

**BOARD OF DIRECTORS
SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
REGULAR MEETING
MONDAY, FEBRUARY 14, 2022
8:00 AM – 10:00 AM (PDT)**

Pursuant to Provisions of Executive order N-25-20 issued by Governor Gavin Newsom on March 12, 2020, Any director may call into the Board of Directors meeting using the call-in number..... or via GoToMeeting Link....

Please join this meeting from your computer, tablet or smartphone.

<https://meet.goto.com/377038637>

You can also dial in using your phone.

(For supported devices, tap a one-touch number below to join instantly.)

United States: +1 (571) 317- 3112

- One-touch: <tel:+15713173112,,377038637#>

Access Code: 377-038-637

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 January 10, 2022

Minutes of the External Affairs Committee Meeting of January 24, 2022

Minutes of the Administrative/Finance Committee Meeting of January 31, 2022

Financial Statements of January 2022

Treasurer's Investment Report Dated December 31, 2021

Disbursements of the Revolving Fund dated January 13, 2022, Check Nos. 11995 - 12000, EFT and Wires

Disbursements of the Revolving Fund dated January 27, 2022, Check Nos. 12001 – 12010, EFT's and Wires

Disbursements of the Revolving Fund dated February 10, 2022 Check Nos. 12011 - 12018, EFT and Wires

Disbursements of the Revolving Fund dated February 14, 2022, Check Nos. 12019 – 12022 and Wires

Disbursements of the General Fund dated January 24, 2022, Check Nos. 42673 - 42696

Disbursements of the General Fund dated February 2, 3, & 14, 2022, Check Nos. 42697 - 42740

Future Meeting Attendance Approval –

Resolution No. 02-2022-796 Continuation of Virtual Board Meetings

ACTION ITEMS

1. Approve 2020-2021 Audit and Travel Expense Report
2. MWD Regional Recycled Water Project Letter of Intent
3. Dudley Ridge – SGVMWD Water Transfer and Banking Program CEQA Notice of Determination

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

ADJOURNMENT

THIS AGENDA WAS POSTED ON FEBRUARY 10, 2022 AT SGVMWD.
THE NEXT REGULAR BOARD MEETING WILL BE MARCH 14, 2022.

**MINUTES
BOARD OF DIRECTORS
SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
REGULAR BOARD MEETING
1402 N. VOSBURG DR. AZUSA, CA 91702
MONDAY, JANUARY 10, 2022
8:00 A.M.**

<https://global.gotomeeting.com/join/489926213> or Phone in 1(312) 757-3121

At 8:08 a.m. on January 10, 2022, 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, Assistant General Manager; Evelyn Reyes, External Affairs Manager; Albert Lu External Affairs Assistant; Jim Ciampa, Lagerlof LLP; Dave DePinto, DMCI; Kelly Gardner, Main San Gabriel Basin Watermaster; Jared Macias, City of Azusa; George Noriega, City of Monterey Park; Bin Zeng, Moss Levy & Hartzheim LLP; Ed Chavez, Upper San Gabriel Valley Municipal Water District

PUBLIC COMMENTS ON NON-AGENDA ITEMS

None

UPDATES FROM CITY REPRESENTATIVES

None

CONSENT CALENDAR:

Minutes of the Regular Board Meeting of December 13, 2021

Financial Statements for December 2021

Disbursements of the Revolving Fund Dated:

December 16, 2021, Check Nos. 11980 – 11984, EFT and Wires in the amount of \$55,272.12

December 29, 2021, Check Nos. 11985 – 11990, EFT's and Wires in the amount of \$58,482.00

January 10, 2022, Check Nos. 11991 – 11994, and Wires in the amount of \$3,059.00

Disbursements of the General Fund Dated:

December 27 - 29, 2021, Check Nos. 42627 – 42642 and EFT, in the amount of \$527,557.03

January 10, 2022, Check Nos. 42643 – 42672 in the amount of \$138,281.42

Future Meeting Attendance Approval:
Resolution No. 01-2022-794 Continuation of Virtual Board Meetings

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 January 10, 2022, by the following roll call vote:

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

ACTION AGENDA ITEM

2020-2021 DRAFT AUDIT AND TRAVEL EXPENSE REPORT

Bin Zeng from Moss Levy & Hartzheim presented to the Board a draft of the 2020-2021 Audit, which represented a “clean” audit of the District and confirmation that all directors’ and staff expense reimbursements were paid in accordance with District policy. The 2020-2021 Audit will be considered for approval by the Board at the February Board meeting.

ELECTION OF OFFICERS AND COMMITTEE APPOINTMENTS

On motion of Director Paulson, seconded by Director Placido and unanimously carried 5-0, the District’s 2022 Officers and Committee Assignments listed below were approved.

Approved by the Board of Directors of the San Gabriel Valley Municipal Water District at their regular meeting held on January 10, 2022, by the following roll call vote:

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

2022 Election of Officers

| | |
|-------------------------|--------------------------|
| President | Thomas Wong |
| Vice-President | Mark R. Paulson |
| Secretary | Steven T. Placido |
| Treasurer | Miles L. Prince |
| Deputy Secretary | Darin J. Kasamoto |
| Deputy Treasurer | Darin J. Kasamoto |

| | |
|---|--|
| Water Quality Authority Director Alternate | Mark R. Paulson (must be a Director) Steven T. Placido (must be a Director) |
| Main San Gabriel Basin Watermaster Director | Steven T. Placido, DDS (must be a Director) (No Provisions for Alternate) |
| ACWA/JPIA Director Alternate | Miles L. Prince (must be a Director) Darin J. Kasamoto |
| ACWA Region 8 Delegate Alternate | Miles L. Prince Darin J. Kasamoto |
| San Gabriel Valley Protective Association | Darin J. Kasamoto |
| San Gabriel Valley Water Association Liaison | Bruce H. Knoles |
| State Water Project Contractors Authority Liaison | Darin J. Kasamoto |
| San Gabriel Valley Economic Partnership | Thomas Wong |
| Independent Cities Association | Mark R. Paulson / Steven T. Placido, DDS / Miles L. Prince |
| San Gabriel Valley Council of Governments | Steven T. Placido, DDS |
| San Gabriel Valley Civic Alliance | Bruce H. Knoles |

2022 District Committees

| | |
|---|---|
| Engineering & Operations Committee | Steven T. Placido, DDS & Mark R. Paulson |
| External Affairs Committee | Miles L. Prince & Thomas Wong |
| Administrative/Finance Committee | Bruce H. Knoles & Thomas Wong |

PER DIEM CONFERENCES FOR 2022

On motion of Director Prince, seconded by Director Placido and unanimously carried 5-0, the District's 2022 Per-Diem Conferences listed below were approved.

Approved by the Board of Directors of the San Gabriel Valley Municipal Water District at their regular meeting held on January 10, 2022, by the following roll call vote:

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

PER DIEM CONFERENCES FOR 2022

ACWA acwa.com

| | | |
|-----------------------|----------------|--------------|
| Spring | May 3 - 6 | Sacramento |
| Fall | Nov 29 – Dec 2 | Indian Wells |
| Legislative Symposium | TBA | TBA |
| DC Annual | TBA | TBA |

AWWA awwa.org

| | | |
|--------------------------|--------------|--------------------|
| ACE 18 Annual Conference | Jun. 12 – 15 | San Antonio, Texas |
|--------------------------|--------------|--------------------|

CA-NV Section ca-nv-awwa.org

| | | |
|--------|-------------|------------|
| Spring | Apr 11 - 14 | Anaheim |
| Fall | Oct 24 – 26 | Sacramento |

OTHERS

asce.org

| | | |
|--------------------------|----------------|-----------------------|
| ASCE Pipeline Conference | Jul 31 – Aug 3 | Indianapolis, Indiana |
|--------------------------|----------------|-----------------------|

cawaterpolicy.org

| | | |
|-----------------|-----|-----|
| CA Water Policy | TBA | TBA |
|-----------------|-----|-----|

csda.net

| | | |
|------------------------|-------------|--------------|
| CSDA Annual Conference | Aug 22 – 25 | Palm Springs |
|------------------------|-------------|--------------|

| | | |
|------------------------|-----------|----------|
| AGWA-AGWT Annual Conf. | Feb 8 – 9 | Lakewood |
|------------------------|-----------|----------|

| | | |
|--|--|--|
| socalwater.org | | |
| So California Water Committee Quarterly Meeting | | Annual Meeting & Dinner TBA |
| Urban Water Institute Urbanwater.com | | |
| Spring | Feb 16- 19 | Palm Springs |
| Annual Conference | TBA | TBA |
| San Gabriel Valley Economic Partnership | TBA | All Directors |
| San Gabriel Valley Water Association | Quarterly luncheon meetings, Annual BBQ | All Directors |
| San Gabriel Valley Civic Alliance Awards Lunch | TBA | TBA |
| CORO Water Conference | TBA | TBA |
| Orange County Water Summit | TBA | TBA |
| WELL 2022 Annual Conference | TBA | TBA |
| WaterSmart Innovation Conference | TBA | Las Vegas, NV |
| Three Valleys Leadership Breakfast | Qtrly | Sheraton Hotel, Pomona |
| Council for Watershed Health | All Events | |
| Water Replenishment District | All Mtgs | |
| Intl. LGBTQ Leaders Conference | TBA | TBA |
| CA Water Data Collaborative | All Events | |
| Climate Resolve | TBA | TBA |

All travel expenses incurred by the General Manager, or his authorized staff representative to attend any Department of Water Resources (DWR) or State Water Contractors (SWC) meetings is considered part of his job description and is authorized by the Board of Directors.

APPROVE ANNUAL PROPOSAL FOR CALIFORNIA ADVOCATES

On motion of Director Paulson, seconded by Director Placido and unanimously carried 5-0, California Advocates 2022 Consulting Agreement was approved.

Approved by the Board of Directors of the San Gabriel Valley Municipal Water District at their regular meeting held on January 10, 2022 by the following roll call vote:

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

RESOLUTION NO. 1-2022-795 REDISTRICTING

On motion of Director Placido, seconded by Director Paulson and unanimously carried 5-0, RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT REGARDING REDISTRICTING AFTER 2020 FEDERAL CENSUS, Resolution No. 1-2022-795 was approved.

Approved by the Board of Directors of the San Gabriel Valley Municipal Water District at their regular meeting held on January 10, 2022, 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 on Legislative and State Water Resources Control Board updates. Main San Gabriel Basin Watermaster updated their drought message to “The Waters That Connect Us”. Ms. Reyes will be working with Watermaster and member cities to incorporate this drought message throughout the San Gabriel Valley. The District has officially launched the irrigation controller program. EcoTech Services has received calls of interest from six residents and one HOA.

UNFINISHED BUSINESS

REPORT ON BASIN MANAGEMENT

Director Placido reported Watermaster's Draft 5-Year Water Quality and Supply Plan was reviewed.

REPORT OF WQA

Director Paulson reported there was a change to WQA's Board. Jorge Marquez will be leaving and will be replaced by Robert Gonzales, the Mayor of Azusa.

REPORT OF THE ATTORNEY

Counsel reported on federal and state Covid updates.

REPORT OF THE GENERAL MANAGER/ASSISTANT GENERAL MANAGER

The General Manager's written report is in the Agenda Packet.
The General Manager reported he is back from medical leave and during his leave he was tracking the rainfall. Fortunately rainfall increased in December but January has been dry and is forecasted to continue to be dry.

Director Wong welcomed back the General Manager and wishes him a speedy and full recovery.

The Assistant General Manager's written report is in the Agenda Packet.
The Assistant General Manager reported water deliveries to the Canyon Spreading Grounds will continue through the end of March for Upper San Gabriel Valley Municipal Water District. On January 24, 2022, the replacement of the venturi flow meter at Devil Canyon remains on schedule. SCADA cyber security improvement design has been completed and a new industrial grade firewall has been ordered.

REPORT OF THE STATE WATER CONTRACTORS

No report .

COMMITTEE MEETING REPORTS

None.

DIRECTOR REPORTS ON EVENTS ATTENDED

None.

DIRECTOR COMMENTS

Director Knoles wished Mr. Kasamoto the best for a full recovery.

Director Prince congratulated Steve Kiggins on an excellent first official report as Assistant General Manager.

Director Wong again welcomed back Darin Kasamoto (GM) and congratulated Steve Kiggins (AGM). Director Wong is looking forward to a stronger 2022 and asked everyone to stay safe and healthy.

ADJOURNED at 9:19 A.M.

There being no further business, upon motion made, seconded, and carried unanimously, the meeting was duly adjourned at 9:19 a.m. The next Regular Board Meeting of the San Gabriel Valley Municipal Water District will be on February 14, 2022, at 8:00 a.m.

President

ATTEST:

Secretary

**MINUTES OF THE SPECIAL MEETING
SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
EXTERNAL AFFAIRS COMMITTEE MEETING
MONDAY, JANUARY 24, 2022
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: 822 6805 0217- Passcode: 260757) OR VIA THE ZOOM LINK <https://us02web.zoom.us/j/82268050217?pwd=TXNkQkREd3JnL0ZTaJ0RnoybmV1Zz09> 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. 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 9:07 a.m.

ROLL CALL: Director Prince; Director Wong; Darin Kasamoto-General Manager
Evelyn Reyes-External Affairs Manager; Belen Bernal-Nature for All;
Anakaren Andrade-Nature for All

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:

There were no public comments.

1. Nature for All: Belen Bernal and Anakaren Andrade from Nature for All provided the Committee a verbal report on the Community Engagement Program established March 2021. Nature for All held 8 virtual workshops and for residents in our member cities. Due to the pandemic, Nature for All did not use the full budget allocated to them in the agreement and requested to be allowed to extend the agreement to continue their outreach efforts. Director Wong is on Nature for All's Board and recuse himself, but Director Prince consented to the extension. The General Manager stated that no further board action is necessary since there is no increase in funding.
2. Climate Action Plan / Grants: The Committee requested staff to retain a consultant to produce a Climate Action plan analysis. The goal of the plan is to guide the District in addressing climate change impacts in operations and programs over which the District has authority. The Committee also directed staff to survey the member cities on their Climate Action Plan initiatives, and if there is an opportunity to support their efforts.

ADJOURNMENT

The Committee was adjourned at 9:48 a.m.

**MINUTES OF THE SPECIAL MEETING
SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
SPECIAL MEETING OF THE ADMINISTRATIVE/FINANCE COMMITTEE
MONDAY, JANUARY 31, 2022
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 (571) 317-3122 (ACCESS CODE: 337-339-581)** OR VIA THE GOTOMEETING LINK (<https://global.gotomeeting.com/join/337339581>) 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://GLOBL.GOTOMEETING.COM](https://GLOBL.GOTOMEETING.COM). 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 9:05 a.m.

ROLL CALL: Director Knoles, Director Wong
Darin Kasamoto-General Manager

PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA:

There were no public comments.

1. CV Strategies Salary Survey and Job Descriptions – The Committee discussed the findings of the revised Compensation and Benefits Survey. The Committee directed staff to put together a salary structure with an increased number of steps incorporating the salary adjustments recommended in the survey. The Committee also directed staff to look into a possible increase for dental reimbursement or dental insurance. The Committee will revisit this at a future date.
2. LOI MWD Regional Recycled Water Project – The Committee reviewed the Draft Letter of Intent and recommended it be brought to the full Board.
3. Other – The Committee directed staff to explore options for Legislative visits.

ADJOURNMENT

Committee Adjourned at 9:38 a.m.

San Gabriel Valley Municipal Water District

Balance Sheet

As of January 31, 2022

| | Jan 31, 22 |
|--|----------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| 1001 · General Fund Bank of America | 1,714,796.24 |
| 1005 · Revolving Cash Fund | 97,774.25 |
| 1008 · Petty Cash | 442.00 |
| 1009 · LAIF | 17,511,805.20 |
| 1009.01 · LAIF FMV Adjustment | 1,615.94 |
| 1011 · UBS Resource Management Account | |
| 1012 · Cash with Broker | 6,808.79 |
| 1013 · Certificates of Deposit | 10,012,237.31 |
| Total 1011 · UBS Resource Management Account | 10,019,046.10 |
| 1014 · UBS Accrued Interest | -10,787.66 |
| Total Checking/Savings | 29,334,692.07 |
| Accounts Receivable | |
| 1603 · Accounts Receivable | 12,283.21 |
| Total Accounts Receivable | 12,283.21 |
| Other Current Assets | |
| 1605 · Taxes Receivable | -0.34 |
| 1606 · Interest Receivable | -2,220.16 |
| 1620 · Prepaid Expenses | 422,218.17 |
| 1660 · Water Inventory | 677,930.76 |
| Total Other Current Assets | 1,097,928.43 |
| Total Current Assets | 30,444,903.71 |
| 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 | -4,490,764.50 |
| 1801 · Pipeline | 26,340,785.65 |
| 1830 · Accum Depreciation - Pipeline | -16,506,534.61 |
| 1840 · SCADA Telemetry | 1,050.08 |
| 1841 · Accum Depreciation -SCADA | -1,050.09 |
| 1750 · SCADA 2013 | 900,510.22 |
| 1851 · Accum Depreciaton - SCADA 13 | -653,026.26 |
| 1901 · Land | 735,931.46 |
| 1902 · Buildings | 2,346,232.42 |
| 1903 · Accum Depr - Buildings | -2,337,161.01 |
| 1904 · Furniture and Fixtures | 173,585.69 |
| 1905 · Accum Depr - Furn and Fixtures | -149,134.63 |
| 1907 · Vehicles | 164,401.97 |
| 1908 · Accum Depr - Vehicles | -161,928.56 |
| 1910 · Pipeline Misc Equipment | 90,055.75 |
| 1911 · Accum Depr - Pipeline Misc Equi | -88,346.85 |
| 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 |
| 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 |
| Total 1921 · Capital Expenditures | 505,964.13 |

San Gabriel Valley Municipal Water District

Balance Sheet

As of January 31, 2022

| | Jan 31, 22 |
|---|----------------------|
| 1916 · A/D Computers | -2,720.91 |
| 1917 · A/D Paving | -614.83 |
| 1918 · A/D San Dimas Hydro | -6,825.04 |
| 1922 · A/D Roof | -13,379.08 |
| Total Fixed Assets | 13,630,421.09 |
| 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 | 44,895,189.80 |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| 2001 · Accounts Payable | 44,525.13 |
| Total Accounts Payable | 44,525.13 |
| Other Current Liabilities | |
| 2010 · Accrued Payroll - V&SL | 429,593.58 |
| 24000 · Payroll Liabilities | 3.69 |
| Total Other Current Liabilities | 429,597.27 |
| Total Current Liabilities | 474,122.40 |
| 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 | 5,285,320.27 |
| Total Long Term Liabilities | 8,685,923.27 |
| Total Liabilities | 9,160,045.67 |
| Equity | |
| 2301 · Fund Balance | 4,524,449.82 |
| 2302 · San Bernardino Contribution | 1,781,730.83 |
| 2970 · Retained Earnings | 31,905,401.94 |
| 2973 · Contribution Aid Capital | 1,280,323.11 |
| Net Income | -3,756,761.57 |
| Total Equity | 35,735,144.13 |
| TOTAL LIABILITIES & EQUITY | 44,895,189.80 |

San Gabriel Valley Municipal Water District

Income Statement - Actual vs. Budget

January 2022

| | Jan 22 | Budget | Jul '21 - Jan 22 | YTD Budget | Annual Budget |
|--|--------------|--------------|------------------|---------------|---------------|
| Ordinary Income/Expense | | | | | |
| Income | | | | | |
| General Operations | | | | | |
| 3002 · Property Tax Revenue | 489,326.24 | 400,000.00 | 2,494,057.45 | 2,800,000.00 | 4,800,000.00 |
| 3003 · Water Sales | 33,257.00 | 200,000.00 | 799,917.00 | 1,400,000.00 | 2,400,000.00 |
| 3004 · Interest Income | 9,493.87 | 18,750.00 | 62,467.09 | 131,250.00 | 225,000.00 |
| 3005 · Ready to Serve Revenue | 990.00 | 990.00 | 6,930.00 | 6,930.00 | 11,880.00 |
| 3006 · RDA Prop Tax Trust Fund Alloc | 380,882.07 | 65,000.00 | 1,047,102.67 | 455,000.00 | 780,000.00 |
| 3008 · SBVMWD Pipeline Maintenance Rev | 0.00 | 2,708.00 | 0.00 | 18,956.00 | 32,500.00 |
| 3016 · Unrealized Gain (Loss) on Inves | 0.00 | 0.00 | -81,157.05 | 0.00 | 0.00 |
| 3050 · Fair Value Adjustment on Invest | 0.00 | | 0.00 | 0.00 | 0.00 |
| Total General Operations | 913,949.18 | 687,448.00 | 4,329,317.16 | 4,812,136.00 | 8,249,380.00 |
| Power Revenue Sales | | | | | |
| 3210 · Hydro Power Sales | 0.00 | | 0.00 | 0.00 | 0.00 |
| Total Power Revenue Sales | 0.00 | | 0.00 | 0.00 | 0.00 |
| Restricted Revenue - SWP | | | | | |
| 3306 · Tax Revenue - State Water Proje | 918,560.24 | 750,000.00 | 4,654,329.51 | 5,250,000.00 | 9,000,000.00 |
| Total Restricted Revenue - SWP | 918,560.24 | 750,000.00 | 4,654,329.51 | 5,250,000.00 | 9,000,000.00 |
| 3401 · Grants-St Wtr Board&Reclamation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Income | 1,832,509.42 | 1,437,448.00 | 8,983,646.67 | 10,062,136.00 | 17,249,380.00 |
| Gross Profit | 1,832,509.42 | 1,437,448.00 | 8,983,646.67 | 10,062,136.00 | 17,249,380.00 |
| Expense | | | | | |
| 4699 · Bad Debt Expense | 0.00 | | 0.00 | 0.00 | 0.00 |
| 2229.99 · PERS Expense | 0.00 | | 0.00 | 0.00 | 0.00 |
| Unrestricted G.O. Expenses | | | | | |
| 4001 · Director Fees | 2,800.00 | 2,500.00 | 14,400.00 | 17,500.00 | 30,000.00 |
| 4010 · Salaries- Administrative | 20,982.40 | 21,648.00 | 152,870.20 | 151,536.00 | 259,776.00 |
| 4014 · Field Supervision | 125,276.02 | 15,726.00 | 230,987.02 | 110,082.00 | 188,706.00 |
| 4020 · Salaries Office | 14,682.33 | 17,077.00 | 114,723.94 | 119,539.00 | 204,919.00 |
| 4021 · External Affairs Wages | 9,249.60 | 9,913.00 | 66,889.51 | 69,391.00 | 118,958.00 |
| 4022 · Part Time Employee | 200.00 | 1,226.00 | 2,710.00 | 8,582.00 | 14,717.00 |
| 4027 · Office Supplies - Equipment Mai | 1,522.39 | 3,667.00 | 20,146.58 | 25,669.00 | 44,000.00 |
| 4029 · Election Expenses | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4031 · Legal Services | 2,697.50 | 4,167.00 | 18,885.00 | 29,169.00 | 50,000.00 |
| 4032 · State Water Contract Services | 3,641.08 | 3,833.00 | 25,487.60 | 26,831.00 | 46,000.00 |
| 4033 · Public Relations | 3,272.39 | 11,250.00 | 24,351.32 | 78,750.00 | 135,000.00 |
| 4034 · Governmental Relations Consulti | 8,000.00 | 7,833.00 | 50,000.00 | 54,831.00 | 94,000.00 |
| 4035 · Consulting & Engineering Expens | 16,302.86 | 224,348.00 | 261,657.10 | 1,570,436.00 | 2,692,170.00 |
| 4036 · Medicare Tax Expense | 2,794.79 | 1,337.00 | 10,953.72 | 9,359.00 | 16,045.00 |
| 4039 · PERS - Retirement Expenses | 72,534.70 | 70,688.00 | 481,980.66 | 494,816.00 | 848,260.00 |

San Gabriel Valley Municipal Water District

Income Statement - Actual vs. Budget

January 2022

| | Jan 22 | Budget | Jul '21 - Jan 22 | YTD Budget | Annual Budget |
|---|-------------------|---------------------|---------------------|----------------------|----------------------|
| 4040 · Social Security Tax Expense | 11,953.16 | 4,855.00 | 34,632.54 | 33,985.00 | 58,254.00 |
| 4041 · State Compensation Fund | -359.46 | 1,500.00 | 8,773.07 | 10,500.00 | 18,000.00 |
| 4042 · State Unemployment Insurance Ta | 944.00 | 134.00 | 1,197.98 | 938.00 | 1,605.00 |
| 4043 · Health Insurance Expense | 30,133.04 | 37,167.00 | 236,086.11 | 260,169.00 | 446,000.00 |
| 4044 · Dental/ Vision Benefit Expense | 0.00 | 6,417.00 | 25,539.48 | 44,919.00 | 77,000.00 |
| 4045 · Insurance - Liability, Casualty | 2,733.10 | 3,500.00 | 19,085.54 | 24,500.00 | 42,000.00 |
| 4046 · Blue Cross Employee Reimburseme | 1,145.87 | 5,000.00 | 47,428.61 | 35,000.00 | 60,000.00 |
| 4048 · Life Insurance | 400.40 | 300.00 | 2,241.80 | 2,100.00 | 3,600.00 |
| 4050 · Dues and Associations | -12,736.39 | 7,083.00 | 74,247.63 | 49,581.00 | 85,000.00 |
| 4051 · Travel and Conferences -Dir | 619.00 | 2,083.00 | 7,018.47 | 14,581.00 | 25,000.00 |
| 4052 · Publications and Periodicals | 0.00 | 25.00 | 69.95 | 175.00 | 300.00 |
| 4053 · State Water Contractors Audit | 0.00 | 833.00 | 9,525.00 | 5,831.00 | 10,000.00 |
| 4054 · Financial Audit Expense | 1,066.25 | 1,667.00 | 19,041.25 | 11,669.00 | 20,000.00 |
| 4055 · Travel & Conference -Staff | 504.43 | 2,500.00 | 3,464.42 | 17,500.00 | 30,000.00 |
| 4056 · Miscellaneous | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4057 · Taxes - Annual Fee | 0.00 | 4,333.00 | 50,332.49 | 30,331.00 | 52,000.00 |
| 4058 · Tax Collection Fees | 0.00 | 2,750.00 | 4,569.70 | 19,250.00 | 33,000.00 |
| 4059 · Property Tax Expense | 0.00 | 54.00 | 597.83 | 378.00 | 650.00 |
| 4060 · Telephone Expense | 3,163.22 | 3,333.00 | 22,339.04 | 23,331.00 | 40,000.00 |
| 4061 · Utilities - Gas, Electric, and | 2,074.52 | 1,542.00 | 11,721.38 | 10,794.00 | 18,500.00 |
| 4062 · Conservation Materials | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4063 · Safety Program | 87.67 | 417.00 | 1,311.28 | 2,919.00 | 5,004.00 |
| 4065 · Water Conservation/Rebates Prog | 2,465.00 | 20,833.00 | 10,497.48 | 145,831.00 | 250,000.00 |
| 4067 · OPEB -Other Post Employment Ben | 23,333.33 | 40,000.00 | 363,333.31 | 280,000.00 | 480,000.00 |
| 4090 · SWP Transportation Cost | 18,656.18 | 152,333.00 | 102,291.25 | 1,066,331.00 | 1,828,000.00 |
| 4093 · Uniform and Material Rentals | 0.00 | 375.00 | 2,019.87 | 2,625.00 | 4,500.00 |
| 4095 · Vehicle Maintenance, Operating | 1,534.28 | 1,750.00 | 13,215.46 | 12,250.00 | 21,000.00 |
| 4096 · Communication Expense | 432.31 | 517.00 | 3,819.07 | 3,619.00 | 6,200.00 |
| 4099 · Facility Maintenance | 4,592.11 | 2,500.00 | 28,301.78 | 17,500.00 | 30,000.00 |
| 4100 · Salaries - Field Workers | 17,503.82 | 24,506.00 | 163,019.72 | 171,542.00 | 294,077.00 |
| 4108 · Grounds Maintenance and Materia | 0.00 | 2,750.00 | 28,114.80 | 19,250.00 | 33,000.00 |
| 4112 · Depreciation Expense | 40,062.00 | 0.00 | 288,497.80 | 0.00 | 0.00 |
| 4113 · Pipeline Maintenance & Material | 82.43 | 4,167.00 | 582.47 | 29,169.00 | 50,000.00 |
| 4114 · SCADA Maintence | 300.00 | 667.00 | 3,540.00 | 4,669.00 | 8,000.00 |
| 4120 · Grants | 4,491.08 | 707,250.00 | 4,224,559.65 | 4,950,750.00 | 8,487,000.00 |
| Total Unrestricted G.O. Expenses | 439,137.41 | 1,438,354.00 | 7,287,058.88 | 10,068,478.00 | 17,260,241.00 |
| Riverside Facility | | | | | |
| 4300 · Salaries - Riverside | 874.98 | 1,337.00 | 5,995.68 | 9,359.00 | 16,043.00 |
| 4301 · Riverside Maintenance and Mater | 315.43 | 2,358.00 | 2,205.53 | 16,506.00 | 28,300.00 |
| Total Riverside Facility | 1,190.41 | 3,695.00 | 8,201.21 | 25,865.00 | 44,343.00 |
| Hydro Expenses | | | | | |

San Gabriel Valley Municipal Water District
Income Statement - Actual vs. Budget
January 2022

| | Jan 22 | Budget | Jul '21 - Jan 22 | YTD Budget | Annual Budget |
|--|---------------------|---------------------|----------------------|----------------------|----------------------|
| 4402 · Salaries - Hydro | 94.92 | 758.00 | 1,253.03 | 5,306.00 | 9,092.00 |
| 4403 · Hydro Maintenance Materials | 0.00 | 1,125.00 | 1,440.00 | 7,875.00 | 13,500.00 |
| 4406 · Hydro So Cal Edison (8800) | 0.00 | 433.00 | 676.78 | 3,031.00 | 5,200.00 |
| Total Hydro Expenses | 94.92 | 2,316.00 | 3,369.81 | 16,212.00 | 27,792.00 |
| Restricted Expense | | | | | |
| 4510 · State Project Expense | 1,870,287.00 | 625,000.00 | 5,387,763.00 | 4,375,000.00 | 7,500,000.00 |
| 4511 · State Project Amortization | 8,034.00 | 8,083.00 | 56,232.75 | 56,581.00 | 97,000.00 |
| 4591 · State Project Cost of Water Adj | 0.00 | 0.00 | -6,442.00 | 0.00 | 0.00 |
| Total Restricted Expense | 1,878,321.00 | 633,083.00 | 5,437,553.75 | 4,431,581.00 | 7,597,000.00 |
| 66000 · Payroll Expenses | 0.00 | 0.00 | 0.00 | 304.42 | 0.00 |
| Total Expense | 2,318,743.74 | 2,077,448.00 | 12,736,183.65 | 14,542,440.42 | 24,929,376.00 |
| Net Ordinary Income | -486,234.32 | -640,000.00 | -3,752,536.98 | -4,480,304.42 | -7,679,996.00 |
| Other Income/Expense | | | | | |
| Other Expense | | | | | |
| 6001 · COVID-19 Expense | 1,080.28 | 0.00 | 2,045.60 | 0.00 | 0.00 |
| 6002 · Employee Appreciation | 94.16 | | 2,178.99 | | |
| Total Other Expense | 1,174.44 | 0.00 | 4,224.59 | 0.00 | 0.00 |
| Net Other Income | -1,174.44 | 0.00 | -4,224.59 | 0.00 | 0.00 |
| Net Income | -487,408.76 | -640,000.00 | -3,756,761.57 | -4,480,304.42 | -7,679,996.00 |

San Gabriel Valley Municipal Water District

TREASURERS INVESTMENT REPORT
(Activity ending December 31, 2021)

Report Date December 31, 2021

Certificates of Deposit \$5.0 Million authorized 11/10/2008 and \$5.0 Million authorized 6/8/2009

| CUSIP# | ACCT. NO. | QUANTITY PURCHASED | BANKING INSTITUTION | RATE | DATE OF PURCHASE | DATE OF MATURITY | RATE OF INTEREST | YIELD TO MATURITY | INTEREST REC'D TTD | QUANTITY PURCHASED |
|-----------|-----------|--------------------|--------------------------|------------|------------------|------------------|------------------|-------------------|--------------------|--------------------|
| 61760A2X6 | 1013 | \$240,000 | MORGAN STANLEY PRV NY US | Fixed Rate | 11/20/2019 | 11/20/2021 | 1.700% | 1.700% | \$ 6,136.76 | MATURED |
| 949763CZ7 | 1013 | \$240,000 | WELLS FARGO BK NA SD US | Fixed Rate | 11/30/2016 | 11/30/2021 | 2.000% | 2.000% | \$ 22,408.72 | MATURED |
| 949495AR6 | 1013 | \$240,000 | WELLS FARGO NATL B NV US | Fixed Rate | 01/29/2020 | 01/31/2022 | 1.800% | 1.800% | \$ 7,562.92 | \$240,000 |
| 8562846E9 | 1013 | \$240,000 | STATE BK INDIA NY US | Fixed Rate | 02/09/2017 | 02/09/2022 | 2.250% | 2.250% | \$ 21,614.79 | \$240,000 |
| 45581EBQ3 | 1013 | \$240,000 | INDUSTRIAL AND COM NY US | Fixed Rate | 08/28/2020 | 08/28/2022 | 0.200% | 0.200% | \$ 599.68 | \$240,000 |
| 12556LBU9 | 1013 | \$240,000 | CIT BANK NA CA US | Fixed Rate | 03/26/2020 | 03/28/2022 | 1.050% | 1.050% | \$ 3,790.36 | \$240,000 |
| 649447TSB | 1013 | \$200,000 | NEW YORK CMNTY BK NY US | Fixed Rate | 06/12/2020 | 06/13/2022 | 0.250% | 0.250% | \$ 750.68 | \$200,000 |
| 79545OA70 | 1013 | \$240,000 | SALLIE MAE BANK UT US | Fixed Rate | 06/21/2017 | 06/21/2022 | 2.350% | 2.350% | \$ 22,575.46 | \$240,000 |
| 06251A2B5 | 1013 | \$240,000 | BANK HAPOALIM BM N NY US | Fixed Rate | 07/22/2020 | 07/22/2022 | 0.250% | 0.250% | \$ 600.00 | \$240,000 |
| 88224PLX5 | 1013 | \$240,000 | TEXAS CAP BK NA DA TX US | Fixed Rate | 07/24/2020 | 07/25/2022 | 0.250% | 0.250% | \$ 600.00 | \$240,000 |
| 78658RFC0 | 1013 | \$240,000 | SAFRA NATIONAL BK NY US | Fixed Rate | 08/05/2021 | 08/04/2022 | 0.050% | 0.050% | \$ - | \$240,000 |
| 32021SJE7 | 1013 | \$240,000 | FIRST FINL BK OH US | Fixed Rate | 08/18/2021 | 08/18/2022 | 0.150% | 0.150% | \$ - | \$240,000 |
| 319141JC2 | 1013 | \$240,000 | FIRST BK HIGHLAND IL US | Fixed Rate | 11/01/2017 | 11/01/2022 | 2.150% | 2.150% | \$ 18,052.93 | \$240,000 |
| 666613HQ0 | 1013 | \$240,000 | NORTHPOINTE BANK MI US | Fixed Rate | 11/13/2020 | 11/14/2022 | 0.150% | 0.150% | \$ 389.63 | \$240,000 |
| 38149MVT7 | 1013 | \$240,000 | GOLDMAN SACHS BANK UT US | Fixed Rate | 04/21/2021 | 12/21/2022 | 0.150% | 0.150% | \$ 240.68 | \$240,000 |
| 559582AU5 | 1013 | \$240,000 | MAGNOLIA BANK, INC KY US | Fixed Rate | 12/23/2020 | 12/23/2022 | 0.200% | 0.200% | \$ 480.01 | \$240,000 |
| 59013KLU8 | 1013 | \$240,000 | MERRICK BANK UT US | Fixed Rate | 12/30/2020 | 12/30/2022 | 0.150% | 0.150% | \$ 360.03 | \$240,000 |
| 70153RKN7 | 1013 | \$240,000 | PARKWAY B&T IL US | Fixed Rate | 01/28/2021 | 01/30/2023 | 0.150% | 0.150% | \$ 178.52 | \$240,000 |
| 080515CH0 | 1013 | \$240,000 | BELMONT SVGS BK MA US | Fixed Rate | 02/28/2018 | 02/28/2023 | 2.700% | 2.700% | \$ 24,286.75 | \$240,000 |
| 947547MR3 | 1013 | \$240,000 | WEBBANK UT US | Fixed Rate | 03/29/2021 | 03/29/2023 | 0.200% | 0.200% | \$ 241.97 | \$240,000 |
| 56065GAM0 | 1013 | \$240,000 | MAINSTREET BK VA US | Fixed Rate | 03/30/2021 | 03/30/2023 | 0.200% | 0.200% | \$ 361.65 | \$240,000 |
| 58404DJY8 | 1013 | \$240,000 | MEDALLION BK UT US | Fixed Rate | 03/30/2021 | 03/30/2023 | 0.200% | 0.200% | \$ 361.65 | \$240,000 |
| 72345SKU4 | 1013 | \$240,000 | PINNACLE BANK TN US | Fixed Rate | 05/08/2020 | 05/08/2023 | 0.700% | 0.700% | \$ 1,680.00 | \$240,000 |
| 27004PBQ5 | 1013 | \$240,000 | EAGLEMARK SVGS BK NV US | Fixed Rate | 05/19/2021 | 05/19/2023 | 0.200% | 0.200% | \$ 241.97 | \$240,000 |
| 33847E3K1 | 1013 | \$240,000 | FLAGSTAR BANK MI US | Fixed Rate | 05/29/2020 | 05/30/2023 | 0.450% | 0.450% | \$ 1,080.00 | \$240,000 |
| 81632NAV7 | 1013 | \$240,000 | SELF-HELP FED CRED NC US | Fixed Rate | 06/28/2021 | 06/28/2023 | 0.200% | 0.200% | \$ 240.66 | \$240,000 |
| 433323EA6 | 1013 | \$240,000 | HINGHAM INSTITUTIO MA US | Fixed Rate | 06/28/2021 | 06/28/2023 | 0.200% | 0.200% | \$ 240.66 | \$240,000 |
| 45780PAT2 | 1013 | \$240,000 | INSTITUTION FOR SV MA US | Fixed Rate | 07/29/2021 | 07/31/2023 | 0.300% | 0.300% | \$ 301.81 | \$240,000 |
| 90352RBE4 | 1013 | \$240,000 | USALLIANCE FED CRE NY US | Fixed Rate | 09/29/2020 | 09/29/2023 | 0.300% | 0.300% | \$ 899.51 | \$240,000 |
| 87164XB96 | 1013 | \$240,000 | SYNCHRONY BK UT US | Fixed Rate | 09/30/2021 | 09/23/2023 | 0.400% | 0.400% | \$ - | \$240,000 |
| 05580AV87 | 1013 | \$240,000 | BMW BK OF NA NA UT US | Fixed Rate | 02/28/2020 | 02/28/2024 | 1.650% | 1.650% | \$ 5,934.58 | \$240,000 |
| 87164DSF8 | 1013 | \$200,000 | SYNOVUS BK GA US | Fixed Rate | 03/11/2021 | 03/11/2024 | 0.300% | 0.300% | \$ 302.47 | \$200,000 |
| 20033AS31 | 1013 | \$240,000 | COMENITY CAP BK UT US | Fixed Rate | 03/15/2019 | 03/15/2024 | 2.950% | 2.950% | \$ 18,912.26 | \$240,000 |
| 88241TLV0 | 1013 | \$240,000 | TEXAS EXCHANGE BK TX US | Fixed Rate | 08/13/2021 | 08/13/2024 | 0.500% | 0.500% | \$ 401.10 | \$240,000 |
| 69506YRY7 | 1013 | \$240,000 | PACIFIC WSTN BK CA US | Fixed Rate | 09/30/2020 | 09/30/2024 | 0.400% | 0.400% | \$ 960.00 | \$240,000 |
| 52374AAW0 | 1013 | \$240,000 | LEA CNTY ST BK HOB NM US | Fixed Rate | 12/10/2021 | 12/10/2024 | 0.7500% | 0.7500% | \$ - | \$240,000 |
| 02589AB68 | 1013 | \$240,000 | AMER EXPRESS NATL UT US | Fixed Rate | 03/31/2020 | 03/31/2025 | 1.550% | 1.550% | \$ 5,585.10 | \$240,000 |
| 81258PKJ1 | 1013 | \$240,000 | SEATTLE BANK WA US | Fixed Rate | 06/02/2020 | 06/02/2025 | 0.750% | 0.750% | \$ 2,549.65 | \$240,000 |
| 29278TPN4 | 1013 | \$240,000 | ENERBANK UT US | Fixed Rate | 06/19/2020 | 06/19/2025 | 0.650% | 0.650% | \$ 2,081.40 | \$240,000 |
| 48128UNC9 | 1013 | \$240,000 | JPMORGAN CHASE & C DE US | Fixed Rate | 09/30/2020 | 09/30/2025 | 0.400% | 0.400% | \$ 960.00 | \$240,000 |

San Gabriel Valley Municipal Water District

TREASURERS INVESTMENT REPORT
(Activity ending December 31, 2021)

Report Date December 31, 2021

| | | | | | | | | | | | |
|----------------------------|------|-----------|--------------------------|------------|------------|------------|--------|--------|----|----------|--------------|
| 90348JG53 | 1013 | \$240,000 | UBS BANK UT US | Fixed Rate | 09/30/2020 | 09/30/2025 | 0.400% | 0.400% | \$ | 1,524.16 | \$240,000 |
| 39573LBL1 | 1013 | \$245,000 | GREENSTATE CREDIT IA US | Fixed Rate | 06/16/2021 | 06/16/2026 | 0.950% | 0.950% | \$ | 1,014.89 | \$245,000 |
| 89235MLE9 | 1013 | \$240,000 | TOYOTA FINL SVG BK NV US | Fixed Rate | 07/29/2021 | 07/29/2026 | 0.950% | 0.950% | \$ | - | \$240,000 |
| 61765Q6N4 | 1013 | \$240,000 | MORGAN STANLEY BK UT US | Fixed Rate | 11/19/2022 | 11/19/2026 | 1.100% | 1.100% | \$ | - | \$240,000 |
| GRAND TOTAL CD'S PURCHASED | | | | | | | | | | | \$10,005,000 |

Money Market Account

When CD is in transition from maturity to repurchasing, it is entered into a money market account & this is the interest earned while in that account:

| | | | | | | | |
|---------------------|---|-------------------------|--|--|-----------------|----|----------|
| | | | | | Balance Forward | \$ | 1,535.66 |
| * 10/07/21-12/07/21 | UBS BANK USA DEPOSIT ACCOUNT ENTRY AS OF 10/07/21-12/07/21 | INTEREST INCOME \$ 0.49 | SECURITY/SYMBOL MMPFDI-919446 | | | \$ | 0.49 |
| | UBS SELECT TREASURY INVESTOR FUND ENTRY AS OF 11/24/21-11/24/21 | DIVIDEND INCOME \$ 0.14 | SECURITY/SYMBOL STRXX | | | \$ | 0.14 |
| | | | G.T. Money Market Interest Received Total To Date: | | | \$ | 1,536.29 |

Recap of All CD Interest Received

| | |
|--|----------------|
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2008-2009 | \$19,619.98 |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2009-2010 | \$144,944.73 |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2010-2011 | \$96,652.58 |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2011-2012 | \$56,675.75 |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2012-2013 | \$51,793.98 |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2013-2014 | \$73,466.67 |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2014-2015 | \$86,491.81 |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2015-2016 | \$101,469.27 |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2016-2017 | \$123,833.68 |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2017-2018 | \$151,379.14 |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2018-2019 | \$201,846.40 |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2019-2020 | \$233,862.14 |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2020-2021 | \$148,118.57 |
| TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2021-2022 AT DECEMBER 31, 2021 | \$48,184.71 |
| GRAND TOTAL INTEREST RECEIVED FOR ALL FY'S TO DATE | \$1,538,339.41 |

Local Agency Investment Fund (LAIF)

| ACCT. NO. | INSTITUTION | PMIA AVERAGE MONTHLY 12/2021 EFFECTIVE YIELD | DAILY YIELD AT 12/31/21 | BALANCE GEN. LEDGER |
|--|---|--|-------------------------------|------------------------|
| 1009 | LOCAL AGENCY INVESTMENT FUND - (GENERAL FUND) | 0.212% | 0.220% | \$12,511,805.20 |
| GRAND TOTAL LOCAL AGENCY INVESTMENT FUND (SEE REPORT ATTACHED) | | | | \$12,511,805 |

SUMMARY

| | BALANCES |
|--|------------------|
| Local Agency Investment Fund - General Fund | \$ 12,511,805.20 |
| UBS Certificates of Deposit Summary Total | \$ 10,005,000.00 |
| UBS Certificates of Deposit Interest Fiscal Year 2021-2022 At Date December 31, 2021 | \$ 48,184.71 |
| UBS Bank USA Deposit Account/UBS Select Treasury Investor Fund | \$ 0.63 |
| Money Balance Activities minus total dividend and interest income | \$ - |

San Gabriel Valley Municipal Water District

TREASURERS INVESTMENT REPORT
(Activity ending December 31, 2021)

Report Date December 31, 2021

| | |
|--|------------------|
| TOTAL INVESTMENTS | \$ 22,564,990.54 |
| Cash Bank of America General Fund | \$6,968,305 |
| Cash Bank of America Revolving Fund | \$182,428 |
| Petty Cash Fund | \$300 |
| GRAND TOTAL INVESTMENTS AND CASH LESS RESTRICTED FUNDS | \$ 29,716,023.37 |

I certify that this report accurately reflects all pooled investments and is in compliance with California Government Code Sections 53601(i), 53601.1, 53635(i) and 53646 and is in conformity with the San Gabriel Valley Municipal Water District's investment policy as stated in Resolution 10-95-489, dated 10/23/95.

As Treasurer of San Gabriel Valley Municipal Water District, I hereby certify that sufficient liquidity and anticipated revenues are available to meet the next six month's estimated expenditures.


Darin J. Kasamoto
Deputy Treasurer

1/24/22
Date

Type of Investment with title held in the name of San Gabriel Valley Municipal Water District:

| | |
|------|------------------------------|
| CD'S | Certificates of Deposit |
| LAIF | Local Agency Investment Fund |
| MM | Money Market Account |



PMIA/LAIF Performance Report as of 01/13/22



PMIA Average Monthly Effective Yields⁽¹⁾

| | |
|-----|-------|
| Dec | 0.212 |
| Nov | 0.203 |
| Oct | 0.203 |

Quarterly Performance Quarter Ended 12/31/21

| | |
|--|---------------------|
| LAIF Apportionment Rate ⁽²⁾ : | 0.23 |
| LAIF Earnings Ratio ⁽²⁾ : | 0.00000625812849570 |
| LAIF Fair Value Factor ⁽¹⁾ : | 0.997439120 |
| PMIA Daily ⁽¹⁾ : | 0.22% |
| PMIA Quarter to Date ⁽¹⁾ : | 0.21% |
| PMIA Average Life ⁽¹⁾ : | 340 |

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 12/31/21 \$181.4 billion

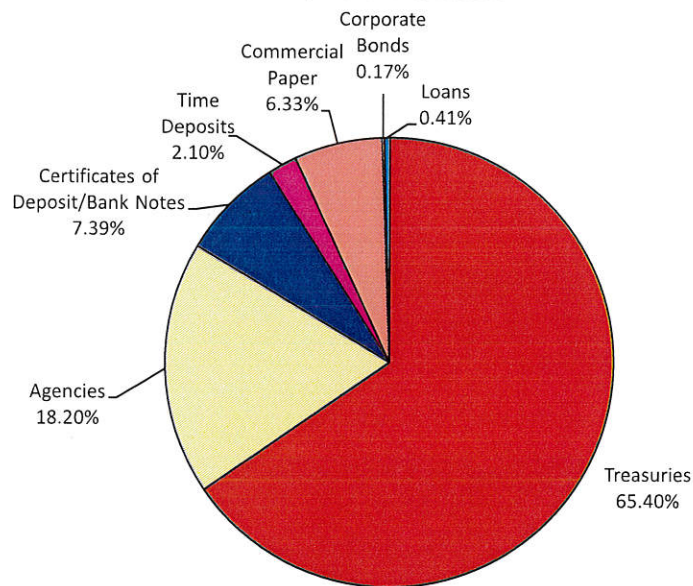


Chart does not include \$6,716,000.00 in mortgages, which equates to 0.001%. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

Source:

⁽¹⁾ State of California, Office of the Treasurer

⁽²⁾ State of California, Office of the Controller



California State Treasurer
Fiona Ma, CPA



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POOLED MONEY INVESTMENT ACCOUNT

PMIA Average Monthly Effective Yields

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 1977 | 5.770 | 5.660 | 5.660 | 5.650 | 5.760 | 5.850 | 5.930 | 6.050 | 6.090 | 6.090 | 6.610 | 6.730 |
| 1978 | 6.920 | 7.050 | 7.140 | 7.270 | 7.386 | 7.569 | 7.652 | 7.821 | 7.871 | 8.110 | 8.286 | 8.769 |
| 1979 | 8.777 | 8.904 | 8.820 | 9.082 | 9.046 | 9.224 | 9.202 | 9.528 | 9.259 | 9.814 | 10.223 | 10.218 |
| 1980 | 10.980 | 11.251 | 11.490 | 11.480 | 12.017 | 11.798 | 10.206 | 9.870 | 9.945 | 10.056 | 10.426 | 10.961 |
| 1981 | 10.987 | 11.686 | 11.130 | 11.475 | 12.179 | 11.442 | 12.346 | 12.844 | 12.059 | 12.397 | 11.887 | 11.484 |
| 1982 | 11.683 | 12.044 | 11.835 | 11.773 | 12.270 | 11.994 | 12.235 | 11.909 | 11.151 | 11.111 | 10.704 | 10.401 |
| 1983 | 10.251 | 9.887 | 9.688 | 9.868 | 9.527 | 9.600 | 9.879 | 10.076 | 10.202 | 10.182 | 10.164 | 10.227 |
| 1984 | 10.312 | 10.280 | 10.382 | 10.594 | 10.843 | 11.119 | 11.355 | 11.557 | 11.597 | 11.681 | 11.474 | 11.024 |
| 1985 | 10.579 | 10.289 | 10.118 | 10.025 | 10.180 | 9.743 | 9.656 | 9.417 | 9.572 | 9.482 | 9.488 | 9.371 |
| 1986 | 9.252 | 9.090 | 8.958 | 8.621 | 8.369 | 8.225 | 8.141 | 7.844 | 7.512 | 7.586 | 7.432 | 7.439 |
| 1987 | 7.365 | 7.157 | 7.205 | 7.044 | 7.294 | 7.289 | 7.464 | 7.562 | 7.712 | 7.825 | 8.121 | 8.071 |
| 1988 | 8.078 | 8.050 | 7.945 | 7.940 | 7.815 | 7.929 | 8.089 | 8.245 | 8.341 | 8.397 | 8.467 | 8.563 |
| 1989 | 8.698 | 8.770 | 8.870 | 8.992 | 9.227 | 9.204 | 9.056 | 8.833 | 8.801 | 8.771 | 8.685 | 8.645 |
| 1990 | 8.571 | 8.538 | 8.506 | 8.497 | 8.531 | 8.538 | 8.517 | 8.382 | 8.333 | 8.321 | 8.269 | 8.279 |
| 1991 | 8.164 | 8.002 | 7.775 | 7.666 | 7.374 | 7.169 | 7.098 | 7.072 | 6.859 | 6.719 | 6.591 | 6.318 |
| 1992 | 6.122 | 5.863 | 5.680 | 5.692 | 5.379 | 5.323 | 5.235 | 4.958 | 4.760 | 4.730 | 4.659 | 4.647 |
| 1993 | 4.678 | 4.649 | 4.624 | 4.605 | 4.427 | 4.554 | 4.438 | 4.472 | 4.430 | 4.380 | 4.365 | 4.384 |
| 1994 | 4.359 | 4.176 | 4.248 | 4.333 | 4.434 | 4.623 | 4.823 | 4.989 | 5.106 | 5.243 | 5.380 | 5.528 |
| 1995 | 5.612 | 5.779 | 5.934 | 5.960 | 6.008 | 5.997 | 5.972 | 5.910 | 5.832 | 5.784 | 5.805 | 5.748 |
| 1996 | 5.698 | 5.643 | 5.557 | 5.538 | 5.502 | 5.548 | 5.587 | 5.566 | 5.601 | 5.601 | 5.599 | 5.574 |
| 1997 | 5.583 | 5.575 | 5.580 | 5.612 | 5.634 | 5.667 | 5.679 | 5.690 | 5.707 | 5.705 | 5.715 | 5.744 |
| 1998 | 5.742 | 5.720 | 5.680 | 5.672 | 5.673 | 5.671 | 5.652 | 5.652 | 5.639 | 5.557 | 5.492 | 5.374 |
| 1999 | 5.265 | 5.210 | 5.136 | 5.119 | 5.086 | 5.095 | 5.178 | 5.225 | 5.274 | 5.391 | 5.484 | 5.639 |
| 2000 | 5.760 | 5.824 | 5.851 | 6.014 | 6.190 | 6.349 | 6.443 | 6.505 | 6.502 | 6.517 | 6.538 | 6.535 |
| 2001 | 6.372 | 6.169 | 5.976 | 5.760 | 5.328 | 4.958 | 4.635 | 4.502 | 4.288 | 3.785 | 3.526 | 3.261 |
| 2002 | 3.068 | 2.967 | 2.861 | 2.845 | 2.740 | 2.687 | 2.714 | 2.594 | 2.604 | 2.487 | 2.301 | 2.201 |
| 2003 | 2.103 | 1.945 | 1.904 | 1.858 | 1.769 | 1.697 | 1.653 | 1.632 | 1.635 | 1.596 | 1.572 | 1.545 |
| 2004 | 1.528 | 1.440 | 1.474 | 1.445 | 1.426 | 1.469 | 1.604 | 1.672 | 1.771 | 1.890 | 2.003 | 2.134 |
| 2005 | 2.264 | 2.368 | 2.542 | 2.724 | 2.856 | 2.967 | 3.083 | 3.179 | 3.324 | 3.458 | 3.636 | 3.808 |
| 2006 | 3.955 | 4.043 | 4.142 | 4.305 | 4.563 | 4.700 | 4.849 | 4.946 | 5.023 | 5.098 | 5.125 | 5.129 |
| 2007 | 5.156 | 5.181 | 5.214 | 5.222 | 5.248 | 5.250 | 5.255 | 5.253 | 5.231 | 5.137 | 4.962 | 4.801 |
| 2008 | 4.620 | 4.161 | 3.777 | 3.400 | 3.072 | 2.894 | 2.787 | 2.779 | 2.774 | 2.709 | 2.568 | 2.353 |
| 2009 | 2.046 | 1.869 | 1.822 | 1.607 | 1.530 | 1.377 | 1.035 | 0.925 | 0.750 | 0.646 | 0.611 | 0.569 |
| 2010 | 0.558 | 0.577 | 0.547 | 0.588 | 0.560 | 0.528 | 0.531 | 0.513 | 0.500 | 0.480 | 0.454 | 0.462 |
| 2011 | 0.538 | 0.512 | 0.500 | 0.588 | 0.413 | 0.448 | 0.381 | 0.408 | 0.378 | 0.385 | 0.401 | 0.382 |
| 2012 | 0.385 | 0.389 | 0.383 | 0.367 | 0.363 | 0.358 | 0.363 | 0.377 | 0.348 | 0.340 | 0.324 | 0.326 |
| 2013 | 0.300 | 0.286 | 0.285 | 0.264 | 0.245 | 0.244 | 0.267 | 0.271 | 0.257 | 0.266 | 0.263 | 0.264 |
| 2014 | 0.244 | 0.236 | 0.236 | 0.233 | 0.228 | 0.228 | 0.244 | 0.260 | 0.246 | 0.261 | 0.261 | 0.267 |
| 2015 | 0.262 | 0.266 | 0.278 | 0.283 | 0.290 | 0.299 | 0.320 | 0.330 | 0.337 | 0.357 | 0.374 | 0.400 |
| 2016 | 0.446 | 0.467 | 0.506 | 0.525 | 0.552 | 0.576 | 0.588 | 0.614 | 0.634 | 0.654 | 0.678 | 0.719 |
| 2017 | 0.751 | 0.777 | 0.821 | 0.884 | 0.925 | 0.978 | 1.051 | 1.084 | 1.111 | 1.143 | 1.172 | 1.239 |
| 2018 | 1.350 | 1.412 | 1.524 | 1.661 | 1.755 | 1.854 | 1.944 | 1.998 | 2.063 | 2.144 | 2.208 | 2.291 |
| 2019 | 2.355 | 2.392 | 2.436 | 2.445 | 2.449 | 2.428 | 2.379 | 2.341 | 2.280 | 2.190 | 2.103 | 2.043 |
| 2020 | 1.967 | 1.912 | 1.787 | 1.648 | 1.363 | 1.217 | 0.920 | 0.784 | 0.685 | 0.620 | 0.576 | 0.540 |



State of California

Pooled Money Investment Account

Market Valuation

12/31/2021

| Description | Carrying Cost Plus | | Fair Value | Accrued Interest |
|-----------------------------|------------------------------|------------------------------|------------------------------|--------------------------|
| | Accrued Interest | Purch. Amortized Cost | | |
| United States Treasury: | | | | |
| Bills | \$ 43,569,286,927.30 | \$ 43,578,148,587.65 | \$ 43,566,910,500.00 | NA |
| Notes | \$ 75,086,412,242.60 | \$ 75,080,652,906.63 | \$ 74,687,028,500.00 | \$ 109,370,054.00 |
| Federal Agency: | | | | |
| SBA | \$ 350,740,581.41 | \$ 350,740,581.41 | \$ 351,306,665.72 | \$ 148,390.75 |
| MBS-REMICs | \$ 6,715,516.12 | \$ 6,715,516.12 | \$ 6,985,051.69 | \$ 30,724.20 |
| Debentures | \$ 10,439,956,592.62 | \$ 10,439,204,370.45 | \$ 10,416,451,600.00 | \$ 9,420,765.50 |
| Debentures FR | \$ - | \$ - | \$ - | \$ - |
| Debentures CL | \$ 800,000,000.00 | \$ 800,000,000.00 | \$ 790,694,000.00 | \$ 762,194.00 |
| Discount Notes | \$ 19,162,958,897.16 | \$ 19,165,010,905.46 | \$ 19,157,738,000.00 | NA |
| Supranational Debentures | \$ 2,219,658,716.35 | \$ 2,218,983,369.12 | \$ 2,204,343,500.00 | \$ 6,007,849.50 |
| Supranational Debentures FR | \$ 50,000,000.00 | \$ 50,000,000.00 | \$ 50,001,500.00 | \$ 5,495.49 |
| CDs and YCDs FR | \$ - | \$ - | \$ - | \$ - |
| Bank Notes | \$ 50,000,000.00 | \$ 50,000,000.00 | \$ 49,999,510.67 | \$ 29,305.56 |
| CDs and YCDs | \$ 13,350,000,416.66 | \$ 13,350,000,000.00 | \$ 13,346,930,419.28 | \$ 6,017,777.79 |
| Commercial Paper | \$ 11,491,501,972.14 | \$ 11,495,349,152.68 | \$ 11,494,513,733.35 | NA |
| Corporate: | | | | |
| Bonds FR | \$ - | \$ - | \$ - | \$ - |
| Bonds | \$ 310,090,245.37 | \$ 309,862,368.98 | \$ 307,103,440.00 | \$ 1,913,014.98 |
| Repurchase Agreements | \$ - | \$ - | \$ - | \$ - |
| Reverse Repurchase | \$ - | \$ - | \$ - | \$ - |
| Time Deposits | \$ 3,807,500,000.00 | \$ 3,807,500,000.00 | \$ 3,807,500,000.00 | NA |
| PMIA & GF Loans | \$ 743,769,000.00 | \$ 743,769,000.00 | \$ 743,769,000.00 | NA |
| TOTAL | \$ 181,438,591,107.73 | \$ 181,445,936,758.50 | \$ 180,981,275,420.71 | \$ 133,705,571.77 |

Fair Value Including Accrued Interest

\$ 181,114,980,992.48

Repurchase Agreements, Time Deposits, PMIA & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).

The value of each participating dollar equals the fair value divided by the amortized cost (0.99743912).
As an example: if an agency has an account balance of \$20,000,000.00, then the agency would report its participation in the LAIF valued at \$19,948,782.39 or \$20,000,000.00 x 0.99743912.

SAN GABRIEL MUNICIPAL WATER DISTRICT

REVOLVING FUND RECAP

January 13, 2022

| Check No. | Date | Description | Amount |
|--|----------|-------------------------------|-----------------------------|
| 11995-11999 | 01/13/22 | Payroll Expense | \$ 100,698.61 |
| EFT | 01/13/22 | Payroll Expense - PERS | \$ 7,686.93 |
| Wires | 01/13/22 | Federal & State Payroll Taxes | \$ 61,662.83 |
| 12000 | 01/13/22 | United States Treasury | \$ 3.00 |
| <i>January 13, 2021 GRAND TOTAL DISBURSEMENTS.....</i> | | | <u><u>\$ 170,051.37</u></u> |

REVOLVING FUND RECAP

January 27, 2022

| Check No. | Date | Description | Amount |
|--|----------|-------------------------------|----------------------------|
| 12001-12006 | 01/27/22 | Payroll Expense | \$ 27,161.74 |
| EFT | 01/27/22 | Payroll Expense - PERS | \$ 7,031.29 |
| Wires | 01/27/22 | Federal & State Payroll Taxes | \$ 14,664.30 |
| EFT | 01/27/22 | State Compensation Insurance | \$ 1,045.34 |
| 12007 | 01/27/22 | Frontier | \$ 234.50 |
| 12008 | 01/27/22 | SCE | \$ 336.99 |
| 12009 | 01/27/22 | Stanley Convergent Security | \$ 709.02 |
| 12010 | 01/27/22 | Verizon Wireless | \$ 360.51 |
| <i>January 27, 2022 GRAND TOTAL DISBURSEMENTS.....</i> | | | <u><u>\$ 51,543.69</u></u> |

REVOLVING FUND RECAP

February 10, 2022

| Check No. | Date | Description | Amount |
|---|----------|-------------------------------|----------------------------|
| 12011-12015 | 02/10/22 | Payroll Expense | \$ 27,253.78 |
| EFT | 02/10/22 | Payroll Expense - PERS | \$ 6,971.84 |
| Wires | 02/10/22 | Federal & State Payroll Taxes | \$ 14,573.61 |
| 12016 | 02/10/22 | Azusa Light & Water | \$ 1,026.86 |
| 12017 | 02/10/22 | Frontier | \$ 99.02 |
| 12018 | 02/10/22 | The Gas Company | \$ 67.20 |
| <i>February 10, 2022 GRAND TOTAL DISBURSEMENTS.....</i> | | | <u><u>\$ 49,992.31</u></u> |

REVOLVING FUND RECAP

February 14, 2022

| Check No. | Date | Description | Amount |
|---|----------|-------------------------------|---------------------------|
| 12019 | 02/14/22 | Bruce H Knoles | \$ 182.50 |
| 12020 | 02/14/22 | Mark R Paulson | \$ 730.00 |
| 12021 | 02/14/22 | Miles L Prince | \$ 912.50 |
| 12022 | 02/14/22 | Thomas Wong | \$ 473.50 |
| Wires | 02/14/22 | Federal & State Payroll Taxes | \$ 542.00 |
| <i>February 14, 2022 GRAND TOTAL DISBURSEMENTS.....</i> | | | <u><u>\$ 2,840.50</u></u> |

9:32 AM

San Gabriel Valley Municipal Water District

Transactions by Account

02/10/22

Accrual Basis

As of January 31, 2022

| Type | Date | Num | Name | Amount |
|--|------------|-------|--|----------------------|
| 1001 - General Fund Bank of America | | | | |
| Bill Pmt -Check | 01/24/2022 | 42673 | Alhambra Chamber Commerce | -650.00 |
| Bill Pmt -Check | 01/24/2022 | 42674 | Alliance Communication Services (Co... | -130.00 |
| Bill Pmt -Check | 01/24/2022 | 42675 | Athens (Corporation) | -178.34 |
| Bill Pmt -Check | 01/24/2022 | 42676 | California Advocates, Inc. (Corp) | -8,000.00 |
| Bill Pmt -Check | 01/24/2022 | 42677 | Canyon City Printng, Inc (Corp) | -270.55 |
| Bill Pmt -Check | 01/24/2022 | 42678 | Cash Revolving Fund | -70,000.00 |
| Bill Pmt -Check | 01/24/2022 | 42679 | CAT Specialities, Inc. | -756.24 |
| Bill Pmt -Check | 01/24/2022 | 42680 | Civiltec Inc (Corp) | -7,275.00 |
| Bill Pmt -Check | 01/24/2022 | 42681 | Dunn-Edwards Corporation | -304.38 |
| Bill Pmt -Check | 01/24/2022 | 42682 | DWR | -1,869,573.00 |
| Bill Pmt -Check | 01/24/2022 | 42683 | ExxonMobil | -1,534.28 |
| Bill Pmt -Check | 01/24/2022 | 42684 | Frontier | -797.24 |
| Bill Pmt -Check | 01/24/2022 | 42685 | Grainger (Corp) | -12.43 |
| Bill Pmt -Check | 01/24/2022 | 42686 | Hazen and Sawyer | -1,740.00 |
| Bill Pmt -Check | 01/24/2022 | 42687 | Lagerlof, LLP (Atty) | -2,697.50 |
| Bill Pmt -Check | 01/24/2022 | 42688 | Linda S Glau, CPA | -566.25 |
| Bill Pmt -Check | 01/24/2022 | 42689 | LOWES | -351.36 |
| Bill Pmt -Check | 01/24/2022 | 42690 | Maria Jarmin | -178.84 |
| Bill Pmt -Check | 01/24/2022 | 42691 | SCE | -29.62 |
| Bill Pmt -Check | 01/24/2022 | 42692 | South Coast AQMD | -582.74 |
| Bill Pmt -Check | 01/24/2022 | 42693 | Sparkletts | -76.89 |
| Bill Pmt -Check | 01/24/2022 | 42694 | Staples | -6.59 |
| Bill Pmt -Check | 01/24/2022 | 42695 | SyTech, Inc | -300.00 |
| Bill Pmt -Check | 01/24/2022 | 42696 | Verizon Wireless (M2M) | -778.75 |
| Total 1001 - General Fund Bank of America | | | | -1,966,790.00 |
| TOTAL | | | | -1,966,790.00 |

1:24 PM

San Gabriel Valley Municipal Water District

Transactions by Account

02/10/22

Accrual Basis

As of February 14, 2022

| Type | Date | Num | Name | Amount |
|--|------------|-------|--|--------------------|
| 1001 - General Fund Bank of America | | | | |
| Bill Pmt -Check | 02/02/2022 | EFT | BeniComp (Corp) | -5,058.67 |
| Bill Pmt -Check | 02/03/2022 | EFT | BeniComp (Corp) | -9,991.58 |
| Bill Pmt -Check | 02/14/2022 | 42697 | A-1 Printing & Graphics (Corp) | -611.30 |
| Bill Pmt -Check | 02/14/2022 | 42698 | ACWA JPIA Medical/Life | -31,614.35 |
| Bill Pmt -Check | 02/14/2022 | 42699 | Alhambra Chamber Commerce | -650.00 |
| Bill Pmt -Check | 02/14/2022 | 42700 | Alliance Communication Services (Co... | -130.00 |
| Bill Pmt -Check | 02/14/2022 | 42701 | Athens (Corporation) | -178.34 |
| Bill Pmt -Check | 02/14/2022 | 42702 | ATT | -105.11 |
| Bill Pmt -Check | 02/14/2022 | 42703 | BA ACC ANALYSIS | -378.42 |
| Bill Pmt -Check | 02/14/2022 | 42704 | BOA-Visa | -2,002.76 |
| Bill Pmt -Check | 02/14/2022 | 42705 | Bucknam & Associates Inc. (Corp) | -149.00 |
| Bill Pmt -Check | 02/14/2022 | 42706 | California Advocates, Inc. (Corp) | -8,000.00 |
| Bill Pmt -Check | 02/14/2022 | 42707 | California Underground Facilities | -82.06 |
| Bill Pmt -Check | 02/14/2022 | 42708 | Cash Revolving Fund | -70,000.00 |
| Bill Pmt -Check | 02/14/2022 | 42709 | Charter | -239.98 |
| Bill Pmt -Check | 02/14/2022 | 42710 | D.H. Maintenance Services | -185.00 |
| Bill Pmt -Check | 02/14/2022 | 42711 | Dave Johnson | -1,782.00 |
| Bill Pmt -Check | 02/14/2022 | 42712 | David Rawson | -275.00 |
| Bill Pmt -Check | 02/14/2022 | 42713 | DePinto Morales Communications, Inc. | -12,017.59 |
| Bill Pmt -Check | 02/14/2022 | 42714 | DigAlert (Corporation) | -209.65 |
| Bill Pmt -Check | 02/14/2022 | 42715 | Eaton Corporation | -865.46 |
| Bill Pmt -Check | 02/14/2022 | 42716 | Fish N Weeds (Corp) | -1,570.00 |
| Bill Pmt -Check | 02/14/2022 | 42717 | Frontier | -524.65 |
| Bill Pmt -Check | 02/14/2022 | 42718 | Grainger (Corp) | -215.68 |
| Bill Pmt -Check | 02/14/2022 | 42719 | HOSE-MAN, Inc. (Corp) | -188.17 |
| Bill Pmt -Check | 02/14/2022 | 42720 | J.G. Tucker & Son, Inc (Corp) | -943.74 |
| Bill Pmt -Check | 02/14/2022 | 42721 | Jim Frei | -4,989.60 |
| Bill Pmt -Check | 02/14/2022 | 42722 | Joe Reichenberger | -11,404.80 |
| Bill Pmt -Check | 02/14/2022 | 42723 | John Chapman | -2,524.50 |
| Bill Pmt -Check | 02/14/2022 | 42724 | Linda Flowers-Armour | -3,564.00 |
| Bill Pmt -Check | 02/14/2022 | 42725 | Linda Gaylor | -3,564.00 |
| Bill Pmt -Check | 02/14/2022 | 42726 | LOWES | -177.10 |
| Bill Pmt -Check | 02/14/2022 | 42727 | Maria Jarmin | -88.59 |
| Bill Pmt -Check | 02/14/2022 | 42728 | Mission ACE Hardware (Corp) | -34.97 |
| Bill Pmt -Check | 02/14/2022 | 42729 | Moss, Levy & Hartzheim LLP | -500.00 |
| Bill Pmt -Check | 02/14/2022 | 42730 | Public Water Agencies Group (PWAG) | -963.75 |
| Bill Pmt -Check | 02/14/2022 | 42731 | SCE | -643.47 |
| Bill Pmt -Check | 02/14/2022 | 42732 | Special Signs, Inc (Corp) | -1,306.46 |
| Bill Pmt -Check | 02/14/2022 | 42733 | The Gas Company | -47.60 |
| Bill Pmt -Check | 02/14/2022 | 42734 | Thinking Green Consultants | -1,430.00 |
| Bill Pmt -Check | 02/14/2022 | 42735 | Three Valleys Municipal Water District | -60.00 |
| Bill Pmt -Check | 02/14/2022 | 42736 | Verizon Business Services | -579.31 |
| Bill Pmt -Check | 02/14/2022 | 42737 | Water Education Foundation | -1,200.00 |
| Bill Pmt -Check | 02/14/2022 | 42738 | Wells Fargo Vendor Fin Serv | -276.35 |
| Bill Pmt -Check | 02/14/2022 | 42739 | Western Water Works Supply Co. | -1,839.62 |
| Bill Pmt -Check | 02/14/2022 | 42740 | Yolanda McVicar | -3,564.00 |
| Total 1001 - General Fund Bank of America | | | | -186,726.63 |
| TOTAL | | | | -186,726.63 |

VISA Recap
December 21, 2021 - January 20, 2022

| | | | | | | | | | | | |
|------------|------------------|-----------------------|------------------------------------|----------|--|--|--|--|--|-----------|------------|
| 12/22/2021 | Employee Apprec | Hilton Hotel | Ed Hills Retirement Luncheon 12/20 | \$94.16 | | | | | | | \$94.16 |
| 12/26/2021 | Office Supply | Apple.com | Icloud | \$0.99 | | | | | | | \$0.99 |
| | Office Supply | Apple.com | Icloud | \$0.99 | | | | | | | \$0.99 |
| 12/29/2021 | S Kiggins | AWWA.ORG | Webinars | \$195.00 | | | | | | | \$195.00 |
| 1/19/2022 | S Kiggins | SCWUA | Annual Dues | \$42.00 | | | | | | | \$42.00 |
| 1/2/2022 | Office Supply | Google LLC | Google Workspace | \$78.00 | | | | | | | \$78.00 |
| 1/3/2022 | Office Supply | Intuit Payroll | Monthly Per Employee Fee | \$26.00 | | | | | | | \$26.00 |
| 1/5/2022 | Safety | Walmart.com | Covid Kit Tests | \$87.67 | | | | | | | \$87.67 |
| 1/6/2022 | Facilities | Amazon.com | Cable and Adaptor | \$97.01 | | | | | | | \$97.01 |
| 1/11/2021 | M Prince | CA-NV Section 1/13/22 | Webinar | \$20.00 | | | | | | | \$20.00 |
| 1/18/2022 | M Prince | CA-NV Section | Spring Conference | \$599.00 | | | | | | | \$599.00 |
| 1/15/2022 | Office Supply | Intuit | Checks | \$394.67 | | | | | | | \$394.67 |
| 1/17/2022 | Office Supply | Zoom | Subscription | \$29.98 | | | | | | | \$29.98 |
| 1/19/2022 | Office Supply | Apple.com | Icloud | \$2.99 | | | | | | | \$2.99 |
| 1/19/2022 | Public Relations | Foiled | Chocolates for Chinese New Year | \$334.30 | | | | | | | \$334.30 |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | Total Due | \$2,002.76 |

RESOLUTION NO. 02-2022-796

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 FEBRUARY 7, 2022 TO MARCH 8, 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 14th day of February 2022.

President

ATTEST:

Secretary

AGENDA ACTION ITEM NO. 1

APPROVE 2020-2021 AUDIT AND TRAVEL EXPENSE REPORT

RECOMMENDED ACTION: Adopt Audit and Travel Expense Report.

BACKGROUND: The draft Audit was presented at the previous board meeting. Staff has reviewed the findings and recommend that the Audit and Travel Expense Report be adopted by the board.

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

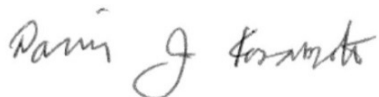
State law requires the District to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of Moss, Levy & Hartzheim LLP has conducted the fiscal year 2021 audit of the District's financial statements. Their unmodified Independent Auditor's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

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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

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

**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

| | 2021 | 2020 | Change |
|-------------------------------|----------------------|----------------------|---------------------|
| <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 | 17,073,278 | 18,512,189 | (1,438,911) |
| <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 | 15,628,043 | 13,852,093 | 1,775,950 |
| Change in Net Position | 1,445,235 | 4,660,096 | (3,214,861) |
| Beginning Net Position | 38,857,567 | 34,197,471 | 4,660,096 |
| Ending Net Position | \$ 40,302,802 | \$ 38,857,567 | \$ 1,445,235 |

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 | \$ 14,042,624 | \$ (115,915) | \$ - | \$ 13,926,709 |

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 |
| | <hr/> |
| Total operating revenues | 2,719,634 |

Operating Expenses:

| | |
|---|--------------|
| Source of supply - water deliveries | 11,570,934 |
| General and administrative expenses | 2,924,794 |
| | <hr/> |
| Total operating expenses | 14,495,728 |
| | <hr/> |
| Operating income (loss) before depreciation | (11,776,094) |
| Depreciation expense | (569,088) |
| Operating income (loss) | (12,345,182) |

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 |
| | <hr/> |

| | |
|---|------------|
| Total non-operating revenues (expenses) | 13,790,417 |
|---|------------|

| | |
|------------------------|-----------|
| Change in net position | 1,445,235 |
|------------------------|-----------|

| | |
|--|-------------------|
| Total Net Position - beginning of fiscal year | 38,857,567 |
|--|-------------------|

| | |
|--|----------------------|
| Total Net Position - end of fiscal year | \$ 40,302,802 |
|--|----------------------|

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) \$ (12,345,182)

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 (333,567)

Total adjustments 663,563

Net cash provided by (used by) operating activities \$ (11,681,619)

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.

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.

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.

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) | 6,984,595 |
| 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 | 29,565,665 |
| 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)

| Authorized Investment Type | Maximum Maturity | Maximum Percentage of Portfolio | Maximum Investment in One Issuer |
|---|---------------------|---------------------------------------|--|
| 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.

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.

| | | FMV Measurement |
|---|---------------|-----------------|
| | Total | Level 2 |
| <u>Pooled investments by fair value hierarchy</u> | | |
| 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 Misc. Plan |
| <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 | 123,475 | |
| 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 June 30, | Amount |
|-------------------------------|-------------------|
| 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.

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 longterm 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 | \$ 4,841,987 |
| 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 | (22,757) |
| 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.

| <u>Sensitivity of the Total OPEB Liability to changes in the Discount Rate</u> | |
|--|-----------------------------|
| | <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 |
| <u>Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates</u> | |
| | <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> | <u></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 6/30/2021 | Fiscal Year Ending 6/30/2020 | Fiscal Year Ending 6/30/2019 | Fiscal Year Ending 6/30/2018 |
|--|---|---|---|---|
| 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

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

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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, Feb2021 | 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 | 195.00 | ✓ | ✓ | ✓ |
| 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 Ditrict 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

MWD REGIONAL RECYCLED WATER PROJECT LETTER OF INTENT

RECOMMENDED ACTION: Approve Letter of Intent for the project.

BACKGROUND: A presentation will be given outlining the MWD Regional Recycled Water Project. The project will provide water to the Main San Gabriel Basin for groundwater recharge. Considering the limitations on the State Water Project the District should commit to the purchase of 6,000 acre-feet per year from this project. This is a non-binding commitment.

Worst case scenarios for the State Water Project, without the Delta Conveyance Project show future allocations falling to 40%. This is about 5,760 acre-feet from the historical allocation of about 60%. Therefore an additional 6,000 acre-feet would serve as important alternate supply. This LOI has been reviewed by MWD , Watermaster, and Jim Ciampa.

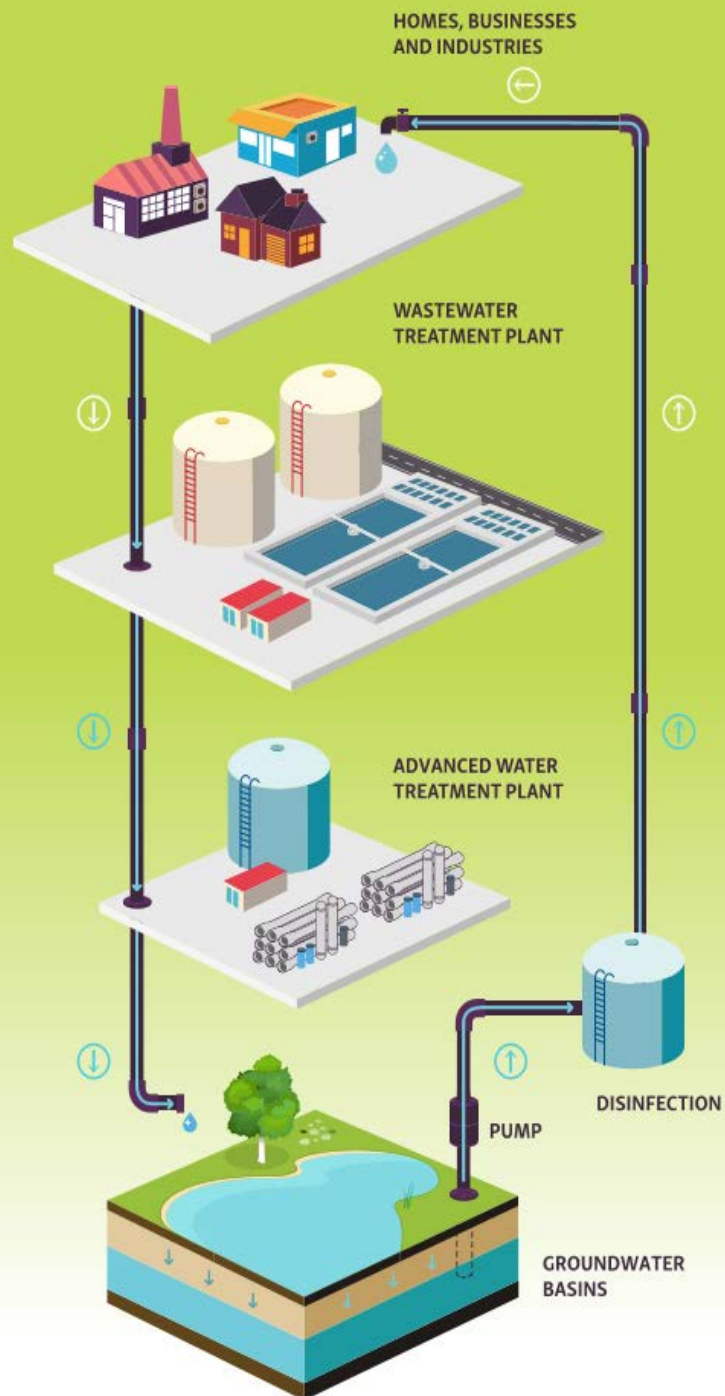
BUDGET IMPACT: None at this time.

PRIOR BOARD ACTION: None.

THE REGIONAL RECYCLED WATER PROGRAM

A NEW source of water for Southern California

RRWP Team | SGVMWD | September 22, 2021



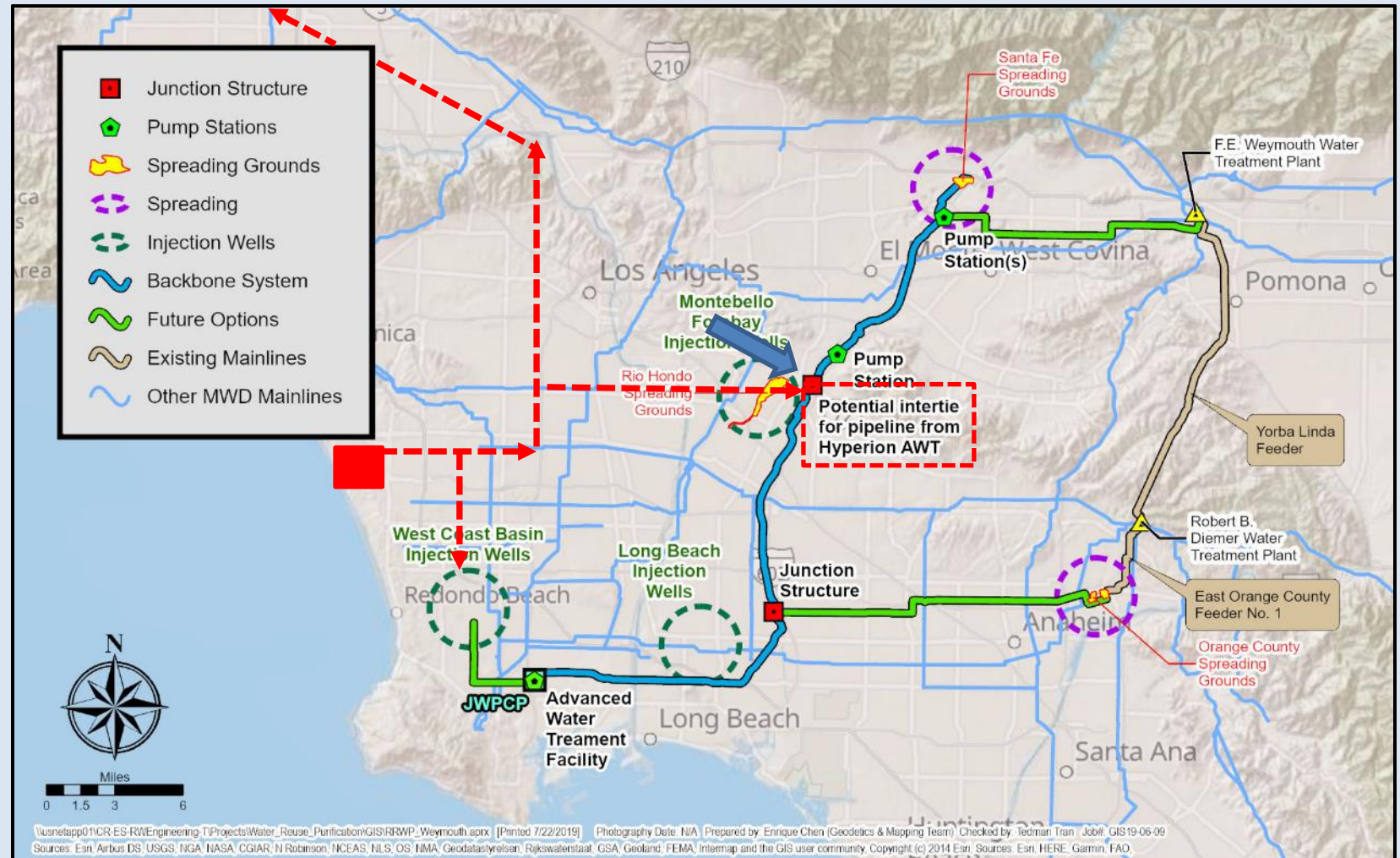
REGIONAL RECYCLED WATER PROGRAM

- Development of a new regional water source
 - Up to 150 mgd of purified recycled water
 - Replenish groundwater basins
 - Provide water to industries
 - Connect to Metropolitan's surface water treatment plants



Conceptual Facilities

- WWTP modifications
- AWT
- Conveyance pipelines
- Pump Stations
- Recharge Facilities
- 1st regional reuse system



PROGRAM PARTNERS

Wastewater Partner



**LOS ANGELES COUNTY
SANITATION DISTRICTS**
Converting Waste Into Resources

Groundwater Basin Managers



Metropolitan Member Agencies



Colorado River Partners



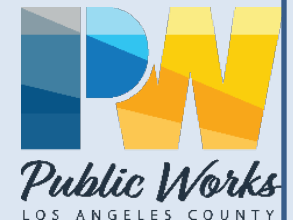
Other Key Partners



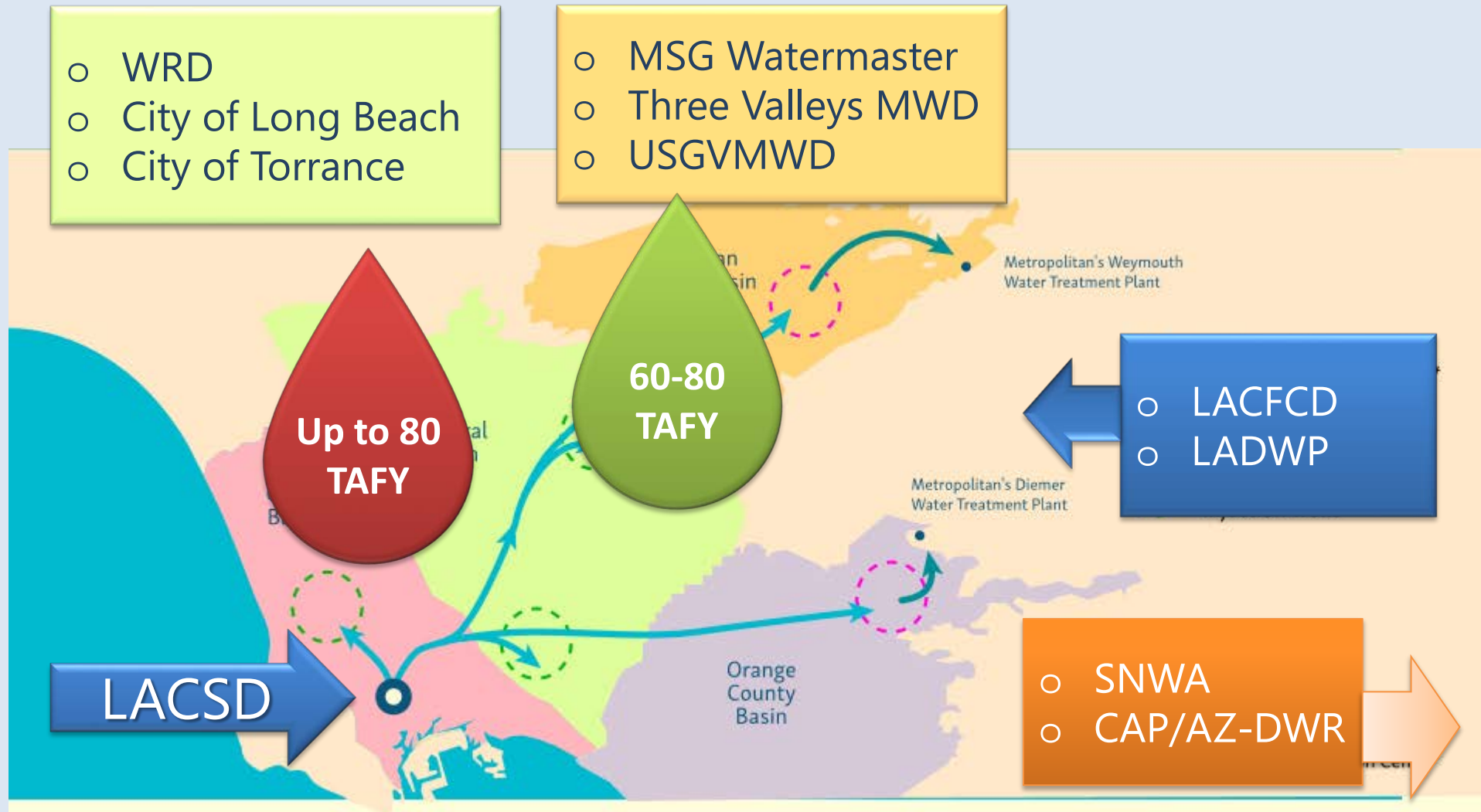
**US Army Corps
of Engineers®**



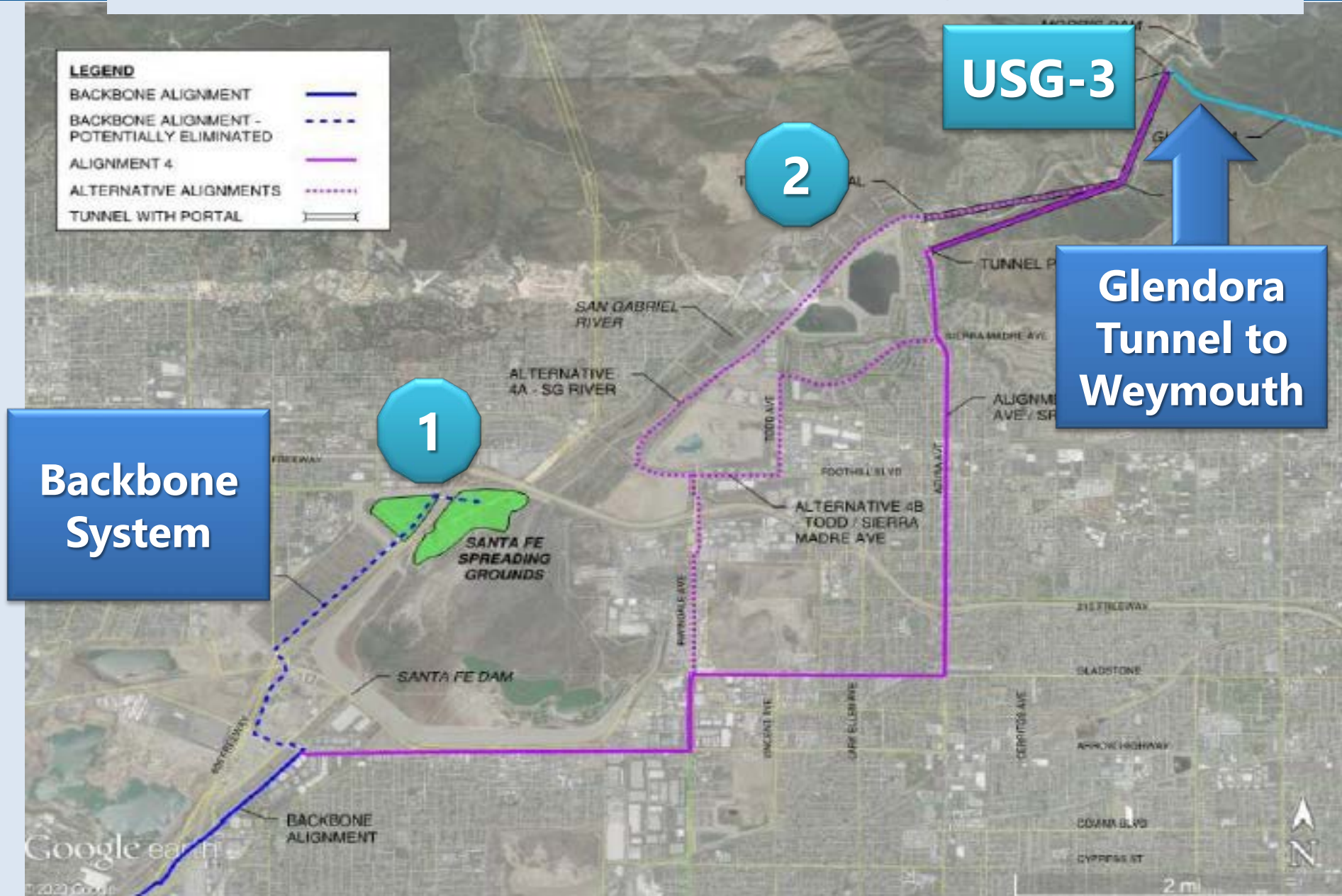
**SOUTHERN CALIFORNIA
EDISON®**
Energy for What's Ahead™



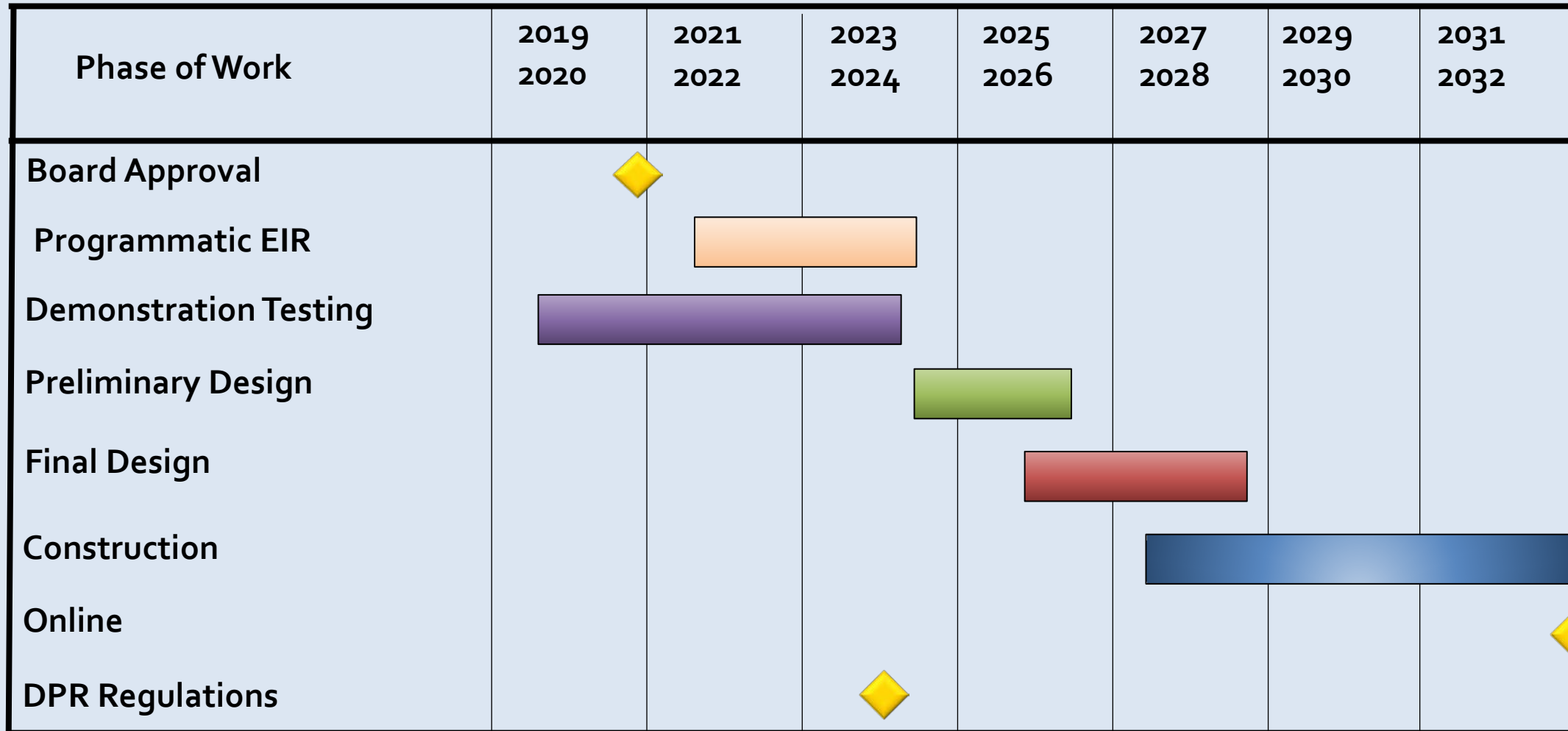
Institutional Arrangements



Detail of Potential Delivery Locations

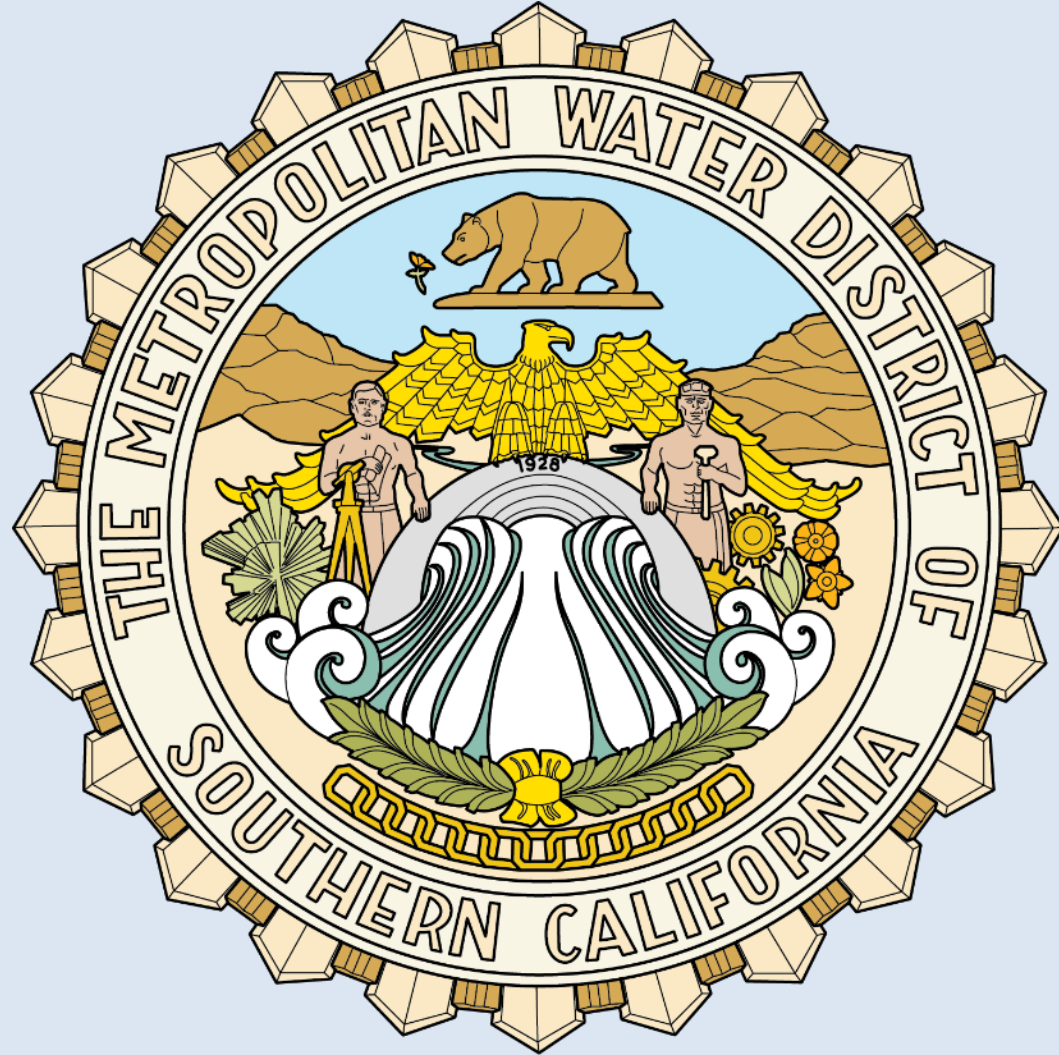


Program Schedule



 Milestone





**LETTER OF INTENT TO COLLABORATE ON THE DEVELOPMENT OF FUTURE
AGREEMENTS FOR THE PURCHASE AND DELIVERY OF ADVANCED TREATED WATER FOR
REPLENISHMENT OF THE MAIN SAN GABRIEL GROUNDWATER BASIN**

- A. This LETTER OF INTENT (LOI) is made by and between THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA (Metropolitan), SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT (SGVMWD), and THE WATERMASTER FOR THE MAIN SAN GABRIEL GROUNDWATER BASIN (Watermaster), who may be referred to individually as “Party” or collectively as “Parties.”

RECITALS

- B. Metropolitan and County Sanitation No. 2 of Los Angeles County (Sanitation District) are working together to develop a Regional Recycled Water Program (Program). The objective of the Program is to produce up to 150 million gallons per day (MGD) of advanced treated water (AWT Water) from a new advanced water treatment (AWT) facility located at the Sanitation District’s Joint Water Pollution Control Plant in Carson, California (Metropolitan AWT Facility). The Program’s development may be phased, starting at lower levels of production with the potential to build up to 150 MGD of production as demands and conditions warrant.
- C. If the Program is approved by Metropolitan’s Board of Directors, it will also include plans for the development of a conveyance system consisting of approximately 60 miles of pipeline and a series of pump stations (AWT Conveyance System). The AWT Conveyance System could potentially deliver up to 150 MGD of AWT Water to the Central, West Coast, Orange County and Main San Gabriel Groundwater Basins for indirect potable reuse (IPR) through replenishment of those Basins. Delivery locations along the alignment will consist of either existing or new groundwater spreading basins or new or existing injections wells.
- D. The AWT Conveyance System could also deliver some of the AWT Water to Member Agencies in the Los Angeles and Long Beach Harbor areas for delivery to industrial customers of those Member Agencies. Additionally, some of the AWT Water may be delivered through an extension of the AWT Conveyance System to certain Metropolitan treatment plants for direct potable reuse (DPR) through raw water augmentation.
- E. Water rights have been adjudicated in the Main San Gabriel Basin (the “Basin”) according to the Judgment in Los Angeles County Superior Court; Civil Action No. 924128 entitled “Upper San Gabriel Valley Municipal Water District vs. City of Alhambra, et al.” (herein referred to as “the Judgment”). The Judgment also established the Watermaster as the agency responsible for managing the Basin and authorized Watermaster to purchase Supplemental Water, as defined in the Judgment, for replenishment of the Basin. Watermaster purchases Supplemental Water from three Responsible Agencies, as defined in the Judgment, which have a course of Supplemental Water to the Basin.

- F. The San Gabriel Valley Municipal Water District, as State Water Project Contractor and not a Metropolitan member agency, is also named as a Responsible Agency under the Judgment and sells water to Watermaster.
- G. SGVMWD delivers water to the Main San Gabriel Basin at various locations. The Watermaster has contracted with Los Angeles County Department of Public Works (LA County Public Works) for introduction of water into the Basin. LA County Public Works operates the spreading basins and related facilities that introduce water into the Basin, including SGVMWD water delivered for replenishment of the Basin. Introduction of AWT Water into the Basin may require additional facilities, separate from the existing facilities currently utilized by LA County Public Works to introduce Metropolitan potable water into the Basin.
- H. At times, SGVMWD may not have sufficient quantities of imported water to meet the Watermaster's immediate Supplemental Water requirements to deliver into the Basin. To ensure additional consistency and reliability of SGVMWD deliveries, SGVMWD is interested in purchasing and receiving AWT Water to be delivered by Metropolitan via the AWT Conveyance System to meet the Watermaster's replenishment demands for the Basin.
- I. Due to the size, complexity and anticipated capital investment required of Metropolitan for the Program, it will be beneficial for all Parties to coordinate and collaborate, as appropriate, during the developmental stages of the Program. Such coordination and collaboration will ensure that the system is planned, designed, constructed, and operated in a manner consistent with the best interests of the Parties and to ensure delivery of AWT Water into the Basin is feasible. Coordination and collaboration between the Parties is also necessary to ensure the development of a commitment by Three Valleys and Upper San Gabriel Valley District to purchase AWT Water from the Program.

TERMS

- 1. INTENT OF THE PARTIES:
 - a. The Parties intend to develop a plan to ensure that deliveries of AWT Water from the Program can be introduced into the Basin. To that end, the Parties intend to:
 - i. Collaborate to provide all information to the Watermaster, LA County Public Works, or any regulatory agency, may need to approve introduction of AWT Water into the Basin;
 - ii. identify and examine potential water quality issues and specifications related to the Program that may affect the Watermaster's, or any regulatory agency's approval;
 - iii. Identify any related research, testing, and other technical work necessary to address any concerns raised by the Watermaster, or regulatory agency, in connection with approval of introduction of AWT Water into the Basin;
 - iv. Collaborate on regulatory developments related to introduction of AWT Water into the Basin;

- v. Collaborate to develop an agreement with LA County Public Works for its operation of facilities necessary to introduce AWT Water into the Basin, including construction of new facilities that may be required for introduction of AWT Water into the Basin;
 - vi. Develop plans for any new infrastructure that may be necessary to introduce AWT Water into the Basin; Identify opportunities to expand scope of water deliveries to include other responsible agencies and adjacent groundwater basins; and
 - vii. Develop additional areas for collaboration and support, as identified by the Parties.
- b. It is the intent of the Parties to collaborate in the development of a set of agreements between the Parties for:
- i. the long-term purchase and receipt of at least 6,000 AFY AWT Water by SGVMWD with a maximum range of 60,000 to 80,000 AFY AWT, collectively, for all parties, and Metropolitan's delivery of AWT Water to SGVMWD;
 - ii. the Watermaster's approval of delivery of AWT water into the Basin, pursuant to a purchase agreement between Metropolitan and SGVMWD; and

2. NON-BINDING INTENT

The provisions of this LOI represent a statement of the Parties' general intent only and shall not be binding on either Party. No Party shall have any obligation to enter into any agreement listed in Section 1.b., or otherwise, and no course of conduct of the Parties shall evidence any binding obligations. Each Party fully understands that the terms, and conditions of any agreements developed pursuant to Section 1.b. are subject to approval by the General Manager and the board of Directors of the SGVMWD, the General Manager and the Board of Directors of Metropolitan, the Executive Officer and Board of the Watermaster. No Party shall have any legal obligations to the other unless and until all of the terms and conditions of each of the proposed agreements have been negotiated and agreed to by all Parties and set forth in the agreements, approved by the legislative bodies of all Parties, and signed and delivered by all Parties.

3. NOTICES AND CORRESPONDENCE

Any notice or correspondence under this LOI must be in writing and addressed as follows:

The Metropolitan Water District of Southern California
 Post Office Box 54153
 Los Angeles, CA 90054-0153
 Attn: John Bednarski, Group Manager, Engineering Services
 With a courtesy copy by email to : jbednarski@mwdh2o.com

San Gabriel Valley Municipal Water District
 Post Office Box 1299
 Azusa, CA 91702
 Attn: Darin Kasamoto, General Manager
 With a courtesy copy by email to: dkasamoto@sgvmwd.com

Main San Gabriel Basin Watermaster
725 North Azusa Avenue
Azusa, CA 91702
Attn: Anthony C. Zampello, Executive Officer
With a courtesy copy by email to: tonyz@watermaster.org

A properly addressed notice will be effective on the day of delivery, if delivered directly by a Party or by a nationally recognized delivery service, or on the third day after mailing, if sent postage prepaid by U.S. Mail. The Parties shall transmit a courtesy copy of any notice to the other Party by email on the day the notice is sent.

Either Party may change the address listed in this section by providing five days' notice to the other Party.

4. COUNTERPARTS

This Agreement may be executed in counterparts, and signatures transmitted via facsimile or electronic mail shall be deemed to be originals.

**THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA**

Jeffrey Kightlinger

By: _____
General Manager

Date: _____

APPROVED AS TO FORM:

Marcia Scully

By: _____
General Counsel

**SAN GABRIEL VALLEY MUNICIPAL
WATER DISTRICT**

Darin J. Kasamoto

By: _____
General Manager

Date: _____

APPROVED AS TO FORM & LEGALITY:

James D. Ciampa

By: _____
General Counsel

Date: _____

MAIN SAN GABRIEL BASIN WATERMASTER

Anthony Zampielo

By: _____
Executive Officer

Date: _____

APPROVED AS TO FORM & LEGALITY:

By: _____
Legal Counsel

Date: _____

AGENDA ACTION ITEM NO. 3

DUDLEY RIDGE – SGVMWD WATER TRANSFER AND BANKING PROGRAM CEQA FINDINGS

RECOMMENDED ACTION: Agree with Dudley Ridge Water District's findings on CEQA and Notice of Determination confirming no significant environmental impact or mitigation measures.

BACKGROUND: This is the completion of the CEQA process for the banking agreement the District made about a year ago which will allow SGVMWD to bank water within Dudley Ridge's portion of the Kern Water Bank. Dudley Ridge adopted these findings at their February 9 Board meeting.

BUDGET IMPACT: N/A

PRIOR BOARD ACTION: None

Dudley Ridge Water District

Dudley Ridge Water District and San Gabriel Valley Municipal Water District Water Transfer and Banking Program

Final Initial Study / Negative Declaration

February 2022

Prepared for:
Dudley Ridge Water District
455 W. Fir Avenue
Clovis, CA 93611

Prepared by:
Provost & Pritchard Consulting Group
1800 30th Street, Suite 280
Bakersfield, CA 93301



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Report Prepared for:

Dudley Ridge Water District

455 W. Fir Avenue
Clovis, CA 93611

Contact:

Dale K. Melville
(559) 449-2700

Report Prepared by:

Provost & Pritchard Consulting Group

Dena Giacomini, Principal Planner, Project Manager, QA/QC
Ryan McKelvey, Assistant Planner, Writer
Lizbeth Avitia, Assistant Planner, Writer
Wyatt Czesinski, Assistant Planner, Writer
Amy Wilson, Associate Planner, Writer
Jackie Lancaster, Administrative Support, Writer
Mallory Serrao, GIS

Contact:

Dena Giacomini
(661) 616-5900

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Dudley Ridge Water District

DRWD and SGVMWD Water Transfer and Banking Program

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Dudley Ridge Water District

DRWD and SGVMWD Water Transfer and Banking Program

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Acronyms and Abbreviations

| | |
|-------------------|---|
| AB | Assembly Bill |
| AF | Acre Feet |
| AFY | Acre Feet per Year |
| CARB | California Air Resources Board |
| CCAA | California Clean Air Act |
| CDFW | California Department of Fish and Wildlife |
| CEQA | California Environmental Quality Act |
| CO | Carbon Monoxide |
| Contractor | State Water Contractor |
| DOC | California Department of Conservation |
| DRWD | Dudley Ridge Water District |
| DWR | California Department of Water Resources |
| EIR | Environmental Impact Report |
| FMMP | Farmland Mapping and Monitoring Program |
| GHG | Greenhouse Gas |
| GSA | Groundwater Sustainability Agency |
| IPCC | Intergovernmental Panel on Climate Change |
| IS | Initial Study |
| km | kilometers |
| KWB | Kern Water Bank |
| KWBA | Kern Water Bank Authority |
| ND | Negative Declaration |
| NO ₂ | Nitrogen Dioxide |
| NOE | Notice of Exemption |
| O ₃ | Ozone |
| Pb | Lead |
| PG&E | Pacific Gas and Electric Company |
| PM ₁₀ | Particulate Matter 10 Microns In Size |
| PM _{2.5} | Particulate Matter 2.5 Microns In Size |
| ppb | Parts Per Billion |
| ppm | Parts Per Million |
| Project | Dudley Ridge Water District and San Gabriel Valley Municipal Water District Water Banking Program |

Dudley Ridge Water District

DRWD and SGVMWD Water Transfer and Banking Program

| | |
|-------------------------|---|
| SCAQMD | South Coast Air Quality Management District |
| SGVMWD | San Gabriel Valley Municipal Water District |
| SJVAPCD..... | San Joaquin Valley Air Pollution Control District |
| SO ₂ | Sulfur Dioxide |
| SO _x | Sulfur Oxide |
| SWP | State Water Project |
| USEPA | United States Environmental Protection Agency |
| USFWS | United States Fish and Wildlife Service |
| µg/m ³ | micrograms per cubic meter |

Chapter 1 Introduction

Provost & Pritchard Consulting Group (Provost & Pritchard) has prepared this Initial Study/ Negative Declaration (IS/ND) to address the environmental effects of the proposed Dudley Ridge Water District and San Gabriel Valley Municipal Water District Water Transfer and Banking Program (Project). This document has been prepared in accordance with the California Environmental Quality Act (CEQA), Public Resources Code Section 21000 *et seq.* The Dudley Ridge Water District (DRWD) is the CEQA lead agency for this proposed Project.

The site and the Project are described in detail in the **Chapter 2 Project Description**.

1.1 Regulatory Information

An Initial Study (IS) is a document prepared by a lead agency to determine whether a project may have a significant effect on the environment. In accordance with California Code of Regulations Title 14 (Chapter 3, Section 15000, *et seq.*)-- also known as the CEQA Guidelines--Section 15064 (a)(1) states that an environmental impact report (EIR) must be prepared if there is substantial evidence in light of the whole record that the proposed Project under review may have a significant effect on the environment and should be further analyzed to determine mitigation measures or project alternatives that might avoid or reduce project impacts to less than significant levels. A negative declaration (ND) may be prepared instead if the lead agency finds that there is no substantial evidence in light of the whole record that the project may have a significant effect on the environment. An ND is a written statement describing the reasons why a proposed Project, not otherwise exempt from CEQA, would not have a significant effect on the environment and, therefore, why it would not require the preparation of an EIR (CEQA Guidelines Section 15371). According to CEQA Guidelines Section 15070, a ND or *mitigated* ND shall be prepared for a project subject to CEQA when either:

- a. The IS shows there is no substantial evidence, in light of the whole record before the agency, that the proposed Project may have a significant effect on the environment, or
- b. The IS identified potentially significant effects, but:
 1. Revisions in the project plans or proposals made by or agreed to by the applicant before the proposed IS/ND is released for public review would avoid the effects or mitigate the effects to a point where clearly no significant effects would occur, and
 2. There is no substantial evidence, in light of the whole record before the agency, that the proposed Project *as revised* may have a significant effect on the environment.

1.2 Document Format

This IS/ND contains three chapters, **Chapter 1 Introduction**, provides an overview of the Project and the CEQA process. **Chapter 2 Project Description**, provides a detailed description of the Project components and objectives, presents the CEQA checklist and environmental analysis for all impact areas, and mandatory findings of significance. If the Project does not have the potential to significantly impact a given issue area, the relevant section provides a brief discussion of the reasons why no impacts are expected. If the Project could have a potentially significant impact on a resource, the issue area discussion provides a description of potential impacts, and appropriate mitigation measures and/or permit requirements that would reduce those impacts to a less than significant level. **Chapter 3 Impact Analysis**, concludes with the Lead Agency's determination based upon this initial evaluation.

Chapter 2 Project Description

2.1 Project Background and Objectives

2.1.1 Project Title

Dudley Ridge Water District and San Gabriel Valley Municipal Water District Water Transfer and Banking Program.

2.1.2 Lead Agency Name and Address

Dudley Ridge Water District
455 W. Fir Avenue
Clovis, CA 93611

2.1.3 Contact Person and Phone Number

Lead Agency Contact
Dale Melville
Phone (559) 449-2700

CEQA Consultant
Provost & Pritchard Consulting Group
Dena Giacomini, Project Manager
(661) 616-5900

2.1.4 Project Location

Dudley Ridge Water District (DRWD) and San Gabriel Valley Municipal Water District (SGVMWD) boundaries are located in Kings and Los Angeles Counties, respectively; the Kern Water Bank Authority (KWBA) is located in Kern County in California. The Project would result in the conveyance of water between two water districts, with the option of SGVMWD's water being temporarily stored in the KWBA's Kern Water Bank (KWB) (See [Figure 2-1](#)).

2.1.5 Description of Project

2.1.5.1 Project Background

In June 1995, DRWD and SGVMWD entered into a *Water Banking Agreement* defining the terms and conditions for a water exchange program through 2035. The 1995 agreement allowed DRWD to retain up to 20,000 acre-feet per year (AFY) of State Water Project (SWP) water or other water types in a storage account with SGVMWD; SGVMWD retained 5% of the quantity delivered for its use. In years when DRWD had demands for the water, SGVMWD would release a portion of its SWP supply to DRWD, subject to SGVMWD retaining 5,000 acre-feet (AF) of its SWP supply during the months of June-September to meet a then-existing contract obligation with Southern California Edison. A Negative Declaration (SCH #94042003) was prepared and adopted for the program. The California Department of Water Resources (DWR) approved the conveyance agreement for the program via a letter agreement dated July 19th, 1995.

Chapter 2 Project Description

DRWD and SGVMWD Water Transfer and Banking Program

In December 2002, the earlier agreement was amended and restated in an *Amended and Restated Water Banking Agreement* (2002 Agreement) to better reflect the mutual needs of each district. The 2002 Agreement reduced the quantity of water DRWD could hold on account with SGVMWD to 12,500 AF, allowed SGVMWD to retain the first 10,000 AFY of SWP supply for its own uses, allowed up to 3,000 AFY of SGVMWD's SWP deliveries to be reclassified as return water to DRWD if the SWP allocation was 50% or greater. A Notice of Exemption (NOE) was filed with the State Clearinghouse, Kings County, and Los Angeles County in December 2002. DWR approved the conveyance agreement for the program via SWPAO #03-055.

In 2005, the districts again determined mutual best interests would be best served by amending and restating the 2002 Agreement with the *Water Exchange Agreement* to better conform to the exchange nature of the program, as DRWD does not have physical banking capacity for the water delivered to SGVMWD. This program was part of DRWD's 2005 Water Management Plan (2005 WMP) which was addressed in a Negative Declaration filed for the 2005 WMP 2005 (SCH #2004121103). DWR approved the conveyance agreement for the program via SWPAO #05-017.

In 2010, the districts again determined mutual best interests would be best served by amending and restating the 2002 Agreement with the *Water Exchange Agreement* to allow for multi-year exchanges through December 31, 2010. This program was part of DRWD's 2005 Water Management Plan (2010 WMP) which was addressed in a Negative Declaration filed for the 2005 WMP (SCH #2004121103). DWR approved the conveyance agreement for the program via SWPAO #10-013.

The 2005 agreement was modified in January 2017 as the *2017 Water Exchange Agreement* ((2017 Agreement). The 2017 Agreement increased the quantity DRWD could retain in account with SGVMWD to 20,000 AF, but allowed SGVMWD to retain 10% of the DRWD deliveries to SGVMWD. In March 2017 an NOE was filed with the State Clearinghouse, Kings County, and Los Angeles County, noting that the program was part of DRWD's 2015 Update to the 2012 Water Management Plan (2015 Update) which was addressed in a Negative Declaration filed for the 2015 Update (SCH #2016021110). DWR approved the conveyance agreement for the program via SWPAO #16-028.

In 2020, the 2017 Agreement was amended to mitigate water shortages by exchanging and banking water to regulate the SWP deliveries consistent with the DWR water supply contracts. The water deliveries are made through SWP and existing facilities to continue to accommodate water transfers between DRWD and SGVMWD and provide for temporarily banking of SGVMWD's SWP water in the Kern Water Bank (KWB). The *2020 Water Banking Agreement* (2020 Agreement) was approved by both DRWD and SGVMWD in April 2021. The major provisions of the 2020 Agreement are the following:

1. Extends the delivery term from 2035 up to 2085 if both parties' Water Supply Contracts with DWR are extended beyond 2035, as anticipated.
2. SGVMWD maintains an on-going account for up to 20,000 AF of DRWD's SWP water delivered to SGVMWD for future return to DRWD via exchange of a portion of SGVMWD's SWP water allocation.
3. The ability for SGVMWD to store its SWP water and non-project water in a portion of DRWD's capacity in the KWB to mitigate for the delivery constraints that SGVMWD periodically faces in receiving its SWP water deliveries from DWR through the East Branch of the California Aqueduct (East Branch). Use of the KWB allows SGVMWD the ability to store water in the KWB until delivery constraints in the East Branch capacity subside and SGVMWD's stored water can be conveyed to SGVMWD's service area. SGVMWD does not plan to utilize more than 5,000 AF of storage space in the KWB at any time.
4. In-lieu of SGVMWD delivering a portion of its SWP water to the KWB, SGVMWD may deliver a portion of its water to meet in-district irrigation demands within DRWD, for later return to SGVMWD via transfer from DRWD or recovery from DRWD's stored water in the KWB.

The Project would require the execution of the following agreements:

Chapter 2 Project Description

DRWD and SGVMWD Water Transfer and Banking Program

- A transfer package comprised of two Table A transfer agreements among DWR, DRWD, and SGVMWD to allow for the delivery and return of water under the 2020 Banking Program (items 2 and 4 above).
 - a. Transfer of DRWD's Table A water to SGVMWD's service area
 - b. Transfer of SGVMWD's Table A water to DRWD's service area.
- Groundwater Banking Agreement to allow for SGVMWD to store its water when there are delivery constraints on the East Branch (item 3 above)
 - a. Delivery, storage, and recovery of SGVMWD's SWP water and non-SWP water as a second priority within DRWD's capacity in the KWB.
 - ~~b. Delivery, storage, and recovery of DRWD's SWP water and non-SWP water within DRWD's capacity in the KWB~~

DRWD is located in southern Kings County on the western edge of the San Joaquin Valley. DRWD was organized on January 26, 1963, under the California Water District Law. Land use within the DRWD is mostly agricultural, and through a number of annexations over the years, the DRWD has expanded in size from the original 29,330 acres to its current size of 37,615 acres. The DRWD's primary water source is imported surface water supplies from the SWP; DRWD's SWP Table A amount is 41,350 AF, however the long-term average Table A supply currently provided by the SWP is 58% of the Table A amount, or 23,983 AF for DRWD.¹ Water is moved through 12 miles of district-owned concrete-lined canals and 10 miles of DRWD underground pipelines to metered farm turnouts. DRWD also owns a terminal reservoir where final field deliveries can be made directly from the reservoir. While the reservoir was historically utilized, privately-owned surface storage reservoirs have since been constructed to supplant its operation.²

The SGVMWD was formed in 1959 after winning approval from the voters of the cities of Alhambra, Azusa, Monterey Park, and Sierra Madre. In anticipation of its long-term water needs, SGVMWD entered into a contract with DWR in 1962 for the delivery of 25,000 AF of water per year from the SWP. In 1964, the contract was amended to allow for 28,800 AF of SWP Table A amount, of which 58% (16,704 AF) is the current long-term average supply.³ SGVMWD is located within the Main San Gabriel Basin. The Main San Gabriel Basin is a large groundwater basin replenished by stream runoff from the adjacent mountains and hills, by rainfall directly on the surface of the valley floor, subsurface inflow from the Raymond and Puente basins, and irrigation runoff. Imported water from the State Water Project is also used to replenish the Main Basin, which serves as a natural storage reservoir. The surface area of the Basin is about 167 square miles and the freshwater storage capacity is estimated to be about 8.6 million acre-feet.

DRWD and SGVMWD are two of 29 State Water Contractors who obtain water from the SWP.

The KWBA is located on a large undeveloped area of land of nearly 20,000 acres to the southwest of the City of Bakersfield. The water bank site provides an efficient, reliable, and environmentally sound location to provide groundwater storage for both local urban water users and hundreds of thousands of acres of essential crops, including fruits, vegetables, nuts, fiber, and livestock used in products enjoyed by consumers throughout California.⁴ The amount of storage readily accessible to the KWB is estimated to be about 1.5 million acre-feet.

2.1.5.2 Purpose

The need for the Project would provide additional enhancements to the 2017 Agreement for the DRWD-SGVMWD transfer and exchange program and provide SGVMWD interim storage of a portion of its SWP

¹ California National Resources Agency. Final DCR 2019 Report (See Table 5-5). Website: <https://data.cnra.ca.gov/dataset/state-water-project-delivery-capability-report-dcr-2019/resource/119da5c5-1c47-4142-8896-334628ca61cd>. Accessed 12/13/21.

² Dudley Ridge Water District. About Dudley Ridge Water District. Website: <http://www.dudleyridgewd.org/>. Accessed 6/11/21.

³ San Gabriel Valley Municipal Water District. About SGVMWD. Website: <http://sgvmwd.org/ABOUT-SGVMWD/Introduction>. Accessed 6/11/21.

⁴ Kern Water Bank Authority. The Kern Water Bank: Dual Purpose. Website: <http://www.kwb.org/>. Accessed 6/11/21.

Chapter 2 Project Description

DRWD and SGVMWD Water Transfer and Banking Program

water in the KWB when delivery capacity to its service area is constrained by available delivery capacity in the East Branch of the California Aqueduct.

2.1.5.3 Project Description

The DRWD-SGVMWD transfer program, which began in 1995 and has been modified through its existence, has allowed DRWD to convey excess water supplies in a given year to SGVMWD when SGVMWD has the capacity to receive the water. Capacity is determined by the California Aqueduct capacity, water levels of the Main Basin in the SGVMWD, and flood control restrictions affecting SGVMWD's ability to recharge water. SGVMWD maintains an accounting of the DRWD water received, and when DRWD requests a transfer from SGVMWD for up to 90% of the water previously conveyed to SGVMWD, SGVMWD transfers a portion of its current year Table A water to the extent it can meet DRWD's request. This arrangement allows SGVMWD to receive additional water that it can recharge earlier than it otherwise could, and nets 10% of the DRWD water delivered to supplement SGVMWD's groundwater account in the Main Basin. In return, DRWD can better regulate its variable SWP supply year by year. The return of water is available to DRWD once SGVMWD has received 5,000 AF of its SWP supply, approximately 17% of its Table A allocation. The 2020 Agreement also allows for DRWD have a portion of their previously transferred water to SGVMWD delivered to DRWD by requesting DWR to reclassify a portion of SGVMWD's SWP previously water delivered in a given year to SGVMWD to be shown as delivered to DRWD. Water delivered to SGVMWD by this reclassification is limited to years where the SWP Table A allocation is 50% or greater.

Table 2-1 below, shows the transaction history between DRWD and SGVMWD from 1999 to 2019. Note that prior to the agreement revisions in 2017, losses were at 5% of the water delivered to SGVMWD.

The 2020 Water Banking Agreement allows SGVMWD to store water within the KWB capacity for interim storage during times when SGVMWD's conveyance capacity in the East Branch of the California Aqueduct is limiting deliveries to SGVMWD. It is expected that SGVMWD would generally bank some of its Table A water in the KWB in years where there is 70% SWP water allocation or greater. Banking the water during higher allocation years allows SGVMWD to avoid the risk of carryover water spilling from San Luis Reservoir when SGVMWD's delivery capacity is limited to a rate lower than its contract capacity of 48 cubic feet per second in the East Branch.

Except for the system and administrative losses of 10-15%, the intent of the 2020 Agreement is for DRWD and SGVMWD to each receive the same amount of SWP water with or without the transfers, however, the timing of the transfers will be different to allow each district to better regulate, through storage, the SWP water in a manner that provides each district greater reliability.

Table 2-1 Dudley Ridge Water District Summary of SGVMWD Transactions, AF

| Year | Recharge | Recharge Losses | Recovery | Total In/(Out) | Cumulative Balance |
|------|----------|-----------------|----------|----------------|--------------------|
| 1999 | 3,729 | (186) | - | 3,543 | 3,543 |
| 2000 | 665 | (33) | - | 632 | 4,174 |
| 2001 | - | - | (4,174) | (4,174) | 0 |
| 2002 | 1,800 | (90) | - | 1,710 | 1,710 |
| 2003 | 8,700 | (435) | - | 8,265 | 9,975 |
| 2004 | 1,059 | (53) | - | 1,006 | 10,981 |

Chapter 2 Project Description

DRWD and SGVMWD Water Transfer and Banking Program

| Year | Recharge | Recharge Losses | Recovery | Total In/(Out) | Cumulative Balance |
|--------------|---------------|-----------------|-----------------|----------------|--------------------|
| 2004 | - | - | (4,118) | (4,118) | 6,863 |
| 2005 | 3,484 | (174) | - | 3,310 | 10,173 |
| 2006 | 2,760 | (138) | - | 2,622 | 12,795 |
| 2007 | - | - | (5,976) | (5,976) | 6,819 |
| 2008 | 632 | (32) | - | 600 | 7,419 |
| 2008 | - | - | (3,500) | (3,500) | 3,919 |
| 2010 | 4,780 | (239) | - | 4,541 | 8,460 |
| 2011 | 551 | (28) | - | 523 | 8,984 |
| 2012 | 3,338 | (167) | - | 3,171 | 12,155 |
| 2013 | 672 | (34) | - | 638 | 12,793 |
| 2013 | - | - | (1,500) | (1,500) | 11,293 |
| 2014 | - | - | (240) | (240) | 11,053 |
| 2016 | - | - | (1,192) | (1,192) | 9,861 |
| 2017 | 1,487 | (149) | - | 1,338 | 11,200 |
| 2019 | 3,345 | (335) | - | 3,011 | 14,210 |
| Total | 37,002 | (2,092) | (20,700) | 14,210 | 14,210 |

2.1.6 Water Supply

The SWP diverts and conveys long-term water supplies from northern California through State-run water conveyance facilities to portions of northern California, Bay Area, San Joaquin Valley, and southern California. Approximately 70 percent of the water is used for residential, municipal, and industrial uses and about 30 percent is used for agricultural irrigation. It is the largest state-financed water project ever built. SWP facilities deliver each year's available water through contracts between the Department of Water Resources (DWR) and the 29 State Water Project Contractors (Contractor or Contractors), including DRWD and SGVMWD. Each year water is allocated by DWR and provided to each water Contractor in an annual allotment represented as a percentage of their Table A amount. The Contractors pay for the costs of construction and DWR's maintenance, operation, and administration of the SWP facilities.

The Contractors' contracts were structured to reflect anticipated increasing population and water demand, estimated by DWR and the Contractors, and completion of SWP facilities. The SWP Table A amount is specified in each Contractor's contract in a schedule that sets forth the maximum annual amount of water that

Chapter 2 Project Description

DRWD and SGVMWD Water Transfer and Banking Program

may be requested to be delivered in any given year. DRWD has a maximum annual Table A amount of 41,350 AFY and SGVMWD has a maximum annual Table A amount of 28,800 AFY.

Whenever the available annual supply of Table A water is determined by DWR to be less than the total of all Contractors' requests, the available supply of Table A water is allocated among all Contractors in proportion to each Contractor's Table A amount relative to the total Table A amounts pursuant to Article 18 of the SWP Water Supply Contracts. Table A allocations differ from year to year based on water availability within the State according to DWR.⁵ Due to persistent dry conditions in California, DWR has currently decreased all Table A allocations for 2021 to 5 percent of Contractors' requested Table A amounts.⁶

2.1.6.1 Dudley Ridge Water District

DRWD's water supply is comprised completely of SWP surface water; due to poor groundwater conditions, useable groundwater is not provided to any of its customers. As a Contractor of the State Water Project (SWP), DRWD purchases imported water from the DWR. Each year, DRWD receives an annual allocation (Table A amount), which is based on available SWP supplies, with a total maximum contract amount of 41,350 AFY. Since 2015, DRWD has received between 5 and 85 percent of its Table A amount. To manage the wide variations of the SWP supply, which has varied historically from 0-100%, DRWD has developed several water management programs to achieve a more stable supply to meet the relatively firm crop demand. In addition to the water program with SGVMWD, these programs include participating in the KWBA banking program (1996), the Cawelo Water District Water Regulation Program (2001), and the Semitropic Water Exchange (2008) - a common landowner banking program with Semitropic Water Storage District.

DRWD's water supply is primarily made up of water that is conveyed to them from outside of its boundaries. Water is delivered through the SWP allocation, transfers from other districts, from water banking facilities, or in the form of imported landowner water. DRWD does not pump its own groundwater supply due to the low yield and quality of groundwater within its service area. Table 2-2 shows the water budget of the DRWD from 2016-2020.

Table 2-2 DRWD Water Supplies (AF)

| Source | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|--------|--------|--------|--------|-------|
| Prior Year Carryover | 1,656 | 9,838 | 7,415 | 7,092 | 9,202 |
| Carryover Spill | 0 | 0 | 0 | -317 | 0 |
| Table A | 17,372 | 27,981 | 13,261 | 24,811 | 3,527 |
| Article 21 | 0 | 15,722 | 0 | 3,484 | 0 |
| Turnback Pool | 0 | 400 | 0 | 0 | 0 |
| Multi-Year Water Pool | 461 | 0 | 0 | 0 | 0 |
| Yuba Accord | 0 | 0 | 333 | 0 | 1,011 |
| Dry Year Transfer Program | 0 | 0 | 800 | 0 | 1,272 |
| Transfer from Tulare Lake Basin WSD | 2,295 | 7,500 | 0 | 0 | 899 |
| Exchange from San Gabriel Valley MWD | 1,192 | 0 | 0 | 0 | 0 |
| Transfer from Butte County | 1,276 | 1,943 | 800 | 1,859 | 265 |
| Transfer from Browns Valley ID | 0 | 0 | 1,593 | 0 | 2,170 |
| Exchange from Metropolitan WD of Southern CA | 0 | 143 | 295 | 440 | 96 |
| Transfer (recovery) from Kern Water Bank Authority | 140 | 14,460 | 7,885 | 0 | 8,450 |
| Transfer from City of Fresno | 0 | 371 | 0 | 0 | 0 |
| Exchange with Solano County WA | 0 | 0 | 1,000 | 0 | 0 |

⁵ Department of Water Resources. State Water Project Historical Table A Allocations Water Years 1996-2022. PDF. Accessed 12/13/21.

⁶ Department of Water Resources. State Water Project Historical Table A Allocations Water Years 1996-2022. PDF. Accessed 12/13/21.

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| Source | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|----------------|----------------|----------------|----------------|----------------|
| Transfer from Empire-Westside ID | 0 | 0 | 438 | 0 | 305 |
| Transfer from Kern County WA | 0 | 0 | 0 | 2,000 | 0 |
| Landowner Imported Water | 41,747 | 40,769 | 53,176 | 47,098 | 60,569 |
| Total Surface Water Supplies | 66,139 | 119,127 | 87,356 | 86,467 | 87,766 |
| | | | | | |
| Transfer to Kern County WA | -9,505 | -9,025 | -28,300 | -4,000 | -18,900 |
| Transfer (recharge) to Kern Water Bank Authority | 0 | -39,965 | 0 | -21,020 | 0 |
| Exchange to Metropolitan WD of Southern CA | -1,049 | -5,062 | -621 | -1,311 | -350 |
| Exchange to San Gabriel Valley MWD | 0 | -1,487 | 0 | -3,345 | 0 |
| Total Transfers Out | -10,554 | -55,539 | -28,921 | -29,676 | -19,250 |
| | | | | | |
| Total Surface Water Supplies Used in-District | 55,585 | 63,588 | 58,435 | 56,791 | 68,516 |

⁷ Dudley Ridge Water District. 2020 Agricultural Water Management Plan.

2.1.6.2 San Gabriel Valley Municipal Water District

SGVMWD's water supply is comprised of SWP Table A water and water transferred from other agencies. As a Contractor of the SWP, SGVMWD purchases imported water from the DWR. Each year, SGVMWD receives an annual allocation, which is based on available SWP supplies and its total maximum contract amount of 28,800 AFY. Since 2015, SGVMWD has also received between 5 and 85 percent of its annual allotment. SWP water is delivered to SGVMWD via the California Aqueduct and the Devil Canyon-Azusa Pipeline that connects to the SWP at the Devil Canyon Power Plant north of San Bernardino.

Water demand in the SGVMWD is shaped by regional population growth and increase in population within the SGVMWD service area. Water usage within the SGVMWD includes irrigation, commercial, industrial, and residential uses. Water delivered to SGVMWD is exclusively used to replenish water pumped from the Main San Gabriel Basin by adding SWP water to its cyclical storage supply. SGVMWD provides water to four cities: Alhambra, Azusa, Monterey Park, and Sierra Madre.

SGVMWD has an agreement with the Main San Gabriel Basin Watermaster that provides 50,000 AF in the cyclical storage account for future water usage. Water in cyclical storage must be used for resupply of groundwater that is pumped from the Basin. Deliveries to SGVMWD are exclusively used to replenish the Main Basin, and the inclusion of a cyclical storage amount ensures that the Main Basin will be replenished throughout multiple dry years. As a result, SGVMWD has the ability to continue to serve its customers into the future.

2.1.6.3 Kern Water Bank Authority

The Kern Water Bank Authority (KWBA) is a 32 square mile water banking facility located southwest of Bakersfield, within the Kern portion of the San Joaquin Groundwater Basin. The KWBA has 1.5 million-acre foot of storage capacity accessible water recharge and recovery.⁸ Water stored on-site in the KWB is collected (via recharge in ponding basins), stored underground, and recovered via wells and canals to existing local and State facilities for transfer to the participants' service areas. Transfers between the DRWD and SGVMWD utilizing the KWBA result in an approximately 10 percent loss of water supplies, however any deliveries from SGVMWD (an out-of-County, non-KWBA participant) would be subject to an additional 5 percent loss, as a result of KWCA policy.

⁷ Dudley Ridge Water District. 2020 Agricultural Water Management Plan. Website: <http://www.dudleyridgewd.org/>. Accessed 9/7/21.

⁸ Kern Water Bank Authority. Frequently Asked Questions. Website: <https://www.kwb.org/faqs/>. Accessed 9/13/21.

2.1.7 Site and Surrounding Land Uses and Setting

The Project is located in Kings, Kern, and Los Angeles Counties. Land within and surrounding the DRWD boundaries are primarily agricultural and located on the western edge of the San Joaquin Valley, with the Coastal Mountain Range to the west and the Sierra Mountain Range to the east. SGVMWD's boundary is located in the Los Angeles Metropolitan Area of Los Angeles County and abuts the San Gabriel Mountain Range and Angeles National Forest to the northeast.

2.1.8 Other Public Agencies Whose Approval May Be Required

In addition to DRWD and SGVMWD, other agencies whose approval may be required are:

- DWR – California Department of Water Resources
- KWBA – Kern Water Bank Authority
- KCWA – Kern County Water Agency

2.1.9 Consultation with California Native American Tribes

Public Resources Code Section 21080.3.1, *et seq.* (codification of Assembly Bill 52 (AB 52), 2013-14)) requires that a lead agency, within 14 days of determining that it will undertake a project, must notify in writing any California Native American Tribe traditionally and culturally affiliated with the geographic area of the project if that Tribe has previously requested notification about projects in that geographic area. The notice must briefly describe the project and inquire whether the Tribe wishes to request formal consultation. Tribes have 30 days from receipt of notification to request formal consultation. The lead agency then has 30 days to initiate the consultation, which then continues until the parties come to an agreement regarding necessary mitigation or agree that no mitigation is needed, or one or both parties determine that negotiation occurred in good faith, but no agreement will be made.

DRWD has received written correspondence from the Santa Rosa Rancheria Tachi Yokut and the Dumna Wo Wah Tribe pursuant to Public Resources Code Section 21080.3.1 requesting notification of any proposed projects. Letters of notification pursuant to AB 52 were sent to the tribes on 6/11/21. DRWD did not receive a request for formal consultation within the allowed 30-day period.

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DRWD and SGVMWD Water Transfer and Banking Program

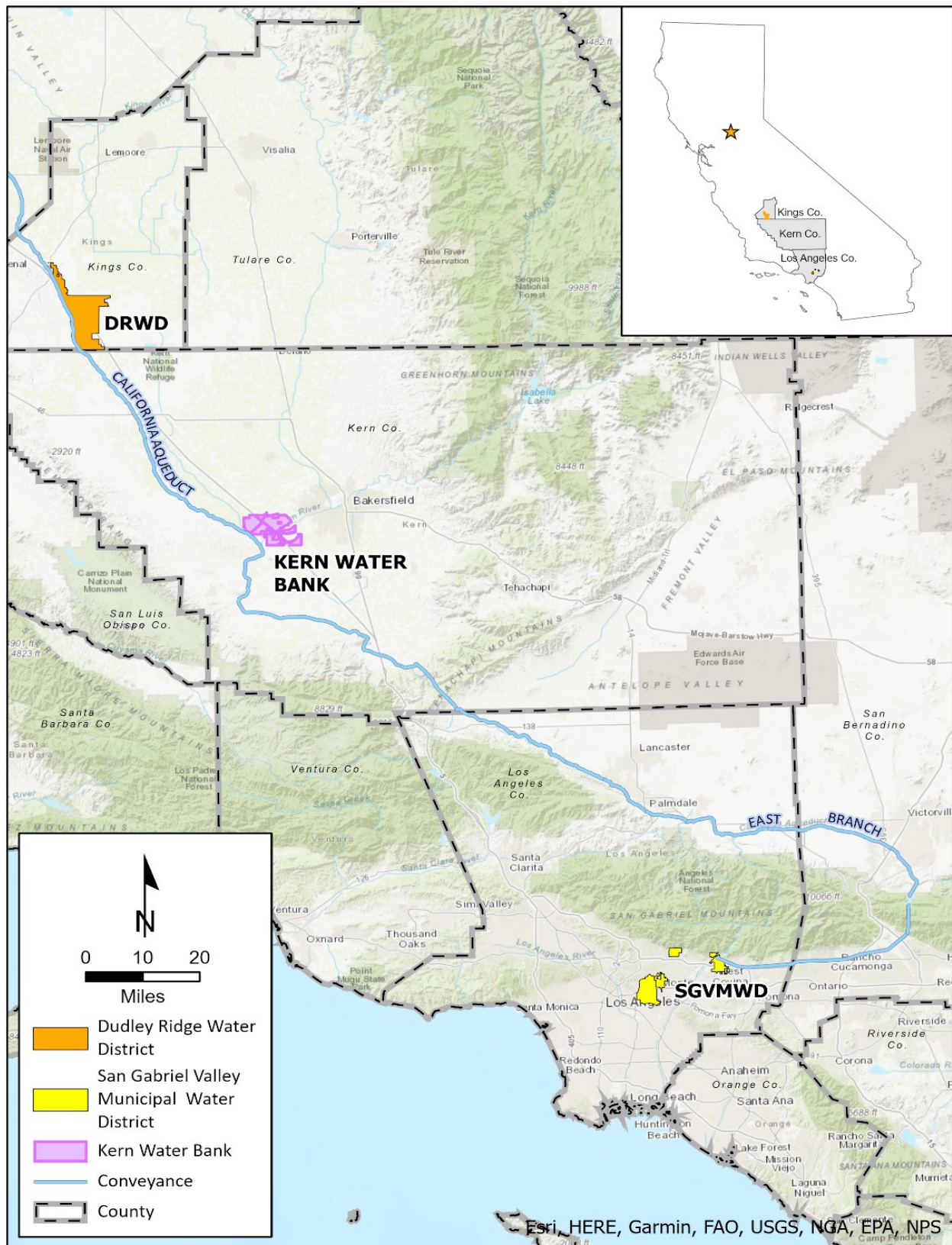


Figure 2-1. Regional Location

Chapter 3 Impact Analysis

3.1 Environmental Factors Potentially Affected

As indicated by the discussions of existing and baseline conditions, and impact analyses that follow in this Chapter, environmental factors not checked below would have no impacts or less than significant impacts resulting from the project. Environmental factors that are checked below would have potentially significant impacts resulting from the Project and mitigation measures would be recommended for each of the potentially significant impacts that would reduce the impact to less than significant.

- | | | |
|--|---|---|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Agriculture & Forestry Resources | <input type="checkbox"/> Air Quality |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Cultural Resources | <input type="checkbox"/> Energy |
| <input type="checkbox"/> Geology/Soils | <input type="checkbox"/> Greenhouse Gas Emissions | <input type="checkbox"/> Hazards & Hazardous Materials |
| <input type="checkbox"/> Hydrology/Water Quality | <input type="checkbox"/> Land Use/Planning | <input type="checkbox"/> Mineral Resources |
| <input type="checkbox"/> Noise | <input type="checkbox"/> Population/Housing | <input type="checkbox"/> Public Services |
| <input type="checkbox"/> Recreation | <input type="checkbox"/> Transportation | <input type="checkbox"/> Tribal Cultural Resources |
| <input type="checkbox"/> Utilities/Service Systems | <input type="checkbox"/> Wildfire | <input type="checkbox"/> Mandatory Findings of Significance |

The analyses of environmental impacts here in **Chapter 3** are separated into the following categories:

Potentially Significant Impact. This category is applicable if there is substantial evidence that an effect may be significant, and no feasible mitigation measures can be identified to reduce impacts to a less than significant level. If there are one or more “Potentially Significant Impact” entries when the determination is made, an EIR is required.

Less than Significant with Mitigation Incorporated. This category applies where the incorporation of mitigation measures would reduce an effect from a “Potentially Significant Impact” to a “Less than Significant Impact.” The lead agency must describe the mitigation measure(s), and briefly explain how they would reduce the effect to a less than significant level (mitigation measures from earlier analyses may be cross-referenced).

Less than Significant Impact. This category is identified when the proposed Project would result in impacts below the threshold of significance, and no mitigation measures are required.

No Impact. This category applies when a project would not create an impact in the specific environmental issue area. “No Impact” answers do not require a detailed explanation if they are adequately supported by the information sources cited by the lead agency, which show that the impact does not apply to the specific project (e.g., the project falls outside a fault rupture zone). A “No Impact” answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).

3.2 Aesthetics

Table 3-1. Aesthetics Impacts

| Aesthetics Impacts | | | | |
|---|--------------------------------|--|------------------------------|-------------------------------------|
| Except as provided in Public Resources Code Section 21099, would the project: | Potentially Significant Impact | Less than Significant with Mitigation Incorporated | Less than Significant Impact | No Impact |
| a) Have a substantial adverse effect on a scenic vista? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) In non-urbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public views are those that are experienced from publicly accessible vantage point). If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

3.2.1 Environmental Setting and Baseline Conditions

DRWD is located in southern Kings County on the western edge of the San Joaquin Valley. The area, like most of the San Joaquin Valley, is characterized by rural farmland. To the west of the DRWD's service area is the California Coastal Mountain Range. Kern County, like Kings County, is predominantly agricultural lands. Kern County is surrounded by the Sierra Nevada Mountain Range to the east and the Transverse Ranges and Mojave Desert to the south. SGVMWD is in Los Angeles County, spread out over 27 square miles. SGVMWD serves four Los Angeles County Cities – Alhambra, Azusa, Monterey Park, and Sierra Madre. The surrounding land use is mostly dense, urban, and residential uses.

3.2.2 Impact Assessment

a) Would the project have a substantial adverse effect on a scenic vista?

No Impact. The Project would not have a substantial adverse effect on a scenic vista. There are no construction activities associated with the water transfer or the storage of water. Facilities required for the transfer and storage of water are already existing and would not need to be altered and there would be no temporary or permanent physical changes to the environment associated with the Project. Therefore, there would be no impact.

b) Would the project substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?

No Impact. SGVMWD's boundary is located near State Routes 210, 110, and 39 in Los Angeles County, parts of which have been designated as scenic highways by Caltrans.⁹ There are no designated scenic highways near DRWD or KWBA. Ultimately, there are no alterations of existing facilities required as part of the Project that

⁹ Caltrans. State Scenic Highway Map. Website: <https://dot.ca.gov/programs/design/lap-landscape-architecture-and-community-livability/lap-liv-i-scenic-highways>. Accessed June 2021.

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would damage or alter existing views. Further, there would be not changes or alterations to historic buildings within a state scenic highway. Therefore, there would be no impact.

c) In non-urbanized areas, would the project substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public view are those that are experienced from publicly accessible vantage point). If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality?

No Impact. As discussed above, the Project would not involve any temporary or permanent physical changes to the existing viewsheds in the region. Therefore, there would be no impact.

d) Would the project create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?

No Impact. Project would not involve any temporary or permanent physical changes to the existing viewsheds in the region and no new light sources would be added due to Project activities. The Project would use existing facilities to store and transfer water. Therefore, there would be no impact.

3.3 Agriculture and Forestry Resources

Table 3-2. Agriculture and Forest Impacts

| Agriculture and Forest Impacts | | | | |
|--|--------------------------------|--|------------------------------|-------------------------------------|
| Would the project: | Potentially Significant Impact | Less than Significant With Mitigation Incorporated | Less than Significant Impact | No Impact |
| a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Conflict with existing zoning for agricultural use, or a Williamson Act contract? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Result in the loss of forest land or conversion of forest land to non-forest use? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

3.3.1 Environmental Setting and Baseline Conditions

The land within DRWD's boundary is primarily agricultural. While a combination of row crops and permanent crops have historically been grown in the DRWD, today permanent crops are grown such as pistachios, almonds, pomegranates, and grapes. SGVMWD is in Los Angeles County encompassing the cities of Alhambra, Azusa, Monterey Park, and Sierra Madre. There is little to no agricultural uses.

The California Department of Conservation (DOC) has been documenting changes in agricultural land use since 1984 and provides the Farmland Mapping and Monitoring Program (FMMP) which produces maps and statistical data used for analyzing impacts to California's agricultural resources. Agricultural land is rated according to soil quality and irrigation status; the best quality land is called Prime Farmland. The maps are updated every two years with the use of a computer mapping system, aerial imagery, public review, and field reconnaissance.

The Important Farmland maps identify eight land use categories, five of which are agriculture related: prime farmland, farmland of statewide importance, unique farmland, farmland of local importance, and grazing land – rated according to soil quality and irrigation status. Each is summarized below¹⁰:

¹⁰ California Department of Conservation. Farmland Mapping and Monitoring Program. Website: <https://www.conservation.ca.gov/dlrp/fmmp> Accessed June 2021.

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Prime Farmland (P): Farmland with the best combination of physical and chemical features able to sustain long term agricultural production. This land has the soil quality, growing season, and moisture supply needed to produce sustained high yields. Land must have been used for irrigated agricultural production at some time during the four years prior to the mapping date.

Farmland Of Statewide Importance (S): Farmland similar to Prime Farmland but with minor shortcomings, such as greater slopes or less ability to store soil moisture. Land must have been used for irrigated agricultural production at some time during the four years prior to the mapping date.

Unique Farmland (U): Farmland of lesser quality soils used for the production of the state's leading agricultural crops. This land is usually irrigated but may include non- irrigated orchards or vineyards as found in some climatic zones in California. Land must have been cropped at some time during the four years prior to the mapping date.

Farmland Of Local Importance (L): Land of importance to the local agricultural economy as determined by each county's board of supervisors and a local advisory committee.

Grazing Land (G): Land on which the existing vegetation is suited to the grazing of livestock. The minimum mapping unit for Grazing Land is 40 acres.

Urban And Built-Up Land (D): Land occupied by structures with a building density of at least 1 unit to 1.5 acres, or approximately 6 structures to a 10-acre parcel. This land is used for residential, industrial, commercial, institutional, public administrative purposes, railroad and other transportation yards, cemeteries, airports, golf courses, sanitary landfills, sewage treatment, water control structures, and other developed purposes.

Other Land (X): Land not included in any other mapping category. Common examples include low density rural developments; brush, timber, wetland, and riparian areas not suitable for livestock grazing; confined livestock, poultry or aquaculture facilities; strip mines, borrow pits; and water bodies smaller than 40 acres. Vacant and nonagricultural land surrounded on all sides by urban development and greater than 40 acres is mapped as Other Land.

Water (W): Perennial water bodies with an extent of at least 40 acres.

DOC identified DRWD land as Farmland of Statewide Importance and SGVMWD land as Urban and Built-Up Land Use. KWBA is located in Kern County and is surrounded by Prime Farmland and Farmland of Statewide Importance.¹¹.

3.3.2 Impact Assessment

a) Would the project convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?

No Impact. The Project would not involve any change in land use or any physical changes to the land itself. There would be no potential for farmland conversion or any potential alteration in Prime Farmland, Unique Farmland, or Farmland of Statewide Importance as there would be no change to the existing land uses. All water being transferred between DRWD and SGVMWD as a part of the Project would be transferred using existing water conveyance infrastructure and no new construction would be required by the Project. In addition, water may be temporarily stored in the KWB for a period of time; no new construction would be required to KWBA facilities either. Therefore, there would be no impact.

¹¹ California Important Farmland Finder (FMFP): <https://maps.conservation.ca.gov/DLRP/CIFF/>. Accessed May 2021.

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b) Would the project conflict with existing zoning for agricultural use, or a Williamson Act contract?

No Impact. The Project would not involve any change of land use or any physical changes to the land itself. There would be no potential for farmland conversion or any potential conflict with an existing Williamson Act contract as there would be no change to the existing land uses. All water being transferred between DRWD and SGVMWD as a part of the Project would be transferred using existing water conveyance infrastructure and no new construction would be required by the Project. No lands are anticipated to go into or out of production as a result of the Project. In addition, water may be temporarily stored in the Kern Water Bank for a period of time; no new construction would be required to KWBA facilities either. Therefore, there would be no impact.

c) Would the project conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))?

No Impact. The transfer and storage of water would not result in the loss of forest land, as the Project would not change the existing land uses or remove any vegetation. Additionally, there are no forest resources identified within the Project boundaries. There would be no impact.

d) Would the project result in the loss of forest land or conversion of forest land to non-forest use?

No Impact. As discussed above, the Project would not involve any conversion of forest land to non-forest use. All water being transferred between DRWD and SGVMWD as a part of the Project would be transferred using existing water conveyance infrastructure and no new construction would be required by the Project. There would be no impact.

e) Would the project involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?

No Impact. The Project would not involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use. The water transferred would be used in the same way as current water usage. As mentioned above, the Project would not result in any construction or change in the environment and no lands are anticipated to go into or out of production as a result of the Project. Land alteration or vegetation removal is not part of Project activities, nor is the conversion of farmland or forest land to complete the Project. Therefore, there would be no impact.

3.4 Air Quality

Table 3-3. Air Quality Impacts

| Air Quality Impacts | | | | |
|--|--------------------------------|--|------------------------------|-------------------------------------|
| Where available, the significance criteria established by the applicable air quality management district or air pollution control district may be relied upon to make the following determinations. Would the project: | Potentially Significant Impact | Less than Significant with Mitigation Incorporated | Less than Significant Impact | No Impact |
| a) Conflict with or obstruct implementation of the applicable air quality plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Expose sensitive receptors to substantial pollutant concentrations? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Result in other emissions (such as those leading to odors) adversely affecting a substantial number of people? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

3.4.1 Environmental Setting and Baseline Conditions

Air quality is influenced by a variety of factors, including topography, local, and regional meteorology. DRWD and KWBA are located within Kings and Kern counties, respectively, and the air quality is regulated by the San Joaquin Valley Air Pollution Control District (SJVAPCD). SGVMWD is in Los Angeles County and is regulated by the South Coast Air Quality Management District (SCAQMD). In addition, these agencies are also located within the San Joaquin Valley Air Basin (DRWD and KWBA) and the South Coast Air Basin (SGVMWD). SJVAPCD and SCAQMD monitor ambient air quality on a real-time basis throughout their respective counties.¹²

3.4.1.1 Regulatory Attainment Designations

Under the California Clean Air Act (CCAA), the California Air Resources Board (CARB) is required to designate areas of the State as attainment, nonattainment, or unclassified with respect to applicable standards. An “attainment” designation for an area signifies that pollutant concentrations did not violate the applicable standard in that area. A “nonattainment” designation indicates that a pollutant concentration violated the applicable standard at least once, excluding those occasions when a violation was caused by an exceptional event, as defined in the criteria. Depending on the frequency and severity of pollutants exceeding applicable standards, the nonattainment designation can be further classified as serious nonattainment, severe nonattainment, or extreme nonattainment, with extreme nonattainment being the most severe of the classifications. An “unclassified” designation signifies that the data does not support either an attainment or nonattainment designation. The CCAA divides districts into moderate, serious, and severe air pollution categories, with increasingly stringent control requirements mandated for each category.

The United States Environmental Protection Agency (USEPA) designates areas for ozone, carbon monoxide (CO), and nitrogen dioxide (NO₂) as “*does not meet the primary standards*”, “*cannot be classified*”, or “*better than national standards*”. For sulfur dioxide (SO₂), areas are designated the same but also has an additional designation “*does not meet the secondary standards*”. However, CARB terminology of “*attainment, nonattainment, and unclassified*” is more

¹² Air Quality Data (PST) Query Tool. California Air Resources Board. Website: <https://www.arb.ca.gov/aqmis2/aqdselect.php>. Accessed May 2021.

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frequently used. The USEPA uses the same sub-categories for nonattainment status: *serious*, *severe*, and *extreme*. In 1991, the USEPA assigned new nonattainment designations to areas that had previously been classified as Group I, II, or III for particulate matter less than 10 microns in diameter (PM₁₀) based on the likelihood that they would violate national PM₁₀ standards. All other areas are designated “unclassified.”

Tables 3.4, 3.5, and 3.6 that follow, set forth the summary of ambient air quality standards and attainment designations for the SJVAPCD and SCAQMD, respectively.

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| Table 3-4. Summary of Ambient Air Quality Standards & Attainment Designation | | | | | |
|--|-------------------------|--|-----------------------|------------------------|--------------------------------|
| Pollutant | Averaging Time | California Standards* | | National Standards* | |
| | | Concentration* | Attainment Status | Primary | Attainment Status |
| Ozone (O ₃) | 1-hour | 0.09 ppm | Nonattainment/ Severe | – | No Federal Standard |
| | 8-hour | 0.070 ppm | Attainment | 0.075 ppm | Attainment/ Unclassified |
| Particulate Matter (PM ₁₀) | AAM | 20 µg/m ³ | Nonattainment | – | Unclassified |
| | 24-hour | 50 µg/m ³ | | 150 µg/m ³ | |
| Fine Particulate Matter (PM _{2.5}) | AAM | 12 µg/m ³ | Attainment | 12 µg/m ³ | Attainment/ Unclassified |
| | 24-hour | No Standard | | 35 µg/m ³ | |
| Carbon Monoxide (CO) | 1-hour | 20 ppm | Unclassified | 35 ppm | Attainment/ Unclassified |
| | 8-hour | 9 ppm | | 9 ppm | |
| | 8-hour (Lake Tahoe) | 6 ppm | | – | |
| Nitrogen Dioxide (NO ₂) | AAM | 0.030 ppm | Attainment | 53 ppb | Attainment/ Unclassified |
| | 1-hour | 0.18 ppm | | 100 ppb | |
| Sulfur Dioxide (SO ₂) | AAM | – | Attainment | -- | Attainment/ Unclassified |
| | 24-hour | 0.04 ppm | | -- | |
| | 3-hour | – | | 0.5 ppm | |
| | 1-hour | 0.25 ppm | | 75 ppb | |
| Lead (Pb) | 30-day Average | 1.5 µg/m ³ | Attainment | – | No Designation/ Classification |
| | Calendar Quarter | – | | - | |
| | Rolling 3-Month Average | – | | 0.15 µg/m ³ | |
| Sulfates (SO ₄) | 24-hour | 25 µg/m ³ | Attainment | No Federal Standards | |
| Hydrogen Sulfide (H ₂ S) | 1-hour | 0.03 ppm (42 µg/m ³) | Unclassified | | |
| Vinyl Chloride (C ₂ H ₃ Cl) | 24-hour | 0.01 ppm (26 µg/m ³) | Attainment | | |
| Visibility-Reducing Particle Matter | 8-hour | Extinction coefficient: 0.23/km-visibility of 10 miles or more due to particles when the relative humidity is less than 70%. | Unclassified | | |

* For more information on standards visit: <https://ww3.arb.ca.gov/research/aaqs/aaqs2.pdf>. Source: CARB 2015

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Table 3-5 SCAQMD Summary of Ambient Air Quality Standards and Attainment Designation.¹³

| Summary of Ambient Air Quality Standards & Attainment Designation | |
|---|---|
| Pollutant | Concentration Needed or Attainment Determination |
| NO₂ 1-hour average annual arithmetic mean | South Coast AQMD is in attainment; project is significant if it causes or contributes to an exceedance of the following attainment standards: 0.18 ppm (state) 0.03 ppm (state) and 0.0534 ppm (federal) |
| PM₁₀ 24-hour average annual average | 10.4 µg/m ³ (construction) & 2.5 µg/m ³ (operation) 1.0 µg/m ³ |
| PM_{2.5} 24-hour average | 10.4 µg/m ³ (construction) & 2.5 µg/m ³ (operation) |
| SO₂ 1-hour average 24-hour average | 0.25 ppm (state) & 0.075 ppm (federal – 99th percentile) 0.04 ppm (state) |
| Sulfate 24-hour average | 25 µg/m ³ (state) |
| CO 1-hour average 8-hour average | South Coast AQMD is in attainment; project is significant if it causes or contributes to an exceedance of the following attainment standards: 20 ppm (state) and 35 ppm (federal) 9.0 ppm (state/federal) |
| Pb 30-day Average Rolling 3-month average | 1.5 µg/m ³ (state) 0.15 µg/m ³ (federal) |

Table 3-6 SJVAPCD and SVAQMD Daily Emissions Standards.

| Source | Daily Emissions (in Pounds) | | | | | |
|--|-----------------------------|-----------------|-----|-----------------|------------------|-------------------|
| | ROG | NO _x | CO | SO ₂ | PM ₁₀ | PM _{2.5} |
| <i>SJVAPCD Significance Thresholds</i> | 100 | 100 | 100 | 100 | 100 | 100 |
| <i>SCAQMD Significance Thresholds</i> | 75 | 100 | 550 | 150 | 150 | 155 |

3.4.2 Impact Assessment

a) Would the project conflict with or obstruct implementation of the applicable air quality plan?

No Impact. Air quality standards are set by the SJVAPCD and the SCAQMD. The Project would not conflict with or obstruct the implementation of the air quality management standards. Water transferred as a result of the Project would utilize existing conveyance and water banking infrastructure. Additional emissions would not be generated as a result of Project activities. There would be no impact.

b) Would the project result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard?

No Impact. The Project would not result in any physical change in the environment. As discussed in Section 2.1.5, **Description of Project**, DRWD and SGVMWD will both receive the same amount of SWP supplies they normally would without the transfers, however, the timing of the transfers allows for each agency to plan and regulate their respective water supplies in a way that provides for better reliability. The Project would not result in any increase of emissions that would exceed acceptable levels for federal or state ambient air quality standards. Therefore, there would be no impact.

c) Would the project expose sensitive receptors to substantial pollutant concentrations?

No Impact. Considering the lack of construction and additional possible air emissions, the Project would not be a source of odors, toxic air contaminants, naturally occurring asbestos, fugitive dust, or other potentially substantial pollutant concentrations. Therefore, there would be no impact.

¹³ South Coast Air Quality Management District. Air Quality Analysis Handbook. Website: <http://www.aqmd.gov/home/rules-compliance/ceqa/air-quality-analysis-handbook>. Accessed May 2021.

d) Would the project result in other emissions (such as those leading to odors) adversely affecting a substantial number of people?

No Impact. The Project would transfer water between DRWD and SGVMWD, with some water being conveyed and stored in the KWBA facilities. The Project would not generate odors and generate any additional emissions. Therefore, there would be no impact.

3.5 Biological Resources

Table 3-7. Biological Resources Impacts

| Biological Resources Impacts | | | | |
|--|--------------------------------|--|------------------------------|-------------------------------------|
| Would the project: | Potentially Significant Impact | Less than Significant with Mitigation Incorporated | Less than Significant Impact | No Impact |
| a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

3.5.1 Environmental Setting and Baseline Conditions

Kings, Kern, and Los Angeles Counties contain a variety of biological communities and wildlife habitats that contribute to the ecosystems of the San Joaquin Valley and Southern California. California contains several “rare” plant and animal species. In this context, rare is defined as species known to have low populations or limited distributions. As the human population grows, resulting in urban expansion which encroaches on the already limited suitable habitat, these sensitive species become increasingly more vulnerable to extirpation. State and federal regulations have provided the California Department of Fish and Wildlife (CDFW) and the United States Fish and Wildlife Service (USFWS) with a mechanism for conserving and protecting the diversity of plant and animal species native to California. Numerous native plants and animals have been formally designated as “threatened” or “endangered” under State and federal endangered species legislation. Other formal designations include “candidate” for listing or “species of special concern” by CDFW. The California

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Native Plant Society (CNPS) has its list of native plants considered rare, threatened, or endangered. Collectively these plants and animals are referred to as “special status species.”

There are two habitat conservation plans located in Kings and Kern counties: Southwest San Joaquin Valley Habitat Conservation Plan and Natural Community Conservation Plan (in progress); and the KWBA Habitat Conservation Plan/ Natural Community Conservation Plan.

Aera Energy LLC is preparing a Habitat Conservation Plan and Natural Community Conservation Plan specific for Aera’s future development and ongoing operations and maintenance activities in Kern, Kings, and Fresno counties, California. The Plans area encompasses Aera’s active oils fields, areas where Aera’s future development may occur, and lands that will be conserved for species covered by the Plan.

The KWBA Habitat Conservation Plan / Natural Community Conservation Plan was executed on October 2, 1997 by and among the USFWS, the CDFW, and KWBA, a joint powers authority.

3.5.2 Impact Assessment

a) Would the project have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?

No Impact. The Project would not have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the CDFW or USFWS. No construction or physical change in the environment would result from the Project. In addition, the Project would not conflict with any local or regional plan, policy, or regulation. Therefore, there would be no impact.

b) Would the project have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?

No Impact. The Project would not have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the CDFW or the USFWS. The Project would not conflict with any regional plan, policy, or regulation governing riparian habitats or other natural sensitive communities. Therefore, there would be no impact.

c) Would the project have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?

No Impact. The Project would not have a substantial adverse effect on State or federally protected wetlands through direct removal, filling, hydrological interruption or other means. The Project would not result in any construction or physical change in the environment. Therefore, there would be no impact.

d) Would the project interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?

No Impact. The Project would not interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors or impede the use of native wildlife nursery sites. The Project would utilize existing conveyance facilities such as the SWP and KWBA bank. No additional facilities would be built. Therefore, there would be no impact.

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e) Would the project conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?

No Impact. The Project would not interfere with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance. Vegetation or tree removal are not part of Project activities. Therefore, there would be no impact.

f) Would the project conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?

No Impact. The Project would not conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan. DRWD and the KWBA storage bank are located within two habitat conservation plan areas: the Southwest San Joaquin Valley Habitat Conservation Plan in Kings and Kern County; and the KWBA Habitat Conservation Plan/ Natural Community Conservation Plan in Kern County. SGVMWD's service area falls within the Los Angeles County General Plan Conservation Element. Since there is no construction or ground disturbing activities associated with the Project, there would be no conflict with the Southwest San Joaquin Valley Habitat Conservation Plan, the KWBA Habitat Conservation Plan/ Natural Community Conservation Plan, or the Los Angeles County General Plan Conservation Element.^{14 15 16} Therefore, there would be no impact.

¹⁴ California Department of Fish and Wildlife. NCCP Plan Summary – Aera Energy Southwest San Joaquin Valley HCP/NCCP. Website: <https://wildlife.ca.gov/Conservation/Planning/NCCP/Plans/Aera-SW-San-Joaquin>. Accessed June 2021.

¹⁵ Kern Water Bank Authority. HCP/NCCP. Website: <http://www.kwb.org/index.cfm/fuseaction/Pages.Page/id/491>. Accessed June 2021.

¹⁶ Los Angeles County Department of Regional Planning. Los Angeles County General Plan 2035. Website: <https://planning.lacounty.gov/generalplan/generalplan>. Accessed June 2021.

3.6 Cultural Resources

Table 3-8. Cultural Resources Impacts

| Cultural Resources Impacts | | | | |
|---|--------------------------------|--|------------------------------|-------------------------------------|
| Would the project: | Potentially Significant Impact | Less than Significant with Mitigation Incorporated | Less than Significant Impact | No Impact |
| a) Cause a substantial adverse change in the significance of a historical resource pursuant to in §15064.5? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Disturb any human remains, including those interred outside of dedicated cemeteries? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

3.6.1 Environmental Setting and Baseline Conditions

The prehistoric populations of Kern, Kings, and Los Angeles counties consisted of the Tachi-Yokut, Ventureño, Gabrieleño, Fernandeño, Santa Rosa Rancheria Tachi Yokut, and Dumna Wo Wah Tribes. Although cultural resources may be found within the districts and KWBA boundaries, in this case, any cultural resources would not be disturbed because no construction activities or other ground disturbance will occur in connection with the Project. A Sacred Lands review and Cultural Resources Records Search was not prepared for this Project, due to the fact that there would be no ground disturbance, land use or alteration changes, construction activities, and removal of buildings or facilities associated with water transfer and/or storage.

3.6.2 Impact Assessment

a) Would the project cause a substantial adverse change in the significance of a historical resource pursuant to in §15064.5?

No Impact. The Project would not require, nor induce, any new surface disturbing activities such as construction. Therefore, there would be no substantial adverse changes in the significance of historical or archeological resources as defined in CEQA Guidelines in Section 15064.5. The Project does not involve any new construction or earthmoving activities. Therefore, there would be no impact.

b) Would the project cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?

No Impact. The Project does not involve any new construction or earthmoving activities. Therefore, there would be no impact.

c) Would the project disturb any human remains, including those interred outside of dedicated cemeteries?

No Impact. The Project would use existing infrastructure and does not involve any construction or earthmoving activities. The Project would not require any construction activities or the need to use temporary or permanent equipment to complete the transfer and banking. Therefore, there would be no impact.

3.7 Energy

Table 3-9. Energy Impacts

| Energy Impacts | | | | |
|---|--------------------------------|--|-------------------------------------|-------------------------------------|
| Would the project: | Potentially Significant Impact | Less than Significant with Mitigation Incorporated | Less than Significant Impact | No Impact |
| a) Result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b) Conflict with or obstruct a state or local plan for renewable energy or energy efficiency? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

3.7.1 Environmental Setting and Baseline Conditions

Pacific Gas and Electric Company (PG&E) and Southern California Gas Company provide natural gas to the Project areas and PG&E and Southern California Edison provide electricity. The City of Azusa within the SGVMWD boundary has its own municipal electric utility called the Azusa Light & Water Electric Division. All energy used during the Project would be utilized by existing infrastructure to convey the water transferred between DRWD and SGVMWD or stored in the KWB. The Project would use energy through conveyance at SWP facilities.

3.7.2 Impact Assessment

a) Would the project result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation?

Less than Significant Impact. The Project would not result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources. No physical change in the environment would result from the completion of this Project. DRWD, SGVMWD, and KWBA currently use energy through operation of automated gates, screens, wells, and various pumps. No new pumps or energy-operated equipment would be added as part of this Project. As discussed in **Section 2.1.5, Description of Project**, DRWD and SGVMWD will both receive the same amount of SWP supplies they normally would without the transfers, however, the timing of the transfers allows for each agency to plan and regulate their respective water supplies in a way that provides for better reliability. While DRWD would not be utilizing additional energy, the SGVMWD would use slightly less energy than it usually would to recover water from the KWB, as a result of the transferring water than they would have if full SWP allocations and delivery capacity in the East Branch were being provided by DWR. The Project would result in SGVMWD receiving the same amount of water, however, 15% of water would be left behind at KWB, resulting in less energy being expended. Therefore, impacts would be less than significant.

b) Would the project conflict with or obstruct a state or local plan for renewable energy or energy efficiency?

No Impact. The Project would not conflict with or obstruct a State or local plan for renewable energy or energy efficiency. The Project would be passive in nature and does not involve any physical change in the environment. The Project would not exceed any thresholds set by the SJVAPCD and the SCAQMD. Therefore, there would be no impact.

3.8 Geology and Soils

Table 3-10. Geology and Soils Impacts

| Geology and Soils Impacts | | | | |
|--|--------------------------------|--|------------------------------|-------------------------------------|
| Would the project: | Potentially Significant Impact | Less than Significant with Mitigation Incorporated | Less than Significant Impact | No Impact |
| a) Directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving: | | | | |
| i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ii) Strong seismic ground shaking? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| iii) Seismic-related ground failure, including liquefaction? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| iv) Landslides? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Result in substantial soil erosion or the loss of topsoil? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994) creating substantial direct or indirect risks to life or property? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of wastewater? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f) Directly or indirectly destroy a unique paleontological resource or site or unique geological feature? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

3.8.1 Environmental Setting and Baseline Conditions

3.8.1.1 Geology and Soils

Most of the soils in the San Joaquin Valley are used for agriculture. Kern County has a large crude oil industry as well. In Los Angeles County the area is mainly urban with cities abutting the San Gabriel Mountains.

3.8.1.2 Faults and Seismicity

The geologic nature in southern California region consists of steep mountains, low foothills, and relatively flat valleys. The greatest potential for seismic activity is posed by the San Andreas Fault. The San Andreas Fault

marks the junction between the North American and Pacific Plates. The fault is 1300 km long, extends to at least 25 km in depth, and has a northwest southeast trend. It is classified as a right lateral (dextral) strike-slip fault. Although both plates are moving in a north westerly direction, the Pacific Plate is moving faster than the North American Plate, so the relative movement of the North American Plate is to the southeast.

3.8.1.3 Liquefaction

Liquefaction takes place when loosely packed, water-logged sediments at or near the ground surface lose their strength in response to strong ground shaking. Liquefaction occurring beneath buildings and other structures can cause major damage during earthquakes.

3.8.1.4 Soil Subsidence

Subsidence occurs when a large land area settles due to over-saturation or extensive withdrawal of ground water, oil, or natural gas. These areas are typically composed of open-textured soils, high in silt or clay content, that become saturated.

3.8.2 Impact Assessment

a) Would the project directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving:

a-i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.

a-ii) Strong seismic ground shaking?

a-iii) Seismic-related ground failure, including liquefaction?

a-iv) Landslides?

No Impact. The transfer and storage of water through existing infrastructure would not directly or indirectly cause the adverse effects or injury or death. Additionally, based on the Kings County Operational Area Local Hazard Mitigation Plan, Kings County and DRWD are situated in a Low Landslide Incidence Area.¹⁷ Due to the nature of the Project, and the absence of construction and ground disturbance, there would be no potential for seismic related events caused by ground disturbing activities, nor would the Project increase the risk for landslides in the Project vicinity. Therefore, there would be no impact.

b) Would the project result in substantial soil erosion or the loss of topsoil?

No Impact. The Project would not result in substantial soil erosion or the loss of topsoil. There is no construction or soil disturbance as part of Project activities. Therefore, there would be no impact.

c) Would the project be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?

No Impact. The Project would not create or cause soil to become unstable. No structures would be constructed as part of this Project and there would be no ground disturbance. Therefore, there would be no impact.

¹⁷ 2012 Kings County Local Hazard Mitigation Plan. County of Kings. Website: <https://www.countyofkings.com/home/showdocument?id=15243>. Accessed May 2021.

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d) Would the project be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial direct or indirect risks to life or property?

No Impact. The Project does not propose construction or any ground disturbing activities. Therefore, there would be no impact.

e) Would the project have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?

No Impact. The Project would not result in the use or installation of any septic tanks, nor would the Project implement any ground disturbance activities. Therefore, there would be no impact.

f) Would the project directly or indirectly destroy a unique paleontological resource or site or unique geological feature?

No Impact. The Project would not result in any construction or ground disturbance. Therefore, there would be no impact.

3.9 Greenhouse Gas Emissions

Table 3-11. Greenhouse Gas Emissions Impacts

| Greenhouse Gas Emissions Impacts | | | | |
|--|--------------------------------|--|-------------------------------------|-------------------------------------|
| Would the project: | Potentially Significant Impact | Less than Significant with Mitigation Incorporated | Less than Significant Impact | No Impact |
| a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

3.9.1 Environmental Setting and Baseline Conditions

According to the Office of Planning and Research’s June 2014 Draft California Climate Change Research Plan: Climate change is the biggest environmental challenge of our time. California has long been a global leader in addressing climate-related issues through cutting-edge research and innovative climate policies. Governor Brown previously joined more than 500 world-renowned researchers and scientists in releasing a groundbreaking call to action on climate change and other global threats to humanity. The 20-page consensus statement was produced at Governor Brown’s request and has been signed by scientists from over 40 countries. The consensus statement connects key scientific findings from different fields into a clear warning and a call for immediate, substantial, and sustained action to preserve humanity’s life support systems. The science in the consensus statement is confirmed in the October 2013 report of scientific findings by the Intergovernmental Panel on Climate Change (IPCC). The IPCC report states that “[h]uman influence has been detected in warming of the atmosphere and the ocean, in changes in the global water cycle, in reductions in snow and ice, in global mean sea level rise, and in changes in some climate extremes.” The IPCC further concludes that “human influence has been the dominant cause of the observed warming since the mid-20th century” (IPCC 2013).

As shown in the report Indicators of Climate Change in California (Office of Environmental Health Hazard Assessment 2013), observations over the last several decades reveal clear signals of climate change and its effects in California.¹⁸ The growing body of scientific research shows unequivocally that this change is associated with the release of carbon dioxide and other greenhouse gases (GHGs) resulting from burning fossil fuels as well as other human activities. Using sophisticated computer models, climate research projects an unprecedented rate of rise in temperature with shifting patterns of precipitation and more extreme weather events in the future. Climate change and the efforts of the State to confront it will touch nearly every aspect of the state’s planning and investment for the future. Over the next few decades, significant reductions in GHG emissions will be necessary to avoid the worst consequences of climate change. At the same time, California must escalate and accelerate its efforts to safeguard the State from the already-observable climate change as well as the larger changes that will be unavoidable in the future. Scientific research sponsored by the State of California has provided new knowledge that has enabled California to respond with science-based policies. New, carefully targeted research is necessary to inform future policy development and implementation.¹⁹

¹⁸California Office of Environmental Health Hazard Assessment. (2013, August 8). *OEHHA 2013 Report: Indicators of Climate Change in California*. <https://oehha.ca.gov/climate-change/report/2013-report-indicators-climate-change-california>. Accessed May 2021.

¹⁹California Office of Environmental Health Hazard Assessment 2013. Accessed May 2021.

GHGs are gases that absorb and emit radiation within the thermal infrared range, trapping heat in the earth's atmosphere.²⁰ There are no "attainment" concentration standards established by the Federal or State government for greenhouse gases. In fact, GHGs are not generally thought of as traditional air pollutants because greenhouse gases, and their impacts, are global in nature, while air pollutants affect the health of people and other living things at ground level, in the general region of their release to the atmosphere. Some greenhouse gases occur naturally and are emitted into the atmosphere through both natural processes and human activities. Other GHGs are created and emitted solely through human activities. The principal greenhouse gases that enter the atmosphere because of human activities are CO₂, methane (CH₄), nitrous oxide (N₂O), and fluorinated carbons.²¹

3.9.2 Impact Assessment

a) Would the project generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?

No Impact. The Project would not generate GHG emissions through the transfer through existing facilities and recovery of stored water from the KWB that would, either directly or indirectly, that may have a significant impact on the environment. As discussed in Section 2.1.5, **Description of Project**, DRWD and SGVMWD will both receive the same amount of SWP supplies they normally would without the transfers, however, the timing of the transfers allows for each agency to plan and regulate their respective water supplies in a way that provides for better reliability. The Project would transfer water between DRWD and SGVMWD while utilizing existing water conveyance facilities. In addition, a portion of SGVMWD's water being conveyed may be stored in the KWBA water banking site southwest of Bakersfield. These facilities would continue to deliver and store water without the implementation of this Project, as the SGVMWD's use of DRWD's capacity in the KWB is a second-priority to DRWD's use of the banking facility. The Project would result in SGVMWD receiving the same amount of water, however, 15% of water would be left behind at KWB, resulting in less energy being expended and therefore less emissions being generated. Therefore, impacts would be less than significant.

b) Would the project conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?

No Impact. The Project would not conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of GHG. The Project would adhere to the goals and policies set in the Kings County, Kern County, and Los Angeles County general plans. In addition, the Project would be in conformance with air quality goals and policies set by the San Joaquin Valley Air Pollution Control District, the Eastern Kern Air Pollution Control District, The Antelope Valley Air Quality Management District, the Mojave Desert Air Quality Management District, and the South Coast Air Quality Management District. There would be no impact.

²⁰ San Joaquin Valley Air Pollution Control District. (2015, February 19). *Guidance for Assessing and Mitigating Air Quality Impacts*. Retrieved from Guidance for Assessing and Mitigating Air Quality Impacts: <https://www.valleyair.org/transportation/GAMAQI-2015/FINAL-DRAFT-GAMAQI.PDF>. Accessed May 2021.

²¹San Joaquin Valley Air Pollution Control District, 2015. Accessed May 2021.

3.10 Hazards and Hazardous Materials

Table 3-12. Hazards and Hazardous Materials Impacts

| Hazards and Hazardous Materials Impacts | | | | |
|---|--------------------------------|--|------------------------------|-------------------------------------|
| Would the project: | Potentially Significant Impact | Less than Significant with Mitigation Incorporated | Less than Significant Impact | No Impact |
| a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| f) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| g) Expose people or structures, either directly or indirectly to a significant risk of loss, injury or death involving wildland fires? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

3.10.1 Environmental Setting and Baseline Conditions

3.10.1.1 Hazardous Materials

There are a number of federal and State databases that provide information regarding facilities or sites identified as meeting the Cortese List requirements and which list the past and present businesses that have had or are currently experiencing a hazardous material release within the applicable counties. These include Comprehensive Environmental Response, Compensation and Liability Information System, GeoTracker (the leaking underground storage tank database), EnviroStor, the Toxic Release Inventory, and the List of Active Cease and Desist Orders and Cleanup and Abatement Orders.

Products as diverse as gasoline, paint, solvents, household cleaning products, refrigerants, and radioactive substances are categorized as hazardous materials. What remains of a hazardous material after use, or

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processing, is considered to be a hazardous waste and the applicable generator or disposer must identify the handling, transportation, and disposal of such wastes, as well as ensure the proper handling of hazardous materials.

Beginning in the 1970s, governments at the federal, State, and local levels became increasingly concerned about the effects of hazardous materials management on human health and the environment. Numerous laws and regulations were developed to investigate and mitigate these effects. As a result, the storage, use, generation, transport, and disposal of hazardous materials and waste are highly regulated by federal, State, and local laws and regulations.

3.10.1.2 Airports

There are several airports throughout the Kings, Kern, and Los Angeles Counties.²²

Kern County: There are 27 airports in Kern County, California, serving a population of 878,744 people in an area of 8,130 square miles. There is 1 airport per 32,546 people, and 1 airport per 301 square miles. In California, Kern County is ranked 30th of 58 counties in airports per capita, and 28th of 58 counties in airports per square mile.

Kings County: There are 10 airports in Kings County, California, serving a population of 150,183 people in an area of 1,390 square miles. There is 1 airport per 15,018 people, and 1 airport per 138 square miles. In California, Kings County is ranked 16th of 58 counties in airports per capita, and 11th of 58 counties in airports per square mile.

Los Angeles County: There are 49 airports in Los Angeles County, California, serving a population of 10,105,722 people in an area of 4,058 square miles. There is 1 airport per 206,239 people, and 1 airport per 82 square miles. In California, Los Angeles County is ranked 53rd of 58 counties in airports per capita, and 5th of 58 counties in airports per square mile. Los Angeles International and Burbank airports are the largest.

3.10.1.3 Emergency Response Plan

Kern, Kings, and Los Angeles counties all have Emergency Response and/or Emergency Operations and/or Emergency Preparedness Plans.

Kern County: <https://www.kerncounty.com/community/emergency>

Kings County: <https://www.countyofkings.com/departments/public-safety/office-of-emergency-management/preparedness/plans>

Los Angeles County: <https://ceo.lacounty.gov/emergencydisaster-plans-and-annexes/>

3.10.1.4 Sensitive Receptors

Sensitive receptors are people or other organisms that may have a significantly increased sensitivity or exposure to contaminants by virtue of their age and health (e.g., schools, day care centers, hospitals, nursing homes), status (e.g., sensitive or endangered species), proximity to the contamination, dwelling construction (e.g.,

²² County Office. Airports in California. <https://www.countyoffice.org/ca-kern-county-airport/> Accessed June 2021

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basement), or the facilities they use (e.g., water supply well). The location of sensitive receptors must be identified in order to evaluate the potential impact of the contamination on public health and the environment.

3.10.1.5 Impact Assessment

a) Would the project create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?

No Impact. Project activities involve the transfer and storage of water and would not transport, use, or dispose of hazardous materials. There would be no impact to the public or the environment.

b) Would the project create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?

No Impact. The Project would not create a significant hazard to the public or the environment as Project activities would not discharge hazardous materials into the environment. Therefore, there would be no impact.

c) Would the project emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?

No Impact. The Project does not include activities that would emit hazardous emissions or handle hazardous materials or substances. No construction or use of construction equipment is associated with Project activities; therefore, possible hazardous emissions, materials, or substances would not result within one-quarter mile of any existing or proposed schools. There would be no impact.

d) Would the project be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?

No Impact. The Project does not involve any construction or ground disturbing activities. Existing water conveyance and storage facilities would be utilized, and the Project would not create a significant hazard to the public or the environment. There would be no impact.

e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area?

No Impact. Although there are airports throughout the Kern, Kings, and Los Angeles counties, the Project would not result in a safety hazard or in excessive noise for people residing or working in the area related to public airport activities. Therefore, there would be no impact.

f) Would the project impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?

No Impact. The Project would utilize existing water conveyance infrastructure. It would not interfere with the emergency response and evacuation procedures outlined in the Kern, Kings, and Los Angeles County Emergency Plans.^{23 24 25} These emergency plans implement the Standardized Emergency Management System required by State law, and include information on mutual aid agreements, hierarchies of command, and different levels of response in emergency situations. Therefore, there would be no impact.

²³ County of Kings Office of Emergency Management. Emergency Operations Plan. Website: <https://www.countyofkings.com/home>. Accessed June 2021.

²⁴ Kern County Fire Department. Emergency Plans. Website: <https://kerncountyfire.org/education-safety/emergency-plans/>. Accessed June 2021.

²⁵ County of Los Angeles. County of Los Angeles Strategic Plan. Website: <https://lacounty.gov/strategic-plan-and-goals/>. Accessed June 2021.

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g) Would the project expose people or structures, either directly or indirectly, to a significant risk of loss, injury or death involving wildland fires?

No Impact. The Project consists of transferring water through the utilization of existing water conveyance infrastructure. The Project would not result in any construction or ground disturbing activities. The Project would not directly or indirectly expose people or structures, to any risks associated with wildland fires. Therefore, there would be no impact.

3.11 Hydrology and Water Quality

Table 3-13. Hydrology and Water Quality Impacts

| Hydrology and Water Quality Impacts | | | | |
|--|--------------------------------|--|------------------------------|-------------------------------------|
| Would the project: | Potentially Significant Impact | Less than Significant with Mitigation Incorporated | Less than Significant Impact | No Impact |
| a) Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or ground water quality? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would: | | | | |
| i) result in substantial erosion or siltation on- or off-site; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ii) substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| iii) create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff; or | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| iv) impede or redirect flood flows? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

3.11.0 Environmental Setting and Baseline Conditions

Like most of California, the San Joaquin Valley experiences a Mediterranean climate. Warm, dry summers are followed by cool, moist winters. Summer temperatures often reach above 90 degrees Fahrenheit, and the humidity is generally low. Winter temperatures are often below 60 degrees Fahrenheit during the day and rarely exceed 70 degrees. On average, the San Joaquin Valley receive approximately 12-15 inches of precipitation in the form of rainfall yearly, most of which occurs between October and March.

Los Angeles County has a milder climate with an average summer high of 84 degrees Fahrenheit and an average winter low of 46 degrees Fahrenheit. The County receives about 16 inches of rain per year and has approximately 283 sunny days.

The SWP is a water storage and delivery system of reservoirs, aqueducts, power plants and pumping plants extending more than 700 miles—two-thirds the length of California. Planned, constructed, and operated by the DWR, the SWP is the nation's largest state-built, multi-purpose, user-financed water project. It supplies water

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to more than 27 million people in northern California, the Bay Area, the San Joaquin Valley, the Central Coast and southern California. SWP water also irrigates about 750,000 acres of farmland, mainly in the San Joaquin Valley.

The primary purpose of the SWP is water supply. SWP was designed to deliver nearly 4.2 million acre-feet of water per year, although the current reliability annually averages about 2.1 million acre-feet. Water is received by 29 long-term SWP Contractors, including DRWD and SGVMWD, who distribute it to farms, homes, and industry. Water supply depends on rainfall, snowpack, runoff, water in storage facilities, and pumping capacity from the Sacramento-San Joaquin Delta (Delta), as well as operational constraints for fish and wildlife protection, water quality, and environmental and legal restrictions.

The Sustainable Groundwater Management Act (SGMA) was enacted in 2014 to provide for the management of groundwater resources in California, particularly in groundwater basins that are adjudicated. Under SGMA, new local agencies, known as Groundwater Sustainability Agencies (GSAs), were given authority to regulate groundwater subject to stakeholder input. GSAs are mandated to develop a Groundwater Sustainability Plan (GSP) for approval by the DWR.

The goals of SGMA are to:

- *Develop regulations to revise groundwater basin boundaries;*
- *Adopt regulations for evaluating and implementing GSPs;*
- *Identify basins subject to critical conditions and overdraft;*
- *Identify water available for groundwater replenishment; and*
- *Publish best management practices for the sustainable management of groundwater.*

Under SGMA, groundwater users are required to report their water use, which may be unwelcome by some water users. A balancing act is at play between data collection, groundwater management and the burden of providing data to local and state governments.

3.11.0.0 Impact Assessment

a) Would the project violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or ground water quality?

No Impact. The Project would receive, and transfer SWP Table A water based on the required agreements between the water districts and DWR. The transfer and storage of water would not violate any water or groundwater quality standards, nor would it impact waste discharge requirements. There would be no impact.

b) Would the project substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?

No Impact. Water transferred would be from SWP-allocated water. Groundwater would not be utilized for this Project, other than the recovery of previously recharged/stored surface water. Therefore, there would be no impact.

c) Would the project substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would:

c-i) result in substantial erosion or siltation on- or off-site;

c-ii) substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site;

c-iii) create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff; or

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c-iv) impede or redirect flood flows?

No Impact. The Project would not result in any physical alteration of the environment. Construction of roads, staging areas, and other ground disturbing activities that would cause erosion and siltation would not occur as part of Project activities. Drainage patterns would not be altered and there would be no surface runoff adding sources of pollutants or impediments of water flow as a result of the Project. Therefore, there would be no impact.

d) Would the project in flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundations?

No Impact. The Project would not release hazards or pollutants due to flood hazard, tsunami, or seiche zones inundation. The Project would transfer water between DRWD and SGVMWD and store portions of the allocated water within the KWBA water bank. There would be no impact.

e) Would the project conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?

No Impact. The Project is located in numerous Groundwater Sustainability Agency (GSA) boundaries that have associated Groundwater Sustainability Plans (GSP).²⁶ The agencies that share an area with the Project site includes: San Joaquin Valley Basin, Southwest Kings GSA, Tri-County Water Authority GSA (Tulare Lake), El Rico GSA, Kern Groundwater Authority GSA, Kern River GSA, San Gabriel Valley Basin (an adjudicated basin that is managed by the Main San Gabriel Basin Watermaster), and the Coastal Plain of Los Angeles (consisting of the adjudicated Central and West Coast Basins). Water transferred as a part of this Project would be from the Table A SWP allocation and would not use groundwater resources. The Project would not conflict with any plan or policy regarding water quality or groundwater management. Therefore, there would be no impact.

²⁶ California Department of Water Resources. GSA Map Viewer. Website: <https://sgma.water.ca.gov/webgis/index.jsp?appid=gasmaster&rz=true>. Accessed May 2021.

3.12 Land Use and Planning

Table 3-14. Land Use and Planning Impacts

| Land Use and Planning Impacts | | | | |
|--|--------------------------------|--|------------------------------|-------------------------------------|
| Would the project: | Potentially Significant Impact | Less than Significant with Mitigation Incorporated | Less than Significant Impact | No Impact |
| a) Physically divide an established community? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

3.12.1 Environmental Setting and Baseline Conditions

The Project is located within Kings, Kern, and Los Angeles Counties. According to the Kings County General Plan, DRWD is comprised of land planned for Agriculture Open Space.²⁷ The northwestern portion of their boundary contains some land planned for Community Districts to the east of Kettleman City and State Route 41. According to the Kern County General Plan, the KWBA water banking site to the southwest of Bakersfield is planned primarily for Resources, including agriculture and mineral and petroleum use.²⁸ SGVMWD is located in the Los Angeles Metro area, and the district serves the cities of Alhambra, Monterey Park, Sierra Madre, and Azusa. According to the Los Angeles County General Plan, the SGVMWD service area is comprised primarily of urban built-up lands.²⁹

3.12.2 Impact Assessment

a) Would the project physically divide an established community?

No Impact. The Project would not physically divide an established community. The Project would utilize existing water conveyance and storage facilities and would not result in any construction activities. In addition, there would not be any changes in land use as a result of the Project and the Project would not conflict with any land use or General Plan designations. There would be no impact.

b) Would the project cause a significant environmental conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?

No Impact. The Project would not cause a significant environmental conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect. The Project would utilize existing water conveyance facilities and is not proposing the construction of any new facilities. The Project would not conflict with any land use planning practices or General Plans. Therefore, there would be no impact.

²⁷ County of Kings, California. 2035 General Plan, Land Use Element. Website: <https://www.countyofkings.com/home/showpublisheddocument/15995/636302054199570000>. Accessed May 2021.

²⁸ Kern County, CA Planning and Natural Resources Department. General Plans & Elements. Website: <https://kernplanning.com/planning/planning-documents/general-plans-elements/>. Accessed May 2021.

²⁹ Los Angeles County Department of Regional Planning. General Plan Update Program – Interactive Maps. Website: <https://planning.lacounty.gov/gpnet>. Accessed May 2021.

3.13 Mineral Resources

Table 3-15 Mineral Resources Impacts

| Mineral Resources Impacts | | | | |
|---|--------------------------------|--|------------------------------|-------------------------------------|
| Would the project: | Potentially Significant Impact | Less than Significant with Mitigation Incorporated | Less than Significant Impact | No Impact |
| a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

3.13.1 Environmental Setting and Baseline Conditions

There are multiple mining and mineral extraction facilities in Kern, Kings, and Los Angeles counties. The California DOC Division of Mine Reclamation compiles data on the current status of mines and the commodities produced. The California Geological Survey (CGS) produces Mineral Land Classification studies that identify areas with potentially important mineral resources that should be considered in local and regional planning.

The Kern County General Plan Land Use Map shows that areas within the KWBA water banking site are designated as areas for resources, including agriculture, minerals, and petroleum. In addition, there is a large area of land bordering the KWBA site to the south of the Taft Highway that is classified as a Mineral Resource Zone 1. Lands in this zone are designated as having little likelihood for the presence of significant mineral resources³⁰.

3.13.2 Impact Assessment

a) Would the project result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?

No Impact. The Project would not result in significant impacts associated with the loss of availability of a known mineral resource that would be of value to the region and the residents of the State. There would be no construction or earthmoving activities associated with the Project. Therefore, there would be no impact.

b) Would the project result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?

No Impact. The Project seeks to have water transferred to and from participating districts using existing water conveyance infrastructure and no new construction would be needed by the Project. While some of the land in the KWBA water bank site is designated by the Kern County General Plan as Resources for mineral and petroleum use, the Project would not change the land use of these areas. There would be no impact.

³⁰ Data Basin. Mineral Resource Zones for Kern County. Website: <https://databasin.org/>. Accessed June 2021

3.14 Noise

Table 3-16. Noise Impacts

| Noise Impacts | | | | |
|---|--------------------------------|--|------------------------------|-------------------------------------|
| Would the project result in: | Potentially Significant Impact | Less than Significant with Mitigation Incorporated | Less than Significant Impact | No Impact |
| a) Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Generation of excessive ground borne vibration or ground borne noise levels? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) For a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

3.14.1 Environmental Setting and Baseline Conditions

Ambient noise levels in Kern, Kings, and Los Angeles counties vary widely and mainly come from noise generators such as major roads, agricultural equipment, airports, industrial and commercial areas, and rail lines.

3.14.2 Impact Assessment

a) Would the project result in generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?

No Impact. The Project would not have any associated construction noise or vibration noise. Operations of the existing water conveyance facilities currently produces noise and vibration associated with the movement of water. Although water would be transferred using the existing facilities, it would not increase the ambient noise and vibration levels as a result. There are no additional noise and vibration factors that would be generated by the Project. There would be no impact.

b) Would the project result in generation of excessive ground borne vibration or ground borne noise levels?

No Impact. The Project would transfer water through existing water conveyance infrastructure. As discussed above, the transfer of the allotted Table A water would not increase the ambient noise and vibration. Therefore, there would be no impact.

c) For a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?

No Impact. As discussed in Section 3.10 there are several airports that are located within or near district boundaries; however, the process of transferring and storing water would not expose people residing or working in the area to excessive noise levels greater than the existing ambient noise levels. Therefore, there would be no impact.

3.15 Population and Housing

Table 3-17. Population and Housing Impacts

| Population and Housing Impacts | | | | |
|---|--------------------------------|--|------------------------------|-------------------------------------|
| Would the project: | Potentially Significant Impact | Less than Significant with Mitigation Incorporated | Less than Significant Impact | No Impact |
| a) Induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

3.15.1 Environmental Setting and Baseline Conditions

The Project is located in Kern, Kings, and Los Angeles counties. Kern County has a population of 900,202 people, Kings County has a population of 152,940 people, and Los Angeles County has a population of 10,039,107 people according to the United States Census Bureau.^{31 32 33}

3.15.2 Impact Assessment

a) Would the project induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?

No Impact. The Project would not directly or indirectly induce substantial unplanned population growth. Water transferred would continue to be used in the same capacity as the current allocated water. Additionally, the conveyance and storage of the SWP Table A water would use existing facilities. Construction activities are not part of Project activities. There would be no impact.

b) Would the project displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?

No Impact. The Project would utilize existing water conveyance and storage facilities and would not result in any physical change in the environment. No existing people or housing would be displaced as a result of this Project, nor would any housing be created. Therefore, there would be no impact.

³¹ US Census Bureau. QuickFacts Kings County, California. Website: <https://www.census.gov/quickfacts/fact/table/kingscountycalifornia/PST045219>. Accessed May 2021.

³² US Census Bureau. QuickFacts Kern County, California. Website: <https://www.census.gov/quickfacts/fact/table/kerncountycalifornia/PST045219>. Accessed May 2021.

³³ US Census Bureau. QuickFacts Los Angeles County, California. Website: <https://www.census.gov/quickfacts/fact/table/losangelescountycalifornia,CA/PST045219>. Accessed May 2021.

3.16 Public Services

Table 3-18. Public Services Impacts

| Public Services Impacts | | | | |
|---|--------------------------------|--|------------------------------|-------------------------------------|
| Would the project: | Potentially Significant Impact | Less than Significant with Mitigation Incorporated | Less than Significant Impact | No Impact |
| a) Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services: | | | | |
| Fire protection? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Police protection? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Schools? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Parks? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Other public facilities? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

3.16.1 Environmental Setting and Baseline Conditions

Kern, Kings, and Los Angeles counties maintain public services for their respective jurisdictions and provide fire and police protection, as well as schools, parks and other public facilities and services. The Project consists of utilizing existing water facilities to provide water in order to assist with groundwater replenishment and agriculture irrigation and would not require additional public services to be provided to the area within the DRWD and SGVMWD service areas.

3.16.2 Impact Assessment

- a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:**

No Impact. The Project would utilize existing water conveyance and pumping facilities to transfer the water. There would not be an additional need for public services including, *Fire Protection, Police Protection, Schools, Parks, and Landfills*. Therefore, there would be no impact.

3.17 Recreation

Table 3-19. Recreation Impacts

| Recreation Impacts | | | | |
|--|--------------------------------|--|------------------------------|-------------------------------------|
| Would the project: | Potentially Significant Impact | Less than Significant with Mitigation Incorporated | Less than Significant Impact | No Impact |
| a) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

3.17.1 Environmental Setting and Baseline Conditions

Kern, Kings, and Los Angeles counties offer a variety of recreational opportunities through the use of their Parks and Recreation Departments and nearby State and federal lands. There may be recreational areas for the public to utilize near the DRWD, SGVMWD, and KWBA existing facilities such as parks, camping and hiking trails, but the majority of the Project area is surrounded by agricultural lands and private property.

3.17.2 Impact Assessment

a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?

No Impact. The Project would not result in an increase in population (through the creation of housing or jobs) and would not contribute to the deterioration or need for any recreational facilities near the Project area. Therefore, there would be no impact.

b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?

No Impact. The Project does not include any recreational facilities, nor would it require the construction of any recreational facilities. The Project would transfer water between DRWD and SGVMWD. In addition, the KWBA water banking site southwest of Bakersfield may be utilized for periods of time to store a portion of SGVMWD's water. The Project would not result in any physical change in the environment or increase the need for recreational facilities population. Therefore, there would be no impact.

3.18 Transportation

Table 3-20. Transportation Impacts

| Transportation Impacts | | | | |
|--|--------------------------------|--|------------------------------|-------------------------------------|
| Would the project: | Potentially Significant Impact | Less than Significant with Mitigation Incorporated | Less than Significant Impact | No Impact |
| a) Conflict with a program plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Conflict or be inconsistent with CEQA Guidelines section 15064.3, subdivision (b)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Result in inadequate emergency access? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

3.18.1 Environmental Settings and Baseline Conditions

The main form of transportation in Kern, Kings, and Los Angeles counties is through vehicular travel. All three counties are served by a large network of highways, expressways, and freeways. Each county also has public transportation, pedestrian and bicycle lanes and trails. Interstate 5 runs through all three counties.

3.18.2 Impact Assessment

a) Would the project conflict with a plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities?

No Impact. The Project would not alter any form of circulation such as transit, roadway, bicycle, or pedestrian facilities and as a result would not conflict with any plan, ordinance, or policy governing circulation. There would be no impact.

b) Would the project conflict or be inconsistent with CEQA Guidelines section 15064.3 subdivision (b)?

No Impact. The Project involves the transference of water through existing conveyance facilities. There would be no effects regarding vehicle miles traveled or any other items listed under CEQA Guidelines section 15064.3 subdivision (b). Therefore, there would be no impact.

c) Would the project substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?

No Impact. No roadway features or incompatible uses are proposed as a part of the Project. Therefore, there would be no impact.

d) Would the project result in inadequate emergency access?

No Impact. The Project would not result in a modification to any roads or designated emergency routes. As a result, the Project would not result in inadequate emergency access. There would be no impact.

3.19 Tribal Cultural Resources

Table 3-21. Tribal Cultural Resources Impacts

| Tribal Cultural Resources Impacts | | | | |
|---|--------------------------------|--|------------------------------|-------------------------------------|
| Would the project: | Potentially Significant Impact | Less than Significant with Mitigation Incorporated | Less than Significant Impact | No Impact |
| a) Cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| i. Listed or eligible for listing in the California Register of Historical Resources, or in the local register of historical resources as defined in Public Resources Code section 5020.1(k), or | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ii. A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resources Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

3.19.1 Environmental Setting and Baseline Conditions

DRWD has received written correspondence from the Santa Rosa Rancheria Tachi Yokut and the Dumna Wo Wah Tribe pursuant to Public Resources Code Section 21080.3.1 requesting notification of any proposed projects.

3.19.2 Impact Assessment

- a) Would the project cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:**

a-i) Listed or eligible for listing in the California Register of Historical Resources, or in the local register of historical resources as defined in Public Resources Code section 5020.1(k), or

No Impact. DRWD has not received any letters from a California Native American tribe regarding tribal resources within the Project vicinity. Letters pursuant to AB 52 were sent on 6/11/21. Considering the lack of construction or earthwork activities, that no vegetation would be removed, no landmarks or building would be

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altered, and that the Project would use only existing infrastructure there would be no impact to Tribal resources. Therefore, there would be no impact.

a-ii) A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resources Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.

No Impact. As stated above, the lack of construction activities prevents the disturbance of any potential tribal resources as a result of the Project. Therefore, there would be no impact.

3.20 Utilities and Service Systems

Table 3-22. Utilities and Service Systems Impacts

| Utilities and Service Systems Impacts | | | | |
|--|--------------------------------|--|------------------------------|-------------------------------------|
| Would the project: | Potentially Significant Impact | Less than Significant with Mitigation Incorporated | Less than Significant Impact | No Impact |
| a) Require or result in the relocation or construction of new or expanded water, wastewater treatment or storm water drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e) Comply with federal, state, and local management and reduction statutes and regulations related to solid waste? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

3.20.1 Environmental Setting and Baseline Conditions

DRWD is responsible for providing irrigation water for agricultural use within their district service area. SGVMWD provides reliable supplemental water for groundwater replenishment purposes to four Los Angeles County cities – Alhambra, Azusa, Monterey Park, and Sierra Madre, which equates to roughly 206,000 people. The KWBA provides an efficient, reliable, and environmentally sound water storage facility for both local urban water users and hundreds of thousands of acres of essential crops, including fruits, vegetables, nuts, fiber, and livestock. The KWBA also contributes to local wildlife habitat conservation programs.

3.20.1.1 Water Supply

DRWD's main water source is imported surface water from the SWP. Water is delivered to landowners from the California Aqueduct through five delivery structures ("turnouts"), and from each turnout, water is moved through 12 miles of district-owned canals and 10 miles of underground pipelines to metered farm turnouts. DRWD also owns a terminal reservoir to capture operational spills, where final field deliveries can be made directly from the reservoir. While this reservoir has been historically utilized, privately owned storage reservoirs have since been constructed to supersede its operation.

SGVMWD also imports water from the SWP via the California Aqueduct and the East Branch. Water is delivered to the Main San Gabriel Basin via pumps and gravity. SGVMWD also utilizes spreading grounds maintained by the Los Angeles County Flood Control District for groundwater replenishment. Spreading

grounds conserve water by allowing surface water to percolate into the soil, which then recharges the underlying aquifer.

The KWBA operates the Kern Water Bank (KWB) which is a groundwater recharge, storage, and recovery facility that serves local and urban and agricultural water suppliers. The Kern Water Bank stores water in the underlying aquifer during periods of surplus of rainfall, runoff, and other surface water supplies; the participants in the KWB recover the stored water during times when surface water deliveries are below in-district demands.

3.20.1.2 Wastewater Collection and Treatment

In Kern County there are seven wastewater treatment facilities under the Public Works Department: Kern Sanitation Authority; Ford City-Taft Heights Sanitation District; Sheriff's Lerdo Facility Wastewater System; Buena Vista Aquatic Recreation Area Wastewater System; Lakeshore Pines County Service Area 39.1 Wastewater System; and County Service Areas/CSAs. Several cities also have facilities, such as Wasco, Shafter, and Delano to name a few.

Within Kings County the cities of Lemoore, Hanford, Corcoran, and Kettleman City have wastewater treatment facilities. There is also Leprino Wastewater Treatment facility.

Los Angeles County has multiple wastewater facilities maintained by the Los Angeles County Public Works and consist of the Consolidated Sewer Maintenance District treatment plants including: Malibu Mesa Wastewater Reclamation Plant, Malibu Water Pollution Control Plant, Trancas Water Pollution Control Plant, and Lake Hughes Community Wastewater Treatment Facility. The Los Angeles County Sanitation District is the largest.

3.20.1.3 Landfills

Landfills within 20 miles of SGVMWD service boundary: Scholl Canyon Landfill, Azusa Land Reclamation Co. Landfill, Puente Hills Landfill, Savage Canyon Landfill, Burbank Landfill Site No. 3, and Olinda Alpha Sanitary.³⁴

Landfills within 20 miles of KWBA boundary: Shafter-Wasco Recycling & Sanitary Landfill, Buttonwillow Sanitary Landfill, McKittrick Waste Treatment Site, Taft Recycling & Sanitary Landfill, and Bakersfield Metropolitan (Bena) Solid Waste Landfill, H.M.

Landfills within 20 miles of DRWD service boundary: H.M. Holloway Inc., Chemical Waste Management, Inc. Unit B-17, Avenal Regional Landfill, and Coalinga Disposal Site.

3.20.2 Impact Assessment

a) Would the project require or result in the relocation or construction of new or expanded water, wastewater treatment or storm water drainage, electric power, natural gas or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?

No Impact. The Project would not involve the relocation or construction of any new or expanded water, wastewater treatment or storm water drainage, electric power, natural gas, or telecommunications facilities. The water transfer and banking would be done through existing water conveyance facilities. Therefore, there would be no impact.

³⁴ California Office of Environmental Health Hazard Assessment. CalEnviroScreen 3.0 Solid Waste Map [Solid Waste results \(arcgis.com\)](https://arcgis.com). Accessed June 2021

Chapter 3 Impact Analysis – Utilities and Service Systems

DRWD and SGVMWD Water Transfer and Banking Program

b) Would the project have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years?

No Impact. The Project would not adversely impact the water supplies available to serve SGVMWD and DRWD and any reasonably foreseeable development during normal, dry, and multiple dry years. Table A water allocations are determined by water availability. Each year, the DWR announces SWP Table A allocations which inform water contractors of SWP deliveries. Therefore, there would be no impact.

c) Would the project result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?

No Impact. The Project would not produce wastewater as a result of the water being transferred and/or stored. There would be no impact.

d) Would the project generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?

No Impact. As the Project would not produce solid waste in excess of State or local standards, or in excess of local infrastructure, or otherwise impair the attainment of solid waste reduction goals. It would not necessitate an increase in solid waste capacity by the Project. There would be no impact.

e) Would the project comply with federal, state, and local management and reduction statutes and regulations related to solid waste?

No Impact. The Project would not produce solid waste. There would be no impact to federal, State, and local management and reduction statutes and regulations related to solid waste. Therefore, there would be no impact.

3.21 Wildfire

Table 3-23. Wildfire Impacts

| Wildfire Impacts | | | | |
|--|--------------------------------|--|------------------------------|-------------------------------------|
| If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project: | Potentially Significant Impact | Less than Significant with Mitigation Incorporated | Less than Significant Impact | No Impact |
| a) Substantially impair an adopted emergency response plan or emergency evacuation plan? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to pollutant concentrations from a wildfire or the uncontrollable spread of wildfire? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d) Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

3.21.1 Environmental Setting and Baseline Conditions

Wildfire is a perennial and growing threat throughout California. Years of fire suppression strategy have transformed this vegetation into heavier fuel, of sufficient density and height to act as a ladder to tree canopies and created conditions for more destructive conflagrations.

3.21.2 Impact Assessment

If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project:

- a) Substantially impair an adopted emergency response plan or emergency evacuation plan?**
- b) Due to slope, prevailing winds, and other factors, exacerbate wildfire risks and thereby expose project occupants to pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire?**
- c) Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment?**
- d) Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes?**

No Impacts. There are no construction or ground disturbance activities associated with the Project. The transfer and storage of SWP water would not create or exacerbate wildfire risks or post-fire instability. There would be no impacts.

3.22 CEQA Mandatory Findings of Significance

Table 3-24. Mandatory Findings of Significance Impacts

| Mandatory Findings of Significance Impacts | | | | |
|---|--------------------------------|--|------------------------------|-------------------------------------|
| Does the project: | Potentially Significant Impact | Less than Significant with Mitigation Incorporated | Less than Significant Impact | No Impact |
| a) Have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b) Have impacts that are individually limited, but cumulatively considerable? (“Cumulatively considerable” means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c) Have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

3.22.1 Environmental Settings and Baseline Conditions

3.22.2 Impact Assessment

- a) Does the project have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?

No Impact. The Project would not have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal or eliminate important examples of the major periods of California history or prehistory.

- b) Does the project have impacts that are individually limited, but cumulatively considerable? (“Cumulatively considerable” means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?

No Impact. The Project would not have impacts that are individually limited, but cumulatively considerable.

Chapter 3 Impact Analysis – CEQA Mandatory Findings of Significance

DRWD and SGVMWD Water Transfer and Banking Program

c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?

No Impact. The Project would not have environmental effects which would cause substantial adverse effects on human beings, either directly or indirectly.

3.23 Determination: (To be completed by the Lead Agency)

On the basis of this initial evaluation:

- ☒ I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- ☐ I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- ☐ I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- ☐ I find that the proposed project MAY have a “potentially significant impact” or “potentially significant unless mitigated” impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- ☐ I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.



Signature

December 27, 2021

Date

Dale K. Melville

Dale K. Melville – Assistant Manager – Engineer
Dudley Ridge Water District

Notice of Determination

Appendix D

To:

☐ Office of Planning and Research
U.S. Mail: Street Address:
P.O. Box 3044 1400 Tenth St., Rm 113
Sacramento, CA 95812-3044 Sacramento, CA 95814

☒ County Clerk
County of: Los Angeles County Clerk
Address: 12400 Imperial Highway
Norwalk, CA 90650

From:

Public Agency: Dudley Ridge Water District
Address: 455 W. Fir Avenue
Clovis, CA 93611

Contact: Dale Melville

Phone: (559) 449-2700

Lead Agency (if different from above):

Dudley Ridge Water District
Address: 455 W. Fir Avenue
Clovis, CA 93611

Contact: Dale Melville

Phone: (559) 449-2700

SUBJECT: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

State Clearinghouse Number (if submitted to State Clearinghouse): 2021120653

Project Title: DRWD and SGVMWD Water Transfer and Banking Program

Project Applicant: Dudley Ridge Water District

Project Location (include county): Kings, Kern, and Los Angeles County

Project Description:

Please see attached Project Description.

This is to advise that the Dudley Ridge Water District has approved the above
(☒ Lead Agency or ☐ Responsible Agency)

described project on February 9, 2022 and has made the following determinations regarding the above
(date)
described project.

1. The project [☐ will ☒ will not] have a significant effect on the environment.
2. ☐ An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.
☒ A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures [☐ were ☒ were not] made a condition of the approval of the project.
4. A mitigation reporting or monitoring plan [☐ was ☒ was not] adopted for this project.
5. A statement of Overriding Considerations [☐ was ☒ was not] adopted for this project.
6. Findings [☒ were ☐ were not] made pursuant to the provisions of CEQA.

This is to certify that the final EIR with comments and responses and record of project approval, or the negative Declaration, is available to the General Public at:

Dudley Ridge Water District, 455 W. Fir Avenue, Clovis, CA 93619

Signature (Public Agency):  Title: Assistant Manager/Engineer

Date: February 9, 2022

Date Received for filing at OPR:

PROJECT DESCRIPTION

The Dudley Ridge Water District (DRWD) proposes to continue with the long relationship of water transfers with San Gabriel Valley Municipal Water District (SGVMWD) and bank water with Kern Water Bank Authority (KWBA). The DRWD-SGVMWD Transfer and Banking Project (Project) consists of: (1) Delivering approved State Water Project (SWP) Table A water allocation between DRWD and SGVMWD service areas; and (2) Storing recharge and recovery water with Kern Water Bank Authority. DRWD and SGVMWD have had a water transfer program in place since 1995. DRWD and SGVMWD would each receive the same amount of SWP water with or without the transfers, however, the timing of the transfers would allow each district to better regulate, through storage, the SWP water allocation in a manner that provides each district greater reliability.

Notice of Determination

Appendix D

To:

☐ Office of Planning and Research
U.S. Mail: Street Address:
P.O. Box 3044 1400 Tenth St., Rm 113
Sacramento, CA 95812-3044 Sacramento, CA 95814

☒ County Clerk
County of: Kings County Clerk
Address: 1400 W. Lacey Boulevard
Hanford, CA 93230

From:

Public Agency: Dudley Ridge Water District
Address: 455 W. Fir Avenue
Clovis, CA 93611

Contact: Dale K. Melville

Phone: (559) 449-2700

Lead Agency (if different from above):

Dudley Ridge Water District
Address: 455 W. Fir Avenue
Clovis, CA 93611

Contact: Dale Melville

Phone: (559) 449-2700

SUBJECT: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

State Clearinghouse Number (if submitted to State Clearinghouse): 2021120653

Project Title: Dudley Ridge WD and San Gabriel Valley MWD Water Transfer and Banking Program

Project Applicant: Dudley Ridge Water District

Project Location (include county): Kings, Kern, and Los Angeles County

Project Description:

Please see attached Project Description.

This is to advise that the Dudley Ridge Water District has approved the above
(☒ Lead Agency or ☐ Responsible Agency)

described project on February 9, 2022 and has made the following determinations regarding the above
(date)
described project.

1. The project [☐ will ☒ will not] have a significant effect on the environment.
2. ☐ An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.
☒ A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures [☐ were ☒ were not] made a condition of the approval of the project.
4. A mitigation reporting or monitoring plan [☐ was ☒ was not] adopted for this project.
5. A statement of Overriding Considerations [☐ was ☒ was not] adopted for this project.
6. Findings [☒ were ☐ were not] made pursuant to the provisions of CEQA.

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Dudley Ridge Water District, 455 W. Fir Avenue, Clovis, CA 93619

Signature (Public Agency):  Title: Assistant Manager/Engineer

Date: February 9, 2022

Date Received for filing at OPR:

PROJECT DESCRIPTION

The Dudley Ridge Water District (DRWD) proposes to continue with the long relationship of water transfers with San Gabriel Valley Municipal Water District (SGVMWD) and bank water with Kern Water Bank Authority (KWBA). The DRWD-SGVMWD Transfer and Banking Project (Project) consists of: (1) Delivering approved State Water Project (SWP) Table A water allocation between DRWD and SGVMWD service areas; and (2) Storing recharge and recovery water with Kern Water Bank Authority. DRWD and SGVMWD have had a water transfer program in place since 1995. DRWD and SGVMWD would each receive the same amount of SWP water with or without the transfers, however, the timing of the transfers would allow each district to better regulate, through storage, the SWP water allocation in a manner that provides each district greater reliability.

Memorandum

To: San Gabriel Valley Municipal Water District Board of Directors

Cc: Darin Kasamoto, General Manager

From: Evelyn Reyes, External Affairs Manager

Date: February 9, 2022

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 | 9 | 3 | 0 | 1 | 0 | 0 |
| FY 20/21 Total | 11 | 50 | 20 | 0 | 14 | 0 | 0 |

Legislature: February 18 is the last day for bills to be introduced for this legislative year. California Advocates will be drafting a list of water bills for the External Affairs Committee to review. One bill we are currently watching is SB 890: Department of Water Resources: Water Storage and Conveyance Fund: water storage and conveyance, introduced by Senators Nielsen and Borgeas. This bill is of significance to the State Water Contractors because it will establish the Water Storage and Conveyance Fund to expand and restore water conveyance and storage capacity by completing the funding requirements for Sites Reservoir and augmenting the budget. Funding for conveyance issues in the State Water Project and Central Valley Project would be available.

California Advocates and I are also working on scheduling our annual legislative meetings. Further details to follow.

Meetings/events attended:

- PWAG Conservation and Education Meeting
- SCWUA January Meeting
- External Affairs
- ACWA Region 8 Legislative Meeting
- Meeting with TreePeople

Upcoming Event:

- City of Alhambra Lunar Year Event: Sunday, February 20, 2022 from 8:30am to 1:30pm at 100 S. Second St, Alhambra

**A REGULAR MEETING OF
THE MAIN SAN GABRIEL BASIN WATERMASTER
FEBRUARY 2, 2022 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. ADOPTION OF AGENDA [1] | |
| 4. TIME RESERVED FOR PUBLIC COMMENT | |
| 5. ITEMS REMOVED FROM CONSENT CALENDAR [1] | |
| 6. CONSENT CALENDAR [1] All items on Consent Calendar may be approved with single action. | |
| a) Minutes of a Public Hearing and Regular Meeting of Watermaster held January 5, 2022 | |
| b) Lists of Demands | |
| c) Financial Statements, January 2022 | |
| d) Authorization to attend ACWA Spring Conference, May 3-6, 2022 | |
| 7. AUTHORIZATION TO EXECUTE CYCLIC STORAGE AGREEMENT AMONG METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT AND MAIN SAN GABRIEL BASIN WATERMASTER | |
| 8. REPORT FROM ADMINISTRATIVE COMMITTEE [1] | |
| a) Recommendation of 2022 Watermaster Committee Assignments and Representatives to Outside Organizations | |
| 9. ATTORNEY'S REPORT [2] | |
| 10. ENGINEER'S REPORT [2] | |
| 11. EXECUTIVE OFFICER'S REPORT [2] | |
| 12. REPORT FROM RESPONSIBLE AGENCIES [2] | |

13. OUTSIDE COMMITTEE LIAISONS [2]
14. INFORMATION ITEMS [2]
 - a) Temporary assignment or lease of 871.15 acre-feet of Production Right from Covina Irrigating Company to California Domestic Water Company for FY 2021-22
 - b) Change of Designee for Ralph Munoz to Ralph Munoz and Michael Munoz
 - c) ACWA JPIA “President’s Special Recognition Award” certificate
 - d) SGVMWD transmittal of monthly report for December 2021
15. COMMENTS FROM WATERMASTER MEMBERS [2]
16. FUTURE AGENDA ITEMS [1]
17. CLOSED SESSION [1]

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

LEGEND [1] INDICATES ACTION ANTICIPATED BY WATERMASTER ON THIS ITEM
 [2] INDICATES INFORMATION ITEM - NO WATERMASTER 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_ewZvEgvxSlq9SXFJQXK0SQ

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, JANUARY 19, 2022 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) |
| Bob Kuhn, Secretary | _____ | _____ | (alt) |
| Lynda Noriega | _____ | _____ | (alt) |
| Mike Whitehead | _____ | _____ | (alt) |
| Ed Chavez | _____ | _____ | (alt) |
| Robert Gonzales | _____ | _____ | (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 this Special Meeting agenda only. 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. ELECTION OF OFFICERS

CHAIRPERSON

- (a) Chairman
- (b) Vice-Chairman
- (c) Treasurer
- (d) Secretary

VII. APPOINTMENT OF COMMITTEE MEMBERS

CHAIRPERSON

- (a) Administrative/Finance Committee
- (b) Legislative/Public Information Committee
- (c) Special Legislative Ad Hoc Committee

VIII. CONSENT CALENDAR

CHAIRPERSON

(Consent items may all be approved by single motion) [enc]

- (a) Minutes for 12/15/21 Regular Board Meeting
- (b) Minutes for 1/11/22 Administrative/Finance Committee – Special Joint Meeting
- (c) Minutes for 1/12/22 Legislative/Public Information Committee – Special Joint Meeting
- (d) Demands on Administrative Fund
- (e) Demands on Project Fund
- (f) Resolution No. 22-001 (AB 361)

IX. COMMITTEE REPORTS

(These items may require action)

- (a) Administrative/Finance Committee Report [enc]
 - 1. Discussion Regarding Report on Cash and Investments for 4th Quarter 2021 [enc]
 - 2. Discussion/Action Regarding Disposal of Fixed Assets [enc]
 - 3. Discussion Regarding Update to Procedure 28 – Risk Transfer [enc]
 - 4. Discussion Regarding Proposal for Audit Services for Fiscal Years Ending 6/30/22 and 6/30/2023 [enc]
- (b) Legislative/Public Information Committee Report [enc]

X. OTHER ACTION/INFORMATION ITEMS

CHAIRPERSON

(These items may require action)

- (a) Discussion/Action Regarding Authorization to Contract Services with the Bank of the West [enc]
 - 1. Adopt Resolution No. 22-002
- (b) Draft San Gabriel Basin Groundwater Quality Management and Remediation Plan “§406 Plan” for 2022 [enc]

1. Review Comments Received
2. Adopt Plan for 2022

XI. PROJECT REPORTS

COLBY

(a) Treatment Plants:

| | | <u>Status</u> |
|----|--|---------------|
| 1. | Baldwin Park Operable Unit | |
| | • 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 |
| | • VCWD Nixon | Operational |
| | • VCWD Maine | 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 |
| | • GSWC Garvey | Operational |
| | • SGVWC Plant No. 8 | Operational |
| | • SGVWC Plant G4 | Operational |
| 4. | Puente Valley Operable Unit | |
| | • Intermediate Zone | Construction |
| | • SGVWC Plant B11 | Operational |
| 5. | Area 3 Operable Unit | |
| | • City of Alhambra Phase 1 | Operational |
| | • City of Alhambra Phase 2 | Operational |
| | • City of South Pasadena Wilson | Operational |
| 6. | Non-Operable Unit | |
| | • City of Arcadia Longden | Operational |
| | • City of Arcadia Live Oak | Operational |
| | • City of Monrovia Tower 1&2 | Operational |
| | • City of Monrovia Tower 3&4 | Operational |
| | • SGVWC Plant 11 | Operational |

XII. ATTORNEY'S REPORT

PADILLA

XIII. LEGISLATIVE REPORT

MONARES

XIV. EXECUTIVE DIRECTOR'S REPORT

SCHOELLERMAN

XV. FUTURE AGENDA ITEMS

CHAIRPERSON

XVI. INFORMATION ITEMS [enc]

CHAIRPERSON

- (a) San Gabriel Basin Water Calendar

XVII. FUTURE BOARD/COMMITTEE MEETINGS

CHAIRPERSON

- (a) The next Administrative/Finance Committee Meeting is scheduled for Tuesday, February 8, 2022 at 10:00 a.m.
- (b) The next Legislative/Public Information Committee meeting was scheduled for Wednesday, February 9, 2022 at 11:00 a.m.
- (c) The next WQA Board meeting is scheduled for Wednesday, February 16, 2022 at 12:00 p.m.

XVIII. BOARD MEMBERS' COMMENTS/REPORTS

CHAIRPERSON

XIX. ADJOURNMENT

CHAIRPERSON

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: February 10, 2022

Subject: General Manager's Report

1. SWP UPDATE

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

SWP allocation for 2022 is 15%, there has been little to no new precipitation since January 1, 2022.

2. MAIN SAN GABRIEL BASIN UPDATE

As of February 4, 2022, the Key Well is at 182.2 feet which is .2 feet higher than December 31, 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

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: San Gabriel Valley Municipal Water District Board of Directors

From: Steve Kiggins, Assistant General Manager

Cc: Darin Kasamoto, General Manager

Date: February 9, 2022

Subject: Assistant General Manager's Report

1. Total water delivered in January 2021: 2,804 AF. SGVMWD delivered 671 AF on behalf of Three Valleys Municipal Water District (TVMWD) to Covina Irrigating Company's surface water treatment facility and 2,133 AF on behalf of Upper District to Azusa Light and Water's (ALW) Canyon Filtration Plant and the Canyon Spreading Grounds. SGVMWD's allocation for CY 2022 is 4,320 AF (15% of 28,800 AF); SGVMWD has 4,280 AF available for delivery.

2. Total deliveries to cyclic storage (calendar) year to date: 0 AF. Cyclic storage balance as of December 31, 2021: 2,836.73 AF. Amount of water banked on behalf of Dudley Ridge Water District: 13,916 AF.

3. Forecast of deliveries for February 2022: Deliveries to Covina Irrigating Company, (ALW) Canyon Filtration Plant and the Canyon Spreading Grounds will continue on behalf of TVMWD and Upper District throughout February.

4. Project Updates:

- A. The schedule for Phase 2 of the DCAP-Schedule I condition assessment has been modified as a result of drought conditions in the MSGB. Staff has been working with Civiltec to develop a bid package for the pipeline modifications. A contract recommendation will likely be presented to the Board April 11, 2022.
- B. The Venturi flow meter at Devil Canyon was replaced the week of January 24, 2022. The pipeline is back in service but testing and electrical integration have been delayed due to supply chain problems.
- C. SCADA cyber security improvement design has been completed and a new industrial grade firewall has been ordered. Testing and integration will take place in the coming weeks.

5. Assistant General Manager meetings and activities:

- A. Attended San Gabriel River Water Committee Meeting
- B. Met with DWR/Accurate Measurement Systems - Meter replacement at Devil Canyon
- C. Attended Groundwater Replenishment Coordinating Group Meeting
- D. Virtual Tour of Regional Recycled Water Advanced Purification Center
- E. Attended the monthly meeting of the Main San Gabriel Basin Watermaster
- F. AWWA Webinar – "PFAS: Forever Yours"
- G. Attended Watermaster Basin Management Committee Meeting