

**BOARD OF DIRECTORS
SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
REGULAR MEETING
MONDAY, DECEMBER 13, 2021
8:00 AM – 10:00 AM (PDT)**

Pursuant to the provisions of Government Code Section 54953, as amended by AB 361, any director or member of the public may call into the Board of Directors meeting using the call-in number..... or via GoToMeeting Link set forth below....

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ROLL CALL: Knoles, Paulson, Placido, Prince, Wong

PUBLIC COMMENTS FOR ITEMS NOT ON THE AGENDA

UPDATES FROM CITY REPRESENTATIVES

CONSENT CALENDAR: The following matters are expected to be routine and will be acted upon by a single motion with little discussion unless any Director or citizen requests a separate action:

Minutes of the Regular Board Meeting of November 8, 2021

Minutes of the External Affairs Committee Meeting of November 30, 2021

Financial Statements of November 2021

Disbursements of the Revolving Fund Dated November 18, 2021, Check Nos. 11960 – 11966, EFT and Wires

Disbursements of the Revolving Fund Dated December 2, 2021, Check Nos. 11967 – 11976, and Wires

Disbursements of the Revolving Fund Dated December 13, 2021, Check Nos. 11977 – 11979, and Wires

Disbursements of the General Fund Dated November 9 & 22, 2021, Check No. 42556 -42578, and EFT

Disbursements of the General Fund dated December 1-13, 2021, Check Nos. 42579 – 42626, and EFT's

Future Meeting Attendance Approval:

Resolution No. 12-2021-791 Continuation of Virtual Board Meetings

WRD 2021 Redistricting – Dec. 8 (Teleconference) & Future Mtgs

ACTION ITEMS

1. 2020-2021 Draft Audit and Travel Expense Report
2. Resolution No. 12-2021-792 Water Supply Conditions
3. Resolution No. 12-2021-793 Appreciation of Ed Hills

INFORMATION ITEMS

External Affairs Update

UNFINISHED BUSINESS

1. Report on Basin Management
2. Report of WQA
3. Report of the Attorney
4. Report of the General Manager/Assistant Manager
5. Report of the State Water Contractors

COMMITTEE MEETING REPORTS

DIRECTOR REPORTS ON EVENTS ATTENDED

DIRECTORS COMMENTS

CLOSED SESSION

- A. Conference with legal counsel – Existing Litigation
Subdivision (a) of Government Code Section 54956.9.

Name of Case: *Moore v. San Gabriel Valley Municipal Water District, et al.*, San Bernardino County Superior Court Case No. CIV SB 2115350.

CLOSED SESSION REPORT

OPEN SESSION

ADJOURNMENT

THIS AGENDA WAS POSTED ON DECEMBER 9, 2021 AT SGVMWD.
THE NEXT REGULAR BOARD MEETING WILL BE JANUARY 10, 2022.

**MINUTES
BOARD OF DIRECTORS
SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
REGULAR BOARD MEETING
1402 N. VOSBURG DR. AZUSA, CA 91702
MONDAY, NOVEMBER 8, 2021
8:00 A.M.**

<https://global.gotomeeting.com/join/676934757> or Phone in 1(571) 317-3112

At 8:03 a.m. on November 8, 2021, the Board of Directors held its Regular Meeting via "GoToMeeting"

CALL TO ORDER:

President Wong called the meeting to order.

ROLL CALL:

Directors present at Roll Call: Knoles, Paulson, Placido, Prince, Wong

ALSO PRESENT:

Darin Kasamoto, General Manager; Steve Kiggins, Supervising System Operator/Inspector; Linda Esquivel, Executive Assistant; Evelyn Reyes, External Affairs Manager; Albert Lu External Affairs Assistant; Jim Ciampa, Lagerlof LLP (via phone); Dave DePinto, DMCI; Richard Gonzales, City of Monterey Park; Sophia Kownatzki, City of Sierra Madre; Dennis Ahlen, City of Alhambra

PUBLIC COMMENTS ON NON-AGENDA ITEMS

None

UPDATES FROM CITY REPRESENTATIVES

None

CONSENT CALENDAR:

Minutes of the Regular Board Meeting of October 11, 2021

Financial Statements for October 2021

Treasurer's Investment Report Dated September 30, 2021

Disbursements of the Revolving Fund Dated:

October 21, 2021, Check Nos. 11940 – 11946, EFT's and Wires in the amount of \$54,834.53

November 4, 2021, Check Nos. 11947 – 11955, EFT and Wires in the amount of \$55,550.86

November 8, 2021, Check Nos. 11956 – 11959, and Wires in the amount of \$3,032.20

Disbursements of the General Fund Dated:

October 31, 2021, Check Nos. 42492 – 42523 and EFT's, in the amount of \$600,484.15

November 8, 2021, Check Nos. 42524 – 42555 in the amount of \$189,657.65

Future Meeting Attendance Approval:
Council For Watershed Health-Recycle the Runoff-Nov. 10, Virtual

On motion of Director Paulson, seconded by Director Placido, and unanimously carried 5-0, the Consent Calendar was approved.

Approved, by the Board of Directors of the San Gabriel Valley Municipal Water District at their regular meeting held on November 8, 2021, by the following roll call vote:

Ayes: Knoles, Paulson, Placido, Prince, Wong
Noes: None
Absent: None
Abstain: None

ACTION AGENDA ITEM

POWER PURCHASE AGREEMENT

On motion of Director Prince, seconded by Director Placido, and unanimously carried 5-0, A 10-year extension to the existing Long Term Power Purchase Agreement between the City of Azusa and the San Gabriel Valley Municipal Water District was approved.

Approved by the Board of Directors of the San Gabriel Valley Municipal Water District at their regular meeting held on November 8, 2021, by the following roll call vote:

Ayes: Knoles, Paulson, Placido, Prince, Wong
Noes: None
Absent: None
Abstain: None

RESOLUTION NO. 11-2021-789 APPOINTING WATERMASTER REPRESENTATIVE

The General Manager reported the Watermaster Representative must be appointed each year. Director Steven T. Placido, DDS is currently the District's representative on the Watermaster Board.

On motion of Director Wong, seconded by Director Knoles, and unanimously carried 5-0, A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT APPOINTING WATERMASTER REPRESENTATIVE Steven T. Placido, DDS, Resolution No. 11-2021-789 was approved.

Approved by the Board of Directors of the San Gabriel Valley Municipal Water District at their regular meeting held on November 8, 2021, by the following roll call vote:

Ayes: Knoles, Paulson, Placido, Prince, Wong
Noes: None
Absent: None
Abstain: None

RESOLUTION NO. 11-2021-790 CONTINUATION OF VIRTUAL BOARD MEETINGS

On motion of Director Prince, seconded by Director Knoles, and unanimously carried 5-0, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT PROCLAIMING A STATE OF EMERGENCY PERSISTS, RE-RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR GAVIN NEWSOM, AND RE-AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE BOARD OF DIRECTORS OF THE SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT FOR THE PERIOD NOVEMBER 9, 2021, TO DECEMBER 8, 2021 PURSUANT TO BROWN ACT PROVISIONS was approved.

Approved by the Board of Directors of the San Gabriel Valley Municipal Water District at their regular meeting held on November 8, 2021, by the following roll call vote:

Ayes: Knoles, Paulson, Placido, Prince, Wong
Noes: None
Absent: None
Abstain: None

INFORMATION ITEMS

EXTERNAL AFFAIRS

External Affairs Report in Agenda Packet.

Ms. Reyes reported rebate agreements with Ecotech, and Thinking Green Consultants are being finalized. Also, Ms. Reyes is collaborating with member cities in bringing back the water conservation table tents that will be distributed to restaurants.

UNFINISHED BUSINESS

REPORT ON BASIN MANAGEMENT

Director Placido reported Dr. Anthony R. Fellow and Charles M. Trevino of Upper San Gabriel Valley Municipal Water District were appointed for Watermaster, calendar year 2022. The Draft Annual 5-Year Water Quality and Supply Plan was discussed.

Ms. Reyes reported the fiscal year 2020-21 Annual Report is on Watermaster's website. Richard Gonzales from the City of Monterey Park reported that Anteneh Tesfaye from South Pasadena has replaced Ron Bow on the Main San Gabriel Basin Watermaster Board.

REPORT OF WQA

Director Paulson reported the cities are in the middle of electing or re-electing for city representative on the Water Quality Authority Board and should know by the end of the month.

REPORT OF THE ATTORNEY

No report.

REPORT OF THE GENERAL MANAGER/ASSISTANT GENERAL MANAGER

The General Manager's written report is in the Agenda Packet.

The General Manager reported our 2020-2021 audit was finished; however, the auditor was unable to deliver the draft in time for this meeting but will be ready for December's Board Meeting.

The General Manager sent a non-binding letter of intent for the Regional Recycled Water Project (aka, the Carson Project) to the Metropolitan Water District and Main San Gabriel Basin Watermaster. After they have reviewed the letter of intent, it will be brought to the Board for approval.

The federal infrastructure bill passed and we are waiting for Steve Bucknam to review what programs are available for the District.

The Assistant General Manager's written report is in the Agenda Packet.

Steve Kiggins reported the District delivered 87 AF acquired from the SWC Dry Year Water Transfer Program. In addition, 1,061 AF were delivered on behalf of Three Valleys Municipal Water District to Covina Irrigating Company's surface water treatment facility, and 2,088 AF on behalf of Upper District to Azusa Light and Water's Canyon Filtration Plant and/or the Canyon spreading grounds.

The schedule for Phase 2 of the DCAP-Schedule 1 condition assessment has been modified as a result of drought conditions in the Main San Gabriel Basin. Staff continues to work closely with Civiltec to ensure the ultimate completion of this project in as timely a manner as possible.

REPORT OF THE STATE WATER CONTRACTORS

The General Manager reported that unfortunately for the District the Dry Year Transfer Program yielded at about 87 acre-feet. The District is continuously searching for supplemental water.

The Delta Conveyance Project (Cal Water Fix) is on schedule and on track. The preferred alignment has been selected. EIR is scheduled to release March 2022.

COMMITTEE MEETING REPORTS

None.

DIRECTOR REPORTS ON EVENTS ATTENDED

None.

DIRECTOR COMMENTS

Director Knoles wished everyone a Happy Thanksgiving.

CLOSED SESSION at 8:44 A.M.

- A. Conference with legal counsel – Existing Litigation Subdivision (a) of Government Code Section 54956.9

Name of Case: *Moore v. San Gabriel Valley Municipal Water District, et al.*, San Bernardino County Superior Court Case No. CIV SB 2115350

OPEN SESSION at 8:50 A.M.

CLOSED SESSION REPORT

Legal counsel reported that conference with legal counsel occurred pursuant to subdivision (a) of Government Code section 54956.9, in the matter of *Moore v. San Gabriel Valley Municipal Water District, et al.*, San Bernardino County Superior Court Case No. 2225350 and that the Board of Directors was informed of the current status of that case. No Reportable action was taken.

ADJOURNED at 8:50 A.M.

There being no further business, upon motion made, seconded, and carried unanimously, the meeting was duly adjourned at 8:50 a.m. The next Regular Board Meeting of the San Gabriel Valley Municipal Water District will be on December 13, 2021, at 8:00 a.m.

President

ATTEST:

Secretary

**MINUTES OF THE SPECIAL MEETING
SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
EXTERNAL AFFAIRS COMMITTEE MEETING
TUESDAY, NOVEMBER 30, 2021
9:00 A.M.**

PURSUANT TO THE PROVISIONS OF EXECUTIVE ORDER N-25-20 ISSUED BY GOVERNOR GAVIN NEWSOM ON MARCH 12, 2020, ANY DIRECTOR MAY CALL INTO THE COMMITTEE MEETING USING THE CALL-IN NUMBER 1 (669) 900-6833 (Meeting ID: 889 6570 6625- Passcode: 019672) OR VIA THE ZOOM LINK <https://us02web.zoom.us/j/88965706625?pwd=d1dyUSt4WWcwanhMWjhqQ0h2Z3YxZz09> WITHOUT OTHERWISE COMPLYING WITH THE BROWN ACT'S TELECONFERENCING REQUIREMENTS. THE DISTRICT'S BOARD/COMMITTEE MEETINGS IS AVAILABLE TO THE PUBLIC THROUGH TELECONFERENCING AND [HTTPS://ZOOM.US](https://zoom.us). ANY MEMBER OF THE PUBLIC WISHING TO MAKE ANY COMMENTS TO THE BOARD MAY DO SO BY CALLING IN TO THE CALL-IN NUMBER.

The meeting was called to order at 9:01 a.m.

ROLL CALL: Director Prince; Director Wong; Darin Kasamoto-General Manager
Ed Hills-Assistant General Manager; Evelyn Reyes-External Affairs
Manager; Jim Ciampa-Lagerlof LLP

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:

There were no public comments.

1. Stetson Engineers, Inc. – Review of Division Populations: The Committee reviewed the summary of San Gabriel Valley Municipal Water District's Census data applicable to its election Divisions. The total population in the District increased by 589 residents from 2010 to 2020. The Divisions did not have any notable changes above the standard deviation. Based on the fact that only minor changes in population occurred among the Divisions, the committee recommended no action to be taken at this time. Next steps will be discussed at the January board meeting.

ADJOURNMENT

The Committee was adjourned at 9:35 a.m.

San Gabriel Valley Municipal Water District
Balance Sheet
As of November 30, 2021

	Nov 30, 21
ASSETS	
Current Assets	
Checking/Savings	
1001 · General Fund Bank of America	659,160.72
1005 · Revolving Cash Fund	215,681.37
1008 · Petty Cash	442.00
1009 · LAIF	18,002,311.33
1009.01 · LAIF FMV Adjustment	1,615.94
1011 · UBS Resource Management Account	
1012 · Cash with Broker	2,410.35
1013 · Certificates of Deposit	10,051,307.44
	10,053,717.79
Total 1011 · UBS Resource Management Account	10,053,717.79
1014 · UBS Accrued Interest	-13,935.24
	28,918,993.91
Total Checking/Savings	28,918,993.91
Accounts Receivable	
1603 · Accounts Receivable	37,773.65
	37,773.65
Total Accounts Receivable	37,773.65
Other Current Assets	
1605 · Taxes Receivable	-0.34
1606 · Interest Receivable	927.42
1620 · Prepaid Expenses	567,509.33
1660 · Water Inventory	736,752.68
	1,305,189.09
Total Other Current Assets	1,305,189.09
Total Current Assets	30,261,956.65
Fixed Assets	
1701 · State Water Project Engineering	156,789.28
1702 · State Water Prj Wtr Cntrct Pmts	5,627,376.00
1703 · Accum Ammort - State Water Proj	-4,474,696.50
1801 · Pipeline	26,340,785.65
1830 · Accum Depreciation - Pipeline	-16,444,698.61
1840 · SCADA Telemetry	1,050.08
1841 · Accum Depreciation -SCADA	-1,050.09
1750 · SCADA 2013	900,510.22
1851 · Accum Depreciaton - SCADA 13	-638,660.26
1901 · Land	735,931.46
1902 · Buildings	2,346,232.42
1903 · Accum Depr - Buildings	-2,337,027.01
1904 · Furniture and Fixtures	173,585.69
1905 · Accum Depr - Furn and Fixtures	-147,520.63
1907 · Vehicles	164,401.97
1908 · Accum Depr - Vehicles	-161,274.56
1910 · Pipeline Misc Equipment	90,055.75
1911 · Accum Depr - Pipeline Misc Equi	-88,156.85
1914 · Communications Equipment	8,905.76
1915 · Accum Depr - Communications Equ	-8,905.75
1920 · Construction in Process	
1920.02 · CIP - Scada	48,442.00
1920.04 · Hydro Elec Generator Expansion	950,782.80
	999,224.80
Total 1920 · Construction in Process	999,224.80
1921 · Capital Expenditures	
1921.07 · SanDimas Hydro Deflec Batteries	35,595.25
1921.05 · Computer	6,198.90
1921.06 · Schedule 1 (Azusa) Blow-Off	401,829.51
1921.03 · Roof	58,390.47
1921.04 · Repaving	3,950.00
	505,964.13
Total 1921 · Capital Expenditures	505,964.13

San Gabriel Valley Municipal Water District
Balance Sheet
As of November 30, 2021

	Nov 30, 21
1916 · A/D Computers	-2,514.91
1917 · A/D Paving	-570.83
1918 · A/D San Dimas Hydro	-6,231.04
1922 · A/D Roof	-12,893.08
Total Fixed Assets	13,726,613.09
Other Assets	
1998.99 · Deferred Outflows -OPEB	201,703.00
1999.99 · 1999.Deferred Outflows of Res	618,162.00
Total Other Assets	819,865.00
TOTAL ASSETS	44,808,434.74
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2001 · Accounts Payable	4,064,508.49
Total Accounts Payable	4,064,508.49
Other Current Liabilities	
2010 · Accrued Payroll - V&SL	429,593.58
24000 · Payroll Liabilities	2.05
Total Other Current Liabilities	429,595.63
Total Current Liabilities	4,494,104.12
Long Term Liabilities	
1698.99 · Deferred Inflows- OPEB	746,998.00
2219.99 · Net Pension Liability	2,355,085.00
1699.99 · Deferred Inflow of Resources	298,520.00
2209 · Other Post-Employment Benefits	5,238,653.61
Total Long Term Liabilities	8,639,256.61
Total Liabilities	13,133,360.73
Equity	
2301 · Fund Balance	4,524,449.82
2302 · San Bernardino Contribution	1,781,730.83
2970 · Retained Earnings	31,904,401.94
2973 · Contribution Aid Capital	1,280,323.11
Net Income	-7,815,831.69
Total Equity	31,675,074.01
TOTAL LIABILITIES & EQUITY	44,808,434.74

San Gabriel Valley Municipal Water District
Income Statement - Actual vs. Budget
November 2021

	Nov 21	Budget	Jul - Nov 21	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
General Operations					
3002 · Property Tax Revenue	73,890.58	400,000.00	138,260.31	2,000,000.00	4,800,000.00
3003 · Water Sales	39,194.00	200,000.00	748,760.00	1,000,000.00	2,400,000.00
3004 · Interest Income	0.00	18,750.00	40,071.33	93,750.00	225,000.00
3005 · Ready to Serve Revenue	990.00	990.00	4,950.00	4,950.00	11,880.00
3006 · RDA Prop Tax Trust Fund Alloc	0.00	65,000.00	518,459.52	325,000.00	780,000.00
3008 · SBVMWD Pipeline Maintenance Rev	0.00	2,708.00	0.00	13,540.00	32,500.00
3016 · Unrealized Gain (Loss) on Inves	0.00	0.00	-45,234.50	0.00	0.00
3050 · Fair Value Adjustment on Invest	0.00	0.00	0.00	0.00	0.00
Total General Operations	114,074.58	687,448.00	1,405,266.66	3,437,240.00	8,249,380.00
Power Revenue Sales					
3210 · Hydro Power Sales	0.00	0.00	0.00	0.00	0.00
Total Power Revenue Sales	0.00	0.00	0.00	0.00	0.00
Restricted Revenue - SWP					
3306 · Tax Revenue - State Water Proje	75,839.27	750,000.00	209,356.17	3,750,000.00	9,000,000.00
Total Restricted Revenue - SWP	75,839.27	750,000.00	209,356.17	3,750,000.00	9,000,000.00
3401 · Grants-St Wtr Board&Reclamation	0.00	0.00	0.00	0.00	0.00
Total Income	189,913.85	1,437,448.00	1,614,622.83	7,187,240.00	17,249,380.00
Gross Profit	189,913.85	1,437,448.00	1,614,622.83	7,187,240.00	17,249,380.00
Expense					
4699 · Bad Debt Expense	0.00	0.00	0.00	0.00	0.00
2229.99 · PERS Expense	0.00	0.00	0.00	0.00	0.00
Unrestricted G.O. Expenses					
4001 · Director Fees	2,800.00	2,500.00	9,800.00	12,500.00	30,000.00
4010 · Salaries- Administrative	20,982.40	21,648.00	100,414.20	108,240.00	259,776.00
4014 · Field Supervision	14,516.80	15,726.00	70,769.40	78,630.00	188,706.00
4020 · Salaries Office	15,762.61	17,077.00	76,842.72	85,385.00	204,919.00
4021 · External Affairs Wages	9,076.17	9,913.00	43,765.51	49,565.00	118,958.00
4022 · Part Time Employee	420.00	1,226.00	2,120.00	6,130.00	14,717.00
4027 · Office Supplies - Equipment Mai	1,007.64	3,667.00	17,367.80	18,335.00	44,000.00
4029 · Election Expenses	0.00	0.00	0.00	0.00	0.00
4031 · Legal Services	2,275.00	4,167.00	13,717.50	20,835.00	50,000.00
4032 · State Water Contract Services	3,641.08	3,833.00	18,205.44	19,165.00	46,000.00
4033 · Public Relations	7,475.03	11,250.00	17,008.07	56,250.00	135,000.00
4034 · Governmental Relations Consulti	14,000.00	7,833.00	42,000.00	39,165.00	94,000.00
4035 · Consulting & Engineering Expens	51,744.75	224,348.00	197,028.99	1,121,740.00	2,692,170.00
4036 · Medicare Tax Expense	1,351.91	1,337.00	6,131.67	6,685.00	16,045.00
4039 · PERS - Retirement Expenses	74,124.84	70,688.00	327,038.94	353,440.00	848,260.00

San Gabriel Valley Municipal Water District
Income Statement - Actual vs. Budget
November 2021

	Nov 21	Budget	Jul - Nov 21	YTD Budget	Annual Budget
4040 · Social Security Tax Expense	3,504.03	4,855.00	18,546.36	24,275.00	58,254.00
4041 · State Compensation Fund	1,693.24	1,500.00	7,676.73	7,500.00	18,000.00
4042 · State Unemployment Insurance Ta	123.81	134.00	239.76	670.00	1,605.00
4043 · Health Insurance Expense	34,591.89	37,167.00	171,887.48	185,835.00	446,000.00
4044 · Dental/ Vision Benefit Expense	965.95	6,417.00	18,396.68	32,085.00	77,000.00
4045 · Insurance - Liability, Casualty	2,733.15	3,500.00	13,334.74	17,500.00	42,000.00
4046 · Blue Cross Employee Reimburseme	2,330.11	5,000.00	11,486.25	25,000.00	60,000.00
4048 · Life Insurance	306.90	300.00	1,534.50	1,500.00	3,600.00
4050 · Dues and Associations	6,924.61	7,083.00	78,122.54	35,415.00	85,000.00
4051 · Travel and Conferences -Dir	725.00	2,083.00	4,282.66	10,415.00	25,000.00
4052 · Publications and Periodicals	69.95	25.00	69.95	125.00	300.00
4053 · State Water Contractors Audit	1,905.00	833.00	8,573.00	4,165.00	10,000.00
4054 · Financial Audit Expense	11,737.50	1,667.00	17,975.00	8,335.00	20,000.00
4055 · Travel & Conference -Staff	1,290.63	2,500.00	2,486.30	12,500.00	30,000.00
4056 · Miscellaneous	0.00	0.00	0.00	0.00	0.00
4057 · Taxes - Annual Fee	0.00	4,333.00	0.00	21,665.00	52,000.00
4058 · Tax Collection Fees	4,569.70	2,750.00	4,569.70	13,750.00	33,000.00
4059 · Property Tax Expense	0.00	54.00	597.83	270.00	650.00
4060 · Telephone Expense	3,906.01	3,333.00	15,660.95	16,665.00	40,000.00
4061 · Utilities - Gas, Electric, and	1,750.98	1,542.00	8,152.33	7,710.00	18,500.00
4062 · Conservation Materials	0.00	0.00	0.00	0.00	0.00
4063 · Safety Program	0.00	417.00	1,223.61	2,085.00	5,004.00
4065 · Water Conservation/Rebates Prog	0.00	20,833.00	7,477.48	104,165.00	250,000.00
4067 · OPEB -Other Post Employment Ben	23,333.33	40,000.00	316,666.65	200,000.00	480,000.00
4090 · SWP Transportation Cost	22,033.20	152,333.00	42,894.33	761,665.00	1,828,000.00
4093 · Uniform and Material Rentals	396.65	375.00	1,702.55	1,875.00	4,500.00
4095 · Vehicle Maintenance, Operating	2,514.02	1,750.00	9,117.30	8,750.00	21,000.00
4096 · Communication Expense	564.46	517.00	2,822.30	2,585.00	6,200.00
4099 · Facility Maintenance	4,469.00	2,500.00	22,523.38	12,500.00	30,000.00
4100 · Salaries - Field Workers	28,504.28	24,506.00	113,948.39	122,530.00	294,077.00
4108 · Grounds Maintenance and Materia	1,683.00	2,750.00	24,443.80	13,750.00	33,000.00
4112 · Depreciation Expense	40,062.00	0.00	208,373.80	0.00	0.00
4113 · Pipeline Maintenance & Material	0.00	4,167.00	500.04	20,835.00	50,000.00
4114 · SCADA Maintence	2,080.00	667.00	3,240.00	3,335.00	8,000.00
4120 · Grants	4,050,000.00	707,250.00	4,208,220.57	3,536,250.00	8,487,000.00
Total Unrestricted G.O. Expenses	4,473,946.63	1,438,354.00	6,288,957.20	7,191,770.00	17,260,241.00
Riverside Facility					
4300 · Salaries - Riverside	856.62	1,337.00	3,572.70	6,685.00	16,043.00
4301 · Riverside Maintenance and Mater	407.84	2,358.00	1,703.07	11,790.00	28,300.00
Total Riverside Facility	1,264.46	3,695.00	5,275.77	18,475.00	44,343.00
Hydro Expenses					

San Gabriel Valley Municipal Water District
Income Statement - Actual vs. Budget
November 2021

	Nov 21	Budget	Jul - Nov 21	YTD Budget	Annual Budget
4402 · Salaries - Hydro	142.35	758.00	1,119.57	3,790.00	9,092.00
4403 · Hydro Maintenance Materials	0.00	1,125.00	1,440.00	5,625.00	13,500.00
4406 · Hydro So Cal Edison (8800)	0.00	433.00	340.94	2,165.00	5,200.00
Total Hydro Expenses	142.35	2,316.00	2,900.51	11,580.00	27,792.00
Restricted Expense					
4510 · State Project Expense	191,967.00	625,000.00	3,097,789.00	3,125,000.00	7,500,000.00
4511 · State Project Amortization	8,034.00	8,083.00	40,164.75	40,415.00	97,000.00
4591 · State Project Cost of Water Adj	-1,289.00	0.00	-5,153.00	0.00	0.00
Total Restricted Expense	198,712.00	633,083.00	3,132,800.75	3,165,415.00	7,597,000.00
66000 · Payroll Expenses	0.00	304.42	0.00	304.42	0.00
Total Expense	4,674,065.44	2,077,752.42	9,429,934.23	10,387,544.42	24,929,376.00
Net Ordinary Income	-4,484,151.59	-640,304.42	-7,815,311.40	-3,200,304.42	-7,679,996.00
Other Income/Expense					
Other Expense					
6001 · COVID-19 Expense	173.43	0.00	520.29	0.00	0.00
Total Other Expense	173.43	0.00	520.29	0.00	0.00
Net Other Income	-173.43	0.00	-520.29	0.00	0.00
Net Income	-4,484,325.02	-640,304.42	-7,815,831.69	-3,200,304.42	-7,679,996.00

REVOLVING FUND RECAP

November 18, 2021

Check No.	Date	Description	Amount
11960-11964	11/18/21	Payroll Expense	\$ 33,431.19
EFT	11/18/21	Payroll Expense - PERS	\$ 8,194.82
Wires	11/18/21	Federal & State Payroll Taxes	\$ 13,722.54
EFT	11/18/21	State Compensation Insurance	\$ 1,276.57
11965	11/18/21	Frontier	\$ 436.03
11966	11/18/21	SCE	\$ 644.83
November 18, 2021 GRAND TOTAL DISBURSEMENTS.....			<u>\$ 57,705.98</u>

REVOLVING FUND RECAP

December 02, 2021

Check No.	Date	Description	Amount
11967-11971	12/02/21	Payroll Expense	\$ 33,937.66
EFT	12/02/21	Payroll Expense - PERS	\$ 8,276.12
Wires	12/02/21	Federal & State Payroll Taxes	\$ 13,094.13
11972	12/02/21	Azusa Light & Water	\$ 779.79
11973	12/02/21	Frontier	\$ 339.52
11974	12/02/21	SCE	\$ 333.56
11975	12/02/21	The Gas Company	\$ 18.17
11976	12/02/21	Verizon Wireless	\$ 957.39
December 02, 2021 GRAND TOTAL DISBURSEMENTS.....			<u>\$ 57,736.34</u>

REVOLVING FUND RECAP

December 13, 2021

Check No.	Date	Description	Amount
11977	12/13/21	Mark R Paulson	\$ 546.90
11978	12/13/21	Miles L Prince	\$ 729.20
11979	12/13/21	Thomas Wong	\$ 307.60
Wires	12/13/21	Federal & State Payroll Taxes	\$ 361.20
December 13, 2021 GRAND TOTAL DISBURSEMENTS.....			<u>\$ 1,944.90</u>

San Gabriel Valley Municipal Water District

Transactions by Account

As of November 30, 2021

12/08/21

Accrual Basis

Type	Date	Num	Name	Amount
1001 · General Fund Bank of America				
Bill Pmt -Check	11/09/2021	EFT	BeniComp (Corp)	-2,816.90
Bill Pmt -Check	11/22/2021	42556	Alliance Communication Services (Co...	-130.00
Bill Pmt -Check	11/22/2021	42557	Athens (Corporation)	-142.19
Bill Pmt -Check	11/22/2021	42558	Brian Wood Automotive (Corp)	-658.28
Bill Pmt -Check	11/22/2021	42559	California Advocates, Inc. (Corp)	-7,000.00
Bill Pmt -Check	11/22/2021	42560	Cash Revolving Fund	-70,000.00
Bill Pmt -Check	11/22/2021	42561	Charter	-239.98
Bill Pmt -Check	11/22/2021	42562	Civic Publications (Corp)	-4,987.00
Bill Pmt -Check	11/22/2021	42563	Civiltec Inc (Corp)	-43,117.50
Bill Pmt -Check	11/22/2021	42564	DWR	-418,975.00
Bill Pmt -Check	11/22/2021	42565	Ernst & Young LLP (Attorney)	-1,905.00
Bill Pmt -Check	11/22/2021	42566	ExxonMobil	-1,799.65
Bill Pmt -Check	11/22/2021	42567	Frontier	-364.21
Bill Pmt -Check	11/22/2021	42568	Grainger (Corp)	-148.26
Bill Pmt -Check	11/22/2021	42569	Lagerlof, LLP (Atty)	-2,275.00
Bill Pmt -Check	11/22/2021	42570	Linda S Glau, CPA	-192.50
Bill Pmt -Check	11/22/2021	42571	LOWES	-535.33
Bill Pmt -Check	11/22/2021	42572	SCE	-27.74
Bill Pmt -Check	11/22/2021	42573	Shell - Wex Bank	-56.09
Bill Pmt -Check	11/22/2021	42574	SoCal SCADA Solutions LLC	-2,080.00
Bill Pmt -Check	11/22/2021	42575	Sparkletts	-74.29
Bill Pmt -Check	11/22/2021	42576	Staples	-290.18
Bill Pmt -Check	11/22/2021	42577	Verizon Wireless (M2M)	-786.63
Bill Pmt -Check	11/22/2021	42578	Civiltec Inc (Corp)	-23,653.15
Total 1001 · General Fund Bank of America				-582,254.88
TOTAL				-582,254.88

San Gabriel Valley Municipal Water District

Transactions by Account

As of December 13, 2021

12/09/21

Accrual Basis

Type	Date	Num	Name	Amount
1001 · General Fund Bank of America				
Bill Pmt -Check	12/01/2021	EFT	BeniComp (Corp)	-8,050.00
Bill Pmt -Check	12/02/2021	EFT	BeniComp (Corp)	-4,270.81
Bill Pmt -Check	12/02/2021	EFT	BeniComp (Corp)	-600.00
Bill Pmt -Check	12/08/2021	EFT	BeniComp (Corp)	-3,209.19
Bill Pmt -Check	12/13/2021	42579	ACWA JPIA Medical/Life	-30,533.44
Bill Pmt -Check	12/13/2021	42580	Alhambra Chamber Commerce	0.00
Bill Pmt -Check	12/13/2021	42581	Alliance Communication Services (Co...	-130.00
Bill Pmt -Check	12/13/2021	42582	Alsco (Corp)	-396.65
Bill Pmt -Check	12/13/2021	42583	Athens (Corporation)	-138.20
Bill Pmt -Check	12/13/2021	42584	ATT	-104.39
Bill Pmt -Check	12/13/2021	42585	BOA-Visa	-2,217.38
Bill Pmt -Check	12/13/2021	42586	Bucknam & Associates Inc. (Corp)	-5,513.00
Bill Pmt -Check	12/13/2021	42587	California Advocates, Inc. (Corp)	-7,000.00
Bill Pmt -Check	12/13/2021	42588	California Underground Facilities	-115.15
Bill Pmt -Check	12/13/2021	42589	Canyon City Prinitng, Inc (Corp)	-1,728.17
Bill Pmt -Check	12/13/2021	42590	CAPIO	-25.00
Bill Pmt -Check	12/13/2021	42591	Cash Revolving Fund	-70,000.00
Bill Pmt -Check	12/13/2021	42592	Charter	-239.98
Bill Pmt -Check	12/13/2021	42593	City of Alhambra (Public Works)	-2,000.00
Bill Pmt -Check	12/13/2021	42594	City of Monterey Park2	-4,000,000.00
Bill Pmt -Check	12/13/2021	42595	Climate Resolve (non profit org)	-2,500.00
Bill Pmt -Check	12/13/2021	42596	D.H. Maintenance Services	-160.00
Bill Pmt -Check	12/13/2021	42597	DePinto Morales Communications, Inc.	-4,940.00
Bill Pmt -Check	12/13/2021	42598	DigAlert (Corporation)	-222.85
Bill Pmt -Check	12/13/2021	42599	DWR	-24,295.00
Bill Pmt -Check	12/13/2021	42600	Environment Resource Awareness So...	-1,800.00
Bill Pmt -Check	12/13/2021	42601	Fish N Weeds (Corp)	-1,687.00
Bill Pmt -Check	12/13/2021	42602	Frontier	-529.60
Bill Pmt -Check	12/13/2021	42603	Glendora Plumbing	-2,200.00
Bill Pmt -Check	12/13/2021	42604	Grainger (Corp)	-113.21
Bill Pmt -Check	12/13/2021	42605	Henry Radio, Inc. (Corp)	-144.00
Bill Pmt -Check	12/13/2021	42606	Independent Cities	-650.00
Bill Pmt -Check	12/13/2021	42607	Lagerlof, LLP (Atty)	-2,470.00
Bill Pmt -Check	12/13/2021	42608	LOWES	-43.44
Bill Pmt -Check	12/13/2021	42609	Maria Jarmin	-68.54
Bill Pmt -Check	12/13/2021	42610	Mission ACE Hardware (Corp)	-18.93
Bill Pmt -Check	12/13/2021	42611	Moss, Levy & Hartzheim LLP	-11,545.00
Bill Pmt -Check	12/13/2021	42612	Print Management USA (Corp)	-920.86
Bill Pmt -Check	12/13/2021	42613	Public Storage	-230.00
Bill Pmt -Check	12/13/2021	42614	Public Water Agencies Group (PWAG)	-963.75
Bill Pmt -Check	12/13/2021	42615	San Gabriel Valley Tribune	-69.95
Bill Pmt -Check	12/13/2021	42616	SCE	-619.46
Bill Pmt -Check	12/13/2021	42617	Stetson Engineers, Inc.	-642.25
Bill Pmt -Check	12/13/2021	42618	The Gas Company	-1.49
Bill Pmt -Check	12/13/2021	42619	Thinking Green Consultants	-555.00
Bill Pmt -Check	12/13/2021	42620	US Postmaster	-116.00
Bill Pmt -Check	12/13/2021	42621	Verizon Business Services	-585.74
Bill Pmt -Check	12/13/2021	42622	Wells Fargo Vendor Fin Serv	-285.71
Bill Pmt -Check	12/13/2021	42623	Western Pest Control Specialists, Inc.	-376.00
Bill Pmt -Check	12/13/2021	42624	Western Water Works Supply Co.	-827.98
Bill Pmt -Check	12/13/2021	42625	YMCA of West San Gabriel Valley	-8,048.00
Bill Pmt -Check	12/13/2021	42626	Alhambra Chamber Commerce	-650.00

Total 1001 · General Fund Bank of America

-4,204,551.12

TOTAL**-4,204,551.12**

VISA Recap
October 21, 2021 - November 20, 2021

D Kasamoto	10/20/2021	SWC 10/21/21	SAC -Gas,Parking, Meals etc	\$144.44	Hotel	\$190.46	Rental	\$216.20			\$551.10
	11/9/2021	SWC -11/17/21	SAC -Gas,Parking, Meals etc	\$79.26	Air	\$463.96	Rental	\$196.31			\$739.53
T Wong	11/2/2021	ACWA	Fall 2021 Conference	\$725.00							\$725.00
Office Supplies	10/26/2021	Apple.com	Icloud	\$0.99							\$0.99
	10/27/2021	Apple.com	Icloud	\$0.99							\$0.99
	11/2/2021	Google LLC	Google Workspace	\$76.83							\$76.83
	11/3/2021	Intuit Payroll	Monthly Per Employee Fee	\$26.00							\$26.00
	11/4/2021	DRIVMWARE	SCADA	\$66.96							\$66.96
	11/17/2021	Zoom	Subscription 10/17-11/16	\$29.98							\$29.98
										Total Due	\$2,217.38

RESOLUTION NO. 12-2021-791

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT PROCLAIMING A STATE OF EMERGENCY PERSISTS, RE-RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR GAVIN NEWSOM, AND RE-AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE BOARD OF DIRECTORS OF THE SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT FOR THE PERIOD DECEMBER 9, 2021 TO JANUARY 7, 2022 PURSUANT TO BROWN ACT PROVISIONS.

WHEREAS, the San Gabriel Valley Municipal Water District (the “District”) is committed to preserving and nurturing public access and participation in meetings of its Board of Directors; and

WHEREAS, all meetings of the District’s Board of Directors and its standing committees are open and public, as required by the Ralph M. Brown Act (California Government Code Sections 54950 – 54963), so that any member of the public may attend, participate, and watch those bodies conduct their business; and

WHEREAS, the Brown Act, in Government Code Section 54953(e), makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code Section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition for application of Section 54953(e) is that a state of emergency is declared by the Governor pursuant to Government Code Section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code Section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District’s boundaries, caused by natural, technological or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, the Board of Directors previously adopted a Resolution, Resolution No. 10-2021-788 on October 11, 2021, finding that the requisite conditions exist for the District’s Board of Directors and standing committees to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of Section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in Section 54953(e), the Board of Directors must reconsider the circumstances of the state of emergency that exists in the District, and the Board of Directors has done so; and

WHEREAS, emergency conditions persist in the District, specifically, COVID-19, and its Delta variant, remain highly contagious and, therefore, a threat to the health, safety and well-being of the District's employees, directors, vendors, contractors, customers and residents; and

WHEREAS, orders from the Los Angeles County Department of Public Health and regulations from the State of California impose limitations on gatherings and provide guidance on best practices with respect to actions to reduce the spread of COVID-19; and

WHEREAS, the District's Board of Directors does hereby find that a state of emergency continues to exist within the District's service area as a result of the continuing presence of COVID-19 and resulting local, state and federal orders and guidance, which has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District, and the Board of Directors desires to affirm a local emergency exists and re-ratify the proclamation of state of emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the local emergency persisting, the Board of Directors does hereby find that the District's Board of Directors and all standing committees shall continue to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code Section 54953, as authorized by subdivision (e) of Section 54953, and that such legislative bodies shall continue to comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of Section 54953; and

WHEREAS, the District will continue to provide proper notice to the public regarding all District of Board of Directors' and standing committee meetings, in accordance with Government Code Section 54953(e)(2)(A) and shall provide notice to the public of how they may access any such meeting via call-in number and/or internet link.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Affirmation that Local Emergency Persists. The Board of Directors hereby considers the conditions of the state of emergency in the District and proclaims that a local emergency persists throughout the District, and that conducting District Board of Directors and standing committee meetings virtually will minimize the possible spread COVID-19 and any variant thereof.

Section 3. Re-ratification of Governor's Proclamation of a State of Emergency. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency regarding COVID-19, dated March 4, 2020.

Section 4. Remote Teleconference Meetings. The District's General Manager, or his or her delegee, and the Board of Directors and standing committees of the District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) the expiration of thirty (30) days from the date this Resolution was adopted, as set forth below, or (ii) such time as the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the Board of Directors and standing committees of the District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of the San Gabriel Valley Municipal Water District this 13th day of December 2021.

President

ATTEST:

Secretary

Linda Esquivel

From: Miles Prince <mprince@sgvmwd.com> on behalf of Miles Prince
Sent: Wednesday, December 8, 2021 11:42 AM
To: Linda Esquivel
Subject: Fwd: WRD Redistricting: Upcoming Public Hearing

Since this is WRD, I don't know if it needs to be added to future meeting attendance, but I plan to attend this meeting tonight. Thanks.

----- Forwarded message -----

From: WRD Board of Directors <info@wrd.org>
Date: Tue, Dec 7, 2021 at 3:59 PM
Subject: WRD Redistricting: Upcoming Public Hearing
To: <mprince@sgvmwd.com>



WRD 2021 REDISTRICTING INFORMATION

Redistricting is a constitutionally mandated redrawing of local, state, and federal political boundaries every ten years following the United States Census. The result of the decennial (every ten years) census is that the lines of every Assembly, Senate, and Congressional District, as well as special districts such as the WRD, may be redrawn to better reflect changes in demographics and/or shifts in the population.

NOTICE IS HEREBY GIVEN that the Board of Directors of the Water Replenishment District of Southern California will hold two public hearings to receive public input and testimony regarding proposed re-alignment of the electoral districts for election to the Board (director divisions). The

Board will consider plans based on the 2020 Census, presented by the District's demographic consultant, as well as additional plans that the public may present.

Meeting agendas will be posted at: <https://agendas.wrd.org/OnBaseAgendaOnline>

The first public hearing will be held on December 8, 2021. This public hearing will take place as part of a special Board of Directors meeting, which begins at 6:00 p.m. All of the public hearings are open to the public and will be held via teleconference pursuant to Assembly Bill 361. The date and time of the second meeting will be noticed at a future time

Special Board of Directors Meeting

Wednesday, December 8, 2021

6:00pm

Water Replenishment District

Conference Call line: (805) 309-2350 or (800) 309-2350

Conference ID: 921-5521

The Board anticipates acting at the close of the second public hearing in January to select a preferred director division plan for final adoption by the Board.

[Click here to learn more](#)

AGENDA ACTION ITEM NO. 1

2020-2021 DRAFT AUDIT AND TRAVEL EXPENSE REPORT

RECOMMENDED ACTION: Information only, no action required.

BACKGROUND: Moss, Levy, and Hartzheim, LLP will present the findings of the 2020-2021 Audit and Travel Expense Report. The Audit will be brought back for final approval at the January Board Meeting.

BUDGET IMPACT: N/A

PRIOR BOARD ACTION: N/A

**SAN GABRIEL VALLEY MUNICIPAL
WATER DISTRICT**

**Annual Financial Report
For the Fiscal Year Ended June 30, 2021**

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

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December 4, 2021

Board of Directors
San Gabriel Valley Municipal Water District
Azusa, California

Introduction

It is our pleasure to submit the Annual Financial Report for the San Gabriel Valley Municipal Water District for the fiscal year ended June 30, 2021, following guidelines set forth by the Governmental Accounting Standards Board. District staff prepared this financial report. The District is ultimately responsible for both the accuracy of the data and the completeness and the fairness of presentation, including all disclosures in this financial report. We believe that the data presented is accurate in all material respects. This report is designed in a manner that we believe is necessary to enhance your understanding of the District's financial position and activities.

This report is organized into two sections: (1) Introductory and (2) Financial. The Introductory Section offers general information about the District's organization and current District activities, reports on a summary of significant financial results and includes the Management's Discussion and Analysis of the District's basic financial statements. The Independent Auditor's Report is a component of the Introductory Section. The Financial Section includes the District's audited basic financial statements with accompanying notes.

Accounting Principles General Accepted in the United States of America (US GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of the Management's Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found on page 9.

District Structure and Leadership

The San Gabriel Valley Municipal Water District was organized in 1959. Included in the District are the cities of Alhambra, Azusa, Monterey Park, and Sierra Madre. The District imports water from the State Water Project through its pipeline which was completed in 1974. The pipeline begins at the Devil Canyon Powerplant on the East Branch of the State Water Project, County of San Bernardino, and terminates at the San Gabriel Canyon Spreading Grounds, County of Los Angeles. The District's operation's include delivery of water through the Devil Canyon-Azusa Pipeline, as well as the generation of electricity at its San Dimas Hydroelectric Facility. Currently all energy produced is sold to the City of Azusa.

The imported water is spread in the Main San Gabriel Basin. The Main San Gabriel Basin Watermaster requires replacement water be spread in the Main San Gabriel Basin. The replacement water spread in the Main San Gabriel Basin is to replace water pumped by the four above mentioned cities in excess of their pumping rights. In addition, the District has an obligation under the Long Beach Judgment to ensure there is adequate water flowing through the Whittier Narrows into the Central Basin. This is a requirement of the San Gabriel River Watermaster.

The District is governed by a five-member Board of Directors representing five divisions. The General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors.

The District employs seven full-time employees and one part-time employee. The District's Board of Directors meet each month. Meetings are publicly noticed and citizens are encouraged to attend.

District Services

The District's customer is the Main San Gabriel Basin Watermaster acting on behalf of the cities of Alhambra, Azusa, Monterey Park, and Sierra Madre which consume 100% of the water annually delivered by the District. The District has a contract with the State of California Department of Water Resources for up to 28,800 acre-feet of water delivered annually from the State Water Project.

Economic Condition and Outlook

The District's offices are located in the City of Azusa in the County of Los Angeles. Development potential is limited due to lack of available land. The region's economy has experienced improvement, tempered by the slow recovery in labor market.

Internal Control Structure

District management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the District are protected from loss, theft, or misuse. The internal control structure also ensures adequate accounting data is compiled to allow for the preparation of financial statements in conformity with US GAAP. The District's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

The District Board of Directors annually adopts an operating and capital budget prior to the new fiscal year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the District's enterprise operations and capital projects. The budget and reporting treatment applied to the District is consistent with the accrual basis of accounting and the financial statement basis.

Investment Policy

The Board of Directors has adopted an investment policy that conforms to state law, District ordinance and resolutions, prudent money management, and the "prudent person" standards. The objective of the Investment Policy is safety, liquidity, and yield in that order. District funds are

invested in the State Treasurer's Local Agency Investment Fund and institutional savings and checking accounts.

Water Rates and District Revenues

District policy direction ensures that all revenues from water sales, property taxes, interest from investments, and hydro-electric sales must support all District operations including capital project funding. Accordingly, tax rates, water rates, and the investment policy are reviewed on an annual basis.

Audit and Financial Reporting

State law requires the District to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of Moss, Levy & Hartzheim LLP has conducted the fiscal year 2021 audit of the District's financial statements. Their unmodified Independent Auditor's Report is located on page 5.

Other References

More information is contained in the Management's Discussion and Analysis and the Notes to the Basic Financial Statements found in the Financial Section of the report.

Acknowledgements

Preparation of this report was accomplished by the combined efforts of District staff. We appreciate the dedicated efforts and professionalism that these staff members contribute to the District. We would also like to thank the members of the Board of Directors for their continued support in planning and implementation of the San Gabriel Valley Municipal Water District's fiscal policies.



Darin Kasamoto
General Manager

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MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

RONALD A LEVY, CPA
CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA
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INDEPENDENT AUDITOR'S REPORT

The Members of the Board of Directors of
San Gabriel Valley Municipal Water District
Azusa, California

Report on the Financial Statements

We have audited the accompanying basic financial statements of the San Gabriel Valley Municipal Water District (District) as of and for the fiscal year ended June 30, 2021, and related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of June 30, 2021, and the changes in financial position and cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 9 through 12 and the required supplementary information on pages 33 through 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the District's basic financial statements. The introductory section and accompanying supplementary information, such as schedule of operating expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects in relation to the financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
December 3, 2021

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**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the San Gabriel Valley Municipal Water District (District) provides an introduction to the financial statements of the District for the fiscal year ended June 30, 2021. Readers should consider the information presented here in conjunction with the transmittal letter and with the basic financial statements and related notes, which follow this section.

Financial Highlights

- The District's net position increased 3.72% or \$1,445,235 in 2021 as a result of operations.
- The District's operating revenue decreased 31.06% or \$1,225,571, in fiscal year 2021, primarily due to a decrease in water sales.
- The District's operating expenses increased 11.75% over the prior fiscal year due to prefunding PERS Unfunded Liability. Non-operating expenses increased due to grants passed through the District, which had no effect on the District's new position.
- The District's non-operating revenue, mostly composed of property taxes, remained largely the same.

Required Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Statement of Net Position includes all of the District's investments in resources (assets and deferred outflows) and obligations (liabilities and deferred inflows). It also provides the basis for computing a rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District. All of the current fiscal year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the District's operations over the past fiscal year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness.

The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments and, net changes in cash resulting from operation investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Financial Analysis of the District

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the District finances in the current fiscal year.

**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private sector companies. All of the current fiscal year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's net position and changes in it. The District's net position – the difference between assets and deferred outflows less liabilities and deferred inflows – is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. Readers should consider other non-financial factors such as changes in economic conditions, population growth, zoning and new or changed government legislation, such as changes in Federal and State water quality standards.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the financial statements can be found beginning on page 17.

Condensed Statement of Net Position

	<u>2021</u>	<u>2020</u>	<u>Change</u>
<u>Assets</u>			
Current and other assets	\$ 27,669,741	\$ 25,084,445	\$ 2,585,296
Non-current assets	6,984,595	8,623,278	(1,638,683)
Capital assets, net	<u>13,926,709</u>	<u>14,042,624</u>	<u>(115,915)</u>
Total Assets	<u>48,581,045</u>	<u>47,750,347</u>	<u>830,698</u>
<u>Deferred Outflows of Resources</u>			
Pension related	1,104,366	618,162	486,204
OPEB related	<u>839,996</u>	<u>201,703</u>	<u>638,293</u>
Total Def. Outflows	<u>1,944,362</u>	<u>819,865</u>	<u>1,124,497</u>
<u>Liabilities</u>			
Current liabilities	1,144,888	1,146,673	(1,785)
Non-current liabilities	<u>8,365,766</u>	<u>7,520,454</u>	<u>845,312</u>
Total Liabilities	<u>9,510,654</u>	<u>8,667,127</u>	<u>843,527</u>
<u>Deferred Inflows of Resources</u>			
Pension related	205,921	746,998	(541,077)
OPEB related	<u>506,030</u>	<u>298,520</u>	<u>207,510</u>
Total Def. Inflows	<u>711,951</u>	<u>1,045,518</u>	<u>(333,567)</u>
<u>Net Position</u>			
Net investment in capital assets	13,926,709	14,042,624	(115,915)
Unrestricted	<u>26,376,093</u>	<u>24,814,943</u>	<u>1,561,150</u>
Total Net Position	<u>\$ 40,302,802</u>	<u>\$ 38,857,567</u>	<u>\$ 1,445,235</u>

**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of the District exceeded liabilities and deferred outflows by \$40,302,802 as of June 30, 2021, which is an increase of \$1,445,235 when compared to the prior fiscal year.

A large portion of the District's net position, 34.5% and 36.1%, as of June 30, 2021 and 2020 respectively, reflects the District investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are not available for future spending.

At the end of fiscal years June 30, 2021 and 2020, the District showed a positive balance in its unrestricted net position of \$26,376,093 and \$24,814,943, respectively.

Condensed Statement of Revenues, Expenses and Changes in Net Position

	<u>2021</u>	<u>2020</u>	<u>Change</u>
<u>Revenues</u>			
Operating revenue	\$ 2,719,634	\$ 3,945,205	\$ (1,225,571)
Non-operating revenue	14,353,644	14,566,984	(213,340)
Total Revenues	<u>17,073,278</u>	<u>18,512,189</u>	<u>(1,438,911)</u>
<u>Expenses</u>			
Operating expenses	14,495,728	12,971,257	1,524,471
Depreciation	569,088	569,157	(69)
Non-operating expenses	563,227	311,679	251,548
Total Expenses	<u>15,628,043</u>	<u>13,852,093</u>	<u>1,775,950</u>
Change in Net Position	1,445,235	4,660,096	(3,214,861)
Beginning Net Position	<u>38,857,567</u>	<u>34,197,471</u>	<u>4,660,096</u>
Ending Net Position	<u>\$ 40,302,802</u>	<u>\$ 38,857,567</u>	<u>\$ 1,445,235</u>

The statement of revenues, expenses, and changes in net position shows how the District's net position changed during the fiscal years. In the case of the District, net position increased by \$1,445,235 for the fiscal year ended June 30, 2021.

In 2021, the District's net position increased 3.72% or \$1,445,235 as a result of operations compared to 2020.

The District's operating revenue decreased 31.06% or \$1,225,571, in fiscal year 2021, primarily due to a decrease in water sales and a decrease in interest revenue.

The District's operating expenses increased 11.75%, or \$1,524,471 primarily due to State water supply contract costs, pre-payment of CalPERS Unfunded Liability, and Consulting and Engineering costs for pipeline assessment project. The District's non-operating expenditures also remained largely the same if passthrough grants are not taken into account.

**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Capital Asset Administration

At the end of fiscal year 2021 and 2020, the District's investment in capital assets amounted to \$13,926,709, and \$14,042,624 (net of accumulated depreciation), respectively. This investment in capital assets includes land, pipelines and structures, equipment, vehicles and construction-in-process, etc. Major capital asset additions during the fiscal year included upgrades to the pipeline.

	Balance as of June 30, 2020	Additions	Deletions	Balance as of June 30, 2021
Total non-depreciable capital assets	\$ 1,686,714	\$ -	\$ -	\$ 1,686,714
Total depreciable capital assets	35,862,489	453,168		36,315,657
Total accumulated depreciation	(23,506,579)	(569,083)		(24,075,662)
Net depreciable capital assets	12,355,910	(115,915)		12,239,995
Net capital assets	<u>\$ 14,042,624</u>	<u>\$ (115,915)</u>	<u>\$ -</u>	<u>\$ 13,926,709</u>

Conditions Affecting Current Financial Position and Outlook

Management is unaware of any conditions, which could have a significant impact on the District's current financial position, net assets, or operating results to terms of past, present and future. Covid-19 impacts are expected to be minimal because the District derives its tax revenue solely from property taxes.

Requests for Information

This financial report is designed to provide an overview of the District's financial operations and condition. Should the reader have questions regarding the information included in this report or wish to request additional information, please contact the District's General Manager at 1402 N. Vosburg Drive, PO Box 1299, Azusa, California 91702.

FINANCIAL SECTION

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
STATEMENT OF NET POSITION
June 30, 2021

ASSETS

Current Assets:

Cash and cash equivalents	\$ 23,370,938
Investments	3,098,638
Accounts receivable, net	70,488
Interest receivable	18,399
Property taxes receivable	192,091
Water inventory	752,339
Prepaid expenses	166,848
Total current assets	<u>27,669,741</u>

Noncurrent Assets:

Investments	6,984,595
Capital assets not being depreciated	1,686,714
Capital assets, net of accumulated depreciation	<u>12,239,995</u>
Total noncurrent assets	<u>20,911,304</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related	1,104,366
OPEB related	<u>839,996</u>
Total deferred outflows of resources	<u>1,944,362</u>
Total assets and deferred outflows of resources	<u>50,525,407</u>

LIABILITIES

Current Liabilities:

Accounts payable	502,072
Accrued liabilities	55,832
Unearned revenue	513,984
Current portion of compensated absences	<u>73,000</u>
Total current liabilities	<u>1,144,888</u>

Noncurrent liabilities:

Compensated absences	356,594
Net pension liability	2,578,972
Net OPEB liability	<u>5,430,200</u>
Total noncurrent liabilities	<u>8,365,766</u>
Total liabilities	<u>9,510,654</u>

DEFERRED INFLOWS OF RESOURCES

Pension related	205,921
OPEB related	<u>506,030</u>
Total deferred inflows of resources	<u>711,951</u>
Total liabilities and deferred inflows of resources	<u>10,222,605</u>

NET POSITION

Net investment in capital assets	13,926,709
Unrestricted	<u>26,376,093</u>
Total net position	<u>\$ 40,302,802</u>

See Notes to Basic Financial Statements

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2021

Operating Revenues:	
Water sales	\$ 2,704,776
Other services	14,858
	<u>2,719,634</u>
 Operating Expenses:	
Source of supply - water deliveries	11,570,934
General and administrative expenses	2,924,794
	<u>14,495,728</u>
Operating income (loss) before depreciation	(11,776,094)
Depreciation expense	(569,088)
Operating income (loss)	<u>(12,345,182)</u>
 Non-Operating Revenues (Expenses):	
Property taxes - ad valorem	5,608,712
Property taxes - voter approved	8,719,393
Grant funding to other agencies	(563,227)
Interest and investment earnings	25,539
	<u>13,790,417</u>
Change in net position	1,445,235
Total Net Position - beginning of fiscal year	<u>38,857,567</u>
Total Net Position - end of fiscal year	<u>\$ 40,302,802</u>

See Notes to Basic Financial Statements

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from water sales	\$ 2,717,803
Cash payments to vendors and suppliers	(11,704,848)
Cash payments for employees and benefit programs	<u>(2,694,574)</u>
Net cash provided (used) by operating activities	<u>(11,681,619)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Cash received from property taxes	<u>14,363,232</u>
Net cash provided (used) by non-capital financing activities	<u>14,363,232</u>
CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES:	
Cash received (payments) from (to) other governments	(563,227)
Purchase of capital assets	(453,168)
Proceeds from advances to other governments	<u>137,594</u>
Net cash provided (used) by capital and related financing activities	<u>(878,801)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of investments	(6,684,154)
Proceeds from sale of investments	6,680,000
Use of money and property	<u>204,848</u>
Net cash provided by investing activities	<u>200,694</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,003,506
CASH AND CASH EQUIVALENTS, BEGINNING OF FISCAL YEAR	<u>21,367,432</u>
CASH AND CASH EQUIVALENTS, END OF FISCAL YEAR	<u><u>\$ 23,370,938</u></u>
Reconciliation to Statement of Net Position:	
Cash and investments	<u>\$ 23,370,938</u>
CASH AND CASH EQUIVALENTS	<u><u>\$ 23,370,938</u></u>

(Continued)

See Notes to Basic Financial Statements

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2021

(Continued)

Reconciliation of Operating Income (Loss) to Net Cash

Provided (Used) by Operating Activities:	
Operating income (loss)	<u>\$ (12,345,182)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	569,088
(Increase) decrease in accounts receivable	(1,831)
(Increase) decrease in inventory	779,559
(Increase) decrease in prepaid expenses	(68,716)
(Increase) decrease in deferred outflows of resources - pension and OPEB	(1,124,497)
Increase (decrease) in accounts payable and accrued expenses	(1,785)
Increase (decrease) in compensated absences	33,212
Increase (decrease) net pension liability	223,887
Increase (decrease) net OPEB liability	588,213
Increase (decrease) in deferred inflows of resources - pension and OPEB	<u>(333,567)</u>
Total adjustments	<u>663,563</u>
Net cash provided by (used by) operating activities	<u><u>\$ (11,681,619)</u></u>

See Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the San Gabriel Valley Municipal Water District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below:

A. Financial Reporting Entity

The San Gabriel Valley Municipal Water District was organized in 1959. Included in the District are the cities of Alhambra, Azusa, Monterey Park and Sierra Madre. The District imports state water through its pipeline which was completed in 1975. The pipeline originates at the State Water Project located at Devil Canyon, County of San Bernardino, and terminates in the San Gabriel Canyon Spreading Grounds. The District maintains the pipeline and also generates electricity, which is sold to the City of Azusa at its San Dimas electrical generating plant.

The imported water is spread in the Main San Gabriel Basin and the Central Basin. The Main San Gabriel Basin Watermaster (Watermaster) requires that replacement water and cyclic storage be spread in the Main San Gabriel Basin. The water spread in the Main San Gabriel Basin is to replace water pumped by the four above mentioned cities in excess of their pumping rights. The Watermaster requires that make-up water be spread in the Central Basin to satisfy the terms of the Long Beach Judgment.

The District is governed by a five-member Board of Directors representing five divisions. The General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. The District employs seven employees. The District's Board of Directors meets each month. Meetings are publicly noticed and citizens are encouraged to attend.

B. Basis of Accounting

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water to its service areas on a continuing basis be financed or recovered primarily through user charges (water sales), capital grants, and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place. Operating revenues and expenses, such as water sales and water deliveries result from exchange transaction associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expense not included in the above categories are reported as non-operating revenues and expenses.

C. Basis of Preparation

The District's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP), as applied to enterprise funds. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the District's proprietary fund.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers cash and cash equivalents as short term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents have an original maturity date of three months or less from the date of purchase.

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents (Continued)

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy as follows: Level 1 – Investments reflect prices quoted in active markets; Level 2 – Investments reflect prices that are based on similar observable asset either directly or indirectly, which may include inputs in markets that are not considered active; and Level 3 – Investments reflect prices based upon unobservable sources.

E. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the AICPA, require management to make assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

F. Investments and Investment Policy

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

G. Receivables

For customer accounts receivables, the District considers these receivables to be fully collectable and accordingly, no allowance for doubtful accounts has been provided. For tax revenue receivables, when management deems a tax receivable amount is uncollectable, the District uses the direct write off method for recording the bad debt. In 2021, the District wrote off \$54,232 of old receivables related to property tax revenues in prior fiscal year. The District believes the bad debt recorded under this method approximates the amount that would be recorded if the District used the allowance method.

H. Property Tax

The County of Los Angeles Assessor's Office assesses all real and personal property within the County each year. The County of Los Angeles Tax Collector's Office bills and collects the District's share of property taxes and assessments. The County of Los Angeles Treasurer's Office remits current and delinquent property tax collections to the District throughout the fiscal year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countrywide assessed valuations.

Property taxes receivable at fiscal year-end are related to property taxes collected by the County of Los Angeles, which have not been credited to the District's cash balance as of June 30. The property tax calendar is as follows:

Lien date	March 1
Levy date	July 1
Due dates	November 1 and March 1
Collection dates	December 10 and April 10

I. Inventory

Water held in inventory is valued at cost using the first-in first-out method. The District holds minor supplies inventory for emergency repairs which is expensed as incurred.

J. Prepaid Expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical costs. District policy has set the capitalization threshold for recording capital assets at \$1,000. Donated assets are recorded at acquisition value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are also expensed in the current period.

L. Depreciation

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as shown herein.

<u>Description</u>	<u>Estimated Lives</u>
Pipeline	7 to 75 years
Telemetry Equipment	10 years
Building and Structures	7 to 30 years
Office Furniture and Equipment	5 to 15 years
Vehicles and Equipment	5 to 10 years
State Water Project	60 years

M. Compensated Absences

The District's policy is to permit employees to accumulate earned but unused vacation and sick time pay benefits. All vacation and sick time is accrued when incurred. Upon termination of employment, employees are paid all unused vacation and qualifying unused sick time up to a maximum of 960 hours.

N. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of the District's defined benefit retirement plan, Miscellaneous, of the California Employees' Retirement System ("CalPERS") and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Other Post-Employment Benefits (OPEB)

The total OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense of the District's defined benefit OPEB plan of the CalPERS are measured on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. Deferred Outflows and Inflows of Resources

The District recognizes deferred outflows and inflows of resources in relation to full accrual, pension, and OPEB. Deferred outflow and inflow of resources are defined as a consumption or resource of net position by the government that is applicable to a future report period. Pursuant to GASB Statements 68 and 71, the District recognizes deferred outflows/inflows of resources related to pensions. Pursuant to GASB Statement 75, the District recognizes deferred outflows/inflows of resources related to OPEB.

Q. Water Sales

Water sales are billed when the Watermaster places an order for replacement water.

**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Net Position and Fund Equity

Net position is reported in three categories under GASB Statement No. 34. These captions are described below.

Net Investment in Capital Assets describes the portion of net position which is represented by the current net book value of the District's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the District cannot unilaterally alter.

Unrestricted describes the portion of net position which is not restricted as to use.

S. Fiscal Year

The fiscal year of the District begins on July 1 and ends on June 30.

T. Budgets and Budgetary Accounting

The District adopts an annual non-appropriated budget for planning, control and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

U. Future Accounting Pronouncements

Statement No. 87	"Leases"	The provisions of this statement are effective for fiscal years beginning after June 15, 2021.
Statement No. 89	"Accounting for Interest Cost incurred before the End of a Construction Period"	The provisions of this statement are effective for fiscal years beginning after December 15, 2020.
Statement No. 91	"Conduit Debt Obligations"	The provisions of this statement are effective for fiscal years beginning after December 15, 2021.
Statement No. 92	"Omnibus 2020"	The provisions of this statement are effective for fiscal years beginning after June 15, 2021.
Statement No. 93	"Replacement of Interbank Offered Rates"	The provisions of this statement are effective for fiscal years beginning after December 31, 2021.
Statement No. 94	"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2022.
Statement No. 96	"Subscription-Based Information Technology Arrangements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2022.
Statement No. 97	"Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans"	The provisions of this statement are effective for fiscal years beginning after June 15, 2021.

**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2021 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and cash equivalents	\$ 23,370,938
Investments (current)	3,098,638
Investments (non-current)	<u>6,984,595</u>
Total cash and investments, Statement of Net Position	<u>\$ 33,454,171</u>

Cash and investments as of June 30, 2021 consist of the following:

Cash on hand	\$ 442
Deposits with financial institutions	3,888,064
Investments	<u>29,565,665</u>
Total cash and investments	<u>\$ 33,454,171</u>

A. Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the San Gabriel Valley Municipal Water District (District) by the California Government Code or the District's investment policy, where more restrictive. The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

A. Investments Authorized by the California Government Code and the District's Investment Policy (Continued)

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Government Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	80%	N/A
U.S. Government Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper, Prime Quality	5 years	15%	10%
Certificates of Deposit	5 years	30%	\$250,000
Negotiable Certificates of Deposit	5 years	30%	None
Medium-Term Notes	5 years	30%	None
Money Market Mutual Funds	N/A	15%	None
Local Agency Investment Fund (LAIF)	N/A	None	\$ 75 Million
Collateralized Bank Deposits	5 years	25%	None
Investment Trust of California (CalTRUST)	N/A	15%	N/A

B. Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. The District does not currently hold any debt that bound by debt agreements.

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

C. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

<u>Investment Type</u>	<u>Totals</u>	<u>Remaining maturity (in Months)</u>		
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25-60 Months</u>
Local Agency Investment Fund (LAIF)	\$ 19,477,893	\$ 19,477,893	\$ -	\$ -
Certificates of Deposit	10,087,772	3,098,638	4,100,544	2,888,590
	<u>\$ 29,565,665</u>	<u>\$ 22,576,531</u>	<u>\$ 4,100,544</u>	<u>\$ 2,888,590</u>

D. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The District has no investments including investments held by bond trustees that are highly sensitive to interest rate fluctuations.

E. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating (Standard & Poor's) as of fiscal year end for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Fiscal Year End</u>	
			<u>AAA</u>	<u>Not Rated</u>
Local Agency Investment Pool (LAIF)	\$ 19,477,893	N/A	\$ -	\$ 19,477,893
Certificates of Deposit	10,087,772	N/A	10,087,772	
Total	<u>\$ 29,565,665</u>		<u>\$ 10,087,772</u>	<u>\$ 19,477,893</u>

F. Concentration of Credit Risk

The investment policy of the District contains limitations on the amount that can be invested in any one issuer. There was no investment in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represents 5% or more of total District investments.

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

G. Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits; The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2021, none of the District’s deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

H. Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California and operates in accordance with appropriate state laws and regulations. The fair value of the District’s investment in this pool is reported in the accompanying financial statements at amounts based upon the District’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The reported value of the pool is the same as the fair value of the pool shares. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Deposits and withdrawals are made on the basis of \$1 and not fair value.

I. Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy establish by generally accepted accounting principles. These principles recognize a three tiered fair value hierarchy as follows: Level 1 – Investments reflect prices quoted in active markets; Level 2 – Investments reflect prices that are based on similar observable asset either directly or indirectly, which may include inputs in markets that are not considered active; and Level 3 – Investments reflect prices based upon unobservable sources.

<u>Pooled investments by fair value hierarchy</u>	Total	FMV Measurement Level 2
Investments subject to fair value hierarchy:		
Negotiable Certificates of Deposit	\$ 10,087,772	\$ 10,087,772
Total Investments measured at fair value hierarchy	10,087,772	\$ 10,087,772
Investments measured using uncategorized inputs:		
State Investment Pool (LAIF)	19,477,893	
Total investments not subject at fair value hierarchy	19,477,893	
Total pooled investments	29,565,665	
Total investments	\$ 29,565,665	

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 – ADVANCES TO MEMBER CITIES RECEIVABLE

Advances to member cities activity for the fiscal year ended June 30, 2021 was as follows:

	Balance as of June 30, 2020	Additions	Reductions	Balance as of June 30, 2021
Notes receivable:				
City of Sierra Madre	\$ 145,687	\$ -	\$ (145,687)	\$ -
Less: Unamortized discount	(8,093)		8,093	
Total notes receivable	<u>\$ 137,594</u>	<u>\$ -</u>	<u>\$ (137,594)</u>	<u>\$ -</u>

City of Sierra Madre

The City of Sierra Madre entered into a loan agreement with the District on September 27, 2004, for the reservoir and booster station replacement project in the amount of \$1,456,875. Terms of the agreement call for annual principal only payments in the amount of \$145,688, at a rate of zero percent, commencing July 2012. This note was paid off during the current fiscal year.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	Balance as of June 30, 2020	Additions	Deletions	Balance as of June 30, 2021
Nondepreciable capital assets				
Land	\$ 735,931	\$ -	\$ -	\$ 735,931
Construction in progress	950,783			950,783
Total nondepreciable capital assets	<u>1,686,714</u>			<u>1,686,714</u>
Depreciable capital assets				
Pipeline	26,340,786	401,830		26,742,616
Telemetry equipment	850,216	51,338		901,554
Buildings and structures	2,350,182			2,350,182
Office furniture and equipment	179,790			179,790
Vehicles and equipment	298,960			298,960
State water project participation rights	5,784,165			5,784,165
Roof	58,390			58,390
Total depreciable capital assets	<u>35,862,489</u>	<u>453,168</u>		<u>36,315,657</u>
Less accumulated depreciation				
Pipeline	(15,919,092)	(371,016)		(16,290,108)
Telemetry equipment	(517,597)	(74,882)		(592,479)
Buildings and structures	(2,333,169)	(17,013)		(2,350,182)
Office furniture and equipment	(134,567)	(1,787)		(136,354)
Vehicles and equipment	(252,351)	(5,063)		(257,414)
State water project participation rights	(4,338,125)	(96,402)		(4,434,527)
Roof	(11,678)	(2,920)		(14,598)
Total accumulated depreciation	<u>(23,506,579)</u>	<u>(569,083)</u>		<u>(24,075,662)</u>
Net depreciable capital assets	<u>12,355,910</u>	<u>(115,915)</u>		<u>12,239,995</u>
Net capital assets	<u>\$ 14,042,624</u>	<u>\$ (115,915)</u>	<u>\$ -</u>	<u>\$ 13,926,709</u>

**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 –LONG-TERM LIABILITY

The following is a summary of long-term liability activity of the District’s activities for the fiscal year ended June 30, 2021:

	Balance as of June 30, 2020	Additions	Reductions	Balance as of June 30, 2021	Due Within One Year
Compensated absences	\$ 396,382	\$ 106,212	\$ (73,000)	\$ 429,594	\$ 73,000
Total long-term liability	<u>\$ 396,382</u>	<u>\$ 106,212</u>	<u>\$ (73,000)</u>	<u>\$ 429,594</u>	<u>\$ 73,000</u>

NOTE 6 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; inquiries to employees and natural disasters. The District is a member of the ACWA/Joint Powers Insurance Authority (JPIA), a risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the JPIA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage. At June 30, 2020, the District participated in the liability and property programs of the JPIA as follows:

- General and auto liability, public officials and employees’ errors and omissions: Total risk financing self-insurance limits of \$1,000,000 per occurrence. The JPIA purchased additional excess coverage layers: \$59,000,000 for general, auto and public officials liability, which increases the limits on the insurance coverage noted above.

In addition to the above, the District also has the following insurance coverage:

- Public officials’ and Employee dishonesty coverage up to \$100,000 per loss includes public employee dishonesty, forgery or alteration, computer fraud coverage subject to a \$1,000 deductible per occurrence.
- Property loss is paid at the replacement cost for property on file, if replaced within two years after the loss, otherwise paid on an actual cash value basis, to a combined total of \$100 million per occurrence, subject to the following deductibles: \$1,000 per occurrence for buildings, fixed equipment, mobile equipment, and \$500 deductible per occurrence for licensed vehicles.
- Boiler and machinery coverage for the replacement cost up to \$100 million per occurrence, subject to various deductibles per occurrence on damage to scheduled items.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years. There were no reductions in insurance coverage in fiscal year 2021. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2021.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

Grant Awards

Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021**

NOTE 7 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

Participation in the State Water Project

The District has entered into a long-term water supply contract with the State of California, Department of Water Resources (DWR). Under the terms of the contract, the State will deliver specified amounts of water to the District through the year 2035. The District is obligated to pay to the State a portion of the capital and operations and maintenance costs of the State Water Project (SWP).

All of the SWP charges incurred prior to fiscal year 1976 were capitalized because the District’s pipeline was not operational until fiscal year 1976. These charges are amortized over the life of the contract. The yearly amortization of pre-fiscal year 1976 charges is \$96,403.

The District expenses all SWP charges incurred after fiscal year 1976 because of the uncertainty regarding projected future water deliveries and because the District’s contract with the State indicates that unused annual entitlements cannot be carried forward to future years.

In fiscal year 2021, charges of \$7,759,852 were expensed. The SWP charges are allocated between two components, capital charges and operating and maintenance charges. Capital charges totaled \$125,769 and operating and maintenance charges were \$7,165,878 before the application of \$754,120 in SWP credits which reduced the expenses to \$7,005,732. The credits comprised of bond costs, final adjustments, and interest credits on aqueduct payments. The credits comprised of bond costs, final adjustments, and interest credits on aqueduct payments.

NOTE 8 – PENSION PLAN

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plans and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

A. General Information about the Pension Plan

Plan Descriptions - All qualified employees are eligible to participate in the District’s Miscellaneous Plan, cost sharing multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Misc. Plan	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52-67
Required employee contribution rates	6.902%	7.250%
Required employer contribution rates	10.868%	7.072%

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 8 – PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2021, the District reported net pension liabilities for its proportionate share of the net position liability of the Plan as follows:

Proportionate Share of Net Pension Liability
<u>Misc. Plan</u>
<u>\$ 2,578,972</u>

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2019 and 2020 was as follows:

Proportion - June 30, 2019	0.05881%
Proportion - June 30, 2020	<u>0.06114%</u>
Change - Increase (Decrease)	<u>0.00233%</u>

For the fiscal year ended June 30, 2021, the District recognized pension expense of \$109,192 related to prior contributions. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 771,376	\$ -
Differences between projected and actual contributions		187,526
Differences between expected and actual experience	132,902	
Changes in assumptions		18,394
Net Difference between projected and actual earnings on plan investments	76,612	
Changes in proportion	<u>123,475</u>	
Total	<u>\$ 1,104,365</u>	<u>\$ 205,920</u>

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 8 – PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

\$771,376 reported as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and will be recognized as pension expense as follows:

Fiscal Year Ended	Amount
June 30,	
2022	\$ (2,254)
2023	46,332
2024	46,246
2025	36,745
Total	<u>\$ 127,069</u>

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions - The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

	Misc. Plan
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.15%
Mortality	Derived using CalPERS' Membership Data for all Funds

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2019 valuation were based on the results of a December 2017 actuarial experience study. Further details of the Experience Study can found on the CalPERS website.

Discount Rate - The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.15 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.15 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 8 – PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound geometric returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated and adjusted to account for assumed administrative expenses.

The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The long-term expected real rate of return by asset class and the target allocation adopted by the CalPERS Board effective on July 1, 2019, are as follows:

Asset Class	Assumed Asset Allocation	Real Return Year 1-10(a)	Real Return Year 11+(b)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

- a) An expected inflation of 2% used for this period
- b) An expected inflation of 2.92% used for this period

Sensitivity of the Net Pension Liability to Changes in the Discount Rate -The following presents the net pension liability of the District for each Plan, calculated using the discount rate for each Plan, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Misc. Plan
1% Decrease	6.15%
Net Pension Liability	\$ 4,002,563
Current Discount Rate	7.15%
Net Pension Liability	\$ 2,578,972
1% Increase	8.15%
Net Pension Liability	\$ 1,402,703

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021**

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

The District administers an Agent Multiple-Employer defined benefit postemployment healthcare plan. Dependents are eligible to enroll and benefits continue to surviving spouses. Retirees are eligible for medical benefits if they retire at age 55+ and have 5+ years of CalPERS service. The District pays 100% of the actual premium costs of the health insurance for retirees and dependents and also provides reimbursement for cost sharing under the plan offered by the District subject to restrictions as determined by the District.

Eligibility

The table below presents a summary of the basic participant information for the active and retired participants covered under the terms of the Plan.

Participant type	Count
Inactive participants currently receiving benefits	17
Inactive participants entitled to but not yet receiving benefit payments	0
Active employees	7
Total	<u>24</u>

Funding Policy

The District makes contributions based on projected pay-as-you-go financing requirements. As of June 30, 2021, the District has not established a plan or equivalent that contains an irrevocable transfer of assets dedicated to providing benefits to retirees in accordance with the terms of the Plan and that are legally protected from creditors.

Net OPEB Liability

The District’s net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. Since the District has not established an irrevocable trust for the pre-funding of retiree healthcare benefits, the total OPEB Liability and Net OPEB Liability are both \$5,430,200.

Actuarial Method and Assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Actuarial Assumptions	
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Inflation	0.75%
Salary Increases	2.75%
Discount Rate	2.45%
Health Care Trend Rate	6.50%
Mortality Rates	Based on CalPERS tables

**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

The discount rate used to measure the total OPEB liability was 2.45 percent. The District’s OPEB plan is an unfunded plan, therefore, the discount rate was set to the rate of tax-exempt, high-quality 20-year municipal bonds as of the valuation date. Since the most recent GASB 75 valuation, the following changes have been made:

- The discount rate and expected rate of return on assets was changed from 3.13 percent to 2.45 percent.
- The initial healthcare trend rate changed from 7.00 percent to 6.50 percent

Change in Total OPEB Liability

	<u>Total/Net OPEB Liability</u>
Balance for fiscal year ended June 30, 2020	<u>\$ 4,841,987</u>
Changes for the fiscal year:	
Service cost	180,064
Interest	153,721
Differences between expected and actual experience	25,010
Changes of assumptions	451,114
Benefits payments	(198,939)
Implicit rate subsidy	<u>(22,757)</u>
Net changes	<u>588,213</u>
Balance for fiscal year ended June 30, 2021	<u>\$ 5,430,200</u>

There is sensitivity of the total OPEB liability due to changes in the discount rate and healthcare cost trend rates. The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using the discount and trend rate that were 1 percentage point lower or 1 percentage point higher than the current discount and healthcare cost trend rates.

Sensitivity of the Total OPEB Liability to changes in the Discount Rate

	<u>Total OPEB Liability</u>
1% decrease in Discount Rate (1.45%)	\$ 6,216,405
Current Discount Rate (2.45%)	\$ 5,430,200
1% increase in Discount Rate (3.45%)	\$ 4,786,584

Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates

	<u>Total OPEB Liability</u>
1% decrease in Healthcare Cost Trend Rates (5.50%)	\$ 4,690,725
Current Healthcare Cost Trend Rates (6.50%)	\$ 5,430,200
1% increase in Healthcare Cost Trend Rates (7.50%)	\$ 6,332,919

**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2021**

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2021, the District recognized OPEB expense of \$201,703. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Summary of Deferred Outflows/Inflows</u>	<u>Outflows</u>	<u>Inflows</u>
Change of assumptions	\$ 18,910	\$ (314,141)
Differences between expected and actual experience	341,086	(191,889)
Amounts paid subsequent to the measurement date	<u>480,000</u>	
Total	<u>\$ 839,996</u>	<u>\$ (506,030)</u>

\$480,000 reported as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction of the total OPEB liability in the fiscal year ended June 30, 2022.

Amounts reported as deferred outflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Fiscal Year ended</u>	<u>Future recognition</u>
2022	\$ (124,840)
2023	(124,840)
2024	92,034
2025	<u>11,612</u>
	<u>\$ (146,034)</u>

REQUIRED SUPPLEMENTARY INFORMATION

**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2021**

Cost Sharing Defined Benefit Pension Plan

Schedule of the District's Proportionate Share of the Net Pension Liability – Last 10 Years*

	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	
Proportion of the net pension liability	0.02209%	0.02298%	0.02370%	
Proportionate share of the net pension liability	\$ 2,128,755	\$ 2,355,085	\$ 2,578,972	
Covered payroll	\$ 796,000	\$ 892,605	\$ 974,580	
Proportionate Share of the net pension liability as a percentage of covered payroll	267.43%	263.84%	264.62%	
Plan fiduciary net position as a percentage of total pension liability	77.69%	77.12%	75.98%	
	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Proportion of the net pension liability	0.02179%	0.02102%	0.01869%	0.01991%
Proportionate share of the net pension liability	\$ 2,161,060	\$ 1,819,051	\$ 1,283,170	\$ 1,238,997
Covered payroll	\$ 781,000	\$ 772,000	\$ 820,000	\$ 754,000
Proportionate Share of the net pension liability as a percentage of covered payroll	276.70%	235.63%	156.48%	164.32%
Plan fiduciary net position as a percentage of total pension liability	75.39%	79.58%	85.10%	83.03%

Notes to Schedule

Change in Assumptions: In the 2016 valuation, the accounting discount rate was reduced from 7.65 percent to 7.15 percent.

*Fiscal year 2015 was the 1st year of implementation, therefore only seven years are shown.

**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2021**

Cost Sharing Defined Benefit Pension Plan

Schedule of Contributions – Last 10 Years*

	<u>June 30, 2020</u>	<u>June 30, 2021</u>
Contractual required contribution (actuarially determined)	\$ 195,840	\$ 233,098
Contributions in relation to the actuarially determined contributions	<u>(195,840)</u>	<u>(233,098)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 892,605	\$ 974,580
Contributions as a percentage of covered payroll	21.94%	23.92%

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractual required contribution (actuarially determined)	\$ 195,840	\$ 175,177	\$ 122,358	\$ 131,256	\$ 132,987
Contributions in relation to the actuarially determined contributions	<u>(195,840)</u>	<u>(175,177)</u>	<u>(122,358)</u>	<u>(131,256)</u>	<u>(132,987)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 835,000	\$ 796,000	\$ 781,000	\$ 772,000	\$ 820,000
Contributions as a percentage of covered payroll	23.45%	22.01%	15.67%	17.00%	16.22%

Notes to Schedule

Valuation Date: June 30, 2019

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry-Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	Varies based on age, service, and type of employment
Investment Rate of Return	7.15%, net of pension plan investment and administrative Expenses; includes Inflation
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds

*Fiscal year 2015 was the 1st year of implementation, therefore only seven years are shown.

**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2021**

Schedule of Changes in Total OPEB Liability and Related Ratios - Last 10 Years*

	Fiscal Year Ending <u>6/30/2021</u>	Fiscal Year Ending <u>6/30/2020</u>	Fiscal Year Ending <u>6/30/2019</u>	Fiscal Year Ending <u>6/30/2018</u>
Total OPEB Liability				
Service cost	\$ 180,064	\$ 134,409	\$ 184,425	\$ 179,271
Interest	153,721	207,620	200,281	195,701
Diff. between expected and actual exp.	25,010	(613,323)		
Changes of assumptions	451,114	(374,643)	(128,680)	
Benefit payments	(198,939)	(196,854)	(196,533)	(213,797)
Implicit rate subsidy	(22,757)	(29,171)	(25,792)	
Net change in total OPEB liability	588,213	(871,962)	33,701	161,175
Total OPEB Liability - beg. of fiscal year	4,841,987	5,713,949	5,680,248	5,519,073
Total OPEB Liability - end of fiscal year	\$ 5,430,200	\$ 4,841,987	\$ 5,713,949	\$ 5,680,248
Covered payroll	\$ 916,068	\$ 916,068	\$ 812,255	\$ 810,600
Total OPEB Liability as a % of eligible payroll	592.8%	528.6%	703.5%	700.7%

Notes to Schedule

Funding Policy: The District funds the benefits on a pay-as-you-go basis. No assets are accumulated in a trust.

*Fiscal year 2018 was the 1st year of implementation, therefore only four years are shown.

**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2021**

Schedule of OPEB Employer Contributions - Last 10 Years*

	Fiscal Year Ending 6/30/2021	Fiscal Year Ending 6/30/2020	Fiscal Year Ending 6/30/2019	Fiscal Year Ending 6/30/2018
Actuarially determined contribution (ADC) ¹	N/A	N/A	N/A	N/A
Contributions in relation to the ADC	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A
OPEB-eligible pr for reporting period (fiscal year) \$	916,068	\$ 916,068	\$ 812,255	\$ 810,600
Contributions as a percent of payroll	N/A	N/A	N/A	N/A

¹ Per GASB 75 paragraph 57c., these disclosures are only required if the employer calculates an Actuarially Determined Contribution (ADC). The District does not currently calculate an ADC.

*Fiscal year 2018 was the 1st year of implementation, therefore only four years are shown.

OTHER SUPPLEMENTARY INFORMATION

**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Changes in Net OPEB Liability

The schedule is intended to show the funded status of the District's actuarially determined liability for postemployment benefits other than pensions. In the future, as data becomes available, 10 years of information will be presented.

Schedule of OPEB Employer Contributions

The schedule presents information on the District's required contribution, the amounts actually contributed and any excess or deficiency related to the required contribution. In the future, as data becomes available, 10 years of information will be presented.

Schedule of District's Proportionate Share of the Net Pension Liability

The schedule presents information on the District's proportionate share of the net pension liability, the plan's fiduciary net position and, when applicable, the State's proportionate share of the net pension liability associated with the District. In the future, as data becomes available, 10 years of information will be presented.

Schedule of District's Pension Contributions

The schedule presents information on the District's required contribution, the amounts actually contributed and any excess or deficiency related to the required contribution. In the future, as data becomes available, 10 years of information will be presented.

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SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT**SCHEDULE OF OPERATING EXPENSES**

For the Fiscal Year Ended June 30, 2021

Operating Expenses:

Source of supply:	
Salaries and wages	\$ 301,311
Maintenance - plant and pipeline	11,620
Water sold	7,059,481
State water supply contract costs	4,194,193
Hydroelectric plant maintenance	4,329
Total source of supply	<u>11,570,934</u>
General and administrative:	
Salaries and wages	778,126
Employee benefits:	
Public employees' retirement benefits	468,560
Payroll taxes	72,606
Workers' compensation insurance	11,253
Group health, dental and life insurance	538,025
Other post-employment benefits	(91,048)
Uniforms	2,989
Insurance	40,565
Office supplies and expense	40,037
Membership dues, conferences, and travel	99,553
Public relations and water conservation program	76,464
Consulting and engineering fees	371,263
Government relations	84,000
Director fees	29,200
Legal and state water contractors fees	164,656
Accounting and audit fees	26,850
Telephone and communications	48,187
Utilities	17,360
Vehicle maintenance	19,059
Maintenance - buildings and grounds	72,234
Property tax	589
Bad debt expenses	54,266
Total general and administrative	<u>2,924,794</u>
Total operating expenses	<u>\$ 14,495,728</u>

See Notes to the Supplementary Information

**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

NOTE 1 – PURPOSE OF SCHEDULE

Schedule of Operating Expenses

This schedule is to provide greater detail of operating expenses for the fiscal year ended June 30, 2021.

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
AGREED-UPON PROCEDURES RELATED TO REVIEW OF
TRAVEL AND CONFERENCE EXPENSES

For the Fiscal Year Ended June 30, 2021



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

RONALD A LEVY, CPA
CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA
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Independent Accountant's Report On Applying Agreed-Upon Procedures

The Board of Directors and Management of
San Gabriel Valley Municipal Water District
Azusa, California

We have performed the procedures enumerated below, which were agreed to by the San Gabriel Valley Municipal Water District (the District) and the Board of Directors and Management, on the travel and conference expenses of the District as of and for the fiscal year ended June 30, 2021. The District's management is responsible for the travel and conference expenses. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purposes.

We obtained the Travel and Conference Expenses General Ledger for Account No. 4051-000 (Directors) and Account No. 4055-000 (Staff), and prepared a detailed list of individual charges to these accounts which are attached to this report.

The procedures and the associated findings are as follows:

1. We vouched all charges to supporting documentation such as invoices, credit card statements, expense reports, etc.
 - i. Exceptions- None
2. We verified that the Board of Directors approved all District checks that were issued for payment of travel and conference expenses by reviewing Board Agenda Packet for approval.
 - i. Exceptions- None
3. We verified authorization and/or approval of expenditures and that those expenditures were in compliance with the District's policies for travel and conference expenses by reviewing each employee's Statement of Expenditures for proper approvals and reviewed the expenses and back-up documentation to determine if the expenses are in compliance with the District's travel policies
 - i. Exceptions- None

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be an expression of an opinion or conclusion, respectively, on the travel and conference expenses. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the procedures and findings related to travel and conference expenses. Accordingly, this report is not suitable for any other purpose.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
December 2, 2021

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
 Agreed-Upon Procedure of Travel and Conference Expenses
 General Ledger Account No. 4051-000
 For the Fiscal Year ended June 30, 2021

Date	Num	Name	Memo	Amount	Procedures		
					1	2	3
07/20/2020	4003 9040 2399 4462	BOA-Visa	MPrince - 7/14 ACWA Virtual Conf 7/29-7/30	350.00	✓	✓	✓
07/20/2020	4003 9040 2399 4462	BOA-Visa	TWong - 7/16 Solutions for Water Resiliency 8/20-21	150.00	✓	✓	✓
08/20/2020	4003 9040 2399 4462	BOA-Visa	T Wong - Virtual Headwaters Tour, Aug 6 \$75.00, 2020 ACWA CLE Virtual workshops series 9/9/20 - ...	350.00	✓	✓	✓
08/20/2020	4003 9040 2399 4462	BOA-Visa	MPrince - 2020 ACWA CLE Virtual Workshop series 09/02/20 - 09/23/20	275.00	✓	✓	✓
09/20/2020	4003 9040 2399 4462	BOA-Visa	TWong - Symposium series - Council for Watershed 9/23, 10/15, 10/29	45.00	✓	✓	✓
10/20/2020	4003 9040 2399 4462	BOA-Visa	TWong - ACWA 10/20, 27 & Nov 3 & 10 (4 session series) \$100, ACWA Dec 2-3 2020 Fall Virtual Conf ...	475.00	✓	✓	✓
02/28/2021	Expense, Feb 2021	Bruce H Knoles (Expense)	Registration expense reimbursement - BKnoles	250.00	✓	✓	✓
02/28/2021	Expense, Feb 2021	Miles L Prince (Expense)	Registration expense reimbursement - MPrince	25.00	✓	✓	✓
02/28/2021	4003 9040 2399 4462	BOA-Visa	MPrince - 1/20 ACWA DC 2/24,3/17,3/24,3/31 Virtual webinar \$225.00, 2/18 ACWA 2021 Symposium 3/1...	370.00	✓	✓	✓
02/28/2021	4003 9040 2399 4462	BOA-Visa	TWong - 1/20 ACWA DC 2/24,3/17,3/24,3/31 Virtual webinar \$225.00, 2/18 ACWA 2021 Symposium 3/11...	370.00	✓	✓	✓
03/20/2021	4003 9040 2399 4462	BOA-Visa	MPrince - 2/23 Urban Water Webinar	185.00	✓	✓	✓
03/20/2021	4003 9040 2399 4462	BOA-Visa	TWong - 3/10 San Gabriel Valley Economic Summit 2021 Webinar	30.00	✓	✓	✓
05/20/2021	4003 9040 2399 4462	BOA-Visa	4TWong - 4/20 ACWA Webinar	375.00	✓	✓	✓
05/20/2021	4003 9040 2399 4462	BOA-Visa	MPrince - 5/3 ACWA Webinar \$375.00, 5/11 CA Special District Conference \$900.00	1,275.00	✓	✓	✓
				4,535.00			

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
 Agreed-Upon Procedure of Travel and Conference Expense
 General Ledger Account No. 4055-00C
 For the Fiscal Year ended June 30, 202

Date	Num	Name	Memo	Amount	Procedures		
					1	2	3
07/31/2020	Expense, July 2020	L Esquivel	Mileage reimbursement 07/20/20 - 08/04/20, LE	22.43	✓	✓	✓
07/31/2020	Expense, July 2020	Maria Jarmin	Mileage reimbursement 07/01/20 - 07/15/20, GJ	29.10	✓	✓	✓
08/20/2020	4003 9040 2399 4462	BOA-Visa	EReyes - ACWA 2020 Summer Virtual conference July 29-30	350.00	✓	✓	✓
08/31/2020	Expense, Aug 2020	Maria Jarmin	Mileage expense reimbursement 08/03/20 - 08/31/20, GJ	51.29	✓	✓	✓
09/30/2020	Expense, Sept 2020	Maria Jarmin	Mileage expense reimbursement 09/01/20 - 09/30/20, GJ	49.57	✓	✓	✓
11/09/2020	Expense, Oct 2020	Maria Jarmin	Mileage expense reimbursement 10/01/20 - 10/29/20 -GJ	54.74	✓	✓	✓
11/30/2020	Expense, Nov 2020	Maria Jarmin	Mileage reimbursement expense Nov 2020, GJ	46.12	✓	✓	✓
01/31/2021	Expense Dec20/Jan21	Maria Jarmin	Mileage expense reimbursement Dec 1-28, Jan 4-28, GJ	72.37	✓	✓	✓
03/07/2021	INV009343-EReyes	ACWA	EReyes Webinar registration - Mar 17, Mar 24, Mar 31	150.00	✓	✓	✓
03/31/2021	Expense, Feb/Mar2021	Maria Jarmin	Mileage expense reimbursement 02/01/21 - 03/31/21, GJ	78.06	✓	✓	✓
04/30/2021	Expense, Apr 2021	Maria Jarmin	Mileage expense reimbursement - GJ	49.95	✓	✓	✓
05/31/2021	Expense, May 2021	Maria Jarmin	Mileage reimbursement expense 5/01-27/2021, GJ	48.27	✓	✓	✓
06/02/2021	Expense, May/June'21	Evelyn Reyes	Travel expense reimbursement 5/4, 6/2 - EReyes	33.77	✓	✓	✓
06/30/2021	Expense, June 2021	Albert Lu	Travel expense reimbursement 6/24/21, ALu	7.84	✓	✓	✓
06/30/2021	Expense, June 2021	Maria Jarmin	Mileage expense reimbursement 6/1/21-6/30/21, GJ	49.73	✓	✓	✓
				1,093.24			

AGENDA ACTION ITEM NO. 2

RESOLUTION NO. 12-2021-792 WATER SUPPLY CONDITIONS

RECOMMENDED ACTION: Adopt Resolution No. 12-2021-792.

BACKGROUND: With the recent State Water Project Allocation of 0%, continued dry conditions in November and December, the District must take a more proactive approach in dealing with water supply issues.

BUDGET IMPACT: N/A

PRIOR BOARD ACTION: N/A

RESOLUTION NO. 12-2021-792

A Resolution of the San Gabriel Valley Municipal Water District Board of Directors Setting Forth Its Commitment to Manage and Conserve Water To Address Worsening Drought and Water Supply Conditions

WHEREAS, the San Gabriel Valley is situated in Southern California, possessing a dry environment and climate characterized by weather extremes, including recurring drought, periods of intense precipitation and flooding, high heat and wildfires, and a healthy economy resulting in economic and population growth as well as sustained water demand;

WHEREAS, approximately 80% of the water used in the San Gabriel Valley is sourced from local groundwater wells and other local supplies, with the remaining 20% comprised of imported water;

WHEREAS, California recently concluded the second driest year on record and in October 2021 Governor Gavin Newsom extended the Drought Emergency statewide and in July 2021 issued an Executive Order (N-10-21) calling for urban residents to voluntarily cut water consumption by 15%;

WHEREAS, the U.S. Drought Monitor indicates 100% of the State is experiencing moderate drought, 92% of the State is experiencing severe drought, 80% of the State is experiencing extreme drought, and year-to-date precipitation records reveal year-to-date rainfall totals below normal;

WHEREAS, Main San Gabriel Basin and Raymond Basin groundwater supplies have been declining consistently for several years and the Baldwin Park Key Well indicates in November 2021 that groundwater levels in the Main San Gabriel Basin are 183.3 feet above mean sea level which is below Watermaster's recommended operating range of 200-250 feet above mean sea level for that basin;

WHEREAS, the California Department of Water Resources indicates as of October 31, 2021, the State's largest reservoirs were near record lows and statewide reservoir storage levels were 66% of average and 35% of capacity;

WHEREAS, State Water Project deliveries were reduced from 10 percent to 5 percent of established allocations in March 2021 and initial State Water Project allocation for 2022 is zero;

WHEREAS, the San Gabriel Valley Municipal Water District (District) provides a variety of water conservation solutions, including infrastructure loans and grants to member cities, water conservation rebates and grants for residents and businesses, public information materials and media, and school and youth conservation and education programs; and

WHEREAS, in 2021 the District's four member cities (Alhambra, Azusa, Monterey Park and Sierra Madre) and the District adopted Urban Water Management Plans and Water Shortage Contingency Plans to prudently plan for dry conditions and shortages within their respective service areas;

THEREFORE, BE IT RESOLVED, the San Gabriel Valley Municipal Water District commends the Valley's water management practices and lauds the Valley's and its member cities' commitment to water conservation which, together, have prevented local groundwater supplies from reaching historic low levels much sooner;

FURTHER, BE IT RESOLVED, because the current drought is worsening, drought is "normal" and will recur, and California has not yet mandated water use restrictions, the San Gabriel Valley

Municipal Water District calls upon all residents, businesses and government entities to commit to work together to implement water management best practices and to achieve the highest levels of voluntary water conservation.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the Board of Directors of the San Gabriel Valley Municipal Water District held on December 13, 2021.

President

ATTEST:

Secretary

(SEAL)

AGENDA ACTION ITEM NO. 3

RESOLUTION NO. 12-2021-793 IN APPRECIATION OF ED HILLS

RECOMMENDED ACTION: Adopt Resolution No. 12-2021-793.

RESOLUTION NO. 12-2021-793

A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT HONORING THE RETIREMENT OF ASSISTANT GENERAL MANAGER ED HILLS

WHEREAS the San Gabriel Valley Municipal Water District, a State Water Contractor, is situated in Southern California, and imports water to the Main San Gabriel Basin via its Devil Canyon-Azusa Pipeline to help replenish local groundwater supplies to benefit its member cities of Alhambra, Azusa, Monterey Park and Sierra Madre;

WHEREAS operation of the Pipeline and ancillary facilities are critical to the District’s mission of importing water to replenish local groundwater supplies and increase water supply resiliency for its member cities;

WHEREAS Ed Hills has devoted his 32-year career with the District to overseeing and maintaining the District’s operations and facilities such as the Pipeline, pressure reducing stations, and a hydroelectric plant, thus enabling the District to accomplish its mission at a cost savings to its constituents, the reason the District was voted into being;

WHEREAS Ed Hills collaborated and coordinated with a variety of state, county and local water and government agencies to accomplish the District’s mission;

WHEREAS Ed Hills began working with the District in 1989 as an Operator Trainee, and advanced to the positions of Operator, Senior Operator, Supervising Systems Operator and Assistant General Manager;

THEREFORE, BE IT RESOLVED, the San Gabriel Valley Municipal Water District commends, values and thanks Ed Hills for his years of professionalism, expertise, collegiality, leadership and service;

THEREFORE, BE IT FURTHER RESOLVED, the San Gabriel Valley Municipal Water District proudly congratulates Ed Hills on his well-deserved retirement.

PASSED, APPROVED AND ADOPTED on December 13, 2021.

	_____	_____
	President	Vice-President
ATTEST:	_____	_____
	Secretary	Treasurer

	Board Member	

Memorandum

To: San Gabriel Valley Municipal Water District Board of Directors
Cc: Darin Kasamoto, General Manager
From: Evelyn Reyes, External Affairs Manager
Date: December 13, 2021
Subject: External Affairs Report

Rebates:

	Rain Barrel	Washing Machines	High-Efficiency Toilets	Waterless Urinals	Smart Controllers	Sprinkler Nozzles	Soil Sensor
	\$35	\$85	\$40	\$150	Up to \$80	\$2 – Min. 30	Up to \$80
Monthly Total	0	3	1	0	1	0	0
FY 20/21 Total	11	34	16	0	12	0	0

Reminder: The District’s Irrigation Controller and Nozzle Retrofit Program is scheduled to launch January 1, 2022. Water account customers can call 866-308-8391 to register. To qualify they must have a working irrigation system with a controller.

Meetings/events attended:

SGVCOG -Water Policy Committee Meeting

SGV Economic Partnership – Legislative Roundtable with Assemblywoman Rubio

City of Monterey Park – City Council Meeting

ACWA Webinar – Sharing Your Agency’s Story

External Affairs Committee Meeting

**A REGULAR MEETING OF
THE MAIN SAN GABRIEL BASIN WATERMASTER
DECEMBER 8, 2021 AT 2:30 O'CLOCK P.M.**

Zoom Meeting ID link

<https://us02web.zoom.us/j/81825581890>

Meeting ID: 818 2558 1890

Password: 299152

<u>Agenda</u>	<u>Action/Notes</u>
1. CALL TO ORDER	
2. ROLL CALL OF WATERMASTER MEMBERS	
3. NOMINATION OF PUBLIC REPRESENTATIVE FOR WATERMASTER FOR CALENDAR YEAR 2022 [1]	
a) Certification of appointment of Steven T. Placido by San Gabriel Valley Municipal Water District for calendar year 2022	
4. ADOPTION OF AGENDA [1]	
5. TIME RESERVED FOR PUBLIC COMMENT	
6. ITEMS REMOVED FROM CONSENT CALENDAR [1]	
7. CONSENT CALENDAR [1] All items on Consent Calendar may be approved with single action.	
a) Minutes of a Regular Meeting of Watermaster held November 3, 2021	
b) Lists of Demands	
c) Financial Statements, November 2021	
8. 2022 Board Meeting Dates [1]	
9. ADOPTION OF A RESOLUTION OF THE MAIN SAN GABRIEL BASIN WATERMASTER EXPRESSING APPRECIATION, COMMEMORATING AND INVITING PUBLIC ATTENTION TO THE OUTSTANDING SERVICES RENDERED BY RON BOW AS BOARD MEMBER, OFFICER AND PRODUCER MEMBER OF WATERMASTER (Resolution No. 12-21-310) [1]	
10. AUTHORIZE THE EXECUTIVE OFFICER TO EXECUTE LETTER AGREEMENT BETWEEN WATERMASTER AND UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT FOR MINIMUM UNTREATED TIER 1 PURCHASES OVER THE NEXT THREE YEARS [1]	
11. ATTORNEY'S REPORT [2]	
12. ENGINEER'S REPORT [2]	

13. EXECUTIVE OFFICER'S REPORT [2]
14. REPORT FROM RESPONSIBLE AGENCIES [2]
15. OUTSIDE COMMITTEE LIAISONS [2]
16. INFORMATION ITEMS [2]
 - a) Temporary assignment or lease of 140.79 acre-feet of Production Right from Kathryn W. Baker Trust to San Gabriel Valley Water Company for FY 2021-22
 - b) Temporary assignment or lease of 19.04 acre-feet of Production Right from Jeanne Rana Living Trust to San Gabriel Valley Water Company for FY 2021-22
 - c) Temporary assignment or lease of 6.35 acre-feet of Production Right from Susan Andrade to San Gabriel Valley Water Company for FY 2021-22
 - d) Temporary assignment or lease of 1,242.73 acre-feet of Production Right from Covina Irrigating Company to California Domestic Water Company for FY 2021-22
 - e) Change of Designee for City of Arcadia to Paul Cranmer
 - f) Transmittal of San Gabriel Valley Municipal Water District Monthly Report for September & October 2021
 - g) The Metropolitan Water District of Southern California News Release of Zero Percent Allocation for State Water Project
17. COMMENTS FROM WATERMASTER MEMBERS [2]
18. FUTURE AGENDA ITEMS [1]
19. CLOSED SESSION [1]

A closed session may be called to discuss pending or potential litigation.
20. ADJOURNMENT

LEGEND [1] INDICATES ACTION ANTICIPATED BY WATERMASTER ON THIS ITEM
 [2] INDICATES INFORMATION ITEM - NO ACTION ANTICIPATED

Chair Lynda Noriega Presiding

With passage and signing of AB 361 and in light of the ongoing Statewide State of Emergency originally declared by Governor Newsom on March 4, 2020, WQA Board Meetings will continue to be conducted via remote teleconferencing, subject to the requirements of Government Code Section 54953(e). Members of the public can participate remotely via Zoom following the instructions provided below. Members of the public may also submit comments in writing to Stephanie@wqa.com which comments will be distributed to the members of the Board, provided such written comments are received prior to the meeting start time. To address the Board during the meeting you may use the "raise hand" feature and you will be called upon when appropriate.

To attend the meeting please register in advance at:

https://us06web.zoom.us/webinar/register/WN_iQpi4MOMSCe2Le9VUcR1yg

A confirmation email will be sent to you with instructions on how to join the meeting virtually or a call-in option

**A REGULAR MEETING
OF THE
SAN GABRIEL BASIN WATER QUALITY AUTHORITY
AT
1720 W. CAMERON AVENUE, SUITE 100
WEST COVINA, CALIFORNIA**

WEDNESDAY, NOVEMBER 17, 2021 AT 12:00 P.M.

AGENDA

- | | | |
|-------------|---|---------------|
| I. | CALL TO ORDER | MUNOZ |
| II. | PLEDGE OF ALLEGIANCE | |
| III. | ROLL CALL OF BOARD MEMBERS | MORENO |
| | Valerie Munoz, Chairwoman _____ (alt) | |
| | Mark Paulson, Vice-Chairman _____ (alt) | |
| | Jorge Marquez, Treasurer _____ (alt) | |
| | Bob Kuhn, Secretary _____ (alt) | |
| | Lynda Noriega _____ (alt) | |
| | Mike Whitehead _____ (alt) | |
| | Ed Chavez _____ (alt) | |
| IV. | PUBLIC COMMENTS (Agendized Matters Only): | MUNOZ |
| | As provided under Government Code Section 54954.3, this time has been set aside for persons in the audience to provide comment or make inquiries on matters appearing on agenda items and non-agenda items. Please complete the appropriate request card and submit it to the Secretary, prior to the item being heard. A five-minute time limit on remarks is requested. | |
| V. | ITEMS TOO LATE TO BE AGENDIZED - Recommended Action: | MUNOZ |
| | Approve motion determining need to take action on item(s) which arose subsequent to posting of the Agenda (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board or, if less than two-thirds of Board members are present, a unanimous vote) | |
| VI. | CONSENT CALENDAR | MUNOZ |
| | (Consent items may all be approved by single motion) [enc] | |
| | (a) Ratification of Demand E91334 on Project Fund for October 26, 2021 | |
| | (b) Minutes for 10/20/21 Regular Board Meeting | |

- (c) Minutes for 11/9/21 Administrative/Finance Committee – Special Joint Meeting
- (d) Minutes for 11/10/21 Legislative/Public Information Committee – Special Joint Meeting
- (e) Demands on Administrative Fund for November 2021
- (f) Demands on Project Fund for November 2021
- (g) Resolution No. 21-006 (AB 361)

VII. COMMITTEE REPORTS

(These items may require action)

- (a) Administrative/Finance Committee Report [enc]
- (b) Legislative/Public Information Committee Report [enc]

VIII. OTHER ACTION/INFORMATION ITEMS

MUNOZ

(These items may require action)

None.

IX. PROJECT REPORTS

COLBY

- (a) Treatment Plants:

1.	Baldwin Park Operable Unit	<u>Status</u>
	• Arrow/Lante Well (Subarea 1)	Operational
	• Monrovia Wells	Operational
	• SGVWC B6 Plant	Operational
	• SGVWC B5 Plant	Operational
	• CDWC Well No. 14	Operational
	• La Puente Valley County Water District	Operational
2.	El Monte Operable Unit	
	• Eastern Shallow Zone	Operational
	• Eastern Deep Zone	Operational
	• GSWC Encinita Plant	Operational
	• Western Shallow Zone	Operational
3.	South El Monte Operable Unit	
	• Whitmore Street. Ground Water Remediation Treatment Facility	Operational
	• City of M.P. Well No. 5 VOC Treatment Facility	Operational
	• City of M.P. Well No. 12 VOC Treatment Facility	Operational
	• City of M.P. Well No. 15	Operational
	• City of M.P. Well Nos. 1, 3, 10 VOC Treatment Facility	Operational
	• GSWC Wells SG-1 & SG-2	Operational
	• SGVWC Plant No. 8	Operational
4.	Puente Valley Operable Unit	
	• Shallow Zone	Design
	• Deep Zone	Construction
5.	Area 3 Operable Unit	
	• City of Alhambra Phase 1	Operational

X. ATTORNEY'S REPORT	PADILLA
XI. LEGISLATIVE REPORT	MONARES
XII. EXECUTIVE DIRECTOR'S REPORT	SCHOELLERMAN
XIII. FUTURE AGENDA ITEMS	MUNOZ
XIV. INFORMATION ITEMS [enc]	MUNOZ
(a) San Gabriel Basin Water Calendar	
XV. FUTURE BOARD/COMMITTEE MEETINGS	MUNOZ
(a) The next Administrative/Finance Committee Meeting is scheduled for Tuesday, December 14, 2021 at 10:00am <i>(Consider cancellation due to the conflict with Board Meeting same week)</i>	
(b) The next Legislative/Public Information Committee meeting was scheduled for Wednesday, December 8, 2021 at 11:00am	
(c) The next WQA Board meeting is scheduled for Wednesday, December 15, 2021 at 12:00 P.M. at WQA	
XVI. BOARD MEMBERS' COMMENTS/REPORTS	MUNOZ
XVII. ADJOURNMENT	MUNOZ

Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection in the lobby of the Authority's business office located at 1720 W. Cameron Ave., Suite 100, West Covina, CA 91790, during regular business hours. When practical, these public records will also be made available on the Authority's internet web site, accessible at www.wqa.com.

Memorandum

To: San Gabriel Valley Municipal Water District Board of Directors

From: Darin Kasamoto General Manager

Date: Dec. 8, 2021

Subject: General Manager's Report

1. SWP UPDATE

Dry year transfer program has concluded, the District was only able to obtain about 87 ac-ft from the program.

Delta Conveyance Project (Cal Water Fix)- A preferred alignment has been selected. EIR is scheduled to be released in March 2022.

Initial allocation for 2022 is 0%.

2. MAIN SAN GABRIEL BASIN UPDATE

As of December 3, the Key Well is at 182.3 feet which is 1.3 feet lower than October 29, 2021. The historic low is 169.4 feet.

3. GRANT PROGRAM UPDATES

Steve Bucknam is preparing a briefing memo on potential state and federal opportunities, he will present his findings at a future board meeting. We hosted a meeting with all of our city representatives to discuss opportunities in the States Drought Funding and the Federal Water Smart Programs. We have also met with members of the Foothill Water Coalition to discuss federal funding opportunities to revive the efforts. We will actively look for funding opportunities for the District's pipeline assessment project, recycled water projects, Sierra Madre joint-well, Foothill Water Coalition masterplan, and city projects.

4. MANAGEMENT ISSUES

Effective December 1, 2021 Steve Kiggins has been promoted to the position of Assistant General Manager and Terry White has been promoted to Supervising System Operator/Inspector.

I had a meeting on September 22, with MWD to discuss possible participation in the Regional Recycled Water Project. The next step for the District would be to issue a non-binding letter of intent. I have developed a draft of that letter which is currently being reviewed by MWD and Watermaster.

CV Strategies has completed the salary and benefits survey with review of the District's job descriptions, and a survey of salary step structures at neighboring water districts. The Admin Committee will work on next steps.

Because of staffing issues at Central Basin, the recycled water project for Monterey Park/Alhambra was on hold. Things at Central Basin have settled down and we will now restart the process. Next step will be to meet with the General Manager of Central Basin. We are also preparing a recycled water feasibility plan for the Bureau of Reclamation to get us eligible to apply for federal funding for the project.

I have been working with Provost and Pritchard to obtain supplemental water, at this point they have not identified any opportunities.

Memorandum

To: Steve, Bruce, Thomas, Miles, and Mark

From: Ed Hills, Assistant General Manager

Cc: Darin, Steve, Linda, Gigi, Evelyn, Terry, Kevin, Albert, Colleagues, and Friends

Date: December 8, 2021

Subject: Assistant General Manager's Report

Please know it has been my distinct honor to serve as the assistant general manager; it has been the highlight of my 32-year career at the San Gabriel Valley Municipal Water District. To each of you, with a sincere heart filled with gratitude, I hope you experience all the best life has to offer. And in the Spirit of the Season, I wish you and your families a Blessed and Merry Christmas and a Happy New Year!

Cheers, Ed

