



**A SPECIAL MEETING OF THE BOARD OF DIRECTORS
UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
248 E. FOOTHILL BLVD. ROOM #103, MONROVIA, CA 91016
4:30 P.M. – December 11, 2024**

AGENDA

1. PLEDGE OF ALLEGIANCE
2. ROLL CALL OF BOARD OF DIRECTORS
3. CERTIFICATION OF ELECTION OF CHARLES M. TREVIÑO (DIVISION 2), ED CHAVEZ (DIVISION 3) AND KATARINA GARCIA (DIVISION 4) [2]
4. OATH OF OFFICE [2]
5. ADOPTION OF AGENDA [1]
6. PUBLIC COMMENT
Anyone wishing to discuss items should do so now. The Board of Directors may allow additional input during the meeting. A three-minute time limit on remarks is requested.
7. COMMITTEE REPORTS [2]
 - (a) Administration and Finance Committee (*Santana, Chair – Treviño, Vice-Chair*)
Minutes of meeting held on December 2, 2024 enclosed.
8. CONSENT CALENDAR [1]
 - (a) Minutes of a regular meeting of the Board of Directors held on November 13, 2024 at 4:00 p.m.
 - (b) List of Demands
 - (c) Financial Reports – October 2024
 1. Financial Statements
 2. Director's Public Outreach
 - (d) Receive and file the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024.
9. ACTION/DISCUSSION ITEMS [1]
 - (a) Proposed Amendments to Policy No. 9 to 13 of the Policy Manual (*Staff memorandum enclosed.*)

Recommendation

The Administration and Finance Committee recommends that the Board of Directors approve the proposed amendments to Policy No. 2.9 through 2.13 of Upper District's Policy Manual.

- (b) MWD Year End Water Purchases (*Staff memorandum enclosed.*)

Recommendation

The Administration and Finance Committee recommends that the Board of Directors authorize the General Manager to pre-purchase up to 6,000 acre feet of treated water, to be delivered at USG-05, and allow Upper District treated water customers to participate for additional amounts under the Metropolitan Water District Reverse Cyclic Program.

10. INFORMATION ITEMS [2]

- (a) Press Releases and News Articles

11. ATTORNEY'S REPORT [2]

12. ENGINEER'S REPORT [2]

13. GENERAL MANAGER'S REPORT [2]

14. METROPOLITAN REPORT [2]

15. WATER QUALITY AUTHORITY REPORT [2]

16. WATERMASTER REPORT [2]

17. AB 1234 COMPLIANCE REPORT [2]

18. DIRECTOR'S COMMENTS [2]

19. FUTURE AGENDA ITEMS [1]

20. ADJOURN TO CLOSED SESSION – None.

21. ADJOURNMENT - To a regular meeting of the Board of Directors to be held on January 08, 2025 at 4:00 p.m. at 248 E. Foothill Blvd. Room #103, Monrovia, CA 91016.

LEGEND: [1] INDICATES ACTION ANTICIPATED BY BOARD OF DIRECTORS ON THIS ITEM
[2] INDICATES INFORMATION ITEM - NO BOARD ACTION NECESSARY

PRESIDENT JENNIFER SANTANA, PRESIDING



American Disabilities Act Compliance (*Government Code Section 54954.2(a)*)

To request special assistance to participate in this meeting, please contact the Upper District office at (626) 443-2297 or venessa@usgvmwd.org at least 24 hours prior to meeting.





MEMORANDUM



7. (a) COMMITTEE REPORTS

December 5, 2024

TO: BOARD OF DIRECTORS

FROM: ADMINISTRATION AND FINANCE COMMITTEE

SUBJECT: MINUTES OF THE ADMINISTRATION AND FINANCE COMMITTEE MEETING AND SPECIAL MEETING OF THE BOARD OF DIRECTORS – December 2, 2024

ATTENDANCE:	Jennifer Santana, Chair	Venessa Navarrette	Evelyn Rodriguez (Zoom)
	Charles Treviño, Vice-Chair	Patty Cortez	Scott Manno (Zoom)
	Ed Chavez	Priscilla Lu	Jeffrey McKennan (Zoom)
	Thomas Love	Jessica Hernandez	Steve O’Neill (Zoom)

1. **Call to Order**

2. **Public Comment.** None

3. **Proposed Amendments to Policy No. 9 to 13 of the Policy Manual.**

Evelyn Rodriguez, Chief Financial Officer/Chief Administration Officer, presented staff’s recommendation to approve the proposed amendments to Policy No. 2.9 through 2.13 of Upper District’s Policy Manual. She stated that staff consulted with District Counsel and identified the proposed amendments as follows:

Policy No. 2.9 Conflict of Interest - The proposed changes include the updated designated position titles, elimination of the disclosure category for consultants/new position, now covered by a note disclosure, as well as the electronic filing option now available with the Los Angeles County Board of Supervisors.

Policy No. 2.10 Ethics - The proposed change removed reference to specific titles of the members of the Executive Management Team to avoid having to amend the policy when position titles change.

Policy No. 2.11 Public Complaints and Information Request - No amendments proposed.

Policy No. 2.12 Equal Opportunity and Anti-Discrimination Provisions - The proposed change updated the list of protected classes in Section 2.12.4.

Policy No. 2.13 Harassment - The proposed change includes cleanup language for Section 2.13.3 (e).

Director Santana and Ms. Rodriguez discussed the recommended updates and their consistency with California laws and regulations.

Following discussion, the Administration and Finance Committee moved this item for approval by the Board of Directors.

4. Annual Comprehensive Financial Report for the Fiscal year ended June 30, 2024.

Ms. Rodriguez presented staff's recommendation for the Board of Directors to receive and file the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. She stated that once finalized, staff will be submitting this report to the Government Finance Officers Association for its Certificate of Achievement for Excellence in Financial Reporting for the 14th consecutive year. She also briefly went over the consolidated statements of net position and the condensed statements of revenues, expenses, and changes in net position, highlighting significant increases or decreases in certain assets, liabilities, revenue, and expense categories from fiscal year 2022/23 and fiscal year 2023/24.

Ms. Rodriguez then introduced Jeffrey McKennan and Scott Manno, from Rogers, Anderson, Malody & Scott, LLP to present their opinion on the District's audited financial statements.

Mr. McKennan, Senior Auditor, presented a brief overview of the responsibilities of an auditor, the responsibilities of management, and the audit process. He stated that the audit was performed in accordance with US Generally Accepted Auditing Standards, Government Auditing Standards, and the State Controllers minimum audit requirements for special districts. He added that they plan to express their unmodified opinion or clean on the financial statements. He then went over their report on internal controls, noting a lack of segregation of duties for some functions. He acknowledged that no practical corrective action may be possible unless more personnel is hired by the District.

Director Santana and Ms. Rodriguez noted the positive change in net position reported in the statement of revenues, expenses, and changes in net position for the fiscal year ended June 30, 2024.

Following discussion, the Administration and Finance Committee moved this item to be received and filed by the Board of Directors.

5. Classification and Market Compensation Assessment.

The General Manager provided an update on the classification and market compensation assessment. He reported that the assessment has been delayed due to non-responsiveness from some of the surveyed member agencies. He stated that the preliminary results show that most of the District's positions are in line with the industry but a few are still being evaluated. He also mentioned that the currently vacant Waste Use Efficiency Analyst position is also being evaluated for recruitment. He then stated that the results of the assessment will be presented to the Committee in January 2025.

6. MWD Year-End Water Purchases.

The General Manager reported that MWD recently modified the Reverse Cyclic Program. He stated that the program from 2022 was implemented during a dry year and the water purchases were fulfilled the following year when water was available. He reported that currently, MWD seeks to generate additional \$60 million in revenues due to low water sales and that under the modified Reverse Cyclic Program, MWD promises to deliver the pre-purchased water within five years.

The General Manager stated that he decided against pre-purchasing untreated water due to low potential savings relative to the anticipated investment returns from LAIF. He highlighted the MWD treated water rate increase of 11% effective January 1, 2025, which is expected to increase another 10% in January 2026. He stated that if Upper District pre-purchases 6,000 acre-feet of treated water for about \$7.50 million, the estimated savings over two years would be approximately \$1.60 million. He then requested the Board to authorize the

pre-purchase of up to 6,000 acre feet of treated water, to be delivered at USG-05, and allow Upper District treated water customers to participate for additional amounts under MWD's Reverse Cyclic Program.

Following discussion, the Administration and Finance Committee recommended that the Board of Directors authorize the pre-purchase of up to 6,000 acre- feet of treated water, to be delivered at USG-05, and allow Upper District treated water customers to participate for additional amounts under MWD's Reverse Cyclic Program.

7. Oral Reports. None

8. Other Matters.

Director Santana and the Executive Assistant confirmed the rescheduled Watermaster meeting date of December 11, 2024.

The General Manager, Assistant General Manager – External Affairs, and Director Santana discussed rescheduling the upcoming Board of Directors meeting for a later start time of 4:30 pm to allow for friends and family to arrive for the swearing-in ceremony of the elected Directors at 4:00 pm.

NEXT MEETING: Tuesday, January 07, 2025 at 4:30 p.m.

cc: General Manager

**A REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
248 E. FOOTHILL BLVD, ROOM #103, MONROVIA, CALIFORNIA 91016
4:00 P.M. – November 13, 2024**

A regular meeting of the Board of Directors was held in the office of the District, 248 E. Foothill Blvd, Rm. 103, City of Monrovia, County of Los Angeles, State of California, within said Water District, on November 13, 2024 at the hour of 4:00 p.m.

ROLL CALL

DIRECTORS Santana, Chavez, Garcia and Treviño
PRESENT:
DIRECTORS Fellow
ABSENT:
STAFF Tom Love, General Manager; Patty Cortez, Assistant General
PRESENT: Manager, External Affairs; Evelyn Rodriguez, Chief Financial
 Officer/Chief Administrative Officer; Steve O’Neill, District
 Counsel; Stan Chen, District Engineer; Venessa Navarrette,
 Executive Assistant; and Alexis Silva, Intern

OTHERS PRESENT

Lenet Pacheco, David Muse, Jose Martinez, Ray Cordero, Ana Schwab, Madeline Voitier, Christopher Keosian, and Lowry Crook (via Zoom)

ADOPTION OF AGENDA

District Counsel requested addition of Resolution No. 11-24-666, Supporting the Delta Conveyance Project, to the agenda. He explained that subsequent to the posting of the agenda, an item concerning the Delta Conveyance Project, and requiring board action, arose. He requested the Board to consider making a motion to add this item to the agenda.

On motion by Director Treviño, seconded by Treasurer Garcia, the amended agenda was adopted as presented by the following vote:

AYES: SANTANA, CHAVEZ, GARCIA, TREVIÑO
NOES: NONE
ABSTAIN: NONE
ABSENT: FELLOW

PUBLIC COMMENT

None.

COMMITTEE REPORTS

None.

CONSENT CALENDAR

On motion by Director Treviño, seconded by Treasurer Garcia, the consent calendar was approved by the following vote:

AYES: SANTANA, CHAVEZ, GARCIA, TREVIÑO
NOES: NONE
ABSTAIN: NONE
ABSENT: FELLOW

- (a) Minutes of a regular meeting of the Board of Directors held on October 23, 2024 at 4:00 p.m.
- (b) List of Demands
- (c) Financial Reports – September 2024
 - 1. Financial Statements
 - 2. Quarterly Report on District Investments
 - 3. Director’s Public Outreach

FEDERAL LEGISLATIVE WRAP-UP

Ana Schwab, legislative consultant from Best Best & Krieger LLP (BBK), along with Madeline Voitier, Christopher Keosian and Lowry Crook (via Zoom), reported that there is an opportunity with the current Congress to move the Water Conservation Tax Parity Act, a measure that Upper District has been a champion of which would allow for water conservation programs to be non-taxable income,

forward. She added that after this year's election, they are waiting to see if any end-of-year packages will come together because of the makeup of the next Congress and what they are going to utilize, if any, of the work that is still outstanding.

Ms. Schwab stated that there are four main items Congress needs to finalize: the Farm bill, the National Defense Authorization Act, the Water Resources Development Act, and the federal appropriations. She then reported that Senator Thune of South Dakota is now the leader of the Senate Republicans while the House Republicans voted to support speaker Mike Johnson as the leader, and Congressman Steve Scalise to be the number two republican. She added that the House Democrats will hold their elections next week, followed by committee assignments.

She then reported that there is a budget reconciliation that the Republicans will try to use at the beginning of next year that will help advance some of the president-elect's priorities. She added that there are still a lot of opportunities with the new administration and new Congress for the infrastructure development that Upper District is supporting as well as continuing to see development for funding throughout, in terms of resiliency and climate change, to still be addressed. She added that having worked with the Trump administration previously, water and water conservation was something that the president-elect was very supportive of. She added that since Congress is ending, any bills that are outstanding and did not get signed into law will have to start over if members of Congress want them to be reintroduced.

She stated that for the first quarter of next year, BBK will be busy advancing the priorities of the District and utilizing the relationships with Congressman Chu and Congressman Cisneros for the San Gabriel Valley area. She added losing Congressman Napolitano will be a huge loss for California water but that they will work with the new committee makeups to ensure her portfolio is picked up.

President Santana, Ms. Schwab and Mr. Crook discussed potential impact on federal funding, if any, for California under the new administration.

Director Treviño and Ms. Schwab briefly discussed who is being considered for Secretary of the Interior and any potential changes to the Department of Energy.

WATER EDUCATION GRANTS PROJECT

Patty Cortez, Assistant General Manager, provided an overview of the FY 24/25 Water Education Grant Program. She reported that 12 applications totaling \$11,347.71 were received, stating that each grant has a maximum of \$1,000 that can be applied for. She reported that since Upper District did not reach the full allocation of \$20,000, staff is recommending that the Board of Directors approve funding for the 12 applications and leave the deadline open to allow continued outreach to teachers. She added that three additional applications were received after the deadline, which can receive funding if the deadline is extended.

Secretary Chavez and Ms. Cortez discussed whether there will be a grant check presentation. Ms. Cortez explained the application process, stating that if the Board would like to have a presentation, checks could be presented at the January 2025 board meeting. They also discussed the strategy to fully utilize the remaining allocated funds.

President Santana and Ms. Cortez briefly discussed working on having District 5 schools more involved.

On motion by Treasurer Garcia, seconded by Secretary Chavez, the Board of Directors approved the 12 water education grant applications received as well as the deadline extension by the following vote:

AYES: SANTANA, CHAVEZ, GARCIA, TREVIÑO
NOES: NONE
ABSTAIN: NONE
ABSENT: FELLOW

**RESOLUTION NO. 11-24-666,
 SUPPORTING THE DELTA
 CONVEYANCE PROJECT**

The General Manager provided a brief update on the Delta Conveyance Project, stating it has completed its environmental review. He reported that the Metropolitan Water District of Southern California (MWD) is preparing for the next round of funding from the state water project contractors to continue the engineering and planning work on the project. He added that MWD will consider the funding at their next board meeting on December 10, 2024. He then requested that the Board of Directors adopt Resolution No. 11-24-666, Supporting the Delta Conveyance Project, to show Upper District's support in continuing the project.

Director Treviño and the General Manager discussed the cost estimate for the Delta Conveyance Project of about 20 billion dollars and MWD's share being about 46%. Director Treviño expressed his concern and preference to spend the money on local projects.

President Santana recognized Director Treviño's observation and stated that after reviewing the Integrated Resource Plan (IRP), local project possibilities are quite exhausted. She stated that the Delta Conveyance Project is going to be something the San Gabriel Valley will be reliant on until the Pure Water of Southern California Project (Pure Water) is built.

The General Manager reported that neither Pure Water nor Delta Conveyance Project has received approval for construction and that the decision to spend 20 billion dollars will not be made until a few years from now.

Director Treviño expressed concern about spending taxpayers' money this way. He stated he will support the resolution for the sake of unity, but this project should be closely monitored.

On motion by Treasurer Garcia, seconded by Secretary Chavez, Resolution No. 11-24-666, Supporting the Delta Conveyance Project, was adopted by the following vote:

AYES: SANTANA, CHAVEZ, GARCIA, TREVIÑO
NOES: NONE
ABSTAIN: NONE
ABSENT: FELLOW

INFORMATION ITEMS

Press Releases and News Articles.

ATTORNEY'S REPORT

District Counsel reported working with staff on administrative matters including responding to a Public Records Act request, an audit letter response and draft changes to the conflict of interest code. He also reported working with staff on a Delta Conveyance and an MWD letter.

ENGINEER'S REPORT

District Engineer provided updates on various projects, including interconnection efforts for Sunny Slope and San Gabriel County Water District, and the reactivation of Monrovia's USG-7 connection. He also reported that a meeting is scheduled to review the IRP's potential water supply and regional demand estimates based on climate change impacts. He then provided a brief update on the Upper District and Three Valleys boundary changes and updates.

GENERAL MANAGER'S REPORT

The General Manager provided an update on USG-3 deliveries, explaining that USG-3 was temporarily turned off to make way for the Department of Water Resources' project at Devil Canyon. He then reported estimated yearend delivery to be close to 90,000 acre-feet. He added that based on Watermaster's purchases, this is about three years water supply in the basin.

The General Manager also reported on MWD's ongoing activities including: the Climate Adaptation Master Plan, the development of a new business model, ongoing workshops on refinement of the treatment surcharge and a potential new program the MWD Board of Directors will consider at their next board meeting - a revision to the Reverse Cyclic Program. He stated that if approved, the new program will allow purchases of treated water at this year's rate for deferred delivery by MWD over the next five years. He added that with the treated rate increasing by 11% in January 2025, pre-purchasing water will provide a good return on investment.

President Santana and the General Manager briefly discussed the basin levels and delivering imported water to the basin.

METROPOLITAN REPORT

The General Manager reported that the MWD meetings have been rescheduled due to the Veterans Day holiday. He also reported that there will be a San Gabriel Valley Northern Caucus meeting to review the MWD agenda. He stated that the agenda includes an item on Pure Water term sheets which are anticipated to turn into memorandums of agreements for agencies that will use water from the project. He stated that he intends to attend the meeting and advocate for MWD's continuation of Pure Water.

WATER QUALITY AUTHORITY REPORT

Secretary Chavez reported that the WQA celebrated with La Puente County Water District for their 100th anniversary and that the WQA cash investments for the third quarter is in good standing.

WATERMASTER REPORT

Mr. Russ Bryden, Executive Officer, reported on the basin levels being at 244 ft. He then stated that the relationship between, and progress of Upper District, Watermaster and the producers in managing the basin is headed in the right direction. He added that there is about 3 ½ years of storage in the basin. He then reported that Watermaster is preparing to send Upper District a purchase letter for about 30,000 AF of water.

AB 1234 COMPLIANCE REPORT

None.

DIRECTORS' COMMENTS

Secretary Chavez congratulated Treasurer Garcia and Director Treviño for their reelection.

Treasurer Garcia expressed gratitude for Upper District's hosting of a swearing-in ceremony.

President Santana congratulated the Directors who won the election.

FUTURE AGENDA ITEM

None.

ADJOURNMENT

President Santana asked if there were any other business to come before the Board. There being none, the meeting was duly adjourned to a regular meeting of the Board of Directors to be held on December 11, 2024, at 4:00 p.m., at 248 E. Foothill Blvd., Room #103, Monrovia, CA 91016.

PRESIDENT

ATTEST

SECRETARY

SEAL

Draft

Demands numbered 22652 through 22690 on the General Fund Account of the Upper District at Citizens Business Bank, in the amount of \$569,782.82 and demands numbered 1264 through 1272 on the Water Fund Account at the same bank in the amount of \$499,825.58.

22652	789, Inc.	Inv. USGV-428101, Branding and Creative Services, November 2024 <i>(Board approved 7/12/23)</i>		\$ 5,575.00
22653	Aaron Read & Associates, LLC	Inv. 213689, State Legislative Advocacy Services, September 2024 Inv. 213745, State Legislative Advocacy Services, October 2024 <i>(Board approved 10/12/22)</i>	10,000.00 <u>10,000.00</u>	20,000.00
22654	ACWA	Inv. 2025, 2025 Annual Agency Dues		23,345.00
22655	ACWA/JPIA	Inv. 510, Auto and General Liability, 10/1/24 - 2025		60,824.32
22656	ACWA/JPIA	Inv. 0704004, Health Insurance Premium - November 2024		30,612.03
22657	Aleshire & Wynder, LLP	Professional Services, September 2024 Inv. 90412, Transactional Fees Inv. 90413, Transactional Fees Inv. 90414, Retainer <i>(Board approved 04/13/22)</i>	2,688.40 84.40 <u>4,576.00</u>	7,348.80
22658	Best Best & Krieger, LLP	Inv. 1009940, Federal Legislative Advocacy Services through 09/30/24 <i>(Board approved 10/12/22)</i>		7,500.00
22659	Bizfed	Inv. 5981, 2025 Annual Membership Dues		7,000.00
22660	Creative Management Solutions	Inv. 2, Phase 2, HR Support Services		4,160.00
22661	Department of Water & Power	Inv. GA437054, Recycled Water Program Permit Fees, November 2024		83.33
22662	Ecotech Services, Inc.	Inv. 3168, Home Leak Repair Kits, September 2024 Inv. 3173, Landscaping Maintenance, October 2024 <i>(Board approved 06/08/22)</i>	4,950.00 <u>900.00</u>	5,850.00
22663	G3, Green Gardens Group, LLC	Inv. 1299, Virtual Conservation Workshop, 10/09/24 Inv. 1300, Virtual Conservation Workshop, 10/26/24 <i>(Board approved 03/08/23)</i>	1,875.00 <u>1,500.00</u>	3,375.00
22664	Image Property Solutions	Inv. MCS6185, Janitorial Services, August 2024 Inv. MCS7157, Janitorial Services, September 2024 Inv. MCS7441, Consumables, August 2024 Inv. MCS7663, Consumables, September 2024 Inv. MCS7739, Janitorial Services, October 2024	1,907.59 1,907.59 517.51 358.95 <u>1,907.59</u>	6,599.23
22665	Joey C. Soto	Inv. 2024-UD-GA-SEP-120, Grant Writing Services, September 2024 <i>(Board approved 06/08/22)</i>		787.50
22666	Kelly Associates Mgmt Group	Inv. September 2024, HR Support Services		975.00
22667	Kelly Services, Inc.	Inv. 5604482124, Temporary Services Weeks Ending 09/29/24 Inv. 5604515146, Temporary Services Week Ending 10/06/24 Inv. 5604677715, Temporary Services Week Ending 10/13/24 <i>(Board approved 02/17/19)</i>	673.84 554.18 <u>656.96</u>	1,884.98
22668	La Opinion	Inv. 129490924, Conserve-A-Palooza Ads, 09/28/24		1,250.00
22669	Rogers, Anderson, Malody & Scott	Inv. 76027, Progress Payment for FY 23/24 Audit <i>(Board approved 06/19/19)</i>		12,600.00
22670	San Gabriel Valley Conservation and Service Corps	Inv. 11/04/24UD, 2nd Annual Golf Tournament Sponsorship		250.00
22671	San Gabriel Valley Newspaper	Inv. 0000602185, Conserve-A-Palooza Ads, 09/29/24		3,319.62
22672	Spectrum Reach	Inv. 300034945, Water Conservation Ads, Aug 2024 Inv. 300034946, Water Conservation Ads, Aug 2024 Inv. 800057569, Water Conservation Ads, Sept 2024 Inv. 800057570, Water Conservation Ads, Sept 2024	2,001.40 1,800.00 1,800.00 <u>1,972.70</u>	7,574.10

22673	Stetson Engineers, Inc.	Inv. 2533-221, General Engineering Support Services, August 2024 Inv. 2728-029, Integrated Resources Plan Update, August 2024	21,582.88 <u>9,113.23</u>	30,696.11
22674	Upper District Payroll Fund	Inv. SEPT 24, Reimbursement of Payroll and Payroll Taxes for Employees Inv. SEPT 24D, Reimbursement of Payroll Taxes for Directors	148,853.96 <u>10,508.01</u>	159,361.97
22675	U.S. Bank Corporate Payment System	CalCard Charges through 10/22/24 Meetings, Travel, Conferences Computer Systems/Office Equipment/Supplies/Maintenance & Service/Utilities Conservation Program Expenses, Education and Outreach	2,184.76 1,474.72 <u>1,794.67</u>	5,454.15
22676	VC3, Inc.	Inv. VC3-173859, IT Management Services, October 2024 <i>(Board approved 10/11/23)</i>		3,100.00
22677	WaterReuse Association	Inv. D55808, 2025 Annual Membership Dues		18,657.59
22678	Water Education for Latino Leaders	Inv. 2024-51, 2025 Associated Membership Dues		10,000.00
22679	Wildan Financial Services	Inv. 010-59179, FY 2024/25 Standby Charge Services through June 2024 <i>(Board approved 04/03/19)</i>		3,633.30
22680	Upper District Revolving Fund	Inv. Oct 24, Revolving Fund Account Replenishment - October 2024 Office Supplies Computer Systems/Equipment/Maintenance/Insurance/Outside Service Directors's Outreach Telephone/Utilities/Building Maintenance Meeting/Travel/Conferences/Dues/Assessments/Membership Workers Compensation Water Conservation Program Expenses WRP Operation & Maintenance/Permits/Water Purchases/Public Info Medical/ODA Reimbursement/Processing Fee/Others <i>(Previously Paid 11/04/24)</i>	839.85 1,174.26 1,820.00 10,565.67 93.31 2,423.13 1,991.56 80,679.33 <u>7,014.11</u>	106,601.22
22681	Ed Chavez	Director's Compensation, October 2024 10 Days District Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	2,550.00 516.87 (2,040.00) <u>(1,025.56)</u>	1.31
22682	Charles Treviño	Director's Compensation, October 2024 10 Days District Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	2,550.00 516.87 (500.00) <u>(1,015.91)</u>	1,550.96
22683	Jennifer Santana	Director's Compensation, October 2024 5 Days District Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	1,275.00 516.87 (500.00) <u>(331.06)</u>	960.81
22684	Katarina Garcia	Director's Compensation, October 2024 7 Days District Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	1,785.00 516.87 (500.00) <u>(278.96)</u>	1,522.91
22685	Katarina Garcia	Director's Compensation, September 2024 7 Days District Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Let 9*	1,785.00 516.87 (500.00) <u>(278.96)</u>	1,522.91
22686	Anthony Fellow	Director's Compensation, August 2024 10 Days District Business 10 Days MWD Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	2,550.00 2,550.00 516.87 (500.00) <u>(1,546.18)</u>	3,570.69
22687	Katarina Garcia	Director's Compensation, August 2024 7 Days District Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	1,785.00 516.87 (500.00) <u>(278.96)</u>	1,522.91

22688	Anthony Fellow	Director's Compensation, July 2024 10 Days District Business 10 Days MWD Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	2,550.00 2,550.00 516.87 (500.00) <u>(1,546.18)</u>	3,570.69
22689	Anthony Fellow	Director's Compensation, June 2024 10 Days District Business 10 Days MWD Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	2,550.00 2,550.00 516.87 (500.00) <u>(1,546.18)</u>	3,570.69
22690	Anthony Fellow	Director's Compensation, May 2024 10 Days District Business 10 Days MWD Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	2,550.00 2,550.00 516.87 (500.00) <u>(1,546.18)</u>	3,570.69
TOTAL				\$ 569,782.82

1264	Central Basin MWD	Invoice No. USGV-SEP24, Purchase of 4.6 AF of Recycled Water in August 2024 <i>(Previously Paid 11/04/24)</i>		3,345.38
1265	City of Industry City Hall	Invoice No. OCT 24O&M, O&M Cost Reconciliation for Jan - Jun 2024		13,189.86
1266	City of Industry City Hall	Invoice No. R08312024-D, Purchase of 102.5 AF of Recycled Water in August 2024		39,975.00
1267	City of Industry City Hall	Invoice No. R08312024-E, CIP Charge for August 2024 @ \$98 per AF		10,045.00
1268	City of Industry City Hall	Invoice No. R09302024-D, Purchase of 75.6 AF of Recycled Water in September		29,484.00
1269	City of Industry City Hall	Invoice No. R09302024-E, CIP Charge for September 2024 @ \$98 per AF		7,408.80
1270	Metropolitan Water District	Invoice No. 11635, Purchase of 296.3 AF of Treated Water in September 2024		370,593.79
1271	San Gabriel Valley MWD	Invoice No. 569, 99.78 AF of Water Delivered through the Alhambra/MWD Exchange Agreement in September 2024 @ \$240 per AF		23,947.20
1272	Suburban Water System	Invoice No. 6771, Phase IIB Normal Operating Charge, October 2024		1,836.55
TOTA				\$ 499,825.58

Board of Directors
Upper San Gabriel Valley Municipal Water District

Submitted herewith for action by the Board of Directors of the Upper San Gabriel Valley Municipal Water District are the following demands on the District's General Fund Account at Citizens Business Bank:

22691	789, Inc.	Inv. USGV-420211, Branding and Creative Services, December 2024	5,575.00		
		Inv. 420211, Integration Labor for AV Upgrade	8,050.00	\$	13,625.00
		<i>(Board approved 7/12/23)</i>			
22692	Aaron Read & Associates, LLC	Inv. 213806, State Legislative Advocacy Services, November 2024			10,000.00
		<i>(Board approved 10/12/22)</i>			
22693	ACWA/JPIA	Inv. 0704274, Health Insurance Premium - December 2024			27,360.73
22694	Aleshire & Wynder, LLP	Professional Services, October 2024			
		Inv. 91172, Transactional Fees	1,830.40		
		Inv. 91173, Retainer	4,576.00		6,406.40
		<i>(Board approved 04/13/22)</i>			
22695	Best Best & Krieger, LLP	Inv. 1011560, Federal Legislative Advocacy Services through 10/31/24			7,500.00
		<i>(Board approved 10/12/22)</i>			
22696	Civic Publications, Inc.	Inv. 1893, 2024 Community Profiles Magazine Ad			5,600.00
22697	Creative Management Solutions, Inc.	Inv. 3, Phase 3, HR Support Services			3,840.00
22698	Department of Water & Power	Inv. GA437376, Recycled Water Program Permit Fees, December 2024			83.33
22699	Ecotech Services, Inc.	Inv. 3204, Landscaping Maintenance, November 2024			900.00
		<i>(Board approved 06/08/22)</i>			
22700	Foothill Municipal Water District	Inv. 624, Strategic consulting Services, October 2024 Cost-Share	2,500.00		
		Inv. 636, Strategic consulting Services, November 2024 Cost-Share	2,500.00		5,000.00
22701	G3, Green Gardens Group, LLC	Inv. 1301REV, Virtual Conservation Workshop, 11/14/24			1,875.00
		<i>(Board approved 03/08/23)</i>			
22702	Home Depot Credit Services	Inv. 3031695, Building Maintenance	59.11		
		Inv. 5013701, Building Maintenance	26.16		
		Inv. 5020435, Building Maintenance	24.74		
		Inv. 6904245, Building Maintenance	66.13		
		Inv. 7030587, Building Maintenance	92.63		
		Inv. 7304109, Building Maintenance	43.81		
		Inv. 8020307, Building Maintenance	42.73		355.31
22703	Image Property Services, LLC	Inv. MCS8805, Janitorial Services, November 2024			1,907.59
22704	Joey C. Soto	Inv. 2024-UD-GA-OCT-121, Grant Writing Services, October 2024			1,440.00
		<i>(Board approved 06/08/22)</i>			
22705	John Robinson Consulting, Inc	Inv. UD202301-11, As-needed Engineering Support Services, Jul. - Oct. 2024			1,320.00
22706	Kelly Associates Mgmt Group	Inv. October 2024, HR Support Services			975.00
22707	Kelly Services, Inc.	Inv. 5604959862, Temporary Services Weeks Ending 10/27/24	428.23		
		Inv. 5605121963, Temporary Services Week Ending 11/03/24	528.99		
		Inv. 5605303149, Temporary Services Week Ending 11/10/25	571.06		
		Inv. 5605504677 Temporary Services Week Ending 11/17/24	547.88		2,076.16
		<i>(Board approved 02/17/19)</i>			
22708	La Opinion	Inv. 129491024, Conserve-A-Palooza Ads, 10/22/24			600.00
22709	Rogers, Anderson, Malody & Scott, LLP	Inv. 76267, Progress Payment for FY 23/24 Audit			9,300.00
		<i>(Board approved 06/19/19)</i>			
22710	San Gabriel Valley Newspaper	Inv. 0000604633, Watershed Restoration Ads, 09/29/24			4,082.40
22711	Spectrum Reach	Inv. 240050203, Water Conservation Ads, Oct. 2024	2,026.40		
		Inv. 240050204, Water Conservation Ads, Oct 2024	1,800.00		3,826.40
22712	Stetson Engineers, Inc.	Inv. 2533-222, General Engineering Support Services, September 2024	13,749.87		
		Inv. 2728-030, Integrated Resources Plan Update, September 2024	8,959.75		22,709.62

22713	Total Compensation Systems, Inc.	Inv. 13869, GASB 75 Roll-Forward Valuation, 1st Installment		
22714	Upper District Payroll Fund	Inv. OCT 24, Reimbursement of Payroll and Payroll Taxes for Employees Inv. OCT 24D, Reimbursement of Payroll Taxes for Directors	151,600.72 <u>24,170.01</u>	175,770.73
22715	Upper District Revolving Fund	Inv. Nov 24, Revolving Fund Account Replenishment - November 2024 Office Supplies Computer Systems/Equipment/Maintenance/Insurance/Outside Service Directors's Outreach Telephone/Utilities/Building Maintenance Meeting/Travel/Conferences/Dues/Assessments/Membership Water Conservation Program Expenses WRP Operation & Maintenance/Permits/Water Purchases/Public Info Medical/ODA Reimbursement/Processing Fee/Others	213.21 675.15 50.00 4,495.88 95.67 1,653.58 33,188.60 <u>14,061.84</u>	54,433.93
22716	U.S. Bank Corporate Payment System	CalCard Charges through 11/22/24 Meetings, Travel, Conferences Computer Systems/Office Equipment/Supplies/Maintenance & Service/Utilities Conservation Program Expenses, Education and Outreach	2,508.73 866.73 <u>3,925.28</u>	7,300.74
22717	VC3, Inc.	Inv. VC3-177622, IT Management Services, November 2024 <i>(Board approved 10/11/23)</i>		3,098.00
22718	Ed Chavez	Director's Compensation, November 2024 10 Days District Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	2,550.00 516.87 (2,040.00) <u>(1,025.56)</u>	1.31
22719	Jennifer Santana	Director's Compensation, November 2024 4 Days District Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	1,020.00 516.87 (500.00) <u>(275.34)</u>	761.53
22720	Katarina Garcia	Director's Compensation, November 2024 5 Days District Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	1,275.00 516.87 (500.00) <u>(175.33)</u>	1,116.54
			TOTAL	<u><u>\$ 374,030.72</u></u>

Board of Directors
Upper San Gabriel Valley Municipal Water District

Submitted herewith for action by the Board of Directors of the Upper San Gabriel Valley Municipal Water District are the following demands on the District's Water Fund Account at Citizens Business Bank:

1273	Central Basin MWD	Invoice No. USGV-OCT24, Purchase of 5.0 AF of Recycled Water in September 2024 <i>(Previously Paid 11/04/24)</i>	\$ 3,623.34
1274	Metropolitan Water District	Invoice No. 11665, Purchase of 252.2 AF of Treated Water in October 2024	903,800.92
1275	San Gabriel Valley MWD	Invoice No. 570, 94.32 AF of Water Delivered through the Alhambra/MWD Exchange Agreement in October 2024 @ \$240 per AF	22,636.80
1276	Suburban Water System	Invoice No. 6775, Phase IIB Normal Operating Charge, November 2024	<u>1,836.55</u>
TOTAL			\$ <u>931,897.61</u>

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UPPER SAN GABRIEL VALLEY MWD
FINANCIAL SUMMARY FOR OCTOBER 31, 2024

Expenses	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2024-25 BUDGET	AMOUNT OF BUDGET REMAINING	PERCENT OF BUDGET REMAINING	Comments
	\$	\$	\$	\$	%	
Administrative Expenses	159,009	753,380	2,944,200	2,190,820	74.4%	YTD expenses include payment of annual contribution to CalPERS related to Upper District's unfunded accrued liability, partially offset by reimbursement received from CalPERS for retiree benefits.
Water Conservation Program	105,287	602,521	1,841,400	1,238,879	67.3%	YTD expenses are consistent with budgeted amounts.
Stormwater Program	3,275	13,100	39,300	26,200	66.7%	YTD expenses are consistent with budgeted amounts.
Water Recycling Program	254,839	837,069	2,179,100	1,342,031	61.6%	As of October 31st, total recycled water purchases is 1,107 AF.
Water Quality and Supply Program	58,545	200,581	599,900	399,319	66.6%	YTD expenses are consistent with budgeted amounts.
Water Purchases	474,430	2,877,805	48,753,200	45,875,395	94.1%	As of October 31st, Upper District has delivered 1,228 AF of treated water. Most of the untreated water purchases are expected to occur in December, to be reported in February.
Operating Expenses	1,055,385	5,284,456	56,357,100	51,072,644	90.6%	
Operating Revenues	1,226,419	5,041,199	56,541,100	51,499,901	91.1%	Most of the untreated water sales are expected to occur in December, to be reported in February.
Net Reserve Activity from Operations (-/+)	171,034	(243,257)	184,000	n/a	n/a	
Capital Expenditures	25,756	36,102	197,000	160,898	81.7%	
Capital Program Revenues	-	-	-	-	0.0%	
Net Change in Cash Due to Capital Outlays	(25,756)	(36,102)	(197,000)	n/a	n/a	
Total Change in Fund Balances	\$ 145,278	\$ (279,359)	\$ (13,000)	n/a	n/a	

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
MONTHLY FINANCIAL STATEMENT AND BUDGET COMPARISON
PERIOD ENDED OCTOBER 31, 2024

	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2024-25 BUDGET	AMOUNT OF BUDGET REMAINING	PERCENT OF BUDGET REMAINING
ADMINISTRATIVE AND OPERATING REVENUES					
67% @ 10-31-24					
Water Rate Revenues					
Tier 1 Treated	728,895	1,757,769	3,960,700	2,202,931	56%
Tier 1 Untreated	-	182,750	39,732,000	39,549,250	100%
Upper Surcharge Tier 1 Treated	13,617	96,139	309,000	212,861	69%
Upper Surcharge Tier 1 Untreated	-	68,750	4,532,000	4,463,250	98%
MWD Capacity Charge Revenue	30,520	108,640	392,000	283,360	72%
Gross MWD Standby Charge-Revenue Reconciliation	-	494,514	1,950,000	1,455,486	75%
MSGB Watermaster-Ready-to-Serve	6,300	25,200	75,600	50,400	67%
Sub Total	779,332	2,733,762	50,951,300	48,217,538	95%
Revolving Revenue					
MSGB Watermaster-SG River Watermaster	-	98,500	103,400	4,900	5%
Sub Total	-	98,500	103,400	4,900	5%
Other Administrative Revenues					
Interest/Investment Earnings	79,643	319,733	240,000	(79,733)	-33%
Taxes	-	217,109	798,000	580,891	73%
Other Income (Loss)	2,218	11,696	30,900	19,204	62%
Sub Total	81,861	548,538	1,068,900	520,362	49%
TOTAL ADMINISTRATIVE REVENUES	861,193	3,380,800	52,123,600	48,742,800	94%
CAPITAL PROJECT FUND REVENUES					
Recycled Water Revenues					
Recycled Water Sales	95,598	265,907	553,000	287,093	52%
Upper Recycled Water Surcharge Revenue	240,194	810,517	1,259,000	448,483	36%
Metropolitan Water District LRP Funds	18,394	53,740	120,000	66,260	55%
Parcel/Standby Charge	-	31,231	2,050,000	2,018,769	98%
Prop 84 Passthrough Grant	-	216,644	-	(216,644)	0%
Interest/Investment Earnings	4,674	15,512	21,200	5,688	27%
Sub Total	358,860	1,393,551	4,003,200	2,609,649	65%
Water Conservation Revenues					
Conservation Program Contributions	2,776	244,994	322,500	77,506	24%
Sub Total	2,776	244,994	322,500	77,506	24%
TOTAL CAPITAL PROJECT FUND REVENUES	361,636	1,638,545	4,325,700	2,687,155	62%
OTHER FUND REVENUES					
Water Quality and Supply Program Revenues					
Interest/Investment Earnings	(232)	7,079	81,200	74,121	91%
Sub Total	(232)	7,079	81,200	74,121	91%
Rate Stabilization Fund Revenues					
Interest/Investment Earnings	3,822	14,775	10,600	(4,175)	-39%
Sub Total	3,822	14,775	10,600	(4,175)	-39%
TOTAL OTHER FUND REVENUES	3,590	21,854	91,800	69,946	76%
TOTAL REVENUES	1,226,419	5,041,199	56,541,100	51,499,901	91%

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
MONTHLY FINANCIAL STATEMENT AND BUDGET COMPARISON
PERIOD ENDED OCTOBER 31, 2024

	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2024-25 BUDGET	AMOUNT OF BUDGET REMAINING	PERCENT OF BUDGET REMAINING
ADMINISTRATIVE AND OPERATING EXPENSES					
67% @ 10-31-24					
Personnel Expenses					
Employee Salaries	126,703	515,321	1,559,000	1,043,679	67%
Employee Benefits	27,573	97,448	366,300	268,852	73%
Retired Employee Benefits	6,278	(76,448)	113,700	190,148	167%
Employee Travel/Conference	4,000	8,591	55,000	46,409	84%
Sub Total	164,554	544,912	2,094,000	1,549,088	74%
Director Expenses					
Director Compensation	13,797	45,244	216,000	170,756	79%
Director Benefits	10,867	48,201	171,000	122,799	72%
Retired Director Benefits	1,237	(15,435)	26,700	42,135	158%
Director Public Outreach	1,820	7,351	25,000	17,649	71%
Director Travel/Conference	3,539	12,260	55,000	42,740	78%
Sub Total	31,260	97,621	493,700	396,079	80%
Pension Expense					
CalPERS-Employees, Directors, Retirees	15,381	267,509	337,000	69,491	21%
Sub Total	15,381	267,509	337,000	69,491	21%
Office Expenses					
Office Supplies/Equipment	2,685	8,957	40,000	31,043	78%
Equipment Operations & Maintenance	1,153	2,599	21,000	18,401	88%
Computer Systems	5,498	11,751	60,000	48,249	80%
Dues and Assessments	-	77,338	82,400	5,062	6%
Meeting Expense	1,397	6,662	35,000	28,338	81%
Sub Total	10,733	107,307	238,400	131,093	55%
Facility Expenses					
Building Maintenance	5,184	19,772	61,000	41,228	68%
Liability/Property Insurance	-	19,022	74,700	55,678	75%
Telephone/Utilities	10,009	24,847	53,000	28,153	53%
Sub Total	15,193	63,641	188,700	125,059	66%
Professional Services					
Legal/Financial	8,289	23,844	105,000	81,156	77%
Engineering	15,681	40,242	145,000	104,758	72%
Auditor	-	-	31,400	31,400	100%
Outside Services	1,710	23,472	55,000	31,528	57%
Public Information/Outreach	-	-	1,500	1,500	100%
Sub Total	25,680	87,558	337,900	250,342	74%
Other Expenses					
Election Costs	-	-	500,000	500,000	100%
Sub Total	-	-	500,000	500,000	100%
Allocation to Projects and Programs					
Salaries/Overhead Allocated to Projects	(103,792)	(415,168)	(1,245,500)	(830,332)	67%
Sub Total	(103,792)	(415,168)	(1,245,500)	(830,332)	67%
TOTAL	159,009	753,380	2,944,200	2,190,820	74%
Water Purchases					
Tier 1 Treated	474,430	1,501,949	3,960,700	2,458,751	62%
Tier 1 Untreated	-	182,750	39,732,000	39,549,250	100%
MWD Capacity Charge	-	90,720	392,000	301,280	77%
MWD Ready-to-Serve Charge	-	1,003,886	4,565,100	3,561,214	78%
Sub Total	474,430	2,779,305	48,649,800	45,870,495	94%
Revolving Expenses					
San Gabriel River Watermaster	-	98,500	103,400	4,900	5%
Sub Total	-	98,500	103,400	4,900	5%
TOTAL	474,430	2,877,805	48,753,200	45,875,395	94%
TOTAL ADMINISTRATIVE EXPENSES	633,439	3,631,185	51,697,400	48,066,215	93%

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
MONTHLY FINANCIAL STATEMENT AND BUDGET COMPARISON
PERIOD ENDED OCTOBER 31, 2024

	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2024-25 BUDGET	AMOUNT OF BUDGET REMAINING	PERCENT OF BUDGET REMAINING
RECYCLED WATER PROGRAM EXPENSES					67% @ 10-31-24
Water Purchases-Recycled Water	42,186	96,878	553,000	456,122	82%
SWRCB Loan Repayment	86,782	188,281	791,000	602,719	76%
Salaries and Overhead Allocation	6,325	25,300	75,900	50,600	67%
Standby Charge Development/Implementation	-	-	18,200	18,200	100%
Engineering - General	-	1,980	40,000	38,020	95%
Lobbyist	7,500	30,000	95,000	65,000	68%
Legal and Financial	-	-	3,000	3,000	100%
Public Information	-	2,360	5,000	2,640	53%
Operation and Maintenance Phase I/IIA	92,105	175,788	407,200	231,412	57%
Operation and Maintenance Phase IIB	19,941	65,244	190,800	125,556	66%
Sub Total	254,839	837,069	2,179,100	1,342,031	62%
TOTAL RECYCLED WATER EXPENSES	254,839	837,069	2,179,100	1,342,031	62%
CAPITAL PROGRAM EXPENSES					
San Gabriel Valley Water Recycling Project					
Direct Reuse Program	24,172	24,172	100,000	75,828	76%
USG Connections	-	-	95,000	95,000	100%
Legal and Financial	-	-	2,000	2,000	100%
Sub Total	24,172	24,172	197,000	172,828	88%
Other Capital Program Expenses					
District Headquarters	1,584	11,930	-	(11,930)	0%
Sub Total	1,584	11,930	-	(11,930)	0%
TOTAL CAPITAL PROGRAM EXPENSES	25,756	36,102	197,000	160,898	82%
STORMWATER PROGRAM EXPENSES					
Stormwater Program					
Salaries and Overhead Allocation	3,275	13,100	39,300	26,200	67%
Sub Total	3,275	13,100	39,300	26,200	67%
TOTAL STORMWATER EXPENSES	3,275	13,100	39,300	26,200	67%

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
MONTHLY FINANCIAL STATEMENT AND BUDGET COMPARISON
PERIOD ENDED OCTOBER 31, 2024

	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2024-25 BUDGET	AMOUNT OF BUDGET REMAINING	PERCENT OF BUDGET REMAINING
WATER CONSERVATION PROGRAM EXPENSES					
WATER USE EFFICIENCY					
Residential Programs					
Member Agency Administered Programs	18,787	70,264	167,500	97,236	58%
Regional Rebate Program	85	50,409	50,000	(409)	-1%
Sub Total	18,872	120,673	217,500	96,827	45%
Commercial/Industrial/Institution Programs					
Member Agency Administered Programs	-	67,497	105,000	37,503	36%
Regional Rebate Program	-	-	-	-	0%
Sub Total	-	67,497	105,000	37,503	36%
Allocation to Conservation Programs					
Salaries & Overhead	18,692	74,768	224,300	149,532	67%
Sub Total	18,692	74,768	224,300	149,532	67%
TOTAL WATER USE EFFICIENCY EXPENSES	37,564	262,938	546,800	283,862	52%
EDUCATION & COMMUNITY OUTREACH					
Watershed Programs					
Natural Vegetation Restoration Program	89	89	20,000	19,911	100%
Sub Total	89	89	20,000	19,911	100%
Educational Programs					
Water Awareness Youth Art Contests	-	548	-	(548)	0%
Educational Activities	-	7,280	60,000	52,720	88%
Memberships	-	23,521	140,000	116,479	83%
Educational Materials/Grant Program	-	(555)	55,000	55,555	101%
Educational Outreach Programs/Events	-	12,862	155,000	142,138	92%
Sub Total	-	43,656	410,000	366,344	89%
Outreach and Information Programs					
Public Workshops/Seminars	3,966	5,966	40,000	34,034	85%
Conservation Devices/Items	518	13,450	40,000	26,550	66%
Bottled Water Program	4,016	9,276	15,500	6,224	40%
Community/Industry Sponsorships	1,000	11,800	35,000	23,200	66%
Displays/Fairs/Presentations	465	1,483	5,000	3,517	70%
Conferences/Meetings	444	3,194	10,000	6,806	68%
Public Information	2,141	27,979	100,000	72,021	72%
Technical Assistance	10,073	42,072	70,000	27,928	40%
Legal/Financial	86	918	10,000	9,082	91%
Sub Total	22,709	116,138	325,500	209,362	64%
Allocation to Conservation Programs					
Salaries & Overhead	44,925	179,700	539,100	359,400	67%
Sub Total	44,925	179,700	539,100	359,400	67%
TOTAL EDUCATION & COMMUNITY OUTREACH EXPENSES	67,723	339,583	1,294,600	955,017	74%
TOTAL WATER CONSERVATION EXPENSES	105,287	602,521	1,841,400	1,238,879	67%
WATER QUALITY AND SUPPLY PROGRAM EXPENSES					
Policy 9-00-8 Groundwater Remediation Projects					
Engineering for Water Supply Projects	5,051	26,486	73,000	46,514	64%
Legislative Consultant	10,583	30,583	125,000	94,417	76%
Outside Services	2,500	10,000	-	(10,000)	0%
Sub Total	18,134	67,069	198,000	130,931	66%
Other Expenses					
Urban Water Management Plan/Related Studies	-	-	15,000	15,000	100%
Integrated Resources Plan	2,928	3,206	10,000	6,794	68%
Water Supply Reliability Plan/Emergency Preparedness	6,536	6,536	5,000	(1,536)	-31%
Legal and Financial	372	1,470	5,000	3,530	71%
Salaries and Overhead Allocation	30,575	122,300	366,900	244,600	67%
Sub Total	40,411	133,512	401,900	268,388	67%
TOTAL WATER QUALITY AND SUPPLY EXPENSES	58,545	200,581	599,900	399,319	67%
TOTAL EXPENSES	1,081,141	5,320,558	56,554,100	51,233,542	91%

**UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
SUMMARY OF CASH AND INVESTMENTS
October 31, 2024**

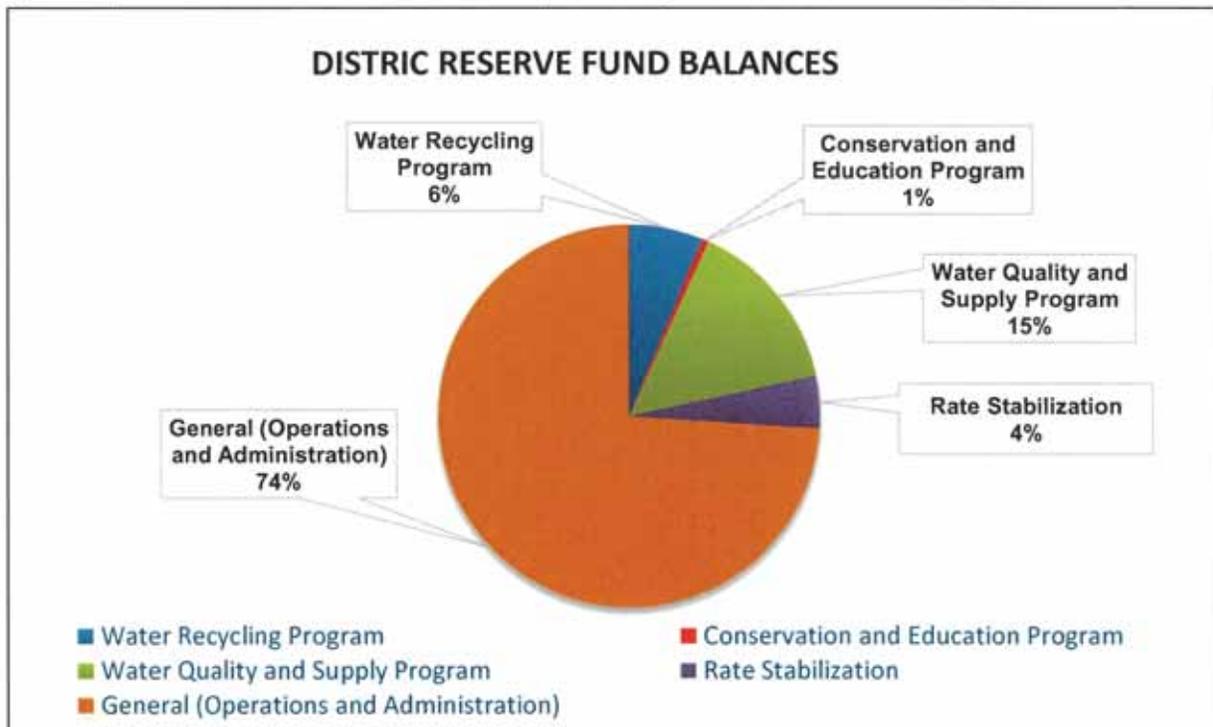
CASH AND INVESTMENT BALANCES

		<u>Amount (\$)</u>
Cash Account Balances		
General Fund-Checking	\$	537,934.49
Water Fund-Checking		84,869.63
Revolving Fund		562.89
Revolving Payroll Fund		184,171.07
Total Cash Account Balances	<u>\$</u>	<u>807,538.08</u>
 Investment Account Balances		
	<u>Market Value</u>	<u>Cost/Book Value</u>
Local Agency Investment Fund	\$ 8,699,425.44	\$ 8,699,425.44
Other Investments	5,973,497.16	5,918,099.25
Total Investment Account Balances	<u>\$ 14,672,922.60</u>	<u>\$ 14,617,524.69</u>
Total Cash and Investment Balances	<u>\$</u>	<u>15,480,460.68</u>

DISTRICT FUND BALANCES

Capital Program Fund:		
Water Recycling Program	\$	970,219.00
Conservation and Education Program		83,155.00
Water Quality and Supply Program		2,292,476.00
Sub Total		<u>3,345,850.00</u>
Rate Stabilization Fund		684,453.00
General Fund (Operations and Administration)		11,450,157.68
Total Fund Balances	<u>\$</u>	<u>15,480,460.68</u>

MANAGEMENT STATEMENT: It is the opinion of management that all fund balances are in compliance with all applicable statutes and the current investment policy of the District. It is also the opinion of management that projected cash flow liquidity is adequate to meet the next six months of expected obligations of the District.





Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

November 05, 2024

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

UPPER SAN GABRIEL VALLEY MUNICIPAL
WATER DISTRICT
GENERAL MANAGER
248 E. FOOTHILL BLVD, SUITE 200
MONROVIA, CA 91016

[Tran Type Definitions](#)

Account Number: 90-19-021

October 2024 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
10/15/2024	10/14/2024	QRD	1761773	N/A	SYSTEM	106,206.32

Account Summary

Total Deposit:	106,206.32	Beginning Balance:	8,593,219.12
Total Withdrawal:	0.00	Ending Balance:	8,699,425.44



MONTHLY ACCOUNT STATEMENT

Upper San Gabriel Valley Municipal Water District | Account #10214 | As of October 31, 2024

CHANDLER ASSET MANAGEMENT | chandlerasset.com

Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact clientservice@chandlerasset.com

Custodian:

US Bank

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures at the end of the statement.

PORTFOLIO SUMMARY



Upper San Gabriel Valley Municipal Water District | Account #10214 | As of October 31, 2024

Portfolio Characteristics

Average Modified Duration	1.38
Average Coupon	3.71%
Average Purchase YTM	3.91%
Average Market YTM	4.31%
Average Quality	AAA
Average Final Maturity	1.47
Average Life	1.41

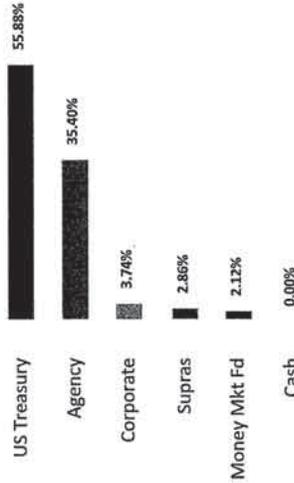
Account Summary

	Beg. Values as of 10/01/2024	End Values as of 10/31/2024
Market Value	5,458,326.65	5,435,573.84
Accrued Interest	45,359.14	50,534.13
Total Market Value	5,503,685.80	5,486,107.97
Income Earned	22,001.34	17,960.81
Cont/WD	0.00	0.00
Par	5,428,211.26	5,439,490.97
Book Value	5,418,462.89	5,430,178.20
Cost Value	5,406,771.35	5,414,765.90

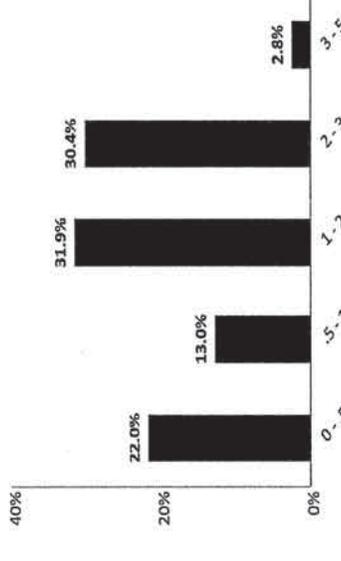
Top Issuers

United States	55.88%
Farm Credit System	25.78%
Federal Home Loan Banks	9.61%
First American Govt Oblig fund	2.12%
Inter-American Development Bank	1.85%
Walmart Inc.	1.19%
Microsoft Corporation	1.18%
International Finance Corporation	1.01%

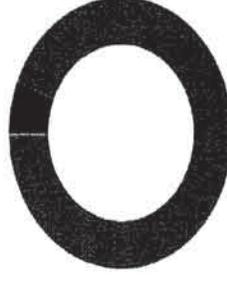
Sector Allocation



Maturity Distribution



Credit Quality



AAA 6.2% AA 93.4% A 0.5%

*See Footnote

Performance Review

Total Rate of Return	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	Since Inception (06/01/14)
Upper San Gabriel VMWD	(0.31%)	1.14%	3.89%	5.77%	4.72%	2.06%	1.75%	1.58%	1.53%
Benchmark Return*	(0.31%)	1.19%	3.82%	5.66%	4.58%	1.92%	1.65%	1.47%	1.44%

*Periods over 1 year are annualized.
 Benchmark: ICE BofA 0-3 Year US Treasury Index Secondary Benchmark:
 The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch
 Execution Time: 11/04/2024 04:53:04 PM

STATEMENT OF COMPLIANCE



Upper San Gabriel Valley Municipal Water District | Account #10214 | As of October 31, 2024

Rules Name	Limit	Actual	Compliance Status	Notes
COLLATERALIZED BANK DEPOSITS				
Max Maturity (Years)	1.0	0.0	Compliant	
Min Rating (F1 by Fitch if > FDIC Limit)	0.0	0.0	Compliant	
COLLATERALIZED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max Maturity (Years)	1.0	0.0	Compliant	
Min Rating (F1 by Fitch if > FDIC Limit)	0.0	0.0	Compliant	
CORPORATE MEDIUM TERM NOTES				
Max % (MV)	30.0	3.7	Compliant	
Max % Issuer (MV)	5.0	1.2	Compliant	
Max Maturity (Years)	5	1	Compliant	
Min Rating (A- by 1 if < 2 Years; AA- if > 2 Years)	0.0	0.0	Compliant	
FDIC INSURED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max Maturity (Years)	1	0.0	Compliant	
FEDERAL AGENCIES				
Max % (MV)	60.0	35.4	Compliant	
Max Maturity (Years)	5	3	Compliant	
LOCAL AGENCY INVESTMENT FUND (LAIF)				
Max Concentration (MV)	75.0	0.0	Compliant	
LOCAL GOVERNMENT INVESTMENT POOL (LGIP)				
Max % (MV)	100.0	0.0	Compliant	
MONEY MARKET MUTUAL FUNDS				
Max % (MV)	20.0	2.1	Compliant	
Max % Issuer (MV)	20.0	2.1	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD)				
Max % (MV)	30.0	0.0	Compliant	
Max Maturity (Years)	1	0.0	Compliant	
Min Rating (F1 by Fitch if > FDIC Limit)	0.0	0.0	Compliant	
SUPRANATIONAL OBLIGATIONS				
Max % (MV)	30.0	2.9	Compliant	
Max % Issuer (MV)	10.0	1.8	Compliant	
Max Maturity (Years)	5	2	Compliant	

STATEMENT OF COMPLIANCE



Upper San Gabriel Valley Municipal Water District | Account #10214 | As of October 31, 2024

Rules Name	Limit	Actual	Compliance Status	Notes
Min Rating (AA- by 1)	0.0	0.0	Compliant	
U.S. TREASURIES				
Max % (MV)	100.0	55.9	Compliant	
Max Maturity (Years)	5	2	Compliant	

RECONCILIATION SUMMARY



Upper San Gabriel Valley Municipal Water District | Account #10214 | As of October 31, 2024

Maturities / Calls	
Month to Date	(200,000.00)
Fiscal Year to Date	(550,000.00)
Principal Paydowns	
Month to Date	0.00
Fiscal Year to Date	0.00
Purchases	
Month to Date	311,633.54
Fiscal Year to Date	1,351,406.97

Accrual Activity Summary		
	Month to Date	Fiscal Year to Date (07/01/2024)
Beginning Book Value	5,418,462.89	5,371,908.45
Maturities/Calls	(200,000.00)	(550,000.00)
Principal Paydowns	0.00	0.00
Purchases	311,633.54	1,351,406.97
Sales	(100,342.24)	(741,865.69)
Change in Cash, Payables, Receivables	(417.84)	(3,932.98)
Amortization/Accretion	841.84	3,423.31
Realized Gain (Loss)	0.00	(761.87)
Ending Book Value	5,430,178.20	5,430,178.20

Sales	
Month to Date	(100,342.24)
Fiscal Year to Date	(741,865.69)
Interest Received	
Month to Date	12,039.79
Fiscal Year to Date	62,654.78
Purchased / Sold Interest	
Month to Date	(95.81)
Fiscal Year to Date	(527.37)

Fair Market Activity Summary		
	Month to Date	Fiscal Year to Date (07/01/2024)
Beginning Market Value	5,458,326.65	5,331,069.71
Maturities/Calls	(200,000.00)	(550,000.00)
Principal Paydowns	0.00	0.00
Purchases	311,633.54	1,351,406.97
Sales	(100,342.24)	(741,865.69)
Change in Cash, Payables, Receivables	(417.84)	(3,932.98)
Amortization/Accretion	841.84	3,423.31
Change in Net Unrealized Gain (Loss)	(34,468.12)	46,234.38
Realized Gain (Loss)	0.00	(761.87)
Ending Market Value	5,435,573.84	5,435,573.84

HOLDINGS REPORT



Upper San Gabriel Valley Municipal Water District | Account #10214 | As of October 31, 2024

Cusip	Security Description	Par Value/ Units	Purchase Date	Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
AGENCY										
3130AQF40	FEDERAL HOME LOAN BANKS 1.0 12/20/2024	75,000.00	12/21/2021	1.03%	74,934.00 74,997.04	99.50 4.65%	74,627.77 272.92	1.37% (369.27)	Aaa/AA+ AA+	0.14 0.14
3133ENKS8	FEDERAL FARM CREDIT BANKS FUNDING CORP 1.125 01/06/2025	40,000.00	01/06/2022	1.20%	39,910.00 39,994.56	99.36 4.68%	39,744.30 143.75	0.73% (250.25)	Aaa/AA+ AA+	0.18 0.18
3133ENPG9	FEDERAL FARM CREDIT BANKS FUNDING CORP 1.75 02/14/2025	70,000.00	02/10/2022	1.84%	69,813.10 69,982.08	99.18 4.65%	69,423.16 262.01	1.28% (558.92)	Aaa/AA+ AA+	0.29 0.28
3133ENPY0	FEDERAL FARM CREDIT BANKS FUNDING CORP 1.75 02/25/2025	100,000.00	03/09/2022	1.90%	99,578.00 99,954.76	99.06 4.76%	99,057.29 320.83	1.82% (897.47)	Aaa/AA+ AA+	0.32 0.31
3130AUZC1	FEDERAL HOME LOAN BANKS 4.625 03/14/2025	100,000.00	03/23/2023	4.18%	100,823.00 100,151.82	99.98 4.66%	99,975.54 603.82	1.84% (176.28)	Aaa/AA+ AA+	0.37 0.36
3133EPC37	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.875 11/13/2025	100,000.00	11/27/2023	4.93%	99,891.00 99,942.61	100.59 4.28%	100,589.68 2,275.00	1.85% 647.08	Aaa/AA+ AA+	1.04 0.98
3133EPL37	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.625 12/08/2025	100,000.00	12/18/2023	4.50%	100,230.00 100,128.42	100.42 4.23%	100,416.84 1,837.15	1.85% 288.42	Aaa/AA+ AA+	1.10 1.05
3133EPW68	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.125 01/22/2026	100,000.00	01/24/2024	4.40%	99,490.00 99,686.85	99.86 4.24%	99,860.10 1,134.38	1.84% 173.25	Aaa/AA+ AA+	1.23 1.17
3133EN7J3	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.875 02/02/2026	69,000.00	02/15/2023	4.51%	67,798.71 68,491.51	99.60 4.21%	68,720.92 661.01	1.26% 229.42	Aaa/AA+ AA+	1.26 1.20
3133EPCF0	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.5 03/02/2026	100,000.00	03/23/2023	3.97%	101,445.00 100,653.88	100.35 4.22%	100,351.88 737.50	1.85% (302.01)	Aaa/AA+ AA+	1.33 1.28
3133EPT77	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.75 04/13/2026	100,000.00	04/10/2023	3.99%	99,332.00 99,678.19	99.31 4.25%	99,307.26 187.50	1.83% (370.93)	Aaa/AA+ AA+	1.45 1.39
3130AWLZ1	FEDERAL HOME LOAN BANKS 4.75 06/12/2026	90,000.00	07/19/2023	4.45%	90,720.00 90,400.15	100.90 4.16%	90,812.19 1,650.63	1.67% 412.03	Aaa/AA+ AA+	1.61 1.51
3133EPZY4	FEDERAL FARM CREDIT BANKS FUNDING CORP 5.0 07/30/2026	100,000.00	10/30/2023	5.01%	99,970.00 99,980.98	101.36 4.18%	101,357.95 1,263.89	1.86% 1,376.97	Aaa/AA+ AA+	1.74 1.64
3133EPUW3	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.75 09/01/2026	95,000.00	10/23/2023	4.99%	94,392.00 94,610.02	100.94 4.21%	95,897.45 752.08	1.76% 1,287.43	Aaa/AA+ AA+	1.84 1.73
3130AXU63	FEDERAL HOME LOAN BANKS 4.625 11/17/2026	105,000.00	11/16/2023	4.69%	104,814.15 104,873.50	100.99 4.11%	106,041.64 2,212.29	1.95% 1,168.14	Aaa/AA+ AA+	2.05 1.90

HOLDINGS REPORT



Upper San Gabriel Valley Municipal Water District | Account #10214 | As of October 31, 2024

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
3133EP6K6	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.5 03/26/2027	125,000.00	03/25/2024 4.45%	125,181.25 125,144.83	100.79 4.15%	125,989.50 546.88	2.32% 844.66	Aaa/AA+ AA+	2.40 2.25
3133ERFJ5	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.5 05/20/2027	100,000.00	05/23/2024 4.80%	99,184.50 99,304.84	100.83 4.15%	100,832.63 2,012.50	1.86% 1,527.78	Aaa/AA+ AA+	2.55 2.34
3133ERM84	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.25 07/23/2027	100,000.00	07/22/2024 4.34%	99,752.00 99,774.87	100.20 4.17%	100,199.78 1,156.94	1.84% 424.91	Aaa/AA+ AA+	2.73 2.52
3133ERNP2	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.0 08/06/2027	100,000.00	08/22/2024 3.86%	100,383.00 100,358.13	99.71 4.11%	99,711.33 944.44	1.83% (646.80)	Aaa/AA+ AA+	2.76 2.57
3130AWTR1	FEDERAL HOME LOAN BANKS 4.375 09/08/2028	150,000.00	09/15/2023 4.51%	149,059.50 149,271.72	100.70 4.17%	151,055.33 966.15	2.78% 1,783.60	Aaa/AA+ AA+	3.86 3.49
Total Agency		1,919,000.00	4.05%	1,916,701.21 1,917,380.76	100.26 4.29%	1,923,972.51 19,941.67	35.40% 6,591.75	Aaa/AA+ AA+	1.67 1.56
CASH									
CCYUSD	Receivable	134.45	-- 0.00%	134.45	1.00 0.00%	134.45 0.00	0.00% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		134.45	0.00%	134.45	1.00 0.00%	134.45 0.00	0.00% 0.00	Aaa/AAA AAA	0.00 0.00
CORPORATE									
037833BG4	APPLE INC 3.2 05/13/2025	50,000.00	05/11/2022 3.02%	50,260.50 50,045.87	99.26 4.61%	49,630.99 746.67	0.91% (414.88)	Aaa/AA+ NA	0.53 0.51
1941G2AM5	COLGATE-PALMOLIVE CO 3.1 08/15/2025	25,000.00	08/01/2022 3.13%	24,977.00 24,995.29	99.00 4.39%	24,750.97 163.61	0.46% (244.32)	Aa3/A+ NA	0.79 0.76
931142EW9	WALMART INC 3.9 09/09/2025	65,000.00	-- 3.84%	65,103.50 65,030.02	99.59 4.39%	64,731.29 366.17	1.19% (298.73)	Aa2/AA AA	0.86 0.83
594918B12	MICROSOFT CORP 3.125 11/03/2025	65,000.00	01/24/2023 4.28%	63,051.30 64,293.31	98.72 4.44%	64,170.16 1,004.34	1.18% (123.15)	Aaa/AAA WR	1.01 0.96
Total Corporate		205,000.00	3.69%	203,392.30 204,364.48	99.16 4.46%	203,283.40 2,280.78	3.74% (1,081.08)	Aa1/AA AA	0.82 0.79
MONEY MARKET FUND									
31846V203	FIRST AMER:GVT OBLG Y	115,356.52	-- 4.44%	115,356.52 115,356.52	1.00 4.45%	115,356.52 0.00	2.12% 0.00	Aaa/ AAAm AAA	0.00 0.00

HOLDINGS REPORT



Upper San Gabriel Valley Municipal Water District | Account #10214 | As of October 31, 2024

Cusip	Security Description	Par Value/ Units	Purchase Date	Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
Total Money Market Fund		115,356.52	4.44%		115,356.52	1.00	115,356.52	2.12%	Aaa/ AAAm AAA	0.00
SUPRANATIONAL										
4581X0EK0	INTER-AMERICAN DEVELOPMENT BANK 4.5 05/15/2026	100,000.00	06/27/2023	4.53%	99,923.00 99,958.70	100.29 4.30%	100,291.63 2,075.00	1.85% 332.94	Aaa/AAA NA	1.54 1.44
45950KDF4	INTERNATIONAL FINANCE CORP 4.375 01/15/2027	55,000.00	11/29/2023	4.49%	54,820.70 54,872.94	100.24 4.26%	55,131.16 708.67	1.01% 258.21	Aaa/AAA NA	2.21 2.06
Total Supranational		155,000.00	4.52%		154,743.70 154,831.64	100.27 4.29%	155,422.79 2,783.67	2.86% 591.15	Aaa/AAA NA	1.77 1.66
US TREASURY										
91282CDH1	UNITED STATES TREASURY 0.75 11/15/2024	100,000.00	11/29/2021	0.81%	99,816.41 99,997.62	99.85 4.70%	99,849.47 346.47	1.84% (148.16)	Aaa/AA+ AA+	0.04 0.04
912828YV6	UNITED STATES TREASURY 1.5 11/30/2024	75,000.00	09/29/2021	0.57%	77,188.48 75,054.85	99.75 4.66%	74,811.26 473.36	1.38% (243.59)	Aaa/AA+ AA+	0.08 0.08
91282CDN8	UNITED STATES TREASURY 1.0 12/15/2024	100,000.00	12/09/2021	1.00%	100,003.91 100,000.09	99.56 4.69%	99,556.25 379.78	1.83% (443.84)	Aaa/AA+ AA+	0.12 0.12
91282CDS7	UNITED STATES TREASURY 1.125 01/15/2025	100,000.00	03/16/2022	2.05%	97,437.50 99,814.31	99.29 4.64%	99,287.11 333.22	1.83% (527.20)	Aaa/AA+ AA+	0.21 0.20
912828ZT1	UNITED STATES TREASURY 2.75 02/28/2025	125,000.00	03/25/2024	5.07%	122,402.34 124,088.14	99.41 4.54%	124,267.58 588.74	2.29% 179.44	Aaa/AA+ AA+	0.33 0.32
912828ZF0	UNITED STATES TREASURY 0.5 03/31/2025	100,000.00	04/04/2022	2.60%	93,921.88 99,164.33	98.40 4.46%	98,397.66 43.96	1.81% (766.67)	Aaa/AA+ AA+	0.41 0.40
91282CEH0	UNITED STATES TREASURY 2.625 04/15/2025	100,000.00	04/27/2022	2.72%	99,738.28 99,960.13	99.20 4.41%	99,203.91 122.60	1.83% (756.22)	Aaa/AA+ AA+	0.45 0.44
91282CEQ0	UNITED STATES TREASURY 2.75 05/15/2025	100,000.00	06/01/2022	2.84%	99,738.28 99,952.66	99.10 4.46%	99,097.66 1,270.38	1.82% (855.00)	Aaa/AA+ AA+	0.54 0.52
91282CHL8	UNITED STATES TREASURY 4.625 06/30/2025	150,000.00	06/26/2024	5.11%	149,291.02 149,535.70	100.14 4.40%	150,210.94 2,337.64	2.76% 675.24	Aaa/AA+ AA+	0.66 0.64
91282CEY3	UNITED STATES TREASURY 3.0 07/15/2025	100,000.00	09/29/2022	4.26%	96,667.97 99,162.90	99.11 4.30%	99,107.42 888.59	1.82% (55.48)	Aaa/AA+ AA+	0.70 0.68
91282CFE6	UNITED STATES TREASURY 3.125 08/15/2025	100,000.00	05/31/2023	4.32%	97,503.91 99,111.19	99.03 4.39%	99,027.34 662.36	1.82% (83.85)	Aaa/AA+ AA+	0.79 0.76

HOLDINGS REPORT



Upper San Gabriel Valley Municipal Water District | Account #10214 | As of October 31, 2024

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CFP1	UNITED STATES TREASURY 4.25 10/15/2025	120,000.00	12/12/2022 4.15%	120,318.75 120,106.97	99.94 4.32%	119,923.12 238.19	2.21% (183.84)	Aaa/AA+ AA+	0.96 0.92
91282CGA3	UNITED STATES TREASURY 4.0 12/15/2025	120,000.00	12/15/2022 3.95%	120,150.00 120,056.03	99.68 4.29%	119,615.63 1,822.95	2.20% (440.40)	Aaa/AA+ AA+	1.12 1.07
91282CGE5	UNITED STATES TREASURY 3.875 01/15/2026	100,000.00	-- 4.33%	99,214.45 99,482.84	99.55 4.26%	99,550.78 1,147.76	1.83% 67.94	Aaa/AA+ AA+	1.21 1.15
91282CKB6	UNITED STATES TREASURY 4.625 02/28/2026	125,000.00	03/25/2024 4.63%	124,980.47 124,986.57	100.45 4.27%	125,561.52 990.16	2.31% 574.95	Aaa/AA+ AA+	1.33 1.27
91282CHB0	UNITED STATES TREASURY 3.625 05/15/2026	140,000.00	05/23/2023 3.98%	138,610.94 139,284.38	99.11 4.23%	138,753.13 2,344.43	2.55% (531.26)	Aaa/AA+ AA+	1.54 1.45
91282CHU8	UNITED STATES TREASURY 4.375 08/15/2026	100,000.00	08/24/2023 4.69%	99,144.53 99,486.40	100.32 4.18%	100,320.31 927.31	1.85% 833.91	Aaa/AA+ AA+	1.79 1.69
91282CHY0	UNITED STATES TREASURY 4.625 09/15/2026	125,000.00	09/15/2023 4.72%	124,682.62 124,801.67	100.79 4.18%	125,991.21 750.60	2.32% 1,189.54	Aaa/AA+ AA+	1.87 1.77
91282CJP7	UNITED STATES TREASURY 4.375 12/15/2026	120,000.00	09/25/2024 3.53%	122,151.56 122,055.94	100.44 4.15%	120,529.69 1,993.85	2.22% (1,526.25)	Aaa/AA+ AA+	2.12 1.97
91282CJT9	UNITED STATES TREASURY 4.0 01/15/2027	125,000.00	01/31/2024 4.00%	124,985.35 124,989.08	99.69 4.15%	124,614.26 1,480.98	2.29% (374.82)	Aaa/AA+ AA+	2.21 2.06
91282CKE0	UNITED STATES TREASURY 4.25 03/15/2027	125,000.00	04/25/2024 4.86%	122,954.10 123,321.31	100.26 4.13%	125,327.15 689.74	2.31% 2,005.84	Aaa/AA+ AA+	2.37 2.22
91282CKI9	UNITED STATES TREASURY 4.5 04/15/2027	125,000.00	04/25/2024 4.85%	123,793.95 124,004.23	100.84 4.14%	126,044.92 262.71	2.32% 2,040.69	Aaa/AA+ AA+	2.45 2.30
91282CKV2	UNITED STATES TREASURY 4.625 06/15/2027	150,000.00	06/26/2024 4.51%	150,462.89 150,408.61	101.22 4.13%	151,833.98 2,634.73	2.79% 1,425.38	Aaa/AA+ AA+	2.62 2.41
91282CKZ3	UNITED STATES TREASURY 4.375 07/15/2027	100,000.00	07/22/2024 4.30%	100,218.75 100,198.42	100.61 4.13%	100,609.38 1,295.86	1.85% 410.95	Aaa/AA+ AA+	2.70 2.50
91282CLG4	UNITED STATES TREASURY 3.75 08/15/2027	100,000.00	08/22/2024 3.82%	99,812.50 99,824.57	99.00 4.13%	99,000.00 794.84	1.82% (824.57)	Aaa/AA+ AA+	2.79 2.60
91282CLL3	UNITED STATES TREASURY 3.375 09/15/2027	120,000.00	09/25/2024 3.48%	119,653.13 119,664.65	98.00 4.12%	117,600.00 525.83	2.16% (2,064.65)	Aaa/AA+ AA+	2.87 2.69
91282CLO2	UNITED STATES TREASURY 3.875 10/15/2027	100,000.00	10/23/2024 4.02%	99,593.75 99,596.74	99.31 4.12%	99,312.50 180.98	1.83% (284.24)	Aaa/AA+ AA+	2.96 2.76
Total US Treasury		3,045,000.00	3.80%	3,024,437.72 3,038,110.34	99.76 4.30%	3,037,404.16 25,528.00	55.88% (706.18)	Aaa/AA+ AA+	1.43 1.35

HOLDINGS REPORT



Upper San Gabriel Valley Municipal Water District | Account #10214 | As of October 31, 2024

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
		5,439,490.97	3.91%	5,414,765.90 5,430,178.20	97.83 4.31%	5,435,573.84 50,534.13	100.00% 5,395.64	Aaa/AA+ AA+	1.47 1.38
Total Portfolio									
Total Market Value + Accrued						5,486,107.97			



Brokerage Account Statement

October 1, 2024 - October 31, 2024
Account Number: GPC-016100

UPPER SAN GABRIEL VALLEY
WATER DISTRICT
248 E FOOTHILL BLVD STE 200
MONROVIA CA 91016-5523

Portfolio at a Glance

	This Period
BEGINNING ACCOUNT VALUE	\$487,070.29
Dividends, Interest and Other Income	13.36
Net Change in Portfolio¹	95.00
ENDING ACCOUNT VALUE	\$487,178.65
Accrued Interest	\$210.64
Account Value with Accrued Interest	\$487,389.29
Estimated Annual Income	\$117.98

¹ Net Change in Portfolio is the difference between the ending account value and beginning account value after activity.

Your Account Information

TAX LOT DEFAULT DISPOSITION METHOD

Default Method for Mutual Funds: First In First Out
Default Method for Stocks in a Dividend Reinvestment Plan: First In First Out
Default Method for all Other Securities: First In First Out

BOND AMORTIZATION ELECTIONS

Amortize premium on taxable bonds based on Constant Yield Method: Yes
Accrual market discount method for all other bond types: Constant Yield Method
Include market discount in income annually: No

ELECTRONIC DELIVERY

Congratulations! All your documents are enrolled for electronic delivery. Please log in to your account or contact your Registered Representative to make any changes to your electronic delivery preferences.

E-mail notifications are delivered to the following e-mail address(es):

evelyn@usgymwd.org
*evelyn@usgymwd.org is on file for these documents



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EXCELLENCE

Clearing through Pershing LLC, a wholly owned
subsidiary of The Bank of New York Mellon
Corporation (BNY Mellon)
Pershing LLC, member FINRA, NYSE, SIPC

Portfolio Holdings

Description	Quantity	Opening Balance	Closing Balance	Accrued Income	Income This Year	30-Day Yield
CASH, MONEY FUNDS AND BANK DEPOSITS 1.00% of Portfolio						
Money Market						
GOLDMAN SACHS FSO GOVT CMS	3,953.6500	3,940.29	3,953.65	0.00	117.98	3.99%
Total Money Market		\$3,940.29	\$3,953.65	\$0.00	\$117.98	
TOTAL CASH, MONEY FUNDS AND BANK DEPOSITS		\$3,940.29	\$3,953.65	\$0.00	\$117.98	

Description	Quantity	Market Price	Market Value	Accrued Interest	Estimated Annual Income
FIXED INCOME 99.00% of Portfolio (In Maturity Date Sequence)					
U.S. Treasury Securities					
UNITED STATES TREAS NTS 0.250% 08/31/25 B/E DTD 08/31/20 1ST CPN DTE 02/28/21 CPN PMT SEMI ANNUAL ON FEB 28 AND AUG 31 Moody Rating: Aaa Security Identifier: 9128ZCA10	500,000.0000	96.6450	483,225.00	210.64	
Total U.S. Treasury Securities			\$483,225.00	\$210.64	
TOTAL FIXED INCOME			\$483,225.00	\$210.64	\$117.98

Total Portfolio Holdings

Portfolio Holdings Disclosures

Pricing

This section includes the net market value of the securities in your account on a settlement date basis, including short positions, at the close of the statement period. The market prices, unless otherwise noted, have been obtained from independent vendor services, which we believe to be reliable. In some cases the pricing vendor may provide prices quoted by a single broker or market maker. Market prices do not constitute a bid or an offer, and may differ from the actual sale price. Securities for which a price is not available are marked "N/A" and are omitted from the Total.

THE AS OF PRICE DATE ONLY APPEARS WHEN THE PRICE DATE DOES NOT EQUAL THE STATEMENT DATE.

Estimated Annual Figures

The estimated annual income (EAI) and estimated annual yield (EAY) figures are estimates and for informational purposes only. These figures are not considered to be a forecast or guarantee of future results. These figures are computed using information from providers believed to be reliable; however, no assurance can be made as to the accuracy. Since interest and dividend rates are subject to change at any time, and may be affected by current and future economic, political, and business conditions, they should not be relied on for making investment, trading, or tax decisions. These figures assume that the position quantities, interest and dividend rates, and prices remain constant. A capital gain or return of principal may be included in the figures for certain securities, thereby overstating them. Refer to www.pershing.com/disclosures for specific details as to formulas used to calculate the figures. Accrued interest represents interest earned but not yet received.

Reinvestment

The dollar amount of Mutual Fund distributions, Money Market Fund dividend income, Bank Deposit interest income, or dividends for other securities shown on your statement may have been reinvested. You will not receive confirmation of these reinvestments. Upon written request to your financial institution, information pertaining to these transactions,



October 1, 2024 - October 31, 2024
UPPER SAN GABRIEL VALLEY

Portfolio Holdings Disclosures (continued)

Reinvestment (continued)

including the time of execution and the name of the person from whom your security was purchased, may be obtained. In dividend reinvestment transactions, Pershing acts as your agent and receives payment for order flow.

Option Disclosure

Information with respect to commissions and other charges incurred in connection with the execution of option transactions has been included in confirmations previously furnished to you. A summary of this information is available to you promptly upon your written request directed to your introducing firm. In order to assist your introducing firm in maintaining current background and financial information concerning your option accounts, please promptly advise them in writing of any material change in your investment objectives or financial situation. Expiring options which are valuable are exercised automatically pursuant to the exercise by exception procedure of the Options Clearing Corporation. Additional information regarding this procedure is available upon written request to your introducing firm.

Foreign Currency Transactions

Pershing will execute foreign currency transactions as principal for your account. Pershing may automatically convert foreign currency to or from U.S. dollars for dividends and similar corporate action transactions unless you instruct your financial organization otherwise. Pershing's currency conversion rate will not exceed the highest interbank conversion rate identified from customary banking sources on the conversion date or the prior business day, increased by up to 1%, unless a particular rate is required by applicable law. Your financial organization may also increase the currency conversion rate. This conversion rate may differ from rates in effect on the date you executed a transaction, incurred a charge, or received a credit. Transactions converted by agents (such as depositories) will be billed at the rates such agents use.

Proxy Vote

Securities not fully paid for in your margin account may be lent by Pershing to itself or others in accordance with the terms outlined in the Margin Agreement. The right to vote your shares held on margin may be reduced by the amount of shares on loan. The Proxy Voting Instruction Form sent to you may reflect a smaller number of shares entitled to vote than the number of shares in your margin account.

Variable Rate Securities

Interest rate data for certain complex and/or variable rate securities is provided to Pershing by third-party data service providers pursuant to contractual arrangements. Although we seek to use reliable sources of information, the accuracy, reliability, timeliness, and completeness of interest rate data may vary sometimes, particularly for complex and/or variable rate securities and those with limited or no secondary market. As a result, we can offer no assurance as to the accuracy, reliability, timeliness, or completeness of interest rate data for such securities. Pershing may also occasionally make interest rate updates and adjustments based on its reasonable efforts to obtain accurate, reliable, timely, and/or complete interest rate data from other data sources, but we can similarly provide no assurance that those rates or adjustments will be accurate, reliable, timely, or complete.

When updated interest rate data is received from a third-party data service provider or adjusted by Pershing, the updated data will be reflected in various sources where interest rate data is used or viewed, including both paper and electronic communications and data sources. Prior use or communication of interest rate-related data will not be revised. Since variable interest rates may be subject to change at any time and are only as accurate as the data received from third-party data service providers or otherwise obtained by Pershing, interest rate data should not be relied on for making investment, trading, or tax decisions. All interest rate data and other information derived from and/or calculated using interest rates are not warranted as to accuracy, reliability, timeliness, or completeness and are subject to change without notice. Pershing disclaims any responsibility or liability to the fullest extent permitted by applicable law for any loss or damage arising from any reliance on or use of the interest rate data or other information derived from and/or calculated using interest rates in any way. You should request a current valuation from your financial adviser or broker prior to making a financial decision or placing an order or requesting a transaction in these securities.

Portfolio Holdings Disclosures (continued)

Structured Products

Structured products in this section are complex products and may be subject to special risks, which may include, but are not limited to: loss of initial investment; issuer credit risk; limited or no appreciation; risks associated with the underlying reference asset(s); no periodic payments; call prior to maturity (a redemption could affect the yield represented); early redemption fees or other applicable fees; price volatility resulting from issuer's and/or guarantor's credit quality; lower interest rates and/or yield compared to conventional debt with a comparable maturity; unique tax implications; concentration risk of owning the related security, limited or no secondary market; restrictions on transferability; conflicts of interest; and limits on participation in appreciation of underlying asset(s). To review a complete list of risks, please refer to the offering documents for the structured product. For more information about the risks specific to your structured products, you should contact your financial institution or advisor. Certain structured products are designed to make periodic distributions to you and any such structured product distributions you receive will be listed in the Transactions section of your statement. Structured product distributions may be listed there as "Bond Interest Received"; however, this description is not intended to reflect a determination as to either the asset classification of the product or the U.S. tax treatment of such distributions.

Income and Expense Summary

	Current Period		Year-to-Date	
	Taxable	Non Taxable	Taxable	Non Taxable
Dividend Income				
Money Market-Non-Qualified	13.36	0.00	117.98	0.00
Interest Income				
Bond Interest	0.00	0.00	1,250.00	0.00
Total Income	\$13.36	\$0.00	\$1,367.98	\$0.00

Activity Summary (All amounts shown are in base currency)

	Current Period		Year-to-Date		Net Year-to-Date	
	Credits This Period	Debits This Period	Net This Period	Credits Year-to-Date	Debits Year-to-Date	Net Year-to-Date
Dividends and Interest	\$13.36	\$0.00	\$13.36	\$1,367.98	\$0.00	\$1,367.98
Fees	\$0.00	\$0.00	\$0.00	\$0.00	-\$3.00	-\$3.00
Totals	\$13.36	\$0.00	\$13.36	\$1,367.98	-\$3.00	\$1,364.98

Transactions in Date Sequence

Process/ Settlement Date	Activity Type	Description	Quantity	Price	Accrued Interest	Amount	Currency
10/31/24	MONEY MARKET FUND INCOME RECEIVED Non-Qualified PER8Z220	GOLDMAN SACHS FSO				13.36	USD

Total Value of Transactions

The price and quantity displayed may have been rounded.

\$0.00 \$13.36 USD

Upper San Gabriel Valley Municipal Water District
 Summary of Director Outreach Expenses
 For the period ended October 31, 2024

Director	Jul-24	Aug-24	Sep-24	Oct-24	YTD Actual	Balance Remaining
Director Chavez	\$ 2,900.00	1,000.00	-	-	\$ 3,900.00	\$ 1,100.00
Director Fellow	500.00	162.50	-	320.00	982.50	4,017.50
Director Treviño	-	-	-	-	-	5,000.00
Director Santana	-	217.50	750.00	1,000.00	1,967.50	3,032.50
Director Garcia	-	-	-	500.00	500.00	4,500.00
Total	\$ 3,400.00	1,380.00	750.00	1,820.00	\$ 7,350.00	\$ 17,650.00

Upper San Gabriel Valley Municipal Water District
 Director Public Outreach Program Expenses
 For the period ended October 31, 2024

Director Chavez

<u>Paid Date</u>	<u>Description</u>	<u>Amount</u>	<u>Check #</u>	<u>Recipient</u>
07/17/24	Golf Tournament Sponsorship	2,500.00	23856	Rio Hondo College Foundation
07/31/24	Golf Tournament Sponsorship	400.00	23864	American Legion Post 241
08/14/24	Monthly Community Dinner Sponsorship	1,000.00	23872	American Legion Post 241
		Total		
		<u>3,900.00</u>		
	Outreach Fund Balance			
		<u>1,100.00</u>		

Upper San Gabriel Valley Municipal Water District
 Director Public Outreach Program Expenses
 For the period ended October 31, 2024

Director Fellow

Paid Date	Description	Amount	Check #	Recipient
07/31/24	Summer Day Camp Sponsorship	500.00	23866	Santa Anita Family YMCA
08/21/24	2024/25 Membership Dues	162.50	23886	EM/SEM Chamber of Commerce
10/09/24	Membership Dues: 10/01/24 - 09/30/25	320.00	23927	Arcadia Chamber of Commerce
Total		<u><u>982.50</u></u>		
Outreach Fund Balance		<u><u>4,017.50</u></u>		

Upper San Gabriel Valley Municipal Water District
Director Public Outreach Program Expenses
For the period ended October 31, 2024

Director Treviño

<u>Paid Date</u>	<u>Description</u>	<u>Amount</u>	<u>Check #</u>	<u>Recipient</u>
------------------	--------------------	---------------	----------------	------------------

Total	<u>-</u>
-------	----------

Outreach Fund Balance

<u>5,000.00</u>

Upper San Gabriel Valley Municipal Water District
 Director Public Outreach Program Expenses
 For the period ended October 31, 2024

Director Santana

<u>Paid Date</u>	<u>Description</u>	<u>Amount</u>	<u>Check #</u>	<u>Recipient</u>
08/14/24	67th Anniversary Community Picnic	55.00	23873	City of Duarte
08/21/24	2024/25 Membership Dues	162.50	23886	EM/SEM Chamber of Commerce
09/19/24	Dia De Los Muertos	750.00	23907	Downtown El Monte Business Association
10/03/24	41st Annual Golf Classic Tournament	300.00	23912	EM/SEM Chamber of Commerce
10/25/24	First Responders Luncheon	700.00	23933	Baldwin Park Business Association
		Total		
		<u>1,967.50</u>		
	Outreach Fund Balance	<u>3,032.50</u>		

Upper San Gabriel Valley Municipal Water District
Director Public Outreach Program Expenses
For the period ended October 31, 2024

Director Garcia

<u>Paid Date</u>	<u>Description</u>	<u>Amount</u>	<u>Check #</u>	<u>Recipient</u>
10/23/24	Food Drive Sponsorship	300.00	23934	California Elementary School
10/23/24	Trunk or Treat	200.00	23936	Orangewood Elementary School
		Total		
		<u>500.00</u>		
	Outreach Fund Balance	<u>4,500.00</u>		



MEMORANDUM



ITEM 8(d) CONSENT

DATE: December 05, 2024
TO: Board of Directors
FROM: General Manager
SUBJECT: Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024

Recommendation

Staff recommends that the Board of Directors receive and file the Annual Comprehensive Financial Report (attached) for the fiscal year ended June 30, 2024.

Background

Upper District’s independent auditors, Rogers, Anderson, Malody & Scott, LLP (RAMS), have completed their audit of the financial statements for the fiscal year ended June 30, 2024. As in prior years, RAMS expressed an unmodified or clean opinion on the financial statements.

Staff will also be submitting, for the 14th consecutive year, the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024 to the Government Finance Officers Association of the United States and Canada (GFOA) to participate in the Certificate of Achievement for Excellence in Financial Reporting program.

Attachment

Upper San Gabriel Valley Municipal Water District

Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2024
(With comparative data for prior year)

DRAFT

Prepared by:
Finance and Administration Department

248 E. Foothill Blvd., Suite 200
Monrovia, California 91016

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Upper San Gabriel Valley Municipal Water District

Annual Comprehensive Financial Report For the fiscal year ended June 30, 2024 (With comparative data for prior year)

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Introductory Section

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November XX, 2024

To the Honorable Board of Director, Member Agencies, and Citizens
of the San Gabriel Valley

Board of Directors:
Anthony R. Fellow, Ph.D.
Division 1
Charles M. Treviño
Division 2
Ed Chavez
Division 3
Katarina Garcia
Division 4
Jennifer Santana
Division 5

Introduction

The Upper San Gabriel Valley Municipal Water District (Upper District) staff is pleased to present the Upper District's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. This report is prepared in accordance with the guidelines set forth by the Governmental Accounting Standards Board (GASB).

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control established for this purpose. Because the cost of internal control should not exceed anticipated benefits, this effort provides reasonable, rather than absolute, assurance that the financial statements contain no material misstatements.

Rogers, Anderson, Malody & Scott, LLP, Certified Public Accountants, has issued an unmodified ("clean") opinion on the financial statements for the year ended June 30, 2024. The independent auditor's report is located at the front of the financial section of this report.

The MD&A complements this letter of transmittal and should be read in conjunction with it.

District Profile

History

Upper District, formed by voters in the San Gabriel Valley on December 8, 1959 to help solve water problems in the rapidly developing San Gabriel Valley, was incorporated on January 7, 1960. On March 12, 1963, residents of the District voted to annex to the Metropolitan Water District of Southern California (MWD), to provide supplemental water, first from the Colorado River and later the State Water Project, to replenish local groundwater supplies.

Upper District played a vital role in determining water rights within the Main San Gabriel Basin by acting as plaintiff in the 1973 court case of the Upper San Gabriel Valley Municipal Water District, Plaintiff, v. City of Alhambra, et al, Defendants. This case brought about the creation of the Main San Gabriel Basin Watermaster (Watermaster), ordered by the court to administer and enforce provisions of the Judgment.

Upper District's service area covers approximately 144 square miles and includes all or parts of 18 cities and portions of unincorporated Los Angeles County with more than 950,000 residents. Upper District partners with many public and private entities to provide a sustainable, high quality water supply to residents and businesses within the greater San Gabriel Valley. Consistent with its motto of "Where Solutions Flow," Upper District is widely recognized for its customer service orientation, community involvement, and creativity in promoting water quality, water recycling, and water conservation.

Vision

Upper District aims to support a high quality of life in the greater San Gabriel Valley by providing valued water services.

Mission

Upper District's mission is to consistently meet our region's need for reliable, high quality and affordable water.

Core Values

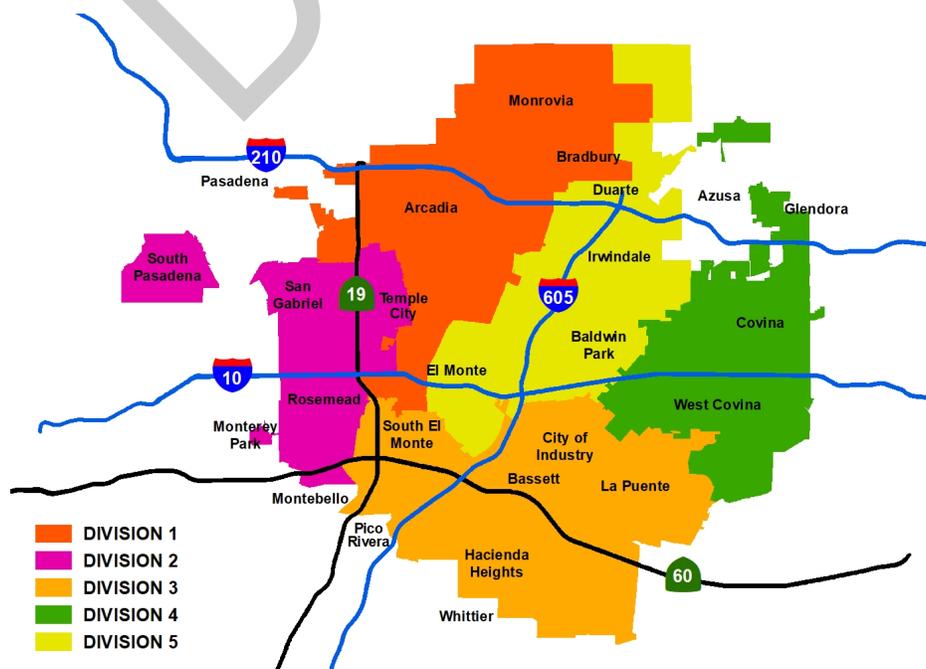
Upper District team, consisting of Board and staff, will embody the following core values in conducting the business of the district:

- Diversity – Our team will maintain an inclusive culture that is characterized by civility, respect, and consideration of all viewpoints and reflects the community we serve.
- Collaborative – Our team is collaborative, supporting each other's efforts, loyal to one another, and cares for each other both personally and professionally.
- Innovative – Our team will encourage and value the introduction of new ideas and methods.
- Integrity – Our team will consistently adhere to high moral and ethical principles.
- Professionalism – Our team will professionally, respectfully, and responsively serve the needs of its customers.
- Transparency – Our team will interact with all in a fair, open and honest manner.

Service Area

Five elected Directors, each serving a 4-year term and representing a designated geographic area within the Upper District's boundaries, govern the Upper District. Additionally, as a member agency of the MWD, the Upper District appoints one representative to the MWD Board of Directors. The Upper District also has representation on the San Gabriel Basin Water Quality Authority and Watermaster Boards.

Most of the water imported into the Upper District service area is used to replenish the Main San Gabriel Groundwater Basin (the Basin). A small percentage is purchased by city water departments and private water utilities for direct sale to customers.



Upper District Board of Directors



Division 1 – Director Anthony R. Fellow, Ph.D.
Representing all or portions of Arcadia, Bradbury,
El Monte, Monrovia, and Temple City



Division 2 – Director Charles M. Treviño
Representing all or portions of Rosemead, San Gabriel, South
Pasadena, South San Gabriel and Temple City



Division 3 – Director Ed Chavez
Representing all or portions of Avocado Heights, Bassett, City
of Industry, Hacienda Heights, La Puente, Spy Glass Hill,
South El Monte, and Valinda



Division 4 – Director Katarina Garcia
Representing all or portions of Azusa, Covina, Glendora, and
West Covina



Division 5 – Director Jennifer Santana
Representing all or parts of Baldwin Park, Duarte, El Monte
and Irwindale

Local Economy

Recovery from the pandemic in California began slowly with employment data presenting a mixed picture. According to a household survey, employment remains below pre-pandemic levels, with an unemployment rate of 5.3% recorded in August 2024. However, an enterprise survey indicates an increase in payroll jobs. This contrast highlights ongoing shifts in the labor market, including remote work arrangements and changes in sectoral demand. Regional disparities in employment growth are also evident. Areas such as Silicon Valley, San Francisco and San Diego show slower job growth compared to other California regions that have outpaced national averages. California's still struggling housing market may soon see signs of normalization. As mortgage rates decrease, home sales could begin to pick up by late 2024, offering a potential boost to the state's economy. Overall, forecasts suggest that California's economy will grow at a slightly faster pace than the national average in 2025 and 2026. Several factors could influence California's economic trajectory, including political conditions, immigration policies, and the potential for onshoring technical manufacturing jobs.

The Los Angeles region has also seen a turbulent economic journey over the past few years like much of the world. After strong growth in the late 2010s, the region was severely impacted by the COVID-19 pandemic, causing a significant contraction in gross county product and widespread job losses, exacerbated by a decline in tourism and supply chain disruptions. As the County began to recover in 2021 and 2022, inflation became a new hurdle. By the end of 2022, Los Angeles had regained its pre-pandemic employment levels, and inflation subsided by late 2023, with the Federal Reserve halting its rate hikes. However, the pandemic left lasting issues, notably income inequality, which continued to widen despite some initial gains before COVID-19. Additionally, as of mid-2023, the number of jobs remained below pre-pandemic projections, with a stagnation in the number of businesses. Among the numerous issues the Los Angeles County faces, three primary challenges stand out: population decline, housing affordability, and the cost of doing business. Population loss, driven by factors such as the shift to remote work and general demographic trends, has serious implications for labor force size and economic vitality. High housing costs have contributed to a growing homelessness issue, with over 75,000 people estimated to be homeless on any given night in 2023. The high cost of doing business in Los Angeles further compounds these issues. High labor, energy, real estate, and taxes—some of the highest in the country—make it challenging to attract and retain businesses. Addressing these intertwined challenges will be crucial for Los Angeles to foster sustainable growth, equity, and resilience in its economy moving forward.

The San Gabriel Valley region lost 60,000 jobs in 2020 during the pandemic but regained many of these positions in 2021 and 2022, with substantial job gains in leisure, hospitality, and healthcare. Despite this progress, overall employment remains below pre-pandemic levels, with recent challenges in logistics, manufacturing, and construction slowing further recovery. In 2024, a slight increase in employment is anticipated as health care and leisure and hospitality sectors continue to grow, and the logistics industry benefits from improved goods movement. However, full employment recovery is not expected for at least another year. The San Gabriel Valley's housing sector has seen increases in property values, with median single-family home prices in 2023 significantly higher than the Los Angeles County's median. On the other hand, the region's commercial real estate market remains mixed, particularly in office spaces, as employers and employees continue to negotiate the balance between in-office and remote work, reflecting broader post-pandemic work trends. The San Gabriel Valley is home to an aging population, with an average resident age higher than the Los Angeles County average. This aging demographic, combined with a slowly declining population level, could present future economic challenges for the region.

¹Sources: San Gabriel Valley Economic Partnership's 2024 Economic Forecast; Los Angeles County Economic Development Corporation's Economic Forecast 2024; UCLA Anderson's October 2024 Forecast.

Major Initiatives

Consistent with its mission, Upper District strives to assist local retail water providers in managing their water supply safely and cost-effectively by improving water quality and increasing supply reliability. This is a challenging goal because factors such as climate, water quality legislation, regulations, government policy, economics, population, and market demand change and, thus, affect the Upper District's planning and operations. Upper District's primary function has been to provide supplemental water to its retail water providers, sourced from the State Water Project, the Colorado River, and more recently, in the form of recycled water.

Imported Water Deliveries

Upper District continues to champion policies supporting sustainable groundwater management and fair treatment of San Gabriel Valley ratepayers and taxpayers.

The 10-year cyclic storage agreement executed in March 2022 by Upper District, Metropolitan and Watermaster provides much needed flexibility in moving water into the Main San Gabriel Basin (Basin) by allowing Metropolitan to deliver and store up to 200,000 acre-feet of water in advance of demand for water by Watermaster and Upper District.

Between calendar years 2017 and 2019, Metropolitan deliveries to its cyclic account, including transfers from San Gabriel Valley Municipal Water District's cyclic account, totaled about 160,630 acre-feet. By the end of 2022, Watermaster and Upper District have purchased most of this water, leaving only a balance of 24,105 acre-feet in Metropolitan's cyclic account. Working with Watermaster, Upper District placed another cyclic order in March 2023 for 125,000 acre-feet of untreated water to be delivered by Metropolitan between June and December 2023. However, because of shutdowns, scheduled maintenance work at the Santa Fe Dam, percolation and flow issues, Metropolitan was only able to deliver 29,525 acre-feet of this order to its cyclic account in 2023. In December 2023, Watermaster and Upper District purchased all the remaining water in Metropolitan's cyclic account totaling 53,630 acre-feet. As of June 2024, untreated water in Upper District and producer cyclic storage accounts represents about nine feet of groundwater elevation at the Baldwin Park Key Well.

Metropolitan began delivering water again to its cyclic storage account in June 2024 and has about 2,000 acre-feet of cyclic water stored by the end of the fiscal year.

Upper District has been pre-purchasing untreated water for storage since 2015. In December 2023, the Board of Directors authorized the purchase of up to 10,000 acre-feet of additional water for cyclic storage. However, due to the limited cyclic water deliveries from Metropolitan in 2023, Upper District was only able to purchase about 3,900 acre-feet of water for storage. As of June 30, 2024, the District has about 8,500 acre-feet of water in its storage account. Upper District may consider future "preemptive" imported water deliveries while Metropolitan has supplies available and can accommodate deliveries. These future decisions may be economically viable utilizing District reserves and continue the vision of a "wet water"-based management solutions.

The limitations on the USG-3 flows, including erosion at maximum capacity of 400 CFS, needed maintenance at the County/MWD crossing, and the percolation capacity of the spreading grounds, prompted the creation of a task force in August 2023 which has been meeting periodically to discuss improvements and find solutions to these limitations. The task force includes representatives from Upper District, Metropolitan, Los Angeles County Department of Public Works and Stetson Engineers Inc. Several alternatives have been identified for consideration including cost sharing and funding options under each alternative to minimize direct capital cost to Upper District.

Fiscal year 2022/23 is the second year of the three-year purchase agreement between Upper District and Watermaster. Executed in December 2021, the agreement aims to address the variability of untreated water sales and the growing gap between Metropolitan's readiness-to-serve (RTS) charge and the standby charge revenue Metropolitan collects on behalf of Upper District.

Metropolitan launched its Reverse Cyclic Program (RCP) in 2022 as another strategy for preserving SWP supplies during low allocation years through deferment of deliveries to a future wet year. This program allowed member agencies to purchase imported water during calendar year 2022 for deferred delivery in future years at Metropolitan's discretion, but no later than five full calendar years from the date of purchase. Upper District purchased 15,000 acre-feet of RCP water on behalf of Watermaster in December 2022. About four thousand acre-feet of this RCP water was delivered in June 2023 while the remaining 11,000 acre-feet was delivered in July 2023. Metropolitan did not reauthorize the RCP program for 2023 nor 2024.

In 2023, the Quagga Mussel Control Plan was submitted for approval by the Department of Fish and Wildlife and the Los Angeles Flood Control District as part of Upper District's efforts to get Colorado River water (CRW) into the basin. The plan, which includes provisions for control and containment, post-delivery eradication, testing and monitoring, identified four sections of the San Gabriel River. Control methods and monitoring strategies have been developed for each section. This effort can potentially save up to 50 thousand acre-feet of SWP supplies annually. Upper District intends to annually review and update the Quagga Mussel Control Plan.

Fiscal year 2023/24 is the third year of the three-year purchase agreement between Upper District and Watermaster. Executed in December 2021, the agreement aims to address the variability of untreated water sales and the growing gap between Metropolitan's readiness-to-serve (RTS) charge and the standby charge revenue Metropolitan collects on behalf of Upper District. It also supported the overall management and sustainability of the basin by increasing Watermaster and the producers' purchasing power during years when there is excess demand for replenishment water. Under the agreement, Watermaster committed to purchase a set amount of water each fiscal year sufficient to meet the District's required debt coverage ratio in exchange for a right to purchase untreated water in excess of the annual commitment at cost. The surcharge waived by Upper District for Watermaster's purchases above the annual commitment totaled \$5.14 million.

Urban Water Management Plan

Every five years, Upper District prepares and adopts an Urban Water Management Plan (UWMP) as required under the California Water Code. UWMPs are prepared by California's urban water suppliers to ensure adequate water supplies are available to meet existing and future water demands. Every urban water supplier that either provides over 3,000 acre-feet of water annually or serves more than 3,000 or more connections (either directly or indirectly) is required to assess the reliability of its water sources over a 20-year planning horizon considering normal, dry, and multiple dry years. Upper District's most recent UWMP was adopted on June 10, 2020.

Integrated Resources Plan

In 2013, the Board of Directors approved Upper District's Integrated Resources Plan (IRP). The plan identified specific strategies and a preferred resource mix to overcome water supply challenges through 2035. In 2016, an update was provided to the Board regarding changed conditions from the previously adopted IRP. Upper District's IRP update for 2021 was temporarily placed on hold to allow Metropolitan to complete its process. Metropolitan adopted an updated IRP needs assessment in 2022 which has since been expanded into a broader Climate Adaptation Master Plan for Water (CAMP4W). Working with Stetson Engineers Inc. (Stetson), Upper District resumed work in 2024 to update its IRP to address significant changes in potential water resource programs and supply availability.

Upper District continues to work with all stakeholders in developing and implementing innovative conservation, recycling, groundwater recharge and storm water capture projects to improve long-term water supply reliability.

Recycled Water Program

Recycled water is a key element of Upper District's overall strategy of supplementing local water supplies. Recycled water is being used throughout California to irrigate golf courses, parks, freeway landscaping and crops. It is also being used to replenish groundwater basins, to serve as a barrier to seawater intrusion, and by industry for cooling processes and other purposes. Recycled water directly offsets the need to import increasingly expensive water that is pumped from the sensitive Bay-Delta ecosystem.

Upper District's success in proactively advancing water recycling is largely attributable to the support of its partners. The United States Bureau of Reclamation (USBR), State Water Resources Control Board, Metropolitan Water District, Sanitation Districts of Los Angeles County, Watermaster, local retail water providers and many others contributed to the successful development of recycled water in the San Gabriel Valley.

Direct Reuse

The Direct Reuse Program includes the phased construction of a recycled water distribution system used to provide water for irrigation purposes. Over \$51 million has been invested to construct a direct reuse recycled water distribution system consisting of more than 24 miles of distribution pipeline. The major components of the direct reuse system are summarized below. All components of the system are in service.

Whittier Narrows – The Upper District's Whittier Narrows Water Recycling Project supplies the 2,500-acre Whittier Narrows Recreation Area with about 400 million gallons of recycled water each year. The recycled water provides irrigation for a large public park, soccer, baseball, and softball fields as well as the 18-hole Whittier Narrows Golf Course.

South El Monte High School – In 2007, Upper District converted South El Monte High School to recycled water for irrigating campus green areas and athletic fields. Recycled water used at the high school conserves nearly 17 million gallons of drinking water each year, enough to supply about 100 households.

Rosemead Extension – The San Gabriel Valley Water Recycling Project Phase IIA – Rosemead Extension consists of recycled water pipelines extending north and west from the Whittier Narrows Recreation Area to supply approximately 98 million gallons of recycled water per year to Southern California Edison corporate headquarters, Panda Express corporate headquarters, Walmart and several nurseries, schools, and businesses.

City of Industry – In 2010, the Upper District's City of Industry Water Recycling Project began providing recycled water for irrigation purposes by extending an existing recycled water pipeline, stretching from the City of Industry through Hacienda Heights, to West Covina. The project supplies more than 260 million gallons of recycled water per year for irrigation to a landfill, golf course, baseball complex, schools, parks, medians, and green belts in the San Gabriel Valley.

South El Monte and El Monte Extension – In 2014, Upper District assisted the San Gabriel Valley Water Company in obtaining \$1.28 million in Proposition 84 grant funds to expand the Whittier Narrows Recycled Water system to serve an additional 95 acre-feet per year of recycled water in South El Monte and El Monte. The San Gabriel Valley Water Company provided approximately \$2.13 million to complete the facilities needed and began delivering recycled water in 2019.

La Puente Valley County Water District Recycled Water System – In 2014, Upper District assisted the La Puente Valley County Water District in obtaining \$428,000 in Proposition. 84 grant funds to construct a recycled water system to serve 60 acre-feet per year of recycled water in La Puente and the City of Industry. The La Puente Valley County Water District will provide \$1.57 million to complete the facilities needed. The construction award was approved in December 2019. The pipeline construction is complete and recycled water delivery began in October 2023.

Storm Water

Stormwater is often considered a nuisance because it mobilizes pollutants such as motor oil and trash. In most cases, stormwater flows directly to water bodies through sewer systems, contributing a major source of pollution to rivers, lakes, and the ocean. Stormwater discharges in California are regulated through National Pollutant Discharge Elimination System (NPDES) permits. However, storm water may also act as a resource and recharged to groundwater when properly managed.

Stormwater capture facilities in the Upper San Gabriel River Watershed have substantial capacity for capture of precipitation that falls within the upper watershed. Facilities owned and operated by the Los Angeles County Flood Control District capture runoff in three reservoirs in San Gabriel Canyon and use the captured water to replenish the groundwater basin. These facilities capture over 95% of all rainfall in the upper watershed.

The Los Angeles Water Board regulates discharges from medium and large municipal separate storm sewer systems (MS4s) through the Los Angeles County, Long Beach, and Ventura County MS4 Permits. These permits are issued under the NPDES Program. Upper District assisted the San Gabriel Valley Council of Governments in developing strategies toward reaching MS4 stormwater permit compliance.

Water Use Efficiency

The effects of climate change are still being seen through California and while the groundwater levels in the San Gabriel Valley have begun to recover, the need for continued resilience is ever-present. Upper District continues to maintain a proactive and innovative conservation outreach program for our residents in the San Gabriel Valley. For FY 2023/24, Upper District continued to implement residential and commercial water use efficiency programs. Upper District's approach is in keeping with the State's long-term framework for conservation and drought planning titled, "Making Conservation a California Way of Life", which outlines implementation of EO-B-37-16. The regulation was near completion at the end of FY 2023/24 and is expected to bring big changes to the water use expectations for both indoor and outdoor usage within the region regardless of drought conditions.

In response to this upcoming regulation and the potential of another dry year, Upper District has been pursuing additional SWP supplies throughout FY 2023/24 to bring the Main San Gabriel Basin back to healthy levels.

Water Conservation and Education

Water conservation is a vital and cost-effective method of preserving our water supply and is a critical aspect of an effective, sustainable water supply program. Throughout California and the San Gabriel Valley, cities, water companies, utilities, and water districts are deeply involved in conservation and public education efforts that promote water use efficiency. Informing residents, businesses, and our youth about water use efficiency remains a top priority of Upper District's public education program.

Residential Programs

Residential Rebate Program – Through Metropolitan’s SoCal Water Smart Regional Residential Rebate Program, Upper District’s residents are offered rebates for retrofitting several types of high water-use fixtures/equipment. Rebate items include the following: High-Efficiency Clothes Washers (HECW), Premium High Efficiency Toilets (PHET), Weather-Based Irrigation Controllers (WBIC), Rotating Sprinkler Nozzles, Soil Moisture Sensor Systems (SMSS), Hose Bib Irrigation Controllers (HBIC), Rain Barrels, Cisterns, and turf removal. Rebates were paid for 183,192 residential devices during the fiscal year that will produce approximately 594-acre feet (193,616,363 gallons) of lifetime water savings.

WaterSmart Home Kit Program – Through Metropolitan’s Member Agency Program funding, Upper District innovated and implemented the WaterSmart Home Kit Program. The program was designed to replace the WaterSmart Home Direct Install program in an attempt to reduce the cost per property for tax implications and reach more homeowners within the service area. Each kit includes a variety of indoor and outdoor water use efficiency devices that can be easily installed at home without a contractor. Several of the items include faucet aerators, showerheads, toilet flappers, and sprinkler nozzles. Using Metropolitan funding limited the program to residents within identified disadvantaged communities.

During FY 2023/24, Upper District was awarded a \$150,000 grant through the U.S. Bureau of Reclamation’s WaterSmart funding to expand the program to all residents within the service area. The grant requires cost sharing which will be achieved through Metropolitan funding and allows for the disadvantaged community restriction to be lifted. Over 400 kits were distributed in FY 2023/24.

Commercial, Industrial, and Institutional (CII) Program

CII Rebate Program – Through Metropolitan’s SoCal Water Smart Commercial Rebate Program, Southern California businesses are eligible for rebates to help encourage water use efficiency. This program offers rebates on a wide variety of water-saving technologies including premium PHETs and Zero Water Urinals (ZU), Ultra-Low Water Urinals (ULWU), WBICs, Central Computer Irrigation Controllers (CCIC), SMSS, HBIC, Large Rotary Nozzles, In-Stem Flow Regulators, pH-Cooling Tower Controller (pH-CTC), Cooling Tower Conductivity Controller (CTCC), Dry Vacuum Pumps, Connectionless Food Steamers, Ice-Making Machines, and turf removal. Rebates were paid for 51,862 CII devices during FY 2023/24 that will produce approximately 144 acre feet (37,147,014 gallons) of lifetime water savings.

Water Fill Station Program – The water bottle filling stations, installed at designated public facilities located within Upper District’s service area through its Water Filling Station program (WFS), continue to provide accessible tap water to the public, highlighting the quality of tap water while providing an alternative to one-time use plastic bottles.

The success of the WFS program resulted in several water producers stepping forward to fund additional water fill stations, expanding the program far beyond the original number of site installation pilot projects. The WFS program benefitted local communities, delivering positive environmental impacts while highlighting the safety of local drinking water. Accommodating this partnering approach capitalized on the economies of scale, ensured consistent program guidelines, maintained a consistent regional water use efficiency message to the public, and created a successful partnering endeavor between the Upper District and its water producers. A total of 97 WFS were installed during the course of the program completed in FY 2022/23.

Education and Community Outreach Programs

Watershed Restoration Program – This program is a cooperative partnership between the Upper District and the U.S. Forest Service that incorporates volunteers into efforts to protect and maintain the local watershed. Program activities typically include collection of native seeds, planting saplings, and trash removal. During FY 2023/24, the volunteer events continued with events in October and November 2023 as well as March and April 2024. All four events were designed to restart the program through the crating of saplings and reinvigorating the partnerships between both agencies and various community groups.

4th-7th Grade Sustainable Watershed Education Program – The partnership with the Discovery Science Foundation provides exciting 4th-7th grade student curriculum that focuses on water use efficiency, highlights watershed issues, and groundwater awareness. Offered free to participating schools, the program includes interactive assemblies for fourth and fifth graders and in-class hands-on workshops for sixth graders.

During FY 2023/24, 4,358 students from 106 classes participated in the assemblies and hands-on workshops. Due to COVID-19, the program was revamped to include options for virtual learning. Both in-person and virtual options remained available through the 2023-24 academic year.

Upper District also offers a number of free class trips to the Discovery Cube's Los Angeles or Santa Ana locations. The trip includes free admission for up to 60 students and a \$250 transportation grant. Nearly 500 students from 11 different classrooms were able to visit the Discovery Cube facility in either Los Angeles or Orange County during FY 2023/24. Since the pandemic, these were the first students to be able to benefit from the field trip option.

Water Efficiency Workshops – Upper District continued offering virtual workshops and a total of 346 individuals virtually attended 15 workshops hosted by Upper District during FY 2023/24. Three workshops were held in-person in the Upper District boardroom. Upper District plans to continue hosting both in-person and virtual opportunities through the next fiscal year, potentially including a trial on-demand workshop.

Water Engineering 4 Good – Previously called “Solar Cup” and sponsored by MWD, Water Engineering 4 Good (WE4G) is an online STEAM competition for middle school through high school students. Through this program, teams will learn from water industry professionals about the current drought and create innovative engineering solutions to conserve water at home, in industry, agriculture, or in treatment and distribution. The teams will build a small-scale physical model out of recycled/upcycled materials and an animated CAD model of their engineering solution. The teams will also create a video journal and social media posts to document their progress and develop a multimedia presentation of their engineering solution that will be presented to and judged by a panel of water industry experts. Four teams within Upper District's service area participated in the program for FY 2023/24. The middle school category winner was a school sponsored by Upper District.

Water Awareness Art Contest – Upper District's “Water is Life” art contest inspires students to think about how important water is to all life and encourages youth to express the value of water through their artwork. The contest has 4 categories: K-2, 3-5, 6-8 and 9-12th grade. Upper District hosted the contest using virtual submission and voting of 98 posters submitted by 22 teachers from 19 schools.

Water Education Grant Program – The Upper District's Water Education Grant Program (WEGP) offers teachers an opportunity to apply for grants of up to \$1,000 for proposed school projects that are related to water. A total of 21 applications amounting to \$19,648 were awarded during the 2023/24 school year.

Water Conservation Booths – Upper District maintains an aggressive grassroots outreach campaign to educate the residents of the San Gabriel Valley. Informational booths on water conservation are hosted by Upper District at city sponsored events such as summer concerts, community, and environmental fairs. Upper District participated in 66 outreach booths during FY 2023/24.

Waterfest – Upper District hosts an annual conservation event in partnership with the Los Angeles County Department of Parks and Recreation. This educational event for residents, families and children features interactive educational booths, environmental displays, informative presentations, free water-saving materials, raffles and more. In FY 2023/24, Waterfest moved to the spring for better weather conditions. The event was a major success with over 50 exhibitors and approximately 1,000 residents who participated in the one-day festival.

Conserve-a-palooza – Conserve-a-palooza is a virtual outreach program that uses social media to engage and educate residents on water conservation. For FY 2023/24, Upper District held Conserve-a-palooza in the fall over a six-week period. Residents within Upper District's service area had the opportunity to participate by answering weekly conservation trivia. Randomly selected participants received water-use efficiency devices as giveaways ranging from high-efficiency toilets to native plant vouchers.

News Splash Newsletter – For over four years now, Upper District continues to inform residents, stakeholders and community leaders through its monthly e-newsletter called "News Splash". Each monthly edition includes water related news, information on Upper District's conservation and educational programs, water smart workshops, and water saving resources. The newsletter is sent out on the first of every month to over 10,000 subscribers.

Upper District's Website – Upper District's website features a streamlined format and meets all accessibility and public access guidelines for special districts. To outreach to residents and continue providing valuable water conservation materials, a teacher/parent tool kit was created and added to the website. The tool kit included conservation videos, water saving materials, activities and curriculum categorized by grade level.

Upper District's "Where Solutions Flow" Tours – Upper District has actively engaged the region's local elected officials by offering educational programs on key water policies and issues that affect the San Gabriel Valley. Upper District, in partnership with the Main San Gabriel Basin Watermaster, MWD, the Army Corps of Engineers, LA County Flood Control District, and San Gabriel Valley Water Company, have provided educational tours of the San Gabriel Valley water infrastructure.

Speakers' Bureau Presentations – Upper District Board members and management make numerous presentations to city councils, school boards, chambers of commerce and other community organizations. These presentations provide stakeholders with information about the history of the Upper District, local water issues and challenges, recycled water projects, water-related legislation, and water conservation programs. During FY 2023/24, water supply presentations continued via virtual teleconferencing platforms as well as in-person, depending on the agency and restrictions.

Water Smart Video Series – Upper District continued with an aggressive messaging campaign on local water quality and safety in FY 2023/24. Various informational videos were created on the San Gabriel Valley's local water supply, water quality, gardening and landscaping, and best practices for water conservation. The videos were shared through social media as well as through commercial ads on specific Spectrum channels throughout the region.

Water Efficiency Advertising – While the EWCP level reduced in 2023/24, Upper District's staff continued to be aggressive with advertising and messaging campaigns throughout its service area. The "Thank U" campaign continued to be used regularly for saving water and encouraging tomorrow's sustainability. Various images of basic life necessities were utilized with conservation messages. All campaign graphics were made available to Upper District's retailers for their use in messaging to their customers.

Finance and Administration

Upper District remains committed to the effective and efficient management of its financial resources through sound fiscal management. Over the years, the Board of Directors supported staff in creating efficiencies and implementing cost containment measures within the District.

Cash and Investment Management

Upper District maintains a comprehensive cash and investment program governed by the California Government Code. These regulations are embedded within the District's Investment Policy, which outlines authorized investment types and associated restrictions. Consistent with the government code, Upper District annually reviews and adopts an investment policy aimed at safeguarding principal investments, minimizing credit and market risks, ensuring sufficient liquidity to meet anticipated operating needs for six months, and achieving a competitive portfolio yield. During the fiscal year ended June 30, 2024, available funds were invested in compliance with this policy.

California Employers' Retiree Benefit Trust Fund

In 2014, Upper District began prefunding Upper District's other post-employment benefit (OPEB) liability through the California Employers' Retiree Benefit Trust (CERBT). As of the latest valuation with measurement date of June 30, 2023, Upper District's OPEB is essentially fully funded at 96%, having total trust assets of \$2.35 million and total OPEB liability of \$2.45 million. As of June 30, 2024, assets held in trust total \$2.48 million.

The CERBT trust fund was initially established to take advantage of higher discount rate assumptions which translate to lower annual required contributions and unfunded liability over time as well as getting access to higher yielding investments. Since the trust assets have grown and now sufficiently cover the OPEB liability, the trust fund can now be used as an important budgeting tool.

California Employers' Pension Prefunding Trust Fund

In June 2022, the Board authorized an additional discretionary payment of \$1 million to CalPERS to reduce Upper District's unfunded accrued liability related to pension. Estimated interest savings from this prepayment total \$1.03 million using CalPERS' 6.80% discount rate. In June 2024, Upper District made another additional discretionary payment of \$1 million towards the District's unfunded accrued pension liability. Estimated interest savings from this additional payment total \$0.76 million.

The Board also authorized participation in the California Employers' Pension Prefunding Trust Program (CEPPT) with an initial trust funding of \$0.50 million in 2022 and an additional plan contribution in FY 2023/24 amounting to \$1 million. As of June 30, 2024, assets held in trust for prefunding pension liability total \$1.56 million. Similar to the CERBT, the CEPPT plan is a Section 115 trust fund that can be used to build a rainy day contingency reserves for pension costs and provide greater budgetary flexibility in the future.

Relevant Financial Policies

Internal Control Structure

Management is responsible for establishing and maintaining an internal control structure that ensures that assets are protected from loss, theft, or misuse. The internal control structure also ensures that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (a) the cost of a control should not exceed the benefits likely to be derived, and (b) the valuation of costs and benefits requires estimates and judgments by management.

Investment Policy

Annually, the Board of Directors adopts an investment policy consistent with the requirements of the California Government Code. In order of priority, three fundamental criteria are followed by the Upper District in the investment program:

- (a) *Safety of Principal* - Investments shall be undertaken in a manner that first seeks to ensure the preservation of principal in the portfolio. Each investment transaction shall be entered into after taking into consideration the quality of the issuer, the underlying security or collateral, and diversification of the portfolio.
- (b) *Liquidity* - Investments shall be made so that the maturity date is compatible with cash flow needs and safety of principal.
- (c) *Return on Investment* - Investments shall be undertaken to produce an acceptable rate of return after first considering safety of principal and liquidity and the prudent investor standard.

During fiscal year 2023/24, all funds were invested in accordance with Upper District's investment policy.

Designated Reserve Policy

Upper District's adopted Designated Reserve Fund Policy sets prudent levels of reserve funds to provide financial resources not only during emergencies or planned capital projects but also for scheduled and unscheduled expenses such as operation and maintenance, debt service and stabilization of rates. The Reserve Fund Policy establishes the following six designated reserves, each with its own recommended minimum, target, and maximum levels: 1) Emergency Reserve; 2) Operating Reserve; 3) Pay-go Capital Improvement and Replacement Reserve; 4) Capital Reserve; 5) Revenue Stabilization Reserve; and 6) Water Banking Reserve.

Budget Process and Controls

Budgets are often used as a performance tool for measuring accountability of public agencies to their stakeholders. Though not legally required to do so, Upper District annually adopts a budget not only as a management tool for planning and control purposes but also to demonstrate its commitment to fiscal responsibility and transparency. Upper District also uses the budget as a communication tool that shows how the District intends to allocate its resources in support of its mission, goals and objectives.

Developing and monitoring the budget is an ongoing process. Upper District conducts a series of budget workshops to encourage stakeholder participation and input prior to adoption of the final budget. Monthly financial statements showing budget-to-actual comparison and analysis are presented to management and the Board of Directors to facilitate review and assessment throughout the fiscal year.

Water Rates

Pursuant to Water Code Section 71614 et seq., Upper District establishes water rates and charges through a resolution by the Board of Directors. Prior to adoption of the water rates and charges, workshops are held to solicit input from all stakeholders.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Upper District for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the 13th consecutive year that the Upper District has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement is valid for a period of one year only. Upper District believes that the current annual comprehensive financial report continues to meet the Certificate of Achievement program requirements and will be submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report was accomplished by the combined efforts of Upper District staff. We appreciate the dedicated efforts and professionalism that our staff members bring to the Upper District. We would also like to thank the members of the Board of Directors for their continued support in the planning and implementation of Upper District's fiscal policies.

Respectfully submitted,



Thomas A. Love
General Manager



Evelyn M. Rodriguez
Chief Financial Officer/Chief Administrative Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
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Presented to

**Upper San Gabriel Valley Municipal Water District
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

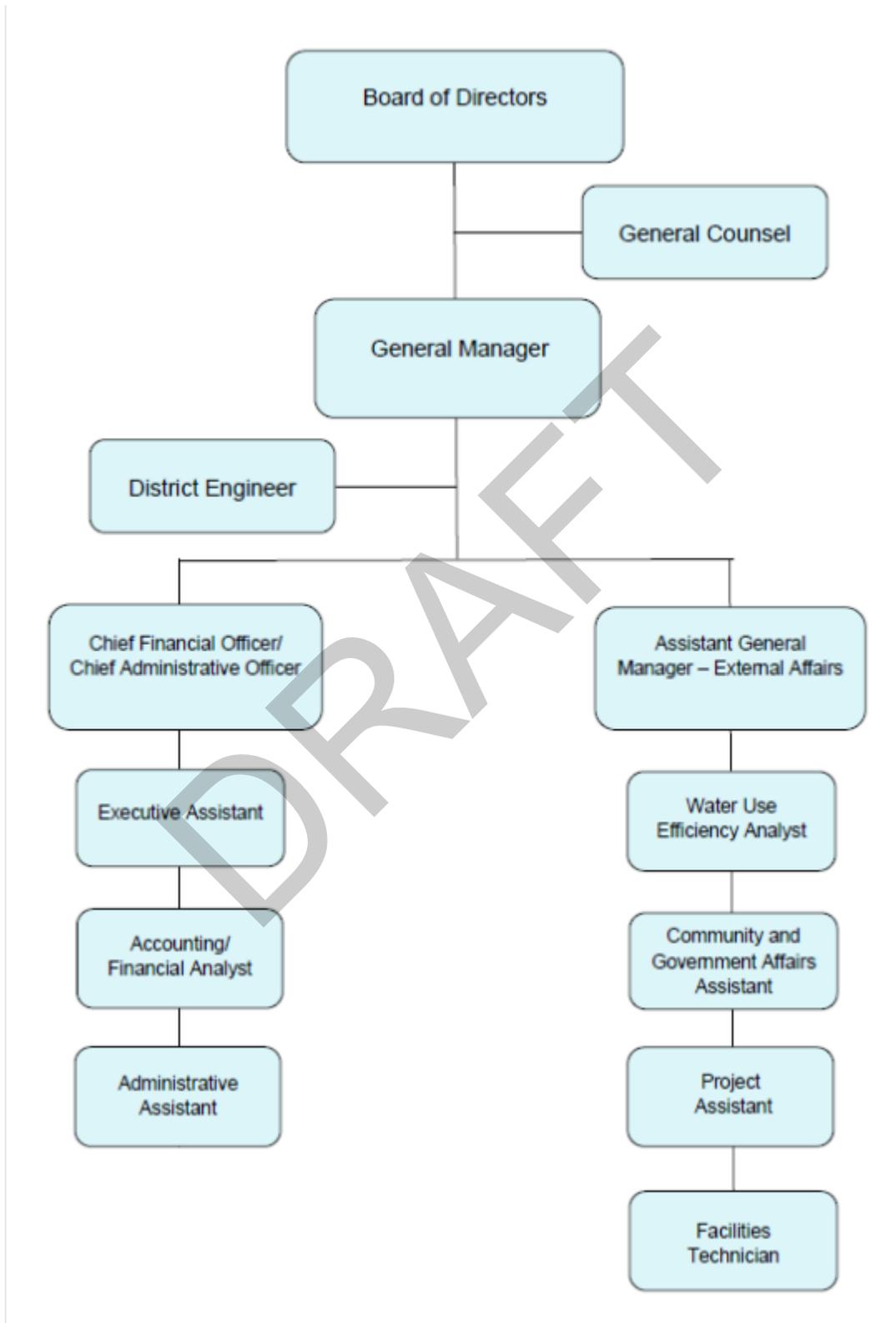
Executive Director/CEO

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Upper San Gabriel Valley Municipal Water District

Organizational Chart



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Financial Section

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Independent Auditor's Report

Honorable Board of Directors
Upper San Gabriel Valley Municipal Water District
Monrovia, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Upper San Gabriel Valley Municipal Water District (the entity), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the entity, as of June 30, 2024, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America and State Controller's *Minimum Audit Requirements for California Special Districts*.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*) and the State Controller's *Minimum Audit Requirements for California Special Districts*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on Summarized Comparative Information

We have previously audited the entity's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 30, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibility of Management for the Financial Statements

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

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 entity'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.

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 the 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 entity'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 entity'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated **November XX, 2024**, on our consideration of entity'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 solely 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 the effectiveness of the entity's 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 entity's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
November XX, 2024

Upper San Gabriel Valley Municipal Water District

Management's Discussion and Analysis For the fiscal year ended June 30, 2024

The following Management's Discussion and Analysis (MD&A) provides an overview of the financial performance and activities of the Upper San Gabriel Valley Municipal Water District (Upper District) for the fiscal year ended June 30, 2024. 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.

Required Financial Statements

Upper District is a wholesale water utility enterprise and presents its financial statements using the economic resources measurement focus and the full accrual basis of accounting. As an enterprise fund, Upper District's basic financial statements include the statement of net position, statement of revenues, expenses and changes in net position and statement of cash flows. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The statement of net position presents information on all Upper District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Upper District is improving or deteriorating.

The statement of revenues, expenses and changes in net position presents information showing how Upper District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are recognized on an accrual basis.

The statement of cash flows is related to the other financial statements by the way it links changes in assets and deferred outflows of resources and liabilities and deferred inflows of resources to the effect on cash and cash equivalents over the course of the fiscal year.

The notes to the financial statements provide useful information regarding Upper District's significant accounting policies, and they explain significant account balances and activities, certain material risks, obligations, commitments, contingencies and subsequent events, if any.

Financial Highlights

- During fiscal year 2023/24, the producers and Watermaster made combined imported water purchases of about 64,600-acre feet, an increase of about 16,300 acre feet or 34% compared to prior fiscal years. This increased water revenue by \$16.20 million.
- Under the three-year purchase agreement with Watermaster, about 25,700 acre-feet of untreated water were sold at cost during the fiscal year.
- Capital expenditures during the FY 2023/24 consisted mostly of costs associated with the upgrade of Upper District's elevator amounting to about \$0.32 million.
- Watermaster, through Upper District, made a prepayment to Metropolitan during FY 2022/23 for 15,000 acre-feet of untreated water available under Metropolitan's RCP. Of this prepayment amounting to \$11.99 million, about \$8.78 million worth of untreated water remained outstanding as of June 30, 2023. The remaining prepaid water was subsequently delivered in FY 2023/24.
- In June 2024, Upper District made an additional discretionary payment of \$1 million to CalPERS to reduce Upper District's unfunded accrued liability related to pension. The District also made an additional prefunding contribution amounting to \$1 million to CEPPT.

Upper San Gabriel Valley Municipal Water District

Management's Discussion and Analysis For the fiscal year ended June 30, 2024

More information on the financial statement variances is covered in the next sections.

Financial Analysis of Upper District

The statements of net position and the statements of revenues, expenses and changes in net position report provide an indication of Upper District's financial health. It provides a basis for evaluating the capital structure and assessing the liquidity and financial flexibility of Upper District.

The following tables summarize Upper District's financial condition and the changes in its net position for the past two years.

Statements of Net Position

	As of June 30		Change	
	2024 (in thousands)	2023 (in thousands)	Dollar (in thousands)	Percentage
Assets				
Current assets	\$ 26,163	\$ 33,745	\$ (7,582)	-22.47%
Lease receivable	84	107	(23)	-21.50%
Capital assets, net	54,905	56,018	(1,113)	-1.99%
Total assets	81,152	89,870	(8,718)	-9.70%
Deferred outflows of resources	2,808	2,193	615	28.04%
Liabilities				
Current liabilities	2,875	11,287	(8,412)	-74.53%
Noncurrent liabilities	7,991	8,987	(996)	-11.08%
Total liabilities	10,866	20,274	(9,408)	-46.40%
Deferred inflows of resources	1,538	1,518	20	1.32%
Net position				
Net investment in capital assets	48,922	49,470	(548)	-1.11%
Restricted	1,563	525	1,038	197.71%
Unrestricted	21,071	20,276	795	3.92%
Total net position	\$ 71,556	\$ 70,271	\$ 1,285	1.83%

As shown above, Upper District's total assets exceeded liabilities and deferred inflows of resources by \$71.56 million and \$70.27 million as of June 30, 2024 and 2023, respectively, or an increase in net position of \$1.29 million.

Assets

As of June 30, 2024 and 2023, Upper District's cyclic storage account has about 8,500- and 5,700-acre feet of water, respectively, amounting to \$6.68 million and \$4.15 million, also respectively. These are reported as part of current assets in Upper District's statements of net position. The decrease in current assets of about \$7.58 million from FY 2022/23 to FY 2023/24 consists of prepaid imported water under Metropolitan's RCP amounting to \$8.78 million. The remaining prepaid water was subsequently delivered in FY 2023/24.

The decrease in capital assets during fiscal year 2023/24 is mainly due to the annual provision for depreciation.

Upper San Gabriel Valley Municipal Water District

Management's Discussion and Analysis For the fiscal year ended June 30, 2024

Liabilities

Upper District's current liabilities as of June 30, 2024 decreased by \$8.41 million from the prior fiscal year. This decrease is mainly attributable to the unearned revenue associated with the prepayment received from Watermaster under Metropolitan's RCP. In December 2022, Watermaster prepaid \$11.99 million for 15,000 acre-feet of untreated water to be delivered when water becomes available from Metropolitan. The 11,000 acre-feet of untreated water amounting to \$8.78 million still outstanding as of June 30, 2023 was eventually delivered in fiscal year 2023/24.

Upper District continued paying down its State Revolving Fund (SRF) loan, reducing amount owed to CSWRCB by \$0.67 million and \$0.66 million for fiscal years ended June 30, 2024 and 2023, respectively.

Net Position

A substantial portion of Upper District's net position consists of net investment in capital assets. Capital assets are used by Upper District to provide services to its customers and are, therefore, not available for spending. The decrease in net investment in capital assets of about \$0.55 million during fiscal year 2023/24 is due to the annual provision for depreciation offset by principal payments made to the SRF loan related to Upper District's capital assets for water recycling.

In June 2024, Upper District made an additional prefunding contribution amounting to \$1 million to CEPPT, increasing restricted net position. CEPPT is a self-funded, not-for-profit, Section 115 trust administered by CalPERS for pension contributions. Funds deposited into the trust can only be used to pay pension obligations.

Statements of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position provide information on the nature and sources of these changes. For the fiscal years ended June 30, 2024 and 2023, Upper District's net position increased by \$1.29 million and \$1.06 million, respectively, as shown by the table below.

Condensed Statements of Revenues, Expenses and Changes in Net Position

	For the year ended		Change	
	2024	2023	Dollar	Percentage
	(in thousands)	(in thousands)	(in thousands)	
Operating revenue				
Water revenue	\$ 62,017	\$ 45,892	\$ 16,125	35.14%
Water conservation	377	313	64	20.45%
Other operating revenue	103	90	13	14.44%
Total operating revenue	62,497	46,295	16,202	35.00%
Total operating expenses	67,331	50,749	16,582	32.67%
Operating loss	(4,833)	(4,453)	(380)	8.53%
Standby charges	4,055	4,065	-10	-0.25%
Investment earnings, taxes, other	1,955	1,124	831	73.93%
Net nonoperating revenues	6,010	5,189	821	15.82%
Income before contributions	1,177	736	441	59.92%
Capital contributions	109	325	(216)	-66.46%
Change in net position	1,286	1,061	\$ 225	21.21%
Net position, beginning of year	70,271	69,210		
Net position, end of year	\$ 71,557	\$ 70,271		

Upper San Gabriel Valley Municipal Water District

Management's Discussion and Analysis For the fiscal year ended June 30, 2024

Operating Revenue

Upper District's sold 16,300-acre feet more of imported water during FY 2023/24, increasing water revenue by \$16.20 million. Snow and rainfall levels reached above average during the fiscal year 2023/24 and groundwater storage has recovered to near average levels due to stormwater capture and imported water deliveries. With an unprecedented 100% State Water Project allocation, Metropolitan was able to deliver additional wet water by the end of 2023.

Nonoperating Revenue/Expenses and Capital Contributions

Nonoperating revenue, generally consisting of standby charges, investment earnings and taxes, have remained relatively stable over the years. In fiscal year 2023/24, Upper District's standby charge rate was set at \$10 per acre per year or \$10 per parcel less than one acre per year. This charge, generating about \$2.09 million, provides funding for the recycled and water conservation programs. MWD levies a separate standby charge, set at \$9.27 per acre or portion thereof per year, on behalf of Upper District. This charge, generating about \$1.96 million, is used to offset MWD's RTS charge.

Investment earnings for fiscal year 2023/24 increased by \$0.66 million as the financial market continued its recovery after the global financial volatility in previous years.

Operating Expenses

Upper District purchases imported water from MWD and sets its rates based on MWD's prevailing rates plus a per-acre-foot surcharge. During fiscal year 2023/24, Upper District sold 16,300 acre feet more and, consequently, purchased more imported water compared to the previous year.

Capital Asset Administration

As of June 30, 2024, and 2023, Upper District's investments in capital assets, net of accumulated depreciation, amounted to \$54.91 million and \$56.02 million, respectively. The following is a summary of capital assets:

	As of June 30		Change	
	2024 (in thousands)	2023 (in thousands)	Dollar (in thousands)	Percentage
Intangible utility plant	\$ 657	\$ 657	\$ -	0.00%
Construction in progress	8,576	8,576	-	0.00%
Water recycling	52,105	52,105	-	0.00%
Building and improvements	7,569	7,438	131	1.76%
Furniture and equipment	204	204	-	0.00%
Other	21	21	-	0.00%
Subtotal	69,132	69,001	131	0.19%
Less accumulated depreciation	(14,227)	(12,983)	(1,244)	9.58%
Net capital assets	\$ 54,905	\$ 56,018	\$ (1,113)	-1.99%

For more information regarding Upper District's capital assets, please refer to Note 4 of the Notes to Financial Statements.

Upper San Gabriel Valley Municipal Water District

Management's Discussion and Analysis For the fiscal year ended June 30, 2024

Long-term Debt

Construction activities for the City of Industry Project were partially funded by an SRF loan from the California State Water Resources Control Board (CSWRCB) which, as of June 30, 2024, and 2023, had a balance of \$5,983,368 and \$6,654,484, respectively. Detailed information on Upper District's long-term debt is presented under Note 7 in the Notes to Financial Statements.

Water Rates and Other Charges

On May 24, 2023, the Board of Directors approved the adoption of a water standby or availability of service charge at \$10 per acre of land or \$10 for each parcel of land less than an acre within Upper District's service area for fiscal year 2023/24. This charge generates about \$2.09 million in revenues.

In July 2023, the Board of Directors approved the water rates and charges for the different classes of water effective January 1, 2024. Upper District's water rates for the last ten fiscal years are presented in the statistical section of this report.

Conditions Affecting Current Financial Position

Fiscal year 2023/24 is the third and last year the three-year purchase agreement between Upper District and Watermaster. Executed in December 2021, the agreement aims to address the variability of untreated water sales and the growing gap between Metropolitan's RTS charge and the standby charge revenue Metropolitan collects on behalf of Upper District. Under the agreement, Watermaster commits to purchase a set amount of water each fiscal year sufficient to meet the District's required debt coverage ratio. Untreated water sales in excess of the annual purchase commitment did not carry Upper District's surcharge. During fiscal year 2023/24, surcharge waived by Upper District for Watermaster's purchases above the annual commitment amounted to \$2.65 million.

Requests for Information

This financial report is designed to provide Upper District's funding sources, customers, stakeholders and other interested parties with an overview of Upper District's financial operations and overall financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact Upper District's Chief Financial Officer/Chief Administrative Officer at 248 E. Foothill Blvd., Suite 200, Monrovia, California 91016.

Basic Financial Statements

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Upper San Gabriel Valley Municipal Water District

Statement of Net Position

June 30, 2024

(With summarized comparative data for prior year)

	2024	2023
Assets		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 9,693,179	\$ 13,464,783
Investments	5,804,135	5,557,849
Receivables:		
Water sales	1,347,516	569,846
Grants	-	216,669
Leases (Note 5)	23,032	22,325
Other	1,022,204	403,374
Prepurchased water	6,678,272	12,925,729
Prepaid expenses	31,577	59,167
Restricted:		
Restricted cash and investments - Section 115 trust	1,563,025	525,119
Total current assets	<u>26,162,940</u>	<u>33,744,861</u>
Noncurrent assets:		
Leases receivable (Note 5)	84,336	107,368
Capital assets, not being depreciated (Note 4)	9,233,369	9,233,369
Capital assets, net of depreciation (Note 4)	<u>45,671,790</u>	<u>46,784,147</u>
Total noncurrent assets	<u>54,989,495</u>	<u>56,124,884</u>
Total assets	<u>81,152,435</u>	<u>89,869,745</u>
Deferred outflows of resources		
Pension related (Note 8)	2,390,993	1,681,836
OPEB related (Note 10)	<u>416,899</u>	<u>511,414</u>
Total deferred outflows of resources	<u>2,807,892</u>	<u>2,193,250</u>
Liabilities		
Current liabilities:		
Accounts payable:		
Metropolitan Water District	583,500	400,462
Other	919,354	858,755
Accrued liabilities	606,325	505,333
Unearned revenue	33,666	8,808,771
Due to State Water Resources Control Board, current portion	683,231	671,116
Compensated absences, current portion (Note 6)	<u>48,988</u>	<u>43,034</u>
Total current liabilities	<u>2,875,064</u>	<u>11,287,471</u>
Noncurrent liabilities:		
Net pension liability (Note 8)	2,557,698	2,348,628
Net OPEB liability (Note 10)	94,129	613,970
Due to State Water Resources Control Board, net of current portion	5,300,137	5,983,368
Compensated absences, net of current portion (Note 6)	<u>39,292</u>	<u>40,694</u>
Total noncurrent liabilities	<u>7,991,256</u>	<u>8,986,660</u>
Total liabilities	<u>10,866,320</u>	<u>20,274,131</u>
Deferred inflows of resources		
Lease related (Note 5)	104,821	128,554
Pension related (Note 8)	724,964	1,043,578
OPEB related (Note 10)	<u>708,235</u>	<u>345,891</u>
Total deferred inflows of resources	<u>1,538,020</u>	<u>1,518,023</u>
Net position		
Net investment in capital assets	48,921,791	49,470,400
Section 115 Trust	1,563,025	525,119
Unrestricted	<u>21,071,171</u>	<u>20,275,322</u>
Total net position	<u>\$ 71,555,987</u>	<u>\$ 70,270,841</u>

The accompanying notes are an integral part of these financial statements.

Upper San Gabriel Valley Municipal Water District

Statement of Revenues, Expenses and Changes in Net Position For the fiscal year ended June 30, 2024 (With summarized comparative data for prior year)

	<u>2024</u>	<u>2023</u>
Operating revenues		
Water revenue	\$ 62,016,720	\$ 45,891,558
Water conservation	376,729	313,336
Other revenues	103,789	90,315
	<u>62,497,238</u>	<u>46,295,209</u>
Total operating revenues		
Operating expenses		
Sources of supply	56,579,227	41,001,010
Water quality and supply program	4,341,712	3,507,057
Water recycling	904,491	936,095
Conservation	1,677,661	1,486,652
Depreciation	1,243,998	1,179,295
General and administrative	2,584,371	2,638,737
	<u>67,331,460</u>	<u>50,748,846</u>
Total operating expenses		
Operating loss	<u>(4,834,222)</u>	<u>(4,453,637)</u>
Nonoperating revenues (expenses)		
Standby charges	4,055,273	4,065,036
Investment earnings	1,033,807	376,393
Gain (loss) on disposal of capital assets	-	(7,316)
Taxes	921,344	755,305
	<u>6,010,424</u>	<u>5,189,418</u>
Total nonoperating revenues (expenses)		
Income before contributions	1,176,202	735,781
Capital contributions	108,944	325,327
	<u>1,285,146</u>	<u>1,061,108</u>
Change in net position		
Net position		
Beginning of year	<u>70,270,841</u>	<u>69,209,733</u>
End of year	<u>\$ 71,555,987</u>	<u>\$ 70,270,841</u>

The accompanying notes are an integral part of these financial statements.

Upper San Gabriel Valley Municipal Water District

Statement of Cash Flows

For the fiscal year ended June 30, 2024

(With summarized comparative data for prior year)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Cash received from customers	\$ 52,540,894	\$ 56,704,632
Cash payments to suppliers for goods and services	(57,319,949)	(57,301,883)
Cash payments for employees for services	(3,024,968)	(1,813,340)
Net cash provided by (used for) operating activities	<u>(7,804,023)</u>	<u>(2,410,591)</u>
Cash flows from noncapital financing activities		
Cash received from property taxes	921,344	755,305
Cash received from standby charges	4,055,273	4,065,036
Net cash provided by (used for) noncapital financing activities	<u>4,976,617</u>	<u>4,820,341</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(131,641)	(1,405,130)
Repayment of project finance agreements	(671,116)	(659,218)
Capital contributions	108,944	325,327
Net cash provided by (used for) capital and related financing activities	<u>(693,813)</u>	<u>(1,739,021)</u>
Cash flows from investing activities		
Cash received from sale and maturity of investments	2,380,000	1,749,871
Acquisition of investments	(3,659,044)	(1,826,044)
Investment earnings (losses)	2,066,565	409,701
Net cash provided by (used for) investing activities	<u>787,521</u>	<u>333,528</u>
Net change in cash and cash equivalents	(2,733,698)	1,004,257
Cash and cash equivalents		
Beginning of year	<u>13,989,902</u>	<u>12,985,645</u>
End of year	<u>\$ 11,256,204</u>	<u>\$ 13,989,902</u>
Reconciliation of cash equivalents and restricted cash and investments:		
Cash and investments	\$ 9,693,179	\$ 13,464,783
Restricted cash and investments - Section 115 trust	<u>1,563,025</u>	<u>525,119</u>
Total cash equivalents and restricted cash and investments	<u>\$ 11,256,204</u>	<u>\$ 13,989,902</u>

The accompanying notes are an integral part of these financial statements.

Upper San Gabriel Valley Municipal Water District

Statement of Cash Flows

For the fiscal year ended June 30, 2024

(With summarized comparative data for prior year), (continued)

	<u>2024</u>	<u>2023</u>
Reconciliation of operating loss to net cash provided by (used for) operating activities:		
Operating loss	\$ (4,834,222)	\$ (4,453,637)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:		
Depreciation	1,243,998	1,179,295
(Increase) decrease in assets and deferred outflows of resources:		
Receivables	(1,157,506)	1,505,848
Prepurchased water	6,247,457	(8,157,906)
Prepaid expenses	27,590	70,569
Deferred outflows of resources	(614,642)	(355,149)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable and accrued liabilities	344,629	(1,646,499)
Unearned revenue	(8,775,105)	8,775,021
Compensated absences	4,552	3,672
Deferred inflows of resources	19,997	(507,856)
Net pension liability	(519,841)	410,629
Net OPEB liability	209,070	765,422
Net cash provided by (used for) operating activities	<u>\$ (7,804,023)</u>	<u>\$ (2,410,591)</u>
Schedule of non-cash operating, noncapital and capital related financing and investing activities		
Fair value adjustment	\$ 168,097	\$ (49,714)

The accompanying notes are an integral part of these financial statements.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the entity

Upper San Gabriel Valley Municipal Water District (Upper District), which comprises an area of approximately 144 square miles, was incorporated on January 7, 1960 under the provisions of the Municipal Water District Law of 1911, as amended, (now cited as "The Municipal Water District Law of 1911", Division 20, California Water Code) as a result of a special election held on December 8, 1959. On March 12, 1963, the voters of Upper District elected to join the Metropolitan Water District of Southern California. On November 2, 1965, the citizens of West Covina voted to join Upper District.

Adjudication proceedings, which established the legal determination of water rights of individual pumpers in the area in relation to the safe yield of the total water basin, were completed on December 29, 1972. The decree established a Watermaster, the Main San Gabriel Basin Watermaster, who took over the function of levying and collecting the assessments that had previously been levied and collected by Upper District through its reimbursement contract and replenishment funds.

Upper District's mission is to consistently meet our region's need for reliable, high quality and affordable water.

Basis of accounting and measurement focus

Upper District is considered an enterprise fund for financial reporting purposes. The accompanying financial statements have been prepared using the economic measurement focus and the accrual basis of accounting, in conformity with generally accepted accounting principles (GAAP) and the Uniform Systems of Accounts for Water Utility Districts as prescribed by the Controller of the State of California. Under this basis of accounting and measurement focus, revenues are recognized when they are earned and expenses are recognized when they are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they were levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the providers have been met.

Prior year summarized information

The basic financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Net position

Sometimes Upper District will fund outlays for a particular purpose from both restricted (e.g., grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net position (continued)

Net position is categorized as follows:

- *Net investment in capital assets* – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- *Restricted* – This component of net position consists of constraints placed on resources through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted* – This component of net position consists of resources that do not meet the definition of “restricted” or “net investment in capital assets.”

Upper District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an entity’s ongoing operations. Upper District defines operating revenues as those realized by Upper District in exchange for providing its primary services for water sales and water programs including conservation and recycled water. Nonoperating revenues are those derived from the investment of cash reserves and from entities other than customers and other ancillary sources.

Pension

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Upper District’s California Public Employees’ Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan’s 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.

Deferred outflows/inflows of resources

Deferred outflows of resources represent a consumption of net assets that applies to future periods. Deferred inflows of resources represent an acquisition of net assets that applies to future periods. Deferred outflows of resources increase net position, similar to assets, and deferred inflows of resources decrease net position, similar to liabilities.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Postemployment benefits other than pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the Upper District's OPEB Plan and additions to/deductions from the Plan's 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. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Risk management

Upper District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and natural disasters. It is a member of the Association of California Water Agencies Joint Powers Insurance Authority (Insurance Authority). The Insurance Authority is a risk-pooling, self-insurance authority, created under the provisions of California Government Code Sections 6500 et. seq. The purpose of the Insurance Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

On June 30, 2024, Upper District participated in the self-insurance program of the Insurance Authority as follows:

Property Loss – The Insurance Authority has pooled self-insurance up to \$10,000,000 per occurrence and has purchased excess insurance coverage up to \$500,000,000, with deductibles ranging from \$2,500 to \$50,000.

General, Auto and Public Officials Errors and Omissions Liability – The Insurance Authority has pooled self-insurance up to \$5,000,000 and has purchased excess insurance coverage up to \$55,000,000.

Cyber Liability – The Insurance Authority has pooled self-insurance up to \$5,000,000 per occurrence subject to a \$5,000,000 aggregate limit.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risk management (continued)

Crime – The Insurance Authority has pooled self-insurance up to \$100,000 per occurrence, with \$1,000 deductible.

Workers' Compensation – The Insurance Authority has pooled self-insurance up to \$2,000,000 each for workers' compensation and employers' liability. The Insurance authority purchases excess coverage up to the statutory limit of \$4,000,000.

There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

Cash and cash equivalents

For purposes of the statements of cash flows, cash and cash equivalents have been defined as deposits and highly liquid investments with maturity of 90 days or less at the date of purchase.

Investments

Investments are stated at fair value (the value at which financial instruments could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale). 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.

Capital assets and depreciation

Capital assets are recorded at cost. If applicable, donated assets are stated at acquisition value on the date donated. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets. Upper District uses differing capitalization thresholds for the classes of assets based on materiality. Upper District's policy is to review for capitalization those expenditures greater than \$500 that have a useful life of more than one year. Estimated service lives for Upper District's classes of assets are as follows:

Distribution system	50 years
Building	50 years
Building improvements	10 - 15 years
Furniture and equipment	2 - 10 years

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned revenue

Unearned revenue is water revenue paid by customers, as well as rental revenue paid by a lessee in the current period but is yet to be earned by Upper District.

Compensated absences

Upper District's policy is to permit employees to accumulate a limited amount of earned vacation and sick leave. Accumulated vacation time is accrued at year-end to account for Upper District's obligation to the employees for the amount owed. It is management's belief that the majority of the obligation will be utilized during the course of the next fiscal year. Vacation pay is payable to employees at the time a vacation is taken, cashed out, or upon termination of employment. Normally, an employee cannot accrue more than thirty days of vacation each year. Sick leave is payable when an employee is unable to work because of illness. Upon retirement, an employee will be paid for 50% of unused sick leave.

Overhead absorption

Certain operating expenses are allocated to capital assets using management's allocation of manpower and service estimates that are directly related to the construction of capital assets.

Contributions for capital acquisitions/construction

Contributions for capital acquisitions/construction represent cash and capital asset additions contributed to Upper District by federal, state, and local granting agencies.

Budgetary policies

Upper 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.

Allowance for doubtful accounts

Upper District recognizes bad debt expense relating to receivables when it is probable that the accounts will be uncollectible. As of June 30, 2024, all receivables were deemed collectible.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property taxes

The County bills and collects property taxes on behalf of numerous special districts and incorporated cities, including Upper District. The Upper District's current year tax collection is received through periodic apportionments from the County. The County's tax calendar is from July 1 to June 30. Property taxes attach as a lien on the property on January 1. Taxes are levied on July 1 and are payable in two equal installments on November 1 and February 1, and become delinquent after December 10 and April 10, respectively.

Prepurchased water

Pre-purchased water consists of groundwater purchased from the Metropolitan Water District and not immediately sold to client agencies. It is valued based upon purchase cost and consumed on a first in first out basis.

NOTE 2: CASH AND INVESTMENTS

Cash and investments are presented in the accompanying financial statements as follows:

Cash and cash equivalents	\$	9,693,179
Investments		<u>7,367,160</u>
Total cash and investments	\$	<u><u>17,060,339</u></u>

Cash and investments as of June 30, 2024 consist of the following:

Imprest cash on hand	\$	500
Deposits with financial institutions		860,338
Cash with investment broker		<u>3,278</u>
Total cash		<u>864,116</u>
Local Agency Investment Fund ⁽¹⁾		8,829,062
Money market mutual funds		77,216
Agency Funds		1,880,701
U.S. Treasury securities		3,441,216
U.S. Corporate Funds		201,059
Supranational		<u>203,944</u>
Total unrestricted investments		<u>14,633,198</u>
Investment in Section 115 trust		<u>1,563,025</u>
Total investments		<u><u>16,196,223</u></u>
Total cash and investments	\$	<u><u>17,060,339</u></u>

⁽¹⁾ Upper District is a voluntary participant in the Local Agency Investment Fund (LAIF), a special fund regulated by the California State Treasury through which each city, district or agency may invest up to \$75 million. As of June 30, 2024, the total fair value of LAIF, including accrued interest was approximately \$178 billion. Upper District's proportionate share of that value is \$8.83 million as of June 30, 2024. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. LAIF has a minimum \$5,000 transaction amount in increments of \$1,000 with a maximum of 15 transactions (combination of deposits and withdrawals) per month. LAIF requires a one-day prior notice for deposits and withdrawals of \$10 million or more. As regards to credit rating, LAIF is unrated as of June 30, 2024.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2024

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Investment policy

The Upper District's investment policy outlines the guidelines required to be used in effectively managing Upper District's available cash in accordance with the California Government Code. To address interest rate risk, the Upper District's existing policy limits the maturity of investments to five years, with the exception of special trust funds which shall not be subject to this limitation. To mitigate credit risks associated with its investments, the Upper District's investment policy limits investments to large institutions and requires diversification to ensure that failure of one issuer will not significantly affect the Upper District's cash flow.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Upper District's investments in LAIF have a weighted average maturity of 217 days, generally consistent with its cash flow and liquidity needs. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest.

Information about the sensitivity of the fair values of the Upper District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Upper District's investments by maturity.

Maturities of investments as of June 30, 2024, were as follows:

Investment Type (including LAIF)	Total	Remaining maturing (in months)		
		12 Months or Less	13 to 36 Months	37 to 60 Months
Local Agency Investment Fund	\$ 8,829,062	\$ 8,829,062	\$ -	\$ -
Money market mutual funds	77,216	77,216	-	-
Agency funds	1,880,701	552,856	1,178,349	149,496
U.S. Treasury securities	3,441,216	1,428,221	2,012,995	-
U.S. Corporate funds	201,059	49,144	151,915	-
Supranational	203,944	50,000	153,944	-
Total	<u>\$ 14,633,198</u>	<u>\$ 10,986,499</u>	<u>\$ 3,497,203</u>	<u>\$ 149,496</u>

Concentration of credit risk

A concentration of credit risk is the risk of loss attributable to the magnitude of the Upper District's investment in a single issuer. The Upper District's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2024, there were no investments in any one issuer (other than U.S. Treasury securities, agency funds, corporate funds, and external investment pools) that represent 5% or more of total Upper District investments.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2024

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Custodial credit risk

Custodial credit risk is the risk that the Upper District will not be able to (a) recover deposits if the depositor financial institution fails, or (b) recover the value of investments or collateral securities that are in the possession of an outside party if the counterparty to the investment or deposit transaction fails.

Deposits

The California Government Code requires California banks and savings and loan associations to secure a local governmental agency's (agency) deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150% of an agency's total deposits. The agency may waive collateral requirements for deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC).

Deposits are exposed to custodial credit risk if they are uninsured and are either:

- a. Uncollateralized;
- b. Collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the depositor-government's name.

As of June 30, 2024, Upper District's deposits (bank balances) exceeded the maximum deposit insurance amount by \$548,193, which is collateralized as described above.

Investments

The California Government Code authorizes Upper District to invest in obligations of the United States Treasury, agencies, and instrumentalities; prime commercial paper; bankers' acceptances; repurchase and reverse repurchase agreements; financial futures or financial option contracts; negotiable certificates of deposit; obligations of the State of California; and obligations of local agencies within California.

Investments are exposed to custodial credit risk if they are uninsured, unregistered and held by either:

- a. Counterparty;
- b. The counterparty's trust department or agent but not in the government's name.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2024

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Upper District's investment policy limits eligible investments to large institutions. As of June 30, 2024, Upper District had the majority of its investments in LAIF.

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of year-end for each investment type.

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

Investment Type (including LAIF)	Total	Minimum legal rating	Standard & Poor's Rating as of year end
Local Agency Investment Fund	\$ 8,829,062	N/A	Unrated
U.S. Treasury securities	<u>3,441,216</u>	N/A	Unrated
Investments:			
Money market mutual funds	77,216	A	AAA
Agency funds	1,880,701	N/A	AA+
U.S. Corporate funds	201,059	N/A	A+
Supranational	<u>203,944</u>	AA	AAA
Subtotal	<u>2,362,920</u>		
Total	<u>\$ 14,633,198</u>		

NOTE 3: FAIR VALUE MEASUREMENTS

Generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Upper District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, while Level 3 inputs are significant unobservable inputs;

- Level 1 inputs are quoted prices for identical assets or liabilities in active markets that government can access at the measurement date.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2024

NOTE 3: FAIR VALUE MEASUREMENTS (CONTINUED)

- Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive market; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 inputs are unobservable inputs for an asset or liability.

The following table represent the Upper District's fair value hierarchy for its financial assets measured at fair value on a recurring basis:

Investment by fair value level	Fair value measurement using			
	Total	Level 1	Level 2	Level 3
Agency funds	\$ 1,880,701	\$ -	\$ 1,880,701	\$ -
U.S. Treasury securities	3,441,216	-	3,441,216	-
U.S. Corporate funds	201,059	-	201,059	-
Supranational	203,944	-	203,944	-
	5,726,920	\$ -	\$ 5,726,920	\$ -
Investments not subject to fair value measurements:				
LAIF	8,829,062			
Money market mutual funds	77,216			
Total investments	\$ 14,633,198			

Upper District's investments in LAIF as of June 30, 2024 are reported at the Upper District's pro-rata share of the amortized cost provided by LAIF for the entire portfolio.

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Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2024

NOTE 4: CAPITAL ASSETS

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

	Beginning balance	Increases	Decreases	Transfers	Ending balance
Capital assets, not being depreciated					
Intangible utility plant	\$ 656,874	\$ -	\$ -	\$ -	\$ 656,874
Construction in progress	8,576,495	131,641	-	(131,641)	8,576,495
Total capital assets, not being depreciated	9,233,369	131,641	-	(131,641)	9,233,369
Capital assets, being depreciated:					
Buildings and improvements	7,437,770	-	-	131,641	7,569,411
Water recycling	52,105,171	-	-	-	52,105,171
Furniture and equipment	203,564	-	-	-	203,564
Other	20,964	-	-	-	20,964
Total capital assets, being depreciated	59,767,469	-	-	131,641	59,899,110
Less accumulated depreciation for:					
Buildings and improvements	(86,774)	(152,673)	-	-	(239,447)
Water recycling	(12,722,858)	(1,072,636)	-	-	(13,795,494)
Furniture and equipment	(152,726)	(18,689)	-	-	(171,415)
Other	(20,964)	-	-	-	(20,964)
Total accumulated depreciation	(12,983,322)	(1,243,998)	-	-	(14,227,320)
Total capital assets being depreciated, net	46,784,147	(1,243,998)	-	131,641	45,671,790
Total capital assets, net	\$ 56,017,516	\$ (1,112,357)	\$ -	\$ -	\$ 54,905,159

Major capital asset additions during the year include work on various stages of construction projects. A significant portion of these additions were constructed by the Upper District and/or subcontractors.

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Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2024

NOTE 5: LEASE RECEIVABLE

On February 10, 2022, Upper District entered into a 5-year lease as lessor for the use of an office space. The agreement, which was amended on November 30, 2022 to have a commencement date of December 1, 2022, allows for additional one-year term extensions. A lease receivable in the amount of \$142,398 was initially recorded. As of June 30, 2024, the value of this receivable is \$107,368. The lease has an interest rate of 3.12% and requires the lessee to make fixed monthly payments of \$2,166. Upper District recognized lease revenue of \$23,733 during the fiscal year. The lessee's future payment requirements are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 23,032	\$ 2,956	\$ 25,988
2026	23,761	2,227	25,988
2027	24,514	1,474	25,988
2028	25,290	698	25,988
2029	10,771	56	10,827
	<u>\$ 107,368</u>	<u>\$ 7,411</u>	<u>\$ 114,779</u>

Lease activity for the year ended June 30, 2024, is summarized as follows:

<u>Deferred Inflow of Resources</u>	Balance as of <u>July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance as of <u>June 30, 2024</u>
Office Lease	<u>\$ 128,554</u>	<u>\$ -</u>	<u>\$ 23,733</u>	<u>\$ 104,821</u>

<u>Lease Receivable</u>	Balance as of <u>July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance as of <u>June 30, 2024</u>
Office Lease	<u>\$ 129,693</u>	<u>\$ -</u>	<u>\$ 22,325</u>	<u>\$ 107,368</u>

NOTE 6: COMPENSATED ABSENCES

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

Balance at beginning of year	\$ 83,728
Earned by employees	81,713
Taken by/paid to employees	(77,161)
Balance at end of year	<u>88,280</u>
Less current portion	48,988
Long-term portion	<u>\$ 39,292</u>

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2024

NOTE 7: AGREEMENTS WITH STATE WATER RESOURCES CONTROL BOARD

Project finance agreements (direct borrowing)

In December 2009, Upper District entered into four (4) project finance agreements with the California State Water Resources Control Board (CSWRCB) for a total amount of \$17.02 million for the purpose of financing the planning, design, acquisition, construction, and installation of the Water Recycling Pipeline and Pump Station Project Phase IIB. Principal payments range from \$75,541 to \$527,409 varying by loan. These project funds shall be repaid in annual installments commencing on the date that is one year after completion of construction and payable up to 21 years at zero interest rate. In addition, the Upper District has pledged all net revenues for repayment of the debt. As of June 30, 2024, Upper District has drawn down a total of \$13,171,937 under this agreement. Construction activities funded by the CSWRCB loans were completed as of June 30, 2013.

Balance at the beginning of year	\$ 6,654,484
Principal payments	<u>(671,116)</u>
Balance at end of year	5,983,368
Less short-term portion	<u>(683,231)</u>
Long-term portion	<u><u>\$ 5,300,137</u></u>

Amounts due under the agreements, which include imputed interest, are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2025	\$ 683,231	\$ 108,001	\$ 791,232
2026	695,564	95,668	791,232
2027	708,119	83,113	791,232
2028	720,901	70,331	791,232
2029	733,914	57,318	791,232
2030-2033	<u>2,441,639</u>	<u>94,382</u>	<u>2,536,021</u>
Total	<u><u>\$ 5,983,368</u></u>	<u><u>\$ 508,813</u></u>	<u><u>\$ 6,492,181</u></u>

Upper District repaid \$791,232 during the year ended June 30, 2024, of which \$671,116 is related to principal payments and \$120,116 is related to imputed interest.

In the event of a termination, Upper District has agreed, upon demand, to immediately repay to the State Water Board an amount equal to installment payments due hereunder, including accrued interest, and all penalty assessments due. In the event of termination, interest shall accrue on all amounts due at the highest legal rate of interest from the date that notice of termination is mailed to the Upper District to the date of full repayment by the Upper District.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2024

NOTE 8: DEFINED BENEFIT PENSION PLAN

General information about the Pension Plan

Plan description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District sponsors a cost sharing multiple employer defined benefit pension plan. Benefit provisions under the Plan are established by State statute and District 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, at www.calpers.ca.gov.

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 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures, and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2024

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

The Plan's provisions and benefits in effect as of June 30, 2024 are summarized as follows:

	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensations	2.0% to 2.7%	1.0% to 2.5%
Required employer contribution rates (reporting period)	17.55%	8.48%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2024 were \$1,300,977. The actual employer payments of \$357,339 made to CalPERS by the District during the measurement period ended June 30, 2023 differed from the District's proportionate share of the employer's contributions of \$463,674 by \$106,336, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

Net Pension Liability

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2024

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial methods and assumptions used to determine Total Pension Liability

The collective total pension liability for the June 30, 2023 measurement period was determined by an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2023. The collective total pension liability was based on the following assumptions:

Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal Cost Method
Asset Valuation Method:	Fair Value of Assets
Discount Rate	6.90%
Inflation	2.30%
Salary Increase	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.30% thereafter

¹ The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

Long-term expected rate of return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2024

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

The expected real rates of return by asset class are as follows:

Asset Class	Assumed Asset Allocation	Real Return^{1,2}
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)
Total	100.0%	

¹ An expected inflation of 2.30% used for this period

² Figures are based on the 2021 Asset Liability Management Study

Change of assumptions

There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

Discount rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2024

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Subsequent events

There were no subsequent events that would materially affect the results presented in this disclosure.

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

Proportionate share of Net Pension Liability

The following table shows the District's proportionate share of the net pension liability over the measurement period.

	Increase (Decrease)		
	Plan Total Pension	Plan Fiduciary Net	Plan Net Pension
Balance at: 6/30/2022 (VD)	\$ 12,342,272	\$ 9,993,644	\$ 2,348,628
Balance at: 6/30/2023 (MD)	13,711,299	11,153,601	2,557,698
Net change during 2022-23	<u>\$ 1,369,027</u>	<u>\$ 1,159,957</u>	<u>\$ 209,070</u>

Valuation Date (VD), Measurement Date (MD)

The District's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov.

The District's proportionate share of the net pension liability for the Plan (miscellaneous) as of the June 30, 2022 and 2023 measurement dates was as follows:

Proportion share of NPL - MD June 30, 2022	0.05019%
Proportion share of NPL - MD June 30, 2023	0.05115%
Change - Increase (Decrease)	0.00096%

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2024

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the proportionate share of the Net Pension Liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.9%)	Discount Rate + 1% (7.90%)
Miscellaneous Plan's Net Pension Liability	\$ 4,412,093	\$ 2,557,698	\$ 1,031,372

Amortization of deferred outflows and deferred inflows of resources

Under generally accepted accounting principles, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expenses.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining services lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2023 is 3.8 years, which was obtained by dividing the total service years of 600,538 (the sum of remaining service lifetimes of the active employees) by 160,073 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2024

Pension expense and deferred outflows and deferred inflows of resources related to pensions

As of the start of the measurement period (July 1, 2022), the District's net pension liability was \$2,348,628. For the measurement period ending June 30, 2023 (the measurement date), the District incurred a pension expense of \$482,276.

As of June 30, 2024, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred outflows of resources	Deferred inflows of resources
Difference between expected and actual experience	\$ 130,661	\$ 20,269
Changes in assumptions	154,420	-
Difference between projected and actual investment earnings	414,114	-
Difference between employer's contribution and proportionate share of contributions	369,460	88,834
Change in employer's proportion	21,361	615,861
Pension contributions made subsequent to measurement date	1,300,977	-
Totals	<u>\$ 2,390,993</u>	<u>\$ 724,964</u>

The amounts above are net of outflows and inflows recognized in the 2023-24 measurement period expense. Contributions subsequent to the measurement date of \$1,300,977 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal year ended June 30,	Deferred outflows/(inflows) of resources, net
2025	\$ 38,166
2026	19,212
2027	295,791
2028	11,883
2029	-
Thereafter	-

Payable to the pension plan

As of June 30, 2024, the District reported a payable of \$16,906 for the outstanding amount of contributions to the pension plan required for the year then ended.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2024

NOTE 9: DEFERRED COMPENSATION AGREEMENT

Upper District offers its employees a deferred compensation plan (DC Plan) created in accordance with Internal Revenue Code Section 457. The DC Plan, available to all of the Upper District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency.

All amounts of compensation deferred under the DC Plan are held in trust, not controlled by the District and are not subject to the creditors of the Upper District. Accordingly, the assets and liabilities of the DC Plan are not reflected in these financial statements in accordance with GASB 84.

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General information about the OPEB Plan

Plan description

Upper District provides postretirement medical benefits to employees who retire directly from Upper District under a single employer defined benefit postemployment benefits plan. In March 2014, the Board of Directors authorized the prefunding of OPEB through an irrevocable trust, the California Employer's Retiree Benefit Trust (CERBT). The CalPERS Board of Administration has sole and exclusive control and power over the administration and investment of the CERBT. The plan itself does not issue a separate set of financial statements. The CERBT plan does issue a separate set of financial statements that can be obtained from the CalPERS website.

Upper District's postemployment healthcare benefits provided to certain qualified employees, directors and their dependents based on resolutions by the Board of Directors are as follows:

- A Health & Accident and Major Medical Payments Insurance Policy, as selected and approved by the Board.
- A combined maximum of up to \$12,000 per calendar year, depending on date of hire and applicable plan, for retirees and their dependents for medical costs not covered by the insurance policy above and for eligible costs of dental, vision and/or hearing.

These benefits are provided to each retired employee, hired full-time before July 1, 2021, who has served the Upper District for more than ten years before terminating employment at age 55 years or older and each retired director who served in office after January 1, 1981, was elected to the board prior to January 1, 1995, has served not less than twelve years or three full terms of office and has attained the age of 50 years.

Officers and full-time employees who began service with the Upper District, on or after July 1, 2021, and has served the Upper District continuously for a period of ten (10) years or more and is either (a) deceased while employed full-time with the Upper District, or (b) has reached the normal retirement age set by CalPERS while employed full-time with Upper District, but has not yet attained the age of 65 years or eligibility for Medicare (Medicare Age) shall receive the same or equivalent medical benefits to that offered to active employees of the same tier.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2024

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Employees covered by benefit terms

As of June 30, 2023 (valuation date), the following employees were covered by the benefit terms of the Plan:

Category	Count
Active employees	10
Inactive employees or beneficiaries currently receiving benefits	7
Inactive employees entitled to but not yet receiving benefit payments	-
Total	17

Contributions and funding policy

The Plan and its contribution requirements are established and may be amended by the Board of Directors. In March 2014, the Board of Directors authorized the execution of the prefunding agreement with the CERBT and fully funding the annual required contributions (contractually determined) for OPEB.

During fiscal year ended June 30, 2024, Upper District contributed \$131,628 to the Plan. As the measurement date of June 30, 2023, the Trust account balance was \$2,353,206. The Trust assets are dedicated to providing benefits to retirees and are legally protected from the creditors of the Upper District and the plan members. The Trust assets are not reported in the Upper District's financial statements.

Net OPEB Liability

Upper District's net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023.

Actuarial assumptions

This valuation assumes that the Upper District will fund the Plan on an ad hoc basis, in an amount sufficient to fully fund the obligation over a period not to exceed 29 years. The Normal Cost is the portion of the Actuarial Present Value of benefits allocated to a valuation year. The UAAL is the excess of the Entry Age Normal Actuarial Accrued Liability over the Market Value of Assets.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2024

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

The total OPEB liability for the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:

Actuarial cost method	Entry age actuarial cost method
Asset valuation method	Fair value of assets
Inflation	2.50%
Salary Increases	2.75% per year
Investment Rate of Return	6.75% per year of net expenses; based on assumed long-term return on plan assets assuming 100% funding through CERBT using the Building Block Method
Healthcare cost trend rates	4.00% per year
Mortality rates	Based on 2021 CalPERS mortality for miscellaneous and schools employees

The valuation used historic 29-year real rates of return for each class along with the assumed long-term inflation assumption to set the discount rate. It offsets the expected investment return by investment expenses of 50 basis points. Following is the assumed asset allocation and assumed rate of return for each asset class:

Asset Class	Percentage of Portfolio	Assumed Growth Return
All Equities	59%	7.55%
All Fixed income	25%	4.25%
Real estate investment trusts	8%	7.25%
All Commodities	3%	7.55%
Treasury Inflation Protected Securities (TIPS)	5%	3.00%
Total	100%	

Discount rate

The discount rate used to measure the total OPEB liability was 6.75%. This assumes that contributions would be sufficient to fully fund the obligation over a period not to exceed 29 years. The rate is based on the real rate of return expected for plan assets plus long-term inflation assumption.

Change in assumptions

There were no assumption changes since the prior measurement date.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2024

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Change in the Net OPEB Liability

	Increases (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2023 (Measurement Date June 30, 2022)	\$ 2,785,158	\$ 2,171,188	\$ 613,970
Changes for the year:			
Service cost	89,041	-	89,041
Interest on the Total OPEB Liability	187,316	-	187,316
Investment gains and losses	-	138,349	(138,349)
Contributions - employer	-	155,240	(155,240)
Benefit payments	(110,941)	(110,941)	-
Administrative expenses	-	(630)	630
Experience gains/losses	(503,114)	-	(503,114)
Changes in assumptions	(125)	-	(125)
Net Changes	(337,823)	182,018	(519,841)
Balance at June 30, 2024 (Measurement Date June 30, 2023)	\$ 2,447,335	\$ 2,353,206	\$ 94,129

Sensitivity of the net OPEB liability to changes in the discount rate

The net OPEB liability of the Upper District, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) follows:

	Discount rate 1% Lower	Valuation Discount Rate	Discount rate 1% Higher
Net OPEB Liability	\$ 375,081	\$ 94,129	\$ (139,419)
	Trend 1% Lower	Valuation Trend	Trend 1% Higher
Net OPEB Liability	\$ (172,422)	\$ 94,129	\$ 419,980

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2024

NOTE 10: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

OPEB expense and deferred inflows and outflows of resources related to OPEB

For the year ended June 30, 2024, Upper District recognized OPEB expense of \$68,646 with details as follows:

	<u>Total</u>
Service cost	\$ 89,041
Interest cost	187,316
Expected return in assets	(148,029)
Administration expense	630
Recognition of experience (gain)/loss deferrals	(140,876)
Recognition of assumption change deferrals	10,313
Recognition of investment (gain)/loss deferrals	<u>70,251</u>
Total OPEB Expense	<u>\$ 68,646</u>

As of June 30, 2024, Upper District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
OPEB contributions subsequent to measurement date	\$ 131,628	\$ -
Changes in assumptions	54,753	106
Experience gains/losses	-	708,129
Investment gains/losses	<u>230,518</u>	<u>-</u>
Total	<u>\$ 416,899</u>	<u>\$ 708,235</u>

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

Fiscal year ended June 30:	Deferred outflows/(inflows) of resources
2025	\$ (62,263)
2026	(69,663)
2027	(31,181)
2028	(103,812)
2029	(89,565)
Thereafter	(66,480)

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2024

NOTE 11: COMMITMENTS AND CONTINGENCIES

Grant awards

Upper District has received funds for specific purposes that are subject to review and audit by the grantors. Although such audits could generate expenditure disallowances under terms of the grants or contracts, management believes that any required reimbursements will not be material.

Litigation

Legal claims and lawsuits arise from time to time in the normal course of business, which, in the opinion of management, will have no material effect on the Upper District's financial position.

Construction activities

Upper District has a variety of agreements with private contractors relating to the construction of water recycling projects. Upper District has no commitments from open construction contracts as of June 30, 2024.

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Required Supplementary Information

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Upper San Gabriel Valley Municipal Water District

Schedule of the District's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date Last 10 Years

Measurement date	Employer's proportion of the collective net pension liability (asset)	Employer's proportionate share of the collective net pension liability ¹	Covered payroll	Employer's proportionate share of the collective net pension liability as a percentage of the employer's covered payroll	Pension plan's fiduciary net position as a percentage of the total pension liability
June 30, 2014	0.020400%	\$ 1,269,653	\$ 1,087,130	116.79%	83.23%
June 30, 2015	0.022304%	1,528,941	1,188,341	128.66%	79.89%
June 30, 2016	0.023155%	2,003,628	1,191,276	168.19%	75.87%
June 30, 2017	0.023753%	2,355,668	943,618	249.64%	75.44%
June 30, 2018	0.024108%	2,323,090	1,127,628	206.02%	75.50%
June 30, 2019	0.024778%	2,539,000	1,310,022	193.81%	74.39%
June 30, 2020	0.025300%	2,752,218	1,423,225	193.38%	74.39%
June 30, 2021	0.029270%	1,583,206	1,361,709	116.27%	86.16%
June 30, 2022	0.020333%	2,348,628	1,179,439	199.13%	80.97%
June 30, 2023	0.020502%	2,557,698	1,191,332	214.69%	80.85%

¹ Proportion of the collective net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

Upper San Gabriel Valley Municipal Water District

Schedule of Pension Plan Contributions Last 10 Years

<u>Fiscal year</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2015	\$ 204,555	\$ (708,613)	\$ (504,058)	\$ 1,188,341	59.63%
June 30, 2016	228,626	(228,626)	-	1,191,276	19.19%
June 30, 2017	203,040	(203,040)	-	943,618	21.52%
June 30, 2018	217,448	(217,448)	-	1,127,628	19.28%
June 30, 2019	270,063	(270,063)	-	1,310,122	20.61%
June 30, 2020	313,575	(313,575)	-	1,423,225	22.03%
June 30, 2021	332,348	(332,348)	-	1,361,709	24.41%
June 30, 2022	1,322,497	(322,497)	1,000,000	1,179,439	112.13%
June 30, 2023	357,339	(357,339)	-	1,191,332	29.99%
June 30, 2024	1,300,977	(300,977)	1,000,000	1,371,111	94.88%

Notes to Schedule:

Change in benefit terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65% to 7.15%. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

Upper San Gabriel Valley Municipal Water District

Schedule of Changes in the Net OPEB Liability and Related Ratios Last 10 Years*

Measurement date	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service cost	\$ 52,554	\$ 53,999	\$ 55,484	\$ 77,388	\$ 79,516	\$ 86,658	\$ 89,041
Interest on the Total OPEB Liability	171,159	177,712	183,972	171,028	184,605	176,090	187,316
Actual and expected experience difference	-	-	-	-	-	-	-
Experience gains/losses	-	-	(307,813)	-	(222,423)	34,994	(504,795)
Changes in assumptions	-	-	-	-	85,749	-	(125)
Expected less actual benefit payments	-	-	-	4,851	(38,244)	-	1,681
Benefit payments	(120,998)	(142,099)	(143,959)	(115,900)	(78,249)	(120,992)	(110,941)
Net change in Total OPEB Liability	102,715	89,612	(212,316)	137,367	10,954	176,750	(337,823)
Total OPEB Liability - beginning	2,480,076	2,582,791	2,672,403	2,460,087	2,597,454	2,608,408	2,785,158
Total OPEB Liability - ending (a)	2,582,791	2,672,403	2,460,087	2,597,454	2,608,408	2,785,158	2,447,335
Plan Fiduciary Net Position							
Contribution - employer	433,842	261,275	247,902	226,843	1,078,249	209,650	155,240
Net investment income	43,890	46,053	58,540	33,812	304,496	(321,928)	148,029
Investment gains and losses	-	1,650	(9,766)	-	-	-	(9,680)
Benefit payments	(120,998)	(142,099)	(104,446)	(115,900)	(78,249)	(120,992)	(110,941)
Administrative expense	(232)	(1,112)	(164)	(468)	(422)	(609)	(630)
Net change in Plan Fiduciary Net Position	356,502	165,767	192,066	144,287	1,304,074	(233,879)	182,018
Plan Fiduciary Net Position - beginning	242,371	598,873	764,640	956,706	1,100,993	2,405,067	2,171,188
Plan Fiduciary Net Position - ending (b)	598,873	764,640	956,706	1,100,993	2,405,067	2,171,188	2,353,206
Net OPEB Liability - ending (a) - (b)	\$ 1,983,918	\$ 1,907,763	\$ 1,503,381	\$ 1,496,461	\$ 203,341	\$ 613,970	\$ 94,129
Plan fiduciary net position as a percentage of the total OPEB liability	23.19%	28.61%	38.89%	42.39%	92.20%	77.96%	96.15%
Covered-employee payroll ¹	\$ 1,107,374	\$ 1,294,561	\$ 1,366,231	\$ 1,449,600	\$ 1,077,504	\$ 1,465,990	\$ 1,356,363
Net OPEB liability as a percentage of covered-employee payroll ¹	179.16%	147.37%	110.04%	103.23%	18.87%	41.88%	6.94%

¹ Contributions to the OPEB plan are not based on a measure of pay.

Upper San Gabriel Valley Municipal Water District

Schedule of OPEB Plan Contributions Last 10 Years*

<u>Fiscal year</u>	<u>Contractually determined contribution</u>	<u>Contributions in relation to the contractually determined contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered- employee payroll¹</u>	<u>Contributions as a percentage of employee covered payroll</u>
June 30, 2018	\$ 120,856	\$ (240,032)	\$ (119,176)	\$ 1,294,561	18.54%
June 30, 2019	104,446	(247,902)	(143,456)	1,366,231	18.14%
June 30, 2020	226,843	(226,843)	-	1,449,600	15.65%
June 30, 2021	230,663	(1,078,249)	(847,586)	1,077,504	100.07%
June 30, 2022	107,828	(209,650)	(101,822)	1,465,990	14.30%
June 30, 2023	155,391	(155,240)	151	1,356,363	11.45%
June 30, 2024	83,082	(131,628)	(48,546)	1,396,210	9.43%

¹ Contributions to the OPEB plan are not based on a measure of pay.

Notes to schedule:

Actuarial methods and assumptions used to set actuarially determined contributions for fiscal year 2024 were from the June 30, 2023 actuarial valuation.

Methods and assumptions used to determine contributions:

Actuarial cost method	Entry age actuarial cost method
Amortization methodology	Straight-line recognition over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits as of the beginning of the Measurement Period. In determining the EARSL, all active, retired, and inactive (vested) members are counted, with the latter two groups having 0 remaining service years
Asset valuation method	Fair value of assets
Inflation	2.50%
Payroll growth	2.75% per year
Investment rate of return	6.75% per year of net expenses
Healthcare trend	4.0% per year
Retirement age	Hired 2013 and later: 2021 CalPERS 2.0%@62 rates for Miscellaneous Employees; Hired 2012 and earlier: 2021 CalPERS 2.7%@55 rates for Miscellaneous Employees
Mortality	2021 CalPERS Mortality for Miscellaneous and Schools Employees

* Historical information is required only for measurement periods for which it is applicable. Future years' information will be displayed up to 10 years as information becomes available.

**Statistical Section
(Unaudited)**

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Upper San Gabriel Valley Municipal Water District

Statistical Section

This part of the Upper District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Upper District's overall financial health.

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Upper San Gabriel Valley Municipal Water District

Changes in Net Position Last Ten Fiscal Years (Unaudited) (In Thousands)

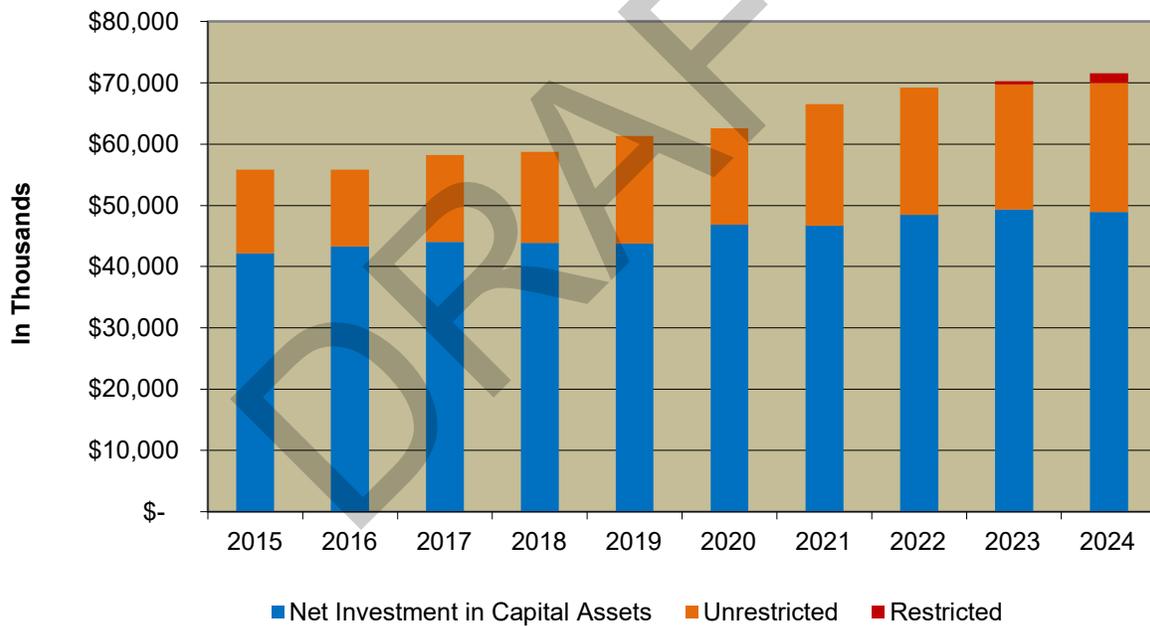
	Fiscal Year Ended June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Changes in net position:										
Operating revenues	\$ 37,928	\$ 20,800	\$ 38,154	\$ 22,671	\$ 38,384	\$ 33,388	\$ 55,854	\$ 48,840	\$ 46,295	\$ 62,497
Operating expenses	(39,849)	(23,770)	(39,557)	(26,900)	(39,515)	(36,290)	(56,057)	(49,888)	(49,569)	(66,087)
Depreciation and amortization	(1,072)	(1,121)	(1,100)	(1,090)	(1,111)	(1,102)	(1,107)	(1,102)	(1,179)	(1,244)
Operating income (loss)	(2,993)	(4,091)	(2,503)	(5,319)	(2,242)	(4,004)	(1,310)	(2,150)	(4,453)	(4,834)
Nonoperating revenues (expenses)										
Standby charges	3,623	3,541	3,576	3,541	3,648	4,047	4,244	4,192	4,065	4,055
Nonoperating program expenses	(592)	(168)	29	29	-	-	-	-	-	-
Investment earnings	66	91	48	132	422	353	55	(258)	376	1,034
Taxes	372	441	546	586	613	724	709	733	755	921
Gain on sale of property and equipment				1,427	-	4	-	-	(7)	-
Change in fair value of investments	2	-	-	-	-	-	-	-	-	-
Net nonoperating revenues (expenses)	3,471	3,905	4,199	5,715	4,683	5,128	5,008	4,667	5,189	6,010
Net income (loss) before capital contributions	478	(186)	1,696	396	2,441	1,124	3,698	2,517	736	1,176
Contributions for capital acquisition/construction	348	208	685	1,329	186	121	249	155	325	109
Changes in net position	\$ 826	\$ 22	\$ 2,381	\$ 1,725	\$ 2,627	\$ 1,245	\$ 3,947	\$ 2,672	\$ 1,061	\$ 1,285

Source: Finance and Administration Department

Upper San Gabriel Valley Municipal Water District

Net Position by Component Last Ten Fiscal Years (Unaudited) (In Thousands)

Fiscal Year Ended June 30	Net Investment in Capital Assets	Restricted	Unrestricted	Total
2015	\$ 42,128	\$ -	\$ 13,714	\$ 55,842
2016	43,278	-	12,587	55,865
2017	44,009	-	14,237	58,246
2018	43,847	-	14,872	58,719
2019	43,768	-	17,578	61,346
2020	46,885	-	15,706	62,591
2021	46,707	-	19,831	66,538
2022	48,485	-	20,725	69,210
2023	49,363	525	20,382	70,270
2024	48,922	1,563	21,071	71,556

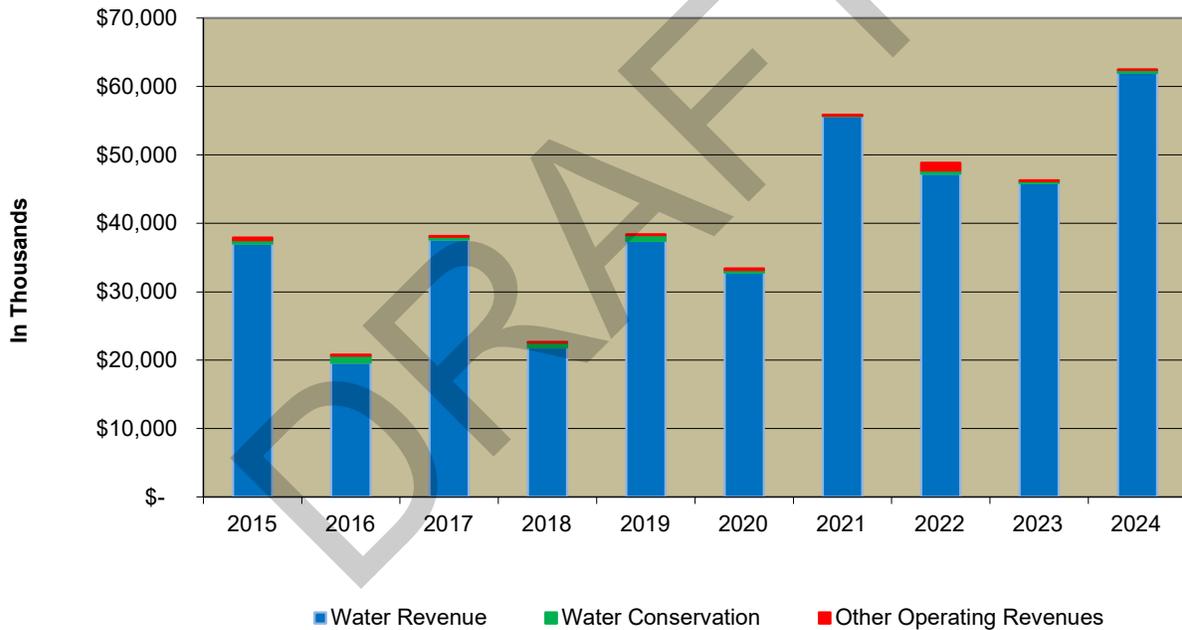


Source: Finance and Administration Department

Upper San Gabriel Valley Municipal Water District

Operating Revenues by Major Source Last Ten Fiscal Years (Unaudited) (In Thousands)

Fiscal Year Ended June 30	Water Revenue	Water Conservation	Other Operating Revenues	Total Operating Revenues
2015	\$ 37,021	\$ 545	\$ 362	\$ 37,928
2016	19,670	996	134	20,800
2017	37,646	430	78	38,154
2018	21,880	713	77	22,670
2019	37,459	837	88	38,384
2020	32,810	372	206	33,388
2021	55,708	31	115	55,854
2022	47,256	507	1,077	48,840
2023	45,892	313	90	46,295
2024	62,016	377	104	62,497

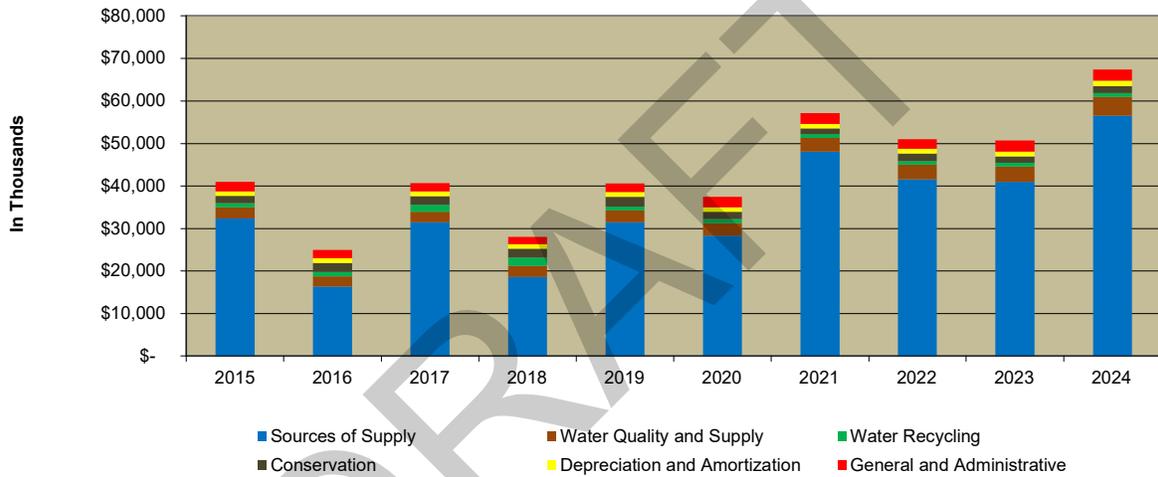


Source: Finance and Administration Department

Upper San Gabriel Valley Municipal Water District

Operating Expenses by Activity Last Ten Fiscal Years (Unaudited) (In Thousands)

Fiscal Year Ended June 30	Sources of Supply	Water Quality and Supply	Water Recycling	Conservation	Depreciation and Amortization	General and Administrative	Total Operating Expenses
2015	\$ 32,366	\$ 2,623	\$ 927	\$ 1,767	\$ 1,072	\$ 2,166	\$ 40,921
2016	16,345	2,342	1,066	2,127	1,121	1,890	24,891
2017	31,502	2,441	1,650	2,020	1,100	1,944	40,657
2018	18,590	2,569	2,008	2,049	1,090	1,684	27,990
2019	31,458	2,782	883	2,335	1,111	2,057	40,626
2020	28,321	2,962	939	1,695	1,102	2,373	37,392
2021	48,111	3,217	895	1,265	1,107	2,569	57,164
2022	41,557	3,443	828	1,803	1,102	2,257	50,990
2023	41,001	3,507	936	1,487	1,179	2,638	50,748
2024	56,579	4,342	904	1,678	1,244	2,584	67,331

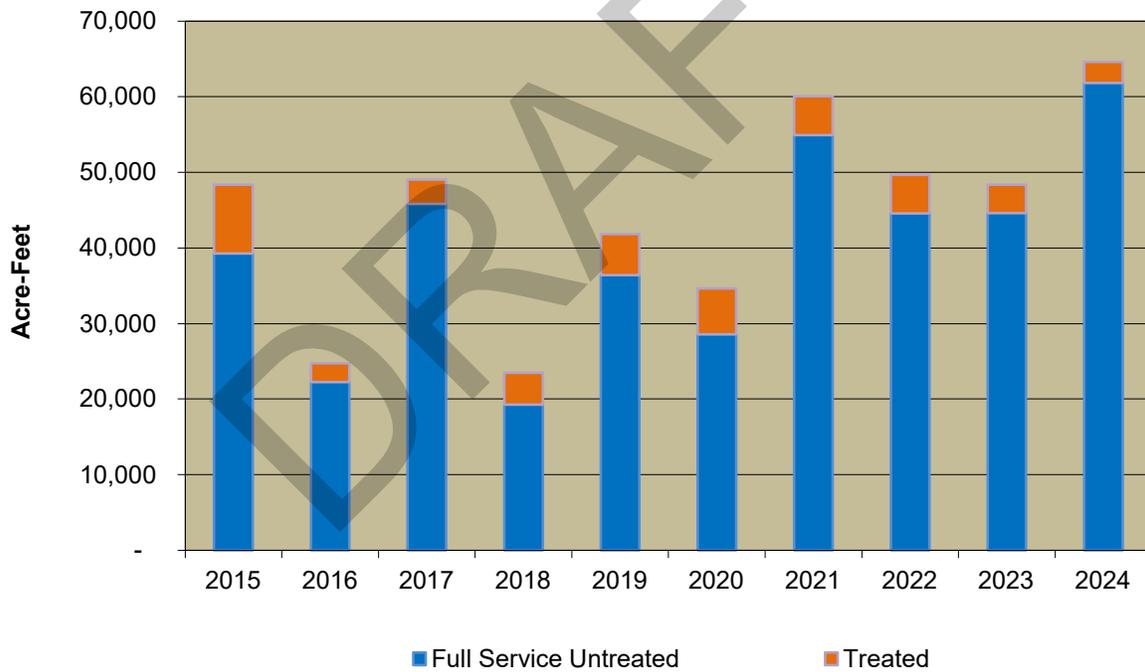


Source: Finance and Administration Department

Upper San Gabriel Valley Municipal Water District

Imported Water Deliveries Last Ten Fiscal Years (Unaudited) (In Acre Feet)

<u>Fiscal Year Ended June 30</u>	<u>Treated</u>	<u>Full Service Untreated</u>	<u>Total</u>
2015	9,069	39,287	48,356
2016	2,495	22,254	24,749
2017	3,197	45,813	49,010
2018	4,204	19,273	23,477
2019	5,420	36,421	41,841
2020	6,026	28,616	34,642
2021	5,146	54,895	60,041
2022	5,069	44,582	49,651
2023	3,734	44,614	48,348
2024	2,784	61,851	64,635



Source: Finance and Administration Department

Upper San Gabriel Valley Municipal Water District

Imported Water Rates and Charges Fiscal years ended June 30, 2024 and 2023 (Unaudited)

	Rate per Acre-Foot		
	MWD	Upper District Surcharge	Total
Fiscal Year Ended June 30, 2024			
<i>July 1, 2023 to December 31, 2023</i>			
Full Service Treated Tier 1	\$ 1,209	\$ 103	\$ 1,312
Full Service Treated Tier 2	1,418	103	1,521
Full Service Untreated Tier 1	855	103	958
Full Service Untreated Tier 2	1,064	103	1,167
 <i>January 1, 2024 to June 30, 2024</i>			
Full Service Treated Tier 1	\$ 1,256	\$ 103	\$ 1,359
Full Service Treated Tier 2	1,455	103	1,558
Full Service Untreated Tier 1	903	103	1,006
Full Service Untreated Tier 2	1,102	103	1,205
 Fiscal Year Ended June 30, 2023			
<i>July 1, 2022 to December 31, 2022</i>			
Full Service Treated Tier 1	\$ 1,143	\$ 103	\$ 1,246
Full Service Treated Tier 2	1,185	103	1,288
Full Service Untreated Tier 1	799	103	902
Full Service Untreated Tier 2	841	103	944
 <i>January 1, 2023 to June 30, 2023</i>			
Full Service Treated Tier 1	\$ 1,209	\$ 103	\$ 1,312
Full Service Treated Tier 2	1,418	103	1,521
Full Service Untreated Tier 1	855	103	958
Full Service Untreated Tier 2	1,064	103	1,167

Source: Finance and Administration Department

Upper San Gabriel Valley Municipal Water District

**Water Rates per Acre Foot
Last Ten Fiscal Years (Unaudited)**

<u>Fiscal Year Ended June 30, 2024</u>	<u>Full Service Treated Tier 1</u>	<u>Full Service Treated Tier 2</u>	<u>Full Service Untreated Tier 1</u>	<u>Full Service Untreated Tier 2</u>
2015	\$ 1,014	\$ 1,146	\$ 673	\$ 805
2016	1,045	1,179	697	831
2017	1,082	1,176	769	863
2018	1,118	1,204	798	884
2019	1,153	1,239	834	920
2020	1,181	1,268	858	945
2021	1,207	1,249	880	922
2022	1,246	1,288	902	944
2023	1,312	1,521	958	1,167
2024	1,359	1,558	1,006	1,205

Source: Finance and Administration Department

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Upper San Gabriel Valley Municipal Water District

**Treated Water Sales by Customer
Last Ten Fiscal Years (Unaudited)
(In Acre Feet)**

Fiscal Year Ended June 30	Golden State Water Company	City of South Pasadena	Suburban Water Systems	Watermaster/ City of Alhambra	City of Arcadia	City of Monrovia	City of Azusa	Valley County Water District	Total
2014	38	106	361	2,984	1	-	-	-	3,490
2015	5	145	6,208	2,711	-	-	-	-	9,069
2016	2	2	4	2,487	-	-	-	-	2,495
2017	22	4	294	2,877	-	-	-	-	3,197
2018	21	1,134	62	2,987	-	-	-	-	4,204
2019	125	1,577	773	2,944	1	-	-	-	5,420
2020	16	173	2,848	2,983	6	-	-	-	6,026
2021	30	246	1,884	2,986	-	-	-	-	5,146
2022	298	342	1,428	2,992	-	-	9	-	5,069
2023	4	160	802	2,768	-	-	-	-	3,734
2024	80	-	171	2,531	-	2	-	-	2,784

Source: Finance and Administration Department

Upper San Gabriel Valley Municipal Water District

Demographics and Economic Statistics – Los Angeles County Last Ten Calendar Years (Unaudited)

Fiscal Year Ended June 30	Population (In Millions)	Real GDP Growth	Unemployment Rate
2015	10.2	4.9%	6.6%
2016	10.2	2.4%	5.3%
2017	10.2	3.5%	4.8%
2018	10.1	3.4%	4.8%
2019	10.2	3.6%	4.5%
2020	10.0	-5.0%	12.3%
2021	10.0 ^(e)	6.2%	8.9%
2022	9.8 ^(e)	2.1%	4.9%
2023	9.8 ^(e)	2.1%	5.1%
2024	9.8 ^(e)	1.4% ^(f)	5.4% ^(f)

Notes:

Upper District believes that trends shown by these data are indicative of conditions within its service area.

(e) Estimate

(f) Forecast

*Sources: Los Angeles County Economic Development Corporation's 2024 Economic Forecast
Census Bureau Data and the Los Angeles Almanac*

Upper San Gabriel Valley Municipal Water District

**Ten Largest Employers in Los Angeles County
June 30, 2024 (Unaudited)**

<u>Employer</u>	<u>Number of Employees</u>
County of Los Angeles	100,800
Los Angeles Unified School District	90,900
City of Los Angeles	68,300
University of California, Los Angeles	51,700
Federal Government (except defense and state)	44,600
Kaiser Permanente	37,400
State of California (non-education)	33,900
University of Southern California	21,000
Northrop Grumman Corp.	16,600
Amazon	16,200

Source: *Los Angeles Almanac (2023)*

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Upper San Gabriel Valley Municipal Water District

Operating and Capital Indicators - General Last Ten Fiscal Years (Unaudited)

	Fiscal Year Ended June 30										
	2015	2016	2017	2018	2019	2020	2021	#	2022	2023	2024
Service Area											
Approximate Service Area (in sq. miles)	144	144	144	144	144	144	144		144	144	144
Number of Member Agencies	29	29	29	29	29	29	29		29	29	26
Number of Cities/Communities	18	18	18	18	18	18	18		18	18	18
Active Employees (FTE)											
	12	11	11	12	12	12	11		10	10	10
Imported Water System											
Number of Service Connections	9	9	9	9	9	9	9		9	9	9
Peak System Capacity (Imported)											
Cubic feet per second	323	323	323	323	323	323	323		323	323	323
Million gallons per day	208	208	208	208	208	208	208		208	208	208
Recycled Water System											
Number of Pump Stations	2	2	2	2	2	2	2		2	2	2
Number of Reservoirs	2	2	2	2	2	2	2		2	2	2
Number of Service Connections	76	76	76	76	113	113	113		113	113	81
Length of Pipeline (in miles)	22	22	22	22	22	22	22		22	22	22

Sources: Finance and Administration Department
 Government Affairs and Community Outreach Department
 Planning, Engineering and Resources Department
 Metropolitan Water District of Southern California

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MEMORANDUM



ITEM 9. (a) ACTION

DATE: December 04, 2024
TO: Board of Directors
FROM: General Manager
SUBJECT: Proposed Amendments to Policy No. 9 to 13 of the Policy Manual

Recommendation

The Administration and Finance Committee recommends that the Board of Directors approve the proposed amendments to Policy No. 2.9 through 2.13 of Upper District's Policy Manual.

Background

Working with District Counsel, staff reviewed Policy No. 2.9 through 2.13 of the Policy Manual and identified the following proposed updates/amendments:

Policy No. 2.9 Conflict of Interest

The proposed changes include the updated designated position titles, elimination of the disclosure category for consultants/new position which is now covered by a note disclosure, as well as the electronic filing option now available with the Los Angeles County Board of Supervisors.

Policy No. 2.10 Ethics

The proposed change removed reference to specific titles of the members of the Executive Management Team to avoid having to amend the policy when position titles change.

Policy No. 2.11 Public Complaints and Information Request

No amendments proposed.

Policy No. 2.12 Equal Opportunity and Anti-Discrimination Provisions

The proposed change updated the list of protected classes in Section 2.12.4.

Policy No. 2.13 Harassment

The proposed change includes cleanup language for Section 2.13.3 (e).

A redlined version of the relevant sections of the Policy Manual is attached.

//Attachment

Upper San Gabriel Valley Municipal Water District MANUAL OF POLICIES			
Subject CONFLICT OF INTEREST CODE	Policy Number	Date Adopted	Date Last Revised
	2.9	05-03-11	09-04-18

Purpose

2.9.1 The Conflict of Interest policy provides a framework to guide the Board in meeting the obligations of performing duties related to carrying out the mission of the Upper District.

Background

2.9.2 The Political Reform Act, Government Code Section 81000, et seq., requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation, 2 Cal. Code of Regs. Section 18730, which contain the terms of a standard conflict of interest code. After public notice and hearings, it can be incorporated by reference and may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, as mandated by the Los Angeles County Board of Supervisors, the terms and provisions of 2 Cal. Code of Regs. Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated into this Conflict of Interest Code of Upper District by reference. This regulation designating officials and employees and establishing economic disclosure categories shall constitute the Conflict of Interest Code of Upper District. Further, Section 87306.5 of the California Government Code requires every local government agency to review its conflict of interest code biennially, subject to the provisions of Section 87302(a) and 87303, and make amendments when necessitated by changed circumstances.

Policy

2.9.3 Each person holding the designated position set forth below shall file a statement of economic interest pursuant to the provisions set forth in each policy and category:

Designated Positions

Disclosure Categories

Directors	1, 2	
General Manager	1, 2	
Assistant General Manager/ Chief Engineer, External Affairs-		1, 2
Director of Finance and Administration Chief Financial Officer/Chief Administrative Officer-	—	1, 2
Treasurer	1, 2	
District Counsel	1, 2	
Staff Engineer	1, 2	
Consultants/New Positions*		3

Other Positions Disclosure Categories may be designated ion the position Job Description.

- * Consultants/New Positions are included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitations:

The Directors or their designee may determine in writing that a particular consultant or new position, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with disclosure requirements in this section. Such written determination shall include a description of the consultant's or new position's duties and, based upon that description, a statement of the extent of disclosure requirements. The Directors or their designee's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code. (Gov. Code Section 81008.)

Individuals who perform, under contract, the identical duties of any designated position shall be required to file Statements of Economic Interests disclosing reportable interests in the categories assigned to that designated position.

CATEGORY 1

Persons in this category shall disclose all interest in real property within the jurisdiction of the Upper District. Real property shall be deemed to be within the jurisdiction of the Upper District if the property or any part of it is located within or not more than two miles outside the boundaries of the jurisdiction or within two miles of any land owned or used by the Upper District.

Persons in this category are not required to disclose property used primarily as their residence or for personal recreational purposes. However, a residence in which a person rents out a room or for which a person claims a business deduction may be reportable.

CATEGORY 2

Persons in this category shall disclose all income (including loans, gifts, and travel payments) from investments in, and business positions held in businesses that manufacture or sell supplies or provide services of the type utilized by the Upper District including, but not limited to, office equipment and supplies, construction and building materials, pipeline construction, pipes, valves, pumps, computer hardware and software, petroleum products, chlorine, alum, lime and copper.

CATEGORY 3

~~Individuals who perform under contract the duties of any designated position shall be required to file Statements of Economic Interests disclosing reportable interest in the categories assigned to that designated position.~~

~~In addition, individuals who, under contract, participate in decisions which affect financial interests by providing information, advice, recommendation or counsel to the agency which could affect financial interest shall be required to file Statements of Economic Interests, unless they fall within the Political Reform Act's exceptions to the definition of consultant. The level of disclosure shall be as determined by the executive officer (or head) of the agency.~~

- 2.9.4 Individuals holding designated positions All officials and employees required to submit a statement of economic interests shall file their statements of economic interest with the Upper District's General Manager, or his or her designee/filing officer. The Upper District shall make and retain a copy of all statements filed by its Board Members, ~~Governing Board Members,~~ Alternate Board Members, as

appropriate, and its General Manager, and forward the originals of such statement to the Executive Office of the Board of Supervisors of Los Angeles County.

2.9.5 The General Manager and each Board member or alternate Board member may also file their statements electronically with the Executive Office of the Board of Supervisors of Los Angeles County. The filing officer, upon receipt of the electronic confirmation from the County, will ~~Each Board member shall file statements of economic interests with the Clerk of the County of Los Angeles.~~ retain a copy of e-filed statements.

2.9.6 Each Board member shall abide by the provisions of Government Code 1090. As such, each Board member shall not be financially interested in any contract made by them in their official capacity.

2.9.7 Each Board member shall not accept any passes or discounts from any transportation company including, but not limited, to airline companies, railroad companies and cruise line companies.

2.9.8 The Secretary of the Upper District's Board of Directors (the "Secretary") is hereby designated as the filing officer to receive all statements of economic interests filed by all persons holding designated positions.

2.9.9 Upper District shall retain the originals of statements from all other Designated Positions named in the Upper District's Conflict of Interest Code. All retained statements, original or copied, shall be available for public inspection and reproduction (Gov. Code Section 81008).

2.9.10 A completed "Biennial Review Certification Form" shall be forwarded to the Executive Office of the Los Angeles County Board of Supervisor.

Upper San Gabriel Valley Municipal Water District

MANUAL OF POLICIES

Subject	Policy Number	Date Adopted	Date Revised
ETHICS	2.10	05-03-11	

Purpose

2.10.1 The Board desires to set forth ethical standards and practices required while representing Upper District.

Background

2.10.2 An Ethics policy reinforces the moral principles and commitments of an organization by spelling out acceptable and responsible behavior in a way that is clear to all within the organization. It also tells others what the organization stands for and what to expect when doing business with it.

Policy

2.10.3 A Board member will not have a financial interest in a contract with the Upper District or be the purchaser at a sale by the Upper District or a vendor at a purchase made by the Upper District, unless the Board member's participation was authorized under Government Code Sections 1091 or 1091.5 or other provisions of law. A Board member will not participate in the discussion, deliberation or vote on a matter before the Board of Directors, or in any way attempt to use his or her official position to influence a decision of the Board, if he or she has a prohibited interest with respect to the matter, as defined in the Political Reform Act, Government Code sections 81000, and following, relating to conflicts of interest.

2.10.4 Generally, a Director has a financial interest in a matter if it is reasonably foreseeable that the Board decision would have a material financial effect (as defined by the Fair Political Practices Commission's (FPPC) regulations) that is distinguishable from the effect on the public generally on (a) a business entity in which the Director has a direct or indirect investment in the amount specified in FPPC regulations; (b) real property in which the Director has a direct or indirect investment interest, with a worth in the amount specified in FPPC regulations; (c) a source of income of the Director in the amount specified in FPPC regulations, within twelve months before or after the Board decision; (d) a source of gifts to the Director in an amount specified in FPPC regulations within twelve months before or after the Board decision; or (e) a business entity in which the Director holds a position as a director, trustee, officer, partner, manager or employee. An "indirect interest" means any investment or interest owned by the spouse or dependent child of the Director, by an agent on behalf of the Director, or by a business entity or trust in which the Director, or the Director's spouse, dependent child or agent, owns directly, indirectly or beneficially a ten percent interest or greater.

2.10.5 A Director will not accept gifts or honoraria that exceed the limitations specified in the Fair Political Practices Act or FPPC regulations. Board members will report all gifts, honoraria, campaign contributions, income and financial information as required under the District's Conflict of Interest Code and the provisions of the Fair Political Practices Act and the FPPC Regulations.

(Government Code sections 1090 and following and Government Code Sections 87100, 87103 and 89503, and California Code of Regulations Title 2 Section 18940.2.)

(a) If a member of the Board believes that he or she may be disqualified from ~~participation~~participating in the discussion, deliberations or vote on a particular matter due to a conflict of interest, the following procedure will be followed:

- (1) If the Director becomes aware of the potential conflict of interest before the Board meeting at which the matter will be discussed or acted on, the Director will notify the District's General Manager and the District Legal Counsel of the potential conflict of interest, so that a determination can be made whether it is a disqualifying conflict of interest;
- (2) If it is not possible for the Director to discuss the potential conflict with the General Manager and the District Legal Counsel before the meeting, or if the Director does not become aware of the potential conflict until during the meeting, the Director will immediately disclose the potential conflict during the Board meeting, so that there can be a determination whether it is a disqualifying conflict of interest; and
- (3) Upon ~~a~~ determination that there is a disqualifying conflict of interest, whether prior to or at the meeting, the Director shall do all of the following:
 - A. at the meeting, the Director shall publicly identify the financial interest that gives rise to the conflict,
 - B. the Director shall not participate in the discussion, deliberation or vote on the matter for which a conflict of interests exist, and
 - C. the Director shall leave the room until after the discussion, vote and any other disposition of the matter is concluded, unless the matter has been placed on the portion of the agenda reserved for uncontested matters, except that the Director may speak on the issue during the time that the general public speaks on the issue.
- (4) The identification of the conflict of interest and the Director's recusal and absence during discussion and action shall be noted in the minutes.

(b) A Board member will not recommend a relative ~~-[family member – related by blood to the degree of 2nd – 3rd cousin or by marriage to the degree of first "step" relation]~~ for employment ~~-by the District~~. In addition, a Board member will not recommend the employment of a relative to any person known by the Board member to be bidding for or negotiating a contract with the District.

(c) A Board member who knowingly asks for, accepts or agrees to receive any gift, reward or promise thereof for doing an official act, except as may be authorized by law, may be guilty of a misdemeanor under Penal Code section 70.

(Government Code Sections 1090, and following, 81000, and following, and 87105; Penal Code § 68 (soliciting or receiving bribes); Penal Code § 70 (acceptance of gratuities).)

2.10.6 Each Director and ~~the General Manager, the Chief Engineer and the Finance Officer~~each member of the Executive Management Team, within six months of taking office or being hired and every two years thereafter, shall receive at least two hours of ethics training ~~in ethics~~ pursuant to Government Code Section 53235 ~~prior to January 1, 2007, and at least two hours of ethics training every two years thereafter.~~ The General Manager shall provide information to the Board of Directors

on training available to meet the requirements for ethics training at least once annually, and shall schedule the training for the Directors and designated staff members. All costs and expenses associated with compliance with the ethics training requirements shall be paid by the District. Records of the ethics training completed by Directors and designated staff members, including the date of attendance and the entity providing the training shall be kept by the District for a minimum of five years after the completion of the training.

2.10.7 A perceived violation of this policy by a Board member should be referred to the President of the Board or the Full Board of Directors for investigation and consideration of any appropriate action warranted. A violation of this policy may be addressed by the use of such remedies as are available by law to the District, including but not limited to: (a) adoption of a resolution expressing disapproval of the conduct of the Board member who has violated this policy, (b) injunctive relief, or (c) referral of the violation to the District Attorney and/or the Grand Jury.

2.10.8 Any Board member who has a question about the application of this policy with respect to his own circumstances or conduct or the conduct of the Board or any of its members may make a confidential inquiry with District Legal Counsel for guidance. The intent of this section is to assist the Board members to avoid or correct violations of this ethics policy (for instance, to receive advice on returning a gift which exceeds the gift limitation). The purpose of this provision is not to enable the cover-up of violations of legal requirements. Upper District Legal Counsel shall not be prohibited from reporting actual violations of legal requirements to the Board of Directors.

Upper San Gabriel Valley Municipal Water District

MANUAL OF POLICIES

Subject	Policy Number	Date Adopted	Date Revised
PUBLIC COMPLAINTS AND INFORMATION REQUEST	2.11	05-03-11	

Purpose

2.11.1 The Board desires to provide a manner in which these matters may be handled effectively and expeditiously.

Background

2.11.2 A public complaint is an allegation by a member of the public of a violation or misinterpretation of an Upper District policy, state or federal statute of which the individual has been adversely affected.

Policy

2.11.3 The Board of Directors desires that public complaints and information requests from the general public be referred to the General Manager, and that the method for resolution of complaints and compliance with information requests be logical and consistent.

Upper San Gabriel Valley Municipal Water District
MANUAL OF POLICIES

Subject	Policy Number	Date Adopted	Date Revised
EQUAL OPPORTUNITY AND ANTI-DISCRIMINATION PROVISIONS	2.12	05-03-11	

Purpose

2.12.1 The Board is committed to providing equal employment opportunity to all persons and to building a diverse workforce that values diversity.

Background

2.12.2 The Directors are committed to providing an environment that is anti-discrimination and provides an equal opportunity to all persons.

Policy

2.12.3 The Board understands that diversity is more than inclusion of racial or cultural groups, that valuing diversity involves respect for all persons.

2.12.4 The Board and its members will not discriminate against any applicant, employee, or any person on the basis of race, religion, color, age, national origin, ancestry, mental or physical disability, medical condition, marital status, gender, sexual orientation, perceived sexual orientation, veteran or military reserve status or past military service, genetic information, and/or political affiliation, citizenship, having received public assistance, reproductive healthcare decisions, status or any other basis protected by federal, state or local law, ordinance or regulation.

2.12.5 The Board and its members will require that the Upper District's work environment be one in which all people are welcomed and included, and in which all individuals are unique and important and are treated with fairness and dignity.

2.12.6 The Board of Directors shall uphold the provisions of the Pregnancy Act of 1978 of Title VII. As such, no Director shall discriminate on the basis of pregnancy, childbirth, pregnancy disability and related medical conditions.

2.12.7 The Board of Directors shall uphold the age discrimination provisions of the Employment Act of 1967. As such, no Director shall discriminate on the basis of age for persons age 40 and over.

Upper San Gabriel Valley Municipal Water District

MANUAL OF POLICIES

Subject	Policy Number	Date Adopted	Date Revised
HARASSMENT	2.13	05-03-11	

Purpose

2.13.1 The Directors are committed to providing a work environment for ~~its~~ employees that is free of harassment.

Background

2.13.2 The Upper District prohibits sexual harassment and harassment because of race, religious creed, color, national origin or ancestry, physical or mental disability, medical condition, marital status, age, or any other basis protected by federal, state or local law, ordinance or regulation. This policy applies to all persons involved in the operation of the Upper District and prohibits harassment by any employee or Director.

Policy

2.13.3 Harassment in employment on any basis protected by federal, state or local law, ordinance or regulation, including but not limited to sex, race, color, national origin, ancestry, citizenship, religion, age, physical or mental disability, medical condition, sexual orientation, perceived sexual orientation or marital status is unlawful and will not be tolerated under any circumstances. Upper District does not tolerate harassment in the workplace or in a work-related situation. Harassment is a violation of Upper District's rules of conduct. This anti-harassment policy applies to all persons involved in the operation of the Upper District and prohibits harassment by any employee of the Upper District as well as by any Director or person doing business with or for the Upper District. Unlawful harassment in employment may take many different forms. Some examples are:

- (a) Verbal conduct such as epithets, derogatory comments, slurs or unwanted comments and jokes;
- (b) Visual conduct, such as derogatory posters, cartoons, drawings or gestures.
- (c) Physical conduct, such as blocking normal movement, restraining, touching or otherwise physically interfering with the work of another individual;
- (d) Threatening or demanding that an individual submit to certain conduct or to perform certain actions in order to keep or get a job, to avoid some other loss, or as a condition of job benefits, security, or promotion, and
- (e) Retaliation by any of the above means, for having reported harassment or discrimination, or having assisted another employee to report harassment or discrimination.

2.13.4 Sexual harassment under these laws includes unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

- (a) Submission to such conduct is made, either explicitly or implicitly, a term or condition of an individual's employment.
- (b) Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or

(c) Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

2.13.5 The Board of Directors encourages Upper District employees to immediately report any incident of harassment so that complaints can be quickly and fairly resolved. The General Manager shall develop a policy and procedure to address such complaints including, but not limited to, written forms, access by employees to the forms, and timely investigations.

MEMORANDUM



Item 9.(b) ACTION

DATE: December 04, 2024
TO: Board of Directors
FROM: General Manager
SUBJECT: Purchase of Treated Water for Reverse Cyclic Storage

Recommendation

The Administration and Finance Committee recommends that the Board of Directors authorize the General Manager to pre-purchase up to 6,000 acre feet of treated water, to be delivered at USG-05, and allow Upper District treated water customers to participate for additional amounts under the Metropolitan Water District Reverse Cyclic Program.

Background

On November 19th the MWD Board of Directors approved revisions to their reverse cyclic program enabling member agencies to pre-purchase water at the current rate for deferred delivery within 5 years. Upper District participated in the previous program in 2022 when MWD supplies were low. The District was able to pre-purchase 15,000 acre feet of untreated water at the 2022 rate. MWD delivered the water in 2023 when the State Water Project allocation was 100%. The November 19th revisions to the program allow participation in a wet year as a revenue enhancement tool for MWD. In December 2023, the Upper District Board authorized the General Manager to purchase 10,000 acre-feet of untreated water from the MWD cyclic storage account. However, only 3,902 acre-feet was delivered due to limited supplies.

The MWD rate for untreated water will increase 1% January 1, 2025 however the MWD treated rate will increase 11% in 2025 and 10% January 1, 2026. Pre-purchasing 6,000 acre feet will save the District over \$1.6 million. Watermaster pays for USG-05 deliveries under the Alhambra Exchange Agreement and can, therefore participate in this pre-purchase with Upper District. The Upper District customers who purchase treated water have been notified of the revised MWD reverse cyclic program and have been invited to participate.

The purchase of 6,000 acre feet will amount to \$7,536,000. There are sufficient funds in Upper Districts reserves to cover this expense.

Watermaster will also be purchasing 29,466 acre feet of untreated water from the MWD cyclic storage account at the end of 2024.

California's Second-Largest Reservoir Sees Sudden Change in Water Level

N newsweek.com/california-reservoir-lake-oroville-sudden-change-water-levels-1994804

Anna Skinner

December 3, 2024

By Anna Skinner
Senior Writer, General Assignment

Lake Oroville in California last month saw one of the biggest water-level changes the reservoir has ever experienced in November.

A bomb cyclone brought dangerous weather conditions across the Pacific Northwest last month, causing power outages for more than a half-million people and killing at least two. Several atmospheric rivers pummeled California at about the same time.

A bomb cyclone occurs when a storm's pressure drops quickly, which intensifies the storm and ramps up wind gusts. Atmospheric rivers are a "long, narrow region in the atmosphere—like rivers in the sky—that transport most of the water vapor outside of the tropics," according to the National Oceanic and Atmospheric Administration.

The deluge contributed to a sudden rise in several California reservoirs, including Lake Oroville, the state's second-largest reservoir.

At the beginning of November, Lake Oroville's water level was 763.48 feet in elevation. By November 30, they were 781.24, a nearly 18-foot increase. The lake fell to a low of 754.82 feet on November 19 before beginning to rise.

The steepest rise occurred between November 19 and 24, when the bomb cyclone and atmospheric river arrived. Prior to the storms, Lake Oroville's level had steadily been falling for months.

During the storms and shortly after, Lake Oroville's water level rose by more than 20 feet.

A California Department of Water Resources spokesperson told *Newsweek* that the rise on November 24, a change in 8 feet, is the second-highest November water elevation gain the lake has ever seen. November 23 also made the list at an increase of 6.5 feet.

Records have been kept since 1979. The highest water-elevation gain during November occurred on November 30 in 2012 at 8.2 feet.

The lake's November changes also made the top four storage capacity increases, measured in acre feet, in November. On November 22, the lake saw an increase of 76,686 acre feet.

"The timing as to when reservoirs begin to rise each year is weather dependent and variable," the spokesperson said. "For example, for the 2023 Water Year, Lake Oroville saw minor elevation increases starting in December 2022, but January 2023 marked a significant increase in elevation due to numerous atmospheric rivers arriving in California.

"For the 2024 Water Year, Lake Oroville saw steady increases starting mid-December 2023 with higher elevation gains in late January 2024 due to weather. Half of California's annual precipitation falls December through February, making those the key months for water managers."

After its performance in November, Lake Oroville's water level is higher than during the same time period in 2019, 2020, 2021 and 2022. After exhibiting an impressive recovery following years of drought, only its level in 2023 was slightly higher than the current level.

DWR Announces Initial State Water Project Allocation for 2025 at 5%

 mavensnotebook.com/2024/12/02/dwr-announces-initial-state-water-project-allocation-for-2025-at-5/

Department of Water Resources (DWR) News December 2, 2024 0 561

December 2, 2024

First forecast of the season based on current reservoir storage and impacts of record-setting summer heatwaves

Today, the Department of Water Resources (DWR) announced an initial State Water Project (SWP) allocation forecast of five percent of requested supplies for 2025. The SWP provides water to 29 public water agencies that serve 27 million Californians.

The December initial water supply forecast is the first allocation of the new water year and is based on current reservoir storage and conservative assumptions for precipitation to come. For comparison, last year, the initial allocation for Water Year 2024 was 10 percent of requested supplies and it eventually increased to 40 percent by the end of the season.

The initial allocation forecast announced today does not take into account the series of strong storms that brought precipitation to above average across Northern California in the last two weeks of November. These storms will be taken into account along with other variables for future allocation updates. Prior to these storms, the start of the water year had been dry and warm.

“Based on long-range forecasts and the possibility of a La Niña year, the State Water Project is planning for a dry 2025 punctuated by extreme storms like we’ve seen in late November,” said DWR Director Karla Nemeth. “We need to prepare for any scenario, and this early in the season we need to take a conservative approach to managing our water supply. Our wettest months of the season are still to come.”

“What we do know is that we started the water year following record heat this summer and in early October that parched the landscape. We must account for dry soils in our State Water Project allocation planning and our runoff forecasts for the spring,” Nemeth said.

Soil moisture is critical to the success of California’s water years. If the soil is too dry, snowpack runoff in the spring will absorb into the ground instead of providing water supply to the state’s reservoirs. The ability to incorporate soil moisture into runoff forecasts is one of many recent improvements for SWP operations. Investments in Forecast Informed Reservoir Operations (FIRO) and improved data collection through DWR’s \$7 million California Stream Gage Improvement Program will also help DWR and other agencies to incorporate the best available science and data into water management decisions.

Also new this season, the SWP has revised its operating permit to allow for new tools and resources to better manage our water supply for endangered fish species and millions of Californians. Earlier this month, the SWP received a new Incidental Take Permit from the California Department of Fish & Wildlife that covers five species protected under the California Endangered Species Act, including Delta smelt, longfin smelt, white sturgeon, winter-run Chinook salmon and spring-run Chinook salmon. The new permit went into effect on November 4.

Each year, DWR provides the initial SWP allocation based on available water storage, projected water supply, and water demands. Allocations are updated monthly as snowpack, rainfall, and runoff information is assessed, with a final allocation typically determined in May or June. As the winter progresses, if California sees an increase in rain and snowfall, the allocation forecast may increase.

Historical data on SWP allocations is available at <https://water.ca.gov/programs/state-water-project/management/swp-water-contractors>.



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Date: November 25, 2024
To: Board of Directors
Member Agency Managers
From: Deven Upadhyay, Interim General Manager
Subject: Newly Identified Disinfection Byproduct

A study published in the journal *Science* on November 21, 2024, reports the identification of a chemical compound called chloronitramide in drinking water systems using chloramine disinfection. This publication has generated significant media coverage (see attached). Chloronitramide results from the decomposition of chloramines in treated water and could eventually be detected in most chloraminated systems. There is currently no data on its potential toxicity, but its similarity to other known compounds suggest this newly identified disinfection byproduct (DBP) could have some potential health impacts. The study does not claim that tap water containing the byproduct is unsafe to drink.

The presence of potentially harmful DBPs in drinking water is not new. All disinfectants, including chlorine and chloramines, can form byproducts as they interact with natural organic matter or break down in water. However, disinfectants are essential for protecting public health because they kill microorganisms and prevent waterborne diseases. Metropolitan, like many other water utilities across the U.S., uses chloramines to maintain a disinfectant residual in the distribution system, ensuring the safety of drinking water as it travels from treatment plants to customers. Metropolitan's state-approved use of chloramines complies with federal and state regulations and our state-issued permit.

DBPs are regulated by the U.S. Environmental Protection Agency, which has progressively strengthened these regulations over the past several decades. Currently, EPA regulates 11 DBPs in drinking water; however, many unregulated DBPs have been identified and require further study. Through its Contaminant Candidate List (CCL), EPA evaluates new and emerging contaminants for potential regulation. The fifth CCL, published in 2022, included 23 unregulated DBPs. Some of these compounds may be regulated in the future if sufficient data on their occurrence and health effects become available. Chloronitramide will likely be included in future assessments, though EPA has indicated that further investigation is needed before determining whether regulatory action is warranted.

Metropolitan has a long history of research on DBPs, both regulated and unregulated, and our Water Quality staff have played a key role in helping to develop DBP regulations. We will continue to monitor developments related to chloronitramide and provide updates to the Board and member agencies on this and other constituents of emerging concern as new information becomes available.

If you have any questions, please contact Paul Rochelle, Water Quality Section Manager, at (909) 392-5155 or prochelle@mwdh2o.com.

The Washington Post

Mysterious chemical byproduct in U.S. tap water finally identified

Scientists discover formula and structure of chlorine-related molecule and urge tests for possible toxicity.

<https://www.washingtonpost.com/science/2024/11/21/tap-water-byproduct-chloronitramide-anion/>

By [Carolyn Y. Johnson](#) and [Joel Achenbach](#)

November 21, 2024 at 2:00 p.m. EST

A mysterious byproduct of a chemical used to disinfect the tap water of about one-third of Americans has finally been identified, and the international research team behind the discovery is advocating rapid assessment of its potential toxicity.

The research, reported [Thursday in the journal Science](#), does not claim that tap water containing the byproduct is unsafe to drink or that the finding represents any kind of emergency. All water, including [bottled water](#), contains contaminants.

But the discovery of a new and previously unknown chemical, called chloronitramide anion, could have implications for municipal water systems that use a class of chlorine-based disinfectants called chloramines. For decades these disinfectants, derived from the mixture of chlorine and ammonia, have been added to many municipal water supplies to kill bacteria and prevent waterborne illnesses.

“We need to investigate it. We don’t know the toxicity,” said environmental engineer Julian Fairey, an associate professor at the University of Arkansas and lead author of the paper. “This work was 40 years in the making in terms of trying to identify the compound, and now that we have identified it, we can delve into how toxic is this thing.”

Initial computational modeling of the compound shows similarities to other chemicals with demonstrated toxicity, which “suggests that it is probably not harmless,” Fairey said.

Water-quality experts not involved in the new study said such modeling is an initial method of trying to understand a chemical’s toxic potential, and urged people not to be alarmed.

“The water is still safe to drink. Tap water is more regulated, with more people working on it, than bottled water,” said Lisa Ragain, a principal water resources planner at the Metropolitan Washington Council of Governments who serves on the National Drinking Water Advisory Council’s Microbial and Disinfection Byproducts Rule Revisions Working Group.

Scientists and policymakers have long known that disinfecting water requires a balance of risks and benefits. Clean drinking water is a public health triumph, making a [major contribution](#) to increasing life expectancy over the past century across much of the planet. Before the implementation of filtration and chlorination of water in U.S. cities in the early 1900s, waterborne illnesses such as typhoid fever and cholera were common.

But those benefits have to be weighed against the risk of chemical byproducts created when a disinfectant reacts with organics in the water, or decomposes.

‘Unidentified product’

Scientists realized in the 1970s that chlorine added to the water supply not only killed germs but reacted with organic compounds — such as those produced by decaying plant material — to create “disinfection byproducts.” Some of those contaminants have been linked to [cancers](#) and [miscarriages](#), and are now regulated by the [Environmental Protection Agency](#), which limits their concentration in the water supply.

Chloramination provided an alternative way to disinfect water. But it created byproducts of its own, and one compound has for decades remained mysterious — its formula and structure eluding characterization. Researchers had no name for it, and just called it “unidentified product.”

That product turns out to be chloronitramide anion, a compound of chlorine, nitrogen and oxygen atoms.

This is a novel chemical. It doesn’t appear in the Chemical Abstracts Service, a registry of 219 million substances. “It’s like the number of stars we have in the sky for chemistry,” said Beate Escher, a toxicologist at the Helmholtz Center for Environmental Research in Leipzig, Germany, who was not involved in the study.

The word “chemical” is a generic term for all manner of natural and synthetic compounds that are ubiquitous in our lives. The big question now is whether chloronitramide anion is a meaningful threat to human health at the kind of concentrations seen in tap water. Escher and other experts noted that these questions need to be answered, but shouldn’t scare people so much that they avoid their faucets.

“Do not panic,” Escher said. “I wouldn’t be worried too much. It would be nice to test it toxicologically.”

The EPA issued a statement responding to the new report.

“Further investigation of this previously unidentified product of chloramine decomposition will be needed before EPA can determine if regulatory action is warranted,” Dominique Joseph, an EPA spokeswoman, said in an email.

The mystery byproduct was first noticed in the 1980s and became the subject of EPA-funded research, but scientists were unable to isolate it and determine its molecular formula or structure.

Using more-advanced technologies, Fairey and colleagues at the EPA and a Swiss research center solved the mystery. They separated the compound from other anions in the water using an ion chromatograph, and used an ultra-high-resolution mass spectrometer to obtain its molecular formula: one chlorine atom, two nitrogen atoms and two oxygen atoms, plus a negative charge.

They still needed more data to get their paper through peer review and published in a journal: They needed the structure of the molecule — the way the atoms bonded — and discovered it this year, using a technique called nuclear magnetic resonance spectroscopy.

The next step was to see if the newly identified compound was present in samples of chloraminated drinking water. They found it present in all the archived samples of drinking water in Fairey's lab. The researchers performed a limited survey of chloramine-treated water from 10 systems in seven states. The chemical was again found in all samples studied, ranging from 1 microgram to 120 micrograms per liter. That's a strikingly wide range, and the higher concentrations exceed those of two regulated groups of disinfectant byproducts in drinking water with limits of 60 and 80 micrograms per liter, Fairey said.

Moment of reflection

The process to regulate this byproduct could take years to implement, and would need to start with toxicology studies that better characterize whether it is harmful. Chemists will need to isolate a pure version of the chemical in sufficient quantities to test how it interacts with living cells and animals.

In the meantime, water system officials could potentially switch their disinfection practices, reverting to chlorine. But water systems that switched to chloramine often did so because they needed to reduce the concentration of problematic byproducts created when chlorine reacted with organic material. That means switching back to chlorine would probably require expensive efforts to remove those organics from the water.

Other methods of disinfecting water include ozone and ultraviolet light, but these are short-lived methods, and to prevent the possibility of reinfection of the water between treatment plant and tap, legally they must be followed by a second, longer-lasting disinfectant, such as chlorine or chloramines.

"It's a pretty important finding. It's like 10 percent of the disinfectant is disappearing and becoming this mystery product that we all developed collective amnesia about," said Daniel McCurry, a professor of civil and environmental engineering at the University of Southern California who was not involved in the work.

McCurry said the chemical structure of the compound has some "exotic features" that make him suspicious that it could be toxic. He also noted that chloramine disinfection can have some other negatives, such as increasing the release of lead from pipes. In D.C., a switch to [chloramine disinfection in 2001](#) temporarily increased lead levels in drinking water, until another chemical was added.

In a "[Perspective](#)" article in *Science* accompanying the new research, McCurry wrote, "Regardless of whether chloronitramide anion is found to be toxic or not, its discovery warrants a moment of reflection for water researchers and engineers."

Waterborne illnesses remain rare in developed nations thanks to disinfection of source water, and the new research does not call into question the need for such efforts. Without disinfecting the water supply, "we'd bring back the days of cholera. People would be dying of waterborne illness

on a day-to-day basis. Disinfecting drinking water is one of the 20th century's greatest public health achievements," Fairey said.

The new report comes amid a flurry of attention to the public drinking-water supply, triggered by President-elect Donald Trump's plan to nominate [Robert F. Kennedy Jr.](#) to be secretary of the Department of Health and Human Services. Kennedy has vowed to [remove fluoride from drinking water](#) despite its strong support from the public health community, which for decades has championed fluoridation as a successful tool to fight tooth decay.

The new finding is completely unrelated to that debate. Fairey said almost anything can be hazardous to health depending on the dose. In his view, the fluoridation of public drinking water promotes dental health and is not dangerous.

Research conducted in the 1990s suggests that carbon-based water filters would probably remove the newly identified chemical, Fairey said, but that needs to be tested, along with whether filtration itself creates new byproducts.

Share

METROPOLITAN COMMITTEE: Colorado River Basin states grapple with post-2026 guidelines amidst challenging negotiations and potential water conflicts

 mavensnotebook.com/2024/11/20/metropolitan-committee-colorado-river-basin-states-grapple-with-post-2026-guidelines-amidst-challenging-negotiations-and-potential-water-conflicts/

Maven News November 20, 2024 0 195

November 20, 2024

The Bureau of Reclamation is currently developing the post-2026 operational guidelines for managing the Colorado River system reservoirs. The guidelines will have a significant impact on releases from Lake Powell, water uses and shortages in the Lower Basin, and storage of conserved water (like Intentionally Created Surplus) in Lake Mead.

Since last spring, the Colorado River Basin states have been actively involved in the negotiations, submitting several alternatives. Despite the continued efforts, reaching a consensus has proven to be a challenging task. At the November meeting of Metropolitan's One Water and Stewardship Committee, Shanti Rosset, Colorado River Program Manager, provided an update on the ongoing negotiations.

Reclamation is using five hydrology sets to evaluate how the alternatives perform with respect to elevations in Lake Powell and Lake Mead, the total volume of water use reductions that would be required for the Lower Basin and Mexico, and the volume of annual Lake Powell releases. Reclamation is analyzing four main alternatives, a no-action alternative, and one or more federal alternatives that will be identified sometime between now and December.

Ms. Rosset noted that Reclamation modeled drier hydrology as well as wetter and average hydrology over the last 30 years. They did not model any reductions to the Upper Basin except in the lowest system conditions in the lower basin alternative. They also modeled increasing demands in the Upper Basin.

"As a result, Reclamation's preliminary modeling shows that the Upper Basin state's alternative keeps Lake Powell higher, sometimes much higher, under all flow conditions due to lower Lake Powell releases and by imposing lower basin reductions at higher initial elevations," said Shanti Rosset. "The Lower Basin state's alternative keeps Lake Mead above elevation 1000 feet, which is the critical elevation, nearly 90% of the years and even under the driest conditions, but Lake Powell is below elevation 3500 feet, which has been identified by Reclamation as a critical elevation, in nearly half of the years."

"The Upper Basin and Lower Basins continue to have differing views regarding the volume of releases that should be made from Lake Powell, the size and frequency of shortage for water use reductions in the lower basin, and whether the upper basin will take reductions in the lowest system conditions," she continued. "The Lower Basin state's alternative represents a sort of compromise because it includes instances when releases from Lake Powell would be less than the volume that's required by the 1922 Colorado River Compact without an agreement. Otherwise, the lower basin states have the right to make a compact call on the upper basin states to deliver at least 75 million acre-feet every 10 years for use in the lower basin and half of the Mexico treaty deliveries."

She noted that under existing operations, releases from Lake Powell could fall below the compact minimum as early as 2026. If releases from Lake Powell stay at or below 7.48 million acre-feet in 2025 and 2026 as currently forecast, this means that the lower basin states may have the right to make a call on the Upper Basin states to make more significant releases from Lake Powell as early as 2026.

"Yet despite this, the Upper Basin states have not gotten any closer to compromise with the Lower Basin states," she said. "Their alternative would reduce the volume of water released from Lake Powell and impose cuts on the lower basin in more years, all while increasing upper basin water uses. Their alternative includes the possibility of voluntary parallel activities like system conservation, but not mandatory cuts in the upper basin."

"The Lower Basin state's alternative includes reservoir releases and water use reductions that would respond to hydrology and system conditions, which, in the driest scenarios, include Lake Powell releases that are less than what is required by the compact. The lower basin states will retain their right to make a compact call, but if the upper basin states will agree to a compromise that leads to a seven-state consensus, then the lower basin states would agree to take less water than is required by the compact, in exchange for greater certainty that water will be delivered in more system conditions."

The goal is still to reach a consensus, but if consensus isn't reached, the lower basin states would likely make a compact call on the Upper Basin states, said Ms. Rosset. This could lead to litigation between the basin states regarding disputes over issues like the Upper Basin's obligations to make half of the Mexico treaty deliveries and to deliver at least 75 million acre-feet every 10 years in the lower basin.

Reclamation plans to present a matrix of alternatives that will be carried forward into the draft EIS sometime between now and the Colorado River Water Users Association meeting in December. Next year, there will be a new Department of Interior leadership team, which may bring changes in Interior's approach to the post-2026 operational guidelines.

Interim General Manager Deven Upadhyay noted that this is the last set of meetings before the Colorado River Users Association meeting in early December. There will be a lot of discussions on how the negotiations are going.

"One of the mantras I've been hearing from the Upper Basin is related to compact compliance. The notion that the Lower Basin would hold the Upper Basin's feet to the fire, that they have to release an average of seven and a half million acre-feet, or 75 million acre-feet over 10 years, is untenable," he said. "A compromise has already been put on the table by the Lower Basin. The lower division state's proposal includes releases from Powell into the lower basin that would be significantly lower than what you would see under compact compliance or a compact call as part of a deal where the upper basin, in the most extreme circumstances, would also be reducing their use."

"So I just wanted that to be clear on Metropolitan's behalf, and the other Lower Basin states that you're not under the impression that we've taken a hard line that the Upper Basin must meet a compact call all the time at all costs, but rather, we've offered something that is a compromise, and hope that it isn't characterized otherwise."

Director Stephen Faessel (Anaheim) asked about the critical elevation for Lake Mead being set at 1000 feet. He recalls at one point, it was 1050 because anything below 1050 starts then affecting power generation.

Ms. Rosset said that it has been shifted downward to 1000 feet, which is the elevation that all water can be delivered through the hydropower generation tubes, not the bypass tubes. "In the last set of guidelines, the critical elevation was designated as 1025. It triggered a reconciliation if we got down to 1025, and that has been shifted down to 1000 in this preliminary set of modeling that's been done. We've heard that it's going to be further shifted down to 950 because Reclamations determined that that's the new critical elevation. And just for a comparison, the intake that the Southern Nevada Water Authority built is at 895, but Metropolitan and Arizona and the rest of California's water deliveries can be impacted when the elevation gets to that 950 level."

Metropolitan awarded funding for system conservation projects

Laura Lamdin, Engineer, announced that three Metropolitan proposals intended to reduce long-term demand on the Colorado River have been accepted by the Bureau of Reclamation for funding. The three projects are the AVEK High Desert Water Bank, a turf removal proposal, and a Disadvantaged Community Leak Detection and Repair Program.

“Under these agreements, we would be eligible for up to \$82 million in funding for our AVEK High Desert Water Bank and up to approximately \$96 million for the removal of 30 million square feet of turf on our commercial, industrial, and institutional properties in our service area,” said Ms. Lamdin. “Payment would be based on meeting project milestone dates, not on system water generation, and not upfront. In exchange, we would agree to implement the projects and create a total of 265,296 acre-feet of new system conservation water to leave in Lake Mead.”

Ms. Lamdin will be bringing the agreements to the Committee in December for approval.

Scientists issue warning after research shows concerning impact of common drug disposal method: 'Should be taken as a warning'

 thecooldown.com/outdoors/prozac-fish-antidepressant-sperm-male-guppies

by Doric Sam

November 20, 2024

Flushing pharmaceuticals down the toilet might seem like a quick and easy way to dispose of them, but it actually poses a significant danger to marine wildlife.

What's happening?

As explained by the Guardian, research from an Australian study published in the Journal of Animal Ecology revealed that waterways contaminated with the common antidepressant Prozac have affected fish bodies and behaviors "in ways that could threaten their long-term survival."

Dr. Upama Aich from Monash University, the study's co-lead author, said thousands of chemicals were "being dumped into our waterways every day." The study determined that low concentrations of fluoxetine, the drug used in Prozac, "reduced the body condition and sperm vitality of male guppies over multiple generations."

Researchers caught and observed 3,600 wild guppies that were exposed to different concentrations of fluoxetine over five years. Aich said low exposure overwhelmingly reduced the body condition of males in the population, "which is really important, not only for mating, but also for fighting with other males, and their overall survival."

Aich also said exposure to the drug also affected the variation of activity and risk-taking behavior, which could create differences in guppies' abilities to respond to changes in the wild.

Aich added the findings "should be taken as a warning" about the guppies' ability "to live and survive and thrive in a polluted environment."

Your personal guide to a cleaner, cooler future

Watch now: Concerns grow as production of cult-classic condiment halts amid severe drought

Concerns grow as production of cult-classic condiment halts amid severe drought

0 seconds of 57 seconds Volume 0%

Why is this important?

Improper disposal of pharmaceuticals is a growing problem that isn't gaining enough attention.

Dr. Minna Saaristo, a principal scientist in ecological risk and emerging contaminants at the Environment Protection Authority Victoria in Australia, led research that uncovered 18 common pharmaceuticals in four Victorian rivers and creeks, including near wastewater treatment plants. A sampling of the contaminants found common antidepressants, blood pressure, heart and epilepsy medicines, caffeine and antibiotics.

"It's a whole cocktail that we're dealing with," Saaristo said.

What's being done about this?

Saaristo said people should avoid flushing pharmaceuticals down the toilet and instead explore ways to return unwanted or expired medicines to a pharmacy.

"That will be very helpful for the fish that are swimming in our waterways," she said.

Drug disposal kiosks, such as those found at Safeway stores, are an option for safely disposing of unused medications. By using resources like this, you can help protect both public health and the environment.



News for Immediate Release__

Project to develop new local water supply for Southern California gets second federal funding boost

Bureau of Reclamation announces additional \$26.2 million to advance Pure Water Southern California water recycling project

Nov. 19, 2024

A project that will make Southern California more resilient to climate change by purifying and reusing cleaned wastewater will receive a second infusion of funds from the U.S. Bureau of Reclamation.

Reclamation announced Monday (Nov. 18) it will award a \$26.2 million large-scale water recycling grant to [Pure Water Southern California](#), a regional water recycling project being developed by Metropolitan Water District and the Los Angeles County Sanitation Districts. The new grant comes on top of \$99.2 million in federal funds awarded to the project in May. Reclamation also [announced funding](#) for other recycling projects across the Southwest as part of the Department of Interior's new Large-Scale Water Recycling Program, launched in 2023 with funds from the Bipartisan Infrastructure Law.

"Climate change is stressing water supplies across the Southwest. We're already seeing hotter, drier conditions, and it is only going to get more challenging in the decades ahead. So we've got to make big investments in reliable, sustainable water supplies. We're thrilled that our federal partners are supporting these efforts," Metropolitan Interim General Manager Deven Upadhyay said.

Metropolitan and the Sanitation Districts are partnering on the Pure Water project, which will take cleaned wastewater that is currently sent to the ocean and purify it using an advanced, multi-stage purification process to produce high-quality drinking water. If approved by Metropolitan's board at full scale, the program will produce 150 million gallons of water each day – enough to meet the demands of 1.5 million people.

"This is a huge project – potentially one of the largest water recycling projects in the world – that will benefit not only the 19 million people of Southern California, but the entire state and Southwest," said Metropolitan board Chair Adán Ortega, Jr. "It will help lower demands on our imported water sources from the Colorado River and on the Northern Sierra. And it will help keep the economic engine of Southern California running, regardless of the future drought conditions we may face."

The federal funds announced Monday will help advance planning and design work and improvements to existing infrastructure needed for the project. Metropolitan and the



Sanitation Districts are in the process of drafting the project's Environmental Impact Report, which they expect to make available for public review in 2025. The first water could be delivered from the project as early as 2033.

The federal funding comes from the newly established Large-Scale Water Recycling Program, funded through the Bipartisan Infrastructure Law, which provides \$450 million over five years to large water recycling projects in the West. More than \$125 million in grants were announced Monday, adding to the \$179 million in grants announced in May. In addition to Pure Water Southern California, grant funds were also awarded to large-scale recycling projects being developed by the Los Angeles Department of Water and Power, the city of Ventura, the Inland Empire Utilities Agency, and the Washington County Water Conservation District in Utah.

The Metropolitan Water District of Southern California is a state-established cooperative that, along with its 26 cities and retail suppliers, provides water for 19 million people in six counties. The district imports water from the Colorado River and Northern California to supplement local supplies, and helps its members to develop increased water conservation, recycling, storage and other resource-management programs.



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California's San Joaquin Valley sinking due to groundwater over-pumping: Study

thehill.com/policy/energy-environment/4998177-california-san-joaquin-valley-subsidence-groundwater-study

Sharon Udasin

November 19, 2024

An irrigation canal runs through a patchwork of farmland near the confluence of the Sacramento and San Joaquin rivers as viewed from the air on May 22, 2023, near Lodi, Calif.

California's San Joaquin Valley may be sinking nearly an inch per year due to the over-pumping of groundwater supplies, with resource extraction outpacing natural recharge, a new study has found.

This agriculture-rich region, located within the state's Central Valley, has been sinking at record-breaking rates over the past two decades, according to the study, published on Tuesday in Nature's Communications Earth & Environment.

While researchers have known that subsidence — the technical term for sinking — has been affecting the region in recent years, the total amount of collapse had not been quantified.

"Our study is the first attempt to really quantify the full Valley-scale extent of subsidence over the last two decades," senior study author Rosemary Knight, a professor of geophysics at Stanford University's Doerr School of Sustainability, said in a statement.

"With these findings, we can look at the big picture of mitigating this record-breaking subsidence," Knight added.

The San Joaquin Valley, which extends from east of the San Francisco Bay Area to the mountains north of Los Angeles, became host to a ballooning farming sector and groundwater pumping between 1925 and 1970, per the study.

Over time, these activities resulted in the sinkage of more than 4,000 square miles — about half the area of New Jersey — by more than 12 inches, the authors explained.

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Although subsidence slowed down following the construction of aqueducts in the 1970s, drought-induced groundwater pumping led to a resurgence during the early 2000s, they noted.

To gain a clearer picture of the recent rate of sinkage, the researchers used a tool called interferometric synthetic aperture radar, which beams signals from orbit to capture land elevation changes as frequently as a few times per month.

Combining this information with elevation data from GPS stations dispersed across the region, they identified spatial patterns for years that exhibited spottier satellite coverage.

In addition to divulging the average subsidence rate of nearly an inch per year, the scientists determined that San Joaquin Valley aquifers need about 220 billion gallons of water coming in annually to prevent future such sinkage.

That amount constitutes about 7 billion gallons less than the total surface water that typically remains in the valley after all environmental needs are covered in an average year, according to the study.

Knight therefore expressed optimism that something can be done about the subsidence issue, which could be solved through certain engineered processes.

One such approach, called flood-managed aquifer recharge, involves diverting excess surface water from snowmelt and precipitation to locations where the resource can drip down and recharge aquifers, the authors explained.

They noted, however, that saturating the entire San Joaquin Valley with such water would not be feasible.

“We should be targeting the places where subsidence will cause the greatest social and economic costs,” Knight said.

Some focal areas could include spots where subsidence could damage an aqueduct or domestic wells that hydrate small communities, according to Knight.

“By taking this Valley-scale perspective,” she added, “we can start to get our head around viable solutions.”

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Reservoir expansion project to boost California water supply

 latimes.com/environment/story/2024-11-15/reservoir-expansion-project-to-boost-california-water-supply

Ian James

Nov. 15, 2024 3 AM PT

Expansion of San Luis Reservoir set to boost California's water-storing capacity

A series of storms in 2023 filled San Luis Reservoir near Los Banos.

- The federal government and California water agencies are planning a nearly \$1-billion reservoir expansion.
- Raising the dam at San Luis Reservoir will increase its water-storing capacity for agencies that supply parts of the Bay Area and the San Joaquin Valley.

The Biden administration and eight California water agencies have reached an agreement to share in the costs of raising a dam to expand San Luis Reservoir, a nearly \$1-billion project intended to increase the state's water-storage capacity and benefit a group of urban communities and agricultural areas.

The plan to raise B.F. Sisk Dam and enlarge the reservoir near Los Banos will enable it to hold more water during wet years, boosting the reserves of water suppliers in parts of the Bay Area and the San Joaquin Valley.

"It's going to add to resilience," said Cannon Michael, board chair of the San Luis and Delta-Mendota Water Authority. "The ability to capture more water in the years it is available, particularly given California's dynamic hydrology, is a critical component of a more secure future."

Michael said expanding the reservoir, which still requires additional efforts to secure funding, will be a significant step in preparing the state for the effects of climate change, including shrinking snowpack and flashier bursts of storm runoff. At the same time, he said, it will be vital for California to ensure protection of fish species in the Sacramento-San Joaquin River Delta, where water is pumped to fill San Luis and other reservoirs.

"We are facing real shifts in climate that are showing us that we've got to learn how to adapt," Michael said. "If and when there is excess water available, we want to be able to store it and hold on to it, and use it wisely."

The dam is now undergoing a retrofit that will raise its crest by 10 feet and fortify the dam for earthquake safety. The Bureau of Reclamation and local agencies have agreed in principle to raise the dam an additional 10 feet to expand the reservoir's storage capacity, making it a

total of 20 feet taller than its original height.

San Luis Reservoir, which ranks among California's largest reservoirs, is slated to gain an additional 130,000 acre-feet of storage space — equivalent to the annual water use of roughly 400,000 typical homes.

According to the federal government, that additional space will increase supplies for about 2 million people, more than 1 million acres of farmland, and wetlands in the Central Valley that provide critical habitat for birds and other wildlife.

The federal government has so far contributed \$95 million toward the construction.

Local California agencies that have agreed to help fund the project include urban suppliers such as the Santa Clara Valley Water District, or Valley Water, which serves San Jose and other Silicon Valley cities; San Benito County Water District; and the city of Tracy. Also participating are agricultural water suppliers such as Westlands Water District, Del Puerto Water District and Pacheco Water District.

San Luis Reservoir is part of California's two main water-delivery systems — the State Water Project and the federally managed Central Valley Project — and its more than 2 million acre-feet of storage space is divided between the two systems, providing an important reserve of supplies south of the Delta.

The dam, which is 382 feet tall and more than 3 miles long, was built between 1963 and 1967. It is owned by the federal government and operated by the state's Department of Water Resources.

The Bureau of Reclamation said its endorsement of the project last year was the first approval of a major water storage project in California since 2011.

Managers of local water agencies said the project also represents the first major effort to expand the Central Valley Project's storage capacity since the construction of New Melones Dam in the 1970s.

Karl Stock, the Bureau of Reclamation's regional director, said adding more storage capacity in the reservoir is a "crucial part of our strategy for enhancing water reliability" in the state.

Based on the current plan and cost estimates, Westlands Water District would contribute approximately \$88 million, and in exchange would be entitled to a portion of the extra storage space in the reservoir — about 11,000 acre-feet, which would be available when the reservoir fills in a wet year, said Allison Febbo, the district's general manager.

“We believe storage is very important,” Febbo said.

The reservoir expansion will support supplies for the district’s farms in Fresno and Kings counties — which produce almonds, pistachios, tomatoes and other crops — and will also help local efforts to recharge groundwater, Febbo said.

In addition, plans for the project demonstrate how different agencies working together can make needed investments in upgrading the state’s aging water systems, Febbo said, a crucial step toward “showing that we are going to be improving and maintaining our infrastructure for Californians.”

The raising of the dam is expected to take years to complete.

The project isn’t “across the finish line” because funding still needs to be secured, Michael said. But he said the completion of negotiations among the agencies puts the effort on track to move ahead.

In addition to raising the dam, a substantial portion of the project’s cost is expected to come from moving and redesigning a mile-long section of State Route 152, which runs close to the reservoir’s high-water shoreline.

Michael and others say they are optimistic that if all goes as planned, the work of expanding the reservoir could be completed in less than 10 years.

An Unexpected Ally in Adapting to Climate Change: Sediment

✱ ppic.org/blog/an-unexpected-ally-in-adapting-to-climate-change-sediment

Sand, gravel, silt, clay...these humble sediments are the building blocks of our world. Now, some are saying sediment management could play an outsized role in helping California adapt to a changing climate. We asked Julie Beagle, Environmental Services Branch Chief with the US Army Corps of Engineers San Francisco District, to tell us more.

First, what is sediment and why it is so important for coastal resilience?

Sediment and water connect mountains to rivers to oceans. In watersheds, rivers flow from headwaters to a delta, a bay, or the ocean, eroding the land and carrying rock, sand, and silt downstream. Water deposits these sediments in some areas and moves them quickly through others, forming deltas, gravel bars, mudflats, and marshes. We have interrupted that process by building dams that store water and sediment upstream and structures that stop the flow of sediment along coastlines.

When we interrupt that process, a lot of things happen. Rivers can either become sediment starved or so full of sediment that it clogs the channel, which then needs to be cleared. We've done this extensively in the Sierras, where dams on the major tributaries feeding the San Joaquin–Sacramento Delta have impeded the flow of sediment into the Delta and the San Francisco Bay.

During the Gold Rush, we actually increased the flow of sediment from the foothills by essentially taking a firehose and hydraulically mining the hillsides. That's how gold miners extracted gold from the soil, but it disintegrated many mountains and sent a pulse of sediment down through the San Joaquin–Sacramento Delta and into the San Francisco Bay that lasted for decades. It took about 150 years for the sediment to move, mostly naturally, through the system. For years, it clogged fish habitat and created turbid waters, which are bad for many species, but it also led to a very large growth of wetlands in the bay.

So we've seen massive shifts in sediment management over the last 200 years. Now there's less sediment because of dams and more water with atmospheric rivers and sea level rise, so we're out of balance again. That's where nature-based solutions start to become more important.

How is the Army Corps taking a new approach to sediment?

The Army Corps has three major focus areas: navigation, which means keeping the ports open through dredging; ecosystem restoration; and flood risk management. The big overall change is that these areas, which were siloed, are now being considered together. How do

we manage our shoreline and watersheds for all the benefits we need, given the threat of climate change?

The Corps and others dredge sediment to keep harbors and ports open for shipping in places like Oakland, Richmond, and Long Beach. That dredged material was once considered a nuisance, and it was taken wherever they could find a spot, often to offshore disposal sites.

So the Army Corps started asking, can dredged sediment be used in ecosystem restoration? That began in the 1990s. Now we're asking whether that restoration project can also reduce flood risk for communities along the shoreline as the climate changes? Sediment is the key tool in that toolbox because marshes and beaches, which buffer our shorelines, are made of sediment and plants. We can't have one without the other.

If we value marshes for endangered species and the other services they provide—protecting people from storm surges, improving water quality—we need to think differently about how we manage the whole system. We need sediment for equitable adaptation along all shorelines and coastlines, and we can manage sediment at a watershed scale to make projects realistic, affordable, and doable.

Here on the West Coast, we recently piloted a new approach to beneficially reusing dredge material. We took dredge material from Redwood City and placed it in the San Francisco Bay, about a mile and a half away from an eroding marsh. Water did the work: wind, waves, and tides moved that material onto the mudflats and marshes. It's like a boost to the marsh—mimicking a natural process., because marshes need sediment to survive.

This incremental approach could be used in lots of places to get sediment to the shoreline, like a marsh maintenance plan. The good news is that the Army Corps, the Office of Management and Budget, and others have new policy tools and commitments to greatly expand the reuse of sediment for nature-based solutions. There are new ways to share costs, too: the Corps can now share the cost of beneficial use if we can show the benefits for communities and wildlife.

Final thoughts?

There are still real barriers to reusing sediment for habitat and resilience. Some sediments have contamination issues, especially with urban legacy contaminants. That doesn't always mean you can't reuse it—it just adds complexities and limitations because it could impact the food web, for example. A lot of the sediments trapped behind dams pose logistical challenges, too. But critically endangered species rely on healthy shorelines and we're in a fight against climate change. We need to use nature as much as possible in our adaptation strategies.

We're at a critical point as a restoration and adaptation community about how to push forward pilot projects. How can we make these projects easier to permit, build, and monitor? We're figuring out ways to address the climate challenge on both the planning and regulatory sides, but we'll need to work together to continue to pilot, learn, and grow.

A century after Owens Valley aqueduct protest, event marks tense time in L.A. water history

Ian James :: 11/15/2024

- A century ago, people in the Owens Valley carried out a defiant act of protest, taking over part of the L.A. Aqueduct and releasing water.
- An event this weekend focuses on the history of that resistance effort, and Los Angeles' continued reliance on water from the Eastern Sierra.

It's a chapter of California history filled with subterfuge and conflict: More than a century ago, agents secretly working for Los Angeles posed as farmers and ranchers as they bought land and water rights across the Owens Valley. Their scheme laid the groundwork for the construction of the Los Angeles Aqueduct, which in 1913 began sending the valley's water to the growing city 233 miles away.

Residents were so enraged in the 1920s that some carried out a series of attacks on the aqueduct, blasting it with dynamite.

But there was also one major nonviolent protest, an act of civil disobedience 100 years ago that is being commemorated this weekend with a series of [free community events](#) in Lone Pine.

In that defiant act of resistance on Nov. 16, 1924, a group of about 70 unarmed men took over an aqueduct spillway and control gates north of Lone Pine and began releasing all the water back into the dry channel of the Owens River. That act, called the Alabama Gates occupation, grew as more than 700 residents of all ages came to celebrate the takeover during four days of festivities, bringing food and barbecuing as the protest [became a community picnic](#).

"It's a significant historical event that needs to have a light shined on it," said Kim Stringfellow, an artist, educator and writer who is organizing the centennial event. "It's worthy of recognition in the history of Owens Valley, to show how this community stood up to this huge metropolis with lots of power and money."

Stringfellow lives in Joshua Tree and her interest in the history of the Owens Valley resistance effort grew out of her research on California water history.

The weekend event, called [Alabama Gates 2024](#), starts Friday (Nov. 15) with an opening reception, followed by panel discussions with conservationists, local Indigenous leaders, historians and other experts, as well as a picnic at a park where a local bluegrass band will perform. Attendees can sign up for a walking tour of bird habitat areas at the dry Owens Lake.

Stringfellow said the history of the aqueduct's takeover has relevance today and will be part of broader discussions about the past, present and future of water in the region. She said she hopes the gathering will

bring greater awareness about that history and the large portion of L.A.'s water supply that continues to come from the Eastern Sierra.

"We really have to look behind us to consider what's ahead of us," she said.

Stringfellow said one of her goals is to help generate discussion about how Los Angeles can reduce its dependence on water imported from the Eastern Sierra and other sources hundreds of miles away.

Another focus is the history of Indigenous people, the Paiute and Shoshone, who decades before L.A.'s water grab saw their ancestral lands taken and occupied by white settlers.

The Indigenous people called their homeland Payahuunadū, "the place where the water always flows," said Kathy Bancroft, tribal historic preservation officer for the Lone Pine Paiute-Shoshone Tribe.

"This valley supplied everything we needed. There was water everywhere," she said.

The Paiute and Shoshone suffered after the arrival of settlers, including in 1863, when troops [forced nearly 1,000 Native people](#) to march out of the valley to [Fort Tejon](#), about 175 miles away. Bancroft's great-grandmother, who was a young girl at the time, was among those who escaped from the fort and safely made the journey back home on foot.

In the early 1900s, Indigenous people had recently come out of hiding to work in mines and on ranches, Bancroft said, and they didn't take part in the resistance at the aqueduct in 1924 because "they were in survival mode."

Her tribe's reservation was established in 1939, along with those of three other tribes. But their water rights were never settled, an issue Bancroft plans to discuss during the event.

"We are responsible for taking care of everything in this valley, and it's hard when there isn't water where there used to be," she said. "It's really been a really complicated issue, and it just needs to be brought to the forefront and resolved."

She and other participants said they would like to see Los Angeles take less water from the Eastern Sierra.

"Our ecosystems, our species are still suffering a lot up here because of unhealthy levels of extraction," said Wendy Schneider, executive director of Friends of the Inyo, a conservation group that is co-sponsoring the event. "If we could have a significant reduction in extraction, like 25% to 30%, it would make a huge difference for our ecosystems up here."

Schneider said the effects of water withdrawals can be seen in areas where native vegetation has dried up because groundwater levels have declined. She said she thinks while some of Los Angeles' environmental mitigation projects have been effective, others haven't.

"I am hoping that this event reminds people that everything is not OK," Schneider said. "We all need to work together to get this giant agency to do the right thing and work with us in a more meaningful way so that we can have healthy ecosystems up here."

The environmental effects of L.A.'s water diversions have been a source of tension for years. Over the last three decades, the Los Angeles Department of Water and Power has been carrying out extensive [dust mitigation projects](#) on the dry lakebed at Owens Lake, and has [invested about \\$2.5 billion](#) in the efforts.

Stringfellow said she invited DWP to participate in the event and requested access for a group to visit the Alabama Gates facility.

"Unfortunately, key staff were unable to participate on this date and we were unable to accommodate the request," said Ellen Cheng, a DWP spokesperson. "We regularly participate and support many community events in the Owens Valley and Eastern Sierra and would welcome the opportunity to participate in an event in the future."

She said DWP supports and partners with various local organizations in the region. And this week, the agency's top officials joined Inyo County supervisors and residents for a committee meeting and tour of the Lower Owens River Project, a major river revitalization effort.

Cheng noted that over the last 30 years, DWP has reduced the amount of water flowing through the L.A. Aqueduct by 50% to "meet our environmental commitments in the Eastern Sierra."

Water flows with gravity in the aqueduct, making the supplies more economical than the city's other imported sources, which require energy-intensive pumping. Cheng said the water from the Eastern Sierra "remains an important and cost-effective part of L.A.'s water supply."

During the last five years, Los Angeles has imported nearly 90% of the city's water, drawing on supplies from the Colorado River and the Sacramento-San Joaquin River Delta as well as the Eastern Sierra.

L.A. residents have made significant progress in conserving water in recent years, using less today than they did half a century ago, despite the city's population growth.

DWP has also been investing in developing more local supplies to reduce reliance on imported water and prepare for worsening droughts compounded by climate change.

In one such project, the city will soon begin building a \$740-million facility to [transform wastewater into purified drinking water](#) in the San Fernando Valley.

CORNELL CHRONICLE: Colorado River basins could face tipping point, drought study warns

 mavensnotebook.com/2024/11/14/cornell-chronicle-colorado-river-basins-could-face-tipping-point-drought-study-warns/

Cornell University News November 14, 2024 0 116

November 14, 2024

By Syl Kacapyr, Cornell Engineering

Water from Colorado's West Slope basins plays a vital role in supporting the economy and natural environment across seven western U.S. states, but a new study finds that even under modest climate projections, the basins face a potential tipping point where traditional water delivery levels to Lake Powell and other critical areas may no longer be sustainable.

The study, published Nov. 9 in the journal *Earth's Future*, is the largest and most comprehensive exploratory modeling analysis of drought vulnerability in the Colorado West Slope basins – six watersheds along the Colorado River that feed the Lake Powell reservoir and support a \$5 billion annual agriculture economy. The finding comes at a critical time as state and federal policymakers negotiate water-sharing agreements set to expire in the coming years.

Patrick Reed, senior author of the study and the Joseph C. Ford Professor at Cornell Engineering's School of Civil and Environmental Engineering, said the research was designed to better understand the limits of current management policies and clarify where new strategies for sustainable management could be beneficial.

By pairing Colorado's water planning model, StateMod, with a new hidden Markov modeling framework, the study created hundreds of thousands of streamflow scenarios under both historical and climate-change conditions. The results imply that drought vulnerability analyses relying only on the historical streamflow record may severely underestimate the magnitude of potential drought events and their impacts on water storage, agriculture and municipal water supply.

"Our work shows that even relatively middle-of-the-road climate change and streamflow declines in these basins flows can threaten to put the system at risk of breaching a tipping point where the basins are no longer able to maintain the levels of deliveries to Lake Powell that we're accustomed to over recent history," Reed said.

In 2021, drought led Lake Powell to unprecedented lows, prompting the U.S. Bureau of Reclamation to declare the first-ever water shortage in the Upper Colorado River Basin. The study shows that such shortages can emerge from the basins' internal variability even in the absence of climate change, and that drought doesn't just affect each basin individually – their combined effects create an even greater strain on the entire region.

"This finding highlights the need for advanced drought analysis methods that can capture these widespread and interconnected impacts," said the study's lead author, David F. Gold, an assistant professor of physical geography at Utrecht University who conducted the research as a postdoctoral associate at Cornell Engineering. "With increasing pressures on water resources, integrated management approaches that are scientifically informed and consider interconnected sectors are critical to preserving resilience."

Gold added that the exploratory modeling methodology also provides a roadmap for other work exploring drought vulnerability in institutionally complex river basins across the globe.

The research was sponsored by the U.S. Department of Energy's Office of Science as part of research in the Multisector Dynamics area within the Earth and Environmental System Modeling program.

Syl Kacapyr is associate director of marketing and communications for Cornell Engineering.

Cadiz to Repurpose Steel from Terminated Keystone XL Pipeline for California Water Project

11/13/2024

(P&GJ) — Cadiz Inc. announced plans to acquire 180 miles of steel pipe from the terminated Keystone XL Pipeline, repurposing the materials for a new water delivery pipeline.

This new infrastructure will connect the company's groundwater bank in California's Mojave Desert to major water networks across the Southwestern U.S., with construction expected to begin in 2025.

The steel will join Cadiz's existing **pipeline** assets, which include 220 miles acquired from El Paso Natural Gas in 2021. Once operational, this expanded **pipeline** network will create the largest groundwater bank in the Southwest.

"Repurposing fossil fuel infrastructure to deliver clean water to underserved communities is core to our mission," said Susan Kennedy, CEO of Cadiz. "Securing this steel will enable the Company to bring this critical infrastructure online faster and more efficiently."

The steel, originally intended for the Keystone XL crude oil pipeline, was left unused after the project was terminated in 2021 following the revocation of a presidential permit. Cadiz's decision follows months of assessment to confirm the suitability of the 36-inch steel pipe for water transport.

Dave Archambault II, former Tribal Chairman of the Standing Rock Sioux Tribe, praised the decision, saying, "The steel from the Keystone **pipeline** has found a new purpose—now transporting what gives life to everything: water."

In October, Cadiz signed a letter of intent with a non-profit investment fund for potential investment up to \$150 million toward the development of the Mojave Groundwater Bank. Additional investors, including Native American Tribes and public sector entities, may contribute up to \$401 million in equity, with the full cost of the project estimated at \$800 million.

For further details, see Cadiz's Current Report on Form 8-K filed with the SEC on November 12, 2024.

CAL MATTERS: 'Immediate threat': Mussel invades California's Delta, first time in North America

 mavensnotebook.com/2024/11/01/cal-matters-immediate-threat-mussel-invades-californias-delta-first-time-in-north-america/

Maven News November 1, 2024 0 305

November 1, 2024

The golden mussel's appearance in the Sacramento-San Joaquin Delta is its first confirmed detection in North America — and it has the potential to clog major water supply pumps.

By Alastair Bland, Cal Matters

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From the glittery bling of its name, the golden mussel sounds like it could be California's state bivalve.

Unfortunately, the creature's only connection to the Golden State is the fact that it is California's most recently identified invasive species — and it's a bad one, with the capacity to clog major water supply pipes.

On Oct. 17, the tiny freshwater mollusks, which have already laid siege to waterways of southern South America, were found at Rough and Ready Island, near Stockton. Since then, state officials said, it has been in at least one other location, O'Neill Forebay, in Merced County.

Its appearance in the Sacramento-San Joaquin Delta is the mussel's first confirmed detection in North America, according to a news release from the California Department of Fish and Wildlife.

It's also very possibly just the beginning of a long battle ahead to slow its spread. The top concerns at the moment include potential impacts to the environment and to the Delta pumping stations that send water to 30 million people and millions of acres of farmland.

Unless it is contained and eliminated immediately, said UC Davis biologist Peter Moyle, there might be no getting rid of it.

"If we're lucky, and we stage a real eradication effort in the area where it's presently found, it might not be too costly and would be worth it," he said.

But if such efforts fail, it could become a major problem for native species that the mussels outcompete for food.

The Department of Fish and Wildlife is already considering these worst-case outcomes.

"The species poses a significant immediate threat to the ecological health of the Delta and all waters of the state, water conveyance systems, infrastructure and water quality," staff officials wrote.

A native of China and Southeast Asia, the golden mussel — taxonomically *Limnoperna fortunei* — fixes itself to underwater surfaces, forming thick "reefs" built of millions of the animals. They feed by filtering nutrients and plankton from the water and, by this passive action, can have devastating impacts. Essentially, they filter the nutrition out of the native food web. In Argentina and southern Brazil, where golden mussels appeared in the

1990s, they have pushed out other species and smothered river beaches and native vegetation. Scientists have watched them spread north as rapidly as 150 miles per year, and they fear the invaders will find their way into the world's largest river system and the hottest hotspot of biodiversity on Earth, the Amazon basin.

They've also wreaked mayhem with underwater infrastructure, from hydroelectric plants to water supply systems. The mussels, for example, reportedly clogged the intake pipes of an urban water supply system in Brazil's Lake Guaíba.

“If we're lucky, and we stage a real eradication effort in the area where it's presently found, it might not be too costly and would be worth it.”

Peter Moyle, biologist, UC Davis

No one can be certain how the mussels got to California, but sources suspect they arrived the same way they are believed to have traveled to South America — in the bowels of commercial ships, where ballast water used to stabilize vessels at sea is often drained in the port of arrival.

Not everyone is particularly surprised, either. Moyle, for one, said he's been expecting the golden mussel to arrive in the state for years. The California Delta, he noted, has been described as one of the most invaded estuaries in the world. It has been colonized by at least 185 foreign species, from Himalayan blackberries and fig trees to black bass, striped bass, and water hyacinth. According to one estimate, invasive species account for an astounding 95% or more of the estuary's total biomass. The nutria — a large water-loving rodent from South America — has spread through the estuary in recent years amid concerns that it could, among other things, damage levees with its burrows.

There are even some Asian bivalves already living in the Bay and Delta. The Eurasian overbite clam, for one, spread through the waterway in the 1980s. Biologists say the species has likely played a role in the downfall of native fishes by absorbing the tiny food particles that they depend on. The failed recovery of the Delta smelt, for example, has been linked to the spread of these clams.

Now, scientists fear the golden mussel could add to these pressures.

But not necessarily. Moyle said the Delta is so heavily impacted already, and its food resources already claimed, by other species — notably the filter-feeding clams — that there may be no room for the golden mussel to move in.

“The invasive clams take up a lot of niche space,” he said.

On the other hand, Moyle said, “it could be a super-invader” — an invasive species so adaptable and persistent that it replaces other invaders that came before it. The Delta's average range of water temperatures and salinity, he said, are just right for the golden mussel.

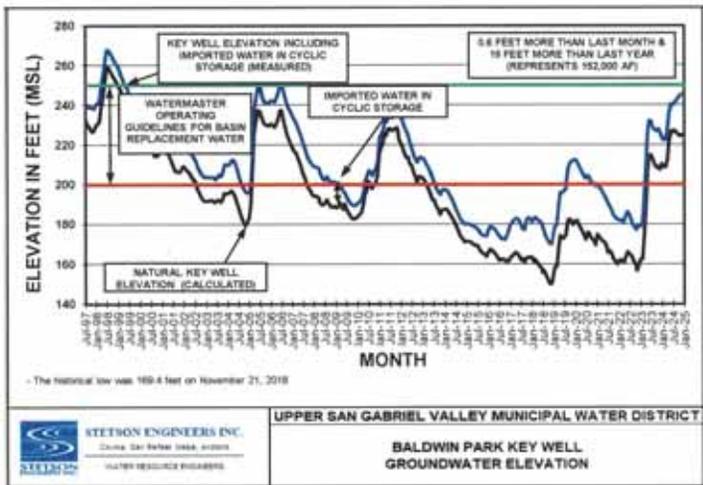
But in such an ecologically ransacked place as the Delta, not everyone is concerned about another bump in the road. Brett Baker, a water attorney with the Central Delta Water Agency and a sixth-generation resident on Sutter Island — and a former biology student of Moyle — isn't fazed by the golden mussel's appearance.

“I've heard alarms all my life about quagga mussels, zebra mussels, mitten crabs, and nutria,” he said. “I just don't think there's enough slack in the system, or enough niche space, particularly for a species that isn't evolved to live here ... I'm pretty sure we won't be talking about the golden mussel in 20 years, but I could be wrong.”



REPORT OF THE DISTRICT ENGINEER ON HYDROLOGIC CONDITIONS DECEMBER 11, 2024

Baldwin Park Key Well



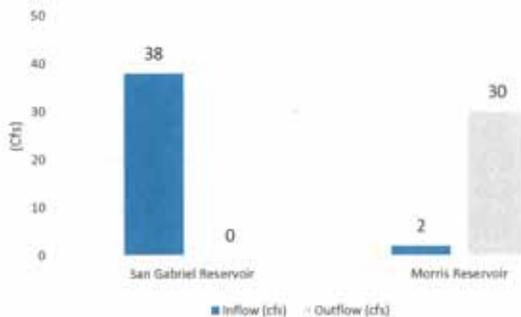
Reservoir Storage and Releases



Groundwater Elevation November 2024

	Groundwater Elevation (ft)	Difference from prior month (ft)	Difference from prior year (ft)
November 27, 2023	226.8		
October 25, 2024	244.7		
November 27, 2024	245.3	0.6	18.5

Reservoir Flow As of December 3, 2024



Untreated Imported Water in Cyclic Storage Accounts

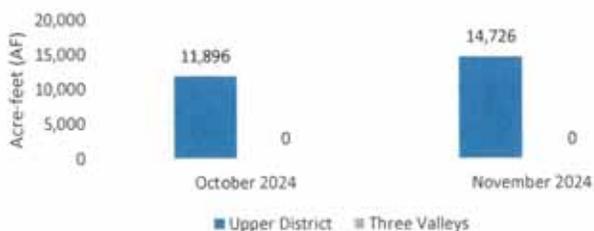
Producer Cyclic Storage	51,000 AF
MWD Cyclic Storage (For UD RDA Delivery)	57,000 AF
Other Cyclic Storage	26,000 AF
Total	134,000 AF*

*Represents about 17 feet of groundwater elevation at the Key Well

USG-3

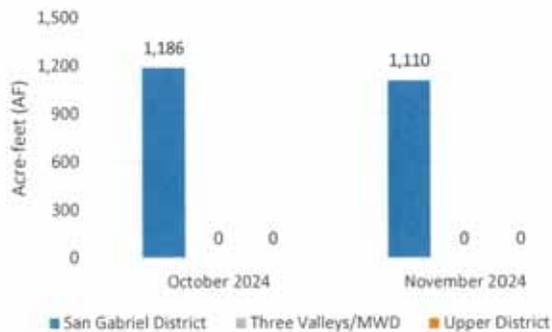
- Located in San Gabriel Canyon, just below Morris Dam, it represents Upper District's primary point of delivery of untreated imported water for groundwater replenishment to the San Gabriel Valley
- Typical delivery rate is about 190 cfs (or about 375 AF per day)

Imported Deliveries through USG-3



San Gabriel Canyon Spreading Grounds

Imported Deliveries to San Gabriel Canyon

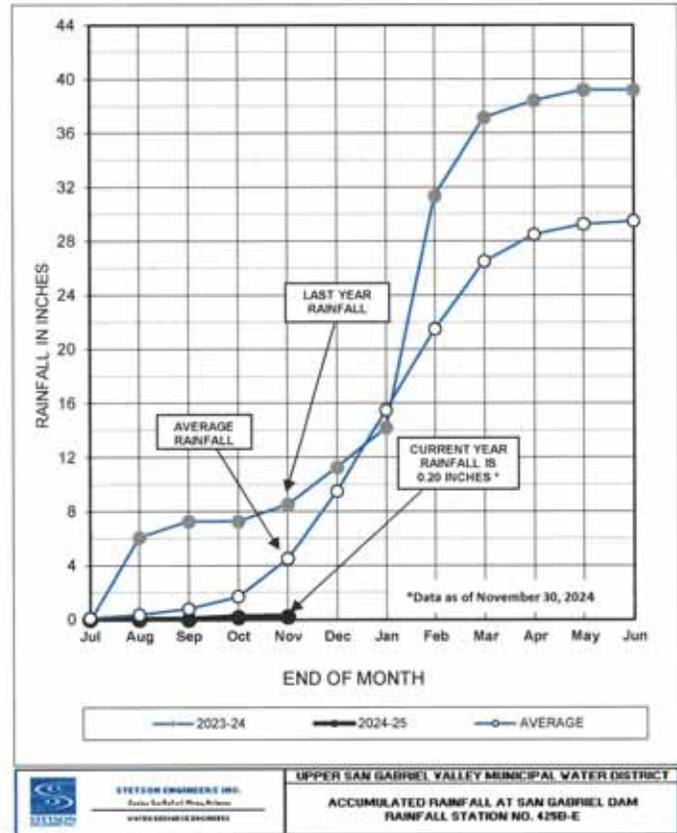
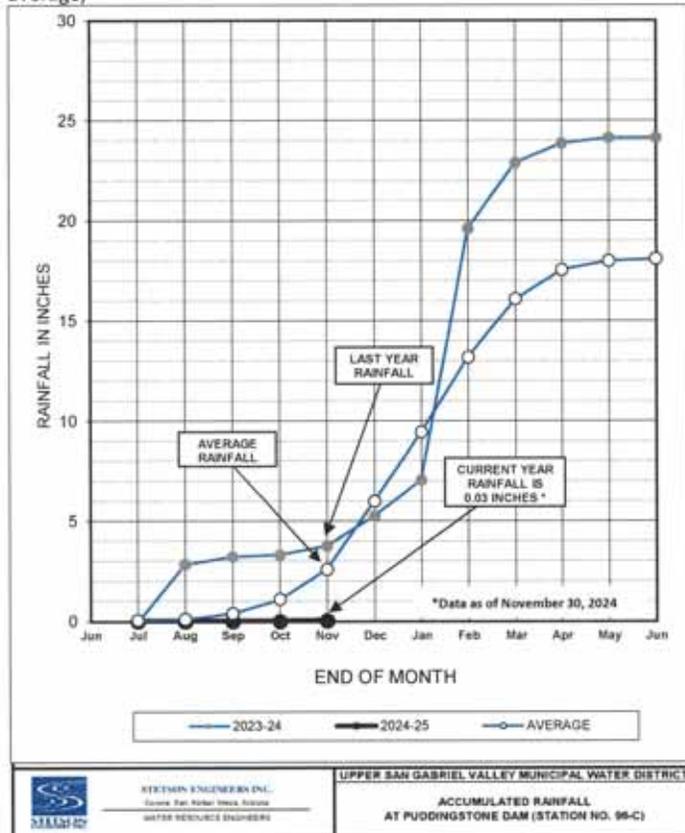




REPORT OF THE DISTRICT ENGINEER ON HYDROLOGIC CONDITIONS DECEMBER 11, 2024

Rainfall

• Data are readily available on a daily basis and are indicative of comparative amount of rainfall in the San Gabriel Valley (percent of average)



Water Quality

• Water Systems are required by the Division of Drinking Water (DDW) to collect water quality data from source wells and provide the results to DDW Pursuant to Title 22 (Water quality data collected through Main San Gabriel Basin Watermaster's Basinwide Groundwater Quality Monitoring Program)

- During November 2024, 77 wells were sampled under Title 22
- During October 2024, 50 wells were sampled under Title 22
- During October 2024, Stetson Engineers Inc. received no public notice of wells shut down due to contamination

MEMORANDUM



13.
GENERAL MANAGER'S
REPORT

General Manager's Monthly Report December 11, 2024

Water Supply Update



Baldwin Park Key Well: 245.3 feet on 11/27/24
San Gabriel Canyon: 13,314 AF combined storage as of 12/3/24
San Gabriel Reservoir: inflow 38 cfs; release 0 cfs
Morris Reservoir: inflow 2 cfs; release 30 cfs



USG-3 deliveries during November 2024: estimated 14,726 AF to MWD Cyclic
Rainfall as of 11/30/24:

- 0.03" - Puddingstone Dam
- 0.20" - San Gabriel Dam

MWD Water Supply Conditions as of December 01, 2024, are summarized as follows:

Reservoir	Capacity	Current Storage
San Luis	2.04 MAF	72%, 767 TAF
Lake Oroville	3.42 MAF	56%, 1.91 MAF
D. Valley Lake	810 TAF	97%, 789 TAF
Lake Powell	24.3 MAF	37%, 8.91 MAF
Lake Mead	26.2 MAF	33%, 8.49 MAF

**Storage volumes are in units of Million Acre-Feet (MAF), or Thousand Acre-Feet (TAF)*



Drought Actions

WSCP status: Level 2, 20% conservation target, 3 day/week outdoor watering summer, 2 day/week outdoor watering in winter

Water Use Efficiency



Residential Water\$mart Rebates
Since July 2024 - \$53,793.12



Commercial Water\$mart Rebates
Since July 2024 - \$26,144



Water Smart Home Kits

Homes Served This Month: 30
Home Served Since July 2024: 585

Education and Outreach



Conserve-a-palooza

For the fourth year, Upper District hosted a five-week online outreach program (from October 14th through November 15th), introducing residents to five topics related to water supply and conservation initiatives. Weekly trivia questions on social media engaged the community, with prizes awarded to 15 residents. Partners such as the U.S. Forest Service, Metropolitan Water District of Southern California, and EPA WaterSense contributed to the program's success.



Water Education Grant Program

Staff approved 12 grant applications for the FY 24-25 Water Education Grant Program, totaling \$11,347.71. All schools have been notified of their approval, and staff are currently collecting signed agreement forms to facilitate issuing checks in January 2025.

State Legislature

The California Legislature returned on Dec. 2nd for the start of its 2-year legislative session. Joining the Legislature for the first time are 29 newly elected Senators and Assemblymembers who were sworn-in at a ceremony at the State Capitol. The San Gabriel Valley will have two new members, Senator Sasha Renee Perez representing District 25; Assemblyman John Harabedian, representing District 41 and Assemblywoman Michelle Rodriguez, representing District 53.

The Senate and Assembly will also convene a special session at the request of Governor Newsom, with a focus on bolstering California legal resources to protect civil rights, reproductive freedom, climate action, and immigrant families. During the session, which will wrap up before Trump's inauguration on Jan. 20, lawmakers will debate measures to increase funding for the California Department of Justice, whose lawyers are already planning how they will fight the president-elect's policy proposals in court. Newsom has asked the legislature to create a \$25 million litigation reserve. Assemblymember Jesse Gabriel, who chairs the Assembly's budget committee, introduced two special-session bills to fund future litigation. Lawmakers are expected to vote on these bills when they reconvene in early January. Additionally, the Assembly re-elected Assemblymember Robert Rivas as Speaker and Senator Mike McGuire is the new Senate President pro Tempore.

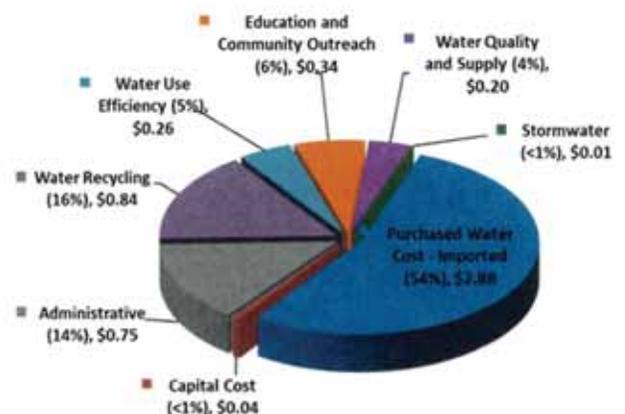
Finance and Administration



Financial Highlights through 10/31/24

- Treated water sales: 1,228 AF
- Untreated water sales: 0 AF
- Recycled water sales: 1,107 AF

YTD Use of Funds as of 10/31/24 - \$5.32M



**Summary Report for
The Metropolitan Water District of Southern California
Special Board Meeting
November 19, 2024**

CONSENT CALENDAR OTHER ITEMS - ACTION

Nominated and elected for Board Secretary Fong-Sakai for a two-year term effective January 1, 2025. **(Agenda Item 6C)**

CONSENT CALENDAR ITEMS – ACTION

Authorized an Amendment to an agreement with Roesling Nakamura Terada Architects to provide design and architectural services for Stage 1 improvements of the District Housing and Property Improvements Program. **(Agenda Item 7-1)**

Certified the Final Environmental Impact Report (EIR) for the Garvey Reservoir Rehabilitation Project has been completed in compliance with CEQA and the State CEQA Guidelines, certified that the Board has reviewed and considered the information presented in the Final EIR, certified that the final EIR reflects Metropolitan's independent judgment and analysis, and adopted the Findings and the Mitigation Monitoring and Reporting Program. **(Agenda Item 7-2)**

Authorized the General Manager to enter into Reverse-Cyclic Program agreements with participating agencies to defer deliveries of up to 100,000 acre-feet total over calendar years 2024 and 2025. **(Agenda Item 7-3)**

Adopted resolution for 116th Fringe Area Annexation to Eastern Municipal Water District and Metropolitan and updated the location of the annexation within Moreno Valley. **(Agenda Item 7-5)**

Authorized the General Manager to sponsor legislation for Metropolitan to increase the minimum threshold for competitive bidding on public works construction contracts from \$25,000 to \$150,000, and to seek the inclusion of an inflation escalator. **(Agenda Item 7-6)**

OTHER BOARD ITEMS - ACTION

Authorized the General Manager to amend the Project Labor Agreement to add four new projects and approved the amended Project Labor Agreement's use as a bid condition for the newly added projects. **(Agenda Item 8-1)**

Adopted the proposed resolution, verified that the Board reviewed and supported the grant application, that subject to board approval of a grant agreement, the General Manager or his/her designee will have the legal authority to enter into that agreement, and that the General Manager or his/her designee will work with the United States Bureau of Reclamation to meet established deadlines for entering into a grant agreement and that the Board adopts another similarly worded resolution to accept the additional grant amount of \$26.3 million. **(Agenda Item 8-2)**

Authorized a new lease with the Certified Federal Credit Union for up to a combined total of 1,667 square feet of office space at the Metropolitan Headquarters Building, located at 700 North Alameda Street in Los Angeles, California, and the F.E. Weymouth Water Treatment Plant, located at 700 Moreno Avenue in La Verne, California, subject to the price and terms directed in closed session. **(Agenda Item 8-3)**

Approved the nomination and naming of the San Jacinto Tunnel in honor of former Metropolitan Chairman of the Board and Director Randy Record in recognition of his legacy of service to Metropolitan. **(Agenda Item 8-4)**

Approved the nomination and naming of the Inlet/Outlet Tower at Diamond Valley Lake in honor of former Metropolitan General Counsel N. Gregory Taylor in recognition of his legacy of service to Metropolitan. **(Agenda Item 8-5)**

Authorized an increase to the General Auditor's base salary from \$288,413 to \$313,350. This will make the General Auditor's base salary 9.58 percent above the 75th percentile of the comparator agencies; authorized a three percent cost-of-living adjustment for the General Counsel, General Auditor, and Ethics Officer; and authorized the above actions to be effective June 23, 2024. **(Agenda Item 8-6)**

Authorized increase in the maximum amount payable under a contract for legal services in Ryan Tieg v. Metropolitan with Seyfarth Shaw LLP in the amount of \$275,000 for a total amount not to exceed \$525,000, increased in the maximum amount payable under a contract for legal services in Dane Crawford v. Metropolitan with Seyfarth Shaw LLP in the amount of \$275,000 for a total amount not to exceed \$525,000, and increased in the maximum amount payable under a contract for legal services in Alicia Lorentzen v. Metropolitan with Sheppard, Mullin, Richter & Hampton LLP in the amount of \$175,000 for a total amount not to exceed \$425,000. **(Agenda Item 8-7)**

THIS INFORMATION SHOULD NOT BE CONSIDERED THE OFFICIAL MINUTES OF THE MEETING.

All current month materials, and materials after July 1, 2021 are available on the public website here: <https://mwdh2o.legistar.com/Calendar.aspx>

This database contains archives from the year 1928 to June 30, 2021:
<https://bda.mwdh2o.com/Pages/Default.aspx>

Summary Report for the San Gabriel Basin Water Quality Authority November 20, 2024

The Board of Directors discussed the following items:

- Site Access Agreement with Logos Evangelical Seminary
- Federal Funding Program Administration Guidelines

A closed session was held pursuant to Government code 54956.9(d)(4) – Initiation of Litigation (Settlement Opportunities with potential defendants) – Two (2) Matters

Summary Report for the Main San Gabriel Basin Watermaster Regular Board Meeting November 06, 2024

- The Board of Directors elected the following producer members to Watermaster for calendar year 2025: Melissa Barbosa, Paul Cranmer, Garry Hofer, David Michalko, Lynda Noriega and Martin Zvirbulis.
- The Board of Directors received and filed the certifications of appointment for the following public representatives to Watermaster for calendar year 2025:
 - Steven T. Placido by San Gabriel Valley Municipal Water District
 - Anthony R. Fellow and Jennifer Santana by Upper San Gabriel Valley Municipal Water District
- The Board of Directors approved the 2025 Board meeting dates.
- The Board of Directors adopted Resolution No. 11-24-330, Main San Gabriel Basin Watermaster Authorizing Investment of Main San Gabriel Basin Watermaster Monies in Local Agency Investment Fund.
- The Board of Directors adopted Resolution No. 11-24-331, Main San Gabriel Basin Watermaster Recognizing La Puente Valley County Water District's 100th Anniversary.
- The Board of Directors received and filed the fiscal year 2023-24 Watermaster Annual Report.
- The Board of Directors received and filed the draft Annual Five-Year Water Quality and Supply Plan and set a public comment period and public hearing date.
- The Board of Directors authorized the purchase of reliability storage water using resource development assessment for fiscal year 2023/24.
- The Board of Directors authorized the purchase of replacement water requirements for fiscal year 2023/24.
- The Board of Directors approved the Watermaster Internship Program.
- The Board of Directors adopted Resolution No. 11-24-332, Main San Gabriel Basin Watermaster approving and adopting the CalPERS 457 Plan.
- A closed session was to discuss the Executive Officer Performance Evaluation.



MEMORANDUM



17. DIRECTORS' REPORT (AB 1234)

Directors' Activity Report – (AB 1234) *In accordance with CA Government Code Section 53232.3 (d)* November 2024

ANTHONY R. FELLOW, Division 1

Date	Event	Description/Topics
November 2024	No reportable activity.	

CHARLES M. TREVIÑO, Division 2

Date	Event	Description
November 2024	No reportable activity.	

ED CHAVEZ, Division 3

Date	Event	Description
November 2024	No reportable activity.	

KATARINA GARCIA, Division 4

Date	Event	Description
November 2024	No reportable activity.	

JENNIFER SANTANA, Division 5

Date	Event	Description
November 2024	No reportable activity.	