

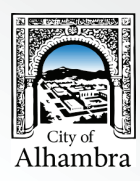


Annual Report

2019-2020



Serving the communities of:



Board of Directors

Thomas Wong
Division III - Monterey Park
President, Board of Directors

Mark R. Paulson
Division I - Alhambra
Vice President

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Division V - Azusa
Board Member

Innovative Approaches to Meeting Water Needs

While our world faces new challenges, San Gabriel Valley Municipal Water District remains committed to providing reliable supplemental water for the communities of Azusa, Sierra Madre, Monterey Park and Alhambra.

As part of our solution-oriented approach to serving the needs of our members, SGVMWD provided financial assistance to the City of Sierra Madre for a joint well project with Arcadia that will increase water reliability. We are also reaching out to our youngest water users – at schools across our service area - with educational videos to teach students about the value of water. These are just some of the ways the District is developing innovative approaches and adapting to new needs.



A Word from the General Manager

In 2020, we saw dramatic and sudden changes to our world due to the coronavirus pandemic. No other event in modern history has impacted our everyday lives so significantly. As we navigate our way through this time of uncertainty, San Gabriel Valley Municipal Water District remains committed to providing our member agencies a safe and reliable alternative water supply.

In May 2020, to help mitigate the impact of COVID-19 on the communities we serve, the SGVMWD Board of Directors approved \$50,000 for each city to support ratepayer relief, education and water conservation efforts. In August, the Board approved an additional \$2 million no-interest loans for each member city for water infrastructure projects.

Despite current challenges, the District continues to move forward with efforts to increase water reliability. In addition to conservation programs, we have developed a comprehensive Strategic Plan and are working with California water managers and other State Water Project contractors to develop a long-term solution to challenges in the Sacramento-San Joaquin Delta, the heart of the state's water delivery system.



Whatever comes our way, SGVMWD will adapt as necessary to ensure a reliable water supply for the communities we serve.

Sincerely,

Darin J. Kasamoto

General Manager

San Gabriel Valley Municipal Water District



Groundwater Levels Impact Local Water Supply

Following a dry summer, water levels in the Main San Gabriel Basin decreased to 202.4 feet as of September 11, 2020, at the Baldwin Park Key Well. This is at the low end of the desired operating range of 200-250 feet. With water levels in the basin dropping 10.1 feet since the end of December 2019, we need to continue to develop behavior changes that result in a more water-efficient way of life.



Working Toward a Delta Solution

To meet the demands of our member agencies, San Gabriel Valley Municipal Water District relies on the State Water Project for supplemental supplies and groundwater replenishment. Unfortunately, this supply is threatened due to a number of issues in the Sacramento-San Joaquin Delta, the hub of the State Water Project system.

Subsidence, reduced annual precipitation, saltwater intrusion, earthquakes, flooding, non-native species, pollution and climate change could all impact the delivery of water to our region. In recent years, State Water Project contractors have not received their full allocation due to environmental protections and declining rainfall in the Delta.



To improve reliability of that water, the state is proposing a single tunnel conveyance system to bypass part of the Delta and its fragile ecosystem.

As one of the 29 State Water Contractors with the Department of Water Resources, SGVMWD is committed to working with the state and other stakeholders to finalize a long-term Delta solution. While this is a complex issue, putting off any decisions only delays this vital project to secure the water supply for millions of people across California.



Historic Grant Agreement to Enhance Water Supplies in Sierra Madre

The SGVMWD Board of Directors authorized a \$1.9 million grant to its member agency, the City of Sierra Madre, to fund the City's portion of a joint water well with the City of Arcadia. The grant will enable Sierra Madre to acquire, for the first time, a direct connection to the Main San Gabriel Basin. Arcadia is also investing independently in the project.

Sierra Madre has long faced a diminishing water supply in the Raymond Basin. Once operational, the joint well will increase water supply reliability for Sierra Madre.



Working Together to Preserve Groundwater Reliability

To ensure the water supply needs of our members are fully met, SGVMWD works closely and coordinates with the Main San Gabriel Basin Watermaster, San Gabriel Basin Water Quality Authority and other agencies. The quality and quantity of groundwater directly impacts the need for imported water.



Promoting Water Conservation



Water conservation can significantly reduce water demand, which is why SGVMWD offers multiple programs and projects to help people actively reduce their water use.

These programs include pilot projects in all four member communities to help schools, businesses and other organizations adopt water-saving technologies and practices. Rebates offer direct assistance covering the costs of new devices designed to use less water.

SGVMWD also offers programs directly targeting residents of apartments and condominiums. Until recently, most multiple dwelling units were not equipped with individual water meters. In those instances, water costs are either covered as part of rental or HOA fees, or residents are billed a percentage of the entire community's water charges. As a result, these customers do not see a direct connection between their personal water use and their bill. SGVMWD now provides conservation messages directly to these residents and offers them rebates for high-efficiency appliances.

As part of our comprehensive education program, we provide Opportunities for Water Leadership (OWL) grants to local schools and nonprofits to support water education. Beyond supplying funding, SGVMWD also offers presentations and educational opportunities on water supply and conservation to 27 different schools across the valley.



Stewardship & Sustainability

San Gabriel Valley Municipal Water District is more than a provider of imported water. As part of our mission, we are also tasked with acting in an environmentally responsible manner.



One way we are working toward sustainability is through water conservation efforts. Reducing demand will allow our member agencies to better meet water needs through locally sourced supplies. By promoting outdoor conservation in particular, SGVMWD helps people cut water waste while creating landscapes and irrigation systems better suited to the local climate. Incorporating water-wise and native plants into landscape designs offers colorful options flexible enough to fit any aesthetic.



SGVMWD also looks for opportunities to minimize our impact on the environment whenever possible. Since 1985, our hydroelectric plant in San Dimas has used water flowing through the Devil Canyon-Azusa pipeline to create electricity. By capturing the energy in this free-flowing water, the facility generates up to 1.05 megawatts. Revenue from this green energy source helps offset the District's operating expenses.



Partnerships with our member agencies are another way SGVMWD promotes sustainability. The District's Board of Directors approved \$8 million in zero-interest loans to our partners for water system and pandemic relief projects in their respective communities.

In addition, the Board of Directors approved a proposal for recycled water planning in July 2020. This proposal considers partnering with local agencies to explore bringing recycled water to Monterey Park and Alhambra, providing an additional water source and securing another sustainable supply today, tomorrow and into the future.

At a Glance

STATE WATER PROJECT DELIVERIES

60% ALLOCATION NEEDED TO MEET MEMBER CITY DEMAND
ONE ACRE-FOOT OF WATER EQUALS 325,851 GALLONS



CALIFORNIA RESERVOIR LEVELS (AS OF 7/31/20)



90.8% of historical average
62% of total capacity

RAINFALL



July 1, 2019 – June 30, 2020
 Pasadena
20.67 inches **105%** of normal

CONSERVATION INCENTIVES



\$220,600
 Residential and commercial incentives for indoor and outdoor water saving appliances and equipment.

\$12,000
 Grants provided to non-profit organizations and schools that promote water conservation and education.

GROUNDWATER LEVELS

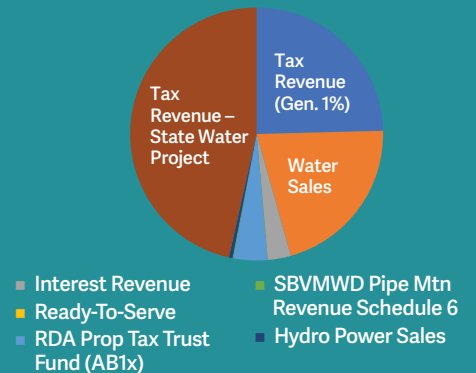
Main San Gabriel Basin (as of 7/31/20)



MAJOR CAPITAL PROJECTS 2020-2021

- Schedule 1 - Plug Valve Replacement
- SCADA servers upgrade
- Flow meter replacement – Devils Canyon
- Isolation valve – San Dimas Hydro

REVENUE



GENERAL OPERATING EXPENSES

