

**BOARD OF DIRECTORS
SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
REGULAR MEETING
1402 N. VOSBURG DR. AZUSA, CA 91702
MONDAY, MAY 08, 2023
8:00 AM – 10:00 AM (PDT)**

This meeting will be held in person at the District office, located at 1402 North Vosburg Drive, Azusa, California. While the Boardroom is open for public attendance, you are strongly encouraged to participate in the meeting virtually through the remote Zoom link provided below. If you attend the Board meeting in person, please maintain appropriate social distancing to the extent feasible (i.e., maintain a six-foot distance between yourself and other individuals). Face coverings are encouraged but not required for attendees. Lastly, if you are experiencing any COVID-19 symptoms, including fever or chills, cough, shortness of breath or difficulty breathing, fatigue, muscle or body aches, headache, new loss of taste or smell, sore throat, congestion or runny nose, nausea or vomiting or diarrhea, please do not attend the meeting in person.

Join Zoom Meeting

<https://us02web.zoom.us/j/89013306120?pwd=SUZJRzFFSDRXUVVVTY0NhOXQ0c1l6QT09>

Meeting ID: 890 1330 6120

Passcode: 512838

Dial by your location

+1 669 444 9171 US

PLEDGE OF ALLEGIANCE

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

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 April 10, 2023

Financial Statements of April 2023

Treasurers Investment Report Dated March 31, 2023

Disbursements of the Revolving Fund Dated April 20, 2023, Check Nos. 12272 – 12278, EFTs, and Wires

Disbursements of the Revolving Fund Dated May 4, 2023, Check Nos. 12279 – 12288, EFT, and Wires

Disbursements of the Revolving Fund Dated May 8, 2023, Check Nos. 12289 – 12292, and Wires

Disbursements of the General Fund Dated April 12 - 30, 2023, Check Nos. 43604 – 43630, and EFTs

Disbursements of the General Fund Dated May 8, 2023, Check Nos. 43631 – 43666

Future Meeting Attendance Approval: None

ACTION ITEMS

1. 2023 – 2024 Draft Budget
2. Cost Of Living Adjustment
3. Consider Support For SB366
4. Proposals For 3-Year Audit Engagement
5. Proposal From Civiltec For Pipeline Bonding, Assessment, and Cathodic Protection

INFORMATION ITEMS

External Affairs Update

UNFINISHED BUSINESS

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

COMMITTEE MEETING REPORTS

DIRECTOR REPORTS ON EVENTS ATTENDED

DIRECTORS COMMENTS

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION [Government Code Section 654956.9(d)(1)]:

Roberts, et al. v. Coachella Valley Water District, et al. (including State Water Contractors)
Riverside County Superior Court Case No. RIC1825310 MF

ADJOURNMENT

THIS AGENDA WAS POSTED ON MAY 04, 2023 AT SGVMWD.
THE NEXT REGULAR BOARD MEETING WILL BE ON JUNE 12, 2023.

**MINUTES
BOARD OF DIRECTORS
SAN GABRIEL VALLEY MUNICIPAL
WATER DISTRICT
REGULAR BOARD MEETING
1402 N. VOSBURG DR. AZUSA, CA 91702
MONDAY, APRIL 10, 2023
8:00 A.M.**

At 8:00 a.m. on April 10, 2023, the Board of Directors meeting was held in person at the District office, located at 1402 North Vosburg Drive, Azusa, California. While the Boardroom was open for public attendance, the District strongly encouraged attendees wanting to attend the meeting to participate in the meeting virtually through the remote Zoom link provided below. Attendees in person were asked to please maintain appropriate social distancing to the extent feasible (i.e., maintain a six-foot distance between yourself and other individuals). Face coverings were encouraged but not required for attendees.

<https://us02web.zoom.us/j/89013306120?pwd=SUZJRzFFSDRXUVVTY0NhOXQ0c1I6QT09>

**Meeting ID: 890 1330 6120
Passcode: 512838
Dial by your location
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PLEDGE OF ALLEGIANCE

CALL TO ORDER:

President Paulson called the meeting to order at 8:00 a.m.

ROLL CALL:

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

ALSO PRESENT:

Darin Kasamoto, General Manager; Steve Kiggins, Assistant General Manager; Gigi Jarmin, Accounting Specialist; Albert Lu, External Affairs Assistant; Jim Ciampa Lagerlof LLP; Steven Walker, Civiltec Engineers

PUBLIC COMMENTS ON NON-AGENDA ITEMS

None

UPDATES FROM THE CITY REPRESENTATIVE

None

CONSENT CALENDAR:

Minutes of the Regular Board Meeting of March 13, 2023
Minutes of the Administrative Finance Committee Meeting of April 6, 2023
Financial Statements for March 2023

Disbursements of the Revolving Fund Dated:

March 23, 2023, Check Nos. 12255 – 12259, EFTs, and Wires in the amount of \$56,018.03
April 6, 2023, Check No. 12260 - 12268, EFT, and Wires in the amount of \$55,660.14
April 10, 2023, Check Nos. 12269 – 12271, and Wires in the amount of \$2,403.50

Disbursements of the General Fund Dated:

March 17 - 30, 2023, Check Nos. 43538 – 43554, and EFTs in the amount of \$687,881.00
April 4 - 10, 2023, Check Nos. 43555 – 43603, in the amount of \$240,229.27

Future Meeting Attendance Approval: None

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

ACTION AGENDA ITEM

SCHEDULE 1 INSPECTION SUMMARY

Steven Walker from Civiltec presented a PowerPoint to the Board summarizing findings from the DCAP Pipeline internal inspections, inspection contractor recommendations, and Civiltec Engineering Inc. recommendations for the pipeline's future rehabilitation/evaluation.

RESOLUTION NO. 04-2023-821 ADOPTING WATER RATES

The General Manager reported in April of every year the District adopts its water rates. The District's water rates of \$200 per acre-foot have remained unchanged since 2018-2019. As the State has transitioned to clean energy, its costs have increased and are forecasted to increase further next year. As a result, the District's Board voted to set the water rate at \$220 per acre-foot for 2023 and to advise our member cities that we anticipate the rate increasing to \$240 per acre-foot in 2024.

On motion of Director Prince, seconded by Director Placido, and unanimously carried 5-0, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT ESTABLISHING WATER RATES FOR THE FISCAL YEAR COMMENCING JULY 1, 2023, AND REPEALING RESOLUTION NO. 4-2022-799, Resolution No. 04-2023-821 was passed, approved, and adopted.

Approved by the Board of Directors of the San Gabriel Valley Municipal Water District at its regular meeting held on April 10, 2023, by the following roll call vote:

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

RESOLUTION NO. 04-2023-822 SUPPORTING BUREAU OF RECLAMATION GRANT APPLICATION

The General Manager reported that the District submitted a grant application to the Bureau of Reclamation on behalf of the Foothill Water Coalition. The grant application requested funding for some Raymond Basin projects including some monitoring wells. The application was submitted; however, the District is required to submit a Board resolution authorizing the application.

On motion of Director Eng, seconded by Director Placido, and unanimously carried 5 – 0, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT AUTHORIZING THE GRANT APPLICATION, ACCEPTANCE, AND EXECUTION FOR THE EATON BASIN ENVIRONMENTAL ENHANCEMENTS PROGRAM, Resolution No. 04-2023-822 was approved.

STAFFING NEEDS

The General Manager reported the External Affairs Specialist position was created in 2014 and has been vacant since the External Affairs Manager was promoted in 2018. The External Affairs Committee discussed recruitment for the vacant position in February and recommended the Board approve at a future meeting once the job description and recruitment timeline were updated.

Mr. DePinto reported that preparing for this transition, with DMCI departing the District, has been in the works since the External Affairs Manager position was created.

On motion of Director Placido, seconded by Director Knoles, and unanimously carried 5 – 0, the Board approved staff moving forward to fill the vacant External Affairs Specialist position.

INFORMATION ITEMS

EXTERNAL AFFAIRS

External Affairs Report in Agenda Packet.

Mr. DePinto reported on the upcoming outreach events: Earth Day, Home Water Awareness Survey Program, and jump starting the OWL Program.

Mr. Lu reported this Friday, Alhambra High School's Environmental Club is presenting a rainwater capture landscaping project that is being sponsored by the District.

UNFINISHED BUSINESS

REPORT ON BASIN MANAGEMENT

Director Placido reported the Operating Safe Yield for Fiscal Year 2023-2024 through 2027-2028 was discussed and should be adopted at the next Basin meeting. It is anticipated the safe yield will remain at 150,000 acre-feet for 2023-2024, but may be increased for future years.

REPORT OF WQA

Director Paulson reported another \$10 million has been awarded to WQA for projects to help clean up San Gabriel Valley water.

REPORT OF THE ATTORNEY

Legal Counsel Ciampa reported on behalf of the Public Water Agency Group, a letter was submitted to the California Air Resources Board regarding Advance Clean Fleet Regulation policy. City Managers were sent a letter regarding the PFAS litigation issues that are pending.

REPORT OF THE GENERAL MANAGER/ASSISTANT GENERAL MANAGER

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

The General Manager reported Request for Proposals (RFP's) were sent out to five auditing firms for the next 3-year audit engagement. Unfortunately, the District did not receive any proposals by the deadline. RFP's will be mailed out again to a few other auditing firms.

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

The Assistant General Manager reported 1,248 cfs of water was released this morning out of the Morris Reservoir Dam and 338 cfs out of the Santa Fe Dam. He also reported on the valve projects that are listed in his report.

REPORT OF THE STATE WATER CONTRACTORS

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

The General Manager reported on March 24, 2023, the State Water Project allocation increased from 35% to 75%. This allocation was based on up-to-date reservoir storage levels and the March 1, 2023 snowpack levels. Lake Oroville water is at 3 million acre-feet, Lake Shasta is at 4 million, and San Luis Reservoir is 90 percent full.

COMMITTEE MEETING REPORTS

The Minutes of the Administrative/Finance Committee of April 6, 2023 are in the agenda packet.

DIRECTOR REPORTS ON EVENTS ATTENDED

None.

DIRECTOR COMMENTS

Director Prince thanked Ms. Reyes for putting together the Legislative trip to Sacramento.

Director Knoles thanked Director Prince for his presentation in Sacramento.

Director Placido also commented that the Legislative trip to Sacramento was good.

ADJOURNED at 9:58 A.M.

There being no further business, upon motion made, seconded, and carried unanimously, the meeting was duly adjourned at 9:58 a.m. The next Regular Board Meeting of the San Gabriel Valley Municipal Water District will be on May 8, 2023, at 8:00 a.m.

President

ATTEST:

Secretary

San Gabriel Valley Municipal Water District
Balance Sheet
As of April 30, 2023

	Apr 30, 23
ASSETS	
Current Assets	
Checking/Savings	
1001 · General Fund Bank of America	4,880,604.60
1005 · Revolving Cash Fund	171,771.82
1008 · Petty Cash	442.00
1009 · LAIF	17,806,117.32
1009.01 · LAIF FMV Adjustment	-232,061.50
1011 · UBS Resource Management Account	
1012 · Cash with Broker	12,092.28
1013 · Certificates of Deposit	9,647,882.10
	9,659,974.38
Total 1011 · UBS Resource Management Account	9,659,974.38
1014 · UBS Accrued Interest	-22,034.50
	32,264,814.12
Total Checking/Savings	32,264,814.12
Accounts Receivable	
1603 · Accounts Receivable	7,851.72
	7,851.72
Total Accounts Receivable	7,851.72
Other Current Assets	
1605 · Taxes Receivable	-0.34
1606 · Interest Receivable	9,026.68
1620 · Prepaid Expenses	101,860.85
1660 · Water Inventory	619,041.77
	729,928.96
Total Other Current Assets	729,928.96
Total Current Assets	33,002,594.80
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	-4,611,269.25
1801 · Pipeline	26,742,615.16
1830 · Accum Depreciation - Pipeline	-16,924,656.48
1840 · SCADA Telemetry	49,492.08
1841 · Accum Depreciation -SCADA	-9,562.45
1750 · SCADA 2013	884,531.22
1851 · Accum Depreciaton - SCADA 13	-753,589.40
1901 · Land	735,931.46
1902 · Buildings	2,322,562.42
1903 · Accum Depr - Buildings	-2,313,708.49
1904 · Furniture and Fixtures	173,585.69
1905 · Accum Depr - Furn and Fixtures	-161,156.89
1907 · Vehicles	257,156.24
1908 · Accum Depr - Vehicles	-176,601.68
1910 · Pipeline Misc Equipment	225,581.49
1911 · Accum Depr - Pipeline Misc Equi	-90,339.89
1920 · Construction in Process	
1920.06 · Condition Assessment Project	1,137,677.67
1920.05 · HydroElectric Facility San Dima	1,455.40
1920.02 · CIP - Scada	11,157.83
1920.04 · Hydro Elec Generator Expansion	950,782.80
1920 · Construction in Process - Other	141,812.35
	2,242,886.05
Total 1920 · Construction in Process	2,242,886.05
1921 · Capital Expenditures	
1921.07 · SanDimas Hydro Deflec Batteries	35,595.25
1921.05 · Computer	6,198.90
1921.03 · Roof	58,390.47
1921.04 · Repaving	3,950.00
	104,134.62
Total 1921 · Capital Expenditures	104,134.62

San Gabriel Valley Municipal Water District
Balance Sheet
As of April 30, 2023

	Apr 30, 23
1916 · A/D Computers	-4,269.69
1917 · A/D Paving	-944.16
1918 · A/D San Dimas Hydro	-11,275.57
1922 · A/D Roof	-17,027.60
Total Fixed Assets	14,448,240.16
Other Assets	
1998.99 · Deferred Outflows -OPEB	201,703.00
1999.99 · 1999.Deferred Outflows of Res	618,162.00
1931 · City Of Monterey Park Loan 2021	4,000,000.00
1932 · City Of Sierra Madre 2020 Loan	2,499,937.00
Total Other Assets	7,319,802.00
TOTAL ASSETS	54,770,636.96
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2001 · Accounts Payable	38,768.03
Total Accounts Payable	38,768.03
Other Current Liabilities	
2010 · Accrued Payroll - V&SL	371,199.14
24000 · Payroll Liabilities	53.84
Total Other Current Liabilities	371,252.98
Total Current Liabilities	410,021.01
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	5,635,320.22
Total Long Term Liabilities	9,035,923.22
Total Liabilities	9,445,944.23
Equity	
2301 · Fund Balance	4,524,449.82
2302 · San Bernardino Contribution	1,781,730.83
2970 · Retained Earnings	34,917,680.88
2973 · Contribution Aid Capital	1,280,323.11
Net Income	2,820,508.09
Total Equity	45,324,692.73
TOTAL LIABILITIES & EQUITY	54,770,636.96

San Gabriel Valley Municipal Water District

Income Statement - Actual vs. Budget

April 2023

	Apr 23	Budget	Jul '22 - Apr 23	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
General Operations					
3002 · Property Tax Revenue	1,475,074.28	408,333.00	4,441,707.40	4,083,330.00	4,900,000.00
3003 · Water Sales	24,154.00	166,667.00	742,420.00	1,666,670.00	2,000,000.00
3004 · Interest Income	107,607.57	11,250.00	350,194.41	112,500.00	135,000.00
3005 · Ready to Serve Revenue	990.00	990.00	9,900.00	9,900.00	11,880.00
3006 · RDA Prop Tax Trust Fund Alloc	0.00	83,333.00	915,905.43	833,330.00	1,000,000.00
3008 · SBVMWD Pipeline Maintenance Rev	0.00	2,500.00	0.00	25,000.00	30,000.00
3016 · Unrealized Gain (Loss) on Inves	0.00		-61,114.90	0.00	0.00
Total General Operations	1,607,825.85	673,073.00	6,399,012.34	6,730,730.00	8,076,880.00
Restricted Revenue - SWP					
3306 · Tax Revenue - State Water Proje	2,425,464.83	766,667.00	8,328,036.72	7,666,670.00	9,200,000.00
Total Restricted Revenue - SWP	2,425,464.83	766,667.00	8,328,036.72	7,666,670.00	9,200,000.00
3401 · Grants-St Wtr Board&Reclamation	0.00		0.00	0.00	0.00
Total Income	4,033,290.68	1,439,740.00	14,727,049.06	14,397,400.00	17,276,880.00
Gross Profit	4,033,290.68	1,439,740.00	14,727,049.06	14,397,400.00	17,276,880.00
Expense					
Unrestricted G.O. Expenses					
4001 · Director Fees	2,200.00	2,917.00	17,000.00	29,170.00	35,000.00
4010 · Salaries- Administrative	23,371.20	24,822.00	236,914.40	248,220.00	297,864.00
4014 · Field Supervision	15,398.40	16,055.00	152,324.00	160,550.00	192,665.00
4020 · Salaries Office	17,196.20	18,265.00	174,163.51	182,650.00	219,180.00
4021 · External Affairs Wages	10,548.80	11,144.00	106,081.51	111,440.00	133,726.00
4022 · Part Time Employee	1,962.50	1,226.00	5,735.50	12,260.00	14,717.00
4027 · Office Supplies - Equipment Mai	1,258.42	3,667.00	22,549.92	36,670.00	44,000.00
4028 · Water Forum	0.00		99.99		
4029 · Election Expenses	0.00	10,322.00	0.00	103,220.00	123,864.00
4031 · Legal Services	2,240.00	4,167.00	20,160.00	41,670.00	50,000.00
4032 · State Water Contract Services	4,769.55	3,333.00	32,856.90	33,330.00	40,000.00
4033 · Public Relations	6,964.65	11,250.00	77,914.68	112,500.00	135,000.00
4034 · Governmental Relations Consulti	8,115.50	8,000.00	80,115.50	80,000.00	96,000.00
4035 · Consulting & Engineering Expens	43,193.12	187,667.00	314,623.81	1,876,670.00	2,252,000.00
4036 · Medicare Tax Expense	1,320.18	1,500.00	13,108.29	15,000.00	18,000.00
4039 · PERS - Retirement Expenses	26,978.05	70,833.00	775,053.79	708,330.00	850,000.00
4040 · Social Security Tax Expense	5,644.90	4,917.00	44,954.90	49,170.00	59,000.00
4041 · State Compensation Fund	1,137.04	1,500.00	15,018.19	15,000.00	18,000.00
4042 · State Unemployment Insurance Ta	66.60	134.00	1,045.36	1,340.00	1,605.00
4043 · Health Insurance Expense	29,594.72	32,000.00	300,148.97	320,000.00	384,000.00
4044 · Dental/ Vision Benefit Expense	3,822.52	7,667.00	55,076.64	76,670.00	92,000.00

San Gabriel Valley Municipal Water District
Income Statement - Actual vs. Budget
April 2023

	Apr 23	Budget	Jul '22 - Apr 23	YTD Budget	Annual Budget
4045 · Insurance - Liability, Casualty	3,206.61	3,750.00	46,339.09	37,500.00	45,000.00
4046 · Blue Cross Employee Reimburseme	1,579.73	6,667.00	88,284.64	66,670.00	80,000.00
4048 · Life Insurance	333.65	300.00	3,361.25	3,000.00	3,600.00
4050 · Dues and Associations	7,791.51	7,917.00	72,595.13	79,170.00	95,000.00
4051 · Travel and Conferences -Dir	1,394.13	2,083.00	5,466.99	20,830.00	25,000.00
4052 · Publications and Periodicals	0.00	25.00	69.95	250.00	300.00
4053 · State Water Contractors Audit	0.00	833.00	9,804.00	8,330.00	10,000.00
4054 · Financial Audit Expense	312.50	1,667.00	19,017.50	16,670.00	20,000.00
4055 · Travel & Conference -Staff	534.28	2,500.00	15,495.44	25,000.00	30,000.00
4057 · Taxes - Annual Fee	0.00	4,333.00	50,403.52	43,330.00	52,000.00
4058 · Tax Collection Fees	31,689.58	2,917.00	36,511.13	29,170.00	35,000.00
4059 · Property Tax Expense	0.00	54.00	608.67	540.00	650.00
4060 · Telephone Expense	3,946.05	3,333.00	34,669.43	33,330.00	40,000.00
4061 · Utilities - Gas, Electric, and	1,099.11	1,542.00	16,209.90	15,420.00	18,500.00
4063 · Safety Program	403.02	1,667.00	3,674.12	16,670.00	20,000.00
4065 · Water Conservation/Rebates Prog	7,043.00	20,833.00	176,328.53	208,330.00	250,000.00
4067 · OPEB -Other Post Employment Ben	23,333.33	40,000.00	433,333.30	400,000.00	480,000.00
4090 · SWP Transportation Cost	15,624.64	166,667.00	152,772.57	1,666,670.00	2,000,000.00
4093 · Uniform and Material Rentals	189.12	333.00	2,033.06	3,330.00	4,000.00
4095 · Vehicle Maintenance, Operating	3,552.82	2,083.00	24,827.18	20,830.00	25,000.00
4096 · Communication Expense	765.69	700.00	7,656.90	7,000.00	8,400.00
4099 · Facility Maintenance	9,664.16	2,500.00	30,872.68	25,000.00	30,000.00
4100 · Salaries - Field Workers	19,282.54	19,737.00	202,956.30	197,370.00	236,844.00
4108 · Grounds Maintenance and Materia	1,622.00	2,750.00	25,881.00	27,500.00	33,000.00
4112 · Depreciation Expense	38,992.00		392,932.00	0.00	0.00
4113 · Pipeline Maintenance & Material	2,750.00	4,167.00	32,243.29	41,670.00	50,000.00
4114 · SCADA Maintence	5,200.60	667.00	14,170.60	6,670.00	8,000.00
4120 · Grants	10,875.00	422,520.00	156,391.37	4,225,200.00	5,070,245.00
Total Unrestricted G.O. Expenses	396,967.42	1,143,931.00	4,499,855.40	11,439,310.00	13,727,160.00
Riverside Facility					
4300 · Salaries - Riverside	492.27	1,337.00	5,942.31	13,370.00	16,043.00
4301 · Riverside Maintenance and Mater	277.28	2,358.00	3,314.32	23,580.00	28,300.00
Total Riverside Facility	769.55	3,695.00	9,256.63	36,950.00	44,343.00
Hydro Expenses					
4402 · Salaries - Hydro	595.00	758.00	1,018.78	7,580.00	9,092.00
4403 · Hydro Maintenance Materials	0.00	1,125.00	1,440.00	11,250.00	13,500.00
4406 · Hydro So Cal Edison (8800)	460.53	433.00	3,856.59	4,330.00	5,200.00
Total Hydro Expenses	1,055.53	2,316.00	6,315.37	23,160.00	27,792.00
Restricted Expense					
4510 · State Project Expense	347,093.00	641,667.00	7,341,023.00	6,416,670.00	7,700,000.00
4511 · State Project Amortization	8,034.00	8,083.00	80,340.00	80,830.00	97,000.00

San Gabriel Valley Municipal Water District
Income Statement - Actual vs. Budget
April 2023

	Apr 23	Budget	Jul '22 - Apr 23	YTD Budget	Annual Budget
4591 · State Project Cost of Water Adj	3,297.00		-31,603.00	0.00	0.00
Total Restricted Expense	358,424.00	649,750.00	7,389,760.00	6,497,500.00	7,797,000.00
66000 · Payroll Expenses	0.00		169.17	0.00	0.00
Total Expense	757,216.50	1,799,692.00	11,905,356.57	17,996,920.00	21,596,295.00
Net Ordinary Income	3,276,074.18	-359,952.00	2,821,692.49	-3,599,520.00	-4,319,415.00
Other Income/Expense					
Other Expense					
6001 · COVID-19 Expense	0.00		1,184.40	0.00	0.00
Total Other Expense	0.00		1,184.40	0.00	0.00
Net Other Income	0.00		-1,184.40	0.00	0.00
Net Income	<u>3,276,074.18</u>	<u>-359,952.00</u>	<u>2,820,508.09</u>	<u>-3,599,520.00</u>	<u>-4,319,415.00</u>

San Gabriel Valley Municipal Water District

TREASURERS INVESTMENT REPORT
(Activity ending March 31, 2023)

Report Date March 31, 2023

Account EM05573

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
70153RKN7	1013	\$240,000	PARKWAY B&T IL US	Fixed Rate	01/28/2021	01/30/2023	0.150%	0.150%	\$ 721.97	MATURED
080515CH0	1013	\$240,000	BELMONT SVGS BK MA US	Fixed Rate	02/28/2018	02/28/2023	2.700%	2.700%	\$ 31,867.49	MATURED
947547MR3	1013	\$240,000	WEBBANK UT US	Fixed Rate	03/29/2021	03/29/2023	0.200%	0.200%	\$ 960.00	MATURED
56065GAM0	1013	\$240,000	MAINSTREET BK VA US	Fixed Rate	03/30/2021	03/30/2023	0.200%	0.200%	\$ 960.05	MATURED
58404DJY8	1013	\$240,000	MEDALLION BK UT US	Fixed Rate	03/30/2021	03/30/2023	0.200%	0.200%	\$ 960.05	MATURED
72345SKU4	1013	\$240,000	PINNACLE BANK TN US	Fixed Rate	05/08/2020	05/08/2023	0.700%	0.700%	\$ 3,360.00	\$240,000
27004PBQ5	1013	\$240,000	EAGLEMARK SVGS BK NV US	Fixed Rate	05/19/2021	05/19/2023	0.200%	0.200%	\$ 721.97	\$240,000
33847E3K1	1013	\$240,000	FLAGSTAR BANK MI US	Fixed Rate	05/29/2020	05/30/2023	0.450%	0.450%	\$ 2,160.00	\$240,000
81632NAV7	1013	\$240,000	SELF-HELP FED CRED NC US	Fixed Rate	06/28/2021	06/28/2023	0.200%	0.200%	\$ 720.66	\$240,000
433323EA6	1013	\$240,000	HINGHAM INSTITUTIO MA US	Fixed Rate	06/28/2021	06/28/2023	0.200%	0.200%	\$ 720.66	\$240,000
45780PAT2	1013	\$240,000	INSTITUTION FOR SV MA US	Fixed Rate	07/29/2021	07/31/2023	0.300%	0.300%	\$ 1,199.41	\$240,000
90352RBE4	1013	\$240,000	USALLIANCE FED CRE NY US	Fixed Rate	09/29/2020	09/29/2023	0.300%	0.300%	\$ 1,797.04	\$240,000
87164XB96	1013	\$240,000	SYNCHRONY BK UT US	Fixed Rate	09/30/2021	09/23/2023	0.400%	0.400%	\$ 1,436.05	\$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%	\$ 11,890.85	\$240,000
07371CJ34	1013	\$240,000	BEALBANK NV US	Fixed Rate	03/02/2022	02/28/2024	1.500%	1.500%	\$ 3,600.00	\$240,000
87164DSF8	1013	\$200,000	SYNOVUS BK GA US	Fixed Rate	03/11/2021	03/11/2024	0.300%	0.300%	\$ 1,200.00	\$200,000
20033AS31	1013	\$240,000	COMENITY CAP BK UT US	Fixed Rate	03/15/2019	03/15/2024	2.950%	2.950%	\$ 27,737.97	\$240,000
981993C63	1013	\$200,000	COMENITY BANK DE US	Fixed Rate	06/13/2022	06/13/2024	2.950%	2.950%	\$ 4,035.08	\$200,000
9497635A0	1013	\$240,000	WELLS FARGO BK NA SD US	Fixed Rate	12/30/2022	07/01/2024	4.600%	4.600%	\$ 2,722.19	\$240,000
06740KQY6	1013	\$240,000	BARCLAYS BK DE US	Fixed Rate	07/27/2022	07/29/2024	3.200%	3.200%	\$ 3,871.56	\$240,000
88241TLV0	1013	\$240,000	TEXAS EXCHANGE BK TX US	Fixed Rate	08/13/2021	08/13/2024	0.500%	0.500%	\$ 1,897.00	\$240,000
8562832ES	1013	\$240,000	STATE BANK INDIA IL US	Fixed Rate	08/22/2022	08/22/2024	3.350%	3.350%	\$ 4,053.04	\$240,000
98970LC43	1013	\$240,000	ZIONS BANKCORP UT US	Fixed Rate	03/31/2023	09/24/2024	5.400%	5.400%	\$ -	\$240,000
200339fb0	1013	\$240,000	COMERICA BXTX US	Fixed Rate	03/30/2023	09/30/2024	5.250%	5.250%	\$ -	\$240,000
23204HNU8	1013	\$240,000	CUSTOMERS BANK PA US	Fixed Rate	03/30/2023	09/30/2024	5.250%	5.250%	\$ -	\$240,000
69506YRY7	1013	\$240,000	PACIFIC WSTN BK CA US	Fixed Rate	09/30/2020	09/30/2024	0.400%	0.400%	\$ 2,396.05	\$240,000
795451CK7	1013	\$240,000	SALLIE MAE BANK UT US	Fixed Rate	11/18/2022	11/18/2024	4.950%	4.950%	\$ -	\$240,000
523744AW0	1013	\$240,000	LEA CNTY ST BK HOB NM US	Fixed Rate	12/10/2021	12/10/2024	0.750%	0.750%	\$ 2,243.88	\$240,000
02007GH55	1013	\$240,000	ALLY BANK UT US	Fixed Rate	12/22/2022	12/23/2024	4.700%	4.700%	\$ -	\$240,000
920133AN5	1013	\$240,000	VALLEY STRONG CRED CA US	Fixed Rate	02/10/2023	02/10/2025	5.100%	5.100%	\$ 938.96	\$240,000
12547CAN8	1013	\$240,000	CIBC BANK USA IL US	Fixed Rate	02/24/2023	02/24/2025	4.750%	4.750%	\$ -	\$240,000
02589AB68	1013	\$240,000	AMER EXPRESS NATL UT US	Fixed Rate	03/31/2020	03/31/2025	1.550%	1.550%	\$ 9,305.10	\$240,000
81258PKJ1	1013	\$240,000	SEATTLE BANK WA US	Fixed Rate	06/02/2020	06/02/2025	0.750%	0.750%	\$ 4,349.69	\$240,000
12527CFH0	1013	\$240,000	CFG COMMUNITY BANK MD US	Fixed Rate	08/11/2022	06/11/2025	3.600%	3.600%	\$ -	\$240,000
29278TPN4	1013	\$240,000	ENERBANK UT US	Fixed Rate	06/19/2020	06/19/2025	0.650%	0.650%	\$ 3,641.38	\$240,000
37149CAY3	1013	\$240,000	GENERATIONS BK AR US	Fixed Rate	07/29/2022	07/29/2025	3.400%	3.400%	\$ 3,420.48	\$240,000
48128UNC9	1013	\$240,000	JPMORGAN CHASE & C DE US	Fixed Rate	09/30/2020	09/30/2025	0.400%	0.400%	\$ 1,920.01	\$240,000
67054NBD4	1013	\$240,000	NUMERICA CREDIT UN WA US	Fixed Rate	12/29/2022	12/29/2025	4.750%	4.750%	\$ -	\$240,000
90348JG53	1013	\$240,000	UBS BANK UT US	Fixed Rate	09/30/2020	09/30/2025	0.400%	0.400%	\$ 3,804.14	\$240,000
39573DL1	1013	\$245,000	GREENSTATE CREDIT IA US	Fixed Rate	06/16/2021	06/16/2026	0.950%	0.950%	\$ 3,219.85	\$245,000

San Gabriel Valley Municipal Water District

**TREASURERS INVESTMENT REPORT
(Activity ending March 31, 2023)**

Report Date March 31, 2023

89235MLE9	1013	\$240,000	TOYOTA FINL SVG BK NV US	Fixed Rate	07/29/2021	07/29/2026	0.950%	0.950%		\$ 2,280.03	\$240,000
61765Q6N4	1013	\$240,000	MORGAN STANLEY BK UT US	Fixed Rate	11/19/2022	11/19/2026	1.100%	1.100%		\$ 2,640.00	\$240,000
50625LAZ6	1013	\$240,000	LAFAYETTE FED CRED MD US	Fixed Rate	03/30/2022	03/30/2027	2.400%	2.400%		\$ 4,339.73	\$240,000
61768U4Z7	1013	\$240,000	MORGAN STANLEY PRI NY US	Fixed Rate	06/30/2022	06/30/2027	3.750%	3.750%		\$ 4,512.33	\$240,000
45673RAD3	1013	\$240,000	INFIRST FED CREDIT VA US	Fixed Rate	10/11/2022	10/11/2027	5.000%	5.000%		\$ 986.30	\$240,000
										GRAND TOTAL CD'S PURCHASED	\$9,525,000

U S Treasury Note

91282CDV0	\$240,000										
	\$240,000										
										GRAND TOTAL US TSY NOTE	\$480,000

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		\$ 2,130.76
* 01/31/23-03/30/23	UBS BANK USA DEPOSIT ACCOUNT ENTRY AS OF 02/07/23-03/30/23	INTEREST INCOME \$ 0.64	SECURITY/SYMBOL MMPFDI-919446			\$ 0.64
	UBS SELECT TREASURY INSTITUTIONAL FUND ENTRY AS OF 01/31/23-03/31/23	DIVIDEND INCOME \$ 378.20	SECURITY/SYMBOL SETXX			\$ 378.20
		G.T. Money Market Interest Received Total To Date:				\$ 2,509.60

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	\$87,497.64
TOTAL INTEREST RECEIVED FOR FISCAL YEAR 2022-2023 AT MARCH 31, 2023	\$90,848.29
GRAND TOTAL INTEREST RECEIVED FOR ALL FY'S TO DATE	\$1,668,500.63

Local Agency Investment Fund (LAIF)

ACCT. NO.	INSTITUTION	PMIA AVERAGE MONTHLY EFFECTIVE YIELD	DAILY YIELD AT 03/31/23	BALANCE GEN. LEDGER
1009	LOCAL AGENCY INVESTMENT FUND - (GENERAL FUND)	2.831%	2.290%	\$17,806,117.32
GRAND TOTAL LOCAL AGENCY INVESTMENT FUND (SEE REPORT ATTACHED)				\$17,806,117

San Gabriel Valley Municipal Water District

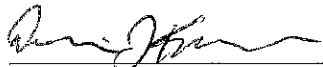
**TREASURERS INVESTMENT REPORT
(Activity ending March 31, 2023)**

Report Date March 31, 2023

SUMMARY	BALANCES
Local Agency Investment Fund - General Fund	\$ 17,806,117.32
UBS Certificates of Deposit Summary Total	\$ 9,525,000.00
UBS Select Treasury Notes	\$ 480,000.00
UBS Certificates of Deposit Interest Fiscal Year 2022-2023 At Date March 31, 2023	\$ 90,848.29
UBS Bank USA Deposit Account/UBS Select Treasury Institutional Fund	\$ 378.84
Money Balance Activities minus total dividend and interest income	\$ -
TOTAL INVESTMENTS	\$ 27,902,344.45
Cash Bank of America General Fund	\$1,675,395
Cash Bank of America Revolving Fund	\$147,216
Petty Cash Fund	\$300
GRAND TOTAL INVESTMENTS AND CASH LESS RESTRICTED FUNDS	\$ 29,725,255.54

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

4/19/2023
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 04/05/23



PMIA Average Monthly Effective Yields⁽¹⁾

March	2.831
February	2.624
January	2.425

Quarterly Performance Quarter Ended 12/31/22

LAIF Apportionment Rate ⁽²⁾ :	2.07
LAIF Earnings Ratio ⁽²⁾ :	0.00005680946709337
LAIF Fair Value Factor ⁽¹⁾ :	0.981389258
PMIA Daily ⁽¹⁾ :	2.29
PMIA Quarter to Date ⁽¹⁾ :	1.98
PMIA Average Life ⁽¹⁾ :	287

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 02/28/23 \$200.5 billion

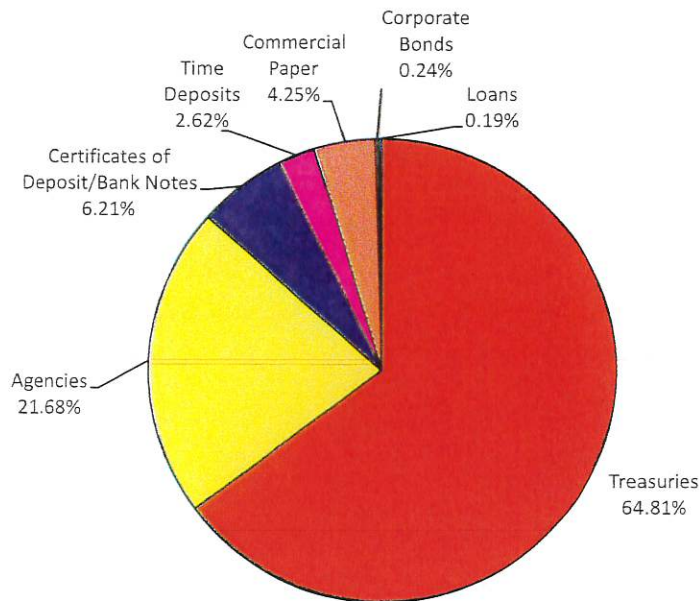


Chart does not include \$3,158,000.00 in mortgages, which equates to 0.002%. Percentages may not total 100% due to rounding.

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 32288 (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	7.866	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	0.538	0.560	0.528	0.531	0.513	0.500	0.480	0.454	0.462
2011	0.538	0.512	0.500	0.538	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 3/31/2023

Description	Carrying Cost Plus Accrued Interest Purch.	Amortized Cost	Fair Value	Accrued Interest
United States Treasury:				
Bills	\$ 29,418,545,599.25	\$ 29,779,495,353.47	\$ 29,757,207,000.00	NA
Notes	\$ 93,242,224,235.91	\$ 93,212,620,838.86	\$ 90,945,077,500.00	\$ 288,849,618.00
Federal Agency:				
SBA	\$ 322,209,737.47	\$ 322,209,737.47	\$ 321,868,141.12	\$ 1,291,571.96
MBS-REMICs	\$ 3,084,994.85	\$ 3,084,994.85	\$ 3,058,806.67	\$ 13,760.19
Debentures	\$ 10,349,812,980.86	\$ 10,349,583,675.33	\$ 10,206,571,800.00	\$ 45,703,340.00
Debentures FR	\$ -	\$ -	\$ -	\$ -
Debentures CL	\$ 2,550,000,000.00	\$ 2,550,000,000.00	\$ 2,495,849,500.00	\$ 25,411,824.00
Discount Notes	\$ 25,242,636,340.20	\$ 25,554,072,104.18	\$ 25,548,182,500.00	NA
Supranational Debentures				
Supranational Debentures	\$ 3,074,194,538.58	\$ 3,074,194,538.58	\$ 3,010,317,500.00	\$ 11,201,903.00
Supranational Debentures FR	\$ -	\$ -	\$ -	\$ -
CDs and YCDs FR				
CDs and YCDs FR	\$ -	\$ -	\$ -	\$ -
Bank Notes	\$ 200,000,000.00	\$ 200,000,000.00	\$ 200,045,234.42	\$ 2,003,194.45
CDs and YCDs	\$ 12,200,000,000.00	\$ 12,200,000,000.00	\$ 12,194,072,815.39	\$ 141,674,375.01
Commercial Paper	\$ 8,539,926,819.43	\$ 8,629,619,069.50	\$ 8,625,697,222.20	NA
Corporate:				
Bonds FR	\$ -	\$ -	\$ -	\$ -
Bonds	\$ 454,676,266.87	\$ 454,676,266.87	\$ 432,355,270.00	\$ 3,364,631.80
Repurchase Agreements				
Repurchase Agreements	\$ -	\$ -	\$ -	\$ -
Reverse Repurchase				
Reverse Repurchase	\$ -	\$ -	\$ -	\$ -
Time Deposits				
Time Deposits	\$ 5,237,000,000.00	\$ 5,237,000,000.00	\$ 5,237,000,000.00	NA
PMIA & GF Loans				
PMIA & GF Loans	\$ 376,839,000.00	\$ 376,839,000.00	\$ 376,839,000.00	NA
TOTAL	\$ 191,211,150,513.42	\$ 191,943,395,579.11	\$ 189,354,142,289.80	\$ 519,514,218.41

Fair Value Including Accrued Interest

\$ 189,873,656,508.21

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 (0.986510329). 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 \$19,730,206.58 or \$20,000,000.00 x 0.986510329.

SAN GABRIEL MUNICIPAL WATER DISTRICT

REVOLVING FUND RECAP

April 20, 2023

Check No.	Date	Description	Amount
12272-12276	04/20/23	Payroll Expense	\$ 29,393.89
EFT	04/20/23	Payroll Expense - PERS	\$ 7,857.78
Wires	04/20/23	Federal & State Payroll Taxes	\$ 17,979.21
EFT	04/20/23	State Compensation Insurance	\$ 1,137.04
12277	04/20/23	Frontier	\$ 570.82
12278	04/20/23	SCE	\$ 441.72
April 20, 2023 GRAND TOTAL DISBURSEMENTS.....			<u>\$ 57,380.46</u>

REVOLVING FUND RECAP

May 04, 2023

Check No.	Date	Description	Amount
12279-12283	05/04/23	Payroll Expense	\$ 29,356.20
EFT	05/04/23	Payroll Expense - PERS	\$ 7,857.78
Wires	05/04/23	Federal & State Payroll Taxes	\$ 17,962.26
12284	05/04/23	Azusa Light & Water	\$ 40.87
12285	05/04/23	Frontier	\$ 132.38
12286	05/04/23	The Gas Company	\$ 68.52
12287	05/04/23	Verizon Wireless	\$ 1,017.11
12288	05/04/23	Azusa Light & Water	\$ 89.20
May 04, 2023 GRAND TOTAL DISBURSEMENTS.....			<u>\$ 56,524.32</u>

REVOLVING FUND RECAP

May 08, 2023

Check No.	Date	Description	Amount
12289	05/08/23	Bruce H Knoles	\$ 532.70
12290	05/08/23	Mark R Paulson	\$ 914.50
12291	05/08/23	Michael F Eng	\$ 1,739.63
12292	05/08/23	Miles L Prince	\$ 1,986.90
Wires	05/08/23	Federal & State Payroll Taxes	\$ 1,162.77
May 08, 2023 GRAND TOTAL DISBURSEMENTS.....			<u>\$ 6,336.50</u>

San Gabriel Valley Municipal Water District

05/04/23

Transactions by Account

Accrual Basis

As of April 30, 2023

Type	Date	Num	Name	Amount
1001 - General Fund Bank of America				
Bill Pmt -Check	04/12/2023	EFT	BeniComp (Corp)	-1,176.60
Bill Pmt -Check	04/24/2023	EFT	ExxonMobil	-2,102.12
Bill Pmt -Check	04/26/2023	EFT	BeniComp (Corp)	-1,812.10
Bill Pmt -Check	04/28/2023	EFT	BeniComp (Corp)	-2,413.55
Bill Pmt -Check	04/24/2023	43604	Alliance Communication Services (Co...	-130.00
Bill Pmt -Check	04/24/2023	43605	Applied Technology Group, Inc.	-320.00
Bill Pmt -Check	04/24/2023	43606	Athens (Corporation)	-252.70
Bill Pmt -Check	04/24/2023	43607	Brightwood Elementary School PTA	-1,000.00
Bill Pmt -Check	04/24/2023	43608	Canyon City Prinitng, Inc (Corp)	-543.09
Bill Pmt -Check	04/24/2023	43609	Cash Revolving Fund	-70,000.00
Bill Pmt -Check	04/24/2023	43610	Civiltec Inc (Corp)	-4,756.25
Bill Pmt -Check	04/24/2023	43611	Culver Company (Corp)	-2,225.98
Bill Pmt -Check	04/24/2023	43612	Douglas Environmental Group, Inc.	-2,750.00
Bill Pmt -Check	04/24/2023	43613	DWR	-556,259.00
Bill Pmt -Check	04/24/2023	43614	Frontier	-406.21
Bill Pmt -Check	04/24/2023	43615	Grainger (Corp)	-86.55
Bill Pmt -Check	04/24/2023	43616	Hazen and Sawyer	-10,427.50
Bill Pmt -Check	04/24/2023	43617	Independent Cities	-700.00
Bill Pmt -Check	04/24/2023	43618	J.W. Lock Co., Inc.	-293.32
Bill Pmt -Check	04/24/2023	43619	LOWES	-84.93
Bill Pmt -Check	04/24/2023	43620	Mallory Safety And Supply LLC	-214.99
Bill Pmt -Check	04/24/2023	43621	SCE	-460.53
Bill Pmt -Check	04/24/2023	43622	SGV Civic Alliance	-100.00
Bill Pmt -Check	04/24/2023	43623	Sierra Madre Community Foundation	-2,500.00
Bill Pmt -Check	04/24/2023	43624	Sierra Madre Elementary PTA	-1,500.00
Bill Pmt -Check	04/24/2023	43625	Sparkletts	-125.90
Bill Pmt -Check	04/24/2023	43626	Spectrum Enterprise	-239.98
Bill Pmt -Check	04/24/2023	43627	Staples	-269.58
Bill Pmt -Check	04/24/2023	43628	Stump Fence Co (Corp)	-350.00
Bill Pmt -Check	04/24/2023	43629	Valley Cities/ Gonzales Fence Inc.(Co...	-4,600.00
Bill Pmt -Check	04/24/2023	43630	Verizon Wireless (M2M)	-750.48
Total 1001 - General Fund Bank of America				-668,851.36
TOTAL				-668,851.36

San Gabriel Valley Municipal Water District

05/04/23

Transactions by Account

Accrual Basis

As of May 8, 2023

Type	Date	Num	Name	Amount
1001 · General Fund Bank of America				
Bill Pmt -Check	05/08/2023	43631	Albert Lu	-95.99
Bill Pmt -Check	05/08/2023	43632	Alhambra Chamber Commerce	-700.00
Bill Pmt -Check	05/08/2023	43633	Applied Technology Group, Inc.	-320.00
Bill Pmt -Check	05/08/2023	43634	ATT	-99.99
Bill Pmt -Check	05/08/2023	43635	Azusa Light & Water	-899.03
Bill Pmt -Check	05/08/2023	43636	BOA-Visa	-4,642.97
Bill Pmt -Check	05/08/2023	43637	Bucknam & Associates Inc. (Corp)	-596.00
Bill Pmt -Check	05/08/2023	43638	California Advocates, Inc. (Corp)	-8,000.00
Bill Pmt -Check	05/08/2023	43639	California Underground Facilities	-84.08
Bill Pmt -Check	05/08/2023	43640	Cash Revolving Fund	-70,000.00
Bill Pmt -Check	05/08/2023	43641	Cell Business Equipment	-192.95
Bill Pmt -Check	05/08/2023	43642	Cintas	-189.12
Bill Pmt -Check	05/08/2023	43643	Culver Company (Corp)	-5,880.29
Bill Pmt -Check	05/08/2023	43644	D.H. Maintenance Services	-210.00
Bill Pmt -Check	05/08/2023	43645	DePinto Morales Communications, Inc.	-18,728.37
Bill Pmt -Check	05/08/2023	43646	DigAlert (Corporation)	-220.00
Bill Pmt -Check	05/08/2023	43647	DWR	-3,297.00
Bill Pmt -Check	05/08/2023	43648	EcoTech Services, Inc	-7,043.00
Bill Pmt -Check	05/08/2023	43649	Evelyn Reyes	-346.21
Bill Pmt -Check	05/08/2023	43650	Fish N Weeds (Corp)	-1,862.00
Bill Pmt -Check	05/08/2023	43651	Frontier	-250.90
Bill Pmt -Check	05/08/2023	43652	Grainger (Corp)	-39.16
Bill Pmt -Check	05/08/2023	43653	J.W. Lock Co., Inc.	-3,018.08
Bill Pmt -Check	05/08/2023	43654	Lagerlof, LLP (Atty)	-2,240.00
Bill Pmt -Check	05/08/2023	43655	Maria Jarmin	-55.94
Bill Pmt -Check	05/08/2023	43656	Mark Paulson (Expense)	-22.27
Bill Pmt -Check	05/08/2023	43657	Michael F Eng (Expense)	-157.86
Bill Pmt -Check	05/08/2023	43658	Miles L Prince (Expense)	-34.00
Bill Pmt -Check	05/08/2023	43659	Mission ACE Hardware (Corp)	-29.11
Bill Pmt -Check	05/08/2023	43660	Petty Cash	-160.69
Bill Pmt -Check	05/08/2023	43661	Provost & Pritchard Consulting Group...	-3,238.30
Bill Pmt -Check	05/08/2023	43662	SoCal SCADA Solutions LLC	-1,950.00
Bill Pmt -Check	05/08/2023	43663	Stetson Engineers, Inc.	-6,404.50
Bill Pmt -Check	05/08/2023	43664	The Gas Company	-1.49
Bill Pmt -Check	05/08/2023	43665	US Postmaster	-126.00
Bill Pmt -Check	05/08/2023	43666	Verizon Business Services	-584.57
Total 1001 · General Fund Bank of America				-141,719.87
TOTAL				-141,719.87

AGENDA ACTION ITEM NO. 1

2023 – 2024 DRAFT BUDGET

RECOMMENDED ACTION: None, information only.

BACKGROUND: The draft budget is presented; it will be brought back in June for final approval.

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

PRELIMINARY BUDGET - FISCAL YEAR 2023-2024

ACCT NO.	UNRESTRICTED REVENUE GENERAL OPERATIONS	2021-2022 YEAR END	2022-2023 BUDGET	PROJECTED YEAR END	2023-2024 BUDGET	NOTES
3002	Tax Revenue (Gen. 1%)	4,940,637	4,900,000	5,189,789	5,200,000	
3003	Water Sales	931,605	2,000,000	1,361,950	4,465,000	
3004	Interest Revenue	145,458	135,000	402,229	425,000	
3005	Ready-To-Serve	11,880	11,880	11,880	11,880	
3006	RDA Prop Tax Trust Fund (AB1x)	1,047,107	1,000,000	915,905	900,000	
3008	SBVMWD Pipe Mtn Revenue Schedule 6	17,936	30,000	15,239	30,000	
TOTAL GENERAL OPERATIONS REVENUE		7,094,623	8,076,880	7,896,992	11,031,880	
POWER REVENUE SALES						
3210	Hydro Power Sales	0	0	10,000	50,000	
TOTAL POWER REVENUE SALES		0	0	10,000	50,000	
RESTRICTED REVENUE - SWP						
3306	Tax Revenue - State Water Project	9,206,426	9,200,000	9,729,037	9,800,000	
TOTAL RESTRICTED REVENUE - SWP		9,206,426	9,200,000	9,729,037	9,800,000	
3400	Grants-DWR	0	0	0	0	
3401	Grants - State Water Board & Reclamation	0	0	0	0	3 Pending Grant Applications
TOTAL INCOME		16,301,049	17,276,880	17,636,029	20,881,880	
GENERAL OPERATING EXPENSES						
4001	Directors Fees	31,600	35,000	25,000	35,000	
4010	Administrative Salaries	292,308	300,843	301,185	303,816	
4014	Field Supervision	213,788	194,592	194,670	205,963	
4020	Office Salaries	212,585	221,372	221,949	229,932	
4021	External Affairs Manager	120,617	135,063	135,091	139,195	
4022	Part-Time Employee	6,103	14,864	11,548	10,000	
4023	External Affairs Specialist	-	0	0	73,452	
4027	Office Supply/Misc Expense	26,935	44,000	26,000	44,000	
4029	Election Expense	0	123,864	0	0	
4031	Legal Services	32,555	50,000	30,000	50,000	
4032	SWC Services	16,901	40,000	42,396	45,000	
4033	Public Relations & Conservation Materials	73,607	135,000	98,000	135,000	
4034	Governmental Relations Consulting	90,000	96,000	96,116	96,500	
4035	Consulting & Engineering	420,899	2,262,000	1,400,000	1,222,520	
4036	Medicare Tax	18,111	18,180	17,000	19,000	
4039	PERS Payroll Deductions	847,021	853,500	837,305	650,000	
4040	Social Security	63,874	59,590	60,140	62,000	

ACCT NO.	Page 2 ACCOUNT DESCRIPTION	2021-2022 YEAR END	2022-2023 BUDGET	PROJECTED YEAR END	2023-2024 BUDGET	
4041	State Compensation Insurance	14,034	18,180	17,303	19,000	
4042	State Unemployment	1,520	1,621	1,446	1,621	
4043	Health Insurance	395,891	384,000	359,338	384,000	
4044	Dental & Vision Benefit	50,507	92,000	60,000	92,000	
4045	Liability, Cas & Ind Insur.	44,508	45,000	52,752	55,000	
4046	Blue X Employee Reimb.	69,864	80,000	88,000	90,000	
4048	Life Insurance	3,899	3,600	3,695	4,500	
4050	Dues & Associations	69,508	95,000	84,501	95,000	
4051	Travel & Conferences -Directors	10,833	25,000	8,873	25,000	
4052	Publications & Periodicals	140	300	140	300	
4053	SWC Audit Service	9,525	10,000	9,804	10,000	
4054	District Audit Service	19,041	20,000	19,018	20,000	
4055	Travel & Conferences - Staff	6,342	30,000	18,000	30,000	
4057	Tax Annual Fee	50,332	52,000	50,404	52,000	
4058	Tax Collection Fees	34,162	35,000	36,511	38,000	
4059	Property Taxes	598	650	609	650	
4060	Telephone	38,477	40,000	40,554	42,000	
4061	Electricity, Water & Gas	18,076	18,500	19,845	20,000	
4063	Safety Program	1817	20,000	3,800	20,000	
4065	Water Conservation Rebate Program	114,470	295,000	139,730	295,000	
4067	OPEB	480,000	480,000	480,000	* 680,000	* \$500,000 Funding OPEB Trust
4090	SWP Transportation Cost Variable	233,083	2,000,000	700,000	* 5,800,000	* 100% Allocation
4093	Uniform Rental-Cleaning	2,999	4,000	2,409	4,000	
4095	Vehicle Maint/Operating Expense	28,466	25,000	29,011	30,000	
4096	Communication Expense/Security	18,086	8,400	9,188	9,500	
4099	Facility Maintenance	27,109	30,000	32,599	30,000	
4100	Field Salaries	300,494	239,212	279,065	281,741	
4108	Grounds Maint & Materials	46,142	33,000	31,859	33,000	
4113	Pipeline Maintenance & Materials	23,727	50,000	36,361	50,000	
4114	SCADA Maintenance	6,470	8,000	10,920	10,000	
4120	Grants	227,760	2,370,245	347,527	* 2,120,553	* \$1,800,000 Sierra Madre Joint Well
TOTAL UNRESTRICTED G. O. EXPENSES		4,814,784	11,097,576	6,469,662	13,664,243	

ACCT NO.	Page 3 ACCOUNT DESCRIPTION	2021-2022 YEAR END	2022-2023 BUDGET	PROJECTED YEAR END	2023-2024 BUDGET
SCHEDULE VI - RIVERSIDE FACILITY					
4300	Salaries - Riverside	11,329	16,203	8,442	16,203
4301	Riverside Maintenance & Materials	3,928	28,300	3,878	28,300
TOTAL RIVERSIDE FACILITY		15,257	44,503	12,320	44,503
HYDRO EXPENSES					
4402	Hydro Salaries	1,253	9,183	2,599	9,183
4403	Hydro Maintenance & Materials	10,910	13,500	6,320	13,500
4406	SCE Hydro (8800)	4,064	5,200	4,737	10,000
TOTAL HYDRO EXPENSES		16,227	27,883	13,656	32,683
RESTRICTED EXPENSE - SWP					
4510	State Project Expense	7,285,794	7,700,000	6,989,434	7,700,000
4511	State Project Amortization	96,403	97,000	96,408	97,000
4591	State Project Cost of Water Adjustment Pr Yr	(49,219)	0	(34,900)	0
TOTAL RESTRICTED SWP EXP		7,332,978	7,797,000	7,050,942	7,797,000
TOTAL EXPENSE		12,179,246	18,966,962	13,546,580	21,538,429

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

RECAP				
TOTAL REVENUE	16,301,049	17,276,880	17,636,029	20,881,880
TOTAL EXPENSE	12,179,246	18,966,962	13,546,580	21,538,429
GAIN (LOSS)	4,121,803	(1,690,082)	4,089,449	(656,549)
FUNDS TRANSFERED FROM RESERVES	0	(1,690,082)		656,549
NET INCOME	4,121,803	0	4,089,449	0

**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
MAJOR CAPITAL EXPENDITURES
2023-2024 BUDGET**

			PRELIMINARY	
ACC	New	Carry	ITEM & DESCRIPTION	COST
No.		Over		
	X		Lytle Creek Turnout SCADA Installation	\$78,000.00
			SoCal SCADA Solutions Proposal 4/11/23 \$70,476 (+10%)	
	X		Fall Protection Correction / Upgrade	\$47,000.00
			VER Sales, Inc. Proposal 3/22/23 \$41,950.98 (+10%)	
	X		Office Flooring Replacement	\$14,000.00
			Nemeth Family Interiors Estimate 4/19/23 \$12,621.30 (+10%)	
	X		Facilities Painting (AFCS, Office + Select Interior, Select Fencing, Gate, Stucco on SGFCS, San Dimas, RMS)	\$25,000.00
			*Placeholder- No Proposal	
	X		Office Roof Recoat/Tile Checked & AFCS Facia Replaced/ Tile Checked USA Roofing	\$45,000.00
			*Placeholder- No Proposal	
	X		Office Furniture for Copy Room Conversion, Board Room Chairs / Tables Updated, New Task Chairs for All (6) Offices.	\$25,000.00
			*Placeholder- No Proposal	
	X		Schedule 1 Joint Bonding, Condition Assessment Verification	\$2,530,000.00
			* Placeholder- Based on 23,000' x \$100/ft (+10%)	
		X	San Dimas Pavement Replacement	\$55,000.00
			(\$37,998.00 Prestige Updated Proposal 4/27 (+10%)	
		X	Standby generator replacement: AFCS,BD, EM, ETI & RMS	\$341,000.00
			(5) 10kW C10D6 Generator & T/S \$42,320 ea. = \$211,600	
			SDH (1) 30kW Generator & T/S = \$59,290	
			(5) Level 2 Sound Enclosure \$5,170 ea. = \$25,850	
			(6) Load Bank Breaker \$520 ea. = \$3,120	
			(+10%)	
		X	Hydroelectric Facility 24" Butterfly Valve Replacement	\$181,000.00
			Project Construction (+10%)	
		X	SGFCS PRATT 30" Ball Valve Pre-Purchase	\$100,000.00
			(PRATT PO# 2513 \$97,505.10)	
		X	San Gabriel Flow Control 30" Ball Valve Replacement	\$121,000.00
			Project Construction (+10%)	
		X	Sierra Madre \$2.7 Million Dollar Zero Interest Loan	\$200,063.00
			TOTAL	\$3,762,063

AGENDA ACTION ITEM NO. 2

COST OF LIVING ADJUSTMENT

RECOMMENDED ACTION: Approve a 3.7 % Cost of Living Adjustment for all employees effective June 26, 2023.

BACKGROUND: The CPI for the 12-month period ending March 2023 was 3.7% for the Los Angeles area.

BUDGET IMPACT: A 3.7% salary increase across the board will result in a \$55,000 increase in the 2023-2024 Budget.

PRIOR BOARD ACTION: None



Economic News Release



Table 4. Consumer Price Index for All Urban Consumers (CPI-U): Selected areas, all items index

Table 4. Consumer Price Index for All Urban Consumers (CPI-U): Selected areas, all items index, March 2023

[1982-84=100, unless otherwise noted]

Area	Pricing Schedule(1)	Percent change to Mar. 2023 from:			Percent change to Feb. 2023 from:		
		Mar. 2022	Jan. 2023	Feb. 2023	Feb. 2022	Dec. 2022	Jan. 2023
U.S. city average	M	5.0	0.9	0.3	6.0	1.4	0.6
Region and area size(2)							
Northeast	M	4.3	0.3	-0.2	5.9	1.2	0.5
Northeast - Size Class A	M	4.8	0.5	-0.1	6.3	1.4	0.6
Northeast - Size Class B/C(3)	M	3.6	0.0	-0.4	5.4	1.0	0.5
New England(4)	M	3.6	0.2	0.0	5.1	1.1	0.2
Middle Atlantic(4)	M	4.6	0.3	-0.3	6.2	1.3	0.7
Midwest	M	4.9	1.1	0.6	5.6	1.3	0.5
Midwest - Size Class A	M	4.7	1.1	0.6	5.4	1.1	0.4
Midwest - Size Class B/C(3)	M	5.0	1.1	0.6	5.7	1.4	0.5
East North Central(4)	M	5.1	1.1	0.8	5.6	1.3	0.4
West North Central(4)	M	4.3	0.9	0.2	5.4	1.2	0.7
South	M	5.3	1.0	0.4	6.4	1.4	0.6
South - Size Class A	M	5.4	1.2	0.5	6.4	1.3	0.7
South - Size Class B/C(3)	M	5.2	0.9	0.3	6.4	1.5	0.6
South Atlantic(4)	M	5.6	1.1	0.5	6.4	1.2	0.6
East South Central(4)	M	5.2	1.2	0.3	6.5	1.8	1.0
West South Central(4)	M	4.7	0.7	0.2	6.3	1.6	0.5
West	M	5.1	1.0	0.5	6.0	1.4	0.5
West - Size Class A	M	5.0	0.7	0.3	6.2	1.6	0.4
West - Size Class B/C(3)	M	5.2	1.4	0.7	5.7	1.2	0.7
Mountain(4)	M	6.0	1.5	0.8	6.7	1.3	0.7
Pacific(4)	M	4.8	0.8	0.4	5.7	1.5	0.4
Size classes							
Size Class A(5)	M	5.0	0.8	0.3	6.1	1.4	0.5
Size Class B/C(3)	M	4.9	0.9	0.3	6.0	1.3	0.6
Selected local areas							
Chicago-Naperville-Elgin, IL-IN-WI	M	4.4	1.2	0.8	5.0	1.2	0.4
Los Angeles-Long Beach-Anaheim, CA	M	3.7	-0.2	0.1	5.1	1.6	-0.3

Footnotes

(1) Foods, fuels, and several other items are priced every month in all areas. Most other goods and services are priced as indicated: M - Every month. 1 - January, March, May, July, September, and November. 2 - February, April, June, August, October, and December.

(2) Regions defined as the four Census regions.

(3) Indexes on a December 1996=100 base.

(4) Indexes on a December 2017=100 base.

(5) Indexes on a December 1986=100 base.

(6) 1998 - 2017 indexes based on substantially smaller sample.

(7) Indexes on a December 2001=100 base.

(8) Indexes on a 1987=100 base.

NOTE: Local area indexes are byproducts of the national CPI program. Each local index has a smaller sample size than the national index and is, therefore, subject to substantially more sampling and other measurement error. As a result, local area indexes show greater volatility than the national index, although their long-term trends are similar. Therefore, the Bureau of Labor Statistics strongly urges users to consider adopting the national average CPI for use in their escalator clauses.

Area	Pricing Schedule ⁽¹⁾	Percent change to Mar. 2023 from:			Percent change to Feb. 2023 from:		
		Mar. 2022	Jan. 2023	Feb. 2023	Feb. 2022	Dec. 2022	Jan. 2023
New York-Newark-Jersey City, NY-NJ-PA	M	4.6	0.3	-0.1	6.0	1.2	0.4
Atlanta-Sandy Springs-Roswell, GA	2				7.2	1.5	
Baltimore-Columbia-Towson, MD ⁽⁶⁾	2				6.1	1.2	
Detroit-Warren-Dearborn, MI	2				7.0	1.9	
Houston-The Woodlands-Sugar Land, TX	2				5.2	1.9	
Miami-Fort Lauderdale-West Palm Beach, FL	2						
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	2				6.9	2.0	
Phoenix-Mesa-Scottsdale, AZ ⁽⁷⁾	2				8.5	1.2	
San Francisco-Oakland-Hayward, CA	2				5.3	1.8	
Seattle-Tacoma-Bellevue, WA	2				8.0	1.4	
St. Louis, MO-IL	2				5.9	0.8	
Urban Alaska	2				4.3	0.1	
Boston-Cambridge-Newton, MA-NH	1	4.7	0.2				
Dallas-Fort Worth-Arlington, TX	1	5.8	1.3				
Denver-Aurora-Lakewood, CO	1	5.7	1.3				
Minneapolis-St.Paul-Bloomington, MN-WI	1	3.4	0.4				
Riverside-San Bernardino-Ontario, CA ⁽⁴⁾	1	4.6	0.0				
San Diego-Carlsbad, CA	1	5.3	1.0				
Tampa-St. Petersburg-Clearwater, FL ⁽⁸⁾	1	7.7	1.1				
Urban Hawaii	1	3.3	0.6				
Washington-Arlington-Alexandria, DC-VA-MD-WV ⁽⁵⁾	1	3.7	1.3				

Footnotes

(1) Foods, fuels, and several other items are priced every month in all areas. Most other goods and services are priced as indicated: M - Every month. 1 - January, March, May, July, September, and November. 2 - February, April, June, August, October, and December.

(2) Regions defined as the four Census regions.

(3) Indexes on a December 1996=100 base.

(4) Indexes on a December 2017=100 base.

(5) Indexes on a December 1986=100 base.

(6) 1998 - 2017 indexes based on substantially smaller sample.

(7) Indexes on a December 2001=100 base.

(8) Indexes on a 1987=100 base.

NOTE: Local area indexes are byproducts of the national CPI program. Each local index has a smaller sample size than the national index and is, therefore, subject to substantially more sampling and other measurement error. As a result, local area indexes show greater volatility than the national index, although their long-term trends are similar. Therefore, the Bureau of Labor Statistics strongly urges users to consider adopting the national average CPI for use in their escalator clauses.

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Last Modified Date: April 12, 2023

U.S. BUREAU OF LABOR STATISTICS Division of Consumer Prices and Price Indexes Suite 3130 2 Massachusetts Avenue NE Washington, DC 20212-0001

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AGENDA ACTION ITEM NO. 3

CONSIDER SUPPORT FOR SB366

RECOMMENDED ACTION: Support SB 366 (Caballero) The California Water Plan: long-term supply targets

BACKGROUND: This bill would require the California Water Plan, commencing with the 2028 update, to be a comprehensive plan for addressing the state's water needs and meeting water supply targets. This would also update the requirement that state agencies develop a plan to achieve those targets in consultation with local water agencies.

The bill passed out of the Senate Natural Resources and Water Committee unanimously with 11 Aye's and 0 Noes. The bill is fiscal and will next be heard in the Appropriations Committee. Senator Anthony Portantino is the Chair of the committee.

PRIOR BOARD ACTION: None

May 8, 2023

The Honorable Anthony Portantino
Chair, Senate Appropriations Committee
1021 O Street, Room 3220
Sacramento, CA 95814

RE: SB 366 (Caballero) - Support

Dear Chairman Portantino:

The San Gabriel Valley Municipal Water District is writing in support of SB 366. The bill would establish long-term water supply targets for the State to achieve, require a financing plan, and would update the requirement that state agencies develop a plan to achieve those targets, in consultation with local water agencies, wastewater service providers and other stakeholders.

There is an urgent need for California to develop targets that will complement and amplify Governor Newsom's Water Supply Strategy and extend beyond any single Administration. Given the extreme climate impacts of the 21st century, the anticipated reductions from existing water resources, and the controls on the use of groundwater, California needs additional water supply.

The San Gabriel Valley Municipal Water District believes that SB 366 will bring the fundamental changes that are necessary. SB 366 will do the following:

- Transform water management in California taking us from a perpetual state of supply vulnerability to a reliable and sufficient water supply that is adequate for all Californians.
- Preserve the California way of life, supplying water to our homes and communities, habitat and environment, recreation and tourism, and business and economic success.
- Support economic vitality for all businesses, from restaurants to technology companies, and employers that depend on a reliable water supply.
- Fulfill the generational responsibility to develop a water system that will adapt to changes in the environment and allow the state to thrive now and for future generations.

The San Gabriel Valley Municipal Water District urges the Senate Appropriations Committee to support SB 366 and take this important step toward securing the state's water future.

Sincerely,

Darin J. Kasamoto
General Manager

CC: The Honorable Anna Caballero

SENATE COMMITTEE ON NATURAL RESOURCES AND WATER

Senator Dave Min, Chair
2023 - 2024 Regular

Bill No: SB 366 **Hearing Date:** April 25, 2023
Author: Caballero
Version: March 22, 2023 Amended
Urgency: No **Fiscal:** Yes
Consultant: Genevieve Wong

Subject: The California Water Plan: long-term supply targets

BACKGROUND AND EXISTING LAW

The California Water Plan

The California Water Plan (Water Plan) “is accepted as the master plan which guides the orderly and coordinated control, protection, conservation, development, management and efficient utilization of the water resources of the state.” (Water Code §10005(a)). Additionally, this declaration “does not constitute approval for the construction of specific projects or routes for transfer of water, or for financial assistance, by the state, without further legislative action, nor shall [it] be construed as a prohibition of the development of the water resources of the state by any entity.” (Water Code §10005(b)).

As a part of updating the Water Plan every five years, the Department of Water Resources (DWR) is required to include a discussion of various strategies, including those relating to the development of new water storage facilities, water conservation, water recycling, desalination, conjunctive use, and water transfers that may be used to meet future water needs of the state. DWR is also required to conduct a study to determine the amount of water needed to meet the state’s future needs and to recommend programs, policies, and facilities to meet those needs. (Water Code §§10004.5, 10004.6). The next update is scheduled for this year.

According to DWR’s website, the development of the Water Plan dates back to the late 1800s. The first plan, which covered ideas for water distribution in the state, was put together in 1873. Subsequent reports (plans) were issued through the decades as DWR bulletins.

The initial Water Plan (known as Bulletin 3) was released in 1957 and was intended for “control, protection, conservation, distribution, and utilization of all the waters of California, to meet present and future needs for all beneficial uses and purposes in all areas of the state to the maximum feasible extent.”

Bulletin 3 and subsequent updates were mostly technical documents focused on water supply development. Over time, the plans were gradually expanded to reflect the growing conflicts over California’s limited water resources.

Since the 1998 update, the Water Plan has moved from a technical document focused on water supply development to an evaluation of options for addressing significant water issues in California.

California's Water Supply Strategy: Adapting to a Hotter Drier Climate. In August 2022, Governor Newsom released this strategy to address a projected 10% decrease in water supply (6–9 million acre-feet (MAF) of water per year) by 2040 due to climate change.¹ To address this shortfall, the strategy includes:

- Creating storage space for up to 4 MAF of water, allowing the state to capitalize on big storms when they do occur and store water for dry periods.
- Recycle and reuse at least 800,000 acre-feet of water per year by 2030, enabling better and safer use of wastewater currently discharged to the ocean.
- Freeing up 500,000 acre-feet of water through more efficient water use and conservation, helping make up for water lost due to climate change.
- Making new water available for use by capturing stormwater and desalinating ocean water and salty water in groundwater basins, diversifying supplies and making the most of high flows during storm events.

Existing law:

- 1) States that it is the established policy of the state that the Water Plan, as amended, is accepted as the master plan which guides the orderly and coordinated development, management, and efficient utilization of the water resources of the state. DWR is required to update the Water Plan every 5 years. (Water Code (Wat. C.) §§10004 et seq.)
 - a) Provides that the Water Plan is set forth and described in Bulletin No. 1 of the State Water Resources Control Board (SWRCB) entitled "Water Resources of California," Bulletin No. 2 of SWRCB entitled, "Water Utilization and Requirements of California," and Bulletin No. 3 of DWR entitled, "The California Water Plan," with any necessary amendments, supplements, and additions to the plan. (Wat. C. §10004(a))
- 2) Requires DWR, as a part of updating the Water Plan, among other things, to:
 - a) Establish an advisory committee, comprised of representatives of agricultural and urban water suppliers, local government, business, production agriculture, and environmental interests, and other interested parties, to assist DWR in the updating of the Water Plan. (Wat. C. §10004(b)(2))
 - b) Conduct a study to determine the amount of water needed to meet the state's future needs and to recommend programs, policies, and facilities to meet those needs. (Wat. C. §10004.6(a))
 - c) Include in the plan a discussion of strategies to meet the state's future water needs, including:
 - i) Those relating to the development of new water storage facilities, water conservation, water recycling, desalination, conjunctive use, and water

¹ DWR estimates a 10% reduction in water supply by 2040.

transfers that may be pursued in order to meet the future water needs of the state. (Wat. C. §10004.5)

- ii) The potential advantages and disadvantages of each strategy and an identification of all federal and state permits, approvals, or entitlements that are anticipated to be required in order to implement the various components of the strategy. (Wat. C. §10004.5)
- 3) Requires DWR, one year before issuing each update to the Water Plan, to release a preliminary draft of the assumptions and other estimates upon which the study will be based, to interested persons and entities throughout the state for their review and comments. Current law prescribes a broad list of subjects on which DWR is required to release those assumptions and estimates. These include topics such as hydrology, groundwater conditions, land use patterns, conservation practices, environmental water needs, demographic projections, etc. (Wat. C. §10004.6(c))
 - 4) Requires DWR to conduct a series of noticed hearings with interested persons, organizations, local, state, and federal agencies, and representatives of the diverse geographical areas and interests of the state. (Wat. C. §10005.1)

PROPOSED LAW

This bill would revise and recast these provisions and require the Water Plan, commencing with the 2028 update, to be a comprehensive plan for addressing the state's water needs and meeting water supply targets established by the bill.

Specifically, this bill:

- 1) Requires DWR, in coordination with the California Water Commission (CWC), SWRCB, and other state and federal agencies, and the stakeholder advisory committee, which would be expanded by the bill, to develop a comprehensive plan ("The California Water Plan") for addressing the state's water needs and meeting the water supply targets set by the bill. Requires the Water Plan to be updated on or before December 31, 2028.
 - a) Sets a water supply planning target of 10 MAF by 2040 and 15 MAF by 2050 and would require the target to include new and expanded supplies, including from a specific list of strategies.
- 2) Requires DWR, in consultation with CWC, to establish a stakeholder advisory committee, comprised of representatives of agricultural and urban water suppliers, local government, business, production agriculture, tribes, environmental justice and environmental interests, and other interested parties.
 - a) Requires DWR to consult with and consider recommendations from the advisory committee in developing the Water Plan.
 - b) Requires DWR to accept applications for the stakeholder advisory committee before each update and ensure a balanced representation of members.

- 3) Requires DWR to seek out and consider all relevant information for retail and wholesale water agencies, agriculture, business, tribes, environmental and environmental justice communities, and any other communities potentially impacted by the plan and from researchers and experts on climate science, climate science solutions, water storage, water conveyance, and environmental protection.
- 4) Requires the plan to provide recommendations and strategies to ensure enough water supply for all beneficial uses.
- 5) Requires each update of the plan to include:
 - a) A discussion of various strategies, including, but not limited to, those relating to the development of new surface and groundwater storage facilities, water conservation, water recycling, desalination, conjunctive use, improved regional and statewide conveyance, stormwater capture, and water transfers that may be proposed to meet the bill's water supply targets. Requires the plan to include a discussion of potential advantages and disadvantages of each strategy, how to maximize the strategy for long-term sustainability, how innovation and research can spur the implementation of each strategy, and an identification of all federal and state permits, approvals, or entitlements that may be required to implement the strategy.
 - i) Requires DWR, in consultation with the expanded advisory committee, to develop and make recommendations for specific actions that shall be taken to streamline those permits and approvals.
 - ii) Specifies that in carrying out the Water Plan, a public water system, irrigation district, or wastewater service provider is not required to implement a specific strategy or project.
 - b) A study to support the water supply targets and to recommend programs, policies, and facilities to achieve those targets with assumptions and estimates, as specified.
 - c) An economic analysis of the costs and impacts to the state if it has inadequate water supplies to meet current demand for all sectors of the economy and environment in the next 10-, 20-, and 30-year scenarios, as specified.
 - d) A report on the development of regional and local water projects within each hydrologic region of the state to improve water supplies to meet municipal, agricultural, and environmental water needs and meet the water supply targets established by the bill.
 - e) A long-term financing plan to meet the water supply targets set by the bill. Requires the financing plan to do all of the following:
 - i) Analyze a variety of financing mechanisms, including use of general fund moneys, general obligation bond fund moneys, and other potential sources of financing to meet the bill's water supply targets.

- ii) Consider the cost-effectiveness of various water supply options and compare those costs to the economic cost of supply shortages on various customer classes and the California economy.
 - iii) Recommend actions to be taken by DWR, SWRCB, or other state agencies to streamline access to funding for projects in all areas of the state that will help achieve water supply targets, as specified.
- 6) Requires DWR to update the Water Plan every 5 years and to report the amendments, supplements, and additions included in the updates, with a summary of DWR's conclusions and recommendations, to the Legislature.
- 7) Requires DWR, in addition to the assumptions and estimates DWR is required to release before updating the Water Plan, to also release assumptions and estimates relating to climate change impacts by region.
- 8) Requires DWR to release a preliminary draft of the Water Plan, as updated, upon request to interested persons and entities for review and comments, and requires DWR to post the preliminary draft on its website. Requires DWR to consider these comments in the preparation of the final publication of the Water Plan.
- 9) Requires the DWR director to provide an oral and written report to the Legislature by May 1 annually regarding the progress made toward meeting the water supply targets at in an informational hearing of the relevant committees.
- 10) Declares that the people of the state have a priority interest in the orderly and coordinated control, protection, conservation, development, and utilization of the water resources of the state by all individuals and entities and that it is the policy of the state that the Water Plan is accepted as the master plan that guides the orderly and coordinated control, protection, conservation, development, management, and efficient utilization of the water resources of the state.
 - a) Provides that this declaration does not constitute approval for the construction of specific projects or routes for transfer of water, or for financial assistance, by the state without further legislative action and provides that the declaration shall not be construed as a prohibition of the development of water resources of the state by any entity.

ARGUMENTS IN SUPPORT

According to the author, "A reliable and sustainable water supply is critical to every aspect of California's economy and the quality of life for all Californians. While recent storms have been helpful, a combination of factors, including the driest three-year period in 1,200 years, an aging infrastructure, a growing population and economy, antiquated state policies, and climate change, have created a challenge that threatens the survival of some communities and sectors of the economy and jobs. Despite decades of work to improve California's water system, our infrastructure remains inadequate to meet present needs and is woefully unprepared to meet future needs. SB 366 would establish necessary water supply targets to capture and produce enough water for all uses, including communities, agriculture, and the environment, by modernizing the California Water Plan for a 21st century climate. SB 366 would not only establish long-term water supply targets for the state to achieve, but also require a

financing plan, and update the requirement that state agencies develop a plan to achieve those targets, in consultation with local water agencies, wastewater service providers and other stakeholders. This bill is an important part of a comprehensive, long-term water supply solution that will transform water management for generations to come.”

Co-sponsor California Municipal Utilities Association (CMUA) writes, “While this year has been marked by flooding and historic snowpack levels, it is clear that these types of wet years are not reliable, and we will need to adapt to hotter, drier conditions. Action is needed to ensure there is enough water for all beneficial uses now and in the future.

“SB 366 will help achieve this goal by establishing in statute long-term water supply targets that the state can work towards as part of the California Water Plan and in partnership with local and regional water agencies and wastewater providers. This bill amplifies the Governor’s recent ‘Water Supply Strategy’ and ensures a water supply target will transcend any single Administration. . . This legislation will move California from a mindset of managing scarcity to a future where there is truly sufficient water for all beneficial uses.”

Supporters of the bill include various local agencies, water agencies, water districts, chambers of commerce, and agricultural groups, among others. Writing in support, the Association of California Water Agencies (ACWA) argues that the “State has been responsible for [the] regular update [to The California Water Plan] since 1957 without any meaningful change to the process or requirements.” According to the letter, SB 366 builds on efforts such as the Governor’s Water Supply Strategy and “would modernize the California Water Plan and include a water supply planning target of 15 [MAF] of water by 2050. The bill stipulates the target shall include new and expanded supplies from the strategies.” Additionally, “ACWA is supportive of an ‘all of the above’ approach to water supply management”

ARGUMENTS IN OPPOSITION

In its letter of opposition, the Mono Lake Committee highlights three main issues: (1) the water supply planning target and interim target, (2) the bill focuses on water supply planning targets and gives less consideration to demand management programs and policies, and (3) the necessity of a financing plan for a plan not yet developed.

With regard to the water supply planning target, “setting planning targets in advance of a rigorous analysis of current conditions and likely futures is backwards. Many things need to be investigated and evaluated before projecting water use trends or likely future hydrology under climate change. Then those projections need to be thoroughly reviewed and verified. Only then can one be reasonably certain that any identified mismatches of supplies and demands are appropriate for planning purposes.” Further, the “15 [MAF] target for 2050 is not supported by the documentation provided by [the author’s] office,” which will be discussed in further detail below.

The letter goes on to argue, “by focusing on a water supply planning target, the bill diminishes, and in one case eliminates, consideration of demand management programs and policies.” The letter points out that water conservation programs “don’t increase water supply, they reduce demand. While SB 366 does list conservation as a strategy to be discussed in the revised California Water Plan, it is not clear how

conservation would count towards the additional water supply target.” The letter also highlights the removal of DWR’s requirement to “include a discussion of the potential for alternative water pricing policies to change current and projected water uses,” which “have been shown to be very effective at reducing water demand and are well accepted by the public.”

Third, relating to the financing plan, the letter feels that “it is not clear why we need a financing plan for a plan that no one has seen. There have been numerous water resources related plans proposed over the years, all to different levels of acceptance, but none universally embraced.” The writer of the letter feels that it would “be imprudent to spend a lot of effort developing a funding plan for programs and projects elements that may never be accepted by the broader public.” Further, “it is not clear why the state should develop a financing plan when the vast majority of funding for water supply and water quality is provided through local expenditures.” The letter notes that “SB 366 provides no financing principles or other guidance as to how that plan is to be developed. Typically, water supply projects have been funded largely under the beneficiary pays principle, Water quality projects try to follow the polluter pays principle, but when the polluter cannot be identified, the state or federal government often steps in” and that “state funding has generally been dedicated to public benefits. It is not clear what financing principles the financing plan proposed by [SB 366] will follow.”

COMMENTS

Current Water Plan versus SB 366’s Water Plan. SB 366 aims to modernize the Water Plan, and revises and recasts its provisions.

	Current Water Plan	SB 366 Water Plan
SWRCB Bulletins No. 1 and No. 2, and DWR Bulletin No. 3.	Contains references to Bulletins No. 1, 2, and 3, and incorporates all three into “The California Water Plan.” (§10004(a))	Removes the reference to Bulletins Nos. 1, 2, and 3, and instead calls for a “comprehensive plan” for addressing the state’s water needs and to meet the water supply targets established by the bill. (Proposed §10004(a))
“Master Plan” designation	§10005(a)	Proposed §10004(b)
Not automatic approval for specific projects or financial assistance	§10005(b)	Proposed §10004(e)
Advisory Committee	<p>Agricultural and urban water suppliers, local government, business, production agriculture, and environmental interests, and other interested parties. (§10004(b)(2))</p> <p>Requires notice of advisory committee meetings and requires meetings be open to the public. (§10004(b)(2))</p>	<p>Adds tribes and environmental justice.</p> <p>Same notice requirements.</p>

	No limitations currently imposed on Advisory Committee.	DWR accepts applications for committee before each update. Members cannot serve longer than the development of two updates. Must meet four times annually. (Proposed §10004(f)(3))
Preliminary drafts	DWR is required to release preliminary drafts, upon request, for public review and comment. DWR is required to consider the comments in preparing the final Water Plan. (§10004(b)(3))	Same, but also requires DWR to post a preliminary draft on website. (Proposed §10004(f)(5))
Water Supply Planning Targets	Not included.	15MAF by 2050; 10 MAF by 2040. Requires targets to include new and expanded supplies. (Proposed §10004(c))
Updates to the Water Plan	Every five years; Requires DWR to report the amendments, supplements and additions, with a summary of DWR's conclusions and recommendations, to the Legislature. (§10004(b)(1)) Not included.	Same as current law. (Proposed §10004(f)(1)) <i>Plus</i> Public workshops for public comment; emphasis on communities most impacted by drought and other weather extremes. (Proposed §10004(f)(4)) DWR director required to give oral and written report by May 1, annually, on progress of meeting water supply targets at informational hearing of "relevant committees." (Proposed §10004(f)(2))
Update components	Discussion of various strategies to meet future water needs of the state; including discussion of advantages and disadvantages of each strategy, and identification of permits, approvals, or entitlements required for the strategy. (§10004.5)	Discussion of various strategies to meet the water supply targets, including a discussion of the advantages and disadvantages of each strategy, how to maximize the strategy for long-term sustainability, how innovation and research can spur the implementation of each strategy, and recommendations for streamlining permits and approvals for those strategies.

	<p>Discussion of the potential for alternative water pricing policies to change current and projected uses. (§10004.6(d))/(§10004.5)</p> <p>A study to determine the amount of water needed to meet the state’s future needs and recommendations to meet those needs. (§10004.6(a))</p> <p>A report on development of regional and local water projects within each hydrologic region to improve water supplies and meet water needs and minimize need to import water from other regions. (§10013)</p>	<p>Not included.</p> <p>A study to support the water supply targets set by the bill and recommendations to achieve those targets.</p> <p>An economic analysis.</p> <p>A report on development of regional and local water projects within each hydrologic region to improve water supplies to meet water needs and meet water supply targets.</p> <p>A long-term financing plan. (Proposed §10004(d))</p>
Preliminary draft of assumptions and estimates	§10004.6(c)	<p>Very similar except:</p> <p>Adds current and projected water use for climate change impacts by region.</p> <p>Removes discussion of potential for alternative water pricing policies.</p> <p>(Proposed §10004.6(a))</p>
Long-term financing plan	Not included	Proposed §10005

*All code section references are to the Water Code

The water supply targets. SB 366 proposes ambitious water supply targets of 15 MAF by 2050. According to information provided by CMUA, the target was developed based on the following reduction estimates:

- Loss of Sierra Snowpack: 45% - 60% reduction by 2050 = 7.65 – 10.2 MAF (Source: “A low to no snow future and its impacts on water resources in the western United States”, Lawrence Berkley Labs, November 2021)
- San Joaquin Valley Shortages: 2.7 MAF/year reduction in groundwater supply by 2040, and 0.4 MAF/year reduction in Delta exports by 2040 due to climate change and increased regulations (Source: “The future of agriculture in the San Joaquin Valley”, PPIC, February 2023)
- Reduction in Sacramento Valley Storage: 0.44 MAF/year by 2050 (Source: “Delta Adapts Water Supply Technical Memo”, Delta Stewardship Council, July 2020)
- Reduction in Colorado River Supply: Total reduction of 2 – 4 MAF/year, impact on California: 1 MAF/year (estimate). (Source: Bureau of Reclamation, January 2023)

Based on these figures, CMUA estimates that California's total water supply need by 2050 will be between 12.19 – 14.74 MAF.

However, according to the Mono Lake Committee position letter, "The 15 [MAF] target for 2050 is not supported by the documentation ... For example, in justifying the 15 MAF target, the backup material cites a study that found that the California Snowpack would be reduced by as much as 10.2 MAF. This finding supports 2/3rds of the proposed 15 MAF target. However, the cited study focused solely on the snowpack, not total precipitation. The study specifically notes that it focuses on snowpack in part because precipitation 'lacks consensus on whether future conditions in the [Western United States] will be wetter, drier or remain the same.' In other words, the study offers no opinion on whether California would receive more or less water in the form of precipitation in the future, only that less of it will come in the form of snow."

In response, the sponsors maintain that the 15 MAF is an aspirational goal based on the state's current water use and is similar to environmental goals that the Legislature has put into statute such as greenhouse gas emission reduction or carbon neutrality.

Because it is unclear if the 15 MAF, although aspirational, is achievable, it may make more sense to require DWR to establish a long-term water supply target for 2050. Although it is also unknown if the 2040 interim target is achievable, and likely won't be known until DWR establishes the long-term water supply targets for 2050, the author believes that it is important to keep an aspirational goal for the state to strive towards. The author argues that if, after DWR establishes the long-term supply target for 2050, it becomes apparent that the 2040 interim target is inappropriate, the Legislature can later amend the interim target.

The committee may wish to amend the bill to require DWR to establish the long-term water supply target for 2050, while maintaining the 2040 interim target. (See Amendments, specifically – proposed Section 10004.6(a) and (c); proposed Section 10004(a) [conforming change]; former proposed Section 10004(c) [conforming change]; proposed Section 10004(c)(1)(A) [conforming change]; and former Section 10004(d)(2) [conforming change])

SB 366's seems to focus more on water supply and infrastructure and less on conservation and demand management. Whether or not intentional, the inclusion of water supply targets, coupled with the development of a financial plan and removal of some provisions relating to demand management, minimizing reliance on imported water, and focusing on supply rather than actual need, appears to set the tone that the revised Water Plan will place a greater emphasis on increasing water supply and the infrastructure necessary to support that increased supply. As pointed out in the Mono Lake Committee letter, while the revised Water Plan does list conservation as a strategy to be discussed, "it is not clear how conservation would count towards the additional water supply target."

In general, the removed provisions include:

- Requiring DWR to include a report on the development of regional and local water projects within each hydrologic region to improve water supplies and meet municipal, agricultural, and environmental water needs *and* minimize the need to import water from other hydrologic regions (Wat. C. §10013). SB 366 also

requires a report on the development of regional and local water supply projects within each hydrologic region to improve water supplies, but it removes the portion about minimizing the need to import water and replaces it with meeting the water supply targets (proposed Wat. C. §10004(d)(4)). In order to meet the water supply targets, additional or expanded infrastructure will be needed.

- Requiring DWR to conduct a study to determine the amount of water needed to meet the state's future needs and to recommend programs, policies, and facilities to meet those needs (Wat. C. §10004.6(a)). The revised Water Plan instead requires a study to support the water supply targets and to recommend programs, policies, and facilities to achieve those targets (proposed Wat. C. §10004(d)(2)).
- Requires a discussion of the potential for alternative water pricing policies to change current and projected uses (Wat. C. §§10004.5, 10004.6(d)). However, SB 366's revised Water Plan does not contain this requirement. According to Mono Lake Committee's letter, "tiered water rates and budget-based water rates have been shown to be effective at reducing water demand and are well accepted by the public."

Using the rules of statutory construction, the removal of these provisions could be interpreted to signal a deliberate move by the Legislature to focus less on demand management and matching water usage to *available* supply and more to increasing supply and infrastructure. However, discussions with the sponsor indicate that this was not the intent and instead sponsors were trying to integrate the water supply targets into the Water Plan.

Committee staff additionally notes that an ambitious goal of 15 MAF sets the stage for needing all of the various strategies, most of them likely requiring additional infrastructure to implement.

The committee may wish to amend the bill to reintegrate these removed provisions into the revised Water Plan and add considerations of demand management activities to the strategies discussed. (See amendments, specifically - proposed Sections 10004(c)(1)(A); 10004(c)(3); 10004.6(a)(5); and 10004.6(b))

The financing plan. SB 366 requires DWR, as a part of the revised Water Plan, to develop a long-term financing plan that would include specified components to meet the water supply targets and include the final financing plan as part of each update. As noted in Mono Lake Committee's letter, it is not clear the necessity of developing a financing plan for a Water Plan that has yet to be developed. According to proponents of the bill, it is appropriate to develop a financing plan so that the Water Plan can be implemented. However, the revised Water Plan is not yet developed and it is unknown if the revised Water Plan itself will be well received by stakeholder groups or if that plan will require further adjustments to reflect stakeholder concerns, if any. A question arises if it makes sense to require a financial plan for an unknown Water Plan.

The committee may wish to amend the bill to remove the requirement for DWR to develop a long-term financing plan, and to make conforming changes. (See amendments, specifically - former proposed Section 10005; Section 10004(d)(5) [conforming change]; and proposed Section 10004(e)(3)(A) [conforming change]).

The advisory committee. SB 366 expands the current advisory committee to include representatives of tribes and environmental justice communities. Under the current Water Plan, there are no limitations on the advisory committee; however, SB 366 would limit a committee member's term to two Water Plan updates (10 years) and require the advisory committee to meet four times a year. A question has been raised if the 10 year term limit would limit the ability of experienced members to continue to participate on the committee and if the quarterly meetings is practicable.

The committee and author may wish to amend the bill to remove the term limits and the requirement to meet four times a year. (See Amendments, specifically - proposed Section 10004.6(e)(3)(A))

Reporting to the Legislature. SB 366 requires the DWR director to provide an annual oral and written report to the Legislature, by May 1, on the progress made toward meeting the water supply targets in an informational hearing of the relevant committees. According to the sponsors, the May 1 deadline was chosen to align with the water year, which is from October 1 to September 30. However, the May 1 deadline may not be the best time to require an information hearing due to various legislative deadlines. Additionally, the first quarter of the year is when most committees are planning informational hearings that are relevant to current events and priorities of the Legislature. While water will certainly continue to be a priority, mandating that an information hearing be held during this time period could shift resources and focus away from equally important issues.

Existing law requires the California Public Utilities Commission (CPUC) to prepare an annual report on its activities and performance and the CPUC president to annually appear before the appropriate policy committees of the Legislature to present that annual report. (Public Utilities Code §§321.6, 910). Additionally, the chair of the California Air Resources Board (CARB) is required to annually appear before the Joint Legislative Committee on Climate Change Policies to present an annual information report (Government Code §9147.10(c)). Neither of these requirements have a deadline nor require an informational hearing.

The committee may wish to amend the bill to remove the May 1 deadline and to remove the requirement that the report be given at an informational hearing to provide the policy committees more flexibility on timing and format of receiving the information. (See Amendments, specifically - proposed Section 10004.6(e)(2))

Suggested stakeholder amendments. In its letter, the Mono Lake Committee suggests that the Water Plan be amended to require DWR, in collaboration with the advisory committee and for each region, to:

- Analyze current and likely future water use trends, including identifying any additional water necessary to sustain public trust resources.
- Evaluate likely climate change scenarios and resultant water supply trends, including changes in timing and intensity of snowmelt runoff.
- Identify regional mismatches between likely water supplies and water uses, including both drought and flood effects.
- Identify both supply and demand management strategies, policies, programs, and projects to bridge those mismatches.

- Propose specific plans for each region to bridge those mismatches with a goal towards increasing regional self-reliability.

The committee may wish to amend the bill to incorporate these considerations. (See Amendments, specifically - proposed Sections 10004.6(a) and 10004.6(a)(10))

Author's amendments. In working with Committee staff to address the various issues discussed in this analysis, the author and sponsors would also like to include amendments relating to labor considerations and to address some stakeholder group concerns that the revised plan does not focus enough on protecting the environment. The committee may wish to amend the bill to include these author's amendments. (See Amendments, specifically - proposed Section 1, subdivisions (g) and (w) and proposed Section 10004.6(e)(3)(A) and (B))

Related legislation of the current legislative session

SB 659 (Ashby) enacts the California Water Supply Solutions Act of 2023, and requires DWR, by January 1, 2026, to develop a groundwater recharge action plan that would provide actionable recommendations that result in the ability to create an additional groundwater recharge capacity of 10 MAF by December 31, 2035. SB 659 requires the recharge action plan be a part of the 2028 update to the California Water Plan and, commencing with the 2033 update, requires DWR to update the recharge action plan as a part of updating the California Water Plan. SB 659 was heard in this committee on April 11, 2023, and passed out with a vote of 10-0. SB 659 is pending before the Senate Environmental Quality Committee.

AB 62 (Bauer-Kahan) establishes a statewide goal to increase above- and below-ground water storage capacity by a total of 3.7 MAF by the year 2030 and a total of 4.0 MAF by the year 2040.

AB 754 (Papan) requires an urban water management plan, if a reservoir is identified as an existing or planned source of water available to the supplier, to include specified information related to water storage and conservation, including a target water supply storage curve and an automatic conservation plan that would be implemented when the reservoir storage level falls below the target water supply storage curve. AB 754 is pending before the Assembly Water, Parks, and Wildlife Committee.

Previous legislation

AB 638 (Gray, 2019) would have required DWR, in updating the California Water Plan, to identify water storage facilities vulnerable to climate change impacts and the mitigation strategies for anticipated adverse impacts. AB 638 was vetoed by the Governor.

SB 1259 (Pavley, 2014) would have required DWR, when updating the California Water Plan, to release estimated loss of storage capacity behind dams resulting from sedimentation. SB 1256 was held in Assembly Appropriations on suspense.

AB 2463 (Dickinson, 2014) would have required DWR to partner with Regional Water Authority, certain water suppliers, and other interested agencies to develop a plan for investing in water supplies and other facilities in the Sacramento region, as specified. AB 2463 was held in the Assembly Appropriations Committee on suspense.

SB 846 (Berryhill, 2011) would have required DWR, when updating the California Water Plan, to identify and evaluate tools that would collect, centralize, standardize, and analyze available water information throughout the state in a timely manner and requires DWR to include a discussion of advance data acquisition technologies and outline strategies to utilize that information to improve efficiency of water resource management. SB 846 was held in the Assembly Appropriations Committee.

AB 1002 (Butler, 2011) would have required DWR to include in the California Water Plan a discussion of strategies relating to stormwater recovery. AB 1002 was not heard in its first policy committee.

AB 1187 (Fong, 2011) would have required DWR, in updating the California Water Plan, to include a specified safe drinking water plan, as specified, and would have required DWR to release assumptions and estimates for current and projected unmet safe drinking water needs. AB 1187 was held in the Assembly Appropriations Committee on suspense.

SB 1469 (Simitian, 2010) would have required DWR, as a part of its update to the California Water Plan, commencing with the 2013 update, to identify the infrastructure needs for the state, by hydrologic region, over the next 30 years, and estimate the expected costs associated with environmental mitigation and restoration projects over the next 30 years, among others. SB 1469 was held in Senate Appropriations Committee on suspense.

AB 1886 (Yamada, 2010) would have required DWR, in updating the California Water Plan, to include a report on progress toward meeting the goal of reducing reliance on the Delta in meeting California's future water supply needs. AB 1886 was held in the Assembly Appropriations Committee on suspense.

AB 2270 (Laird, 2008), among other things, would have required DWR to include revised statewide recycling targets in the California Water Plan. AB 2270 was vetoed by the Governor.

SB 672 (Machado, Chapter 320, Statutes of 2001) requires DWR to include in the California Water Plan a report on the development of regional and local water projects within each hydrologic region of the state to improve water supplies to meet municipal, agricultural, and environmental water needs and minimize the need to import water from other hydrologic regions.

SUGGESTED AMENDMENTS

AMENDMENT 1

Amend SB 366 as follows:

SECTION 1. The Legislature find and declares all of the following:

(g) California is experiencing significant impacts of a changing climate on our water supply systems and environment, including fisheries and ecosystems.

(w) The implementation of projects to increase the resilience of the state's water supplies also can create good jobs for California workers.

~~(w)~~ (x) Governor Gavin Newsom ...

SEC. 3. Section 10004 is added to the Water Code, to read:

10004. (a) The department, ... shall develop a comprehensive plan for addressing the state's water needs and meeting the long-term water supply targets ~~in subdivision (c) established in Section 10004.6~~, which shall be known as "The California Water Plan," ...

~~(c) The department shall include in the plan a water supply planning target of 15,000,000 acre feet of water by 2050 with an interim target of 10,000,000 acre feet of water by 2040 to ensure water supply reliability for California's future economic and environmental sustainability. The target shall include new and expanded supplies, including the strategies listed in subparagraph (A) of paragraph (1) of subdivision (d).~~

~~(d) (c)~~ In addition to the water supply planning targets in subdivision (c), each The department shall update The California Water Plan on or before December 31, 2028, and every five years thereafter. Each update of the plan shall include the following components:

(1)(A) A discussion of various strategies, including, but not limited to, those relating to the development of new surface and groundwater storage facilities, water conservation, groundwater recharge, water recycling, desalination, conjunctive use, improved regional and statewide conveyance, stormwater capture, ~~and~~ water transfers, and demand management activities that may be pursued in order to meet the water supply targets ~~in subdivision (c) developed by the department. The department shall also include a discussion of options to finance projects within the various strategies and the potential~~

for alternative water pricing policies to change current and projected uses.

The department shall include

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.

.

~~(2) A study to support the water supply targets and to recommend programs, policies, and facilities to achieve those targets with assumptions and estimates as outlined in Section 10004.6.~~

~~(3) (2) ...~~

~~(4) (3) A report on the development of regional and local water projects within each hydrologic region of the state to improve water supplies to meet municipal, agricultural, and environmental water needs, and meet the water supply targets, and minimize the need to import water from other hydrologic regions.~~

~~(5) A long-term financing plan as outlined in Section 10005.~~

.
(re-letter as appropriate)
.

~~(f) (e) (1) The department shall update The California Water Plan on or before December 31, 2028, and every five years thereafter. The department shall report the amendments ...~~

~~(2) The director shall provide an oral and written report annually to the relevant committees in the Legislature, in accordance with Section 97995 of the Government Code, each year by May 1, regarding the process made toward meeting the water supply targets in an informational hearing of the relevant committees once established by the department.~~

~~(3)(A) The department, in consultation with the California Water Commission shall establish a stakeholder advisory committee, comprised of representatives of agricultural and urban water suppliers, ... labor representatives, and other interested parties, to provide substantive input to assist the department in updating The California Water Plan, including the financial plan outlined in Section 10005. ... A member of the advisory committee shall not serve for longer than the development of two updates. The advisory committee shall meet a minimum of four times annually. The department shall provide~~

~~(B) The department also shall seek out and consider all relevant information from retail and wholesale water agencies, agriculture, business, labor, tribes, environmental and environmental justice communities,~~

.
.

.

SEC. 5. Section 10004.6 of the Water Code is amended to read:

10004.6 (a) ~~On or before January 1, 2002, and one year before issuing each successive update to The California Water Plan~~ As part of the 2028 update

of the plan, the department shall conduct a study to determine the amount of water needed to meet the state's future water needs and to establish a long-term water supply target for 2050. The target shall insure sufficient water for all beneficial uses, recognize the impacts of climate change on the state's water resources, and support a sustainable economy and environment. In establishing the long-term supply target, the department shall analyze current and future water trends, including identifying additional water necessary to sustain public trust resources. On or before December 31, 2027, the department shall release a preliminary draft of the assumptions and other estimates upon which the study will be based ...

(5) Opportunities for demand management.

(re-letter as appropriate)

(10) (11) Climate change impacts by region and resultant water supply trends, including changes in timing and intensity of snowmelt runoff.

(b) The department shall include a discussion of the potential for alternative water pricing policies to change current and projected water uses identified pursuant to paragraph (6) of subdivision (a).

(b) (c) As a part of the 2028 update to the plan, the department shall include a water supply planning interim target of 10,000,000 acre feet of water by 2040 which, in addition to traditional sources of supply, includes water that contributes to that supply through conservation efforts, stormwater capture, grey water, and recycled water.

(d) This section does not require or prohibit the department from updating any data necessary to update The California Water Plan pursuant to subdivision ~~(f)~~ (c) of Section 10004.

SEC. 6. Section 10005 of the Water Code is repealed.

~~SEC. 7. Section 10005 is added to the Water Code to read:~~

~~10005. (a) The department shall develop a long-term financing plan to meet the water supply targets and include the final financing plan as part of each update.~~

~~(d) The financing plan shall recognize that public water systems, irrigation districts, and ...~~

SUPPORT

California Council for Environmental & Economic Balance (co-sponsor)
California Municipal Utilities Association (co-sponsor)
California State Association of Counties (co-sponsor)
Association of California Water Agencies (ACWA)
Bay Area Council
Building Industry Association of Southern California, INC.
California Association of Sanitation Agencies
California Building Industry Association
California Hispanic Chambers of Commerce
California Manufacturers and Technology Association
Calleguas Municipal Water District
City of Corona
City of Roseville
City of San Bernardino Municipal Water Department
Coachella Valley Water District
Cucamonga Valley Water District
Desert Water Agency
East Bay Leadership Council
El Dorado Irrigation District
Elsinore Valley Municipal Water District
Greater Riverside Chambers of Commerce
Inland Empire Utilities Agency
Irvine Ranch Water District
Las Virgenes Municipal Water District
Mesa Water District
Mojave Water Agency

Monte Vista Water District
Municipal Water District of Orange County
Norco; City of
North Bay Leadership Council
Northern California Water Association
Orange County Business Council
Palmdale Water District
Puente Basin Water Agency
Rancho California Water District
Rebuild SoCal Partnership
Riverside; City of
Rowland Water District
Rubio Canon Land and Water Association
Sacramento Metropolitan Chamber of Commerce
San Bernardino Valley Municipal Water District
San Diego County Water Authority
San Jose Chamber of Commerce
San Juan Water District
Santa Clarita Valley Water Agency
Santa Margarita Water District
Solano County Water Agency
Southern California Water Coalition
Three Valleys Municipal Water District
Trabuco Canyon Water District
Turlock Irrigation District
Valley Ag Water Coalition
Valley Center Municipal Water District
Walnut Valley Water District
Water Replenishment District of Southern California
Western Growers Association
Western Municipal Water District

OPPOSITION

Clean Water Action
Community Water Center
Defenders of Wildlife
Friends of The River
Golden Gate Salmon Association
Mono Lake Committee
Natural Resources Defense Council (NRDC)
San Francisco Baykeeper
Sierra Club California
Union of Concerned Scientists

ACTION AGENDA ITEM NO. 4

PROPOSALS FOR 3-YEAR AUDIT ENGAGEMENT

RECOMMENDED ACTION: Accept the proposal for Auditing Services from C.J. Brown & Company for the all-inclusive price of \$17,965 for fiscal year 2023, 2024, and 2025.

BACKGROUND: The initial RFP was sent to five firms, none of which provided a proposal. The RFP was sent to two additional firms and C.J. Brown & Company was the only firm to provide a proposal. The previous audit firm's price was \$19,000 per year so this proposal is very reasonable.

BUDGET IMPACT: This is included in the draft 2023-2024 Budget.

PRIOR BOARD ACTION: None



**Certified
Public
Accountants**



**Consultants
& Advisors**



San Gabriel Valley Municipal Water District

Proposal to Provide Professional Auditing Services

**For the Years Ending
June 30, 2023 through 2025
and Optional Years
June 30, 2026 and 2027**

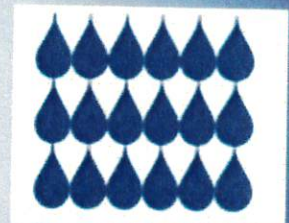
RECEIVED MAY 02 2023

**Christopher J. Brown CPA, CGMA
Jonathan P. Abadesco, CPA**

10805 Holder Street, Suite 150
Cypress, California 90630

5051 Canyon Crest Drive, Suite 203
Riverside, California 92507

Phone: (657) 214-2307



**C.J. Brown & Company, CPAs
An Accountancy Corporation**

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Christopher J. Brown, CPA, CGMA
Jonathan Abadesco, CPA
Jeffrey Palmer

C.J. Brown & Company CPAs

An Accountancy Corporation

Cypress Office:
10805 Holder Street, Suite 150
Cypress, California 90630
(657) 214-2307

Riverside Office:
5051 Canyon Crest Drive, Suite 203
Riverside, California 92507
(657) 214-2307

April 28, 2023

San Gabriel Valley Municipal Water District
RE: Professional Auditing Services
1402 N. Vosburg Drive
Azusa, CA 91702
ATTN: Mr. Darin Kasamoto

Re: Request for Proposal for Professional Auditing Services

Dear Mr. Kasamoto:

We appreciate the opportunity to submit our proposal to provide annual professional auditing services for the San Gabriel Valley Municipal Water District (District) for the fiscal years ending June 30, 2023, through 2025, and optional fiscal years ending 2026 and 2027.

In response to your inquiry of C.J. Brown & Company, CPAs – An Accountancy Corporation (Firm), we have prepared a proposal that reflects our understanding of the District audit service requirements and that demonstrates our capability and commitment to serve. Our goal is to build a strong partnership with the District and demonstrate the highest levels of client service.

We understand that you expect a timely audit service conducted in a professional manner in accordance with audit service standards specific to governmental entities such as yours. We are committed to meet all the requirements you have indicated, and we will issue the reports and meet the timing requirements you have requested. We believe we are uniquely qualified to provide the quality and scope of service that the District desires.

Focused on the Special District Industry

Our client service team members are specialists in the governmental special district sector. This means they each focus a substantial portion of their time serving special district governmental clients. We know and understand your organization and the climate within which you work.

Our Firm audits over 50 governmental special districts in the State of California; as a result, this enables our Firm to continuously be immersed in the governmental, financial, and operational issues related to special districts.

Organized to Serve

Our service approach ensures that the District will receive the highest quality, personalized service when and where you need it. By tailoring our approach, we guarantee that the District will receive timely and attentive service that forms the hallmark of our approach to serving clients. **Our governmental audit and consulting practice accounts for a substantial portion of our Firm's annual services.** Therefore, we have made a substantial commitment and investment to serve our governmental clients.

Mr. Darin Kasamoto, General Manager
San Gabriel Valley Municipal Water District
April 28, 2023
Page 2

Organized to Serve, continued

While our governmental experience is substantial, it is not the only factor that sets us apart from other firms; moreover, it is the commitment to utilize our resources and experience for the benefit of our clients.

Our approach to the engagement will be to establish a delivery system for providing a truly exceptional level of service. Each element of that system including staffing, audit approach, communication, and coordination will be examined and refined to fit the needs of the District. The hardest to quantify may be the relationship aspect of working with one professional service firm versus another. Because of the service delivery approach, we are recommending and our history of working with many special district governmental units like the District, we are confident that our Firm knows how to address the unique needs of the District.

Our staff members assigned to the District are experienced governmental professionals that have managed numerous audits and attest engagements. We have assisted in the initial preparation and successful submission of many clients' Annual Comprehensive Financial Reports for the GFOA Award Program. Each of our staff has extensive experience that allows for a new outlook with innovative suggestions to improve quality and efficiency. We believe that our references will show that we are the best selection for the District. The choice of an audit firm should be based upon several factors including, but not limited to, staff retention, training programs, proactively addressing governmental industry changes, and adherence to a strict quality control program.

We are confident that we will provide the District with consistent staffing over the contract period as the continuity of staff is as important to us as it is to the District. We will be committed to the District and believe that our audit engagement team is the best selection for the District.

Our proposal and fee schedule shall be valid and binding for 90 days following the proposal due date and will become part of the contract that is negotiated with the District.

C.J. Brown & Company, CPAs – An Accountancy Corporation

Address:	10805 Holder Street Suite 150 Cypress, CA 90630	5051 Canyon Crest Drive Suite 203 Riverside, CA 92507
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Website (in the process of being updated to C.J. Brown & Company, CPAs):
www.fedakbrownllp.com

Phone Number: (657) 214-2307

Email: chris@cjbrowncpa.com

You may contact, Jonathan Abadesco or Christopher Brown if you have any questions or need additional information. Christopher Brown will be your primary contact during the proposal evaluation period. He may be reached at (657) 214-2307, or by e-mail at chris@cjbrowncpa.com.

We look forward to hearing from you soon.

Cordially,



C.J. Brown & Company, CPAs – An Accountancy Corporation

Statement of Understanding

Audit Engagements

Our audits will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to audits contained in the Government Auditing Standards issued by the Comptroller General of the United States. The audit engagements will be comprised of the elements enumerated in the District's Request for Proposal including:

1. **Audit of the Basic Financial Statements of the District and assistance in the Preparation of Annual Comprehensive Financial Report;**
2. **Preparation of Management Reports (which includes the Communications to those Charged with Governance per Statement of Auditing Standards Statement No. 114) for the District;**
3. **Preparation of the Annual Financial Transactions Report for the District, including submission to the State Controller's Office;**
4. **Agreed Upon Procedure – Travel Expense;**
5. **Attendance at Meetings and Presentation to the Board of Directors; and**
6. **Provide guidance, training, and technical assistance to the District in implementing Governmental Accounting Standards issued, including Annual Accounting Update Session (as required)**

Timing of Our Procedures

We understand that the District is looking for value in the professional relationship they have with their auditors. Value comes from the knowledge, experience, and dedication that our Firm employs. We stress employs because all of the knowledge and expertise shown on paper will reap no benefit to you unless it is applied. This application equates to time well spent. We have developed an audit plan that we feel will accomplish the objectives of the District and will meet your special needs.

In order to accomplish our audit objectives and meet your deadlines for delivery, the sequence and timing of our procedures are critical. The Schedule below highlights our expected timeline which will be mutually agreed with the District.

Schedule of Deliverables

March - April	Engagement Planning
April - June	Interim Field Work (Test of Controls, Risk Assessment) and Initial Conference
June	Send Prepared by Client (PBC) listing
August – Mid-September	Year-End/Final Fieldwork
October	Provide Draft Financial Statements and Management Report.
November	Provide Final Reports and Present to the BOD
By January 31st	Prepare and file the Annual Financial Transactions Report to the State Controller's Office

Firm Provided Affirmations

- A. C.J. Brown & Company, CPAs – An Accountancy Corporation affirms that the Firm and all key professional staff are properly registered and licensed or supervised by certified public accountants in good standing duly authorized to practice in the State of California.
- B. C.J. Brown & Company, CPAs – An Accountancy Corporation affirms that the Firm is independent of the District, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial and compliance audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States.
- C. C.J. Brown & Company, CPAs – An Accountancy Corporation affirms that the Firm currently maintains errors and omissions insurance coverage in the aggregate amount of one million dollars and general liability coverage of two million dollars. The Firm will provide the required insurance coverage and Accord insurance form to the District upon acceptance of the audit engagement.
- D. C.J. Brown & Company, CPAs – An Accountancy Corporation affirms that it has the necessary experience to conduct high-quality audits of local government and enterprise special districts and agencies in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial and compliance audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States and the Single Audit Act. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.
- E. C.J. Brown & Company, CPAs – An Accountancy Corporation affirms that it will meet your timing requirements to begin and complete the audit of the District.
- F. C.J. Brown & Company, CPAs – An Accountancy Corporation affirms that senior staff scheduled on the audit of the District are experienced personnel and that no person designated as “key” to the project shall be removed or replaced without the prior written consent of the District.
- G. C.J. Brown & Company, CPAs – An Accountancy Corporation affirms that it has never been the subject of any lawsuits, claims of fraud, malpractice and/or disciplinary action by any State or Federal District in relation to the Firm’s governmental practice in its entire existence.
- H. C.J. Brown & Company, CPAs – An Accountancy Corporation affirms that it has not been censured or disciplined from the State Board of Accountancy.
- I. C.J. Brown & Company, CPAs – An Accountancy Corporation affirms that it will allow the District or their designee access to pertinent District audit work papers, financial reports, and management letters.
- J. C.J. Brown & Company, CPAs – An Accountancy Corporation affirms that it has never filed bankruptcy, there is no pending litigation against the Firm, there are no planned office closings, there are no impending mergers, and there are no potential labor disputes that may impede us the ability to complete the audit for the District.

Signature of Authorized Official: Christopher J. Brown

Name: Christopher J. Brown, CPA CGMA

Title: Managing Partner

Firm: C.J. Brown & Company, CPAs – An Accountancy Corporation

Date: April 28, 2023

Firm Qualifications, Experience and References

C.J. Brown & Company, CPAs – An Accountancy Corporation, is a full-service firm licensed to practice in the State of California providing accounting, audit, and consulting services for governmental and commercial enterprises, throughout the State of California. Our Governmental Services personnel are currently comprised of six senior professionals with extensive experience in governmental accounting, auditing, and additional reserve staff available on an as needed basis. The Firm maintains an office in Cypress, and Riverside, California.

Your main contacts will be Mr. Christopher Brown and Jonathan Abadesco. Our contact information can be located on our letterhead. All of the work for the District will be staffed directly out of our Riverside office and will not be subcontracted to any other firm.

Our Firm is fully automated in-house and utilizes current technology and software on all audit engagements. We utilize CCH ProSystems *fx* Engagement © and Knowledge Coach Audit Software.

C.J. Brown & Company, CPAs – An Accountancy Corporation is an equal opportunity employer and certifies that our Firm is in compliance with the Civil Rights Act of 1964, the State Fair Employment Practice Act, and all other applicable federal and state laws and regulations relating to equal opportunity employment, including Executive Order No. 11246 of September 24, 1965. Our Firm is committed to affirmative action in hiring practices.

Professional Education

It is a requirement of the State Board of Accountancy for all public accounting firms who are involved in governmental auditing to allocate a specific portion of continuing education in governmental accounting and auditing every two years. The Firm has met this requirement for all staff involved with governmental accounting and auditing. Our Firm's strict adherence to these continuing professional education standards ensures the highest quality of staff assigned to the District audits over the term of our agreement. Our Firm also requires that all personnel at all organizational levels adhere to the independence rules, regulations, interpretations, and rulings of the AICPA, California State Society of CPAs, State Board of Accountancy, State Statute, and in some cases, the Securities and Exchange Commission and other regulatory agencies. Our Firm strictly follow the requirements of Government Code Section 12410.6(b) regarding auditor rotation requirements of public accounting firms providing audit services to local agencies. The Firm is not the object of any disciplinary action in its entire existence.

Quality Control

The Board of Directors of the District can measure the quality of the opinions expressed by the Firm by evaluating the level of professional standards maintained by our Firm as discussed in this proposal. The Board of Directors can also measure the performance and quality control of our Firm by evaluating our participation in the profession's peer review process as well as evaluating our Firm's professional standards and quality of work ethic in discussions with our Firm's current client base in the special district industry.

Using guidelines established by the AICPA, the Firm has designed and implemented an effective quality control system to ensure that our accounting and auditing work conforms to professional standards. **C.J. Brown & Company, CPAs – An Accountancy Corporation is in the process of transitioning the operations of Fedak & Brown LLP into the Firm and is currently working with the Peer Review personnel to establish our peer review program and expects to undergo the initial Review in June 2023.** We have included the last peer review report from Fedak & Brown LLP which provides a *Pass with deficiency* opinion on the next page.

Firm Qualifications, Experience and References, continued



Report on the Firm's System of Quality Control

June 8, 2022

To the Owners of
Fedak & Brown LLP and the Peer Review Committee of the CA Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Fedak & Brown LLP (the firm) in effect for the year ended September 30, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Deficiencies Identified in the Firm's System of Quality Control

We noted the following deficiencies during our review:

1. The firm's policies and procedures require that all work be performed and documented in accordance with professional standards and that a proper review by the engagement partner take place before the reports are released. Due to time constraints caused by the Pandemic and numerous personal changes, including at the Partner level, engagements were not given the proper focus and attention needed. As a result, we noted the following: a) On an Audit of a Not-for-Profit organization, we noted that the functional expenses were presented as Supplemental Information instead of on the Statement of Activities or in the notes to the financial statements as required and we noted that accounts receivable confirmations were not requested, and the auditor did not document how the presumption for these requests was overcome; b) On the compliance audit under the Single Audit Act, we noted that the firm selected different requirements as being direct and material than those listed in the applicable Compliance Supplement; and c) On an Audit and a Review, we noted the failure to consider the new Revenue Recognition standard. In our opinion, these contributed to a compliance audit under the Single Audit Act, an audit of a Not-for-profit organization, and a Review engagement that did not conform to professional standards in all material respects. Of lesser significance, yet a result of the same systemic cause, we noted that while the firm performed a fair amount of work for obtaining an understanding of internal control on the audits, we found they inappropriately relied on inquiries of personnel for some procedures.

2. Statements on Quality Control Standards require that firms monitor their quality control system to provide assurance that the policies and procedures established by the firm are suitably designed and effectively applied. During our review, we noted that although the firm's policies and procedures require monitoring procedures, they were not performed as required. As a result, the firm was not in compliance with the monitoring element of the Quality Control Standards.

Opinion

In our opinion, except for the deficiencies previously described the system of quality control for the accounting and auditing practice of Fedak & Brown LLP in effect for the year ended September 30, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Fedak & Brown LLP has received a peer review rating of *pass with deficiencies*.

Heidenreich & Heidenreich CPAs PLLC

Heidenreich & Heidenreich, CPAs, PLLC

Experience and Technical Competence

We have prepared a listing of some of our governmental audit clients on the next page. We believe this listing exemplifies that we have significant experience in conducting high-quality audits of local governments and enterprise special Districts. Our governmental audit team has significant experience in auditing special district governmental agencies and our team members may have conducted some of these audits over the past year (see next page).

Firm Qualifications, Experience and References, continued

The following is a listing of some of our Governmental Special District Clients that our Audit Teams have served by County!

Kern County

*Bear Valley Community Services District
Indian Wells Valley Water District
Stallion Springs Community Services District*

Los Angeles County

*Crescenta Valley Water District
Greater Los Angeles County Vector Control District
Long Beach Airport
Long Beach Water Department
Los Angeles County West Vector Control District
Palmdale Water District
Palos Verdes Library District
Sanitation Districts of LA County
Santa Clarita Valley Water Agency
Southern California Library Cooperative
Valley County Water District*

Orange County

*Buena Park Library District
Capistrano Bay Community Services District
East Orange County Water District
El Toro Water District
Irvine Ranch Water District
Mesa Consolidated Water District
Nature Reserve of Orange County
Rossmoor/Los Alamitos Area Sewer District
Santiago County Water District
Southern California Coastal Water Resource Authority
Yorba Linda Water District*

Riverside County

*Beaumont-Cherry Valley Water District
Cabazon Water District
Coachella Valley Mosquito and Vector Control
Desert Recreation District
Edgemont Community Services District
Idyllwild Fire Protection District
Lake Hemet Municipal Water District
Northwest Mosquito and Vector Control District
Santa Ana Watershed Project Authority
Temecula Public Cemetery District
Western Municipal Water District*

Santa Barbara County

*Goleta Water District
Montecito Water District
Santa Maria Public Airport Authority
Santa Ynez Community Services District
Summerland Sanitary District*

San Bernardino County

*Baldy Mesa Water District
Big Bear City Community Services District
Big River Community Services District
Chino Basin Water Conservation District
Chino Basin Watermaster
Helendale Community Services District
Hi-Desert Water District
Inland Empire Utilities Agency
Joshua Basin Water District
Mojave Water Agency
Monte Vista Water District
Phelan Pinon Hills Community Services District
San Bernardino Valley Water Conservation District
Victor Valley Wastewater Reclamation Authority
Victor Valley Water District
Water Facilities Authority - JPA
West Valley Mosquito and Vector Control District
West Valley Water District*

San Diego County

*Leucadia Wastewater District
Public Agency Self-Insurance System
Rincon Del Diablo Water District
Vallecitos Water District*

Ventura County

*Oxnard Harbor District
Pleasant Valley Recreation and Park District
Saticoy Sanitary District
Triunfo Sanitation District
Ventura County Resource Conservation District
Ventura Regional Sanitation District*

Northern California/ Bay Area

*Aromas Water District
Butte County Mosquito and Vector Control District
Central Water District
Coastside County Water District
Fresno Irrigation District
North Marin Water District
McKinleyville Community Services District
Oakdale Irrigation District
Purissima Hills Water District
San Lorenzo Valley Water District
Shasta Mosquito and Vector Control District
Solano Irrigation District
Soquel Creek Water District
Westborough Water District*

Firm Qualifications, Experience and References, continued

References

Presented below are five significant engagements performed in the last three years similar to the engagement described in this Request for Proposal. Please do not hesitate to contact these references regarding our Firm and the high level of service we provide. We will be happy to provide additional references for your review.

<p>1. Ms. Sharon Cisneros, CFO Oakdale Irrigation District 1205 East F Street Oakdale, CA 95361</p>	<p>Irrigation District Annual Audit – Financial Statement 209.840.5501 Date: December 31, 2021 Hours: 290 hours Partner: Christopher Brown, CPA, CGMA</p>
<p>2. Ms. Cheri Richter, Finance Manager South Feather Water and Power Agency 2310 Oro Quincy Highway Oroville, CA 95966</p>	<p>Water and Power Agency Annual Audit – Financial Statement 530.534.2232 Date: December 31, 2021 Hours: 250 hours Partner: Christopher Brown, CPA, CGMA</p>
<p>3. Ms. Cammie Morin, Finance Director Solano Irrigation District 810 Vaca Valley Parkway, Suite 201 Vacaville, CA 95688</p>	<p>Irrigation District Annual Audit – Financial Statement 707.455.4008 Date: December 31, 2021 Hours: 200 hours Partner: Christopher Brown, CPA, CGMA</p>
<p>4. Ms. DeAnn Hailey, Controller/CFO Fresno Irrigation District 2907 South Maple Avenue Fresno, CA 93725</p>	<p>Irrigation District Annual Audit – Financial Statement 559.233.7161 Date: December 31, 2021 Hours: 200 hours Partner: Christopher Brown, CPA, CGMA</p>
<p>5. Ms. Stephanie Reimer, Assistant General Manager/CFO Monte Vista Water District 10575 Central Avenue Montclair, CA 91763</p>	<p>Water District Annual Audit – Annual Comprehensive Financial Report 909.624.0035 Date: June 30, 2022 Hours: 230 hours Partner: Christopher Brown, CPA, CGMA</p>

Proposed Staffing and Project Organization

Summary Qualification of Key Personnel

Our Firm's philosophy is to take a team approach with our clients in conducting our audit engagements. A properly developed, mutually agreeable timeline results in the most efficient engagement. We want you to not only think of us as your auditor, but as a resource to be used whenever the need occurs. Also, it is our Firm's philosophy to have our partners, audit managers and audit supervisors involved in the day-to-day audit details of our clients.

You will have an Engagement Partner as well as a Technical Review Partner, a field audit Partner/Manager assigned to the District audits; in addition, one or more staff accountants will be assigned to the audit. All team members work in the field while the audit fieldwork is in process. Each team member has the following responsibilities:

The engagement partner is responsible for all services provided to the District. The engagement partner's responsibilities consist of the overall planning, supervision and review of the audit test work, and preparation of the audit report.

The field audit partner/manager is responsible for coordinating the audit test work, which includes the on-site supervision of staff, and preparation of the audit report.

Once audit test work is completed, the field audit partner/manager will work with the audit team to complete the reports for the District for all recipients. The engagement partner will be your contact throughout the engagement year.

Prior to discussions with your staff, the field audit partner/manager, in collaboration with audit staff, will make sure that all facts have been evaluated to minimize utilizing your staff's time for audit assistance purposes.

Knowledge and Understanding of Local Environment

The engagement team members strive to be experts within the governmental sphere. We keep ourselves apprised of current issues affecting the District operating environment.

Partner Participation

The partner in charge of the audit will be available to attend meetings of the District Finance and Administration Committee and the Board of Directors to discuss and report on the audit process and the deliverables associated with the audit. We will provide the District with accounting advice regarding subjects that could affect the report, particularly those that will directly impact its recipients.

Proposed Staffing and Project Organization, continued

**CHRISTOPHER J. BROWN, CPA, CGMA
ENGAGEMENT PARTNER TECHNICAL REVIEW**

Education:	Bachelor of Arts - Business Administration: Finance – California State University, San Bernardino 1995 Accountancy – California State University, San Bernardino 1999
License:	Certified Public Accountant – 2002
Continuing Education	Total hours were over 90 hours in the last two years of which 32 were in governmental accounting and auditing subjects. Mr. Brown has the Governmental Auditing Standards requirement for governmental CPE.
Memberships	California Society of Certified Public Accountants American Institute of Certified Public Accountants Government Finance Officers Association California Society of Municipal Finance Officers Association
Experience	<p>Christopher J. Brown is a CPA in the State of California and has over eighteen years of experience in public accounting and auditing governmental entities having worked at a national firm. Mr. Brown holds a Bachelor's Degree from California State University, San Bernardino. He has extensive experience in the areas of governmental financial and compliance reporting.</p> <p>Member of Board of Directors – Treasurer, Riverside County Philharmonic</p> <p>Mr. Brown's public accounting experience includes tenure with CPA firm RSM. He is also involved in auditing governmental and non-profit entities as well as medium to large manufacturing, construction and service oriented corporations. Has thorough knowledge in Generally Accepted Accounting Principles, Governmental Accounting, and Auditing Standards as well as the Single Audit Act of 1984 and the Uniform Guidance.</p> <p>Mr. Brown has provided significant audit and accounting services to various governmental entities. In these accounting engagements, he has been involved in the strategic planning processes, design and implementation of policies and procedures. He has also been involved in the implementation of performance management budgeting and planning processes.</p> <p>He is currently involved on the following major governmental engagements:</p> <ul style="list-style-type: none">➤ North Marin Water District➤ Victor Valley Wastewater Reclamation Authority➤ Solano Irrigation District➤ Oakdale Irrigation District➤ Tri-Dam Project & Tri-Dam Authority➤ Hi-Desert Water District➤ Indian Wells Valley Water District➤ Joshua Basin Water District➤ Santa Maria Public Airport District➤ Phelan Pinon Hills Community Services District➤ Helendale Community Services District➤ Bear Valley Community Services District

Proposed Staffing and Project Organization, continued

JONATHAN P. ABADESCO, CPA ENGAGEMENT PARTNER

Education: Bachelor of Science in Accountancy – Miriam College Foundation, Inc., Philippines 1999

License: Certified Public Accountant – 2012

Continuing Education: Total hours were 82 hours in last two years of which 32 were in governmental accounting and auditing subjects. Mr. Abadesco has the Governmental Auditing Standards requirement for governmental CPE.

Memberships: California Society of Certified Public Accountants
American Institute of Certified Public Accountants
Government Finance Officers Association
California Society of Municipal Finance Officers Association

Experience: Jonathan P. Abadesco is a CPA in the State of California and has over twenty years of experience in public accounting and auditing governmental entities having worked at a national firm. He has served as the Assistant General Manager – Administration/CFO for a governmental special district (Hi-Desert Water District) and as a CFO/Controller for a not-for-profit (Inland Counties Legal Services).

Mr. Abadesco's public accounting experience includes tenure with CPA Firm, Ernst & Young and PricewaterhouseCoopers. He is involved in performing financial, compliance and performance audits of governmental and non-profit entities, as well as medium to large global organizations. Has thorough knowledge in Generally Accepted Accounting Principles, Governmental Accounting, and Auditing Standards as well as the Single Audit Act of 1984 and the Uniform Guidance.

While working with his previous CPA firm, Mr. Abadesco was instrumental in preparing the agreed upon procedures that was utilized by the U.S. Department of Energy. Also, Mr. Abadesco has provided significant audit, accounting and consulting services to various governmental entities engaged in transportation including Los Angeles County Metropolitan Transportation Authority, Metro Gold Line Foothill Extension Construction Authority, Los Angeles Department of Transportation and Metropolitan Atlanta Rapid Transportation Authority.

He has been involved on the following governmental special districts engagements:

- Monte Vista Water District
- Joshua Basin Water District
- Oakdale Irrigation District
- Santa Clarita Valley Water Agency
- Soquel Creek Water District
- Lake Hemet Municipal Water District
- San Lorenzo Valley Water District
- Scotts Valley Water District
- Coachella Valley Mosquito and Vector Control District
- Chino Basin Watermaster
- Vista Fire Protection District
- Los Angeles Gateway Region Integrated Regional Water Management Joint Powers Authority

Proposed Staffing and Project Organization, continued

JEFF PALMER AUDIT SUPERVISOR

Education: Bachelor of Science – Business Administration: Accountancy & Finance – California State University, Long Beach 2005

License: In Process

Continuing Education: Total hours were 80 hours in last three years of which 32 were in governmental accounting and auditing subjects. Mr. Palmer meets the Governmental Auditing Standards requirement for governmental CPE.

Memberships: California Society of Certified Public Accountants

Experience: Over fourteen years of experience in public accounting and auditing of governmental, private, and non-profit entities. Relevant governmental experience includes cities, special districts, airports, transportation agencies, and public financing authorities. He has extensive experience in conducting financial audits under GAO Yellow Book standards and compliance single audits in accordance with the Single Audit Act of 1984 and the Uniform Guidance. He has assisted clients in implementation and publishing their Comprehensive Annual Financial Reports in compliance with GFOA requirements.

Mr. Palmer has provided significant audit, accounting, and consulting services to various governmental entities. In these accounting and auditing engagements, he has been involved in the strategic planning processes, design and implementation of policies and procedures, performance management budgeting and planning processes, financial reviews, and cash management practices. In these consulting engagements, he has provided services including franchise tax compliance reviews, excise tax compliance and reporting reviews, and enterprise utility tax-exempt purchasing reviews.

He has been involved on the following governmental special districts engagements:

- North Marin Water District
- Walnut Valley Water District
- La Puente Valley County Water District
- Monte Vista Water District
- Crescenta Valley Water District
- Orange County Water District
- Indian Wells Valley Water District
- Westborough Water District
- Coastside County Water District
- Mojave Water Agency
- Bighorn Desert View Water Agency
- Santa Maria Public Airport District
- Phelan Pinon Hills Community Services District
- Helendale Community Services District
- Bear Valley Community Services District

Proposed Approach and Work Plan

Specific Audit Approach

Our Firm's audit approach is tailored to each client in the following manner:

- We understand the significant work requirements of our clients. We work with our clients' schedules when scheduling segments of the audit or requesting documentation to minimize disruption during the audit process.
- We strive to utilize support already prepared by our clients to avoid duplication or unnecessary requests for audit supporting schedules.
- We have implemented a paperless audit process that utilizes CCH ProSystems fx Engagement ® and Practitioners Publishing Company software packages. These platforms provide for greater efficiency within the audit process. In addition, we fully embrace the utilization of data extraction capabilities within a client's reporting system to further increase efficiency and reduce demands on client staff time.
- Our staff is trained and familiar with government accounting and audit concepts, so you will see the difference in working with our professional staff.
- We audit various large and small governmental organizations, allowing us to consult with our clients on implementing various best-practices in their organizations.
- We believe that regular communication is the most important part of the audit process; as a result, we ask that if you ever have any questions about any financial, accounting, or audit issues, please contact us anytime throughout the year.

Interim Audit Planning and Testwork

Planning is necessary to ensure a quality audit, efficient use of professional staff and timely delivery of reports. Adequate planning of the audit is essential to minimize disruption of the ongoing daily operations of the District and their recipients. We have developed a comprehensive, efficient planning process. We will begin the planning of the audit upon notification of award of the contract.

Tasks to be accomplished during the planning phase include:

- Conducting an Audit Entrance Conference with the District Board of Directors and management to discuss the scope and timing of the audit test work, the availability of the District accounting staff, prior audit problems encountered, the extent of interim audit test work to be performed, the establishment of a liaison for the audit, and the arrangements for workspace and other needs to conduct the audit test work.
- Reviewing the Board minutes, agreements/contracts, and applicable strategy for the audit period.
- Interviewing finance staff regarding internal controls.
- Discussing the status of prior year's audit findings, if any.
- Review of the District internal control structure and communication of recommendations to the District management team concerning District policies and procedures.
- Tests of controls of audit areas to determine the effectiveness of the District internal control structure. (Minimum of 25 selections per area – revenue, expenses, payroll, bank reconciliations)
- Evaluation of any unusual items noted from our analytical procedures.
- Reviewing of important contracts, debt issues, leases and joint power agreements.

Proposed Approach and Work Plan, continued

Interim Audit Planning and Testwork, continued

- Providing the District with suggestions regarding the closing of the District books after year end. Our assistance and communication in the closing of the District books is expected to minimize the number of audit adjustments required after the close of District books.

After we obtain an understanding of the District internal controls, evaluate their design and implementation and perform our interim test work we will determine the nature, scope, and timing for our final audit test work.

Final Audit Test Work

After the final closing of the District books and preparation of final trial balances and audit supporting schedule by District personnel, we will commence performing our *final audit testwork*.

Our final examination will include analysis of critical audit areas which we deem necessary, including:

- Analysis of cash and investment balances to online bank and brokerage websites.
- Analysis of bank reconciliations.
- Analysis of accounts receivable, delinquent balances and relative ratios.
- Analysis of unbilled receivables.
- Analysis of allocations of interest income.
- Analysis and testing of capital assets: construction-in-progress, significant additions/disposals, and related depreciation.
- Analysis of deferred outflows of resources balances and related amortization.
- Analysis of accounts payable.
- Performance of a search for unrecorded liabilities.
- Analysis and testing of valuation of the liabilities for compensated absences.
- Analysis of long term debt balances.
- Analysis of the annual roll-forward of net pension liability balances.
- Analysis of net other post-employment benefit liability (as required)
- Analysis of unearned revenue.
- Analysis of deferred inflows of resources balances and related amortization.
- Analysis of the proper establishment of reserves and designations.
- Analysis of significant grant agreements, awards and contracts.
- Analysis of significant events after year end (through the completion of our audit).
- Analysis of attorney letters for significant legal matters affecting the District financial position.

The abovementioned analysis and inquiries are only a sample of the tests performed during the examination and is not meant to be all inclusive.

Audit Completion

At the completion of the audit each year, we will meet with the District management team to review our audit findings. We will communicate all deficiencies in controls which may assist the District in strengthening the internal control structure. Comments and recommendations relating to the accounting system will also be discussed. Finally, we will discuss all findings noted during the engagement. After discussion, the final report will be submitted to the District.

Proposed Approach and Work Plan, continued

Identification and Communication of Internal Control Matters

The objective of our audit is to form an opinion on the District. Our objective is not to identify deficiencies in internal controls; however, when control deficiencies are identified during our audit and if they constitute significant deficiencies or material weaknesses, we will communicate in writing those deficiencies to those charged with governance and the District management.

Audit Documentation

We will document matters pertaining to our audit planning and audit test work. The audit documentation will clearly demonstrate procedures performed, evidence obtained, and conclusions reached.

Communication with Management and the Board of Directors

In addition to our written reports, we believe an oral presentation to the District management, Finance Committee, and the Board of Directors, to be a minimum service provided by our Firm and would be pleased to schedule a mutually convenient time for such a presentation at the conclusion of the engagement or any time during the progression of the audit.

Other Assistance

Providing management assistance requires more than having talented people on staff; it requires a proactive approach. First, we assign experienced senior level professionals to our engagements. Our client base of governmental entities and commercial companies demands broad business and industry experience, as well as technical expertise. Those talented professionals have to be exposed to clients and develop an in-depth understanding of particular situations.

Second, we actively look for opportunities to provide assistance. We try to initiate rather than respond. For instance, if we believe a situation is developing, we will approach the client, offer to investigate and provide recommendations. If a formal project to address the problem is required, we will define the approach, execute the assignment and follow through with implementation assistance.

Proposed Hours and Segmentation of the Audit

See our Cost Proposal for further information of the segmentation of the proposed audit process by hours and staffing.



**Certified
Public
Accountants**



**Consultants
& Advisors**



San Gabriel Valley Municipal Water District

Cost Proposal to Provide Professional Auditing Services

**For the Years Ending
June 30, 2023 through 2025
and Optional Years
June 30, 2026 and 2027**

**Christopher J. Brown CPA, CGMA
Jonathan P. Abadesco, CPA**

10805 Holder Street, Suite 150
Cypress, California 90630

5051 Canyon Crest Drive, Suite 203
Riverside, California 92507

Phone: (657) 214-2307



**C.J. Brown & Company, CPAs
An Accountancy Corporation**



C.J. Brown & Company CPAs
An Accountancy Corporation

Christopher J. Brown, CPA, CGMA
Jonathan Abadesco, CPA
Jeffrey Palmer

Cypress Office:
10805 Holder Street, Suite 150
Cypress, California 90630
(657) 214-2307

Riverside Office:
5051 Canyon Crest Drive, Suite 203
Riverside, California 92507
(657) 214-2307

April 28, 2023

San Gabriel Valley Municipal Water District
RE: Professional Auditing Services
1402 N. Vosburg Drive
Azusa, CA 91702
ATTN: Mr. Darin Kasamoto

Re: Request for Proposal for Professional Auditing Services

Dear Mr. Kasamoto:

Based on our understanding of the San Gabriel Valley Municipal Water District's (District) requirements, our total all-inclusive maximum fee for all services requested at our discounted rates for the fiscal year ending June 30, 2023, will be **\$17,965**. This fee is based on our understanding of the District's audit requirements.

Assuming there is no substantial change in the District's activities and operations, our all-inclusive maximum price for the fiscal years ending June 30, 2024 and 2025, and two additional one-year fiscal years (optional fiscal years) ending June 30, 2026, and 2027, will be **\$17,965, \$17,965, \$18,850, and \$18,850**, respectively.

Our estimate for out-of-pocket expenses may not be utilized in total to the amount estimated. Again, these fees are based on the estimated costs to complete the audit. The components of this audit services fee proposal and out-of-pocket costs for the fiscal years ending June 30, 2023 through 2025, and optional fiscal years 2026 and 2027, are itemized in the attached Exhibits.

Our maximum not-to-exceed fee proposal is contingent upon our understanding of your requirements and the assistance we require as noted in our original audit technical proposal.

Additional services not included in this proposal will be based on our discounted billing rates based on the level of experience required. We would execute a separate contract for these services if they are requested by the District.

I am authorized to make representations for C.J. Brown & Company CPAs and am duly authorized to sign a contract with the District.

Christopher J. Brown, CPA CGMA

April 28, 2023

Date

Exhibit I – Proposed Hours and Our Fees

Proposed Hours and Our Fees

We anticipate that, for the fiscal years ending June 30, 2023, through 2025, and optional fiscal years 2026 and 2027, the audit of the District will approximate 150 hours by major area, are summarized as follows:

Audit Steps	Break out of Audit Hours			
	Partners	Mgr/Sup	Staff	Total
Planning	5	5	15	25
Controls Testwork	5	15	25	45
Substantive Testwork	5	20	30	55
Reporting	5	10	10	25
	20	50	80	150

As shown above, we expect approximately 47% of engagement hours to come from Partners, Managers, and Supervisors assigned to the engagement in fiscal year 2023 through 2025, and optional fiscal years 2026 and 2027, respectively.

Working on the premise that we will be provided with a year-end trial balance, along with an audit package of reconciled balances and supporting schedules of all balance sheet accounts, we expect to perform the audit of the District at fees as stated in the attached Exhibit II -Schedule of Professional Fees on Page 3 for the fiscal years ending June 30, 2023 through 2025, and optional fiscal years 2026 and 2027, respectively.

Our fees are based on the product of the time spent on the engagement and the billing rates of the individuals assigned, plus out-of-pocket costs (such as, report reproductions, typing, postage, travel, copies, telephone, etc.). We will obtain the assistance of the District's personnel to the extent possible and otherwise endeavor to keep these charges to a minimum. We will submit progress billings monthly to your office as our work progresses, which will be due and payable thirty days from the date of the invoice. Based upon the present size and scope of the activities of the District, we expect to perform the services enumerated above at our hourly rates. Our hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to the audits. We have provided a breakdown of our current hourly rates, which would apply to this engagement on the attached Exhibit III - Schedule of Fees By Hours on Page 4 through 6 of this cost proposal.

In accordance with Firm policies and the Office of Management and Budget Circular A-128 and Firm Policies, we will maintain our work papers for at least seven years and make them available to the District, state agencies, the General Accounting Office, and other parties upon the direction of the District.

We want the Board to understand that we will provide any assistance and answer any questions that the District's staff or members of the Board may have when they arise for the entire duration of our contract. We find it important to stay abreast of the District's activities and accounting issues during the entire engagement.

We would like to thank you and the Board for the opportunity to submit a proposal for the auditing services of the District. Because of our experience in special districts and our interest in the District, we will provide you with assistance in your operations as well as meet the audit needs of the organization. We will also continually make recommendations on these and other matters that come to our attention. We are proud of the professional services we provide and encourage you to make inquiries to any of our clients about their satisfaction with our services and the quality of our staff.

Exhibit II – Schedule of Professional Fees

Fees By Fiscal Year	Audit Fees			Other Items		Total All-Inclusive Maximum Price
	Audit Service Fees	Out-of-Pocket Expenses	Total Audit Maximum	Financial Transactions Report	Agreed-Upon Procedure Travel Exp.	
Fiscal Year 2023	\$ 16,200	300	16,500	625	840	17,965
Fiscal Year 2024	\$ 16,200	300	16,500	625	840	17,965
Fiscal Year 2025	\$ 16,200	300	16,500	625	840	17,965
Total Fees by Fiscal Year	48,600	900	49,500	1,875	2,520	53,895
Optional Fiscal Years						
Fiscal Year 2026	\$ 16,950	350	17,300	650	900	18,850
Fiscal Year 2027	\$ 16,950	350	17,300	650	900	18,850

Please note that any additional services requested by the District during the audit period shall be negotiated at the stated hourly rates per year as noted in the following schedules.

Exhibit III – Schedule of Fees By Hours

San Gabriel Valley Municipal Water District Fiscal Year 2023

Breakdown of Fees by Hours

Fiscal Year 2023 Audit of:	Hours	Hourly Rates	Total
District's Basic Financial Statements			
Partner - Engagement & Technical	20	\$ 160	\$ 3,200
Manager/Supervisor	50	140	7,000
Staff	80	75	6,000
Total Financial Statement Audit for 2023	150		16,200
Out-of-Pocket Expenses (Travel, Mileage, Printing, etc.)			300
Total Maximum for 2023			16,500
Other Items Asked to be Priced by the District:			
Agreed Upon Procedure - Travel Expenses	6	140	840
Preparation of the Annual Financial Transactions Report	5	125	625
Total All-Inclusive Maximum fee for 2023			\$ 17,965

San Gabriel Valley Municipal Water District Fiscal Year 2024

Breakdown of Fees by Hours

Fiscal Year 2024 Audit of:	Hours	Hourly Rates	Total
District's Basic Financial Statements			
Partner - Engagement & Technical	20	\$ 160	\$ 3,200
Manager/Supervisor	50	140	7,000
Staff	80	75	6,000
Total Financial Statement Audit for 2024	150		16,200
Out-of-Pocket Expenses (Travel, Mileage, Printing, etc.)			300
Total Maximum for 2024			\$ 16,500
Other Items Asked to be Priced by the District:			
Agreed Upon Procedure - Travel Expenses	6	140	840
Preparation of the Annual Financial Transactions Report	5	125	625
Total All-Inclusive Maximum fee for 2024			\$ 17,965

Exhibit III – Schedule of Fees By Hours

San Gabriel Valley Municipal Water District Fiscal Year 2025

Breakdown of Fees by Hours

	Hours	Hourly Rates	Total
Fiscal Year 2025 Audit of:			
District's Basic Financial Statements			
Partner - Engagement & Technical	20	\$ 160	\$ 3,200
Manager/Supervisor	50	140	7,000
Staff	80	75	6,000
Total Financial Statement Audit for 2025	150		16,200
Out-of-Pocket Expenses (Travel, Mileage, Printing, etc.)			300
Total Maximum for 2025			\$ 16,500
Other Items Asked to be Priced by the District:			
Agreed Upon Procedure - Travel Expenses	6	140	840
Preparation of the Annual Financial Transactions Report	5	125	625
Total All-Inclusive Maximum fee for 2025			\$ 17,965

San Gabriel Valley Municipal Water District OPTIONAL YEAR - Fiscal Year 2026

Breakdown of Fees by Hours

	Hours	Hourly Rates	Total
Fiscal Year 2026 Audit of:			
District's Basic Financial Statements			
Partner - Engagement & Technical	20	\$ 165	\$ 3,300
Manager/Supervisor	50	145	7,250
Staff	80	80	6,400
Total Financial Statement Audit for 2026	150		16,950
Out-of-Pocket Expenses (Travel, Mileage, Printing, etc.)			350
Total Maximum for 2026			\$ 17,300
Other Items Asked to be Priced by the District:			
Agreed Upon Procedure - Travel Expenses	6	150	900
Preparation of the Annual Financial Transactions Report	5	130	650
Total All-Inclusive Maximum fee for 2026			\$ 18,850

Exhibit III – Schedule of Fees By Hours

**San Gabriel Valley Municipal Water District
OPTIONAL YEAR - Fiscal Year 2027**

Breakdown of Fees by Hours

Fiscal Year 2027 Audit of:	Hours	Hourly Rates	Total
District's Basic Financial Statements			
Partner - Engagement & Technical	20	\$ 165	\$ 3,300
Manager/Supervisor	50	145	7,250
Staff	80	80	6,400
Total Financial Statement Audit for 2027	150		16,950
Out-of-Pocket Expenses (Travel, Mileage, Printing, etc.)			350
Total Maximum for 2027			\$ 17,300
Other Items Asked to be Priced by the District:			
Agreed Upon Procedure - Travel Expenses	6	150	900
Preparation of the Annual Financial Transactions Report	5	130	650
Total All-Inclusive Maximum fee for 2027			\$ 18,850

ACTION AGENDA ITEM NO. 5

PROPOSAL FROM CIVILTEC FOR PIPELINE BONDING, ASSESSMENT, AND CATHODIC PROTECTION

RECOMMENDED ACTION: Approve the proposal from Civiltec Engineering, Inc.

BACKGROUND: The Schedule I Condition Assessment Project post-inspection recommendations include validation of the risk analysis report through strategic secondary corrosion measurements, bonding of unwelded pipeline joints and to design a cathodic protection system based on post-bonding continuity measurements. Civiltec's proposal would provide engineering support for all three and the proposed schedule would complete internal pipeline construction by the end of 2023.

BUDGET IMPACT: None, there is sufficient funding in the adopted 2022-2023 budget for consultant activities.

PRIOR BOARD ACTION: N/A



*Civil, Water, Wastewater, Drainage, Transportation and
Electrical/Controls Engineering • Construction Management • Surveying
California • Arizona*

April 27, 2023

San Gabriel Valley Municipal Water District
1402 N. Vosburg Drive
Azusa, CA 91702

Sent Via Email: SteveKiggins@sgvmwd.com

ATTN: Steve Kiggins | Assistant General Manager

**RE: Proposal for DCAP SCH I Pipeline Continuity Bonding, Corrosion Assessment Validation, and Cathodic System Design
Civiltec Proposal No. PF23042**

Dear Mr. Kiggins:

Civiltec engineering, inc. (Civiltec) appreciates the opportunity to provide professional engineering services to San Gabriel Valley Municipal Water District (District) for the DCAP SCH I Pipeline Continuity Bonding, Corrosion Assessment Validation, and Cathodic System Design.

We understand this project will install bonding jumpers across unwelded pipeline joints to provide electrical continuity to the Schedule I DCAP pipeline. A 2014 corrosion study of the pipeline recommended the bonding of the unwelded joints be performed. The bonding work is required to allow a cathodic protection system design to be developed for long term corrosion prevention and extending the pipeline's life. Because the bonding work is a sizable financial investment the District sought to first confirm the overall structural integrity of pipeline would warrant the cost. Recent electromagnetic inspections of the pipeline have confirmed the DCAP integrity is more than sufficient to justify moving forward with plans for the bonding work and the design of a cathodic protection system.

The recent electromagnetic inspections identified 26 locations of wall loss on the steel pipeline cylinder indicating corrosion sites. Depending on the level of accuracy of the assessment tool and interpretation of its data, the recommended course of action would range from merely monitoring the location periodically up to making plans for spot repairs of the piping site in the near future.

To better calibrate the initial evaluation of the 26 locations it was recommended to perform spot inspections from inside the pipeline of select sites for comparison to the initial estimate of corrosion. This work would be performed from inside the dewatered pipeline by confined space qualified technicians who would remove the cement mortar lining at the identified wall loss locations. With the pipeline lining removed electromagnetic hand tools in direct contact with the steel cylinder of the pipeline would collect higher resolution data and allow visual inspection.

Since the bonding work for the cathodic protection system design also requires the DCAP pipeline to be dewatered it would be beneficial to perform the calibration of the electromagnetic assessment simultaneously.



This proposal will provide budget to perform the following project elements:

- Evaluate and determine extents of bonding and locations of joints to be bonded
- Evaluate and determine which of 26 identified corrosion sites will be internally inspected for calibration of the initial assessment report
- Develop schedules of the work in coordination with availability of outages of Schedule I DCAP pipeline
- Develop construction cost estimates for performing the field work
- Develop project plans and specifications for bidding by General Contractors to perform the bonding work and manage the electromagnetic inspection firm as a subcontractor
- Provide project bidding and bid evaluations support services
- Provide a field inspector and construction support services during bonding and internal inspection work on the pipeline
- Coordinate with cathodic protection specialty firms to provide proposals for evaluation and design of the cathodic protection system bid ready design documents
- Provide review summary technical memorandum of the post internal inspections updated/calibrated report recommendations
- Coordinate weekly or biweekly progress meetings throughout the project schedule

AUTHORIZED RESPONSIBLE ENGINEERS

Civiltec proposes to assign W. David Byrum, PE, as company representative. As President of the firm, he is responsible for the firm's timely response and quality completion of this project. He has complete authority to handle all contractual matters, commit *Civiltec's* resources as necessary and take all action necessary to meet your requests. Shem Hawes, PE, will be the Project Manager. Shem will be assisted by Steven Walker, PE, as the Senior Project Engineer, and our Monrovia office's support engineering staff.

SCOPE OF SERVICES

Based on our project understanding and professional experience, we have identified the following scope of services.

Task 1 – Project Management and Coordination

Civiltec will provide project administration and management activities throughout all tasks such as staffing, budget management, invoice preparation, schedule management, and maintaining the quality of work products defined within this scope consistent with applicable standards and the District's project criteria.

Project Budget: A total of 45 hours is budgeted for this task.



Task 2 – Progress and Review Meetings

We anticipate this project will take approximately 37 weeks to complete in January 2024. We suggest weekly progress meetings take place for the majority of the schedule to keep communications constant. We have budgeted virtual meetings, including a kick-off meeting, weekly progress meetings, and reviews of draft and final submittal documents. We are also happy to meet in person, as necessary, because we are so close by. The meetings will be attended by key **Civiltec** staff based on the stage of the project.

Project Budget: A total of 128 hours is budgeted for this task.

Task 3 - Bonding Design Documents Development

Civiltec will perform the following tasks:

- a. Evaluate the extents of and quantify the number of existing piping joints to be bonded.
- b. Evaluate and determine the best means for internal bonding of the bar-wrapped piping joints.
- c. Prepare conceptual schedule of bonding field work by a General Contractor.
- d. Prepare draft construction drawings and specifications for District review.
- e. Prepare final construction drawings and specifications incorporating/addressing District comments.
- f. Prepare a bonding construction/installation cost estimate.

Assumptions: No surveying of the pipeline alignment will be necessary. **Civiltec** will rely on record information of pipeline features such as manholes, pipeline joints, and appurtenances for development of the bidding plans.

Deliverables:

- Bid ready plans and specifications for solicitation of General Contractors
- Construction cost estimate
- Construction schedule

Project Budget: A total of 199 hours is budgeted for this task.

Task 4 - Corrosion Assessment Validation Design Documents and Proposal Negotiations

Civiltec will perform the following tasks:

- a. Evaluate and determine the best locations and quantify the number of sites for spot internal inspections for validation of prior electromagnetic inspections.



- b. Coordinate negotiations with PICA Corporation and the District for a proposal cost to perform the internal spot inspections, provide a summary report of the results, and revise and update their prior evaluation report on Repair Priority locations. PICA Corporation will be subcontracted through the General Contractor performing the bonding work.
- c. Prepare conceptual schedule of spot evaluations field work by PICA Corporation
- d. Prepare draft construction drawings and specifications detailing the scope of work by PICA for District review.
- e. Prepare final construction drawings and specifications incorporating/addressing District comments.
- f. Prepare a summary technical memorandum of PICA Corporation's work results and schedule for repair priorities due to corrosion.

Assumptions: No surveying of the pipeline alignment will be necessary. *Civiltec* will rely on record information of pipeline features such as manholes, pipeline joints, and appurtenances for development of the bidding plans.

Deliverables:

- Bid ready plans and specifications for solicitation of General Contractors
- Construction cost estimate
- Construction schedule
- Summary TM of revised PICA assessments of repair priorities for the DCAP pipeline

Project Budget: A total of 159 hours is budgeted for this task.

Task 5 – Construction Field Work and Construction Phase Services

Civiltec will perform the following tasks:

- a. Provide a construction field representative:

Because the bulk of the work will be performed internally to the pipeline there will be minimum construction field service requirements. The field representative will document the General Contractor traffic control compliance and any potential violations of safety measures, note any project work related damages to the right-of-way improvements or to adjacent private property owners, and weather conditions or other occurrences that may impact changes to the number of contract days or scope of work. The field representative will coordinate with city inspector to ensure all work and improvement repairs in the right-of-way meet their satisfaction. Daily effort by the field representative is budgeted at 2.5 hours per an estimated 70 construction days and totaling 175 hours.

- b. Engineering reviews and consultations.



Civiltec will provide reviews of contractor shop submittals for materials/equipment, evaluations of potential contract change orders, and review contractor pay applications.

Deliverables:

- Daily construction observations reports
- Reviews of contractor shop submittals
- Reviews of potential change orders
- Reviews of contractor pay applications

Project Budget: A total of 201 hours is budgeted for a field representative, engineering reviews, and consultations.

Task 6 – Cathodic Protection System Design

Civiltec will prepare a request for proposals (RFP) for solicitation from regional pipeline cathodic protection system designer/installer firms. The RFP will detail the minimum qualifications of the cathodic protection system designer and the extent of scope of the work. The deliverables from the selected cathodic protection system designer will be a bid ready set of plans and specifications for solicitation of construction by the District and construction cost estimate.

The initial step in the design of the cathodic protection system will be field work involving soils analysis and continuity measurements along the piping and evaluate the data. The design of a cathodic protection system for the pipeline may include an impressed current (ICCP) or a galvanic anode (GACP), sometimes referred to as a sacrificial anode system.

The final design of the cathodic protection system will depend on several factors including soil resistivity, field measured current demand, availability of AC power, District maintenance preferences, and access/availability to locations for drilling/trenching to install anode ground beds. Depending on the field evaluations by the system designer/installer firm, a combination of ICCP and GACP systems may be utilized for the DCAP Schedule I pipeline.

The final cathodic project system design documents will be provided to select cathodic protection system installers and/or general contractors to obtain proposals for providing and installing the equipment. **No budget is provided in this proposal for *Civiltec* in the construction phase of the cathodic protection system in that the extents that work effort cannot be known at this time.**

Civiltec will prepare a bidding package for the District composed of the cathodic protection system designer's plans and specifications and required District contractor front end documents as required.

Assumptions: No surveying of the pipeline alignment will be necessary. Should survey work be required for precise location of installation of subgrade anode systems or other equipment, additional project costs to the District may be incurred. At this time, we do not foresee the need for a survey budget.

Deliverables:

- Bid ready plans and specifications for solicitation of construction cost proposals from General Contractors and/or cathodic protection installation firms.



Project Budget: A total of 121 hours is budgeted for this phase.

SCHEDULE

Civiltec is available to commence this project immediately. Based on the scope of work described previously, we can complete this project according to the accompanying conceptual project schedule (Attachment B) depending upon District review time frames and project team elements.

FEE DISTRIBUTION SCHEDULE

Professional fees for the above-described services are estimated to be provided with the following breakdown and will be provided on a fixed fee basis as is most convenient for the District. A summary of our scope of services, calculations, reports, drawing sheets, specifications is included as Attachment A.

Task 1. Project Management and Coordination.....	\$9,585.00
Task 2. Progress and Review Meetings	\$24,820.00
Task 3. Bonding Design Documents Development	\$36,775.00
Task 4. Corrosion Assessment Validation Design Docs and Proposal Negotiations	\$27,565.00
Task 5. Construction Field Work and Construction Phase Services	\$32,140.00
Task 6. Cathodic Protection System Design	\$24,325.00
Total.....	\$155,190.00

Any work not authorized within 3 months of the date of this proposal will be subject to renegotiations based on current rates. Capacity and impact fees associated with application filings shall be the responsibility of District. Additional services may be authorized by District based on *Civiltec's* Hourly Rate Schedule. *Civiltec* will bill monthly for all work performed and expenses incurred on the project's behalf.

If this proposal is acceptable, please return a signed copy to our office. Again, thank you for the opportunity to submit this proposal. We look forward to working with you on this project. Please contact the undersigned directly with any comments or questions.

Sincerely,

Civiltec engineering, inc.

A handwritten signature in blue ink that reads 'C. Shem Hawes'.

C. Shem Hawes, PE (shawes@civiltec.com)
Principal, Senior Engineer

CSH:cms

Steve Kiggins | San Gabriel Valley Municipal Water District
DCAP SCH I Pipeline Continuity Bonding, Corrosion Assessment Validation, and
Cathodic System Design
April 27, 2023
Page 7 of 9



Attachment(s): A – Breakdown of Hours and Fees
B – Conceptual Project Schedule

The Terms and Conditions of this proposal are:

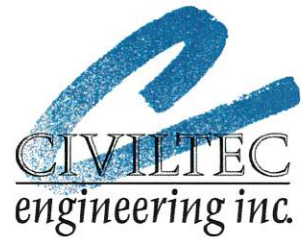
Accepted this _____ day of _____ 2023.

By Authorized Client Representative:

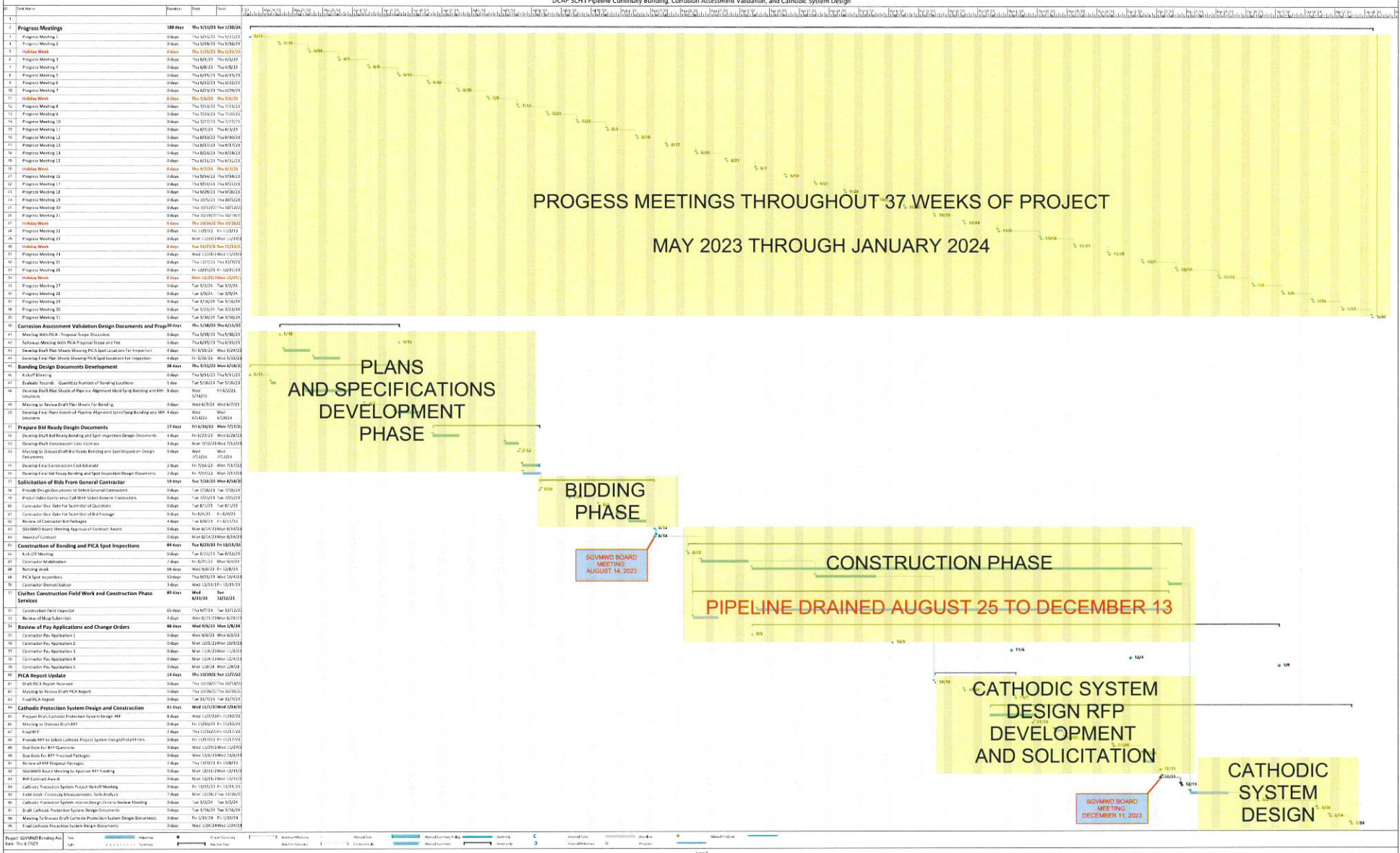
Name and Title Date

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PF23042.00-SGVMWD-DCAP Pipeline Continuity Bonding Assessment WDB.docx

Attachment A
Breakdown of Hours and Fees



Attachment B
Conceptual Project Schedule



DCAP Pipeline Continuity Bonding, Corrosion Assessment Validation, and Cathodic System Design
 San Gabriel Valley Municipal Water District
 Proposal Number: PF23042
 Time and Fee Estimate
 May 3, 2023

Scope of Work	HOURS						TOTAL COST
	PIC	SrPE	SE	D	Admin	CO	
	\$ 265.00	\$ 225.00	\$ 165.00	\$ 155.00	\$ 85.00	\$ 150.00	
Phase 1	31	339	126	117	65	175	\$ 155,190.00
Task 1 - Project Management and Coordination	18	18			9		\$ 9,585.00
Task 2 - Progress and Review Meetings	9	88			31		\$ 24,820.00
Task 3 - Bonding Design Documents Development	1	84	62	42	10		\$ 36,755.00
Task 4 - Corrosion Assessment Validation Design Documents and Proposal Negotiations	1	46	64	33	15		\$ 27,565.00
Task 5 - Construction Field Work and Construction Phase Services	1	25				175	\$ 32,140.00
Task 6 - Cathodic Protection System Design	1	78		42			\$ 24,325.00
HOURS	31	339	126	117	65	175	853
BUDGET	\$ 8,215.00	\$ 76,275.00	\$ 20,790.00	\$ 18,135.00	\$ 5,525.00	\$ 26,250.00	\$ 155,190.00

PIC = Principal Engineer (PE)
 PrEE = Principal Electrical Engr. (PE)
 PE = Project Engineer (PE)
 SE = Staff Engineer (EIT)
 CAD = CAD Operator
 Admin = Admin. Asst./Clerical
 2PS = Two Person Survey Crew

SrE = Senior Engineer (PE)
 PM = Project Manager
 SrD = Senior Designer
 D = Designer
 JrE = Jr. Engineer (Intern)
 CO = Construction Observer
 SLS = Staff Land Surveyor (PLS)

SrPM = Sr. Project Manager
 SrPE = Sr. Project Engineer (PE)
 SrSE = Sr. Staff Engineer (EIT)
 D/CAD = Designer/CAD Operator
 PT = Planning Technician
 SM = Survey Manager (PLS)
 ST = Survey Technician

Memorandum

To: San Gabriel Valley Municipal Water District Board of Directors

Cc: Darin Kasamoto, General Manager

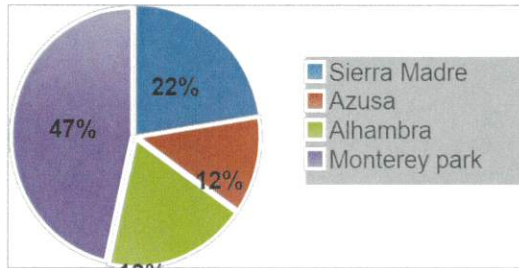
From: Evelyn Reyes, External Affairs Manager

Date: May 8, 2023

Subject: External Affairs Report

Irrigation Direct Install Program:

Assessed Properties	270
Waiting Install	0
Total Installed	220
Avg. cost per property	\$1,137.45



Upcoming Outreach Events:

May 20 - City of Sierra Madre Public Works Day

Location: City Yard, 621 E Sierra Madre Blvd, Sierra Madre, CA 91024

Time: 9:00 am to 1:00 pm

May 25 - City of Monterey Park Public Works Day

Location: City Yard, 751 S. Alhambra Ave., Monterey Park, CA 91754

Time: 11:00 am to 1:30 pm

May 27 - Mt Wilson Trail Race

Location: Kersting Court, Sierra Madre

Time: 7:00 am to 11:00 am

Home Water Survey Program: We are working once again with Alhambra Unified School District and Sierra Madre Elementary to distribute our Home Water Survey program materials. We are distributing materials to approximately 3,500 students in 14 schools. All the students will receive the Home Water Survey, Growth Chart and classroom posters. We are working on scheduling assemblies in May. We have also reached out to 8 schools in Azusa Unified, but we are waiting to hear back from them.

We presented an assembly at Monterey Vista in Garvey USD. We have an assembly presentation scheduled for Emery Park Elementary in Alhambra USD and Sierra Madre Elementary in Pasadena USD.

Meetings/events attended:

- San Gabriel Basin Water Management Committee Meeting
- San Gabriel Valley Water Association Legislative Committee Meeting
- Alhambra State of the City
- Monterey Park Earth Day Festival
- Sierra Madre Earth Day Festival
- Sierra Madre Post Office Ribbon Cutting ceremony
- Alhambra EcoFair
- Alhambra Chamber of Commerce Government Affairs Committee meeting
- Alhambra USD Home Water Survey Program outreach
- San Gabriel Valley Economic Partnership Legislative Action meeting
- PWAG CET Administrative Meeting and Member Agency meeting
- SCWUA Administrative Professionals Day event
- Meeting with Garvey USD Board Member, Andy Yam
- Roundtable with Congresswoman Grace Napolitano

**ANNUAL HEARING ON DETERMINATION OF OPERATING SAFE YIELD AND
REGULAR MEETING OF THE MAIN SAN GABRIEL BASIN WATERMASTER
725 NORTH AZUSA AVENUE, AZUSA, CALIFORNIA
MAY 3, 2023 AT 2:30 O'CLOCK P.M.**

<u>Agenda</u>	<u>Action/Notes</u>
1. CALL TO ORDER	
2. PLEDGE OF ALLEGIANCE	
3. ROLL CALL OF WATERMASTER MEMBERS	
4. ADOPTION OF AGENDA [1]	
5. PUBLIC HEARING ON OPERATING SAFE YIELD FOR FISCAL YEARS 2023-24 THROUGH 2027-28	
6. ADOPTION OF OPERATING SAFE YIELD (Resolution No. 05-23-316) [1]	
7. TIME RESERVED FOR PUBLIC COMMENT	
8. ITEMS REMOVED FROM CONSENT CALENDAR [1]	
9. CONSENT CALENDAR [1] All items on Consent Calendar may be approved with single action.	
a) Minutes of a Regular Meeting of Watermaster held April 5, 2023	
b) Lists of Demands	
c) Financial Statements, April 2023	
d) Stipulation Re Intervention After Judgment of:	
i) Carolyn R. Heinrich Trust Dated January 23, 2023	
10. REQUEST FROM INTEGRATED RESOURCE MANAGEMENT, INC. TO PURCHASE 400.00 ACRE-FEET OF WATER FROM UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT FOR PRODUCER CYCLIC STORAGE [1]	
11. REPORT FROM BASIN WATER MANAGEMENT COMMITTEE [2]	
12. REPORT FROM ADMINISTRATIVE COMMITTEE [1]	
a) Recommendation to adopt draft FY 2023-24 Administration Budget in the amount of \$4,974,660 and Assessments as follows: (Resolution No. 05-23-315)	
i) Administration Assessment of \$18.00/AF on FY 2022-23 Production;	
ii) In-Lieu Assessment of \$8.00/AF on FY 2022-23 Production;	

iii) Water Resource Development Assessment of \$175.00/AF on FY 2022-23;

iv) Replacement Water Assessments on FY 2022-23 and 2023-24 Overproduction

13. ATTORNEY'S REPORT [2]
14. ENGINEER'S REPORT [2]
15. EXECUTIVE OFFICER'S REPORT [2]
16. REPORT FROM RESPONSIBLE AGENCIES [2]
17. OUTSIDE COMMITTEE LIAISONS [2]
18. INFORMATION ITEMS [2]
 - a) Temporary assignment or lease of 36.29 acre-feet of Production Right from Walter Green to California Domestic Water Company for FY 2022-23
 - b) Temporary assignment or lease of 615.00 acre-feet of Production Right from Canyon Water Company to La Puente Valley County Water District for FY 2022-23
 - c) Temporary Assignment or lease of 359.69 acre-feet of Production Right from City of Covina to Covina Irrigating Company for FY 2022-23
 - d) Change of Designee for Valley County Water District to Jose Martinez
 - e) Change of Designee for San Gabriel Valley Water Company to Robert J. DiPrimio
 - f) Transmittal of San Gabriel Valley Municipal Water District Monthly Report for March 2023
19. COMMENTS FROM WATERMASTER MEMBERS [2]
20. FUTURE AGENDA ITEMS [1]
21. CLOSED SESSION [1]
22. ADJOURNMENT

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

Chair Lynda Noriega Presiding

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

WEDNESDAY, APRIL 19 22, 2023 AT 12:00 P.M.

Zoom Link:

[https://us06web.zoom.us/meeting/register/tZcqcOmrrTksHtM_Pb8uo9xkBeY403cSDKOr](https://us06web.zoom.us/join/zoom-join?from=addon&url=https://us06web.zoom.us/join/zoom-join?from=addon&url=https://us06web.zoom.us/meeting/register/tZcqcOmrrTksHtM_Pb8uo9xkBeY403cSDKOr)

AGENDA

- I. CALL TO ORDER** **PAULSON**
- II. PLEDGE OF ALLEGIANCE**
- III. REMOTE PARTICIPATION DECLARATION - AB 2449** **MORENO**
[Government Code Section 54953(f)]
- (a) Notification of Just Cause Remote Participation
- (b) Notification and Vote to Approve Emergency Circumstance Request For Remote Participation
- IV. ROLL CALL OF BOARD MEMBERS** **MORENO**
- Mark Paulson, Chairman _____ (alt)
Lynda Noriega, Vice-Chairwoman _____ (alt)
Valerie Munoz, Secretary _____ (alt)
Mike Whitehead, Treasurer _____ (alt)
Bob Kuhn _____ (alt)
Ed Chavez _____ (alt)
Robert Gonzales _____ (alt)
- V. PUBLIC COMMENTS (Agendized Matters Only):** **PAULSON**
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.
- VI. ITEMS TOO LATE TO BE AGENDIZED - Recommended Action:** **PAULSON**
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)

VII. PUBLIC HEARING **PAULSON**

“Draft Budget for Fiscal Year 2023/2024”

VIII. WORKSOP **SAENZ**

“Budget Workshop for Fiscal Year 2023/2024” [enc]

IX. CONSENT CALENDAR **PAULSON**

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

- (a) Minutes for 3/22/23 Regular Board Meeting
- (b) Minutes for 4/11/23 Administrative/Finance Committee Meeting
- (c) Minutes for 4/12/23 Legislative/Public Information Committee Meeting
- (d) Demands on Administrative Fund
- (e) Demands on Project Fund

X. COMMITTEE REPORTS

(These items may require action)

- (a) Legislative/Public Information Committee Report [enc]
- (b) Administrative/Finance Committee Report [enc]
 - 1. Discussion/Action Regarding Amendment to Policy No. 23 [enc]
 - 2. Report on Cash and Investments – 1st Quarter 2023 [enc]

XI. OTHER ACTION/INFORMATION ITEMS **PAULSON**

(These items may require action)

- (a) Adopt Resolution No. 23-005 Commending Michael L. Whitehead [enc]

XII. PROJECT REPORTS **COLBY**

(a) Treatment Plants:

- | | | |
|----|--|---------------|
| 1. | Baldwin Park Operable Unit | <u>Status</u> |
| | • Arrow/Lante Well (Subarea 1) | Operational |
| | • Monrovia Wells | Operational |
| | • SGVWC B6 Plant | Operational |
| | • SGVWC B5 Plant | Operational |
| | • CDWC Well No. 14 | Operational |
| | • La Puente Valley County Water District | Operational |
| | • 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

XIII. ATTORNEY'S REPORT **PADILLA**

XIV. LEGISLATIVE REPORT **MONARES**

XV. EXECUTIVE DIRECTOR'S REPORT **SCHOELLERMAN**

XVI. FUTURE AGENDA ITEMS **PAULSON**

XVII. INFORMATION ITEMS [enc] **PAULSON**

- (a) San Gabriel Basin Water Calendar

XVIII. FUTURE BOARD/COMMITTEE MEETINGS **PAULSON**

- (a) The next Legislative/Public Information Committee meeting was scheduled for **Tuesday, May 16, 2023 at 9:00 a.m.**
- (b) The next Administrative/Finance Committee Meeting was scheduled for Tuesday, May 16, 2023 at 10:00 a.m.
- (c) The next WQA Board meeting was scheduled for Wednesday,

May 24, 2023 at 12:00 p.m.

XIX. CLOSED SESSION

PAULSON

- (a) Closed Session Pursuant to Government Code Section 54956.9(d)(1)
– Conference with Legal Counsel re: Existing Litigation - San Gabriel Basin Water
Quality Authority v. 3M Company et al, USDC Case No. 2:23-av-55555-CIV

XX. RECONVENE OPEN SESSION

PAULSON

XXI. BOARD MEMBERS' COMMENTS/REPORTS

PAULSON

XXII. ADJOURNMENT

PAULSON

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: May 3, 2023

Subject: General Manager's Report

1. SWP UPDATE

The Delta Conveyance Project (DCP) Public Draft EIR Comment period has ended. The EIR process should be completed by the end of 2023.

On April 20, the State Water Project allocation was increased from 75% to 100%. This is the first 100% allocation since 2006. The allocation will provide 28,800 ac-ft.

2. MAIN SAN GABRIEL BASIN UPDATE

As of April 28, 2023, the Key Well is at 224.1 feet which is 19.8 feet higher than the level on March 31, 2023, due to releases from the San Gabriel canyon reservoirs, these releases are continuing as there is a significant amount of storage and inflow to the canyon reservoirs. The historic low is 169.4 feet.

3. GRANT PROGRAM UPDATES

The District has applied for a Bureau of Reclamation grant to help fund some projects in the Raymond Basin on behalf of the Foothill Water Coalition. The application was submitted on March 31, 2023.

The District has applied for a Bureau of Reclamation grant to help fund 50% of a Federally approved recycled water feasibility study. This study would make the District eligible for design and construction grant money in the future. The application was submitted on February 28, 2023.

The District has applied for a State Grant through DWR for Turf Replacement, supplement existing rebate programs, supplement direct install program, education programs. The grant application also included some well projects from the four cities. The application was submitted on January 31, 2023, and sought about \$5 million for the various projects. DWR has said that there were some issues with the submittal which were addressed and the application was re-submitted on February 22, 2023.

4. MANAGEMENT ISSUES

The Letter of Intent for the Regional Recycled Water Project has been approved by all parties. I have had a follow-up with MWD on next steps, and they want to look into use of SGVMWD existing infrastructure to add flexibility to the project. We have sent all of information requested by MWD for them to begin this analysis. The preliminary analysis performed by MWD indicates that it is physically possible to use our pipeline to get water to the treatment plant in La Verne. Stetson Engineers has been hired to analyze the benefits and potential downside of this proposal. The study should be ready for review in June 2023.

May 3,2023

The Auditors have completed their 3 year engagement, an RFP was sent to five firms for the next 3 year audit engagement. We did not receive any proposals and will therefore we resent the RFP to more firms.

May 3,2023

Memorandum

To: San Gabriel Valley Municipal Water District Board of Directors

From: Steve Kiggins, Assistant General Manager

Cc: Darin Kasamoto, General Manager

Date: May 4, 2023

Subject: Assistant General Manager's Report

1. Total water delivered April 2023: 670 AF. SGVMWD delivered 194 AF of Article 21 water via the San Dimas and Big Dalton Turnouts and 476 AF on behalf of Three Valleys Municipal Water District (TVMWD) to Covina Irrigating Company's (CIC's) surface water treatment facility. SGVMWD's allocation for CY 2023 is 28,800 AF (100% Table A allocation); SGVMWD has 28,800 AF available for delivery.
2. Total deliveries to cyclic storage CY 2023: 194 AF. Cyclic storage balance as of March 31, 2023: 2,849.24 AF. Amount of water banked on behalf of Dudley Ridge Water District: 14,209 AF.
3. May 2023 delivery forecast: SGVMWD Table A deliveries of 20 CFS at San Dimas Turnout and 5 CFS at Big Dalton Turnout will resume May, 9 2023. A 10 CFS delivery to Covina Irrigating Company (CIC) on behalf of Three Valleys Municipal Water District (TVMWD) is expected to continue. SGVMWD is currently restricted by DWR to <30 CFS due to capacity constraints on the east branch of the State Water Project. SGVMWD deliveries will be maximized as LA County / DWR capacities allow.
4. Project Updates:
 - A. HYDROELECTRIC FACILITY 24" BUTTERFLY VALVE REPLACEMENT: Pratt Valve delivery estimate is June 23, 2023.
 - B. SAN GABRIEL FLOW CONTROL STRUCTURE 30" BALL VALVE REPLACEMENT: Pratt Valve delivery estimate is October 24, 2023.
5. Assistant General Manager meetings and activities:
 - A. Virtual- Weekly DWR East Branch Capacity Coordination meetings
 - B. Virtual- Weekly SWC / DWR Operations Update meetings
 - C. Virtual- San Gabriel River Water Committee (C9) meeting
 - D. JPIA Webinar- Heat Illness Prevention training
 - E. Virtual- San Gabriel Basin Water Quality Authority meeting
 - F. Basin Water Management Committee: Watermaster 101- Operating Safe Yield
 - G. Civiltec Hydraulic Model Development Project site visits

- H. Meeting with Director Placido and Darin to discuss operating safe yield
- I. Virtual- Delta Island Adaptations Public Workshop #3
- J. Assisted Operations staff to bring system online and test-start the hydroelectric generator
- K. Met Operations staff and R&B Automation at Big Dalton PRS to diagnose Auma valve actuator problem- Confined space support
- L. Attended Congresswoman Grace Napolitano- 31st CD Water Districts Meeting
- M. Attended Main San Gabriel Basin Watermaster meeting