



60 *Years*

1959-2019 | **COMMEMORATING 60 YEARS**
OF STEWARDSHIP OF OUR WATER RESOURCES.
PREPARED FOR FUTURE OPPORTUNITIES AND CHALLENGES.

2018-2019 ANNUAL REPORT

BOARD OF DIRECTORS



Mark R. Paulson
Division I - Alhambra



Dr. Steven Placido
Division II -
Alhambra and
Monterey Park



Thomas Wong
Division III -
Monterey Park,
President



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Division IV -
Sierra Madre



Bruce Knoles
Division V - Azusa

Mission Statement

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



Darin J. Kasamoto
General Manager



Ed Hills
Assistant General
Manager



Dear Friends:

On behalf of the District's Board of Directors and Staff, I'm proud to share our 2018-2019 Fiscal Year Annual Report. We are not only marking the completion of another year of service to our member cities and the Main San Gabriel Basin, featuring the delivery of approximately 34,585 acre-feet (AF) of water to replenish local groundwater supplies (including 15,671 AF on behalf of partners in the Basin), the District is also commemorating our 60th year of stewardship over our precious water resources.

Since our first water delivery in 1974, the District has delivered approximately 551,000 AF of water, benefiting our member cities of Alhambra, Azusa, Monterey Park, and Sierra Madre, as well as the Main San Gabriel Basin. And we continue to keep affordability in mind, delivering water at the lowest rate in the region at \$200 per AF.

The San Gabriel Valley experienced significant improvement in local groundwater supplies in the past year. We must continue to work with our member cities, other water agency partners, and across all sectors to sustain these improvements with technical, financial and public education solutions.

We must enhance partnerships with government agencies serving the Basin to optimize local runoff and groundwater, which comprise nearly 80 percent of the water used in the San Gabriel Valley, and to make prudent investments in imported water, recycled water and storm water capture. We embrace the challenge of helping our communities develop long-lasting attitude and behavior changes that result in a more water-efficient way of life.

History reminds us that we must prepare for the next drought, and the climate crisis demands that we adapt to drier times ahead. We must take a strategic approach to making our water supply more reliable, sustainable, resilient, safe and affordable for generations to come. As we mark our 60th anniversary, I want to express appreciation to our member cities for their vision and trust, all of our present and former board members for their leadership, and all of our present and past management and staff for their dedication to fulfilling the District's mission over the past six decades.

It is an honor and privilege to serve such a vital role in the San Gabriel Valley. We look forward to meeting the challenges and opportunities ahead, together.

Sincerely,

Thomas Wong
President
Board of Directors
San Gabriel Valley Municipal Water District

60 YEARS OF MANAGING, DEVELOPING AND CONSERVING OUR WATER RESOURCES

Sustaining Local Groundwater Supplies is Our Top Priority

Most important to our member cities and the Main San Gabriel Basin is managing mountain and Basin storm water runoff and imported water deliveries for the benefit of local groundwater supplies. Secondly, we must supplement local water supplies by making prudent investments in diversified water supply solutions and education that results in conservation becoming a way of life.

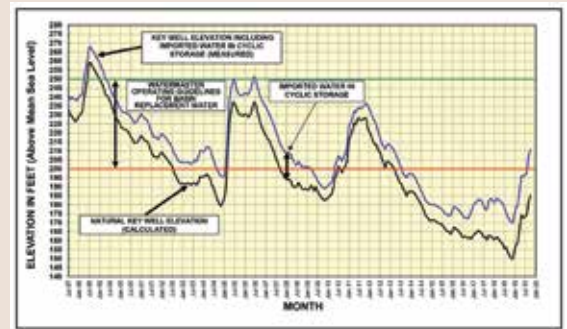
Pictured left and right, the Santa Fe Spreading Grounds are flowing with water and are visible from the 210 and 605 freeways. That water slowly percolates down to replenish local groundwater supplies.



What is the Status of Our Local Water Supplies?

Improved snow pack, reservoir levels much closer to normal, mountain runoff and higher levels of State Water Project/imported water deliveries helped move our region out of drought conditions. Local groundwater supplies have been restored to levels above 200 feet above mean sea level.

Groundwater levels rose from historic low levels in fall 2018 to within the operating range in summer 2019.



What Have We Learned During Our 60-Year History that Prepares Us for Future Challenges and Opportunities?

Local Groundwater Supplies are Our Most Important Resource

Local rainfall, runoff and groundwater supplies are the most important water resources we possess. These waters provide nearly 80% of the water we use. We embrace policies and practices that support Watermaster's "operating range" of 200-250 feet above mean sea level, such as the *Resource Development Assessment (RDA)*, which generates funding for supplemental water purchases to address the potential future unavailability of storm water.



Our Mindset Must be that Drought is Normal and Conservation is a Way of Life

The first graph shows the Main San Gabriel Basin has experienced five drought periods since 1970. Average rainfall is 18.5 inches, and rainfall in two-thirds of the years falls below that average. Drought is normal, should be anticipated and will return.

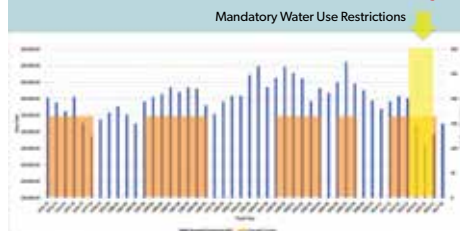


conservation levels were mandated from 2014-2017. New laws set an initial limit for indoor water use of 55 gallons per-person per-day by 2022, which gradually drops to 50 gallons per-person per-day by 2030. We support education programs that promote a paradigm shift wherein water is viewed as a natural resource – not a commodity - and conservation becomes a way of life.

Diversified Water Supply Solutions that Supplement Local Groundwater are a Key Strategy

We must support and develop imported, recycled and storm water solutions that augment local groundwater supplies. Thus, we are closely following statewide plans focused on increasing the reliability of imported water from the Delta, local plans such as the *Regional Recycled Water Program* (the Carson Project), and policies and laws such as voter-approved Los Angeles County Measure W, which increases the quantity and quality of storm water runoff.

30 Years of Production in the San Gabriel Valley



Long-Term Investments and Partnerships are Needed to Protect and Develop Water Resources

Much of our water infrastructure - pipelines, aqueducts, reservoirs, dams and wells - were constructed decades ago. Water treatment facilities and new policies that protect our water supply from contaminants are also critical. Timely investments are needed to counter population increases and aging infrastructure. We can accomplish all of this, amidst strict environmental regulations, by pursuing partnerships, such as that which launched the San Gabriel Valley Water Forum, with government, business and other water managers working as stewards for future generations.



Safe, Clean Water Program



SAN GABRIEL VALLEY WATER FORUM

The second graph shows demand for water has gradually declined over the past few decades, especially during the recent drought when

2018-19 HIGHLIGHTS

WATER SUPPLY RELIABILITY & OPERATIONS HIGHLIGHTS

The District is one of 29 State Water Contractors. Our primary mission and operational responsibility is to deliver imported water via the State Water Project (SWP) from northern California through our Devil Canyon-Azusa pipeline to supplement local groundwater supplies in the Main San Gabriel Basin. We actively seek out cooperative, partnership agreements with other local water agencies to assist with their water delivery needs utilizing our pipeline.

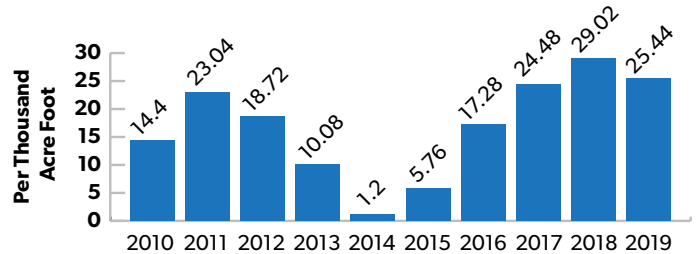
Major operational accomplishments in the 2018-2019 fiscal year included:

- **Supplemental Water** – planned water deliveries from the State Water Project to the Main San Gabriel Basin for calendar year 2019 are 21,600 AF, most of which will be delivered this year; a very small amount may be carried over into January 2020. The District delivered 498 AF of Article 21 water in February and March (note: Article 21 water is available when conditions merit and is in addition to our allocation). In addition, the District delivered 3,345 AF of Dudley Ridge Water District (a SWP Contractor) water from January through March as a result of an exchange agreement between the two agencies. Combined, the District will ultimately deliver 25,443 AF of supplemental water to the Main San Gabriel Basin in 2019.
- **Connection to Covina Irrigation Company** – the District was able to assist Three Valleys Municipal Water District by delivering 8,693 AF of water to the CIC water treatment facility through a direct connection to the District's pipeline.
- **Hydroelectric "Green Power" Generation** – the District was able to generate approximately 993 MWh at its San Dimas hydroelectric plant, assisting the District's budget by about \$34,000.



Annual Water Deliveries by SGVMWD

The graph displays the variability of the District's water deliveries this decade (one acre-foot supplies water for two typical families for one year).



FINANCIAL HIGHLIGHTS

Strategic Financial/Cost Management

Faced with a structural deficit much of the past decade due to variable revenue and rapidly escalating, fixed State Water Project costs, the District's balance sheet and financial reserves have improved greatly in the past two years. The improvement followed several years of discretionary cost reductions and revenue increases resulting from increases in the property tax rate in 2016 and 2017, and a gradual, 4-year increase in water rates charged to member cities.

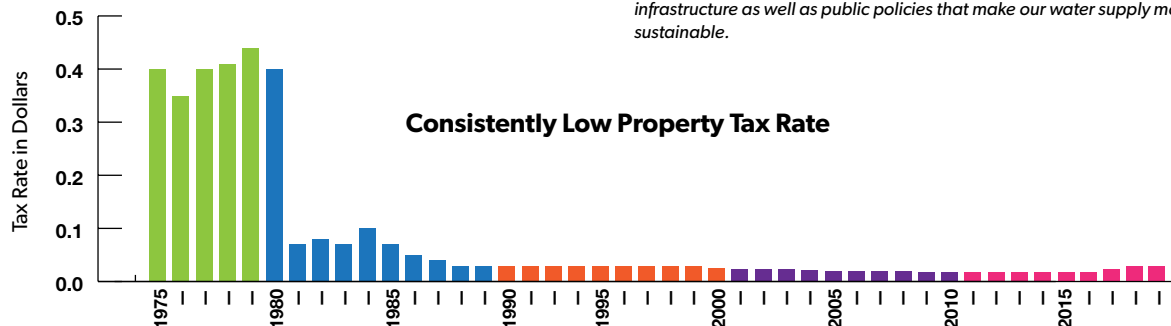
While uncertainties occur at times in the water replenishment business, and are often out of our control, we are focused on increasing water reliability and planning for and adapting to higher costs associated with necessary long-range, intensive infrastructure projects. One such project regards improved reliability of imported water from northern California via a tunneling project in the Sacramento Delta. If this project gains ultimate approval and is implemented, State Water Contractors such as our District will be in the position of paying more for the increased reliability of this supplemental water and those costs will be reflected in the rates we charge our member city customers.

Further, if our imported water supply through the Sacramento Delta increases, we will need enhancements to other State Water Project infrastructure to accommodate the increased water flows. That, too, will add to the costs we and our member cities face in acquiring water to supplement local groundwater supplies. In addition to the State Water Project, the District is looking to diversify its water supplies by exploring recycled water and storm water capture opportunities.

As these projects move forward and become a reality, water prices will trend upward. We intend to inform and educate stakeholders to recognize water is not a commodity, but a precious natural resource that needs to be strategically managed and conserved as a way of life.

Continuation of Lowest Wholesale Water Rates

The District's wholesale replenishment rate of \$200 per acre-foot remains extremely fair and competitive and is the lowest in the region. As we witnessed in 2014 with passage of the \$7.5 billion Water Bond, and the public's positive response to mandatory water use restrictions in 2014-2017, stakeholders are supportive of prudent investments in water infrastructure as well as public policies that make our water supply more resilient and sustainable.



Consistently Low Property Tax Rate

WATER CONSERVATION AND PUBLIC EDUCATION HIGHLIGHTS

The District continued its leadership in communicating that water is a precious natural resource and encouraging conservation as a way of life. Our well-rounded education and outreach program partners with member cities and Valley-wide water agencies to reach out to diverse stakeholders, especially youth, with actionable, learn-by-doing educational experiences.

Please visit our website (www.sgvwmwd.org) for information about water policy, news, educational videos, water saving tips, rebates and education, and to subscribe to our monthly electronic newsletter (e-Pipeline). A comprehensive update to the website is planned.

San Gabriel Valley Water Forum

The District pioneered the first San Gabriel Valley Water Forum in 2012, partnering with other major Valley water agencies. The 2018 Forum, attended by more than 225 stakeholders, was entitled, "A Balanced Response: Droughts and Floods." NBC4 served as the Media Partner for the event.

The upcoming 2020 San Gabriel Valley Water Forum will accomplish two "firsts:" it will be held in the spring, on April 16, 2020, just before Earth Day and May/Water Awareness Month; and it will be held in the western portion of the Valley, at the Los Angeles/San Gabriel Hilton.

Please visit the Water Forum's website (www.sgvwaterforum.com) for further information about the upcoming Forum. Tickets will be available in January 2020.



Federal, State and Local Government Outreach



District representatives met with legislators in Sacramento in February. The purpose of the meetings was to discuss water-related legislative initiatives and to brief legislators about the District's services and programs. Pictured are District Board members Thomas Wong, Steve Placido and Bruce Knoles, and District management Ed Hills and Evelyn Reyes, with (clockwise: Senator Anthony Portantino (SD-25), Senator Susan Rubio (SD-22), Assemblymember Ed Chau (AD-49), Assemblymember Blanca Rubio (AD-48) and Assemblymember Chris Holden (AD-41)).

In June, in partnership with Los Angeles County Department of Public Works and Main San Gabriel Basin Watermaster, the District hosted a briefing tour of local water facilities for several dozen staff of local elected officials. The tour included visits to the District's headquarters, Morris Dam and Morris Reservoir, the District's San Dimas hydroelectric facility and the San Gabriel Canyon spreading grounds in Azusa.

We thank our local elected officials for their courtesy and participation, and we look forward to working with them to develop the best water policies and delivery systems for our member cities.



Youth, School and Community Outreach Programs



OPPORTUNITIES FOR WATER LEADERSHIP (O.W.L.) GRANT PROGRAM

The program provides grants ranging from \$200-\$2,000 to community organizations in our member cities to create educational, "water-wise" projects. Grant recipients to date include:

- o **Alhambra** – Baldwin Elementary School, Alhambra High School, Alhambra Chamber of Commerce, CAUSE Leadership Academy
- o **Azusa** – Foothill Elementary School
- o **Monterey Park** – Hillcrest Elementary School, Planet Save, Garvey Intermediate School, CAUSE Leadership Academy
- o **Sierra Madre** – Sierra Madre School PTA, Landscape Integrity Films, Sierra Madre Community Nursery School

SPEAKERS' BUREAU AND ASIAN MEDIA BRIEFING

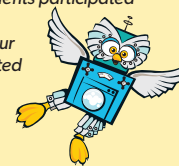
The District continued to partner with Chinese-language media to reach out to the large and growing Asian-American population. With support from Main San Gabriel Basin Watermaster, the District provided an in-depth briefing about drought and climatic conditions, state water supplies, local groundwater supplies and water conservation programs. The briefing resulted in extensive print and electronic media coverage.



Pictured being interviewed are Tony Zampielo, Executive Officer, Main San Gabriel Basin Watermaster (left) and Thomas Wong, President, Board of Directors, San Gabriel Valley Municipal Water District (right).

SCHOOL CONSERVATION EDUCATION PROGRAMS

The Home Water Survey Program completed its seventh year of involving elementary school students and teachers in the fun, learn-by-doing survey of water saving opportunities around the house. The Program also includes an in-person presentation by the District at school assemblies. For the first time, we offered a Water Conservation Assembly presentation to middle schools. Overall, more than 20 schools and 3,500 students participated in 2019; nearly every graduating student in our service area has benefited from participation in these programs.



Pictured right is a small sampling of community events.

- A) City of Alhambra - Alhambra Police Department National Night Out
- B) H2Owl at Garvey Intermediate School in Monterey Park
- C) City of Sierra Madre Mt. Wilson Trail Race with Director Miles Prince
- D) City of Azusa Summer Concerts in the Park

H2OWL MASCOT

At the heart of the District's education and outreach program is its active support of and attendance at community events in member cities, where we utilize the highly recognizable and popular mascot, H2Owl, as the focal point of the District's water conservation education. During the past year, H2Owl has appeared at dozens of community events including school functions, summer/outdoor concerts, ethnic and cultural holidays and commemorations, Earth Day and other environmental events, public safety and public service meetings.



OPERATIONAL OVERVIEW

Delivering Supplemental Water to the San Gabriel Valley

The San Gabriel Valley Municipal Water District was approved in 1959 by voters in Alhambra, Azusa, Monterey Park and Sierra Madre to help those cities meet their long-term water needs. The District's Devil Canyon-Azusa Pipeline delivers water from northern California via the State Water Project to the Main San Gabriel Basin to replenish the groundwater underlying our communities. This thoughtfully planned and engineered system is maintained and operated by Water District personnel 365 days a year. The District entered into a contract with the State of California Department of Water Resources in 1962 for the delivery of water each year from the State Water Project. Today the District is one of 29 State Water Contractors who obtain water from the vast State Water Project and who pay for retirement of the bond used to construct it, as well as its operation and maintenance. Starting in 1975 and continuing today, the District has been importing water from northern California to replenish groundwater supplies in the San Gabriel Basin.

Spreading Grounds

Spreading grounds are operated and maintained by the Los Angeles County Department of Public Works. Water from our pipeline is delivered into spreading grounds where it percolates to recharge underground aquifers.



Operation Center

The Operation Center is located at District headquarters. The state-of-the-art computerized Supervisory Control and Data Acquisition system (SCADA) controls and monitors the pipeline and pressure reducing stations.



Green Power/Hydroelectric Generator

A turbine generator, powered by water flowing in the pipeline, creates electricity. Built in 1985, this generator has the potential to produce enough electricity for over 500 homes annually. The revenue helps to offset some of our operating costs.



State Water Project (California Aqueduct)

Water for the Main San Gabriel Basin originates from the State Water Project, also known as the California Aqueduct. Pumps and gravity help move the water from northern California to our Basin.



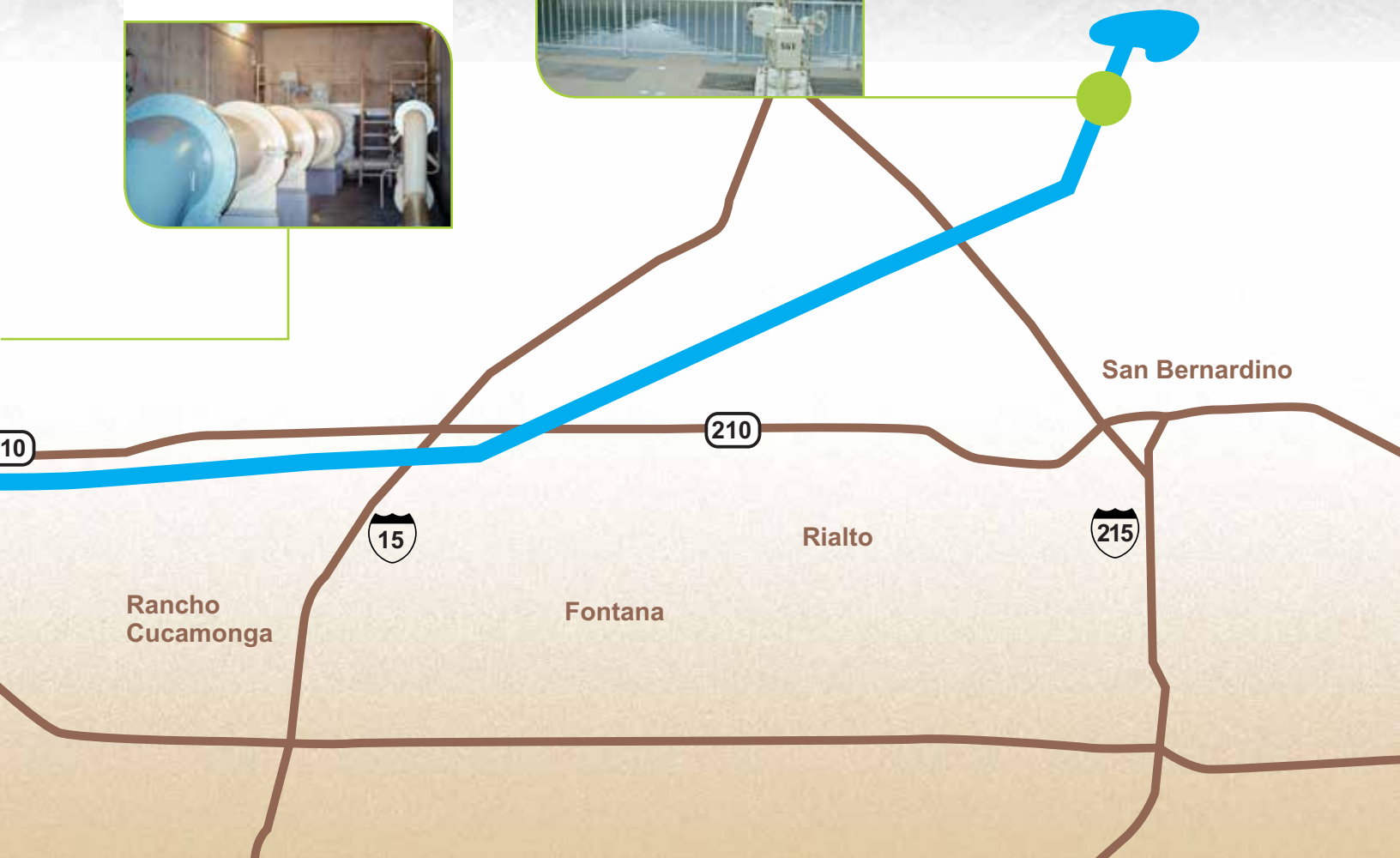
Devil Canyon/Power Plant

Water coming from the State Water Project (California Aqueduct) powers turbines in the Devil Canyon Power Plant near Lake Silverwood and then enters the pipeline through the slidegate.



Flow Control Facilities

As water flows from the State Water Project to the spreading grounds, the water flow and pressure are controlled at pressure-reducing stations located in Glendora, La Verne and Fontana.



SAN GABRIEL VALLEY
MUNICIPAL
WATER DISTRICT
60 YEARS OF SERVICE | 1959-2019

The District was formed after winning approval from the voters of Alhambra, Azusa, Monterey Park, and Sierra Madre. The first Board Meeting was held August 9, 1959.

1959



The District approved construction of the Devil Canyon-Azusa Pipeline to deliver water from the State Water Project to the Main San Gabriel Basin.

1972

Added a new outlet to the Pipeline at San Dimas Wash.

1962

Entered into a contract with the State Department of Water Resources, becoming one of 29 State Water Contractors, for the delivery of supplemental water from the State Water Project to the Main San Gabriel Basin.



1974

Began importing water from Northern California to help replenish groundwater supplies in the Main San Gabriel Basin.

1981

1985

Installed a 1.05 megawatt hydroelectric power plant at the San Dimas turnout to generate electricity ("green power").



1995

Completed an extension of the Devil Canyon-Azusa Pipeline from Azusa to the San Gabriel Canyon Spreading Grounds.

1998

Constructed an outlet at the Big Dalton Wash to utilize the LA County Department of Public Works' Citrus Spreading Grounds.

2004-2005

Provided \$5 million in grants to member cities to improve water supply reliability.

H₂Owl

2008

Introduced the District's water conservation guru, H₂Owl, on Earth Day.



2012

Partnered with other major water agencies in the Main San Gabriel Basin to create the educational San Gabriel Valley Water Forum.

2013

Completed the Sierra Madre Connection Project.

2014-2017

Received grants from the California Department of Water Resources and the U.S. Bureau of Reclamation.



SAN GABRIEL VALLEY
WATER FORUM

In August 2019, the District commemorated 60 years of providing supplemental water to augment local ground water supplies.

2019

Supported member cities in meeting water conservation requirements during one of the most serious droughts in California's history.