

**BOARD OF DIRECTORS
SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
REGULAR MEETING
1402 N. VOSBURG DR. AZUSA, CA 91702
6630 N. 9th AVENUE GLENDALE, AZ 85301
MONDAY, JANUARY 13, 2025
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=SUZJRzFFSDRXUVVTY0NhOXQ0c1I6QT09>

Meeting ID: 890 1330 6120

Passcode: 512838

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+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 December 09, 2024

Financial Statements of December 2024

Disbursements of the Revolving Fund Dated December 12, 2024, Check Nos. 12616 - 12621, EFT and Wires

Disbursements of the Revolving Fund Dated December 26, 2024, Check Nos. 12622 - 12627, EFTs, and Wires

Disbursements of the Revolving Fund Dated January 09, 2025, Check Nos. 12628 - 12631, EFT, and Wires

Disbursements of the Revolving Fund Dated January 13, 2025, Check Nos. 12632 - 12634, and Wires

Disbursements of the General Fund Dated December 11 - 31, 2024, Check Nos. 44915 - 44938, and EFTs

Disbursements of the General Fund Dated January 02 - 13, 2025, Check Nos. 44939 – 44979 and EFT's

Disbursements of the State Water Project (SWP) Dated: December 23, 2024, Check No. 1012, in the amount of \$590,823.00

Future Meeting Attendance Approval: None

ACTION ITEMS

1. 2023-2024 Draft Audit and Travel Expense Report
2. Election Of Officers and Committee Appointments
3. Per Diem Conferences for 2025
4. Resolution No. 01-2025-844 Amending District Administrative Code
5. Declare Surplus Inventory

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

- A. Conference with Legal Counsel – Anticipated Litigation – Government Code Section 54956.9(d)(4): One potential case
- B. Conference with Legal Counsel – Pending Litigation – Government Code Section 54956.9(d)(1) – California Sportfishing Alliance, et al. v. California Department of Water Resources and California Department of Fish and Wildlife, et al., Sacramento County Superior Court Case No. 24WM000181; Tehama-Colusa Canal Authority, et al. v. California Department of Water Resources and California Department of Fish and Wildlife, et al., Sacramento County Superior Court Case No. 24WM000183; San Francisco Baykeeper, et al. v. California Department of Water Resources, Sacramento County Superior Court Case No. 24WM000185; and Central Delta Water Agency and South Delta Water Agency v. California Department of Water Resources, Sacramento County Superior Court Case No. 24WM000186
- C. Personnel Issue – Government Code Section 54957

ADJOURNMENT

THIS AGENDA WAS POSTED ON JANUARY 09, 2025, AT SGVMWD.
THE NEXT REGULAR BOARD MEETING WILL BE ON FEBRUARY 10, 2025.

**MINUTES
BOARD OF DIRECTORS
SAN GABRIEL VALLEY MUNICIPAL
WATER DISTRICT
REGULAR BOARD MEETING
1402 N. VOSBURG DR. AZUSA, CA 91702
MONDAY, DECEMBER 09, 2024
8:00 A.M.**

At 8:00 a.m. on December 09, 2024, 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 8:01 a.m.

ROLL CALL:

Directors present at Roll Call: Eng, Knoles, Paulson, Placido, Prince (present by Zoom from 78755 Villeta Drive, La Quinta, California 92253.

ALSO PRESENT:

Darin Kasamoto, General Manager; Steve Kiggins, Assistant General Manager; Linda Esquivel, Executive Assistant; Maria "Gigi" Jarmin, Accounting Specialist; Evelyn Reyes, External Affairs Manager, SGVMWD; Jim Ciampa, Lagerlof LLP; Russ Bryden and Kelly Gardner, Main San Gabriel Basin Watermaster; David Dolphin, City of Alhambra; Jennifer Peterson, City of Sierra Madre; Carlos Solis, City of Azusa.

Via telephone/Zoom: Miles Prince and Albert Lu, SGVMWD; Dennis Albiani and Adam Quinonez, California Advocates.

PUBLIC COMMENTS ON NON-AGENDA ITEMS

None.

UPDATES FROM THE CITY REPRESENTATIVES

None.

CONSENT CALENDAR:

Minutes of the Regular Board Meeting of November 04, 2024
Financial Statements for November 2024

Disbursements of the Revolving Fund Dated:

November 14, 2024, Check Nos. 12604 - 12607, EFT, and Wires in the amount of \$68,519.75

November 26, 2024, Check Nos. 12608 - 12611, EFT's, and Wires in the amount of \$71,353.30

December 09, 2024, Check Nos. 12612 - 12615, and Wires in the amount of \$3,444.80

Disbursements of the General Fund Dated:

November 05 - 26, 2024, Check Nos. 44846 – 44867 and EFTs in the amount of \$155,344.48

December 03 - 09, 2024, Check Nos. 44868 – 44914, in the amount of \$329,490.10

Disbursements for State Water Project (SWP) expenses, dated: November 18, 2024, Check No. 1011, in the amount of \$590,823.00

Future Meeting Attendance Approval: None

On the motion of Director Eng, seconded by Director Knoles, and unanimously carried 5 - 0, the Consent Calendar was approved by roll call vote.

ACTION AGENDA ITEM

RESOLUTION NO. 12-2024-842 APPRECIATION FOR DAVID DOLPHIN

Director Paulson acknowledged David Dolphin who is retiring after 20 years of service to the City of Alhambra. Mr. Paulson commended Mr. Dolphin, who is in charge of a number of areas related to water and has an outstanding dedication to the City of Alhambra.

On motion of Director Placido, seconded by Director Eng, and unanimously carried 5-0, A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT HONORING DAVID DOLPHIN FOR HIS OUTSTANDING SERVICE AS DEPUTY DIRECTORS OF UTILITIES FOR THE CITY OF ALHAMBRA, Resolution No. 12-2024-842 was approved.

Passed and Adopted by the Board of Directors of the San Gabriel Valley Municipal Water District at their regular meeting held on December 9, 2024, by the following roll call vote:

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

LEGISLATIVE UPDATE

Evelyn Reyes introduced Dennis Albiani of California Advocates, who then introduced Adam Quinonez as a new team member at California Advocates. Mr. Albiani provided a summary of the recent election results and potential impact on the water community, as well as past and ongoing legislative matters.

ANNUAL CONSULTING AGREEMENT FOR CALIFORNIA ADVOCATES

On motion of Director Eng, and seconded by Director Placido, and unanimously carried 5-0, California Advocates' proposal dated November 20, 2024, to provide governmental/public affairs consulting services was approved.

Passed and Adopted by the Board of Directors of the San Gabriel Valley Municipal Water District at their regular meeting held on December 9, 2024, by the following roll call vote:

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

GRANT REQUESTS FROM THE CITY OF AZUSA AND ALHAMBRA

The General Manager reported that earlier in the year the Board adopted a new policy for grants to the four member cities. The new policy calls for the cities to make formal requests for the grants, which are then brought to the Board for approval. The District received grant requests from the City of Azusa and City of Alhambra for \$50,000.00 each.

On motion of Director Knoles, seconded by Director Placido, and unanimously carried 5-0, the grant requests from the City of Azusa and City of Alhambra were approved.

Passed and Adopted by the Board of Directors of the San Gabriel Valley Municipal Water District at their regular meeting held on December 9, 2024, by the following roll call vote:

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

RESOLUTION NO. 12-2024-843 APPRECIATION FOR LINDA ESQUIVEL

The General Manager expressed his appreciation to Linda Esquivel for her hard work and dedicated service for 12 years to the San Gabriel Municipal Water District.

On motion of Director Eng, seconded by Director Prince, and unanimously carried 5-0, A RESOLUTION OF THE BOARD OF DIRECTORS OF SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT HONORING THE RETIREMENT OF EXECUTIVE ASSISTANT LINDA ESQUIVEL, Resolution No. 12-2024-843 was approved.

Passed and Adopted by the Board of Directors of the San Gabriel Valley Municipal Water District at their regular meeting held on December 9, 2024, by the following roll call vote:

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

CIVILTEC PROPOSAL FOR PRESSURE REDUCING STATIONS REFURBISHMENT PROJECT

Steve Kiggins reported that the Devils-Canyon-Azusa Pipeline has been in service for 50 years, and some valves are no longer functioning correctly. Station refurbishment will ensure both reliable water delivery and pipeline isolation.

On motion of Director Placido, and seconded by Director Knoles, and unanimously carried 5-0, Civiltec Proposal No. PU24010 in the amount not to exceed \$284,595, dated October 31, 2024, for Pressure Reducing Stations Refurbishment Project was approved by roll call vote.

Passed and Adopted by the Board of Directors of the San Gabriel Valley Municipal Water District at their regular meeting held on December 9, 2024, by the following roll call vote:

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

INFORMATION ITEMS

EXTERNAL AFFAIRS

External Affairs Report in Agenda Packet

Ms. Reyes works closely with California Advocates to monitor legislation important to the District and the State Water Contractors.

Ms. Reyes also mentioned that the District will be participating in Alhambra's Lunar New Year Festival on February 8, 2025.

UNFINISHED BUSINESS

REPORT ON BASIN MANAGEMENT

Mr. Bryden mentioned that Basin is in good shape. The Key Well is up to 246 feet, which is 20 feet higher than last year's elevation which translates to 160,000-acre feet of additional water in storage.

REPORT OF WQA

No Report

REPORT OF THE ATTORNEY

General Counsel Ciampa reported an update on legislative issues. The new bill session will have a limit of 35 bills per legislator.

REPORT OF THE GENERAL MANAGER/ASSISTANT GENERAL MANAGER

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

The General Manager reported that he had an open dialogue with the Metropolitan Water District, which indicated that it may have surplus water to sell or exchange. There is also the possibility of a water banking opportunity with the Willow Springs Groundwater Storage Project, and updates will be provided as the potential opportunity progresses.

The Assistant General Manager's written report is in the Agenda Packet. The Assistant General Manager reported that as of the beginning of December, 1,595 acre-feet of water was left for delivery through the end of the year. The last scheduled Department of Water Resources outages, which started in October, have ended. Therefore, operations are able to increase delivery amounts. The plan is to complete delivery of the remainder of the District's Table A allocation by the end of the calendar year.

REPORT OF THE STATE WATER CONTRACTORS

The General Manager's written report is in the Agenda Packet. The General Manager mentioned that the initial State Water Project Allocation for 2025 was 5%, which is typical for the initial allocation.

COMMITTEE MEETING REPORTS

None.

DIRECTOR REPORTS ON EVENTS ATTENDED

No Report

DIRECTORS COMMENTS

None.

CLOSED SESSION at 9:10 a.m.

Personal Issue – Government Code Section 54957

CLOSED SESSION ADJOURNED at 9:24 a.m.

CLOSED SESSION REPORT: General Counsel Ciampa reported that the closed session was held under Government Code Section 54957 to discuss a personnel issue. The Board was briefed on that matter and no reportable action was taken.

ADJOURNED at 9:24 a.m.

There being no further business, the meeting was duly adjourned at 9:25 a.m. The next Regular Board Meeting of the San Gabriel Valley Municipal Water District's Board of Directors will be on January 13, 2025, at 8:00 a.m.

President

ATTEST:

Secretary

San Gabriel Valley Municipal Water District
Balance Sheet
As of December 31, 2024

	Dec 31, 24
ASSETS	
Current Assets	
Checking/Savings	
1001 · General Fund Bank of America	5,769,378.42
1002 · SWP Fund Account	9,234,234.45
1005 · Revolving Cash Fund	237,608.82
1008 · Petty Cash	442.00
1009 · LAIF	11,117,842.42
1009.01 · LAIF FMV Adjustment	-40,026.03
1011 · UBS Resource Management Account	
1012 · Cash with Broker	46,774.17
1013 · Certificates of Deposit	9,964,563.66
	10,011,337.83
Total 1011 · UBS Resource Management Account	10,011,337.83
1014 · UBS Accrued Interest	-54,281.16
	36,276,536.75
Total Checking/Savings	36,276,536.75
Accounts Receivable	
1603 · Accounts Receivable	-24,529.77
	-24,529.77
Total Accounts Receivable	-24,529.77
Other Current Assets	
1605 · Taxes Receivable	-0.34
1606 · Interest Receivable	54,281.16
1620 · Prepaid Expenses	240,830.61
1660 · Water Inventory	1,286,448.82
	1,581,560.25
Total Other Current Assets	1,581,560.25
Total Current Assets	37,833,567.23
Fixed Assets	
1862.1 · A/D Safety Project Assets	-2,263.51
1701 · State Water Project Engineering	156,789.28
1702 · State Water Prj Wtr Cntrct Pmts	5,627,376.00
1701.1 · Accum Ammort - State Water Proj	-4,771,949.25
1750 · SCADA 2013	966,165.05
1750.1 · Accum Depreciaton - SCADA 13	-897,794.08
1801 · Pipeline	27,227,652.85
1801.1 · Accum Depreciation - Pipeline	-17,564,928.92
1840 · SCADA Telemetry	48,442.01
1840.1 · Accum Depreciation -SCADA	-16,754.78
1860 · Repaving	3,950.00
1860.1 · A/D Paving	-1,382.82
1861 · Computer	9,865.84
1861.1 · A/D Computers	-6,772.83
1862 · Safety - Protection	47,955.32
1863 · SanDimas Hydro Deflec Batteries	35,595.25
1863.1 · A/D San Dimas Hydro	-17,206.63
1901 · Land	735,931.46
1902 · Buildings	2,320,676.42
1902.1 · Accum Depr - Buildings	-2,312,451.45
1904 · Furniture and Fixtures	182,299.76
1904.1 · Accum Depr - Furn and Fixtures	-141,950.19
1907 · Vehicles	257,156.24
1907.1 · Accum Depr - Vehicles	-216,175.80
1910 · Pipeline Misc Equipment	223,817.49
1910.1 · Accum Depr - Pipeline Misc Equi	-157,388.77
1923 · Hydroelectric Facility San Dima	1,343,986.21
1923.1 · Accum Depr Hydro Elect San D	-119,203.04
1925 · Roof	58,390.47
1925.1 · A/D Roof	-24,814.64
1920 · Construction in Process	
1921.12 · Sch 1 Joint Bond Est Comp 8/24	2,125,400.29
	2,125,400.29

San Gabriel Valley Municipal Water District
Balance Sheet
As of December 31, 2024

	Dec 31, 24
Total 1920 · Construction in Process	2,125,400.29
Total Fixed Assets	15,120,413.23
Other Assets	
1931 · City Of Monterey Park Loan 2021	4,000,000.00
1925.04 · Monterey Park ADV NR Discount	-322,824.00
1932 · City Of Sierra Madre 2020 Loan	2,160,000.00
1927.01 · Sierra Madre NR Discount	-144,057.00
1998.99 · Deferred Outflows -OPEB	156,710.00
1999.99 · 1999.Deferred Outflows of Res	1,727,477.00
Total Other Assets	7,577,306.00
TOTAL ASSETS	60,531,286.46
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2001 · Accounts Payable	696,543.76
Total Accounts Payable	696,543.76
Other Current Liabilities	
2010 · Accrued Payroll - V&SL	444,820.47
24000 · Payroll Liabilities	1,882.73
Total Other Current Liabilities	446,703.20
Total Current Liabilities	1,143,246.96
Long Term Liabilities	
1698.99 · Deferred Inflows- OPEB	1,097,070.00
2219.99 · Net Pension Liability	2,082,082.00
1699.99 · Deferred Inflow of Resources	347,692.00
2209 · Other Post-Employment Benefits	4,103,585.98
Total Long Term Liabilities	7,630,429.98
Total Liabilities	8,773,676.94
Equity	
2301 · Fund Balance	4,292,024.73
2302 · San Bernardino Contribution	1,781,730.83
2970 · Retained Earnings	44,805,261.49
2973 · Contribution Aid Capital	1,280,323.11
Net Income	-401,730.64
Total Equity	51,757,609.52
TOTAL LIABILITIES & EQUITY	60,531,286.46

San Gabriel Valley Municipal Water District

Income Statement - Actual vs. Budget

December 2024

	Dec 24	Budget	Jul - Dec 24	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
General Operations					
3002 · Property Tax Revenue	2,404,579.96	500,000.00	2,503,144.78	3,000,000.00	6,000,000.00
3003 · Water Sales	21,254.40	166,667.00	128,017.60	1,000,002.00	2,000,000.00
3004 · Interest Income	0.00	83,333.00	289,626.02	499,998.00	1,000,000.00
3005 · Ready to Serve Revenue	990.00	990.00	5,940.00	5,940.00	11,880.00
3006 · RDA Prop Tax Trust Fund Alloc	0.00	58,333.00	354,675.49	349,998.00	700,000.00
3008 · SBVMWD Pipeline Maintenance Rev	0.00	2,500.00	0.00	15,000.00	30,000.00
3016 · Unrealized Gain (Loss) on Inves	0.00	0.00	73,879.73	0.00	0.00
Total General Operations	2,426,824.36	811,823.00	3,355,283.62	4,870,938.00	9,741,880.00
Power Revenue Sales					
3210 · Hydro Power Sales	0.00	4,167.00	0.00	25,002.00	50,000.00
Total Power Revenue Sales	0.00	4,167.00	0.00	25,002.00	50,000.00
Restricted Revenue - SWP					
3306 · Tax Revenue - State Water Proje	4,029,350.06	833,333.00	4,103,671.39	4,999,998.00	10,000,000.00
Total Restricted Revenue - SWP	4,029,350.06	833,333.00	4,103,671.39	4,999,998.00	10,000,000.00
Total Income	6,456,174.42	1,649,323.00	7,458,955.01	9,895,938.00	19,791,880.00
Gross Profit	6,456,174.42	1,649,323.00	7,458,955.01	9,895,938.00	19,791,880.00
Expense					
Unrestricted G.O. Expenses					
4001 · Director Fees	3,200.00	5,000.00	18,600.00	30,000.00	60,000.00
4010 · Salaries- Administrative	25,204.80	27,305.00	157,530.00	163,830.00	327,659.00
4014 · Field Supervision	18,310.40	19,436.00	109,862.00	116,616.00	233,229.00
4020 · Salaries Office	27,008.80	21,255.00	144,790.12	127,530.00	255,054.00
4021 · External Affairs Wages	11,766.40	12,723.00	74,586.81	76,338.00	152,672.00
4022 · Part Time Employee	0.00	0.00	0.00	0.00	0.00
4023 · External Affairs Specialist	6,398.40	6,932.00	38,697.21	41,592.00	83,179.00
4027 · Office Supplies - Equipment Mai	1,997.22	3,667.00	23,628.81	22,002.00	44,000.00
4028 · Water Forum	0.00	0.00	0.00	0.00	0.00
4029 · Election Expenses	0.00	6,833.00	0.00	40,998.00	82,000.00
4031 · Legal Services	1,425.00	4,167.00	11,887.50	25,002.00	50,000.00
4032 · State Water Contract Services	3,028.79	3,917.00	18,172.76	23,502.00	47,000.00
4033 · Public Relations	7,238.56	11,250.00	23,744.45	67,500.00	135,000.00
4034 · Governmental Relations Consulti	0.00	8,167.00	48,231.00	49,002.00	98,000.00
4035 · Consulting & Engineering Expens	5,288.50	83,333.00	44,284.03	499,998.00	1,000,000.00
4036 · Medicare Tax Expense	1,719.22	1,708.00	10,140.85	10,248.00	20,491.00
4039 · PERS - Retirement Expenses	31,068.51	31,012.00	178,894.77	186,072.00	372,142.00
4040 · Social Security Tax Expense	4,190.96	6,327.00	28,446.92	37,962.00	75,920.00
4041 · State Compensation Fund	1,931.77	1,583.00	14,058.13	9,498.00	19,000.00
4042 · State Unemployment Insurance Ta	0.00	146.00	156.80	876.00	1,748.00

San Gabriel Valley Municipal Water District
Income Statement - Actual vs. Budget
December 2024

	Dec 24	Budget	Jul - Dec 24	YTD Budget	Annual Budget
4043 · Health Insurance Expense	34,254.75	32,000.00	191,029.26	192,000.00	384,000.00
4044 · Dental/ Vision Benefit Expense	6,474.18	7,667.00	26,678.73	46,002.00	92,000.00
4045 · Insurance - Liability, Casualty	0.00	4,583.00	46,357.70	27,498.00	55,000.00
4046 · Blue Cross Employee Reimburseme	8,168.27	7,500.00	23,617.10	45,000.00	90,000.00
4048 · Life Insurance	406.65	375.00	2,167.40	2,250.00	4,500.00
4050 · Dues and Associations	5,751.01	8,167.00	49,557.48	49,002.00	98,000.00
4051 · Travel and Conferences -Dir	1,222.13	2,083.00	9,754.48	12,498.00	25,000.00
4052 · Publications and Periodicals	0.00	25.00	0.00	150.00	300.00
4053 · State Water Contractors Audit	1,081.00	875.00	10,812.00	5,250.00	10,500.00
4054 · Financial Audit Expense	864.00	1,667.00	12,873.50	10,002.00	20,000.00
4055 · Travel & Conference -Staff	556.47	2,500.00	10,351.44	15,000.00	30,000.00
4057 · Taxes - Annual Fee	66,400.46	5,167.00	66,400.46	31,002.00	62,000.00
4058 · Tax Collection Fees	0.00	3,333.00	5,807.53	19,998.00	40,000.00
4059 · Property Tax Expense	0.00	71.00	809.61	426.00	850.00
4060 · Telephone Expense	2,119.59	3,083.00	15,793.16	18,498.00	37,000.00
4061 · Utilities - Gas, Electric, and	1,925.51	1,833.00	9,831.55	10,998.00	22,000.00
4063 · Safety Program	3,843.46	1,667.00	5,180.14	10,002.00	20,000.00
4065 · Water Conservation/Rebates Prog	31,777.75	24,583.00	68,964.75	147,498.00	295,000.00
4067 · OPEB -Other Post Employment Ben	23,333.33	65,000.00	639,999.98	390,000.00	780,000.00
4090 · SWP Transportation Cost	17,084.21	375,000.00	426,956.72	2,250,000.00	4,500,000.00
4093 · Uniform and Material Rentals	356.00	333.00	1,833.85	1,998.00	4,000.00
4095 · Vehicle Maintenance, Operating	2,713.45	2,833.00	23,299.54	16,998.00	34,000.00
4096 · Communication Expense	1,085.69	817.00	4,914.14	4,902.00	9,800.00
4099 · Facility Maintenance	3,831.57	2,500.00	19,853.10	15,000.00	30,000.00
4100 · Salaries - Field Workers	25,814.87	26,968.00	151,093.79	161,808.00	323,618.00
4108 · Grounds Maintenance and Materia	2,632.97	4,907.00	11,049.10	29,442.00	58,883.00
4112 · Depreciation Expense	49,457.00	0.00	293,358.00	0.00	0.00
4113 · Pipeline Maintenance & Material	50.15	4,167.00	1,269.06	25,002.00	50,000.00
4114 · SCADA Maintence	6,153.00	833.00	28,425.67	4,998.00	10,000.00
4120 · Grants	5,000.00	166,667.00	10,000.00	1,000,002.00	2,000,000.00
Total Unrestricted G.O. Expenses	452,134.80	1,011,965.00	3,113,751.40	6,071,790.00	12,143,545.00
Riverside Facility					
4300 · Salaries - Riverside	282.22	563.00	2,355.22	3,378.00	6,760.00
4301 · Riverside Maintenance and Mater	-2,603.70	500.00	15.33	3,000.00	6,000.00
Total Riverside Facility	-2,321.48	1,063.00	2,370.55	6,378.00	12,760.00
Hydro Expenses					
4402 · Salaries - Hydro	0.00	1,300.00	1,271.93	7,800.00	15,600.00
4403 · Hydro Maintenance Materials	0.00	2,083.00	2,676.00	12,498.00	25,000.00
4406 · Hydro So Cal Edison (8800)	302.26	833.00	2,269.77	4,998.00	10,000.00
Total Hydro Expenses	302.26	4,216.00	6,217.70	25,296.00	50,600.00

San Gabriel Valley Municipal Water District
Income Statement - Actual vs. Budget
December 2024

	Dec 24	Budget	Jul - Dec 24	YTD Budget	Annual Budget
Restricted Expense					
4510 · State Project Expense	590,823.00	733,333.00	4,643,122.00	4,399,998.00	8,800,000.00
4511 · State Project Amortization	8,034.00	8,083.00	48,204.00	48,498.00	97,000.00
4591 · State Project Cost of Water Adj	9,404.00	0.00	47,020.00	0.00	0.00
Total Restricted Expense	608,261.00	741,416.00	4,738,346.00	4,448,496.00	8,897,000.00
66000 · Payroll Expenses	0.00	0.00	0.00	0.00	0.00
66900 · Reconciliation Discrepancies	0.00	0.00	0.00	0.00	0.00
Total Expense	1,058,376.58	1,758,660.00	7,860,685.65	10,551,960.00	21,103,905.00
Net Ordinary Income	5,397,797.84	-109,337.00	-401,730.64	-656,022.00	-1,312,025.00
Other Income/Expense					
Other Expense					
6001 · COVID-19 Expense	0.00	0.00	0.00	0.00	0.00
6002 · Employee Appreciation	0.00	0.00	0.00	0.00	0.00
4700 · Interest Expense	0.00	0.00	0.00	0.00	0.00
Total Other Expense	0.00	0.00	0.00	0.00	0.00
Net Other Income	0.00	0.00	0.00	0.00	0.00
Net Income	5,397,797.84	-109,337.00	-401,730.64	-656,022.00	-1,312,025.00

SAN GABRIEL MUNICIPAL WATER DISTRICT

REVOLVING FUND RECAP

December 12, 2024

Check No.	Date	Description	Amount
12616-12618	12/12/24	Payroll Expense	\$ 38,848.56
EFT	12/12/24	Payroll Expense - PERS	\$ 11,169.67
Wires	12/12/24	Federal & State Payroll Taxes	\$ 20,464.90
12620	12/12/24	Frontier	\$ 635.18
12621	12/12/24	SCE	\$ 656.53
December 12, 2024 GRAND TOTAL DISBURSEMENTS.....			\$ 71,774.84

REVOLVING FUND RECAP

December 26, 2024

Check No.	Date	Description	Amount
12622-12625	12/26/24	Payroll Expense	\$ 39,015.89
EFT	12/26/24	Payroll Expense - PERS	\$ 10,987.27
Wires	12/26/24	Federal & State Payroll Taxes	\$ 19,294.30
EFT	12/26/24	State Compensation Ins	\$ 1,931.77
12626	12/26/24	Verizon Wireless (M2M)	\$ 856.53
12627	12/26/24	The Gas Company	\$ 15.99
December 26, 2024 GRAND TOTAL DISBURSEMENTS.....			\$ 72,101.75

REVOLVING FUND RECAP

January 09,2025

Check No.	Date	Description	Amount
12628-12631	01/09/25	Payroll Expense	\$86,226.20
Wires	01/09/25	Federal & State Payroll Taxes	\$55,559.55
EFT	01/09/25	Payroll Expense - PERS	\$10,858.09
January 09, 2025 GRAND TOTAL DISBURSEMENTS.....			\$152,643.84

REVOLVING FUND RECAP

January 13,2025

Check No.	Date	Description	Amount
12632	01/13/25	Bruce H Knoles	\$702.20
12633	01/13/25	Mark R Paulson	\$1,093.80
12634	01/13/25	Michael F Eng	\$1,093.80
Wires	01/13/25	Federal & State Payroll Taxes	\$606.20
January 13, 2025 GRAND TOTAL DISBURSEMENTS.....			\$3,496.00

San Gabriel Valley Municipal Water District

Transactions by Account

As of December 31, 2024

Type	Date	Num	Name	Amount
1001 - General Fund Bank of America				
Bill Pmt -Check	12/11/2024	EFT	BeniComp (Corp)	-781.66
Bill Pmt -Check	12/23/2024	EFT	Shell - Wex Bank	-113.07
Bill Pmt -Check	12/20/2024	EFT	BeniComp (Corp)	-511.71
Bill Pmt -Check	12/20/2024	EFT	BeniComp (Corp)	-146.10
Bill Pmt -Check	12/24/2024	EFT	BeniComp (Corp)	-2,560.81
Bill Pmt -Check	12/27/2024	EFT	BeniComp (Corp)	-3.51
Bill Pmt -Check	12/24/2024	EFT	BeniComp (Corp)	-1,109.25
Bill Pmt -Check	12/31/2024	EFT	BeniComp (Corp)	-2,471.82
Bill Pmt -Check	12/23/2024	44915	ACWA-JPIA 2	-48,705.34
Bill Pmt -Check	12/23/2024	44916	Alhambra Chamber Commerce	-5,000.00
Bill Pmt -Check	12/23/2024	44917	Alliance Communication Servic...	-130.00
Bill Pmt -Check	12/23/2024	44918	Azusa Light & Water (Utilities D...	-979.77
Bill Pmt -Check	12/23/2024	44919	C.J. Brown & Company ,CPAs	-2,376.00
Bill Pmt -Check	12/23/2024	44920	Cash Revolving Fund	-70,000.00
Bill Pmt -Check	12/23/2024	44921	Cintas	-213.60
Bill Pmt -Check	12/23/2024	44922	David Rawson	-275.00
Bill Pmt -Check	12/23/2024	44923	Eco Promotional Products, Inc.	-4,194.51
Bill Pmt -Check	12/23/2024	44924	Ernst & Young LLP (Attorney)	-1,081.00
Bill Pmt -Check	12/23/2024	44925	Frontier	-111.77
Bill Pmt -Check	12/23/2024	44926	Grainger (Corp)	-230.72
Bill Pmt -Check	12/23/2024	44927	Lagerlof, LLP (Atty)	-1,425.00
Bill Pmt -Check	12/23/2024	44928	LOWES	-44.17
Bill Pmt -Check	12/23/2024	44929	Public Water Agencies Group (...)	-1,268.23
Bill Pmt -Check	12/23/2024	44930	SCE	-307.87
Bill Pmt -Check	12/23/2024	44931	Sparkletts	-51.46
Bill Pmt -Check	12/23/2024	44932	Spectrum Enterprise	-239.98
Bill Pmt -Check	12/23/2024	44933	Stetson Engineers, Inc.	-283.00
Bill Pmt -Check	12/23/2024	44934	Walters Wholesale Electric Co	-79.62
Bill Pmt -Check	12/23/2024	44935	Western Pest Control Specialis...	-410.00
Bill Pmt -Check	12/23/2024	44936	Civiltec Inc (Corp)	-4,537.50
Bill Pmt -Check	12/23/2024	44937	Alhambra Chamber Commerce	-100.00
Bill Pmt -Check	12/23/2024	44938	Climate Resolve (non profit org)	-2,500.00
Total 1001 - General Fund Bank of America				-152,242.47
TOTAL				-152,242.47

San Gabriel Valley Municipal Water District

Transactions by Account

As of January 13, 2025

Type	Date	Num	Name	Amount
1001 · General Fund Bank of America				
Bill Pmt -Check	01/07/2025	EFT	BeniComp (Corp)	-3,995.11
Bill Pmt -Check	01/07/2025	EFT	BeniComp (Corp)	-876.13
Bill Pmt -Check	01/08/2025	EFT	BeniComp (Corp)	-295.03
Bill Pmt -Check	01/06/2025	EFT	ExxonMobil	-1,535.18
Bill Pmt -Check	01/08/2025	EFT	BeniComp (Corp)	-1,739.36
Bill Pmt -Check	01/13/2025	44939	ACWA JPIA Medical/Life	-39,347.42
Bill Pmt -Check	01/13/2025	44940	America's Tire	-58.25
Bill Pmt -Check	01/13/2025	44941	Applied Technology Group, Inc.	-320.00
Bill Pmt -Check	01/13/2025	44942	Axis Pest & Termite Solutions	-425.00
Bill Pmt -Check	01/13/2025	44943	Azusa Light & Water	-227.10
Bill Pmt -Check	01/13/2025	44944	BOA-Visa	-4,218.12
Bill Pmt -Check	01/13/2025	44945	C.J. Brown & Company ,CPAs	-864.00
Bill Pmt -Check	01/13/2025	44946	California Advocates, Inc. (Corp)	-8,130.00
Bill Pmt -Check	01/13/2025	44947	Cash Revolving Fund	-70,000.00
Bill Pmt -Check	01/13/2025	44948	Cell Business Equipment	-282.26
Bill Pmt -Check	01/13/2025	44949	Cintas	-281.65
Bill Pmt -Check	01/13/2025	44950	Claire Shen	-80.00
Bill Pmt -Check	01/13/2025	44951	DWR	-641,005.00
Bill Pmt -Check	01/13/2025	44952	Eric Fries	-165.00
Bill Pmt -Check	01/13/2025	44953	Evelyn Reyes	-205.29
Bill Pmt -Check	01/13/2025	44954	Fierro Cleaning Service Inc	-1,250.00
Bill Pmt -Check	01/13/2025	44955	Frontier	-146.13
Bill Pmt -Check	01/13/2025	44956	Grainger (Corp)	-258.86
Bill Pmt -Check	01/13/2025	44957	James Chen	-80.00
Bill Pmt -Check	01/13/2025	44958	Keith Zhen	-85.00
Bill Pmt -Check	01/13/2025	44959	Kerber Automotive Service	-601.73
Bill Pmt -Check	01/13/2025	44960	Lagerlof, LLP (Atty)	-3,375.00
Bill Pmt -Check	01/13/2025	44961	Linda Gaylor	-4,192.80
Bill Pmt -Check	01/13/2025	44962	Lisa Chang	-85.00
Bill Pmt -Check	01/13/2025	44963	LOWES	-108.75
Bill Pmt -Check	01/13/2025	44964	Maria Vasquez	-66.60
Bill Pmt -Check	01/13/2025	44965	Mark Paulson (Expense)	-1,042.61
Bill Pmt -Check	01/13/2025	44966	Meier Enterprises Inc	-1,947.97
Bill Pmt -Check	01/13/2025	44967	Michael F Eng (Expense)	-34.84
Bill Pmt -Check	01/13/2025	44968	Mission ACE Hardware (Corp)	-137.75
Bill Pmt -Check	01/13/2025	44969	Petty Cash	-54.38
Bill Pmt -Check	01/13/2025	44970	Public Water Agencies Group (...)	-2,193.96
Bill Pmt -Check	01/13/2025	44971	SCE	-636.24
Bill Pmt -Check	01/13/2025	44972	Shahin Moshrefi	-85.00
Bill Pmt -Check	01/13/2025	44973	SoCal SCADA Solutions LLC	-6,153.00
Bill Pmt -Check	01/13/2025	44974	Steven Chen	-165.00
Bill Pmt -Check	01/13/2025	44975	Steven Stewart DBA Stewart Ai...	-1,050.00
Bill Pmt -Check	01/13/2025	44976	The Gas Company	-46.12
Bill Pmt -Check	01/13/2025	44977	Water Wise Consulting, Inc	-30,757.75
Bill Pmt -Check	01/13/2025	44978	Yiwen Dai	-85.00
Bill Pmt -Check	01/13/2025	44979	SGV Economic Partnership (C...	-75.00
Total 1001 · General Fund Bank of America				-828,764.39
TOTAL				-828,764.39

SAN GABRIEL MUNICIPAL WATER DISTRICT

SWP FUND RECAP

December 23, 2024

Check No.	Date	Description	Amount
1012	12/23/24	DWR	\$ 590,823.00
<i>December 23,2024</i>		<i>Total Amount</i>	<u><u>\$ 590,823.00</u></u>

VISA RECAP
OCTOBER 21, 2024 - NOVEMBER 20, 2024

DATE	GL/ACCT	NAME OF GL/ACCT	DESCRIPTION	REFERENCE	CHARGED AMT	REFERENCE	CHARGED AMT	REFERENCE	CHARGED AMT	REFERENCE	CHARGED AMT	TOTAL
11/20/2024	4027	Office Supply	Bestbuy	Hyper-Drive for Kevin's computer	\$73.86							\$73.86
11/21/2024	4027	Office Supply	Microsoft	Monthly Fee	\$1.99							\$1.99
12/1/2024	4027	Office Supply	Google	Monthly Subscription	\$93.60							\$93.60
12/2/2024	4033	Public Relations	Constant Contact	E-Newsletter	\$544.05							\$544.05
12/3/2024	4027	Office Supply	Intuit	Annual Membership	\$63.00							\$63.00
12/4/2024	4027	Office Supply	Amazon	Office supplies	\$290.04							\$290.04
12/6/2024	4027	Office Supply	Amazon	Office supplies	\$90.34							\$90.34
12/9/2024	4027	Staff	El Torito (balance pymnt)	Retirement event	\$489.25							\$489.25
12/10/2024	4113	Pipeline	Amazon	AOMAG Strong Lifting Magnet	\$50.15							\$50.15
12/9/2024	4027	Office Supply	Donuts	Board Meeting	\$20.99							\$20.99
12/10/2024	4055	Staff	American Water Works Asso	Skiggins - webinar subscription 2025	\$195.00							\$195.00
12/11/2024	4027	Office Supply	Amazon	2 Logitech mouse & keyboard	\$72.63							\$72.63
12/11/2024	4027	Office Supply	Apple.com	Icloud	\$2.99							\$2.99
12/13/2024	4027	Office Supply	Staples	Office supplies	\$42.87							\$42.87
12/17/2024	4027	Office Supply	Zoom	Subscription	\$31.98							\$31.98
12/18/2024	4027	Office Supply	State & Federal Poster	2025 Work Poster	\$62.39							\$62.39
12/18/2024	4027	Office Supply	Apple.com	Icloud	\$2.99							\$2.99
12/18/2024	4063	Safety	American AED	Zoll AED 3 with real cpr complete package	\$2,090.00							\$2,090.00
												\$0.00
												\$0.00
												\$0.00
												\$0.00
Total					\$4,218.12		\$0.00		\$0.00		\$0.00	\$4,218.12

AGENDA ACTION ITEM NO. 1

2023–2024 DRAFT AUDIT AND TRAVEL EXPENSE REPORT

RECOMMENDED ACTION: Information only, no action required.

BACKGROUND: C. J. Brown & Co. CPAs will present the findings of the 2023-2024 Audit and Travel Expense Report. The Audit will be brought back for final approval at the February Board Meeting.

BUDGET IMPACT: N/A

PRIOR BOARD ACTION: N/A

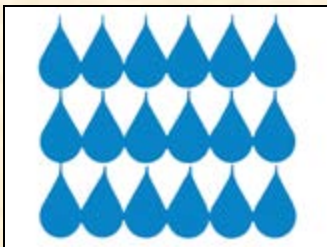
San Gabriel Valley Municipal Water District



Board of Directors

Presentation Of The June 30, 2024 Annual Audited Financial Statements

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



The Reports

Independent Auditor's Report

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **San Gabriel Valley Municipal Water District** as of June 30, 2024....

Management Report Communication to the Governing Board

No Material Weakness Noted in our Testing Sample

The Report Covers:

- **Auditor's Responsibility Under U.S. GAAS**
- **District's Accounting Practices**
- **Corrected and/or Uncorrected Adjustments**
- **Difficulties Encountered in Performing the Audit – None Noted**
- **Disagreements with Management – None Noted**

Financial Highlights

Condensed Statements of Net Position

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Assets:			
Current assets	\$ 34,781,381	29,671,063	5,110,318
Non-current assets	9,703,621	12,404,561	(2,700,940)
Capital assets, net	<u>15,271,248</u>	<u>13,318,599</u>	<u>1,952,649</u>
Total assets	<u>59,756,250</u>	<u>55,394,223</u>	<u>4,362,027</u>
Deferred outflows of resources	<u>1,649,005</u>	<u>1,884,187</u>	<u>(235,182)</u>
Liabilities:			
Current liabilities	1,657,111	1,738,021	(80,910)
Non-current liabilities	<u>6,077,552</u>	<u>6,103,675</u>	<u>(26,123)</u>
Total liabilities	<u>7,734,663</u>	<u>7,841,696</u>	<u>(107,033)</u>
Deferred inflows of resources	<u>854,081</u>	<u>1,444,762</u>	<u>(590,681)</u>
Net position:			
Net investment in capital assets	15,271,248	13,318,599	1,952,649
Unrestricted	<u>37,545,263</u>	<u>34,673,353</u>	<u>2,871,910</u>
Total net position	<u>\$ 52,816,511</u>	<u>47,991,952</u>	<u>4,824,559</u>

Financial Highlights

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	<u>2024</u>	<u>2023</u>	<u>Change</u>
Revenues:			
Operating revenues	\$ 5,235,565	1,393,909	3,841,656
Non-operating revenues	<u>18,664,614</u>	<u>16,597,998</u>	<u>2,066,616</u>
Total revenues	<u>23,900,179</u>	<u>17,991,907</u>	<u>5,908,272</u>
Expenses:			
Operating expenses	18,131,850	12,108,520	6,023,330
Depreciation expense	642,327	696,807	(54,480)
Non-operating expense	<u>313,323</u>	<u>538,756</u>	<u>(225,433)</u>
Total expenses	<u>19,087,500</u>	<u>13,344,083</u>	<u>5,743,417</u>
Net income before capital contributions	4,812,679	4,647,824	164,855
Capital contributions:	<u>11,880</u>	<u>11,880</u>	<u>-</u>
Change in net position	<u>4,824,559</u>	<u>4,659,704</u>	<u>164,855</u>
Net position, beginning of year	<u>47,991,952</u>	<u>43,332,248</u>	<u>4,659,704</u>
Net position, end of year	<u>\$ 52,816,511</u>	<u>47,991,952</u>	<u>4,824,559</u>

Financial Highlights

In 2024:

Net Position - Increased by \$4,824,559 and \$4,659,704 as the result of operations.

Total Revenues - Increased by \$5,908,272 to \$23,900,179.

- **Operating Revenues** - Increased by \$3,841,656, to \$5,235,565, primarily due to increases of \$3,641,598 in water sales and \$191,879 in hydroelectric power sales.
- **Non-operating Revenues** - Increased by \$2,066,616, to \$18,664,614, primarily due to increases of \$973,685 in interest and investment earnings, \$583,241 in ad valorem property taxes, and \$505,037 in voter approved property taxes as compared to the prior year.

Total Expenses (including depreciation) - Increased by \$5,743,417 to \$19,087,500.

- **Operating Expenses** - Increased by \$6,023,330, to \$18,131,850, primarily due to increases in two categories;
 - 1) \$5,639,970 in Source of Supply water deliveries related to increases in state water supply contract costs
 - 2) \$383,360 in General and Administrative expenses due to increases of \$343,197 in actuarial changes in OPEB, \$138,285 in salaries and benefits, and \$113,149 in consulting and engineering fees, offset by decreases of \$181,291 in CalPERS benefits and \$129,876 in public relations and water conservation program expenses.
- **Non-operating Expenses** - Decreased by \$225,433, to \$313,323, primarily due to decreases of \$175,363 in discount on member agency note receivables and \$64,351 in grant funding to other agencies as compared to the prior year.

Capital Contributions – Were unchanged at \$11,880 in 2023 and 2024.

Agreed Upon Procedure Travel & Conference Expenses

- **We Analyzed the Travel & Conference Expense Accounts.**
- **We Agreed Charges to the Supporting Documentation**
- **Verified Board Approvals**
- **Results of Our Procedures are Documented in the Report.**

Questions





San Gabriel Valley Municipal Water District
Annual Financial Report
For the Fiscal Years Ended June 30, 2024 and 2023

Working Draft Subject to Review



Mission Statement

The San Gabriel Valley Municipal Water District is dedicated to providing reliable water for the communities of Alhambra, Azusa, Monterey Park, and Sierra Madre in a cost-effective manner.

San Gabriel Valley Municipal Water District Board of Directors as of June 30, 2024

Name	Title	
Mark R. Paulson	President	Division I
Steven T. Placido	Vice-President	Division II
Miles L. Prince	Secretary	Division IV
Bruce H. Knoles	Treasurer	Division V
Mike Eng	Director	Division III

**San Gabriel Valley Municipal Water District
Darin Kasamoto, General Manager
1402 N. Vosburg Drive
Azusa, California 91702
(626) 969-7911**

San Gabriel Valley Municipal Water District

Annual Financial Report

For the Fiscal Years Ended June 30, 2024 and 2023

Working Draft Subject to Review

**San Gabriel Valley Municipal Water District
Annual Financial Report
For the Fiscal Years Ended June 30, 2024 and 2023**

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Introductory Section

Working Draft Subject to Review



January 13, 2025

Board of Directors
San Gabriel Valley Municipal Water District

Introduction

It is our pleasure to submit the Annual Financial Report for the San Gabriel Valley Municipal Water District for the fiscal years ended June 30, 2024 and 2023, following guidelines set forth by the Governmental Accounting Standards Board. District staff prepared this financial report. The District is ultimately responsible for both the accuracy of the data and the completeness and the fairness of presentation, including all disclosures in this financial report. We believe that the information presented is accurate in all material respects. This report is designed in a manner that we believe necessary to enhance your understanding of the District's financial position and activities.

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

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

District Structure and Leadership

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

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



District Structure and Leadership, continued

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

District Services

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

Economic Condition and Outlook

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

Internal Control Structure

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

Budgetary Control

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

Investment Policy

The Board of Directors has adopted an investment policy that conforms to state law, District ordinance and resolutions, prudent money management, and the "prudent person" standards. The objective of the Investment Policy is safety, liquidity, and yield in that order. District funds are invested in the State Treasurer's Local Agency Investment Fund, and institutional savings and checking accounts.

Water Rates and District Revenues

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



Audit and Financial Reporting

State law requires the District to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of C.J. Brown & Company, CPAs has conducted the fiscal year 2024 audit of the District's financial statements. Their unmodified Independent Auditor's Report appears in the Financial Section.

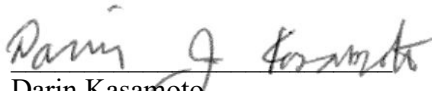
Other References

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

Acknowledgements

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

Respectfully submitted,


Darin Kasamoto
General Manager

Working Draft Subject to Review

Independent Auditor's Report

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

Opinion

We have audited the accompanying financial statements of the San Gabriel Valley Municipal Water District (District), which comprises the statements of net position as of June 30, 2024 and 2023 and the related statement of revenues, expenses, and changes in net position for the fiscal years then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the San Gabriel Valley Municipal Water District as of June 30, 2024 and 2023, and the changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Independent Auditor's Report, continued

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 8 through 12 and the required supplementary information on pages 47 through 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section and schedule of operating expenses is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of operating expenses on page 50 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of operating expenses are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Independent Auditor's Report, continued

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance. This report can be found on pages 51 and 52.

C.J. Brown & Company, CPAs
Cypress, California
January 13, 2025

Working Draft Subject to Review

San Gabriel Valley Municipal Water District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2024 and 2023

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the San Gabriel Valley Municipal Water District (District) provides an introduction to the financial statements of the District for the fiscal years ended June 30, 2024 and 2023. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes which follow this section.

Financial Highlights

- The District's net position increased 10.05% or \$4,824,559, to \$52,816,511, as a result from ongoing operations. In 2023, the District's net position increased 10.75% or \$4,659,704, to \$47,991,952, as a result from ongoing operations.
- The District's operating revenues increased 275.60% or \$3,841,656, to \$5,235,565. In 2023, the District's operating revenues increased 46.80% or \$444,368, to \$1,393,909.
- The District's non-operating revenues increased 12.45% or \$2,066,616, to \$18,664,614. In 2023, the District's non-operating revenues increased 12.03% or \$1,782,732, to \$16,597,998.
- The District's operating expenses increased 49.74% or \$6,023,330, to \$18,131,850. In 2023, the District's operating expenses increased 14.29% or \$1,514,377, to \$12,108,520.
- The District's non-operating expenses decreased 41.84% or \$225,433, to \$313,323. In 2023, the District's non-operating expenses decreased 15.17% or \$96,323, to \$538,756.

Required Financial Statements

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

The Statement of Net Position include all of the District's investments in resources (assets), deferred outflows of resources, the obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenue and expenses are accounted for in the Statements of Revenues, Expenses, and Changes in Net Position. These statements measure the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows report cash receipts, cash payments, and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Financial Analysis of the District

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the District in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

San Gabriel Valley Municipal Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2024 and 2023

Financial Analysis of the District, continued

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

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 18 through 46.

Statements of Net Position

Condensed Statements of Net Position					
	2024	2023	Change	As Restated 2022	Change
Assets:					
Current assets	\$ 34,781,381	29,671,063	5,110,318	29,152,542	518,521
Non-current assets	9,703,621	12,404,561	(2,700,940)	8,465,307	3,939,254
Capital assets, net	<u>15,271,248</u>	<u>13,318,599</u>	<u>1,952,649</u>	<u>12,875,784</u>	<u>442,815</u>
Total assets	<u>59,756,250</u>	<u>55,394,223</u>	<u>4,362,027</u>	<u>50,493,633</u>	<u>4,900,590</u>
Deferred outflows of resources	<u>1,649,005</u>	<u>1,884,187</u>	<u>(235,182)</u>	<u>1,686,973</u>	<u>197,214</u>
Liabilities:					
Current liabilities	1,657,111	1,738,021	(80,910)	1,004,850	733,171
Non-current liabilities	<u>6,077,552</u>	<u>6,103,675</u>	<u>(26,123)</u>	<u>5,794,670</u>	<u>309,005</u>
Total liabilities	<u>7,734,663</u>	<u>7,841,696</u>	<u>(107,033)</u>	<u>6,799,520</u>	<u>1,042,176</u>
Deferred inflows of resources	<u>854,081</u>	<u>1,444,762</u>	<u>(590,681)</u>	<u>2,048,838</u>	<u>(604,076)</u>
Net position:					
Net investment in capital assets	15,271,248	13,318,599	1,952,649	12,875,784	442,815
Unrestricted	<u>37,545,263</u>	<u>34,673,353</u>	<u>2,871,910</u>	<u>30,456,464</u>	<u>4,216,889</u>
Total net position	<u>\$ 52,816,511</u>	<u>47,991,952</u>	<u>4,824,559</u>	<u>43,332,248</u>	<u>4,659,704</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets of the District exceeded liabilities by \$52,816,511 and \$47,991,952 as of June 30, 2024 and 2023, respectively.

Compared to the previous year, net position of the District increased \$4,824,559 and \$4,659,704, respectively. The District total net position is made up of two components: (1) net investment in capital assets and (2) unrestricted net position.

By far the largest portion of the District's net position (29% and 28% as of June 30, 2024 and 2023, respectively) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are not available for future spending.

San Gabriel Valley Municipal Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2024 and 2023

Statements of Net Position, continued

At the end of fiscal year 2024 and 2023, the District showed a positive balance in its unrestricted net assets of \$37,545,263 and \$34,673,353, respectively. See note 8 for the amount of spendable net position that may be utilized in future years.

Statements of Revenues, Expenses, and Changes in Net Position

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>As Restated 2022</u>	<u>Change</u>
Revenues:					
Operating revenues	\$ 5,235,565	1,393,909	3,841,656	949,541	444,368
Non-operating revenues	18,664,614	16,597,998	2,066,616	14,815,266	1,782,732
Total revenues	<u>23,900,179</u>	<u>17,991,907</u>	<u>5,908,272</u>	<u>15,764,807</u>	<u>2,227,100</u>
Expenses:					
Operating expenses	18,131,850	12,108,520	6,023,330	10,594,143	1,514,377
Depreciation expense	642,327	696,807	(54,480)	567,236	129,571
Non-operating expense	313,323	538,756	(225,433)	635,079	(96,323)
Total expenses	<u>19,087,500</u>	<u>13,344,083</u>	<u>5,743,417</u>	<u>11,796,458</u>	<u>1,547,625</u>
Net income before capital contributions	4,812,679	4,647,824	164,855	3,968,349	679,475
Capital contributions:	<u>11,880</u>	<u>11,880</u>	<u>-</u>	<u>11,880</u>	<u>-</u>
Change in net position	4,824,559	4,659,704	164,855	3,980,229	679,475
Net position, beginning of year	<u>47,991,952</u>	<u>43,332,248</u>	<u>4,659,704</u>	<u>39,352,019</u>	<u>3,980,229</u>
Net position, end of year	<u>\$ 52,816,511</u>	<u>47,991,952</u>	<u>4,824,559</u>	<u>43,332,248</u>	<u>4,659,704</u>

The statements of revenues, expenses, and changes of net position show how the District's net position changed during the fiscal year. In the case of the District, net position increased by \$4,824,559 and \$4,659,704 for the fiscal years ended June 30, 2024 and 2023, respectively.

A closer examination of the sources of changes in net position reveals that:

In fiscal year 2024, total revenues increased 32.84% or \$5,908,272 to \$23,900,179. Operating revenues increased 275.60% or \$3,841,656, to \$5,235,565, primarily due to increases of \$3,641,598 in water sales and \$191,879 in hydroelectric power sales. Non-operating revenues increased 12.45% or \$2,066,616, to \$18,664,614, primarily due to increases of \$973,685 in interest and investment earnings, \$583,241 in ad valorem property taxes, and \$505,037 in voter approved property taxes as compared to the prior year.

In fiscal year 2023, total revenues increased 14.13% or \$2,227,100 to \$17,991,907. Operating revenues increased 46.80% or \$444,368, to \$1,393,909, primarily due to increases of \$419,121 in water sales and \$29,810 in hydroelectric power sales. Non-operating revenues increased 12.03% or \$1,782,732 to \$16,597,998, primarily due to increases of \$903,944 in interest and investment earnings, \$721,246 in voter approved property taxes, and \$157,542 in ad valorem property taxes as compared to the prior year.

San Gabriel Valley Municipal Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2024 and 2023

Statements of Revenues, Expenses, and Changes in Net Position

In fiscal year 2024, total expenses (including depreciation) increased 43.04% or \$5,743,417 to \$19,087,500. Operating expenses increased 49.74% or \$6,023,330, to \$18,131,850, primarily due to increases in two categories; 1) \$5,639,970 in source of supply water deliveries related to increases in state water supply contract costs, and 2) \$383,360 in general and administrative expenses. Increases in general and administrative were due to increases of \$343,197 in actuarial changes in the other post-employment benefits amounts, \$138,285 in salaries and benefits, and \$113,149 in consulting and engineering fees, offset by decreases of \$181,291 in public employee's retirement benefits and \$129,876 in public relations and water conservation program expenses. Non-operating expenses decreased 41.84% or \$225,433, to \$313,323, primarily due to decreases of \$175,363 in discount on member agency note receivables and \$64,351 in grant funding to other agencies as compared to the prior year.

In fiscal year 2023, total expenses (including depreciation) increased 13.12% or \$1,547,625 to \$13,344,083. Operating expenses increased 14.29% or \$1,514,377 to \$12,108,520, primarily due to increases of \$881,731 in source of supply water deliveries related to increases in state water supply contract costs and \$632,646 in general and administrative expenses, primarily due to increases of \$336,011 related to actuarial changes in the pension and other post-employment benefits liabilities, \$143,148 in public relations and water conservation program expenses, \$61,157 in salaries and wages, \$37,944 in consulting and engineering fees, and \$32,417 in membership dues, conferences, and travel as compared to the prior year. Non-operating expenses decreased 15.17% or \$96,323 to \$538,756, primarily due to a decrease of \$147,461 in discount on member agency note receivables, offset by an increase of \$48,718 in grant funding to other agencies.

In fiscal year 2024, there was no change to capital contributions reported at \$11,880. In fiscal year 2023, there was no change to capital contributions reported at \$11,880.

Capital Asset Administration

Changes to capital asset amounts for 2024 were as follows:

	Balance 2023	Additions	Transfers/ Deletions	Balance 2024
Capital assets:				
Non-depreciable assets	\$ 748,544	2,176,975	(207,316)	2,718,203
Depreciable assets	37,872,878	625,323	(35,692)	38,462,509
Accumulated depreciation and amortization	<u>(25,302,823)</u>	<u>(642,333)</u>	<u>35,692</u>	<u>(25,909,464)</u>
Total capital assets, net	<u>\$ 13,318,599</u>	<u>2,159,965</u>	<u>(207,316)</u>	<u>15,271,248</u>

Changes to capital asset amounts for 2023 were as follows:

	Balance 2022	Additions	Transfers/ Deletions	Balance 2023
Capital assets:				
Non-depreciable assets	\$ 940,784	998,665	(1,190,905)	748,544
Depreciable assets	36,542,066	1,331,862	(1,050)	37,872,878
Accumulated depreciation and amortization	<u>(24,607,066)</u>	<u>(696,807)</u>	<u>1,050</u>	<u>(25,302,823)</u>
Total capital assets, net	<u>\$ 12,875,784</u>	<u>1,633,720</u>	<u>(1,190,905)</u>	<u>13,318,599</u>

San Gabriel Valley Municipal Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2024 and 2023

Capital Asset Administration, continued

At the end of fiscal years 2024 and 2023, the District's investment in capital assets (net of accumulated depreciation) amounted to \$15,271,248 and \$13,318,599, respectively. This investment in capital assets includes land, pipelines, buildings and structures, equipment, vehicles, and construction-in-process, etc. Major capital assets additions during the year included additions to construction-in-progress for ongoing projects, upgrades to pipeline assets, upgrades to buildings and structures. At the end of fiscal years 2024 and 2023, disposals amounted to \$35,692 and \$1,050, respectively.

Conditions Affecting Current Financial Position

Management is unaware of any conditions which could have a significant impact on the District's current financial position, net position, or operating results in terms of past, present, and future periods.

Requests for Information

This financial report is designed to provide the District's present users, including funding sources, customers, stakeholders, and other interested parties with a general overview of the District's finances and to demonstrate the District's accountability with respect to the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's General Manager at 1402 N. Vosburg Drive, PO Box 1299 Azusa, California 91702.

Working Draft Subject to Review

Basic Financial Statements

Working Draft Subject to Review

San Gabriel Valley Municipal Water District
Statements of Net Position
June 30, 2024 and 2023

	2024	2023
Current assets:		
Cash and cash equivalents (note 2)	\$ 25,835,948	23,830,019
Investments (note 2)	5,426,287	2,747,278
Accrued interest receivable	183,552	183,234
Accounts receivable – water sales and services	1,229,181	63,287
Accounts receivable – property taxes	591,897	584,280
Advances to member cities – current portion (note 3)	940,000	670,000
Water-in-storage inventory	465,600	1,420,650
Prepaid expenses and deposits	108,916	172,315
Total current assets	34,781,381	29,671,063
Non-current assets:		
Investments (note 2)	4,410,502	6,872,748
Advances to member cities, net (note 3)	5,293,119	5,531,813
Capital assets, not being depreciated (note 4)	2,718,203	748,544
Depreciable capital assets, net (note 4)	12,553,045	12,570,055
Total non-current assets	24,974,869	25,723,160
Total assets	59,756,250	55,394,223
Deferred outflows of resources:		
Deferred other post-employment benefits outflows (note 6)	179,366	156,710
Deferred pension outflows (note 7)	1,469,639	1,727,477
Total deferred outflows of resources	\$ 1,649,005	1,884,187

Continued on next page

See accompanying notes to the basic financial statements.

San Gabriel Valley Municipal Water District
Statements of Net Position, continued
June 30, 2024 and 2023

	2024	2023
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,158,522	1,021,412
Accrued salaries and wages	32,709	30,096
Unearned revenue	354,675	573,844
Long-term liabilities – due within one year:		
Compensated absences (note 5)	111,205	112,669
Total current liabilities	1,657,111	1,738,021
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (note 5)	333,615	338,007
Net other post-employment benefit liability (note 6)	3,951,085	3,683,586
Net pension liability (note 7)	1,792,852	2,082,082
Total non-current liabilities	6,077,552	6,103,675
Total liabilities	7,734,663	7,841,696
Deferred inflows of resources:		
Deferred other post-employment benefits inflows (note 6)	439,848	1,097,070
Deferred pension inflows (note 7)	414,233	347,692
Total deferred inflows of resources	854,081	1,444,762
Net position:		
Net investment in capital assets	15,271,248	13,318,599
Unrestricted (note 8)	37,545,263	34,673,353
Total net position	\$ 52,816,511	47,991,952

See accompanying notes to the basic financial statements.

San Gabriel Valley Municipal Water District
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2024 and 2023

	2024	2023
Operating revenues:		
Water sales	\$ 4,992,324	1,350,726
Hydroelectric sales	221,689	29,810
Other services	21,552	13,373
Total operating revenues	5,235,565	1,393,909
Operating expenses:		
Source of supply – water deliveries	14,353,534	8,713,564
General and administrative	3,778,316	3,394,956
Total operating expenses	18,131,850	12,108,520
Operating loss before depreciation and amortization expense	(12,896,285)	(10,714,611)
Depreciation and amortization expense	(642,327)	(696,807)
Operating loss	(13,538,612)	(11,411,418)
Non-operating revenue(expense):		
Property taxes – ad valorem	6,830,952	6,247,711
Property taxes – voter approved	10,432,709	9,927,672
Interest and investment earnings	1,396,300	422,615
Grant funding to other agencies	(212,127)	(276,478)
Property tax collection and administrative expense	(101,196)	(86,915)
Discount on note receivable – member agency (note 3)	-	(175,363)
Other non-operating, net	4,653	-
Total non-operating revenue, net	18,351,291	16,059,242
Net income before capital contribution	4,812,679	4,647,824
Capital contributions:		
Reimbursement of capital expenditures	11,880	11,880
Change in net position	4,824,559	4,659,704
Net position, beginning of year (note 9)	47,991,952	43,332,248
Net position, end of year	\$ 52,816,511	47,991,952

See accompanying notes to the basic financial statements.

San Gabriel Valley Municipal Water District
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Cash receipts from water sales	\$ 5,013,876	1,364,099
Cash receipts from hydroelectric sales	221,689	29,810
Cash paid to employees for salaries and wages	(1,390,365)	(1,070,828)
Cash paid to vendors and suppliers for materials and services	(17,127,640)	(11,006,463)
Net cash used in operating activities	(13,282,440)	(10,683,382)
Cash flows from non-capital financing activities:		
Cash receipts from property taxes	17,256,044	16,416,910
Cash paid for collection fees	(101,196)	(86,915)
Net cash provided by non-capital financing activities	17,154,848	16,329,995
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(2,594,976)	(1,139,622)
Grant funding paid to other agencies	(212,127)	(276,478)
Proceeds from capital contributions	11,880	11,880
Issuance of advance to member agency	(31,306)	(2,700,000)
Net cash used in capital and related financing activities	(2,826,529)	(4,104,220)
Cash flows from investing activities:		
Purchase of investments	(2,553,127)	(4,320,000)
Proceeds for the sale of investments	2,117,195	3,784,493
Interest earnings received	1,395,982	270,406
Net cash provided by (used in) investing activities	960,050	(265,101)
Net increase in cash and cash equivalents	2,005,929	1,277,292
Cash and cash equivalents, beginning of year	23,830,019	22,552,727
Cash and cash equivalents, end of year	\$ 25,835,948	23,830,019

Continued on next page

See accompanying notes to the basic financial statements.

San Gabriel Valley Municipal Water District
Statements of Cash Flows, continued
For the Fiscal Years Ended June 30, 2024 and 2023

	2024	2023
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (13,538,612)	(11,411,418)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	642,327	696,807
Other, net	4,653	-
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
(Increase)decrease in assets:		
Accounts receivable	(1,165,894)	142,338
Water-in-storage inventory	955,050	(869,370)
Prepaid expenses and deposits	63,399	(91,645)
(Increase)Decrease in deferred outflows of resources:		
Deferred other post-employment benefits outflows	(22,656)	481,871
Deferred pension outflows	257,838	(117)
Increase(decrease) in liabilities:		
Accounts payable and accrued expenses	137,110	637,082
Accrued salaries and wages	2,613	6,272
Compensated absences	(5,856)	79,477
Other post-employment benefit liability	267,499	(1,008,394)
Net pension liability	(289,230)	1,257,791
Increase(Decrease) in deferred inflows of resources:		
Deferred other post-employment benefits inflows	(657,222)	(29,053)
Deferred pension inflows	66,541	(575,023)
Total adjustments	256,172	728,036
Net cash used in operating activities	\$ (13,282,440)	(10,683,382)
Non-cash investing, capital and financing transactions:		
Change in fair-market value of funds deposited in LAIF	\$ (40,026)	(315,660)
Change in fair-market value of funds deposited in UBS	\$ (145,339)	(376,160)

See accompanying notes to the basic financial statements.

San Gabriel Valley Municipal Water District
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2024 and 2023

(1) Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

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

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

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

B. Basis of Accounting and Measurement Focus

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water to its service area on a continuing basis be financed or recovered primarily through user charges (water sales), capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as water sales and water deliveries result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

C. Financial Reporting

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

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(1) Summary of Significant Accounting Policies, continued

C. Financial Reporting, continued

The District has adopted the following GASB pronouncements in the current year:

Governmental Accounting Standards Board Statement No. 99

In April 2022, the GASB issued Statement No. 99 – *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 100

In June 2022, the GASB issued Statement No. 100 – *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(1) Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

1. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net assets during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

Substantially all of the District's cash is invested in interest bearing accounts. The District considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

3. Investments and Investment Policy

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

4. Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset, as follows:

- *Level 1* – This valuation level is based on quoted prices in active markets for identical assets.
- *Level 2* – This valuation level is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.
- *Level 3* – This valuation level is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity and other assumptions that are internally generated and cannot be observed in the market.

5. Accounts Receivable and Allowance for Bad Debts

The District considers accounts receivable to be fully collectable and accordingly, no allowance for doubtful accounts is considered necessary.

6. Inventory

Materials and supplies inventory consists primarily of water meters, pipe and pipefittings for construction and repair to the District's water transmission and distribution system. Inventory is valued at cost using the weighted-average method. Inventory items are charged to expense at the time that individual items are withdrawn from inventory or consumed. Water-in-storage is valued at average cost.

7. Prepaid Expenses

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

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(1) Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

8. Capital Assets

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

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Pipeline – 7 to 75 years
- Telemetry equipment – 10 years
- Buildings and structures – 7 to 30 years
- Office furniture and equipment – 5 to 15 years
- Vehicles and equipment – 5 to 10 years
- State Water Project – 60 years

9. Deferred Outflows of Resources

The statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of resources applicable to future periods and therefore will *not* be recognized as an outflow of resources (expenditure) until that time. The District has the following pension related items that qualify for reporting in this category:

Post-Employment Benefits Other Than Pensions (OPEB)

- Deferred outflow which is equal to the employer contributions made after the measurement date of the total OPEB liability. This amount will be amortized-in-full against the total OPEB liability in the next fiscal year.

Pensions

- Deferred outflow which is equal to the employer contributions made after the measurement date of the net pension liability. This amount will be amortized-in-full against the net pension liability in the next fiscal year.
- Deferred outflow for the net differences between the actual and expected experience which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.
- Deferred outflow for the net change in assumptions which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.
- Deferred outflow for the net difference in projected and actual earnings on investments of the pension plans fiduciary net position. This amount is amortized over a 5 year period.
- Deferred outflow for the net difference in actual and proportionate share of employer contribution which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(1) Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

10. Compensated Absences

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

11. Post-Employment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB plan (Plan) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

GASB 75 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation Dates: June 30, 2023 and 2022
- Measurement Dates: June 30, 2023 and 2022
- Measurement Periods: July 1, 2022 to June 30, 2023 and July 1, 2021 to June 30, 2022

12. Pensions

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

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation Dates: June 30, 2022 and 2021
- Measurement Dates: June 30, 2023 and 2022
- Measurement Periods: July 1, 2022 to June 30, 2023 and July 1, 2021 to June 30, 2022

13. Deferred Inflows of Resources

The statements of net position will sometimes report a separate section for deferred inflows of resources. This financial statement element, *deferred inflows of resources*, represents an acquisition of resources applicable to future periods and therefore will *not* be recognized as an inflow of resources (revenue) until that time. The District has the following pension related item that qualifies for reporting in this category:

Post-Employment Benefits Other Than Pensions (OPEB)

- Deferred inflow for the net changes in assumptions which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan.
- Deferred inflow for the Plans' experience (gains)/losses which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan.

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(1) Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

13. Deferred Inflows of Resources, continued

Pensions

- Deferred inflow for the net adjustment due to differences in the changes in proportions of the net pension liability which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.

14. Net Position

The District follows the financial reporting requirements of the GASB and reports net position under the following classifications:

- *Net Investment in Capital Assets* – Consists of capital assets, net of accumulated depreciation, and reduced by any debt outstanding against the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt is included in this component of net position.
- *Restricted* – Consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- *Unrestricted* – The net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted component of net position.

15. Water Sales

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

16. Property Taxes and Assessments

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

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

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

17. Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the District by property owners, granting agencies or real estate developers desiring services that require capital expenditures or capacity commitment.

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(1) Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

18. Budgetary Policies

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

(2) Cash and Investments

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

Cash and cash equivalents	\$ 25,835,948	23,830,019
Investments:		
Certificates-of-deposit – current	5,186,287	2,045,333
U.S. Treasury notes – current	240,000	701,945
Total investments – current	<u>5,426,287</u>	<u>2,747,278</u>
Certificates-of- deposit – non-current	<u>4,410,502</u>	<u>6,872,748</u>
Total cash and investments	<u>\$ 35,672,737</u>	<u>33,450,045</u>

Cash and cash equivalents as of June 30 consist of the following:

	<u>2024</u>	<u>2023</u>
Cash on hand	\$ 442	442
Deposits with financial institutions	15,000,269	3,339,120
Investments and cash equivalents	<u>20,672,026</u>	<u>30,110,483</u>
Total cash and investments	<u>\$ 35,672,737</u>	<u>33,450,045</u>

As of June 30, the District's authorized deposits had the following maturities:

	<u>2024</u>	<u>2023</u>
Deposits held with the California Local Agency Investment Fund (LAIF)	217 days	260 days

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(2) Cash and Investments, continued

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

The table below identifies the investment types that are authorized by the District in accordance with the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

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

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set forth by GASB 79 for external investments pools that elect to measure, for financial reporting purposes, investments at amortized cost. LAIF does not have any legally binding guarantees of share values. LAIF does not impose liquidity fees or redemption gates on participant withdrawals.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits.

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(2) Cash and Investments, continued

Custodial Credit Risk, continued

The California Government Code requires that a financial institution, secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. Of the bank balances, up to \$250,000 held at each institution were federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Code and the District's investment policy contain legal and policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide for cash flow requirements and liquidity needed for operations. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the table on the following table that shows the distribution of the District's investments by maturity date:

As of June 30, 2024, the District's investments are scheduled to mature as follows:

Investment Type	Total	Remaining Maturity			
		12 Months or Less	13 to 24 Months	25 to 60 Months	Thereafter
Local Agency Investment Fund	\$ 10,824,927	10,824,927	-	-	-
Certificates-of-deposit	9,607,099	5,196,597	1,869,633	1,139,023	1,401,846
U.S. Treasury notes	240,000	240,000	-	-	-
Total	\$ 20,672,026	16,261,524	1,869,633	1,139,023	1,401,846

As of June 30, 2024, the District's investments are scheduled to mature as follows:

Investment Type	Total	Remaining Maturity			
		12 Months or Less	13 to 24 Months	25 to 60 Months	Thereafter
Local Agency Investment Fund	\$ 20,490,457	20,490,457	-	-	-
Certificates-of-deposit	8,918,081	2,045,333	4,188,038	1,109,012	1,575,698
U.S. Treasury notes	701,945	701,945	-	-	-
Total	\$ 30,110,483	23,237,735	4,188,038	1,109,012	1,575,698

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(2) Cash and Investments, continued

Credit Risk

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

Credit ratings as of June 30, 2024, were as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Rating at Year End</u>	
			<u>AAA</u>	<u>Not Rated</u>
Local Agency Investment Fund	\$ 10,824,927	N/A	-	10,824,927
Certificates-of-deposit	9,607,099	Aaa	9,607,099	-
U.S. Treasury notes	240,000	Aaa	240,000	-
Total	<u>\$ 20,672,026</u>		<u>9,847,099</u>	<u>10,824,927</u>

Credit ratings as of June 30, 2023, were as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Rating at Year End</u>	
			<u>AAA</u>	<u>Not Rated</u>
Local Agency Investment Fund	\$ 20,490,457	N/A	-	20,490,457
Certificates-of-deposit	8,918,081	Aaa	8,918,081	-
U.S. Treasury notes	701,945	Aaa	701,945	-
Total	<u>\$ 30,110,483</u>		<u>9,620,026</u>	<u>20,490,457</u>

Fair Value Measurements

Assets measured at fair value on a recurring basis, based on their fair value hierarchy at June 30, 2024, are as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Certificates-of-deposit	\$ 9,607,099	-	9,607,099	-
U.S. Treasury notes	240,000	240,000	-	-
Total	<u>\$ 9,847,099</u>	<u>240,000</u>	<u>9,607,099</u>	<u>-</u>

Inputs and valuations methods used for each of the District's investment classes are as follows:

- U.S. Treasury securities – The fair value U.S. Treasury securities is generally based on quoted market prices in active markets (Level 1).

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(2) Cash and Investments, continued

Fair Value Measurements, continued

- Certificates-of-deposit – The fair value of certificate-of-deposit is generally determined using a market-based model in which valuation consideration is given to yield or price of comparable securities, coupon rate, maturity, credit quality, and dealer-provided prices (Level 2).

Assets measured at fair value on a recurring basis, based on their fair value hierarchy at June 30, 2023, are as follows:

Investment Type	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates-of-deposit	\$ 8,918,081	-	8,918,081	-
U.S. Treasury notes	701,945	701,945	-	-
Total	<u>\$ 9,620,026</u>	<u>701,945</u>	<u>8,918,081</u>	<u>-</u>

Inputs and valuations methods used for each of the District’s investment classes are as follows:

- U.S. Treasury securities – The fair value U.S. Treasury securities is generally based on quoted market prices in active markets (Level 1).
- Certificates-of-deposit – The fair value of certificate-of-deposit is generally determined using a market-based model in which valuation consideration is given to yield or price of comparable securities, coupon rate, maturity, credit quality, and dealer-provided prices (Level 2).

Concentration of Credit Risk

The District’s investment policy contains no limitations on the amounts that can be invested in any one issuer as beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than for U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District’s investments as of June 30, 2024 and 2023, respectively.

(3) Advances to Member Cities Receivable

Changes in notes receivable at June 30, 2024 were as follows:

	Balance 2023	Additions	Principal Pymts/ Amortization	Balance 2024	Current Portion	Long-term Portion
Notes receivable:						
City of Monterey Park	\$ 4,000,000	-	-	4,000,000	400,000	3,600,000
Less: Unamortized discount	(322,824)	-	-	(322,824)	-	(322,824)
Total City of Monterey Park	3,677,176	-	-	3,677,176	400,000	3,277,176
City of Sierra Madre	2,700,000	-	-	2,700,000	540,000	2,160,000
Less: Unamortized discount	(175,363)	-	31,306	(144,057)	-	(144,057)
Total City of Sierra Madre	2,524,637	-	31,306	2,555,943	540,000	2,015,943
Total notes receivable	<u>\$ 6,201,813</u>	<u>-</u>	<u>31,306</u>	<u>6,233,119</u>	<u>940,000</u>	<u>5,293,119</u>

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(3) Advances to Member Cities Receivable, continued

Changes in notes receivable at June 30, 2023 were as follows:

	<u>As Restated 2022</u>	<u>Additions</u>	<u>Principal Pymts/ Amortization</u>	<u>Balance 2023</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Notes receivable:						
City of Monterey Park	\$ 4,000,000	-	-	4,000,000	400,000	3,600,000
Less: Unamortized discount	<u>(322,824)</u>	<u>-</u>	<u>-</u>	<u>(322,824)</u>	<u>-</u>	<u>(322,824)</u>
Total City of Monterey Park	3,677,176	-	-	3,677,176	400,000	3,277,176
City of Sierra Madre	-	2,700,000	-	2,700,000	270,000	2,430,000
Less: Unamortized discount	<u>-</u>	<u>(175,363)</u>	<u>-</u>	<u>(175,363)</u>	<u>-</u>	<u>(175,363)</u>
Total City of Sierra Madre	-	2,524,637	-	2,524,637	270,000	2,254,637
Total notes receivable	<u>\$ 3,677,176</u>	<u>2,524,637</u>	<u>-</u>	<u>6,201,813</u>	<u>670,000</u>	<u>5,531,813</u>

City of Monterey Park

On March 1, 2021, the District entered into a loan agreement with the City of Monterey Park for the purpose of providing funding towards the construction of a PFAS Treatment Plant. Terms of the agreement call for annual principal only payments in the amount of \$400,000 at a rate of zero percent, commencing one year after the filing of the Notice of Completion for the project. The District discounted the note using the March 1, 2021 10-year treasury bill rate of 1.56%.

Principal and discount amortization are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Discount Amortization</u>	<u>Total</u>
2025	\$ 400,000	(57,364)	342,636
2026	400,000	(52,019)	347,981
2027	400,000	(46,590)	353,410
2028	400,000	(41,077)	358,923
2029	400,000	(35,478)	364,522
2030 - 2034	<u>2,000,000</u>	<u>(90,296)</u>	<u>1,909,704</u>
Total	4,000,000	<u>(322,824)</u>	<u>3,677,176</u>
Less: Current portion	<u>(400,000)</u>		
Less: Unamort. discount	<u>(322,824)</u>		
Total non-current	<u>\$ 3,277,176</u>		

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(3) Advances to Member Cities Receivable, continued

City of Sierra Madre

On July 29, 2021, the District entered into a loan agreement with the City of Sierra Madre for the purpose of providing funding towards the planning, design, construction, and construction administration of three water main construction projects. Terms of the agreement call for annual principal only payments in the amount of \$270,000 at a rate of zero percent, commencing after the filing of the Notice of Completion for the projects. The District discounted the note using the July 29, 2021 10-year Treasury Bill rate of 1.24%.

Principal and discount amortization are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Discount Amortization</u>	<u>Total</u>
2025	\$ 540,000	(28,346)	511,654
2026	270,000	(25,349)	244,651
2027	270,000	(22,316)	247,684
2028	270,000	(19,244)	250,756
2029	270,000	(16,135)	253,865
2030 - 2033	1,080,000	(32,667)	1,047,333
Total	2,700,000	(144,057)	2,555,943
Less: Current portion	(540,000)		
Less: Unamort. discount	(144,057)		
Total non-current	\$ 2,015,943		

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(4) Capital Assets

Changes in capital assets for the year ended June 30, 2024 were as follows:

	<u>Balance 2023</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2024</u>
Non-depreciable assets:				
Land	\$ 735,931	-	-	735,931
Construction-in-process	12,613	2,176,975	(207,316)	1,982,272
Total non-depreciable assets	<u>748,544</u>	<u>2,176,975</u>	<u>(207,316)</u>	<u>2,718,203</u>
Depreciable assets:				
Pipeline	26,881,938	325,505	-	27,207,443
Buildings and structures	3,575,807	125,682	(1,886)	3,699,603
Telemetry equipment	932,973	81,634	-	1,014,607
Office furniture and equipment	181,425	92,502	(33,806)	240,121
Vehicles and equipment	516,570	-	-	516,570
State water project participation rights	5,784,165	-	-	5,784,165
Total depreciable assets	<u>37,872,878</u>	<u>625,323</u>	<u>(35,692)</u>	<u>38,462,509</u>
Accumulated depreciation and amortization:				
Pipeline	(17,006,890)	(372,105)	-	(17,378,995)
Buildings and structures	(2,407,549)	(21,190)	1,886	(2,426,853)
Telemetry Equipment	(777,819)	(91,025)	-	(868,844)
Office furniture and equipment	(166,070)	(12,644)	33,806	(144,908)
Vehicles and equipment	(317,163)	(48,966)	-	(366,129)
State water project participation rights	(4,627,332)	(96,403)	-	(4,723,735)
Total accumulated depreciation	<u>(25,302,823)</u>	<u>(642,333)</u>	<u>35,692</u>	<u>(25,909,464)</u>
Total depreciable assets, net	<u>12,570,055</u>	<u>(17,010)</u>	<u>-</u>	<u>12,553,045</u>
Total capital assets, net	<u>\$ 13,318,599</u>			<u>15,271,248</u>

Major capital assets additions during the year included additions to construction-in-progress for ongoing projects, upgrades to pipeline assets, upgrades to buildings and structures, additions to telemetry equipment, and office furniture and equipment. Major disposals included disposals to office furniture and equipment.

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(4) Capital Assets, continued

Changes in capital assets for the year ended June 30, 2023 were as follows:

	<u>Balance 2022</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2023</u>
Non-depreciable assets:				
Land	\$ 735,931	-	-	735,931
Construction-in-process	204,853	998,665	(1,190,905)	12,613
Total non-depreciable assets	<u>940,784</u>	<u>998,665</u>	<u>(1,190,905)</u>	<u>748,544</u>
Depreciable assets:				
Pipeline	26,742,616	139,322	-	26,881,938
Buildings and structures	2,384,902	1,190,905	-	3,575,807
Telemetry Equipment	934,023	-	(1,050)	932,973
Office furniture and equipment	179,790	1,635	-	181,425
Vehicles and equipment	516,570	-	-	516,570
State water project participation rights	5,784,165	-	-	5,784,165
Total depreciable assets	<u>36,542,066</u>	<u>1,331,862</u>	<u>(1,050)</u>	<u>37,872,878</u>
Accumulated depreciation and amortization:				
Pipeline	(16,636,226)	(370,664)	-	(17,006,890)
Buildings and structures	(2,331,641)	(75,908)	-	(2,407,549)
Telemetry Equipment	(685,575)	(93,294)	1,050	(777,819)
Office furniture and equipment	(156,367)	(9,703)	-	(166,070)
Vehicles and equipment	(266,327)	(50,836)	-	(317,163)
State water project participation rights	(4,530,930)	(96,402)	-	(4,627,332)
Total accumulated depreciation	<u>(24,607,066)</u>	<u>(696,807)</u>	<u>1,050</u>	<u>(25,302,823)</u>
Total depreciable assets, net	<u>11,935,000</u>	<u>635,055</u>	<u>-</u>	<u>12,570,055</u>
Total capital assets, net	<u>\$ 12,875,784</u>			<u>13,318,599</u>

Major capital assets additions during the year included additions to construction-in-progress for ongoing projects, upgrades to pipeline assets, upgrades to buildings and structures. There were no major disposals during the year.

(5) Compensated Absences

Changes to compensated absences for the year ended June 30, 2024 were as follows:

<u>Balance 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 2024</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
\$ 450,676	143,976	(149,832)	444,820	111,205	333,615

Changes to compensated absences for the year ended June 30, 2023 were as follows:

<u>Balance 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 2023</u>	<u>Due Within One Year</u>	<u>Due in More Than One Year</u>
\$ 371,199	137,174	(57,697)	450,676	112,669	338,007

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(6) Other Post-employment Benefits (OPEB) Plan

General Information about the OPEB Plan

Plan Description

The District's defined benefit Other Post-Employment Benefit (OPEB) Plan (Plan) provides OPEB for all vested full-time employees who satisfy the eligibility rules. The Plan is a single-employer defined benefit OPEB plan administered by the District. The District's Board has the authority to establish and amend the benefit terms and financing requirements of the Plan.

Benefits Provided

To be eligible for retiree health benefits, an employee must retire from the District on or after age 55 with at least 5 years of continuous service. Dependents (under the age of 26) are also eligible to receive benefits. Retirees may enroll in the plan available through the District's ACWA-JPIA (Association of California Water Agencies Joint Powers Insurance Authority) Medical Program. The District provides coverage for retirees and dependents medical, dental/vision for life. The Retirees will receive a maximum of \$4,000 per family for out-of-pocket medical expenses and \$3,000 for dental/vision (combined) for the retiree and each dependent.

Employees Covered by Benefit Terms

At June 30, the following employees were covered by the benefit terms:

	2024	2023
Active plan members	8	7
Retirees and beneficiaries receiving benefits	12	11
Total Plan membership	20	18

Contributions

The Plan and its contribution requirements for eligible retired employees of the District are established and may be amended by the Board of Directors. The District pays 100% of its share of the cost of health and vision insurance for retirees and dental insurance up to age 65 under any group plan offered by ACWA-JPIA, subject to certain restrictions as determined by the District. The annual contribution is based on the actuarially determined contribution.

As of the fiscal year ended June 30, the contributions were as follows:

	2024	2023
Contributions – employer	\$ 179,366	156,710

As of June 30, 2024 and 2023, employer OPEB contributions of \$179,366 and \$156,710 will be and were recognized as a reduction of total OPEB liability in the fiscal year ended June 30, 2025 and 2024, respectively.

Total OPEB Liability

As of the fiscal year ended June 30, the District reported its total OPEB liability as follows:

	2024	2023
Total OPEB liability	\$ 3,951,085	3,683,586

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(6) Other Post-employment Benefits (OPEB) Plan, continued

Total OPEB Liability, continued

The District's total OPEB liability was measured as of June 30, 2023 and 2022, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2022 and 2021, respectively. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Changes in the Total OPEB Liability

Changes in the total OPEB liability as of June 30, were as follows:

	June 30, 2024	June 30, 2023
Balance at beginning of year	\$ 3,683,586	4,691,980
Changes for the year:		
Service cost	118,767	181,771
Interest	136,863	91,831
Employer contributions	(184,604)	(182,631)
Implicit rate subsidy	(2,058)	-
Changes in benefit terms	-	55,866
Experience (gains)/losses	412,671	(203,344)
Assumption changes	(214,140)	(951,887)
Net changes	267,499	(1,008,394)
Balance at end of year	\$ 3,951,085	3,683,586

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

For the fiscal year ended June 30, 2024 and 2023, the District recognized OPEB income of \$412,379 and \$398,866, respectively.

At June 30, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	June 30, 2024		June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to the measurement date at June 30	\$ 179,366	-	156,710	-
Net change in assumptions	-	(357,386)	-	(303,670)
Experience (gains)/losses	-	(82,462)	-	(793,400)
Total	\$ 179,366	(439,848)	156,710	(1,097,070)

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(6) Other Post-employment Benefits (OPEB) Plan, continued

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

As of June 30, 2024, the District recognized other amounts reported by the Plan actuarial as deferred outflows of resources and deferred inflows of resources related to the total OPEB liability. OPEB related amounts will be recognized as OPEB expense as follows.

Fiscal Year Ending June 30,	Deferred Net Outflows / (Inflows) of Resources
2025	\$ (539,113)
2026	49,633
2027	49,632

Actuarial Assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.30 percent
Salary increases	2.80 percent
Discount rate	2024 – 3.86 percent
	2023 – 3.69 percent
Healthcare cost trend rates	2024 – 7.40 percent per year
	2023 – 5.75 percent per year
Retirees' share of benefit-related costs	Actual premium increases through 2032, followed by projected premium increases shown in the 2021 Medicare Trustees report for the next six years followed by the same assumption as medical/rx.
	Cost sharing: same as medical/rx trend rates Dental/vision: 3.50% for all years.

Discount Rate

As of the measurement date June 30, 2023 and 2022, the discount rate used to measure the total OPEB liability was 3.86 and 3.69 percent, respectively. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates.

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

The table on the following page presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate.

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(6) Other Post-employment Benefits (OPEB) Plan, continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate, continued

At June 30, 2024, the discount rate comparison was the following:

	Discount Rate - 1% (2.86%)	Current Discount Rate (3.86%)	Discount Rate + 1% (4.86%)
District's total OPEB liability	\$ 4,467,452	3,951,085	3,522,937

At June 30, 2023, the discount rate comparison was the following:

	Discount Rate - 1% (2.69%)	Current Discount Rate (3.69%)	Discount Rate + 1% (4.69%)
District's total OPEB liability	\$ 4,180,623	3,683,586	3,271,825

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

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

At June 30, 2024 the healthcare cost trend rate comparison was the following:

	1% Decrease (5.40%) decreasing to 3.14%)	Healthcare Cost Trend Rates (7.40%) decreasing to 4.14%)	1% Increase (8.40%) decreasing to 5.14%)
District's total OPEB liability	\$ 3,500,402	3,951,085	4,488,110

At June 30, 2023 the healthcare cost trend rate comparison was the following:

	1% Decrease (4.50%) decreasing to 3.04%)	Healthcare Cost Trend Rates (5.50%) decreasing to 4.04%)	1% Increase 6.50% decreasing to 5.04%)
District's total OPEB liability	\$ 3,195,700	3,683,586	4,267,570

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

See page 47 for the Required Supplementary Information.

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(7) Defined Benefit Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the District’s Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and the District’s resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

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

On September 12, 2012, the California Governor signed the California Public Employees’ Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the District’s CalPERS 2.0% at 60 (New Classic) Risk Pool Retirement Plan to new employee entrants effective December 31, 2012. Employees hired after January 1, 2013, and have not previously participated in a CalPERS plan are eligible for the District’s CalPERS 2.0% at 62 Retirement Plan under PEPRA. New employees that have previously participated in the Classic Plan are eligible for the District’s CalPERS 2.0% at 55 Retirement Plan.

The Plan’s provisions and benefits in effect at June 30 are summarized as follows:

	Miscellaneous Plan	
	Classic	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	55 - 60	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
2024:		
Required employee contribution rates	6.92%	8.25%
Required employer contribution rates	13.26%	8.00%
2023:		
Required employee contribution rates	6.92%	7.25%
Required employer contribution rates	11.61%	7.76%

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(7) Defined Benefit Pension Plan, continued

Benefits Provided, continued

Contributions

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

As of the fiscal year ended June 30, the contributions for the Plan were as follows:

		Miscellaneous Plan	
		2024	2023
	Contributions – employer	\$ 555,433	773,342
		555,433	773,342

Net Pension Liability

As of the fiscal year ended June 30, the District reported net pension liabilities for its proportionate share of the net pension liability of the Plan was as follows:

		Proportionate Share of Net Pension Liability	
		2024	2023
	Miscellaneous Plan	\$ 1,792,852	2,082,082
		1,792,852	2,082,082

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability for the miscellaneous risk pool. As of the fiscal years ended June 30, 2024 and 2023, the net pension liability of the Plan is measured as of June 30, 2023 and 2022 (the measurement dates), respectively. The total pension liability for the Plan's miscellaneous risk pool used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 and 2021 (the valuation dates), rolled forward to June 30, 2023 and 2022, respectively, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's change in the proportionate share of the pension liability for the District's Plan as of the fiscal year ended June 30, were as follows:

		Miscellaneous Plan	
		2024	2023
	Proportion – beginning of year	0.01803%	0.01524%
	Proportion – end of year	0.01437%	0.01803%
	Change – Increase (Decrease)	-0.00366%	0.00279%
		-0.00366%	0.00279%

Deferred Pension Outflows (Inflows) of Resources

As of June 30, 2024 and 2023, the District recognized pension income of \$182,759 and \$2,526, respectively.

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(7) Defined Benefit Pension Plan, continued

Deferred Pension Outflows (Inflows) of Resources, continued

As of June 30, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>June 30, 2024</u>		<u>June 30, 2023</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 555,433	-	773,342	-
Net difference between actual and expected experience	77,381	-	13,808	-
Net change in assumptions	108,243	-	213,353	-
Net difference between projected and actual earnings on plan investments	290,279	-	381,382	-
Net difference between actual contribution and proportionate share of contribution	438,303	-	345,592	-
Net adjustment due to differences in proportions of net pension liability	-	(414,233)	-	(347,692)
Total	<u>\$ 1,469,639</u>	<u>(414,233)</u>	<u>1,727,477</u>	<u>(347,692)</u>

As of June 30, 2024 and 2023, employer pension contributions of \$555,433 and \$773,342, reported as deferred outflows of resources related to contributions subsequent to the measurement date will be and were recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2025 and 2024, respectively.

As of June 30, 2024, the District recognized other amounts reported by the Plan actuarial as deferred outflows of resources and deferred inflows of resources related to the pension liability. Pension related amounts will be recognized as pension expense as follows.

<u>Fiscal Year Ending June 30,</u>	<u>Deferred Net Outflows / (Inflows) of Resources</u>
2025	\$ 159,030
2026	107,600
2027	225,013
2028	8,330

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(7) Defined Benefit Pension Plan, continued

Actuarial Assumptions

The total pension liabilities in the June 30, 2022 and 2021, actuarial valuations were determined using the following actuarial assumptions and methods:

Valuation Date	June 30, 2021 and 2020
Measurement Date	June 30, 2022 and 2021
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	2024 - 6.90%
	2023 - 6.90%
Inflation	2024 - 2.30%
	2023 - 2.30%
Salary increases	Varies by Entry Age and Service
Investment Rate of Return	6.90 % Net of pension plan investment and administrative expenses; includes inflation
Mortality Rate Table*	Derived using CalPERS' Membership Data for all Funds
Period upon which actuarial Experience Survey assumptions were based	2023 and 2022 – 1997–2015
Post Retirement Benefit	Contract COLA up to 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.30% thereafter

* The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 6.90% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, the amortization and smoothing periods recently adopted by CalPERS were utilized. The crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments.

Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan.

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

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(7) Defined Benefit Pension Plan, continued

Discount Rate, continued

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The tables below reflect the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

As of June 30, 2024 and 2023, the target allocation and the long-term expected real rate of return by asset class is as follows:

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10</u>
Global Equity - Cap-weighted	30.0%	4.45%
Global Equity Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	27.00%
Mortgage-backed Securities	5.0%	50.00%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	<u>100%</u>	

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The table on the following page presents the District's proportionate share of the net position liability for the Plan, calculated using the discount rate, as well as what the District's proportional share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(7) Defined Benefit Pension Plan, continued

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate, continued

As of June 30, 2024, the Agency's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, is as follows:

	Discount Rate – 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
District's Net pension liability	\$ 3,491,640	1,792,852	394,604

As of June 30, 2023, the Agency's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, is as follows:

	Discount Rate – 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
District's Net pension liability	\$ 3,674,497	2,082,082	771,290

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See pages 48 and 49 for the Required Supplementary Information.

Payable to the Pension Plan

At June 30, 2024 and 2023, the Agency reported \$0 in payables for the outstanding amount of contribution to the pension plan, respectively.

(8) Unrestricted Net Position

Calculation of net position as of June 30 was as follows:

	2024	2023
Unrestricted :		
Non-spendable net position:		
Water-in-storage inventory	\$ 465,600	1,420,650
Prepaid and other assets	108,916	172,315
Total non-spendable net position	574,516	1,592,965
Spendable net position	36,970,747	33,080,388
Total unrestricted net position	\$ 37,545,263	34,673,353

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(9) Adjustments to Net Position

Deferred Outflows of Resources – Contributions

In fiscal year 2023, the District restated its net position for pension contributions reported in deferred outflows of resources, for the year ended June 30, 2022. Actual contributions reported by CalPERS for June 30, 2022, were overstated by \$130,000 as reported in deferred outflows of resources for pensions which resulted in an overstatement of net income by the same amount.

Discount on Advance to Member Cities Receivable

In fiscal year 2023, the District restated its net position to recognize a discount on the note receivable for the City of Monterey Park (City). In March 2021, the District issued a zero-interest note in the amount of \$4,000,000 to the City.

Following Generally Accepted Accounting Principles, when two parties enter into a transaction involving a note, the default assumption is that the interest rate associated with the note will be close to the market rate of interest. In circumstances where a zero-interest note is issued, it is necessary to record the transaction using an interest rate that closely compares with the current market rate. The rate should approximate what would have been used if an independent lender had entered into a similar agreement. The District chose the 10 year Treasury bill rate as of March 1, 2023. Please see Note 3 for further information.

The adjustments to net position were as follows:

Net position at July 1, 2021, as previously stated	\$ <u>39,352,019</u>
Change in net position at June 30, 2021, as previously stated	4,433,053
Effect of the adjustment for the overstatement of 2022 pension contributions reported in deferred outflows	(130,000)
Effect of the adjustment to record the discount on the zero-interest note receivable for the City of Monterey Park	<u>(322,824)</u>
Subtotal adjustments	<u>(452,824)</u>
Net position at June 30, 2022, as restated	\$ <u><u>43,332,248</u></u>

(10) Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the ACWA/JPIA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage.

At June 30, 2024, the District participates in the ACWA/JPIA pooled programs for liability and property programs as follows:

- General and auto liability, public officials, employment practices liability, and employees' errors and omissions: The ACWA/JPIAs total risk financing self-insurance limits of \$5,000,000 per occurrence. The ACWA/JPIA purchased additional excess coverage layers: \$50 million for general, auto and public officials' liability, which increases the limits on the insurance coverage noted above.

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(10) Risk Management, continued

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

- Crime and Public officials' and Employee dishonesty coverage up to \$100,000 per loss includes public employee dishonesty, forgery or alteration, computer fraud coverage subject to a \$1,000 deductible per occurrence.
- Property loss is paid at the replacement cost for property on file, if replaced within two years after the loss, otherwise paid on an actual cash value basis, to a combined total of \$500 million per occurrence, subject to the following deductibles: \$2,500 per occurrence for buildings, fixed equipment, \$1,000 for mobile equipment, and \$500 deductible per occurrence for licensed vehicles. Scheduled vehicles and mobile equipment are covered on an actual basis at the time of the loss.
- Boiler and machinery coverage for the replacement cost up to \$100 million per occurrence, subject to various deductibles per occurrence on damage to scheduled items.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years. There were no reductions in insurance coverage in fiscal years 2024, 2023, and 2022. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2024, 2023, and 2022.

(11) Deferred Compensation Savings Plan

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program (Program). The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust. The assets are held with Lincoln Financial for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District and are not subject to the claims of the District's general creditors. The total market value of all plan assets held in trust at June 30, 2024 and 2023, was \$2,364,110 and \$2,189,566, respectively.

The District has implemented GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statements of net position.

(12) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2024, that has effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 101

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(12) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 101, continued

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 102

In December 2023, the GASB issued Statement No. 102 – *Certain Risk Disclosures*. The primary objective of this Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 103

In April 2024, the GASB issued Statement No. 103 – *Financial Reporting Model Improvements*. The primary objective of this Statement is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government's accountability. Also, this Statement: (1) continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI); (2) describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence; (3) requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses; (4) requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements; and (5) requires governments to present budgetary comparison information using a single method of communication—RSI.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

San Gabriel Valley Municipal Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2024 and 2023

(12) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 104

In September 2024, the GASB issued Statement No. 104 – *Disclosure of Certain Capital Assets*. The primary objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments. Also, this Statement establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this Statement apply to the financial statements of all state and local governments.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

(13) Commitments and Contingencies

Grant Awards

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

Litigation

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

(14) Subsequent Events

Events occurring after June 30, 2024, have been evaluated for possible adjustment to the financial statements or disclosure as of January 13, 2025, which is the date the financial statements were available to be issued.

Required Supplementary Information

Working Draft Subject to Review

San Gabriel Valley Municipal Water District
Schedules of Changes in the District's Total OPEB Liability and Related Ratios
As of June 30, 2024
Last Ten Years*

Fiscal year	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Total OPEB liability							
Service cost	\$ 118,767	181,771	218,142	180,064	134,409	184,425	179,271
Interest	136,863	91,831	135,574	153,721	207,620	200,281	195,701
Employer contributions	(184,604)	(182,631)	(230,812)	(221,696)	(226,025)	(222,325)	(213,797)
Changes in benefit terms	-	55,866	-	-	-	-	-
Assumption changes	(214,140)	(951,887)	438,054	451,114	(374,643)	(128,680)	-
Experience (gains)/losses	412,671	(203,344)	(1,299,178)	25,010	(613,323)	-	-
Implicit subsidy credit	(2,058)	-	-	-	-	-	-
Net change in total OPEB liability	267,499	(1,008,394)	(738,220)	588,213	(871,962)	33,701	161,175
Total OPEB liability – beginning	3,683,586	4,691,980	5,430,200	4,841,987	5,713,949	5,680,248	5,519,073
Total OPEB liability – ending	\$ 3,951,085	3,683,586	4,691,980	5,430,200	4,841,987	5,713,949	5,680,248
Covered employee payroll	\$ 1,230,457	1,079,038	1,032,988	916,068	916,068	812,255	810,600
Total OPEB liability as a percentage of covered payroll	321.11%	341.38%	454.21%	592.77%	528.56%	703.47%	700.75%
Valuation Date	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2017</u>	<u>June 30, 2017</u>

Methods and Assumptions Used to

Determine Contribution Rates:

Single and Agent Employers	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Inflation	2.30%	2.30%	2.50%	0.75%	2.50%	2.50%	2.50%
Salary Increases	2.80%	2.80%	2.80%	2.75%	2.75%	2.75%	2.75%
Investment Rate of Return	3.86%	3.69%	1.92%	2.45%	3.13%	3.13%	3.13%
Mortality, Retirement, Turnover	(2)	(2)	(2)	(2)	(2)	(2)	(2)

(1) Level percentage of payroll, closed

(2) Based on 2021 Getzen model that reflects actual premium increases through 2023, followed by 5.50% decreasing gradually to an ultimate rate of 4.04% in 2075 for non-Medicare and 4.00% for all years for Medicare.

* The District has presented information for those years for which information is available until a full 10-year trend is compiled.

San Gabriel Valley Municipal Water District
Schedules of District's Proportionate Share of the Net Pension Liability
As of June 30, 2024
Last Ten Years

Description	Measurement Dates									
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability	0.01437%	0.01803%	0.01524%	0.02370%	0.02298%	0.02209%	0.02179%	0.02102%	0.01869%	0.01991%
District's proportionate share of the net pension liability	\$ 1,792,852	2,082,082	824,291	2,578,972	2,355,085	2,128,755	2,161,060	1,819,051	1,283,170	1,238,997
District's covered payroll	\$ 1,024,751	1,064,443	1,010,926	919,383	881,317	804,724	795,176	844,340	754,456	753,981
District's proportionate share of the net pension liability as a percentage of its covered payroll	174.95%	195.60%	81.54%	280.51%	267.22%	264.53%	271.77%	215.44%	170.08%	164.33%
District's fiduciary net position as a percentage of the district's total pension liability	85.73%	82.18%	92.62%	75.89%	77.12%	78.42%	75.39%	79.58%	85.10%	83.03%

Notes To Schedule:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses.

The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%

From fiscal year June 30, 2018 to June 30, 2019:

The inflation rate was reduced from 2.75% to 2.50%

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was reduced from 7.15% to 6.90%

The inflation rate was reduced from 2.50% to 2.30%

From fiscal year June 30, 2023 to June 30, 2024:

There were no changes in assumptions.

**San Gabriel Valley Municipal Water District
Schedules of Pension Plan Contributions
As of June 30, 2024
Last Ten Years**

	Fiscal Years Ended									
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially determined contribution contribution's in relation to the actuarially determined contribution	\$ 279,646	307,821	301,888	233,098	195,840	195,840	175,177	122,358	131,256	132,987
	<u>(279,646)</u>	<u>(307,821)</u>	<u>(301,888)</u>	<u>(233,098)</u>	<u>(195,840)</u>	<u>(195,840)</u>	<u>(175,177)</u>	<u>(122,358)</u>	<u>(131,256)</u>	<u>(132,987)</u>
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 1,245,434	1,024,751	1,064,443	1,010,926	919,383	881,317	804,724	795,176	844,340	754,456
Contribution's as a percentage of covered payroll	<u>22.45%</u>	<u>30.04%</u>	<u>28.36%</u>	<u>23.06%</u>	<u>21.30%</u>	<u>22.22%</u>	<u>21.77%</u>	<u>15.39%</u>	<u>15.55%</u>	<u>17.63%</u>

Notes To Schedule:

Valuation date	June 30, 2021	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	15 Year Smoothed Market Method
Inflation	2.30%	2.30%	2.50%	2.50%	2.63%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return	6.90% (3)	6.90% (3)	7.15% (3)	7.00% (3)	7.25% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed.

(2) Depending on age, service, and type of employment.

(3) Net of pension plan investment expenser, including inflation.

(4) 50 for all plans with exception of 52 for Miscellaneous 2% @ 62.

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

Supplemental Information

Working Draft Subject to Review

**San Gabriel Valley Municipal Water District
Schedule of Operating Expenses
For the Fiscal Year Ended June 30, 2023**

	<u>2024</u>	<u>2023</u>
Source of supply:		
Salaries and wages	\$ 292,154	306,091
Maintenance – plant and pipeline	119,902	57,853
Water sold	5,231,131	232,200
State water supply contract costs	8,686,151	8,107,686
Hydroelectric plant maintenance	24,196	9,734
Total source of supply	<u>\$ 14,353,534</u>	<u>8,713,564</u>
General and administrative:		
Salaries and wages	1,044,843	906,558
Employee benefits:		
Public employees retirement benefits	658,692	839,983
Payroll taxes	94,116	78,944
Workers' compensation insurance	17,026	17,411
Group health, dental and life insurance	531,503	523,750
Other post-employment benefits	(12,379)	(355,576)
Uniforms	2,845	2,493
Insurance	51,930	46,339
Office supplies and expense	28,828	28,161
Membership dues, conferences, and travel	137,668	119,240
Public relations and water conservation program	203,166	333,042
Consulting and engineering fees	571,992	458,843
Government relations	97,705	96,116
Directors fees	54,400	28,400
Legal fees	74,259	72,426
Accounting fees	36,539	29,228
Telephone and communications	47,694	51,378
Utilities	20,972	20,657
Vehicle maintenance	38,660	29,605
Maintenance – buildings and grounds	77,058	67,342
Property tax	799	616
Total general and administrative	<u>\$ 3,778,316</u>	<u>3,394,956</u>

Report on Internal Controls and Compliance

Working Draft Subject to Review

**Independent Auditor’s Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the San Gabriel Valley Municipal Water District (District), as of and for the year June 30, 2024, and the related notes to the financial statements, which collectively comprises the District’s basic financial statements, and have issued our report thereon dated January 13, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected, and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Independent Auditor’s Report on Internal Controls Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*, (continued)**

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the district’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C.J. Brown & Company, CPAs
Cypress, California
January 13, 2025

Working Draft Subject to Review

SAN GABRIEL VALLEY
MUNICIPAL



WATER DISTRICT

AZUSA | SIERRA MADRE | MONTEREY PARK | ALHAMBRA

**San Gabriel Valley Municipal Water District
Agreed-Upon Procedures Related to Review of
Travel and Conference Expenses
For the Fiscal Year Ended June 30, 2024**

Working Draft Subject to Review

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

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

We have performed the procedures enumerated below, which were agreed to by the Board of Directors and Management, solely to assist you with assessing that the payment of Travel and Conference Expenses are in compliance with the San Gabriel Valley Municipal Water District's policies. The report has been prepared on the accrual basis of accounting. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested for any other purpose.

Our procedures and findings are as follows:

- 1) We analyzed General Ledger Accounts No. 4051-000, Travel and Conference Expenses – Dir. and No. 4055-000, Travel and Conference Expenses – Staff, and prepared a detailed list of individual charges to these accounts – see the following schedule.
- 2) We vouched all charges to supporting documentation such as invoices, credit card statements, expense reports, etc.
- 3) We verified that the Board of Directors approved all District checks.
- 4) We verified authorization or approval and compliance with San Gabriel Valley Municipal Water District's policies.

We were not engaged to, and did not, conduct an audit, the objective of which would be an expression of an opinion, on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of specified users listed above and is not intended to be and should not be used by anyone other than those specified parties.

C.J. Brown & Company, CPAs
Cypress, California
January 13, 2025

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
 Agreed-Upon Procedure of Travel and Conference Expenses – Accrual Basis
 General Ledger Account No. 4051-000
 For the Fiscal Year Ended June 30, 2024

Selection Number	Check Number	Check Date	Payee Vendor / Employee	Description	Authorized or Approved by	Compliant with Policies Yes/No	Check Amount	Procedures			
								1	2	3	4
1	43985	10/9/2023	Michael F Eng (Expense)	MEng Monterey Park COC Mid-Autumn Festival Mixer Event \$35.00	Darin Kasamoto	Yes	\$ 35.00	X	X	X	X
2	43856	8/14/2023	Mark Paulson (Expense)	Travel, Hotel expense reimbursement 7/10,7/19,7/24,7/25,726-30 - MPaulson	Darin Kasamoto	Yes	2,127.72	X	X	X	X
3	43858	8/14/2023	Michael F Eng (Expense)	Travel expense reimbursement 7/5,7/10,7/21,7/23 -MEng	Darin Kasamoto	Yes	32.11	X	X	X	X
4	43923	9/11/2023	Mark Paulson (Expense)	Travel expense reimbursement 08/08,08/14,08/16,08/23,08/28,08/30 - MPaulson	Darin Kasamoto	Yes	34.06	X	X	X	X
5	43924	9/11/2023	Michael F Eng (Expense)	Travel expense reimbursement 08/14,08/17,08/23,08/28,08/30 -MEng	Darin Kasamoto	Yes	79.92	X	X	X	X
6	43925	9/11/2023	Miles L Prince (Expense)	Travel,Hotel,Registration,Parking expense reimbursement 08/01-04, 08/06,08/13-14,08/22,08/28 -MP...	Darin Kasamoto	Yes	2,557.10	X	X	X	X
7	43967	10/9/2023	BOA-Visa	M. Prince CLE Webinars	Darin Kasamoto	Yes	225.00	X	X	X	X
8	40993	10/9/2023	Mark Paulson (Expense)	September Mileage	Darin Kasamoto	Yes	22.27	X	X	X	X
9	40994	10/9/2023	Michael F Eng (Expense)	September Mileage	Darin Kasamoto	Yes	53.73	X	X	X	X
10	44061	11/13/2023	Mark Paulson (Expense)	Travel expense reimbursement 10/9/23 MPaulson	Darin Kasamoto	Yes	22.27	X	X	X	X
11	44062	11/13/2023	Michael F Eng (Expense)	Travel mileage expense reimbursement 10/7,9,12,13,19,24,25,26,29 - MEng	Darin Kasamoto	Yes	57.64	X	X	X	X
12	44086	11/27/2023	Independent Cities	Winter Seminar 2024 - MPaulson	Darin Kasamoto	Yes	675.00	X	X	X	X
13	44086	11/27/2023	Independent Cities	Winter Seminar 2024 - MPrince	Darin Kasamoto	Yes	675.00	X	X	X	X
14	44106	12/11/2023	BOA-Visa	MEng SGV Gala registration \$275, MPrince/ MEng League of Cal 2 x100	Darin Kasamoto	Yes	475.00	X	X	X	X
15	44130	12/11/2023	Miles L Prince (Expense)	Travel, Hotel, Meals, Parking expense reimbursement 11/13, 11/26, 11/27, 11/28 -MPrince	Darin Kasamoto	Yes	1,224.54	X	X	X	X
16	44128	12/11/2023	Mark Paulson (Expense)	Travel expense reimbursement 11/2, 11/7, 11/13, 11/15, 11/30 -MPaulson	Darin Kasamoto	Yes	22.27	X	X	X	X
17	4129	12/11/2023	Michael F Eng (Expense)	Travel expense reimbursement 11/4, 11/8, 11/11, 11/13, 11/28 -MEng	Darin Kasamoto	Yes	37.35	X	X	X	X
18	44186	1/8/2024	Mark Paulson (Expense)	Travel expense reimbursement 12/11, 12/12, 12/20 -MPaulson	Darin Kasamoto	Yes	22.27	X	X	X	X
19	44187	1/8/2024	Michael F Eng (Expense)	Travel expense reimbursement 12/1, 12/5, 12/6, 12/7, 12/11, 12/13, 12/14, 12/15, 12/16 - MEng	Darin Kasamoto	Yes	94.98	X	X	X	X
20	44239	2/12/2024	BOA-Visa	BKnoles AGWT Groundwater conference	Darin Kasamoto	Yes	475.00	X	X	X	X
21	44264	2/12/2024	Michael F Eng (Expense)	Travel expense reimbursement 1/8 - 1/28, MEng	Darin Kasamoto	Yes	70.35	X	X	X	X
22	44262	2/12/2024	Mark Paulson (Expense)	travel expense reimbursement 1/8, 1/22 -MPaulson	Darin Kasamoto	Yes	45.56	X	X	X	X
23	44297	3/11/2024	BOA-Visa	MEng SGV Econ Partners Event \$100.00, Future of Water Event \$90.00, SGV Congressional Forum \$50.0...	Darin Kasamoto	Yes	270.00	X	X	X	X
24	44293	2/29/2024	Three Valleys Municipal Water District	Attendance at Feb 29, 2024 Leadership Breakfast - BKnoles	Darin Kasamoto	Yes	30.00	X	X	X	X
25	44319	3/11/2024	Michael F Eng (Expense)	Travel, Parking expense reimbursements Feb 12,15,18,20,20 -MEng	Darin Kasamoto	Yes	103.96	X	X	X	X

Comment Legend:

X Procedure performed without exception.

Continued on next page.

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
 Agreed-Upon Procedures of Travel and Conference Expenses – Accrual Basis
 General Ledger Account No. 4051-000
 For the Fiscal Year Ended June 30, 2024

Selection Number	Check Number	Check Date	Payee Vendor / Employee	Description	Authorized or Approved by	Compliant with Policies Yes/No	Check Amount	Procedures			
								1	2	3	4
26	44318	3/11/2024	Mark Paulson (Expense)	Travel, Hotel expense reimbursements Feb 1,2,3,12,13,21,23 -MPaulson	Darin Kasamoto	Yes	861.08	X	X	X	X
27	44325	3/11/2024	Steven T. Placido DDS (Expense)	Travel, Hotel,Registration,Misc expense reimbursements Feb2,12 - SPlacido	Darin Kasamoto	Yes	1,900.11	X	X	X	X
28	44320	3/11/2024	Miles L Prince (Expense)	Travel, Hotel,Meals,Parking expense reimbursements Feb 2,3,4,12,13,18,20 -MPrince	Darin Kasamoto	Yes	928.00	X	X	X	X
29	44358	4/8/2024	BOA-Visa	BKnoles NALEO Ed Fund Conf \$900, Hotel \$230.16, Legislative airfare \$309.96	Darin Kasamoto	Yes	1,440.12	X	X	X	X
30	44387	4/8/2024	Michael F Eng (Expense)	Travel expense reimbursements 3/11,3/14, 3/26, 3/27 -MEng	Darin Kasamoto	Yes	89.78	X	X	X	X
31	44385	4/8/2024	Mark Paulson (Expense)	Travel expense reimbursement 3/11, 3/20 -MPaulson	Darin Kasamoto	Yes	22.78	X	X	X	X
32	44423	5/13/2024	BOA-Visa	Placido Legislative trip Sac4/Airfare \$593.95, Knoles EB 2024 Luncheon \$50.00	Darin Kasamoto	Yes	643.95	X	X	X	X
33	44449	5/13/2024	Mark Paulson (Expense)	Travel expense reimbursement 4/8-9, 4/11,4/17,4/22-23,4/25 -Paulson	Darin Kasamoto	Yes	45.56	X	X	X	X
34	44424	5/13/2024	Bruce H Knoles (Expense)	Travel,Parking expense reimbursement 4/1,4/3,4/8,4/11,4/15,4/18,4/22 - BKnoles	Darin Kasamoto	Yes	78.94	X	X	X	X
35	44452	5/13/2024	Miles L Prince (Expense)	Registration expense reimbursement 4/13,4/25-MPrince	Darin Kasamoto	Yes	155.00	X	X	X	X
36	44457	5/13/2024	Michael F Eng (Expense)	Travel expense reimbursement 4/8,4/11,4/19,4/25,4/27-28 -MEng	Darin Kasamoto	Yes	40.87	X	X	X	X
37	44476	5/27/2024	Independent Cities	Summer Seminar 2024 - Mark Paulson for July 11th	Darin Kasamoto	Yes	900.00	X	X	X	X
38	44538	6/10/2024	SGV Economic Partnership (Corp)	Legislative reception - MEng	Darin Kasamoto	Yes	75.00	X	X	X	X
39	44527	6/10/2024	Michael F Eng (Expense)	Travel expense reimbursement 5/4, 5/12-13, 5/18,5/20,5/23,5/27,5/30-31 - MEng	Darin Kasamoto	Yes	42.21	X	X	X	X
40	44524	6/10/2024	Mark Paulson (Expense)	Travel expense reimbursement 5/13-14,5/22,5/30 -MPaulson	Darin Kasamoto	Yes	22.78	X	X	X	X
41	44565	7/8/2024	BOA-Visa	BKnoles NALEO Airfare	Darin Kasamoto	Yes	310.96	X	X	X	X
42	44565	7/8/2024	BOA-Visa	BKnoles cancel room reservation NV	Darin Kasamoto	Yes	(230.16)	X	X	X	X
43	44586	7/8/2024	Mark Paulson (Expense)	Travel miles expense reimbursement 6/6, 6/10, 6/11 - MPaulson	Darin Kasamoto	Yes	53.60	X	X	X	X
44	44587	7/8/2024	Michael F Eng (Expense)	Travel miles expense reimbursement 6/1, 6/8, 6/10, 6/24, 6/28 -MEng	Darin Kasamoto	Yes	45.56	X	X	X	X

Comment Legend:

X Procedure performed without exception.

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
 Agreed-Upon Procedure of Travel and Conference Expenses – Accrual Basis
 General Ledger Account No. 4055-000
 For the Fiscal Year Ended June 30, 2024

Selection Number	Check Number	Check Date	Payee Vendor / Employee	Description	Authorized or Approved by	Compliant with Policies Yes/No	Check Amount	Procedures			
								1	2	3	4
1	43823	8/14/2023	Albert Lu	Travel expense reimbursement Jun 27, Jul 5,7,13,22 -ALu	Darin Kasamoto	Yes	\$ 71.00	X	X	X	X
2	43855	8/14/2023	Maria Jarmin	Mileage expense reimbursement 7/3-31/2023 -GJarmin	Darin Kasamoto	Yes	60.65	X	X	X	X
3	43845	8/14/2023	Evelyn Reyes	Travel, Hotel, Meals Registration & Parking expense reimbursement 7/13,7/24,7/26,8/1-4 -EReyes	Darin Kasamoto	Yes	967.92	X	X	X	X
4	43829	8/14/2023	BOA-Visa	6/27 Webinar \$45.00,SAC 7/19-20 Airfare \$502.76,SAC 7/19-20 expenses \$11,27.44,-4.80 airfare credit	Darin Kasamoto	Yes	581.40	X	X	X	X
5	43893	8/28/2023	Terence White	Travel & meals expense reimbursement 8/7-10 Tri-State - TWhite	Darin Kasamoto	Yes	371.70	X	X	X	X
6	43904	9/11/2023	BOA-Visa	SWC-SAC 7/19-20 \$75,56.32,228.09,267.93, AWWA Wtrsmart conference \$520.00, Wtrsmart Oct2-6 Hotel...	Darin Kasamoto	Yes	1,249.04	X	X	X	X
7	43922	9/11/2023	Maria Jarmin	Mileage expense reimbursement 8/1/23-8/31/23	Darin Kasamoto	Yes	91.44	X	X	X	X
8	43917	9/11/2023	Evelyn Reyes	August Mileage 2023	Darin Kasamoto	Yes	46.44	X	X	X	X
9	43980	10/9/2023	Evelyn Reyes	September Mileage	Darin Kasamoto	Yes	42.90	X	X	X	X
10	43987	10/9/2023	L Esquivel	September & Oct. 3 Mileage	Darin Kasamoto	Yes	13.79	X	X	X	X
11	44038	11/13/2023	BOA-Visa	ALu expenses- So Pt Hotel conference \$377.10, ACWA Webinar 10/24/23 \$50.00	Darin Kasamoto	Yes	427.10	X	X	X	X
12	44060	11/13/2023	Maria Jarmin	Mileage reimbursement expense Sept 17-28, Oct 2-31 -GJarmin	Darin Kasamoto	Yes	139.25	X	X	X	X
13	44051	11/13/2023	Evelyn Reyes	Travel expense reimbursement 10/12,18,19,24,25,26 -EReyes	Darin Kasamoto	Yes	95.64	X	X	X	X
14	44033	11/13/2023	Albert Lu	Travel, meal expense reimbursement 10/2,6,10,17,24,26, 11/01,2,3,4 - ALu	Darin Kasamoto	Yes	579.90	X	X	X	X
15	44106	12/11/2023	BOA-Visa	EReyes/ALu SCWUA luncheon \$70., EReyes SGV water asso annual mtg \$30	Darin Kasamoto	Yes	100.00	X	X	X	X
16	44127	12/11/2023	Maria Jarmin	Mileage expense reimbursement 11/01/23 -11/30/23 , GJarmin	Darin Kasamoto	Yes	55.94	X	X	X	X
17	44119	12/11/2023	Evelyn Reyes	Travel expense reimbursement 11/8, 11/16, 11/21, 11/30 -EReyes	Darin Kasamoto	Yes	122.81	X	X	X	X
18	44102	12/11/2023	Albert Lu	Travel expense reimbursement 11/16, 11/21, 12/4, 12/5 -ALu	Darin Kasamoto	Yes	84.23	X	X	X	X
19	44157	1/8/2024	BOA-Visa	staff Christmas luncheon \$245.00, SWC-SAC(DK) airfare \$447.80	Darin Kasamoto	Yes	692.80	X	X	X	X
20	44185	1/8/2024	Maria Jarmin	Mileage expense reimbursement 12/4/23 - 12/28/23 -GJarmin	Darin Kasamoto	Yes	58.69	X	X	X	X
21	44173	1/8/2024	Evelyn Reyes	Travel miles expense 12/7 -EReyes	Darin Kasamoto	Yes	22.59	X	X	X	X
22	N/A	12/13/2023	Petty Cash	Breakfast meeting-ALu & EReyes	Darin Kasamoto	Yes	62.47	X	X	X	X
23	44239	2/12/2024	BOA-Visa	SK SAC Travel expense \$498.71, SKiggins Groundwater conference \$505.00, Staff AWWA webinar subscription...	Darin Kasamoto	Yes	1,198.71	X	X	X	X
24	44258	2/12/2024	L Esquivel	Mileage expense reimbursement 1/23, 1/24, 1/25, 1/29 -LEsquivel	Darin Kasamoto	Yes	18.89	X	X	X	X
25	44261	2/12/2024	Maria Jarmin	Mileage expense reimbursement 1/3 - 1/31-GJarmin	Darin Kasamoto	Yes	41.27	X	X	X	X
26	44297	3/11/2024	BOA-Visa	DK SWC-SAC2/15 Airfare\$499.95,Gas \$8.20,Renta \$65.47,Meals \$34.70,Parking \$30.00	Darin Kasamoto	Yes	638.32	X	X	X	X
27	44317	3/11/2024	Maria Jarmin	Mileage expense reimbursement 02/01/24 - 02/29/24-GJarmin	Darin Kasamoto	Yes	62.04	X	X	X	X
28	44311	3/11/2024	Evelyn Reyes	Travel miles expense reimbursement Jan 18,25,31, Feb 7,14,18,22,23,28,29 -EReyes	Darin Kasamoto	Yes	213.62	X	X	X	X

Comment Legend:

X Procedure performed without exception.

Continued on next page.

SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
 Agreed-Upon Procedures of Travel and Conference Expenses – Accrual Basis
 General Ledger Account No. 4055-000
 For the Fiscal Year Ended June 30, 2024

Selection Number	Check Number	Check Date	Payee Vendor / Employee	Description	Authorized or Approved by	Compliant with Policies Yes/No	Check Amount	Procedures			
								1	2	3	4
29	44358	4/8/2024	BOA-Visa	SKiggins wtr tour \$999,Airfare EB Bay Delta tour \$222.96, ALu wtr tour \$999, Airfare EB Delta t...	Darin Kasamoto	Yes	4,349.82	X	X	X	X
30	44384	4/8/2024	Maria Jarmin	Mileage expense reimbursement 3/04/24 - 3/28/24 GJarmin	Darin Kasamoto	Yes	64.86	X	X	X	X
31	44375	4/8/2024	Evelyn Reyes	Travel expense, Registration, Parking expense reimbursement 3/20,3/21, 3/25,3/27,3/28, 4/3 -EReyes	Darin Kasamoto	Yes	162.16	X	X	X	X
32	44423	5/13/2024	BOA-Visa	DK SWC travel, hotel expenses \$1087.53, SWC Airfare \$575.96, Staff SWC-SAC expenses \$476.28	Darin Kasamoto	Yes	2,378.19	X	X	X	X
33	44441	5/13/2024	Evelyn Reyes	Travel, Meals expense reimbursement Apr 10,19-20,22-25 -EReyes	Darin Kasamoto	Yes	99.35	X	X	X	X
34	44448	5/13/2024	Maria Jarmin	Mileage expense reimbursement 04/01/24-04/30/24 -GJarmin	Darin Kasamoto	Yes	71.69	X	X	X	X
35	N/A	4/18/2024	Petty Cash	SCWA Registration for KWise	Darin Kasamoto	Yes	35.00	X	X	X	X
36	44500	6/10/2024	BOA-Visa	DK SWC airfare\$468.96, parking/meals \$60.00, ER SAC airfare \$378.46, Alliance conference \$400.00...	Darin Kasamoto	Yes	2,942.08	X	X	X	X
37	44474	5/27/2024	Evelyn Reyes	Travel, Meals, Parking expense reimbursement 5/1-2, 5/16, 5/20, 5/21-22, 5/23 -EReyes	Darin Kasamoto	Yes	407.44	X	X	X	X
38	44491	6/10/2024	Albert Lu	Travel and Registration expense reimbursement 5/14,17,18,20,21,22,23,25,28,30 - ALu	Darin Kasamoto	Yes	239.83	X	X	X	X
39	44523	6/10/2024	Maria Jarmin	Mileage expense reimbursement 5/01-30/2024 -GJarmin	Darin Kasamoto	Yes	66.87	X	X	X	X
40	44565	7/8/2024	BOA-Visa	MJ CalPERS conference \$549, Hotel \$261.70, DK SWC-SAC fuel \$92.30, meals \$54.35	Darin Kasamoto	Yes	957.35	X	X	X	X
41	44585	7/8/2024	Maria Jarmin	Travel miles expense reimbursement 6/3 -6/27 -GJarmin	Darin Kasamoto	Yes	87.89	X	X	X	X
42	44578	7/8/2024	Evelyn Reyes	Travel miles expense reimbursement 6/6, 6/8, 6/24, 6/26, 6/27 -EReyes	Darin Kasamoto	Yes	74.30	X	X	X	X

Comment Legend:

X Procedure performed without exception.

Working Draft Subject to Review

San Gabriel Valley Municipal Water District

Management Report

June 30, 2024

Working Draft Subject to Review

San Gabriel Valley Municipal Water District

Management Report

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Working Draft Subject to Review

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

Dear Members of the Board:

In planning and performing our audit of the financial statements of San Gabriel Valley Municipal Water District (District) as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Current Year Comment and Recommendation

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the District are properly adjusted before the audit begins. However, in many cases audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

Current Year Comment and Recommendation, continued

Management's Response

We have reviewed and approved all of the audit adjustment and reclassification entries and have entered them into the general ledger of the District as of year end.

Prior Year Comment and Recommendation

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the District are properly adjusted before the audit begins. However, in many cases audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

Management's Response

We have reviewed and approved all of the audit adjustment and reclassification entries and have entered them into the general ledger of the District as of year end.

* * * * *

This report is intended solely for the information and use of management and the Board of Directors of the District. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.

C.J. Brown & Company, CPAs
Cypress, California
January 13, 2025

APPENDIX

San Gabriel Valley Municipal Water District

Audit/Finance Committee Letter

June 30, 2024

Working Draft Subject to Review

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

We have audited the financial statements of the business-type activities, of the San Gabriel Valley Municipal Water District (District) for the year ended June 30, 2024, and have issued our report thereon dated January 13, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 4, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated January 13, 2025.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

Required Risk Assessment Procedures per Auditing Standards:

As auditors of the District, we are required per AU-C Section 240, “Consideration of Fraud in a Financial Statement Audit”, to “ordinarily” presume and consider the following risks in designing our audit procedures:

- Management override of controls
- Revenue recognition

Qualitative Aspects of the Entity’s Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. As of and for the year ended June 30, 2024, the District implemented the provisions of *GASB Statement No. 96 – Subscription-Based Information Technology Arrangements*. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management’s current judgments. The most sensitive accounting estimates affecting the financial statements are as follows:

Management’s estimate of capital assets depreciation and amortization is based on historical estimates of each capitalized / amortized item’s useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation and amortization calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

Management’s estimate of the other post-employment benefits (OPEB) plan: deferred outflows of resources, total OPEB liability, and deferred inflows of resources are based on the alternative measurement method to determine the liability balance. This alternative measurement method was determined and prepared by the District’s third-party actuary. We evaluated the basis, methods and assumptions used by the actuary to calculate the annual required contribution for the District to determine that it is reasonable in relation to the financial statements taken as a whole.

Management’s estimate of the defined benefit pension plan’s deferred outflows of resources, net pension liability, and deferred inflows of resources are based on an actuarial evaluation of these amounts which was conducted by a third-party actuary. We evaluated the basis, actuarial methods and assumptions used by the actuary to calculate these amounts for the District to determine that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District’s financial statements relate to:

Qualitative Aspects of the Entity's Significant Accounting Practices, continued

Significant Accounting Estimates, continued

The disclosure of capital assets, net in Note 4 to the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of the District's other post-employment benefits plan, in Note 6 to the basic financial statements is based on information which could differ from those in future periods.

The disclosure of the District's defined benefit pension plan, in Note 7 to the basic financial statements is based on actuarial assumptions which could differ from actual costs.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management:

Identified or Suspected Fraud

We have not identified or have not obtained information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule on pages 5 and 6 discloses all material misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For the purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated January 13, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Other Matters

We applied certain limited procedures to the Management Discussion and Analysis, Schedules of Changes in the District's Total OPEB Liability and Related Ratios, Schedules of District's Proportionate Share of the Net Pension Liability, and Schedules of Pension Plan Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

Conclusion

We appreciate the cooperation extended to us by Darin Kasamoto, General Manager, Linda Esquivel, Executive Assistant, Gigi Jarmin, Accounting Specialist, and Linda Glau, CPA in the performance of our audit testwork. We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the District.

C.J. Brown & Company, CPAs
Cypress, California
January 13, 2025

*San Gabriel Valley Municipal Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2024*

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
AJE - To correct beginning net position per trial balance provided versus net position per issued 2023 financial statements.			
2970-000	Retained Earnings	4,649.00	
4056-000	Miscellaneous		4,649.00
Total		<u>4,649.00</u>	<u>4,649.00</u>
Adjusting Journal Entries JE # 2			
AJE - To correct SWP accumulated depreciation per G/L to match detailed schedule.			
1701-100	Accum Ammort - State Water Proj	10.00	
4112-000	Depreciation Expense	5.00	
4511-000	State Project Amortization		5.00
6690-000	Reconciliation Discrepancies		10.00
Total		<u>15.00</u>	<u>15.00</u>
Adjusting Journal Entries JE # 3			
CPE - To correct expense for AUP report coded to the wrong expense account. Check 43985.			
4051-000	Travel and Conferences -Dir	35.00	
4050-000	Dues and Associations		35.00
Total		<u>35.00</u>	<u>35.00</u>
Adjusting Journal Entries JE # 4			
GASB 68 Entry - To adjust pension related amounts per CalPERS Employer Tool calculation at June 30, 2024.			
2219-099	Net Pension Liability	289,230.00	
4039-099	GASB 68 Contra Income Expense - Adjustment Account	35,149.00	
1699-099	Deferred Inflow of Resources		66,541.00
1999-099	Deferred Outflows of Res		257,838.00
Total		<u>324,379.00</u>	<u>324,379.00</u>
Adjusting Journal Entries JE # 5			
CPE - To accrue June invoice received in August 2024.			
4065-000	Water Conservation/Rebates Prog	13,101.00	
2001-000	Accounts Payable		13,101.00
Total		<u>13,101.00</u>	<u>13,101.00</u>
Adjusting Journal Entries JE # 6			
AJE - To record property tax receivable allocation at June 30, 2024.			
1605-000	Taxes Receivable	437,635.03	
3002-000	Property Tax Revenue		189,011.00
3306-000	Tax Revenue - State Water Proje		248,624.03
Total		<u>437,635.03</u>	<u>437,635.03</u>
Adjusting Journal Entries JE # 7			
CPE - To reclassify amounts posted to 4033 (Public Relations) to account 4035 (Consulting & Engineering expenses) at June 30, 2024.			
4035-000	Consulting & Engineering Expens	1,820.00	
4035-000	Consulting & Engineering Expens	6,840.00	
4033-000	Public Relations		1,820.00
4033-000	Public Relations		6,840.00
Total		<u>8,660.00</u>	<u>8,660.00</u>

*San Gabriel Valley Municipal Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2024*

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 8			
AJE - To adjust beginning balance of OPEB liability to prior year balance prior to actuarial adjustment.			
2209-000	Other Post-Employment Benefits	280,000.00	
4067-000	OPEB -Other Post Employment Ben		280,000.00
Total		<u>280,000.00</u>	<u>280,000.00</u>
Adjusting Journal Entries JE # 9			
GASB 75 Entry #1 - To adjust OPEB per Actuary Valuation report at June 30, 2024.			
1698-099	Deferred Inflows- OPEB	710,938.00	
1998-099	Deferred Outflows -OPEB	179,366.00	
2209-000	Other Post-Employment Benefits	156,710.00	
1698-099	Deferred Inflows- OPEB		53,716.00
1998-099	Deferred Outflows -OPEB		156,710.00
2209-000	Other Post-Employment Benefits		424,209.00
4067-099	GASB 75 Contra Income Expense - Adjustment Account		179,366.00
4067-099	GASB 75 Contra Income Expense - Adjustment Account		233,013.00
Total		<u>1,047,014.00</u>	<u>1,047,014.00</u>
Total Adjusting Journal Entries		<u>2,115,488.03</u>	<u>2,115,488.03</u>
Total All Journal Entries		<u>2,115,488.03</u>	<u>2,115,488.03</u>

Legend:

AJE	Audit Adjusting Journal Entry
CPE	Client Prepared Audit Adjusting Journal Entry
GASB 68 Entry	Audit Pension Adjusting Journal Entry
GASB 75 Entry	Audit OPEB Adjusting Journal Entry

Working Draft Subject to Review

AGENDA ACTION ITEM NO. 2

ELECTION OF OFFICERS AND COMMITTEE APPOINTMENTS

RECOMMENDED ACTION: None

BACKGROUND: This is done at the first meeting of each year. Current appointments are enclosed.

BUDGET IMPACT: N/A

PRIOR BOARD ACTION: N/A

MEMORANDUM

FROM: Darin Kasamoto, General Manager
DATE: January 13, 2025 (Approved at 01/13/25 Board Meeting)
SUBJECT: 2025 Committee Appointments (designee gets Per Diem)

2025 Election of Officers

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

2025 District Committees

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

January 13, 2025

AGENDA ACTION ITEM NO. 3

PER DIEM CONFERENCES FOR 2025

RECOMMENDED ACTION: Approve the provided list of 2025 Per Diem Conferences.

BACKGROUND: Attached is a listing of conferences that have been approved for attendance in the past. The listing is not final and can be modified at any time.

BUDGET IMPACT: N/A

PRIOR BOARD ACTION: N/A

MEMORANDUM

TO: Board of Directors
FROM: Darin Kasamoto, General Manager
DATE: January 13, 2025 (Approved at 01/13/2025 Board Meeting)
SUBJECT: Per-Diem Conferences for 2025

<u>ACWA</u> acwa.com Spring	May 13 - 15	Monterey, CA
Fall	Dec 2 - 4	San Diego, CA
Legislative Symposium	Mar 26	Sacramento, CA
DC Annual	Feb 25 – 27	Washington D. C.
<u>AWWA</u> awwa.org ACE 25 Annual Conference	Jun. 8 - 11	Denver, CO
AWWA Water Infrastructure	Sep 14 - 17	Orlando, FL
<u>CA-NV Section</u> ca-nv-awwa.org Water Conference of the West	April 7 - 10	Anaheim, CA
Fall Conference	TBA	
<u>OTHERS</u>		
Pipelinesconference.org UESI Pipeline Conference	Aug 9 – 13	Tampa, FL
csda.net CSDA Annual Conference	Aug 25 – 28	Monterey
AGWA-AGWT Annual Conf.	Feb 3 - 4	Ontario, CA
socalwater.org So California Water Committee Quarterly Meeting Annual Meeting & Dinner	TBA TBA	TBA TBA
Urban Water Institute Urbanwater.com Spring	Feb 26 - 28	Palm Springs, CA
Annual Conference	Aug 20 – 22	San Diego, CA
San Gabriel Valley Economic Partnership	TBA	All Directors
San Gabriel Valley Water Association	Quarterly luncheon meetings, Annual BBQ	All Directors
Alhambra Education Foundation Awards Dinner and Gala		TBA
Garvey Education Foundation Gala		TBA

January 13, 2025

2025 California Water Law Symposium	Feb 15	Berkeley, CA
San Gabriel Valley Civic Alliance Awards Lunch	TBA	TBA
CORO Water Conference	TBA	TBA
Orange County Water Summit	TBA	TBA
WELL 2025 Annual Conference	Mar 7 - 8	Garden Grove, CA
WaterSmart Innovation Conference	Oct 7 - 9	Las Vegas, NV
Three Valleys Leadership Breakfast	Qtrly	Sheraton Hotel, Pomona
Council for Watershed Health	All Events	
Intl. LGBTQ Leaders Conference	TBA	TBA
CA Water Data Collaborative	All Events	
Climate Resolve	TBA	TBA
SCAG 2025 Regional Conf	May 1 - 2	JW Marriott Desert Springs, CA
CSDA: Special District Leadership Academy	Apr 21 – 24 Nov 16 - 19	La Quinta, CA Monterey, CA
CSDA: Special District Legislative Days	May 20 - 21	Sacramento, CA
Allianceforwaterefficiency.org Water Efficiency and Conservation Symposium	Aug 6 – 8	Chicago, IL
2025 Water Reuse Symposium	Mar 16 - 19	Tampa, FL
Water Quality Association Convention and Exposition	Apr 22 -24	Long Beach, CA
Southern California Water Utilities Association	All Events	

Approved By Minute Order

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

Administrative Code 2-2.501(b) – Several organizations provide services and information beneficial to the District, and directors are also authorized to receive compensation and expense reimbursement for attendance at meetings of any such organization the District maintains membership or participation.

AGENDA ACTION ITEM NO. 4

RESOLUTION NO. 01-2025-844 AMENDING DISTRICT ADMINISTRATIVE CODE

RECOMMENDED ACTION: Adopt Resolution No. 01-2025-844 Amending the District Administrative Code.

BACKGROUND: Legal Counsel recommends changes to the District's Administrative Code necessitated by the State Legislature in 2024. All amendments to the Administrative Code must be done via resolution.

BUDGET IMPACT: N/A

PRIOR BOARD ACTION: N/A

RESOLUTION NO. 01-2025-844

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
AMENDING DISTRICT ADMINISTRATIVE CODE**

WHEREAS, the Board of Directors of the San Gabriel Valley Municipal Water District (“District”) adopted the District’s Administrative Code (“Code”) by Resolution No. 12-96-510 to govern the District’s operations; and

WHEREAS, the Board of Directors reviews and updates the Code from time to time to ensure the Code reflects current law and regulations and the current policies of the Board of Directors; and

WHEREAS, District staff and general counsel have brought to the Board of Directors’ attention the need to: (i) amend Section 2-4.304 in Title 2, Chapter 4, Article 3 of the Code with respect to paid sick leave; (ii) amend Section 2-4.310.2 in Title 2, Chapter 4, Article 3 of the Code with respect to Qualifying Act of Violence Leave; (iii) amend Section 2-4.405 in Title 2, Chapter 4, Article 4 of the Code and Section 2-5.113 in Title 2, Chapter 5, Section 1 of the Code with respect to a combination of protected characteristics; and (iv) add Section 2-4.311.1 in Title 2, Chapter 4, Article 3 of the Code to add protections against retaliation for taking various types of leaves; and

WHEREAS, the Board of Directors has reviewed those proposed revisions, as set forth in Exhibit A hereto, which is incorporated herein by this reference, and agrees that such changes to the Code are necessary and appropriate,

NOW, THEREFORE, IT IS RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT that the proposed amendments to: (i) amend Section 2-4.304 in Title 2, Chapter 4, Article 3 of the Code with respect to paid sick leave; (ii) amend Section 2-4.310.2 in Title 2, Chapter 4, Article 3 of the Code with respect to Qualifying Act of Violence Leave; (iii) amend Section 2-4.405 in Title 2, Chapter 4, Article 4 of the Code and Section 2-5.113 in Title 2, Chapter 5, Section 1 of the Code with respect to a combination of protected characteristics; and (iv) add Section 2-4.311.1 in Title 2, Chapter 4, Article 3 of the Code to add protections against retaliation for taking various types of leaves, as set forth on Exhibit A hereto, which are all fully incorporated herein by this reference, are hereby approved and District staff and legal counsel are directed to incorporate such revisions into the Code.

PASSED, APPROVED AND ADOPTED this 13th day of January, 2025.

President

ATTEST:

Secretary

EXHIBIT A

2-4.304^{1, 2 3} SICK LEAVE

- (a) District employees, whether part-time or full-time, will begin to accrue paid sick leave after they have been employed by the District for thirty (30) days. Full-time employees shall accrue paid sick leave at the rate of eight (8) hours for each month of continuous service, subject to subdivision (c), below. Part-time employees shall accrue paid sick leave at the rate of one (1) hour for every thirty (30) hours worked.⁴ Notwithstanding the foregoing, in all events an employee will accrue at least forty (40) hours of sick leave credit by their 200th day of employment. Employees may begin taking sick leave after they have been employed by the District for at least ninety (90) days.
- (b) Sick leave may be taken by an employee for the employee himself or herself, or for an employee's family member or designated person, for preventive care or diagnosis, care or treatment of an existing health condition, or for specified purposes if the employee is a victim of a qualifying act of domestic violence, as defined in Section 2-4.310.2, (i) to allow the employee to obtain or attempt to obtain a temporary restraining order or other court assistance to help ensure the health, safety or welfare of the employee or his or her family member; (ii) to obtain medical attention or recover from injuries that result from a qualifying act of violence; (iii) to obtain psychological counseling or mental health services, services from a shelter, program or crisis center as a result of a qualifying act of violence; (iv) to provide care to a family member who is recovering from injuries caused by a qualifying act of violence; (v) to participate in safety planning or other actions to increase safety, with appropriate certification of the need for such services; or (vi) for any other

¹ Sec. 2-4.304 amended by Res. 5-98-532 on May 26, 1998.

² Sec. 2-4.304(a) & (b) amended by Res. 7-2016-732 on July 18, 2016.

³ Sec. 2-4.304(a) & (b) amended by Res. 2-2024—829 on Feb. 12, 2024.

⁴ Sec. 2-4.304(a) amended by Res. 2-2020-766 on Feb. 10, 2020

reason specified in Government Code section 12945.8(b). ~~sexual assault or stalking and~~ Sick leave may also be taken in connection with any reproductive loss event under Section 2-4.310.1, below. Family members include the employee's parent, child, spouse, registered domestic partner, grandparent, grandchild, and sibling. Designated person means any individual related by blood to the employee or whose close association with the employee is the equivalent of a family relationship; provided the District may limit an employee to one designated person per 12-month period. Preventive care includes annual physicals and flu shots. Sick leave shall be taken in a minimum of one hour increments. For an employee's illness that renders him or her unable to work for at least five (5) consecutive days, the General Manager may require a doctor's certificate, employee's affidavit or other evidence of illness or disability before an employee may receive sick leave pay resulting from such an illness.

2-4.310.2 VICTIM OF QUALIFYING ACT OF SEXUAL ASSAULT/DOMESTIC VIOLENCE LEAVE

If an employee is a victim of a “qualifying act of violence,” as defined below, ~~stalking, domestic violence or sexual assault,~~ or of a crime that caused physical injury or caused mental injury and a threat of physical injury, or had a ~~an~~ ~~immediate~~ family member (i.e., spouse or domestic partner, child, parent, ~~grandparent, grandchild, or sibling~~ or a designated person, as defined in Section 2-4.304(b), above) who died as a result of a crime, the employee may take time off to obtain, or to attempt to obtain, any relief, including but not limited to, a temporary restraining order, restraining order, or other injunctive relief to help ensure the health, safety, or welfare of the victim or the victim's child. A “qualifying act of violence” is defined as any of the following: (a) domestic violence, (b) sexual assault, (c) stalking, or (d) an act, conduct or pattern of conduct that includes any of the following: (i) an individual causes bodily injury or death to another individual; (ii) an individual exhibits, draws, brandishes, or uses a firearm, or other dangerous weapon, with respect to another individual; or (iii) an individual uses, or makes a reasonably perceived or actual threat to use,

force against another individual to cause physical injury or death. The employee must give reasonable advance notice of the intention to take time off, unless the advance notice is not feasible. When an unscheduled absence occurs, the employee must, within a reasonable time after the absence, provide certification to the District substantiating the leave. Certification can be any of the following, including:

- A police report indicating the employee or the employee's family member was a victim as specified in the above paragraph;
- A court order protecting or separating the employee or the employee's family member from the perpetrator of the ~~crime or abuse, qualifying act of violence,~~ or other evidence from the court or prosecuting attorney that the employee or the employee's family member appeared in court;~~or~~
- Documentation from a medical professional, domestic violence counselor, sexual assault counselor, victim advocate, licensed health care provider, or counselor that the employee or the employee's family member was undergoing treatment or seeking or receiving services directly related to the qualifying act of violence; or for physical or mental injuries or abuse resulting in victimization from the crime or abuse.
- Any other form of documentation that reasonably verifies that the qualifying act of violence occurred, including, but not limited to, a written statement signed by the employee or an individual acting on the employee's behalf, certifying that the absence is for a purpose authorized in this section.

To the extent allowed by law, the District will maintain the confidentiality of any request for a Victim of ~~Qualifying Act of Sexual Assault/Domestic~~ Violence Leave.

Victim of Sexual Assault/Domestic Violence Leave may be paid upon the employee's request as provided under Section 2-4.304. ~~is unpaid.~~ However, depending on the employee's specific needs, the employee may instead use accrued vacation, ~~sick leave,~~ or a floating holiday.

The District will also provide reasonable accommodations, as specified under Government Code section 12945.8(e), Labor Code section 230(f), for any employee who is a victim of a qualifying act of domestic violence, sexual assault or stalking who requests such an accommodation for the employee's safety while at work.

"Domestic violence" is defined in Family Code section 6211; "Crime" is defined in Government Code section 12945.8(j)(1); Labor Code section 230(j)(1); "Sexual Assault" is defined in Government Code section 12945.8(j)(6); Labor Code section 230(j)(4); "Stalking" is defined in Government Code section 12945.8(j)(7); Labor Code section 230(j)(5); and "Victim" is defined in Government Code section 12945.8(j)(8). Labor Code section 230(j)(6).

2-4.311.1 NO RETALIATION

The District will not retaliate against any employee who takes Jury Duty Leave, Victim of Qualifying Act of Violence Leave or Victim of Crime and Judicial Proceeding Leave.

2-4.405⁵ **HARASSMENT & DISCRIMINATION: GENERAL**

- (a) Harassment of (i) an applicant or employee by a supervisor, management employee or co-worker on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, registered domestic partner status, sex, gender, gender identity, gender expression, age, sexual orientation, military/veteran status, any combination of the foregoing, or any other basis protected by federal, state or local law, regulation or ordinance, or (ii) anyone who is perceived as having any of those characteristics, is against the law and will not be tolerated. This policy applies to all persons at any District workplace and/or involved in the District's operations and prohibits unlawful harassment, discrimination and/or retaliation towards

⁵ Sections 2-4.405 through 2-4.409 amended by Res. 7-2016-732 on July 18, 2016.

any employee, intern (paid or unpaid), volunteer or applicant of the District by any employee, coworker, manager, supervisor and/or by any non-employee third party who is regularly involved in its operations and/or who is authorized to be in its workplace or on its work site such as a customer, client, vendor, subcontractor, volunteer, etc. The District also prohibits retaliation for protesting harassment or discrimination related to one of the foregoing categories, or for making a complaint and/or participating in an investigation to resolve a harassment or discrimination complaint.

2-5.113

DISCRIMINATION

- (a) No person shall be appointed to, removed from, or in any way favored or discriminated against with respect to any appointive administrative office because of such person's race, color, age, religion, sex, national origin, political opinions, affiliations, or functional limitation as defined by applicable State or federal laws, or any combination of the foregoing, if otherwise qualified for the position or office. This provision shall not be construed to impair administrative discretion in determining the requirements of a position or in a job assignment of a person holding such a position, subject to review by the Board.
- (b) Officers and employees shall not grant special consideration, treatment or advantage to a customer beyond what is available to other customers.

AGENDA ACTION ITEM NO. 5

DECLARE SURPLUS INVENTORY

RECOMMENDED ACTION: Approve disposal of surplus inventory.

BACKGROUND: None

BUDGET IMPACT: None

PRIOR BOARD ACTION: None

**SURPLUS INVENTORY DECLARED BY THE BOARD OF DIRECTORS
on January 13, 2025**

<u>Item #</u>	<u>Quantity</u>	<u>Description</u>
1.	1	Apple iMac Computer
2.	3	Computer Monitors

Memorandum

To: San Gabriel Valley Municipal Water District Board of Directors
Cc: Darin Kasamoto, General Manager
From: Evelyn Reyes, External Affairs Manager
Date: January 8, 2025
Subject: External Affairs Report

Rebates:

	Rain Barrel	Washing Machines	High-Efficiency Toilets	Waterless Urinals	Smart Controllers	Sprinkler Nozzles	Soil Sensor	Flow Meter Monitor
	\$35	\$85	\$40	\$150	Up to \$80	\$2 – Min. 30	Up to \$80	Up to \$100
Monthly Total	16	1	1	0	0	0	0	1
FY 24/25 Total	55	15	6	0	3	0	0	4

Legislative: The California Legislature reconvened on January 6, 2025. We will continue to monitor legislation that is important to the District and the State Water Contractors. We will also follow the progression of the Delta Conveyance project.

Speaker of the Assembly Robert Rivas (D-Salinas) has made the following leadership appointments.

Assemblymember Josh Lowenthal, Speaker pro Tempore
 Assemblymember Celeste Rodriguez, Assistant Speaker pro Tempore

Governmental Organization
 Assemblymember Blanca Rubio, Chair

Higher Education
 Assemblymember Mike Fong, Chair

Water, Parks, and Wildlife
 Assemblymember Diane Papan, Chair

Joint Legislative Audit Committee
 Assemblymember John Harabedian, Chair

Senate Leader Mike McGuire (D-North Coast) has made the following leadership appointments.

Senate Democratic Leadership

Senator Lena A. Gonzalez (D-Long Beach), Majority Leader
Senator Angelique V. Ashby (D-Sacramento), Assistant Majority Leader

Education

Senator Sasha Renée Pérez (D-Alhambra), Chair

Natural Resources and Water

Senator Monique Limón (D-Santa Barbara), Chair

Meetings/events attended:

- PWAG CET Administrative Meeting and Member Agency Meeting
- SCWUA Luncheon
- ACWA Conference
- City of Monterey Park – Oath Ceremony
- San Gabriel Basin Watermaster meeting
- CSDS SGV Chapter meeting
- Monterey Park and OCA-GLA Community Cleanup

Upcoming Events

Lunar Year Festival - Saturday, February 8, 2025 in Alhambra



**PUBLIC HEARING AND REGULAR MEETING OF
THE MAIN SAN GABRIEL BASIN WATERMASTER
725 NORTH AZUSA AVENUE, AZUSA, CALIFORNIA
JANUARY 8, 2025 AT 2:30 O'CLOCK P.M.**

Agenda

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL OF WATERMASTER MEMBERS
4. ELECTION OF OFFICERS [1]
5. PUBLIC HEARING ON WATERMASTER DRAFT 5-YEAR WATER QUALITY AND SUPPLY PLAN [1]
6. ADOPTION OF AGENDA [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 December 11, 2024
 - b) Lists of Demands
 - c) Financial Statements, December 2024
10. REPLACEMENT WATER/SURCHARGE ACCOUNTING [1]
11. AUTHORIZE THE EXECUTIVE OFFICER TO ENTER INTO AN AGREEMENT BETWEEN UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT AND WATERMASTER FOR PARTICIPATION IN THE METROPOLITAN WATER DISTRICT REVERSE CYCLIC PROGRAM AND PURCHASE UP TO 3,000 ACRE-FEET OF TREATED WATER FOR 2024 [1]
12. ATTORNEY'S REPORT [2]
13. ENGINEER'S REPORT [2]
14. EXECUTIVE OFFICER'S REPORT [2]
15. REPORT FROM RESPONSIBLE AGENCIES [2]
16. REPORT FROM LOS ANGELES COUNTY [2]
17. OUTSIDE COMMITTEE LIAISONS [2]

18. INFORMATION ITEMS [2]

- a) Temporary assignment or lease of 20.30 acre-feet of Production Right from Carolyn R. Heinrich Trust Dated January 23, 2023 to San Gabriel Valley Water Company for Fiscal Year 2024-25
- b) ACWA-JPIA "President's Special Recognition Award"
- c) Transmittal of San Gabriel Valley Municipal Water District Monthly Report for November 2024

19. COMMENTS FROM WATERMASTER MEMBERS [2]

20. FUTURE AGENDA ITEMS [1]

- a) Consideration of Extension Agreement for Vulcan Materials Company for Producer Cyclic Storage

21. CLOSED SESSION [1]

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

22. ADJOURNMENT

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

Chair Lynda Noriega Presiding

VII. REPORT ON APPOINTMENTS TO WQA BOARD

MORENO

VIII. CONSENT CALENDAR

PAULSON

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

- (a) Minutes for 11/20/24 Regular Board Meeting
- (b) Minutes for 12/10/24 Legislative/Public Information Committee Meeting
- (c) Minutes for 12/10/24 Administrative/Finance Committee Meeting
- (d) Ratification of Demands on Project Funds for December 3, 2024
- (e) Demands on Administrative Fund December 18, 2024
- (f) Demands on Project Fund for December 18, 2024

IX. COMMITTEE REPORTS

(These items may require action)

- (a) Legislative/Public Information Committee [enc]
 - 1. Discussion/Action Regarding Kadesh & Associates, LLC [enc]
- (b) Administrative/Finance Committee Report [enc]

X. OTHER ACTION/INFORMATION ITEMS

PAULSON

(These items may require action)

- (a) None.

XI. 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	Operational

	Facility	
	• City of M.P. Well No. 15	Operational
	• City of M.P. Well Nos. 1, 3, 10 VOC Treatment Facility	Operational
	• GSWC Wells SG-1 & SG-2	Operational
	• GSWC Garvey	Operational
	• SGVWC Plant No. 8	Operational
	• SGVWC Plant G4	Operational
4.	Puente Valley Operable Unit	
	• Intermediate Zone	Construction
	• SGVWC Plant B11	Operational
5.	Area 3 Operable Unit	
	• City of Alhambra Phase 1	Operational
	• City of Alhambra Phase 2	Operational
	• City of South Pasadena Wilson	Operational
6.	Non-Operable Unit	
	• City of Arcadia Longden	Operational
	• City of Arcadia Live Oak	Operational
	• City of Monrovia Tower 1&2	Operational
	• City of Monrovia Tower 3&4	Operational
	• SGVWC Plant 11	Operational

XII. ATTORNEY'S REPORT **PADILLA**

XIII. LEGISLATIVE REPORT **MONARES**

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

XV. FUTURE AGENDA ITEMS **PAULSON**

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

(a) San Gabriel Basin Water Calendar

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

(a) The next Legislative/Public Information Committee meeting was scheduled for Tuesday, January 14, 2025 at 9:00 a.m.

(b) The next Administrative/Finance Committee Meeting was scheduled for Tuesday, January 14, 2025 at 10:00 a.m.

(c) The next WQA Board meeting was scheduled for Wednesday, *January 22, 2025 at 12:00pm**

**Staff is recommending the date change due to the number of Wednesdays in the month.*

XVIII. CLOSED SESSION

PAULSON

- (a) Closed Session Pursuant to 54956.9(d)(4) – Conference with Legal Counsel re: Initiation of Litigation (Settlement Opportunities with potential defendants) – Two (2) Matters

XIX. RECONVENE OPEN SESSION

PAULSON

XX. BOARD MEMBERS' COMMENTS/REPORTS

PAULSON

XXI. 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 January 8, 2025

Subject: General Manager's Report

1. SWP UPDATE

The Delta Conveyance Project (DCP) Public Draft EIR Comment period has ended. The EIR was certified by DWR on December 18, 2023. There are now ten law suits that have been filed.

DWR will be looking for funding commitments from contractors to keep the DCP planning process going beyond 2025. The District approved funding commitment along with 8 other contractors as of Nov. 30, 2024. MWD approved their share of funding in December. Six agencies have yet to approve funding, see attached table for information.

The State Water Project allocation for 2025 increased to 15% from 5% on December 23, 2024. High rainfall amounts occurred in the Northern Sierras in late December, but the outlook for the first half of January is extremely dry.

2. MAIN SAN GABRIEL BASIN UPDATE

As of Jan, 3, 2025, the Key Well is at 248.0 feet. The historic low is 169.4 feet.

3. GRANT PROGRAM UPDATES

The District, through Steve Bucknam and Hazen and Sawyer is continuously monitoring grant programs which could help fund District and city projects.

The USBR has approved the Districts feasibility study for Monterey Park/Central Basin recycled water connection. This makes the project eligible for potential USBR grant funding, we are currently on hold with this project due to management issues at Central Basin.

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 prepared a white paper on pros and cons of allowing use of district facilities. MWD provided an update on the project at the August Board Meeting and indicates they will not be ready to discuss use of District pipeline and potential District capital funding until late 2025.

Staff has approved a proposal from Corpro Corrosion Engineering so they have begun putting together their recommendations on prioritizing areas of concern along the pipeline.

January 8, 2025

The District has provided a non-binding letter of interest in the proposed Willow Springs Water Banking Project. This could potentially be used to bank SWP allocation which can not be delivered due to aqueduct restrictions. More information will be presented once it becomes available.

Staff is reviewing a draft term sheet for the potential purchase of MWD 2025 SWP Table A allocation.

The 2023-2024 Audit and Travel Expenses Report has been completed, it will be presented at the January 2025 Board Meeting.

	2022 Share	2024 Share	Board Action Date
Dudley Ridge Water District	1.02%		Mar 2025
Kern County Water Agency	11.22%		Mar 2025
Alameda County FC&WCD, Zone 7	2.2%	2.2%	Complete (DWR letter pending)
Alameda County Water District	1.15%	1.15%	Complete (DWR letter pending)
Santa Clara Valley Water District	3.23%		Jan 2025
San Luis Obispo County FC&WCD	0.6%		Jan 2025
Antelope Valley-East Kern Water Agency	3.95%		Feb 2025
Santa Clarita Valley Water Agency	2.6%	2.6%	Complete (DWR letter pending)
Coachella Valley Water District	3.78%	3.78%	Complete (DWR letter contingent on MWD vote)
Crestline-Lake Arrowhead Water Agency	0.16%	0.16%	Complete
Desert Water Agency	1.52%	1.52%	Complete (DWR letter pending)
Mojave Water Agency	2.45%	2.45%	Complete (DWR letter pending)
Palmdale Water District	1.06%	1.06%	Complete (DWR letter pending)
San Bernardino Valley Municipal Water District	2.8%	2.8%	Funding approved. Awaiting CEQA action.
San Gabriel Valley Municipal Water District	0.79%	0.79%	Complete
San Geronio Pass Water Agency	2%	2%	Complete
Metropolitan Water District of So. Calif.	47.13%	47.13%	Complete (DWR letter pending)
Ventura County Watershed Protection District	0.55%		No response yet

February 2024

Strategic
Planning
Workshop
Results -
Chronological



Action Plan (2024 - Q1/Q2)

OPERATIONS AND INFRASTRUCTURE

- Schedule tours of District and County facilities for Board Members as background for Pipeline Rehabilitation program and consideration of *Pure Water Southern California* program (Board/Staff). **Completed tour with legislative members, 2 District directors attended tour, and a third joined for luncheon. Future tours will be added.**
- Complete Schedule 1 “Pilot” and assess results. **Xylem is finalizing report estimated completion 12/24**
- Develop preliminary timeline for Schedules 2-6 of Pipeline Rehabilitation Project. **Just hired corrosion engineer, had introductory meeting with Corpro staff on 9/26. Corpro is has developed a priority list and proposal which staff has reviewed and approved.**
- Identify “Corrosion Engineer” to review/input into Schedules 1-6 Cost Estimates and to protect the Pipeline in the future. **Completed**
- Identify financial consultant to assist with Replacement Cost Analysis. **Not started, will be done once condition assessment is completed. This will probably take 2-3 years to complete**

Action Plan (2024 - Q1/Q2)

CURRENT AND FUTURE REVENUE

- Consensus was achieved to maintain the current property rate of \$.03 per \$100 assessed value for the short-term. **Completed**
- Consensus was achieved to adopt a \$240 per AF water rate for member cities in April 2024 as that level keeps the District “in the black” and was the forecasted rate provided to member cities a year ago. **Completed**
- The General Manager was requested to provide a forecasted water rate for 2025 in April 2024 (utilizing average rate increases over 10 years), and to also provide a longer-term, three-year forecast (qualifying those forecasts by noting sensitivity to energy costs, etc.). There is unanimous concern among Board members that cost increases are becoming so common/certain that water rate increases should reflect and anticipate those increases short/long-term. **Completed**
- The General Manager will provide the Board with information about sources of emergency funds, such as *Federal Emergency Management Agency* (FEMA) and the *Ibank*, that would supplement the use of reserves in the event of a catastrophic event. **Completed**
- The General Manager and Assistant General Manager will research and share with the Board what SGVMWD insurance covers if there is a catastrophic event or pipeline failure. **Completed**
- Consensus was achieved that consulting costs, and potentially employee costs, related to financial, engineering, operations, and legal matters will increase in conjunction with Pipeline Rehabilitation and review/analysis of the *Pure Water Southern California Project* (PWSC). The District must budget for such costs. **Completed**
- The General Manager was requested to get an update from MWD about the *Pure Water Southern California Project* as it has been nearly a year since MWD signaled its potential interest in utilizing SGVMWD facilities. **Completed**

Action Plan (2024 - Q1/Q2)

CURRENT AND FUTURE REVENUE

- Consensus exists that the long-term nature of several looming projects and potential cost increases may impact needed staffing levels and staffing expertise (due to both volume and nature of the work, and potential staff retirements). A suggestion to consider a “Chief Financial Officer” was discussed but not acted upon and may be revisited at an undisclosed future date.
- The District will offer a “Cost Workshop” (in-person or virtual) annually to member cities to further explain rate and cost factors. **completed**

Action Plan (2024 - Q1/Q2)

MEMBER CITY RELATIONS

- Efforts should increase to meet regularly with the Mayor, City Council members, City Manager and Public Works/Water Utility staff in each member city. External Affairs staff will assist Board members in preparing and offering a brief, annual “State of the District” presentation to each of the District’s member cities during May/Water Awareness Month, with that presentation also available to school boards, chambers of commerce, and other community/non-profit organizations. **Ongoing**
- The District will continue to attend and present updates at City Council meetings (e.g. “State of the City” meetings), support important community events, and provide information about water issues and conservation. **Ongoing**
- The District will offer tours of important District and San Gabriel Basin water facilities to both City Council members and key City staff to foster greater understanding of the District’s water supply role. **Ongoing, met with Monterey Park City Manager and staff in May, the District made presentation at City of Azusa Utilities Board Meeting in July**
- The District will increase its messaging related to water costs and infrastructure to complement its strong messaging about conservation. **Ongoing**
- Consensus was achieved to develop a written policy that articulates how the District may provide financial support in the form of grants and loans to Member Cities. The External Affairs Manager and District Counsel will draft a “policy” to share with Member Cities to help clarify and guide the process of District financial support. **completed**
- The Board will address Monterey Park’s request of a \$10 million loan for new meter reading equipment. **completed**

Action Plan (2024 - Q1/Q2)

WATER SUPPLY SOLUTIONS - IMPORTED

- Consensus was achieved that the District, along with other State Water Contractors, supports the *Delta Conveyance Project*. In line with that support, the District awaits decisions by key players such as Metropolitan Water District, which is conducting its own cost/benefit analysis of the Project, and the Department of Water Resources, which is expected to request “bridge/gap funding” for the Project between March and June of this year. At that time, the Board will convene and discuss the District’s future role and support of the Project. **Completed**
- While banking water is very expensive, the Board expressed interest in following and possibly participating in potential new “water banking” opportunities in both northern California and the Main San Gabriel Basin. The Dudley Ridge banking agreement is in place, but the District has yet to bank water in that manner. The Board also wants to track spreading grounds opportunities in the Main San Gabriel Basin being pursued by Watermaster such as the use of local pits and quarries to help get water in the ground. Spreading ground capacity may reach its limit if *Pure Water Southern California* proceeds and produces 65,000 AF/year. **Ongoing**
- Continually explore strategies to improve ability to get both imported and local water sources “into the ground” by reducing over-capacity and congestion/bottlenecks within the delivery system; participate with DWR on SWP bottleneck improvements. **Ongoing**

Action Plan (2024 - Q1/Q2)

WATER SUPPLY SOLUTIONS – LOCAL

- The General Manager should follow-up regularly with MWD about its interest in involving SGVMWD infrastructure in the *Pure Water Southern California (PWSC)* Project and update the Board. **MWD provided update at the August Board Meeting, MWD indicates they are still looking at all options and are not ready to begin discussions with the District**
- The District should request a presentation from MWD to the Board about PWSC at an upcoming Board meeting. **Completed**
- Arrange a presentation from Stetson to the Board about its analysis of the PWSC Project for SGVMWD. **Completed**
- Arrange tours of PWSC for SGVMWD Board and Staff. **Ongoing, some Directors and staff have attended recent tours**
- Decide which consulting resources would be needed and when to evaluate the MWD proposal for SGVMWD in the PWSC Project – financial consultant, engineering consultant, negotiating consultant, etc. **MWD update indicates that they are more than a year away from making any type of proposal**
- While banking water is very expensive, the Board expressed interest in following and possibly participating in potential new “water banking” opportunities in both northern California and the Main San Gabriel Basin. The Dudley Ridge banking agreement is in place, but the District has yet to bank water in that manner. The Board also wants to track spreading grounds opportunities in the Main San Gabriel Basin being pursued by Watermaster such as the use of local pits and quarries to help get water in the ground. Spreading ground capacity may reach its limit if *Pure Water Southern California* proceeds and produces 65,000 AF/year. **Met with Watermaster, Upper District, Three Valleys in May to discuss potential opportunities with abandoned gravel pits, also possible use of Santa Fe Dam to increase recharge efforts. Will continue to monitor and participate in these activities.**

Action Plan (2024 - Q1/Q2)

WATER SUPPLY SOLUTIONS – LOCAL

- The General Manager should follow-up with Sean Igoe and Frank Heldman in Monterey Park regarding the status of interest in and funding for the recycled water project that would potentially serve Monterey Park and Alhambra. **Not started due to current uncertainty of Central Basin staff**
- The General Manager should follow-up with Central Basin to see if the opportunity for a recycled water project is still feasible. **Not started due to staff issues at Central Basin**
- The District should pursue future grant funding opportunities through Federal and State grant programs. **Applied for Bureau of Reclamation grant for turf rebate program, grant was not awarded. Will look for future opportunities.**
- Continually explore strategies to improve ability to get both imported and local water sources “into the ground” by reducing over-capacity and congestion/bottlenecks within the delivery system; participate with DWR on SWP bottleneck improvements. **Ongoing, participate in East Branch enlargement work groups, also participate in subsidence remedies work groups**

Action Plan (2024 - Q1/Q2)

EXTERNAL AFFAIRS

- Increase and blend in messaging about costs, water scarcity and infrastructure to all audiences. **Ongoing**
- Research potential new rebate items for inclusion in the rebate program. **Completed research, nothing to recommend at this time. Will continue to monitor**
- Pursue grant from Bureau of Reclamation for 50% matching grant for turf replacement conservation programs. **Applied, not awarded.**
- Obtain update from California Advocates and Dennis Albani about potential November 2024 Water Bond and communicate to Board. If on the ballot, develop communications plan to provide information, not advocacy, about the Bond. **Completed**
- The District should determine its future role within the Water Forum Partner group and consider leading efforts to determine go/no go on smaller, targeted Water Forum events throughout the year. **Will discuss at next partners meeting**
- Funds contributed by 2020 Water Forum sponsors remain in District accounts. The use or return of the funds should be determined as soon as possible. **Will discuss at next partners meeting**
- Staff should finalize, distribute and regularly update a 12-month outreach calendar for the Board. **Distributed at June Board meeting, will be updated as needed**
- The District should participate in a February 2024 tour for legislators in conjunction with the Assembly Water, Parks and Wildlife Committee. **Completed**
- The District should plan and conduct tours periodically during the year for local elected officials and community leaders. **Ongoing, District participated in tour with Upper District and local legislators in March, future events will be planned**
- Staff should draft budget and external affairs/outreach plan for 2024-2025 fiscal year and present to Board. **Completed**

Action Plan (2024 – Q3/Q4)

MEMBER CITY RELATIONS

- The District will continue to attend and present updates at City Council meetings (e.g. “State of the City” meetings), support important community events, and provide information about water issues and conservation. **Ongoing**
- The District will offer tours of important District and San Gabriel Basin water facilities to both City Council members and key City staff to foster greater understanding of the District’s water supply role. **Ongoing, had several council members at Asian Media briefing in July**
- The District will increase its messaging related to water costs and infrastructure to complement its strong messaging about conservation. **Ongoing, messaging will be included in Annual Report**

Action Plan (2024 – Q3/Q4)

WATER SUPPLY SOLUTIONS - IMPORTED

- Consensus was achieved that the District, along with other State Water Contractors, supports the *Delta Conveyance Project*. In line with that support, the District awaits decisions by key players such as Metropolitan Water District, which is conducting its own cost/benefit analysis of the Project, and the Department of Water Resources, which is expected to request “bridge/gap funding” for the Project between March and June of this year. At that time, the Board will convene and discuss the District’s future role and support of the Project. **Completed**
- While banking water is very expensive, the Board expressed interest in following and possibly participating in potential new “water banking” opportunities in both northern California and the Main San Gabriel Basin. The Dudley Ridge banking agreement is in place, but the District has yet to bank water in that manner. The Board also wants to track spreading grounds opportunities in the Main San Gabriel Basin being pursued by Watermaster such as the use of local pits and quarries to help get water in the ground. Spreading ground capacity may reach its limit if *Pure Water Southern California* proceeds and produces 65,000 AF/year. **Met with Watermaster, Upper District, and Three valleys to explore potential expansion of recharge opportunities in the basin, will update on any progress**
- Continually explore strategies to improve ability to get both imported and local water sources “into the ground” by reducing over-capacity and congestion/bottlenecks within the delivery system; participate with DWR on SWP bottleneck improvements. **East Branch Enlargement and subsidence issues are biggest items. Will continue to participate in these workgroups**

Action Plan (2024 – Q3/Q4)

WATER SUPPLY SOLUTIONS – LOCAL

- The General Manager should follow-up regularly with MWD about its interest in involving SGVMWD infrastructure in the *Pure Water Southern California (PWSC)* Project and update the Board. **MWD provided update at August meeting**
- Develop a firmer timeline about which consulting resources would be needed and when to evaluate the MWD proposal for SGVMWD in the PWSC Project – financial consultant, engineering consultant, negotiating consultant, etc. **MWD indicates that this will not occur until late 2025**
- If the *Pure Water Southern California* project remains viable, and once relevant studies are completed, the Board needs to reach consensus on the District’s role in the Project and develop a comprehensive communications plan to inform member cities and other key stakeholders about the District’s potential involvement in the Project. **Not started**
- While banking water is very expensive, the Board expressed interest in following and possibly participating in potential new “water banking” opportunities in both northern California and the Main San Gabriel Basin. The Dudley Ridge banking agreement is in place, but the District has yet to bank water in that manner. The Board also wants to track spreading grounds opportunities in the Main San Gabriel Basin being pursued by Watermaster such as the use of local pits and quarries to help get water in the ground. Spreading ground capacity may reach its limit if *Pure Water Southern California* proceeds and produces 65,000 AF/year. **ongoing**
- Continually explore strategies to improve ability to get both imported and local water sources “into the ground” by reducing over-capacity and congestion/bottlenecks within the delivery system; participate with DWR on SWP bottleneck improvements. **ongoing**
- The District should pursue future grant funding opportunities through Federal and State grant programs. **Will continue to monitor for grant opportunities**

Action Plan (2024 – Q3/Q4)

EXTERNAL AFFAIRS

- Increase and blend in messaging about costs, water scarcity and infrastructure to all audiences. **ongoing**
- Research potential new rebate items for inclusion in the rebate program. **Completed research nothing to recommend at this time**
- If funded, implement grant from Bureau of Reclamation for 50% matching grant for turf replacement conservation programs. **Grant was not awarded, will look at future opportunities**
- If Water Bond is on November 2024 ballot, develop communications plan to provide information, not advocacy, about the Bond. **Completed**
- The District should determine its future role within the Water Forum Partner group and lead efforts to determine go/no go on smaller, targeted events throughout the year. **Will discuss at future partners meeting**
- Staff should regularly update a 12-month outreach calendar for the Board. **Ongoing**
- The District should plan and conduct tours periodically during the year for local elected officials and community leaders. **ngoing**

Action Plan (2025 – Q1/Q2 and Ongoing)

OPERATIONS AND INFRASTRUCTURE

- Schedule tours of District and County facilities for Board Members as background for Pipeline Rehabilitation program and consideration of *Pure Water Southern California* program. **Ongoing**
- Conduct Replacement Cost Analysis. **Corrosion analysis is taking place, condition assessment will follow, then a cost replacement can be developed**
- Identify financial consultant to help develop Capital Improvement/Replacement Plan, to analyze reserves and to provide input into rate study; Board preference is to “fast track” and/or overlap Schedules rather than working on one Schedule at a time; assess what expenditures “buy” the District in terms of Pipeline life/utility. **See previous comment**
- Continually explore strategies to improve ability to get both imported and local water sources “into the ground” by reducing over-capacity and congestion/bottlenecks within the delivery system; participate with DWR on SWP bottleneck improvements. **ongoing efforts are taking place on SWP: East Branch enlargement and subsidence are the two main efforts. The district is participating.**

Action Plan (2025 - Q1/Q2 and Ongoing)

CURRENT AND FUTURE REVENUE

- Once a corrosion engineer reviews staff estimates on Pipeline Rehabilitation costs, the District will retain a financial consultant(s) to conduct studies on capital replacement costs, property tax and water rates, and reserves. **Corrosion work has just begun and will probably take more than a year to complete**
- In March/April 2025, the District should confirm both property tax and water rates for member cities for 2025, develop and communicate a forecast for 2026, and determine if a long-range forecast of 3-5 years is appropriate. **A three year schedule for water rates has already been developed and decimated to the cities**
- Consensus was achieved that consulting costs, and potentially employee costs, related to financial, engineering, operations, and legal matters will increase in conjunction with Pipeline Rehabilitation and review/analysis of the *Pure Water Southern California Project* (PWSC). The District must budget for such costs. **Will be incorporated in 2025-2026 budget**
- Consensus was achieved to research the District's bonding capacity to help fund capital improvements as part of the previously mentioned financial consultant's scope of work. **Will be done in the future, after replacement costs have been developed**
- The District will offer a "Cost Workshop" (in-person or virtual) annually to member cities to further explain rate and cost factors. **Completed**

Action Plan (2025 - Q1/Q2 and Ongoing)

MEMBER CITY RELATIONS

- Efforts should increase to meet regularly with the Mayor, City Council members, City Manager and Public Works/Water Utility staff in each member city. External Affairs staff will assist Board members in preparing and offering a brief, annual “State of the District” presentation to each of the District’s member cities during May/Water Awareness Month, with that presentation also available to school boards, chambers of commerce, and other community/non-profit organizations. **Ongoing**
- The District will continue to attend and present updates at City Council meetings (e.g. “State of the City” meetings), support important community events, and provide information about water issues and conservation. **Ongoing**
- The District will offer tours of important District and San Gabriel Basin water facilities to both City Council members and key City staff to foster greater understanding of the District’s water supply role. **Ongoing**
- The District will increase its messaging related to water costs and infrastructure to complement its strong messaging about conservation. **Will be done in the future after condition assessment and financial analysis is done**

Action Plan (2025 - Q1/Q2 and Ongoing)

WATER SUPPLY SOLUTIONS - IMPORTED

- While banking water is very expensive, the Board expressed interest in following and possibly participating in potential new “water banking” opportunities in both northern California and the Main San Gabriel Basin. The Dudley Ridge banking agreement is in place, but the District has yet to bank water in that manner. The Board also wants to track spreading grounds opportunities in the Main San Gabriel Basin being pursued by Watermaster such as the use of local pits and quarries to help get water in the ground. Spreading ground capacity may reach its limit if *Pure Water Southern California* proceeds and produces 65,000 AF/year. **Currently looking into Willow Springs Water Banking Project will update board once more information is known. Working with San Gabriel Basin partners on increasing recharge opportunities.**
- Continually explore strategies to improve ability to get both imported and local water sources “into the ground” by reducing over-capacity and congestion/bottlenecks within the delivery system; participate with DWR on SWP bottleneck improvements. **Ongoing**

Action Plan (2025 - Q1/Q2 and Ongoing)

WATER SUPPLY SOLUTIONS – LOCAL

- If the *Pure Water Southern California* project remains viable, and once relevant studies are completed, the Board needs to reach consensus on the District's role in the Project and develop a comprehensive communications plan to inform member cities and other key stakeholders about the District's potential involvement in the Project. **Based on MWD, the decision point won't occur until 2026 at the earliest**
- Develop a firmer timeline about which consulting resources would be needed and when to evaluate the MWD proposal for SGVMWD in the PWSC Project – financial consultant, engineering consultant, negotiating consultant, etc. **See previous comment**
- Continually explore strategies to improve ability to get both imported and local water sources “into the ground” by reducing over-capacity and congestion/bottlenecks within the delivery system; participate with DWR on SWP bottleneck improvements.
- The Sierra Madre Joint Well project is in design phase as of Q1/2024 and the District has committed \$1.9 million to the project involving Sierra Madre and Arcadia. **Will have Sierra Madre provide update at a future board meeting**
- The District should pursue future grant funding opportunities through Federal and State grant programs. **Ongoing**
- While banking water is very expensive, the Board expressed interest in following and possibly participating in potential new “water banking” opportunities in both northern California and the Main San Gabriel Basin. The Dudley Ridge banking agreement is in place, but the District has yet to bank water in that manner. The Board also wants to track spreading grounds opportunities in the Main San Gabriel Basin being pursued by Watermaster such as the use of local pits and quarries to help get water in the ground. Spreading ground capacity may reach its limit if *Pure Water Southern California* proceeds and produces 65,000 AF/year. **Addressed in prior comments**

Action Plan (2025 - Q1/Q2 and Ongoing)

EXTERNAL AFFAIRS

- Increase and blend in messaging about costs, water scarcity and infrastructure to all audiences. **Ongoing**
- Research potential new rebate items for inclusion in the rebate program. **Completed, will be revisited in the future**
- If funded, implement grant from Bureau of Reclamation for 50% matching grant for turf replacement conservation programs. **Grant application was not successful, will look for future opportunities**
- The District should determine its future role within the Water Forum Partner group and lead efforts to determine go/no go on smaller, targeted events throughout the year. **Will discuss at next partners meeting**
- Staff should regularly update a 12-month outreach calendar for the Board. **Ongoing**
- The District should plan and conduct tours periodically during the year for local elected officials and community leaders. **Ongoing**

Memorandum

To: San Gabriel Valley Municipal Water District Board of Directors

From: Steve Kiggins, Assistant General Manager

Cc: Darin Kasamoto, General Manager

Date: January 8, 2025

Subject: Assistant General Manager's Report

1. December 2024 deliveries: 3,058 AF on behalf of Three Valleys Municipal Water District, 2,443 AF for TVMWD cyclic storage, and 615 AF to Covina Irrigating Company. Table A Allocation CY 2025: 15% / 4,320 AF. As of January 1, 2025, the Table A carryover balance was 1,595 AF.
2. Total deliveries to cyclic storage CY 2024: 24,325 AF. Cyclic storage balance as of November 30, 2024: 3,221.78 AF. CIC Exchange balance (Water owed to SGVMWD by TVMWD) as of November 30, 2024: 2,783 AF. The amount of water banked on behalf of Dudley Ridge Water District is 14,209 AF.
3. Water delivery forecast: The balance of 2024's carryover water will be delivered by mid-February.
4. Project Updates:
 - A. STANDBY GENERATOR REPLACEMENT PROJECT: A generator prepurchase recommendation is being finalized.
 - B. PRESSURE REDUCING STATION REFURBISHMENT PROJECT: Civiltec is working on Phase 1- Researching existing valves, meeting with District staff and valve suppliers, and developing technical specifications for the prepurchase of valves larger than 12 inches I.D.
5. Assistant General Manager meetings and activities:
 - A. Attended The Metropolitan Water District of Southern California meeting (Livestream)
 - B. Attended The Main San Gabriel Basin Watermaster meeting
 - C. Attended WQA Board meeting (Zoom)
 - D. Met with Civiltec regarding standby generator availability, sizing, and minimum load requirements
 - E. Weekly DWR / SWC Operations Update meetings (Teams)