way of life for its residents and businesses. Upper District's approach is in keeping with the State's long-term framework for conservation and drought planning titled, "Making Conservation a California Way of Life", which outlines implementation of EO-B-37-16.

Recycled water and conservation programs are fundamental to achieving long-term water use efficiency goals set forth under this legislation. While Upper District is not directly required to report, it strives to assist its water purveyors that are urban water suppliers in achieving and maintaining compliance with their conservation efforts and water supply goals. Upper District offers various programs targeted at residential, commercial/institutional, and outdoor water savings that San Gabriel Valley retail water providers can utilize. Any standby charge revenues not fully utilized to fund the Water Recycling Program are used to pay for a portion of the Water Use Efficiency Program.

While water conservation does not produce new water, it effectively increases the amount of available water by improving water use efficiency and reducing per capita water usage. Thus, water use efficiency can decrease the rate at which the demand for water increases as the region's population continues to grow. As a result, the Upper District's Water Conservation Program helps manage available water supplies in the most efficient manner possible. In this way, regional water conservation programs effectively supplement new local water supply to meet the immediate needs of a growing population. For the long-term, water use efficiency allows the Upper District to defer some capital expenses for the development of new supplies and helps in reducing the quantity of new water supplies necessary to meet anticipated water demands.

Over the years, the Upper District's water conservation efforts have been effective at saving substantial quantities of water. Since 1992, the Upper District's water use efficiency program has yielded over 70,133 AF (23 billion gallons) of water savings.



# VIII. WATER SUPPLY ISSUES

Throughout California's history, the development of reliable water supplies has lagged behind the growth in population and the corresponding demands on available resources. Today, achieving a water supply that is less dependent on imported water is the greatest challenge and most critical goal of all water agencies in Southern California. The Upper District's water supply and financial management plans offer a prudent and efficient strategy for meeting the water resource needs of the region in a cost-effective and environmentally responsible manner.

# IX. LONG-RANGE FINANCIAL PLANNING

One of Upper District's goals is to continue focusing on selected revenue sources that will further strengthen its financial position. Pursuit of this goal will help ensure that Upper District has the option of choosing a financing alternative that is most advantageous to water rate payers and property owners. A strong financial position will provide the Upper District with the opportunity to minimize its cost of capital, stabilize cash flows and improve the economics of beneficial projects without sacrificing future financial or operating flexibility.

Two additional goals of the financial plan are: 1) to ensure that there is an adequate revenue stream to fund the proposed capital improvement program, and 2) to assure that the blend of revenues will distribute the costs of the facilities and water service appropriately and equitably to the program's beneficiaries.

# X. COST RECOVERY

The Upper District territory includes a wide variety of land uses. Generally speaking, all land uses benefit from a reliable water supply. Therefore, the cost to produce new water resources cannot be recovered solely through the sale of recycled water to just a few users or through avoided costs generated by conservation. Recycled water and effective water conservation programs allow greater flexibility by extending the potable water supply. The availability of recycled water as an additional source becomes a benefit to all parcels and users within the Upper District. Therefore, a portion of the cost of these program benefits should be recovered through a mechanism that apportions the cost in relationship to potential benefit. Depending on the extent of the development, the Upper District's cost of water production could be significantly reduced over the long-term compared to continued reliance on imported water supplies.

Upper District's current operating revenue sources mainly include a surcharge on imported water purchases and the standby charge on parcels. In prior years, the use of



standby charge revenue has been a key element in the funding of the Upper District's recycling and conservation programs.

# XI. EQUITY OF STANDBY CHARGE

One of the many major benefits that accrue from the use of the standby charge is the independence of the revenue from actual water demand. Traditionally, rate and revenue studies have shown that a single revenue source does not adequately address the distribution of costs and benefits. In some instances, rather large benefits accrue to properties that use little or no water and would otherwise contribute very little financially for the value received.

The direct benefits derived from the Upper District's comprehensive program include: 1) highly reliable alternate water supply for non-potable uses, 2) replenishment of groundwater in lieu of more expensive new water supplies, and 3) increased water use efficiency by reducing per capita consumption. Since supplying non-potable water to non-potable users reduces the demand on the potable water supply, both potable and non-potable water users benefit from the Upper District's program. A blend of water sales (including recycled) and standby charge revenue sources recovers both the direct cost of water use as well as the cost of the tangible and direct benefit of improved water supply reliability.

# XII. REVENUE STABILITY

In addition to providing a means of equitable cost sharing, the standby charge generates a stable source of revenue. In other words, standby charge revenue is not dependent upon weather cycles and/or water sales fluctuations. Stable (fixed) revenue sources assist the Upper District in meeting its financial and capital obligations under all cyclical demand conditions that, in turn, are reflected in increased borrowing efficiencies, lower interest rates, and other cost savings.

# XIII. PROPOSED RATE AND METHODOLOGY – FISCAL YEAR 2019/2020

In FY 2018/2019, the Upper District standby charge rate was \$8 per acre per year or \$8 per parcel less than one acre per year. Prior to that, the Upper District standby charge rate was set at \$10 per acre per year or \$10 per parcel less than one acre per year. This report recommends that Upper District assess the standby charge at a rate of \$10 per acre per year or \$10 per parcel less than one acre per year for Fiscal Year 2019/2020. The proposed rate is for Fiscal Year 2019/2020 only and may or may not be



maintained in subsequent years. At the rate of \$10 per acre, the standby charge will provide approximately \$2.05 million in revenue for Fiscal Year 2019/2020.

# XIV. PROPOSED USE OF STANDBY CHARGE REVENUE

Appendix I demonstrates that the standby charge revenue is needed for the capital program. The **continued** use of standby charge revenue to fund the capital program is recommended.

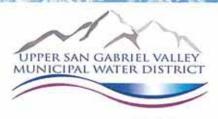


# APPENDIX I

# Fiscal Year 19/20 Preliminary Budget

Beginning Balance All Funds (Projected Balance)	20,093,000
Revenues	
Imported Water Sales	32,956,000
MWD Gross Standby Charge	1,978,000
Recycled Water Sales	1,816,000
Upper District Standby Charge	2,050,000
Water Conservation Program Revenue	502,000
Recycled Water Program Revenues	138,000
Taxes	425,000
Interest and Other	318,000
Total Revenues	40,183,000
Expenses	
Water Purchases	29,393,000
MWD Ready-to-Serve Charge	1,980,000
Recycled Water Purchases	492,000
Administrative Expenses	2,361,000
Water Conservation Program	2,208,000
Water Qualtiy and Supply Program	1,320,000
Recycled Water Program	1,466,000
Stormwater Program	24,000
Capital Program	339,000
Total Expenses	39,583,000
Ending Balance All Funds	20,693,000

# MEMORANDUM



7. (a) COMMITTEE

May 22, 2019

TO:

BOARD OF DIRECTORS

FROM:

WATER POLICY COMMITTEE

SUBJECT:

MINUTES OF THE WATER POLICY COMMITTEE AND SPECIAL MEETING OF

THE BOARD OF DIRECTORS - May 22, 2019

ATTENDANCE:

Charles M. Treviño (Chair) [absent]

Alfonso "Al" Contreras (Vice Chair)

Tom Love Robert Tock Steve O'Neill (phone)

Elena Layugan Jeff Helsley

Kelly Gardner Marie Contreras

Kevin Smead

#### TOPICS DISCUSSED

- 1. Call to Order.
- 2. Public Comment. None.

#### 3. Preparation of the Updated 2019 Integrated Resources Plan (IRP).

The General Manger gave a brief overview of the Upper District's IRP, discussing the development of the initial IRP in 2011 and the update that occurred in 2015. He outlined several factors that have changed since the completion of the 2015 IRP that warrant an update.

The General Manager then explained that District staff has been working with Stetson and INTERA principals regarding the elements of the 2019 IRP and held a pre-proposal conference to discuss the required tasks and changed regional views since the last IRP was prepared. He touched on the key program updates and tasks that the work would focus on.

Director Contreras questioned why an RFP should not be issued.

The General Manager explained that the Board has the authority to waive the policy of issuing an RFP. He also explained that, since Stetson Engineers is already under contract with Upper District, the work can be implemented as a task order under their current contract.

Director Contreras explained that, if the Board approves the recommendation, he wants the record to be very clear regarding the reasons Upper District did not issue an RFP for the work.

The Assistant General Manager/Chief Engineer clarified that there are significant projects currently underway that did not exist at the time of the 2015 update and that the proposed work can take all of these factors into consideration. He also explained that this work will be beneficial when work starts on preparing the 2020 Urban Water Management Plan (UWMP).

Mr. Kevin Smead of Stetson Engineers stated that the structure and content of the 2011 IRP and the updated 2015 IRP are solid and that the approach would be to utilize the same model and build on it. He discussed their understanding of the basin and experience with preparing numerous UWMPs. He then discussed their approach to forecasting population and water demands and updating the gap analysis.

Director Contreras and the General Manager discussed INTERA's experience and knowledge regarding Southern California water resource challenges and industry analytics. The General Manager clarified that INTERA's work would be subcontracted through Stetson Engineers and not be a new separate contract.

Director Contreras and the General Manager also discussed the potential for water transfers.

Ms. Kelly Gardner of Watermaster and Director Contreras discussed the flow of water down from the watershed, along the outer edges of the basin, limiting the water available for bringing back up into the basin.

The Assistant General Manager/Chief Engineer discussed looking at the current baseline and the economies of scale over time.

Due to a lack of quorum, the request that the Board of Directors authorize the General Manager to execute a Task Order, pursuant to the "Agreement for District Engineering Services", with Stetson Engineers Inc. to provide an update to the Integrated Resources Plan (IRP) for an amount not to exceed \$125,000 with an associated term through June 2020, will be brought to the next Board meeting for consideration with no recommendation.

### 4. Oral Reports.

The General Manager reported that an RFP will be released for creating a long-range financial plan.

The General Manager also discussed a request from Covina Irrigating Company to have Upper District be the lead agency for a CEQA process necessary for moving forward with repairs to a segment of their pipeline.

District Counsel explained that the request is fairly clear cut and would involve some minor costs for legal efforts. He discussed the regional benefit of the project.

The General Manager clarified that the request would result in a small amount of staff time and legal costs related to filing the CEQA negative declaration.

#### Other Matters.

Director Contreras and staff discussed residents that replace their turf with water efficient landscape potentially triggering a reassessment of their property value.

NEXT MEETING: June 26, 2019 at 4:30 p.m.

cc: General Manager

## 9. (a)

# A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT 602 E. HUNTINGTON DRIVE, SUITE B, MONROVIA, CALIFORNIA 91016 5:00 P.M. – May 15, 2019

A special meeting of the Board of Directors of the Upper San Gabriel Valley Municipal Water District was held in the office of the District, 602 E. Huntington Drive, Suite B, City of Monrovia, County of Los Angeles, State of California, within said Water District, on May 15, 2019 at the hour of 5:00 p.m.

ROLL CALL

DIRECTORS

Santana, Contreras and Chavez.

PRESENT:

DIRECTORS

Fellow and Treviño

ABSENT:

STAFF PRESENT: Tom Love, General Manager; Steve O'Neill, District Counsel; Steve Johnson, Consulting Engineer; Robert Tock, Assistant General Manager/Chief Engineer; Evelyn Rodriguez, Director of Finance and Administration; Christy Hawkins, Executive Assistant; Elena Layugan, Conservation Coordinator; and Nichol Delgado, Government and Community Affairs

Assistant.

OTHERS PRESENT

David Muse.

ADOPTION OF AGENDA

Director Santana moved to adopt the agenda. Vice President Contreras seconded the motion. The agenda was adopted by the following vote:

AYES:

CHAVEZ, SANTANA, CONTRERAS

NOES:

NONE

ABSTAIN: NONE

ABSENT: TREVIÑO, FELLOW

PUBLIC COMMENT

None.

"WATER IS LIFE" ART CONTEST WINNERS PRESENTATION

Nichol Delgado, Government and Community Affairs Assistant provided background on the annual "Water is Life" student art contest. The Board of Directors, along with General Manager Tom Love, presented certificates of recognition to Upper District's 2019 "Water is Life" student art contest winners. The 2019 art contest winners represented four award categories: kindergarten-2nd grades, 3rd-5th grades, 6th-8th grades, and 9th-12th grades. Upper District's 2019 winning students are the following: Sophia Rodriguez, Grace Cheng, Lanlan Li, Bianca Lim, Cindy Xinyi Zhang, Hayley Fung, Arthur Wang, Catalina Tsao, Julia Yu, Tiffany Chu, Selina Yu, Jessica Lu, Ellysa Nakamura, Iris Xu, Claire Li, Phoebe Luo, Charlene Hsu, Jessica Mayo, Janice Wu, and Mia Dominguez.

The Board of Directors congratulated each of the winning students and expressed their appreciation to the parents, family members, and teachers who were also in attendance at the meeting.

COMMITTEE REPORTS

None.

ITEMS REMOVED FROM CONSENT CALENDAR

None.

#### CONSENT CALENDAR

Vice President Contreras moved to approve Consent Calendar item (a). Director Santana seconded the motion, which was approved by the following vote:

AYES:

CHAVEZ, SANTANA, CONTRERAS

NOES:

NONE ABSTAIN: NONE

ABSENT: TREVIÑO, FELLOW

(a) Approve minutes of a regular meeting of the Board of Directors held on May 1, 2019 at 10:00 a.m.

#### 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.
- (b) Newspaper Articles.

#### ATTORNEY'S REPORT

None.

ENGINEER'S REPORT

The District Engineer provided a report on hydrologic conditions, Basin deliveries, reservoir/canyon storage and releases and rainfall averages. He stated that the Baldwin Park Key Well elevation on May 10th was 196.0 ft.

GENERAL MANAGER'S REPORT

The General Manager reported on the coordination efforts with Watermaster regarding additional imported water deliveries from Metropolitan.

Vice President Contreras and the General Manager discussed rescheduling the Basin Tour for directors.

President Chavez and the General Manager discussed potential participation in Sanitation Districts' tours, if any.

#### DIRECTOR'S COMMENTS

Director Santana expressed her enthusiasm for the "Water is Life" student art contest and the award ceremony.

Vice President Contreras provided a report on his recent attendance at the Association of California Water Agencies (ACWA) Spring Conference in Monterey, CA. He also reported on the updates from the JPIA Insurance Committee.

President Chavez reminded the Board about Valley County Water District's Water Awareness event on Thursday, May 23rd.

#### FUTURE AGENDA ITEMS

None.

ADJOURNMENT

President Chavez asked if there was other business to come before the Board. There being none, the meeting was duly adjourned to a public hearing and regular meeting of the Board of Directors to be held on June 5, 2019 at 10:00 a.m. at the Upper District offices, 602 E. Huntington Drive, Suite B, Monrovia, CA 91016.

#### ATTEST

PRESIDENT

SECRETARY

SEAL

Board of Directors Upper San Gabriel Valley Municipal Water District

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

20268	U. S. Bank Corporate Payment	CalCard Charges through 04/22/19 Meeting, Travel, Conferences Computer Systems/Office Equipment/Supplies/Maintenance & Service Utilities Conservation Program Expenses, Education and Outreach (Previously paid 05/08/19)	9,279.26 224,74 1,947.42 11	1,451,42
20269-20300	Void	Void		€
20301	Arthur Wang	Art Contest - 4th Place (Previously paid 05/15/19)		50.00
20302	Bianca Lim	Art Contest - 2nd Place (Previously paid 05/15/19)		100.00
20303	Catalina Tsao	Art Contest - 3rd Place (Previously paid 05/15/19)		75,00
20304	Charlene Hsu	Art Contest - 4th Place (Previously paid 05/15/19)		100.00
20305	Cindy Xinyi Zhang	Art Contest - 1st Place (Previously paid 05/15/19)		150.00
20306	Claire Li	Art Contest - 1st Place (Previously paid 05/15/19)		150.00
20307	Elyssa Nakamura	Art Contest - 3rd Place (Previously paid 05/15/19)		75.00
20308	Grace (Zijuan) Cheng	Art Contest - 4th Place (Previously paid 05/15/19)		50.00
20309	Hayley Fung	Art Contest - 5th Place (Previously paid 05/15/19)		25.00
20310	Iris Xu	Art Contest - 2nd Place (Previously paid 05/15/19)		100.00
20311	Janice Wu	Art Contest - 2nd Place (Previously paid 05/15/19)		200.00
20312	Jessica Lu	Art Contest - 4th Place (Previously paid 05/15/19)		50.00
20313	Jessica Mayo	Art Contest - 3rd Place (Previously paid 05/15/19)		150.00
20314	Julia Yu	Art Contest - 2nd Place (Previously paid 05/15/19)		100.00
20315	Lanlan Li	Art Contest - 3rd Place (Previously paid 05/15/19)		75.00
20316	Mia Dominguez	Art Contest - 1st Place (Previously paid 05/15/19)		250.00
20317	Phoebe Luo	Art Contest - 5th Place (Previously paid 05/15/19)		50.00
20318	Selina Yu	Art Contest - 5th Place (Previously paid 05/15/19)		25.00
20319	Sophia Rodriguez-Ibanez	Art Contest - 5th Place (Previously paid 05/15/19)		25,00
20320	Tiffany Chu	Art Contest - 1st Place (Previously paid 05/15/19)		150.00
20321	Aaron Read & Associates, LLC	Inv. 05/2019, Legislative Advocacy Services, May 2019 (Board approved 02/20/19)	1	10,000.00
20322	ACWA/JPIA	Inv. 0610376, Health Insurance Premium - June 2019	3	29,616,31
20323	AECOM Technical Services, Inc.	Inv. 2000201794, Design Engineering Services for the IRRP Through 04/12/19 (Board Approved 05/13/14)		6,472.00

20324	Best Best Krieger, LLP	Inv. 847820, Lobbying Services through March 31, 2019 Inv. 849589, Lobbying Services through April 30, 2019 (Board approved 2/7/19)	7,500.00 7,500.00	15,000.00
20325	Boys and Girls Club of W. San Gabriel Valley	Inv. 09/21/19UD, 57th Assembly District College & Career Fair		1,000.00
20326	Bright Idea Shops	BIS19-1940, Watershed Restoration Grant, Klosk Signage		7,133.13
20327	Civic Publications, Inc.	Inv. 1514, Earth Day Ads		4,987.00
20328	Discovery Science Center	Inv. 043019 USGV, 4th-6th Grade Sustainable Watershed Education Program, April 2019 (Board approved 10/02/12)		14,973.10
20329	DRP Engineering, Inc.	Inv. 84, Project Management and Engineering Support Services, March 2019 Inv. 85, Project Management and Engineering Support Services, April 2019 (Board approved 4/3/12)	11,412.50 8,838,50	20,251.00
20330	Foothill Technology Center LLC	Office Lease - July 2019 (Board approved 4/19/11)		19,571.00
20331	Gillis + Panichapan Architects, Inc.	Inv.107378J, Architectural Needs Assessment Services, April 2019		2,975.00
20332	GovInvest, Inc.	Inv. 2595, Pension Software Licensing Fee		11,500.00
20333	Green Media Creations, Inc.	Inv. 1260, Video Production: What is Upper's Local Water Supply", PP1 Inv. 1266, 4/23/19, WaterWell Training Workshop Inv. 1272, Video Production: "What is Upper's Local Water Supply", PP2 Inv. 1273, 5/2/19, WaterWell Training Workshop (Board Approved 11/3/16)	1,500.00 1,500.00 1,000.00 1,750.00	5,750.00
20334	Kelly Services, Inc.	Temporary Staff Inv. 15024572, W/E 04/14/19 Inv. 16021920, W/E 04/21/19 Inv. 17037073, W/E 04/28/19 Inv. 18024923, W/E 05/05/19 Inv. 19023633, W/E 05/12/19 (Board approved 11/5/13)	1,752,00 1,752,00 1,752,00 1,752,00 1,752,00	8,760.00
20335	La Opinion	Inv. 129490319, Water Conservation Ad, "Conviertase en un Jardinero" Inv. 129490419, Water Conservation Ad, Agual	1,250.00 1,700.00	2,950.00
20336	Legislative Advocacy Group	Inv. 5787, Legislative Advocacy Services, January 2019 Inv. 5788, Legislative Advocacy Services, February 2019 (Board approved 02/07/19)	7,500.00 7,500.00	15,000.00
20337	Michael E. Strachn	Inv. 201902-REI, Legislative Consulting Services, February 2019 Inv. 201904, Legislative Consulting Services, April 2019 (Board approved 5/13/14)	4,000.00 4,000.00	8,000.00
20338	NAVEX Global, Inc.	Inv. 200516, Domestic Hotline Service for the period 07/01/19 - 06/30/20		661.10
20339	Olivarez Madruga Lemieux & O'Neill	Professional Legal Services, April 2019 Inv. 325-002-6965, Transactional Fees Inv. 325-996-6966, Transactional Fees Inv. 325-999-6967, Retainer (Board approved 5/17/11)	80.00 6,795.00 3,675.00	10,550.00
20340	Quality Imprint	Inv. Qi5922, Water Conservation Devices		3,384.05
20341	Senders Communication Group	Inv. 06/06/19UD, Labor 411 - Blue Tie Gala Sponsorship		750.00
20342	San Gabriel Valley Newspaper Group	Inv. 0000433211, Water Conservation Ad, March 2019 Inv. 0000437682, Water Conservation Ads, April 2019	3,000.00 6,500.00	9,500.00
20343	South Coast AQMD	Inv. 3453491, California Air Toxics "Hot Spots" Fee for FY 18/19		132.98
20344	Stetson Engineers, Inc.	Inv. 2533-156, General Engineering Support Services, March 2019 Inv. 2534-156, IRRP Engineering Support Services, March 2019 Inv. 2533-157, General Engineering Support Services, April 2019	3,354.38 717.85 8,830.48	12,902.71
20345	Upper District Revolving Payroll Fund	Inv. APR 19, Reimbursement for Payroll and Payroll Taxes for Employees Inv. APR 19D, Reimbursement for District's Share of Payroll Taxes for Director Compensation	134,961.55 10,224.62	145,186.17
20346	Urban Water Institute	Inv. 08/14/19UD, 26th Annual Urban Water Conference, Premium Sponsorship		1,500.00
20347	VIA Promotionals	16172, Water Conservation Devices		2,370.68
20348	Accent Computer Solutions, Inc.	Inv. 014017, Dell PowerEdge, Renewal Inv.128264, Down Payment on Workstation Refresh Inv. 128193, IT Managed Services, June 2019 (Board approved 10/6/15)	259.71 4,256.30 2,952.85	7,468.86

20349	Las Virgenes MWD	Inv. 05/01/19, Water Supply and Water Quality Solutions White Paper		7,500.00
20350	South Coast AQMD	Inv. 3462071, Elec Gen-Diesel Annual Fee Inv. 3465508, Emissions Fee FY 19/20	421.02 136.40	557.42
20351	Upper District Revolving Fund	Replenish Revolving Fund Account - May 2019 Office Supplies Computer Systems/Office Equipment/Maintenance & Service	1,570.06 851.61	
		Director's Outreach Meeting/Travel/Conferences/Dues/Assessments Telephone/Utilities	2,398.00 912.59 1,059.48	
		Workers Comp Water Conservation Program Expenses	2,697.68 1.549.75	
		Water Recycling Programs Expenses Medical/ODA Reimbursement/Processing Fee	17,079,65 17,193,20	45,312.02
20352	Anthony Fellow	Director's Compensation, May 2019	2.550.00	
		10 Days District Business Meeting/Travel Expenses/Allowance	376.77	
		Less Deferred Comp.	(500.00)	
		Less Taxes Withheld	(1,051.86)	1,374.91
20353	Edward L. Chavez	Director's Compensation, May 2019		
		10 Days District Business Meeting/Travel Expenses/Allowance	2,550.00 2,359.17	
		Less Deferred Comp.	(1,584.00)	
		Less Taxes Withheld	(787.19)	2,537.98
20354	Charles M. Treviño	Director's Compensation, May 2019		
		10 Days District Business	2,550.00	
		10 Days MWD Business	2,550.00	
		Meeting/Travel Expenses/Allowance	327.56	
		Less Deferred Comp. Less Taxes Withheld	(1,500.00)	2 656 27
		Less Taxes Winneld	(1,271.29)	2,656.27
20355	Alfonso Contreras	Director's Compensation, May 2019 10 Days District Business	2,550.00	
		Meeting/Travel Expenses/Allowance	1,126.68	
		Less Deferred Comp.	(500.00)	
		Less Taxes Withheld	(612.89)	2,563.79
20356	Jennifer Santana	Director's Compensation, May 2019	4 500 00	
		6 Days District Business Meeting/Travel Expenses/Allowance	1,530.00 511.52	
		Less Deferred Comp.	(500.00)	
		Less Taxes Withheld	(365.56)	1,175.96
20357	Anthony Fellow	Director's Compensation, April 2019		
20301	and a second	8. Days District Business	2,040,00	
		Meeting/Travel Expenses/Allowance	511.52	
		Less Deferred Comp.	(500.00)	
		Less Taxes Withheld	(939.48)	1,112.04
		₩2		
		TOTAL	-	\$ 456,536.90

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:

845	Central Basin MWD	Invoice No. USGV-APR19, Purchase of 0.50 AF of Recycled Water in March 2019	\$	324,68
846	City of Industry City Hall	Invoice No. APR-19, Purchase of 56.50 AF of Recycled Water in April 2019		14,972.50
847	Metropolitan Water District	Invoice No. 9719, Purchase of 309.30 AF of Treated Water and 5,008.00 AF of Untreated Water Delivered through Service Connections in April 2019		4,179,736.69
848	San Gabriel Valley MWD	Invoice No. 504, 87.85 AF of Water Delivered through the Alhambra/MWD Exchange Agreement in April 2019 @ \$200 per AF		17,570.00
849	Suburban Water System	Invoice No. 6578, Phase IIB Normal Operating Charge, May 2019	_	1,502.57
		TOTAL	\$	4,214,106.44



# UPPER SAN GABRIEL VALLEY MWD FINANCIAL SUMMARY FOR APRIL 30, 2019

Expenses	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2018-19 BUDGET	AMOUNT OF BUDGET REMAINING	PERCENT OF BUDGET REMAINING	Comments
tive Expenses	\$ 285,556	\$ 1,550,214	\$ 2,406,900	\$ 856,686	35.6%	Upper District anticipates to end the year well below budgeted numbers. Prefunding of OPEB liabilities will occur in June.
Water Conservation Program	110,587	2,112,095	2,427,500	315,405	13.0%	Almost half of YTD Conservation Program expenses pertain to the Large Landscape Survey Retrofit Program. Extensive outreach efforts significantly increased program participation for site conversions during the fiscal year.
Stormwater Program	1,892	18,920	22,700	3,780	16.7%	YTD expenses represent salaries and overhead allocated to the program.
Water Recycling Program	98,525	954,023	1,838,000	883,977	48.1%	About \$527K of SRF loan repayment is scheduled in May 2019.
Water Quality and Supply Program	54,109	617,488	946,100	328,612	34.7%	Upper District will end the fiscal year below budget. Bulk of the efforts for the Integrated Resources Plan and the Water Supply Reliability Plan will occur in FY 2019/20.
Water Purchases	3,171,745	32,117,353	18,187,100	(13,930,253)	-76.6%	Budget for FY 2018/19 includes 20,750 AF of imported water sales/purchases. As of April 30th, actual deliveries total 40,850 AF: 4,750 AF of treated water through various USG connections and 36,100 AF of untreated water to Watermaster and various producers' cyclic storage.
Operating Expenses	3,722,414	37,370,093	25,828,300	(11,541,793)	-44.7%	
Operating Revenues	5,252,100	41,745,270	24,717,650	(17,027,620)	-68.9%	Budget for FY 2018/19 includes 20,750 AF of imported water sales/purchases. As of April 30th, actual deliveries total 40,850 AF: 4,750 AF of treated water through various USG connections and 36,100 AF of untreated water to Watermaster and various producers' cyclic storage.
Net Reserve Activity from Operations (-/+)	1,529,686	4,375,177	(1,110,650)	n/a	n/a	
Capital Expenditures	44,703	711,422	1,590,600	879,178	55.3%	Upper District anticipates to end the fiscal year well below budgeted amounts as further implementation of the IRRP remains deferred.
Capital Program Revenues	ì	44,000		(44,000)	0.0%	
Net Change in Cash Due to Capital Outlays	(44,703)	(667,422)	(1,590,600)	n/a	n/a	
Total Change in Fund Balances	\$ 1,484,983	\$ 3,707,755	\$ (2,701,250)	n/a	n/a	

#### UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT MONTHLY FINANCIAL STATEMENT AND BUDGET COMPARISON FOR THE MONTH ENDED APRIL 30, 2019

	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2018-19 BUDGET	AMOUNT OF BUDGET REMAINING	Page 1 PERCENT OF BUDGET REMAINING
ADMINISTRATIVE AND OPERATING REVENUES					17% @ 04-30-19
Water Rate Revenues					
Tier 1 Treated	416,986	5,780,534	3.093,500	(2,687,034)	-87%
Tier 1 Untreated	2,925,752	24,449,698	12,336,300	(12,113,398)	-98%
Upper Surcharge Tier 1 Treated	9,899	579,751	309,000	(270,751)	-88%
Upper Surcharge Tier 1 Untreated	1,244,248	4,499,001	1,828,250	(2,670,751)	-146%
MWD Capacity Charge Revenue	32,465	173,616	173,600	(16)	0%
Gross MWD Standby Charge-Revenue Reconciliation	277.572	1,496,071	1,969,900	473,829	24%
MSGB Watermaster-Ready-to-Serve	6,300	63,000	75,600	12,600	17%
Sub Total	4,635,650	37,041,671	19,786,150	(17,255,521)	-87%
Revolving Revenue  MSGB Watermaster-SG River Watermaster		102,500	104,000	1,500	1%
			and the second s	1,500	1%
Sub Total	-	102,500	104,000	1,500	176
Other Administrative Revenues					
Interest/Investment Earnings	5,139	150,620	10,000	(140,620)	-1406%
Taxes	137,219	527,025	425,000	(102,025)	-24%
Other Income (Loss)	7,827	10,458	2,000	(8,458)	-423%
Sub Total	150,185	688,103	437,000	(251,103)	-57%
TOTAL ADMINISTRATIVE REVENUES	4,785,835	37,832,274	20,327,150	(17,505,124)	-86%
CAPITAL PROJECT FUND REVENUES		303			
CAPITAL PROJECT FOND REVENUES					
Recycled Water Revenues					
Recycled Water Sales	2,324	298,961	447,000	148,039	33%
Upper Recycled Water Surcharge Revenue	6,150	1,037,493	1,292,000	254,507	20%
Metropolitan Water District LRP Funds	1,337	118,445	139,000	20,555	15%
Parcel/Standby Charge	452,602	1,461,425	1,650,000	188,575	11%
Prop 84 Passthrough Grant	112774	1,067	08223522	(1,067)	0%
Interest/Investment Earnings	1,123	29,357		(29,357)	0%
Sub Total	463,536	2,946,748	3,528,000	581,252	16%
Capital Program Revenues					
Grants - Other		44,000	14	(44,000)	0%
Sub Total		44,000	-	(44,000)	0%
Water Conservation Revenues					
Conservation Program Contributions	¥	880,551	850,000	(30,551)	-4%
Sub Total	-	880,551	850,000	(30,551)	-4%
TOTAL CAPITAL PROJECT FUND REVENUES	463,536	3,871,299	4,378,000	506,701	12%
OTHER FUND REVENUES					
Water Quality and Supply Program Revenues					
Interest/Investment Earnings	2,322	74,328	12,000	(62,328)	-519%
Sub Total	2,322	74,328	12,000	(62,328)	-519%
Rate Stabilization Fund Revenues					
Interest/Investment Earnings	407	11,369	500	(10,869)	-2174%
Interestrinvestment Earnings Sub Total	407	11,369	500	(10,869)	-2174%
TOTAL OTHER FUND REVENUES	2,729	85,697	12,500	(73,197)	-586%
TOTAL REVENUES	5,252,100	41,789,270	24,717,650	(17,071,620)	-69%
TOTAL REVENUES	5,252,100	41,703,270	24,717,000	(17,071,020)	-0376

#### UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT MONTHLY FINANCIAL STATEMENT AND BUDGET COMPARISON FOR THE MONTH ENDED APRIL 30, 2019

	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2018-19 BUDGET	AMOUNT OF BUDGET REMAINING	Page 2 PERCENT OF BUDGET REMAINING
ADMINISTRATIVE AND OPERATING EXPENSES	-		-		17% @ 04-30-19
Personnel Expenses					
Employee Salaries	110,882	1,153,831	1,412,000	258,169	18%
Employee Benefits	22,418	256,032	339,000	82,968	24%
Retired Employee Benefits	3,889	43,474	59,000	15,526	26%
Employee Travel/Conference	4,801	31,261	50,000	18,739	37%
Sub Total	141,990	1,484,598	1,860,000	375,402	20%
Director Expenses					
Director Compensation	16,073	159,183	175,000	15,817	9%
Director Benefits	8,783	97,887	100,000	2,113	2%
Retired Director Benefits	1,948	32,810	58,000	25,190	43%
Director Public Outreach	2,800	17,463	25,000	7,537	30%
Director Travel/Conference	3,128	30,696	50,000	19,304	39%
Sub Total	32,732	338,039	408,000	69,961	17%
Pension Expense		202.000	500 000	040.040	4000
CalPERS-Employees, Directors, Retirees Sub Total	17,711	292,982	539,000	246,018 246,018	46%
AND SECURITIES		202,002	000,000	210,010	
Office Expenses Office Supplies/Equipment	2,346	15,197	60,000	44,803	75%
**	1,751	10,710	35,000	24,290	69%
Equipment Operations & Maintenance Computer Systems	3,563	36,465	50,000	13,535	27%
Dues and Assessments	3,363	9,009	67,000	57,991	87%
Meeting Expense	352	15,378	30,000	14,622	49%
Sub Total		86,759	242,000	155,241	64%
Escility Expanses	to properties	0.000		1000	
Facility Expenses Building Maintenance	180	2,490	10,000	7,510	75%
Liability/Property Insurance	100	55,792	54,100	(1,692)	-3%
Office Lease	19,571	195,710	234,300	38,590	16%
Telephone/Utilities	1,044	11,169	20,000	8,831	44%
Sub Total	The second secon	265,161	318,400	53,239	17%
Professional Services					
Legal/Financial	4,350	53,022	88,000	34,978	40%
Engineering	4,089	52,360	110,000	57,640	52%
Auditor		16,817	27,000	10,183	38%
Recruitment/Others/Temp Services	20,132	74,481	101,000	26,519	26%
Public Information/Outreach			3,000	3,000	100%
Sub Total	28,571	196,680	329,000	132,320	40%
Other Expenses					
Election Costs	163,495	163,495	243,500	80,005	33%
Sub Total	163,495	163,495	243,500	80,005	33%
Allocation to Projects and Programs					
Salaries/Overhead Allocated to Projects	(127,750)	(1,277,500)	(1,533,000)	(255,500)	17%
Sub Total	(127,750)	(1,277,500)	(1,533,000)	(255,500)	17%
TOTAL	285,556	1,550,214	2,406,900	856,686	36%
Water Purchases					
Tier 1 Treated	245,993	5,510,952	3,093,500	(2,417,452)	-78%
Tier 1 Untreated	2,925,752	24,449,698	12,336,300	(12,113,398)	-98%
MWD Capacity Charge	1 44 500 500	514,151	684,200	170,049	25%
MWD Ready-to-Serve Charge	2 - × 2	1,540,052	1,969,100	429,048	22%
Sub Total	3,171,745	32,014,853	18,083,100	(13,931,753)	-77%
Revolving Expenses					
San Gabriel River Watermaster		102,500	104,000	1,500	1%
Sub Total	j.	102,500	104,000	1,500	1%
TOTAL	3,171,745	32,117,353	18,187,100	(13,930,253)	-77%
TOTAL ADMINISTRATIVE EXPENSES	3,457,301	33,667,567	20,594,000	(13,073,567)	-63%
, o the nomino invitte en ended	0,401,001	20,001,001	25,004,000	1.000001	-55/0

#### UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT MONTHLY FINANCIAL STATEMENT AND BUDGET COMPARISON FOR THE MONTH ENDED APRIL 30, 2019

RECYCLED WATER PROGRAM EXPENSES	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2018-19 BUDGET	AMOUNT OF BUDGET REMAINING	Page 3 PERCENT OF BUDGET REMAINING 17% @ 04-30-19
Water Purchases-Recycled Water	3,255	184,620	447,000	262,380	59%
SWRCB Loan Repayment	75,542	263,823	791,000	527,177	67%
Salaries and Overhead Allocation	3,783	37,830	45,400	7,570	17%
Standby Charge Development/Implementation	-	17,818	19,600	1,782	9%
Engineering - General		1,400	90,000	88,600	98%
Prop 84 Passthrough Payments	-	205,412		(205,412)	0%
Lobbyist	5.000	19,840	50,000	30,160	60%
Legal and Financial	134500	3,308	6,000	2,692	45%
Public Information	¥2	1,292	4,000	2,708	68%
Operation and Maintenance Phase IIA	6,758	153,912	295,000	141,088	48%
Operation and Maintenance Phase IIB	4,187	64,768	90,000	25,232	28%
Sub Total	98,525	954,023	1,838,000	883,977	48%
TOTAL RECYCLED WATER EXPENSES	98,525	954,023	1,838,000	883,977	48%
CAPITAL PROGRAM EXPENSES					
San Gabriel Valley Water Recycling Project	5222	200000	22222	(307202)	
Direct Reuse Program	300	214,415	300,000	85,585	29%
Indirect Reuse Replenishment Project	23,103	284,007	1,030,000	745,993	72%
Legal and Financial			5,000	5,000	100%
Salaries & Overhead Allocation	21,300	213,000	255,600	42,600	17%
TOTAL CAPITAL PROGRAM EXPENSES	44,703	711,422	1,590,600	879,178	55%
STORMWATER PROGRAM EXPENSES					
Stormwater Program					
Salaries and Overhead Allocation	1,892	18,920	22,700	3,780	17%
Sub Total	1,892	18,920	22,700	3,780	17%
TOTAL STORMWATER EXPENSES	1,892	18,920	22,700	3,780	17%

#### UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT MONTHLY FINANCIAL STATEMENT AND BUDGET COMPARISON FOR THE MONTH ENDED APRIL 30, 2019

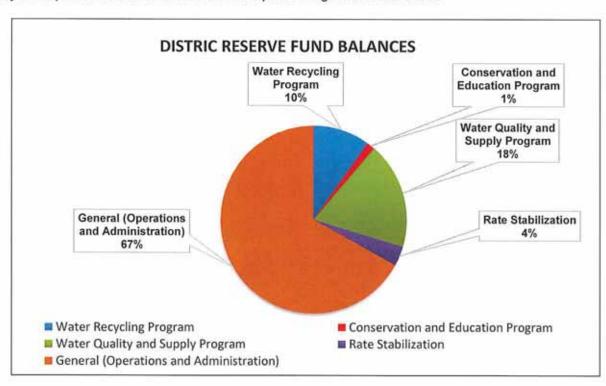
	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2018-19 BUDGET	AMOUNT OF BUDGET REMAINING	Page 4 PERCENT OF BUDGET REMAINING
WATER CONSERVATION PROGRAM EXPENSES					17% @ 04-30-19
WATER USE EFFICIENCY					
Residential Programs Residential Retrofit Program	430	30,331	100,000	69,669	70%
Residential Rain Barrel Program	-		-	-	0%
Sub Total	430	30,331	100,000	69,669	70%
Commercial/Industrial/Institution Programs					
Other Cli Programs		4,650		(4,650)	0%
Sub Total		4,650		(4,650)	07/
Landscape/Other Programs Landscape Survey/Retrofit Program		893,581	800,000	(93,581)	-12%
Other Programs	2,800	7,550	50,000	42,450	85%
Sub Total	2,800	901,131	850,000	(51,131)	-6%
Allocation to Conservation Programs					
Salaries & Overhead	24,608	246,080	295,300	49,220	17%
Sub Total	24,608	246,080	295,300	49,220	17%
TOTAL WATER USE EFFICIENCY EXPENSES	27,838	1,182,192	1,245,300	63,108	5%
EDUCATION & COMMUNITY OUTREACH					
Watershed Programs					
Natural Vegetation Restoration Program	16,298	60,090	20,000	(40,090)	-200%
Sub Total	16,298	60,090	20,000	(40,090)	-200%
Educational Programs		5.005	10.000	4.005	47%
Water Awareness Youth Art Contests Educational Activities	12,859	5,305 101,122	10,000	4,695 25,878	20%
Solar Cup	12,000	13,000	17,500	4,500	26%
Memberships	-	101,313	115,000	13,687	12%
Educational Materials/Grant Program	-	14,349	35,000	20,651	59%
Educational Outreach Programs/Events Sub Total	5,284 18,143	107,110 342,199	105,000	(2,110)	-2% 16%
	10,140		400,000	0,,001	
Outreach and Information Programs Public Workshops/Seminars	1,345	7,093	25,000	17,907	72%
Conservation Devices/Items	471	28,128	50,000	21,872	44%
Bottled Water Program	628	16,835	15,000	(1,835)	-12%
Community Sponsorships Displays/Fairs/Presentations	500	30,787 459	55,000 2,500	24,213	44% 82%
Conferences/Meetings	159	3,217	2,500	(717)	-29%
Public Information	2,610	28,847	72,800	43,953	60%
Technical Assistance	2,150	3,217	50,000	46,783	94%
Legal/Financial Sub Total	703 8,566	11,611	3,000 275,800	(8,611) 145,606	-287% 53%
	0,500	150,154	275,000	143,000	00/
Allocation to Conservation Programs	39,742	397,420	476,900	79,480	17%
Salanes & Overnead Sub Total	39,742	397,420	476,900	79,480	17%
TOTAL EDUCATION & COMMUNITY OUTREACH EXPENSES	82,749	929,903	1,182,200	252,297	21%
		2442.005	2 407 500	245 405	410
TOTAL WATER CONSERVATION EXPENSES	110,587	2,112,095	2,427,500	315,405	13%
WATER QUALITY AND SUPPLY PROGRAM EXPENSES					
Policy 9-00-8 Groundwater Remediation Projects	0.710	44.444	400 000	00 000	gan
Engineering for Water Supply Projects Legislative Consultant	2,748 14,000	41,017 205,631	130,000 233,000	88,983 27,369	68% 12%
Outside Services	14,000	200,001	20,000	20,000	100%
Sub Total	16,748	246,648	383,000	136,352	36%
Other Expenses					
Integrated Resources Plan	9	1 m 33c	10,000	10,000	100%
Water Supply Reliability Plan/Emergency Preparedness	571	4,472	75,000	70,528	94%
Basinwide Integrated Groundwater/Surface Water Model Legal and Financial	365	2,118	35,000 6,000	35,000 3,882	100%
Salaries and Overhead Allocation	36,425	364,250	437,100	72,850	17%
Sub Total	37,361	370,840	563,100	192,260	34%
TOTAL WATER QUALITY AND SUPPLY EXPENSES	54,109	617,488	946,100	328,612	35%
TOTAL EXPENSES	3,767,117	38,081,515	27,418,900	(10,662,615)	-39%
	Andrew Street,	The second second	and the same of th	-	

#### UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT SUMMARY OF CASH AND INVESTMENTS April 30, 2019

Page 5

			Amount (\$)
Cash Account Balances			(4)
General Fund-Checking		\$	975,145.02
Water Fund-Checking			225,271.40
Revolving Fund			81,339.22
Revolving Payroll Fund			170,487.64
Total Cash Account Balances		\$	1,452,243.28
Investment Account Balances	Market Value	C	ost/Book Value
Local Agency Investment Fund	\$ 11,551,256.89	\$	11,551,256.89
Chandler Investment Fund	4,969,933.13		4,954,385.68
Total Investment Account Balances	\$ 16,521,190.02	\$	16,505,642.57
Total Cash and Investment Balances		\$	17,973,433.30
DISTRICT FUND BALANCES			
Capital Program Fund:			
Water Recycling Program		\$	1,777,911.50
Conservation and Education Program			244,843.50
Water Quality and Supply Program			3,299,165.00
Sub Total		_	5,321,920.00
Rate Stabilization Fund			610,948.00
General Fund (Operations and Administration)		-	12,040,565.30
Total Fund Balances		\$	17,973,433.30

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

www.treasurer.ca.gov/pmia-laif/laif.asp May 07, 2019

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

#### PMIA Average Monthly Yields

Account Number: 90-19-021

Tran Type Definitions

April 2019 Statement

Effective	Transaction	Tran	Confirm		
Date	Date	Type	Number	Authorized Caller	Amount
4/2/2019	4/2/2019	RW	1601272	EVELYN RODRIGUEZ	-400,000.00
4/5/2019	4/5/2019	RD	1601479	EVELYN RODRIGUEZ	3,000,000.00
4/9/2019	4/8/2019	RD	1601618	EVELYN RODRIGUEZ	1,200,000.00
4/15/2019	4/12/2019	QRD	1602412	SYSTEM	80,726.72

#### Account Summary

Total Deposit:

4,280,726.72 Beginning Balance:

7,670,530.17

Total Withdrawal:

-400,000.00 Ending Balance:

11,551,256.89



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

#### MONTHLY ACCOUNT STATEMENT

APRIL 1, 2019 THROUGH APRIL 30, 2019

#### Chandler Team:

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

#### Custodian

US Bank

Christopher Isles

(503) 464-3685

CHANDLER ASSET MANAGEMENT chandlerasset.com

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

#### **Portfolio Summary**

Account #10214

As of April 30, 2019

7,666

4,968,237

4,948,419

4,940,983



PORTFOLIO CHARACTERISTICS	
Average Modified Duration	1.38
Average Coupon	1.78%
Average Purchase YTM	1.95%
Average Market YTM	2.33%
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	1.43 yrs

ACCOUNT SUMMARY	
	Beg. Values as of 3/31/19
Market Value	4,943,081
Accrued Interest	17,861
Total Market Value	4,960,942

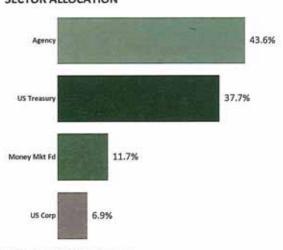
	. 19
End Values	G
of 4/30/19	F
4,950,708	
19,225	Fi
	F
4,969,933	
7,930	F
-599	F
	To
4,973,267	- 13
4,954,386	G
4,946,375	T

as of 4/

TOP ISSUERS	
Government of United States	37.7%
Federal Home Loan Bank	23.9%
First American Govt Oblig Fund	11.7%
Federal National Mortgage Assoc	7.6%
Federal Home Loan Mortgage Corp	6.0%
Federal Farm Credit Bank	6.0%
Toyota Motor Corp	1.2%
General Dynamics Corp	1.2%
Total	95.5%

#### SECTOR ALLOCATION

Average Life



#### MATURITY DISTRIBUTION

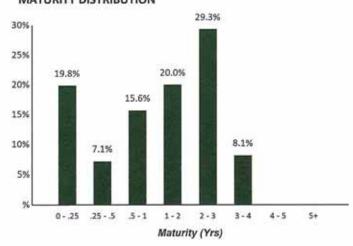
Income Earned Cont/WD

Book Value

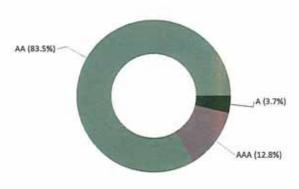
Cost Value

Par

1.43 yrs



#### CREDIT QUALITY (S&P)



#### PERFORMANCE REVIEW

				8.6		-	Annualized		
TOTAL RATE OF RETURN	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	5/31/2014
Upper San Gabriel Valley Municipal Water District	0.19%	0.87%	1.17%	3.12%	1.59%	1.19%	N/A	N/A	1.06%
ICE BAML 0-3 Year U.S. Treasury Index*	0.20%	0.91%	1.19%	3.09%	1.41%	1.06%	N/A	N/A	0.98%

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

# **Statement of Compliance**

As of April 30, 2019



#### 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
Treasury Bills and Notes	5 year maximum maturity	Complies
Federal Agencies	50% maximum	Complies
Medium Term Notes	"A" rated or better by a NRSRO if < 2 years maturity; "AA" rated or better by a NRSRO if maturity is > 2 years; 30% maximum	Complies
Negotiable Certificates of Deposit	"A-1" rated issuer; Credit requirements may be waived for any time deposit that is FDIC insured	Complies
Bank/Time Deposits	1 year max maturity; "A-1" rated issuer; Credit requirements may be waived for any time deposit that is FDIC insured	Complies
Money Market Funds	AAA rated by two NRSROs	Complies
Maximum maturity	5 years	Complies

# **Reconciliation Summary**

Account #10214



BOOK VALUE RECONCILIATION					
BEGINNING BOOK VALUE		\$4,948,418.88			
Acquisition					
+ Security Purchases	\$0.00				
+ Money Market Fund Purchases	\$555,629.45				
+ Money Market Contributions	\$0.00				
+ Security Contributions	\$0.00				
+ Security Transfers	\$0.00				
Total Acquisitions		\$555,629.45			
Dispositions					
- Security Sales	\$0.00				
- Money Market Fund Sales	\$0.00				
- MMF Withdrawals	\$598.98				
- Security Withdrawals	\$0.00				
- Security Transfers	\$0.00				
- Other Dispositions	\$0.00				
- Maturites	\$550,000.00				
- Calls	\$0.00				
- Principal Paydowns	\$0.00				
Total Dispositions		\$550,598.98			
Amortization/Accretion					
+/- Net Accretion	\$936.33				
		\$936.33			
Gain/Loss on Dispositions					
+/- Realized Gain/Loss	\$0.00				
		\$0.00			
ENDING BOOK VALUE		\$4,954,385.68			

CASH TRANSACTIO	N SUMMARY	
BEGINNING BALANCE		\$28,236.66
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$5,025.00	
Dividend Received	\$604.45	
Principal on Maturities	\$550,000.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
Total Acquisitions	\$555,629.45	
Dispositions		
Withdrawals	\$598.98	
Security Purchase	\$0.00	
Accrued Interest Paid	\$0.00	
Total Dispositions	\$598.98	
ENDING BOOK VALUE		\$583,267.13

# **Holdings Report**

Account #10214



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY					1.2				- 7
3130A8NN9	FHLB Note 0.8% Due 6/28/2019	100,000.00	07/14/2016 0.94%	99,607.00 99,978.86	99.74 2.40%	99,741.60 273.33	2.01% (237.26)	NR / AA+ NR	0.16 0.16
3133EFW52	FFCB Note 1.15% Due 7/1/2019	100,000.00	04/19/2016 1.04%	100,357.00 100,018.66	99.79 2.41%	99,786.10 383.33	2.02% (232.56)	AAA / AAA	0.17 0.17
3135G0N33	FNMA Note 0.875% Due 8/2/2019	100,000.00	11/28/2016 1.38%	98,667.00 99,872.98	99.59 2.48%	99,589.90 216.32	2.01% (283.08)	Aaa / AA+ AAA	0.26 0.25
3130A8Y72	FHLB Note 0.875% Due 8/5/2019	100,000.00	09/23/2016 1.02%	99,595.00 99,962.72	99.60 2.40%	99,599.30 209.03	2.01% (363.42)	AAA / asA AAA	0.27 0.26
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	100,000.00	02/24/2016 1.18%	100,263.00 100,030.80	99.49 2.46%	99,494.00 100.69	2.00% (536.80)	Aaa / AA+ AAA	0.42 0.42
3130AA3R7	FHLB Note 1.375% Due 11/15/2019	100,000.00	11/28/2016 1.43%	99,827.00 99,968.31	99.45 2.40%	99,453.60 634.03	2.01% (514.71)	AAA AAA	0.55 0.53
3137EAEE5	FHLMC Note 1.5% Due 1/17/2020	100,000.00	01/12/2017 1.54%	99,892.00 99,974.26	99.37 2.40%	99,368.50 433.33	2.01% (605.76)	Aaa / AA+ AAA	0.72 0.70
3136FTB73	FNMA Callable Note 1X 2/7/2014 2% Due 2/7/2020	90,000.00	05/22/2017 1.51%	91,158.30 90,330.27	99.46 2.71%	89,513.19 420.00	1.81% (817.08)	Aaa / AA+ AAA	0.78 0.75
3135G0T29	FNMA Note 1.5% Due 2/28/2020	90,000.00	02/27/2017 1.55%	89,871.30 89,964.39	99.29 2.37%	89,361.63 236.25	1.80% (602.76)	Aaa / AA+ AAA	0.83 0.81
3133EHFL2	FFCB Note 1.55% Due 4/13/2020	100,000.00	04/20/2017 1.51%	100,116.00 100,037.10	99.16 2.44%	99,162.30 77.50	2.00% (874.80)	Aaa / AA+ AAA	0.96 0.94
3133EHJA2	FFCB Note 1.55% Due 5/8/2020	100,000.00	05/22/2017 1.54%	100,025.00 100,008.63	99.18 2.36%	99,183.20 744.86	2.01% (825.43)	Aaa / AA+ AAA	1.02 1.00
313383HU8	FHLB Note 1.75% Due 6/12/2020	100,000.00	06/20/2017 1.62%	100,371.00 100,139.25	99.32 2.37%	99,321.20 675.69	2.01% (818.05)	Aaa / AA+ NR	1.12 1.09
3137EAEL9	FHLMC Note 2,375% Due 2/16/2021	100,000.00	06/13/2018 2.70%	99,161.00 99,435.80	100.05 2.34%	100,054.00 494.79	2.02% 618.20	Aaa / AA+ AAA	1.80 1.74
313379RB7	FHLB Note 1.875% Due 6/11/2021	100,000.00	07/27/2018 2.84%	97,357.00 98,051.20	99.03 2.35%	99,027.40 729.17	2.01% 976.20	Aaa / AA+ AAA	2.12 2.04
313383ZU8	FHLB Note 3% Due 9/10/2021	65,000.00	09/28/2018 2.94%	65,116.35 65,093.40	101.54 2.33%	65,999.12 276.25	1.33% 905.72	Aaa / AA+ NR	2.37 2.26
3130AF5B9	FHLB Note 3% Due 10/12/2021	100,000.00	11/29/2018 2.91%	100,252.00 100,215.42	101.67 2.29%	101,674.50 158.33	2.05% 1,459.08	Aaa / AA+ NR	2.45 2.35

# **Holdings Report**

Account #10214



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3130AAB49	FHLB Note 1.875% Due 12/10/2021	75,000.00	12/15/2017 2.16%	74,182.50 74,463.25	98.89 2.32%	74,164.50 550.78	1.50% (298.75)	Aaa / AA+ AAA	2.62 2.51
3135G0S38	FNMA Note 2% Due 1/5/2022	100,000.00	09/27/2017 1.90%	100,394.00 100,247.51	99.28 2.28%	99,280.80 644.44	2.01% (966.71)	Aaa / AA+ AAA	2.69 2.58
313378CR0	FHLB Note 2.25% Due 3/11/2022	150,000.00	09/15/2017 1.81%	152,800.50 151,791.02	99.84 2.31%	149,759.70 468.75	3.02% (2,031.32)	Aaa / AA+ NR	2.87 2.75
313378WG2	FHLB Note 2.5% Due 3/11/2022	90,000.00	04/10/2018 2.66%	89,451.90 89,599.47	100.46 2.33%	90,414.54 312.50	1.83% 815.07	Aaa / AA+ NR	2.87 2.74
3130AEBM1	FHLB Note 2.75% Due 6/10/2022	100,000.00	07/05/2018 2.81%	99,774.00 99,821.09	101.27 2.32%	101,267.70 1,077.08	2.06% 1,446.61	Aaa / AA+ NR	3.12 2.94
3130AFE78	FHLB Note 3% Due 12/9/2022	100,000.00	12/20/2018 2.77%	100,868.00 100,789.53	102.32 2.33%	102,316.90 1,458.33	2.09% 1,527.37	Aaa / AA+ AAA	3.61 3.36
Total Agency		2,160,000.00	1.88%	2,159,106.85 2,159,793.92	2.38%	2,157,533.68 10,574.78	43.62% (2,260.24)	Aaa / AA+ AAA	1.55 1.48
MONEY MARK									
31846V203	First American Govt Obligation Fund Class Y	583,267.13	Various 2.04%	583,267.13 583,267.13	1.00 2.04%	583,267.13 0.00	11.74% 0.00	AAA / AAA	0.00
31846V203 Total Money N	Class Y	583,267.13 583,267.13						200000000000000000000000000000000000000	
	Class Y  Narket Fund FI		2.04%	583,267.13 583,267.13	2.04%	0.00 583,267.13	0.00 11.74%	AAA AAA	0.00
Total Money N	Class Y  Narket Fund FI		2.04%	583,267.13 583,267.13	2.04%	0.00 583,267.13	0.00 11.74%	AAA AAA	0.00
Total Money N	Class Y  Market Fund FI  E  Microsoft Note	583,267.13	2.04% 2.04%	583,267.13 583,267.13 583,267.13	2.04% 2.04%	0.00 583,267.13 0.00 54,791.50	0.00 11.74% 0.00	AAA Aaa / AAA AAA	0.00 0.00 0.00
Total Money N US CORPORAT 594918BN3 369550BA5	Class Y  Market Fund FI  E  Microsoft Note 1.1% Due 8/8/2019  General Dynamics Corp Note	583,267.13 55,000.00	2.04% 2.04% 08/01/2016 1.14% 05/31/2018	583,267.13 583,267.13 583,267.13 54,943.35 54,994.88 59,986.80	2.04% 2.04% 99.62 2.50% 100.34	583,267.13 0.00 54,791.50 139.49 60,203.82	0.00 11.74% 0.00 1.11% (203.38) 1.23%	AAA AAA AAA AAA AA+ A2/A+	0.00 0.00 0.00 0.27 0.27
Total Money N US CORPORAT 594918BN3	Class Y  Market Fund FI  Microsoft Note 1.1% Due 8/8/2019  General Dynamics Corp Note 2.875% Due 5/11/2020  John Deere Capital Corp Note	583,267.13 55,000.00 60,000.00	2.04% 2.04% 08/01/2016 1.14% 05/31/2018 2.89% 08/24/2018	583,267.13 583,267.13 583,267.13 54,943.35 54,994.88 59,986.80 59,992.98 59,377.80	2.04% 2.04% 99.62 2.50% 100.34 2.54% 99.74	54,791.50 139.49 60,203.82 814.58 59,845.74	0.00 11.74% 0.00 1.11% (203.38) 1.23% 210.84 1.21%	AAA AAA AAA AAA AAA AA+ A2/A+ NR A2/A	0.00 0.00 0.00 0.27 0.27 1.03 1.00

# **Holdings Report**

Account #10214



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US CORPORAT	E								
89233P5F9	Toyota Motor Credit Corp Note 3.4% Due 9/15/2021	60,000.00	01/17/2018 2.56%	61,743.00 61,133.28	101.89 2.57%	61,135.68 260.67	1.24% 2.40	Aa3 / AA- A+	2.38 2.26
Total US Corpo	orate	340,000.00	2.59%	340,768.65 340,543.13	2.55%	341,552.05 2,458.95	6.92% 1,008.92	A1 / AA- AA-	1.38 1.31
US TREASURY									
912828R44	US Treasury Note 0.875% Due 5/15/2019	100,000.00	06/14/2016 0.83%	100,121.43 100,001.60	99.94 2.30%	99,940.70 403.66	2.02% (60.90)	Aaa / AA+ AAA	0.04 0.04
912828543	US Treasury Note 0.75% Due 7/15/2019	100,000.00	09/13/2016 0.94%	99,465.18 99,961.17	99.65 2.43%	99,648.40 219.61	2.01% (312.77)	Aaa / AA+ AAA	0.21 0.21
912828UF5	US Treasury Note 1.125% Due 12/31/2019	100,000.00	07/14/2016 0.91%	100,734.71 100,141.83	99.12 2.46%	99,117.20 376.04	2.00% (1,024.63)	+AA / ssA AAA	0.67 0.66
912828H52	US Treasury Note 1.25% Due 1/31/2020	100,000.00	03/15/2016 1.37%	99,566.74 99,915.86	99.12 2.44%	99,117.20 310.77	2.00% (798.66)	Aaa / AA+ AAA	0.76 0.74
912828J84	US Treasury Note 1.375% Due 3/31/2020	100,000.00	11/13/2015 1.61%	99,031.59 99,796.86	99.06 2.42%	99,058.60 116.46	2.00% (738.26)	AAA / AAA	0.92 0.90
912828XH8	US Treasury Note 1.625% Due 6/30/2020	60,000.00	11/13/2015 1.65%	59,939.26 59,984.67	99.14 2.37%	59,484.36 325.90	1.20% (500.31)	Aaa / AA+ AAA	1.17 1.14
912828L32	US Treasury Note 1.375% Due 8/31/2020	85,000.00	02/27/2017 1.60%	84,359.46 84,755.79	98.71 2.36%	83,907.58 196.91	1.69% (848.21)	Aaa / AA+ AAA	1.34 1.31
912828L65	US Treasury Note 1.375% Due 9/30/2020	100,000.00	12/17/2015 1.72%	98,430.02 99,534.75	98.67 2.33%	98,671.90 116.46	1.99% (862.85)	Aaa / AA+ AAA	1.42 1.39
912828WC0	US Treasury Note 1.75% Due 10/31/2020	100,000.00	12/17/2015 1.76%	99,957.37 99,986.84	99.16 2.32%	99,160.20 4.76	2.00% (826.64)	Aaa / AA+ AAA	1.51 1.47
912828A42	US Treasury Note 2% Due 11/30/2020	100,000.00	01/19/2016 1.51%	102,301.12 100,750.20	99.50 2.33%	99,496.10 835.16	2.02% (1,254.10)	Aaa / AA+ AAA	1.59 1.54
912828Q37	US Treasury Note 1.25% Due 3/31/2021	70,000.00	06/19/2017 1.67%	68,922.89 69,453.64	98.08 2.28%	68,657.40 74.11	1.38% (796.24)	Aaa / AA+ AAA	1.92 1.88
912828Q78	US Treasury Note 1.375% Due 4/30/2021	100,000.00	05/30/2018 2.54%	96,757.81 97,777.65	98.24 2.28%	98,242.20 3.74	1.98% 464.55	Aaa / AA+ AAA	2.00 1.96

# **Holdings Report**

Account #10214



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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
US TREASURY									
912828WR7	US Treasury Note 2.125% Due 6/30/2021	100,000.00	02/07/2018 2.40%	99,113.28 99,433.44	99.71 2.26%	99,707.00 710.29	2.02% 273.56	Aaa / AA+ AAA	2.17 2.09
9128282F6	US Treasury Note 1.125% Due 8/31/2021	100,000.00	09/13/2018 2.82%	95,218.75 96,230.68	97.44 2.26%	97,441.40 189.54	1.96% 1,210.72	Aaa / AA+ AAA	2.34 2.28
912828T34	US Treasury Note 1.125% Due 9/30/2021	100,000.00	08/15/2017 1.72%	97,644.87 98,619.14	97.41 2.23%	97,410.20 95.29	1.96% (1,208.94)	Aaa / AA+ AAA	2.42 2.36
912828U65	US Treasury Note 1.75% Due 11/30/2021	100,000.00	10/12/2018 2.92%	96,523.44 97,126.21	98.75 2.25%	98,750.00 730.77	2.00% 1,623.79	AAA / AAA	2.59 2.49
912828W55	US Treasury Note 1.875% Due 2/28/2022	100,000.00	11/29/2017 2.06%	99,257.81 99,505.21	98.98 2.25%	98,976.60 315.90	2.00% (528.61)	Aaa / AA+ AAA	2.84 2.73
912828W89	US Treasury Note 1.875% Due 3/31/2022	75,000.00	02/27/2018 2.60%	72,902.34 73,502.68	99.01 2.23%	74,255.85 119.11	1.50% 753.17	+AA / 66A AAA	2.92 2.82
912828XR6	US Treasury Note 1.75% Due 5/31/2022	100,000.00	03/12/2018 2.60%	96,621.09 97,529.45	98.52 2.25%	98,515.60 730,77	2.00% 986.15	Aaa / AA+ AAA	3.09 2.96
912828L24	US Treasury Note 1.875% Due 8/31/2022	100,000.00	11/26/2018 2.90%	96,363.28 96,773.83	98.80 2.25%	98,796.90 315.90	1.99% 2,023.07	Aaa / AA+ AAA	3.34 3.20
Total US Treas	ury	1,890,000.00	1.90%	1,863,232.44 1,870,781.50	2.31%	1,868,355.39 6,191.15	37.72% (2,426.11)	Aaa / AA+ AAA	1.76 1.70
TOTAL PORTE	DLIO	4,973,267.13	1.95%	4,946,375.07 4,954,385.68	2.33%	4,950,708.25 19,224.88	100.00% (3,677.43)	Aaa / AA+	1.43 1.38
TOTAL MARKE	T VALUE PLUS ACCRUED					4,969,933.13			1 - 1 - 1 - 1

Upper San Gabriel Valley Municipal Water District Summary of Director Outreach Expenses For the period of July 1, 2018 through April 30, 2019

Director		Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	Actual to Date	Balance Remaining
Director Chavez	S		•	6	,	5/4/2		900.00	9	3,000.00	600.00	\$ 4,500.00	\$ 500.00
Director Contreras		100.00	300.00	×	500.00	ik.	*	ì	500.00	500.00	500.00	2,400.00	2,600.00
Director Fellow		345.00	ž.	*	295.00	ñ	557.00	500.00	400.00	100.00	19	2,197.00	2,803.00
Director Treviño		260.00	77	1,050.00	400.00	250.00	100.00	•	176.00	180.00	1,500.00	4,216.00	784.00
Director Urias		350.00		,	Ť	1,000.00	1,000.00	٠		•	B.	2,350.00	2,650.00
Director Santana		8.5	3		2	Sil	1,000.00	*	700.00	٠	200.00	1,900.00	3,100.00
154	Total	Total \$ 1,355.00		300.00 1,050.00	1,195.00	1,250.00	2,657.00	1,400.00	1,776.00	3,780.00	2,800.00	2,800.00 \$ 17,563.00 \$ 12,437.00	\$ 12,437.0

#### **Director Chavez**

Paid Date	Description	Amount	Check #	Recipient
01/03/19	State of the District Breakfast	150.00	22167	Hacienda La Puente Unified School District
01/03/19	Emergency Assistance Center Donation	500.00	22168	East San Gabriel Valley Coalition
01/17/19	Salute to Heroes Breakfast	250.00	22182	Regional Chamber of Commerce SGV
03/07/19	2019 Baseball Season Sponsorship	1,000.00	22230	Hacienda Heights Little League
03/07/19	2019 Baseball Season Sponsorship	1,000.00	22231	La Puente National Little League
03/07/19	2019 Baseball Season Sponsorship	1,000.00	22232	National Little League of South El Monte
04/03/19	Scholarship Fundraiser Dinner	100.00	22258	Baldwin Park Women's Club
04/22/19	Epiphany 2019 Fiesta Sponsorship	400.00	22280	Epiphany Catholic Church
04/23/19	2019 Fund Drive Sponsorship	100.00	22282	Delhaven Community Center

	Total	4,500.00
Outreach Fund Balance		500.00

#### **Director Contreras**

Paid Date	Description	Amount	Check #	Recipient
07/26/18	National Night Out Sponsorship	100.00	22023	West Covina Community Services Foundation
08/07/18	70th Annual Azusa Golden Days Sponsorship	300.00	22037	Azusa Golden Days Committee
10/25/18	Relay for Life Sponsorship	500.00	22107	American Cancer Society
02/21/19	Summer and Fall Events Sponsorship	500.00	22218	City of Covina
03/19/19	96th Birthday Celebration Sponsorship	500.00	22247	West Covina Beautiful
04/18/19	2019 Quartermania Event Sponshorship	500.00	22277	Covina Lions Breakfast Club

 Total
 2,400.00

 Outreach Fund Balance
 2,600.00

#### **Director Fellow**

Paid Date	Description	Amount	Check #	Recipient
07/26/18	Membership Dues: 8/1/18 - 8/1/19	50.00	22027	Temple City Chamber of Commerce
07/26/18	Membership Dues: 2017-2018	295.00	22029	El Monte/S. El Monte Chamber of Commerce
10/03/18	2018 Community Prayer Breakfast	275.00	22080	Monrovia Chamber of Commerce
10/25/18	Membership Dues: 2018-2019	20.00	22106	Monrovia Community Coordinating Council
12/03/18	Teddy Bear Mixer 2018 Sponsorship	250.00	22126	El Monte/S. El Monte Chamber of Commerce
12/03/18	Membership 2019	307.00	22134	Monrovia Chamber of Commerce
01/03/19	Awards Gala & Membership Dinner	500.00	22166	Monrovia Chamber of Commerce
02/04/19	Taste and Sounds of El Monte/South El Monte	250.00	22194	El Monte/S. El Monte Chamber of Commerce
02/21/19	2019 Sprind Egg Hunt & Healthy Kids Day	150.00	22217	City of Monrovia
03/25/19	Retirement Gala Sponsorship	100.00	22251	Second Baptist Church

 Total
 2,197.00

 Outreach Fund Balance
 2,803.00

#### Director Treviño

Paid Date	Description	Amount	Check#	Recipient
07/12/18	Membership Renewal - 7/1/18 - 6/30/19	220.00	22008	San Gabriel Chamber of Commerce
07/12/18	Installation Dinner	50.00	22010	San Gabriel Chamber of Commerce
07/12/18	Annual Membership July 2018 - June 2019	290.00	22011	Rosemead Chamber of Commerce
09/14/18	2018 Local 300 Scholarship Fundraiser	1,000.00	22063	Local 300 Scholarship Fund
09/14/18	Membership Renewal 8/1/18 - 7/31/19	50.00	22065	Temple City Chamber of Commerce
10/03/18	72nd Annual Celebration & Awards Dinner	400.00	22078	La Casa De San Gabriel
11/07/18	2018 Tiger Run Sponsorship	250.00	22113	South Pasadena High School Tiger Booster
12/03/18	12th Annual Harvest Celebration Dinner	100.00	22124	San Gabriel Chamber of Commerce
02/13/19	Lunar New Year Banquet	176.00	22210	Rosemead Chamber of Commerce
03/07/19	Annual Membership 2/1/19 - 2/1/20	100.00	22234	South Pasadena Chamber of Commerce
03/25/19	2019 Gala Awards Dinner Sponsorship	80.00	22250	Garvey Education Foundation
04/08/19	Toast to the Future Gala Sponsorship	400.00	22265	San Gabriel Educational Found
04/08/19	Heart of the Community Awards Sponsorship	100.00	22267	YMCA West San Gabriel Valley
04/17/19	2019 Parti Gras Sponsorship	1,000.00	22275	South Pasadena Education Foundation

 Total
 4,216.00

 Outreach Fund Balance
 784.00

#### **Director Urias**

Paid Date	Description	Amount	Check #	Recipient
07/12/18	Classic Car Show Fromula One Sponsorship	350.00	22012	Downtown El Monte Business Association
11/15/18	2018 Family Fun Fest Sponsorship	1,000.00	22117	Duarte Kiwanis Club
12/03/18	Little Free Library Sponsorship	1,000.00	22127	City of Duarte
	Total	2,350.00		
	Outreach Fund Balance	2,650.00		

#### Director Santana

Paid Date	Description	Amount	Check #	Recipient	
12/03/18 02/04/19 04/08/19	Whittier Narrows Mobile Showers Holiday Luncheon 25th Annual Fashion Show Scholoarship Gala Max's Annual Golf Tournament Sponsorship	1,000.00 700.00 200.00	22156 22198 22263	Alma Family Services St. John the Baptist School Max's Mexican Cuisine	
	Total Outreach Fund Balance	1,900.00 3,100.00			



#### 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\

IN REPLY PLEASE
REFER TO FILE: T-5

March 23, 2019

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

Attention Ms. Christine Hawkins

Dear Mr. Love:

NEGOTIATED TAX EXCHANGE RESOLUTION ANNEXATION OF PROJECT L 086-2017 TO COUNTY LIGHTING MAINTENANCE DISTRICT 1687

We request that the Upper San Gabriel Valley Municipal Water District participate in the exchange of ad valorem property tax in conjunction with the annexation of the territory known as L 086-2017 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 revenue, the Board can determine the exchange of property tax revenue for that taxing agency.

Mr. Thomas Love March 23, 2019 Page 2

Enclosed is a Joint Resolution between the Los Angeles County and the 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 Resolution is a Property Tax Transfer Resolution Worksheet listing the share of the annual tax increment to be exchanged with the Water District, other affected taxing agencies, and CLMD 1687. The tax-sharing ratios 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 Worksheet for L 086-2017, Tax Rate Area 91180, the current tax share ratio for the Water District is 0.000591500. Out of the Water District's tax share, the Water District would allocate 0.000012121 to CLMD 1687, with a net share to the Water District of 0.000579379. Monetarily speaking, 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 Water District would receive \$0.0058 and CLMD 1687 would receive \$0.0001.

Please have the resolution executed and returned to us in the enclosed self-addressed envelope by June 27, 2019.

If you have any questions, please contact Ms. Tigist Desta, Traffic Safety and Mobility Division, at (626) 300-4755 or <a href="mailto:tdesta@dpw.lacounty.gov">tdesta@dpw.lacounty.gov</a>.

Very truly yours,

MARK PESTRELLA Director of Public Works

ÈMIKO THOMPSON

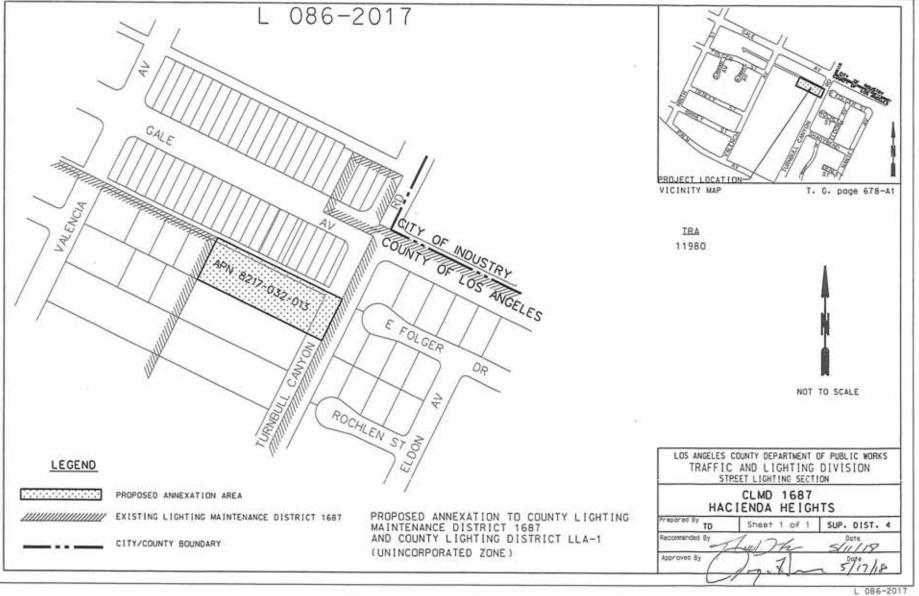
Assistant Deputy Director

Traffic Safety and Mobility Division

TD:di

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Enc.



#### 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 L 086-2017
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 1687, the County General Fund, the Los Angeles County Public Library, the Los Angeles County Road District 4, the Consolidated Fire Protection District of Los Angeles County, the Los Angeles County Flood Control Drainage Improvement Maintenance District, and the 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 L 086-2017 to County Lighting Maintenance District 1687 is as shown on the attached Property Tax Transfer Resolution Worksheet.

#### NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

- 1. The negotiated exchange of property tax revenues between the County Lighting Maintenance District 1687, the County General Fund, the Los Angeles County Public Library, the Los Angeles County Road District 4, the Consolidated Fire Protection District of Los Angeles County, the Los Angeles County Flood Control Drainage Improvement Maintenance District, the 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 L 086-2017 to County Lighting Maintenance District 1687 is approved and accepted.
- 2. For fiscal years commencing on or after July 1, 2020, 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 L 086-2017, Tax Rate Area 11980, shall be allocated to the affected agencies as indicated on the Property Tax Transfer Resolution Worksheet.
- No transfer of property tax revenues other than those specified in Paragraph 2 shall be made as a result of the annexation of L 086-2017.
- 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 by the following vote:	day of	_2019,
AYES: NOES: ABSENT: ABSTAIN:		
	UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT	
	By_ President, Board of Directors	
ATTEST:		
Secretary		
Data		

ANNEXATION TO:

CO LIGHTING MAINT DIST NO 1687

ACCOUNT NUMBER:

019.40

TRA: 11980 EFFECTIVE DATE: 07/01/2018 ANNEXATION NUMBER: L 086-2017

PROJECT NAME: L 086-2017

DISTRICT SHARE:

0.020492740

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 %	0.020492740	0.006745913	-0.006903222	0.322281814
001.20	L.A. COUNTY ACCUM CAP OUTLAY	0.000116841	0.0116 %	0.020492740	0.000002394	0.000000000	0.000116841
003.01	L A COUNTY LIBRARY	0.024080700	2.4080 %	0.020492740	0.000493479	-0.000493479	0.023587221
005.20	ROAD DIST # 4	0.005981114	0.5981 %	0.020492740	0.000122569	-0.000122569	0.005858545
007.30	CONSOL. FIRE PRO.DIST.OF L.A.CO.	0.179663030	17.9663 %	0.020492740	0.003681787	-0.003681787	0.175981243
007.31	L A C FIRE-FFW	0.007559538	0.7559 %	0.020492740	0.000154915	0.000000000	0.007559538
030.10	L.A.CO.FL.CON.DR.IMP.DIST.MAINT.	0.001801120	0.1801 %	0.020492740	0.000036909	-0.000036909	0.001764211
030.70	LA CO FLOOD CONTROL MAINT	0.010192934	1.0192 %	0.020492740	0.000208881	-0.000208881	0.009984053
061.80	GREATER L A CO VECTOR CONTROL	0.000387088	0.0387 %	0.020492740	0.000007932	-0.000007932	0.000379156
066.50	CO SANIT DIST NO 15 OPERATING	0.013684215	1.3684 %	0.020492740	0.000280427	-0.000280427	0.013403788
368.05	UPPER SAN GAB. VY. MUN. WATER	0.000591500	0.0591 %	0.020492740	0.000012121	-0.000012121	0.000579379
400.00	EDUCATIONAL REV AUGMENTATION FD	0.069138904	6.9138 %	0.020492740	0.001416845	EXEMPT	0.069138904
400.01	EDUCATIONAL AUG FD IMPOUND	0.131877650	13.1877 %	0.020492740	0.002702534	EXEMPT	0.131877650
400.15	COUNTY SCHOOL SERVICES	0.001449143	0.1449 %	0.020492740	0.000029696	EXEMPT	0.001449143
400.21	CHILDREN'S INSTIL TUITION FUND	0.002876030	0.2876 %	0.020492740	0.000058937	EXEMPT	0.002876030
809.04	MT.SAN ANTONIO COMMUNITY COLLEGE	0.031039726	3.1039 %	0.020492740	0.000636089	EXEMPT	0.031039726
809.20	MT SAN ANTONIO CHILDRENS CTR FD	0.000299596	0.0299 %	0.020492740	0.000006139	EXEMPT	0.000299596
870.03	HACIENDA-LA PUENTE UNIF. SCH.DIS	0.181519570	18.1519 %	0.020492740	0.003719833	EXEMPT	0.181519570
870.06	CO.SCH.SER.FD.HACIENDA-LA PUENTE	0.007668805	0.7668 %	0.020492740	0.000157154	EXEMPT	0.007668805

2

ANNEXATION NUMBER: L 086-2017 PROJECT NAME: L 086-2017

TRA: 11980

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 %	0.020492740	0.000018186	EXEMPT	0.000887460
***019.40	CO LIGHTING MAINT DIST NO 1687	0.000000000	0.0000 %	0.020492740	0.000000000	0.000000000	0.011747327
	TOTAL:	1.000000000	100.0000 %		0.020492740	-0.011747327	1.000000000

#### **ORDINANCE NO. 19-1**

# AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT IMPOSING STANDBY CHARGES FOR THE FISCAL YEAR COMMENCING JULY 1, 2019

# BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT (Upper District) as follows:

**Section 1.** This ordinance fixes a standby charge assessment to be levied against each lot or parcel within the Upper District for the fiscal year commencing July 1, 2019 for the purpose of financing water recycling and water conservation projects. This charge is imposed pursuant to the Municipal Water District Law of 1911 (Water Code Section 71630 et seq).

#### Section 2. Findings

The Board of Directors finds, determines and declares as follows:

- (a) The Board has provided a duly published notice of public hearing and has conducted a public hearing to consider adoption of a standby charge assessment.
- (b) The Board has considered the written and oral comments presented by interested parties and the report of the Upper District's Engineer concerning the assessment.
- (c) The standby charge assessment will be used to pay for a portion of the cost of water recycling and water conservation programs instituted by the Upper District for the benefit of all residents of the Upper District.
- (d) It is in the best interests of the Upper District and the community which it serves to promote water recycling and conservation programs and to pay for a portion of the programs from the proceeds of standby charge assessments because landowners benefit from the increase in the available water supply.

#### Section 3. Standby Charge

An annual standby charge assessment in the amount of \$10.00 per acre and/or portion thereof, is hereby imposed upon each parcel within the Upper District for the fiscal year commencing July 1, 2019. A description of the lands (by assessor parcel number) affected by the assessment is on file with the Secretary.

#### Section 4. Collection

The Board of Supervisors and Auditor of the County of Los Angeles are hereby directed to levy, collect and remit to the District the standby charge assessment at the time and in the manner required by law for the levying of taxes for county purposes.

PASSED, APPROVED, AND ADOPTED this 5th day of June, 2019.

AYES:	
NOES:	
ABSTAIN:	
ABSENT:	
	Ed Chaver President
	Ed Chavez, President
ATTEST:	
Anthony R. Fellow, Secretary	
(SEAL)	
APPROVED AS TO FORM:	
Steven P. O'Neill, District Counsel	

# MEMORANDUM



10. (b) ACTION

DATE:

May 20, 2019

TO:

Administration and Finance Committee and Board of Directors

FROM:

General Manager

SUBJECT:

Fiscal Year 2019/20 Budget and Calendar Year 2020 Water Rates and Charges.

#### Recommendation

Staff recommends that the Board of Directors: a) approve the Fiscal Year 2019/20 Budget (Attachment 1), b) approve Resolution 6-19-604, adopting the water rates and charges for calendar year 2020 (Attachment 2), and c) approve a cost of living adjustment for District wages effective July 1, 2019.

#### Background

The formal budget process began in January 2019 with midyear reviews of the administrative and program expenses by the respective committees. In February, staff presented the proposed initiatives and budgets for fiscal year 2019/20 to the Administration and Finance, Water Policy, and Government Affairs and Community Outreach Committees. On April 16, 2019, staff presented the first draft of Upper District's consolidated budget for FY 2019/20 along with the proposed water rates and charges for calendar year 2020 to the Administration and Finance Committee.

Subsequent to the April Administration and Finance Committee meeting, staff made the following adjustments to the budget:

- Reduced imported water sales from 50,200 acre-feet to 38,100 acre-feet to reflect a more conservative estimate of replacement water purchases by the producers (reduced net water revenues by \$1.24 million); and
- Restored Upper District's standby charge revenues to the maximum allowable rate of \$10 per parcel per acre (provided additional revenues amounting to \$0.40 million).

The foregoing adjustments decreased forecasted net operating revenues for fiscal year 2019/20 by \$0.84 million, from \$1.78 million to \$0.94 million. Upper District's debt service coverage after these adjustments, equivalent to 219%, is well above the debt service coverage ratio required under the current loan agreement with the State Water Resources Control Board.

The proposed budget for fiscal year 2019/20, as adjusted, shows total uses of funds of \$39.58 million, an increase of \$12.16 million or 44% from the current year budget of \$27.42 million due to significantly higher water sales estimates. Attachment I provides a detailed discussion of the budget. Budget highlights include:

- > For the 5th consecutive year, no increase in Upper District's current surcharge of \$103 per acre-foot.
- Increase in Tier 1 treated and untreated water rates of 2.43% and 2.88%, respectively, due to increases in Metropolitan's water rates in 2020.
- > Projected imported water deliveries of 38,100 acre-feet include 20,100 acre-feet of RDA II water.
- ➤ An increase of \$13.18 million or 72% in imported water purchases.
- Decrease in capital costs of about \$1.25 million. Additional work related to the Indirect Reuse Replenishment Project has been deferred.
- Net increase in reserves amount to \$0.60 million: \$0.94 million net operating revenues less \$0.34 million capital expenditures.

Table 1. Estimated Replacement and RDA II Water Deliveries

Fiscal Year	RDA Water (in AF)	Replacement (in AF)	Total UD Share (in AF)		
2019-20	20,100	15,000	35,100		
2020-21	25,600	15,250	40,850		
2021-22	30,300	15,500	45,800		
2022-23	29,000	16,000	45,000		
2023-24	28,000	16,500	44,500		

#### Cost of Living Adjustment (COLA) Effective July 1, 2019

Each fiscal year, the Board of Directors considers adjustment of District wages and salaries to account for inflation. The Consumer Price Index (CPI) for the Los Angeles County area for the one-year period ending in April has been used historically to measure inflation. The CPI, compiled and published in a report each month by the United States Department of Labor (USDOL), showed a CPI of +3.30% for the Los Angeles-Long Beach-Anaheim areas for the period April 2018-April 2019 (Attachment 3).

If approved, the COLA will increase total personnel expenses by \$3,650 per month or \$43,800 per year. This increase has been factored in the budget for fiscal year 2019/20.

#### Water Rates and Charges for Calendar Year 2020

Proposed rates and charges for calendar year 2020 are presented in Table 2.

Table 2. Water Rates and Charges

		fective /01/16		fective /01/17		ffective /01/18		fective /01/19		oposed /01/20
Full Service Treated Tier 1		-		- 50		- 42	OF S		11. Y	SWL -
MWD		942		979		1,015		1,050		1,078
Upper District Surcharge		103		103		103		103		103
Upper District Rate		1,045		1,082		1,118		1,153		1,181
Full Service Treated Tier 2										
MWD		1,076		1,073		1,101		1,136		1,165
Upper District Surcharge		103		103		103		103		103
Upper District Rate	1	1,179	i IIV	1,176	elli.	1,204		1,239		1,268
Full Service Untreated Tier 1										
MWD		594		666		695		731		755
Upper District Surcharge		103		103		103		103		103
Upper District Rate		697		769		798		834		858
Full Service Untreated Tier 2										
MWD		728		760		781		817		842
Upper District Surcharge		103		103		103		103		103
Upper District Rate	100	831	w.V.	863		884		920		945
Capacity Charge (per CFS)	\$	10,900	\$	8,000	\$	8,700	\$	8,600	\$	8,800

Upper District will pass through Metropolitan's 2020 capacity charge of \$8,800 per cfs for the use of the imported water distribution system during peak summer months (May 1 – September 30). Metropolitan used the three-year period ended December 31, 2018 to levy the capacity charge effective January 2020. The capacity charge for 2020 is based on the following peak summer day demand, which occurred on July 14, 2018:

		Peak Flow (in cfs)	 \$8,800/cfs
USG 1	- Golden State	0.8	\$ 7,040
USG 2	- City of South Pasadena	6.3	55,440
USG 4	- Suburban Water Systems	12.2	107,360
USG 5	- Watermaster	4.0	 35,200
		23.3	\$ 205,040

At a surcharge of \$103 per acre-foot effective January 1, 2020 and pass through of Metropolitan rates, the Tier 1 treated and Tier 1 untreated water rates will increase of 2.43% and 2.88%, respectively.

Resolution No. 6-19-604, adopting rates and charges for 2020, is provided as Attachment 2.

# Upper District Budget

Fiscal Year 2019/20

June 5, 2019

# Staff Report

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# **About Upper District**

#### **District Profile**

#### History

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

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

#### Service Area

Five elected Directors, each serving a 4-year term and representing a designated geographic area within the Upper District's boundaries, govern the Upper District.

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



#### **Board of Directors**



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



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



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

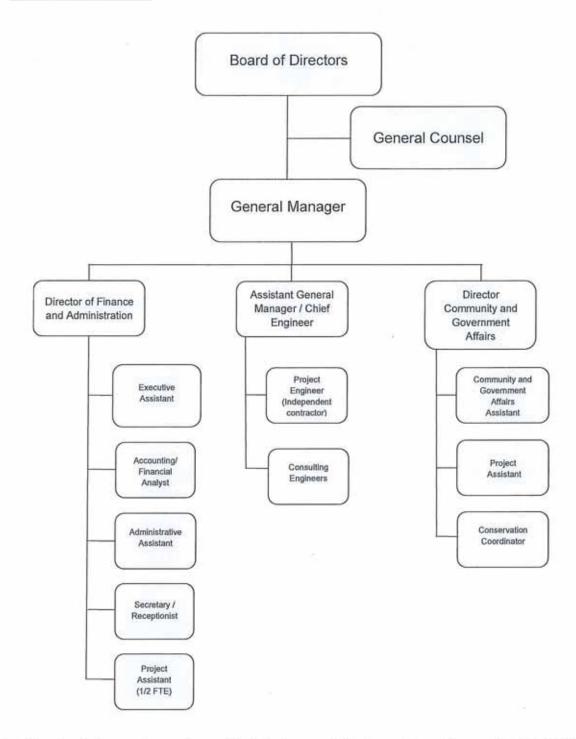


Division 4 – Director Alfonso Contreras Representing all or parts of Azusa, Baldwin Park, Covina, Glendora, Irwindale and West Covina



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

#### Organization Chart



As the chart above shows, Upper District has a relatively small workforce of 11.5 full-time equivalents (FTEs) working to implement Upper District's program initiatives and goals. No additional positions are budgeted for fiscal year 2019/20.

#### Vision

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

#### Mission

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

#### Core Values

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

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

# Strategic Plan

Upper District reassessed its mission, vision, goals and objectives and adopted a five-year strategic plan in March 2019 to provide a long-term perspective for service delivery and financial management.

Upper District's strategic plan is intended to be a living document and includes the following high-level goals: water reliability, financial integrity, workforce and governance, and community representation and engagement.

## Major Accomplishments

#### Planning

In January 2013, Upper District's Board of Directors developed and approved the San Gabriel Valley's first Integrated Resources Plan (IRP), providing a roadmap to a diversified and sustainable water supply future. The IRP examines both demand-side and supply-side options, views water more holistically and interconnected, addresses multiple goals, and incorporates risks and uncertainties that may occur in the future.

#### Imported Water

Upper District championed policies to support sustainable groundwater management and fair treatment of San Gabriel Valley ratepayers and taxpayers. During the unprecedented drought in California's history that started in 2012, Upper District managed to store additional supplies of water.

Consistent with these conservative practices, Upper District may consider future "preemptive" imported water deliveries while Metropolitan has supplies available and can affect deliveries. These future decisions may be economically viable utilizing District reserves and continue the vision of a "wet water"-based management solutions.

## Recycled Water

Upper District continued to advance the Indirect Reuse Replenishment Project (IRRP) to final design, permitting and environmental review discussions. The original full-scale IRRP included a pump station at the San Jose Creek Water Reclamation Plant and nine miles of 36" pipeline in a general alignment northbound along the San Gabriel River to the Santa Fe Spreading Grounds, just south of the 210/605 freeway interchange, with an estimated cost of \$65 million. The IRRP project has been placed on hold as the District evaluates the full availability of tertiary treated wastewater and alternative project configurations or partnerships regarding the regional, large-scale Advanced Treated Wastewater project, currently in "proof of concept" discussion.

Upper District is working with local water purveyors and property owners to increase the use of recycled water in the region. Upper District continues to support the efforts of retail water providers that are developing recycled water facilities in El Monte and South El Monte and in La Puente and Industry by providing services for environmental permitting, design, and grants.

#### Stormwater

Upper District continued to assist the San Gabriel Valley Council of Governments in developing strategies toward reaching MS4 stormwater permit compliance issued by the Los Angeles Regional Water Quality Control Board. The SGV COG advanced four bills in the State Legislature to address issues related to storm water cleanup.

#### Conservation

Following exceptional water conservation efforts and substantial winter rain and snow, most of California continued to voluntarily submit monthly water production reports. Urban water suppliers served by Upper District successfully maintained a cumulative average conservation savings of 17.6% when compared to their baseline period production. Upper District's reporting urban water suppliers have a cumulative R-GPCD of 92.5, a decrease of 41.8 GPCD when compared to their 2014 baseline average of 134.3 R-GPCD.

Upper District's dynamic public outreach programs have significantly improved the performance of its conservation rebate programs. During the last five years, rebate programs provided \$7.25 million to San Gabriel Valley residents for turf removal and water efficient devices, generating lifetime water savings of about 14,228 acre-feet. In fiscal year 2018/19 Upper District staff provided public information booths at 80 community events.

The Large Landscape Survey and Retrofit (LLSR) Program was first introduced back in 2015 an innovative water conservation program that provided free in-depth water use and irrigational system review surveys along with site specific repairs/upgrades (retrofits) to commercial, industrial and institutional (CII) customers in the Upper District's service area. Parks, schools, and certain other city and civic facilities are targeted due to their large irrigated landscaped areas. In 2015, the LLSR Program secured \$1.10 million and \$1.40 million in grant funding from the U.S. Bureau of Reclamation (USBR) and the California Department of Water Resources (DWR), respectively.

As of March 2019, the LLSR has completed 199 sited and expended the \$2.5 million in grant funds received. Of the 199 completed sites, 50 sites were in designated disadvantaged communities. The total estimated annual water savings of the LLSR Program is approximately 1,200 acre-feet. The estimated total energy savings due to the program are approximately 4,144,840 kilowatt hours with greenhouse gas emission reductions of approximately 3,080 metric tons of carbon dioxide equivalent (MTCO2e). In addition to the regional and state water reduction, there is also significant retail cost savings for each retrofitted site.

Over the years, Upper District's water conservation efforts have been effective at saving substantial quantities of water. Since 1992, the Upper District's water use efficiency program has yielded close to 70,133 acre-feet (23 billion gallons) of lifetime water savings. Upper District's dynamic conservation efforts has already achieved a cumulative total water savings of 5,738 acre-feet per year, surpassing its active conservation goal of 5,000 acre-feet by 2035 set forth in the Integrated Resources Plan.

While local areas have experienced significant snow and rainfall in recent months, groundwater storage remains depleted in many areas due to the continued impact of prolonged drought. Hydrologic conditions are subject to change and, while recent precipitation has helped improve water supply conditions, the Upper District understands the need to continue building on its conservation efforts by emphasizing water efficient practices as a continued way of life for its residents and businesses.

#### **Education & Community Outreach**

Upper District implements a variety of education programs including a "Water is Life" student art contest, Water Education Grant Program (WEGP), sponsorship of Solar Cup high school teams, and 4<sup>th</sup> - 6<sup>th</sup> Grade Sustainable Watershed Education Program. The WEGP offers teachers grants of up to \$1,000 for implementing water-related curriculum or projects. Seven WEGP applicants received a total of \$7,128 in grants for FY 17/18 that directly involved 993 students. The 4<sup>th</sup>-6<sup>th</sup> Grade Sustainable Watershed Education Program served over 10,352 students throughout the San Gabriel Valley. Public workshops covering water efficient landscaping, greywater DIY home systems, and leak detection were offered. The classes were provided free of charge with Spanish translation services offered. Some of the classes were also presented in Mandarin. A total of 208 individuals attended eight workshops hosted by the Upper District during FY 2017/18.

Upper District's Watershed Restoration Education Program - hosted in partnership with the U.S. Forest Service — actively engages volunteers with tree planting and clean-up efforts within the San Gabriel River watershed. During FY 2017/18, 120 volunteers contributed 480 volunteer hours, including the planting of 335 tree saplings and collecting 1,275 lbs. of garbage. Since the start of the program in 1991, approximately 13,500 volunteers have planted over 139,500 tree saplings and collected over 4,846 lbs. of garbage. In January 2016, Upper District received a \$65,000 grant in Proposition 1 funds from the California Department of Fish & Wildlife (CDFW) to assist with program costs and extend watershed restoration efforts. The watershed work conducted as part of this grant continued throughout FY 17-18.

Continuing its partnership with the Los Angeles County Department of Parks and Recreation, Upper District hosted its annual WaterFest in October which drew over 2,000 participants. The educational event featured interactive booths, environmental displays, informative presentations, and free water-saving materials. The 2018 event was held at the Arcadia County Park and included the participation of Assemblymember Ed Chau. Upper District also recognized the City of Arcadia with the San Gabriel Valley Water Smart Award for their efforts in water conservation and Senator Ed Hernandez for his efforts in water policy.

#### Government Affairs

At the conclusion of the 2018 legislative year, Upper District's Board of Directors supported legislation that: advanced water use efficiency and conservation through local control; advocated for federal and state increased funding for the development of recycled water and desalination projects; and supported legislation that would have assisted cities in their efforts to meet stormwater capture mandates.

In February 2019, Upper District's Board of Directors adopted the 2019/20 Legislative Policy Principles which coincide with the start of the new legislative session. Upper District will continue to engage on issues that will advance the sustainability goals of the San Gabriel Watershed, and advocate positions that are consistent with Upper District's mission. Key policy issues include: CA Water Fix, stormwater and wastewater discharge, funding alternatives for safe drinking water for disadvantaged communities, water quality, recycled water, water efficiency standards and tax exemptions for water efficiency incentives.

### **Financial Policies**

# **Investment Policy**

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

- (a) Safety of Principal Investments shall be undertaken in a manner that first seeks to ensure the preservation of principal in the portfolio. Each investment transaction shall be entered into after taking into consideration the quality of the issuer, the underlying security or collateral, and diversification of the portfolio.
- (b) Liquidity Investments shall be made so that the maturity date is compatible with cash flow needs and safety of principal.

(c) Return on Investment - Investments shall be undertaken to produce an acceptable rate of return after first considering safety of principal and liquidity and the prudent investor standard.

#### Minimum Reserves

The primary operational risk Upper District is exposed to is a water system failure for an extended period (e.g. inability to deliver imported water after a catastrophic earthquake that damages the imported water system). To ensure its ability to support operations in the absence of cash flow from water sales for an extended period, the Board of Directors set the minimum operating reserves at \$4.26 million, equivalent to one year's worth of surcharge and net recycled water operating revenues.

# **Budget Process and Controls**

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

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

#### **Timeline**

Upper District's budget process begins in December of each year and is a product of a comprehensive team effort between departments as shown on the following budget calendar:

A	December	Finance Department begins working with program managers
		to develop year-end projections for the current fiscal year.
A	January	Program managers update goals and objectives and develop
		proposed initiatives for the coming fiscal year.
A	February	Program managers present preliminary budgets to respective
		committees.
A	March - April	A consolidated draft of Upper District's proposed budget for
		the coming fiscal year is presented to the Administration and
		Finance Committee.
A	April - May	Proposed budget is presented to the producers. If needed,
		budget revisions are made prior to the 2 <sup>nd</sup> presentation of the
		budget to the Administration and Finance Committee.
A	May - June	Staff presents next fiscal year's proposed budget and next
		calendar year's proposed water rates to the Board of Directors
		with a recommendation for adoption.

# **Uses of Funds**

Uses of funds for the proposed 2018/19 budget total \$39.58 million, about \$12.16 million higher than current year's budget of \$27.42 million. Figure 1 illustrates the total uses of funds.

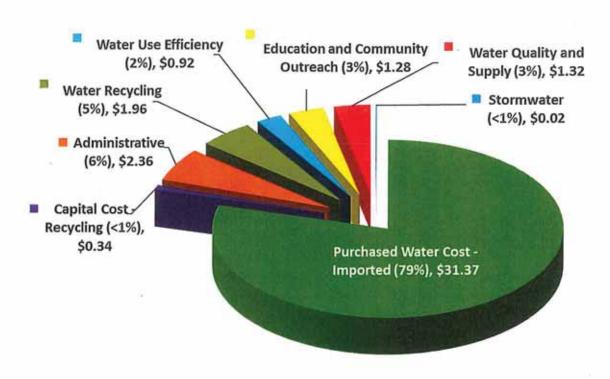


Figure 1. Uses of Funds

#### **Purchased Water Costs**

# Imported Supplies

Under the current purchase order with Metropolitan, Upper District has the ability to purchase about 67,000 acre-feet per year of the less expensive Tier 1 water through 2024. FY 2019/20 budgeted sales consist of 3,000 acre-feet of Tier 1 treated water and 35,100 acre-feet of Tier 1 full service untreated water for groundwater replenishment operations. Metropolitan's Tier 1 treated water rate will increase from \$1,050 to \$1,078 per acre-foot and Tier 1 untreated water rate from \$\$731 to \$755 per acre-foot effective January 1, 2020. From 2007 through 2020, the marginal cost of imported water from Metropolitan needed to meet Upper District's replacement water obligation increased from \$238 to \$755 (or 217%).

In May 2017, Watermaster approved the implementation of the water resource development assessment to purchase untreated imported water for stormwater augmentation (RDA II). The implementation of the RDA II assessment to purchase water is part of Watermaster's Drought Management Plan to address the rapidly declining Basin levels that threaten producers' ability to pump groundwater from the Basin. During 2017/18, Upper District delivered a total of 19,300 acre-feet of untreated water to meet Watermaster's order for RDA II water and various producers order for cyclic storage water. By the end of the current fiscal year, Upper District anticipates delivering about 36,050 acre-feet of untreated water, or 18,300 acre-feet more than budget. Current year deliveries consist of 15,300 acre-feet RDA II water and pre-deliveries to producer cyclic storage accounts of about 20,750 acre-feet.

Anticipated untreated water deliveries for FY 2019/20 total 35,100 acre-feet, or about 17,350 acre-feet more than the current year's budget. The combined effects of the higher anticipated untreated water deliveries for FY 2019/20 and the increase in Metropolitan's water rates in 2020 will increase total purchased water cost for imported supplies by about \$13.18 million or about 72%.

Metropolitan imposes capacity charge to recover costs incurred in providing capacity within its distribution system. This charge is based on a three-year trailing peak day demand, measured in cubic foot per second (CFS) during the May 1 through September 30 period. The capacity charge aims to encourage Metropolitan sub-agencies to shift demands from the peak summer months. For calendar year 2020, Metropolitan used the three-year period ended December 31, 2018 to levy the capacity charge. Metropolitan's capacity charge will increase from \$8,600 per CFS to \$8,800 per CFS effective January 1, 2020.

In 2015, Upper District pre-purchased about 10,000 acre-feet of untreated water for storage in response to the rapidly falling Basin levels and lack of local precipitation. Since then, Upper District has kept a portion of this pre-purchased water in the Basin, meeting most of its annual imported water commitments with wet deliveries. Upper District started FY 2018/19 with a little over 7,000 acre-feet of water held in storage and will end the fiscal year with about 11,900 acre-feet in storage after additional pre-purchases in May 2019.

#### Recycled Supplies

Anticipated recycled water demand remains flat at about 2,400 acre-feet for FY 2019/20. However, the combined effects of anticipated increases in per acre-foot cost of recycled water supplied by Central Basin Municipal Water District, Sanitation Districts of Los Angeles County (Sanitation Districts) and City of Industry will translate to an overall increase in purchased recycled water cost of about 10% for FY 2019/20.

## **Capital Costs**

While significant permitting efforts for the Indirect Reuse Replenishment Project (IRRP) were performed, coordination and review efforts are anticipated to continue until a record of understanding may be established with the regulatory and permit agencies. For FY 2019/20, \$20,000 has been set aside for the remaining tasks. These efforts will allow for future discussions regarding the original and/or modified IRRP project.

#### **Recycled Water Programs**

Direct Reuse

The Direct Reuse Program provided for the phased construction of a recycled water distribution system used to provide water for irrigation purposes. The system includes over 20 miles of 4" to 24" pipelines; several pump stations and a 2 million gallon reservoir. This system is anticipated to serve about three million gallons per day or 3,000 acre-feet per year, directly offsetting the need to import increasingly expensive imported water.

On June 19, 2015, South Hills High School (South Hills) began irrigating with recycled water. South Hills is the final site to be connected under the Package 3 and 4 Customer Retrofits Project, bringing total completed retrofits to 21. Opportunities to develop additional direct reuse facilities have been carefully studied. However, due to the success of water conservation efforts during the drought, indoor water use and therefore wastewater flows necessary to produce recycled water, are significantly lower than in previous years. The lack of available recycled water supplies in the Upper Area of the San Gabriel River Watershed calls for the delivery of recycled water from much lower in the watershed.

#### Prop 84 Recycled Water Projects

Three projects submitted by Upper District as part of the Proposition 84 Round 3 Part 1 funding were among the Greater Los Angeles Integrated Regional Water Management Program (IRWMP) projects selected for grant funding: Rose Hills - up to \$0.50 million; San

Gabriel Valley Water Company's (SGVWC) South El Monte and El Monte Extension – up to \$1.28 million; and La Puente Valley County Water District (LPVCWD) – up to \$0.43 million.

Completed in May 2016, Rose Hills' final retrofit site will increase the use of recycled water for irrigation purposes by about 600 acre-feet per year (AFY).

SGVWC completed construction of the South El Monte Project in November 2017. The project, estimated to generate about 95 AFY of recycled water for irrigation, is yet to flow recycled water due to a protest filed by the California Department of Fish and Wildlife in 2017 to a wastewater change petition filed by the Sanitation Districts pursuant to California Water Code Section 1211. This complaint has essentially evolved into a prohibition of the Sanitation Districts from directing any additional recycled water to offset potable water for non-potable uses from any of their water recycling plants tributary to the San Gabriel River, including the San Jose Creek Water Recycling Plant. The Section 1211 objection was eventually waived in 2018 and the State Water Board approved the wastewater petition for the Whittier Narrows diversion for this project. Efforts are now focused on individual retrofit connections to activate service.

LPVCWD has completed the design of the initial phase of its expansion project. Working with Upper District, LPVCWD is now in the final stages of its LRP application with Metropolitan. The California Department of Fish and Wildlife also filed a protest regarding this project over similar concerns. The protest was waived in early 2019, thereby, allowing the administrative approval of the wastewater petition for this project anticipated for the July/August 2019 time frame.

#### Whittier Narrows Pump Station

Upper District and the Sanitation Districts evaluated the conditions of the pumps, motors, and electrical motor drives at the Whittier Narrows recycled water pump station. While the pumps and motors have been found to be operating normally, one of the four (4) variable frequency drives (VFD's) that power the pump motors has had electrical drive component failures.

The preliminary design and cost estimate to replace the existing VFD's is complete with an initial estimated cost of \$900,000. However, staff identified a less expensive VFD equipment type and has asked the Sanitation Districts for their willingness to operate and maintain a different type of technology. In April 2018, replacement of VFD #3 was completed and the unit was placed into operation. Replacement of the remaining 3 VFDs were completed in

January 2019 bringing the total project cost to \$273,200. Budget for FY 2019/20 includes \$0.10 million for additional repairs and maintenance of the Whittier Narrows Recycled Water Pump Station.

#### Indirect Reuse Action Plan

On December 6, 2011, the Board adopted an Indirect Reuse Action Plan (IRAP) which set forth specific tasks to complete the Upper District's Indirect Reuse Replenishment Project (IRRP). Staff completed the first seven tasks to advance the project in 2014. The 2018/19 budget includes \$1.03 million for several continuing work tasks, including: Task 10 – Environmental Documentation, Task 11 – Regulatory Approval, Task 12 – Right of Way, and Task 13 – Design Update. Staff is recommending a new Task 17- MWD Pipeline Alternative Study to formally evaluate design and construction differentials in a comparative manner to the potential "Carson Initiative" from Metropolitan.

Upper District has been awarded four grants: two grants from the WateReuse Research Foundation totaling \$490,000 toward Task 3 and 4, a USBR Title XVI grant for \$150,000 which partially offset the costs of the feasibility analysis required to qualify for federal funding under Title XVI, and \$150,000 from Metropolitan's FAF Program. In total, Upper District has successfully secured \$790,000 in grant funding toward the IRRP project so far. This funding offset the need to raise water rates and reduces the use of reserves.

### New Headquarters

In 2011, Upper District relocated its offices from the El Monte property it previously owned to a leased commercial space in Monrovia. At the Board's direction, staff evaluated options for the El Monte property culminating in the sale of the property in December 2017.

During the 2018 strategic planning sessions, development of a strategy for a permanent office space for Upper District has been discussed and identified as a top priority. An architectural firm has since been retained to prepare an architectural needs assessment and conceptual master plan for the District's headquarters. Discussions are underway with an initial planning budget for the new office estimated at \$13.70 million from 2019/20 through FY 2021/22. Other than the development of a financial plan, none of this initial estimated amount has been included in the FY 2019/20 budget, pending finalization of site parameters and a conceptual master plan.

## Storm Water Capture Program

Upper District will continue to work closely with Watermaster, LA County Flood Control District, the Army Corps and San Gabriel Valley cities to continue the development practical ways to clean up and capture storm water. Fiscal year 2019/20 budget includes storm water capture program expenses of \$0.02 million consisting of estimated staff time.

# **Recycling Operations**

Recycled water program expenses, excluding cost of purchased water, amount to about \$1.47 million for fiscal year 2019/20. This amount consists of State Revolving Fund (SRF) debt service amounting to \$0.79 million and engineering support and operation and maintenance expenses totaling \$0.68 million.

To keep overall service costs low and not unnecessarily duplicate resources, Upper District contracts with the producers to operate and maintain the recycled water system that provides irrigation water in their respective services areas.

Upper District's existing SRF debt of about \$9.84 million as of June 30, 2018 has a twentyyear term at zero percent nominal interest.

## Water Use Efficiency

The early decades of the Water Use Efficiency (WUE) Program focused heavily on indoor residential water use, principally through water efficient toilet (PHET/HET/ULFT) giveaways which resulted in the distribution of over 42,000 water efficient toilets. The WUE Master Plan showed that Upper District's service area is well saturated with water efficient toilets (over 80%) and led to a shift in program emphasis towards outdoor water use efficiency.

The proposed WUE budget for FY 2019/20 decreased by \$0.32 million mainly due to the substantial completion of the Large Landscape Survey and Retrofit Program (LLSR Program) during FY 2018/19. The LLSR Program's participation level has grown consistently since its inception in 2013. As of March 2019, surveys and retrofits for 199 sites have been completed. For FY 2018/19, budget for the LLSR Program amount to \$0.10 million, 88% lower than the current year's budget of \$0.80 million.

Upper District continues to leverage regional funding offered through Metropolitan's Member Agency Administered (MAA) allocation program. The MAA program offers funding for WUE programs administered directly by member agencies or their retailers. Stringent guidelines over the past few years have dampened producer participation in utilizing MAA funding for implementing WUE programs. Recent changes to MAA funding guidelines offer more flexibility in program implementation and increased member agency and purveyor utilization of funds by about \$0.23 million during FY 2018/19 or over 300% of the prior fiscal year's utilization. For FY 2019/20, staff anticipates spending \$0.50 million on MAA programs.

During FY 2018/19, Upper District successfully rolled out two new pilot program that will continue into FY 2019/20 - the Water Filling Station and Residential Plant Voucher Programs, both of which are partially funded through Metropolitan's MAA allocation program. Installation of water bottle filling stations at designated schools within the service area would raise awareness about sustainability, reduce the amount of disposable one-time use plastic bottles, and result in water savings from reduced plastic bottle production. The Residential Plant Voucher Program offers qualifying residents a voucher redeemable for up to \$250 worth of approved water efficient, climate-appropriate plants to help transform their yards into beautiful water efficient landscapes. The program is a unique approach to incentivizing and inspiring residents to transform their yards into climate-appropriate water efficient landscapes.

Upper District's purveyors have the option to provide co-funding to increase rebate incentive amounts offered on water efficient devices received by their customers participating in the So Cal Water\$mart regional rebate program. Staff estimates approximately \$15,000 of rebate co-funding from Upper District purveyors for FY 19/20.

It is important to note that the WUE budget remains highly dependent on outside funding. About \$0.49 million is expected to come from Metropolitan's MAA program to partially fund the District's FY 2019/20 Water Use Efficiency Program expenses.

Table 1 summarizes the proposed budget and sources of funding for the 2019/20 Water Use Efficiency Program. Depending on further input from the producers, and consideration by the Board, the emphasis on how the budget allocates resources among the different WUE programs may change during the year.

Table 1. Water Use Efficiency Program

	FY 2019/20 Budget							
CATEGORY	Total Program Costs (TPC)		USGVMWD Cost (UDC) Portion		Cos	Other gencies sts (OAC) Portion		
Residential Programs								
Member Agency Administered Programs	\$	349,000	\$	25,000	\$	324,000		
Regional Rebate Program		10,000		*		10,000		
Commercial/Industrial/Institutional (CII) Rebate Programs								
Member Agency Administered Programs		50,000		25,000		25,000		
Regional Rebate Program		5,000		1171		5,000		
Landscape Programs								
Landscape Retrofit/Water Surveys Program		100,000		45,000		55,000		
Member Agency Administered Programs		103,000		20,000		83,000		
Other Programs				-				
Salaries and Overhead		307,100		307,100	9			
Total	\$	924,100	\$	422,100	\$	502,000		

#### Education and Outreach

The Education and Outreach Program provides resources to schools, cities, community groups and organizations interested in learning about water use efficiency, sustainable watershed management, as well as storm water capture and water treatment.

The Education and Outreach budget increased by 9% from FY 2018/19. Upper District understands the need to continue promoting water efficient practices as a way of life for its residents and businesses despite significant snow and rainfall during the recent winter season. Upper District remains steadfast in its public awareness efforts about the importance of water conservation. Projects for 2019/20 include continued education to elected officials on regional priorities, new educational short videos, and an update and redesign of the website. In addition, Upper District will be celebrating its 60<sup>th</sup> Anniversary in FY19/20, with a commemorative event in the Spring of 2020. The budget for FY 2019/20 also includes memberships amounting to \$0.12 million.

Continuing education and outreach programs include: watershed and storm water education for 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> grade students; watershed restoration program; water education grant program for teachers; sponsorship of Solar Cup high school teams; "Water is Life" art contest; distribution of water efficient devices; public workshops and seminars; and public information/outreach.

The 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> grade sustainable watershed education program, successfully used by several other water agencies, includes interactive assembly-style lessons and classroom instruction for approximately 10,000 students focusing on water use efficiency, sustainable watershed management practices and storm water. The cost of this program is about \$123,000. This program is offered each year to schools within each of Upper District's five divisions.

The advertising budget reflects print media presence outlined in the Community Outreach Plan which also meets the minimum requirements of the Demand Management Measures (DMMs) established in the Urban Water Management Plan.

Table 2 summarizes the proposed Education and Outreach Program Budget for FY 2019/20.

Table 2. Education and Outreach Program

The state of the s	FY 20	FY 2019/20 Budge				
Vatershed Restoration Programs  Vater Awareness Youth Art Contests th - 6th Grade Water Education Program  olar Cup  Itemberships ducational Materials/Grant Program ducational Outreach Programs/Events  Putreach and Information Programs  ublic Workshops/Seminars  onservation Devices/Items outled Water Program  community/Industry Sponsorships  isplays/Fairs/Presentations  onferences/Meetings  ublic Information  echnical Assistance  egal/Financial  alaries & Overhead		al Program osts (TPC)				
Watershed Programs						
Watershed Restoration Program	\$	20,000				
Educational Programs						
Water Awareness Youth Art Contests		10,000				
4th - 6th Grade Water Education Program		135,000				
Solar Cup		17,500				
Memberships		120,000				
Educational Materials/Grant Program		65,000				
Educational Outreach Programs/Events		120,000				
Outreach and Information Programs						
Public Workshops/Seminars		25,000				
Conservation Devices/Items		60,000				
Bottled Water Program		15,000				
Community/Industry Sponsorships		55,000				
Displays/Fairs/Presentations		2,500				
Conferences/Meetings		6,500				
Public Information		76,800				
Technical Assistance		50,000				
Legal/Financial		10,000				
Salaries & Overhead		496,000				
Total	\$	1,284,300				

# Water Quality and Supply

The budget for FY 2019/20 includes associated consulting costs for imported water operations, planning and administration; water supply planning; and general engineering services for water quality and supply. It includes advocacy costs for legislative initiatives in Sacramento (\$0.23 million), costs associated with updating the District's Urban Water Management Plan (\$0.10 million) and the Integrated Resources Plan (\$0.20 million) as well as continuing efforts related emergency preparedness (\$0.04 million). The budget also includes salaries and overhead allocated to the program mostly related to district staff's legislative efforts.

#### Administration

Administrative expenses for FY 2019/20 total \$2.36 million, a 2% decrease from current year's budget. Decrease from biennial election costs of about \$0.24 million budgeted in the current fiscal year but not in FY 2019/20 were offset by anticipated increases in personnel expenses and director expenses. Budget for FY 2019/20 also include the labor, materials, supplies and services necessary to provide general administrative support for the various programs. General administrative support includes: day-to-day management; accounting operations; human resources; information technology; office administration; and board of directors support.

No additional positions are included in the proposed budget.

### **Outside Services**

Upper District relies heavily on outside services or consultants to move projects forward without increasing full time staff to meet the variable labor demands of projects. Total consulting expenses for FY 2019/20 is \$1.87 million, a decrease of \$1.06 million or about 36% from the FY 2018/19 budget. The decrease is mainly due to deferring additional work related to the IRRP. Of the total budgeted amount for professional services, \$0.82 million or 44% consists of general engineering support services. Table 3 below shows the current year and proposed outside services costs for FY 2019/20.

Table 3. Outside Services

CATEGORY		FY 2018/19		FY 2018/19		FY 2019/20	
		precasted		Budget	Budget		
Administrative and Finance							
Legal	\$	98,000	\$	103,000	\$	103,500	
General IT Support		34,900		35,000		33,200	
Actuarial, Appraisal, Audit and other Financial Services		73,000		111,800		134,500	
Temporary Staffing and Admin Support Services		38,000		-		28,200	
Standby Charge Administration		18,000		19,600		18,000	
Subtotal	\$	261,900	\$	269,400	\$	317,400	
Engineering and Planning							
IRRP	\$	468,200	\$	930,000	\$	20,000	
Water Resources Planning and Engineering		42,500		190,000		230,000	
Water Supply Reliability Plan/Emergency Preparedness		75,000		75,000		40,000	
Basinwide Integrated Groundwater/Surface Water Model		45,000		35,000		20,000	
Direct Reuse Engineering and Construction Management		17,000		80,000		127,000	
Grant Writing and Administration		52,500		70,000		83,000	
Urban Water Management Plan				_		100,000	
Integrated Resources Plan		-		10,000		200,000	
Subtotal	\$	700,200	\$	1,380,000	\$	820,000	
Water Use Efficiency							
Large Landscape Water Surveys /Turf Removal	\$	1,274,000	\$	800,000	\$	100,000	
Other Residential/Landscape Programs		50,000		-	-	85,000	
Subtotal	\$	1,324,000	\$	800,000	\$	185,000	
Education and Outreach							
4th - 6th Grade Water Education Program	\$	123,500	\$	123,500	\$	123,000	
Conservation/IRRP Workshops		10,000		10,000		25,000	
Website/Annual Reports/Brochures		1,500		2,500		1,000	
Public Affairs and Community Outreach		25,000		65,000		70,000	
Legislative Support and Lobbying Services		333,000		283,000		324,000	
Subtotal	\$	493,000	\$	484,000	\$	543,000	
Total	\$	2,779,100	\$	2,933,400	\$	1,865,400	

# Sources of Funds

Total sources of funds amount to \$40.18 million and are presented in Figure 2.

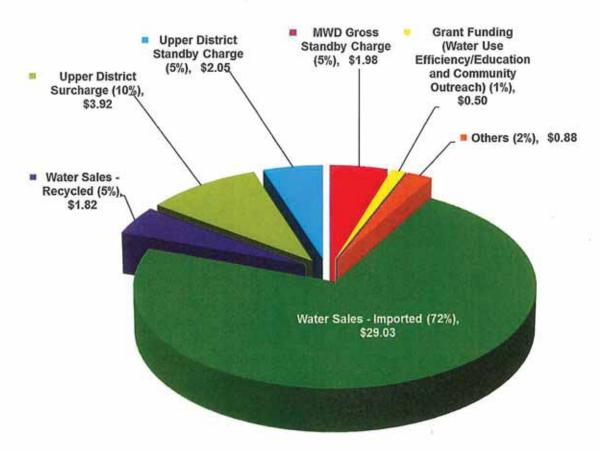


Figure 2. Sources of Funds

# **Water Sales**

Upper District delivers both imported water purchased from Metropolitan and recycled water purchased from the Sanitation Districts, City of Industry and Central Basin MWD.

# Imported Sales

Imported water sales account for the majority of Upper District's deliveries with an expected sales volume of 38,100 acre-feet in 2019/20, 84% more than the current fiscal year's budget of 20,750 acre-feet. These estimated imported water sales are based largely on Watermaster's Three-Year Purchased Water Plan covering the years FY 2018/19 through FY 2020/21. The sales estimate further assumes an operating safe yield of 150,000 acre-feet,

annual production of 210,000 acre-feet, continued use of RDA II funds to purchase imported water for groundwater replenishment, and producers' purchase of water to meet a portion of their replacement water obligations.

It is estimated that untreated water sales for FY 2019/20 will total 35,100 acre-feet, of which RDA water will account for 20,100 acre-feet and producer purchases of replacement water will account for 15,000 acre-feet. About 3,000 acre-feet of the budgeted deliveries for fiscal year 2019/20 consist of treated water provided to the City of Alhambra. Imported water sales will generate a total of \$32.77 million, of which \$3.92 million is generated from Upper District's surcharge. The balance is generated from the pass through of Metropolitan's rates.

Prior to 2013, Upper District's imported water sales volumes have historically been highly variable because of how the Main San Gabriel Basin used to be managed - taking advantage of plentiful local precipitation and an imported water system that used to be in surplus. In 2014, Watermaster started periodic pre-purchases of imported water to meet future replacement water obligations and build storage, greatly stabilizing Upper District's cash flows. On May 3, 2017, Watermaster approved its Drought Management Plan outlining the implementation of a stormwater augmentation program using RDA funds. Watermaster's RDA II program was developed to help manage Basin water supplies during sustained drought conditions and follows a five-year ramp up schedule. Planned RDA II deliveries are divided between the Responsible Agencies based on historical production in the Main Basin. Table 4 shows the estimated replacement and RDA II water deliveries through 2024.

Table 4. Estimated Replacement and RDA II Water Deliveries

Fiscal Year	RDA Water (in AF)	Replacement (in AF)	Total UD Share (in AF)
2019-20	20,100	15,000	. 35,100
2020-21	25,600	15,250	40,850
2021-22	30,300	15,500	45,800
2022-23	29,000	16,000	45,000
2023-24	28,000	16,500	44,500

For calendar year 2020, Upper District recommends keeping its current surcharge of \$103 per acre-foot. Upper District's ability to keep surcharge at the current level of \$103 per acrefoot is highly predicated on Watermaster's continued RDA II water purchases and the producers' pre-purchase of replacement water for FY 2019/20 and the succeeding years (see Table 4). While there has been positive indication of the RDA II purchase commitment

continuing into the next fiscal years, the producers' decision to pre-purchase additional water for cyclic storage remains largely variable.

#### Recycled Sales

Recycled sales are expected to remain flat at about 2,400 acre-feet in FY 2019/20. With the completion of the current direct reuse program, the recycled water distribution system includes over 20 miles of 4" to 24" pipelines, several pump stations, a 2 million gallon reservoir and over 40 connections. Recycled water sales are based on uniform contract rates paid by Upper District's retail water provider customers set at 80% of Watermaster's replacement water assessment. FY 2019/20 revenues from sale of recycled water is estimated at about \$1.82 million.

# **Upper District Standby Charge**

To recover a portion of the costs for the recycled water program and water use efficiency program, a standby charge of \$10 per acre or portion thereof is levied on all parcels within Upper District's service area. The standby charge will generate about \$2.05 million in revenues and provides funding to the water conservation and water recycling programs.

## **MWD Standby Charge**

Metropolitan levies a separate standby charge on behalf of Upper District to recover a portion of Metropolitan's costs for ensuring a reliable water supply, including capital infrastructure for emergency and drought water storage, and imported water system conveyance capacity. The Metropolitan standby charge is netted against Metropolitan's Readiness-to-Serve Charge (RTS), the charge that Metropolitan levies on its member agencies to pay for emergency and standby service. The Metropolitan standby charge, currently at \$9.27 per parcel, is estimated to generate about \$1.98 million in FY 2019/20 and largely covers Metropolitan's FY 2019/20 RTS. Over the years, Metropolitan's RTS has increased significantly and will surpass the standby charge revenue by the end of FY 2018/19. Upper District may have to start charging the producers and Watermaster in order to recover Metropolitan's net RTS charge. Table 5 shows the projected net RTS charge through 2024 based on MWD's 10-year forecast associated with its FY 2018/19 and 2019/20 Biennial Budget.

Table 5. Projected Net Metropolitan Readiness-to-Serve Charge (in \$M)

Fiscal Year	Ready-to-Serve Charge	Standby Charge Revenue	Net RTS Charge
2019-20	1.98	1.99	(0.01)
2020-21	2.13	1.99	0.14
2021-22	2.39	1.99	0.40
2022-23	2.61	1.99	0.62
2023-24	2.88	1.99	0.89

# Water Use Efficiency

The proposed budget assumes continued efforts to not only raise public awareness about the importance of water conservation but is also intended to bring a significant amount of direct rebate dollars back to the San Gabriel Valley through the socalwatersmart.com website, a regional water conservation rebate program. About \$0.49 million of WUE revenues consist of MAA funding from Metropolitan.

#### Other Revenues

Other revenues total \$0.88 million and include: interest, property tax allocations, RTS charge for USG-3, reimbursement from Main San Gabriel Basin Watermaster of Upper District's share in San Gabriel River Watermaster's budget, and credits received from Metropolitan's Local Resources Program for delivery of recycled water.

# **Fund Balances**

In 2015, the Board set Upper District's minimum reserves at \$4.26 million, equivalent to one year's worth of surcharge and net recycled water operating revenues to ensure the District's ability to support operations in the absence of cash flows from water sales for an extended period.

The proposed budget for fiscal year 2019/20 shows an increase in Upper District's reserves amounting to \$0.60 million primarily due to anticipated significant imported water purchases by Watermaster and the producers. Figure 3 illustrates the trend in total unrestricted fund balances, net of any storage water through 2020 as well as forecasted levels for the next four years. From 2010 to 2020, total unrestricted fund balances would have dropped by about \$11.20 million. During this same period, increase in recycled water capital assets amount to \$34.21 million as Upper District built and expanded its direct reuse system and continued to move forward with developing the IRRP. The reduction in fund balances during this period is much smaller than the growth of capital assets mainly due to net positive operating revenues in certain years as well as project funding received from various federal and state sources.

As Figure 3 shows and with a minimum reserve of \$4.26 million, Upper District will have about \$8.12 million available as of June 30, 2020 for purchasing additional storage water when available and/or capital expansion. Beginning 2020, net fund balance will show a steady growth, increasing \$3.81 million by 2024. This significant improvement in the Upper District's financial position is driven by the anticipated RDA water sales and producer prepurchases of untreated for cyclic storage shown in Table 4.



Figure 3. Net Fund Balances (in \$ millions)

# **Potential Future Capital Outlays**

The current IRP adopted in 2013 and last updated in 2017 identified the IRRP and Metropolitan's Regional Recycled Water Program as the best overall alternatives when all objectives, i.e. reliability, cost-effectiveness, feasibility and local control, are considered.

With the recent developments impacting the continued development of the IRRP, Upper District will update the IRP in FY 2019/20.

	9	

# **Debt Service Coverage Ratio**

A critical financial ratio that Upper District must consistently maintain, demonstrating an ability to meet payment obligations in order to establish credit, is a debt service coverage ratio. Upper District is required per the loan agreements with the State to set rates and charges to generate sufficient net operating revenue in order to maintain a minimum debt service coverage ratio of 120%. However, in the financial market, a debt coverage of at least 150% is necessary to obtain an "AA" credit rating.

Imported water sales of 50,200 acre-feet and Upper District's surcharge unchanged at \$103 per acre-foot will result to a net operating revenue before debt service for FY 2019/20 of about \$2.58 million. At this level of imported water sales, Upper District will not only be able to meet the ratio required by the District's existing SRF loan for FY 2019/20 but also keep it at a healthy level for the next four years as shown in Table 6 below. Again, this assumes Watermaster's continued use of RDA II funds to purchase imported water for groundwater replenishment and producer pre-purchase of water for cyclic storage.

Table 6. Debt Service Coverage Ratios

	2	Budget 019-20 Millions	2	ojected 020-21 Millions	2	ojected 021-22 Millions	2	ojected 022-23 Hillions	2	ojected 023-24 Iillions
Operating costs not including debt service	\$	38.45	\$	43.87	\$	49.02	\$	50.82	\$	52.37
Less revenue offsets		(5.07)		(4.88)		(4.94)		(4.99)		(5.05)
Net operating costs funded from imported water sales		33.38	81	38.99		44.08		45.83		47.32
Operating revenues (water sales)		35.11	200	41.01		46.69	NUE	47.63	(ell)	48.85
Operating revenues in excess/(short) of operating costs funded from water sales	100	1.73		2.02	-	2.61		1.80		1.53
Debt Service		Bull.		1,000	100	100	03			
SRLF		0.79		0.79		0.79		0.79		0.79
Other										200000000000000000000000000000000000000
Total Debt Service	\$	0.79	\$	0.79	\$	0.79	\$	0.79	\$	0.79
Debt Service Coverage Ratio		219%		256%		330%		228%	4000	194%

# 2020 Water Rates

Due to the anticipated sales of RDA II water and producers' pre-purchases of water for cyclic storage in FY 2019/20 and subsequent years, Upper District is not proposing an increase in its current surcharge of \$103 per acre-foot. However based on Metropolitan's adopted rates, Upper District's Tier 1 imported water rates will still increase by 2.43% and 2.88% for treated and untreated water, respectively. Table 7 shows the proposed rates effective January 1, 2020.

Table 7. Upper District Rates

	Effective 01/01/16	Effective 01/01/17	Effective 01/01/18	Effective 01/01/19	Proposed 01/01/20
Full Service Treated Tier 1					
MWD	942	979	1,015	1,050	1,078
Upper District Surcharge	103	103	103	103	103
Upper District Rate	1,045	1,082	1,118	1,153	1,181
Full Service Treated Tier 2					
MWD	1,076	1,073	1,101	1,136	1,165
Upper District Surcharge	103	103	103	103	103
Upper District Rate	1,179	1,176	1,204	1,239	1,268
Full Service Untreated Tier 1					
MWD	594	666	695	731	755
Upper District Surcharge	103	103	103	103	103
Upper District Rate	697	769	798	834	858
Full Service Untreated Tier 2					
MWD	728	760	781	817	842
Upper District Surcharge	103	103	103	103	103
Upper District Rate	831	863	884	920	945
Capacity Charge (per CFS)	\$ 10,900	\$ 8,000	\$ 8,700	\$ 8,600	\$ 8,800

Table 8 shows projected water rates through calendar year 2023 based on anticipated increases in Metropolitan's rates as outlined in the agency's ten-year forecast approved in April 2018. These rates also assume normal supply conditions, additional RDA II water sales and producer pre-purchase of cyclic storage water, and Upper District's surcharge unchanged at \$103 per acre-foot.

Table 8. Projected Upper District Rates (Normal Supply with RDA water)

Calendar Years 2021 through 2023

		ojected /01/21	ojected /01/22		rojected 1/01/23
Full Service Treated Tier 1					
MWD	•	1,107	1,141		1,176
Upper District Surcharge		103	103	DOLL	103
Upper District Rate	-	1,210	1,244		1,279
Full Service Treated Tier 2	11 24 11				
MWD		1,184	1,208		1,237
Upper District Surcharge		103	103		103
Upper District Rate		1,287	1,311		1,340
Full Service Untreated Tier 1					
MWD		784	818		853
Upper District Surcharge		103	103		103
Upper District Rate		887	921		956
Full Service Untreated Tier 2					
MWD		861	885		914
Upper District Surcharge		103	103		103
Upper District Rate		964	988		1,017
Capacity Charge (per CFS)	\$	9,400	\$ 9,800	\$	10,700

# **Budget Tables**

# Upper San Gabriel Valley Municipal Water District 2019/20 Budget Summary

	ACTUAL FY 2016-17	ACTUAL FY 2017-18	FORECASTED FY 2018-19	BUDGET FY 2018-19	BUDGET FY 2019-20	
Administrative	\$ 2,164,56	9 \$ 1,874,633	\$ 2,158,800	\$ 2,406,900	\$ 2,360,900	
Water Use Efficiency	912,85	1,001,403	1,864,300	1,245,300	924,100	
Education and Community Outreach	1,067,01	3 1,057,931	1,137,200	1,182,200	1,284,300	
Water Recycling	1,694,88	9 2,604,540	1,954,400	1,838,000	1,958,200	
Water Quality and Supply	950,56	2 726,570	810,100	946,100	1,320,200	
Stormwater	22,00	21,720	22,700	22,700	23,600	
Water Purchases	32,655,98	19,543,571	33,060,800	18,187,100	31,373,300	
Total Operating Expenses	39,467,86	9 26,830,368	41,008,300	25,828,300	39,244,600	
Operating Revenues	43,762,33	27,281,194	43,232,000	24,717,650	40,183,000	
Net Reserve Activity from Operations (+/-)	4,294,46	450,826	2,223,700	(1,110,650)	938,400	
Capital Expenditures	1,686,07	759,575	946,800	1,590,600	338,800	
Capital Program Revenues	37,52	1,687,415				
Net Change in Cash Due to Capital Outlays (+/-)	\$ (1,648,55	1) \$ 927,840	\$ (946,800)	\$ (1,590,600)	\$ (338,800)	
Total Change in Fund Balances (+/-)	\$ 2,645,91	2 \$ 1,378,666	\$ 1,276,900	\$ (2,701,250)	\$ 599,600	

#### UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT EXPENSE SUMMARY FISCAL YEAR 2016/17 THROUGH FISCAL YEAR 2019/20

a		FY 2016-17 ACTUAL	FY 2017-18 ACTUAL	FY 2018-19 FORECASTED	FY 2018-19 BUDGET	FY 2019-20 BUDGET
Administrative Expenses						
Personnel Expenses						
Employee Salaries		1,040,417	1,445,787	1,412,000	1,412,000	1,511,000
Employee Benefits		214,942	286,203	320,000	339,000	339,000
Retired Employee Benefits		51,818	56,878	57,000	59,000	60,000
Employee Travel/Conference		51,513	30,130	40,000	50,000	60,000
12 (2) (3)	Sub Total	1,358,690	1,818,998	1,829,000	1,860,000	1,970,000
Director Expenses						
Director Compensation		164,815	163,707	196,600	175,000	216,000
Director Benefits		107,219	87,940	132,000	100,000	141,000
Retired Director Benefits		69,179	65,211	51,000	58,000	58,000
Director Public Outreach		22,175	19,555	27,400	25,000	25,000
Director Travel/Conference		41,908	42,049	45,000	50,000	50,000
	Sub Total	405,296	378,462	452,000	408,000	490,000
Pension/OPEB Expense		7 . T. W. Par. W. L. W.				
CalPERS-Employees, Directors,	Retirees	381,109	387,160	480,000	539,000	555,000
	Sub Total	381,109	387,160	480,000	539,000	555,000
Office Expenses				(300.00	CONTRACTOR.	0.512404.00.00
Office Supplies/Equipment		102,314	35,527	35,000	60,000	95,000
Equipment Operations & Maintena	ance	24,923	19,727	25,000	35,000	30,000
Computer Systems	anoc	42,416	43,069	49,000	50,000	50,000
Assessments		58,050	113,826	9,000	67,000	67,000
		23,281	21,293	25,000	30,000	30,000
Meeting Expense	Sub Total	250,984	233,442	143,000	242,000	272,000
Facility Frances	Sub i otal	230,304	200,442	140,000	242,000	2,2,000
Facility Expenses		8,452	3,969	3,000	10,000	3,000
Building Maintenance			5.0000000000000000000000000000000000000	56,000	54,100	60,000
Liability/Property Insurance		49,278	51,413		234,300	241,800
Office Lease		220,118	228,084	234,300		
Telephone/Utilities	20.00.20.00.00	19,088	16,578	20,000	20,000	21,000
	Sub Total	296,936	300,044	313,300	318,400	325,800
Professional Services		2000000	100000		00.000	00.000
Legal/Financial		106,820	86,332	80,000	88,000	88,000
Engineering		107,055	80,871	100,000	110,000	110,000
Auditor		32,840	25,542	27,000	27,000	37,000
Outside Services		215,528	40,862	101,000	101,000	100,000
Public Information/Outreach		3,163	1,080	3,000	3,000	3,000
	Sub Total	465,406	234,687	311,000	329,000	338,000
Other Expenses						
Election Costs		431,448		163,500	243,500	
	Sub Total	431,448		163,500	243,500	
Allocation to Projects and Programs	S					
Salaries/Overhead Allocated to Pr		(1,425,300)	(1,478,160)	(1,533,000)	(1,533,000)	(1,589,900)
	Sub Total	(1,425,300)	(1,478,160)	(1,533,000)	(1,533,000)	(1,589,900)
Total Administrative Expenses		2,164,569	1,874,633	2,158,800	2,406,900	2,360,900
Water Purchases/Revolving Expens	se	32,655,985	19,543,571	33,060,800	18,187,100	31,373,300
Program Expenses		042.054	1,001,403	1,864,300	1,245,300	924,100
Water Use Efficiency Program	-t-December	912,851			1,182,200	1,284,300
Education and Community Outrea	cn Program	1,067,013	1,057,931	1,137,200	946,100	1,320,200
Water Quality & Supply Program		950,562	726,570	810,100		
Recycled Water Program		1,694,889	2,604,540	1,954,400	1,838,000	1,958,200
Stormwater Program	0200222001000	22,000	21,720	22,700	22,700	23,600
	Sub Total	4,647,315	5,412,164	5,788,700	5,234,300	5,510,400
Total Administrative/Operating/Prog	gram Expenses	39,467,869	26,830,368	41,008,300	25,828,300	39,244,600
Total Capital Outlays		1,686,076	759,575	946,800	1,590,600	338,800
TOTAL		41,153,945	27,589,943	41,955,100	27,418,900	39,583,400

# UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT ADMINISTRATIVE BUDGET

6	FY 2018-19 FORECASTED	FY 2018-19 BUDGET	FY 2019-20 BUDGET
ADMINISTRATIVE EXPENSES			
Personnel Expenses	REGISTER	52/32/2022	
Employee Salaries	1,412,000	1,412,000	1,511,000
Employee Benefits	320,000	339,000	339,000
Retired Employee Benefits	57,000	59,000	60,000
Employee Travel/Conference	40,000	50,000	60,000
Sub Total	1,829,000	1,860,000	1,970,000
Director Expenses		0.000000	272.222
Director Compensation	196,600	175,000	216,000
Director Benefits	132,000	100,000	141,000
Retired Director Benefits	51,000	58,000	58,000
Director Public Outreach	27,400	25,000	25,000
Director Travel/Conference	45,000	50,000	50,000
Sub Total	452,000	408,000	490,000
Pension/OPEB Expense			
CalPERS-Employees, Directors, Retirees	480,000	539,000	555,000
Sub Total	480,000	539,000	555,000
Office Expenses			
Office Supplies/Equipment	35,000	60,000	95,000
Equipment Operations & Maintenance	25,000	35,000	30,000
Computer Systems	49,000	50,000	50,000
Assessments	9,000	67,000	67,000
Meeting Expense	25,000	30,000	30,000
Sub Total	143,000	242,000	272,000
Facility Expenses	-7772m# CASA	1.457.000 MG A.1512	
Building Maintenance	3,000	10,000	3,000
Liability/Property Insurance	56,000	54,100	60,000
Office Lease	234,300	234,300	241,800
Telephone/Utilities	20,000	20,000	21,000
Sub Total	313,300	318,400	325,800
Professional Services	0.0,000		
Legal/Financial	80,000	88,000	88,000
Engineering	100,000	110,000	110,000
Auditor	27,000	27,000	37,000
	101,000	101,000	100,000
Outside Services	3,000	3,000	3,000
Public Information/Outreach		329,000	338,000
Sub Total	311,000	323,000	330,000
Other Expenses	162 500	242 500	
Election Costs	163,500	243,500	
Sub Total	163,500	243,500	-
Allocation to Projects and Programs	(4 500 000)	(4 500 000)	/4 E90 000
Salaries/Overhead Allocated to Projects	(1,533,000)	(1,533,000)	(1,589,900
Sub Total	(1,533,000)	(1,533,000)	(1,589,900)
TOTAL ADMINISTRATIVE EXPENSES	2,158,800	2,406,900	2,360,900
ADMINISTRATIVE AND OPERATING REVENUES			
Interest	150,000	10,000	75,000
Sub Total	150,000	10,000	75,000
Other Administrative Revenues	70		
######################################	425,000	425,000	425,000
Taxes Other Income	2,000	2,000	2,000
Other Income	427,000	427,000	427,000
Sub Total			
TOTAL ADMINISTRATIVE AND OPERATING REVENUES	577,000	437,000	502,000
ADMINISTRATIVE AND OPERATING EXPENSES	(2,158,800)	(2,406,900)	(2,360,900
	(1,581,800)	(1,969,900)	(1,858,900

# UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT WATER PURCHASES & REVOLVING FUND REVENUES

	FY 2018-19 FORECASTED	FY 2018-19 BUDGET	FY 2019-20 BUDGET
WATER PURCHASE EXPENSE			
Tier 1 Treated	5,855,000	3,093,500	3,188,800
Tier 1 Untreated	24,450,000	12,336,300	25,658,100
MWD Capacity Charge	684,200	684,200	442,700
MWD Ready-to-Serve Charge	1,969,100	1,969,100	1,979,700
Sub Total	32,958,300	18,083,100	31,269,300
REVOLVING EXPENSE			
San Gabriel River Watermaster	102,500	104,000	104,000
Sub Total	102,500	104,000	104,000
TOTAL WATER PURCHASES/REVOLVING FUND EXPENSE	33,060,800	18,187,100	31,373,300
IMPORTED WATER PURCHASE REVENUES			
Water Rate Revenues	5,855,000	3,093,500	3,188,800
Tier 1 Treated	24,450,000	12,336,300	25,658,100
Tier 1 Untreated Upper Surcharge Tier 1 Treated	566,500	309,000	309,000
Upper Surcharge Tier 1 Untreated	4,500,000	1,828,250	3,615,300
Capacity Charge Revenue	173,600	173,600	185,100
Gross MWD Stand-by Charge - Revenue Reconciliation	1,881,300	1,969,900	1,978,100
MSGB Watermaster-Ready-to-Serve	75,600	75,600	75,600
TOTAL WATER PURCHASE REVENUES	37,502,000	19,786,150	35,010,000
B 11 /01 B			
Revolving/Other Revenue MSGB Watermaster-SG River Watermaster	102,500	104,000	104,000
TOTAL REVOLVING FUND REVENUES	102,500	104,000	104,000
TOTAL WATER PURCHASE & REVOLVING FUND REVENUES	37,604,500	19,890,150	35,114,000
WATER PURCHASE EXPENSES	(33,060,800)	(18, 187, 100)	(31,373,300)
NET	4,543,700	1,703,050	3,740,700

# UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT WATER USE EFFICIENCY

	FY 2018-19 FORECASTED	FY 2018-19 BUDGET	FY 2019-20 BUDGET
WATER USE EFFICIENCY PROGRAM EXPENSES	1		
Residential Programs		101212-7012-501	
Member Agency Administered Programs	124,000	100,000	349,000
Regional Rebate Program			10,000
Sub Total	124,000	100,000	359,000
Commercial/Industrial/Institution Programs			
Member Agency Administered Programs	28,000	50,000	50,000
Regional Rebate Program	5,000		5,000
Sub Total	33,000	50,000	55,000
Landscape/Other Programs			
Landscape Retrofit/Water Surveys Program	1,274,000	800,000	100,000
Member Agency Administered Programs	138,000	*	103,000
Other Programs			
Sub Total	1,412,000	800,000	203,000
Allocation to Conservation Programs			
Salaries & Overhead	295,300	295,300	307,100
Sub Total	295,300	295,300	307,100
TOTAL WATER USE EFFICIENCY EXPENSES	1,864,300	1,245,300	924,100
WATER USE EFFICIENCY REVENUES			
Grants	1,130,000	750,000	-
MWD Member Agency Allocation	285,000	100,000	502,000
Sub Total	1,415,000	850,000	502,000
TOTAL WATER USE EFFICIENCY REVENUES	1,415,000	850,000	502,000
WATER USE EFFICIENCY EXPENSES	(1,864,300)	(1,245,300)	(924,100)
NET	(449,300)	(395,300)	(422,100)

# UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT EDUCATION & COMMUNITY OUTREACH

	FY 2018-19 FORECASTED	FY 2018-19 BUDGET	FY 2019-20 BUDGET
EDUCATION & COMMUNITY OUTREACH EXPENSES			
Watershed Programs			
Natural Vegetation Restoration Program	65,500	20,000	20,000
Sub Total	65,500	20,000	20,000
Educational Programs			
Water Awareness Youth Art Contests	10,000	10,000	10,000
Educational Activities	120,000	127,000	135,000
Solar Cup	15,500	17,500	17,500
Memberships	115,000	115,000	120,000
Educational Materials/Grant Program	20,000	35,000	65,000
Educational Outreach Programs/Events	105,000	105,000	120,000
Sub Total	385,500	409,500	467,500
Outreach and Information Programs	55		
Public Workshops/Seminars	15,000	25,000	25,000
Conservation Devices/Items	40,000	50,000	60,000
Bottled Water Program	15,000	15,000	15,000
Community/Industry Sponsorships	40,000	55,000	55,000
Displays/Fairs/Presentations	1,500	2,500	2,500
Conferences/Meetings	3,000	2,500	6,500
Public Information	72,800	72,800	76,800
Technical Assistance	10,000	50,000	50,000
Legal/Financial	12,000	3,000	10,000
Sub Total	209,300	275,800	300,800
Allocation to Conservation Programs		1000000000	
Salaries & Overhead	476,900	476,900	496,000
Sub Total	476,900	476,900	496,000
TOTAL EDUCATION & COMMUNITY OUTREACH EXPENSES	1,137,200	1,182,200	1,284,300
EDUCATION & COMMUNITY OUTREACH REVENUES			
Educational Outreach Program/Events	17,500	123	_
Other			2
TOTAL EDUCATION & COMMUNITY OUTREACH REVENUES	17,500	-	
EDUCATION & COMMUNITY OUTREACH EXPENSES	(1,137,200)	(1,182,200)	(1,284,300)
NET	(1,119,700)	(1,182,200)	(1,284,300)

# UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT WATER QUALITY AND SUPPLY PROGRAM

	FY 2018-19 FORECASTED	FY 2018-19 BUDGET	FY 2019-20 BUDGET
WATER QUALITY AND SUPPLY PROGRAM EXPENSES			
Engineering for Water Supply Projects	99,000	130,000	130,000
Legislative Consultant	263,000	233,000	234,000
Other Outside Services		20,000	10,000
Sub Total	362,000	383,000	374,000
Other Expenses			
Urban Water Management Plan/Related Studies	2	*	100,000
Integrated Resources Plan	2	10,000	200,000
Water Supply Reliability Plan/Emergency Preparedness	5,000	75,000	40,000
Basinwide Integrated Groundwater/Surface Water Model	*	35,000	20,000
Integrated Water Resource Management Plan	2	7	
Legal and Financial	6,000	6,000	6,000
Salaries & Overhead Allocation	437,100	437,100	580,200
Sub Total	448,100	563,100	946,200
TOTAL WATER QUALITY AND SUPPLY EXPENSES	810,100	946,100	1,320,200
WATER QUALITY AND SUPPLY PROGRAM REVENUES			
Interest	80,000	12,000	40,000
TOTAL WATER QUALITY AND SUPPLY REVENUES	80,000	12,000	40,000
WATER QUALITY AND SUPPLY PROGRAM EXPENSES	(810,100)	(946,100)	(1,320,200)
NET	(730,100)	(934,100)	(1,280,200)

# UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT RECYCLED WATER REVENUES & EXPENSES

	FY 2018-19 FORECASTED	FY 2018-19 BUDGET	FY 2019-20 BUDGET
RECYCLED WATER EXPENSES		2.541.564.10	240636.0
Water Purchases-Recycled Water	449,000	447,000	492,000
SWRCB Loan Repayment	791,000	791,000	791,000
Salaries & Overhead Allocation	45,400	45,400	47,200
Standby Charge Design/Implementation	18,000	19,600	18,000
Engineering - General	17,000	90,000	160,000
Prop 84 Passthrough Payments	206,000		
Lobbyist	70,000	50,000	90,000
Legal and Financial	5,000	6,000	5,000
Public Information	2,000	4,000	2,000
Operation and Maintenance Phase I/IIA	269,000	295,000	270,000
Operation and Maintenance Phase IIB	82,000	90,000	83,000
TOTAL RECYCLED WATER EXPENSES	1,954,400	1,838,000	1,958,200
RECYCLED WATER REVENUES			
Recycled Water Sales	449,000	447,000	492,000
Upper Recycled Water Surcharge Revenue	1,258,000	1,292,000	1,324,000
MWD LRP Credit	139,000	139,000	138,000
Parcel/Standby Charge	1,650,000	1,650,000	2,050,000
Prop 84 Passthrough Grant	1,000		(4)
Interest	30,000	Ξ	15,000
TOTAL RECYCLED WATER REVENUES	3,527,000	3,528,000	4,019,000
RECYCLED WATER EXPENSES	(1,954,400)	(1,838,000)	(1,958,200)
NET	1,572,600	1,690,000	2,060,800

# UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT STORMWATER REVENUE & EXPENSE

	FY 2018-19 FORECASTED	FY 2018-19 BUDGET	FY 2019-20 BUDGET
STORMWATER EXPENSES			
Salaries & Overhead Allocation	22,700	22,700	23,600
TOTAL STORMWATER EXPENSES	22,700	22,700	23,600
STORMWATER REVENUES			
Interest		<u> </u>	-
TOTAL STORMWATER REVENUES			-
STORMWATER EXPENSES	(22,700)	(22,700)	(23,600)
NET	(22,700)	(22,700)	(23,600)

### UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT RATE STABILIZATION FUND BUDGET

	FY 2018-19 FORECASTED	FY 2018-19 BUDGET	FY 2019-20 BUDGET
RATE STABILIZATION FUND EXPENSES			
Miscellaneous	)#9		
TOTAL RATE STABILIZATION FUND EXPENSES			
RATE STABILIZATION FUND REVENUES			
Interest	11,000	500	6,000
TOTAL RATE STABILIZATION FUND REVENUES	11,000	500	6,000
TOTAL RATE STABILIZATION FUND EXPENSES			-
NET	11,000	500	6,000

# UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT CAPITAL PROGRAM BUDGET

	FY 2018-19 FORECASTED	FY 2018-19 BUDGET	FY 2019-20 BUDGET
CAPITAL EXPENDITURES			
Direct Reuse - Phase IIA	220,000	300,000	100,000
Indirect Reuse Replenishment Project	468,200	1,030,000	20,000
USG Connections		-	30,000
Legal and Financial	3,000	5,000	53,000
Salaries & Overhead Allocation	255,600	255,600	135,800
TOTAL CAPITAL OUTLAYS	946,800	1,590,600	338,800
CAPITAL PROGRAM INFLOWS			
Income from Capital and Related Financing Activities			
TOTAL CAPITAL INFLOWS		-	-
CAPITAL OUTFLOWS	(946,800)	(1,590,600)	(338,800)
NET	(946,800)	(1,590,600)	(338,800)

#### RESOLUTION NO. 6-19-604

### A RESOLUTION OF THE BOARD OF DIRECTORS OF UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT REPEALING RESOLUTION NO. 6-18-591 AND ADOPTING WATER RATES AND CHARGES FOR CALENDAR YEAR 2020

WHEREAS, the Metropolitan Water District of Southern California ("MWD" herein) has adopted water rates and charges for its classes and conditions of service effective January 1, 2020 and the Upper San Gabriel Valley Municipal Water District ("Upper District" herein) wishes to reflect MWD's new rates and charges in the water rates and charges of the Upper District; and

WHEREAS, MWD has established charges in their rate structure including a Readinessto-Serve Charge, Capacity Charge, Tier 1 and 2 Commodity Charges; and

WHEREAS, Upper District requested that MWD continue its standby charge in Upper District's service area with the intention that the above referenced Readiness-to-Serve Charge be paid from the funds generated from said standby charge for Calendar Year 2020; and

# BE IT RESOLVED BY THE BOARD OF DIRECTORS OF UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT as follows:

Section 1. Resolution No. 6-18-591, adopted on June 5, 2018, is hereby repealed.

Section 2. The following water rates are established and will remain effective for Calendar Year 2020:

# **Normal Supply Rates**

	Rate per Acre Foot
Class of Service	¥
Full Service – Treated (Tier 1)	\$1,181
Full Service – Treated (Tier 2)	\$1,268
Groundwater Replenishment Service	Not Available
Full Service – Untreated (Tier 1)	\$858
Full Service – Untreated (Tier 2)	\$945
Recycled Water Service	By Contract
Capacity Charge	\$8,800 per CFS
Minimum Service Connection Charge (per year)	\$880
Groundwater Replenishment Ready-to-Serve	\$42 per CFS/\$6,300 per month

#### Section 3. Description of Service Classes:

### Full Service Treated (Tier 1)

For Calendar Year 2020, the Upper District may purchase up to 67,228 acre feet per year, which will be sold at the Tier 1 rate of \$1,181 per acre foot (subject to alternative pricing imposed under MWD's Water Supply Allocation during droughts).

### Full Service Treated (Tier 2)

For Calendar Year 2020, the Upper District will have an unlimited amount (subject to MWD's Water Supply Allocation Plan) of Full Service Tier 2 supply. Once the Tier 1 Limit is utilized, all treated water sold will be subject to the Tier 2 rate of \$1,268 per acre foot effective January 1, 2020.

### Annual Capacity Charges

The Full Service Tier 1 rate per acre foot as well as the Full Service Tier 2 rate per acre foot assumes a reasonable and normal annual maximum daily average capacity usage per acre foot of water deliveries. Upper District will pass through MWD's capacity charge on use of the imported water distribution system during the May through September time period, as determined by MWD. For Calendar Year 2020, MWD's capacity charge will be calculated at \$8,800 for each CFS of peak capacity utilized during the period of May through September period for the three calendar years ending 2018.

# Full Service Untreated (Tier 1)

The Upper District's Tier 1 Limit includes both treated and untreated Tier 1 deliveries. Full Service untreated deliveries will be billed at the Tier 1 rate of \$858 per acre foot effective January 1, 2020 only if there is sufficient Tier 1 Limit remaining after all Full Service treated deliveries have been accounted for (subject to alternative pricing imposed under MWD's Water Supply Allocation during droughts). In the event that the Upper District Tier 1 Limit is exceeded, all Full Service untreated deliveries will be subject to Tier 2 rate.

# Full Service Untreated (Tier 2)

For Calendar Year 2020, the Upper District will have an unlimited allocation (subject to MWD's Water Supply Allocation Plan), of Full Service Tier 2 supply. Once the total allocation of Tier 1 supply is utilized, all untreated water sold will be subject to the Tier 2 rate of \$945 per acre foot effective January 1, 2020.

Section 4. Each groundwater replenishment customer shall pay a monthly ready-toserve charge in addition to the water rate for groundwater replenishment service. This monthly ready-to-serve charge will be \$42 for each cubic foot per second of groundwater replenishment service connection capacity, at an amount not-to-exceed \$6,300 per month, payable in advance.

Section 5. A minimum charge, equivalent to ten percent (10%) or one-tenth (1/10) of the value of one CFS of capacity (\$8,800) and amounting to \$880 per year effective January 1, 2020, will be billed to the sub-agencies prorated on a monthly basis irrespective of the amount of water used.

Section 6. All sales, deliveries and availability of water at the rates established herein shall be subject to the ability of the Upper District to sell, deliver and make available such water under operating conditions determined by the General Manager of Upper District and of MWD, and subject to the water service regulations of Upper District and of MWD. All agencies that purchase treated or untreated water must comply with all rules, requirements, and regulations of Upper District's Urban Water Management Plan adopted on or about June 2016 and any amendments or supplements thereto.

Section 7. The Board of Directors finds the rates, fees, and charges set forth herein are for the purpose of meeting operating expenses, including employee wages and benefits; purchasing or leasing of supplies, equipment or materials; meeting financial reserve needs and requirements; obtaining funds for capital projects necessary to maintain service within existing service areas, and obtaining funds to meet long-term debt costs. None of the rates, fees, and charges described above exceed the reasonable cost of providing the service for which the rate, fee, or charge is levied.

Section 8. The Board of Directors recognizes that Southern California is facing water supply challenges arising from both reoccurring droughts and environmental factors. These factors have created uncertainty regarding the reliability of all sources of water for the foreseeable future. As such, the Board reserves the authority to modify, alter, or suspend any or all sections of this resolution as determined prudent to properly respond to new developments in water supply circumstances.

Section 9. The Secretary of Upper District shall cause a copy of this Resolution to be mailed to all current purchasers of water from Upper District including the users of water replenishment service connections.

// // // // //

# PASSED, APPROVED, AND ADOPTED this 5th day of June, 2019.

AYES:	*
NOES:	
ABSTAIN:	
ABSENT:	
ATTEST:	Ed Chavez, President
Anthony R. Fellow, Secretary	<del></del>
(SEAL)	
APPROVED AS TO FORM:	**
Steven P. O'Neill, District Counsel	

# NEWS RELEASE BUREAU OF LABOR STATISTICS U. S. DEPARTMENT OF LABOR





For Release: Friday, May 10, 2019

19-803-SAN

WESTERN INFORMATION OFFICE: San Francisco, Calif.

Technical information: (415) 625-2270 BLSinfoSF@bls.gov www.bls.gov/regions/west

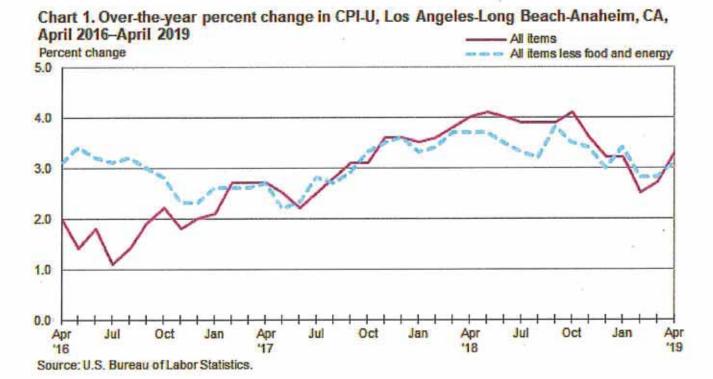
Media contact: (415) 625-2270

Consumer Price Index, Los Angeles area – April 2019

Area prices were up 1.0 percent over the past month, up 3.3 percent from a year ago

Prices in the Los Angeles area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), advanced 1.0 percent in April, the U.S. Bureau of Labor Statistics reported today. (See table A.) Assistant Commissioner for Regional Operations Richard Holden noted that the April increase was influenced by higher prices for gasoline and shelter. (Data in this report are not seasonally adjusted. Accordingly, month-to-month changes may reflect seasonal influences.)

Over the last 12 months, the CPI-U rose 3.3 percent. (See chart 1 and table A.) Energy prices increased 8.8 percent, largely the result of an increase in the price of gasoline. The index for all items less food and energy increased 3.1 percent over the year. (See table 1.)



#### Food

Food prices advanced 0.7 percent for the month of April. (See table 1.) Prices for food away from home rose 1.0 percent, and prices for food at home rose 0.4 percent for the same period.

Over the year, food prices advanced 2.2 percent. Prices for food away from home increased 5.0 percent since a year ago, but prices for food at home declined 0.4 percent.

#### Energy

The energy index advanced 8.3 percent over the month. The increase was mainly due to higher prices for gasoline (15.0 percent). Prices for electricity rose 0.8 percent, but prices for natural gas service dropped 15.3 percent for the same period.

Energy prices increased 8.8 percent over the year, largely due to higher prices for gasoline (10.8 percent). Prices paid for natural gas service rose 9.8 percent, and prices for electricity increased 3.3 percent during the past year.

#### All items less food and energy

The index for all items less food and energy increased 0.4 percent in April. Higher prices for medical care (0.7 percent) and shelter (0.6 percent) were partially offset by lower prices for household furnishings and operations (-2.1 percent) and other goods and services (-0.4 percent).

Over the year, the index for all items less food and energy increased 3.1 percent. Components contributing to the increase included shelter (4.9 percent) and education and communication (2.2 percent). Partly offsetting the increases was a price decline in apparel (-3.3 percent).

Table A. Los Angeles-Long Beach-Anaheim, CA, CPI-U 1-month and 12-month percent changes, all items index, not seasonally adjusted

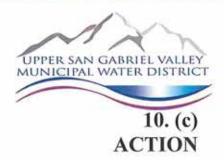
20	201	15	20	16	20	17	201	18	20	19
Month	1-month	12- month								
January	-0.3	-0.1	0.7	3.1	0.9	2.1	0.8	3.5	0.7	3.2
February	0.7	0.1	0.0	2.4	0.6	2.7	0.7	3.6	0.1	2.5
March	1.0	0.5	0.3	1.7	0.3	2.7	0.4	3.8	0.6	2.7
April	-0.1	0.5	0.2	2.0	0.2	2.7	0.4	4.0	1.0	3.3
May	1.0	1.1	0.5	1.4	0.3	2.5	0.4	4.1		
June	-0.3	8.0	0.1	1.8	-0.2	2.2	-0.2	4.0		
July	0.7	1.4	0.0	1.1	0.3	2.5	0.2	3.9		
August	-0.3	1.1	0.0	1.4	0.3	2.8	0.2	3.9		
September	-0.4	0.7	0.2	1.9	0.4	3,1	0.5	3.9		
October	0.2	1.0	0.4	2.2	0.4	3.1	0.5	4.1		
November	0.0	1,6	-0.4	1.8	0.1	3.6	-0.3	3.6		
December	-0.1	2.0	0.0	2.0	0.0	3.6	-0.3	3.2		

The May 2019 Consumer Price Index for the Los Angeles-Long Beach-Anaheim area is scheduled to be released on June 12, 2019.

### Consumer Price Index Geographic Revision for 2018

In January 2018, BLS introduced a new geographic area sample for the Consumer Price Index (CPI). As part of the new sample, Los Angeles and Riverside have separate indexes. Additional information on the geographic revision is available at: www.bls.gov/cpi/additional-resources/geographic-revision-2018.htm.

# MEMORANDUM



DATE:

May 20, 2019

TO:

Administration and Finance Committee and Board of Directors

FROM:

General Manager

SUBJECT:

Financial Audit Services for Fiscal Years 2018/19 through 2020/21.

#### Recommendation

Staff recommends that the Board of Directors authorize the General Manager to execute a professional services agreement with Rogers, Anderson, Malody & Scott, LLP to provide financial audit services for fiscal years ending June 30, 2019, 2020 and 2021, for a not-to-exceed maximum amount of \$79,925.

#### Background

In March 2019, the Administration and Finance Committee instructed staff to prepare and issue a request for proposals (RFP) for financial audit services. The RFP (Attachment 1) was prepared and distributed to 49 qualified firms on April 5, 2019, based on a 2018 list of California audit firms provided by various municipal finance officers. The RFP was also posted in the California Society of Municipal Finance Officers' website.

Responses from 11 firms were received at the close of the RFP period on April 19, 2019. Staff evaluated the proposals based on the following criteria: related experience with government agencies; qualification of proposed audit team; references and results of last peer review; and thoroughness of audit approach. Staff also considered responses obtained from the professional references that were contacted.

The following three firms consistently scored high in all areas:

- 1. Rogers, Anderson, Malody & Scott, LLP (RAMS)
- The Pun Group LLP
- 3. White Nelson Diehl Evans LLP

Of these three firms, RAMS received consistently glowing recommendations from current and/or former clients.

Attached are copies of the cost proposals by the foregoing three firms for the fiscal years ended June 30, 2019, 2020 and 2021, with an option to extend for two additional one-year periods at Upper District's discretion (Attachment 2a, 2b, and 2c). The proposals include services necessary to complete the general financial audit, prepare the District's comprehensive annual financial report (CAFR), as well as those tasks required to complete the special audit mandated for agencies receiving federal funding. Because Upper District currently has no active federal grant contracts, staff's recommendation excludes the services for the audit of federal award expenditures (Single Audit).

Attachments



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

# REQUEST FOR PROPOSALS

# **Professional Audit Services**

For Fiscal Years Ending June 30, 2019, 2020 and 2021 (With renewal option for fiscal years ending 2022 and 2023)

Proposal Issue Date

April 5, 2019

Proposal Submittal Due Date

5:00 P.M. April 19, 2019

The Upper San Gabriel Valley Municipal Water District is requesting proposals from qualified certified public accounting firms (herein "Auditor") to audit its financial statements for the three (3) fiscal years beginning with the fiscal year ending June 30, 2019, with the option of auditing its financial statements for two (2) additional one-year periods. These audits are to be performed in accordance with generally accepted auditing standards, Governmental Auditing Standards issued by the Comptroller General of the United States, and U.S. Office of Management and Budget (OMG) Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations. Additional information is found in Section II - Scope of Services.

#### I. Background Information

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

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

The UPPER DISTRICT has 12 employees. Qualified employees are covered by group life and health insurance, a defined benefit pension plan, sick leave, and paid vacations. Eligible employees may also participate in a 457(b) deferred compensation plan.

The UPPER DISTRICT's accounting records are maintained on the accrual basis, and the accounting policies and procedures conform to generally accepted accounting principles. The financial statements are presented as required for enterprise funds – a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows.

Additional information regarding the UPPER DISTRICT can be found on our website, <a href="https://www.upperdistrict.org">www.upperdistrict.org</a> or may be available upon request. The UPPER DISTRICT will be more than happy to assist you in obtaining any information you may need. It is the proposing firm's responsibility to obtain a thorough understanding of the UPPER DISTRICT, the scope of the audit(s), and the work to be performed in order to successfully complete the audit(s) prior to submitting your proposal and maximum price bid.

#### II. Scope of Services

- A. Comprehensive Annual Financial Report Examine the basic financial statements, notes to the financial statements, and required supplemental information, if applicable.
- Single Audit Report Examine the schedule of expenditures of federal awards related to the UPPER DISTRICT's federal grant programs, if necessary.

The auditor's reports will include the auditor's opinion on the basic financial statements; the auditor's opinion on the schedule of expenditures of federal awards; the auditor's report on internal control over financial reporting and on compliance in accordance with

government auditing standards; and the auditor's report on the compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133.

- C. If necessary, the Auditor shall assist the UPPER DISTRICT in preparing and filing all related reports required by state and federal agencies, including the State Controller's Financial Transactions Report.
- D. The audit firm may issue a separate "management letter" that includes recommendations for improvements in internal control, accounting procedures and other significant observations that are considered to be non-reportable conditions. Prior to its release, staff shall be given an opportunity to review and comment.
- E. The Auditor shall make all communications to UPPER DISTRICT required by the audit standards under which the engagement is performed. The Auditor must be available to present the audit plan prior to beginning fieldwork. In addition, the Auditor must be available to present all final reports to management and the Board of Directors as requested at no additional costs.
- F. Working Paper Retention, Access to Working Papers and Journal Entries: All work papers and reports must be retained, at the Auditor's expense, for a minimum of five years (or the retention timeframe established by professional standards, whichever is longer) unless the firms is notified in writing by UPPER DISTRICT of the need to extend the retention period. The work papers are subject to review by federal and state agencies and other individuals designated by UPPER DISTRICT. Accordingly, the work papers shall be made available upon request.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review work papers.

All adjusting journal entries proposed by the Auditors must be discussed with the Director of Finance and Administration.

- G. The Auditor shall be required to make an immediate, <u>written</u> report of all irregularities and illegal acts of which they become aware to the following parties:
  - Board of Directors
  - Upper District General Manager
- H. The Auditor shall provide six (6) bound copies, one (1) unbound copy and one (1) electronic version of the auditor's report, the financial statements, supporting schedules, and management letters, if any. The partner in charge shall be available to attend the following meetings to discuss the audit and other reports required by this RFP:
  - Meeting of the UPPER DISTRICT'S Administration and Finance Committee.
  - Meeting of the UPPER DISTRICT's Board of Directors.
- The Auditor shall submit a draft of the financial statements to management no later than October 31<sup>st</sup>. The Auditor shall file the State Controller's Financial Transactions Report no later than the date prescribed by law.

J. Additional Work – If it would become necessary for the UPPER DISTRICT to request the Auditor to render additional services to either supplement the services requested in this request for proposal or to perform additional work as a result of the specific recommendations included in any report issued with this engagement, then such additional work shall be performed only if set forth in a written addendum to the contract between the UPPER DISTRICT and the Auditor, Any such additional work agreed to between the UPPER DISTRICT and the Auditor shall be performed at the same rates set forth in the schedule of fees and expenses included in the formal bidding proposal.

#### III. Accounting and Auditing Standards

The audit shall be conducted in accordance with generally accepted auditing standards; Government Auditing Standards; the Single Audit Act Amendments of 1996; the provisions of the Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; the State Controllers' Minimum Audit Requirements for California Special Districts; and other applicable laws and regulations.

#### IV. Assistance Available to Auditor

The Auditor will be given access to the records of the UPPER DISTRICT and reasonable access to staff for the purpose of interviews and the verification of items within the terms of the audit. Sufficient help will be made available to the Auditor for such items as the pulling and refiling of accounting records and the preparation and mailing of all confirmations. It is expected that the Auditor will organize work in such a way as to minimize disruption of work of the UPPER DISTRICT staff.

#### V. Proposal Provisions

Proposals must be received at Upper San Gabriel Valley Municipal Water District, 602 E. Huntington Dr. Monrovia, California, 91016, by 5:00 p.m., April 19, 2019.

Proposals received after the above date and time will not be considered.

Proposals must be emailed to <a href="mailto:evelyn@usgvmwd.org">evelyn@usgvmwd.org</a>, delivered in person, or mailed directly to Upper San Gabriel Valley Municipal Water District, Attention: Evelyn M. Rodriguez. **Email is preferred**.

The UPPER DISTRICT is under no obligation to return proposals and will not be responsible for submittals that are delinquent, lost, mismarked, or sent to an address other than that given, or sent by mail or courier service.

Any unauthorized contact with any other official or employee in connection with this RFP is prohibited and shall be cause for disqualification of the Proposer.

Proposals shall be signed by an authorized representative and shall be as thorough and detailed as possible so that the UPPER DISTRICT may properly evaluate the Auditor's capabilities to provide the required services.

Submission of a proposal constitutes acceptance by the firm of the conditions contained in this request for proposals unless clearly and specially noted in the proposal submitted and confirmed in the contract between the UPPER DISTRICT and the firm selected.

The following material in the prescribed format outlined below is required to be received by 5:00 p.m. on April 19, 2019, for a proposing firm to be considered:

#### 1. Title Page

Title page showing the request for proposals subject; the firm's name; the name, address, and telephone number of the contact person; and the date of the proposal.

#### Table of Contents

#### Transmittal Letter

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for period not less than 120 days.

#### Detailed Proposal

#### a. Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement.

The firm is also required to submit information on the report of its most recent peer review, with a statement whether the peer review included a review of specific government engagements.

The firm shall also provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with any regulatory or professional organizations, as well as any pending or settled litigation.

### b. Partner, Supervisory, and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors, and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in California.

Provide as much information as possible regarding the number, qualifications and experience of the specific staff to be assigned to this engagement.

Engagement partners, managers, or other supervisory staff may be changed only with the express prior written permission of the UPPER DISTRICT.

### c. Similar Engagements With Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the significant engagements (maximum 5) performed in the last three years that are similar to the engagement described in the request for proposal. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

#### Affirmative Statements

#### a. Independence

The firm should provide an affirmative statement that it is independent of the UPPER DISTRICT as defined by generally accepted auditing standards and generally accepted government auditing standards.

#### b. License to Practice

An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in California.

#### Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed. Include a proposed timeline for the fiscal year 2018/19 audit consistent with the requirements of this request for proposals.

#### Fee Proposal

The fee proposal should include all pricing information relative to performing the audit and related services as described in this request for proposal. The total all-inclusive maximum price is to contain all direct and indirect costs, including all out-of-pocket-expenses.

The fee proposal should include the following information:

- a. Name of the Firm
- Certification that the person signing the proposal is entitled to represent the firm and authorized to sign a contract with the UPPER DISTRICT.
- c. A Total All-Inclusive Maximum Price for each fiscal year.
- d. Rates for Additional Professional Services

Please provide a schedule of rates by partner, specialist, supervisory, and staff level.

If it should become necessary for the UPPER DISTRICT to request the Auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific

recommendations included in any report issued on this engagement, then such additional work agreed to between the UPPER DISTRICT and the firm shall be performed at the rates included.

#### VI. Evaluation and Award Criteria

- A. During the evaluation process, the UPPER DISTRICT may, at its discretion, request any or all firms to make oral presentations and personal introduction of the proposed managing accountant and/or senior staff to be involved in the audit. Such presentations will provide firms with an opportunity to answer any questions the UPPER DISTRICT may have on a firm's proposal. Not all firms may be selected to make such oral presentations.
- B. The UPPER DISTRICT's Board of Directors will make a decision based on the Administrative and Finance Committee's recommendations. Final selection will be based on the firm's qualifications, experience, audit approach, and fee. Proposing firms should note that the lowest fee may not be the deciding factor in the final selection.
- C. It is anticipated that a firm will be selected by July 3, 2019. Following notification of the firm selected, it is expected that a contract will be executed between both parties by July 15, 2019.

#### D. Request for Clarification

All requests for clarification concerning the RFP shall be made in writing (e-mail is preferable) by April 12, 2019. All requests for clarification shall be directed by e-mail, mail, or fax to:

Ms. Evelyn M. Rodriguez
Director of Finance and Administration
602 E. Huntington Dr. Suite B
Monrovia, CA 91016
(626) 443-2297 - telephone
(626) 443-0617 - fax
evelyn@usgvmwd.org

#### E. Effective period of Proposals

All proposals must state the period for which the proposal shall remain in effect. Such period shall not be less than 120 days.

#### F. Proposal Reservations

The UPPER DISTRICT reserves the right to:

- · Reject any or all proposals received in response to this RFP;
- · Request clarification from any Proposer on any or all aspects of its proposal;
- · Cancel and/or reissue the RFP at any time;
- · Retain all proposals submitted in response to this RFP; and,
- · Invite some, all, or none of proposers for interviews and further discussion.

#### G. Award of Contract

The selected firm shall be required to enter into a written contract with the UPPER DISTRICT for auditing services in a form approved by UPPER DISTRICT legal counsel following formal approval by the Board of Directors of the UPPER DISTRICT. This RFP and the proposal, or any part thereof, may be incorporated into and made a part of the final contract. The UPPER DISTRICT reserves the right to negotiate the terms and conditions of the contract with the selected firm.

#### H. Contract Term

It is the intent of the UPPER DISTRICT to award the contract for an initial three year (3) period commencing with the fiscal year ending June 30, 2019, with the option to extend for two additional one-year periods, at UPPER DISTRICT's sole discretion.

#### I. Manner of Payment

Progress payments will be made on the basis of hours of work completed during the course of the engagement. Interim billings shall cover a period of not less than one (1) calendar month.

#### J. Termination of Agreement

The UPPER DISTRICT may terminate the agreement, with or without cause, by providing written notice of termination to proposer not less than fifteen (15) working days prior to the effective termination date. The UPPER DISTRICT's only obligation in the event of termination will be payment of fees and expenses incurred up to and including the date of termination as specified in the notice of termination.

#### K. Use of Sub-Contractors

The intent to use sub-contractors to perform any portion of the work described in this RFP must be clearly stated in proposer's response. The response must include a description of the work that will be sub-contracted out, cost of fees and services, and the names and addresses of potential sub-contractors.

Proposer shall be responsible for all services performed under the Agreement with the UPPER DISTRICT by sub-contractors. The selected firm shall not assign or transfer its interest in any contract or sub-contract for sub-contractor services without the prior written consent of the UPPER DISTRICT.

#### L. Indemnity

Proposer assumes all risk of injury to its employees, agents, and sub-contractors, including loss of or damage to property, and shall defend, indemnify, and hold harmless the UPPER DISTRICT, its Board of Directors, officers, employees, and agents from and against all claims, suits, or causes of action for injury to any person or damage to any property arising out of, or connected with, performance of work under the Agreement that does not result from the gross negligence or intentional misconduct of the UPPER DISTRICT, its Board of Directors, officers, employees or agents.

#### M. Insurance

Proposer shall maintain such insurance as will protect it from claims under Workers' Compensation laws, and such liability insurance as will protect against claims for damages for bodily injury, including death, and damages to property in accordance with the terms of the Agreement. Coverage of which is to be no less than \$1,000,000/\$2,000,000 per occurrence/aggregate, with the UPPER DISTRICT named as an additional insured.

The proposing firm must be willing and able to obtain an errors and omissions insurance policy for coverage of no less than \$1,000,000 per occurrence for the willful or negligent acts of the firm and its officers, employees and agents.

Proposer shall maintain evidence of coverage in an updated form during the term of the Agreement.

#### N. Non-Discrimination Practices

Proposer shall not discriminate against any employee or applicant for employment because of race, sex (including pregnancy, childbirth, or related medical condition), creed, national origin, color, disability as defined by law, disabled veteran status, Vietnam veteran status, religion, age, medical condition, marital status, ancestry, or sexual orientation.

#### O. Right to Audit

Proposer shall be responsible for ensuring the accuracy and propriety of all billings and shall maintain all supporting documentation for the period of three (3) years following completion of performance of the services.

The UPPER DISTRICT will have the right to audit firm's and sub-contractors' invoices and all supporting documentation for purposes of compliance with the Agreement.

Proposer shall cooperate fully with any audit of its billings conducted by the UPPER DISTRICT and permit access to its books, records, and accounts as may be necessary to conduct such audits.

#### P. Release of Information

Proposer shall not make public information releases or otherwise publish any information obtained or produced by it as a result of, or in connection with, the performance of services under the Agreement without prior written consent of the UPPER DISTRICT.

#### Q. Use of the UPPER DISTRICT's Name

Proposer shall not publish or use any advertising, sales promotion, or publicity in matters relating to services, equipment, products, reports, and material furnished by proposer in which the UPPER DISTRICT's name is used, or its identity is implied, without prior written approval of the UPPER DISTRICT.

#### R. Conflict of Interest

Proposers shall identify any existing or potential conflict of interest in its proposal that is related to or arises from this RFP or the work contemplated to be performed herein or under the Agreement. Proposer shall agree not to accept any employment from or perform services with or for any other person, firm, or corporation where such employment is a conflict of interest or where such employment or service is likely to lead to a conflict between the UPPER DISTRICT's interests and the interests of such person, firm, corporation, or any other third party.

When submitting any existing or potential conflict of interest information, such information shall be submitted on a colored paper different from the rest of the proposal and shall be clearly marked "Conflict of Interest."

Upper San Gabriel Valley Municipal Water District

Evelyn M. Rodriguez Director of Finance and Administration

# Proposal for Professional Audit Services

For the fiscal years ending June 30, 2019, 2020 and 2021 (with renewal option for fiscal years ending 2022 and 2023)

Submitted by:

# ROGERS, ANDERSON, MALODY & SCOTT, LLP

Certified Public Accountants License #2596 FEIN 95-2662063

735 E. Carnegie Drive, Suite 100 San Bernardino, California 92408 (909) 889-0871

April 19, 2019

Contact: Scott Manno, Partner smanno@ramscpa.net

Alternate Contact: Brad Welebir, Partner bwelebir@ramscpa.net



ROGERS, ANDERSON, MALODY & SCOTT, LLP CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

# Upper San Gabriel Valley Municipal Water District

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

#### DOLLAR COST BID

FOR THE YEAR ENDING JUNE 30, 2019, 2020 & 2021

#### PREPARED BY:

# ROGERS, ANDERSON, MALODY & SCOTT, LLP CERTIFIED PUBLIC ACCOUNTANTS

April 19, 2019

Total all-inclusive maximum price for each engagement:

		Fiscal year		
	-	41000000	Option	years
	2019	2020 2021	2022	2023
Audit of financial statements State Controllers Report	\$ 25,700 670	\$ 25,700 \$ 26,500 670 685	\$ 26,500 685	\$ 26,500 685
Total	\$ 26,370	\$ 26,370 \$ 27,185	\$ 27,185	\$ 27,185
Single audit, if necessary*	\$ 4,920	\$ 4,920 \$ 5,070	\$ 5,070	\$ 25,050

<sup>\* =</sup> for the first major program, each additional major program \$2,250.

Certification: Scott W. Manno is entitled to represent Rogers, Anderson, Malody & Scott, LLP, empowered to submit the bid, and is authorized to sign a contract with the Upper San Gabriel Valley Municipal Water District.

Scott W. Manno, CPA, CGMA

Partner

Rates for additional professional services:

Position	ourly rate
Partner	\$ 250
Manager	155
Senior accountant	120
Staff accountant	90

# Upper San Gabriel Valley Municipal Water District Schedule of professional fees and expenses For the audit of the June 30, 2019 Financial Statements

	Standard Hourly Rates	Quoted Hourly Rates	Hours	Total
Partners	\$ 305	\$ 250	25	\$ 6,250
Manager	205	155	20	3,100
Senior	170	120	65	7,800
Staff	110	90	95	8,550
Total for audit services			205	25,700
Out-of-pocket expenses  Meals and lodging  Transportation Other (specify):				(F) (H) (H) (H)
Total all-inclusive maximum price for 2019 audit				\$ 25,700

# Upper San Gabriel Valley Municipal Water District Schedule of professional fees and expenses For the audit of the June 30, 2020 Financial Statements

	Standard Hourly Rates	Quoted Hourly Rates	Hours	Total
Partners	\$ 305	\$ 250	25 -	\$ 6,250
Manager	205	155	20	3,100
Senior	175	120	65	7,800
Staff	115	90	95	8,550
Total for audit services			205	25,700
Out-of-pocket expenses Meals and lodging Transportation Other (specify):			, ,	
Total all-inclusive maximum price for 2020 audit				\$ 25,700

# Upper San Gabriel Valley Municipal Water District Schedule of professional fees and expenses For the audit of the June 30, 2021 Financial Statements

	Standard Hourly Rates	Quoted Hourly Rates	Hours	Total		
Partners	\$ 305	\$ 255	25	\$ 6,375		
Manager	205	165	20	3,300		
Senior	175	120	65	7,800		
Staff	115	95	95_	9,025		
Total for audit services			205	26,500		
Out-of-pocket expenses Meals and lodging Transportation Other (specify):				-		
Total all-inclusive maximum price for 2	2021 audit			\$ 26,500		

# Upper San Gabriel Valley Municipal Water District Schedule of professional fees and expenses For the audit of the June 30, 2022 Financial Statements

	Standard Hourly Rates	Quoted Hourly Rates	_ Hours_	Total
Partners	\$ 310	\$ 255	25	\$ 6,375
Manager	210	165	20	3,300
Senior	180	120	65	7,800
Staff	115	95	95	9,025
Total for audit services			205	26,500
Out-of-pocket expenses Meals and lodging Transportation Other (specify):				
Total all-inclusive maximum price for 2022 audit				\$ 26,500

## Upper San Gabriel Valley Municipal Water District Schedule of professional fees and expenses For the audit of the June 30, 2023 Financial Statements

	Standard Hourly Rates	Quoted Hourly Rates	Hours	Total
Partners	\$ 310	\$ 255	25	\$ 6,375
Manager	210	165	20	3,300
Senior	185	120	65	7,800
Staff	115	95	95	9,025
Total for audit services			205	26,500
Out-of-pocket expenses Meals and lodging Transportation Other (specify):				-
Total all-inclusive maximum price for 2023 audit	E <sub>1</sub>			\$ 26,500

#### Cost of Services

#### Certification

We are committed to the performance of a high quality audit at the most reasonable fee level possible, both initially and throughout the engagement. Also, our partners will provide advice and consultation as needed, at no additional cost to the Upper District.

Name of Firm:

The Pun Group, LLP

Certified Public Accountants and Business Advisors

Contact Name:

Kenneth H. Pun, CPA, CGMA

Contact Telephone Number:

(949) 777-8801

Contact Email Address:

ken.pun@pungroup.com

I, the undersigned, certify I am duly authorized to represent the above named firm and am empowered to submit this bid. In addition, I certify I am authorized to contract with the Upper District on behalf of the above named firm.

Kin. P

April 18, 2019

Kenneth H. Pun, CPA, CGMA | Managing Partner

Date

The Pun Group, LLP

### **Total All-Inclusive Maximum Price**

Following are our total fixed fees for Fiscal Years 2019 through 2021, with the option to extend for 2 (two) additional one-year terms.

					_		Optional Years			
Services Provided:	Services Provided: 2018-19		2019-20 2020-21				2021-22		2022-23	
Financial Audit of the District Related Reports	\$	22,000	\$	22,660	\$	23,340	\$	24,040	\$	24,761
Single Audit - 1 Major Program (If needed)	\$	4,000	\$	4,120	\$	4,244	\$	4,371	\$	4,502
State Controller's Financial Transaction Report	\$	2,000	\$	2,060	\$	2,122	\$	2,185	\$	2,251
Grand Total:	\$	28,000	\$	28,840	s	29,705	\$	30,596	\$	31,514

<sup>(1)</sup> If Single Audit is required, fees to audit major programs will be \$4,000 each. The number of programs determined to be "major" will be based on OMB Uniform Guidance. The Engagement Team will discuss this with the Upper District's Management before starting Single Audit work.



<sup>(2)</sup> Supplemental reports, audits, or agreed-upon procedures must be added in a written agreement prior to commencing audit work. The Firm and the Upper District will discuss and approve the scope and associated costs of these tasks.

# SEALED DOLLAR COST BID FOR PROFESSIONAL AUDITING SERVICES

# UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

FOR THE THREE YEARS ENDING JUNE 30, 2021 (WITH AN OPTION FOR EACH OF THE TWO YEARS ENDING JUNE 30, 2023)

Submitted by:

WHITE NELSON DIEHL EVANS LLP





April 19, 2019

Upper San Gabriel Valley Municipal Water District 602 E. Huntington Drive Monrovia, CA 91016

At your request, we have submitted our statement of qualifications under a separate cover.

The following information is included herein:

- Total All-Inclusive Maximum Price for Each Fiscal Year
- Schedule of Professional Fees and Expenses
- Hourly Rates for Other Services

We thank the Upper San Gabriel Valley Municipal Water District for the opportunity to present our proposal and cost bid. Please feel free to contact me or Ms. Kassie Radermacher at (714) 978-1300 if there are any questions regarding the fees or hourly rates quoted herein. This proposal constitutes a firm and irrevocable offer for 120 days. I am authorized to represent our firm and bind the firm to a contract.

Very truly yours,

Nitin P. Patel

Engagement Partner

N. P. Patel

# UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT TOTAL ALL-INCLUSIVE MAXIMUM PRICE FOR EACH FISCAL YEAR

								Option	1 Years		
	FY	2018/19	FY	2019/20	FY	2020/21	FY	2021/22	FY	2022/23	
Upper San Gabriel Valley Municipal Water District: Financial Statement Audit State Controller's Report	s	28,880 780	\$	28,880 780	\$	29,747 805	\$	30,637 827	\$	31,555 851	
	\$	29,660	\$	29,660	\$	30,552	\$	31,464	\$	32,406	
Single Audit (A)	\$	4,320	\$	4,320	\$	4,450	\$	4,585	\$	4,725	

<sup>(</sup>A) The fee contemplates auditing one major program. Additional major programs will be audited for and additional cost of \$2,000.

# SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF THE FISCAL YEAR 2018-19 FINANCIAL STATEMENTS

### UPPER DISTRICT AUDIT

Tall	HOURS	STANDARD HOURLY RATES		QUOTED HOURLY RATES		TOTAL	
Partner	16.00	\$	400	\$	240	\$	3,840
Manager	36.00		275		180		6,480
Supervisory Staff	80.00		175		125		10,000
Professional Staff	80.00		115		100		8,000
Clerical	8.00		90		70		560
Total for Services Described in Scope of Work	220.00				177		28,880
Out-of-Pocket Expenses: Meals and lodging Transportation Other						P====	ž ž
Total All - Inclusive Maximum Price for the Fiscal Year 2018-19 Audit						\$	28,880

### SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF THE FISCAL YEAR 2018-19 FINANCIAL STATEMENTS

#### UPPER DISTRICT FINANCIAL STATEMENTS

Partner	HOURS	НО	NDARD URLY ATES	НО	OTED URLY ATES	TOTAL	
	-	\$	400	\$	240	\$	-
Manager	1.00		275		180		180
Supervisory Staff	-		175		125		*
Professional Staff	6.00		115		100		600
Clerical			90		70		
Total for Services Described in Scope of Work	7.00						780
Out-of-Pocket Expenses: Meals and lodging Transportation Other						÷	
Total All - Inclusive Maximum Price for the Fiscal Year 2018-19 Audit						\$	780

# SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF THE FISCAL YEAR 2018-19 FINANCIAL STATEMENTS

# UPPER DISTRICT SINGLE AUDIT

	HOURS	НО	STANDARD HOURLY RATES		QUOTED HOURLY RATES		OTAL
Partner	2.00	\$	400	\$	240	\$	480
Manager	8.00		275		180		1,440
Supervisory Staff	12		175		125		-
Professional Staff	24.00		115		100		2,400
Clerical			90		70	_	-
Total for Services Described in Scope of Work	34.00						4,320
Out-of-Pocket Expenses: Meals and lodging Transportation Other							-
Total All - Inclusive Maximum Price for the Fiscal Year 2018-19 Audit						\$	4,320

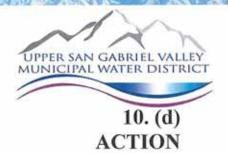
#### UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

#### HOURLY RATES FOR OTHER SERVICES

If the Upper District wishes us to perform consulting or other significant services outside the scope of the services described herein, a separate written request from the Upper District will be required. Our hourly rates for these services during each year under the basic contract will be as follows:

	Hourly Rates By Fiscal Year			Option Years					
	20	18/19	20	19/20	20	20/21	20	21/22	2022/23
Engagement Partner	\$	240	s	240	\$	245	\$	250	255
Technical Review Partner		240		240		245		250	255
Manager		180		180		185		190	195
Supervisory Staff		125		125		130		135	140
Professional Staff		100		100		105		110	115
Clerical		70		70		72		75	78

## MEMORANDUM



DATE:

May 22, 2019

TO:

Water Policy Committee and Board of Directors

FROM:

General Manager

SUBJECT:

Preparation of the updated 2019 Integrated Resources Plan (IRP)

#### Recommendation

Staff is requesting that the Board of Directors approve the following actions related to the preparation of the 2019 Integrated Resources Plan:

- Waive Manual of Policies Section 3.4.9 relating to a formal RFP process in recognition of Stetson Engineers', in partnership with INTERA Incorporated (INTERA), extensive regional knowledge, industry-wide analytic capabilities, and in recognition of significant cost efficiencies.
- Authorize the General Manager to execute a Task Order, pursuant to the "Agreement for District Engineering Services", with Stetson Engineers Inc. to provide an update to the Integrated Resources Plan (IRP) for an amount not to exceed \$125,000 with an associated term through June 2020.

#### Background

In May 2011, the Board of Directors approved a professional services agreement with CDM Smith to develop an Integrated Resources Plan (IRP) to identify specific strategies and a preferred resource mix to address water supply challenges through 2035.

CDM Smith collected and analyzed data to develop a water demand and supply forecast. The analysis revealed a gap between water demands and water supply of 33,000 acre-feet by 2035 could occur once every ten years if no action was taken. In 2015, the District provided additional funding for CDM Smith to review and update the 2012 IRP.

The IRP Update is a key planning document to support aspects of the Upper District's 2019 Strategic Plan; specifically, Strategic Plan Goal 1: provide reliable water services that meet the needs of the communities Upper District serves, and Strategic Plan Goal 1, Strategy 1, Objective 3: Update the Integrated Resources Plan (IRP) considering all viable water resources and cost (Indirect Reuse Replenishment Project (IRR), desalination, Metropolitan's Regional Recycled Water Program, conservation, water banking, etc.).

In addition, since the completion of the 2015 IRP, several factors have changed that warrant an update of the IRP. These include:

- Extreme drought conditions. Southern California has experienced unprecedented drought conditions
  over the last ten years. Since the 2015 IRP was prepared, many new plans and studies have been
  developed to address the drought and "lessons learned". These recent plans and studies may affect the
  conclusions presented in the existing IRP.
- Lower long-term water demands.
- Drought conservation and changing public behavior
- New programs and projects. Certain programs have either been recently established or updated which
  may significantly affect Upper District's water supplies and demands, including the establishment of
  the Water Resource Development Assessment (RDA)., Metropolitan Water District (MWD) "Prepurchase Plan" and MWD's "Regional Recycled Water Program" (i.e. Carson Project).

#### Proposal Discussion:

Over the last several months, District staff worked with Stetson and INTERA principals regarding the elements of the 2019 IRP. A pre-proposal conference of significant duration was held on February 26, 2019 with all parties to discuss the required tasks and changed regional views since the last IRP was prepared.

In summary, the proposed scope of work will include key program updates and population and water demand projections through 2040. Work will focus on the following tasks:

- Task 1: Data Research and Collection
- Task 2: Update Water Demands and Conservation estimates
- Task 3: Update Existing Water Supply "Gap Analysis"
- Task 4: IRP Update Process
- Task 5: Future Recycled Water Alternatives
- Task 6: Update Stormwater, Ocean Desalination, and Imported Water Transfers
- Task 7: Alternatives Evaluation
- Task 8: Prepare IRP Update Report
- Task 9: Coordination Meetings and Stakeholder Workshops

Staff recommends Stetson Engineers based on their extensive regional knowledge, Upper District knowledge and demonstrated cost efficiencies. The proposed partnership with INTERA represents an opportunity to partner with a firm that has extensive knowledge and experience regarding southern California water resource challenges.

## MEMORANDUM



10. (e) ACTION

DATE:

May 29, 2019

TO:

Board of Directors

FROM:

General Manager

SUBJECT:

Nomination for ACWA Region 8 Board for the 2020/2021 term and adoption of

Resolution No. 6-19-605.

#### Recommendation

Staff recommends that the Board of Directors consider nominating a board member to be included in the ACWA Region 8 Board elections for the 2020/2021 term and adopt Resolution No. 6-19-605.

#### Background

The Region 8 Nominating Committee is seeking nominations of ACWA members who are interested in leading the direction of ACWA Region 8 for the 2020/2021 term.

The leadership of ACWA's ten geographical regions is integral to the leadership of the Association as a whole. The Chair and Vice Chair of Region 8 serve on ACWA's Statewide Board of Directors and recommend all committee appointments for Region 8. The members of the Region 8 Board determine the direction and focus of region issues and activities. Additionally, they support the fulfillment of ACWA's goals on behalf of members.

Director Anthony Fellow currently serves on the Region 8 Board and has expressed interest in continuing a second term on the Region 8 Board.

Attachment

#### **RESOLUTION NO. 6-19-605**

# A RESOLUTION OF THE BOARD OF DIRECTORS OF UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT PLACING IN NOMINATION ANTHONY R. FELLOW, Ph.D. AS A MEMBER OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES REGION 8

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

#### A. Recitals

- (i) The Board of Directors "Board" of the Upper San Gabriel Valley Municipal Water District "Upper District" does encourage and support the participation of its members in the affairs of the Association of California Water Agencies "ACWA".
- (ii) Anthony R. Fellow, Ph.D. is currently serving as a Board Member for ACWA Region 8.

#### B. Resolves

## NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT,

- (i) Does place its full and unreserved support in the nomination of Anthony R. Fellow, Ph.D. for the ACWA Region 8 Board.
- (ii) Does hereby determine that the expenses attendant with the service of Anthony R. Fellow, Ph.D. in ACWA Region 8 shall be borne by the Upper District.

### **PASSED**, **APPROVED**, **AND ADOPTED** this $5^{th}$ day of June, 2019.

AYES:		
NOES:		
ABSTAIN:		
ABSENT:		
	Ed Chavez, President	
ATTEST:		
Charles M. Treviño, Treasurer		
(SEAL)		
APPROVED AS TO FORM:		
Steven P. O'Neill District Counsel		







#### MEDIA CONTACT

Christine Detz (213) 244-2442 cdetz@semprautilities.com

#### NEWS RELEASE

## SoCalGas, Metropolitan Water District, LADWP Award \$578,500 in Rebates to Los Angeles Unified School District for New Commercial Kitchen Equipment

New units will save more than 285,000 therms of natural gas and about 163 million gallons of water

LOS ANGELES, May 29, 2019 – Southern California Gas Co. (SoCalGas), the Metropolitan Water District of Southern California (MWD) and Los Angeles Department of Water and Power (LADWP) awarded the Los Angeles Unified School District (Los Angeles Unified) close to \$600,000 in energy and water efficiency program rebates. Los Angeles Unified received \$482,500 through SoCalGas' "Energy Efficiency Rebates for Business" program and \$96,000 in rebates from MWD and LADWP through the "SoCalWater\$mart" program. The rebates stemmed from the purchase of nearly 200 new high-efficiency natural gas pressure-less steamers placed in the kitchens at more than 90 Los Angeles Unified schools. Representatives from SoCalGas, MWD and LADWP presented the rebate checks at the May 28 Board of Education Committee of the Whole meeting. Photos from the check presentation may be viewed here.

The new equipment will be used to prepare lunches for more than 120,000 Los Angeles Unified students. The steamers replaced 15 to 20-year-old units that were much less energy and water efficient than the new models. In addition to the cost-savings on the purchase of the equipment, Los Angeles Unified will save more than 285,000 therms of natural gas and about 163 million gallons of water over its lifetime.

"We are always on the lookout for ways to help our customers save money and energy and reduce emissions to help fight climate change," said Dan Rendler, director of customer programs at SoCalGas. "We are pleased to provide these rebates to Los Angeles Unified, which are a great example of how we work collaboratively with other agencies to seek out and deliver valuable cost-savings to our customers."

"Metropolitan has made it a priority to improve water efficiency wherever we can — in homes, in businesses and in schools. But implementing improvements like this take willing partners, and we're grateful to Los Angeles Unified and SoCalGas for making the effort to conserve water," said MWD water efficiency manager Bill McDonnell. "Climate change and a growing population mean we all have to do our part to use our limited water resources wisely."

"LADWP is excited to be a part of Los Angeles Unified's push to increase efficiency in their food preparation process. This is another example of our successful joint endeavor to bring water and energy efficiency benefits to our local schools," said Sharon Grove, LADWP Assistant General Manager of the Customer Service Division. "Together with our partner agencies, LADWP is helping our customers save water, energy and money by offering a variety of rebate and custom incentive programs."

"Los Angeles Unified is very excited about enhancing our food menu to provide our students with more variety and options," said Director of Food Services Manish Singh. "The steamers will provide us with the capability to add steamed vegetables, pot stickers and dumplings to our menu selection, which will benefit over 120,000 students at more than 90 school sites. Los Angeles Unified will continue to add steamers at more schools."

SoCalGas is a leader in the research and development of new technologies that increase energy efficiency, reduce air pollution and greenhouse gas emissions and keep bills affordable for customers. Last year, SoCalGas awarded more than \$5.7 million in rebates to residential customers and more than \$7.2 million in rebates to business customers. In the last five years alone, SoCalGas energy efficiency programs have saved more than 146 million therms, enough to power 326,000 households a year. These programs also generated nearly \$862 million in avoided energy costs, including \$161 million in annual customer bill savings during that same 5-year period. Energy efficiency is a part of SoCalGas' vision to be the cleanest natural gas utility in North America.

Metropolitan Water District, in partnership with LADWP and other member agencies, offers a variety of residential and commercial rebates for water-saving appliances, toilets, sprinklers and irrigation systems through its SoCalWater\$mart program. It also offers rebates to residents and business owners who replace their thirsty grass with more water-efficient sustainable landscaping. Metropolitan's investment of nearly \$800 million in these and other conservation programs since the 1990s has helped cut Southern California's per capita water use by more than 35 percent. More information about Metropolitan's water-saving efforts can be found on the district's online conservation rebate portal, bewaterwise.com.

###

#### About SoCalGas

Headquartered in Los Angeles, <u>SoCalGas</u> is the <u>largest natural gas distribution utility</u> in the United States. SoCalGas delivers affordable, reliable, clean and increasingly renewable natural gas service to 21.8 million customers across <u>24,000 square miles</u> of Central and Southern California, where more than 90 percent of residents use natural gas for heating, hot water, cooking, drying clothes or other uses. Natural gas delivered through the company's pipelines also plays a key role in providing electricity to Californians— about <u>45 percent of electric power generated</u> in the state comes from gas-fired power plants.

SoCalGas' vision is to be the cleanest natural gas utility in North America, delivering affordable and increasingly renewable energy to its customers. In support of that vision, SoCalGas is committed to replacing 20 percent of its traditional natural gas supply with renewable natural gas (RNG) by 2030. Renewable natural gas is made from waste created by dairy farms, landfills and wastewater treatment plants. SoCalGas is also committed to investing in its natural gas system infrastructure while keeping bills affordable for our customers. From 2014 through 2018, the company invested nearly \$6.5 billion to upgrade and modernize its natural gas system to enhance safety and reliability. SoCalGas is a subsidiary of Sempra Energy (NYSE: SRE), an energy services holding company based in San Diego. For more information visit socalgas.com/newsroom or connect with SoCalGas on Twitter (@SoCalGas), Instagram (@SoCalGas) and Facebook.

#### About the Metropolitan Water District of Southern California

The Metropolitan Water District of Southern California is a state-established cooperative that delivers water to 26 member agencies, which along with their retail providers serve 19 million people in six counties. The district imports water from the Colorado River and Northern California to supplement local supplies, and helps develop increased water conservation, recycling, storage and other resource-management programs.

#### About the Los Angeles Department of Water and Power

The Los Angeles Department of Water and Power (LADWP) is the nation's largest municipal utility, with a 7,880 megawatt (MW) electric capacity and serving an average of 438 million gallons of water per day to the 4 million residents of the City of Los Angeles, its businesses and visitors. For more than 100 years, LADWP has provided the city with reliable water and power service in a cost effective and environmentally responsible manner.



The Metropolitan Water District of Southern California

## NEWS RELEASE

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May 20, 2019

METROPOLITAN STATEMENT ON THE SIGNING OF THE COLORADO RIVER DROUGHT CONTINGENCY PLAN

Jeffrey Kightlinger, general manager of the Metropolitan Water District of Southern California, issues the following statement on today's historic signing of the Colorado River Drought Contingency Plan.

"Today we are seeing the culmination of a remarkable level of cooperation among seven states, two nations and 10 Indian tribes, all of which rely on the Colorado River for the success of their people, farms and economies. The tough reality is, between climate change and severe drought, the Colorado River is at risk of critical shortage. To bring back a level of sustainability to the river, and ensure we can all provide our communities a reliable water supply in the long-term, we needed to work together. And we did. California recognized that despite holding senior water rights on the river, it needed to shoulder its share of the burden. Nevada and Arizona agreed to additional contributions, beyond those agreed to in 2007. And Mexico, reaffirming its partnership with the U.S. on water issues, committed itself early to its contribution. The fact we were able to put together such a complex agreement speaks to the cooperation among the states and between the U.S. and Mexico in resolving critical issues.

"Now we must build on that cooperation and trust to negotiate long-term solutions to our challenges on the Colorado River. Climate change is already resulting in less runoff on the river, even in normal snowpack years. Those impacts are expected to worsen in the future. We have to figure out ways to make up for that or live with less. The DCP has given us a bridge to the long-term solutions we need."

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The Metropolitan Water District of Southern California is a state-established cooperative that delivers water to 26 member agencies serving 19 million people in six counties. The district imports water from the Colorado River and Northern California to supplement local supplies, and helps develop increased water conservation, recycling, storage and other resource-management programs.



The Metropolitan Water District of Southern California

## NEWS RELEASE

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Solar Cup b-roll footage is available at ftp://blizzard.mwdh2o.com/merickson/Solar Cup B Roll 2019 Media/. Photos and videos of this weekend's event are available upon request.

Contact: Maritza Fairfield, (213) 217-6853; (909) 816-7722, mobile

May 19, 2019

TEAMS FROM CYPRESS, WESTLAKE VILLAGE EARN TOP SPOTS AT METROPOLITAN'S 2019 SOLAR CUP™
750 students from 40 Southern California high schools competed in nation's largest solar-boat competition

LAKE SKINNER, Calif.— After a rain-filled final day of racing, Metropolitan Water

District's 17<sup>th</sup> annual Solar Cup concluded today with students from Cypress-based Oxford Academy and Oaks Christian of Westlake Village claiming the top awards.

The schools were among 40 teams representing five counties within Metropolitan's 5,200 square-mile service area, including campuses in Los Angeles, Orange, Riverside, San Bernardino, and San Diego counties. Solar Cup is the nation's largest solar-powered boat competition in which students build, equip and race 16-foot, single-seat boats powered only by the sun.

"It's a pretty spectacular experience to see the students out on the lake working together to solve problems in real time," said Metropolitan External Affairs Group Manager Sue Sims. "There's really nothing like this program out there that allows high school students to apply their skills in math, physics, engineering, while also teaching them the value of California's natural resources. Congratulations to all of our teams."

Oxford Academy won first place in the veteran's division, while Oaks Christian took the top prize in the rookie division at the three-day competition at Metropolitan's Lake Skinner in the Temecula Valley of southwestern Riverside County.

"When a lot of people hear Oxford Academy, they maybe think we're a group of smart kids,"

Oxford senior Bradney Pham said. But we don't just spend one day a week working on this. We
spend three days a week, hours and hours on end. Our success here is not because we're smart, it's
because of the hard work we put in."

Caleb Behunin, a junior at Oaks Christian, touted teamwork and help from veteran teams as keys to their success.

"I feel like we all learned a lot – about gears, circuitry, and putting it in a real-world application," he said. "We were really a great team. Whenever I needed help or anyone else on the team needed help, we were always there to help each other."

In addition to the 750 students competing, the event drew teachers, parents and family members to cheer them on, as well as 130 volunteers from Metropolitan and its member agencies, Occidental College, and Southern California Edison. Solar Cup was also attended by Metropolitan directors Larry Dick of Municipal Water District of Orange County and Donald Galleano of Municipal Water District of Riverside County.

On Friday (May 17), teams completed a qualifying event to ensure boats met rules and were safe and seaworthy. Saturday (May 18) the teams attached solar-collection panels to the boats for two, 90-minute, 1-kilometer endurance races. Today, the heavy solar-collection panels were removed and boats used solar energy stored in batteries to race down a 200-meter stretch—like drag racing on water.

The 2019 Solar Cup program kicked off last fall when Metropolitan's member agencies announced their school sponsorships. Teams are sponsored by their local water agencies and other organizations to equip the crafts with solar panels, batteries, steering and related systems.

Metropolitan provided teams with identical kits of marine-grade plywood to build the hull.

Below are the trophies and awards presented today. Complete Solar Cup scores will be posted on Metropolitan's website, <a href="www.mwdh2o.com">www.mwdh2o.com</a>. You can also follow <a href="mwdh2o">@mwdh2o</a> on Twitter or <a href="Facebook">Facebook</a> to see the results from this weekend's races and stay connected on other agency and industry news.

#### Veteran Division - Teams and sponsoring member/local agency:

First Place - Oxford Academy, sponsored by Municipal Water District of Orange County and Golden State Water.

Hottest-looking Boat - Calabasas High School, sponsored by Las Virgenes Municipal Water District.

#### Rookie Division—Teams and sponsoring member/local agency:

First Place - Oaks Christian School, sponsored by Las Virgenes Municipal Water District.

Hottest-Looking Boat - San Jacinto Valley Academy, sponsored by Eastern Municipal Water District and Rancho California Water District.

#### Bart Bezyack Memorial Spirit of Solar Cup Trophy (sportsmanship)

Compton High School, sponsored by City of Compton.

#### Teamwork Award:

Anaheim High School, sponsored by Anaheim Public Utilities.

###

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### NEWS RELEASE

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

May 15, 2019

Contact: Patricia Cortez O: 626/443-2297 patty@usgvmwd.org

#### PHOTO ADVISORY

## UPPER DISTRICT ANNOUNCES WINNERS OF THE 2019 "WATER IS LIFE" STUDENT ART CONTEST

MONROVIA, CA – Today the Board of Directors for the Upper San Gabriel Valley Municipal Water District (Upper District) honored 20 San Gabriel Valley students who submitted award-winning entries to our annual "Water is Life" art contest. The art contest helps raise awareness about conservation and educates students about the importance of preserving our most precious resource.

Students are encouraged to express what water means to them and its impact on our lives through artwork. This is the 15<sup>th</sup> year that Upper District has hosted the "Water is Life" art contest introduced by Metropolitan Water District of Southern California (MWD). 167 art submissions were received and 33 schools participated this year. Schools within the Upper District boundaries were allowed to participate and submit a maximum of five entries per student category as follows: Kindergarten-2<sup>nd</sup>; 3rd-5<sup>th</sup>; 6-8<sup>th</sup>; and 9<sup>th</sup>-12<sup>th</sup> grades.

All eligible art entries were displayed at Upper District's board room for a week to allow the Board of Directors, staff, and members of the public the opportunity to vote by ballot for their top choices in each student category. The votes determined the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> place winners. Students were awarded certificates of recognition and check prizes at today's board meeting. They were joined by their family and teachers in celebration for their achievements.

"Every year we are amazed with how incredibly talented and creative the students are in demonstrating their perspective on life's dependence on water. Educating students about our local water supply and groundwater basin helps them develop their own understanding of why water is a critical resource in our region. We will continue to support programs that work towards this goal," said Board President Ed Chavez.

Upper District's winning entries will now go on to compete in the "Water is Life" student art contest hosted by MWD. The winners for this contest are normally announced in the fall. The student winners of Upper District's 2019 "Water is Life" art contest are as follows:

#### K-2nd Grades

- 1st Place: Cindy Xinyi Zhang, 1st grade, LA Art Academy
- 2<sup>nd</sup> Place: Bianca Lim, 1<sup>st</sup> grade, St. Martha School
- 3<sup>rd</sup> Place: Lanlan Li, 2<sup>nd</sup> grade, LA Art Academy
- 4<sup>th</sup> Place: Grace Cheng, K, Clairbourn School
- 5<sup>th</sup> Place: Sophia Rodriguez-Ibanez, 2<sup>nd</sup> grade, Cedarlane Academy

#### 3rd - 5th Grades

- 1st Place: Tiffany Chu, 5th grade, Cleminson Elementary
- 2<sup>nd</sup> Place: Julia Yu, 5<sup>th</sup> grade, LA Art Academy
- 3<sup>rd</sup> Place: Catalina Tsao, 4<sup>th</sup> grade, Cleminson Elementary
- · 4th Place: Arthur Wang, 4th grade, LA Art Academy
- 5<sup>th</sup> Place: Hayley Fung, 3<sup>rd</sup> grade, LA Art Academy

#### 6th - 8th Grades

- 1st Place: Claire Li, 8th grade, LA Art Academy
- 2<sup>nd</sup> Place: Iris Xu, 8<sup>th</sup> grade, LA Art Academy
- 3<sup>rd</sup> Place: Ellie Nakamura, 7<sup>th</sup> grade, South Pasadena Middle School
- 4<sup>th</sup> Place: Jessica Lu, 6<sup>th</sup> grade, LA Art Academy
- 5th Place: Selina Yu, 8th grade, LA Art Academy

#### 9th - 12th Grades

- 1st Place: Mia Dominguez, 10th grade, Los Altos High School
- 2<sup>nd</sup> Place: Janice Wu, 11<sup>th</sup> grade, LA Art Academy
- 3<sup>rd</sup> Place: Jessica Mayo, 9<sup>th</sup> grade, California School of the Arts, San Gabriel Valley
- 4<sup>th</sup> Place: Charlene Hsu, 9<sup>th</sup> grade, California School of the Arts, San Gabriel Valley
- 5<sup>th</sup> Place: Phoebe Luo, 9<sup>th</sup> grade, LA Art Academy

Upper District's mission is to provide a reliable, sustainable, diversified and affordable portfolio of high quality water supplies to the San Gabriel Valley; including water conservation, recycled water, storm water capture, storage, water transfers and imported water. Upper District services nearly one million people in its 144 square mile service territory. Governed by a five member elected board of directors, Upper District is a member agency of the Metropolitan Water District of Southern California. Annually, more than 78 billion gallons of water is used in Upper District's service area. For more information about Upper District, please visit our website www.upperdistrict.org or call 626-443-2297.



(From left to right) Board of Directors Jennifer Santana, Ed Chavez, and Al Contreras with the winners of the 2019 "Water is Life" art contest.

## BROWN & CALDWELL'S California Water News -5-29-19 CRATER-IN-PROGRESS NEAR LAX IS FOR UNDERGROUND STORMWATER TREATMENT SYSTEM



Excavation continues at the corner of Flamouth Avenue and Westchester.

Many commuters along Westchester Parkway have been wondering: Why are workers digging a massive crater near LAX? As it turns out, the excavation happening behind St. Bernard High School, near Falmouth Avenue, is to make way for a massive underground stormwater filtration system to treat

runoff from LAX and surrounding areas — as much as 8.1 million gallons of it.

The Argo Sub-Basin Facility, primarily preventing runoff onto Dockweiler State Beach, is slated for completion in the fall of 2020.

Hardly any of it will be visible when work is done. Representatives from Los Angeles World Airports, the agency that governs LAX, held a community meeting in March that discussed what to put on top of the facility after its completion, with many attendees leaning towards recreational or open space.

Excavation began last year and is expected to resume in a few weeks until workers reach a depth of 27 feet, said Heather Johnson of the Los Angeles Bureau of Sanitation.

The project has already been recognized for its sustainability potential. In January the Institute for Sustainable Structures gave the future stormwater capture and treatment system its Envision Silver award for sustainable infrastructure.

"The Argo Drain Sub-Basin Facility will support the long-term needs and goals of the Westchester, Playa del Rey and Los Angeles International Airport communities by supporting the development of recreational and economic development opportunities in the area and helping to clean up Santa Monica Bay and surrounding beaches," Institute of Sustainable Structures President and CEO John Stanton said.

The underground water storage tank — a full 250 feet in diameter — is being designed by OHL USA, a civil engineering firm. Though it's being built on land controlled by LAX, the city's Bureau of Sanitation is participating in the excavation and construction.

## BROWN & CALDWELL'S California Water News -5-24-19 MWD approves contract for Lake Mathews storage tanks

The Metropolitan Water District of Southern California approved a procurement contract for sodium hypochlorite tanks at Lake Mathews.

A May 14 MWD board vote awarded a \$331,996 procurement contract to Pacific Mechanical Supply. The Santa Fe Springs company will provide two new tanks; MWD staff will replace the existing tanks and install the new tanks along with two new chemical feed pumps and one chemical transfer pump.

MWD's Colorado River Aqueduct transports water from Parker Dam on the Colorado River to Lake Mathews. Untreated water stored in Lake Mathews is withdrawn through the lake's forebay and hydroelectric plant and conveyed through MWD's Upper Feeder to the Weymouth Treatment Plant in Laverne and through the Lower Feeder to the Diemer Treatment Plant in Yorba Linda.

An infiltration of quagga mussels into the aqueduct system was discovered during June 2007 inspections of the Colorado River Aqueduct and Lake Mathews. A sodium hypochlorite injection system was installed at Lake Mathews, and the sodium hypochlorite continues to be injected into the lake's forebay structure to control quagga mussel growth in the forebay, the Upper Feeder and the Lower Feeder. The two sodium hypochlorite storage tanks at Lake Mathews are constructed of fiber-reinforced plastic and are 14 feet in diameter and 14 feet tall, which allows for a capacity of 16,700 gallons apiece. Both tanks are located in a concrete containment area and are covered by a metal canopy. The new tanks will also have those dimensions and will be constructed with fiber-reinforced plastic along with a resin corrosion barrier.

MWD has an ongoing program to assess the condition of chemical storage tanks at its facilities. Recent inspections of the sodium hypochlorite storage tanks at Lake Mathews determined that the interior walls and floors have signs of deterioration, chemical attack and erosion of the corrosion barrier and that two chemical feed pumps which inject sodium hypochlorite into the forebay and one transfer pump which transfers the chemical between the two storage tanks are also deteriorating due to wear. If the tanks or pumps fail the chlorination process would be disrupted, which would jeopardize the control of quagga mussels in the distribution system.

In October 2018, MWD's board appropriated \$300,000 for the design phase of the Lake Mathews tank replacement, authorized the design which was performed by MWD staff and found the modification to existing facilities to be exempt from California Environmental Quality Act review. The design activities included field surveys and materials testing, preparing drawings and specifications for the tank procurement contract, developing a construction cost estimate and receipt of competitive bids for the contract.

The procurement contract for the storage tanks was advertised March 15. Two bidders responded by the April 4 deadline, but the ABCO Development Corporation bid did not meet the requirements outlined in the bid documents. The Pacific Mechanical Supply bid of

\$331,996, which includes sales tax, was slightly above the estimated range of \$275,000 to \$325,000 but met all of the requirements of the bid specifications.

The construction phase will replace the two sodium hypochlorite tanks, two chemical feed pumps and valves and one chemical transfer pump. Various equipment items will be relocated so that the tanks can be removed and replaced, and minor modifications will be made to the roof canopies. The estimated \$1,200,000 cost includes the \$331,996 for the procurement contract along with \$575,000 of MWD staff time to perform the construction, \$54,000 for submittals review and record drawings, \$39,000 for fabrication inspection and support, \$36,000 for contract administration and project management and \$150,004 for contingencies. MWD expects the work to be complete by March 2020.

## BROWN & CALDWELL'S California Water News -5-23-19 Surprise! The East Fork of the San Gabriel River gets a clean bill of health

It was once considered one of the more polluted rivers in region



People play in the San Gabriel River along the East Fork in the Angeles National Forest Saturday, July 20, 2013. The Urban Conservation Corps educates people visiting the East Fork of the San Gabriel River in the Angeles National Forest about the damage to the river from trash. Once one of the most polluted areas of the San Gabriel River, the East Fork has received a 100% Green rating in May 2019. (Staff Photo by Sarah Reingewirtz)

By: Steve Scauzillo

For years, nonprofits, politicians, state agencies and the U.S. Forest Service have pointed to the East Fork of the upper

San Gabriel River as one of the more polluted fresh water rivers in the state.

In 2013, the Los Angeles-Area Regional Water Quality Control Board rated this 2.5-mile stretch of the East Fork an "F" for violating the agency's standards for trash. Contributing to the failing grade was overuse from day picnickers leaving diapers, trash and even entire barbecue grills in this bend of the natural river within the Angeles National Forest north of Azusa.

This week, Heal the Bay, the nonprofit environmental group known for evaluating swimming dangers in Southern California waterways and beaches, rated the upper East Fork and the portion adjacent to the Cattle Canyon picnic area — exactly where thousands would recreate on summer weekends — 100 percent Green, the highest rating in its 2018 River Report Card.

Only six waterways earned a perfect score for the best water quality and that included four within the natural reaches of the San Gabriel River. Hermit Falls in the Chantry Flat area north of Arcadia — part of the Los Angeles River watershed — also made the group's Top 10 Honor Roll.

"Heal the Bay recommends heading to Hermit Falls and the East Fork San Gabriel River areas for freshwater swimming," the report concluded. The San Gabriel River watershed had the highest number of sites that improved at five, according to the report.

Those who heard the news were pleasantly surprised. But more than that, those who have been engaged in the efforts to clean up the river point to better education delivered one-on-one to visitors as part of the reason for the tremendous turnaround.

"This is a positive sign," said Daniel Rossman, California deputy director of The Wilderness Society and a Pasadena resident. "Ever since the San Gabriel Mountains National Monument was established, there have been efforts to do more with engagement of the visitors, especially through the River Ranger program."

For the last three years, teams of young, often bilingual rangers would roam the picnic areas in the East Fork, explaining how trash damages the water supply. The program came about as a result of President Barack Obama's 2014 designation of 342,175 acres of the forest as a national monument.

This funneled at least \$5 million from corporate donations and boosted funding to the U.S. Forest Service Angeles management team.

Lack of funds from Washington had tied the hands of the Forest Service for years. At one point, the only ranger in the area also drove the trash truck. No education program existed until Obama's designation opened the gates to badly needed funding for such programs.

Belinda Faustinos, executive director of Nature For All, formerly San Gabriel Mountains Forever, has been involved with conservation of open space in the region for decades. She also gave credit to the River Rangers and in particular, graduates from her group's leadership academy who became River Rangers, as one reason for the improvement.

One man, Joel Glen, formed the Nature for All Stewards, which performed extra cleanup projects in the East Fork, she said. The introduction of enthusiastic rangers concerned about man's impact on nature added an element into the mix that was missing from the Forest Service before the monument was started.

"They are a great group of young millennials," Faustinos said.

I met the man in March 2018. His wood blocks of mountain lions and yucca plants were featured in an art exhibit put on by Nature For All. Glen, who clearly had an eye and and ear for nature, said when he carved his figures, the wood spoke to him.

It's rare to see humans with such a respect for nature. That was part of the problem with picnickers who'd violate the No. 1 rule of being in nature: Leave no trace. Where was the respect — the connection to creation?

With Memorial Day marking the start of the summer season, the Angeles can expect throngs flocking to the San Gabriel River. Will the green grade hold up? That remains to be seen.

#### 100% Green River Sites

- Upper North Fork of the San Gabriel River
- Upper East Fork of the San Gabriel River
- Upper Cattle Canyon area of the San Gabriel River Watershed
- Hermit Falls, Upper LA River Watershed
- · East Fork At Cattle Canyon, San Gabriel River Watershed
  - Heal the Bay 2018 River Report Card

(\*Green is cleanest rating with lowest risk of illness upon contact; yellow indicates a moderate risk; red signals a high risk)

# BROWN & CALDWELL'S California Water News -5-20-19 States sign short-term Colorado River drought plan, but global warming looms over long-term solutions



Tom Buschatzke (2nd from right, Director, Arizona Department of Water Resources) signs the Colorado River Drought Contingency Plan, May 20, 2019, at Hoover Dam, Arizona/Nevada border. Looking on are other representatives from Colorado River Basin states and Dr. Tim Petty (3rd from right, Department of the Interior Assistant Secretary for Water and Science) and Brenda Burman (4th from right, Bureau of Reclamation Commissioner). (Photo: Mark Henle, Mark Henle/the Republic)

HOOVER DAM — The Colorado River just got a boost that's likely to prevent its depleted reservoirs from bottoming out, at least for the

next several years.

Representatives of seven Western states and the federal government signed a landmark deal on Monday laying out potential cuts in water deliveries through 2026 to reduce the risks of the river's reservoirs hitting critically low levels.

Yet even as they celebrated the deal's completion on a terrace overlooking Hoover Dam and drought-stricken Lake Mead, state and federal water officials acknowledged that tougher negotiations lie ahead. Their task starting next year will be to work out new rules to re-balance the chronically overused river for years to come.

Figuring out how to do that will be complicated because the Colorado River, which supplies water for vast farmlands and more than 40 million people, is managed under a nearly century-old system of allocations that draws out more than what flows in from rain and snow in an average year.

The river's reservoirs have fallen since 2000 during one of the driest periods in centuries, and global warming is cranking up the pressures by contributing to the declines in the river's flow.

"Look at all we have accomplished by working together," said federal Reclamation Commissioner Brenda Burman, who signed the agreements alongside the states' representatives. "All the states should be commended for finding a path forward."

She called the deal historic and said it adds an important new chapter to the rules that govern the river.

"But our work is not done," Burman said. "We know we have even greater challenges ahead." Federal and state officials began talking about the need for a drought deal in 2013, and the negotiations got underway in 2015.

The set of agreements includes two separate but interrelated drought contingency plans: one for states in the river's Upper Basin — Colorado, Wyoming, Utah and New Mexico — and the other for the Lower Basin states — Arizona, Nevada and California.

The drought plans are designed to prop up the levels of Lake Mead and Lake Powell, the nation's largest reservoirs, between 2020 and 2026. Lake Powell is now 40% full, and Lake Mead sits 41% full.

During the talks on the agreement last year, Lake Mead had appeared headed for a first-ever declaration of a shortage by the federal government. But this winter left the Rocky

Mountains blanketed with heavy snow, unleashing a bounty of runoff that's expected to avert a shortage for another year.

"One good year is helpful," Burman said. "But it doesn't fix a 19-year drought and it doesn't do anything to predict for us what's going to happen next."

The audience of water managers and government officials broke into applause after the signing and posed for photos with the Hoover Dam, its low water levels starkly outlined, in the background.

Missing from the celebration was the largest single user of the Colorado River, California' Imperial Irrigation District, which is suing to challenge the deal.

Water managers and supporters of the deal have praised the Lower Basin's Drought Contingency Plan, or DCP, as "bridge solution" to get the region through the next several years until 2026 while reducing the risks of a crash. But they also stress that it's merely a stopgap measure — a temporary fix on top of the existing 2007 guidelines for managing shortages — and that it will provide a short window of time to start to plan bigger steps.

"We're in a moment where we're going to take a pause and recognize the progress we've made. But I think it needs to be a short pause so that we get working on the renegotiation of the guidelines," said Kevin Moran, who leads the Environmental Defense Fund's Colorado River program. "I think it's in everyone's interest that we move those conversations as quickly as possible forward."

One big reason, he said, is global warming.

"We worked together and did a good job of making it very unlikely that the worst will happen," Moran said. "That is major progress. And now I think we have to say, 'How do we operate longer term in the new water reality driven, supercharged, by climate change?' How do we do that? It's hard work."

Planet-warming pollution and rising global temperatures have river over the past few decades. Scientific research has found that about half the trend of decreasing runoff from 2000-2014 in the Upper Colorado River Basin was the result of unprecedented warming. The higher temperatures have reduced the flow of streams and increased the amount of water that evaporates off the landscape.

For decades, the river has been so heavily used that it seldom reaches the sea. Its delta in Mexico has shriveled, leaving only small wetlands in a dusty stretch of desert.

When water officials finished negotiating the last set of rules for dealing with a potential shortage in 2007, they had expected those rules to work through 2026. But only halfway through that period, they realized the measures weren't nearly strong enough. And that forced them to negotiate the new set of drought agreements to finish off the period.

The legal framework that allocates the river was established during much wetter times nearly a century ago, starting with the 1922 Colorado River Compact.

Adapting that system to a hotter planet, Moran said, will require posing tougher questions and looking at ways of boosting conservation and managing demand for water across the Colorado River Basin.

"The modeling looking forward would say we probably ought to be planning for somewhere between 15 and 35% additional reduction in flows driven by climate change," Moran said. He said climate models present an outlook that is "very dire" and demands action.

Burman noted that the Colorado River is "the single most important water resource" in the American Southwest and northwestern Mexico, supplying a growing population and irrigating nearly 5.5 million acres of farmland.

She motioned to Lake Mead behind her, where the declining water levels have left a lighter "bathtub ring" on the rocky sides of the reservoir. Burman said the "real possibility of a crisis on the river" prompted the region to come together on the drought deal, and that the Bureau of Reclamation is working with experts who study the latest data and climate models to assess future scenarios.

"We've all worked closely together," Burman said, "to make sure we're using absolutely the best information possible on climate change and on future projections for the river."



#### California district could upend deal

The badly eroding shoreline of the Salton Sea, February 19, 2019 (Photo: Jay Calderon and Omar Ornelas/The Desert Sun)

Months of difficult negotiations led up to the deal. When it was finished, representatives of the seven states met in Phoenix on March 19 and signed a letter to Congress calling for legislation to authorize the agreements.

Congress passed the legislation last month and President

Trump signed it.

By that time, California's Imperial Irrigation District had decided not to participate in the deal. The agricultural irrigation district, which has the legal right to the largest share of Colorado River water, is suing to challenge the Lower Basin Drought Contingency Plan.

The district balked at signing the deal until \$200 million in federal funds is allocated to address the worsening environmental crisis at the Salton Sea, which is shrinking and exposing dry lakebed that sends dust blowing into surrounding communities.

IID filed its lawsuit last month against the Los Angeles-based Metropolitan Water District and other Southern California water agencies. The district alleged violations of the California Environmental Quality Act and asked the court to suspend the plan until an environmental analysis has been carried out.

If Imperial is successful in the court challenge, it could prevent Metropolitan from contributing its share of water, which could, in turn, lead to the collapse of the three-state agreement. Imperial still could choose to join the agreement later on.

Jeffrey Kightlinger, general manager of the Metropolitan Water District, said his agency is having discussions with IID officials "to try and patch this over and bring them back in." "We are trying to turn this into a cooperative opportunity," Kightlinger said. "We're hopeful that that will work out."

For the upcoming round of negotiations to succeed, IID's participation will be crucial, said Dave Roberts of Salt River Project, which manages water from the Salt and Verde rivers in Arizona.

"I think it's going to be much more difficult," Roberts said. "Because IID has a different view of the world than a lot of others, and they're a big part of the solution because they're such a huge water entity."



#### A shortage is unlikely next year

Lake Mead near the Arizona/Nevada border, March 18, 2019. A high-water mark or "bathtub ring" is visible on the shoreline; Lake Mead is down 139 vertical feet. (Photo: Mark Henle/the Republic)

Cynthia Campbell, a water adviser for Phoenix, said the challenges that lie ahead for negotiators are sobering.

"They know that they have a daunting task ahead of them, beginning in 2020, to try to come up with new operating rules that are going to keep us sustainable further into the

21st century," Campbell said. "When they come back, Arizona is certainly going to be on the business end of cuts."

There's no way around that, she said, because the state holds the junior-most position in the water priority system. Under the framework that emerges from the next round of negotiations, she said, the state will probably face bigger reductions during a shortage than under the newly signed drought plan.

The latest projections by the U.S. Bureau of Reclamation show that in 2020 it's unlikely a shortage will be declared at Lake Mead. The reservoir's level now stands at 1,088 feet above sea level, about 13 feet higher than the threshold that would trigger a shortage declaration.

Arizona water officials tout their Colorado River drought plan as a historic step forward. Critics see drawbacks and missed opportunities. Diana Payan, The Republic | azcentral.com

Even so, Arizona and Nevada may face water cutbacks starting next year under the drought plan. If federal officials determine in August that Lake Mead is likely to be below 1,090 feet at the start of next year, water deliveries to Arizona would be cut about 6.9%, and deliveries to Nevada would be cut 2.7%.

Larger cutbacks would occur if Lake Mead is projected to be below 1,075 feet at the start of a future year. And California would also contribute by taking cuts sooner than it would be required to under the existing rules when the reservoir reaches 1,045 feet.

Now that California, Arizona and Nevada have signed their deal, Mexico has pledged under a separate agreement to start contributing to help prop up Lake Mead by temporarily leaving more water in the reservoir.

Even with the drought deal signed, some in Arizona say the state's plan still needs more funding to be complete.

Arizona gets nearly 40% of its water from the Colorado River. The state's plan for divvying up the water cutbacks under the Drought Contingency Plan involves deliveries of "mitigation" water to help lessen the blow for some farmers and other entities, as well as compensation payments for those that contribute water.

Those payments will be covered with more than \$100 million from the state and the Central Arizona Water Conservation District, which manages the Central Arizona Project Canal. Much of the money will go toward paying for water from the Colorado River Indian Tribes and the Gila River Indian Community.

Arizona's plan also relies on promoting more pumping of groundwater. Farmers in Pinal County, who face the biggest water cutbacks, are in line to get at least \$9 million that was appropriated by the Legislature for irrigation districts to drill new wells and pay for other infrastructure as they turn to using more groundwater. "We need to make sure those funds are available to get the

infrastructure built, and that's part of DCP," said Rep. David Cook, R-Globe, who has been campaigning for the funding in the Legislature.

Cook said he's confident that leaders in the Legislature will "fulfill our promises" to enable the full amount of groundwater pumping called for under the state's plan.

If the growers secure the additional \$20 million, it would allow them to pump the full amount of groundwater called for under Arizona's piece of the DCP: an additional 70,000 acre-feet per year, enough to cover more than 100 square miles in water a foot deep.

But even if they're able to pump all that groundwater, it still won't nearly make up for the Colorado River water they're losing. The growers say they expect they'll have to leave 35-40% of their lands dry and fallow in the first three years of a shortage.

Paul Orme, a lawyer who represents four large agricultural irrigation districts, said the Arizona DCP promised that groundwater infrastructure would be in place by 2023 to pump the full allotted amount. But he said the districts were never supposed to end up paying much of the bill for those wells, pumps and other infrastructure.

And if there isn't enough money to make that additional groundwater available to growers, Orme said, "the DCP has failed us."

Whether those funds are approved will become clear in the coming days as the Legislature finishes the budget.

But Arizona's plan has also drawn criticism.

Some experts and environmentalists are concerned about the plan's promotion of more groundwater pumping in parts of the state. They say using state money to drill more wells in Pinal County will only lead to declining aquifers. They also argue the state missed an opportunity to do more to encourage conservation.

"It is positive that the Colorado River basin states are looking at cutting back on river water use, but it is unfortunate that our state has chosen to augment the river water with more groundwater pumping," said Sandy Bahr, director of the Sierra Club's Grand Canyon Chapter. "Sadly, the Arizona plan is not sustainable and is designed to keep Arizona doing more of the same — unsustainable and thirsty agriculture and more and more sprawl development."

She said looking past 2026, all the states should consider the river's long-term water deficit, the effects of climate change, and how to do more for conservation while considering the health of the river.



Lake levels are at or near historic lows. (Photo: David Wallace/the Republic)

"It is way past time for a Colorado River sustainability plan that centers on a healthy river that flows all the way to the sea and that provides for people, plants, and animals along the way," Bahr said. "There is not time for patting ourselves on the back. We need to do more, now."

In the meantime, even as the drought has eased across the

West with the wet winter, concerns remain that the 19-year run of mostly dry years could continue. Earlier this month, a group of experts in a state advisory group recommended to Gov. Doug Ducey that a declaration of drought in Arizona should remain in effect.

Tom Buschatzke, director of the Arizona Department of Water Resources, called the Drought Contingency Plan "a huge incremental step forward."

"It sets us up to have good conversations about what we need to do to deal with the projections of our drier future, climate change forcing reductions in flow, etcetera," Buschatzke said. Discussions on the next round of plans should start soon in Arizona, he said, because "keeping the momentum going is really important."

## BROWN & CALDWELL'S California Water News -5-15-19 One less tax. California lawmakers move to reject Gavin Newsom's water fee

By: Hannah Wiley

A Senate budget subcommittee rejected Gov. Gavin Newsom's water tax plan on Wednesday, instead recommending finding \$150 million elsewhere to finance a safe and affordable drinking water fund.

Newsom <u>proposed the tax</u> in his January budget to help communities clean contaminated water systems. His May budget revise also <u>included a fee</u> to address the statewide problem that <u>affects</u> one million Californians.

"The governor has made his proposal in the budget, and he is encouraged by the conversations with the Legislature," Newsom's spokesperson Nathan Click said. "His objective remains providing a permanent and sustained funding source for safe drinking water."

Instead of a tax, the newest proposal is contingent on the passage of Carmel Democrat Bill Monning's Senate Bill 200, which establishes a fund that the \$150 million would finance.

The subcommittee's decision to lock in funds for future budget cycles could eliminate the challenge of securing votes to pass another tax. A water fee proposal <u>died in budget compromise</u> talks last year as Democrats worried about asking constituents to pay more..

"It's been a big stumbling block when it's called a tax," said Steve Maviglio, a Democratic strategist who worked with water tax backers. "That's the beauty of this. It'll be in every budget." The money would come from the state's general fund, but lawmakers did not clarify what other programs might be cut to obtain the money or whether they'd dip into a state surplus to pay for it.

"We have a \$22 billion surplus and dealing with this onetime infrastructure problem by all accounts is going to be about \$150 million," said David Wolfe, legislative director for Howard Jarvis Taxpayers Association. "Once these projects are done, this isn't something we have to revisit. We're way more in favor of that than a precedent-setting tax."

### BROWN & CADLWELL'S California Water News -5-14-19 Council Changes Its Toxic Site Wish List for the State, Just Before Deadline

Amended comments letter contains new recommendations, including full soil and water testing before any construction begins



By: Eddie Rivera

The Pasadena City Council on Monday made important changes to a proposed letter from City Manager Steve Mermell to the State's Department of Toxic Substances Control (DTSC) which officially lists the City's positions and questions about the cleanup of a toxic East Pasadena site.

The DTSC's deadline for receiving public input on how to clean up the site is May 14. A 550-unit mixed-use development is planned for the location, at 3500 East Foothill Boulevard.

After debate, the Council agreed to amend the original letter submitted by Mermell:

The amended letter includes new cleanup recommendations by Councilmembers Gene Masuda and Victor Gordo, along with the six recommendations originally proposed by Mermell.

The City's official comments are in response to the DTSC's Draft Removal Action Workplan, which will eventually be crafted into a final site cleanup workplan for the developers, the Trammell Crow Company.

Mike Cassidy, vice president, and Jonathan Barkman, senior project manager, representatives of Alta Environmental Consulting—hired by the City to review its recommendations—agreed with the City's original letter, and also commented on the new recommendations.

Councilmember Masuda began the Council discussion by saying that he wanted the letter to recommend that the DTSC require nothing less than full pre-construction water and soil testing on the site by the developers.

"Where is the groundwater testing?" he asked the Council. "We need strong wording to make sure there is full testing of the site."

Councilmember Gordo also took issue with a DTSC memo which said that there may be "technical impracticability" with achieving remediation to "unrestricted levels," because of money or time restraints.

"I want to see some discussion on that," he said.

The new recommendations for the DSTC letter eventually included a full analysis of the "technical impractabilities" of achieving "unrestricted levels" of cleanup.

Gordo also requested that the City ask DTSC why a full Removal Action Plan (RAP) was not being required, as opposed to the Remedial Action Workplan (RAW). The difference between the two is that a RAP's are more costly and robust thorough toxic removals, whereas RAW's are geared more towards shorter-term remedial solutions.

In a discussion of possible land use controls on the site, Gordo also asked whether or not using a "slurry cap," a concrete filling of excavations, constituted a land use control, and also asked that

the letter request an analysis of any land use controls, along with an additional analysis of the total costs of remediation for the "life cycle" of the project.

Finally, Gordo—after a testy exchange with Vice-Mayor Tyron Hampton, who said he was "saying the same damn thing over and over again'—asked that the letter request an analysis of the difference in property values for cleanup sites that were "fully remediated," as compared to those which were not.

Brad Cox, Senior Managing Director for Trammell Crow Company, also appeared before the Council, reassuring them that the company would follow all the recommendations of the City and the DTSC.

'We've spent \$250 million already," he said. 'Why would we not?"

Last July the City Council, with the exceptions of Hampton, Gordo and Masuda, approved the Space Bank project to be a mixed use development, requiring the demolition of 29 existing structures on approximately 8.53 acres; construction of eight separate residential and mixed-use buildings, with subterranean and above-ground parking structures, and landscaping. The proposed development would include a total of 550 apartment units and 9,800 square feet of retail and restaurant space.

According to a Planning Department staff report, the site was used for weapons research and development from the 1940s through the 1970s, primarily by the U.S. Navy. Following the Navy use, the site was used as a mini-storage facility and space for commercial and manufacturing businesses.

The staff report also noted that historical use of the project site for research, testing, and assembly of torpedoes and other weapon systems has generated the presence of hazardous materials.

In April, the Mayor sent a letter to DTSC requesting an extension of the public comment period until July 30, 2019. DTSC subsequently extended the comment period, but only to May 14th, hence the rush by the Council to complete the letter for delivery to DTSC offices by Tuesday.

### BROWN & CALDWELL'S California Water News -5-17-19 Engineers up failure risk for dam protecting Disneyland, dozens of Orange County cities



Stormwater flows down the Santa Ana River channel from Prado Dam while hydrologic technicians with the USGS California Water Science Center conduct high-flow velocity and volume measurements. (Allen J. Schaben / Los Angeles Times)

By: Louis Sahagun

Federal engineers are raising alarms that a "significant flood event" could compromise the spillway of Southern California's aging Prado Dam and potentially inundate dozens of Orange County

communities from Disneyland to Newport Beach.

After conducting an assessment of the 78-year-old structure earlier this month, the U.S. Army Corps of Engineers announced that it was raising the dam's risk category from "moderate" to "high urgency."

"Our concern right now is about the concrete slab of the spillway and how well it will perform if water were to spill over the top of the dam," said Lillian Doherty, the Army Corps' division chief. "We will determine whether or not it is as reliable as it should be."



#### (Los Angeles Times)

Located beside the 91 Freeway on the border of Riverside and Orange counties, the dam impounds little to no water for much of the year. During periods of heavy rain, however, the structure is intended to collect water and prevent flooding along the Santa Ana River.

Doherty said her agency is working with a national team of experts to develop interim and permanent risk-reduction measures at the dam, as well as public outreach strategies to alert the estimated 1.4 million people who live and work in 29 communities downstream.

The sudden downgrade in the structure's evaluation

comes after major problems have been identified in California dams.

In February 2017, a concrete spillway at the Oroville Dam disintegrated during heavy rains and triggered the evacuation of more than 180,000 people. The head of the California Water Resources Department, which operates the dam, was removed after an independent probe found the failure was the result of a lax safety culture.

That same year, the Corps of Engineers discovered that the 60-year-old Whittier Narrows Dam, about 40 miles to the west of Prado Dam, was structurally unsafe and posed a potentially catastrophic risk to more than 1 million people in working-class communities along the San Gabriel River floodplain.

In that case, engineers found that intense storms could trigger a premature opening of that dam's massive spillway, swamping homes, schools, factories and roads from Pico Rivera to Long Beach. Engineers also found that the earthen structure could fail if water were to flow over its crest.

The Corps estimates it will cost roughly \$600 million in federal funds to upgrade the Whittier Narrows facility, which has been reclassified as the agency's highest priority nationally because of the risk of "very significant loss of life and economic impacts."

Now, given concerns that Prado Dam poses a flood threat to much of Orange County, the agency is collaborating with Los Angeles, Orange and Riverside counties and several dozen municipalities to develop emergency plans that could be implemented before repairs to the dams are completed.

Col. Aaron Barta said the retrofit operations on the spillways at both dams could begin as early as 2021.

An \$880-million effort to increase storage capacity for floodwaters and sediment at Prado Dam has been underway since 2002. It includes raising the spillway crest by 20 feet to an elevation of 563 feet, replacing outlet systems, increasing the reservoir area, building new dikes and improving the wetlands behind the dam and the downstream channel for flood control purposes, as well as for habitat and possible recreational opportunities.

Despite a development boom in neighboring Chino, Corona, Norco and Eastvale, the 2,150 acres of wetlands behind the dam comprise a labyrinth of channels, ponds and forests that are havens for threatened and federally endangered species including red-sided garter snakes and least Bell's vireos.

In the meantime, the Prado and Whittier Narrows dams continue to be fully functional and operable during storm events, said Dena O'Dell, a spokeswoman for the agency.

A bill awaiting Gov. Jerry Brown's signature would establish a Santa Ana River Conservancy Program, which would be administered by the state Coastal Conservancy.

"Corps staff is routinely on site at Prado Dam to operate and monitor the dam during rain events," she said. "The Corps' assessment of the dam doesn't mean that failure is taking place; it means the agency has identified performance concerns that require attention to meet the corps' rigorous dam safety standards."

But some researchers doubt the overall safety of aging federal flood control systems that were not designed with climate change in mind.

They argue that in a warming world, regions such as California will experience more whiplashing shifts between extremely dry and wet periods. These cycles, they say, will seriously challenge California's ability to control flooding, as well as store and transport water.

"A troubling theme is emerging as the Corps reviews its portfolio of large flood control systems that were built a long time ago and are now showing signs of severe stress," said Daniel Swain, a UCLA climate scientist. "Federal engineers are finding that these systems are not as resilient as they thought they were, and that the frequency of what were regarded as once-in-a-lifetime storms is increasing significantly."

Doherty would not go that far.

"Unpredictable things can happen," Doherty said. "But we are the preeminent flood risk management and engineering agency in the United States — we are all about keeping people safe."



JUNE 5, 2019

#### REPORT OF THE DISTRICT ENGINEER ON HYDROLOGIC CONDITIONS

#### ♣ Baldwin Park Key Well (see attached graph)

- Located in the central portion of the San Gabriel Valley within the City of Baldwin Park and used as a general indication of water elevations throughout the San Gabriel Valley
- One vertical foot is equivalent to about 8,000 acre-feet of groundwater in the Main Basin
- On April 26, 2019, the Baldwin Park Key Well groundwater elevation was 196.0 feet.
- On May 24, 2019, the Baldwin Park Key Well groundwater elevation was 195.5 feet, a decrease of 0.1 feet from the prior week. The new historical low was 169.4 feet on November 21, 2018.
  - A decrease of about 0.5 feet from the prior month.
  - About 15 feet higher than one year ago (represents 120,000 acre-feet). Includes an estimated 188,700 acre-feet of untreated imported water in cyclic storage accounts, which represents about 22 feet of groundwater elevation at the Key Well.
    - Producer Cyclic Storage 70,000 AF
    - MWD Cyclic Storage (for UD RDA delivery) 59,200 AF
    - Other Cyclic Storage 59,500 AF

#### Reservoir Storage and Releases

- There are three dams and reservoirs located along the San Gabriel River above San Gabriel Canyon. Their primary function is for flood control and are also used to store watershed runoff for subsequent groundwater replenishment.
  - Cogswell Reservoir is located highest in the watershed and has a maximum storage capacity of 10,438 acre-feet
  - San Gabriel Reservoir is located downstream of and receives releases from Cogswell Reservoir, and has a maximum storage capacity of 44,106 acrefeet

#### Report of the District Engineer on Hydrologic Conditions - June 5, 2019 (continued)

- Morris Reservoir is located downstream of and receives releases from San Gabriel Reservoir, and has a maximum storage capacity of 29,944 acrefeet. Releases from Morris Reservoir and San Gabriel Reservoir are used at local surface water treatment plants and used for groundwater replenishment
- Total storage capacity is 83,255 acre-feet
- The combined minimum pool behind Cogswell, San Gabriel and Morris Reservoirs is about 10,500 acre-feet.
- Combined storage as of May 28, 2019 was 73,123 acre-feet (about 88 percent of capacity). Excluding minimum pool storage, about 62,600 acre-feet is available for direct use or groundwater replenishment.
- Planned release of 40,000 acre-feet commencing around May 28, 2019 (following USG-3 deliveries) for about 40 days with about 50 percent allocated to Main Basin.
- San Gabriel Reservoir inflow was 96 cfs and release was 150 cfs as of May 28, 2019. (20 cfs of that release was delivered to Committee of Nine)
- Morris Reservoir inflow was 190 cfs and release was 500 cfs as of May 28, 2019.

#### **♣** USG-3

- Located in San Gabriel Canyon just below Morris Dam, it represents Upper District's primary point of delivery of untreated imported water for groundwater replenishment to the San Gabriel Valley. The typical delivery rate is about 190 cfs (or about 375 acre-feet per day)
  - Upper District requested 5,000 acre-feet to be delivered through USG-3 during April 2019. Deliveries began April 9, 2019 and was completed around April 17, 2019.
  - Upper District did not make deliveries through USG-3 during May 2019.
  - Three Valleys District did not make deliveries through USG-3 during May 2019.
  - MWD requested about 12,000 acre-feet to be delivered through USG-3. MWD began delivering into its Cyclic Storage through USG-3 between May 8, 2019 and May 28, 2019 at a flowrate of about 290 cfs. Estimated total delivered is about 11,700 acre-feet.

#### San Gabriel Canyon Spreading Grounds

- Upper District did not make deliveries to the San Gabriel Canyon during May 2019.
- Upper District did not make deliveries to the San Gabriel River during May 2019.
- San Gabriel District will deliver during May 2019 about 800 acre-feet to the San Gabriel Canyon, about 1,500 acre-feet to San Dimas and about 700 acre-feet transferred from Three Valleys District.
- Three Valleys District/MWD did not make deliveries to the San Gabriel Canyon Spreading Grounds during May 2019.

#### Report of the District Engineer on Hydrologic Conditions - June 5, 2019 (continued)

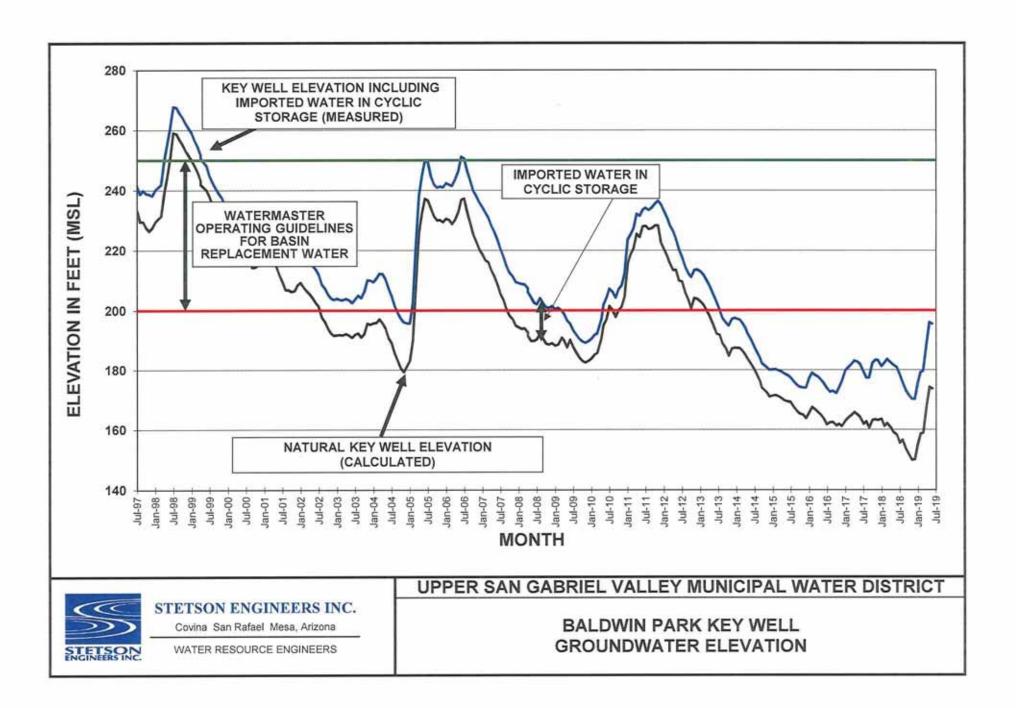
#### & Rainfall (see attached graphs)

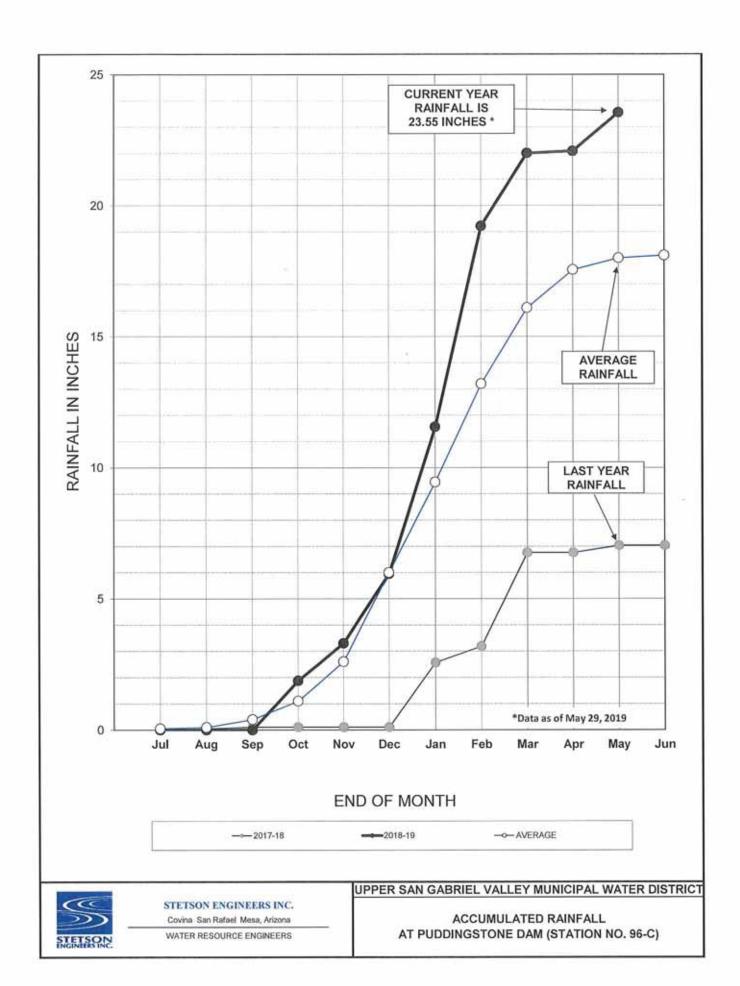
- Data are readily available on a daily basis and are indicative of comparative amount of rainfall in the San Gabriel Valley (percent of average)
- Puddingstone Dam as of May 29, 2019
  - Average rainfall from July 1<sup>st</sup> through May 31<sup>st</sup> of each year is 18.00 inches
  - Rainfall during July 1, 2018 through May 29, 2019 is 23.55 inches, which is about 131 percent of average
  - Rainfall during July 1, 2017 through May 31, 2018 was 7.03 inches, which was 39 percent of average
  - Rainfall during July 1, 2017 through June 30, 2018 was 7.03 inches, which was 39 percent of average
- Los Angeles Civic Center as of May 29, 2019
  - Average rainfall from July 1<sup>st</sup> through May 31<sup>st</sup> of each year is 15.08 inches
  - Rainfall during July 1, 2018 through May 29, 2019 is 18.82 inches, which is 125 percent of average
  - Rainfall during July 1, 2017 through May 31, 2018 was 4.79 inches, which was 32 percent of average
  - Rainfall during July 1, 2017 through June 30, 2018 was 4.79 inches, which was 32 percent of average

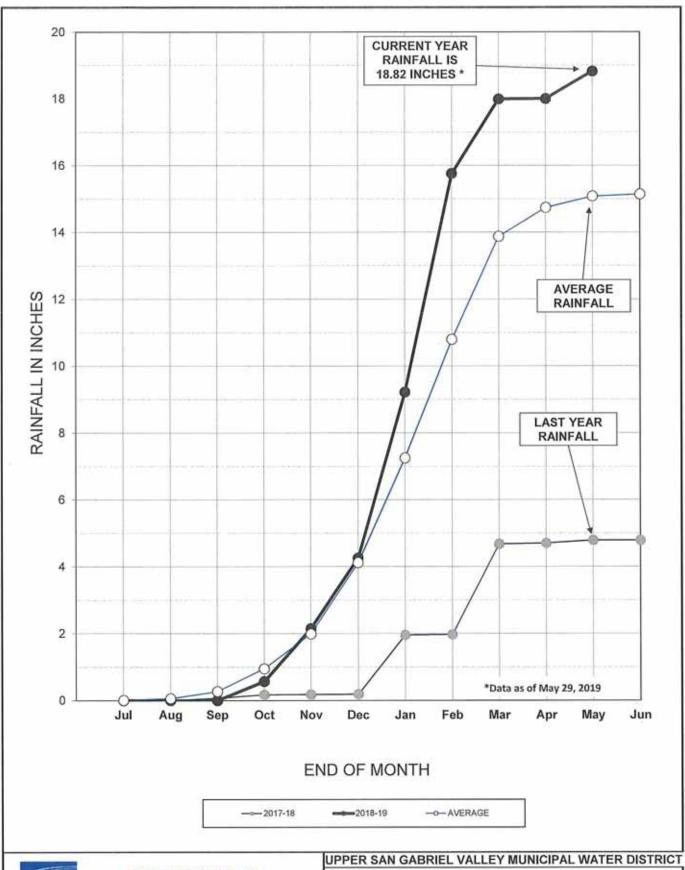
#### Water Quality

- Water systems are required by the Division of Drinking Water (DDW) to collect water quality data from source wells and provide the results to DDW staff pursuant to Title 22
  - During May 2019, 57 wells were sampled under Title 22
  - During April 2019, 36 wells were sampled under Title 22
  - During April 2019, Stetson Engineers Inc. received no public notice of wells shut down due to contamination.

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STETSON ENGINEERS INC.

Covina San Rafael Mesa, Arizona

WATER RESOURCE ENGINEERS

ACCUMULATED RAINFALL
AT LOS ANGELES CIVIC CENTER

End of			
Month	USG-3		Cost
Apr-05	0.00		\$246.65
May-05	0.00		\$246.65
Jun-05	0.00		\$246.65
Jul-05	0.00		\$246.65
Aug-05	1,042,20		\$246.65
Sep-05	4,836.30		\$246.65
Oct-05	4,848.50		\$246.65
Nov-05	7,597.00		\$246.65
Dec-05	9,986.80		\$246.65
Jan-06	8,243.30		\$246.65
Feb-06	7,434.30		\$251.90
Mar-06	9,488.20		\$251.90
Apr-06	916.40		\$251.90
May-06	599.10		\$251.90
Jun-06	0.00		\$251.90
Jul-06	0.00		\$251.90
Aug-06	0.00		\$251.90
Sep-06	0.00		\$251.90
Oct-06	0.00		\$251.90
Nov-06	0.00		\$251.90
Dec-06	0.00		\$251.90
Jan-07	0.00		\$251.90
Feb-07	0.00		\$251.90
Mar-07	0.00		\$251.90
Apr-07	0.00		\$251,90
May-07	0.00		\$251.90
Jun-07	0.00		\$251.90
Jul-07	1,733.80	1/	\$251.90
Aug-07	1,813.10	1/	\$251.90
Sep-07	1,842.40	1/	\$251.90
Oct-07	1,961.60	1/	\$251.90
Nov-07	2,013.20	2/	\$251.90
Dec-07	1,965.30	2/	\$251.90
Jan-08	1,745.90	2/	\$251.90
Feb-08	0.00		\$251.90
Mar-08	0.00		\$251.90
Apr-08	0.00		\$251.90
May-08	0.00		\$251.90
Jun-08	0.00		\$251.90
Jul-08	0.00		\$251.90
Aug-08	0.00		\$251.90
Sep-08	0.00		\$251.90
Oct-08	0.00		\$251.90
Nov-08	0.00		\$251.90
Dec-08	0.00		\$251.90
Jan-09	0.00		\$251.90
Feb-09	0.00		\$251.90
Mar-09	0.00		\$337.00
Apr-09	0.00		\$337.00
May-09	0.00		\$337.00
Jun-09	0.00		\$337.00
Jul-09	0.00		\$337.00
Aug-09	0.00		\$337.00
Sep-09	0.00		\$337.00

End of			
Month	USG-3		Cost
Oct-09	0.00		\$386.00
Nov-09	0.00		\$386.00
Dec-09	0.00		\$386.00
Jan-10	579.50		\$526.00
Feb-10	0.00		\$526.00
Mar-10	4,620.90		\$526.00
Apr-10	10,876.00		\$526/\$655
May-10	0.00		\$655.00
Jun-10	0.00		\$655.00
Jul-10	0.00		\$655,00
Aug-10	0.00		\$655.00
Sep-10	2,052,70		\$655.00
Oct-10	10,423.30		\$655.00
Nov-10	11,439.50		\$655.00
Dec-10	1,495.50		\$655.00
Jan-11	0.00		\$569.00
Feb-11	0.00		\$569.00
Mar-11	1,302.20	3/	\$569.00
Apr-11	1,441.70	3/	\$569.00
May-11	1,974.60	1522	\$429.00
Jun-11	5,254.90	4/	\$429.00
Jul-11	9,186.20	5/	\$479.00
Aug-11	4,845.80		\$479.00
Sep-11	7,394.30		\$479.00
Oct-11	0.00		\$597.00
Nov-11	0.00		\$597.00
Dec-11	0.00		\$597.00
Jan-12	0.00		\$640.00
Feb-12	0.00		\$640.00
Mar-12	0.00		\$640.00
Apr-12	0.00		\$640.00
May-12 Jun-12	0.00		\$640.00 \$640.00
Jul-12	0.00		\$640.00
Aug-12	0.00		\$640.00
Sep-12	0.00		\$640.00
Oct-12	8,753.30		\$640.00
Nov-12	3,281.40		\$640.00
Dec-12	0.00		\$640.00
Jan-13	0.00		\$673.00
Feb-13	0.00		\$673.00
Mar-13	0.00		\$673.00
Apr-13	0.00		\$673.00
May-13	0.00		\$673.00
Jun-13	0.00		\$673.00
Jul-13	0.00		\$673.00
Aug-13	0.00		\$673.00
Sep-13	0.00		\$673.00
Oct-13	16,093.80		\$673.00
Nov-13	5,120.80		\$673.00
Dec-13	4,788.80		\$673.00
Jan-14	0.00		\$673.00
Feb-14	2,315.90		\$673.00
Mar-14	2,720.20		\$673.00

End of			
Month	USG-3		Cost
Apr-14	249.40		\$673.00
May-14	0.00		\$673.00
Jun-14	0.00		\$673.00
Jul-14	358.40	6/	\$673.00
Aug-14	1,204.00	6/	\$673.00
Sep-14	1,204.00	6/	\$673.00
Oct-14	2,695.30	7/	\$673.00
Nov-14	3,628.90		\$673.00
Dec-14	3,211.60		\$673.00
Jan-15	3,482.10	8/	\$673.00
Feb-15	4,729.30	9/	\$673.00
Mar-15	6,464.30	10/	\$673.00
Apr-15	4,877.50	11/	\$673.00
May-15	3,630.40		\$673.00
Jun-15	3,355.10		\$673.00
Jul-15	0.00		\$673.00
Aug-15	0.00		\$673.00
Sep-15	0.00		\$673.00
Oct-15	0.00		\$673.00
Nov-15	7,854.80		\$673.00
Dec-15	8,383.30		\$673.00
Jan-16	0.00		\$697.00
Feb-16	0.00		\$697.00
Mar-16	3,000.90		\$697.00
Apr-16	0.00		\$697.00
May-16	0.00		\$697.00
Jun-16	0.00		\$697.00
Jul-16	0.00		\$697.00
Aug-16	0.00		\$697.00
Sep-16	0.00		\$697.00
Oct-16	19,421.50		\$697.00
Nov-16	17,377.00		\$697.00
Dec-16	3,701.10		\$697.00
Jan-17	0.00		\$769.00
Feb-17	0.00		\$769.00
Mar-17	0.00		\$769.00
Apr-17	0.00		\$769.00
May-17	0.00		\$769.00
Jun-17	0.00		\$769.00
Jul-17	0.00		\$769.00
Aug-17	0.00		\$769.00
Sep-17	0.00		\$769.00
Oct-17	0.00		\$769.00
Nov-17	0.00		\$769.00 \$769.00
Dec-17	16,000.00		
Jan-18	0.00		\$798.00
Feb-18	0.00		\$798.00
Mar-18	3,265.60		\$798.00
Apr-18	0.00		\$798.00 \$798.00
May-18 Jun-18	0.00		\$798.00
Jul-18	0.00		\$798.00
Aug-18	0.00		\$798.00
Sep-18	0.00		\$798.00
och-10	0.00		Ψ130.00

End of		
Month	USG-3	Cost
Oct-18	933.40	\$798.00
Nov-18	17,032.90	\$798.00
Dec-18	13,923.30	\$798.00
Jan-19	0.00	\$834.00
Feb-19	0.00	\$834.00
Mar-19	0.00	\$834.00
Apr-19	5,008.00	\$834.00

#### Note:

- 1/ All water deliveries were for CIC/Azusa deliveries
- 2/ All water deliveries were for Azusa/Glendora deliveries
- 3/ Deliveries made through CenB-48.
- 4/ Of the 5,254.90 AF, 258.5 AF was delivered through CenB-48.
- 5/ Of the 9,186.20 AF, 564.6 AF was delivered through CenB-48.
- 6/ Deliveries made through UD-SGP. Deliveries were for Azusa.
- 7/ Of the 2,628.9 AF, 1,234.6 AF was delivered through UD-SGP.
- 8/ Of the 3,482.1 AF, 745.3 AF was delivered through CenB-48.
- 9/ Of the 4,729.3 AF, 1,626.3 AF was delivered through CenB-48.
- 10/ Of the 6,464.3 AF, 2,826.9 AF was delivered through CenB-48.
- 11/ Of the 4,877.5 AF, 1,301.5 AF was delivered through CenB-48.

<sup>\*</sup>July 2014 through October 2014 reflects 1,000 AF deduction made to Canyon Basin through UD-SGP. January 2015 through April 2015 reflects CenB-48 adjustment from 10,000 AF to 6,500 AF.

During April 2019, 36 wells were sampled under Title 22. Raw water results from active wells that do not pump to a treatment plant follow:

Contaminant	Range (ppb)	MCL (ppb)
PCE	ND - 4.9	5*
TCE	ND - 0.98	5*

In addition, 57 wells were sampled under Title 22 in May 2019.

\*Note: Based on rounding, results greater than or equal to 5.5 ppb are above an MCL.

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## Summary Report for The Metropolitan Water District of Southern California Board Meeting May 14, 2019

#### COMMITTEE ASSIGNMENTS

Approved appointing Director Sylvia Ballin to the Audit and Ethics Committee and the Organization, Personnel and Technology Committee. (Agenda Item 5F)

#### FINANCE AND INSURANCE COMMITTEE

Approved the draft of Appendix A (Attachment 1) attached to the board letter; authorized the General Manager, or other designee of the Ad Hoc Committee, to finalize, with changes approved by the General Manager and General Counsel, Appendix A; and authorized distribution of Appendix A, finalized by the General Manager or other designee of the Ad Hoc Committee, in connection with the sale or remarketing of bonds. (Agenda Item 8-1)

Adopted resolution to continue Metropolitan's Water Standby Charge for fiscal year 2019/20. (Agenda Item 8-2)

Authorized a professional service agreement with PFM Asset Management, LLC to provide investment management services. (Agenda Item 8-3)

#### ENGINEERING AND OPERATIONS COMMITTEE

Reviewed and considered Addendum No. 3 to the 2017 Programmatic Environmental Impact Report, awarded \$53,273,196 contract to J.F. Shea Construction, Inc. to procure materials and perform construction for the rehabilitation of portions of the Second Lower Feeder, and authorized an increase in change order authority to an existing procurement contract.

(Agenda Item 8-4)

Awarded \$8,888,000 contract to Myers & Sons Construction, LLC to rehabilitate the flocculators in Module Nos. 2 and 3 at the Jensen plant. (Agenda Item 8-5)

#### LEGAL AND CLAIMS COMMITTEE

Authorized the General Counsel to increase the amount payable under its agreement with Olson Hagel & Fishburn LLP by \$100,000 to a maximum amount payable not-to-exceed \$300,000. (Agenda Item 8-6)

#### REAL PROPERTY AND ASSET MANAGEMENT COMMITTEE

Amended the current Capital Investment Program to include a new capital program called the Employee Village Enhancement Program; and authorized an agreement with Roesling Nakamura Terada Architects in the amount not to exceed \$1,500,000 to provide master planning of one pumping plant village and to conduct property assessment for all desert houses. (Agenda Item 8-7)

Authorized agricultural leases on Metropolitan-owned land to Joey DeConinck Farms, Quail Mesa Ranch, Nish Noroian Farms and Red River Farms in the Palo Verde Valley at price and terms directed in closed session; and authorized staff to issue replacement lease(s) in the event of a tenant default. (Agenda Item 8-8; no closed session)

#### CONSENT CALENDAR

In other actions, the Board:

Awarded \$648,745 contract to Pride Construction Engineering Services for drainage and erosion control improvements at Garvey Reservoir. (Agenda Item 7-1)

Awarded \$331,996 procurement contract to Pacific Mechanical Supply to furnish sodium hypochlorite tanks for Lake Mathews. (Agenda Item 7-2)

Authorized an agreement with Southern California Edison for a not-to-exceed amount of \$421,932 to implement a pilot relaying system on the Eagle Mountain-Iron Mountain 230kV transmission line. (Agenda Item 7-3)

Reviewed and considered information provided in the adopted 2017 Final Mitigated Negative Declarations, Addenda, Mitigation Monitoring and Reporting Programs, and Notice of Exemption, and adopted the Lead Agency's findings related to the proposed action, and authorized the General Manager to enter in to a Local Resources Program agreement with Central Basin Municipal Water District for the CBMWD Recycled Water Expansion Phase I Project for up to 500 AFY of tertiary-treated water under the terms included in the board letter. (Agenda Item 7-4)

#### OTHER MATTERS

Inducted new Director Sylvia Ballin representing the City of San Fernando. (Agenda Item 5C)

Approved Commendatory Resolution for Director Yasdan T. Emrani representing the City of San Fernando. (Agenda Item 5D)

Presented 5-year Service Pin to Director Glen C. Dake. (Agenda Item 5E)

## THIS INFORMATION SHOULD NOT BE CONSIDERED THE OFFICIAL MINUTES OF THE MEETING.

Board letters related to the items in this summary are generally posted in the Board Letter Archive approximately one week after the board meeting. In order to view them and their attachments, please copy and paste the following into your browser <a href="http://edmsidm.mwdh2o.com/idmweb/home.asp">http://edmsidm.mwdh2o.com/idmweb/home.asp</a>

All current month materials, before they are moved to the Board Letter Archive, are available on the public website here: <a href="http://mwdh2o.com/WhoWeAre/archived-board-meetings">http://mwdh2o.com/WhoWeAre/archived-board-meetings</a>

## MEMORANDUM



REPORT (AB 1234)

Directors' Activity Report – (AB 1234) In accordance with CA Government Code Section 53232.3 (d) May 2019

ANTHONY R. FELLOW, Division 1

Date	Event	Description
May 7-10, 2019	ACWA Spring Conference Monterey, CA	Discussion: ACWA Committee Meetings, Region 8 Meeting, General Session Luncheon, Statewide Issue Forum, Water Industry Trends, Current Legislative Update. Presenters: Joaquin Esquivel, Charley Wilson, Marie Fournier, Jared Blumbenfeld, Dave Pederson, Marisa Escobar, Jim Thebaut

CHARLES M. TREVIÑO, Division 2

Date	Event	Description
May 6, 2019	ACWA/JPIA Annual Meetings	Discussion: JPIA Board and Committee Meetings.
May 7-10, 2019	ACWA Spring Conference Monterey, CA	<u>Discussion:</u> ACWA Committee Meetings, Region 8 Meeting, General Session Luncheon, Statewide Issue Forum, Water Industry Trends, Current Legislative Update. <u>Presenters:</u> Joaquin Esquivel, Charley Wilson, Marie Fournier, Jared Blumbenfeld, Dave Pederson, Marisa Escobar, Jim Thebaut.
May 16-19, 2019	California Contract Cities Association (CCCA) Annual Municipal Seminar Indian Wells, CA	<u>Discussion:</u> Policy Updates, Networking Sessions, Legislative Update, Public Safety, Best Practices in Protecting Water Sources, Session with Board of Supervisors. <u>Speaker:</u> Chad Mayes, Ted Mertens, Erik Franco, Supervisor Janice Hahn, Supervisor Kathryn Barger, Alex Villanueva, Rachael Richman, Jeffrey Prang.

**ED CHAVEZ, Division 3** 

Date	Event	Description
May 7-10, 2019	ACWA Spring Conference Monterey, CA	<u>Discussion:</u> ACWA Committee Meetings, Region 8 Meeting, General Session Luncheon, Statewide Issue Forum, Water Industry Trends, Current Legislative Update. <u>Presenters:</u> Joaquin Esquivel, Charley Wilson, Marie Fournier, Jared Blumbenfeld, Dave Pederson, Marisa Escobar, Jim Thebaut.
May 16-19, 2019	California Contract Cities Association (CCCA) Annual Municipal Seminar Indian Wells, CA	<u>Discussion:</u> Policy Updates, Networking Sessions, Legislative Update, Public Safety, Best Practices in Protecting Water Sources, Session with Board of Supervisors. <u>Speaker:</u> Chad Mayes, Ted Mertens, Erik Franco, Supervisor Janice Hahn, Supervisor Kathryn Barger, Alex Villanueva, Rachael Richman, Jeffrey Prang.

ALFONSO C. CONTRERAS, Division 4

Date	Event	Description
May 6, 2019	ACWA/JPIA Annual Meetings	Discussion: JPIA Board and Committee Meetings.
May 7-10, 2019	ACWA Spring Conference Monterey, CA	<u>Discussion:</u> ACWA Committee Meetings, Region 8 Meeting, General Session Luncheon, Statewide Issue Forum, Water Industry Trends, Current Legislative Update. <u>Presenters:</u> Joaquin Esquivel, Charley Wilson, Marie Fournier, Jared Blumbenfeld, Dave Pederson, Marisa Escobar, Jim Thebaut.

JENNIFER SANTANA, Division 5

Date	Event	Description
	No reportable activity.	