

BOARD OF DIRECTORS REGULAR MEETING

**December 10, 2025
4:30 p.m.**



626 443 2297



www.upperdistrict.org



248 E. Foothill Blvd., Suite 200 - Monrovia, CA. 91016



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Securing Water Resilience for the San Gabriel Valley

**A REGULAR MEETING OF THE BOARD OF
DIRECTORS**

Wednesday, December 10, 2025
4:30 P.M.

AGENDA

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL OF BOARD OF DIRECTORS
4. ADOPTION OF AGENDA [1]
5. PUBLIC COMMENT

As provided under Government Code Section 54954.3, members of the public may address the Board on items considered on this agenda. Please complete the appropriate speaker's card and submit it to the Board Secretary. A three-minute time limit on remarks is requested.

6. COMMITTEE REPORTS [2]

- (a) Water Resources and Facility Management Committee (Treviño, Chair – Garcia, Vice-Chair) Minutes of meeting held on December 1, 2025 enclosed.

7. CONSENT CALENDAR [1]

- (a) Minutes of a regular meeting of the Board of Directors held on November 12, 2025 at 4:30 p.m.
- (b) List of Demands
- (c) Financial Reports – October 2025
 1. Financial Statements
 2. Director's Public Outreach
- (d) Professional service contract amendment with John Robinson Consulting, Inc. for as-needed engineering support services in the amount of \$50,000 for a total contract amount not to exceed \$100,000 through June 30, 2026.
- (e) Professional services task order amendment with Stetson Engineers, Inc. for engineering support services related to preparation of a Golden Mussel prevention and control plan in the amount of \$50,000.
- (f) Receive and file the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025.

- (e) Negotiated Exchange of Property Tax Revenues from Annexation No. 303 to County Sanitation District No. 15.

8. ACTION/DISCUSSION ITEMS [1]

- (a) Adopt Resolution No. 12-25-673 Honoring and Commemorating the Outstanding Service and Accomplishments of Evelyn Rodriguez, Chief Financial Officer, upon her retirement (*Resolution No. 12-25-673 enclosed*)

Recommendation

Staff recommends the Board of Directors consider the adoption of Resolution No. 12-25-673, as presented.

- (b) Professional Services Agreement with VC3 for Information Technology (IT) Management and Support Services (*Staff memorandum enclosed*)

Recommendation

Staff recommends the Board of Directors authorize the General Manager to execute a professional services agreement with VC3 (formerly Accent Computer Solutions, Inc.) for information technology management and support services for a term commencing December 1, 2025 through December 31, 2026 for a total not-to-exceed amount of \$100,000.

9. INFORMATION ITEMS [2]

- (a) Press Releases and News Articles

10. ATTORNEY'S REPORT [2]

11. ENGINEER'S REPORT [2]

12. GENERAL MANAGER'S REPORT [2]

13. METROPOLITAN REPORT [2]

14. WATER QUALITY AUTHORITY REPORT [2]

15. WATERMASTER REPORT [2]

16. AB 1234 COMPLIANCE REPORT [2]

17. DIRECTOR'S COMMENTS [2]

18. FUTURE AGENDA ITEMS [1]

19. ADJOURN TO CLOSED SESSION – None.

20. ADJOURNMENT – To a regular meeting of the Board of Directors to be held on January 14, 2026 at 4:30 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 District office at (626) 443-2297.

MEMORANDUM

6. (a) COMMITTEE REPORT

December 1, 2025

TO: BOARD OF DIRECTORS
FROM: WATER RESOURCES AND FACILITY MANAGEMENT COMMITTEE
SUBJECT: MINUTES OF THE WATER RESOURCES AND FACILITY MANAGEMENT COMMITTEE AND SPECIAL MEETING OF THE BOARD OF DIRECTORS – DECEMBER 1, 2025

ATTENDANCE:

Charles Treviño (Chair)	Evelyn Rodriguez
Katarina Garcia (Vice-Chair)	Venessa Navarrette
Ed Chavez	Katherine Vazquez
Tom Love	Steven O'Neill
Patty Cortez	

1. **Call to Order.**

2. **Public Comment.** None.

3. **Professional Service Contract Amendment for John Robinson Consulting, Inc.**

General Manager, Tom Love, discussed the various projects John Robinson Consulting, Inc. (JRC) is supporting and the continued assistance needed. He recommended increasing the contract by \$50,000, for a total amount not to exceed \$100,000 through June 30, 2026.

The committee voted 2-0 to approve the professional services contract amendment for John Robinson Consulting, Inc. and move to the Board for final approval.

4. **Stetson Engineers Task Order Amendment for Golden Mussel.**

Mr. Love explained that additional authorization is needed to continue preparing the final Golden Mussel control plan. He recommended executing a professional services task order amendment with Stetson Engineers, Inc. for \$50,000 to support engineering services related to the preparation of the Golden Mussel prevention and control plan.

The committee voted 2-0 to approve the Stetson Engineers task order amendment for Golden Mussel.

5. **Emergency Response Action Plan.**

Mr. Love discussed the updates made to the Emergency Response Action Plan, originally developed in 2016. He noted that the Producers are not interested in having Upper Water serve as the emergency response center, and this change is now reflected in the updated document. Additional revisions include updated contact information, an updated evacuation plan, and refined emergency procedures. Staff also provided the committee with a quick reference guide outlining primary points of contact.

Director Garcia asked for clarification on whether the District's building was previously designated as an emergency response center.

6. Water Supply Update.

Mr. Love provided a brief update on water supply conditions. He reported that October and November were the wettest months, and from October 1st to date, conditions are at more than 500 percent of average. He emphasized that staff typically has a better understanding of the projected water supply—both for the State Water Project and local sources—by early Spring, around March.

7. Golden Mussel Update.

Mr. Love reported that the County is recommending pretreatment measures before water deliveries can begin, and implementing these requirements may take six months or longer. Staff is preparing a technical memorandum evaluating several treatment options, including UV disinfection, chlorination, copper treatments, increased turbulence, and the possibility of routing water through the Weymouth Treatment Plant.

He noted that all treatment options involve significant cost, and none are guaranteed to be 100 percent effective. Because Golden Mussels can move downstream into the river system—where eradication is not feasible—containment and prevention remain critical. Staff is focusing on controlling and mitigating mussel movement while continuing water deliveries through the San Gabriel Canyon pipeline. The goal is to have the County comfortable with the proposed approach by next spring. A fact sheet has been sent to the Directors for reference.

Director Chavez asked whether the Golden Mussel plan represents the best overall strategy or one tailored specifically to Upper Water's circumstances. He also asked whether there has been statewide discussion or sharing of best practices on this issue.

8. Other Matters.

Director Treviño thanked colleagues for following Board of Director protocols.

NEXT MEETING: Monday, February 2, 2026, at 4:30 p.m.
cc: General Manager



UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
Regular Board Meeting Minutes
Wednesday, November 12, 2025 | 4:30pm

7. (a)
Minutes
13504

A regular meeting of the Board of Directors was called to order at 4:30pm at the District office located at 248 E. Foothill Blvd, Rm. 103, Monrovia, California. The presiding officer was President Jennifer Santana.

ROLL CALL

DIRECTORS PRESENT: Treviño, Chavez, Garcia, Fellow, and Santana

DIRECTORS ABSENT: None

STAFF PRESENT: Tom Love, General Manager; Steve O'Neill, District Counsel; Steve Johnson, District Engineer; Patty Cortez, Assistant General Manager; Evelyn Rodriguez, Chief Financial Officer; Venessa Navarrette, Executive Assistant/Board Secretary I; Katherine Vazquez, Water Resources Analyst I; Alexis Silva, Project Assistant; Jessica Hernandez, Administrative/Accounting Assistant; Priscilla Lu, Accounting/Finance Analyst; Ruben Gallegos, Community Outreach Specialist; Yesenia Bugarin, Intern

OTHERS PRESENT

Jose Martinez, Kelly Gardner, Lenet Pacheco, Mayor Robert Gonzales, Kirk Howie, Marissa Turner, Steven Baker, Terry McHale, Tina Gallegos, Ruben Gallegos, Jr., Nathan Gallegos, Steven Gallegos, Josh Gallegos, Che Venegas

ADOPTION OF AGENDA

On motion by Vice President Fellow, second by Treasurer Garcia, the agenda was adopted by the following vote:

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

PUBLIC COMMENT

None.

COMMITTEE REPORTS

- (a) Water Resources and Facility Management Committee (Treviño, Chair – Garcia, Vice-Chair) Minutes of meeting held on November 3, 2025 enclosed.
- (b) Administration and Finance Committee (Santana, Chair - Treviño, Vice-Chair) Minutes of meeting held on November 4, 2025 enclosed.
- (c) Government Affairs and Community Outreach Committee (Fellow, Chair-Chavez, Vice-Chair) Cancelled due to lack of quorum.

CONSENT CALENDAR

On motion by Director Treviño, seconded by Vice President Fellow, the consent calendar was approved by the following vote:

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

- (a) Minutes of a regular meeting of the Board of Directors held on October 22, 2025 at 4:30 p.m.
- (b) List of Demands
- (c) Financial Reports – September 2025
 - 1. Financial Statements
 - 2. Quarterly Report on District Investments
 - 3. Director's Public Outreach

**ADOPT RESOLUTION NO. 11-25-672
 HONORING AND COMMEMORATING
 THE OUTSTANDING SERVICE AND
 ACCOMPLISHMENTS OF RUBEN
 GALLEGOS, COMMUNITY OUTREACH
 SPECIALIST, UPON HIS RETIREMENT.**

The Board considered Resolution No. 11-25-672 recognizing Ruben Gallegos, Community Outreach Specialist, for his outstanding service upon his retirement.

On motion by Treasurer Garcia, second by Director Treviño, the adoption of Resolution 11-25-672 was approved by the following vote:

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

Patty Cortez, Assistant General Manager, acknowledged Mr. Gallegos for nearly 20 years of dedicated service, highlighting his professionalism, reliability, community outreach contributions, and exemplary support to the agency. She introduced a commemorative video by staff.

Directors expressed their gratitude and appreciation for Ruben Gallegos' 20 years of dedicated service. They highlighted his responsiveness, problem-solving skills, sense of humor, and the positive relationships he built within the agency and the community. Several directors noted that his presence and contributions will be greatly missed, both professionally and personally, and wished him well in his retirement and future endeavors.

The Mayor of Azusa, Robert Gonzalez, expressed appreciation for Ruben, noting they grew up together and that Ruben has been a lifelong friend and a trusted partner. He praised Ruben's dedication, resourcefulness, and problem-solving abilities, highlighting his work in supporting the City of Azusa with water-related needs. On behalf of the Azusa City Council, the Mayor congratulated Ruben on his 19 years of service, wishing him health, happiness, and enjoyment in retirement.

Tom Love, General Manager, noted Ruben's ability to work effectively under multiple General Managers and numerous board members. He acknowledged Ruben's honesty, dedication, and collaborative spirit,

expressing personal appreciation for their positive working relationship and wishing him the very best in retirement.

The Board presented Mr. Gallegos with a retirement gift and the adopted resolution.

Mr. Gallegos offered remarks expressing gratitude to staff, directors, and community partners.

STATE LEGISLATIVE WRAP-UP

President Santana introduced Steve Baker and Terry McHale from Aaron Read & Associates, LLP to present a year-end wrap up of the legislature and how things finished up for the end of the year.

Mr. Baker reported on major end-of-session issues, including advocacy on the Delta Conveyance Project, noting the district successfully educated its legislative delegation, though the proposal did not advance, it is expected to return next year. He also briefed the Board on the discovery of the golden mussel in the Delta. Working with Assemblymember Blanca Rubio, the District helped secure passage of AB 149, adding the mussel into invasive species law and securing mitigation funding. The bill was signed by the Governor. Mr. Baker highlighted additional bills signed into law, including SB 72, The State Water Plan and AB 523 related to proxy voting for MWD. Looking ahead, he noted that next year's major statewide and legislative elections will significantly influence policy direction. He also mentioned a potential statewide CEQA-streamlining initiative for critical infrastructure.

Mr. Baker announced he is stepping back after 35 years, though he will remain a consultant. He introduced Terry McHale, who will take the lead on District issues.

Terry McHale expressed his appreciation for the years of service and look forward to working with the District.

The Board thanked both representatives, shared reflections on past collaborations, commended Steve Baker on his retirement and asked about potential gubernatorial candidates.

This item was for information only. No action was taken by the Board.

ADDITIONAL DISCRETIONARY PAYMENT FOR UPPER WATER'S UNFUNDED ACCRUED LIABILITY WITH CALPERS AND CONTRIBUTION TO THE CALIFORNIA EMPLOYER'S PENSION PREFUNDING TRUST FUND.

The Board considered an additional discretionary payment for Upper Water's unfunded accrued liability with CalPERS and contribution to the California Employer's Pension Pre-Funding Trust, previously discussed at the Administration & Finance Committee meeting.

On motion by Director Treviño, second by Treasurer Garcia, the Board of Directors authorized an additional discretionary payment of \$500,000 to CalPERS to reduce Upper Water's unfunded accrued liability related to pension and an additional \$500,000 contribution to the California Employers' Pension Prefunding Trust Program by the following vote:

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

PURCHASE OF UNTREATED WATER FOR CYCLIC STORAGE

The General Manager briefly presented the Administration & Finance Committee recommendation to authorize the General Manager to purchase up to 7,500 acre-feet of untreated water for the district's cyclic storage account.

On motion by Treasurer Garcia, second by Director Treviño, the purchase of up to 7,500 acre-feet of untreated water for Upper Water's cyclic storage was approved by the following vote:

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

ADHOC COMMITTEE REPORT – PUENTE HILLS REGIONAL PARK SPONSORSHIP

Vice President Fellow presented staff's recommendation for the Puente Hills Regional Park sponsorship. He mentioned the Government Affairs and Community Outreach Committee did not have a quorum and requested direction from the Board.

Director Fellow summarized the Ad Hoc Committee's report and recommendation of a \$150,000 sponsorship for the "Named Learning Corner" at the Puente Hills Regional Park, Environmental Justice Center.

On motion by Vice President Fellow, second by Treasurer Garcia, the a \$150,000 sponsorship for a Named Learning Corner at the Puente Hills Regional Park, Environmental Justice Center was approved by the following vote:

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

FEDERAL BILL SUMMARIES AND POSITIONS: H.R. 4733, H.R. 5414, H.R. 5513, H.R. 5566 AND H.R. 5661

Vice President Fellow presented staff's recommendations for Federal Bills H.R. 4733, H.R. 5414, H.R. 5513, H.R. 5566, and H.R. 5661. He mentioned that the Government Affairs and Community Outreach Committee did not have a quorum.

On motion by Vice President Fellow, second by Director Treviño, staff's recommendations for Federal Bills H.R. 4733, H.R. 5414, H.R. 5513, H.R. 5566, and H.R. 5661. were approved by the following vote:

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

SOTO RESOURCES CONTRACT

Patty Cortez, Assistant General Manager, provided a brief overview of consultant Joey Soto's ten years of service supporting the district's grant programs, noting her assistance in securing more than \$28 million in federal and state funding. She reported recent successes include two U.S. Bureau of Reclamation grants for the Water Smart Home Kit Program and the Plant Voucher Program, with an additional application pending for the Invasive Species Control Plan.

On motion by Vice President Fellow, second by Treasurer Garcia, the Board authorized the General Manager to execute a new professional services contract with Soto Resources for as-needed grant assistance services in an amount not to exceed \$75,000 through June of 2027 by the following vote:

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

FY 25-26 WATER EDUCATION GRANT PROGRAM

Patty Cortez, Assistant General Manager, provided a brief overview of the Water Grant Program, noting that 28 applications were received. She further identified 24 applications were recommended for funding within the program's \$20,000 allocation; an additional four applications were submitted but only three were recommended for approval, as the fourth was deemed ineligible per the program guidelines. She reported staff's recommendation to approve funding for the 24 applications within the program's budgeted allocation and stated it was the board's discretion to include the additional 3 applications. If so, the total grant approval would be for 27 applications in the amount of \$22,171.09.

On motion by Treasurer Garcia, second by Vice President Fellow, the recommendation to approve funding for the 27 eligible applications totaling \$22,171.09 was approved by the following vote:

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

INFORMATION ITEMS

The following items listed on the agenda were presented as informational items and ordered received and filed:

- Press Releases and News Articles

ATTORNEY'S REPORT

The District Counsel provided assistance in reviewing the district's outreach policy and MWD's new policy related to spouse travel and attendance on MWD tours. He confirmed the dissolution of the prior joint power's authority with the COG. He also reported on UC Master Gardener contract work and updates to training requirements under SB827 and SB707, effective January to July 2026.

ENGINEER'S REPORT

The District Engineer provided updates on several projects nearing completion, including the San Gabriel/Sunny Slope Interconnection Study, Emergency Response Plan, and Monrovia connection review. The IRP remains paused due to Golden Mussel efforts, and boundary modifications with Three Valleys are largely complete and awaiting their action. He also highlighted significant interagency collaboration on the Golden Mussel Control Plan.

GENERAL MANAGER'S REPORT

The General Manager provided updates on administrative transitions related to upcoming staff retirements. He mentioned that duties are being reassigned, and an interim part-time accountant will begin on November 19 to support accounting functions during the transition. He also reported continued multi-agency work on the Golden Mussel response, including addressing County comments on the control plan, preparing a pretreatment technical memorandum, and negotiating amendments to the spreading agreement with the County. He added the goal is to deliver final documents in December to keep water delivery timelines on track.

METROPOLITAN REPORT

Vice President Fellow reported that Metropolitan will meet on Monday and Tuesday, with agenda items including potential expansion of the Ethics Office's authority. Recent workshops reviewed major supply projects—Sites Reservoir, Pure Water, Colorado River initiatives, and Delta Conveyance. Metropolitan's potential share for the Sites project is estimated at \$1.65 billion. He stated that significant challenges persist on the Colorado River, including growing conflicts between upper and lower basin states, disputes among lower basin entities, and missed deadlines related to the quantification program. These issues may lead to prolonged legal actions.

WATER QUALITY AUTHORITY REPORT

Secretary Chavez noted that the Water Quality Authority report is included in the packet and there were no additional updates to present.

WATERMASTER REPORT

Ms. Kelly Gardner reported that the Key Well level is approximately 248–250 feet, with levels declining due to no current spreading. She stated that the Flood Control District continues to hold water behind the dams and will begin controlled releases from Morris Dam, ensuring flows do not commingle with State Water Project water currently serving San Gabriel District and Covina Valley Water Company treatment plants. She also stated that the San Gabriel Dam cleanout project received an emergency five-year extension, increasing storage capacity but requiring quicker water movement, which creates additional challenges related to golden mussel management. Lastly, she stated that the San Gabriel District is delivering to Azusa 15 CFS and Covina Valley 10 CFS, with no basin recharge occurring.

AB 1234 COMPLIANCE REPORT

A summary report was provided in the agenda packet.

DIRECTORS' COMMENTS

Director Fellow congratulated Three Valleys Municipal Water District on their recent celebration at Cal Poly Pomona and noted a full schedule of water-related meetings and events occurring the next day, including Water Association, a Metropolitan Caucus meeting, a Northern Caucus event honoring Glenn Peterson, and the start of the ACWA conference.

President Santana remarked on the incoming storm and asked for thoughts and prayers for safe weather.

FUTURE AGENDA ITEMS

None.

ADJORN TO CLOSED SESSION

None.

ADJOURNMENT

President Santana asked if there was any other business to come before the Board. There being none, the meeting was adjourned to a regular meeting of the Board of Directors to be held on December 10, 2025, at 4:30 p.m.

PRESIDENT

ATTEST

SECRETARY

SEAL

Demands numbered 23139 through 23178 on the General Fund Account of the Upper Water at Citizens Business Bank, totaling \$671,015.24 and demands numbered 1342 through 1349 on the Water Fund Account at the same bank totaling \$578,145.40.

23139	California American Water Company	Inv. 20134077REI, CII MAP Reimbursement, Check Reprint (Previously paid 10/22/25)	\$	12,075.00
23140	789, Inc.	Inv. UW-526201, Branding and Creative Services, November 2025 (Board approved 7/09/25)		5,750.00
23141	Aaron Read & Associates, LLC	Inv. 214280, State Legislative Advocacy Service, September 2025 Inv. 214335, State Legislative Advocacy Service, October 2025 (Board approved 1/22/25)	10,000.00 10,000.00	20,000.00
23142	ACWA	Inv. INV014371, ACWA Spring Conference Hotel Fees		336.23
23143	ACWA	Inv. 2026, 2026 Annual Agency Dues		24,685.00
23144	ACWA/JPIA	Inv. 1734, Auto and General Liability, 10/01/25 - 10/01/26		67,789.07
23145	ACWA/JPIA	Inv. 0707246, Health Insurance Premium - November 2025		32,969.74
23146	Aleshire & Wynder, LLP	Legal Services, September 2025 Inv. 99833, Transactional Fees Inv. 99834, Transactional Fees Inv. 99835, Retainer (Board approved 04/13/22)	1,495.50 57.70 4,713.00	6,266.20
23147	Amazon Capital Services	Inv. 1LHV-HWFN-393H, Meeting and Office Supplies, Sept. - Oct. 2025		353.34
23148	Best Best & Krieger, LLP	Inv. 1042940, Federal Legislative Advocacy Services through 9/30/25 (Board approved 01/22/25)		7,500.00
23149	Los Angeles County Business Federation	Inv. 6515, 2026 Membership Dues		7,000.00
23150	CSDA	Inv. 2026, Annual Membership Dues, 2026		10,323.00
23151	Center for Financial Empowerment	Inv. 11/23/25UD, Operation Gobble Turkey Giveaway Sponsorship		3,000.00
23152	Department of Water & Power	Inv. GA440909, Recycled Water Program Permit Fees, November 2025		83.33
23153	Ecotech Services, Inc.	Inv. 3523, Leak Repair Kits for WaterSmart Home Program Inv. 3527, Leak Repair Kits for WaterSmart Home Program (Board approved 06/08/22)	7,576.10 7,500.00	15,076.10
23154	Foothill Municipal Water District	Inv. 770, Strategic Consulting Services, October 2025 Cost-Share		2,500.00
23155	G3, Green Gardens Group, LLC	Inv. 1451, Firescaping Workshop, October 2025 (Board approved 06/12/24)		1,950.00
23156	Garden View, Inc.	Inv. INV-093025, Plant Voucher Program		24,993.43
23157	Image Property Services, LLC	Inv. 18695, Janitorial Services, September 2025 Inv. 19388, Consumables, September 2025	1,907.59 422.02	2,329.61
23158	Infosend, Inc.	Inv. 297181, Water Smart Home Kit Inserts		862.00
23159	Joey C. Soto	Inv. 2025-UD-GA-SEP-132, Grant Writing Services, September 2025 (Board approved 06/08/22)		1,128.75
23160	John Robinson Consulting, Inc	Inv. UW202301-21, As-needed Engineering Support Services, September 2025		2,640.00
23161	Just Us 4 Youth	Inv. 12/03/25UD, Annual Open House & Toy Drive Sponsorship		1,000.00
23162	Kelly Services, Inc.	Inv. 5611270678, Temporary Services, Week Ending 09/28/25 Inv. 5611470059, Temporary Services, Week Ending 10/05/25 Inv. 5611545923, Temporary Services, Week Ending 10/12/25 Inv. 5611685330, Temporary Services, Week Ending 10/19/25 (Board approved 10/11/23)	819.00 1,106.00 896.00 1,106.00	3,927.00
23163	Promo Direct	Inv. N189118, District Logo Items		4,159.00

23164	Rogers, Anderson, Malody & Scott	Inv. 78762, Progress Billing for June 30, 2025 Audit Services (Board approved 06/19/19)		13,530.00
23165	Spectrum Reach	Inv. 400049185, Water Campaign Ads, Feb. - Mar. 2025 Inv. 440040123, Water Campaign Ads, Mar.- Apr. 2025 Inv. 440040124, Water Campaign Ads, Mar. - Apr. 2025 Inv. 440044434, Water Campaign Ads, May - Jun. 2025 Inv. 440044435, Water Campaign Ads, May - Jun. 2025 Inv. 560048306, Water Campaign Ads, Jul. - Aug. 2025 Inv. 560048307, Water Campaign Ads, Jul. - Aug. 2025 Inv. 800068867, Water Campaign Ads, Apr. - May 2025 Inv. 800068868, Water Campaign Ads, Apr. - May 2025 Inv. 800078567, Water Campaign Ads, September 2025 Inv. 800078568, Water Campaign Ads, September 2025 Inv. 900074374, Water Campaign Ads, Jun. - Jul. 2025 Inv. 900074375, Water Campaign Ads, Jun. - Jul. 2025	2,500.04 2,500.04 1,500.00 1,490.00 2,500.04 1,491.20 2,500.04 2,500.04 1,236.80 2,500.03 1,487.80 2,500.04 1,482.00	26,188.07
23166	Stetson Engineers, Inc.	Inv. 2533-233, General Engineering Support Services, August 2025 Inv. 2728-041, Integrated Resources Plan Update, August 2025 Inv. 2533-234, General Engineering Support Services, September 2025 Inv. 2728-042, Integrated Resources Plan Update, September 2025	21,946.87 1,120.39 29,583.51 3,247.89	55,898.66
23167	Upper District Payroll Fund	Inv. Sep 25, Reimbursement of Payroll and Payroll Taxes for Employees Inv. Sep 25D, Reimbursement of Payroll Taxes for Directors	160,228.50 10,447.40	170,675.90
23168	U.S. Bank Corporate Payment System	CalCard Charges through 10/22/25 Membership/Other Meetings, Travel, Conferences Computer Systems/Office Equipment/Supplies/Maintenance & Service/Utilities Conservation Program Expenses, Education and Outreach	147.91 2,323.29 407.54 1,940.05	4,818.79
23169	VC3, Inc.	Inv. VC3-221040, IT Management Service, September 2025 Inv. VC3-213022, IT Management Service, July 2025 Inv. VC3-217671, IT Management Service, August 2025 Inv. VC3-224803, IT Management Service, October 2025 Inv. VC3-224807, Credit Memo, July 2025 (Board approved 10/11/23)	3,284.05 4,543.20 4,713.65 3,276.05 (1,234.52)	14,582.43
23170	Via Promotions, Inc.	Inv. 23340, District Logo Items		91.94
23171	WaterReuse Association	Inv. D61589, 2026 Annual Membership Dues		18,657.59
23172	Upper District Revolving Fund	Inv. Oct 25, Revolving Fund Account Replenishment - October 2025 Office Supplies Computer Systems/Equipment/Maintenance/Insurance/Outside Service Directors's Outreach Telephone/Utilities/Building Maintenance Meeting/Travel/Conferences/Dues/Assessments/Membership District Vehicle Expense Workers Compensation Water Conservation Program Expenses WRR Operation & Maintenance/Permits/Water Purchases/Public Info Medical/ODA Reimbursement/Processing Fee/Others	503.90 7,939.09 5,017.03 10.98 2,726.40 1,871.26 73,152.57 4,130.17	95,351.40
23173	Jennifer Santana	Director's Compensation, September 2025 9 Days District Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	2,916.00 266.87 (500.00) (703.07)	1,979.80
23174	Anthony Fellow	Director's Compensation, October 2025 10 Days District Business 7 Days MWD Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	3,240.00 2,268.00 516.87 (500.00) (1,630.95)	3,893.92
23175	Ed Chavez	Director's Compensation, October 2025 10 Days District Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	3,240.00 516.87 (500.00) (1,398.98)	1,857.89
23176	Charles Treviño	Director's Compensation, October 2025 9 Days District Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	2,916.00 (704.49) (500.00) (1,089.93)	621.58
23177	Jennifer Santana	Director's Compensation, October 2025 6 Days District Business Meeting/Travel Expenses/Allowance Less Deferred Comp. Less Taxes Withheld	1,944.00 516.87 (500.00) (472.05)	1,488.82

23178 Katarina Garcia

Director's Compensation, October 2025
 10 Days District Business
 Meeting/Travel Expenses/Allowance
 Less Deferred Comp.
 Less Taxes Withheld

3,240.00
 516.87
 (500.00)
 (575.22)
2,681.65

TOTAL \$ 671,015.24

1342	Central Basin MWD	Invoice No. USGV-SEP25, Purchase of 5.9 AF of Recycled Water in August 2025 <i>(Previously Paid 11/3/25)</i>	\$ 4,302.40
1343	City of Industry City Hall	Invoice No. R08312025-D, Purchase of 101.1AF of Recycled Water in August 2025	42,462.00
1344	City of Industry City Hall	Invoice No. R08312025-E, CIP Charge for August 2025	14,176.70
1345	City of Industry City Hall	Invoice No. R09302025-D, Purchase of 76.1AF of Recycled Water in September 202	31,962.00
1346	City of Industry City Hall	Invoice No. R09302025-E, CIP Charge for September 2025	11,251.70
1347	Metropolitan Water District	Invoice No. 11995, Purchase of 337.3 AF of Treated Water in September 2025	446,282.79
1348	San Gabriel Valley MWD	Invoice No. 581, 99.30 AF of Water Delivered through the Alhambra/MWD Exchange Agreement in September 2025 @ \$260 per AF	25,818.00
1349	Suburban Water System	Invoice No. 6805, Phase IIB Normal Operating Charge, October 2025	<u>1,889.81</u>

TOTAL \$ 578,145.40

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

23179	789, Inc.	Inv. UW-525211, Branding and Creative Services, December 2025 (Board approved 7/09/25)		5,750.00
23180	Aaron Read & Associates, LLC	Inv. 214345, Travel Reimbursements, November 2024 (Board approved 1/22/25)		1,079.92
23181	ACWA/JPIA	Inv. 0707514, Health Insurance Premium - December 2025		32,969.74
23182	Aleshire & Wynder, LLP	Legal Services, October 2025 Inv. 100828, Retainer Inv. 100830, Transactional Fees (Board approved 04/13/22)	4,713.00 <u>697.20</u>	5,410.20
23183	Alliance for Water Efficiency	Inv. 4030-11212025, Practical Plumbing Handbooks		265.00
23184	Amazon Capital Services	Inv. 1PXP-9DPK-1P96, Meeting and Office Supplies, Oct - Nov. 2025		214.16
23185	Annie Tam	Inv. GRNT 25-26, Water Education Grant FY 2025-26		1,000.00
23186	Azusa Light & Water	Inv. 4652, Irrigation Efficiency Program Reimbursement		1,611.00
23187	Bassett High School	Inv. GRNT 25-26, Water Education Grant FY 2025-26		1,000.00
23188	Best Best & Krieger, LLP	Inv. 1045633, Federal Legislative Advocacy Services through 10/31/25 (Board approved 01/22/25)		7,500.00
23189	CAPIQ	Inv. 25905, Webinar Registration - A. Silva		30.00
23190	Carol Kwan	Inv. W250825, Bottle Water Program (Previously Paid 12/04/25)		3,339.00
23191	Department of Water & Power	Inv. GA441227, Recycled Water Program Permit Fees, December 2025		83.33
23192	Discovery Science Center	Inv. 2202, Water Education Program, October 2025 (Board approved 07/08/20)		3,202.00
23193	Ecotech Services, Inc.	Inv. 3545, Leak Repair Kits for WaterSmart Home Program (Board approved 06/08/22)		15,000.00
23194	Foothill Municipal Water District	Inv. 782, Strategic Consulting Services, November 2025 Cost-Share		2,500.00
23195	Foster & Foster Consulting Actuaries, Inc.	Inv. 11/20/25UD, Deposit for OPEB Full Valuation		1,800.00
23196	G3, Green Gardens Group, LLC	Inv. 1458, Protecting Trees Workshop, November 2025 (Board approved 06/12/24)		1,750.00
23197	Garden View, Inc.	Inv. INV-103125, Plant Voucher Program		17,232.31
23198	Gidley School	Inv. GRNT 25-26, Water Education Grant FY 2025-26		1,000.00
23199	Home Depot Credit Services	Building Maintenance Supplies, Sept. - Nov. 2025 Inv. 2021747 Inv. 305909 Inv. 3307712 Inv. 550994 Inv. 6740506 Inv. 7204560 Inv. 8210801 Inv. 8540971 Inv. 9254804	44.27 86.53 27.02 68.01 69.60 (87.30) (373.32) 23.15 <u>287.30</u>	145.26
23200	Image Property Services, LLC	Inv. 19553, Janitorial Services, October 2025 Inv. 20498, Janitorial Services, November 2025	1,907.59 <u>1,907.59</u>	3,815.18
23201	Jason L Gutierrez	Inv. GRNT 25-26, Water Education Grant FY 2025-26		940.00
23202	Jessica Trinh-Rosell	Inv. GRNT 25-26, Water Education Grant FY 2025-26		1,000.00
23203	Joey C. Soto	Inv. 2025-UD-GA-OCT-133, Grant Writing Services, October 2025 (Board approved 06/08/22)		2,743.75
23204	John Robinson Consulting, Inc	Inv. UW202301-22, As-needed Engineering Support Services, October 2025		6,600.00
23205	Kelly Services, Inc.	Inv. 5611848778, Temporary Services, Week Ending 10/26/25 Inv. 5612046590, Temporary Services, Week Ending 11/02/25 Inv. 5612256477, Temporary Services, Week Ending 11/09/26 Inv. 5612429116, Temporary Services, Week Ending 11/16/25 (Board approved 10/11/23)	1,148.00 1,066.24 910.28 <u>969.50</u>	4,094.02
23206	Luis Aguilar	Inv. 0074909, District Logo Items		2,129.98

23207	Manuel Barron	Inv. GRNT 25-26, Water Education Grant FY 2025-26		950.00
23208	Maria Susana Flores	Inv. GRNT 25-26, Water Education Grant FY 2025-26		1,000.00
23209	Matthew Pasos	Inv. GRNT 25-26, Water Education Grant FY 2025-26		1,000.00
23210	McKinley Elementary School	Inv. GRNT 25-26, Water Education Grant FY 2025-26		969.13
23211	Merek Chang	Inv. GRNT 25-26, Water Education Grant FY 2025-26		1,000.00
23212	Michelle Cordich	Inv. GRNT 25-26, Water Education Grant FY 2025-26		878.99
23213	Michael Naka	Inv. GRNT 25-26, Water Education Grant FY 2025-26	114.24	
		Inv. GRNT 25-26A, Water Education Grant FY 2025-26	53.99	
		Inv. GRNT 25-26B, Water Education Grant FY 2025-26	<u>267.99</u>	436.22
23214	Mountain View School District	Inv. GRNT 25-26, Water Education Grant FY 2025-26		1,000.00
23215	Rogers, Anderson, Malody & Scott	Inv. 79123, Progress Billing for June 30, 2025 Audit Services (Board approved 02/19/22)		6,500.00
23216	Spectrum Reach	Inv. 520061795, Water Campaign Ads, Sep. - Oct. 2025	1,497.30	
		Inv. 520061796, Water Campaign Ads, Sep. - Oct. 2025	<u>2,500.04</u>	3,997.34
23217	St. Joseph School	Inv. GRNT 25-26, Water Education Grant FY 2025-26		1,000.00
23218	St. Luke Catholic School	Inv. GRNT 25-26, Water Education Grant FY 2025-26	998.00	
		Inv. GRNT 25-26A, Water Education Grant FY 2025-26	796.00	
		Inv. GRNT 25-26B, Water Education Grant FY 2025-26	982.83	
		Inv. GRNT 25-26C, Water Education Grant FY 2025-26	961.65	
		Inv. GRNT 25-26D, Water Education Grant FY 2025-26	845.00	
		Inv. GRNT 25-26E, Water Education Grant FY 2025-26	987.00	
		Inv. GRNT 25-26F, Water Education Grant FY 2025-26	959.25	
		Inv. GRNT 25-26G, Water Education Grant FY 2025-26	940.00	
		Inv. GRNT 25-26H, Water Education Grant FY 2025-26	<u>997.00</u>	8,466.73
23219	Upper District Payroll Fund	Inv. Oct 25, Reimbursement of Payroll and Payroll Taxes for Employees	153,298.23	
		Inv. Oct 25D, Reimbursement of Payroll Taxes for Directors	<u>13,848.89</u>	167,147.12
23220	Upper District Revolving Fund	Inv. NOV 25, Revolving Fund Account Replenishment - November 2025		
		Office Supplies	456.65	
		Telephone/Utilities/Building Maintenance	3,152.80	
		Meeting/Travel/Conferences/Dues/Assessments/Membership	24.01	
		Water Conservation Program Expenses	980.86	
		WRP Operation & Maintenance/Permits/Water Purchases/Public Info	3,962.72	
		Medical/ODA Reimbursement/Processing Fee/Others	<u>17,023.78</u>	25,600.82
23221	Urban Water Institute	Inv. 2001, 2026 Public Sector Dues Membership Renewal		3,000.00
23222	U.S. Bank Corporate Payment System	CalCard Charges through 11/24/25		
		Membership/Other	144.83	
		Meetings, Travel, Conferences	7,267.82	
		Computer Systems/Office Equipment/Supplies/Maintenance & Service/Utilities	941.92	
		Conservation Program Expenses, Education and Outreach	<u>3,195.07</u>	11,549.64
23223	Walnut Grove Intermediate School	Inv. GRNT 25-26, Water Education Grant FY 2025-26		1,000.00
23224	Willdan Financial Services	Inv. 010-637444, FY2025/26 Standby Charge Services through October 2025 (Board approved 04/09/25)		13,233.32
23225	Anthony Fellow	Director's Compensation, November 2025		
		9 Days District Business	2,916.00	
		9 Days MWD Business	2,916.00	
		Meeting/Travel Expenses/Allowance	516.87	
		Less Deferred Comp.	(500.00)	
		Less Taxes Withheld	<u>(1,708.87)</u>	4,140.00
23226	Ed Chavez	Director's Compensation, November 2025		
		10 Days District Business	3,240.00	
		Meeting/Travel Expenses/Allowance	620.01	
		Less Deferred Comp.	(500.00)	
		Less Taxes Withheld	<u>(1,398.98)</u>	1,961.03
23227	Charles Treviño	Director's Compensation, November 2025		
		9 Days District Business	2,916.00	
		Meeting/Travel Expenses/Allowance	516.87	
		Less Deferred Comp.	(500.00)	
		Less Taxes Withheld	<u>(1,089.93)</u>	1,842.94
23228	Jennifer Santana	Director's Compensation, November 2025		
		10 Days District Business	3,240.00	
		Meeting/Travel Expenses/Allowance	516.87	
		Less Deferred Comp.	(500.00)	
		Less Taxes Withheld	<u>(780.98)</u>	2,475.89
			TOTAL	<u>\$ 383,354.02</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:

1350	Central Basin MWD	Invoice No. USGV-OCT25, Purchase of 5.2 AF of Recycled Water in September 2025 (Previously Paid 12/4/25)	\$ 3,763.14
1351	City of Industry City Hall	Invoice No. R10312025-D, Purchase of 43.6 AF of Recycled Water in October 2025	18,312.00
1352	City of Industry City Hall	Invoice No. R10312025-E, CIP Charge for October 2025	7,449.20
1353	Metropolitan Water District	Invoice No. 12025, Purchase of 395.9 AF of Treated Water in October 2025	1,449,534.40
1354	San Gabriel Valley MWD	Invoice No. 582, 73.6 AF of Water Delivered through the Alhambra/MWD Exchange Agreement in October 2025 @ \$260 per AF	19,136.00
1355	Suburban Water System	Invoice No. 6806, Phase IIB Normal Operating Charge, November 2025	<u>1,889.81</u>
TOTAL			<u>\$ 1,500,084.55</u>



**UPPER SAN GABRIEL VALLEY MWD
FINANCIAL SUMMARY FOR OCTOBER 31, 2025**

Expenses	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2025-26 BUDGET	AMOUNT OF BUDGET REMAINING	PERCENT OF BUDGET REMAINING	Comments
Administrative Expenses	\$ 166,783	\$ 826,087	\$ 2,892,000	\$ 2,065,913	71.4%	YTD expenses include payment of annual contribution to CalPERS related to Upper District's unfunded accrued liability. Annual provision for election cost will not be booked until June 30, 2026.
Water Conservation Program	155,199	646,351	1,901,600	1,255,249	66.0%	YTD expenses are consistent with budgeted amounts.
Stormwater Program	3,442	13,768	41,300	27,532	66.7%	YTD expenses are consistent with budgeted amounts.
Water Recycling Program	183,026	683,195	2,227,000	1,543,805	69.3%	YTD expenses are consistent with budgeted amounts.
Water Quality and Supply Program	52,779	209,381	623,200	413,819	66.4%	YTD expenses are consistent with budgeted amounts.
Water Purchases	614,111	7,336,044	57,511,300	50,175,256	87.2%	As of October 31st, Upper Water has delivered 1,603 AF of treated water and 5,100 AF of untreated water. Watermaster's RDA water purchases will occur in December and will be reported in February 2026.
Operating Expenses	1,175,340	9,714,826	65,196,400	55,481,574	85.1%	
Operating Revenues	841,084	9,738,656	65,399,200	55,660,544	85.1%	As of October 31st, Upper Water has delivered 1,603 AF of treated water and 5,100 AF of untreated water. Watermaster's RDA water purchases will occur in December and will be reported in February 2026. First installment of standby charge and property tax revenue will not be collected until December.
Net Reserve Activity from Operations (-/+)	(334,256)	23,830	202,800	n/a	n/a	
Capital Expenditures	-	-	197,000	197,000	100.0%	
Capital Program Revenues	-	-	-	-	0.0%	
Net Change in Cash Due to Capital Outlays	-	-	(197,000)	n/a	n/a	
Total Change in Fund Balances	\$ (334,256)	\$ 23,830	\$ 5,800	n/a	n/a	

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
MONTHLY FINANCIAL STATEMENT AND BUDGET COMPARISON
PERIOD ENDED OCTOBER 31, 2025

Page 1

	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2025-26 BUDGET	AMOUNT OF BUDGET REMAINING	PERCENT OF BUDGET REMAINING
ADMINISTRATIVE AND OPERATING REVENUES					
67% @ 10-31-25					
<u>Water Rate Revenues</u>					
Tier 1 Treated	261,756	1,893,909	4,369,300	2,475,391	57%
Tier 1 Untreated	85,500	3,921,854	47,424,000	43,502,146	92%
Upper Surcharge Tier 1 Treated	52,994	135,487	309,000	173,513	56%
Upper Surcharge Tier 1 Untreated	16,000	1,406,896	5,356,000	3,949,104	74%
MWD Capacity Charge Revenue	-	90,675	394,000	303,325	77%
MWD RTS Revenue	34,755	34,755	-	(34,755)	0%
Gross MWD Standby Charge-Revenue Reconciliation	-	496,593	1,950,000	1,453,407	75%
MSGB Watermaster-Ready-to-Serve	6,300	25,200	75,600	50,400	67%
Sub Total	457,305	8,005,369	59,877,900	51,872,531	87%
<u>Revolving Revenue</u>					
MSGB Watermaster-SG River Watermaster	-	123,500	106,500	(17,000)	-16%
Sub Total	-	123,500	106,500	(17,000)	-16%
<u>Other Administrative Revenues</u>					
Interest/Investment Earnings	82,571	199,929	150,000	(49,929)	-33%
Taxes	-	212,187	822,000	609,813	74%
Other Income (Loss)	2,284	10,257	31,800	21,543	68%
Sub Total	84,855	422,373	1,003,800	581,427	58%
TOTAL ADMINISTRATIVE REVENUES	542,160	8,551,242	60,988,200	52,436,958	86%
CAPITAL PROJECT FUND REVENUES					
<u>Recycled Water Revenues</u>					
Recycled Water Sales	39,472	191,451	573,000	381,549	67%
Upper Recycled Water Surcharge Revenue	193,080	679,651	1,276,000	596,349	47%
Metropolitan Water District LRP Funds	17,886	48,717	120,000	71,283	59%
Parcel/Standby Charge	-	33,135	2,050,000	2,016,865	98%
Interest/Investment Earnings	5,831	14,557	13,000	(1,557)	-12%
Sub Total	256,269	967,511	4,032,000	3,064,489	76%
<u>Water Conservation Revenues</u>					
Conservation Program Contributions	38,000	206,151	322,500	116,349	36%
Sub Total	38,000	206,151	322,500	116,349	36%
TOTAL CAPITAL PROJECT FUND REVENUES	294,269	1,173,662	4,354,500	3,180,838	73%
OTHER FUND REVENUES					
<u>Water Quality and Supply Program Revenues</u>					
Interest/Investment Earnings	-	1,735	50,000	48,265	97%
Sub Total	-	1,735	50,000	48,265	97%
<u>Rate Stabilization Fund Revenues</u>					
Interest/Investment Earnings	4,655	12,017	6,500	(5,517)	-85%
Sub Total	4,655	12,017	6,500	(5,517)	-85%
TOTAL OTHER FUND REVENUES	4,655	13,752	56,500	42,748	76%
TOTAL REVENUES	841,084	9,738,656	65,399,200	55,660,544	85%

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
MONTHLY FINANCIAL STATEMENT AND BUDGET COMPARISON
PERIOD ENDED OCTOBER 31, 2025

Page 2

	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2025-26 BUDGET	AMOUNT OF BUDGET REMAINING	PERCENT OF BUDGET REMAINING
ADMINISTRATIVE AND OPERATING EXPENSES					67% @ 10-31-25
<u>Personnel Expenses</u>					
Employee Salaries	138,673	553,288	1,637,000	1,083,712	66%
Employee Benefits	28,691	114,029	389,500	275,471	71%
Retired Employee Benefits	10,820	34,651	122,100	87,449	72%
Employee Travel/Conference	1,066	9,226	60,000	50,774	85%
Sub Total	179,250	711,194	2,208,600	1,497,406	68%
<u>Director Expenses</u>					
Director Compensation	17,943	76,982	216,000	139,018	64%
Director Benefits	13,813	60,307	181,000	120,693	67%
Retired Director Benefits	1,537	10,882	28,400	17,518	62%
Director Public Outreach	-	9,061	25,000	15,939	64%
Director Travel/Conference	6,135	17,041	60,000	42,959	72%
Sub Total	39,428	174,273	510,400	336,127	66%
<u>Pension/OPEB Expense</u>					
CalPERS-Employees, Directors, Retirees	13,790	116,926	359,000	242,074	67%
Sub Total	13,790	116,926 (830,044)	359,000	242,074	67%
<u>Office Expenses</u>					
Office Supplies/Equipment	8,500	21,780	45,000	23,220	52%
Equipment Operations & Maintenance	850	2,639	22,000	19,361	88%
Computer Systems	14,280	27,753	63,000	35,247	56%
Dues and Assessments	-	84,354	86,600	2,246	3%
Meeting Expense	1,123	5,479	37,000	31,521	85%
Sub Total	24,753	142,005	253,600	111,595	44%
<u>Facility Expenses</u>					
Building Maintenance	2,371	13,288	64,000	50,712	79%
Liability/Property Insurance	-	16,611	82,200	65,589	80%
Telephone/Utilities	3,172	15,899	56,000	40,101	72%
Sub Total	5,543	45,798	202,200	156,402	77%
<u>Professional Services</u>					
Legal/Financial	4,979	20,027	110,000	89,973	82%
Engineering	6,058	33,990	145,000	111,010	77%
Auditor	-	-	32,300	32,300	100%
Outside Services	1,965	17,374	55,000	37,626	68%
Public Information/Outreach	-	432	1,700	1,268	75%
Sub Total	13,002	71,823	344,000	272,177	79%
<u>Other Expenses</u>					
Election Costs	-	-	322,000	322,000	100%
Sub Total	-	-	322,000	322,000	100%
<u>Allocation to Projects and Programs</u>					
Salaries/Overhead Allocated to Projects	(108,983)	(435,932)	(1,307,800)	(871,868)	67%
Sub Total	(108,983)	(435,932)	(1,307,800)	(871,868)	67%
TOTAL	166,783	826,087	2,892,000	2,065,913	71%
<u>Water Purchases</u>					
Tier 1 Treated	528,611	1,906,742	4,369,300	2,462,558	56%
Tier 1 Untreated	85,500	3,921,854	47,424,000	43,502,146	92%
MWD Capacity Charge	-	105,300	394,000	288,700	73%
MWD Ready-to-Serve Charge	-	1,278,648	5,217,500	3,938,852	75%
Sub Total	614,111	7,212,544	57,404,800	50,192,256	87%
<u>Revolving Expenses</u>					
San Gabriel River Watermaster	-	123,500	106,500	(17,000)	-16%
Sub Total	-	123,500	106,500	(17,000)	-16%
TOTAL	614,111	7,336,044	57,511,300	50,175,256	87%
TOTAL ADMINISTRATIVE EXPENSES	780,894	8,162,131	60,403,300	52,241,169	86%

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
MONTHLY FINANCIAL STATEMENT AND BUDGET COMPARISON
PERIOD ENDED OCTOBER 31, 2025

Page 3

	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2025-26 BUDGET	AMOUNT OF BUDGET REMAINING	PERCENT OF BUDGET REMAINING
RECYCLED WATER PROGRAM EXPENSES					
					67% @ 10-31-25
Water Purchases-Recycled Water	4,007	137,070	573,000	435,930	76%
SWRCB Loan Repayment	86,782	188,281	791,000	602,719	76%
Salaries and Overhead Allocation	6,642	26,568	79,700	53,132	67%
Standby Charge Development/Implementation	-	3,633	18,700	15,067	81%
Engineering - General	2,970	12,210	40,000	27,790	69%
Lobbyist	7,500	30,000	95,000	65,000	68%
Legal and Financial	-	-	3,000	3,000	100%
Public Information	-	2,406	5,000	2,594	52%
Operation and Maintenance Phase I/IIA	65,381	190,962	421,300	230,338	55%
Operation and Maintenance Phase IIB	9,744	92,065	200,300	108,235	54%
Sub Total	183,026	683,195	2,227,000	1,543,805	69%
TOTAL RECYCLED WATER EXPENSES	183,026	683,195	2,227,000	1,543,805	69%
CAPITAL PROGRAM EXPENSES					
<u>San Gabriel Valley Water Recycling Project</u>					
Direct Reuse Program	-	-	100,000	100,000	100%
Legal and Financial	-	-	2,000	2,000	100%
Sub Total	-	-	102,000	102,000	100%
<u>Other Capital Program Expenses</u>					
USG Connections	-	-	95,000	95,000	100%
Sub Total	-	-	95,000	95,000	100%
TOTAL CAPITAL PROGRAM EXPENSES	-	-	197,000	197,000	100%
STORMWATER PROGRAM EXPENSES					
<u>Stormwater Program</u>					
Salaries and Overhead Allocation	3,442	13,768	41,300	27,532	67%
Sub Total	3,442	13,768	41,300	27,532	67%
TOTAL STORMWATER EXPENSES	3,442	13,768	41,300	27,532	67%

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
MONTHLY FINANCIAL STATEMENT AND BUDGET COMPARISON
PERIOD ENDED OCTOBER 31, 2025

Page 4

	FY ACTUAL MONTH	FY ACTUAL YEAR-TO-DATE	FY 2025-26 BUDGET	AMOUNT OF BUDGET REMAINING	PERCENT OF BUDGET REMAINING
WATER CONSERVATION PROGRAM EXPENSES					
WATER USE EFFICIENCY					
<u>Residential Programs</u>					
Member Agency Administered Programs	42,574	139,722	167,500	27,778	17%
Regional Rebate Program	4,316	18,874	50,000	31,126	62%
Sub Total	46,890	158,596	217,500	58,904	27%
<u>Commercial/Industrial/Institution Programs</u>					
Member Agency Administered Programs	-	35,338	105,000	69,662	66%
Regional Rebate Program	-	5,000	-	(5,000)	0%
Sub Total	-	40,338	105,000	64,662	62%
<u>Allocation to Conservation Programs</u>					
Salaries & Overhead	19,625	78,500	235,500	157,000	67%
Sub Total	19,625	78,500	235,500	157,000	67%
TOTAL WATER USE EFFICIENCY EXPENSES	66,515	277,434	558,000	280,566	50%
EDUCATION & COMMUNITY OUTREACH					
<u>Watershed Programs</u>					
Natural Vegetation Restoration Program	59	8,559	20,000	11,441	57%
Sub Total	59	8,559	20,000	11,441	57%
<u>Educational Programs</u>					
Educational Activities	-	7,782	60,000	52,218	87%
Memberships	-	11,836	145,000	133,164	92%
Educational Materials/Grant Program	-	(1,126)	60,000	61,126	102%
Educational Outreach Programs/Events	1,297	6,316	160,000	153,684	96%
Sub Total	1,297	24,808	425,000	400,192	94%
<u>Outreach and Information Programs</u>					
Public Workshops/Seminars	1,522	7,575	40,000	32,425	81%
Conservation Devices/Items	3,134	30,327	45,000	14,673	33%
Bottled Water Program	-	3,339	15,500	12,161	78%
Community/Industry Sponsorships	2,000	12,300	35,000	22,700	65%
Displays/Fairs/Presentations	336	2,060	5,000	2,940	59%
Conferences/Meetings	1,205	1,702	12,000	10,298	86%
Public Information	1,952	22,859	100,000	77,141	77%
Technical Assistance	28,322	64,658	70,000	5,342	8%
Legal/Financial	1,682	2,030	10,000	7,970	80%
Sub Total	40,153	146,850	332,500	185,650	56%
<u>Allocation to Conservation Programs</u>					
Salaries & Overhead	47,175	188,700	566,100	377,400	67%
Sub Total	47,175	188,700	566,100	377,400	67%
TOTAL EDUCATION & COMMUNITY OUTREACH EXPENSES	88,684	368,917	1,343,600	974,683	73%
TOTAL WATER CONSERVATION EXPENSES	155,199	646,351	1,901,600	1,255,249	66%
WATER QUALITY AND SUPPLY PROGRAM EXPENSES					
<u>Policy 9-00-8 Groundwater Remediation Projects</u>					
Engineering for Water Supply Projects	6,973	23,474	73,000	49,526	68%
Legislative Consultant	10,000	30,000	125,000	95,000	76%
Outside Services	2,500	10,000	-	(10,000)	0%
Sub Total	19,473	63,474	198,000	134,526	68%
<u>Other Expenses</u>					
Urban Water Management Plan/Related Studies	-	278	20,000	19,722	99%
Integrated Resources Plan	1,119	16,387	10,000	(6,387)	-64%
Water Supply Reliability Plan/Emergency Preparedness	-	-	5,000	5,000	100%
Legal and Financial	87	842	5,000	4,158	83%
Salaries and Overhead Allocation	32,100	128,400	385,200	256,800	67%
Sub Total	33,306	145,907	425,200	279,293	66%
TOTAL WATER QUALITY AND SUPPLY EXPENSES	52,779	209,381	623,200	413,819	66%
TOTAL EXPENSES	1,175,340	9,714,826	65,393,400	55,678,574	85%

67% @ 10-31-25

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
SUMMARY OF CASH AND INVESTMENTS
October 31, 2025

Page 5

CASH AND INVESTMENT BALANCES

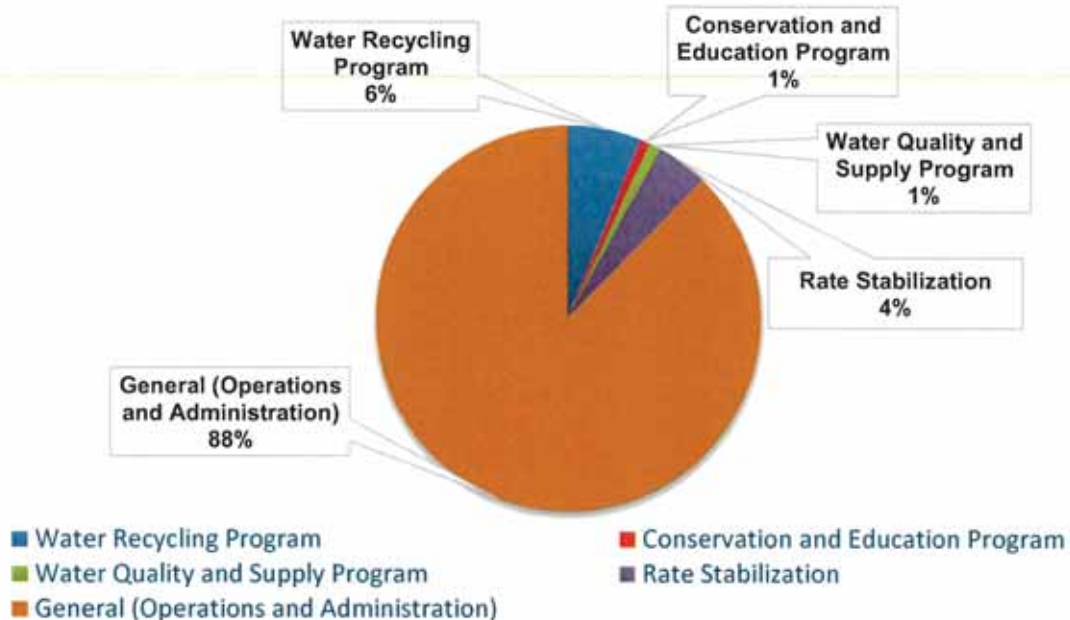
	<u>Amount (\$)</u>	
<u>Cash Account Balances</u>		
General Fund-Checking	\$	193,584.55
Water Fund-Checking		499,740.19
Revolving Fund		58,778.77
Revolving Payroll Fund		164,410.23
Total Cash Account Balances	\$	916,513.74
<u>Investment Account Balances</u>	<u>Market Value</u>	<u>Cost/Book Value</u>
Local Agency Investment Fund	\$ 9,808,326.06	\$ 9,808,326.06
Other Investments	5,731,615.81	5,640,350.99
Total Investment Account Balances	<u>\$ 15,539,941.87</u>	<u>\$ 15,448,677.05</u>
Total Cash and Investment Balances	\$	16,456,455.61

DISTRICT FUND BALANCES

Capital Program Fund:		
Water Recycling Program	\$	1,011,138.00
Conservation and Education Program		130,029.00
Water Quality and Supply Program		164,176.00
Sub Total		1,305,343.00
Rate Stabilization Fund		716,837.00
General Fund (Operations and Administration)		14,434,275.61
Total Fund Balances	\$	16,456,455.61

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.

DISTRICT RESERVE FUND BALANCES



California State Treasurer

Fiona Ma, CPA



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

November 04, 2025

[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 2025 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
10/15/2025	10/14/2025	QRD	1784977	N/A	SYSTEM	76,308.80

Account Summary:

Total Deposit:	76,308.80	Beginning Balance:	9,732,017.26
Total Withdrawal:	0.00	Ending Balance:	9,808,326.06



MONTHLY ACCOUNT STATEMENT

Upper San Gabriel Valley Municipal Water District | Account #10214 | As of October 31, 2025

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, 2025

Portfolio Characteristics

Average Modified Duration	1.43
Average Coupon	4.22%
Average Purchase YTM	4.21%
Average Market YTM	3.80%
Average Credit Quality*	AA+
Average Final Maturity	1.67
Average Life	1.52

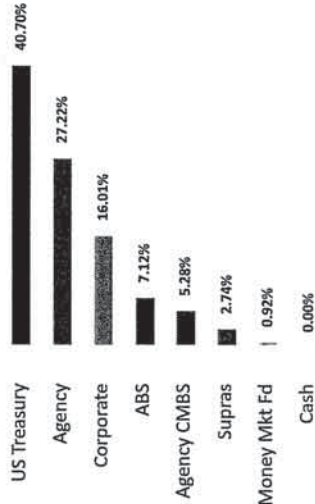
Account Summary

	End Values as of 09/30/2025	End Values as of 10/31/2025
Market Value	5,662,837.83	5,674,121.26
Accrued Interest	50,997.08	57,494.56
Total Market Value	5,713,834.91	5,731,615.81
Income Earned	23,261.18	23,814.76
Cont/Wd	0.00	0.00
Par	5,629,469.89	5,641,242.28
Book Value	5,634,426.86	5,647,283.02
Cost Value	5,627,795.79	5,640,350.99

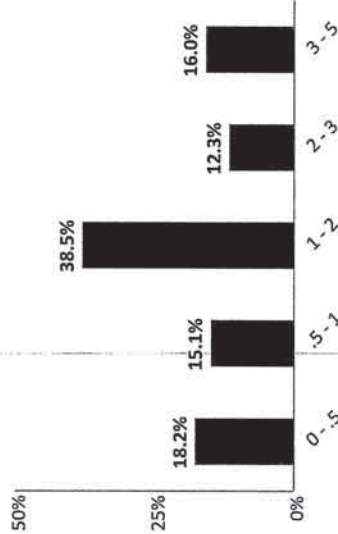
Top Issuers

United States	40.70%
Farm Credit System	21.06%
Federal Home Loan Banks	6.16%
FHLMC	5.28%
American Express Credit Master Trust	1.79%
Mercedes-Benz Auto Receivables Trust	1.78%
WF Card Issuance Trust	1.78%
Chase Issuance Trust	1.78%

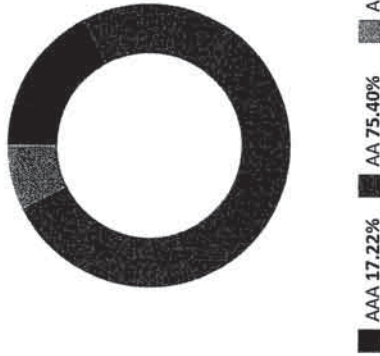
Sector Allocation



Maturity Distribution



Credit Quality*



Performance Review

Total Rate of Return**	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	Since Inception (06/01/14)
Upper San Gabriel VMWD	0.32%	1.24%	4.00%	4.62%	5.19%	4.69%	2.13%	1.97%	1.80%
Benchmark Return	0.34%	1.41%	4.07%	4.71%	5.18%	4.63%	2.06%	1.86%	1.72%

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

STATEMENT OF COMPLIANCE



Upper San Gabriel Valley Municipal Water District | Account #10214 | As of October 31, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
ASSET BACKED/MORTGAGE BACKED/COLLATERALIZED MORTGAGE OBLIGATIONS				
Max % (MV)	20.0	7.1	Compliant	
Max % Issuer (MV)	5.0	1.8	Compliant	
Max Maturity (Years)	5.0	4.7	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
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	16.0	Compliant	
Max % Issuer (MV)	5.0	1.1	Compliant	
Max Maturity (Years)	5	3	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	27.2	Compliant	
Max Maturity (Years)	5	2	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	0.9	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	

STATEMENT OF COMPLIANCE



Upper San Gabriel Valley Municipal Water District | Account #10214 | As of October 31, 2025

Rules Name	Limit	Actual	Compliance Status	Notes
SUPRANATIONAL OBLIGATIONS				
Max % (MV)	30.0	2.7	Compliant	
Max % Issuer (MV)	10.0	1.8	Compliant	
Max Maturity (Years)	5	1	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
U.S. TREASURIES				
Max % (MV)	100.0	40.7	Compliant	
Max Maturity (Years)	5	4	Compliant	

RECONCILIATION SUMMARY



Upper San Gabriel Valley Municipal Water District | Account #10214 | As of October 31, 2025

Maturities / Calls	
Month to Date	(120,000.00)
Fiscal Year to Date	(410,000.00)
Principal Paydowns	
Month to Date	0.00
Fiscal Year to Date	0.00
Purchases	
Month to Date	238,540.64
Fiscal Year to Date	2,188,855.88

Accrual Activity Summary

	Month to Date	Fiscal Year to Date (07/01/2025)
Beginning Book Value	5,634,426.86	5,582,294.71
Maturities/Calls	(120,000.00)	(410,000.00)
Principal Paydowns	0.00	0.00
Purchases	238,540.64	2,188,855.88
Sales	(101,776.07)	(1,711,462.39)
Change in Cash, Payables, Receivables	(3,890.62)	(3,393.95)
Amortization/Accretion	(17.80)	988.77
Realized Gain (Loss)	0.00	0.00
Ending Book Value	5,647,283.02	5,647,283.02

Sales

Month to Date	(101,776.07)
Fiscal Year to Date	(1,711,462.39)

Fair Market Activity Summary

	Month to Date	Fiscal Year to Date (07/01/2025)
Beginning Market Value	5,662,837.83	5,609,752.19
Maturities/Calls	(120,000.00)	(410,000.00)
Principal Paydowns	0.00	0.00
Purchases	238,540.64	2,188,855.88
Sales	(101,776.07)	(1,711,462.39)
Change in Cash, Payables, Receivables	(3,890.62)	(3,393.95)
Amortization/Accretion	(17.80)	988.77
Change in Net Unrealized Gain (Loss)	(1,572.73)	(619.24)
Realized Gain (Loss)	0.00	0.00
Ending Market Value	5,674,121.26	5,674,121.26

Interest Received	
Month to Date	17,439.08
Fiscal Year to Date	78,083.73
Purchased / Sold Interest	
Month to Date	(104.00)
Fiscal Year to Date	(8,109.07)

HOLDINGS REPORT



Upper San Gabriel Valley Municipal Water District | Account #10214 | As of October 31, 2025

Cusip	Security Description	Par Value/ Units	Purchase Date	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
ABS									
58768YAD7	MBALT 2025-A A3 4.61 04/16/2029	100,000.00	09/24/2025	101,410.16 101,350.39	101.17 4.05%	101,172.30 204.89	1.78% (178.09)	NA/AAA AAA	3.46 1.92
02589BAE0	AMXCA 2024-3 A 4.65 07/15/2027	100,000.00	09/24/2025	101,449.22 101,367.73	101.31 3.88%	101,308.20 206.67	1.79% (59.53)	NA/AAA AAA	1.70 1.60
92970QAE5	WFCIT 2024-2 A 4.29 10/15/2029	100,000.00	09/24/2025	100,863.28 100,820.69	100.83 3.88%	100,827.50 190.67	1.78% 6.81	Aaa/AAA NA	3.96 1.84
161571HZ0	CHAIT 2025-1 A 4.16 07/15/2030	100,000.00	10/23/2025	101,101.56 101,092.70	100.79 3.88%	100,789.70 184.89	1.78% (303.00)	NA/AAA AAA	4.70 2.51
Total ABS		400,000.00	3.84%	404,824.22 404,631.52	101.02 3.92%	404,097.70 787.11	7.12% (533.82)		3.45 1.97
AGENCY									
3133EPC37	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.875 11/13/2025	100,000.00	11/27/2023	99,891.00 99,998.17	100.02 4.00%	100,021.70 2,275.00	1.76% 23.53	Aa1/AA+ AA+	0.04 0.03
3133EPL37	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.625 12/08/2025	100,000.00	12/18/2023	100,230.00 100,011.82	100.07 3.85%	100,068.20 1,837.15	1.76% 56.38	Aa1/AA+ AA+	0.10 0.10
3133EPW68	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.125 01/22/2026	100,000.00	01/24/2024	99,490.00 99,942.55	100.03 3.94%	100,030.90 1,134.38	1.76% 88.35	Aa1/AA+ AA+	0.23 0.22
3133EN713	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.875 02/02/2026	69,000.00	02/15/2023	67,798.71 68,896.75	99.98 3.90%	68,989.24 661.01	1.22% 92.49	Aa1/AA+ AA+	0.26 0.24
3133EPCF0	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.5 03/02/2026	100,000.00	03/23/2023	101,445.00 100,162.80	100.23 3.78%	100,226.00 737.50	1.77% 63.20	Aa1/AA+ AA+	0.33 0.33
3133EPTF7	FEDERAL FARM CREDIT BANKS FUNDING CORP 3.75 04/13/2026	100,000.00	04/10/2023	99,332.00 99,900.65	99.95 3.85%	99,954.20 187.50	1.76% 53.55	Aa1/AA+ AA+	0.45 0.44
3130AWLZ1	FEDERAL HOME LOAN BANKS 4.75 06/12/2026	90,000.00	07/19/2023	90,720.00 90,151.76	100.58 3.77%	90,519.84 1,650.63	1.60% 368.08	Aa1/AA+ AA+	0.61 0.59
3133EPZY4	FEDERAL FARM CREDIT BANKS FUNDING CORP 5.0 07/30/2026	100,000.00	10/30/2023	99,970.00 99,991.89	100.81 3.88%	100,806.90 1,263.89	1.78% 815.01	Aa1/AA+ AA+	0.74 0.72
3133EPUW3	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.75 09/01/2026	95,000.00	10/23/2023	94,392.00 94,822.79	100.81 3.74%	95,771.69 752.08	1.69% 948.90	Aa1/AA+ AA+	0.84 0.80

HOLDINGS REPORT



Upper San Gabriel Valley Municipal Water District | Account #10214 | As of October 31, 2025

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
3130AXU63	FEDERAL HOME LOAN BANKS 4.625 11/17/2026	105,000.00	11/16/2023 4.69%	104,814.15 104,935.39	100.89 3.74%	105,937.86 2,212.29	1.87% 1,002.47	Aa1/AA+ AA+	1.05 0.99
3133EP6K6	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.5 03/26/2027	125,000.00	03/25/2024 4.45%	125,181.25 125,084.42	101.07 3.71%	126,331.50 546.88	2.23% 1,247.08	Aa1/AA+ AA+	1.40 1.34
3133ERFJ5	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.5 05/20/2027	100,000.00	05/23/2024 4.80%	99,184.50 99,577.67	101.23 3.67%	101,231.80 2,012.50	1.78% 1,654.13	Aa1/AA+ AA+	1.55 1.46
3133ERMB4	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.25 07/23/2027	100,000.00	07/22/2024 4.34%	99,752.00 99,857.54	100.92 3.69%	100,922.20 1,156.94	1.78% 1,064.66	Aa1/AA+ AA+	1.73 1.63
3133ERNP2	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.0 08/06/2027	100,000.00	08/22/2024 3.86%	100,383.00 100,228.45	100.58 3.65%	100,579.80 944.44	1.77% 351.35	Aa1/AA+ AA+	1.76 1.67
3130AWTR1	FEDERAL HOME LOAN BANKS 4.375 09/08/2028	150,000.00	09/15/2023 4.51%	149,059.50 149,460.65	102.04 3.61%	153,061.35 966.15	2.70% 3,600.70	Aa1/AA+ AA+	2.86 2.65
Total Agency		1,534,000.00	4.49%	1,531,643.11 1,533,023.31	100.69 3.78%	1,544,453.17 18,338.34	27.22% 11,429.86		1.02 0.96
AGENCY CMBS									
3137FEZU7	FHMS K-076 A2 3.9 04/25/2028	100,000.00	09/24/2025 3.81%	100,011.72 100,011.30	100.07 3.78%	100,073.90 325.00	1.76% 62.60	Aa1/AA+ AAA	2.48 2.24
3137FG6X8	FHMS K-077 A2 3.85 05/25/2028	100,000.00	09/24/2025 3.81%	99,902.34 99,905.75	99.81 3.85%	99,808.80 320.83	1.76% (96.95)	Aa1/AA+ AAA	2.57 2.32
3137FGZT5	FHMS K-079 A2 3.926 06/25/2028	100,000.00	09/24/2025 3.81%	100,105.47 100,101.90	99.97 3.86%	99,973.20 327.17	1.76% (128.70)	Aa1/AAA AA+	2.65 2.45
Total Agency CMBS		300,000.00	3.81%	300,019.53 300,018.95	99.95 3.83%	299,855.90 973.00	5.28% (163.05)		2.57 2.34
CASH									
CCYUSD	Receivable	208.79	--	208.79	1.00	208.79	0.00%	Aaa/AAA	0.00
Total Cash		208.79		208.79	1.00 0.00%	208.79 0.00	0.00% 0.00		0.00 0.00
CORPORATE									
594918BJ2	MICROSOFT CORP 3.125 11/03/2025	65,000.00	01/24/2023 4.28%	63,051.30 64,996.15	100.00 3.13%	65,000.00 1,004.34	1.15% 3.85	Aaa/AAA NA	0.01 0.01
00287YDR7	ABBVIE INC 4.8 03/15/2027	60,000.00	09/23/2025 3.89%	60,733.20 60,678.46	101.02 4.02%	60,609.96 368.00	1.07% (68.50)	A3/A- NA	1.37 1.23

HOLDINGS REPORT



Upper San Gabriel Valley Municipal Water District | Account #10214 | As of October 31, 2025

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
025816CP2	AMERICAN EXPRESS CO 3.3 05/03/2027	60,000.00	09/23/2025 3.90%	59,444.40 59,480.43	99.10 3.93%	59,458.26 979.00	1.05% (22.17)	A2/A- A	1.50 1.45
665859AW4	NORTHERN TRUST CORP 4.0 05/10/2027	60,000.00	09/24/2025 3.87%	60,114.00 60,106.49	100.12 3.92%	60,072.60 1,140.00	1.06% (33.89)	A2/A+ A+	1.52 1.36
009158AY2	AIR PRODUCTS AND CHEMICALS INC 1.85 05/15/2027	60,000.00	09/23/2025 3.83%	58,123.20 58,242.46	97.02 3.87%	58,214.88 511.83	1.03% (27.58)	A2/A NA	1.54 1.48
756109BG8	REALTY INCOME CORP 3.95 08/15/2027	60,000.00	09/24/2025 3.97%	59,978.40 59,979.56	99.83 4.05%	59,896.32 500.33	1.06% (83.24)	A3/A- NA	1.79 1.69
63743HFT4	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP 4.12 09/16/2027	60,000.00	09/24/2025 3.90%	60,240.60 60,227.70	100.32 3.94%	60,193.32 309.00	1.06% (34.38)	A2/A- A	1.88 1.70
89236TKJ3	TOYOTA MOTOR CREDIT CORP 4.55 09/20/2027	60,000.00	09/23/2025 3.90%	60,740.40 60,701.65	101.20 3.88%	60,720.42 310.92	1.07% 18.77	A1/A+ A+	1.89 1.78
532457CU0	ELI LILLY AND CO 4.55 02/12/2028	60,000.00	09/24/2025 3.81%	60,964.20 60,921.68	101.57 3.82%	60,940.56 599.08	1.07% 18.88	Aa3/A+ NA	2.28 2.05
341081GN1	FLORIDA POWER & LIGHT CO 4.4 05/15/2028	60,000.00	09/24/2025 3.87%	60,742.80 60,712.33	101.04 3.96%	60,624.24 1,217.33	1.07% (88.09)	Aa2/A+ AA-	2.54 2.19
06406RBN6	BANK OF NEW YORK MELLON CORP 4.543 02/01/2029	60,000.00	09/23/2025 3.94%	60,799.80 60,764.46	101.07 4.39%	60,643.02 681.45	1.07% (121.44)	Aa3/A AA-	3.25 2.09
857477CN1	STATE STREET CORP 4.53 02/20/2029	60,000.00	09/23/2025 4.00%	60,717.60 60,686.58	100.94 4.38%	60,565.26 536.05	1.07% (121.32)	Aa3/A AA-	3.31 2.15
09290DAA9	BLACKROCK INC 4.7 03/14/2029	60,000.00	09/23/2025 3.87%	61,574.40 61,526.11	102.22 3.99%	61,329.78 368.17	1.08% (196.33)	Aa3/AA- NA	3.37 3.00
46647PAV8	JPMORGAN CHASE & CO 4.203 07/23/2029	60,000.00	09/23/2025 4.09%	60,178.20 60,171.64	100.14 4.47%	60,081.30 686.49	1.06% (90.34)	A1/A AA-	3.73 2.52
06051GHM4	BANK OF AMERICA CORP 4.271 07/23/2029	60,000.00	09/23/2025 4.08%	60,294.00 60,283.18	100.38 4.47%	60,225.24 697.60	1.06% (57.94)	A1/A- AA-	3.73 2.52
Total Corporate		905,000.00	3.95%	907,696.50 909,478.89	100.41 4.01%	908,575.16 9,909.59	16.01% (903.73)		2.24 1.81

MONEY MARKET FUND

31846V203	FIRST AMER:GVT OBLG Y	52,033.49	-- 3.70%	52,033.49 52,033.49	1.00 3.66%	52,033.49 0.00	0.92% 0.00	Aaa/ AAAm AAA	0.00 0.00
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HOLDINGS REPORT



Upper San Gabriel Valley Municipal Water District | Account #10214 | As of October 31, 2025

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				52,033.49	1.00	52,033.49	0.92%		0.00
Market Fund		52,033.49	3.70%	52,033.49	3.66%	0.00	0.00		0.00
SUPRANATIONAL									
4581X0EK0	INTER-AMERICAN DEVELOPMENT BANK 4.5 05/15/2026	100,000.00	06/27/2023 4.53%	99,923.00 99,985.62	100.29 3.95%	100,287.30 2,075.00	1.77% 301.68	Aaa/AAA NA	0.54 0.51
45950KDF4	INTERNATIONAL FINANCE CORP 4.375 01/15/2027	55,000.00	11/29/2023 4.49%	54,820.70 54,930.55	100.67 3.80%	55,368.28 708.67	0.98% 437.73	Aaa/AAA NA	1.21 1.15
Total		155,000.00	4.52%	154,743.70 154,916.17	100.42 3.89%	155,655.58 2,783.67	2.74% 739.41		0.78 0.74
US TREASURY									
91282CGA3	UNITED STATES TREASURY 4.0 12/15/2025	120,000.00	12/15/2022 3.95%	120,150.00 120,006.03	100.00 3.92%	120,002.28 1,822.95	2.11% (3.75)	Aa1/AA+ AA+	0.12 0.11
91282CGE5	UNITED STATES TREASURY 3.875 01/15/2026	100,000.00	-- 4.33%	99,214.45 99,911.85	99.99 3.90%	99,986.30 1,147.76	1.76% 74.45	Aa1/AA+ AA+	0.21 0.20
91282CKB6	UNITED STATES TREASURY 4.625 02/28/2026	125,000.00	03/25/2024 4.63%	124,980.47 124,996.70	100.21 3.92%	125,268.50 990.16	2.21% 271.80	Aa1/AA+ AA+	0.33 0.32
91282CH80	UNITED STATES TREASURY 3.625 05/15/2026	140,000.00	05/23/2023 3.98%	138,610.94 139,750.81	99.90 3.82%	139,859.16 2,344.43	2.46% 108.35	Aa1/AA+ AA+	0.54 0.51
91282CHU8	UNITED STATES TREASURY 4.375 08/15/2026	100,000.00	08/24/2023 4.69%	99,144.53 99,773.92	100.46 3.77%	100,457.50 927.31	1.77% 683.58	Aa1/AA+ AA+	0.79 0.76
91282CHV0	UNITED STATES TREASURY 4.625 09/15/2026	125,000.00	09/15/2023 4.72%	124,682.62 124,907.66	100.73 3.76%	125,907.25 750.60	2.22% 999.59	Aa1/AA+ AA+	0.87 0.84
91282CLS8	UNITED STATES TREASURY 4.125 10/31/2026	100,000.00	11/26/2024 4.29%	99,691.41 99,840.22	100.36 3.75%	100,364.10 11.40	1.77% 523.88	Aa1/AA+ AA+	1.00 0.96
91282CJP7	UNITED STATES TREASURY 4.375 12/15/2026	120,000.00	09/25/2024 3.53%	122,151.56 121,086.41	100.70 3.73%	120,834.36 1,993.85	2.13% (252.05)	Aa1/AA+ AA+	1.12 1.06
91282CJT9	UNITED STATES TREASURY 4.0 01/15/2027	125,000.00	01/31/2024 4.00%	124,985.35 124,994.03	100.35 3.69%	125,439.50 1,480.98	2.21% 445.47	Aa1/AA+ AA+	1.21 1.15
91282CKE0	UNITED STATES TREASURY 4.25 03/15/2027	125,000.00	04/25/2024 4.86%	122,954.10 124,030.48	100.77 3.66%	125,966.75 689.74	2.22% 1,936.27	Aa1/AA+ AA+	1.37 1.31
91282CKJ9	UNITED STATES TREASURY 4.5 04/15/2027	125,000.00	04/25/2024 4.85%	123,793.95 124,410.33	101.18 3.65%	126,474.63 262.71	2.23% 2,064.30	Aa1/AA+ AA+	1.45 1.39

HOLDINGS REPORT



Upper San Gabriel Valley Municipal Water District | Account #10214 | As of October 31, 2025

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
91282CKV2	UNITED STATES TREASURY 4.625 06/15/2027	150,000.00	06/26/2024 4.51%	150,462.89 150,252.60	101.55 3.63%	152,320.35 2,634.73	2.68% 2,067.75	Aa1/AA+ AA+	1.62 1.52
91282CKZ3	UNITED STATES TREASURY 4.375 07/15/2027	100,000.00	07/22/2024 4.30%	100,218.75 100,124.97	101.22 3.62%	101,222.70 1,295.86	1.78% 1,097.73	Aa1/AA+ AA+	1.70 1.61
91282CLG4	UNITED STATES TREASURY 3.75 08/15/2027	100,000.00	08/22/2024 3.82%	99,812.50 99,887.53	100.21 3.62%	100,214.80 794.84	1.77% 327.27	Aa1/AA+ AA+	1.79 1.70
91282CLL3	UNITED STATES TREASURY 3.375 09/15/2027	120,000.00	09/25/2024 3.48%	119,653.13 119,781.45	99.58 3.61%	119,493.72 525.83	2.11% (287.73)	Aa1/AA+ AA+	1.87 1.78
91282CLQ2	UNITED STATES TREASURY 3.875 10/15/2027	100,000.00	10/23/2024 4.02%	99,593.75 99,733.28	100.50 3.61%	100,496.10 180.98	1.77% 762.82	Aa1/AA+ AA+	1.96 1.86
91282CLX7	UNITED STATES TREASURY 4.125 11/15/2027	120,000.00	11/26/2024 4.23%	119,643.75 119,755.26	101.02 3.60%	121,218.72 2,286.68	2.14% 1,463.46	Aa1/AA+ AA+	2.04 1.90
91282CMA6	UNITED STATES TREASURY 4.125 11/30/2029	150,000.00	12/19/2024 4.40%	148,154.30 148,477.25	101.71 3.67%	152,566.35 2,603.48	2.69% 4,089.10	Aa1/AA+ AA+	4.08 3.66
91282CGB1	UNITED STATES TREASURY 3.875 12/31/2029	150,000.00	09/22/2025 3.66%	151,283.20 151,251.12	100.77 3.67%	151,148.40 1,958.56	2.66% (102.72)	Aa1/AA+ AA+	4.17 3.76
Total US Treasury		2,295,000.00	4.22%	2,289,181.65 2,292,971.90	100.62 3.71%	2,309,241.47 24,702.85	40.70% 16,269.57		1.56 1.45
Total Portfolio				5,640,350.99	99.68	5,674,121.26	100.00%		1.67
Total Market Value + Accrued		5,641,242.28	4.21%	5,647,283.02	3.80%	57,494.56	26,838.24		1.43
						5,731,615.81			



**Upper San Gabriel Valley Municipal Water District
Summary of Director Outreach Expenses
For the period ended October 31, 2025**

Director	Jul-25	Aug-25	Sep-25	Oct-25	YTD Actual	Balance Remaining
Director Chavez	\$ -	2,500.00	-	-	\$ 2,500.00	\$ 2,500.00
Director Fellow	400.00	419.00	-	-	819.00	4,181.00
Director Treviño	-	750.00	-	-	750.00	4,250.00
Director Santana	500.00	360.00	1,750.00	-	2,610.00	2,390.00
Director Garcia	500.00	1,000.00	50.00	-	1,550.00	3,450.00
Total	\$ 1,400.00	5,029.00	1,800.00	-	\$ 8,229.00	\$ 16,771.00

Upper San Gabriel Valley Municipal Water District
Director Public Outreach Program Expenses
Summary of Director Outreach Expenses

Director Chavez

Paid Date	Description	Amount	Check #	Recipient
08/05/25	2025 Covina Valley Golf Tournament	1,000.00	24165	Optimist International
08/25/25	2025 LPCF Golf Tournament	1,500.00	24182	La Puente Community Foundation
Total		2,500.00		
Outreach Fund Balance		2,500.00		

Upper San Gabriel Valley Municipal Water District
Director Public Outreach Program Expenses
Summary of Director Outreach Expenses

Director Fellow

Paid Date	Description	Amount	Check #	Recipient
07/06/25	Summer Concert 2025	400.00	24141	City of Monrovia
08/13/25	Super Box Listing 2025/26	419.00	24175	Chamber Directory Services
		Total	<u>819.00</u>	
Outreach Fund Balance			<u>4,181.00</u>	

Upper San Gabriel Valley Municipal Water District
 Director Public Outreach Program Expenses
 Summary of Director Outreach Expenses

Director Treviño

<u>Paid Date</u>	<u>Description</u>	<u>Amount</u>	<u>Check #</u>	<u>Recipient</u>
08/05/25	Rose Parade Sponsorship	750.00	24166	South Pasadena Tournament of Roses Association

Total 750.00

Outreach Fund Balance 4,250.00

Upper San Gabriel Valley Municipal Water District
Director Public Outreach Program Expenses
Summary of Director Outreach Expenses

Director Santana

Paid Date	Description	Amount	Check #	Recipient
07/15/25	Pride of the Valley 5K Run/Fun Walk	500.00	24145	City of Baldwin Park
08/05/25	2025 Membership Fee	310.00	24164	Irwindale Chamber of Commerce
08/13/25	2025-2026 Annual Membership	50.00	24174	Baldwin Park Business Association
09/09/25	Dia De Los Muertos	750.00	24191	Downtown El Monte Business Association
09/08/25	3rd Annual Golf Tournament	500.00	24192	San Gabriel Valley Conservation and Service Corps
09/16/25	Toy Drive and Golf Tournament	500.00	24207	Baldwin Park Business Association
Total		<u>2,610.00</u>		
Outreach Fund Balance		<u>2,390.00</u>		

Upper San Gabriel Valley Municipal Water District
Director Public Outreach Program Expenses
Summary of Director Outreach Expenses

Director Garcia

Paid Date	Description	Amount	Check #	Recipient
07/08/25	2025 Film Festival	500.00	24142	Film It West Covina
08/05/25	2025 Covina Valley Golf Tournament	1,000.00	24165	Optimist International
09/09/25	Festival of Frights 2025	50.00	24190	West Covina Community Services Foundation
		Total	<u>1,550.00</u>	
Outreach Fund Balance			<u>3,450.00</u>	

MEMORANDUM

Item 7 (d) CONSENT

DATE: December 10, 2025
TO: Board of Directors
FROM: General Manager
SUBJECT: Authorize the General Manager to execute a professional services contract amendment with John Robinson Consulting, Inc. (JRC) for as-needed engineering support services.

Recommendation

The Water Resources and Facility Management Committee recommends the Board of Directors authorize the General Manager to execute a professional service contract amendment with JRC for as-needed engineering support services in the amount of \$50,000 for a total contract amount not to exceed \$100,000 through June 30, 2026.

Background

JRC has supported the advancement of multiple recycled water projects and engineering initiatives. The requested increase of \$50,000 (for a new not-to-exceed total of \$100,000) will enable JRC to continue providing professional support to Upper Water through completion of the following activities and other tasks as directed:

1. Completion of the asset management summary for the following recycled water projects:
 - Phase I – Rose Hills Project
 - Phase IIA – Rosemead Pipeline and Pump Station Project
 - Phase IIA – Rosemead Pipeline Expansion Projects 1 and 2
 - Phase IIB – San Gabriel Valley Recycled Water Pipeline and Reservoir Project
2. Development of Operations and Maintenance Standards for the above recycled water projects.
3. Development of a Cross-Connection Control Program for recycled water customers connected to the above projects.
4. Preparation of Technical Memoranda evaluating recycled water expansion and related engineering investigations.
5. Coordination with the Los Angeles County Sanitation Districts, San Gabriel Valley Water District, and Suburban Water Systems.
6. Support to Upper District staff for the Water Reuse Collaborative, Recycled Water System Technical Committee, and related initiatives.
7. Assistance with future engineering projects and assignments as directed by District staff.

Staff is recommending that the Board authorize the amendment with John Robinson Consulting Inc. for a not to exceed amount of \$100,000. JRC has submitted a scope of service which is attached.

ATTACHMENT



November 5, 2025

Mr. Thomas Love
General Manager
Upper San Gabriel Valley Municipal Water District
248 E. Foothill Blvd., Suite 200
Monrovia, CA 91016

Subject: As-Needed Engineering Support Services – Compensation Increase Request

Dear Mr. Love:

Per our conference call on November 4th, John Robinson Consulting, Inc. (JRC) is submitting this letter to Upper San Gabriel Valley Municipal Water District (Upper District) to request a change in JRC's compensation amount. As discussed, we have reached out contractual not-to-exceed compensation amount of \$50,000 at the end of October 2025 and are requesting an increase of \$50,000 to bring the not-to-exceed amount to \$100,000. Our hourly rates will remain as they were in the original contract from February 2024.

With this increase in the compensation, JRC will be able to continue assisting Upper District with the following scope of service deliverables and others as directed:

1. Complete the asset management summary for the following recycled water projects:
 - a. Phase I – Rose Hills project
 - b. Phase IIA – Rosemead pipeline and pump station project
 - c. Phase IIA – Rosemead pipeline expansion projects 1 and 2
 - d. Phase IIB – San Gabriel Valley Recycled Water pipeline and reservoir project
2. Development of Operations and Maintenance Standard(s) for the above recycled water projects.
3. Development of a cross-connection control program for the recycled water customer connected to the above recycled water projects.
4. Development of Technical Memorandums to evaluate recycled water expansion and other engineering investigations.
5. Coordinate with Los Angeles County Sanitation Districts, San Gabriel Valley Water District, Suburban Water System.
6. Support Upper District staff with Water Reuse Collaborative, Recycled Water System Technical Committee and others as directed.
7. Support Upper District staff with future projects to be assigned.

JRC commits to timely, responsive services, and to delivering excellence with all assistance and deliverables provided to Upper District.

Very truly yours,

A handwritten signature in blue ink, appearing to read "John Robinson", is written over a circular blue ink stamp.

John Robinson, Principal

c: Patty Cortez and Evelyn Rodriguez, Upper District

MEMORANDUM

Item 7. (e) CONSENT

DATE: December 10, 2025

TO: Water Resources Facility Management Committee and Board of Directors

FROM: General Manager

SUBJECT: Authorize the General Manager to execute a professional services task order amendment for \$50,000 with Stetson Engineers, Inc. (Stetson) for engineering support services related to addressing the Golden Mussel issues.

Recommendation

The Water Resources and Facility Management Committee recommends the Board of Directors authorize the General Manager to execute a professional services task order amendment for \$50,000 with Stetson Engineers, Inc. (Stetson) for engineering support services related to preparation of a Golden Mussel prevention and control plan.

Background

Stetson provides general engineering and water resource consulting to Upper Water. Specific work such as District boundary adjustments, preparation of the Emergency Response Action Plan are typically authorized by Task Orders under Stetsons general engineering contract. The discovery of the Golden Mussel, an invasive species, in California last year and the mussels presence in the State Water Project (SWP) necessitates preparation of a mussel control plan to comply with State law. The mussel control plan is also being required by Los Angeles County Flood Control (County) who suspended water deliveries in September.

Upper Water as been coordinating with the San Gabriel Valley water agencies, Watermaster, Three Valleys MWD and San Gabriel Valley MWD (Partnering Agencies) in addressing the impacts related to the mussel. These agencies have agreed to prepare a comprehensive mussel control plan for all SWP delivery locations. In May the General Manager executed a Stetson Task Order for the preparation of this control plan (proposal and scope of work attached). In addition, the Partnering Agencies have entered into a cost sharing agreement for the preparation of the mussel control plan.

As the mussel control plan has been prepared there have been several meetings with the County to review the draft plan and respond to comments and issues raised by the County. Responding to the County's comments and addressing their concerns has required significant additional effort beyond the original Stetson Task Order scope of work. Additional authorization is needed to continue preparation of a final mussel control plan. Future reviews by the County and submittal and review by the California Department of Fish and Wildlife may require additional funding.

In August Upper Water submitted a grant application to the US Bureau of Reclamation for \$500,000 to prepare and implement a Golden Mussel control plan. A decision on award of the grant by USBR is expected this month. If awarded expenditures incurred prior to the grant award may be reimbursable.

Staff is recommending that the Board authorize the task order amendment with Stetson Engineering, Inc. for task order total not to exceed amount of \$108,000. Under the cost sharing agreement Upper Waters share of this cost is 25% or \$or 25,000.

ATTACHMENTS:

Cost Sharing Agreement

Stetson Task Order Scope of Work

COST-SHARING AGREEMENT GOLDEN MUSSEL CONTROL PLAN

This Cost-Sharing Agreement ("Agreement") is entered into by and between Main San Gabriel Basin Watermaster (Watermaster), San Gabriel Valley Municipal Water District (San Gabriel District), Three Valleys Municipal Water District (Three Valleys) and Upper San Gabriel Valley Municipal Water District (Upper Water), collectively referred as the "Parties".

Background

- Golden mussels, a new invasive species first detected in the Sacramento-San Joaquin Delta in October 2024, are spreading rapidly through California's State Water Project (SWP) system and its interconnected reservoirs. The mussels threaten ecological balance and infrastructure by clogging pipelines and filters.
- Golden mussels do not impact the safety of drinking water. However, like quagga mussels, they can adversely impact infrastructure, and raw (untreated) water releases require control measures to limit their spread to other water bodies.
- In response to the spread of golden mussels in the SWP, the Parties are collectively working together with other regional agencies to develop an invasive mussel control plan (Plan).
- The Parties have agreed that Upper Water will serve as the lead agency in the technical development of the Plan and will retain professional consulting services to develop the Plan.
- Through this Agreement, the Parties desire to govern their payment of costs and fees arising from their cooperative efforts and to confirm their common interests in maintaining a joint participation in the Plan.

Terms of the Agreement

1. The Parties will equally contribute to the development of the Plan whose scope and budget is provided in Exhibits A and B attached hereto and incorporated herein. If additional funds are needed, the participating Parties will agree on the amended amount and will prepare an amendment to Exhibits A and B. Upper Water will inform and get concurrence from the Parties of all contractual services for the Plan before proceeding with the work.

Cost Share Agreement
Golden Mussel Control Plan

2. Upper Water will pay the professional consulting fees upon receipt of such invoices. Upper Water will then invoice the remainder of the Parties for their cost share contributions.
3. Parties agree to bear their own in-kind costs (internal labor and other costs). In kind costs will not be included in this agreement.
4. The individuals signing this Agreement in a representative capacity warrant that they have the authority to do so on behalf of the entity or entities they represent and further agree that as representatives of the entity or entities that they respectively represent, they themselves are bound by all terms of this Agreement.
5. This Agreement may be executed in counterparts, each of which so executed shall be deemed an original irrespective of the date of the execution, and said counterparts shall together constitute one and the same Agreement. Further electronic signatures or PDF copies of signatures shall be as effective as original signatures for evidencing execution of this Agreement.



Main San Gabriel Basin Watermaster
Kelly Gardner
Executive Officer



Three Valleys Municipal Water District
Matthew Litchfield, P.E.
General Manager/Chief Engineer



San Gabriel Valley Municipal Water District
Jose Reynoso
General Manager



Upper San Gabriel Municipal Water District
Tom Love, P.E.
General Manager

Exhibit A

Professional Services Agreements and Cost Share

Professional Services Consultant	Contract Amount
Stetson Engineers	\$50,000

Agency	Contribution
Main San Gabriel Basin Watermaster	\$12,500
San Gabriel Valley Municipal Water District	\$12,500
Three Valleys Municipal Water District	\$12,500
Upper San Gabriel Valley Municipal Water District	\$12,500
Total Cost	\$50,000

Exhibit B
Scope of Work and Budget
Stetson Engineers



861 Village Oaks Drive, Suite 100 • Covina, California 91724
Phone: (626) 967-6202 • FAX: (626) 331-7065 • Web site: www.stetsonengineers.com

Northern California • Southern California • Arizona • Colorado

July 7, 2025

Mr. Tom Love
General Manager
Upper San Gabriel Valley Municipal Water District
248 E. Foothill Blvd
Monrovia, CA 91016

Subject: Proposal for Preparation of the Golden Mussel Control Plan

Dear Mr. Love:

Stetson Engineers Inc. (Stetson) is pleased to provide this Scope and Budget to Upper San Gabriel Valley Municipal Water District (Upper Water) for the preparation of a for the preparation of a Golden Mussel Control Plan (Plan) for the delivery of imported water from the State Water Project to the Main San Gabriel Groundwater Basin (Main Basin). This Plan will be prepared and implemented in collaboration between Upper Water, Three Valleys Municipal Water District (Three Valleys District), San Gabriel Valley Municipal Water District (San Gabriel District), the Main San Gabriel Basin Watermaster (Watermaster), Metropolitan Water District of Southern California (MWD) and the Los Angeles County Department of Public Works (Public Works). Stetson has extensive experience with Main Basin operations, including the delivery of imported water supplies and developing a control plan for the Quagga Mussel, and is therefore qualified to prepare this Plan.

SCOPE OF SERVICES

Stephen B. Johnson, President, will be assigned as the Project Manager and will act as the primary contact. Stetson will provide the following as part of our Scope of Work:

Task 1 – Project Management and Coordination

Stetson will regularly coordinate with Upper Water, Watermaster, Three Valleys District, MWD, San Gabriel District, and Public Works throughout the development of the Plan to ensure all project objectives are met. Additional coordination with other State agencies may be required after the draft Plan is completed; however, this coordination is outside of this current Scope of Work.

Task 2 – Data Analysis and Evaluation

Stetson will identify and characterize each delivery point for untreated imported water in the Main Basin. This information will be summarized in aerial maps, individual site maps, and table formats. Stetson will research and develop effective golden mussel containment and mitigation measures using existing literature and published reports to develop site specific control strategies for each delivery point. The current Quagga Mussel Control Plan will be used as a reference document. When possible, a "multi-barrier" approach will be implemented to minimize the risk of mussel colonies establishing in water delivery facilities and infrastructure. Regulatory and legal considerations will be reviewed and summarized. A monitoring plan will be developed, and potential treatment and disposable strategies will be considered and proposed should mussels be detected. Descriptions of treatment options will include treatment type, capacity, and cost estimates. Stetson acknowledges using treated imported water to replenish the Main Basin is cost prohibitive and would also have volumetric constraints. If treatment is needed, it would be necessary to occur at the source water at Silverwood Lake. Treatment is included for due diligence and alternatives completeness.

A comprehensive delivery plan matrix will be prepared to provide procedures including timelines, action items, and responsible parties. For "local control", the Watermaster will coordinate, plan, implement, monitor, mitigate, and document all the SWP deliveries. The draft Plan will include planning coordination for each planned delivery of SWP water, site preparation and verification, coordinated delivery implementation, site monitoring and mitigation, and documentation following each delivery.

Task 3 –Preparation of Draft Report

Based on the information prepared in Task 2 above, Stetson will prepare a draft Plan including relevant figures, tables, and attachments. This draft Plan is intended to document the procedures, operating criteria, monitoring and testing methods to prevent, to the extent practicable, the establishment of any golden mussel population in the San Gabriel Valley imported water delivery facilities and infrastructure. The Plan will incorporate the following items:

- Background
- Current Status
- Control and Monitoring Strategies
- Delivery Coordination and Documentation
- Monitoring Plan
- Treatment and Removal Plan/Mitigation
- Full documentation post delivery
- Regulatory Requirements
- Delivery Plan Matrix

Stetson will provide all parties with an electronic copy (PDF and Word formats) of the draft Plan.

Task 4 – Deliverables

Delivery Point Maps – Stetson will prepare the detailed individual delivery point maps with summarized key information for each delivery point.

Draft Plan – Stetson will prepare a draft Plan, incorporating initial comments received while coordinating with the relevant agencies.

Task 5 – Final Plan (Not Included in this Scope of Work or Budget)

Stetson will continue coordinating with the municipal water districts, Public Works, and appropriate State agencies. The draft Plan will be finalized by incorporating all comments from the participating agencies to finalize the draft Plan.

BUDGET AND SCHEDULE

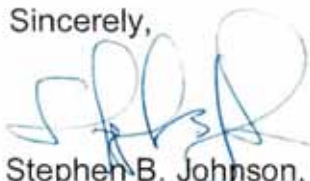
The estimated budget for the preparation of the draft Golden Mussel Control Plan for Upper Water is \$48,000 and will not be exceeded without approval. (Additional budget will likely be needed for additional coordination with the agencies and to address potentially multiple rounds of comments to finalize the draft plan.)

As part of the preliminary project schedule, Stetson has assumed a starting date in July 2025 and that a draft Golden Mussel Control Plan will be provided to Watermaster and Upper Water for review in November 2025.

- | | |
|---|---------------|
| • Notice to Proceed: | July 2025 |
| • Provide Preliminary Maps
and Data Tables of Delivery Points: | August 2025 |
| • Provide Draft Plan: | December 2025 |

Thank you for considering Stetson's Proposal and this opportunity to assist Upper San Gabriel Valley Municipal Water District.

Sincerely,



Stephen B. Johnson, P.E.
President
Stetson Engineers Inc.

MEMORANDUM

Item 7. (f) CONSENT

DATE: December 10, 2025
TO: Board of Directors
FROM: General Manager
SUBJECT: Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025

Recommendation

Staff recommends that the Board of Directors receive and file the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025, along with a required communication from the auditors to the Board of Directors, and the auditors' report on internal control over financial reporting and on compliance and other matters in accordance with Government Auditing Standards, also for the fiscal year ended June 30, 2025.

Background

Upper Water's independent auditors, Rogers, Anderson, Malody & Scott, LLP (RAMS), have completed their audit of the financial statements for the fiscal year ended June 30, 2025. RAMS presented the results of their audit at the Administration and Finance Committee meeting held on November 4, 2025. As in prior years, RAMS expressed an unmodified or clean opinion on the financial statements.

Staff will also be submitting, for the 15th consecutive year, the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025 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.



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2025

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

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Upper San Gabriel Valley Municipal Water District

Annual Comprehensive Financial Report

For the fiscal year ended June 30, 2025

(With comparative data for prior year)

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, 2025 (With comparative data for prior year)

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY SECTION:	
Letter of Transmittal	i
GFOA Certificate of Achievement	xv
Organizational Chart	xvi
FINANCIAL SECTION:	
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Statement of Net Position	9
Statement of Revenues, Expenses, and Changes in Net Position	10
Statement of Cash Flows	11
Notes to Financial Statements	13
Required Supplementary Information:	
Schedule of the District's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date	41
Schedule of Pension Plan Contributions	42
Schedule of Changes in the Net OPEB Liability and Related Ratios	43
Schedule of OPEB Plan Contributions	44
STATISTICAL SECTION (UNAUDITED):	
Statistical Section - Table of Contents	45
Changes in Net Position	46
Net Position by Component	47
Operating Revenues by Major Source	48
Operating Expenses by Activity	49
Imported Water Deliveries	50
Imported Water Rates and Charges	51
Water Rates per Acre Foot	52
Treated Water Sales by Customer	53
Demographics and Economic Statistics - Los Angeles County	54
Ten Largest Employers in Los Angeles County	55
Operating and Capital Indicators - General	56
Debt Per Capita	57
Ratio of Annual Debt Payments to Operating Expenses	58
Debt Coverage	59

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Introductory Section

The following

14

14

14

14

14

14

14

14

14

14

14

14

14

14

14

14

14

14

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December 1, 2025

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

Introduction

The Upper San Gabriel Valley Municipal Water District (Upper Water) staff is pleased to present Upper Water's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025. 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, 2025. 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 Water, 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 Water 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 Water'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 Water 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 Water is widely recognized for its customer service orientation, community involvement, and creativity in promoting water quality, water recycling, and water conservation.

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

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

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

- Most of the water imported into Upper Water 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 Water Board of Directors



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



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



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



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



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

Local Economy¹

Across California and its key regions, the outlook points to slower but still positive economic growth through 2026. While inflation has moderated and personal income gains remain steady, headwinds from trade policy shifts, natural disasters, and structural cost pressures will test the resilience of local economies. Over the medium term, infrastructure investment, climate adaptation, and technology-driven productivity gains will be critical to sustaining California's economic momentum.

California's economy performed strongly in 2024, with real gross state product (GSP) growth reaching 3.6 percent, surpassing the national rate of 2.8 percent. Over the next two years, the state's economic expansion is expected to align more closely with national trends. Nonfarm payroll employment increased by 224,600 jobs in 2024. However, job growth is projected to slow in 2025 and 2026 as the broader economy moderates. Real personal income rose 4.0 percent in 2024, consistent with the state's robust GDP growth. While slower gains are expected over the next two years, growth should remain solid at 2.2 percent in 2025 and 2.1 percent in 2026.

Los Angeles County's economy grew at a faster pace in 2024, with real gross county product (GCP) expanding 3.4 percent, up sharply from 1.0 percent in 2023. The County's economic growth is expected to moderate, mirroring state and national trends, with projected real GCP growth of 2.1 percent in 2025 and 1.3 percent in 2026. The County added 41,900 non-farm payroll jobs in 2024, a 0.9 percent increase from the previous year. However, job creation is expected to decelerate, with projected growth rates of 0.7 percent in 2025 and 0.2 percent in 2026. Real personal income grew 3.8 percent in 2024, outpacing the national average of 2.9 percent and only slightly below the State's 4.0 percent. Growth is expected to ease to 3.1 percent in 2025 and 2.0 percent in 2026, remaining at healthy levels. Persistent wildfire risk and the growing importance of climate resilience remain key long-term economic and planning concerns.

Before the Eaton Fire, the San Gabriel Valley (SGV) economy was performing well across multiple fronts. Employment was rising steadily, inflation pressures were easing, particularly for energy, and housing prices were increasing at a pace consistent with the national average. Capital investment was beginning to return to commercial real estate following recent interest rate shocks, and the local office sector was outperforming much of the greater Los Angeles region. However, economic indicators suggest economic growth will slow significantly, driven by reduced construction activity and broader headwinds such as fiscal tightening and rising tariffs. The sweeping tariff measures implemented by the federal government in early 2025 on imports from Canada, Mexico, China and EU imports were met with retaliatory tariffs from Canada, Mexico, and China. Assuming these policies remain in place, the cumulative impact is projected to reduce U.S. GDP by 0.5 - 1.0 percent over the next two to three years. Given SGV's employment composition of above-average shares in wholesale trade, health care, education, and leisure and hospitality, with transportation and warehousing near the national average, the region is moderately exposed to tariff-related effects. Projected impact is about 0.2 percent decline in employment or approximately 1,100 jobs lost directly attributable to tariffs. Additional headwinds may arise from federal workforce reductions and heightened immigration enforcement.

The 2025 Eaton Fire, which swept through Eaton Canyon and into Altadena, delivered a severe regional shock, reshaping priorities across industries and governments. The combined effects of tariffs and the fire are projected to result in a loss of roughly 6,500 nonfarm jobs in the San Gabriel Valley, with manufacturing most affected, losing 2,900 jobs or 5.8 percent of the sector's workforce. Construction will face near-term contraction due to higher input costs (from steel, aluminum, and lumber tariffs) and labor constraints. As rebuilding efforts intensify in subsequent years, construction and infrastructure repair are expected to see notable employment gains in 2026. Overall nonfarm employment growth is also expected to recover beginning in 2027 as the drag from tariffs subsides and rebuilding efforts accelerate.

¹Sources: San Gabriel Valley Economic Partnership's 2025 Economic Forecast; Los Angeles County Economic Development Corporation's 2025 Economic Forecast

Major Initiatives

Consistent with its mission, Upper Water 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 affect Upper Water's planning and operations. Upper Water's primary function has been to provide supplemental water to its retail water providers, sourced from the State Water Project, the Colorado River, and recycled water.

Imported Water Deliveries

Upper Water 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 Water, MWD and Watermaster provides much needed flexibility in moving water into the Main San Gabriel Basin (Basin) by allowing MWD to deliver and store up to 200,000 acre-feet of water in advance of demand for water by Watermaster and Upper Water.

Between calendar years 2017 and 2019, MWD deliveries to its cyclic account, including transfers from San Gabriel Valley Municipal Water District's cyclic account, totaled about 160,630 acre-feet. Because of shutdowns, scheduled maintenance work at the Santa Fe Dam, percolation and flow issues, MWD was only able to deliver 29,525 acre-feet of this order to its cyclic account in 2023. In December 2023, Watermaster and Upper Water purchased all the remaining water in MWD's cyclic account totaling 53,630 acre-feet. MWD restarted water deliveries to its cyclic storage account in June 2024 and has about 117,000 acre-feet of cyclic water stored by the end of fiscal year 2024/25.

As of June 2025, combined untreated imported water in cyclic storage accounts (Upper Water, producers/Watermaster and MWD) represent about 21 feet of groundwater elevation at the Baldwin Park Key Well.

Upper Water has been pre-purchasing untreated water for storage since 2015. As of June 30, 2025, the District has about 3,200 acre-feet of water in its storage account. Upper Water may consider future "preemptive" imported water deliveries while MWD 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 which has been meeting periodically to discuss improvements and find solutions to these limitations. The task force includes representatives from Upper Water, MWD, 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 Water.

MWD relaunched its Reverse Cyclic Program (RCP) in 2024, this time including treated water, as an additional revenue generating strategy. This program allowed member agencies to purchase imported water during calendar year 2024 for deferred delivery in future years at MWD's discretion, but no later than five full calendar years from the date of purchase. Upper Water purchased 6,000 acre-feet of RCP water in December 2024 - 3,000 acre-feet for its own account and 3,000 acre-feet on behalf of Watermaster.

Upper Water submitted a Quagga Mussel Control Plan for approval by the Department of Fish and Wildlife and the Los Angeles Flood Control District as part of Upper Water'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 Water intends to annually review and update the Quagga Mussel Control Plan.

In October 2024, Golden Mussels were first detected near the Port of Stockton in the Sacramento-San Joaquin Delta and were later detected at Check 24 of the California Aqueduct. Upper Water subsequently initiated coordination efforts with TVMWD, SGVMWD, Watermaster and MWD to develop a Golden Mussel Control Plan.

Fiscal year 2023/24 was the third and final year of the three-year purchase agreement between Upper Water and Watermaster. Executed in December 2021, the agreement aims to address the variability of untreated water sales and the growing gap between MWD's readiness-to-serve (RTS) charge and the standby charge revenue MWD collects on behalf of Upper Water. 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. Total surcharge waived by Upper Water for Watermaster's purchases above the annual commitment totaled \$5.14 million.

Authorized by the Board of Directors in October 2024, the General Manager negotiated a new letter agreement with Watermaster regarding water purchases for fiscal years 2024/25 and 2025/26 that would provide Upper Water a stable, alternative source of fixed revenue to cover its operating needs and enable Watermaster to provide its share of the RTS charge. Under the agreement, Upper Water agreed to use reserves to cover the net RTS cost of \$1.65 million for fiscal year 2024/25 and waive the per acre-foot surcharge on Watermaster's RDA water purchases for fiscal year 2025/26. In return, Watermaster agreed to pay the gross RTS for fiscal year 2025/26 allocable to its untreated water purchases as well as deliveries through USG-5.

Urban Water Management Plan

Every five years, Upper Water 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 Water's most recent UWMP was adopted on June 10, 2020.

Integrated Resources Plan

In 2013, the Board of Directors approved Upper Water'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 Water's IRP update for 2021 was temporarily placed on hold to allow MWD to complete its process. MWD 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 Water resumed work in 2024 to update its IRP to address significant changes in potential water resource programs and supply availability.

Upper Water 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 Water'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 Water'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 – Upper Water'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 Water 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, Upper Water'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 Water 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 Water 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, stormwater 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 to capture 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 Water 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 throughout California and while the groundwater levels in the San Gabriel Valley have benefitted from two years of record water deliveries from USG-3, the need for water use efficiency remains. Upper Water continues to maintain a proactive and innovative conservation outreach program for our residents in the San Gabriel Valley. For FY 2024/25, Upper Water continued to implement residential and commercial water use efficiency programs. Upper Water'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 addition, AB 1572 has become a key focus for Upper Water and its producers, as the legislation prohibits the use of potable water on non-functional turf at commercial, industrial, institutional (CII), and public agency sites. Upper Water is working closely with producers to support outreach and education efforts so these new requirements can be effectively communicated and implemented before enforcement begins in January 2027.

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 Water's public education program.

Residential Programs

Residential Rebate Program – Through MWD's SoCal Water Smart Regional Residential Rebate Program, Upper Water'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 84,104 residential devices during the fiscal year that will produce approximately 552 acre feet (179,919,412 gallons) of lifetime water savings.

WaterSmart Home Kit Program – Through MWD's Member Agency Program funding, Upper Water innovated and implemented the WaterSmart Home Kit Program for disadvantaged communities within the District's service area. The program was designed to replace the WaterSmart Home Direct Install program. Each kit includes a variety of indoor and outdoor water-saving devices such as faucet aerators, showerheads, toilet flappers, and sprinkler nozzles that can be easily installed at home without a contractor. In FY 2024/2025, over 350 kits were distributed at community events and landscaping workshops, and were also delivered directly to residents who registered online.

In FY 2024/25, Upper Water was awarded a \$100,000 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 MWD funding and allows for the disadvantaged community restriction to be lifted. Since 2023, almost 800 kits have been distributed to residents.

Plant Voucher Program - In FY 2024/25, Upper Water received \$100,000 from the U.S. Bureau of Reclamation's WaterSmart Small-Scale Water Efficiency Project Grant to encourage residents to replace their outdoor lawns with water-efficient landscapes. An additional \$100,000 was provided through MWD's Member Agency Administered (MAA) Program, bringing total funding to \$200,000. Through this program, residents can redeem plant vouchers at Garden View Nursery to purchase waterwise plants. To date, 540 vouchers totaling \$135,100 have been redeemed.

Commercial, Industrial, and Institutional (CII) Program

CII Rebate Program – Through MWD'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 high-efficiency toilets (PHETs) and zero water urinals (ZWU), ultra-low water urinals (ULWU), WBICs, rotating nozzles, large rotary nozzles, in-stem flow regulators, irrigation master valves and flow sensors, pH-cooling tower controllers (pH-CTC), cooling tower conductivity controllers (CTCC), dry vacuum pumps, connectionless food steamers, ice-making machines, and turf removal. Rebates were paid for 14,926 CII devices during FY 2024/25 that will produce approximately 196 acre feet (63,814,959 gallons) of lifetime water savings.

Education and Community Outreach Programs

Watershed Restoration Program – This program is a cooperative partnership between Upper Water 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 2024/25, the volunteer events were held in October and November 2024 as well as March and April 2025. A total of 210 volunteers participated and over 830 trees were planted last fiscal year.

K-7th Grade Sustainable Watershed Education Program – The partnership with the Discovery Science Center provides free water education programs for K–7th grade students in Upper Water's service area. The curriculum combines interactive assemblies for K–5th graders, hands-on workshops for 6th and 7th graders, and optional virtual sessions, covering topics such as water use efficiency, watershed protection, and groundwater awareness. Students engage in science-based activities that connect classroom learning to real-world water issues. Over 3,000 students participated in the program in FY24/25.

Water Efficiency Workshops – Upper Water continued to offer both virtual and in-person workshops, which were attended by over 220 participants. The District reintroduced the popular firescaping workshop this spring in response to ongoing wildfire concerns. Workshops will continue through the next fiscal year with Metropolitan Water District's new consultant, Green Media Creations, while Green Gardens Group (G3) will continue providing additional workshops. Upper Water also plans to partner with UC Master Gardeners to offer further educational programs for the public.

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. Richard Garvey Intermediate School in Rosemead, Team 2, was selected as the WE4G contest winner this past fiscal year for their project designing a showerhead with a built-in water usage meter.

Water Awareness Art Contest – Upper Water's 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. There were 105 submissions and winners will be determined by the end of 2025 for the 2026 Art Contest calendar.

Water Education Grant Program – Upper Water'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 20 applications amounting to \$15,787 were awarded during the 2024/25 school year.

Water Conservation Booths – Upper Water maintains an aggressive grassroots outreach campaign to educate the residents of the San Gabriel Valley. Informational booths on water conservation are hosted by Upper Water at city sponsored events such as summer concerts, community, and environmental fairs. Upper Water participated in 45 outreach booths during FY 2024/25.

Waterfest – Upper Water 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 2024/25, Waterfest moved to the spring for better weather conditions and to coincide with Water Awareness Month. 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 2024/25, Upper Water held Conserve-a-palooza in the fall over a six-week period. Residents within Upper Water'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 – Upper Water 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 Water's conservation and educational programs, water smart workshops, and water saving resources. The newsletter is sent out on the first of every month to almost 11,000 subscribers.

Upper Water's Website – This past year, Upper Water completed a brand refresh to better reflect our mission, engage the community, and provide clear, accessible information. The updated website features a streamlined design that meets all accessibility and public access guidelines for special districts. The site continues to provide valuable educational resources and water conservation materials for residents, teachers, and parents. Through this rebranding, Upper Water emphasizes its commitment to water resilience, sustainable practices, and community engagement, reinforcing our role as trusted stewards of safe, reliable water for the communities we serve.

Upper Water's Water 101 Tours – Upper Water remains actively engaged with the region's local elected officials and offers educational programs on key water policies and issues that affect the San Gabriel Valley. This year, Upper Water held a Hoover Dam/Colorado River Aqueduct inspection trip and a State Water Project inspection trip with Metropolitan Water District of Southern California. Upper Water also hosted a Water 101 seminar for Assemblywoman Blanca Rubio's Young Legislators Program with Valley County Water District. In May 2025, Upper Water hosted a regional water tour for a delegation of state legislators and staff in partnership with Three Valleys MWD (TVMWD), San Gabriel Valley MWD (SGVMWD), San Gabriel Valley Water Quality Authority and Main San Gabriel Basin Watermaster (Watermaster).

Water Smart Video Series – Upper Water continued with an aggressive messaging campaign on local water quality and safety in FY 2024/25. 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.

Finance and Administration

Upper Water 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 Water 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 Water 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, 2025, available funds were invested in compliance with this policy.

California Employers' Retiree Benefit Trust Fund

In 2014, Upper Water began prefunding its 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 Water'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, 2025, assets held in trust total \$2.66 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 also 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 Water'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 Water 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, 2025, assets held in trust for prefunding pension liability total \$1.71 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 Upper Water 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 2024/25, all funds were invested in accordance with Upper Water's investment policy.

Designated Reserve Policy

Upper Water'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 Water 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 Water also uses the budget as a communication tool showing 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 Water 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 Water 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 Upper Water for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the 14th consecutive year Upper Water 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 Water 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 Water staff. We appreciate the dedicated efforts and professionalism that our staff members bring to Upper Water. We would also like to thank the members of the Board of Directors for their continued support in the planning and implementation of Upper Water's fiscal policies.

Respectfully submitted,



Thomas A. Love
General Manager



Evelyn M. Rodriguez
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

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

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

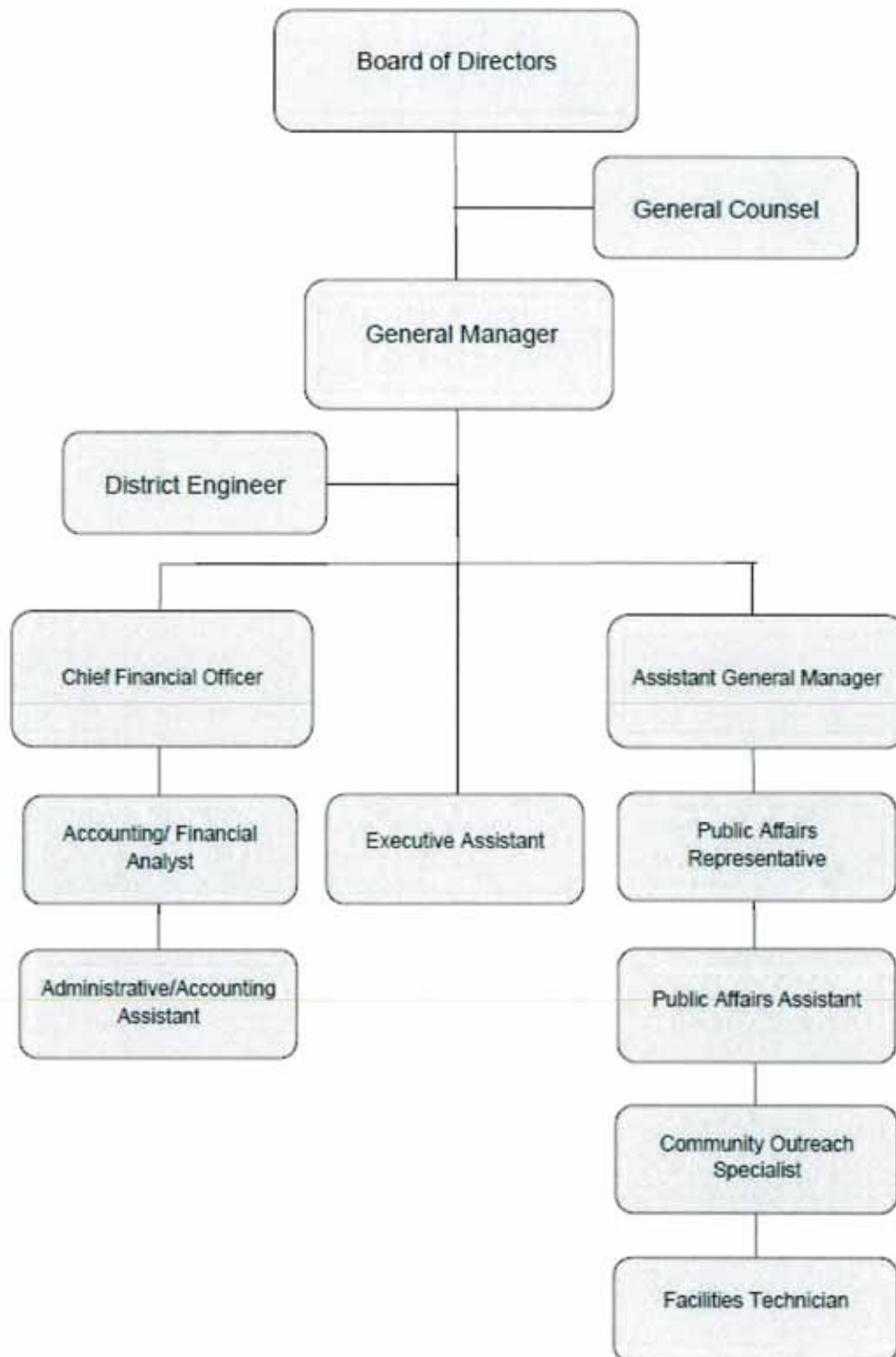
Christopher P. Morill

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 District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of June 30, 2025, and the 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 as well as accounting systems prescribed by the State Controller's Office and state regulations governing special district.

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 District 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.

Emphasis of Matter

As described in Note 1 to the financial statements during the year ended June 30, 2025, the District adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* and No. 102, *Certain Risk Disclosures*. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the District's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 25, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, 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. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion 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 December 1, 2025, on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 District'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 District's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
December 1, 2025

Upper San Gabriel Valley Municipal Water District

Management's Discussion and Analysis For the fiscal year ended June 30, 2025

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 Water) for the fiscal year ended June 30, 2025. 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 Water 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 Water'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 Water'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 Water is improving or deteriorating.

The statement of revenues, expenses and changes in net position presents information showing how Upper Water'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 Water'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 2024/25, the producers and Watermaster made combined imported water purchases of about 33,000 acre feet from Upper Water, a decrease of 31,600 acre feet or 49% less compared to the prior fiscal year. This decreased water revenue by \$25.06 million.
- Capital expenditures during FY 2024/25 mostly consist of costs associated with the upgrade of Upper Water's audio visual and computer systems.
- In December 2024, Watermaster and Upper District made a combined prepayment to MWD of \$7.54 million for 6,000 acre-feet of treated water available through MWD's Reverse Cyclic Program (RCP).
- In June 2024, Upper Water made an additional discretionary payment of \$1 million to CalPERS to reduce Upper Water's unfunded accrued liability related to pension.

Upper San Gabriel Valley Municipal Water District

Management's Discussion and Analysis For the fiscal year ended June 30, 2025

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

Financial Analysis of Upper Water

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

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

Consolidated Statements of Net Position

	As of June 30		Change	
	2025 (in thousands)	2024 (in thousands)	Dollar (in thousands)	Percentage
Assets				
Current assets	\$ 30,216	\$ 26,163	\$ 4,053	15.49%
Lease receivable	61	84	(23)	-27.38%
Capital assets, net	53,767	54,905	(1,138)	-2.07%
Total assets	84,044	81,152	2,892	3.56%
Deferred outflows of resources	1,732	2,808	(1,076)	-38.32%
Liabilities				
Current liabilities	6,104	2,914	3,190	109.47%
Noncurrent liabilities	6,119	8,041	(1,922)	-23.90%
Total liabilities	12,223	10,955	1,268	11.57%
Deferred inflows of resources	1,478	1,538	(60)	-3.90%
Net position				
Net investment in capital assets	48,467	48,922	(455)	-0.93%
Restricted	1,712	1,563	149	9.53%
Unrestricted	21,895	20,983	912	4.35%
Total net position	\$ 72,074	\$ 71,468	\$ 606	0.85%

As shown above, Upper Water's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$72.07 million and \$71.47 million as of June 30, 2025 and 2024, respectively, or an increase in net position of \$0.61 million.

Assets

As of June 30, 2025 and 2024, Upper Water's cyclic storage account has about 8,300 and 8,500 acre feet of water, respectively, amounting to \$6.57 million and \$6.68 million, also respectively. These are reported as part of current assets in Upper Water's statements of net position. The increase in current assets of \$4.05 million from FY 2023/24 to FY 2024/25 consists mostly of the prepayment for 6,000 acre feet of treated water under MWD's RCP amounting to \$7.54 million with Upper Water funding half of the amount and Watermaster funding the remaining half.

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, 2025

Liabilities

Upper Water's current liabilities as of June 30, 2025 increased by \$3.19 million from the prior fiscal year. This increase is mainly attributable to the unearned revenue associated with the prepayment received from Watermaster for 3,000 acre feet of treated water purchased through MWD's RCP.

Upper Water continued paying down its State Revolving Fund (SRF) loan, reducing amount owed to CSWRCB by \$0.68 million and \$0.67 million for fiscal years ended June 30, 2025 and 2024, respectively. Net pension liability decreased by \$1.22 million mainly due to the additional discretionary payment made by the District to CalPERS.

Net Position

A substantial portion of Upper Water's net position consists of net investment in capital assets. Capital assets are used by Upper Water to provide services to its customers and are, therefore, not available for spending. The decrease in net investment in capital assets of about \$0.46 million during fiscal year 2024/25 is due to the annual provision for depreciation offset by principal payments made to the SRF loan related to Upper Water's capital assets for water recycling.

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, 2025 and 2024, Upper Water's net position increased by \$0.61 million and \$1.29 million, respectively, as shown by the table below.

Condensed Statements of Revenues, Expenses and Changes in Net Position

	For the year ended June 30		Change	
	2025	2024	Dollar	
	(in thousands)	(in thousands)	(in thousands)	Percentage
Operating revenue				
Water revenue	\$ 37,379	\$ 62,017	\$ (24,638)	-39.73%
Water conservation	247	377	(130)	-34.48%
Other operating revenue	106	104	2	1.92%
Total operating revenue	37,732	62,498	(24,766)	-39.63%
Total operating expenses	43,241	67,331	(24,090)	-35.78%
Operating loss	(5,509)	(4,832)	(676)	14.01%
Standby charges	4,077	4,055	22	0.54%
Investment earnings, taxes, other	1,912	1,955	(43)	-2.20%
Net nonoperating revenues	5,989	6,010	(21)	-0.35%
Income before contributions	480	1,178	(697)	-59.25%
Capital contributions	127	109	18	16.51%
Change in net position	607	1,287	\$ (679)	-52.84%
Net position, beginning of year, previously reported	71,467	70,271		
Change in accounting principle	-	(89)		
Beginning of year, restated	71,467	70,182		
Net position, end of year	\$ 72,074	\$ 71,469		

Upper San Gabriel Valley Municipal Water District

Management's Discussion and Analysis For the fiscal year ended June 30, 2025

Operating Revenue

Upper Water's sold 31,600 acre feet less imported water during FY 2024/25, reducing water revenue by \$24.64 million. Snow and rainfall levels reached above average during the prior fiscal year and groundwater storage increased to near average levels due to stormwater capture and imported water deliveries.

Nonoperating Revenue/Expenses and Capital Contributions

Nonoperating revenue, generally consisting of standby charges, investment earnings and taxes, has remained relatively stable over the years. In fiscal year 2024/25, Upper Water'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 \$2.10 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 Water. This charge generated \$1.98 million during fiscal year 2024/25 and partially offset MWD's RTS charge.

Operating Expenses

Upper Water purchases imported water from MWD and sets its rates based on MWD's prevailing rates plus a per-acre-foot surcharge. During fiscal year 2024/25, Upper Water sold 31,600 acre feet less imported water and, consequently, purchased significantly less water compared to the previous year. MWD also levies a readiness-to-serve (RTS) charge on its member agencies to recover a portion of MWD's costs for ensuring a reliable water supply, including capital infrastructure for emergency and drought water storage, and imported water system conveyance capacity. Upper District's share of the RTS charge increased by \$0.93 million from FY 2023/24 to FY 2024/25.

Capital Asset Administration

As of June 30, 2025, and 2024, Upper Water's investments in capital assets, net of accumulated depreciation, amounted to \$53.77 million and \$54.91 million, respectively. The following is a summary of capital assets:

	As of June 30		Change	
	2025 (in thousands)	2024 (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	7,569	-	0.00%
Furniture and equipment	291	204	87	42.65%
Other	45	21	24	114.29%
Subtotal	69,243	69,132	111	0.16%
Less accumulated depreciation	(15,477)	(14,227)	(1,250)	8.79%
Net capital assets	\$ 53,766	\$ 54,905	\$ (1,139)	-2.07%

For more information regarding Upper Water'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, 2025

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, 2025, and 2024, had a balance of \$5.30 million and \$5.98 million, respectively. Detailed information on Upper Water's long-term debt is presented under Note 7 in the Notes to Financial Statements.

Water Rates and Other Charges

On May 22, 2024, 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 Water's service area for fiscal year 2024/25. This charge generated about \$2.10 million in revenue.

In October 2024, the Board of Directors adopted the water rates and charges for the different classes of water effective January 1, 2025. Upper Water'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 was the third and last year of a three-year purchase agreement entered into by Upper Water and Watermaster to address the variability of untreated water sales and the growing gap between MWD's RTS charge and the standby charge revenue MWD collects on behalf of Upper Water.

In April 2025, Upper Water and Watermaster executed a new letter agreement regarding water purchases for fiscal years 2024/25 and 2025/26. Under the agreement, Upper Water agreed to use reserves to cover the net RTS cost of \$1.65 million for fiscal year 2024/25 and waive the per acre-foot surcharge on Watermaster's RDA water purchases for fiscal year 2025/26. In return, Watermaster agreed to pay the gross RTS for fiscal year 2025/26 allocable to its untreated water purchases as well as deliveries through USG-5.

Requests for Information

This financial report is designed to provide Upper Water's funding sources, customers, stakeholders and other interested parties with an overview of Upper Water'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 Water's Chief Financial Officer at 248 E. Foothill Blvd., Suite 200, Monrovia, California 91016.

Basic Financial Statements

10

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Upper San Gabriel Valley Municipal Water District

Statement of Net Position

June 30, 2025

(With summarized comparative data for prior year)

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 6,358,952	\$ 9,693,179
Investments	6,106,252	5,804,135
Receivables:		
Water sales	1,226,506	1,347,516
Leases (Note 5)	23,761	23,032
Other	640,330	1,022,204
Prepurchased water	6,568,622	6,678,272
Prepaid expenses	7,579,027	31,577
Restricted:		
Restricted cash and investments - Section 115 trust - pension	1,712,391	1,563,025
Total current assets	30,215,841	26,162,940
Noncurrent assets:		
Leases receivable (Note 5)	60,575	84,336
Capital assets, not being depreciated (Note 4)	9,233,369	9,233,369
Capital assets, net of depreciation (Note 4)	44,533,640	45,671,790
Total noncurrent assets	53,827,584	54,989,495
Total assets	84,043,425	81,152,435
Deferred outflows of resources		
Pension related (Note 8)	1,324,550	2,390,993
OPEB related (Note 10)	406,982	416,899
Total deferred outflows of resources	1,731,532	2,807,892
Liabilities		
Current liabilities:		
Accounts payable:		
Metropolitan Water District	615,519	583,500
Other	778,990	919,354
Accrued liabilities	117,437	606,325
Unearned revenue	3,805,716	33,666
Due to State Water Resources Control Board, current portion	695,564	683,231
Compensated absences, current portion (Note 6)	90,783	88,365
Total current liabilities	6,104,009	2,914,441
Noncurrent liabilities:		
Net pension liability (Note 8)	1,341,370	2,557,698
Net OPEB liability (Note 10)	75,168	94,129
Due to State Water Resources Control Board, net of current portion	4,604,574	5,300,137
Compensated absences, net of current portion (Note 6)	97,938	89,024
Total noncurrent liabilities	6,119,050	8,040,988
Total liabilities	12,223,059	10,955,429
Deferred inflows of resources		
Lease related (Note 5)	81,088	104,821
Pension related (Note 8)	805,252	724,964
OPEB related (Note 10)	591,644	708,235
Total deferred inflows of resources	1,477,984	1,538,020
Net position		
Net investment in capital assets	48,466,871	48,921,791
Section 115 Trust - pension	1,712,391	1,563,025
Unrestricted	21,894,652	20,982,062
Total net position	\$ 72,073,914	\$ 71,466,878

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, 2025 (With summarized comparative data for prior year)

	2025	2024
Operating revenues		
Water revenue	\$ 37,378,542	\$ 62,016,720
Water conservation	246,970	376,729
Other revenues	106,286	103,789
Total operating revenues	37,731,798	62,497,238
Operating expenses		
Sources of supply	32,458,650	56,579,227
Water quality and supply program	5,238,308	4,341,712
Water recycling	994,082	904,491
Conservation	1,666,622	1,677,661
Depreciation	1,250,190	1,243,998
General and administrative	1,633,319	2,584,371
Total operating expenses	43,241,171	67,331,460
Operating loss	(5,509,373)	(4,834,222)
Nonoperating revenues (expenses)		
Standby charges	4,077,722	4,055,273
Investment earnings	933,230	1,033,807
Lease revenue	27,077	-
Taxes	951,341	921,344
Total nonoperating revenues (expenses)	5,989,370	6,010,424
Income before contributions	479,997	1,176,202
Capital contributions	127,039	108,944
Change in net position	607,036	1,285,146
Net position		
Beginning of year, previously reported	71,466,878	70,270,841
Change in accounting principle	-	(89,109)
Beginning of year, restated	71,466,878	70,181,732
End of year	\$ 72,073,914	\$ 71,466,878

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, 2025

(With summarized comparative data for prior year)

	2025	2024
Cash flows from operating activities		
Cash received from customers	\$ 42,006,031	\$ 52,540,894
Cash payments to suppliers for goods and services	(49,537,126)	(57,319,949)
Cash received from standby charges	4,077,722	4,055,273
Cash payments for employees for services	(672,788)	(3,024,968)
Net cash provided by (used for) operating activities	(4,126,161)	(3,748,750)
Cash flows from noncapital financing activities		
Cash received from property taxes	951,341	921,344
Cash received from non operating programs	27,077	-
Net cash provided by (used for) noncapital financing activities	978,418	921,344
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(112,040)	(131,641)
Repayment of project finance agreements	(683,230)	(671,116)
Capital contributions	127,039	108,944
Net cash provided by (used for) capital and related financing activities	(668,231)	(693,813)
Cash flows from investing activities		
Cash received from sale and maturity of investments	2,974,962	2,380,000
Acquisition of investments	(3,177,048)	(3,659,044)
Investment earnings (losses)	833,199	2,066,565
Net cash provided by (used for) investing activities	631,113	787,521
Net change in cash and cash equivalents	(3,184,861)	(2,733,698)
Cash and cash equivalents		
Beginning of year	11,256,204	13,989,902
End of year	\$ 8,071,343	\$ 11,256,204
Reconciliation of cash equivalents and restricted cash and investments:		
Cash and investments	\$ 6,358,952	\$ 9,693,179
Restricted cash and investments - Section 115 trust - pension	1,712,391	1,563,025
Total cash equivalents and restricted cash and investments	\$ 8,071,343	\$ 11,256,204

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, 2025

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

	2025	2024
Reconciliation of operating loss to net cash provided by (used for) operating activities:		
Operating loss	\$ (5,509,373)	\$ (4,834,222)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:		
Depreciation	1,250,190	1,243,998
Standby charges	4,077,722	4,055,273
(Increase) decrease in assets and deferred outflows of resources:		
Receivables	525,916	(1,157,506)
Prepurchased water	109,650	6,247,457
Prepaid expenses	(7,547,450)	27,590
Deferred outflows of resources	1,076,360	(614,642)
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable and accrued liabilities	(597,233)	344,629
Unearned revenue	3,772,050	(8,775,105)
Compensated absences	11,332	4,552
Deferred inflows of resources	(60,036)	19,997
Net pension liability	(18,961)	(519,841)
Net OPEB liability	(1,216,328)	209,070
Net cash provided by (used for) operating activities	<u>\$ (4,126,161)</u>	<u>\$ (3,748,750)</u>
Schedule of non-cash operating, noncapital and capital-related financing and investing activities		
Fair value adjustment	\$ 75,436	\$ 168,097

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, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the entity

Upper San Gabriel Valley Municipal Water District (Upper Water), 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 Water elected to join the Metropolitan Water District of Southern California. On November 2, 1965, the citizens of West Covina voted to join Upper Water.

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 Water through its reimbursement contract and replenishment funds.

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

Basis of accounting and measurement focus

Upper Water 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, 2024, from which the summarized information was derived.

Net position

Sometimes Upper Water 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, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 Water 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 Water defines operating revenues as those realized by Upper Water 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 Upper Water'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, 2025

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 Upper Water'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 Water 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, 2025, Upper Water 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, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 Water uses differing capitalization thresholds for the classes of assets based on materiality. Upper Water'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 Water'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, 2025

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 Water.

Compensated absences

Upper Water'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 Water'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.

Active full-time employees accrue one day of sick leave per month up to a maximum of 120 accrued sick days. Sick leave is payable when an employee is unable to work because of illness or injury of employee, an immediate family member, spouse or registered domestic partner, or one other designated person. 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 Water by federal, state, and local granting agencies.

Budgetary policies

Upper Water 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 Water recognizes bad debt expense relating to receivables when it is probable that the accounts will be uncollectible. As of June 30, 2025, all receivables were deemed collectible.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

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 Water. Upper Water'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.

Pre-purchased water

Pre-purchased water consists of imported water 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.

Implementation of new accounting pronouncements

The District adopted the Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This standard provides a unified approach for recognizing and measuring all types of compensated absences, such as vacation and sick leave. The related disclosures required by this standard are included in Note 6.

The District adopted the Governmental Accounting Standards Board (GASB) Statement No. 102, *Certain Risk Disclosures*. This statement requires governments to evaluate whether any events related to significant concentrations or constraints have occurred, are occurring or likely to occur within 12 months of issuing the financial statements. As part of this evaluation, the District reviewed potential risks and did not identify any events or conditions that meet this criteria for disclosure under GASB Statement No. 102.

NOTE 2: CASH AND INVESTMENTS

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

Cash	\$ 894,374
Investments	<u>13,283,221</u>
Total cash and investments	<u>\$ 14,177,595</u>

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of June 30, 2025 consist of the following:

Imprest cash on hand	\$	500
Deposits with financial institutions		889,198
Cash with investment broker		4,676
Total cash		<u>894,374</u>
Local Agency Investment Fund ⁽¹⁾		5,464,578
Money market mutual funds		1,279,015
U.S. Agency funds		1,543,990
U.S. Treasury securities		2,972,870
U.S. Corporate funds		154,611
Supranational		155,766
Total unrestricted investments		<u>11,570,830</u>
Investment in Section 115 trust - pension		<u>1,712,391</u>
Total investments		<u>13,283,221</u>
Total cash and investments	\$	<u>14,177,595</u>

⁽¹⁾ Upper Water 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, 2025, the total fair value of LAIF, including accrued interest was approximately \$178 billion. Upper Water's proportionate share of that value is \$5.46 million as of June 30, 2025. 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, 2025.

Investment policy

Upper Water's investment policy outlines the guidelines required to be used in effectively managing Upper Water's available cash in accordance with the California Government Code. To address interest rate risk, Upper Water'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, Upper Water's investment policy limits investments to large institutions and requires diversification to ensure that failure of one issuer will not significantly affect Upper Water'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 Water's investments in LAIF have a weighted average maturity of 248 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 Upper Water's investments to market interest rate fluctuations is provided by the following table that shows the distribution of Upper Water's investments by maturity.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2025

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Maturities of investments as of June 30, 2025, 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	\$ 5,464,578	\$ 5,464,578	\$ -	\$ -
Money market mutual funds	1,279,015	1,279,015	-	-
U.S. Agency funds	1,543,990	659,610	731,431	152,949
U.S. Treasury securities	2,972,870	1,300,846	1,519,821	152,203
U.S. Corporate funds	154,611	154,611	-	-
Supranational	155,766	100,357	55,409	-
Total	<u>\$ 11,570,830</u>	<u>\$ 8,959,017</u>	<u>\$ 2,306,661</u>	<u>\$ 305,152</u>

Concentration of credit risk

A concentration of credit risk is the risk of loss attributable to the magnitude of Upper Water's investment in a single issuer. Upper Water'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, 2025, 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 Water investments.

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Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Custodial credit risk

Custodial credit risk is the risk that Upper Water 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, 2025, Upper Water's deposits (bank balances) exceeded the maximum deposit insurance amount by \$670,335, which is collateralized as described above.

Investments

The California Government Code authorizes Upper Water 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, 2025

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. Upper Water's investment policy limits eligible investments to large institutions. As of June 30, 2025, Upper Water 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, 2025, were as follows:

Investment Type (including LAIF)	Total	Minimum legal rating	Standard & Poor's Rating as of year end
Local Agency Investment Fund	\$ 5,464,578	N/A	Unrated
U.S. Treasury securities	2,972,870	N/A	Unrated
Money market mutual funds	1,279,015	A	AAA
U.S. Agency funds	1,543,990	N/A	AA+
U.S. Corporate funds	154,611	N/A	A+
Supranational	155,766	AA	AAA
Total	<u>\$ 11,570,830</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 Water 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, 2025

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 Upper Water'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
U.S. Agency funds	\$ 1,543,990	\$ -	\$ 1,543,990	\$ -
U.S. Treasury securities	2,972,870	-	2,972,870	-
U.S. Corporate funds	154,611	-	154,611	-
Supranational	155,766	-	155,766	-
	4,827,237	\$ -	\$ 4,827,237	\$ -
Investments not subject to fair value measurements:				
LAIF	5,464,578			
Money market mutual funds	1,279,015			
Total investments	\$ 11,570,830			

Upper Water's investments in LAIF as of June 30, 2025 are reported at Upper Water'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, 2025

NOTE 4: CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2025 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	-	-	-	8,576,495
Total capital assets, not being depreciated	9,233,369	-	-	-	9,233,369
Capital assets, being depreciated:					
Buildings and improvements	7,569,411	-	-	-	7,569,411
Water recycling	52,105,171	-	-	-	52,105,171
Furniture and equipment	203,564	87,868	-	-	291,432
Other	20,964	24,172	-	-	45,136
Total capital assets, being depreciated	59,899,110	112,040	-	-	60,011,150
Less accumulated depreciation for:					
Buildings and improvements	(239,447)	(159,097)	-	-	(398,544)
Water recycling	(13,795,494)	(1,072,636)	-	-	(14,868,130)
Furniture and equipment	(171,415)	(16,644)	-	-	(188,059)
Other	(20,964)	(1,813)	-	-	(22,777)
Total accumulated depreciation	(14,227,320)	(1,250,190)	-	-	(15,477,510)
Total capital assets being depreciated, net	45,671,790	(1,138,150)	-	-	44,533,640
Total capital assets, net	\$ 54,905,159	\$ (1,138,150)	\$ -	\$ -	\$ 53,767,009

Depreciation expense for the year ended June 30, 2025 totaled \$1,250,190.

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Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 5: LEASE RECEIVABLE

On February 10, 2022, Upper Water 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, 2025, the value of this receivable is \$84,336. The lease has an interest rate of 3.12% and requires the lessee to make fixed monthly payments of \$2,166. Upper Water recognized lease revenue of \$27,077 during the fiscal year. The lessee's future payment requirements are as follows:

Fiscal Year	Principal	Interest	Total
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>\$ 84,336</u>	<u>\$ 4,455</u>	<u>\$ 88,791</u>

Lease activity for the year ended June 30, 2025, is summarized as follows:

Deferred Inflow of Resources	Balance as of July 1, 2024	Additions	Reductions	Balance as of June 30, 2025
Office Lease	<u>\$ 104,821</u>	<u>\$ -</u>	<u>\$ 23,733</u>	<u>\$ 81,088</u>

Lease Receivable	Balance as of July 1, 2024	Additions	Reductions	Balance as of June 30, 2025
Office Lease	<u>\$ 107,368</u>	<u>\$ -</u>	<u>\$ 23,032</u>	<u>\$ 84,336</u>

NOTE 6: COMPENSATED ABSENCES

Changes in compensated absences for the year ended June 30, 2025 were as follows:

Balance at beginning of year	\$ 177,389
Net addition	<u>11,332</u>
Balance at end of year	188,721
Less current portion	<u>90,783</u>
Long-term portion	<u>\$ 97,938</u>

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 7: AGREEMENTS WITH STATE WATER RESOURCES CONTROL BOARD

Project finance agreements (direct borrowing)

In December 2009, Upper Water 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, Upper Water has pledged all net revenues for repayment of the debt. As of June 30, 2025, Upper Water 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	\$ 5,983,368
Principal payments	(683,230)
Balance at end of year	5,300,138
Less short-term portion	(695,564)
Long-term portion	<u>\$ 4,604,574</u>

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

Fiscal year ending June 30,	Principal	Interest	Total
2026	\$ 695,564	\$ 95,669	\$ 791,233
2027	708,119	83,113	791,232
2028	720,901	70,331	791,232
2029	733,914	57,318	791,232
2030	747,162	44,070	791,232
2031-2033	1,694,478	50,310	1,744,788
Total	<u>\$ 5,300,138</u>	<u>\$ 400,811</u>	<u>\$ 5,700,949</u>

Upper Water repaid \$791,232 during the year ended June 30, 2025, of which \$683,230 is related to principal payments and \$108,002 is related to imputed interest, excluding accrued interest.

In the event of a termination, Upper Water 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 Upper Water to the date of full repayment by Upper Water.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

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, 2025

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

The Plan's provisions and benefits in effect as of June 30, 2025 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)	17.62%	8.63%

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, 2025 were \$351,515.

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, 2024, using an annual actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, 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, 2025

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, 2024 measurement period was determined by an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the total pension liability to June 30, 2024. The collective total pension liability was based on the following assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
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	Contract COLA up to 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 rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study 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, 2025

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 2021-22 Asset Liability Management Study

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, 2025

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.

	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2023 (VD)	\$ 13,711,299	\$ 11,153,601	\$ 2,557,698
Balance at: 6/30/2024 (MD)	14,771,782	13,430,412	1,341,370
Net change during 2023-24	\$ 1,060,483	\$ 2,276,811	\$ (1,216,328)

(VD) Valuation Date, (MD) Measurement Date

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, 2023 and 2024 measurement dates was as follows:

Proportion share of NPL - MD June 30, 2023	0.05115%
Proportion share of NPL - MD June 30, 2024	0.02773%
Change - Increase (Decrease)	(0.02342%)

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

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	\$ 3,334,680	\$ 1,341,370	\$ (299,418)

Amortization of deferred outflows and deferred inflows of resources

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 5 year straight-line amortization
and actual earnings on pension
plan investments

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

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

As of the start of the measurement period (July 1, 2023), the District's net pension liability was \$2,557,698. For the measurement period ending June 30, 2024 (the measurement date), the District incurred a pension expense of \$281,917.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

As of June 30, 2025, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred outflows of resources	Deferred inflows of resources
Changes in assumptions	\$ 34,475	\$ -
Difference between expected and actual experience	115,974	4,525
Difference between projected and actual investment earnings	77,221	-
Difference between employer's contribution and proportionate share of contributions	733,011	50,370
Change in employer's proportion	12,354	750,357
Pension contributions made subsequent to measurement date	351,515	-
Totals	<u>\$ 1,324,550</u>	<u>\$ 805,252</u>

The amounts above are net of outflows and inflows recognized in the 2023-24 measurement period expense. Contributions subsequent to the measurement date 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
2026	\$ (14,932)
2027	183,413
2028	25,765
2029	(26,463)
2030	-
Thereafter	-

Payable to the pension plan

As of June 30, 2025, the District reported a payable of \$16,469 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, 2025

NOTE 9: DEFERRED COMPENSATION AGREEMENT

Upper Water offers its employees a deferred compensation plan (DC Plan) created in accordance with Internal Revenue Code Section 457. The DC Plan, available to all Upper Water 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 Upper Water. 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 Water provides postretirement medical benefits to employees who retire directly from Upper Water 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 Water'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 Upper Water 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 Upper Water, on or after July 1, 2021, and has served Upper Water continuously for a period of ten (10) years or more and has reached the normal retirement age set by CalPERS while employed full-time with Upper Water, 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, 2025

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, 2025, Upper Water paid \$256,782 in retiree insurance premiums and health reimbursements. As the measurement date of June 30, 2024, the Trust account balance was \$2,478,213. The Trust assets are dedicated to providing benefits to retirees and are legally protected from the creditors of Upper Water and the plan members. The Trust assets are not reported in Upper Water's financial statements.

Net OPEB Liability

Upper Water's net OPEB liability was measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, using standard update procedures.

Actuarial assumptions

This valuation assumes that Upper Water will fund the Plan on an ad hoc basis, in an amount sufficient to fully fund the obligation over a period not to exceed 28 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 Fair Value of Assets.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2025

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

The total OPEB liability for the June 30, 2024 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 28-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	49%	7.13%
All fixed income	23%	4.25%
Real estate investment trusts	20%	7.25%
All commodities	3%	7.13%
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 28 years. The rate is based on the real rate of return expected for plan assets plans 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, 2025

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, 2024 (Measurement Date June 30, 2023)	\$ 2,447,335	\$ 2,353,206	\$ 94,129
Changes for the year:			
Service cost	72,480	-	72,480
Interest on the Total OPEB Liability	163,264	-	163,264
Investment gains and losses	-	258,466	(258,466)
Benefit payments	(132,692)	(132,692)	-
Administrative expenses	-	(767)	767
Experience gains/losses	2,994	-	2,994
Net Changes	106,046	125,007	(18,961)
Balance at June 30, 2025 (Measurement Date June 30, 2024)	\$ 2,553,381	\$ 2,478,213	\$ 75,168

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

The net OPEB liability of Upper Water, 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	\$ 364,743	\$ 75,168	\$ (165,495)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate

The net OPEB liability of Upper Water, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher follows:

	Trend 1% Lower	Valuation Trend	Trend 1% Higher
Net OPEB Liability	\$ (220,095)	\$ 75,168	\$ 437,135

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2025

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, 2025, Upper Water recognized OPEB income of \$481 with details as follows:

	Total
Service cost	\$ 72,480
Interest cost on Total OPEB Liability	163,264
Expected return in assets	(154,337)
Administration expense	767
Recognition of experience (gain)/loss deferrals	(140,442)
Recognition of assumption change deferrals	10,313
Recognition of investment (gain)/loss deferrals	47,474
Total OPEB Expense (Income)	<u>\$ (481)</u>

As of June 30, 2025, Upper Water reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
OPEB contributions subsequent to measurement date	\$ 256,782	\$ -
Changes in assumptions	44,421	87
Experience gains/losses	26,864	591,557
Investment gains/losses	78,915	-
Total	<u>\$ 406,982</u>	<u>\$ 591,644</u>

The amounts above are net of outflows and inflows recognized in the 2023-24 measurement period expense. Contributions subsequent to the measurement date 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
2026	\$ (90,055)
2027	(51,573)
2028	(124,204)
2029	(109,956)
2030	(67,304)
Thereafter	1,648

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements For the fiscal year ended June 30, 2025

NOTE 11: COMMITMENTS, CONTINGENCIES, AND CONCENTRATIONS

Grant awards

Upper Water 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 Upper Water's financial position.

Construction activities

Upper Water has a variety of agreements with private contractors relating to the construction of water recycling projects. Upper Water has no commitments from open construction contracts as of June 30, 2025.

Concentrations

The major source of water supply in Upper Water's service area is groundwater pumped from the Main Basin by its producers. Water demand in excess of local supplies are met by imported water sources.

For the fiscal year ended June 30, 2025, approximately 93% of Upper Water's total water supply was purchased from MWD. Because of this reliance, any interruption in the availability of imported water from MWD whether due to hydrologic conditions, regulatory restrictions affecting State Water Project or Colorado River water deliveries, infrastructure limitations, or changes in MWD pricing policies could have a material impact on Upper Water's operations and the cost of water delivered to its customers.

Upper Water continually monitors conditions affecting imported water availability and cost and evaluates opportunities to enhance local water-supply reliability. These efforts include recycled water and conservation programs, and participation in regional water reliability projects.

Upper San Gabriel Valley Municipal Water District

Notes to Financial Statements

For the fiscal year ended June 30, 2025

NOTE 12: PRIOR PERIOD RESTATEMENT

In fiscal year 2025, the District implemented the provisions of GASB Statement No. 101, *Compensated Absences*. GASB 101 establishes recognition and measurement guidance for compensated absences, including expanded categories beyond traditional vacation and sick leave, when certain criteria are met. The statement requires that a liability be recognized for leave when (1) the leave is attributable to services already rendered, (2) rights to leave accumulate, and (3) it is probable that the leave will be used for time off or otherwise paid or settled.

The implementation of GASB 101 resulted in the recognition of an additional liability of \$89,109 and a corresponding adjustment to beginning net position/fund balance.

Beginning net position, as previously reported	\$ 71,555,987
Restatement due to change in accounting principle	<u>(89,109)</u>
Beginning net position, as restated	<u>\$ 71,466,878</u>

Required Supplementary Information

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Upper San Gabriel Valley Municipal Water District

Required Supplementary Information 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, 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	0.024779%	1,583,206	1,361,709	116.27%	86.16%
June 30, 2022	0.024920%	2,348,628	1,179,439	199.13%	80.97%
June 30, 2023	0.026145%	2,557,698	1,191,332	214.69%	81.35%
June 30, 2024	0.026701%	1,341,370	1,371,111	97.83%	90.92%

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

Required Supplementary Information Schedule of Pension Plan Contributions Last 10 Years

Fiscal year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a Percentage of Covered Payroll
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%
June 30, 2025	351,515	(351,515)	-	1,449,177	24.26%

Notes to Schedule:

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees such as Golden Handshakes, service purchases, and other prior service costs. Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors. Additionally, the figures above do not include any liability impact that occurred after the June 30, 2023, valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Change in Assumptions: There were no assumption changes in 2023 or 2024. 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, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

Upper San Gabriel Valley Municipal Water District

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

Measurement date	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service cost	\$ 52,554	\$ 53,999	\$ 55,484	\$ 77,388	\$ 79,516	\$ 86,658	\$ 89,041	\$ 72,480
Interest on the Total OPEB Liability	171,159	177,712	183,972	171,028	184,605	176,090	187,316	163,264
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	2,994
Benefit payments	(120,998)	(142,099)	(143,959)	(115,900)	(78,249)	(120,992)	(110,941)	(132,692)
Net change in Total OPEB Liability	102,715	89,612	(212,316)	137,367	10,954	176,750	(337,823)	106,046
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	2,447,335
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	2,553,381
Plan Fiduciary Net Position								
Contribution - employer	433,842	281,275	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	154,337
Investment gains and losses	-	1,650	(9,766)	-	-	-	(9,680)	104,129
Benefit payments	(120,998)	(142,099)	(104,446)	(115,900)	(78,249)	(120,992)	(110,941)	(132,692)
Administrative expense	(232)	(1,112)	(164)	(468)	(422)	(609)	(630)	(767)
Net change in Plan Fiduciary Net Position	356,502	165,767	192,066	144,287	1,304,074	(233,879)	182,018	125,007
Plan Fiduciary Net Position - beginning	242,371	598,873	764,640	956,706	1,100,993	2,405,067	2,171,188	2,353,206
Plan Fiduciary Net Position - ending (b)	598,873	764,640	956,706	1,100,993	2,405,067	2,171,188	2,353,206	2,478,213
Net OPEB Liability - ending (a) - (b)	\$ 1,983,918	\$ 1,907,763	\$ 1,503,381	\$ 1,496,461	\$ 203,341	\$ 613,970	\$ 94,129	\$ 75,168
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%	97.06%
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	\$ 1,396,210
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%	5.38%

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

* 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.

Upper San Gabriel Valley Municipal Water District

Required Supplementary Information Schedule of OPEB Plan Contributions Last 10 Years*

Fiscal year	Contractually determined contribution	Contributions in relation to the contractually determined contribution	Contribution deficiency (excess)	Covered- employee payroll ¹	Contributions as a percentage of employee covered payroll
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%
June 30, 2025	83,340	(256,782)	(173,442)	1,449,177	17.72%

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 2025 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 Upper Water'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 Upper Water's overall financial health.

Table of Contents

	<u>Page</u>
Financial Trends	
These schedules contain information to help the reader understand how Upper Water's financial performance and financial condition have changed over time.	46
Revenue Capacity	
These schedules contain information to help the reader assess Upper Water's most significant own-source revenue, water sales.	48
Demographic Information	
This schedule offers demographic indicators to help the reader understand the environment within which Upper Water's financial activities take place.	54
Operating Information	
This schedule contains service and infrastructure data to help the reader understand how the information in Upper Water's financial report relates to the service Upper Water provides.	56
Debt Capacity	
These schedules present information regarding Upper Water's current levels of outstanding debt and the District's ability to issue additional debt in the future.	57

Upper San Gabriel Valley Municipal Water District

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

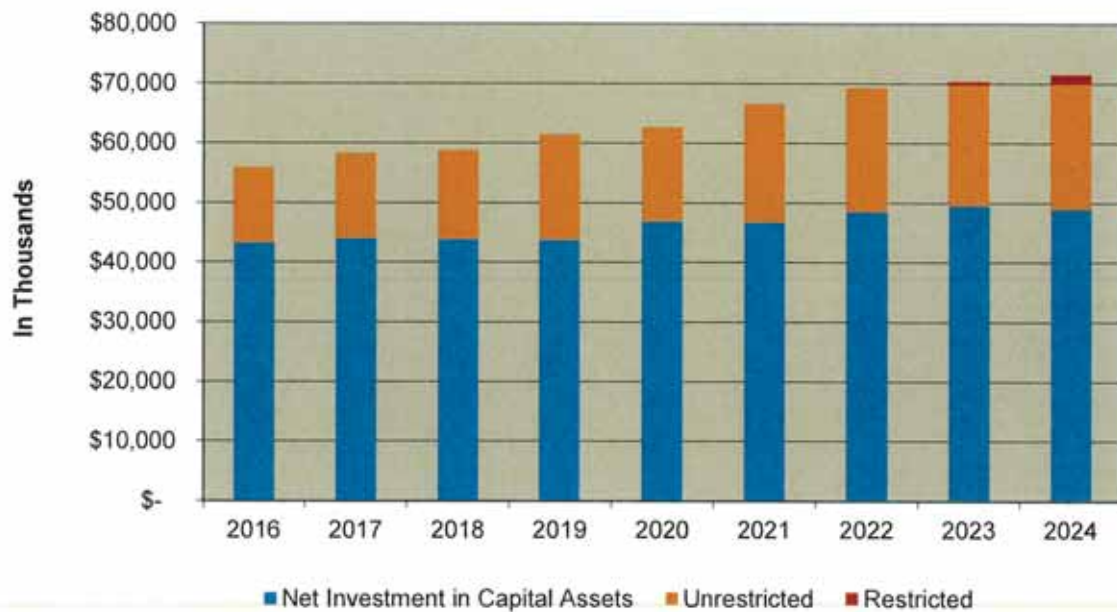
	Fiscal Year Ended June 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Changes in net position:										
Operating revenues	\$ 20,800	\$ 38,154	\$ 22,671	\$ 38,384	\$ 33,388	\$ 55,854	\$ 48,840	\$ 46,295	\$ 62,497	\$ 37,732
Operating expenses	(23,770)	(39,557)	(26,900)	(39,515)	(36,290)	(56,057)	(49,888)	(49,569)	(66,087)	(41,991)
Depreciation and amortization	(1,121)	(1,100)	(1,090)	(1,111)	(1,102)	(1,107)	(1,102)	(1,179)	(1,244)	(1,250)
Operating income (loss)	(4,091)	(2,503)	(5,319)	(2,242)	(4,004)	(1,310)	(2,150)	(4,453)	(4,834)	(5,509)
Nonoperating revenues (expenses)										
Standby charges	3,541	3,576	3,541	3,648	4,047	4,244	4,192	4,065	4,055	4,078
Investment earnings	91	48	132	422	353	55	(258)	376	1,034	933
Taxes and other income	441	546	586	613	724	709	733	755	921	978
Gain on sale of capital assets	-	-	-	-	-	-	-	(7)	-	-
Net nonoperating revenues (expenses)	3,905	4,199	4,288	4,683	5,124	5,008	4,667	5,189	6,010	5,989
Net income (loss) before capital contributions	(186)	1,696	(1,031)	2,441	1,120	3,698	2,517	736	1,176	480
Contributions for capital acquisition/construction	208	685	1,329	186	121	249	155	325	109	127
Changes in net position	\$ 22	\$ 2,381	\$ 298	\$ 2,627	\$ 1,241	\$ 3,947	\$ 2,672	\$ 1,061	\$ 1,285	\$ 607

Source: Finance and Administration Department

Upper San Gabriel Valley Municipal Water District

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

June 30	Net Investment in Capital Assets	Restricted	Unrestricted	Total
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	49,471	525	20,275	70,271
2024	48,922	1,563	20,982	71,467
2025	48,467	1,712	21,895	72,074

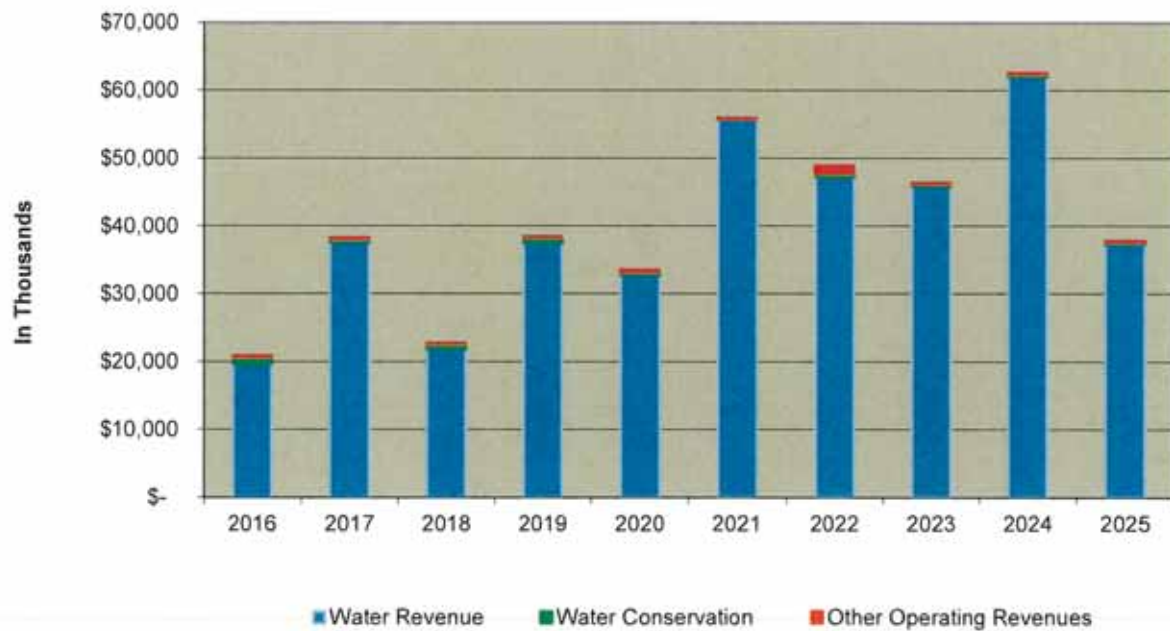


Source: Finance and Administration Department

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
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
2025	37,379	247	106	37,732

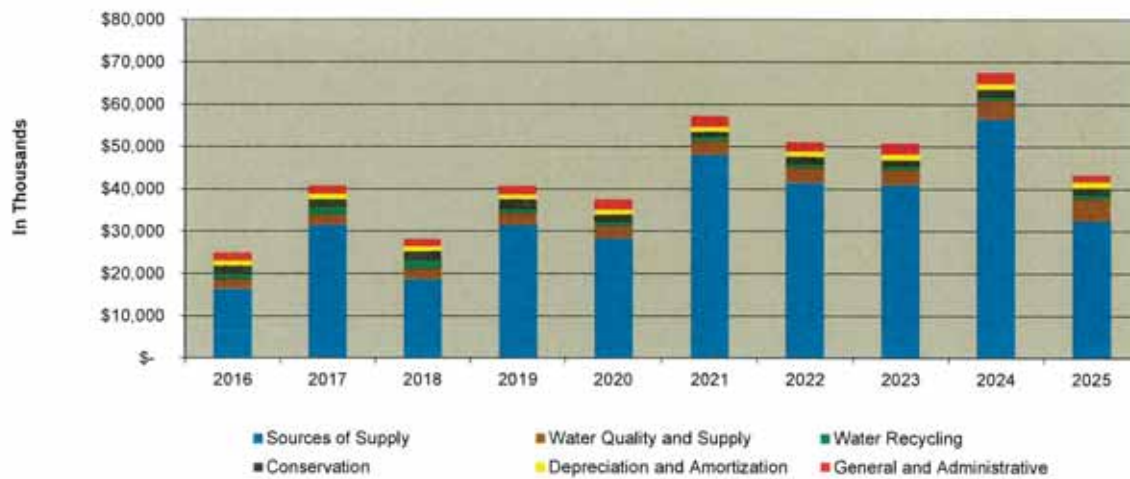


Source: Finance and Administration Department

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
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
2025	32,459	5,238	994	1,667	1,250	1,633	43,241

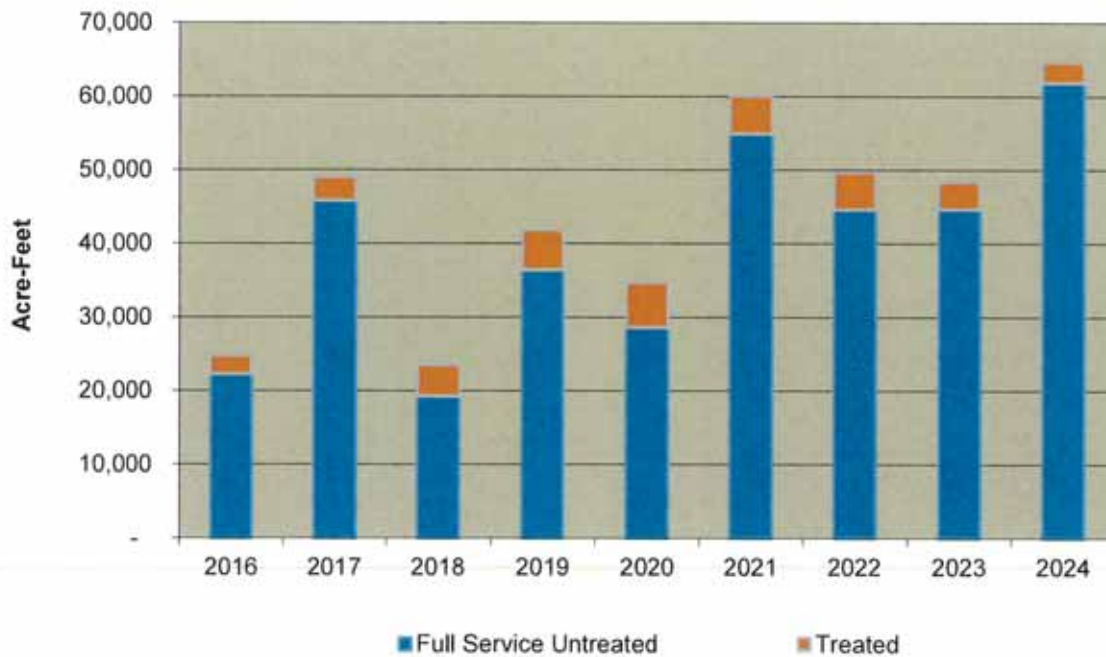


Source: Finance and Administration Department

Upper San Gabriel Valley Municipal Water District

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

Fiscal Year Ended June 30	Treated	Full Service Untreated	Total
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
2025	3,374	29,616	32,990



Source: Finance and Administration Department

Upper San Gabriel Valley Municipal Water District

Imported Water Rates and Charges

Fiscal years ended June 30, 2025 and 2024 (Unaudited)

	Rate per Acre-Foot		
	MWD	Upper District Surcharge	Total
Fiscal Year Ended June 30, 2025			
<i>July 1, 2024 to December 31, 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
<i>January 1, 2025 to June 30, 2025</i>			
Full Service Treated	\$ 1,395	\$ 103	\$ 1,498
Full Service Untreated	912	103	1,015
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

Source: Finance and Administration Department

Upper San Gabriel Valley Municipal Water District

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

As of June 30	Full Service Treated Tier 1	Full Service Treated Tier 2	Full Service Untreated Tier 1	Full Service Untreated Tier 2
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
2025	1,498	n/a	1,015	n/a

Source: Finance and Administration Department

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
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
2025	27	3	520	2,824	-	-	-	-	3,374

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	Population (In Millions)	Real GDP Growth	Unemployment Rate
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	-4.9%	12.3%
2021	10.0 (e)	6.1%	9.0%
2022	9.8 (e)	2.4%	5.0%
2023	9.8 (e)	1.0%	5.0%
2024	9.8 (e)	3.4%	5.7%
2025	9.8 (e)	2.1% (f)	5.5% (f)

Notes:

Upper Water 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, 2025 (Unaudited)

<u>Employer</u>	<u>Number of Employees</u>
County of Los Angeles	104,100
Los Angeles Unified School District	97,200
University of California, Los Angeles	72,100
City of Los Angeles	70,700
Kaiser Permanente	47,400
Federal Government (except defense and state)	45,500
State of California (non-education)	35,200
University of Southern California	24,000
Northrop Grumman Corp.	18,700
Los Angeles County Metropolitan Authority	13,400
Walt Disney Co.	13,400

Source: Los Angeles Almanac (2024)

Upper San Gabriel Valley Municipal Water District

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

	Fiscal Year Ended June 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Service Area										
Approximate Service Area (in sq. miles)	144	144	144	144	144	144	144	144	144	144
Number of Member Agencies	26	26	26	26	26	26	26	26	26	26
Number of Cities/Communities	18	18	18	18	18	18	18	18	18	18
Active Employees (FTE)	10.5	10.5	11.5	11.5	11.5	10.5	9.5	9.5	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	83	83	83	89	83	83	84	81	81	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

Upper San Gabriel Valley Municipal Water District

Debt Per Capita Last Ten Fiscal Years (Unaudited)

Fiscal Year	Total Long-term Debt	Upper Water Population (1)	Debt Per Capita
2016	\$ 11,030,672	861,962	\$ 12.80
2017	10,438,550	861,962	12.11
2018	9,835,739	861,962	11.41
2019	9,222,047	861,962	10.70
2020	8,597,277	860,472	9.99
2021	7,961,230	860,472	9.25
2022	7,313,702	860,472	8.50
2023	6,654,484	860,472	7.73
2024	5,983,368	860,472	6.95
2025	5,300,138	860,472	6.16

(1) Based on the most recent U.S. census numbers available.

Upper San Gabriel Valley Municipal Water District

Ratio of Annual Debt Payments to Operating Expenses Last Ten Fiscal Years (Unaudited)

Fiscal Year	Principal Payments	Interest Payments	Total Debt Payments	Operating Expenses	Debt Payments to Expenses Ratio
2016	\$ 581,624	\$ 209,608	\$ 791,232	\$ 24,891,458	0.03
2017	592,122	199,110	791,232	40,657,233	0.02
2018	602,811	188,421	791,232	27,989,980	0.03
2019	613,692	177,540	791,232	40,625,817	0.02
2020	624,770	166,462	791,232	37,391,878	0.02
2021	636,047	155,185	791,232	57,163,968	0.01
2022	647,528	143,704	791,232	50,990,307	0.02
2023	659,218	132,014	791,232	50,748,846	0.02
2024	671,116	120,116	791,232	67,331,460	0.01
2025	683,230	108,002	791,232	43,241,171	0.02

Source: Finance and Administration Department

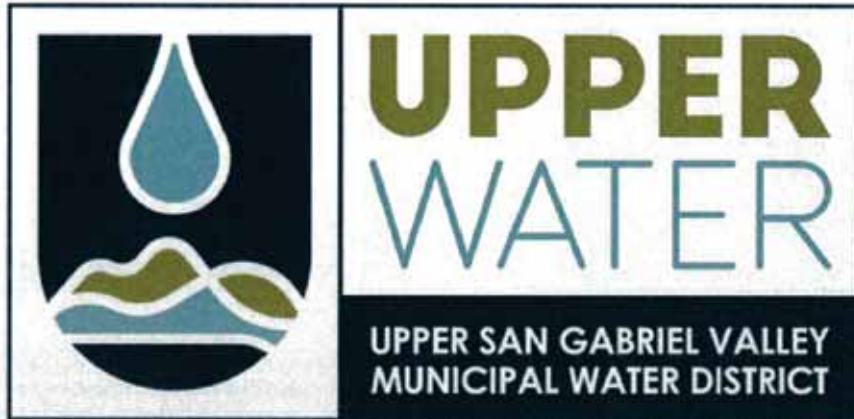
Upper San Gabriel Valley Municipal Water District





Debt Coverage Last Ten Fiscal Years (Unaudited) (In Thousands)

	Fiscal Year Ended June 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Changes in net position	\$ 22	\$ 2,381	\$ 298	\$ 2,627	\$ 1,241	\$ 3,947	\$ 2,672	\$ 1,061	\$ 1,285	\$ 607
Add: Interest expense	210	199	188	178	166	155	144	132	120	108
Add: Depreciation and amortization	1,121	1,100	1,090	1,111	1,102	1,107	1,102	1,179	1,244	1,250
Add (Deduct): Non-cash items (1)	(3)	(9)	(30)	(208)	(45)	-	152	41	1,033	(100)
Net revenues for coverage	\$ 1,350	\$ 3,671	\$ 1,546	\$ 3,708	\$ 2,464	\$ 5,209	\$ 4,070	\$ 2,413	\$ 3,682	\$ 1,865
Annual Debt Service	\$ 791	\$ 791	\$ 791	\$ 791	\$ 791	\$ 791	\$ 791	\$ 791	\$ 791	\$ 791
Debt Coverage	1.71	4.64	1.95	4.69	3.12	6.59	5.15	3.05	4.65	2.36

(1) Non-cash items include unrealized investment gains/losses and loss on disposition of assets.

Source: Finance and Administration Department



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-  www.upperwater.org

December 1, 2025

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

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, 2025, and have issued our report thereon dated December 1, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 8, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

We have provided our comments regarding significant control deficiencies over financial reporting and other matters noted during our audit in a separate letter to you dated December 1, 2025.

Planned Scope and Timing of the Audit

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

Compliance with All Ethics Requirements Regarding Independence

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

We have evaluated whether certain nonattest services performed by our firm during the audit have created a significant threat to our independence in relation to the entity. We have identified a threat to our independence (preparation of the entity's financial statements, creating a self-review threat) that if not reduced to an acceptable level, would impair our independence. In order to reduce the threat to an acceptable level, we have applied the following safeguard:

Prior to the issuance of the entity's financial statements, another partner or manager, independent of the engagement, will review the financial statements.

Significant Risks Identified

We have identified the possibility of the following significant risks:

Management's override of internal controls over financial reporting – Management override of internal controls is the intervention by management in handling financial information and making decisions contrary to internal control policy.

Revenue recognition – Revenue recognition is a generally accepted accounting principle that refers to the conditions under which an entity can recognize a transaction as revenue. Auditing standards indicate that recognizing revenue is a presumed fraud risk and usually classified as a significant risk in most audits.

These significant risks are presumptive in most audits and merit attention by the auditors due to the direct impact over financial reporting and internal control processes. Although identified as significant risks, we noted no matters of management override of controls or deviations from generally accepted accounting principles which caused us to modify our audit procedures or any related matters which are required to be communicated to those charged with governance due to these identified risks.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the entity is included in Note 1 to the financial statements. The entity adopted GASB Statement No. 101, *Compensated Absences* and Statement No. 102, *Certain Risk Disclosures* during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

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

The most sensitive accounting estimates affecting the entity's financial statements are:

Management's estimate of the net pension liability and related deferred inflows and outflows of resources are based on actuarial reports by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Management's estimate of the liability for other post-employment benefits (OPEB) and related deferred inflows and outflows of resources are based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users.

The most sensitive disclosures affecting the entity's financial statements relate to:

The disclosure of fair value of investments in the basic financial statements represents amounts susceptible to market fluctuations.

The disclosure of capital assets (and related accumulated depreciation) in the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of net pension liability and related deferred inflows and outflows of resources in the basic financial statements is based on actuarial assumptions. Actual future liabilities and actuarial deferred inflows and outflows may vary from disclosed estimates.

The disclosures of the other post-employment benefits (OPEB) liability and related deferred inflows and outflows of resources in the basic financial statements is based on actuarial assumptions. Actual future liabilities and actuarial deferred inflows and outflows may vary from disclosed estimates.

The disclosure of leases and subscription liabilities, right-to-use assets, and asset amortization in the basic financial statements is based on certain terms and assumptions in the agreements which could differ from actual amounts.

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

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

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion unit.

Disagreements with Management

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

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated December 1, 2025.

Management's Consultations with Other Accountants

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

Other Significant Matters, Findings, or Issues

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

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the entity's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have:

Read the transmittal letter and statistical section and considered whether a material inconsistency existed between the other the information and the basic financial statements, or the other information otherwise appears to be materially misstated. Our opinion(s) on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Board of Directors and management of the entity and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Rogers, Anderson, Malachy & Scott, LLP.



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

P 626-443-2297

E info@usgvmwd.org

Board of Directors

Anthony R. Fellow, Ph.D.
Division 1

Charles M. Treviño
Division 2

Ed Chavez
Division 3

Katarina Garcia
Division 4

Jennifer Santa
Division 5

December 1, 2025

Rogers, Anderson, Malody & Scott, LLP

This representation letter is provided in connection with your audit of the financial statements of Upper San Gabriel Valley Municipal Water District (the entity) which comprise the statement of financial position as of June 30, 2025, and the respective change in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements of the various opinion units are presented fairly, in all material respects, in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, 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.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of December 1, 2025:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 8, 2025, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
- The financial statements referred to above have been fairly presented in accordance with U.S. GAAP and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
- We acknowledge our responsibility for the design, implementation, and maintenance of the system 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- The methods, data and significant assumptions used by us in making accounting estimates and their related disclosures, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The entity has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Use of a Specialist

- We agree with the findings of specialists in evaluating the entity's net pension and net other post-employment benefit liabilities and related deferred amounts and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

Cybersecurity

- There have been no cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements.

- All component units, as well as joint ventures with an equity interest, if any, are included and other joint ventures and related organizations are properly disclosed.
- All components of net position are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available is appropriately disclosed and net position is properly recognized under the policy.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- Nonexchange and exchange financial guarantees, either written or oral, under which it is more likely than not that a liability exists have been properly recorded, or if we are obligated in any manner, are disclosed.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
- We have evaluated all of our lease and subscription agreements and have given you our assessment as to whether each agreement is subject to GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription Based Information Technology Arrangements*.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With regard to pensions and OPEB:
 - We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
 - We are unable to determine the possibility of a withdrawal liability from the CalPERS plan of which we are a sponsor and are not currently contemplating withdrawing from the plan.
 - Increases in benefits, elimination of benefits and all similar amendments have been disclosed in accordance with U.S. GAAP and are included in the most recent actuarial valuation or disclosed as a subsequent event.
- We have conducted a comprehensive risk assessment and disclosed all material concentrations and constraints in accordance with GASB Statement No. 102, *Certain Risk Disclosures*. These disclosures provide sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact associated with the concentration or constraint, if applicable.
- We have evaluated the concentrations and constraints, including those that occur subsequent to the statement of net position date but before the financial statements are issued and have been properly disclosed in the financial statements as subsequent events.
- With respect to preparation of the financial statements, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;

- Evaluated the adequacy of the services performed;
- Evaluated and accepted responsibility for the result of the service performed; and
- Established and maintained internal controls, a process to monitor the system of internal controls.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - A written acknowledgement of all the documents that we expect to issue that will be included in the annual report and the planned timing and method of issuance of that annual report;
 - A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
- The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.
- All information provided in electronic form are true representations of the original documents.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, concentrations and constraints, and we believe that our use of the going concern basis of accounting is appropriate.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), analysts, regulators, or others.
- We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- We have a process to track the status of audit findings and recommendations.
- We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

Supplementary Information in Relation to the Financial Statements as a Whole

With respect to supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
- We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
- We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
- We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Accounting Estimates and Related Disclosures

- The significant judgments made in making the accounting estimates have taken into account all relevant information of which we are aware.
- We have consistently and appropriately selected and applied methods, assumptions, and data when making accounting estimates.
- The assumptions we used in making and disclosing accounting estimates appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity, when relevant to the accounting estimates and disclosures.
- The disclosures related to accounting estimates, including those disclosures describing estimation uncertainty, are complete and are reasonable in the context of the applicable financial reporting framework.

- We have obtained and applied appropriate specialized skills and expertise in making accounting estimates, if needed.
- We are not aware of any events subsequent to the date of the financial statements that require adjustment to our accounting estimates and related disclosures included in the financial statements.



Thomas Love, General Manager



Evelyn Rodriguez, Chief Financial Officer

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Upper San Gabriel Valley Municipal Water District (the entity) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements, and have issued our report thereon dated December 1, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

Entity's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the entity's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The entity's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
December 1, 2025

Upper San Gabriel Valley Municipal Water District

**Schedule of Findings and Responses
Year Ended June 30, 2025**

2025-001 – Segregation of Duties
Significant Deficiency

Criteria:

Adequate segregation of duties is an essential element of internal control processes which addresses risks of material misstatement due to errors or fraud.

Condition:

During our audit of the entity, we noted several instances where there was a lack of segregation of duties.

Cause:

The small size of the entity and its staff limits the extent that duties can be segregated.

Effect:

One individual can handle a transaction from inception to completion, increasing the risk of misstatement.

Recommendation:

We recommend that the entity continue to evaluate its processes and procedures to consider where segregation of duties may be possible despite its limited size. However, we acknowledge that no practical corrective action may be possible unless more personnel are hired.

Management's Response:

Management agrees with the recommendation and seeks to segregate duties wherever practical.



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

Robert C. Ferrante
Chief Engineer and General Manager

1955 Workman Mill Road, Whittier, CA 90601-1400
Mailing Address: P.O. Box 4998, Whittier, CA 90607-4998
(562) 699-7411 • www.lacsd.org

November 18, 2025

General Annexation File

Mr. Thomas A. Love, General Manager
Upper San Gabriel Valley Municipal Water District
602 E. Huntington Drive, Suite B
Monrovia, CA 91016

Dear Mr. Love:

Tax Sharing Resolutions

Thank you for signing and returning the last joint resolutions that were submitted to your office for tax sharing purposes.

Enclosed, in triplicate, is a Joint Tax Sharing Resolution (resolution) involving your agency and others. The applicant has requested, in writing, annexation of his property into the County Sanitation District No. 15 (District) in order to receive off-site disposal of sewage. Please see the table below for the annexation and its associated project. The annexation process requires that a resolution for property tax revenue exchange be adopted by all the affected local agencies before an annexation may be approved. For any jurisdictional change which will result in a special district providing new service not previously provided to an area, the law requires the governing bodies of all local agencies that receive an apportionment of the property tax from the area to determine by resolution the amount of the annual tax increment to be transferred to the special district (Revenue and Taxation Code Section 99.01). Please note that by sharing the property tax increment with the District resulting from this annexation, your agency will not lose any existing ad valorem tax revenue it currently receives from the affected territory. Your agency would only be giving up a portion of the revenues it would receive on increased assessed valuation.

Annexation No.

Type of Project

15-303

four proposed single-family homes

Also, attached for the annexation is a copy of the applicable worksheet and map showing the location of the annexation. The worksheet lists the annual tax increment to be exchanged between your agency, other affected taxing entities, and the District. The tax sharing ratios listed in the worksheet were calculated by the County Auditor Controller by specific Tax Rate Area (TRA). For example, if the annexing territory were to lie within two separate TRAs, there would be a worksheet for each TRA. The Los Angeles County Chief Executive Office (CEO) is requiring the District to implement the worksheet for all District annexations in order to increase efficiency for the calculation of property tax sharing ratios.

November 18, 2025

The resolution is being distributed to all parties for signature in counterpart. Therefore, you will only be receiving a signature page for your agency. Enclosed are three sets of the resolution. One set of the resolution is for your files and the other two sets of the resolution need to be returned to the District. Please execute the two sets of the resolution and return them to the undersigned within 60 days as required by the Government Code. In addition, the County CEO's legal counsel is also requesting that the signature pages be properly executed from all affected agencies. Therefore, please have the Attest line signed by the appropriate person. Upon completion of the annexation process, your office will receive a fully executed copy of the tax sharing resolution for your files.

Your continued cooperation in this matter is very much appreciated. If you have any questions, please do not hesitate to call me at (562) 908-4288, extension 2708.

Very truly yours,



Shirly Wang
Customer Service Specialist
Facilities Planning Department

SW:sw

Enclosures: 15-303

JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES
ACTING IN BEHALF OF

Los Angeles County General Fund

Los Angeles County Library

Los Angeles County Road District #4

Los Angeles County Consolidated Fire Protection District

Los Angeles County Flood Control

THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 15 OF LOS ANGELES
COUNTY, AND THE GOVERNING BODIES OF

Greater Los Angeles County Vector Control District

Upper San Gabriel Valley Municipal Water District

APPROVING AND ACCEPTING NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES
RESULTING FROM ANNEXATION TO COUNTY SANITATION DISTRICT NO. 15.

"ANNEXATION NO. 303"

WHEREAS, pursuant to Section 99 and 99.01 of the Revenue and Taxation Code, prior to the effective date of any jurisdictional change which will result in a special district providing a new service, the governing bodies of all local agencies that receive an apportionment of the property tax from the area must determine the amount of property tax revenues from the annual tax increment to be exchanged between the affected agencies and approve and accept the negotiated exchange of property tax revenues by resolution; and

WHEREAS, the governing bodies of the agencies signatory hereto have made determinations of the amount of property tax revenues from the annual tax increments to be exchanged as a result of the annexation to County Sanitation District No. 15 entitled Annexation No. 303;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The negotiated exchange of property tax revenues resulting from the annexation of territory to County Sanitation District No. 15 in the annexation entitled Annexation No. 303 is approved and accepted.
2. For each fiscal year commencing on and after July 1, 2025, or after the effective date of this jurisdictional change, whichever is later, the County Auditor shall transfer to County Sanitation District No. 15 a total of 0.6263335 percent of the annual tax increment attributable to the land area encompassed within Annexation No. 303 as shown on the attached Worksheet.
3. No additional transfer of property tax revenues shall be made from any other tax agencies to County Sanitation District No. 15 as a result of annexation entitled Annexation No. 303.

4. No transfer of property tax increments from properties within a community redevelopment project, which are legally committed to a Community Redevelopment Agency, shall be made during the period that such tax increment is legally committed for repayment of the redevelopment project costs.

5. If at any time after the effective date of this resolution, the calculations used herein to determine initial property tax transfers or the data used to perform those calculations are found to be incorrect thus producing an improper or inaccurate property tax transfer, the property tax transfer shall be recalculated and the corrected transfer shall be implemented for the next fiscal year.

The foregoing resolution was adopted by the Board of Supervisors of the County of Los Angeles, the Board of Directors of County Sanitation District No. 15 of Los Angeles County, and the governing bodies of Greater Los Angeles County Vector Control District and Upper San Gabriel Valley Municipal Water District, signatory hereto.

UPPER SAN GABRIEL VALLEY
MUNICIPAL WATER DISTRICT

SIGNATURE

ATTEST:

PRINT NAME AND TITLE

Secretary

Date

(SIGNED IN COUNTERPART)

ANNEXATION TO: CO.SANITATION DIST.NO 15 DEBT S.

ACCOUNT NUMBER: 066.50

TRA: 12008

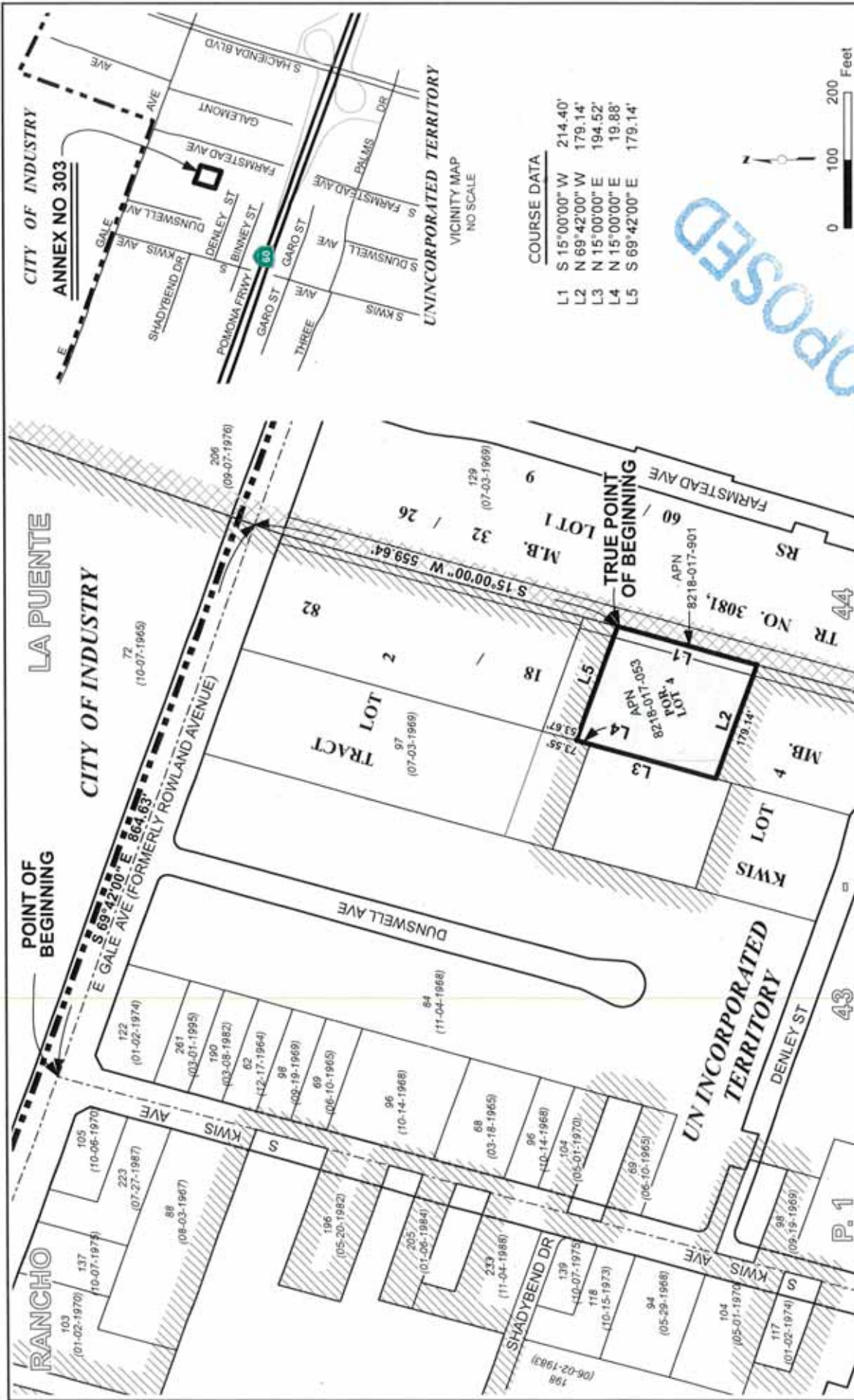
EFFECTIVE DATE: 07/01/2025

ANNEXATION NUMBER: 15-303

PROJECT NAME: ANNEXATION 15-303

DISTRICT SHARE: 0.010909763

ACCOUNT #	TAXING AGENCY	CURRENT TAX SHARE	PERCENT	PROPOSED DIST SHARE	ALLOCATED SHARE	ADJUSTMENTS	NET SHARE
001.05	LOS ANGELES COUNTY GENERAL	0.338973065	33.8980 %	0.010909763	0.003698124	-0.003784345	0.335188720
001.20	L.A. COUNTY ACCUM CAP OUTLAY	0.000119090	0.0119 %	0.010909763	0.000001299	0.000000000	0.000119090
003.01	L A COUNTY LIBRARY	0.024655907	2.4655 %	0.010909763	0.000268990	-0.000268990	0.024386917
005.20	ROAD DIST # 4	0.006096293	0.6096 %	0.010909763	0.000066509	-0.000066509	0.006029784
007.30	CONSOL. FIRE PRO.DIST.OF L.A.CO.	0.183122053	18.3122 %	0.010909763	0.001997818	-0.001997818	0.181124235
007.31	L A C FIRE-FFW	0.007784108	0.7784 %	0.010909763	0.000084922	0.000000000	0.007784108
030.10	L.A.CO.FL.CON.DR.IMP.DIST.MAINT.	0.001854039	0.1854 %	0.010909763	0.000020227	-0.000020227	0.001833812
030.70	LA CO FLOOD CONTROL MAINT	0.010492481	1.0492 %	0.010909763	0.000114470	-0.000114470	0.010378011
061.80	GREATER L A CO VECTOR CONTROL	0.000397952	0.0397 %	0.010909763	0.000004341	-0.000004341	0.000393611
368.05	UPPER SAN GAB. VY. MUN. WATER	0.000608195	0.0608 %	0.010909763	0.000006635	-0.000006635	0.000601560
400.00	EDUCATIONAL REV AUGMENTATION FD	0.063932702	6.3932 %	0.010909763	0.000697490	EXEMPT	0.063932702
400.01	EDUCATIONAL AUG FD IMPOUND	0.131877650	13.1877 %	0.010909763	0.001438753	EXEMPT	0.131877650
400.15	COUNTY SCHOOL SERVICES	0.001477043	0.1477 %	0.010909763	0.0000016114	EXEMPT	0.001477043
400.21	CHILDREN'S INSTIL TUITION FUND	0.002931399	0.2931 %	0.010909763	0.000031980	EXEMPT	0.002931399
809.04	MT.SAN ANTONIO COMMUNITY COLLEGE	0.031637323	3.1637 %	0.010909763	0.000345155	EXEMPT	0.031637323
809.20	MT SAN ANTONIO CHILDRENS CTR FD	0.000305351	0.0305 %	0.010909763	0.000003331	EXEMPT	0.000305351
870.03	HACIENDA-LA PUENTE UNIF. SCH.DIS	0.185014361	18.5014 %	0.010909763	0.002018462	EXEMPT	0.185014361
870.06	CO.SCH.SER.FD.HACIENDA-LA PUENTE	0.007816432	0.7816 %	0.010909763	0.000085275	EXEMPT	0.007816432
870.07	DEV.CTR.HDCPD.MINOR-HACI-LA PUTE	0.000904556	0.0904 %	0.010909763	0.000009868	EXEMPT	0.000904556



RESOLUTION NO. 12-25-673

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT HONORING THE RETIREMENT OF EVELYN RODRIGUEZ

WHEREAS, *Evelyn Rodriguez*, following 18 years of dedicated and remarkable service at the Upper San Gabriel Valley Municipal Water District (Upper Water), will retire on February 14, 2026; and

WHEREAS, *Evelyn Rodriguez*, joined Upper Water in October 2007 as the District's Chief Financial Officer, bringing extensive experience in finance, accounting, and auditing from both the public and private sectors; and

WHEREAS, *Evelyn Rodriguez*, has played a central role in planning, organizing, and directing the District's financial, accounting, and administrative functions, including establishing and maintaining District-wide accounting systems, internal controls, and investment practices that support the protection and responsible management of District assets; and

WHEREAS, *Evelyn Rodriguez*, has effectively overseen annual budgets, financial reporting, long-range financial planning, and the analysis required to support the District's fiscal stability, while ensuring compliance with federal, state, and local requirements; and

WHEREAS, *Evelyn Rodriguez*, has provided steady leadership in managing payroll, benefits and key administrative operations, while supervising staff with professionalism and integrity; and

WHEREAS, *Evelyn Rodriguez*, has continually supported transparent financial practices by coordinating outside audits, providing accurate and timely financial data, and serving as a reliable resource to Board members, staff, partner agencies, and the community; and

WHEREAS, *Evelyn Rodriguez*, has earned the respect and trust of her colleagues and industry peers for her professionalism, thoughtful guidance, and commitment to sound financial stewardship on behalf of Upper Water; and

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE
UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT AS FOLLOWS:**

Section 1: The Upper Water Board of Directors hereby honors Evelyn Rodriguez for her lasting contributions to the District and the positive impact of her leadership throughout the San Gabriel Valley region.

Section 2: The Upper Water Board of Directors hereby recognizes the many contributions made by Evelyn Rodriguez throughout her 18-year tenure.

Section 3: The Upper Water Board of Directors hereby congratulates Evelyn Rodriguez on her distinguished career and extends its best wishes as she begins a well-deserved and fulfilling retirement.

PASSED, APPROVED, AND ADOPTED this 10th day of December 2025.

AYES:

NOES:

ABSTAIN:

ABSENT:

Jennifer Santana, President

ATTEST:

Ed Chavez, Secretary

(SEAL)

APPROVED AS TO FORM:

Steven P. O'Neill, District Counsel

MEMORANDUM

ITEM 8 (b) ACTION

DATE: December 10, 2025
TO: Board of Directors
FROM: General Manager
SUBJECT: Professional Services Agreement with VC3 for Information Technology (IT) Management and Support Services

Recommendation

Staff recommends that the Board of Directors authorize the General Manager to execute a professional services agreement with VC3 (formerly Accent Computer Solutions, Inc.) for information technology management and support services for a term commencing December 1, 2025 through December 31, 2026 for a total not-to-exceed amount of \$100,000.

Background

Upper Water has a relatively limited need for specialized IT services and has historically outsourced this work. In 2015, Upper District issued a formal Request for Proposals (RFP) for IT services and awarded an IT consulting services agreement to Accent Computer Solutions, Inc. (Accent) for \$100,000 which has had four amendments.

In 2022, Accent was acquired by VC3, a leading managed service provider headquartered in South Carolina and specializing in municipal government and small and medium-sized businesses. This partnership increased the depth and breadth of capabilities in both firms and empowered them to provide more tailored services to their clients. Upper Water entered into a one-year term with VC3, and has been pleased with the support and technical assistance.

Under the agreement, VC3 will provide unlimited technical support for Upper Water directors and staff. VC3 will also handle server and network maintenance and monitoring, troubleshooting and repair, hardware and software acquisition, system maintenance and update, security management and staff training, data backup, offsite storage, and disaster recovery solutions.

California strongly objects to Trump's plan to pump more Delta water south

By Ian James

Dec. 3, 2025 3 AM PT

- The Trump administration is seeking to weaken environmental protections for fish and pump more water to farmlands in California.
- State officials have objected to the plan, warning that it would threaten native fish and reduce water to millions of Southern Californians.

The Trump administration plans to weaken environmental protections for threatened fish in California's Sacramento-San Joaquin River Delta and pump more water to Central Valley farmlands, according to letters obtained by the Los Angeles Times.

The letters show Gov. Gavin Newsom's administration strongly criticizing the Trump administration plan.

The U.S. Bureau of Reclamation recently notified California agencies that it plans to pump more water out of the Delta into the southbound aqueducts of the federally operated Central Valley Project. That would send more water to farmlands and communities across the San Joaquin Valley.

The proposal advances a January executive order by President Trump and weakens protections for several kinds of fish whose populations have declined significantly in recent years.

Three state agencies objected to the plan in letters to the Bureau of Reclamation last month, signaling a new round of confrontation with the Trump administration over how California's giant water systems should be operated.

The push to send more water to farms is supported by some growers in the Central Valley, who have long condemned state policies as harmful to agriculture. For years, drivers on the valley's highways have seen their signs and billboards with slogans such as "Stop Dumping Our Farm Water & Jobs In the Ocean." Trump has questioned why the state should keep more water in rivers to help "a tiny little fish" such as the Delta smelt.

But California officials warned the Trump administration that pumping more water into the federal aqueducts will bring significant negative consequences for fish and the Delta environment.

The federal proposal would increase water withdrawals in dry years as well as wet ones, leading to less water in the Delta, which would cause "significant impacts to native fish species," Diane Riddle, an official of the State Water Resources Control Board, said in one letter.

She said modeling estimates show that the Trump administration proposal would particularly harm fish during dry years, "when species are already stressed by dry conditions."

State and federal pumping plants in the Delta, which send water into the canals of the State Water Project and the Central Valley Project, often have to limit operation to leave enough water for threatened and endangered fish. Fish die when the massive pumps, which are powerful enough to regularly reverse the flow of water in the south Delta, pull them into shallow waters, where they are easy prey for nonnative bass and other predators.

The California Department of Fish and Wildlife wrote that it is concerned about weakened protections for winter-run and spring-run Chinook salmon , steelhead trout, Delta smelt and longfin smelt.

Joshua Grover, deputy director of the agency's Ecosystem Conservation Division, said what protective measures remain under the federal proposal are either vague, unworkable or not based on the "best available science."

State officials warned that in addition to harming fish, the plan could force reductions to what the state can deliver to millions of people in Southern California cities.

The State Water Project, which delivers Delta water to 27 million Californians and 750,000 acres of farmland, "could be forced to reduce water exports" because of the increased federal pumping, John Yarbrough, the Department of Water Resources' deputy director, said in a letter.

He said that would occur because even if the federal government increases pumping, the state agency still must comply with the federal Endangered Species Act as well as the California Endangered Species Act.

The Trump administration plan brings new uncertainty for cities that depend on Delta water and could upend the cooperation between state and federal water agencies that has been the norm for decades.

Yarbrough reminded Adam Nickels, the Bureau of Reclamation's acting regional director in California, that state and federal agencies "have a long history and shared interest in working together to maximize California water supplies while also protecting the environment in a legally defensible manner."

The disagreements between the Newsom and Trump administrations raise questions about the fate of joint state-federal efforts including the so-called voluntary agreements, a Newsom-backed plan to give water agencies more leeway in how they comply with Delta water rules. If the federal government is no longer a willing partner, that would leave the plan in question.

The federal plan is called Action 5. Yarbrough urged the Trump administration “to reconsider Action 5 and comply with the legal requirements regarding environmental review, endangered species restrictions” and an agreement that for decades has guided coordination between the state and federal agencies.

Trump similarly tried to alter California water regulations and policies during his first term. But when his administration adopted water rules that weakened environmental protections in the Delta, California and conservation groups successfully challenged the changes in court.

That cleared the way last year for the Biden administration, working together with Newsom’s administration, to adopt new rules for operating California’s main water delivery systems, which are among the largest in the world.

In his January executive order, Trump criticized what he called “disastrous” policies and water “mismanagement” by California, and directed federal agencies to scrap the plan that the Biden administration adopted.

Environmental and fishing groups have also condemned the Trump administration’s attempts to take more water from the Delta, saying the goal is to prioritize political supporters in the agriculture industry above the needs of other water users and the health of waterways and fish.

“The Bureau of Reclamation is slashing protections for salmon and other species that are struggling,” said Barry Nelson, an advisor to the Golden State Salmon Assn., a nonprofit group that represents fishing communities.

“Some salmon runs and other species are on the brink of extinction, and commercial salmon fishing in California has been closed for three years,” Nelson said. “Cutting already weak protections further would be disastrous.”

Noting that Newsom has stood up to the Trump administration on other issues, he urged the governor to file a lawsuit “to block this clearly illegal federal decision.”

Metropolitan issues statement on state's initial State Water Project allocation

Dec. 1, 2025

Metropolitan Water District General Manager Deven Upadhyay issues the following statement on the California Department of Water Resources' [announced](#) initial State Water Project allocation of 10%:

"As in past years, this initial allocation is conservative, reflecting current weather conditions and reservoir levels, while prudently assuming drier conditions for the remainder of the year. Recent storms are encouraging, and we remain hopeful that a productive wet season will increase State Water Project supplies that are so vital to Southern California.

"However, history reminds us that conditions can change quickly. This is why storage is an invaluable asset and our safeguard against inevitable dry periods. Metropolitan is projecting to end the year with 3.8 million acre-feet of water in storage – matching the record level reached in 2024. This milestone reflects decades of investment in storage capacity and, just as importantly, the continued conservation ethic practiced by the people and businesses of Southern California to lower demands.

"While our focus today is on the State Water Project supply, we are also monitoring conditions on another critical supply for Southern California – the Colorado River Basin – where the snowpack has had a slow start and is currently at about 42% of normal. Together, these two imported supplies provide half of all the water used in Southern California.

"With smart management of these supplies, wise water use, strategic investments, and continued cooperation across the state and within the Colorado River Basin, we can be well-prepared for the years ahead."

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2.9 billion gallons of clean drinking water added to California's supply with new investments

Dec 2, 2025

What you need to know: Governor Newsom's strategy to create more water infrastructure continues, with eight new projects up and down the state to add 2.9 billion gallons to the state water supply. The projects improve local water systems across California to increase wastewater recycling, keep sewage away from groundwater, remove forever chemicals from drinking water, and desalinate brackish river water.

SACRAMENTO – Governor Gavin Newsom has made significant strides in securing and enhancing water supplies, including improving the state's ability to capture stormwater. Fortified by state investment to strengthen and expand California's local water infrastructure, eight major, state-funded projects completed or broke ground across California this fall—including water recycling, wastewater treatment and desalination facilities—that benefit over 1 million people. Collectively, the projects add about 2.9 billion gallons annually to the state's water supplies, enough water for roughly 20,000 homes per year.

"We're dealing with hotter, drier, wetter, more volatile weather all at once — and California has to stay ahead of it. That means continuing to harden and modernize our water systems so 40 million people can count on a reliable supply in the face of these extremes. I'm proud of the investments we're making, and we're not slowing down. We're going to keep advancing the projects, the storage, the recycling, and the infrastructure upgrades that ensure every community has stable, safe water access for the long haul."

Governor Gavin Newsom

New water projects in California

The projects throughout the state were funded by nearly \$590 million in grants and low-interest loans, including funding from the **Clean Water** and **Drinking Water** State Revolving Funds. During the past fiscal year, the State Water Board **invested \$2 billion** to support new projects in 390 communities. When these projects complete in the years to come, they will benefit nearly half the state's population. And since 2019, the board has distributed over \$11 billion in financial assistance.

"As we build the water and wastewater infrastructure California needs to prepare for a hotter, drier climate with more extreme weather, state investment is accelerating projects in large towns and cities, as well as **small, rural communities**," said State Water Board Chair, E. Joaquin Esquivel. "Major state and federal infrastructure commitments in recent years have enabled the board to offer significant levels of grants and low-interest financing that keep vital projects affordable. The board will continue to act as the engine for distributing these investments year on year, so communities will have the water they need in the future."

#1 Removing PFAS chemicals in Irvine

In Irvine, 38,000 people will receive water free of per- and polyfluoroalkyl chemicals (PFAS), thanks to **a new treatment system** recently completed by the Irvine Water District using a \$2.8 million state grant. The project removes PFAS from local groundwater. The system can process up to 3,200 gallons of water per minute. The project was **one of seven similar projects** through the Orange County Water District.

#2 Upgrading wastewater facilities in San Luis Obispo

In October, San Luis Obispo finished the wastewater upgrade of its **Water Resource Recovery Facility**, which will help improve services for 46,000 people in San Luis Obispo. The upgrade, which was funded by a \$140 million low-interest loan from the state, replaced aging equipment and improved secondary treatment and disinfection technologies to meet state and federal standards.

“The SLO Water Plus project is the largest capital improvement the city has ever undertaken, and the State Water Board’s financing and technical support were instrumental,” said Miguel Barcenás, the city’s Utilities Deputy Director. “The low-interest loan is keeping our wastewater rates low, lower than expected.”

#3 More water capacity for Monterey

In October, Monterey One Water opened the **Advanced Water Purification Facility**, which will add 2,250 acre feet of recycled water per year to water supplies on the Monterey Peninsula, enough to serve 6,750 households. The State Water Board provided a \$15 million grant for the project to help expand water capacity to benefit more than 92,000 people.

#4 Helping San Francisco manage extreme weather

In September, as a result of a \$112 million low-interest loan by the state, the San Francisco Public Utilities Commission completed the **new Headworks Facility** as part of critical upgrades to San Francisco’s largest wastewater treatment facility, the Southeast Treatment Plant. The new facility keeps odors within the plant and increases the plant’s capacity to manage extreme weather events, benefiting 623,000 people.

#5 Improving San Mateo's sewer systems

In September, the Estero Municipal Improvement District **completed** a \$552 million upgrade and expansion of the San Mateo Wastewater Treatment Plant. The upgrades increase system capacity to manage large storm events and prevent sewer system overflows that threaten public health and the San Francisco Bay. Through the project, which was supported through a \$137 million low-interest state loan, 160,000 people receive improved wastewater services and greater protection from sewer system overflows.

#6 Desalinating water in Antioch

In September, the city of Antioch **completed the Antioch Brackish Water Desalination Plant** using a \$60 million low-interest loan from the state which will help this Delta community adapt to climate change by facilitating the capture, treatment, and use of water directly from the San Joaquin River. The plant, which serves 110,000 people, can produce up to 6 million gallons of drinking water per day, or enough to sustain an amount equal to 20,000 households per year.

#7 Building drinking water sources West Lake Tahoe

In September, the state provided the Tahoe City Public Utilities District with a \$19.7 million low-interest loan and opened **the West Lake Tahoe Regional Water Treatment Plant**, an upgraded facility that can treat 1 million gallons of lake water per day. As a result of the project, 5,400 residents now have a permanent, drought-resilient source of drinking water and fire protection.

#8 Connecting people to sewer systems in Yucca Valley

In August, the Hi-Desert Water District **broke ground on a new sewage collection system** — the second phase of a 10-year wastewater infrastructure construction of a 32-mile pipeline to the district's wastewater treatment plant. The project was funded by \$103 million in grants that save individual property owners at least \$30,000 in assessment costs — and will help connect approximately 5,400 people to sewer services.

Accelerating vital water storage projects

These projects are part of Governor Newsom's comprehensive strategy to accelerate California's ability to manage and store water, and works alongside the Governor's **infrastructure streamlining package** to build more faster, and California's Proposition 1 funding, dedicating \$2.7 billion to improve California's water infrastructure.

The Governor is also working to advance other important projects, including the Sites Reservoir Project. This project will help capture water during wet seasons and store it for use during drier seasons — holding up to 1.5 million acre-feet of water, enough for 3 million households' yearly usage.

Additionally, the Governor continues to advance the state's Delta Conveyance Project, which is the most consequential water infrastructure project in recent California history, and will help ensure that the state can continue to provide water for **people, businesses, and farmland throughout the state**. The Delta Conveyance Project will upgrade the State Water Project, enabling California's water managers to capture and move more water during high-flow atmospheric rivers to better endure dry seasons. The tunnel, a modernization of the infrastructure system that delivers water to millions of people, would improve **California's ability to take advantage of intense periods of rain and excess flows in the Sacramento River**.

Learn more at build.ca.gov

Delta Tunnel Project Appeal Responds To Concerns from Environmentalists

Situation Could Affect the Tri-Valley and its Water Wholesaler, Zone 7

By David Jen
Nov 27, 2025

TRI-VALLEY — An appeal submitted last week may pause the Delta Conveyance Project (DCP) if the Delta Stewardship Council, the state body charged with implementing a Delta sustainability plan, upholds the appeal.

The DCP, also known as the Delta Tunnel, proposes to build a 45-mile-long tunnel from the Sacramento River at the town of Hood to the Bethany Reservoir near Mountain House.

The California Department of Water Resources (DWR), the project's lead agency, has said that the tunnel is necessary to modernize the State Water Project (SWP), which currently shoulders earthquake risks with a single delta intake downstream of an aging levee system.

The SWP's system of canals, pipelines and reservoirs collectively provides water to 750,000 acres of farmland and 27 million people in the state. The Zone 7 Water Agency, which manages and wholesales water in the Tri-Valley, sources as much as 90% of its supply from the SWP.

The state Delta Protection Commission on Nov. 17 voted 9-0 with one abstention to appeal an Oct. 14 certification by DWR that the tunnel project is consistent with a regional management strategy known as the Delta Plan.

"If carried out as proposed, the DCP will irrevocably alter the rural character of the Delta, its economic pillars (agriculture and recreation), and its cultural heritage," wrote Amanda Bohl, executive director of the commission, in the commission's appeal letter to the Delta Stewardship Council.

The Delta Plan provides an enforceable long-term strategy to pursue two coequal goals: to provide a more reliable water supply and to protect, restore and enhance the region's ecosystem. Projects in the region must demonstrate consistency with the plan to proceed.

"(The DCP) represents a significant adverse impact on the achievement of one or both of the coequal goals, since the coequal goals must be achieved in a manner that protects and enhances the unique cultural, recreational, natural-resource and agricultural values of the Delta as an evolving place," Bohl continued. "The DCP purports to achieve water-supply reliability, but at the expense of the Delta.

The letter details some 3,800 acres of farmland that would be lost to the project, along with damages to the region's \$250 million recreation industry as the tunnel construction would inhibit visitation to the area's marinas, bait shops, boat builders and other recreation service providers for an estimated 13 years. The tunnel project, the commission continued, fails to sufficiently mitigate these losses.

If the stewardship council upholds the commission's or any other appeal of the certification, the project could be returned to DWR to address Delta Plan inconsistencies.

DWR wrote in its certification of consistency, "Substantial evidence demonstrates that DWR has followed the Delta Plan's recommendations to promote, evaluate, design and implement new and improved facilities for water conveyance and water diversion in the Delta, and that the covered action (DCP) will achieve the Delta Plan's goal of improving the Delta's water-conveyance system,"

Tri-Valley State Senator Jerry McNerney has opposed the DCP for its \$20 billion price tag and its plans to destroy farmland, fisheries and tribal resources in the Delta region, which he also represents.

"The deeply flawed certification of the tunnel project must not move forward, because it fails to adequately address the widespread destruction that the project will inflict on a generation of Delta residents and their communities," McNerney and Assemblymember Lori Wilson wrote in a statement prior to the Delta Protection Commission's meeting. "The project also directly conflicts with California law, which requires the state to protect and enhance 'the unique cultural, recreational, natural-resource and agricultural values of the Delta.' And finally, the certification neglects to sufficiently consider alternatives to the tunnel project that would be far better for the environment, the Delta and the state, such as fortifying Delta levees and expanding water recycling and groundwater storage."

Environmental groups such as San Francisco Baykeeper, Friends of the River and Sierra Club have also highlighted the ecosystem damages that the tunnel's freshwater diversions may produce.

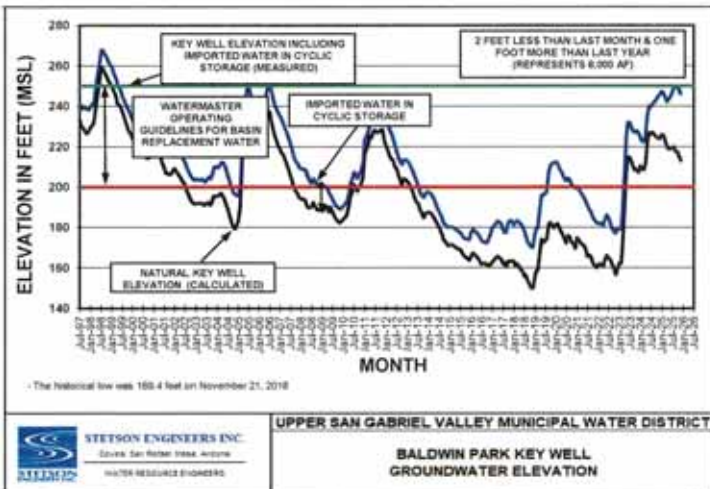
Delta Protection Commissioner David Hume, a Sacramento County supervisor, tempered his hopes that the appeal would preserve the Delta's resources and communities.

"We have a better chance if we take action than if we don't," Hume said at the Nov. 17 meeting. "It's still an uphill push and it's still as much of a popularity contest of just trying to make our case and have people see our side as it is to present common-sense facts. I don't think facts are going to win the day. I think people need to understand there's more to this than just a thing — it is a place, and we are here to defend that place."



REPORT OF THE DISTRICT ENGINEER ON HYDROLOGIC CONDITIONS DECEMBER 10, 2025

Baldwin Park Key Well



Groundwater Elevation November 2025

	Groundwater Elevation (ft)	Difference from prior month (ft)	Difference from prior year (ft)
November 27, 2024	245.3		
October 31, 2025	248.3		
November 26, 2025	246.1	-2.2	0.8

Untreated Imported Water in Cyclic Storage Accounts

Producer Cyclic Storage	50,000 AF
MWD Cyclic Storage (For UD RDA Delivery)	157,000 AF
Other Cyclic Storage	23,000 AF
Total	230,000 AF*

*Represents about 29 feet of groundwater elevation at the Key Well

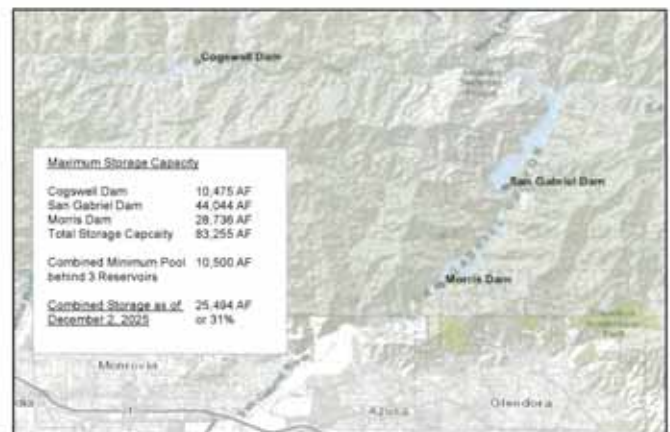
USG-3

- 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

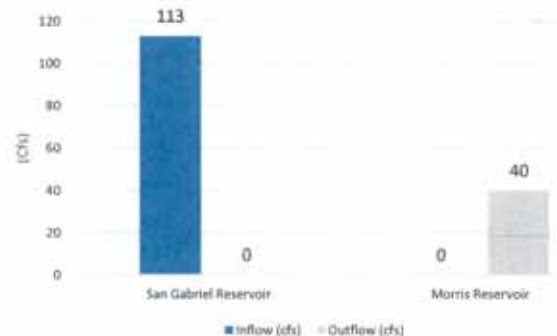


Reservoir Storage and Releases



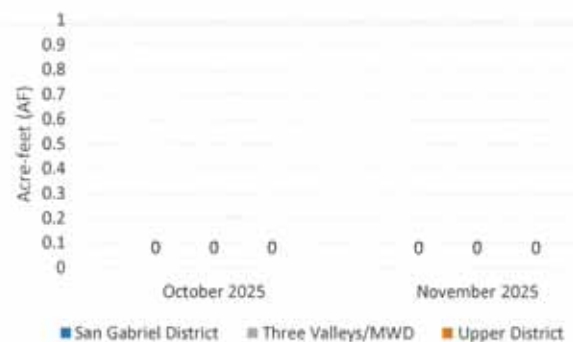
Reservoir Flow

As of: November 25, 2025



San Gabriel Canyon Spreading Grounds

Imported Deliveries to San Gabriel Canyon



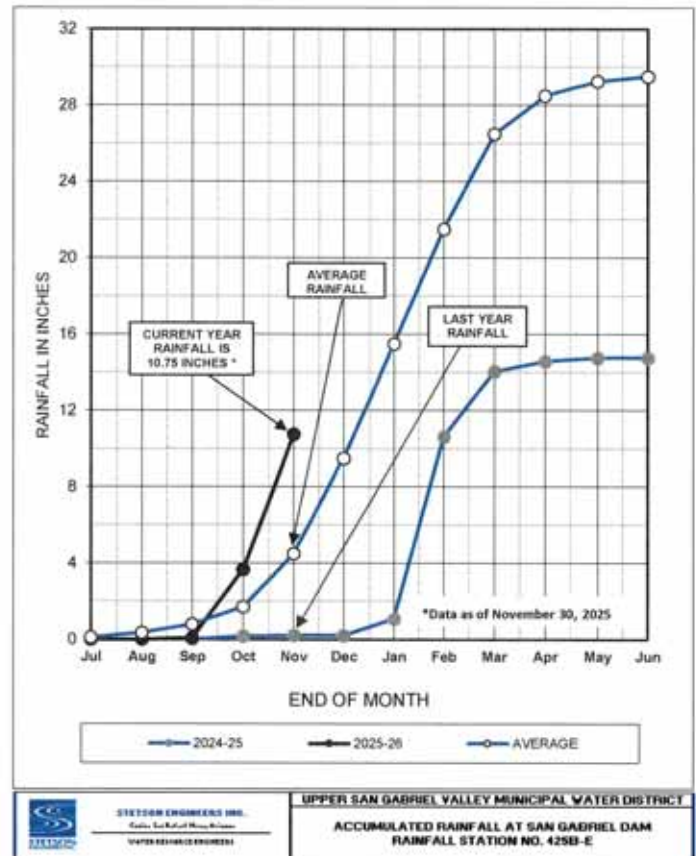
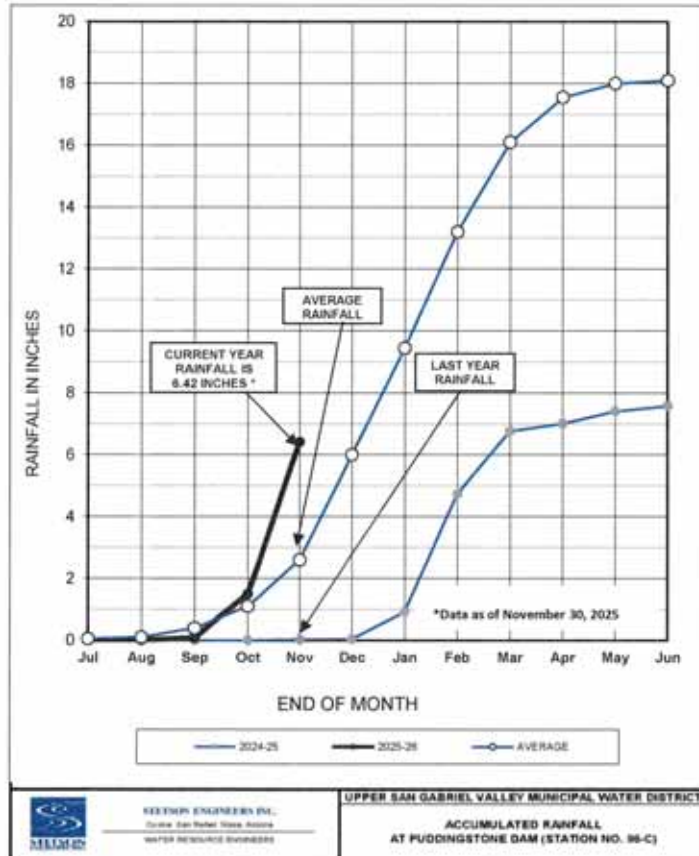
* On September 24, 2025, all deliveries ceased due to the reported detection of Golden Mussels at Silverwood Lake by County Staff



REPORT OF THE DISTRICT ENGINEER ON HYDROLOGIC CONDITIONS DECEMBER 10, 2025

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 2025, 37 wells were sampled under Title 22
- During October 2025, 47 wells were sampled under Title 22
- During October 2025, Stetson Engineers Inc. received no public notice of wells shut down due to contamination

MEMORANDUM

12. GENERAL MANAGER'S REPORT

General Manager's Monthly Report December 10, 2025

Water Supply Update



Baldwin Park Key Well: 246.1 feet on 11/26/25
San Gabriel Canyon: 25,494 AF combined storage as of 12/2/25
San Gabriel Reservoir: inflow 113 cfs; release 0 cfs
Morris Reservoir: inflow 0 cfs; release 40 cfs



USG-3 deliveries during October 2025:
 None
MWD Cyclic Account Balance (9/30/25):
 157,200 AF
Rainfall as of 11/30/25:

- 6.42" - Puddingstone Dam
- 10.75" - San Gabriel Dam

MWD Water Supply Conditions as of November 30, 2025, are summarized as follows:

Reservoir	Capacity	Current Storage
San Luis (SWP share)	1.06 MAF	85%, 902 TAF
Lake Oroville	3.42 MAF	51%, 1.76 MAF
Lake Powell	24.3 MAF	27%, 6.66 MAF
Lake Mead	26.1 MAF	32%, 8.34 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 2025 - \$82,473



Commercial Water\$mart Rebates

Since July 2025 - \$34,100



Water Smart Home Kits

Homes Served This Month: 53

Education and Outreach



MWD's "Being Water Wise Is..." Student Art Calendar Contest

- Two students were selected for the 2026 Student Art Calendar Contest and will be recognized at MWD's Artist Recognition Event on Thursday, December 11th.
 - Lucas Barreto, 4th Grade, Longley Way Elementary School (Arcadia).
 - Sylar Segovia, 6th Grade, Royal Oaks Steam Academy (Duarte).

Landscape Workshops

- Upper Water staff has secured the first landscape workshop of the winter/spring season with Green Media Creations. Additional spring workshops have been scheduled and will be announced soon.
 - Rain to Roots: Water for Your Garden* (webinar), presented by Green Media Creations on Thursday, January 29th, at 6:00 p.m.

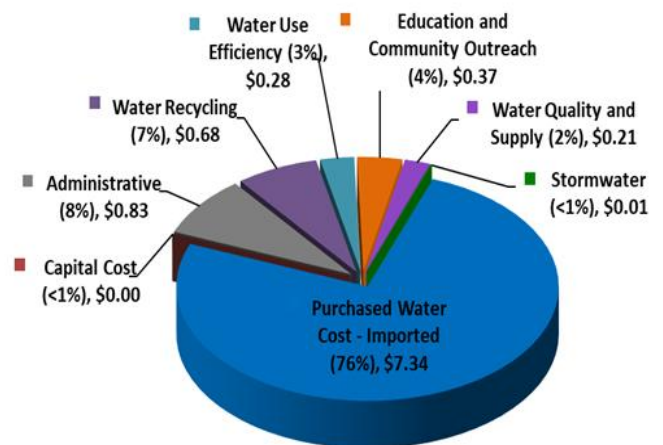
Finance and Administration

Financial Highlights through 10/31/25



- Treated water sales: 1,603 AF
- Untreated water sales: 5,100 AF
- Recycled water sales: 1,058 AF
- YTD net operating revenues: \$24K

YTD Use of Funds as of 10/31/25 - \$9.72M



**Summary Report for
The Metropolitan Water District of Southern California
Board Meeting
November 18, 2025**

CONSENT CALENDAR OTHER ITEMS - ACTION

Approved Special Committee on Ag and Tribal Partnerships and appointed:

Director Kurtz as Chair, Director Cordero as Vice Chair, Directors Armstrong, De Jesus, Erdman, Garza, McMillan, and Miller as members of the committee.

Director Denham appointed as a member of the Ad Hoc Committee on Colorado River Negotiations. **(Agenda Item 7B)**

CONSENT CALENDAR ITEMS – ACTION

a. Authorized agreement with HDR Engineering Inc. in an amount not to exceed \$1.80 million for a comprehensive investigation of Metropolitan's 230 kV transmission system; and b. Authorized an agreement with Towill, Inc. in an amount not to exceed \$270,000 to perform an aerial survey of the 230 kV transmission system. **(Agenda Item 7-1)**

a. Approved the draft of Appendix A (Attachment 1) attached to the board letter; b. Authorized the General Manager, or other designee of the Ad Hoc Committee, to finalize, with changes approved by the General Manager and General Counsel, Appendix A; and c. Authorized distribution of Appendix A, finalized by the General Manager or other designee of the Ad Hoc Committee, in connection with the sale and/or remarketing of bonds. **(Agenda Item 7-2)**

Authorized the General Manager to grant a permanent access easement to Pacific Gas and Electric for electrical transmission purposes on a portion of Metropolitan-owned real property in the Sacramento San Joaquin Bay Delta known as Bouldin Island and also identified as Assessor Parcel Number 069-030-38. **(Agenda Item 7-3)**

Authorized the General Manager to execute a new license agreement with Eastmore Partners, LLC for up to twenty years for access and supplemental parking purposes on Metropolitan fee-owned property in the city of Riverside and identified as County of Riverside Assessor Parcel Number 263-290-059. **(Agenda Item 7-4)**

Authorized an increase in the maximum amount payable under contract with Best, Best & Krieger, LLP for legal advice on environmental review and permitting issues related to Pure Water Southern California by \$100,000 to a maximum amount payable of \$350,000. **(Agenda Item 7-5)**

Approved the Metropolitan Water District of Southern California's salary schedules pursuant to CalPERS regulations. **(Agenda Item 7-6)**

OTHER BOARD ITEMS - ACTION

a. Awarded a \$35,722,000 contract to Kiewit Infrastructure West Co. to replace utilities at Eagle Mountain and Julian Hinds pumping plants; and b. Authorized an increase of \$320,000 to an existing agreement with AECOM Technical Services Inc. for a new not-to-exceed total of \$550,000 for technical support during construction. **(Agenda Item 8-1)**

Adopted the resolution finding that the ad valorem property tax rate limitation of Metropolitan Water District Act Section 124.5 is not applicable because it is essential to Metropolitan's fiscal integrity to collect ad valorem property taxes in excess of the limitation for fiscal years 2026/27 through 2035/36, consistent with the Ten-Year Financial Forecast. **(Agenda Item 8-2)**

Authorized an agreement with Securitas to provide security guard services for a maximum period of five years at a total cost not to exceed \$84 million. **(Agenda Item 8-3)**

Deferred at Committee (Agenda 8-4)

Authorized the General Manager to enter into an agreement with Intersect Power, LLC for mitigation of impacts to the Colorado River Aqueduct Transmission System. **(Agenda Item 8-5)**

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 19, 2025

A closed session was held pursuant to Government Code 54956.9 Section(d)(4) – Conference with Legal Counsel re: Initiation of Litigation (settlement opportunities with potential defendants) – two (2) matters.

Summary Report for the Main San Gabriel Basin Watermaster Regular Board Meeting November 05, 2025

The Board of Directors discussed the following items:

- Election of Producer nominees for Watermaster for calendar year 2026
- Appointments of public representatives for calendar year 2026
 - a) Certification of appointment of Steven T. Placido by San Gabriel Valley Municipal Water District
 - b) Certification of appointment of Anthony R. Fellow and Jennifer Santana by Upper San Gabriel Valley Municipal Water District
- 2026 Board Meeting dates
- Receipt of draft fiscal year 2024-25 annual report
- Receipt of draft annual 5-year water quality and supply plan
 - a) Set public comment period and public hearing date
- Authorization to purchase reliability storage water using resource development assessment for fiscal year 2024-25
- Authorization to purchase replacement water requirements for fiscal year 2024-25

MEMORANDUM

16.

AB 1234 Compliance Report

Directors' Activity Report – (AB 1234)

In accordance with CA Government Code Section 53232.3 (d)

November 2025

Anthony R. Fellow, Division 1

Date	Event	Description/Topics
November 2025	No reportable activity	

Charles M. Treviño, Division 2

Date	Event	Description/Topics
November 2025	No reportable activity	

Edward Chavez, Division 3

Date	Event	Description/Topics
November 2025	No reportable activity	

Katarina Garcia, Division 4

Date	Event	Description/Topics
November 2025	No reportable activity	

Jennifer Santana, Division 5

Date	Event	Description/Topics
November 2025	No reportable activity	