

As a matter of proper business decorum, the Board of Directors respectfully request that all cell phones be turned off or placed on vibrate. To prevent any potential distraction of the proceeding, we request that side conversations be taken outside the meeting room.

AGENDA
REGULAR BOARD MEETING
THREE VALLEYS MUNICIPAL WATER DISTRICT
1021 E. MIRAMAR AVENUE, CLAREMONT, CA 91711

Wednesday, October 21, 2020 – 8:00 a.m.

SPECIAL NOTICE OF TELECONFERENCE ACCESSIBILITY

Pursuant to the provisions of Executive Order N-29-20 issued by Governor Newsom in response to the COVID-19 outbreak and as a precaution to our Board of Directors, staff and the public, Three Valleys MWD will hold its Board meeting via teleconference. The public's physical attendance at the district is not allowed. The public may participate in the teleconference by clicking on the link below:

<https://attendee.gotowebinar.com/register/7281609623685036559>

(Dial-in instructions are provided after registering at the link above)

Any member of the public wishing to participate in Public Comment may do so by filling out the speaker's card at the following link: **<https://arcg.is/0z5GqO>**

The mission of Three Valleys Municipal Water District is to supplement and enhance local water supplies to meet our region's needs in a reliable and cost-effective manner.

Item 1 – Call to Order

Kuhn

Item 2 – Roll Call

**Executive
Assistant**

Item 3 – Additions to Agenda [Government Code Section 54954.2(b)(2)]

Kuhn

Additions to the agenda may be considered when two-thirds of the board members present determine a need for immediate action, and the need to act came to the attention of TVMWD after the agenda was posted; this exception requires a degree of urgency. If fewer than two-thirds of the board members are present, all must affirm the action to add an item to the agenda. *The Board shall call for public comment prior to voting to add any item to the agenda after posting.*

Item 4 – Reorder Agenda

Kuhn

Item 5 – Public Comment (Government Code Section 54954.3)

Kuhn

Opportunity for members of the public to directly address the Board on items of public interest within its jurisdiction. The public may also address the Board on items being considered on this agenda. TVMWD requests that all public speakers complete a speaker's card and provide it to the Executive Assistant.

We request that remarks be limited to five minutes or less. Pursuant to Government Code Section 54954.3, if speaker is utilizing a translator, the total allotted time will be doubled.

Item 6 – Presentation – [enc]

Howie

Mr. Mike Arnold and Ms. Kristi Foy of Arnold & Associates will provide the Board with a legislative update.

Item 7 – Consent Calendar

Kuhn

The Board will consider consent calendar items 7.A – 7.H listed below. Consent calendar items are routine in nature and approved by a single motion. Any member of the Board may request that a specific item be pulled from the consent calendar for further discussion.

7.A – Receive, Approve and File Minutes, September 2020 – [enc]

- September 2, 2020 – Regular Board Meeting
- September 16, 2020 – Regular Board Meeting

7.B – Receive, Approve and File Financial Reports and Investment Update, September 2020 - [enc]

- Change in Cash and Cash Equivalents Report
- Consolidated Listing of Investment Portfolio and Investment Report
- YTD District Budget Monthly Status Report
- Warrant List

7.C – Imported Water Sales, September 2020 – [enc]

The Board will review the imported water sales report for September 2020.

7.D – Miramar Operations Report, September 2020 – [enc]

The Board will review the Miramar Operations report for September 2020.

7.E – Approve Director Expense Reports, September 2020 – [enc]

The Board will consider approval of the September 2020 Director expense reports that include disclosure of per diem requests for meeting attendance and itemization of any expenses incurred by TVMWD.

7.F – Approve Resolution No. 20-10-880 of the Three Valleys MWD Supporting Approval of the Chino Basin Watermaster Optimum Basin Management Program (OBMP) – [enc]

The Board will consider approval of Resolution No. 20-10-880 in support of the approval of the Chino Basin Watermaster OBMP.

7.G – Approve Purchasing Policy Update – [enc]

The Board will consider approval of an update to TVMWD’s Purchasing Policy.

7.H – CY 2021 Holiday Schedule – [enc]

The Board will receive, approve, and file the proposed CY 2021 Holiday Schedule.

Items 7.A – 7.H – Board Action Required

Staff recommendation: Approve as presented

Item 8 – General Manager’s Report

Litchfield

The Executive Leadership Team will provide brief updates on existing matters under their purview and will be available to respond to any questions thereof.

8.A – FY 19-20 Audit and Comprehensive Annual Financial Report (CAFR) – [enc]

Linthicum

The Board will consider approval of the FY ending 19-20 Audit and CAFR.

Item 8.A – Board Action Required

Staff recommendation: Approve as presented

8.B – FY 19-20 Final Reserve Schedule – [enc]

Linthicum

The Board will consider for approval the FY 19-20 final reserve schedule.

Item 8.B – Board Action Required

Staff recommendation: Approve as presented

8.C – Audit Services Agreement – [enc]

Linthicum

The Board will consider for approval a proposal from the current auditors for a continuation of their financial audit services.

Item 8.C – Board Action Required

Staff recommendation: Approve as presented

8.D – Review Insurance Plan Changes to Life and Accidental Death & Dismemberment Insurance, Short-Term Disability and Long-Term Disability – [enc]

Pena

The Board will review changes to Life and AD&D Insurance, Short-Term Disability and Long-Term Disability.

Item 9 – Directors’ / General Manager’s Oral Reports

Kuhn

Directors and the Managers may report on activities for meetings to which they are assigned to serve as the representative or alternate of TVMWD, and on other areas of interest.

Item 10 – Closed Session

Kuhn

Conference with Legal Counsel – Anticipated Litigation

- Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2)
- One potential case

Item 11 – Future Agenda Items

Kuhn

Item 12 – Adjournment and Next Meeting

Kuhn

The Board will adjourn to a Regular Board Meeting on Wednesday, November 4, 2020 at 8:00 a.m.

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



Any request for disability-related modifications or accommodations (including auxiliary aids or services) sought to participate in the above public meeting should be directed to the TVMWD's Executive Assistant at (909) 621-5568 at least 24 hours prior to meeting.

Agenda items received after posting
Government Code Section 54957.5

Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review at the TVMWD office located at, 1021 East Miramar Avenue, Claremont, CA, 91711. The materials will also be posted on the TVMWD website at www.threevalleys.com.

Three Valleys MWD Board Meeting packets and agendas are available for review on its website at www.threevalleys.com.



Michael J. Arnold & Associates
Legislative Advocates and Consultants

Three Valleys Municipal Water Department Legislative Status Report 10/13/2020

[AB 11](#)

[Chiu D](#)

Community Redevelopment Law of 2019.

Text Version:

Amended: 4/11/2019

Position: Watch

[html](#) [pdf](#)

Status:

2/3/2020-From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.

(1)The California Constitution, with respect to any taxes levied on taxable property in a redevelopment project established under the Community Redevelopment Law, as it then read or may be amended, authorizes the Legislature to provide for the division of those taxes under a redevelopment plan between the taxing agencies and the redevelopment agency, as provided. This bill, the Community Redevelopment Law of 2019, would authorize a city or county, or two or more cities acting jointly, to propose the formation of an affordable housing and infrastructure agency by adoption of a resolution of intention that meets specified requirements, including that the resolution of intention include a passthrough provision and an override passthrough provision, as defined. The bill would require the city or county to submit that resolution to each affected taxing entity and would authorize an entity that receives that resolution to elect to not receive a passthrough payment, as provided. The bill would require the city or county that adopted that resolution to hold a public hearing on the proposal to consider all written and oral objections to the formation, as well as any recommendations of the affected taxing entities, and would authorize that city or county to adopt a resolution of formation at the conclusion of that hearing. The bill would then require that city or county to submit the resolution of intention to the Strategic Growth Council for a determination as to whether the agency would promote statewide greenhouse gas reduction goals. The bill would require the council to approve formation of the agency if it determines that formation of the agency both (1) would not result in a state fiscal impact, determined as specified by the Controller, that exceeds a specified amount and (2) would promote statewide greenhouse gas reduction goals. The bill would deem an agency to be in existence as of the date of the council's approval. The bill would require the council to establish a program to provide technical assistance to a city or county desiring to form an agency pursuant to these provisions. This bill contains other related provisions and other existing laws.

An act to add Section 41202.7 to the Education Code, and to amend Section 53993 of, and to add Title 23 (commencing with Section 100600) to, the Government Code, relating to redevelopment.

[AB 60](#)

[Friedman D](#)

Water conservation: water meters: accuracy standards.

Text Version:

Amended: 2/25/2019

Position: Watch

[html](#) [pdf](#)

Status:

2/3/2020-From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.

Existing law requires the State Energy Resources Conservation and Development Commission to establish design and construction standards and energy and water conservation design standards for new residential and new nonresidential buildings to reduce the wasteful, uneconomic, inefficient, or unnecessary consumption of energy, including energy associated with the use of water. Existing law requires the commission to establish minimum levels of operating efficiency to promote the use of energy and water efficient appliances, including landscape irrigation equipment. This bill would require the commission, on or before January 1, 2022, to adopt regulations setting standards for the accuracy of water meters, as described. The bill would prohibit any water meter manufactured on or after the effective date of those regulations from being sold or offered for sale in the state, or installed by a water purveyor, unless it is certified by the manufacturer to be in compliance with those standards. Notwithstanding these provisions, the bill would require the regulations to include an exception for purchase of a noncompliant water meter pursuant to a contract entered into before January 1, 2020, and the subsequent installation of that water meter. The bill would allow a water purveyor to maintain water meters that are installed as of the effective date of the regulations, or pursuant to that exception, until the end of their useful service, as determined by the water purveyor.

An act to add Section 25401.8 to the Public Resources Code, relating to water conservation.

[AB 134](#)

[Bloom D](#)

Safe Drinking Water Restoration.

Text Version:

Amended: 5/20/2019

Position: Watch

[html](#) [pdf](#)

Status:

8/18/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was E.Q. on 6/12/2019)

(1) Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. The act authorizes the board to order consolidation with a receiving water system where a public water system or a state small water system, serving a disadvantaged community, consistently fails to provide an adequate supply of safe drinking water. The act, if consolidation is either not appropriate or not technically and economically feasible, authorizes the board to contract with an administrator to provide administrative and managerial services to designated public water systems and to order the designated public water system to accept administrative and managerial services, as specified. Existing law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. Assembly Bill 217 of the 2019–20 Regular Session of the Legislature, if enacted, would require the board to adopt an assessment of funding need that identifies systems and populations potentially in need of assistance and an analysis of anticipated funding needed based on the amount available in the Safe and Affordable Drinking Water Fund. This bill would require the board to report to the Legislature by July 1, 2025, on its progress in restoring safe drinking water to all California communities and to create an internet website that provides data transparency for all of the board's activities described in this measure. The bill would require the board to develop metrics to measure the efficacy of the fund in ensuring safe and affordable drinking water for all Californians. The bill would require the Legislative Analyst's Office, at least every 5 years, to provide an assessment of the effectiveness of expenditures from the Safe and Affordable Drinking Water Fund proposed by AB 217 of the 2019–20 Regular Session. This bill contains other related provisions and other existing laws.

An act to add Chapter 8 (commencing with Section 117200) to Part 12 of Division 104 of the Health and Safety Code, relating to drinking water.

[AB 223](#)[Stone, Mark D](#)**California Safe Drinking Water Act: microplastics.**

Text Version:

Introduced: 1/16/2019

Position: Watch

[html](#) [pdf](#)

Status:

2/3/2020-From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Existing law requires the state board, on or before July 1, 2020, to adopt a definition of microplastics in drinking water and, on or before July 1, 2021, to adopt a standard methodology to be used in the testing of drinking water for microplastics and requirements for 4 years of testing and reporting of microplastics in drinking water, including public disclosure of those results. This bill would require the state board, to the extent possible, and where feasible and cost effective, to work with the State Department of Public Health in complying with those requirements.

An act to amend Section 116376 of the Health and Safety Code, relating to drinking water.

[AB 231](#)[Mathis R](#)**California Environmental Quality Act: exemption: recycled water.**

Text Version:

Introduced: 1/17/2019

Position: Watch

[html](#) [pdf](#)

Status:

1/17/2020-Failed Deadline pursuant to Rule 61(b)(1). (Last location was 2 YEAR on 2/7/2019)

Existing law, the California Environmental Quality Act (CEQA), requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA exempts certain projects from its requirements. This bill would exempt from CEQA a project to construct or expand a recycled water pipeline for the purpose of mitigating drought conditions for which a state of emergency was proclaimed by the Governor if the project meets specified criteria. Because a lead agency would be required to determine if a project qualifies for this exemption, this bill would impose a state-mandated local program. The bill would also exempt from CEQA the development and approval of building standards by state agencies for recycled water systems. This bill contains other related provisions and other existing laws.

An act to add Sections 21080.44 and 21080.45 to the Public Resources Code, relating to environmental quality.

[AB 292](#)[Quirk D](#)**Recycled water: raw water and groundwater augmentation.**

Text Version:

Amended: 6/20/2019

Position: Watch

[html](#) [pdf](#)

Status:

8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. 2 YEAR on 9/15/2019)

Existing law requires the State Water Resources Control Board, on or before December 31, 2023, to adopt uniform water recycling criteria for direct potable reuse through raw water augmentation, as specified. Existing law defines "direct potable reuse" and "indirect potable reuse for groundwater recharge" for these purposes. This bill would eliminate the definition of "direct potable reuse" and instead would substitute the term "groundwater augmentation" for "indirect potable reuse for groundwater recharge" in these definitions. The bill would revise the definition of "treated drinking water augmentation." The bill would require, on or before December 31, 2023, the state board to adopt uniform water recycling criteria for raw water augmentation. The bill would make conforming changes in other areas relating to potable reuse.

An act to amend Sections 10608.12, 10633, 13263.7, 13561, 13561.2, 13570, and 13578 of the Water Code, relating to water.

[AB 352](#) **Garcia, Eduardo D** **Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020.**
Text Version: Amended: 8/14/2019 Position: Watch
[html](#) [pdf](#)
Status: 8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. E.Q. on 8/14/2019)

Under existing law, programs have been established pursuant to bond acts for, among other things, drought, water, parks, climate, coastal protection, and outdoor access for all. This bill would enact the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$3,920,000,000 pursuant to the State General Obligation Bond Law to finance a wildfire prevention, safe drinking water, drought preparation, and flood protection program. The bill would provide for the submission of these provisions to the voters at the November 3, 2020, statewide general election. The bill would provide that its provisions are severable.

An act to add Division 47 (commencing with Section 80200) to the Public Resources Code, relating to a wildfire prevention, safe drinking water, drought preparation, and flood protection program, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds.

[AB 382](#) **Mathis R** **Integrated regional water management plans: grant funding: upper watershed health.**
Text Version: Introduced: 2/5/2019 Position: Watch
[html](#) [pdf](#)
Status: 2/3/2020-From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.

Existing law, the Integrated Regional Water Management Planning Act, authorizes a regional water management group to prepare and adopt an integrated regional water management plan with specified components relating to water supply and water quality. Existing law provides that an integrated regional water management plan is eligible for funding allocated specifically for implementation of integrated regional water management. Existing law requires certain state agencies to include in any set of criteria used to select projects and programs for funding, a criterion that provides a preference for regional projects or programs. This bill would require the department to include in any criteria used to select a project or program for grant funding authorized on or after January 1, 2020 a criterion that provides a preference for a regional water management group undertaking a project improving upper watershed health upstream and outside of the defined geographical area covered by the group's plan. The bill, if consistent with a general obligation bond act providing grant funding authorized on or after January 1, 2020, would require a group to contribute a lower amount of matching funds as a local cost share for a project that improves upper watershed health upstream and outside of the defined geographical area covered by the group's plan.

An act to add Section 10544.1 to the Water Code, relating to water.

[AB 402](#) **Quirk D** **State Water Resources Control Board: local primacy delegation: funding stabilization program.**
Text Version: Amended: 6/18/2019 Position: Watch
[html](#) [pdf](#)
Status: 8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was S. 2 YEAR on 8/30/2019)

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health, including, but not limited to, conducting research, studies, and demonstration programs relating to the provision of a dependable, safe supply of drinking water, enforcing the federal Safe Drinking Water Act, adopting implementing regulations, and conducting studies and investigations to assess the quality of water in private domestic water supplies. The act authorizes the state board to delegate, through a local primacy delegation agreement, primary responsibility for the act's administration and enforcement within a county to a local health officer, as specified. The act requires that a local primacy delegation remain in effect until specified conditions occur. This bill would authorize the state board to delegate partial responsibility for the act's administration and enforcement by means of a local primacy delegation agreement. The bill would authorize the state board, for counties that have not been delegated primary responsibility as of January 1, 2020, to offer an opportunity for the county to apply for partial or primary responsibility if the state board determines that it needs assistance in performing administrative and enforcement activities, as specified. The bill would authorize the state board to approve the application for delegation if the state board determines that the local health officer is able to sufficiently perform the administrative and enforcement activities and would specify that a local primacy agency has all of the authority over designated public water systems as is granted to the state board by the act. This bill contains other related provisions and other existing laws.

An act to amend Sections 116330 and 116565 of the Health and Safety Code, relating to drinking water.

[AB 405](#) **Rubio, Blanca D** **Sales and use taxes: exemption: water treatment.**
Text Version: Amended: 4/25/2019 Position: Watch
[html](#) [pdf](#)
Status: 8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was A. DEAD on 1/31/2020)

Existing sales and use tax laws impose a tax on retailers measured by the gross receipts from the sale in this state of, or the storage, use, or other consumption in this state of, tangible personal property. The Sales and Use Tax Law provides various exemptions from that tax, including an exemption for the sale of, or the storage, use, or consumption of, gas, electricity, and water when delivered to consumers, as specified. This bill would provide that, notwithstanding Section 2230 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse any local agencies for sales and use tax revenues lost by them pursuant to this bill. This bill contains other related provisions and other existing laws.

An act to amend Section 6353 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[AB 441](#) **[Eggman D](#)** **Water: underground storage.**
 Text Version: Amended: 3/27/2019 Position: Oppose
 [html](#) [pdf](#)
 Status: 2/3/2020-From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.

Under existing law, the right to water or to the use of water is limited to that amount of water that may be reasonably required for the beneficial use to be served. Existing law provides for the reversion of water rights to which a person is entitled when the person fails to beneficially use the water for a period of 5 years. Existing law declares that the storing of water underground, and related diversions for that purpose, constitute a beneficial use of water if the stored water is thereafter applied to the beneficial purposes for which the appropriation for storage was made. This bill would instead provide that any diversion of water to underground storage constitutes a diversion of water for beneficial use for which an appropriation may be made if the diverted water is put to beneficial use, as specified. The bill would provide that the forfeiture periods of a water right do not include any period when the water is being used in the aquifer or storage area or is being held in underground storage for later application to beneficial use.

An act to amend Section 1242 of the Water Code, relating to water.

[AB 510](#) **[Cooley D](#)** **Local government records: destruction of records.**
 Text Version: Introduced: 2/13/2019 Position: Support
 [html](#) [pdf](#)
 Status: 2/3/2020-From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.

Existing law authorizes the head of a department of a county or city, or the head of a special district to destroy recordings of routine video monitoring maintained by that county, city, or special district after one year if that person receives approval from the legislative body and the written consent of the agency attorney. Existing law authorizes the head of a department of a county or city, or the head of a special district to destroy recordings of telephone and radio communications maintained by that county, city, or special district after 100 days if that person receives approval from the legislative body and the written consent of the agency attorney. This bill would exempt the head of a department of a county or city, or the head of a special district from these recording retention requirements if the county, city, or special district adopts a records retention policy governing recordings of routine video monitoring and recordings of telephone and radio communications.

An act to amend Sections 26202.6, 34090.6, and 53160 of the Government Code, relating to local government.

[AB 533](#) **[Holden D](#)** **Income taxes: exclusion: turf removal water conservation program.**
 Text Version: Amended: 4/4/2019 Position: Support
 [html](#) [pdf](#)
 Status: 8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was A. DEAD on 1/31/2020)

The Personal Income Tax Law and the Corporation Tax Law, in conformity with federal income tax law, generally defines "gross income" as income from whatever source derived, except as specifically excluded, and provides various exclusions from gross income. Existing law, for taxable years beginning on or after January 1, 2014, and before January 1, 2019, excludes from gross income under both laws any amount received as a rebate, voucher, or other financial incentive issued by a local water agency or supplier for participation in a turf removal water conservation program. Existing law limits the collection and use of taxpayer information and provides that any unauthorized use of this information is punishable as a misdemeanor. This bill would extend the operative date of the provisions excluding from gross income specified amounts received in a turf removal water conservation program to taxable years beginning before January 1, 2024. The bill would require the Department of Finance to include an analysis of these exclusions in its annual tax expenditure report provided to the Legislature and further provides that taxpayer information collected pursuant to this requirement is subject to the limitation on the collection and use of that information. This bill contains other related provisions and other existing laws.

An act to amend Sections 17138.2 and 24308.2 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[AB 636](#) **[Gray D](#)** **State Water Resources Control Board: water quality objectives.**
 Text Version: Introduced: 2/15/2019 Position: Watch
 [html](#) [pdf](#)
 Status: 2/3/2020-From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.

Existing law establishes the State Water Resources Control Board and the 9 California regional water quality control boards as the principal state agencies with authority over matters relating to water quality. Existing law requires the state board to formulate and adopt state policy for water quality control. Existing law requires each regional board to formulate and adopt water quality control plans for all areas within the region, as provided. Existing law authorizes the state board to adopt certain water quality control plans. This bill would prohibit the state board from implementing water quality objectives for which the state board makes a certain finding relating to environmental quality until it has submitted the water quality objectives and a statement of that finding to the appropriate policy committees of the Legislature and each committee has held a hearing on these matters.

An act to add Section 13170.7 to the Water Code, relating to water.

[AB 637](#)**Gray D State Water Resources Control Board: disadvantaged communities: drinking water.**

Text Version: Amended: 4/11/2019 Position: Watch
[html](#) [pdf](#)

Status: 2/3/2020-From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.

Existing law establishes the State Water Resources Control Board and states the intent of the Legislature that the board administer the water rights, water quality, and drinking water functions of the state government to provide for coordinated consideration of water rights, water quality, and safe and reliable drinking water. Existing law provides to the board any powers that may be necessary or convenient for the exercise of its duties authorized by law. Existing law, the California Safe Drinking Water Act, requires the board to administer provisions relating to the regulation of drinking water to protect public health. This bill would require the board, before taking an action that significantly impacts drinking water, to use existing information to identify impacted disadvantaged communities and to seek to reduce impacts to those communities to the greatest extent practicable. The bill would also require the board to ensure that disadvantaged communities are provided an opportunity to participate in the public process for a decision that significantly impacts drinking water by holding a public hearing in or near an impacted community.

An act to add Section 186.5 to the Water Code, relating to water resources.

[AB 638](#)**Gray D Department of Water Resources: water storage: climate change impacts.**

Text Version: Vetoed: 10/13/2019 Position: Watch
[html](#) [pdf](#)

Status: 1/21/2020-Consideration of Governor's veto stricken from file.

Existing law requires the Department of Water Resources to gather and correlate information and data pertinent to an annual forecast of seasonal water crop, as specified. Existing law also requires the department to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as the California Water Plan. This bill would require the department, as part of the update to the California Water Plan every 5 years, to identify water storage facilities vulnerable to climate change impacts and the mitigation strategies for anticipated adverse impacts, as provided. The bill would require the department to provide a copy of this information to the appropriate policy committees of the Legislature and to the Natural Resources Agency and the Office of Planning and Research for specified climate adaptation planning functions. The bill would require the department, subject to an appropriation, to mitigate, or make grants available for the mitigation of, adverse impacts to water storage facilities caused by climate change, as specified.

An act to add Section 10004.7 to the Water Code, relating to water resources.

[AB 685](#)**Reyes D COVID-19: imminent hazard to employees: exposure: notification: serious violations.**

Text Version: Chaptered: 9/17/2020 Position: Watch
[html](#) [pdf](#)

Status: 9/17/2020-Approved by the Governor. Chaptered by Secretary of State - Chapter 84, Statutes of 2020.

(1)Existing law, the California Occupational Safety and Health Act of 1973 (OSHA), requires the Division of Occupational Safety and Health, when, in its opinion, a place of employment, machine, device, apparatus, or equipment or any part thereof is in a dangerous condition, is not properly guarded, or is dangerously placed so as to constitute an imminent hazard to employees, to prohibit entry or use, as applicable, and to attach a conspicuous notice of that condition, as specified. OSHA requires that this prohibition be limited to the immediate area in which the imminent hazard exists. OSHA prohibits this notice from being removed except by an authorized representative of the division under certain conditions. OSHA makes a violation of this provision regarding dangerous conditions a crime. This bill would authorize the division, when, in its opinion, a place of employment, operation, or process, or any part thereof, exposes workers to the risk of infection with severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2, also known as COVID-19), so as to constitute an imminent hazard to employees, to prohibit the performance of that operation or process, or entry into that place of employment. The bill would require the division to provide a notice thereof to the employer, to be posted in a conspicuous place at the place of employment. The bill would require such a prohibition to be limited to the immediate area in which the imminent hazard exists, as specified. The bill would require such a prohibition to be issued in a manner so as not to materially interrupt the performance of critical governmental functions essential to ensuring public health and safety functions or the delivery of electrical power or water. By expanding the

scope of a crime, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

An act to amend, repeal, and add Sections 6325 and 6432 of, and to add and repeal Section 6409.6 of, the Labor Code, relating to occupational safety.

[AB 722](#) **[Bigelow R](#)** **Water: dams: fees.**
 Text Version: Amended: 4/2/2019 Position: Watch
 [html](#) [pdf](#)
 Status: 8/18/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was N.R. & W. on 5/29/2019)

Existing law requires the Department of Water Resources to supervise the maintenance and operation of dams and reservoirs as necessary to safeguard life and property. Existing law requires the department to adopt, by regulation, a schedule of fees to cover the department's costs in carrying out the supervision of dam safety. Existing law limits the total annual fee for a dam or reservoir located on a farm or ranch property or a privately owned dam with less than 100 acre-feet of storage capacity to no more than 20% of the fees assessed pursuant to the schedule of fees. This bill would limit the total annual fee for a dam operated by certain irrigation districts to no more than 20% of the fees assessed pursuant to the schedule of fees.

An act to amend Section 6307 of the Water Code, relating to water.

[AB 835](#) **[Quirk D](#)** **Safe recreational water use: standards: harmful algal blooms.**
 Text Version: Amended: 4/2/2019 Position: Watch
 [html](#) [pdf](#)
 Status: 2/3/2020-From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.

Existing law authorizes recreational activities in which there is bodily contact with the water by any participant, in certain reservoirs, only in accordance with prescribed requirements. Existing law also requires the State Department of Public Health, by regulation and in consultation with the State Water Resources Control Board, local health officers, and the public, to establish, maintain, and amend as necessary, minimum standards for the sanitation of public beaches. This bill would require the State Water Resources Control Board by regulation and in consultation with the State Department of Public Health local health officers, California Native American tribes, as defined, and the public, to establish, maintain, and amend as necessary, minimum standards for the safety of freshwater recreational bodies as related to harmful algal blooms, as it determines are reasonably necessary for the protection of the public health and safety.

An act to add Article 2.1 (commencing with Section 115917) to Chapter 5 of Part 10 of Division 104 of the Health and Safety Code, relating to safe recreational water use.

[AB 937](#) **[Rivas, Robert D](#)** **Waste discharge requirements: produced water: oil and gas operations.**
 Text Version: Introduced: 2/20/2019 Position: Watch
 [html](#) [pdf](#)
 Status: 2/3/2020-From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.

Under the Porter-Cologne Water Quality Control Act, the State Water Resources Control Board and the California regional water quality control boards are the principal agencies with authority over water quality. Under the act, persons discharging waste are required to file with the appropriate regional board a report of the discharge and the discharge is subject to waste discharge requirements prescribed by that regional board. This bill would authorize a regional board to approve a waste discharge requirement for the use or reuse of produced water from an oil and gas operation for agricultural purposes or for groundwater recharge, only if, after a public hearing, it finds that the California Council on Science and Technology has reviewed the best available independent scientific evidence and has found the use will not pose a significant risk to the public from any contaminants in the produced water, as provided.

An act to add Section 13263.8 to the Water Code, relating to water quality.

[AB 955](#) **[Gipson D](#)** **Water replenishment districts: water system needs assessment program.**
 Text Version: Amended: 7/11/2019 Position: Watch
 [html](#) [pdf](#)
 Status: 8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was S. 2 YEAR on 8/30/2019)

Existing law, the Water Replenishment District Act, provides for the formation, organization, and functioning of water replenishment districts and authorizes a district to do any act necessary to replenish the groundwater of the district. This bill would authorize a water replenishment district, pursuant to an agreement with the State Water Resources Control Board, to offer to conduct a needs assessment program for water systems serving disadvantaged communities within the district, as specified. The bill would make a water system's participation in the program voluntary. The bill would authorize the district, upon completion of the needs assessment, to develop and evaluate options to address the findings and recommendations in the needs assessment and prepare an implementation plan for recommendation to the water system. The bill would authorize the district, to the extent it receives federal or state grants that may be used for this purpose, to assist the water system in

implementing the plan, and would require the participating district to prepare an annual report regarding the services, costs, and sources of funding for all actions taken under this program. The bill would repeal these provisions as of January 1, 2026.

An act to add and repeal Section 60234 of the Water Code, relating to water.

[AB 1184](#) **[Gloria D](#)** **Public records: writing transmitted by electronic mail: retention.**
 Text Version: Vetoed: 10/13/2019 Position: Oppose
 [html](#) [pdf](#)
 Status: 1/21/2020-Consideration of Governor's veto stricken from file.

The California Public Records Act requires a public agency, defined to mean any state or local agency, to make public records available for inspection, subject to certain exceptions. Existing law specifies that public records include any writing containing information relating to the conduct of the public's business, including writing transmitted by electronic mail. The act requires any agency that has any information that constitutes a public record not exempt from disclosure to make that public record available in accordance with certain provisions, and authorizes every agency to adopt regulations stating the procedures to be followed when making its records available, if the regulations are consistent with those provisions. Existing law authorizes cities, counties, and special districts to destroy or to dispose of duplicate records that are less than two years old when they are no longer required by the city, county, or special district, as specified. This bill would, unless a longer retention period is required by statute or regulation, or established by the Secretary of State pursuant to the State Records Management Act, require a public agency, for purposes of the California Public Records Act, to retain and preserve for at least 2 years every public record, as defined, that is transmitted by electronic mail. This bill contains other related provisions and other existing laws.

An act to add Section 6253.32 to the Government Code, relating to public records.

[AB 1194](#) **[Frazier D](#)** **Sacramento-San Joaquin Delta: Delta Stewardship Council.**
 Text Version: Introduced: 2/21/2019 Position: Oppose
 [html](#) [pdf](#)
 Status: 2/3/2020-From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.

Existing law, the Sacramento-San Joaquin Delta Reform Act of 2009, establishes the Delta Stewardship Council, which consists of 7 members, and requires the council to develop, adopt, and commence implementation of a comprehensive management plan for the Delta, known as the Delta Plan. This bill would increase the membership of the council to 13 members, including 11 voting members and 2 nonvoting members, as specified. By imposing new duties upon local officials to appoint new members to the council, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

An act to amend Section 85200 of, and to add Sections 85061, 85066.5, and 85200.5 to, the Water Code, relating to the Sacramento-San Joaquin Delta.

[AB 1204](#) **[Rubio, Blanca D](#)** **Public water systems: primary drinking water standards: implementation date.**
 Text Version: Introduced: 2/21/2019 Position: Support
 [html](#) [pdf](#)
 Status: 2/3/2020-From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health, including, but not limited to, conducting research, studies, and demonstration programs relating to the provision of a dependable, safe supply of drinking water, enforcing the federal Safe Drinking Water Act, adopting implementing regulations, and conducting studies and investigations to assess the quality of water in private domestic water supplies. The act requires the board to adopt primary drinking water standards for contaminants in drinking water and requires the Office of Environmental Health Hazard Assessment to prepare and publish an assessment of the risks to public health posed by each contaminant for which the board proposes a primary drinking water standard. Existing law requires the state board to consider specified criteria when it adopts a primary drinking water standard, including the technological and economic feasibility of compliance. This bill would require the adoption or amendment of a primary drinking water standard for a contaminant in drinking water not regulated by a federal primary drinking water standard or that is more stringent than a federal primary drinking water standard to take effect 3 years after the date on which the state board adopts or amends the primary drinking water standard. The bill would authorize the state board to delay the effective date of the primary drinking water standard adoption or amendment by no more than 2 additional years as necessary for capital improvements to comply with a maximum contaminant level or treatment technique.

An act to add Section 116365.1 to the Health and Safety Code, relating to drinking water.

[AB 1381](#) **[Salas D](#)** **Safe Drinking Water Plan.**
 Text Version: Amended: 3/18/2019 Position: Watch
 [html](#) [pdf](#)
 Status: 2/3/2020-From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.

Existing law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. Existing law, known as the California Safe Drinking Water Act, requires the State Water Resources Control Board to maintain a drinking water program and carry out various duties, responsibilities, and functions relating to drinking water, including submission to the Legislature, every 5 years, of a comprehensive Safe Drinking Water Plan for California that includes, but is not limited to, specified information including, among other things, an analysis of the overall quality of California's drinking water, specific recommendations to improve the quality of drinking water in California, and a detailed 5-year implementation program. This bill would additionally require the state board, in its Safe Drinking Water Plan, to identify, within the state, public water systems that consistently fail to deliver water that meets all applicable standards under the California Safe Drinking Water Act, specified areas in which persons have, and specified populations having, limited access to, or ability to pay for, safe and affordable drinking water, and strategies to address the changing needs of current and future populations. The bill would also require the plan to include a publicly accessible map that identifies areas that consistently lack, or are at risk of losing, access to safe and affordable drinking water. The bill would also authorize the state board to include additional information in the plan identifying water systems in the state that are not public water systems, their adequacy and reliability, and the extent of reliance on those water systems, and would require the state board, in providing this additional information, to collaborate with other local, state, and federal agencies. This bill contains other related provisions.

An act to amend Section 116355 of the Health and Safety Code, relating to drinking water.

[AB 1415](#) **[Friedman D](#)** **Department of Water Resources: reporting requirements: civil penalties.**
 Text Version: Amended: 5/24/2019 Position: Watch
 [html](#) [pdf](#)
 Status: 8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was S. 2 YEAR on 8/30/2019)

Existing law establishes in the Natural Resources Agency the Department of Water Resources, which is under the control of the Director of Water Resources. Existing law requires specified plans and reports relating to water management to be provided to the department. This bill would require the department to impose a civil penalty on an entity that fails to file with the department a specified report or plan by the deadline required for that particular report or plan, as provided. The bill would authorize the department to reduce or waive the civil penalty under certain circumstances. The bill would require the department, not later than February 1, 2021, and not later than February 1 each year thereafter, to prepare and submit a report to specified legislative committees listing each entity that, during the preceding calendar year, failed to timely file a report or plan subject to the civil penalties imposed by this bill. This bill contains other related provisions.

An act to add Chapter 3.8 (commencing with Section 390) to Division 1 of the Water Code, relating to water.

[AB 1439](#) **[Melendez R](#)** **State policy for water quality control.**
 Text Version: Introduced: 2/22/2019 Position: Watch
 [html](#) [pdf](#)
 Status: 2/3/2020-Died at Desk.

Under existing law, the Porter-Cologne Water Quality Control Act, the state policy for water quality control is required to consist of water quality principles and guidelines for long-range resource planning, water quality objectives, and other principles and guidelines deemed essential by the State Water Resources Control Board for water quality control. This bill would make nonsubstantive changes to that provision.

An act to amend Section 13142 of the Water Code, relating to water quality.

[AB 1580](#) **[Levine D](#)** **Major infrastructure construction projects: oversight committees.**
 Text Version: Amended: 7/1/2019 Position: Oppose
 [html](#) [pdf](#)
 Status: 8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was S. 2 YEAR on 8/30/2019)

Existing law requires the Department of Transportation and the Bay Area Toll Authority to establish the Toll Bridge Program Oversight Committee, as provided, to review and provide program direction for seismic retrofit and replacement projects on toll bridges within the geographic jurisdiction of the committee. This bill, except as specified, would similarly require a state agency undertaking a publicly funded major infrastructure construction project that is estimated to cost \$1,000,000,000 or more to form an oversight committee, as provided, to develop and use risk management plans throughout the course of the project, and to take specified actions relating to managing risks. The bill would require the oversight committee to act as the authority for critical decisions regarding the implementation of the project's risk management plan and to have sufficient staff to support decisionmaking.

An act to add Chapter 13 (commencing with Section 4570) to Division 5 of Title 1 of the Government Code, relating to public construction projects.

[AB 1694](#) **[O'Donnell D](#)** **San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy: territory: Dominguez Channel watershed and Santa Catalina Island.**

Text Version: Amended: 7/11/2019 Position: Watch

[html](#) [pdf](#)

Status: 8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was S. 2 YEAR on 8/30/2019)

Existing law establishes the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy in the Natural Resources Agency and prescribes the functions and duties of the conservancy with regard to the protection, preservation, and enhancement of specified areas of the Counties of Los Angeles and Orange located along the San Gabriel River and the lower Los Angeles River and tributaries along those rivers. Existing law, for purposes of those provisions, defines "territory" to mean the territory of the conservancy that consists of those portions of the Counties of Los Angeles and Orange located within the San Gabriel River and its tributaries, the lower Los Angeles River and its tributaries, and the San Gabriel Mountains, as described. This bill would additionally include the Dominguez Channel watershed and Santa Catalina Island, as described, within that definition of territory, and would make various related changes to the boundaries of that territory. This bill contains other related provisions and other existing laws.

An act to amend Sections 32601, 32602, 32603, and 32604 of the Public Resources Code, relating to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy.

[AB 1751](#)[Chiu D](#)**Water and sewer system corporations: consolidation of service.**

Text Version: Amended: 7/5/2019 Position: Watch

[html](#) [pdf](#)

Status: 8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was S. 2 YEAR on 8/30/2019)

The Public Utilities Act prohibits, with certain exemptions, any public utility from selling, leasing, assigning, mortgaging, or otherwise disposing of or encumbering specified property necessary or useful in the performance of the public utility's duties to the public without first, for qualified transactions valued above \$5,000,000, securing an order from the Public Utilities Commission authorizing it to do so or, for qualified transactions valued at \$5,000,000 or less, filing an advice letter and obtaining approval from the commission. This bill, the Consolidation for Safe Drinking Water Act of 2019, would authorize a water or sewer system corporation to file an application and obtain approval from the commission through an order authorizing the water or sewer system corporation to consolidate with a public water system or state small water system that has fewer than 3,300 service connections and serves a disadvantaged community, or to implement rates for the subsumed water system. The bill would require the commission to approve or deny the application within 8 months, except as provided. This bill contains other existing laws.

An act to add Chapter 2.7 (commencing with Section 2721) to Part 2 of Division 1 of the Public Utilities Code, relating to public utilities.

[AB 1867](#)[Committee on Budget](#)**Small employer family leave mediation: handwashing: supplemental paid sick leave.**

Text Version: Chaptered: 9/10/2020 Position: Watch

[html](#) [pdf](#)

Status: 9/9/2020-Approved by the Governor. Chaptered by Secretary of State - Chapter 45, Statutes of 2020.

(1) Existing law, the California Fair Employment and Housing Act (FEHA), establishes the Department of Fair Employment and Housing (DFEH) within the Business, Consumer Services, and Housing Agency to enforce civil rights laws with respect to housing and employment and to protect and safeguard the right of all persons to obtain and hold employment without discrimination based on specified characteristics or status. Under FEHA, the DFEH has specified powers, including the power to receive, investigate, conciliate, mediate, and prosecute certain complaints. The Moore-Brown-Roberti Family Rights Act, commonly known as the California Family Rights Act, which is a part of FEHA, makes it an unlawful employment practice for an employer, as defined, to refuse to grant a request by an eligible employee to take up to 12 workweeks of unpaid protected leave during any 12-month period for family care and medical leave, as specified. This bill would, upon specified circumstances, require the DFEH to create a small employer family leave mediation pilot program, as prescribed. The pilot program would authorize a small employer or the employee to request all parties to participate in mediation through the DFEH's dispute resolution division within a specified timeframe, after notice. The bill would prohibit an employee from pursuing civil action until the mediation is complete if an employer or employee requests mediation, as prescribed. The bill would toll the statute of limitations for the employee, including for additional related claims, from receipt of a request to participate in the program until the mediation is complete. These provisions of the bill would be repealed on January 1, 2024. This bill contains other related provisions and other existing laws.

An act to add and repeal Section 12945.21 of the Government Code, to add Section 113963 to the Health and Safety Code, and to amend Section 248.5 of, and to add Sections 248 and 248.1 to, the Labor Code, relating to worker protections, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[AB 1958](#)[Cooper D](#)**State Plan of Flood Control: facilities.**

Text Version: Amended: 6/3/2020 Position: Watch

[html](#) [pdf](#)

Status: 8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. N.R. & W. on 6/23/2020)

Existing law establishes the Central Valley Flood Protection Board and authorizes the board to engage in various flood control activities along the Sacramento River, the San Joaquin River, their tributaries, and related areas. Existing law requires every plan of reclamation, flood control, drainage, improvement, dredging, or work, that includes or contemplates the construction, enlargement, revetment, or alteration of any levee, embankment, canal, or other excavation in the bed of or along or near the banks of the Sacramento or San Joaquin Rivers or any of their tributaries or connected therewith, upon any land adjacent thereto, within any of the overflow basins thereof, or upon any land susceptible to overflow therefrom, to be approved by the board before construction is commenced. Existing law prohibits a levee along a river or bypass at any of those specified places, or any levee forming part of any adopted flood control plan, from being cut or altered without permission of the board. Existing law makes a violation of the latter provisions a misdemeanor. This bill would instead prohibit a person from concealing, defacing, destroying, modifying, cutting, altering, or physically or visually obstructing any levee along a river or bypass at any of those specified places, any levee forming part of any flood control plan, or any other facility of the State Plan of Flood Control, including, but not limited to, any and all associated rights of way, without permission of the board. By expanding the behavior that would be punishable as a misdemeanor, the bill would impose a state-mandated local program. The bill would authorize the board or its designee, or a local agency that maintains the levee or facility, to inspect and move any physical or visual obstructions placed or alterations made on any of the above-specified levees or facilities, including, but not limited to, any and all associated rights of way. This bill contains other related provisions and other existing laws.

An act to add Section 8540 to, and to repeal and add Section 8712 of, the Water Code, relating to flood control, and declaring the urgency thereof, to take effect immediately.

[AB 2060](#)

[Holden D](#)

Drinking water: pipes and fittings: lead content.

Text Version:

Amended: 8/3/2020

Position: Watch

[html](#) [pdf](#)

Status:

8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was S. APPR. SUSPENSE FILE on 8/20/2020)

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. The act prohibits, with certain exceptions, the use of any pipe, pipe or plumbing fitting or fixture, solder, or flux that is not lead free in the installation or repair of any public water system or any plumbing in a facility providing water for human consumption. The act defines "lead free" for purposes of conveying or dispensing water for human consumption to mean not more than 0.2% lead when used with respect to solder and flux and not more than a weighted average of 0.25% lead when used with respect to the wetted surfaces of pipes and pipe fittings, plumbing fittings, and fixtures. This bill would, commencing January 1, 2024, additionally define "lead free," for purposes of conveying or dispensing water for human consumption, to mean does not leach more than one microgram of lead under certain tests and meeting a specified certification when used with respect to certain endpoint devices, as defined. The bill would, notwithstanding that commencement date, impose a progressively increasing minimum percentage for a manufacturer that sells or offers for sale in the state products subject to that definition of "lead free" to comply with that definition, commencing January 1, 2021, with 100% compliance on January 1, 2024, as compared to the total number of those product models sold or offered for sale in the state by that manufacturer on July 1, 2019. The bill would require such a manufacturer to inform the state board, in writing, of the percentage of those product models that complies with that definition. The bill would authorize the state board to make information about those endpoint device product models publicly available, as provided. The bill would require the consumer-facing product packaging or labeling of products that comply with that definition to indicate that compliance by including specified lettering. This bill contains other related provisions and other existing laws.

An act to amend Section 25214.4.3 of, to amend, repeal, and add Section 116875 of, and to add and repeal Section 116876 of, the Health and Safety Code, relating to drinking water.

[AB 2093](#)

[Gloria D](#)

Public records: writing transmitted by electronic mail: retention.

Text Version:

Introduced: 2/5/2020

Position: Oppose

[html](#) [pdf](#)

Status:

6/5/2020-Failed Deadline pursuant to Rule 61(b)(8). (Last location was A. APPR. on 3/10/2020)

Existing law, the California Public Records Act, requires a public agency, defined to mean any state or local agency, to make public records available for inspection, subject to certain exceptions. Existing law specifies that public records include any writing containing information relating to the conduct of the public's business, including writing transmitted by electronic mail. Existing law requires any agency that has any information that constitutes a public record not exempt from disclosure to make that public record available in accordance with certain provisions, and authorizes every agency to adopt regulations stating the procedures to be followed when making its records available, if the regulations are consistent with those provisions. Existing law authorizes cities, counties, and special districts to destroy or to dispose of duplicate records that are less than two years old when they are no longer required by the city, county, or special district, as specified. This bill would, unless a longer retention period is required by statute or regulation, or established by the Secretary of State pursuant to the State Records Management Act, require a public agency, for purposes of the California Public Records Act, to retain and preserve for at least 2 years every public record, as defined, that is transmitted by electronic mail. This bill contains other related provisions and other existing laws.

An act to add Section 6253.32 to the Government Code, relating to public records.

[AB 2095](#) **Cooper D** **Public water systems: reduction of water charges: customers impacted by COVID-19.**
Text Version: Amended: 5/4/2020 Position: Watch
[html](#) [pdf](#)
Status: 6/5/2020-Failed Deadline pursuant to Rule 61(b)(6). (Last location was A. L. GOV. on 2/20/2020)

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Existing law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. This bill would authorize a public water system to reduce the water charges imposed on a customer impacted by COVID-19 during the duration of the impact provided that the reduction does not increase the water charges imposed on another ratepayer.

An act to add Section 116408 to the Health and Safety Code, relating to water.

[AB 2107](#) **Rodriguez D** **Local government: securitized limited obligation notes.**
Text Version: Chaptered: 9/29/2020 Position: Support
[html](#) [pdf](#)
Status: 9/28/2020-Approved by the Governor. Chaptered by Secretary of State - Chapter 213, Statutes of 2020.

Existing law, until December 31, 2019, authorizes a special district to issue, as specified, securitized limited obligation notes for the acquisition or improvement of land, facilities, or equipment. This bill would extend that authorization to December 31, 2024.

An act to amend Section 53839 of the Government Code, relating to local government.

[AB 2178](#) **Levine D** **Emergency services.**
Text Version: Amended: 7/8/2020 Position: Watch
[html](#) [pdf](#)
Status: 8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. G.O. on 6/23/2020)

Existing law, the California Emergency Services Act, authorizes the Governor to proclaim a state of emergency, and local officials and local governments to proclaim a local emergency, when specified conditions of disaster or extreme peril to the safety of persons and property exist, and authorizes the Governor or the appropriate local government to exercise certain powers in response to that emergency. Existing law defines the terms "state of emergency" and "local emergency" to mean a duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by, among other things, fire, storm, or riot. This bill would additionally include a deenergization, defined as a planned public safety power shutoff, as specified, within those conditions constituting a state of emergency and a local emergency. This bill contains other related provisions.

An act to amend Sections 8557 and 8558 of the Government Code, relating to emergency services, and declaring the urgency thereof, to take effect immediately.

[AB 2182](#) **Rubio, Blanca D** **Emergency backup generators: water and wastewater facilities: exemption.**
Text Version: Introduced: 2/11/2020 Position: Support
[html](#) [pdf](#)
Status: 6/5/2020-Failed Deadline pursuant to Rule 61(b)(6). (Last location was A. U. & E. on 3/2/2020)

Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law generally designates air pollution control and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources. Existing law requires the State Air Resources Board to identify toxic air contaminants that are emitted into the ambient air of the state and to establish airborne toxic control measures to reduce emissions of toxic air contaminants from nonvehicular sources. This bill would exempt the operation of an alternative power source, as defined, to provide power to a critical facility, as defined, from any local, regional, or state regulation regarding the operation of that source. The bill would authorize providers of essential public services, in lieu of compliance with applicable legal requirements, to comply with the maintenance and testing procedure set forth in the National Fire Protection Association Standard for Emergency and Standby Power System, NFPA 110, for alternative power sources designated by the providers for the support of critical facilities.

An act to add Article 9.4 (commencing with Section 42005) to Chapter 3 of Part 4 of Division 26 of the Health and Safety Code, relating to nonvehicular air pollution.

[AB 2246](#) **Mayes I** **Surface Mining and Reclamation Act of 1975: exemption: Metropolitan Water District of Southern California.**
Text Version: Introduced: 2/13/2020 Position: Support
[html](#) [pdf](#)

Status: 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was NAT. RES. on 2/27/2020)

(1)The Surface Mining and Reclamation Act of 1975 prohibits a person, with exceptions, from conducting surface mining operations unless, among other things, a permit is obtained from, a specified reclamation plan is submitted to and approved by, and financial assurances for reclamation have been approved by the lead agency for the operation of the surface mining operation. The act exempts certain activities from the provisions of the act, including, among others, emergency excavations or grading conducted by the Department of Water Resources or the Central Valley Flood Protection Board for the specified purposes; surface mining operations conducted on lands owned or leased, or upon which easements or rights-of-way have been obtained, by the Department of Water Resources for the purpose of the State Water Resources Development System or flood control; and surface mining operations on lands owned or leased, or upon which easements or rights-of-way have been obtained, by the Central Valley Flood Protection Board for the purpose of flood control. This bill would additionally exempt from the provisions of the act emergency excavations or grading conducted by the Metropolitan Water District of Southern California for the specified purposes and surface mining operations conducted on lands owned or leased, or upon which easements or rights-of-way have been obtained, by the Metropolitan Water District of Southern California for the purpose of repairing, maintaining, or replacing pipelines, infrastructure, or related transmission systems used for the distribution of water in the specified counties. The bill would require the Metropolitan Water District of Southern California to provide an annual report to the Department of Conservation and any affected county by the date specified by the department on these surface mining operations. To the extent this bill adds to the duties of local governments acting as a lead agency, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

An act to amend Section 2714 of the Public Resources Code, relating to surface mining.

[AB 2296](#)

Quirk D

State Water Resources Control Board: local primacy delegation: funding stabilization program.

Text Version:

Vetoed: 9/29/2020

Position: Watch

[html](#) [pdf](#)

Status: 9/29/2020-Vetoed by Governor.

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health, including, but not limited to, conducting research, studies, and demonstration projects relating to the provision of a dependable, safe supply of drinking water, enforcing the federal Safe Drinking Water Act, adopting implementing regulations, and conducting studies and investigations to assess the quality of water in private domestic water wells. The act authorizes the state board to delegate, by means of a local primacy delegation agreement, primary responsibility for the act's administration and enforcement within a county to a local health officer, as specified. The act requires that a local primacy delegation remain in effect until specified conditions occur. This bill would authorize the state board to delegate partial responsibility for the act's administration and enforcement by means of a local primacy delegation agreement. The bill would authorize the state board, for a county that has not been delegated primary responsibility as of January 1, 2021, to offer an opportunity for the county to apply for partial or primary responsibility if the state board determines that it needs assistance in performing administrative and enforcement activities, as specified. The bill would authorize the state board to approve the application for delegation if the state board determines that the local health officer is able to sufficiently perform the administrative and enforcement activities and would specify that a local primacy agency has all of the authority over designated public water systems as is granted to the state board by the act. This bill contains other related provisions and other existing laws.

An act to amend Sections 116330 and 116565 of the Health and Safety Code, relating to drinking water.

[AB 2322](#)

Friedman D

Small water suppliers and rural communities: drought and water shortage planning: repeal.

Text Version:

Introduced: 2/14/2020

Position: Watch

[html](#) [pdf](#)

Status: 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was PRINT on 2/14/2020)

Existing law makes legislative findings and declarations regarding drought planning for small water suppliers and rural communities, and requires the Department of Water Resources, in consultation with the State Water Resources Control Board and other relevant state and local agencies and stakeholders, to use available data to identify, no later than January 1, 2020, small water suppliers and rural communities that may be at risk of drought and water shortage vulnerability and notify counties and groundwater sustainability agencies of those suppliers or communities. Existing law requires the department, in consultation with the state board, to propose to the Governor and the Legislature, by January 1, 2020, recommendations and guidance relating to the development and implementation of countywide drought and water shortage contingency plans to address the planning needs of small water suppliers and rural communities, as provided. This bill would repeal these provisions.

An act to repeal Sections 10609.40 and 10609.42 of the Water Code, relating to water.

[AB 2324](#)

Friedman D

Accessory dwelling units: prohibition of rent or lease.

Text Version:

Amended: 5/4/2020

Position: Watch

[html](#) [pdf](#)

Status: 6/5/2020-Failed Deadline pursuant to Rule 61(b)(6). (Last location was A. H. & C.D. on 4/24/2020)

Existing law, the Planning and Zoning Law, authorizes a local agency to provide, by ordinance, for the creation of accessory dwelling units in single-family and multifamily dwelling residential zones and requires a local agency that has not adopted an ordinance to ministerially approve an application for an accessory dwelling unit. Existing law also authorizes a local agency to allow, by ordinance, for the sale or conveyance of an accessory dwelling unit separate from the primary residence to a qualified buyer, as defined, upon meeting specified conditions. This bill would prohibit a person, as defined, from renting or leasing more than 15 of the person's accessory dwelling units, as defined, in the state.

An act to add Section 65852.27 to the Government Code, relating to housing.

[AB 2333](#)

[Quirk D](#)

Waste: releases: remedial action: local oversight.

Text Version:

Amended: 7/8/2020

Position: Watch

[html](#) [pdf](#)

Status:

8/18/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was S. E.Q. on 6/23/2020)

Existing law, whenever a release of waste occurs and remedial action is required, authorizes a responsible party for the release to request that a local officer supervise the remedial action. Existing law authorizes a local officer to agree to supervise the remedial action if the local officer determines that certain conditions have been met. Existing law authorizes that remedial action to be carried out only pursuant to a remedial action agreement, which includes specified elements, entered into by the local officer and the responsible party, and authorizes the local officer to withdraw from the agreement, after giving the responsible party adequate notice, at any time after making any of specified findings. Existing law requires a local officer to provide written notification, that includes specified information, to the Department of Toxic Substances Control and the appropriate regional water quality control board at least 10 working days before entering into a remedial action agreement with a responsible party. Existing law authorizes a local officer to provide a responsible party with a letter or other document that describes the release of waste that occurred and the remedial action taken and certifies that the cleanup goals embodied in the remedial action agreement were accomplished. This bill would authorize a responsible party to request the local officer to oversee the remedial action only if the release is not being overseen by the department or a regional water quality control board. The bill would authorize the local officer to agree to oversee the remedial action only if the local officer determines that the same conditions referenced above have been met, the local officer has submitted specified information to the department and the regional water quality control board within the past 12 months, and the local officer has complied with specified notification requirements. The bill would revise the requirements for a remedial action agreement and would impose other requirements relating to recordkeeping and public notification, as provided. The bill would require the department or the regional water quality control board, within 30 days of receiving from a local officer a notice of intent to enter a remedial action agreement, to inform the local officer in writing if the department or the regional water quality control board will retain oversight authority for the release. The bill would require, instead of authorize, a local officer to provide the responsible party with a document that makes the same descriptions and certifications described above. By imposing new duties on local officers, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

An act to amend Sections 101480, 101485, and 101487 of the Health and Safety Code, relating to hazardous substances.

[AB 2364](#)

[Rubio, Blanca D](#)

Municipal separate storm sewer systems: financial capability analysis.

Text Version:

Amended: 3/10/2020

Position: Watch

[html](#) [pdf](#)

Status:

5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was E.S. & T.M. on 2/24/2020)

Under existing law, the State Water Resources Control Board and the California regional water quality control boards prescribe waste discharge requirements for the discharge of stormwater in accordance with the federal national pollutant discharge elimination system permit program. Existing law requires the state board or the regional boards to issue waste discharge requirements that ensure compliance with the federal Clean Water Act and apply any more stringent effluent standards or limitations necessary to implement water quality control plans, or for the protection of beneficial uses, or to prevent nuisance. This bill would require the state board, by July 1, 2021, to establish financial capability assessment guidelines for municipal separate storm sewer system permittees that are adequate and consistent when considering the costs to local jurisdictions. The bill would require the state board and the regional boards to continue using available regulatory tools and other approaches to foster collaboration with permittees to implement permit requirements in light of the costs of implementation.

An act to add Section 13185 to the Water Code, relating to water quality.

[AB 2488](#)

[Gonzalez D](#)

Drinking water: Lead-Safe Schools Protection Act.

Text Version:

Introduced: 2/19/2020

Position: Watch

[html](#) [pdf](#)

Status:

6/5/2020-Failed Deadline pursuant to Rule 61(b)(6). (Last location was A. PRINT on 2/19/2020)

The Lead-Safe Schools Protection Act requires the State Department of Public Health to perform various activities related to reducing the risk of exposure to lead hazards in public schools, as defined, including, among other activities, conducting a sample survey to determine the likely extent and distribution of lead exposure to children from paint on the school, soil in play

areas at the school, drinking water at the tap, and other potential sources identified by the State Department of Public Health for this purpose, as provided. This bill would make nonsubstantive changes to those provisions.

An act to amend Section 32242 of the Education Code, relating to pupil health.

[AB 2502](#)

[Quirk D](#)

Groundwater sustainability plans: impacts on managed wetlands.

Text Version: Introduced: 2/19/2020 Position: Watch
[html](#) [pdf](#)

Status: 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was W., P. & W. on 2/27/2020)

Existing law, the Sustainable Groundwater Management Act, requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources that are designated as basins subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2020, and requires all other groundwater basins designated as high- or medium-priority basins to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2022, except as specified. The act prescribes that plans contain certain required contents and requires that plans contain, where appropriate and in collaboration with the appropriate local agencies, additional analyses or components, including, among others, control of saline water intrusion, wellhead protection areas and recharge areas, a well abandonment and well destruction program, well construction policies, and impacts on groundwater dependent ecosystems. This bill would add impacts to managed wetlands, as specified, to the additional analyses or components that a plan is required to contain when appropriate. By requiring local agencies that are groundwater sustainability agencies to include this in their plans, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

An act to amend Section 10727.4 of the Water Code, relating to groundwater.

[AB 2560](#)

[Quirk D](#)

Water quality: notification levels and response levels: procedures.

Text Version: Chaptered: 9/30/2020 Position: Watch
[html](#) [pdf](#)

Status: 9/30/2020-Approved by the Governor. Chaptered by Secretary of State - Chapter 350, Statutes of 2020.

The California Safe Drinking Water Act provides for the operation of public water systems and imposes on the State Water Resources Control Board various duties and responsibilities for the regulation and control of drinking water in the state. The act requires the state board to adopt drinking water standards for contaminants in drinking water based upon specified criteria and requires any person who owns a public water system to ensure that the system, among other things, complies with those drinking water standards. This bill would require the state board to comply with specified public notice and comment procedures when establishing or revising a notification level or response level, except as specified for a contaminant that the Division of Drinking Water of the state board finds presents the potential for imminent harm to public health and safety. This bill contains other existing laws.

An act to add Section 116456 to the Health and Safety Code, relating to water quality.

[AB 2611](#)

[Santiago D](#)

Conservancies: Lower Los Angeles River Working Group.

Text Version: Introduced: 2/20/2020 Position: Watch
[html](#) [pdf](#)

Status: 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was L. GOV. on 3/12/2020)

Existing law requires the Secretary of the Natural Resources Agency to appoint, in consultation with the Los Angeles County Board of Supervisors to the extent the board wishes to consult, a local working group to develop a revitalization plan for the Lower Los Angeles River watershed, called the Lower Los Angeles River Working Group. Existing law required, by March 1, 2017, the working group to develop, through watershed-based planning methods, a revitalization plan that addresses the unique and diverse needs of the Lower Los Angeles River and the communities through which it passes, and that is consistent with, enhances, and may be incorporated into, the County of Los Angeles's Master Plan, and that includes watershed education programs. This bill would require the working group to, on or before January 1, 2022, update, through watershed-based planning methods, the above-described revitalization plan.

An act to amend Section 32622 of the Public Resources Code, relating to conservancies.

[AB 2623](#)

[Arambula D](#)

Sustainable groundwater management.

Text Version: Introduced: 2/20/2020 Position: Watch
[html](#) [pdf](#)

Status: 6/5/2020-Failed Deadline pursuant to Rule 61(b)(6). (Last location was A. PRINT on 2/20/2020)

Existing law, the Sustainable Groundwater Management Act, requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources that are designated as basins subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2020, and requires all other groundwater basins designated as high- or medium-priority basins to be managed under a groundwater

sustainability plan or coordinated groundwater sustainability plans by January 31, 2022, except as specified. The act requires all relevant state agencies to consider the policies of the act, and any adopted groundwater sustainability plans, when revising or adopting policies, regulations, or criteria, or when issuing orders or determinations, where pertinent. This bill contains other existing laws.

An act to amend Section 10720.9 of the Water Code, relating to groundwater.

[AB 2629](#)

[Mayes I](#)

Imperial Irrigation District: retail electric service.

Text Version:

Amended: 5/4/2020

Position: Watch

[html](#) [pdf](#)

Status:

6/5/2020-Failed Deadline pursuant to Rule 61(b)(8). (Last location was A. L. GOV. on 4/24/2020)

Existing law, the Irrigation District Law, with certain exceptions, requires a director on the board of an irrigation district that provides electricity for residents of the district to be a voter of the district and a resident of the division that the director represents. Existing law authorizes an irrigation district to sell, dispose of, and distribute electricity for use outside of the district's boundaries. This bill would require the State Energy Resources Conservation and Development Commission (Energy Commission), the Imperial County Local Agency Formation Commission, and the Riverside County Local Agency Formation Commission to meet to determine the sphere of influence of the Imperial Irrigation District and options for electrical service to the energy service area of the Imperial Irrigation District at the end of a certain lease of electrical rights and to evaluate related issues of the water rights of the Imperial Irrigation District and would, on or before June 30, 2021, require the Imperial Irrigation District to submit any requested documents and information to the Energy Commission for these purposes. The bill would require the Energy Commission to study options to extend representation on the board of directors of the Imperial Irrigation District, for a specified time, to residents within the energy service area of the Imperial Irrigation District but outside its jurisdictional boundaries. The bill would, on or before June 30, 2022, require the Energy Commission to submit a report to the Legislature on these issues, as specified. To the extent the bill would impose new duties on the Imperial Irrigation District or local agency formation commissions, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

An act relating to irrigation districts.

[AB 2642](#)

[Salas D](#)

Department of Conservation: Multibenefit Land Conversion Incentive Program: administration.

Text Version:

Amended: 5/5/2020

Position: Watch

[html](#) [pdf](#)

Status:

6/5/2020-Failed Deadline pursuant to Rule 61(b)(8). (Last location was A. APPR. SUSPENSE FILE on 6/2/2020)

Existing law, the Sustainable Groundwater Management Act (SGMA), requires numerous groundwater basins throughout the state designated by the Department of Water Resources as medium- or high-priority basins to each be managed under a separate groundwater sustainability plan or coordinated groundwater sustainability plans by specified dates. SGMA requires, with some exceptions, that local agencies designated as groundwater sustainability agencies prepare, administer, and enforce the groundwater sustainability plans with the goal of sustainably managing these groundwater basins to avoid undesirable results such as overdrafting groundwater, subsidence, and sea water intrusion, among others. To achieve the sustainability goal, SGMA authorizes a groundwater sustainability agency to, among other measures, control groundwater extractions by regulating, limiting, or suspending extractions from groundwater wells, establish a program of voluntary fallowing of agricultural lands, or validate an existing fallowing program. This bill would require the Department of Conservation to establish and administer a program named the Multibenefit Land Conversion Incentive Program for purposes of providing grants to groundwater sustainability agencies or counties, or other specified entities designated by groundwater sustainability agencies or counties, for the development or implementation of local programs supporting or facilitating multibenefit land conversion at the basin scale. The bill would establish procedures for the department's administration of the program and would require the department to develop guidelines to implement the program and to exercise its expertise and discretion in awarding program funds to eligible applicants. The bill would specify numerous criteria regarding program eligibility, including compliance with several specified requirements of SGMA. The bill would prescribe certain actions regarding program accountability and oversight, including preparation of an annual report with specified information evaluating the implementation of local programs and use of program funds. This bill contains other related provisions.

An act to add and repeal Division 10.6 (commencing with Section 12285) of the Public Resources Code, relating to land use.

[AB 2656](#)

[Eggman D](#)

Wholesale water suppliers: water loss audit reports.

Text Version:

Introduced: 2/20/2020

Position: Watch

[html](#) [pdf](#)

Status:

6/5/2020-Failed Deadline pursuant to Rule 61(b)(6). (Last location was A. PRINT on 2/20/2020)

Existing law requires the state to achieve a 20% reduction in urban per capita water use in California by December 31, 2020. Existing law requires each urban retail water supplier to develop urban water use targets and an interim urban water use target, in accordance with specified requirements. Existing law requires each urban retail water supplier to annually submit a completed and validated water loss audit report for the previous calendar year or fiscal year, as provided. Existing law requires

[AB 3005](#) **Rivas, Robert D** **Leroy Anderson Dam and Reservoir: permitting, environmental review, and public contracting.**
 Text Version: Vetoed: 9/29/2020 Position: Watch
[html](#) [pdf](#)
 Status: 9/29/2020-Vetoed by Governor.

Existing law prohibits an entity from diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or banks of, a river, stream, or lake, or depositing or disposing of debris, waste, or other material containing crumbled, flaked, or ground pavement where it may pass into a river, stream, or lake, unless the Department of Fish and Wildlife receives written notification regarding the activity and the department either determines that the activity will not substantially adversely affect an existing fish and wildlife resource or, if the department determines that the activity may substantially adversely affect an existing fish and wildlife resource, the department issues a final agreement to the entity that includes reasonable measures necessary to protect the affected resource. This bill would, if the department determines that the Anderson Dam project, as defined, will substantially adversely affect existing fish and wildlife resources and the Santa Clara Valley Water District completes certain actions for the project, require the department within 180 days of receipt of a notification, as defined, from the district to issue a final agreement with the district that includes reasonable measures necessary to protect the affected resource, unless the department and the district agree to an extension. This bill contains other related provisions and other existing laws.

An act to add Section 1602.5 to the Fish and Game Code, to add Section 21163 to the Public Contract Code, to add Chapter 6.8 (commencing with Section 21189.60) to Division 13 of the Public Resources Code, and to add Section 13160.2 to, and to add Part 4 (commencing with Section 6700) to Division 3 of, the Water Code, relating to the Leroy Anderson Dam and Reservoir, and declaring the urgency thereof, to take effect immediately.

[AB 3047](#) **Flora R** **Water quality: groundwater: monitoring.**
 Text Version: Amended: 5/4/2020 Position: Watch
[html](#) [pdf](#)
 Status: 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was E.S. & T.M. on 4/24/2020)

Existing law requires the State Water Resources Control Board to identify and recommend to the Legislature funding options to extend, until January 1, 2024, a specified comprehensive groundwater quality monitoring program. This bill would instead require the department to identify and recommend to the Legislature funding options to extend that comprehensive groundwater quality monitoring program indefinitely.

An act to amend Section 10782 of the Water Code, relating to water quality.

[AB 3216](#) **Kalra D** **Unemployment: rehiring and retention: state of emergency.**
 Text Version: Vetoed: 9/30/2020 Position: Watch
[html](#) [pdf](#)
 Status: 9/30/2020-Vetoed by the Governor

Existing law governs employment relations, defines the contract of employment, and establishes the obligations of employers to their employees. This bill would require an employer, as defined, to offer its laid-off employees specified information about job positions that become available for which the laid-off employees are qualified, and to offer positions to those laid-off employees based on a preference system, in accordance with specified timelines and procedures. The bill would define the term "laid-off employee" to mean any employee who was employed by the employer for 6 months or more in the 12 months preceding the state of emergency giving rise to the application of the bill's provisions, and whose most recent separation from active service was due to a public health directive, government shutdown order, lack of business, a reduction in force, or other economic, nondisciplinary reason related to the state of emergency, as defined. The bill would also require an incumbent employer, within 15 days after the execution of a transfer document, to provide to the successor employer specified information pertaining to eligible employees and would require the successor employer to maintain and hire from a preferential hiring list for a specified time period. The bill would authorize an employee to enforce violations of these provisions by filing an action with the Division of Labor Standards and would authorize various remedies, including hiring and reinstatement rights and awarding of back pay.

An act to add Section 2810.8 to the Labor Code, relating to employment.

[AB 3256](#) **Garcia, Eduardo D** **Economic Recovery, Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020.**
 Text Version: Amended: 6/4/2020 Position: Watch
[html](#) [pdf](#)
 Status: 8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was A. RLS. on 6/3/2020)

The California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, approved by the voters as Proposition 68 at the June 5, 2018, statewide direct primary election, authorizes the issuance of bonds in the amount of \$4,000,000,000 pursuant to the State General Obligation Bond Law to finance a drought, water, parks, climate, coastal protection, and outdoor access for all program. This bill would enact the Economic Recovery, Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020, which, if approved by the voters, would authorize the

issuance of bonds in the amount of \$6,980,000,000 pursuant to the State General Obligation Bond Law to finance projects for an economic recovery, wildfire prevention, safe drinking water, drought preparation, and flood protection program. This bill contains other related provisions.

An act to add Division 47 (commencing with Section 80200) to the Public Resources Code, relating to an economic recovery, wildfire prevention, safe drinking water, drought preparation, and flood protection program, by providing the funds necessary therefor through an election of the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

[AB 3267](#)[Smith D](#) **Office of Emergency Services: State Emergency Plan.**

Text Version: Chaptered: 9/29/2020 Position: Watch
[html](#) [pdf](#)

Status: 9/29/2020-Approved by the Governor. Chaptered by Secretary of State - Chapter 260, Statutes of 2020.

Existing law, the California Emergency Services Act, among other things, requires the Office of Emergency Services to update the State Emergency Plan on or before January 1, 2019, and every 5 years thereafter. The act also requires the office to complete an after-action report within 120 days after each declared disaster. This bill would require the office to coordinate with representatives of the access and functional needs population, as specified, when the office updates the State Emergency Plan. The bill would, instead, require the office to complete an after-action report within 180 days after each declared disaster.

An act to amend Sections 8570.4 and 8607 of the Government Code, relating to state government.

[AB 3279](#)[Friedman D](#) **California Environmental Quality Act: administrative and judicial procedures.**

Text Version: Amended: 7/27/2020 Position: Watch
[html](#) [pdf](#)

Status: 8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was S. APPR. SUSPENSE FILE on 8/20/2020)

(1)The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. This bill would authorize the public agency to deny the request of the plaintiff or petitioner to prepare the record of proceedings, as provided, in which case the bill would require the public agency or the real party in interest to bear the costs of preparation and certification of the record of proceedings and would prohibit the recovery of those costs from the plaintiff or petitioner. The bill would require the court to schedule a case management conference within 30 days of the filing of an action to review the scope, timing, and cost of the record of proceedings. This bill contains other related provisions and other existing laws.

An act to amend Sections 21167, 21167.6, and 21167.8 of, and to repeal Sections 21168.6.5, 21168.6.6, 21170, and 21171 of, the Public Resources Code, relating to environmental quality.

[ACA 1](#)[Aguiar-Curry D](#) **Local government financing: affordable housing and public infrastructure: voter approval.**

Text Version: Amended: 3/18/2019 Position: Watch
[html](#) [pdf](#)

Status: 8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was A. RECONSIDERATION on 5/20/2019)

(1)The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions. This measure would create an additional exception to the 1% limit that would authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters of the city, county, or city and county, as applicable, and the proposition includes specified accountability requirements. The measure would specify that these provisions apply to any city, county, city and county, or special district measure imposing an ad valorem tax to pay the interest and redemption charges on bonded indebtedness for these purposes that is submitted at the same election as this measure. This bill contains other related provisions and other existing laws.

A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Sections 1 and 4 of Article XIII ? A thereof, by amending Section 2 of, and by adding Section 2.5 to, Article XIII ? C thereof, by amending Section 3 of Article XIII ? D thereof, and by amending Section 18 of Article XVI thereof, relating to local finance.

[ACA 3](#)[Mathis R](#) **Clean Water for All Act.**

Text Version: Amended: 3/20/2019 Position: Watch
[html](#) [pdf](#)

Status: 8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was A. W.,P. & W. on 4/30/2019)

Under existing law, the Department of Water Resources performs duties relating to water resources throughout the state, and the State Water Resources Control Board exercises regulatory functions relating to water quality. Existing law, the Water Quality, Supply, and Infrastructure Improvement Act of 2014, approved by the voters as Proposition 1 at the November 4, 2014, statewide general election, authorizes the issuance of general obligation bonds in the amount of \$7,545,000,000 to finance a water quality, supply, and infrastructure improvement program. This measure, the Clean Water for All Act, would additionally require, commencing with the 2021–22 fiscal year, not less than 2% of specified state revenues to be set apart for the payment of principal and interest on bonds authorized pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014; water supply, delivery, and quality projects administered by the department, and water quality projects administered by the state board, as provided. This bill contains other existing laws.

A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by adding Section 8 to Article X thereof, relating to water.

ACR 179**Voepel R****Special Districts Week.**

Text Version:

Introduced: 2/26/2020

Position: Support

[html](#) [pdf](#)

Status:

8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was A. RLS. on 3/12/2020)

This measure proclaims the week of May 17, 2020, to May 23, 2020, to be Special Districts Week.

Relative to Special Districts Week.

SB 1**Atkins D****California Environmental, Public Health, and Workers Defense Act of 2019.**

Text Version:

Vetoed: 9/27/2019

Position: Oppose

[html](#) [pdf](#)

Status:

1/13/2020-Stricken from file. Veto sustained.

(1)The federal Clean Air Act regulates the discharge of air pollutants into the atmosphere. The federal Clean Water Act regulates the discharge of pollutants into water. The federal Safe Drinking Water Act establishes drinking water standards for drinking water systems. The federal Endangered Species Act of 1973 generally prohibits activities affecting threatened and endangered species listed pursuant to that act unless authorized by a permit from the United States Fish and Wildlife Service or the National Marine Fisheries Service, as appropriate. This bill would, until January 20, 2025, require specified agencies to take prescribed actions regarding certain federal requirements and standards pertaining to air, water, and protected species, as specified. By imposing new duties on local agencies, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

An act to add Section 2057 to, and to add and repeal Sections 2017 and 2076.7 of, the Fish and Game Code, to add and repeal Title 26 (commencing with Section 120000) of the Government Code, to add and repeal Section 116365.04 of the Health and Safety Code, and to amend Sections 13265 and 13350 of, and to add and repeal Sections 13250 and 13377.1 of, the Water Code, relating to public welfare.

SB 5**Beall D****Affordable Housing and Community Development Investment Program.**

Text Version:

Vetoed: 10/13/2019

Position: Watch

[html](#) [pdf](#)

Status:

1/13/2020-Stricken from file. Veto sustained.

Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, subject to certain modifications. Existing law requires an annual reallocation of property tax revenue from local agencies in each county to the Educational Revenue Augmentation Fund (ERAF) in that county for allocation to specified educational entities. This bill would establish in state government the Affordable Housing and Community Development Investment Program, which would be administered by the Affordable Housing and Community Development Investment Committee. The bill would authorize a city, county, city and county, joint powers agency, enhanced infrastructure financing district, affordable housing authority, community revitalization and investment authority, transit village development district, or a combination of those entities, to apply to the Affordable Housing and Community Development Investment Committee to participate in the program and would authorize the committee to approve or deny plans for projects meeting specific criteria. The bill would also authorize certain local agencies to establish an affordable housing and community development investment agency and authorize an agency to apply for funding under the program and issue bonds, as provided, to carry out a project under the program. This bill contains other related provisions and other existing laws.

An act to add Section 41202.6 to the Education Code, to add Part 4 (commencing with Section 55900) to Division 2 of Title 5 of, and to add Division 6 (commencing with Section 62300) to Title 6 of, the Government Code, and to add Section 97.68.1 to the Revenue and Taxation Code, relating to local government finance.

SB 45**Allen D****Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020.**

Text Version: Amended: 1/23/2020

Position: Watch

[html](#) [pdf](#)

Status: 8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was A. DESK on 1/29/2020)

The California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, approved by the voters as Proposition 68 at the June 5, 2018, statewide primary direct election, authorizes the issuance of bonds in the amount of \$4,100,000,000 pursuant to the State General Obligation Bond Law to finance a drought, water, parks, climate, coastal protection, and outdoor access for all program. This bill would enact the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$5,510,000,000 pursuant to the State General Obligation Bond Law to finance projects for a wildfire prevention, safe drinking water, drought preparation, and flood protection program. This bill contains other related provisions.

An act to add Division 47 (commencing with Section 80200) to the Public Resources Code, relating to a wildfire prevention, safe drinking water, drought preparation, and flood protection program, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

[SB 89](#)**Committee on Budget Act of 2019.
Budget and Fiscal Review**

Text Version: Chaptered: 3/17/2020

Position: Watch

[html](#) [pdf](#)

Status: 3/17/2020-Chaptered by Secretary of State- Chapter 2, Statutes of 2020

This bill would amend the Budget Act of 2019 by appropriating \$500,000,000 from the General Fund to be used for any purpose related to the Governor's March 4, 2020 proclamation of a state of emergency. This bill would authorize additional appropriations in increments of \$50,000,000, up to a total appropriation of \$1,000,000,000. The bill would amend the act to state the Legislature's intent that the administration work with stakeholders, including members of the Legislature and legislative staff, to develop strategies to be considered for inclusion in the Budget Act of 2020 to provide assistance related to the impacts of COVID-19. The bill would amend the act by adding an item of appropriation to the Department of Resources Recycling and Recovery. This bill contains other related provisions.

An act to amend the Budget Act of 2019 (Chapters 23 and 55 of the Statutes of 2019) by amending Section 39.00 of, adding Item 3970-002-001 to Section 2.00 of, and adding Sections 36.00 and 37.00 to, that act, relating to the state budget, and making an appropriation therefor, to take effect immediately, budget bill.

[SB 204](#)**[Dodd D](#) State Water Project: contracts.**

Text Version: Amended: 5/17/2019

Position: Oppose

[html](#) [pdf](#)

Status: 8/14/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was W.,P. & W. on 6/6/2019)

(1) Under existing law, the Department of Water Resources operates the State Water Resources Development System, known as the State Water Project, in accordance with the California Water Resources Development Bond Act to supply water to persons and entities in the state. Existing law requires the department to present to the Joint Legislative Budget Committee and relevant policy and fiscal committees of the Legislature the details of the terms and conditions of a long-term water supply contract between the department and a state water project contractor and to submit a copy of one long-term contract, as prescribed. This bill would instead require the department to provide at least 10 days' notice to the Joint Legislative Budget Committee and relevant policy and fiscal committees of the Legislature before holding public sessions to negotiate any potential amendment of a long-term water supply contract that is of projectwide significance with substantially similar terms intended to be offered to all contractors. The bill would require the department, before the execution of a specified proposed amendment to a long-term water supply contract and at least 60 days before final approval of such an amendment, to submit to the Joint Legislative Budget Committee and relevant policy and fiscal committees of the Legislature certain information regarding the terms and conditions of a proposed amendment of a long-term water supply contract and to submit a copy of the long-term contract as it is proposed to be amended. This bill contains other related provisions and other existing laws.

An act to amend Section 165 of, to add Section 147.6 to, and to repeal and add Section 147.5 of, the Water Code, relating to water.

[SB 332](#)**[Hertzberg D](#) Wastewater treatment: recycled water.**

Text Version: Amended: 4/30/2019

Position: Watch

[html](#) [pdf](#)

Status: 2/3/2020-Returned to Secretary of Senate pursuant to Joint Rule 56.

The California Constitution requires that the water resources of the state be put to beneficial use to the fullest extent of which they are capable and that the waste or unreasonable use or unreasonable method of use of water be prevented. Existing law declares that the use of potable domestic water for certain nonpotable uses is a waste or an unreasonable use of water if

recycled water is available, as determined by the State Water Resources Control Board, and other requirements are met. This bill would declare, except in compliance with the bill's provisions, that the discharge of treated wastewater from ocean outfalls is a waste and unreasonable use of water. The bill would require each wastewater treatment facility that discharges through an ocean outfall and affiliated water suppliers to reduce the facility's annual flow as compared to the average annual dry weather wastewater discharge baseline volume, as prescribed, by at least 50% on or before January 1, 2030, and by at least 95% on or before January 1, 2040. The bill would subject the owner or operator of a wastewater treatment facility, as well as the affiliated water suppliers, to a civil penalty of \$2,000 per acre-foot of water above the required reduction in overall volume discharge for the failure to meet these deadlines. This bill contains other related provisions and other existing laws.

An act to add Section 13557.5 to the Water Code, relating to water.

[SB 414](#) **[Caballero D](#)** **Small System Water Authority Act of 2019.**
 Text Version: Amended: 6/25/2019 Position: Support
 [html](#) [pdf](#)
 Status: 8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was A. APPR. SUSPENSE FILE on 8/18/2020)

Existing law, the California Safe Drinking Water Act, provides for the operation of public water systems and imposes on the State Water Resources Control Board various responsibilities and duties. The act authorizes the state board to order consolidation with a receiving water system where a public water system or a state small water system, serving a disadvantaged community, as defined, consistently fails to provide an adequate supply of safe drinking water. The act, if consolidation is either not appropriate or not technically and economically feasible, authorizes the state board to contract with an administrator to provide administrative and managerial services to designated public water systems and to order the designated public water system to accept administrative and managerial services, as specified. This bill would create the Small System Water Authority Act of 2019 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill, no later than March 1, 2020, would require the state board to provide written notice to cure to all public agencies, private water companies, or mutual water companies that operate a public water system that has either less than 3,000 service connections or that serves less than 10,000 people, and are not in compliance, for the period from July 1, 2018, through December 31, 2019, with one or more state or federal primary drinking water standard maximum contaminant levels, as specified. The bill would require the state board to provide a copy of the notice, in the case of a water corporation, to the Public Utilities Commission and would require the Public Utilities Commission to be responsible with the state board for ensuring compliance with the provisions of the bill. The bill would require an entity receiving the notice to respond to the state board, and, if appropriate, the Public Utilities Commission, as to whether the violations of drinking water standards are remedied and the basis for that conclusion, as specified. The bill would require an entity reporting a continuing violation of drinking water standards to have 180 days from the date of a specified response filed with the state board to prepare and submit a plan to the state board to permanently remedy a violation of drinking water standards within a reasonable time that is not later than January 1, 2025. The bill would require the state board to review the plan and accept, accept with reasonable conditions, or reject the plan, as prescribed. The bill would require an entity with an accepted plan to provide quarterly reports to the state board on progress towards a permanent remedy for violations of drinking water standards and would require the state board to annually hold a public hearing to consider whether the progress is satisfactory. The bill would require the state board, if it rejects the plan or if a plan is not submitted by the prescribed deadline, to cause, after a certain period to allow for a petition for reconsideration, the formation of an authority by the applicable local agency formation commission to serve the customers of the public water system or to remedy the failure to meet the applicable drinking water standards, as specified. This bill contains other related provisions and other existing laws.

An act to amend Sections 56017.1, 56017.2, 56069, 56653, 56658, and 56895 of, and to add Section 56666.5 to, the Government Code, and to add Division 23 (commencing with Section 78000) to the Water Code, relating to small system water authorities.

[SB 454](#) **[Caballero D](#)** **State Water Resources Control Board: Administrative Hearings Office: Water Rights Hearings Office Fund.**
 Text Version: Amended: 4/30/2019 Position: Watch
 [html](#) [pdf](#)
 Status: 2/3/2020-Returned to Secretary of Senate pursuant to Joint Rule 56.

Existing law, operative July 1, 2019, creates within the State Water Resources Control Board an Administrative Hearings Office composed of attorneys qualified to act as hearing officers in adjudicative proceedings involving water rights matters. Existing law establishes the Water Rights Fund and provides that moneys in the fund are available, upon appropriation by the Legislature, for, among other things, the administration of the board's water rights program. This bill would require the board to assess filing fees for the filing of briefing papers or motions in a hearing conducted by the office, as specified. The bill would require filing fees related to hearings conducted by the office and any fine or monetary penalty imposed as a result of a hearing conducted by the office to be deposited in the Water Rights Hearings Office Fund, which the bill would establish. Under the bill, moneys in the Water Rights Hearings Office Fund are available to the board, upon appropriation by the Legislature, for expenditure in the administration of the office and would require moneys deposited in the Water Rights Hearings Office Fund to directly reduce the funding used from the Water Rights Fund to support the office.

An act to amend Section 1110 of the Water Code, relating to water.

[SB 474](#) **[Stern D](#)** **Very high fire hazard severity zone: state responsibility area: development prohibition.**
 Text Version: Amended: 6/19/2020 Position: Watch
 [html](#) [pdf](#)
 Status: 8/14/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was A. L. GOV. on 6/29/2020)

Existing law requires the Director of Forestry and Fire Protection to identify areas of the state as very high fire hazard severity zones based on specified criteria. Existing law requires a local agency to designate, by ordinance, very high hazard severity zones in its jurisdiction within 120 days of receiving recommendations from the director. Existing law authorizes a local agency to include areas within its jurisdiction not identified as very high fire hazard severity zones by the director as very high fire hazard severity zones following a specified finding supported by substantial evidence. Existing law requires the State Board of Forestry and Fire Protection to determine, based on specified criteria, whether an area of the state is one for which the financial responsibility of preventing and suppressing fires is primarily the responsibility of the state. Existing law refers to these areas as "state responsibility areas." This bill would, in furtherance of specified state housing production and wildfire mitigation goals, prohibit the creation or approval of a new development, as defined, in a very high fire hazard severity zone or a state responsibility area. By imposing new duties on local governments with respect to the approval of new developments in very high fire hazard severity zones and state responsibility areas, this bill would impose a state-mandated local program. The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.

An act to add Section 51182.5 to the Government Code, relating to land use.

[SB 547](#) **[Borgeas R](#)** **California Water Commission: members.**
 Text Version: Introduced: 2/22/2019 Position: Watch
 [html](#) [pdf](#)
 Status: 2/3/2020-Returned to Secretary of Senate pursuant to Joint Rule 56.

Existing law establishes the California Water Commission, consisting of 9 members who are appointed to 4-year terms by the Governor, in the Department of Water Resources. Existing law requires 7 of the members to be selected on the basis of their general educational and business qualifications and their knowledge of, interest in, and experience with problems relating to water. This bill would make nonsubstantive changes in these provisions.

An act to amend Section 152 of the Water Code, relating to water.

[SB 559](#) **[Hurtado D](#)** **Department of Water Resources: federal funding: Friant-Kern Canal.**
 Text Version: Vetoed: 9/29/2020 Position: Watch
 [html](#) [pdf](#)
 Status: 9/28/2020-Vetoed by the Governor. In Senate. Consideration of Governor's veto pending.

Under existing law, the United States Bureau of Reclamation operates the federal Central Valley Project and the Department of Water Resources operates the State Water Project to supply water to persons and entities in the state. Existing law requires the Friant-Kern Canal to be of such capacity as the department determines necessary to furnish an adequate supply of water for beneficial purposes in the area to be served by the canal. This bill would require the Department of Water Resources to report to the Legislature, no later than March 31, 2021, on federal funding approved by the United States Congress in its 2021 Congressional Budget Resolution and related appropriations bills or otherwise provided to the Friant Water Authority or other government agency to restore the capacity of the Friant-Kern Canal, as specified. The bill would require the department to include in its report a proposal for the state to pay a share of the project cost, not to exceed 35%, and how the money will be spent. This bill contains other related provisions.

An act to add and repeal Section 140.5 of the Water Code, relating to water.

[SB 625](#) **[Bradford D](#)** **Central Basin Municipal Water District: receivership.**
 Text Version: Amended: 6/8/2020 Position: Watch
 [html](#) [pdf](#)
 Status: 8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. RLS. on 6/18/2020)

(1) Existing law, the Municipal Water District Law of 1911, provides for the formation of municipal water districts and grants to those districts specified powers. Existing law permits a district to acquire, control, distribute, store, spread, sink, treat, purify, recycle, recapture, and salvage any water for the beneficial use of the district, its inhabitants, or the owners of rights to water in the district. Existing law requires the board of directors of the Central Basin Municipal Water District (CBMWD) to be composed of 8 directors until the directors elected at the November 8, 2022, election take office, when the board would be composed of 7 directors, as prescribed. This bill would dissolve the board of directors of CBMWD and would provide that the November 3, 2020, election for directors of CBMWD shall not occur. The bill would require the Water Replenishment District of Southern

California (WRD) to act as the receiver for CBMWD, would vest WRD with all necessary powers under the Municipal Water District Law of 1911 to take control of CBMWD, and would transfer all powers vested in the board of directors of CBMWD to the board of directors of WRD, except as specified. The bill would require CBMWD's board of directors to surrender all control of CBMWD and its resources to WRD. This bill contains other related provisions and other existing laws.

An act to add and repeal Part 3.5 (commencing with Section 71400) of Division 20 of the Water Code, relating to water, and declaring the urgency thereof, to take effect immediately.

[SB 669](#) **[Caballero D](#)** **Water quality: Safe Drinking Water Fund.**
 Text Version: Introduced: 2/22/2019 Position: Support
 [html](#) [pdf](#)
 Status: 8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. DEAD on 2/3/2020)

(1) Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Existing law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. This bill would establish the Safe Drinking Water Fund in the State Treasury and would provide that moneys in the fund are continuously appropriated to the state board. The bill would require the state board to administer the fund to assist community water systems in disadvantaged communities that are chronically noncompliant relative to the federal and state drinking water standards and do not have the financial capacity to pay for operation and maintenance costs to comply with those standards, as specified. The bill would authorize the state board to provide for the deposit into the fund of federal contributions, voluntary contributions, gifts, grants, and bequests, transfers by the Legislature from the General Fund and the Greenhouse Gas Reduction Fund, funding from authorized general obligation bond acts, and net revenue from the Safe Drinking Water Trust that this bill would create. The bill would require the state board to expend moneys in the fund for grants, loans, contracts, or services to assist eligible applicants. The bill by July 1, 2021, and by July 1 of each year thereafter, would require the state board to adopt, working with a multistakeholder advisory group, after a public workshop and a public hearing, an annual fund implementation plan. The bill would require the state board annually to prepare and make publicly available a report of expenditures of the fund and to adopt annually, after a public hearing, an annual update to a specified needs analysis. By creating a new continuously appropriated fund, this bill would make an appropriation. This bill contains other related provisions and other existing laws.

An act to add Chapter 4.6 (commencing with Section 116765) and Chapter 4.7 (commencing with Section 116771) to, Part 12 of Division 104 of the Health and Safety Code, relating to water, and making an appropriation therefor.

[SB 693](#) **[Borges R](#)** **State Water Resources Control Board: Administrative Hearings Office.**
 Text Version: Introduced: 2/22/2019 Position: Watch
 [html](#) [pdf](#)
 Status: 2/3/2020-Returned to Secretary of Senate pursuant to Joint Rule 56.

Existing law, operative July 1, 2019, creates within the State Water Resources Control Board an Administrative Hearings Office composed of attorneys qualified to act as hearing officers in adjudicative proceedings involving water rights matters. Existing law prescribes procedures for hearings presided over by the office, including the adoption of a final order by the office for certain matters imposing administrative civil liability, and the preparation of a proposed order to be submitted for final review by the board for all other matters presided over by the office. This bill would make nonsubstantive changes in these provisions.

An act to amend Section 1114 of the Water Code, relating to water.

[SB 762](#) **[Jones R](#)** **Groundwater storage: beneficial use.**
 Text Version: Introduced: 2/22/2019 Position: Watch
 [html](#) [pdf](#)
 Status: 2/3/2020-Returned to Secretary of Senate pursuant to Joint Rule 56.

Existing law specifies that the storing of water underground, including the diversion of streams and the flowing of water on lands necessary to the accomplishment of that storage, constitutes a beneficial use of water if the water so stored is thereafter applied to the beneficial purposes for which the appropriation for storage was made. This bill would make a nonsubstantive change in those provisions.

An act to amend Section 1242 of the Water Code, relating to water.

[SB 797](#) **[Wilk R](#)** **Water resources: permit to appropriate: application procedure.**
 Text Version: Introduced: 1/6/2020 Position: Watch
 [html](#) [pdf](#)
 Status: 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was N.R. & W. on 1/15/2020)

Under existing law, the State Water Resources Control Board administers a water rights program pursuant to which the board grants permits and licenses to appropriate water. Existing law requires an application for a permit to appropriate water to

include, among other things, sufficient information to demonstrate a reasonable likelihood that unappropriated water is available for the proposed appropriation. Existing law requires the board to issue and deliver a notice of an application as soon as practicable after the receipt of an application for a permit to appropriate water that conforms to the law. Existing law allows interested persons to file a written protest with regard to an application to appropriate water and requires the protestant to set forth the objections to the application. Existing law declares that no hearing is necessary to issue a permit in connection with an unprotested application, or if the undisputed facts support the issuance of the permit and there is no disputed issue of material fact, unless the board elects to hold a hearing. This bill, if the board has not rendered a final determination on an application for a permit to appropriate water within 30 days from the date the application was filed, would require the board to issue a new notice and provide an opportunity for protests before rendering a final determination, with specified exceptions.

An act to add Section 1305 to the Water Code, relating to water resources.

SB 808

Mitchell D

Budget Act of 2020.

Text Version:

Amended: 6/10/2020

Position: Watch

[html](#) [pdf](#)

Status:

8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. BUDGET & F.R. on 1/10/2020)

This bill would make appropriations for the support of state government for the 2020–21 fiscal year. This bill contains other related provisions.

An act making appropriations for the support of the government of the State of California and for several public purposes in accordance with the provisions of Section 12 of Article IV of the Constitution of the State of California, relating to the state budget, to take effect immediately, budget bill.

SB 950

Jackson D

California Environmental Quality Act: housing and land use.

Text Version:

Amended: 3/19/2020

Position: Watch

[html](#) [pdf](#)

Status:

5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was E.Q. on 5/29/2020)

(1)The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. This bill would exempt from the requirements of CEQA emergency shelters, supportive housings, and transitional housings meeting certain requirements. CEQA requires the Office of Planning and Research to prepare and develop, and the Secretary of the Natural Resources Agency to certify and adopt, proposed guidelines for the implementation of CEQA. The bill would require the office, by an unspecified date, to prepare and develop, and the secretary to certify and adopt, revisions to the guidelines for the translation of certain notices and documents into non-English languages. By requiring public agencies to translate notices and documents into non-English languages, this bill would impose a state-mandated local program. CEQA establishes public comment periods for the lead agency to receive comments on a draft EIR for a project and requires the lead agency to respond to public comments received. This bill would authorize the lead agency to post on its internet website, at least 30 days before a public hearing at which it may approve the project, its responses to public comments received. The bill would authorize the lead agency to set a deadline of 10 days before the final public hearing at which it may approve the project for the receipt of written comments and supporting evidence if certain conditions are met. CEQA requires the courts to give an action or proceeding alleging noncompliance with CEQA preference over all other civil actions. CEQA establishes procedures applicable to an action or proceeding brought to challenge a public agency's action on the grounds of noncompliance with CEQA, including, among other procedures, the requirement that a petitioner bringing the action or proceeding is to request a hearing within 90 days from the date of filing of the petition and the requirement that the respondent public agency, not later than 20 days from the date of service of the petition, is to file with the court a notice setting forth the time and place at which all parties are to meet and attempt to settle the litigation. This bill would additionally require the respondent public agency, not later than 20 days from the date of service of the petition, to file and serve a request for the court to schedule a case management conference, as provided. The bill would specify the subjects to be addressed in the case management conference, which include, among other subjects, the potential usefulness of settlement discussions, mediation, or arbitration. The bill would instead require the public agency, not later than 15 days from the date of service of the petition, to file with the court a notice setting forth the time and place at which all parties or their counsel are to meet to discuss various issues, including, among other issues, the potential usefulness of settlement discussions, mediation, or arbitration. The bill would require the public agency, not later than 20 days after the initial case management conference, to file and serve a notice of the time and place of a settlement meeting. CEQA requires a petitioner, at the time of the filing of an action or proceeding pursuant to CEQA, to file a request that the respondent public agency prepare the record of proceedings related to the subject of the action or proceeding. CEQA provides the petitioner with the authority to elect to prepare the record of proceedings, instead of preparation by the public agency. This bill would require the petitioner to file with the respondent public agency a notice either requesting the public agency to prepare the record of proceedings or notifying the public agency that it is electing to prepare the record of proceedings. The bill would authorize the public agency or real party in interest, within 5 business days of the service of the notice, to assume responsibility of preparing the record of proceedings, notwithstanding the

petitioner's election. The bill would require the lead agency or real party in interest, if it makes this election, to bear the full costs in preparing and certifying the record of proceedings and to waive its rights to recover those costs from petitioner if it prevails in the action. The bill would require the parties to meet and confer regarding the preparation of the record of proceedings, as provided. CEQA requires a petitioner bringing an action alleging noncompliance with CEQA to furnish a copy of the pleadings to the Attorney General. This bill would require a petitioner, in the event of settlement of an action or proceeding involving the payment of money directly to a petitioner or petitioner's counsel other than reasonable attorney's fees and costs, to submit a report to the Attorney General describing the settlement and final disposition of the case within 7 days of the filing of a request for dismissal with the court. The bill would authorize the imposition of sanctions against a petitioner, upon motion by other parties in the action or by the Attorney General, if the petitioner refuses to file the report after being notified of its failure to comply with this requirement or if the petitioner repeatedly fails to comply with this requirement in connection with litigation brought by the petitioner. The bill would authorize the Attorney General to bring an action against the petitioner if the Attorney General determines that the petitioner has filed multiple actions under CEQA resulting in primarily monetary settlements that do not further the purposes of CEQA. CEQA requires superior courts in counties with a population of more than 200,000 to designate one or more judges to develop expertise in CEQA and certain related laws so that those judges will be available to hear and quickly resolve actions or proceedings alleging noncompliance with CEQA. This bill would require the Judicial Council, on or before July 1, 2021, to take certain actions related to the administration of justice under CEQA and to submit a report to the Legislature on its view regarding the administration of justice under CEQA, as provided. The bill would authorize a superior court in a county with a population of 200,000 or less, upon its own motion or upon motion by a party, to either order the transfer of the action or proceeding alleging noncompliance with CEQA to the superior court in a county with a population of more than 200,000 or to order the case be heard by a judge with expertise in CEQA assigned by the Judicial Council. This bill would repeal various obsolete provisions from CEQA, make conforming changes, and make various clarifying and nonsubstantive changes.

(2) Existing law requires a court, upon motion by a party and a determination of certain facts, to order a plaintiff in a civil action, including an action challenging a project on the grounds of noncompliance with CEQA, challenging a housing development project that meets or exceeds requirements of low- or moderate-income housing to file an undertaking in an amount determined by the court. This bill would instead require a court to require the filing of an undertaking in civil actions that challenge an affordable housing development project, as defined, which includes an emergency shelter.

(3) Existing law requires a legislative body of a city or county or a district board, if an initiative petition is signed by a specified number of voters, to either adopt the ordinance set forth in the initiative petition, without alteration, at a regular meeting at which the certification of the petition is presented, or within 10 days after it is presented, or submit the ordinance proposed in the petition, without alteration, to the voters for approval. This bill would require the legislative body of a city or county or district board to submit the ordinance proposed in an initiative petition to the voters for approval if the legislative body or district board determines that the approval of the proposed ordinance constitutes an approval of a project within the meaning of CEQA, had the proposed ordinance been proposed by the legislative body or district board rather than by initiative petition. By requiring the legislative body of a city or county or district board to submit those ordinances to the voters for approval, this bill would impose a state-mandated local program.

(4) The Planning and Zoning Law requires an action or proceeding against local zoning and planning decisions of a legislative body to be commenced within certain time periods, as specified. The Subdivision Map Act requires an action or proceeding against a decision of a local agency taken pursuant to that act to be commenced within a certain time period, as specified. CEQA requires an action or proceeding challenging a decision of the lead agency on the grounds of noncompliance with CEQA to be commenced within certain time periods, as specified. This bill would specify that tolling agreements entered into, as provided, are effective to toll the time periods in which an action or proceeding is to be commenced, as required by those 3 acts.

(5) Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest. This bill would make legislative findings to that effect.

(6) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason. With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

An act to amend Section 529.2 of the Code of Civil Procedure, to amend Sections 9118, 9215, and 9310 of the Elections Code, to amend Sections 65009 and 66499.37 of the Government Code, and to amend Sections 21000, 21001, 21001.1, 21002, 21092.5, 21167, 21167.1, 21167.4, 21167.6, 21167.8, and 21177 of, to add Sections 21080.51, 21083.03, 21167.1.5, 21167.7.5, and 21167.8.5 to, and to repeal Sections 21080.04, 21168.6.5, and 21168.6.6 of, the Public Resources Code, relating to environmental quality.

[SB 971](#)

Hertzberg D

Small water supplier and countywide water shortage contingency planning.

Text Version:

Introduced: 2/11/2020

Position: Watch

[html](#) [pdf](#)

Status:

5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was N.R. & W. on 5/12/2020)

Existing law, the Urban Water Management Planning Act, requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan. The act requires an urban water management plan to include a water shortage contingency plan, as provided. This bill would require a small water supplier, as defined, with 1,000 to 2,999 service connections, inclusive, to prepare and adopt a small water supplier water shortage contingency plan that consists of specified elements. The bill would require a small water supplier with 15 to 999 service connections, inclusive, to take specified actions related to water shortage planning and response. The bill would require

small water suppliers to provide to the public, and to report, the plan and specified water shortage planning information, as prescribed. This bill contains other related provisions and other existing laws.

An act to add Part 2.56 (commencing with Section 10609.50) to Division 6 of the Water Code, relating to water.

[SB 974](#) **[Hurtado D](#)** **California Environmental Quality Act: small disadvantaged community water system: state small water system: exemption.**
 Text Version: Chaptered: 9/29/2020 Position: Watch
 [html](#) [pdf](#)
 Status: 9/28/2020-Approved by the Governor. Chaptered by Secretary of State. Chapter 234, Statutes of 2020.

The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment, or to adopt a negative declaration or mitigated negative declaration, as specified, if it finds that the project will not have that effect. CEQA includes exemptions from its environmental review requirements for numerous categories of projects, as prescribed. This bill would, with certain specified exceptions, exempt from CEQA certain projects consisting solely of the installation, repair, or reconstruction of water infrastructure, as specified, that primarily benefits a small disadvantaged community water system, as defined, or a state small water system, as defined, by improving the small disadvantaged community water system's or state small water system's water quality, water supply, or water supply reliability, by encouraging water conservation, or by providing drinking water service to existing residences within a disadvantaged community, a small disadvantaged community water system, or a state small water system where there is evidence that the water exceeds maximum contaminant levels for primary or secondary drinking water standards or where the drinking water well is no longer able to produce an adequate supply of safe drinking water. To qualify for this CEQA exemption, the bill would require these projects to meet certain labor requirements and certain conditions, including fully mitigating all construction impacts and not affecting wetlands or sensitive habitat. The bill would also define various terms for purposes of this exemption. The bill would require the lead agency, before determining a project is exempt under these provisions, to contact the State Water Resources Control Board to determine whether claiming the exemption will affect the ability of the small disadvantaged community water system or the state small water system from receiving federal financial assistance or federally capitalized financial assistance. If the lead agency approves or carries out a project that is exempt from CEQA by the above provisions, the bill would require the lead agency to file a notice of exemption with the Office of Planning and Research and the county clerk of the county in which the project is located, as provided. Because a lead agency would be required to file the notice of exemption with the Office of Planning and Research and the county clerk, this bill would impose a state-mandated local program. The bill would repeal this exemption on January 1, 2028. This bill contains other related provisions and other existing laws.

An act to add and repeal Section 21080.47 of the Public Resources Code, relating to environmental quality.

[SB 996](#) **[Portantino D](#)** **State Water Resources Control Board: Constituents of Emerging Concern Program.**
 Text Version: Amended: 4/1/2020 Position: Support
 [html](#) [pdf](#)
 Status: 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was E.Q. on 3/5/2020)

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. The state board's duties include, but are not limited to, conducting research, studies, and demonstration programs relating to the provision of a dependable and safe supply of drinking water, enforcing the federal Safe Drinking Water Act, and adopting and enforcing regulations. This bill would require the state board to establish, maintain, and direct an ongoing, dedicated program called the Constituents of Emerging Concern Program to assess the state of information and recommend areas for further study on constituents of emerging concern in drinking water that may pose risks to public health. The bill would require the state board to establish the Stakeholder Advisory Group and, by an unspecified date, the Science Advisory Panel, both as prescribed, to assist in the gathering and development of information for the program, among other functions. The bill would require the program to provide opportunities for public participation, including conducting stakeholder meetings and workshops to solicit relevant information and feedback for development and implementation of the program. This bill contains other related provisions.

An act to add Article 3.6 (commencing with Section 116416) to Chapter 4 of Part 12 of Division 104 of the Health and Safety Code, relating to drinking water.

[SB 1011](#) **[Dahle R](#)** **Water quality: waste discharge requirements: management agency agreements.**
 Text Version: Amended: 3/25/2020 Position: Watch
 [html](#) [pdf](#)
 Status: 8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. RLS. on 2/14/2020)

The Porter-Cologne Water Quality Control Act, with certain exceptions, requires a waste discharger to file a report of waste discharge with a California regional water quality control board and to pay an annual fee established by the State Water Resources Control Board. This bill would provide that implementation of a management agency agreement entered into between the state board and the United States Forest Service or the state board and the United States Bureau of Land Management constitutes compliance by the United States Forest Service or the United States Bureau of Land Management, as

applicable, with specified waste discharge requirements for nonpoint source discharges. The bill would prohibit a provision of such a management agency agreement from being construed in any way as limiting the authority of the state board or a regional board in carrying out its legal responsibilities for the management or regulation of water quality.

An act to amend Section 13260 of the Water Code, relating to water.

[SB 1052](#)

[Hertzberg D](#)

Water quality: municipal wastewater agencies.

Text Version:

Introduced: 2/18/2020

Position: Watch

[html](#) [pdf](#)

Status:

5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was GOV. & F. on 5/12/2020)

Under existing law, the State Water Resources Control Board and the California regional water quality control boards prescribe waste discharge requirements for the discharge of stormwater by municipalities and industries in accordance with the National Pollutant Discharge Elimination System permit program and the Porter-Cologne Water Quality Control Act. Existing law requires regulated municipalities and industries to obtain a stormwater permit. This bill would establish municipal wastewater agencies and would authorize a municipal wastewater agency, among other things, to enter into agreements with entities responsible for stormwater management for the purpose of managing stormwater and dry weather runoff, to acquire, construct, expand, operate, maintain, and provide facilities for specified purposes relating to managing stormwater and dry weather runoff, and to levy taxes, fees, and charges consistent with the municipal wastewater agency's existing authority in order to fund projects undertaken pursuant to the bill. The bill would require the exercise of any new authority granted under the bill to comply with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. To the extent this requirement would impose new duties on local agency formation commissions, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

An act to add Chapter 11.5 (commencing with Section 13910) to Division 7 of the Water Code, relating to water quality.

[SB 1056](#)

[Portantino D](#)

Drinking water: testing: perfluoroalkyl and polyfluoroalkyl substances.

Text Version:

Introduced: 2/18/2020

Position: Watch

[html](#) [pdf](#)

Status:

5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was E.Q. on 2/27/2020)

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health, including, but not limited to, conducting research, studies, and demonstration programs relating to the provision of a dependable, safe supply of drinking water, enforcing the federal Safe Drinking Water Act, and adopting implementing regulations. The implementing regulations are required to include, but are not limited to, the monitoring of contaminants, including the type of contaminant, the frequency and method of sampling and testing, and the reporting of results. This bill would require the state board, on or before January 1, 2022, to certify a methodology or methodologies for testing drinking water, groundwater, and surface water for perfluoroalkyl and polyfluoroalkyl substances, as provided, and to accredit qualified laboratories in California to analyze perfluoroalkyl and polyfluoroalkyl substances pursuant to the adopted methodology or methodologies. This bill contains other existing laws.

An act to add Section 116379 to the Health and Safety Code, relating to drinking water.

[SB 1096](#)

[Caballero D](#)

Water and sewer system corporations: consolidation of service.

Text Version:

Introduced: 2/19/2020

Position: Watch

[html](#) [pdf](#)

Status:

5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was E. U., & C. on 5/12/2020)

The Public Utilities Act prohibits, with certain exemptions, any public utility from selling, leasing, assigning, mortgaging, or otherwise disposing of or encumbering specified property necessary or useful in the performance of the public utility's duties to the public without first, for qualified transactions valued above \$5,000,000, securing an order from the Public Utilities Commission authorizing it to do so or, for qualified transactions valued at \$5,000,000 or less, filing an advice letter and obtaining approval from the commission. This bill, the Consolidation for Safe Drinking Water Act of 2020, would authorize a water or sewer system corporation to file an application and obtain approval from the commission through an order authorizing the water or sewer system corporation to consolidate with a public water system or state small water system. The bill would require the commission to approve or deny the application within 8 months, except as provided. This bill contains other existing laws.

An act to add Chapter 2.7 (commencing with Section 2721) to Part 2 of Division 1 of the Public Utilities Code, relating to public utilities.

[SB 1099](#)

[Dodd D](#)

Emergency backup generators: critical facilities: exemptions.

Text Version:

Amended: 7/27/2020

Position: Support

[html](#) [pdf](#)

Status:

8/14/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was A. NAT. RES. on 6/29/2020)

Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and

nonvehicular sources. Existing law generally designates air pollution control and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources. Existing law requires the State Air Resources Board to identify toxic air contaminants that are emitted into the ambient air of the state and to establish airborne toxic control measures to reduce emissions of toxic air contaminants from nonvehicular sources. This bill would require an air district without a specified rule on emergency backup generators, as defined, as of January 1, 2021, that adopts such a rule to include in the rule provisions that allow the operator of a critical facility, as defined, to use a permitted emergency backup generator in exceedance of the applicable runtime and testing and maintenance limits if specified conditions are met. The bill would require a critical facility allowed to exceed applicable limits under a rule adopted pursuant to that provision to attest to and provide evidence of having taken demonstrable steps toward implementing the use of backup power technologies that meet or exceed emission standards set by the state board. By adding to the duties of air districts, the bill would impose a state-mandated local program.

An act to add Article 9.5 (commencing with Section 42010) to Chapter 3 of Part 4 of Division 26 of the Health and Safety Code, relating to nonvehicular air pollution.

SB 1101**Caballero D****Water and Climate Science Advisory Board.**

Text Version:

Amended: 3/25/2020

Position: Watch

[html](#) [pdf](#)

Status:

8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. RLS. on 2/19/2020)

Existing law establishes the Department of Water Resources within the Natural Resources Agency and prescribes the jurisdiction and various general administrative authorities and duties of the department regarding, among other things, matters pertaining to water resources and dams in the state. This bill would require the department to convene a Water and Climate Science Advisory Board to consist of 5 members with certain qualifications appointed by the department, the agency, and the State Water Resources Control Board, as provided. The bill would require board members to serve 3-year terms. The bill would require the department to consult with the board when initiating, reviewing, or expanding policies or guidelines regarding impacts of climate change on water resources. The bill would require the department to establish an internal process for department review of and comment on the work of the board, which shall be made publicly available.

An act to add Section 148 to the Water Code, relating to water.

SB 1171**Nielsen R****Reclamation districts: improvement districts: formation.**

Text Version:

Amended: 3/25/2020

Position: Watch

[html](#) [pdf](#)

Status:

8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. RLS. on 2/20/2020)

(1) Existing law authorizes the owners of 1/2 or more of any body of swamp and overflowed lands, salt marsh, or tidelands, or other lands subject to flood or overflow, to petition the county board of supervisors to form a reclamation district for specified purposes. Existing law authorizes, among other things, a reclamation district to levy and collect assessments on parcels in the district under specified circumstances for purposes of raising funds for the maintenance, repair, and operation of district reclamation works. This bill would authorize the board of directors of a reclamation district to form an improvement district to incur a bonded indebtedness for the acquisition, construction, completion, or repair of improvements, works, or property to be payable from taxes levied upon less than all of the lands within the reclamation district. The bill would prescribe certain procedures for the creation of the improvement district and for the levying of improvement district assessments, including, respectively, specified notice, hearing, and election provisions. (2) Existing law, the Improvement Act of 1911, Municipal Improvement Act of 1913, and Improvement Bond Act of 1915 authorize and prescribe procedures for cities and counties, and, in some cases, other public entities, to issue bonds secured by assessments on real property in order to finance the cost of certain improvements to property within their boundaries, including, among other improvements, constructing or maintaining streets, drains, sewers, bridges, and levees. These acts also prescribe procedures for the redemption of bonds and payment of interest on the bonds. This bill would authorize a reclamation district to use, in its discretion, the provisions and procedures of these acts for the construction of any facilities that the reclamation district is otherwise authorized to construct under existing law.

An act to add Chapter 7 (commencing with Section 50980) and Chapter 8 (commencing with Section 50986) to Part 5 of Division 15 of the Water Code, relating to reclamation districts.

SB 1184**Stern D****Water corporations: fire hydrant service agreements: report.**

Text Version:

Introduced: 2/20/2020

Position: Watch

[html](#) [pdf](#)

Status:

5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was E. U., & C. on 3/5/2020)

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including water corporations. Existing law prohibits a water corporation from charging an entity providing fire protection service for the costs of furnishing water for that service and for other related costs, except pursuant to a written agreement between the water corporation and the entity providing fire protection service. This bill would require the commission, by January 1, 2022, to prepare and submit to the Legislature a report concerning those agreements between water corporations and local fire protection agencies.

An act to add and repeal Section 915.5 of the Public Utilities Code, relating to public utilities.

[SB 1188](#) **Stern D** **The California Water Plan.**
 Text Version: Amended: 4/8/2020 Position: Watch
 [html](#) [pdf](#)
 Status: 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was N.R. & W. on 3/5/2020)

Existing law requires the Department of Water Resources to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as The California Water Plan. Existing law requires the department to include a discussion of various strategies in the plan update, including, but not limited to, strategies relating to the development of new water storage facilities, water conservation, water recycling, desalination, conjunctive use, water transfers, and alternative pricing policies that may be pursued in order to meet the future needs of the state. This bill would require the department to include in the plan update, instead of a discussion of various strategies, a discussion of various strategies for increasing regional water resilience, as defined. This bill contains other related provisions and other existing laws.

An act to amend Sections 10004.5 and 10013 of, and to add Sections 10004.1 and 10004.2 to, the Water Code, relating to water resources.

[SB 1194](#) **Archuleta D** **Water replenishment districts: competitive bidding.**
 Text Version: Introduced: 2/20/2020 Position: Watch
 [html](#) [pdf](#)
 Status: 6/5/2020-Failed Deadline pursuant to Rule 61(b)(6). (Last location was S. GOV. & F. on 3/5/2020)

The Water Replenishment District Act provides for the formation of water replenishment districts with prescribed powers for the purposes of replenishing the groundwater supplies within the district. The act requires a district to advertise for bids before making any contract totaling \$25,000 or more within any 12-month period and, when work is to be done, to give notice calling for bids by publication, as prescribed. This bill would revise and recast the provisions establishing the competitive bidding and related public notice procedures for water replenishment districts, including, among other revisions, deleting the requirement that a district advertise for bids before making any contract totaling \$25,000 or more within any 12-month period, and instead requiring a district to advertise for bids before making any contract totaling \$40,000 or more.

An act to amend Sections 60602, 60616, and 60622 of, to repeal Sections 60606, 60608, 60610, and 60612 of, and to repeal and add Section 60604 of, the Water Code, relating to water.

[SB 1209](#) **Dahle R** **Watermaster service areas: expenses in distribution.**
 Text Version: Introduced: 2/20/2020 Position: Watch
 [html](#) [pdf](#)
 Status: 8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. RLS. on 2/20/2020)

Existing law requires the Department of Water Resources to divide the state into watermaster service areas for the purpose of distributing water in accordance with certain water right determinations. Existing law authorizes the department to incur costs and make expenditures as necessary to provide for the administration of a service area and the distribution of water in the service area. Existing law requires the water rightholders to pay all of those costs. This bill would make a nonsubstantive change to that latter provision of law.

An act to amend Section 4201 of the Water Code, relating to water.

[SB 1217](#) **Dahle R** **Urban water use targets: indoor residential water use: standards: studies and investigations: reports.**
 Text Version: Amended: 3/26/2020 Position: Watch
 [html](#) [pdf](#)
 Status: 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was N.R. & W. on 3/5/2020)

(1) Existing law requires the state to achieve a 20% reduction in urban per capita water use in California by December 31, 2020. Existing law requires each urban retail water supplier to develop urban water use targets and an interim urban water use target, as specified, and states the intent of the Legislature that the urban water use targets cumulatively result in a 20% reduction from the baseline daily per capita water use by December 31, 2020. Existing law requires an urban retail water supplier to adopt one of specified methods for determining its urban water use target, including estimating the per capita daily water use using the sum of 55 gallons per capita daily for indoor residential water use and a specified water efficiency standard for landscape irrigation use. This bill would revise that method of estimating the per capita daily water use to require an urban retail water supplier to use, instead of 55 gallons per capita daily for indoor residential water use, a standard that complies with the urban retail water supplier's own criteria for indoor residential water use. This bill contains other related provisions and other existing laws.

An act to amend Sections 10608.20 and 10609.4 of the Water Code, relating to water.

[SB 1234](#)[Grove R](#)**Water rights: reasonable and beneficial use of water.**

Text Version:

Introduced: 2/20/2020

Position: Watch

[html](#) [pdf](#)

Status: 8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. RLS. on 2/20/2020)

Existing law declares that the right to water is limited to that water that is reasonably required for the beneficial use to be served, and does not extend to the waste or unreasonable use, unreasonable method of use, or unreasonable method of diversion of water. This bill would make nonsubstantive changes to that provision.

An act to amend Section 100 of the Water Code, relating to water.

[SB 1249](#)[Hurtado D](#)**Water quality: state policy: public hearing.**

Text Version:

Introduced: 2/21/2020

Position: Watch

[html](#) [pdf](#)

Status: 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was E.Q. on 3/5/2020)

Under existing law, the State Water Resources Control Board and the California regional water quality control boards prescribe waste discharge requirements in accordance with federal law and the Porter-Cologne Water Quality Control Act. The act prohibits the state board from adopting state policy for water quality control unless a public hearing is first held respecting the adoption of the policy, and requires the state board to notify any affected regional boards, unless notice is waived, at least 60 days before the hearing. The act requires the regional boards to submit written recommendations to the state board at least 20 days before the hearing. This bill would instead require the state board to provide that notice at least 30 days before the hearing and would instead require the regional boards to submit those recommendations at least 25 days before the hearing.

An act to amend Section 13147 of the Water Code, relating to water quality.

[SB 1280](#)[Monning D](#)**Drinking water: consolidation and extension of service: at-risk water systems.**

Text Version:

Amended: 4/1/2020

Position: Watch

[html](#) [pdf](#)

Status: 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was GOV. & F. on 5/12/2020)

Existing law, the California Safe Drinking Water Act, provides for the operation of public water systems and imposes on the State Water Resources Control Board various responsibilities and duties. The act authorizes the state board to contract with, or provide a grant to, an administrator to provide administrative, technical, operational, legal, or managerial services, or any combination of those services, to a designated water system to assist with the provision of an adequate supply of affordable, safe drinking water. The act authorizes the state board to order consolidation with, or extension of service from, a receiving water system if a public water system or state small water system serving a disadvantaged community consistently fails to provide an adequate supply of safe drinking water or if a disadvantaged community is substantially reliant on domestic wells that consistently fail to provide an adequate supply of safe drinking water. The act requires the state board, no later than July 1, 2020, to develop and adopt a policy that provides a process by which members of a disadvantaged community may petition the state board to consider ordering consolidation. This bill would authorize the state board to order consolidation between a receiving water system and an at-risk water system, as defined, upon receipt of a petition that substantially conforms to the above-referenced policy adopted by the state board and that is either approved by the water system's governing body or signed by at least 30% of the households served by the water system. For purposes of that provision, the bill would authorize the state board to contract with a technical assistance provider or appoint an administrator to provide information to a community regarding the petition process, to assist with the preparation of a petition, or to evaluate whether a water system is an at-risk water system.

An act to amend Sections 116681 and 116682 of the Health and Safety Code, relating to drinking water.

[SB 1352](#)[Hueso D](#)**Gas corporations: renewable gas procurement.**

Text Version:

Amended: 4/3/2020

Position: Support

[html](#) [pdf](#)

Status: 5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was E. U., & C. on 5/12/2020)

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including gas corporations. Existing law, relative to restructuring of the gas industry, requires the commission to require each gas corporation to provide bundled basic gas service to all core customers in its service territory unless the customer chooses or contracts to have natural gas purchased and supplied by another entity. Existing law requires the commission, in consultation with the State Air Resources Board, to consider adopting specific biomethane procurement targets or goals for each gas corporation, as specified. Existing law requires that prior to establishing biomethane procurement targets or goals, that the commission find that the targets or goals are cost-effective means to achieving forecast reduction in emissions of short-lived climate pollutants pursuant to specified laws and that the targets or goals comply with all applicable state and federal laws. This bill would require the commission to establish a renewable gas, as defined, procurement program that requires each gas corporation to procure renewable gas in an amount so that, by January 1, 2030, at least 20 percent of the total volume of gas delivered to core customers in California by that gas corporation is renewable gas. The bill would require the commission, in designing and

implementing the program, to ensure that the renewable gas procurement program is a cost-effective means to achieve forecast reductions in emissions of short-lived climate pollutants pursuant to specified laws and that the program complies with all applicable state and federal laws. This bill contains other related provisions and other existing laws.

An act to amend Sections 650 and 651 of, and to amend the heading of Article 10 (commencing with Section 650) of Chapter 3 of Part 1 of Division 1 of, the Public Utilities Code, relating to energy.

[SB 1386](#)

[Moorlach R](#)

Local government: assessments, fees, and charges: water: hydrants.

Text Version:

Chaptered: 9/29/2020

Position: Watch

[html](#) [pdf](#)

Status:

9/28/2020-Approved by the Governor. Chaptered by Secretary of State. Chapter 240, Statutes of 2020.

The California Constitution specifies various requirements with respect to the levying of assessments and property-related fees and charges by a local agency, including requiring that the local agency provide public notice and a majority protest procedure in the case of assessments and submit property-related fees and charges for approval by property owners subject to the fee or charge or the electorate residing in the affected area following a public hearing. This bill would specify that hydrants, as defined, are part of the system of public improvements included in the definition of "water" for purposes of the Proposition 218 Omnibus Implementation Act. The bill would specify that the fees or charges for property-related water service imposed or increased, as specified, may include the costs to construct, maintain, repair, or replace hydrants as needed or consistent with fire codes and industry standards, and may include the cost of water distributed through hydrants. The bill would also authorize the fees or charges for the aspects of water service related to hydrants and the water distributed through them to be fixed and collected as a separate fee or charge, or included in the other water rates and charges fixed and collected by a public agency, as specified. This bill contains other existing laws.

An act to add Section 53750.5 to the Government Code, relating to local government finance.

Total Measures: 102

Total Tracking Forms: 102

MINUTES
REGULAR BOARD OF DIRECTORS MEETING
THREE VALLEYS MUNICIPAL WATER DISTRICT
VIA TELECONFERENCE

Wednesday, September 2, 2020
8:00 a.m.

1. Call to Order

The Board meeting was called to order at 8:00 a.m. via teleconference. The presiding officer was President Bob Kuhn.

2. Roll Call

Roll call was taken with a quorum of the Board present. Director Mendoza was not present at the time roll call was taken as he was experiencing technical difficulties. He joined the meeting at 8:15 a.m.

Directors Present

Bob Kuhn, President
 David De Jesus, Vice President
 Carlos Goytia, Secretary
 Brian Bowcock, Treasurer
 Denise Jackman, Director
 John Mendoza, Director
 Jody Roberto, Director

Staff Present

Matt Litchfield, General Manager
 Steve Kennedy, Legal Counsel
 Dominique Aguiar, Operations Supervisor
 Nadia Aguirre, Executive Assistant
 Liz Cohn, Senior Financial Analyst
 Wendy Galarneau, HR Manager
 Karen Harberson, Compliance Specialist
 Kirk Howie, Chief Administrative Officer
 Tim Kellett, Chief Water Resources Officer
 James Linthicum, Chief Finance Officer
 Robert Peng, I.T. Manager
 Ben Peralta, Project Manager

Virtual Attendees: Ray Baca, Engineering Contractors' Association; John Brett, Suburban Water Systems; Chris Clarke, National Parks Conservation Association; Tom Coleman, Rowland Water District; Demi Espinoza, National Parks Conservation Association; Gregory Foster, Southern California Group; Victoria Hahn, Pomona resident; Ed Hilden, Walnut Valley Water District; Erik Hitchman, Walnut Valley Water District; Brad Jensen, San Gabriel Valley Economic Partnership; Richard Lambros, Engineering Contractors' Association; Ben Lewis, Golden State Water Company; Tony Lima, Rowland Water District; Szu Pei Lu-Yang, Rowland Water District; Christopher McCarry, Chandler Asset Management; John Monsen, National Parks Conservation Association; Jayson Schmitt, Chandler Asset Management; Alfred Sinclair, Walnut Valley Water District; Marci Stange, Southern California Partnership for Jobs; Jennifer Stark, City of Claremont; Jerry Tang, Walnut Valley Water District; Brian Teuber, Walnut Valley Water District; Dave Warren, Rowland Water District; Tony Zampiello, Main San Gabriel Basin Watermaster; Janet Zimmerman, CV Strategies.

3. Additions to Agenda

No additions to the agenda were requested.

4. Reorder Agenda

No reorder to the agenda was requested.

5. Public Comment

President Kuhn called for public comment.

Mr. Ray Baca submitted a speaker's card to be read for him in support of the Bonanza Springs Study.

President Kuhn asked General Manager Matthew Litchfield to provide an update on the status of the Bonanza Springs study. Mr. Litchfield reported the original study schedule has been slowed due to numerous factors. Permits have not been issued by the Bureau of Land Management (BLM) and field work has not commenced. Therefore, no findings or results are available at this time. An Aquilogic, Inc. report is available on the District website under the "News" tab.

Ms. Demi Espinoza is the California Desert Program Manager at the National Parks Conservation Association. She will be working on policies to protect the desert habitat and looks forward to working with the Board of Directors.

Mr. John Monsen thanked Mr. Litchfield for the Aquilogic, Inc. report posted on the District website and requested the actual communication between Aquilogic, Inc. and BLM be posted as well as any other pertaining communications.

Ms. Marci Stanage spoke in support of the Bonanza Springs study.

Mr. Brad Jensen spoke in support of the Bonanza Springs study.

Mr. Chris Clarke spoke in opposition of the Bonanza Springs study.

Mr. Richard Lambros spoke in support of the Bonanza Springs study.

6. Presentation**6.A – Chandler Asset Management Economic & Investment Portfolio Update**

Mr. Jayson Schmitt and Mr. Chris McCarry from Chandler Asset Management provided the Board with an economic and investment portfolio update. Current financial trends due to COVID-19 shutdown impacts were reviewed. The District's portfolio is fully compliant with the Investment policy and the California Government Code. The investment objectives of the District are to provide safety, liquidity and return. The majority of securities in the portfolio are government related with

corporate securities making up the rest. All securities are rated A or better. The District has outperformed in all benchmark areas.

7. General Manager's Report

7.A – Employee Health Care Costs CY 2021

Ms. Wendy Galarneau reviewed ACWA JPIA 2021 rate changes. The highest increases will be from Anthem HMO's with a 7.6% increase and Kaiser with an 8.84% aggregate increase. All other rates will remain the same or decrease. The recommendation is to maintain the same Employee/Employer contribution by percentage. This item will be moved to the September 16 Board meeting for consideration of approval.

7.B – Projects Summary Update

Mr. Ben Peralta provided an update of ongoing District projects. Preliminary start-up and testing at the Grand Ave Well Equipping project commenced in May 2020. CLA-VAL issues and motor operated valve issues were detected during the test and repaired. The Department of Drinking Water (DDW) provided a final inspection and on August 14 the permit amendment approval was received. The Miragrand Well project discharge pipeline and sound panels have been installed. It will take approximately four months for the entire well drilling to be completed. The remodel of the Administrative bathrooms at the District has been completed.

8. Closed Session

The Board convened into closed session at 9:22 a.m. to discuss the following items:

8.A - Conference with Legal Counsel – Existing Litigation [Government Code Section 54956.9(d)(1)]

Name of Case: San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case No. CPF-10-510830 (Consolidated with Case No. CPF-12-512466)

Name of Case: San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case No. CPF-14-514004

Name of Case: San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case No. CPF-16-515282

Name of Case: San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case No. CGC-17-563350

Name of Case: San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case No. CPF-18-516389

8.B – Public Employee Performance Evaluation (Government Code Section 54957)

Title: Matthew Litchfield, General Manager

The Board reconvened to regular session at 9:50 a.m. Legal Counsel Steve Kennedy advised of no reportable action for items pertaining to 8.A.

With respect to item 8.B, the Board evaluated the General Manager's performance and acknowledged all requirements have been satisfied in the employment agreement for full relocation assistance.

9. Future Agenda Items

No future agenda items were requested.

President Kuhn would like to give District candidates the opportunity to introduce themselves at future Board meetings.

Director Bowcock advised everyone's mic should be muted unless they are speaking to eliminate background noise.

10. Adjournment

The Board adjourned at 10:02 a.m. to its next regular Board meeting scheduled for Wednesday, September 16, 2020 at 8:00 a.m.

Bob Kuhn
President, Board of Directors
Three Valleys Municipal Water District

Recorded by: Nadia Aguirre
Executive Assistant

**MINUTES
REGULAR BOARD OF DIRECTORS MEETING
THREE VALLEYS MUNICIPAL WATER DISTRICT
VIA TELECONFERENCE**

**Wednesday, September 16, 2020
8:00 a.m.**

1. Call to Order

The Board meeting was called to order at 8:00 a.m. via teleconference. The presiding officer was President Bob Kuhn.

2. Roll Call

Roll call was taken with a quorum of the Board present.

Directors Present

Bob Kuhn, President
David De Jesus, Vice President
Carlos Goytia, Secretary
Brian Bowcock, Treasurer
Denise Jackman, Director
John Mendoza, Director
Jody Roberto, Director

Staff Present

Matt Litchfield, General Manager
Steve Kennedy, Legal Counsel
Dominique Aguiar, Operations Supervisor
Nadia Aguirre, Executive Assistant
Liz Cohn, Senior Financial Analyst
Ray Evangelista, Engineering Assistant
Wendy Galarneau, HR/Risk Manager
Karen Harberson, Compliance Specialist
Kirk Howie, Chief Administrative Officer
Tim Kellett, Chief Water Resources Officer
Steve Lang, Chief Operations Officer
James Linthicum, Chief Financial Officer
Lucy Pena, HR/Risk Manager
Robert Peng, I.T. Manager

Virtual Attendees: Chris Clarke, National Parks Conservation Association; Tom Coleman, Rowland Water District; Hugh Coxe, Sustainable Claremont; Demi Espinoza, National Parks Conservation Association; Gregory Foster, Southern California Group; Victoria Hahn, resident; Rick Hansen, Cal Poly Pomona; Richard Haskell, Sustainable Claremont; Ed Hilden, Walnut Valley Water District; Erik Hitchman, Walnut Valley Water District; Ben Lewis, Golden State Water Company; Tony Lima, Rowland Water District; Szu Pei Lu, Rowland Water District; Joseph Lyons, Claremont resident; John Monsen, National Parks Conservation Association; Stephanie Moreno, Water Quality Authority; Steve Patton, City of Glendora; Alfred Sinclair, Walnut Valley Water District; Jennifer Stark, City of Claremont; Brian Teuber, Walnut Valley Water District; Dave Warren, Rowland Water District.

October 7 Board meeting. President Kuhn requested further information on AB 2182 in an October or November Board meeting.

8. Directors' / General Manager's Oral Reports

Director De Jesus provided an MWD update. MWD Board Chair elections are coming up and it is likely Chairwoman Gray will be challenged. TVMWD Directors' may discuss MWD Board member selection in open session. Director De Jesus also provided an update on how the pandemic has affected MWD water rates.

President Kuhn reported on the Chino Basin Watermaster OBMP update. He will attend the WQA Board meeting today. President Kuhn offered condolences to Director Goytia for the passing of his aunt.

Director Goytia is involved in COVID-19 needs for the community. He fell ill a few weeks ago and tested negative for COVID-19. The pandemic has hit close to home with the passing of Director Goytia's aunt and several family members falling ill from COVID-19.

Director Roberto had nothing to report and offered condolences to Director Goytia for the passing of his aunt.

Director Mendoza had nothing to report.

Director Jackman had nothing to report and offered condolences to Director Goytia for the passing of his aunt.

Director Bowcock stated his thoughts on a contract up for discussion at the WQA Board meeting today.

Mr. Matthew Litchfield reported the Main San Gabriel Basin Watermaster cyclic storage 10-year agreement went before the court on September 11 and is now fully executed. Mr. Litchfield introduced Ms. Lucy Pena as the District's new Human Resources/Risk Manager. Mr. Litchfield thanked Ms. Wendy Galarneau for all her efforts at the District and wished her all the best in her future endeavors. Ms. Galarneau has enjoyed her time at the District and thanked the Board for the opportunity to grow in the HR field.

The Executive Assistant advised the Board a public comment speaker's card was submitted by Mr. Hugh Coxe at 8:25 a.m. Mr. Coxe exited the meeting before being given the opportunity to speak. According to the submitted speaker's card he wished to speak against the Bonanza Springs study process. Director De Jesus requested staff to contact Mr. Coxe and inquire if he would like to submit a written statement to be added to the meeting minutes.

9. Future Agenda Items

No future agenda items were requested.

10. Adjournment

The Board adjourned at 9:29 a.m. to its next regular meeting scheduled for Wednesday, October 7, 2020.


Bob Kuhn
President, Board of Directors
Three Valleys Municipal Water District

Recorded by: Nadia Aguirre
Executive Assistant

DRAFT



Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: October 21, 2020
Subject: **Change in Cash and Cash Equivalents Report**

<input type="checkbox"/>	For Action	<input type="checkbox"/>	Fiscal Impact	\$
<input checked="" type="checkbox"/>	Information Only	<input type="checkbox"/>	Funds Budgeted:	

Staff Recommendation:

No Action Necessary – Informational Item Only

Discussion:

Attached for your review is the Change in Cash and Cash Equivalents Report for the period ending September 30, 2020.

Strategic Plan Objective(s):

3.1 – Utilize and comply with a set of financial policies to maintain TVMWD’s financial health

Attachment(s):

Exhibit A – Change in Cash and Cash Equivalents Report

Meeting History:

None

NA/LC



CHANGE IN CASH AND CASH EQUIVALENTS REPORT

September 1 through September 30, 2020

	<u>CASH</u>	<u>CASH EQUIVALENTS</u>
SUMMARY 09/30/2020		
Petty Cash	6,000.00	
Local Agency Investment Fund		66,684.61
California Asset Management Program(CAMP)		11,572.01
General Checking	1,317,682.76	
Sweep Account	1,248,394.91	
U.S. Bank	5,000.00	
	\$ 2,577,077.67	\$ 78,256.62
TOTAL CASH IN BANKS & ON HAND		
TOTAL CASH IN BANKS & ON HAND 09/30/20	\$ 2,577,077.67	\$ 78,256.62
TOTAL CASH IN BANKS & ON HAND 08/31/20	\$ 1,336,497.51	\$ 78,254.02
PERIOD INCREASE (DECREASE)	\$ 1,240,580.16	\$ 2.60
CHANGE IN CASH POSITION DUE TO:		
Water Sales/Charges Revenue	8,817,817.18	
Interest Revenue	396.05	
Subvention/RTS Standby Charge Revenue		
Hydroelectric Revenue	9,109.06	
Other Revenue	4,656.39	
Cadiz Water Project Peer Review	75,000.00	
Investment Xfer From Chandler Asset Mgt		
LAIF Quarterly Interest		
California Asset Mgmt Program Interest		2.60
Transfer from LAIF		
Transfer to LAIF		
INFLOWS	8,906,978.68	2.60
Expenditures	(7,701,707.88)	
Current Month Outstanding Payables	127,860.89	
Prior Month Cleared Payables	(88,424.52)	
Bank/FSA Svc Fees	(175.00)	
HRA/HSA Payment	(3,952.01)	
CalPers Unfunded Liability /1959 Survivor Ben		
PARS Pension Trust		
Investment Xfer to CA Asset Mgt Pgm		
Transfer from LAIF		
Transfer From CAMP		
OUTFLOWS	(7,666,398.52)	-
PERIOD INCREASE (DECREASE)	1,240,580.16	2.60
	\$ (0.00)	\$ (0.00)



THREE VALLEYS MUNICIPAL WATER DISTRICT
CONSOLIDATED LISTING OF INVESTMENT PORTFOLIO
 September 30, 2020

ITEM	BOOK YIELD	BOOK VALUE	PAR VALUE	MARKET VALUE
Chandler Asset Management				
ABS - Asset Backed Securities	3.05%	159,347.07	159,350.68	161,607.58
Bonds - Agency	1.80%	1,123,441.03	1,112,000.00	1,168,970.14
Commercial Paper	0.00%	0.00	0.00	0.00
Money Market Fund	0.01%	16,725.91	16,725.91	16,725.91
Supranational	0.00%	0.00	0.00	0.00
US Corporate	3.05%	648,793.03	655,000.00	680,960.25
US Treasury	1.91%	762,482.64	755,000.00	803,457.84
	2.19%	2,710,789.68	2,698,076.59	2,831,721.72
Local Agency Invest Fund TVMWD	0.78%	66,684.61	66,684.61	66,684.61
California Asset Management Program	0.27%	11,572.01	11,572.01	11,572.01
Reserve Fund		\$ 2,789,046.30	\$ 2,776,333.21	\$ 2,909,978.34
<hr/>				
Checking (Citizens)	0.65%	1,317,682.76	1,317,682.76	1,317,682.76
Sweep Account (Citizens)	0.15%	1,248,394.91	1,248,394.91	1,248,394.91
Emergency Checking (U.S. Bank)	0.00%	5,000.00	5,000.00	5,000.00
Petty Cash Fund	0.00%	6,000.00	6,000.00	6,000.00
Working Cash		\$ 2,577,077.67	\$ 2,577,077.67	\$ 2,577,077.67
<hr/>				
TOTAL PORTFOLIO	1.33%	\$ 5,366,123.97	\$ 5,353,410.88	\$ 5,487,056.01

I certify that this report accurately reflects all investments of Three Valleys Municipal Water District and that all investments and this report are in conformity with Sections 53600 et seq of the California Government Code and the District's annual statement of investment policy (Resolution 20-03-871). The District's investment program herein shown provides sufficient cash flow and liquidity to meet all budgeted expenditures for the next six months.

MATTHEW H. LITCHFIELD, General Manager/Assistant Treasurer



Three Valleys Municipal Water District - Account #10065

MONTHLY ACCOUNT STATEMENT

SEPTEMBER 1, 2020 THROUGH SEPTEMBER 30, 2020

Chandler Team:

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

Custodian

US Bank
Christopher Isles
(503) 464-3685

CHANDLER ASSET MANAGEMENT
chandlerasset.com

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.



PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.55
Average Coupon	2.29%
Average Purchase YTM	2.19%
Average Market YTM	0.26%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.76 yrs
Average Life	2.63 yrs

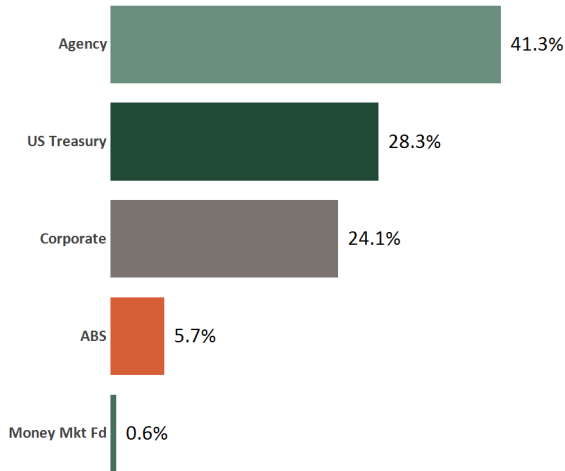
ACCOUNT SUMMARY

	Beg. Values as of 8/31/20	End Values as of 9/30/20
Market Value	2,826,051	2,831,722
Accrued Interest	15,991	10,859
Total Market Value	2,842,042	2,842,581
Income Earned	5,042	4,947
Cont/WD		-388
Par	2,687,753	2,698,077
Book Value	2,700,787	2,710,790
Cost Value	2,700,272	2,710,710

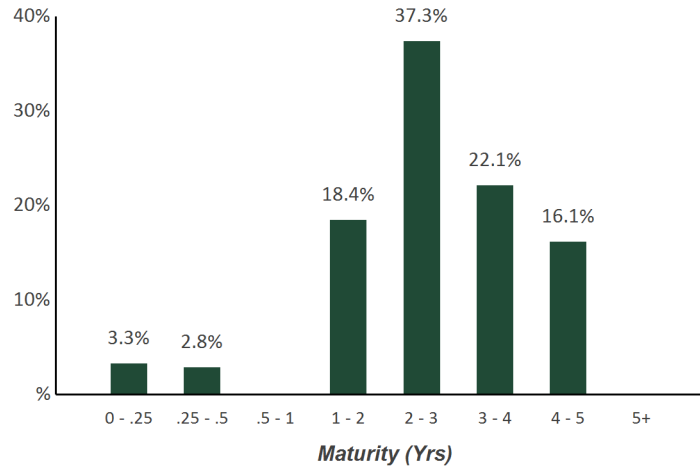
TOP ISSUERS

Government of United States	28.3%
Federal Home Loan Bank	13.4%
Federal Home Loan Mortgage Corp	11.0%
Federal National Mortgage Assoc	9.3%
Federal Farm Credit Bank	7.6%
IBM Corp	4.6%
Paccar Financial	3.8%
Apple Inc	3.7%
Total	81.8%

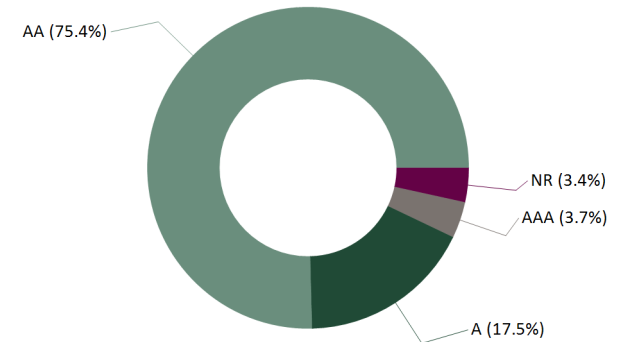
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	4/30/2009
Three Valleys Municipal Water District	0.03%	0.28%	4.26%	5.02%	5.30%	3.45%	2.50%	2.00%	2.25%
ICE BAML 1-5 Year US Treasury/Agency Index	0.02%	0.13%	4.20%	4.57%	5.08%	3.17%	2.19%	1.72%	1.95%

Statement of Compliance

As of September 30, 2020

Three Valleys Municipal Water District

Assets managed by Chandler Asset Management are in full compliance with state law and with the District's investment policy.

Category	Standard	Comment
Treasury Issues	No Limitation	Complies
Agency Issues	No Limitation	Complies
Municipal Securities/ Local Agency Bonds	Bonds issued by TVMWD; Issued by local agency within the state of California, including pooled investment accounts sponsored by the state of California, County Treasurers, or Joint Power Agencies	Complies
Supranationals	Issued by IBRD, IFC or IADB only; "AA" rated or higher by a NRSRO; 30% maximum; 10% max per issuer	Complies
Banker's Acceptances	"A" rated or higher by a NRSRO; 40% maximum; 5% max per issuer; 180 days max maturity	Complies
Commercial Paper	"A-1" rated or equivalent by a NRSRO; "A" rated issuer or equivalent by a NRSRO; 25% maximum; 5% max per issuer; 270 days max maturity; Issuer must be organized and operating within the US, have AUM >\$500 mil	Complies
Corporate Medium Term Notes	"A" rated or better by a NRSRO; 30% maximum; 5% max per issuer; Issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S.	Complies
Negotiable Certificates of Deposit	30% maximum; 5% max per issuer	Complies
Certificates of Deposits/Time Deposit	Collateralized/ FDIC insured	Complies
Money Market Mutual Funds	"AAA" rated by 2 NRSROs; 20% maximum; 10% per fund	Complies
Mortgage Pass-throughs, CMOs and Asset Backed Securities	"AA" rated or higher by a NRSRO; 20% maximum; 5% max per issuer	Complies
Local Agency Investment Fund - LAIF	Max program limitation	Complies
Repurchase Agreements	102% Collateralized; 1year max maturity	Complies
Reverse Repurchase Agreements	20% maximum; 92 days max maturity	Complies
Prohibited Securities	Inverse floaters; Ranges notes, Interest-only strips from mortgaged backed securities; Zero interest accrual securities	Complies
Max Per Issuer	5% of portfolio per issuer (except U.S. Government, Agencies/GSEs, Supranationals, Money Market Mutual Funds, LAIF, LGIP)	Complies
Maximum maturity	5 years	Complies

Reconciliation Summary

As of September 30, 2020



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$2,700,786.55
Acquisition		
+ Security Purchases	\$59,819.40	
+ Money Market Fund Purchases	\$55,060.14	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$114,879.54
Dispositions		
- Security Sales	\$30,260.70	
- Money Market Fund Sales	\$59,819.40	
- MMF Withdrawals	\$388.32	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$14,529.00	
Total Dispositions		\$104,997.42
Amortization/Accretion		
+/- Net Accretion	(\$192.13)	
		(\$192.13)
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	\$313.14	
		\$313.14
ENDING BOOK VALUE		\$2,710,789.68

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$21,873.49
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$30,260.70	
Accrued Interest Received	\$39.38	
Interest Received	\$10,230.85	
Dividend Received	\$0.21	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$14,529.00	
Total Acquisitions	\$55,060.14	
Dispositions		
Withdrawals	\$388.32	
Security Purchase	\$59,819.40	
Accrued Interest Paid	\$0.00	
Total Dispositions	\$60,207.72	
ENDING BOOK VALUE		\$16,725.91

Holdings Report

As of September 30, 2020



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
47788BAD6	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	571.86	07/11/2017 1.83%	571.82 571.85	100.05 0.15%	572.17 0.46	0.02% 0.32	Aaa / NR AAA	1.04 0.03
47788CAC6	John Deere Owner Trust 2018-A A3 2.66% Due 4/18/2022	10,230.27	02/21/2018 2.68%	10,229.54 10,230.00	100.55 0.35%	10,286.23 12.09	0.36% 56.23	Aaa / NR AAA	1.55 0.24
43814UAG4	Honda Auto Receivables Trust 2018-2 A3 3.01% Due 5/18/2022	21,933.47	05/22/2018 3.03%	21,932.99 21,933.27	101.14 0.28%	22,183.66 23.84	0.78% 250.39	NR / AAA AAA	1.63 0.42
47788EAC2	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	62,670.87	07/18/2018 3.10%	62,666.12 62,668.53	101.39 0.10%	63,544.62 85.79	2.24% 876.09	Aaa / NR AAA	2.13 0.47
65479GAD1	Nissan Auto Receivables Trust 2018-B A3 3.06% Due 3/15/2023	63,944.21	07/17/2018 3.08%	63,942.15 63,943.42	101.68 0.40%	65,020.90 86.96	2.29% 1,077.48	Aaa / AAA NR	2.45 0.63
Total ABS		159,350.68	3.05%	159,342.62 159,347.07	0.26%	161,607.58 209.14	5.69% 2,260.51	Aaa / AAA AAA	2.15 0.51

AGENCY									
3135G0Q89	FNMA Note 1.375% Due 10/7/2021	100,000.00	10/27/2016 1.50%	99,391.00 99,874.83	101.24 0.16%	101,236.80 664.58	3.58% 1,361.97	Aaa / AA+ AAA	1.02 1.01
3130AABG2	FHLB Note 1.875% Due 11/29/2021	50,000.00	12/28/2016 2.10%	49,485.00 49,878.42	102.00 0.16%	50,999.15 317.71	1.81% 1,120.73	Aaa / AA+ AAA	1.16 1.15
3137EADB2	FHLMC Note 2.375% Due 1/13/2022	100,000.00	01/27/2017 2.03%	101,596.70 100,413.96	102.89 0.13%	102,886.60 514.58	3.64% 2,472.64	Aaa / AA+ AAA	1.29 1.27
3133EAYP7	FFCB Note 1.95% Due 7/19/2022	100,000.00	07/28/2017 1.92%	100,138.00 100,049.91	103.21 0.17%	103,206.40 390.00	3.64% 3,156.49	Aaa / AA+ AAA	1.80 1.77
3137EAEN5	FHLMC Note 2.75% Due 6/19/2023	100,000.00	09/27/2018 3.03%	98,785.00 99,301.99	106.76 0.25%	106,760.10 779.17	3.78% 7,458.11	Aaa / AA+ AAA	2.72 2.62
313383YJ4	FHLB Note 3.375% Due 9/8/2023	100,000.00	02/26/2019 2.57%	103,413.00 102,212.05	109.15 0.25%	109,149.60 215.63	3.85% 6,937.55	Aaa / AA+ NR	2.94 2.82
3133EDBU5	FFCB Note 3.5% Due 12/20/2023	100,000.00	01/16/2019 2.74%	103,486.00 102,278.11	110.43 0.25%	110,434.80 981.94	3.92% 8,156.69	Aaa / AA+ AAA	3.22 3.05
3130A1XJ2	FHLB Note 2.875% Due 6/14/2024	100,000.00	06/18/2019 1.96%	104,323.00 103,207.85	109.68 0.25%	109,676.00 854.51	3.89% 6,468.15	Aaa / AA+ NR	3.71 3.52

Holdings Report

As of September 30, 2020



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3130A2UW4	FHLB Note 2.875% Due 9/13/2024	100,000.00	10/21/2019 1.69%	105,547.00 104,476.69	110.56 0.19%	110,558.80 143.75	3.89% 6,082.11	Aaa / AA+ AAA	3.96 3.77
3137EAEPO	FHLMC Note 1.5% Due 2/12/2025	22,000.00	03/24/2020 0.95%	22,571.34 22,510.53	104.96 0.35%	23,090.69 44.92	0.81% 580.16	Aaa / NR AAA	4.37 4.23
3135G03U5	FNMA Note 0.625% Due 4/22/2025	100,000.00	04/27/2020 0.67%	99,768.00 99,787.89	101.35 0.33%	101,354.80 272.57	3.58% 1,566.91	Aaa / AA+ AAA	4.56 4.48
3137EAEU9	FHLMC Note 0.375% Due 7/21/2025	20,000.00	07/21/2020 0.48%	19,900.40 19,904.22	100.02 0.37%	20,003.28 14.17	0.70% 99.06	Aaa / AA+ AAA	4.81 4.76
3135G05X7	FNMA Note 0.375% Due 8/25/2025	60,000.00	08/25/2020 0.47%	59,719.20 59,724.59	99.68 0.44%	59,810.94 21.25	2.10% 86.35	Aaa / AA+ AAA	4.90 4.85
3137EAEX3	FHLMC Note 0.375% Due 9/23/2025	60,000.00	09/23/2020 0.44%	59,819.40 59,819.99	99.67 0.44%	59,802.18 3.75	2.10% (17.81)	Aaa / AA+ AAA	4.98 4.93
Total Agency		1,112,000.00	1.80%	1,127,943.04 1,123,441.03	0.24%	1,168,970.14 5,218.53	41.31% 45,529.11	Aaa / AA+ AAA	3.03 2.94
CORPORATE									
00440EAT4	Chubb INA Holdings Inc Callable Note Cont 10/3/2020 2.3% Due 11/3/2020	75,000.00	02/06/2017 2.16%	75,353.25 75,000.53	100.14 0.54%	75,105.98 709.17	2.67% 105.45	A3 / A A	0.09 0.01
084670BQ0	Berkshire Hathaway Callable Note Cont 2/15/2021 2.2% Due 3/15/2021	80,000.00	03/23/2018 2.69%	78,880.00 79,829.52	100.72 0.27%	80,577.76 78.22	2.84% 748.24	Aa2 / AA A+	0.45 0.37
44932HAC7	IBM Credit Corp Note 2.2% Due 9/8/2022	125,000.00	12/28/2017 2.60%	122,780.00 124,084.82	103.84 0.22%	129,795.88 175.69	4.57% 5,711.06	A2 / A NR	1.94 1.91
48128BAB7	JP Morgan Chase & Co Callable Note 1X 1/15/2022 2.972% Due 1/15/2023	75,000.00	10/30/2018 3.73%	72,801.00 73,803.93	103.26 0.44%	77,446.43 470.57	2.74% 3,642.50	A2 / A- AA-	2.29 1.27
808513AT2	Charles Schwab Corp Callable Note Cont 12/25/2022 2.65% Due 1/25/2023	100,000.00	06/01/2018 3.31%	97,163.00 98,584.01	104.85 0.47%	104,848.60 485.83	3.71% 6,264.59	A2 / A A	2.32 2.17
037833AK6	Apple Inc Note 2.4% Due 5/3/2023	100,000.00	11/29/2018 3.49%	95,565.00 97,407.65	105.29 0.35%	105,287.70 986.67	3.74% 7,880.05	Aa1 / AA+ NR	2.59 2.50

Holdings Report

As of September 30, 2020



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
CORPORATE									
69371RP59	Paccar Financial Corp Note 3.4% Due 8/9/2023	100,000.00	09/10/2018 3.37%	100,142.00 100,082.57	107.90 0.61%	107,897.90 491.11	3.81% 7,815.33	A1 / A+ NR	2.86 2.73
Total Corporate		655,000.00	3.05%	642,684.25 648,793.03	0.41%	680,960.25 3,397.26	24.08% 32,167.22	A1 / A+ A+	1.91 1.71
MONEY MARKET FUND FI									
31846V203	First American Govt Obligation Fund Class Y	16,725.91	Various 0.01%	16,725.91 16,725.91	1.00 0.01%	16,725.91 0.00	0.59% 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		16,725.91	0.01%	16,725.91	0.01%	16,725.91 0.00	0.59% 0.00	Aaa / AAA AAA	0.00 0.00
US TREASURY									
912828N30	US Treasury Note 2.125% Due 12/31/2022	100,000.00	01/31/2018 2.54%	98,109.37 99,135.26	104.47 0.14%	104,468.80 537.02	3.69% 5,333.54	Aaa / AA+ AAA	2.25 2.20
9128284D9	US Treasury Note 2.5% Due 3/31/2023	200,000.00	04/29/2019 2.29%	201,578.13 201,004.67	105.89 0.14%	211,781.20 13.74	7.45% 10,776.53	Aaa / AA+ AAA	2.50 2.44
912828XT2	US Treasury Note 2% Due 5/31/2024	50,000.00	07/25/2019 1.83%	50,384.77 50,290.70	106.60 0.19%	53,298.85 336.07	1.89% 3,008.15	Aaa / AA+ AAA	3.67 3.53
912828XX3	US Treasury Note 2% Due 6/30/2024	225,000.00	08/26/2019 1.43%	230,932.62 229,587.80	106.74 0.19%	240,169.95 1,137.23	8.49% 10,582.15	Aaa / AA+ AAA	3.75 3.62
9128282Y5	US Treasury Note 2.125% Due 9/30/2024	180,000.00	11/12/2019 1.77%	183,009.38 182,464.21	107.63 0.21%	193,739.04 10.51	6.82% 11,274.83	Aaa / AA+ AAA	4.00 3.86
Total US Treasury		755,000.00	1.91%	764,014.27 762,482.64	0.18%	803,457.84 2,034.57	28.34% 40,975.20	Aaa / AA+ AAA	3.28 3.17
TOTAL PORTFOLIO		2,698,076.59	2.19%	2,710,710.09 2,710,789.68	0.26%	2,831,721.72 10,859.50	100.00% 120,932.04	Aa1 / AA AAA	2.76 2.55
TOTAL MARKET VALUE PLUS ACCRUED						2,842,581.22			



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	09/01/2020	31846V203	0.21	First American Govt Obligation Fund Class Y	1.000	0.01%	0.21	0.00	0.21	0.00
Purchase	09/08/2020	31846V203	3,062.50	First American Govt Obligation Fund Class Y	1.000	0.01%	3,062.50	0.00	3,062.50	0.00
Purchase	09/13/2020	31846V203	1,437.50	First American Govt Obligation Fund Class Y	1.000	0.01%	1,437.50	0.00	1,437.50	0.00
Purchase	09/15/2020	31846V203	880.00	First American Govt Obligation Fund Class Y	1.000	0.01%	880.00	0.00	880.00	0.00
Purchase	09/15/2020	31846V203	561.02	First American Govt Obligation Fund Class Y	1.000	0.01%	561.02	0.00	561.02	0.00
Purchase	09/15/2020	31846V203	1,753.56	First American Govt Obligation Fund Class Y	1.000	0.01%	1,753.56	0.00	1,753.56	0.00
Purchase	09/15/2020	31846V203	5,064.56	First American Govt Obligation Fund Class Y	1.000	0.01%	5,064.56	0.00	5,064.56	0.00
Purchase	09/15/2020	31846V203	5,016.66	First American Govt Obligation Fund Class Y	1.000	0.01%	5,016.66	0.00	5,016.66	0.00
Purchase	09/18/2020	31846V203	2,571.55	First American Govt Obligation Fund Class Y	1.000	0.01%	2,571.55	0.00	2,571.55	0.00
Purchase	09/24/2020	31846V203	30,300.08	First American Govt Obligation Fund Class Y	1.000	0.01%	30,300.08	0.00	30,300.08	0.00
Purchase	09/25/2020	3137EAEX3	60,000.00	FHLMC Note 0.375% Due 9/23/2025	99.699	0.44%	59,819.40	0.00	59,819.40	0.00
Purchase	09/30/2020	31846V203	4,412.50	First American Govt Obligation Fund Class Y	1.000	0.01%	4,412.50	0.00	4,412.50	0.00
Subtotal			115,060.14				114,879.54	0.00	114,879.54	0.00
TOTAL ACQUISITIONS			115,060.14				114,879.54	0.00	114,879.54	0.00
DISPOSITIONS										
Sale	09/24/2020	3137EAEC9	30,000.00	FHLMC Note 1.125% Due 8/12/2021	100.869	1.33%	30,260.70	39.38	30,300.08	313.14



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Sale	09/25/2020	31846V203	59,819.40	First American Govt Obligation Fund Class Y	1.000	0.01%	59,819.40	0.00	59,819.40	0.00
Subtotal			89,819.40				90,080.10	39.38	90,119.48	313.14
Paydown	09/15/2020	47788BAD6	559.30	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	100.000		559.30	1.72	561.02	0.00
Paydown	09/15/2020	47788CAC6	1,727.05	John Deere Owner Trust 2018-A A3 2.66% Due 4/18/2022	100.000		1,727.05	26.51	1,753.56	0.00
Paydown	09/15/2020	47788EAC2	4,891.15	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	100.000		4,891.15	173.41	5,064.56	0.00
Paydown	09/15/2020	65479GAD1	4,841.26	Nissan Auto Receivables Trust 2018-B A3 3.06% Due 3/15/2023	100.000		4,841.26	175.40	5,016.66	0.00
Paydown	09/18/2020	43814UAG4	2,510.24	Honda Auto Receivables Trust 2018-2 A3 3.01% Due 5/18/2022	100.000		2,510.24	61.31	2,571.55	0.00
Subtotal			14,529.00				14,529.00	438.35	14,967.35	0.00
Security Withdrawal	09/03/2020	31846V203	284.15	First American Govt Obligation Fund Class Y	1.000		284.15	0.00	284.15	0.00
Security Withdrawal	09/25/2020	31846V203	104.17	First American Govt Obligation Fund Class Y	1.000		104.17	0.00	104.17	0.00
Subtotal			388.32				388.32	0.00	388.32	0.00
TOTAL DISPOSITIONS			104,736.72				104,997.42	477.73	105,475.15	313.14
OTHER TRANSACTIONS										
Interest	09/08/2020	313383YJ4	100,000.00	FHLB Note 3.375% Due 9/8/2023	0.000		1,687.50	0.00	1,687.50	0.00
Interest	09/08/2020	44932HAC7	125,000.00	IBM Credit Corp Note 2.2% Due 9/8/2022	0.000		1,375.00	0.00	1,375.00	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
OTHER TRANSACTIONS										
Interest	09/13/2020	3130A2UW4	100,000.00	FHLB Note 2.875% Due 9/13/2024	0.000		1,437.50	0.00	1,437.50	0.00
Interest	09/15/2020	084670BQ0	80,000.00	Berkshire Hathaway Callable Note Cont 2/15/2021 2.2% Due 3/15/2021	0.000		880.00	0.00	880.00	0.00
Interest	09/30/2020	9128282Y5	180,000.00	US Treasury Note 2.125% Due 9/30/2024	0.000		1,912.50	0.00	1,912.50	0.00
Interest	09/30/2020	9128284D9	200,000.00	US Treasury Note 2.5% Due 3/31/2023	0.000		2,500.00	0.00	2,500.00	0.00
Subtotal			785,000.00				9,792.50	0.00	9,792.50	0.00
Dividend	09/01/2020	31846V203	21,873.49	First American Govt Obligation Fund Class Y	0.000		0.21	0.00	0.21	0.00
Subtotal			21,873.49				0.21	0.00	0.21	0.00
TOTAL OTHER TRANSACTIONS			806,873.49				9,792.71	0.00	9,792.71	0.00

Income Earned

As of September 30, 2020



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
FIXED INCOME						
00440EAT4	Chubb INA Holdings Inc Callable Note Cont 10/3/2020 2.3% Due 11/03/2020	02/06/2017 02/09/2017 75,000.00	75,008.49 0.00 0.00 75,000.53	565.42 0.00 709.17 143.75	0.00 7.96 (7.96) 135.79	135.79
037833AK6	Apple Inc Note 2.4% Due 05/03/2023	11/29/2018 11/30/2018 100,000.00	97,325.27 0.00 0.00 97,407.65	786.67 0.00 986.67 200.00	82.38 0.00 82.38 282.38	282.38
084670BQ0	Berkshire Hathaway Callable Note Cont 2/15/2021 2.2% Due 03/15/2021	03/23/2018 03/27/2018 80,000.00	79,798.52 0.00 0.00 79,829.52	811.56 880.00 78.22 146.66	31.00 0.00 31.00 177.66	177.66
3130A1XJ2	FHLB Note 2.875% Due 06/14/2024	06/18/2019 06/19/2019 100,000.00	103,279.03 0.00 0.00 103,207.85	614.93 0.00 854.51 239.58	0.00 71.18 (71.18) 168.40	168.40
3130A2UW4	FHLB Note 2.875% Due 09/13/2024	10/21/2019 10/22/2019 100,000.00	104,569.76 0.00 0.00 104,476.69	1,341.67 1,437.50 143.75 239.58	0.00 93.07 (93.07) 146.51	146.51
3130AABG2	FHLB Note 1.875% Due 11/29/2021	12/28/2016 12/29/2016 50,000.00	49,869.82 0.00 0.00 49,878.42	239.58 0.00 317.71 78.13	8.60 0.00 8.60 86.73	86.73
313383YJ4	FHLB Note 3.375% Due 09/08/2023	02/26/2019 02/27/2019 100,000.00	102,273.96 0.00 0.00 102,212.05	1,621.88 1,687.50 215.63 281.25	0.00 61.91 (61.91) 219.34	219.34
3133EAYP7	FFCB Note 1.95% Due 07/19/2022	07/28/2017 07/31/2017 100,000.00	100,052.19 0.00 0.00 100,049.91	227.50 0.00 390.00 162.50	0.00 2.28 (2.28) 160.22	160.22
3133EDBU5	FFCB Note 3.5% Due 12/20/2023	01/16/2019 01/17/2019 100,000.00	102,336.28 0.00 0.00 102,278.11	690.28 0.00 981.94 291.66	0.00 58.17 (58.17) 233.49	233.49



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
3135G03U5	FNMA Note 0.625% Due 04/22/2025	04/27/2020 04/28/2020 100,000.00	99,784.06 0.00 0.00 99,787.89	220.49 0.00 272.57 52.08	3.83 0.00 3.83 55.91	55.91
3135G05X7	FNMA Note 0.375% Due 08/25/2025	08/25/2020 08/27/2020 60,000.00	59,719.97 0.00 0.00 59,724.59	2.50 0.00 21.25 18.75	4.62 0.00 4.62 23.37	23.37
3135G0Q89	FNMA Note 1.375% Due 10/07/2021	10/27/2016 10/28/2016 100,000.00	99,864.70 0.00 0.00 99,874.83	550.00 0.00 664.58 114.58	10.13 0.00 10.13 124.71	124.71
3137EADB2	FHLMC Note 2.375% Due 01/13/2022	01/27/2017 01/30/2017 100,000.00	100,440.44 0.00 0.00 100,413.96	316.67 0.00 514.58 197.91	0.00 26.48 (26.48) 171.43	171.43
3137EAEC9	FHLMC Note Due 08/12/2021	08/30/2016 08/31/2016 0.00	29,943.81 0.00 29,947.56 0.00	17.81 39.38 0.00 21.57	3.75 0.00 3.75 25.32	25.32
3137EAEN5	FHLMC Note 2.75% Due 06/19/2023	09/27/2018 09/28/2018 100,000.00	99,280.86 0.00 0.00 99,301.99	550.00 0.00 779.17 229.17	21.13 0.00 21.13 250.30	250.30
3137EAEP0	FHLMC Note 1.5% Due 02/12/2025	03/24/2020 03/25/2020 22,000.00	22,520.13 0.00 0.00 22,510.53	17.42 0.00 44.92 27.50	0.00 9.60 (9.60) 17.90	17.90
3137EAEU9	FHLMC Note 0.375% Due 07/21/2025	07/21/2020 07/23/2020 20,000.00	19,902.58 0.00 0.00 19,904.22	7.92 0.00 14.17 6.25	1.64 0.00 1.64 7.89	7.89
3137EAEX3	FHLMC Note 0.375% Due 09/23/2025	09/23/2020 09/25/2020 60,000.00	0.00 59,819.40 0.00 59,819.99	0.00 0.00 3.75 3.75	0.59 0.00 0.59 4.34	4.34

Income Earned

As of September 30, 2020



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
43814UAG4	Honda Auto Receivables Trust 2018-2 A3 3.01% Due 05/18/2022	05/22/2018 05/30/2018 21,933.47	24,443.48 0.00 2,510.24 21,933.27	26.57 61.31 23.84 58.58	0.03 0.00 0.03 58.61	58.61
44932HAC7	IBM Credit Corp Note 2.2% Due 09/08/2022	12/28/2017 12/28/2017 125,000.00	124,045.98 0.00 0.00 124,084.82	1,321.53 1,375.00 175.69 229.16	38.84 0.00 38.84 268.00	268.00
47788BAD6	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	07/11/2017 07/18/2017 571.86	1,131.14 0.00 559.30 571.85	0.91 1.72 0.46 1.27	0.01 0.00 0.01 1.28	1.28
47788CAC6	John Deere Owner Trust 2018-A A3 2.66% Due 04/18/2022	02/21/2018 02/28/2018 10,230.27	11,956.99 0.00 1,727.05 10,230.00	14.14 26.51 12.09 24.46	0.06 0.00 0.06 24.52	24.52
47788EAC2	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	07/18/2018 07/25/2018 62,670.87	67,559.40 0.00 4,891.15 62,668.53	92.48 173.41 85.79 166.72	0.28 0.00 0.28 167.00	167.00
48128BAB7	JP Morgan Chase & Co Callable Note 1X 1/15/2022 2.972% Due 01/15/2023	10/30/2018 10/31/2018 75,000.00	73,761.01 0.00 0.00 73,803.93	284.82 0.00 470.57 185.75	42.92 0.00 42.92 228.67	228.67
65479GAD1	Nissan Auto Receivables Trust 2018-B A3 3.06% Due 03/15/2023	07/17/2018 07/25/2018 63,944.21	68,784.56 0.00 4,841.26 63,943.42	93.55 175.40 86.96 168.81	0.12 0.00 0.12 168.93	168.93
69371RP59	Paccar Financial Corp Note 3.4% Due 08/09/2023	09/10/2018 09/12/2018 100,000.00	100,084.95 0.00 0.00 100,082.57	207.78 0.00 491.11 283.33	0.00 2.38 (2.38) 280.95	280.95
808513AT2	Charles Schwab Corp Callable Note Cont 12/25/2022 2.65% Due 01/25/2023	06/01/2018 06/05/2018 100,000.00	98,533.80 0.00 0.00 98,584.01	265.00 0.00 485.83 220.83	50.21 0.00 50.21 271.04	271.04

Income Earned

As of September 30, 2020



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
9128282Y5	US Treasury Note 2.125% Due 09/30/2024	11/12/2019 11/13/2019 180,000.00	182,514.85 0.00 0.00 182,464.21	1,609.43 1,912.50 10.51 313.58	0.00 50.64 (50.64) 262.94	262.94
9128284D9	US Treasury Note 2.5% Due 03/31/2023	04/29/2019 04/30/2019 200,000.00	201,037.75 0.00 0.00 201,004.67	2,103.83 2,500.00 13.74 409.91	0.00 33.08 (33.08) 376.83	376.83
912828N30	US Treasury Note 2.125% Due 12/31/2022	01/31/2018 01/31/2018 100,000.00	99,103.66 0.00 0.00 99,135.26	363.79 0.00 537.02 173.23	31.60 0.00 31.60 204.83	204.83
912828XT2	US Treasury Note 2% Due 05/31/2024	07/25/2019 07/26/2019 50,000.00	50,297.21 0.00 0.00 50,290.70	254.10 0.00 336.07 81.97	0.00 6.51 (6.51) 75.46	75.46
912828XX3	US Treasury Note 2% Due 06/30/2024	08/26/2019 08/27/2019 225,000.00	229,688.41 0.00 0.00 229,587.80	770.38 0.00 1,137.23 366.85	0.00 100.61 (100.61) 266.24	266.24
			2,678,913.06	15,990.61	331.74	
			59,819.40	10,270.23	523.87	
			44,476.56	10,859.50	(192.13)	
Total Fixed Income		2,681,350.68	2,694,063.77	5,139.12	4,946.99	4,946.99

Income Earned

As of September 30, 2020



CUSIP	Security Description	Trade Date Settle Date Units	Book Value: Begin Book Value: Acq Book Value: Disp Book Value: End	Prior Accrued Inc. Received Ending Accrued Total Interest	Accr. Of Discount Amort. Of Premium Net Accret/Amort Income Earned	Total Income
CASH & EQUIVALENT						
31846V203	First American Govt Obligation Fund Class Y	Various Various 16,725.91	21,873.49 55,060.14 60,207.72 16,725.91	0.00 0.21 0.00 0.21	0.00 0.00 0.00 0.21	0.21
Total Cash & Equivalent			16,725.91	0.21	0.21	0.21
TOTAL PORTFOLIO			2,698,076.59	5,139.33	4,947.20	4,947.20



Account #10065

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Valuation: Prices are provided by IDC, an independent pricing source. In the event IDC does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance: Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

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Ratings: Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.


Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.



Benchmark Index	Disclosure
ICE BAML 1-5 Year US Treasury/Agency Index	The ICE BAML 1-5 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies. (Index: GVA0. Please visit www.mlindex.ml.com for more information)



Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: October 21, 2020
Subject: YTD District Budget Status Report

<input type="checkbox"/> For Action	<input type="checkbox"/> Fiscal Impact	\$
<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Funds Budgeted:	

Staff Recommendation:

No Action Necessary – Informational Item Only

Discussion:

Attached for your review is the YTD District Budget Status Report for the period ending September 30, 2020.

The ***Grants and Other Revenue*** line item reflects the following:

- \$110,000 final payment received for Termination and Release of the 1984 Grant Easement for the 901 Corporate Center Drive, Pomona property.
- \$75,000 received to offset expected expenses for the Bonanza Springs Study.

The YTD credit for the ***MWD RTS Standby Charge*** is due to an adjustment made by MWD for FY 2019/20.

Due to the payment schedule for ***Membership Dues & Fees***, the YTD actuals are high but as expected. This line item is not expected to exceed budget.

Strategic Plan Objective(s):

3.1 – Utilize and comply with a set of financial policies to maintain TVMWD’s financial health

Attachment(s):

Exhibit A – YTD District Budget Status Report

Meeting History:

None


NA/LC

THREE VALLEYS MUNICIPAL WATER DISTRICT				
DISTRICT BUDGET - FISCAL YEAR 2020-2021				
Month Ending September 30, 2020				
	2020-2021 YTD Actual	Annual Budget All Funds	2020-2021 Percent of Budget	2020-2021 Balance Remaining
REVENUES				
OPERATING REVENUES				
Water Sales	22,499,402	63,627,104	35.4%	41,127,702
MWD RTS Standby Charge	39,990	3,687,227	1.1%	3,647,237
MWD Capacity Charge Assessment	315,040	1,394,595	22.6%	1,079,555
TVMWD Fixed Charges	172,388	717,787	24.0%	545,399
Hydroelectric Revenue	64,384	164,000	39.3%	99,616
NON-OPERATING REVENUES				
Property Taxes	78,353	2,346,337	3.3%	2,267,984
Interest Income	16,358	146,350	11.2%	129,992
Pumpback O&M/Reservoir #2 Reimbursement	-	20,000	0.0%	20,000
Grants and Other Revenue	169,313	5,317	3184.4%	(163,996)
TOTAL REVENUES	23,355,228	72,108,717	32.4%	48,753,489
EXPENSES				
OPERATING EXPENSES				
MWD Water Purchases	20,223,402	57,641,851	35.1%	37,418,449
MWD RTS Standby Charge	(26,987)	3,687,227	-0.7%	3,714,214
Staff Compensation	1,239,999	4,377,912	28.3%	3,137,913
MWD Capacity Charge	-	1,394,595	0.0%	1,394,595
Operations and Maintenance	467,421	1,615,485	28.9%	1,148,064
Professional Services	149,074	566,255	26.3%	417,181
Directors Compensation	46,932	323,892	14.5%	276,960
Communication and Conservation Programs	27,830	183,000	15.2%	155,170
Planning & Resources	25,094	90,500	27.7%	65,406
Membership Dues and Fees	65,440	87,989	74.4%	22,549
Hydroelectric Facilities	1,196	39,000	3.1%	37,804
Board Elections	-	-	0.0%	-
NON OPERATING EXPENSES				
Pumpback O&M/Reservoir #2 Expenses	413	20,000	2.1%	19,587
RESERVE EXPENSES				
Reserve Replenishment	-	238,182	0.0%	238,182
CAPITAL INVESTMENT				
Capital Repair & Replacement	20,059	326,000	6.2%	305,941
Capital Investment Program	170,330	1,810,000	9.4%	1,639,670
TOTAL EXPENSES	22,410,203	72,401,888	31.0%	49,991,685
NET INCOME (LOSS) BEFORE TRANSFERS		(293,171)		
TRANSFER FROM/(TO) CAPITAL RESERVES		(210,337)		
TRANSFER IN FROM OPPORTUNITY RESERVE				
TRANSFER IN FROM ENCUMBERED RESERVES				
NET INCOME (LOSS) AFTER TRANSFERS		\$ (503,508)		

***This budget is prepared on a modified cash-basis of accounting, which is a basis of accounting other than generally accepted accounting principles (GAAP).*



Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: October 21, 2020
Subject: **Warrant List**

<input checked="" type="checkbox"/> For Action	<input checked="" type="checkbox"/> Fiscal Impact	\$ 7,698,507.88
<input type="checkbox"/> Information Only	<input type="checkbox"/> Funds Budgeted:	

Staff Recommendation:

Receive and file the Warrant List for the period ending September 30, 2020 as presented.

Discussion:

The monthly warrant list is provided for your information.

General checks 50632 through 50684 totaling \$450,320.13 are listed on pages 1 to 3.

MWD July water invoice totaling \$6,970,739.80 is listed on page 3.

Wire transfers for taxing agencies, benefit payments and PERS totaling \$101,333.06 are listed on pages 3 to 4.

Total payroll checks 13543 through 13598 totaling \$176,114.89 are listed on page 4.

Umpqua Bank invoices details are listed on pages 5 to 6.

Strategic Plan Objective(s):

3.1 – Utilize and comply with a set of financial policies to maintain TVMWD's financial health

Attachment(s):

Exhibit A – Warrant List

Meeting History:

None

NA/LC



THREE VALLEYS MUNICIPAL WATER DISTRICT
 Warrant List
 September 2020
 General Checks 50632 through 50684
 Payroll Wire Transfer 2951 through 2966
 Payroll Checks 13543 through 13598

Check Number	Vendor	Description	Paid Amount
50632	BRENNTAG PACIFIC, INC.	SODIUM HYPOCHLORITE	2,235.99
50633	IDEAL COMFORT CORP.	HEAT & AIR CONDITIONING INSPECTED/FAN MOTOR REPLACED	1,371.00
50634	JCI JONES CHEMICALS, INC.	CHLORINE	5,459.17
50635	LARRY BURKE ENTERPRISES	BATTERIES FOR UPS/GATE CLICKERS	287.69
50636	SOUTHERN CALIFORNIA EDISON	VOIDED	0.00
50637	AVS SYSTEMS	CCTV SERVICE AT PLANT 2/WILLIAMS/FULTON	4,292.42
50638	BRENNTAG PACIFIC, INC.	SODIUM HYDROXIDE	7,370.37
50639	CELL BUSINESS EQUIPMENT	PLOTTER LEASE - SEPT	268.27
50640	CITY OF POMONA	5/2/20 FOOD DRIVE SPONSORSHIP	500.00
50641	CLARIS STRATEGY INC.	PHASE III EMERGENCY RESPONSE PLAN - AMERICAN WATER INFRASTRUCTURE ACT OF 2018	14,022.00
50642	JEFFREY C. SCHENKEL, DBA SOUTH COAST MEDIA SVC	OUTREACH AD	564.00
50643	KEMIRA WATER SOLUTIONS, INC.	PAX-XL19	16,869.60
50644	LINCOLN LIFE, EMPL SVCS(5H-26)	457 DEF RD: SEPTEMBER 6 PAYROLL	8,577.50
50645	POLYDYNE, INC	CLARIFLOC	3,631.44
50646	REGNL CHAMBER OF COMMERCE SGV	MEMBERSHIP DUES	250.00
50647	SAM'S CLUB	JANITORIAL SUPPLIES	59.47
50648	SCWUA	9/03/20 ONLINE WATER TREATMENT COURSE - MENDOZA	25.00
50649	SOUTHERN CALIFORNIA EDISON	MIRAMAR/WILLIAMS/FULTON - AUG	3,501.46
50650	E.J. MEYER COMPANY, INC.	GRAND AVE WELL EQUIPPING - RECHLORINATE WELL AND CLAVAL TROUBLESHOOT	9,728.35
50651	HACH COMPANY	CELL SAMPLE/STABL CAL STD/COLORIMETER/CHLORINE/AMMONIA/MONOCHLORAMINE	5,451.82
50652	JCI JONES CHEMICALS, INC.	CHLORINE	1,235.20
50653	LIEBERT CASSIDY WHITMORE	LEGAL FEES - AUG	882.00
50654	LOS ANGELES COUNTY FIRE DEPT	HAZARDOUS MATERIALS/WASTE GENERATOR/CA.ACCIDENTAL RELEASE PROGRAMS PERMIT FEES	13,232.00



THREE VALLEYS MUNICIPAL WATER DISTRICT
 Warrant List
 September 2020

Item 7.B - Exhibit A

General Checks 50632 through 50684
 Payroll Wire Transfer 2951 through 2966
 Payroll Checks 13543 through 13598

Check Number	Vendor	Description	Paid Amount
50655	PACIFIC PREMIER BANK	GRAND AVE WELL EQUIPPING RETENTION - AUG	512.02
50656	PRIME SYSTEMS IND AUTOMATION	GRAND AVE WELL SYSTEM INTEGRATION AND CONTROLS	3,696.00
50657	SAN ANTONIO WATER COMPANY	WATER AVAILABILITY CHARGE 6/27/20 - 8/26/20	4.00
50658	THOMPSON PLUMBING SUPPLY	SOAP DISPENSER	317.69
50659	UMPQUA BANK	UMPQUA BANK INVOICE DETAIL - LAST PAGE	20,679.63
50660	UMPQUA BANK	UMPQUA BANK INVOICE DETAIL - LAST PAGE	8,164.66
50661	WEX BANK	FUEL 8/1/20 - 8/31/20	1,144.21
50662	ACWA/JPIA	ACWA EMPLOYEE BENEFITS - OCTOBER 2020	52,893.76
50663	AFLAC	AFLAC SUPP. INS: SEPTEMBER 2020 (EMPLOYEE REIMBURSED)	1,165.84
50664	BRENNTAG PACIFIC, INC.	SODIUM HYPOCHLORITE	2,235.99
50665	BRUNICK, MCELHANEY & KENNEDY	LEGAL FEES - JUL/AUG	35,029.48
50666	CLS LANDSCAPE MANAGEMENT	LANDSCAPE MAINTENANCE - SEPT	2,940.00
50667	D & H WATER SYSTEMS INC.	TUBE ASSY	403.73
50668	DENALI WATER SOLUTIONS, LLC	SLUDGE REMOVAL - AUG	12,298.39
50669	GARRETT CONCRETE CORING&SAWING	CORE DRILL HOLE FOR VALVE PLATFORM AT POND #2	460.00
50670	HACH COMPANY	STABLCAL/REPAIR FEE/TURBIDITY SENSORS PREVENTATIVE MAINTENANCE	15,029.19
50671	LANCASTER, CHRISTOPHER W.	DELTA CONVEYANCE AND WATER CONSERVATION AD	7,800.00
50672	LINCOLN LIFE, EMPL SVCS(5H-26)	457 DEFRD: SEPTEMBER 20 PAYROLL	8,577.50
50673	LINCOLN LIFE, EMPL SVCS(5H-26)	457 DEFRD: BOARD-SEPTEMBER 2020	4,426.67
50674	MICHAEL J ARNOLD & ASSOC, INC.	LEGISLATIVE CONSULTANT SEPT/AUG EXPENSES	6,084.00
50675	PUBLIC WATER AGENCIES GROUP	EMERGENCY PREPAREDNESS COORDINATOR'S SALARY/LEGAL FEES FOR JUL	639.56
50676	RELIANCE STANDARD LIFE INS.	ST/LT DISAB: SEPTEMBER 2020	958.25
50677	SCHULER CONSTRUCTORS INC.	GRAND AVE WELL ATS SWITCH (ELECTRICAL FOR PORTABLE GENERATOR CONNECTION)	3,242.50
50678	STETSON ENGINEERS, INC.	SERVICES FOR PREPARATION OF THE 2020 REGIONAL URBAN WATER MANAGEMENT PLAN	3,086.00



THREE VALLEYS MUNICIPAL WATER DISTRICT
 Warrant List
 September 2020
 General Checks 50632 through 50684
 Payroll Wire Transfer 2951 through 2966
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Item 7.B - Exhibit A

Check Number	Vendor	Description	Paid Amount
50679	SYNCB/AMAZON	A/C / WEBCAM W/HD VIDEO & BUILT-IN MICROPHONES/MONITORS/ZOLL PADZ/GREASE GUN	4,116.16
50680	THOMAS HARDER & CO.	GRAND AVE WELL-ENGR DESIGN/ANALYSIS/CONSTRUCTION MGMT/INSPECTION	9,694.00
50681	ZIM INDUSTRIES, INC.	MIRAGRAND WELL MOBILIZATION/DEMOBILIZATION/NOISE CONTROL/CONDUCTOR BOREHOLE	123,832.50
50682	CLARIS STRATEGY INC.	PHASE III EMERGENCY RESPONSE PLAN - AMERICAN WATER INFRASTRUCTURE ACT OF 2018	4,674.00
50683	JCI JONES CHEMICALS, INC.	CHLORINE	5,439.04
50684	SOUTHERN CALIFORNIA EDISON	GRAND/MIRAMAR/WILLIAMS/FULTON/PM-26/SCADA/PUMPBACK - AUG	10,960.61
TOTAL AMOUNT OF CHECKS LISTED			\$ 450,320.13
12806	METROPOLITAN WATER DISTRICT	JULY 2020 MWD WATER INVOICE	6,970,739.80
TOTAL AMOUNT OF WIRE TRANSFERS			\$ 6,970,739.80
2951	FEDERAL TAX PAYMENT	FED TAX: SEPTEMBER 6 PAYROLL	17,828.02
2952	BASIC PACIFIC	HEALTH SAVINGS ACCT: SEPTEMBER 6 PAYROLL	1,487.50
2953	PUBLIC EMPLOYEES RETIREMENT SY	PERS CONTR: SEPTEMBER 6 PAYROLL	19,154.32
2954	STATE TAX PAYMENT	STATE TAX: SEPTEMBER 6 PAYROLL	6,648.49
2955	CALPERS-457 PLAN	PERS-457 DEFERRED COMP/EMPL LOAN: SEPTEMBER 6 PAYROLL	3,359.37
2956	LINCOLN FINANCIAL GROUP	401A DEFERD: SEPTEMBER 6 PAYROLL	600.00
2957	FEDERAL TAX PAYMENT	FED TAX: BOARD-SEPTEMBER 2020	1,538.07
2958	BASIC PACIFIC	HEALTH SAVINGS ACCT: BOARD-SEPTEMBER 2020	516.66
2959	STATE TAX PAYMENT	STATE TAX: BOARD-SEPTEMBER 2020	324.16
2960	CALPERS-457 PLAN	PERS-457 DEFERRED COMP: BOARD-SEPTEMBER 2020	1,002.60
2961	FEDERAL TAX PAYMENT	FED TAX: SEPTEMBER 20 PAYROLL	17,614.91
2962	BASIC PACIFIC	HEALTH SAVINGS ACCT: SEPTEMBER 20 PAYROLL	1,512.50
2963	PUBLIC EMPLOYEES RETIREMENT SY	PERS CONTR: SEPTEMBER 20 PAYROLL	19,467.49



THREE VALLEYS MUNICIPAL WATER DISTRICT
 Warrant List
 September 2020
 General Checks 50632 through 50684
 Payroll Wire Transfer 2951 through 2966
 Payroll Checks 13543 through 13598

Item 7.B - Exhibit A

Check Number	Vendor	Description	Paid Amount
2964	STATE TAX PAYMENT	STATE TAX: SEPTEMBER 20 PAYROLL	6,618.97
2965	CALPERS-457 PLAN	PERS-457 DEFERRED COMP: SEPTEMBER 20 PAYROLL	3,060.00
2966	LINCOLN FINANCIAL GROUP	401A DEFERD: SEPTEMBER 20 PAYROLL	600.00
TOTAL AMOUNT OF PAYROLL WIRE TRANSFERS LISTED			\$ 101,333.06
PAYROLL SUMMARY			
Check# 13543 - 13598			\$ 176,114.89
TOTAL September 2020 CASH DISBURSEMENTS			\$ 7,698,507.88



THREE VALLEYS MUNICIPAL WATER DISTRICT
Warrant List
September 2020
Umpqua Bank E-Payables Invoice Detail Check 50659
Umpqua Bank Credit Cards Invoice Detail Check 50660

Item 7.B - Exhibit A

Check Number	Vendor	Description	Paid Amount
50659	ACCENT COMPUTER SOLUTIONS, INC.	IT SERVICES - AUG/PROTECH/OFFICE 365 BUSINESS/BACKUP/SERVER EXTENDED WARRANTY RENEWAL	6,127.17
50659	AIRGAS SPECIALTY PRODUCTS	AMMONIA/AMMONIUM HYDROXIDE	5,093.60
50659	CANON FINANCIAL SERVICES, INC.	COPY MACHINE LEASE - AUG	1,931.11
50659	CITY OF CLAREMONT	REFUSE PICKUP/STREET SWEEPING - AUG	156.58
50659	EUROFINS EATON ANALYTICAL	LABORATORY TESTING - WTP	90.00
50659	FRONTIER	DSL FOR SCADA 8/10/20 - 9/09/20	95.98
50659	GRAINGER	GLOVES	39.07
50659	GROUND CONTROL SYSTEMS, INC.	IDIRECT EMERGENCY RESPONDER SERVICES FEE - AUG	279.00
50659	HD SUPPLY FACILITIES MAINT LTD	AMMONIA/MONOCHLORAMINE	296.04
50659	ICC INSTRUMENT COMPANY, INC.	THERMOMETER CALIBRATION	153.45
50659	INLAND VALLEY DAILY BULLETIN	PUBLIC HEARING INTENT TO ADOPT WATER STANDBY CHARGE	1,648.40
50659	INTERFACE SECURITY SYSTEMS LLC	EOC WIRELESS BROADBAND SERVICE - SEPT	134.88
50659	S.G. VALLEY NEWSPAPER GROUP	PUBLIC HEARING INTENT TO ADOPT WATER STANDBY CHARGE	1,400.00
50659	TELEPACIFIC COMMUNICATIONS	TELEPHONE SERVICE 7/16/20 - 8/15/20	1,503.17
50659	UNDERGROUND SERVICE ALERT	DIGALERT TICKETS - AUG	97.45
50659	UPS	SHIPPING CHARGES	19.09
50659	VERIZON WIRELESS	CELLULAR/IPAD/HARNESS FLEET SERVICES/MOBILE BROADBAND 7/26/20 - 8/25/20	813.56
50659	WESTERN WATER WORKS SUPPLY CO	SLEEVE VALVE	801.08
TOTAL AMOUNT OF UMPQUA BANK E-PAYABLES SERVICES INVOICE			\$ 20,679.63



THREE VALLEYS MUNICIPAL WATER DISTRICT
Warrant List
September 2020
Umpqua Bank E-Payables Invoice Detail Check 50659
Umpqua Bank Credit Cards Invoice Detail Check 50660

Item 7.B - Exhibit A

Check Number	Vendor	Description	Paid Amount
50660	AMERICA'S TIRE COMPANY	TIRE FOR DISTRICT VEHICLE	272.58
50660	CA SECRETARY OF STATE	CORPORATION STATEMENT OF INFORMATION FILING FEE	20.00
50660	CA-NV SECTION AWWA	8/19/20 WATER EDUCATION SEMINAR - HERNANDEZ/LARSON	250.00
50660	CSDA	8/25-26/20 / 9/16-17/20 & 11/4-5/20 WORKSHOPS-JACKMAN / 10/26-28/20 CONFERENCE-AGUIRRE/CREDITS	(475.00)
50660	D&R OFFICE WORKS, INC	LIGHTS & LOCKS FOR DESK	261.71
50660	LEYVA FOR SENATE 2022	8/5/20 CONNIE LEYVA VIRTUAL EVENT	25.00
50660	MISCELLANEOUS VENDORS	EVENTS REGISTRATIONS & EXPENSES - AUG / ACWA LODGE CREDIT	(539.67)
50660	MYRON ZUCKER, INC.	CAPACITOR CELL FOR FULTON HYDRO	173.70
50660	NEWEGG	LAPTOPS	6,933.42
50660	SCWUA	9/3/20 WATER COURSE - DE JESUS	27.00
50660	THE BOX OFFICE PRODUCT GROUP	HAND SANITIZER	91.98
50660	VIA PROMOTIONALS	COOLING TOWELS / SUNSCREEN SPRAY	1,123.94
TOTAL AMOUNT OF UMPQUA BANK CARD SERVICES INVOICE			\$ 8,164.66



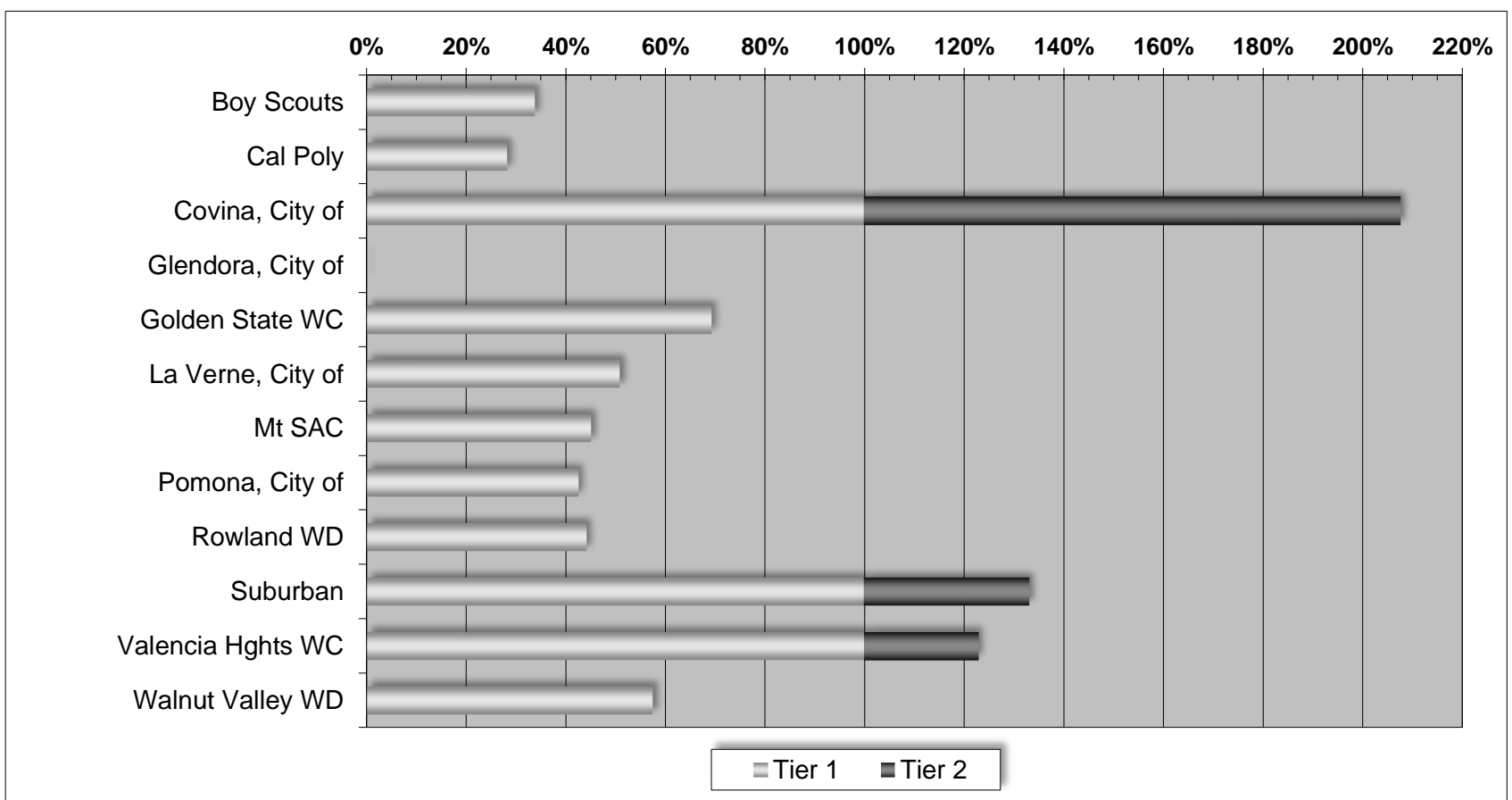
**Tier 1 Balance (in Acre-Feet)
Calendar Year 2020
(through September 2020)**

Agency	Tier 1 Allocation					Balance
		Weymouth	Miramar	CIC	Spreading	
Boy Scouts of America	36	12.0	0.0	0.0	0.0	23.6
Cal Poly Pomona	269	75.8	0.0	0.0	0.0	193.2
Covina, City of *	1,568	0.0	0.0	3,253.6	0.0	-1,685.6
Glendora, City of *	4,101	0.0	0.0	0.0	0.0	4,101.3
Golden State Water Company *	15,714	4,754.7	5,693.0	423.8	0.0	4,842.4
La Verne, City of	8,026	0.0	4,077.5	0.0	0.0	3,948.8
Mt San Antonio College	699	313.8	0.0	0.0	0.0	385.2
Pomona, City of *	7,052	2,267.8	728.6	0.0	0.0	4,055.8
Rowland Water District *	14,741	5,515.6	986.3	0.0	0.0	8,239.0
Suburban Water Systems *	1,961	65.2	0.0	2,542.9	0.0	-647.1
Three Valleys MWD	NA				14.6	NA
Valencia Heights Water Co *	464	0.0	0.0	569.7	0.0	-105.7
Walnut Valley Water District *	26,057	13,408.8	1,550.9	0.0	0.0	11,097.0

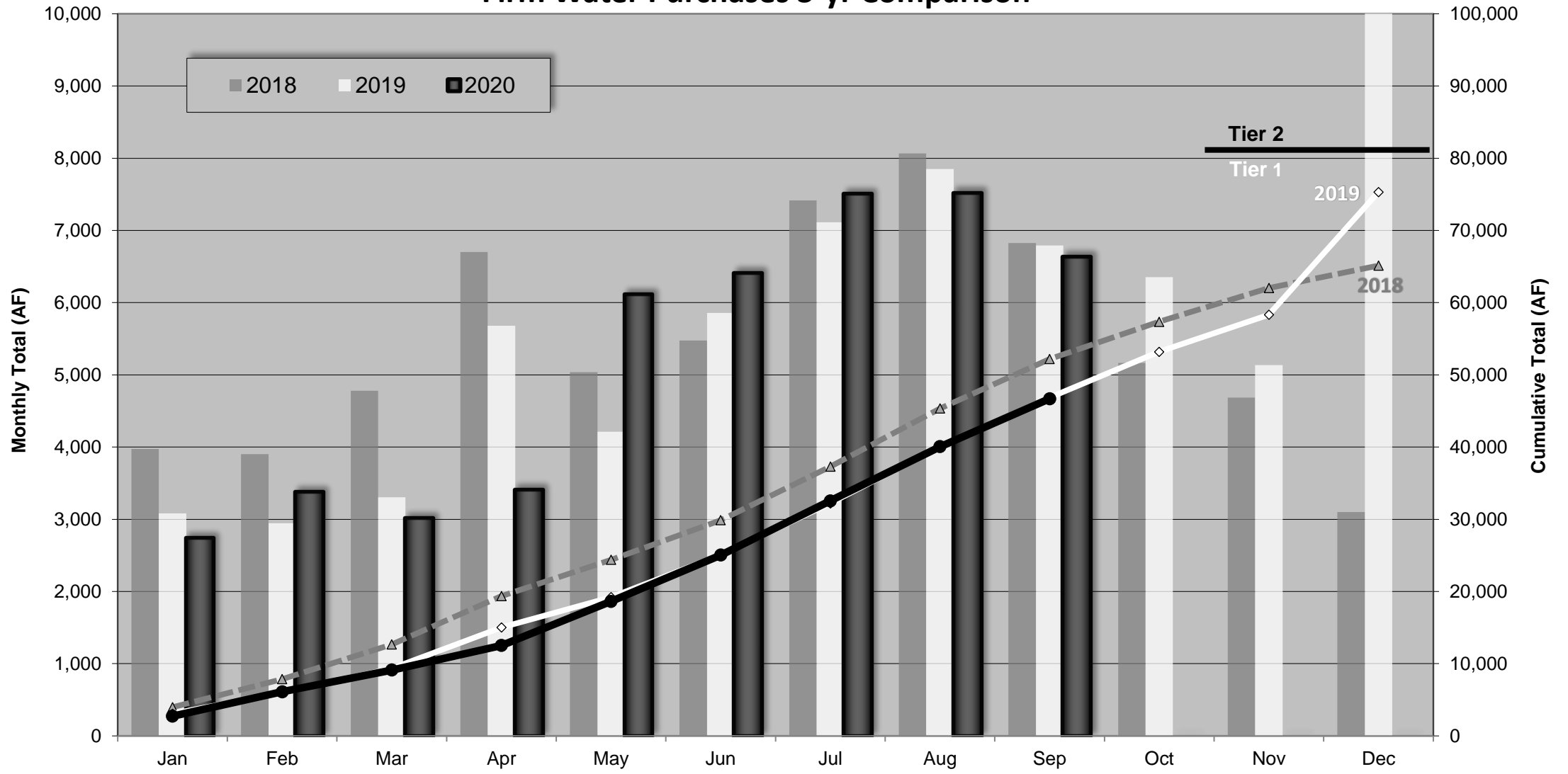
* Deliveries to JWV are assigned to Pomona, RWD, and WVWD.
 Deliveries to BGL are assigned to Suburban, VHWC, GSWC and WVWD.
 Deliveries to CIC are assigned to Covina, Glendora, GSWC, SWS, and VHWC.
 Quantities apportioned to above agencies are preliminary based on available data.

TVMWD Tier 1 Allowable = 80,688
MWD Tier 1 Deliveries = 46,694
TVMWD Tier 1 Balance = 33,994

Overage by Individual Agencies -2,438.3



TVMWD Firm Water Purchases 3-yr Comparison



2020 Firm Water Usage (AF)													
Direct Delivery	2,718.9	3,372.6	3,009.7	3,408.9	6,107.4	6,406.6	7,503.0	7,517.4	6,635.3	0.0	0.0	0.0	46,679.7
Spreading Delivery	14.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.6
Total	2,733.5	3,372.6	3,009.7	3,408.9	6,107.4	6,406.6	7,503.0	7,517.4	6,635.3	0.0	0.0	0.0	46,694.3

**Three Valleys Municipal Water District
Miramar Operations Report**

SEPTEMBER 2020

Water Quality

The treatment plant produced treated water that met or exceeded state and federal drinking water standards.

Water quality data for the month of September (unless otherwise noted)

	Location	Results	Limits	Water Quality Goals
Turbidity	Raw	0.66	N/A	
Turbidity	Reservoir Effluent	0.06	0.3	0.04-0.08 NTU
MIB	Reservoir Effluent	N/A	N/A	<5 ng/L (Nov 2019 results)
Geosmin	Reservoir Effluent	8.2 ng/L	N/A	<5 ng/L (Nov 2019 results)
Total Trihalomethanes	Distribution System	51.1-54.2 µg/l	80	Ranges from 4 distribution locations (Sep 2020 results)
Haloacetic Acids	Distribution System	11.4-12.8 µg/l	60	
Nitrate	Reservoir Effluent	0.5 mg/L	10	<2.0 mg/L
Nitrite	Reservoir Effluent	0.008 mg/L	1	<0.008 mg/L
PFAS	Raw	ND µg/l	N/A	June 2019 results
Total Organic Carbon	RAA Ratio (Running Annual Average)	1.18	1.00	* RAA results should be greater than minimum limit to comply

Reportable violations made to SWRCB:

NONE

*RAA - Running Annual Average

Monthly Plant Production

	Capacity	Monthly %
Potable water produced from Miramar Plant	1931.2 AF	1785.1 AF
		108.2%

Monthly Well Production

	Days in service	Same month prior year	Days in service
Well #1	33.7 AF	31.6 AF	30
Well #2	78.2 AF	86.7 AF	30
Grand Ave Well	106.3	-	0
Total Monthly Well Production	218.2 AF	118.3 AF	

Monthly Sales

La Verne	642.6 AF	29.9%
GSWC (Claremont)	655.0	30.5%
GSWC (San Dimas)	252.5	11.7%
PWR-JWL	596.6	27.8%
Pomona (Mills)	0.0	0.0%
TVMWD Admin	2.7	0.1%
Total Potable Water Sold	2149.4 AF	100.0%

Year To Date 2020-21

	Actual	Budget	% of Budget
Potable Water Sold from Miramar Plant (92.3%)	6,201.3 AF	5,171.0 AF	119.9%
Total Well Production (7.7%)	515.1	538.9	95.6%
Total Potable Water Sold (Plant & Wells)	6,716.4 AF	5,709.8 AF	117.6%
Average monthly water sold	2,238.8 AF		

Hydroelectric Generation (kWh) FY 2020-21

	Monthly kWh		YTD kWh		
	Actual	Budget	Actual	Budget	% of Budget
Miramar					
Hydro 1	348,658	110,723	731,046	249,126	293.4%
Hydro 2	0	19,217	0	54,448	0.0%
Hydro 3	0	38,953	265,316	110,367	240.4%
Williams	106,640	74,356	291,280	223,068	130.6%
Fulton	118,360	30,940	341,920	69,615	491.2%
	573,658	274,189	1,629,562	706,624	230.6%

Operations/Maintenance Review

Special Activities

- ▶ Due to the COVID-19 Pandemic, all Administrative staff is now working remotely. Operations staff has been decreased to limit contact as much as possible. Distribution sampling and lab analysis continues as normal.
- ▶ There was a small irrigation leak at the Fulton Plant that Operations staff was able to repair without contractor assistance.
- ▶ GM Sager patched the damaged asphalt around pond #1.
- ▶ Operations staff did preparation work of digging two 18" clearance holes for the upcoming construction of the chemical shade structure

Outages/Repairs

- ▶ There was a planned outage by SCE so they could make repairs to the grid. The power has since been restored

Unbudgeted Activities

- ▶ None

Other

- ▶ All tours were canceled due to the COVID-19 Pandemic until further notice.
- ▶ District staff was able to receive their CPR/AED/First aid training online. This training is required every two years.
- ▶ Operations staff completed online Ethics Laboratory training which is an annual requirement by ELAP.

Submitted by: _____

Steve Lang
Chief Operations Officer



DIRECTOR EXPENSE SHEET

Submit Form

Item 7.E

NAME: Brian Bowcock, Division 3

MONTH / YEAR

September 2020

No	Day	Title of Meeting / Description	Mileage (assumed as round trip unless noted)				Meeting Compensation
			From City	To City	Miles	Miles \$	
1	2	TVMWD BOD meeting	La Verne				\$ 200.00
Regular monthly meeting with discussion of Capital projects, financial update and issues within the entire district.							
2	3	Covid-19 Webinar Atkinson, Anderson, Loya	La Verne				\$ 200.00
Webinar "preparing the workplace for the return" Directors and Staff, discussion= manage the challenge, staffs return and drugs in remote locations.							
3	9	Foothill Chamber Alliance	La Verne				\$ 200.00
Discussion of local business with Virus affect							
4	10	SGV Legislative Coalition	La Verne				\$ 200.00
Discussion of all the 15 Propositions coming up that will affect business and homeowners with increases in taxes.							
5	15	SGVEP meeting	La Verne				\$ 200.00
Economic Forecast Update 2020 for the San Gabriel Valley.							
6	16	TVMWD BOD meeting	La Verne				\$ 200.00
Regular monthly meeting to discuss busines in the District.							
7	22	La Verne Chamber of Commerce meeting	La Verne				\$ 200.00
The speaker at the meeting John Sulzicki Capital Group. Financial emotions during an election year. Also City of La Verne Community Dev. Director with an update on the city businesses.							
8	23	Six Basins Watermaster meeting	La Verne				\$ 200.00
Regular monthly meeting for the district. Discussion of the Master Plan.							
9	24	SCWUA meeting	La Verne				\$ 200.00
Speaker General Manager Upper District MWD, Tom Love. Update of Agency.							
10	30	SGVEP Meeting	La Verne				\$ 200.00
Speaker: LA County Assessor Jeffrey Prang. Discussion of Prop 15, LA County annual assessment data and the impact on County Assessors office.							

No	Day	Miscellaneous Expense (please itemize each expense)	Misc. Expense
1			
2			
3			
4			
5			

I certify the above is correct and accurate to the best of my knowledge

Signature

Subtotal Miscellaneous Expense	\$ 0.00
Subtotal Mileage	\$ 0.00
Subtotal Meeting Compensation	\$ 2,000.00
Subtotal All	\$ 2,000.00
Mandatory Deferred Compensation @ 7.5%	(\$ 150.00)
TOTAL	\$ 1,850.00

* Mileage is reimbursed at IRS Standard Business Mileage Rate

**Directors are eligible for ten meeting days per month at \$200 per day. Ordinance Nos. 02-01-7 and 02-07-15



DIRECTOR EXPENSE SHEET

Submit Form

Item 7.E

NAME: David De Jesus, MWD

MONTH / YEAR

September 2020

No	Day	Title of Meeting / Description	Mileage (assumed as round trip unless noted)				Meeting Compensation
			From City	To City	Miles	Miles \$	
1	4	Annual Direct Report Evaluations					\$ 200.00
Annual Director evaluations were provided as required and requested. It should be noted that Jeff Knightlinger was not included as he has announced his retirement and was deemed not a requirement. Therefore evals submitted were Marcia Sculley, Gerry Riss, and Abel Salinas.							
2	8	SGV MWD Directors Caucus Meetings					\$ 200.00
Monthly meeting with SGV MWD Directors to discuss review issues pertinent to Foothill Districts.							
3	9	CRA Board Meeting					\$ 200.00
Attended the meeting and back up to MWD's rep on the board as needed.							
4	11	Northern Caucus Meeting					\$ 200.00
Attended the caucus group meeting to discuss agenda items with MWD management to obtain clarification on the issues and staff recommendations.							
5	14	Committee Meetings					\$ 200.00
Attended the posted meetings via ZOOM. Oral reports on the pertinent issues will be provided at the next regularly scheduled TVMWD Board Meeting.							
6	15	Board Meeting					\$ 200.00
Attended the posted monthly board committee meetings via ZOOM. Oral reports on the pertinent issues will be provided at the TVMWD Board Meeting.							
7	18	IRP Leadership Meeting					\$ 200.00
Weekly (Friday) meeting with IRP assigned staff and committee chair Pressman to discuss and develop strategies and approaches to be presented at the IRP meeting later in the month. These weekly meetings include the review and analysis of other meetings held by staff with member agency managers, and feedback received from other outside interested parties.							
8	22	MWD Executive Committee Meeting					\$ 200.00
In addition to attending other noticed meeting I also attended the meeting and as Vice Chair of the board conducted a portion of the meeting affirming the nominations of Gloria Frey and Adan Ortega for the Board Chair position.							
9	25	IRP Leadership Meeting					\$ 200.00
Weekly (Friday) meeting with IRP assigned staff and committee chair Pressman to discuss and develop strategies and approaches to be presented at the IRP meeting later in the month. These weekly meetings include the review and analysis of other meetings held by staff with member agency managers, and feedback received from other outside interested parties.							
10	29	Conference call with COO Deven Upadhyay on MWD Matters					\$ 200.00
Monthly meeting with Chief Operations Officer Upadhyay to review, discuss and confer on several ongoing and developing matters at MWD.							

No	Day	Miscellaneous Expense (please itemize each expense)	Misc. Expense
1			
2			
3			
4			
5			

Subtotal Miscellaneous Expense \$ 0.00

Subtotal Mileage \$ 0.00

Subtotal Meeting Compensation \$ 2,000.00

Subtotal All \$ 2,000.00

Mandatory Deferred Compensation @ 7.5% (\$ 150.00)

TOTAL \$ 1,850.00

I certify the above is correct and accurate to the best of my knowledge

Signature

* Mileage is reimbursed at IRS Standard Business Mileage Rate

**Directors are eligible for ten meeting days per month at \$200 per day. Ordinance Nos. 02-01-7 and 02-07-15



DIRECTOR EXPENSE SHEET

Submit Form

Item 7.E

NAME: David De Jesus, Division 2

MONTH / YEAR

September 2020

No	Day	Title of Meeting / Description	Mileage (assumed as round trip unless noted)				Meeting Compensation
			From City	To City	Miles	Miles \$	
1	1	Meeting with GM, and Board President and Laptop training at District	walnut	Claremont	34.0	\$ 19.55	\$ 200.00
Met with the President of the board and the GM to review issues coming before the MWD committees and Board including the GM replacement, IRP status, and upcoming Board Chair elections. In addition, attendance was requested to under go required laptop training to access future programs and mail given the COVID meeting protocol adjustments. Both meetings were held at the district.							
2	2	Board Workshop Meeting					\$ 200.00
First board workshop since the summer recess was conducted and information provided regarding action to be requested later in the month. Closed session conference regarding issues developing with the MWD v. San Diego cases were provided by the District's attorney. In addition, clarification to the GMs agreement was requested.							
3	6	So. Cal. Water Utilities Association Water Treatment Webniar					\$ 200.00
The Webinar was conducted to provide the participants with updated information on the impacts PFOS/PFAS is having on groundwater wells. In addition, information was provided on the possible treatment options available.							
4	10	Chino Basin Appropriative Pool Meeting					\$ 200.00
Robust discussion was had regarding the staff recommendation to proceed with the increase in scope of work (Estimated at \$200,000) to the IEUA led OBMP 2020 update.							
5	16	District Monthly Board Meeting					\$ 200.00
First meeting back from the summer recess ratifications of staff actions taken and updated project reports were provided. Approval for changes to the employee health cost were also acted upon. Director reports were also provide to those in attendance For detail information please refer to the minutes.							
6	17	Chino Basin Advisory					\$ 200.00
Attended meeting via Zoom with MWD staff and various MWD directors and their respective staff members to hear updates from the boards direct reports on matters influencing staff direction for further development for board consideration.							
7	21	Walnut Board Meeting					\$ 200.00
Attended the board meeting as the TVMWD representative out of Division 2 and also made myself available to provide the board with information regarding board action at MWD.							
8	23	MWDOC Water Policy Forum					\$ 200.00
Attended the meeting and heard a robust discussion on the issues surrounding the Bay Delta and the obstacles as presented by the MWDOC Water Policy Group.							
9	24	Chino Basin Water Master Board Meeting					\$ 200.00
Attended the Regularly scheduled monthly meeting as the Districts Alternate voter, Representative Kuhn to provide the meeting report as usual.							
10	28	San Gabriel Valley Water Assoc Board of Directors Meeting					\$ 200.00
Attended the meeting and participated in the meeting. However due to windows upgrade issues. my mic. would not un-mute. I was able to text MWD Ortega to provide the MWD report orally as I watched and listen in. He covered all I wanted to mention.							

No	Day	Miscellaneous Expense (please itemize each expense)	Misc. Expense
1			
2			
3			
4			
5			

Subtotal Miscellaneous Expense \$ 0.00

Subtotal Mileage \$ 19.55

Subtotal Meeting Compensation \$ 2,000.00

Subtotal All \$ 2,019.55

Mandatory Deferred Compensation @ 7.5% (\$ 150.00)

TOTAL \$ 1,869.55

I certify the above is correct and accurate to the best of my knowledge

Signature

* Mileage is reimbursed at IRS Standard Business Mileage Rate

**Directors are eligible for ten meeting days per month at \$200 per day. Ordinance Nos. 02-01-7 and 02-07-15



DIRECTOR EXPENSE SHEET

Submit Form

Item 7.E

NAME: Carlos Goytia, Division 1

MONTH / YEAR

September 2020

No	Day	Title of Meeting / Description	Mileage (assumed as round trip unless noted)				Meeting Compensation
			From City	To City	Miles	Miles \$	
1	2	TVMWD Board Meeting	Pomona	Pomona	0.0	\$ 0.00	\$ 200.00
Attended and participated in board discussions and deliberations							
2	4	City of Pomona Meeting w/Council Member Preciado and Council Member Garcia	Pomona	Pomona	0.0	\$ 0.00	\$ 200.00
Met with Council Members Victor Preciado and Nora Garcia to discuss and coordinate upcoming collaborations within our Districts							
3	8	Spadra Basin - Executive Committee Meeting	Pomona	Pomona	0.0	\$ 0.00	\$ 200.00
Attended and participated in board discussions							
4	9	Pomona Covid-19 Action Committee Meeting	Pomona	Pomona	0.0	\$ 0.00	\$ 200.00
Participated in committee discussions							
5	12	City of Pomona - Meeting with Mayor Tim Sandoval	Pomona	Pomona	0.0	\$ 0.00	\$ 200.00
Discussed with Mayor Sandoval a collaborate effort to providing basic needs for the community							
6	14	City of Pomona Council Meeting	Pomona	Pomona	0.0	\$ 0.00	\$ 200.00
Participated in Council discussions							
7	16	TVMWD Board Meeting	Pomona	Pomona	0.0	\$ 0.00	\$ 200.00
Attended and participated in board discussions and deliberations							
8	21	City of Pomona Council Meeting	Pomona	Pomona	0.0	\$ 0.00	\$ 200.00
Participated in Council discussions							
9	24	City of Pomona - Energy Forum	Pomona	Pomona	0.0	\$ 0.00	\$ 200.00
Attended forum to discuss new program coming to the City with Water Resource Director Chris Diggs, Pomona City Council and staff							
10	25	City of Pomona/Community Basic Needs Event	Pomona	Pomona	8.0	\$ 4.60	\$ 200.00
City of Pomona community basic needs collaborative with Mayor Tim Sandoval, Council Members Victor Preciado, Nora Garcia and local food pantry in distributing basic needs for community during the pandemic							

No	Day	Miscellaneous Expense (please itemize each expense)	Misc. Expense
1		Reimburse district for Connie Leyva event attended on 8/5/2020	-\$ 200.00
2		Reimburse district for Connie Leyva event contribution on 8/5/2020	-\$ 25.00
3			
4			
5			

Subtotal Miscellaneous Expense -\$ 225.00

Subtotal Mileage \$ 4.60

Subtotal Meeting Compensation \$ 2,000.00

Subtotal All \$ 1,779.60

Mandatory Deferred Compensation @ 7.5% (\$ 150.00)

TOTAL **\$ 1,629.60**

I certify the above is correct and accurate to the best of my knowledge

Signature

* Mileage is reimbursed at IRS Standard Business Mileage Rate

**Directors are eligible for ten meeting days per month at \$200 per day. Ordinance Nos. 02-01-7 and 02-07-15



DIRECTOR EXPENSE SHEET

Submit Form

Item 7.E

NAME: Denise Jackman, Division 7

MONTH / YEAR

September 2020

No	Day	Title of Meeting / Description	Mileage (assumed as round trip unless noted)				Meeting Compensation
			From City	To City	Miles	Miles \$	
1	2	Three Valleys Municipal Water District Board Meeting					\$ 200.00
Participated in business of the Board as Director of Division 7 in issues important to TVMWD.							
2	8	Rowland Water District BOD Meeting					\$ 200.00
Represented Three Valleys Municipal Water District regarding topics related to Rowland Water District needs.							
3	9	LAFCO MEETING					\$ 200.00
Attended LAFCO Meeting regarding issues surrounding San Gabriel Valley.							
4	14	SGV Regional Chamber of Commerce					\$ 200.00
Attended Chamber meeting and received Legislative updates and information related to business in SGV.							
5	15	Metropolitan Water District					\$ 200.00
Attended MET Board meeting and received update as to projects going on currently in MWD.							
6	16	Three Valleys Municipal Water District					\$ 200.00
Participated in business of the Board as Director of Division 7 in issues important to TVMWD.							
7	17	CSDA Module 2 of the Leadership series					\$ 200.00
Received education on topic of Strategic Planning and being an effective board member.							
8	21	Walnut Valley Water District					\$ 200.00
Represented Three Valleys Municipal Water District regarding topics related to Walnut Water District needs.							
9	22	Metropolitan Committee Meetings					\$ 200.00
Attended MWD meetings to understand the election process of the Chair of MWD.							
10	24	Chino Basin Watermaster					\$ 200.00
Attended meeting to receive update on issues related to the Chino Basin.							

No	Day	Miscellaneous Expense (please itemize each expense)	Misc. Expense
1			
2			
3			
4			
5			

Subtotal Miscellaneous Expense \$ 0.00

Subtotal Mileage \$ 0.00

Subtotal Meeting Compensation \$ 2,000.00

Subtotal All \$ 2,000.00

Mandatory Deferred Compensation @ 7.5% (\$ 150.00)

TOTAL \$ 1,850.00

I certify the above is correct and accurate to the best of my knowledge

Signature

* Mileage is reimbursed at IRS Standard Business Mileage Rate

**Directors are eligible for ten meeting days per month at \$200 per day. Ordinance Nos. 02-01-7 and 02-07-15



DIRECTOR EXPENSE SHEET

[Submit Form](#)

Item 7.E

NAME: Bob Kuhn, Division 4

MONTH / YEAR

September 2020

No	Day	Title of Meeting / Description	Mileage (assumed as round trip unless noted)				Meeting Compensation
			From City	To City	Miles	Miles \$	
1	1	Laptop Training	Glendora				\$ 200.00
Came into the district to attend laptop training with Robert and Nadia							
2	2	TVMWD Board of Directors Meeting	Glendora				\$ 200.00
Discussed business of the district in a workshop held via webinar							
3	8	Glendora City Council Meeting	Glendora				\$ 200.00
Short presentation regarding Three Valleys MWD							
4	10	CBWM Non Agricultural Pool Meeting	Glendora				\$ 200.00
Business items regarding non agricultural pool							
5	16	TVMWD Board of Directors Meeting	Glendora				\$ 200.00
Discussed and voted on issues of the district							
6	17	CBWM Pool Chairs & Executive Committee Meeting	Glendora				\$ 200.00
Open discussion regarding issues of each pool							
7	24	CBWM Executive Committee Meeting	Glendora				\$ 200.00
Met with Jim Curatalo and Jeff Pierson via Zoom for the Executive Committee meeting of CBWM							
8			Glendora				
9			Glendora				
10			Glendora				

No	Day	Miscellaneous Expense (please itemize each expense)	Misc. Expense
1			
2			
3			
4			
5			

Subtotal Miscellaneous Expense \$ 0.00

Subtotal Mileage \$ 0.00

Subtotal Meeting Compensation \$ 1,400.00

Subtotal All \$ 1,400.00

Mandatory Deferred Compensation @ 7.5% (\$ 105.00)

TOTAL \$ 1,295.00

I certify the above is correct and accurate to the best of my knowledge

Signature _____

* Mileage is reimbursed at IRS Standard Business Mileage Rate

**Directors are eligible for ten meeting days per month at \$200 per day. Ordinance Nos. 02-01-7 and 02-07-15



DIRECTOR EXPENSE SHEET

Submit Form

Item 7.E

NAME: John Mendoza, Division 6

MONTH / YEAR

September 2020

No	Day	Title of Meeting / Description	Mileage (assumed as round trip unless noted)				Meeting Compensation
			From City	To City	Miles	Miles \$	
1	2	TVMWD Board of Directors Meeting	Pomona				\$ 200.00
Meeting on the Board of Directors to vote on projects important to the district.							
2	6	SCWUA Contact Hours Class	Pomona				\$ 200.00
Equipment and media solutions for removing PFAS from water.							
3	8	Spadra Basin Executive Committee meeting	Pomona				\$ 200.00
Meeting of the Executive Committee to vote and discuss issues important to the basin.							
4	14	Regional Chamber of Government Affairs	Pomona				\$ 200.00
Monthly meeting of local elected officials and business sector to vote on issues important to the region.							
5	16	TVMWD Board of Directors Meeting	Pomona				\$ 200.00
Meeting of the Board of Directors, staff and member agencies to discuss and vote on important projects and issues.							
6	22	Zoom meeting MWD Integrated Resources Plan	Pomona				\$ 200.00
Zoom presentation by MWD staff regarding the IRP and public water agencies input.							
7	23	Six Basins Watermaster meeting	Pomona				\$ 200.00
Meeting of the Six Basins to discuss and vote on issues important to the basin.							
8	24	SCWUA Zoom Presentation	Pomona				\$ 200.00
Pomona presentation by General Manager Tom Love Upper SGV MWD water recycle accomplishments.							
9	30	SGVEP Presentation Zoom	Pomona				\$ 200.00
Guest speaker Los Angeles County Assessor Jeffrey Prang discussed operations of the assessors office and property related election issues for November 2020.							
10			Pomona				

No	Day	Miscellaneous Expense (please itemize each expense)	Misc. Expense
1			
2			
3			
4			
5			

Subtotal Miscellaneous Expense \$ 0.00

Subtotal Mileage \$ 0.00

Subtotal Meeting Compensation \$ 1,800.00

Subtotal All \$ 1,800.00

Mandatory Deferred Compensation @ 7.5% (\$ 135.00)

TOTAL \$ 1,665.00

I certify the above is correct and accurate to the best of my knowledge

Signature

* Mileage is reimbursed at IRS Standard Business Mileage Rate

**Directors are eligible for ten meeting days per month at \$200 per day. Ordinance Nos. 02-01-7 and 02-07-15



DIRECTOR EXPENSE SHEET

Submit Form

Item 7.E

NAME: Jody Roberto, Division 5

MONTH / YEAR

September 2020

No	Day	Title of Meeting / Description	Mileage (assumed as round trip unless noted)				Meeting Compensation
			From City	To City	Miles	Miles \$	
1	2	TVMWD Board meeting	Diamond Bar	Web meeting			\$ 200.00
Regular board meeting for TVMWD was held via web to review district business.							
2	3	TVMWD Computer training	Diamond Bar	Claremont	27.0	\$ 15.53	\$ 200.00
I met with Robert and Nadia for training on new laptops.							
3	8	Rowland Water District meeting	Diamond Bar	Web meeting			\$ 200.00
Rowland Water met for their regular board meeting. Approved motion for Directors appointments in lieu of election for unopposed seats. Erin shared article she wrote for RUSD regarding water bottles and filling stations featured in CSDA. Tom reported on new hires, RUSD considered young company.							
4	14	San Gabriel Valley Government Affairs Committee meeting	Diamond Bar	Web meeting			\$ 200.00
Presentation by Mary Ross from the No on 24 campaign. After presentation, the board voted to oppose proposition 24. Legislative staffers gave brief reports.							
5	15	San Gabriel Valley Economic Partnership 2020 Economic Forecast	Diamond Bar	Web meeting			\$ 200.00
Dr. Robert Kleinhenz, Economist, gave update on forecast and affects of pandemic on economy. Dr. Henry Olsen, Washington Post Columnist, gave election forecast. Very interesting information presented from both speakers.							
6	16	TVMWD Board meeting	Diamond Bar	Web meeting			\$ 200.00
Regular board meeting was held via web to discuss and approve district business.							
7	17	San Gabriel Valley Cog meeting	Diamond Bar	Web meeting			\$ 200.00
SGV Cog approved an irrevocable trust fund with CALPERS for employee retirement. Board elections were held, Maggie Clark from Rosemead was elected President.							
8	21	Walnut Valley Water District meeting	Diamond Bar	Web meeting			\$ 200.00
WVWD approved contract for site improvements at their Walnut headquarters. This project has been discussed for years. New headquarters will be more functional than current facility.							
9	30	San Gabriel Valley Economic Partnership meeting	Diamond Bar	Web meeting			\$ 200.00
LA County Assessor Jeff Prang provided update. He presented information on property assessments and transfers. Discussed how propositions will affect his office and staffing; it will be challenging.							
10			Diamond Bar				

No	Day	Miscellaneous Expense (please itemize each expense)	Misc. Expense
1			
2			
3			
4			
5			

I certify the above is correct and accurate to the best of my knowledge

Signature _____

Subtotal Miscellaneous Expense	\$ 0.00
Subtotal Mileage	\$ 15.53
Subtotal Meeting Compensation	\$ 1,800.00
Subtotal All	\$ 1,815.53
Mandatory Deferred Compensation @ 7.5%	(\$ 135.00)
TOTAL	\$ 1,680.53


* Mileage is reimbursed at IRS Standard Business Mileage Rate

**Directors are eligible for ten meeting days per month at \$200 per day. Ordinance Nos. 02-01-7 and 02-07-15



Board of Directors Staff Report

To: TVMWD Board of Directors

From: Matthew H. Litchfield, General Manager 

Date: October 21, 2020

Subject: **Approve Resolution No. 20-10-880 of the Three Valleys Municipal Water District Supporting Approval of the Chino Basin Watermaster Optimum Basin Management Program**

<input checked="" type="checkbox"/> For Action	<input type="checkbox"/> Fiscal Impact	<input type="checkbox"/> Funds Budgeted
<input type="checkbox"/> Information Only	<input type="checkbox"/> Cost Estimate:	

Staff Recommendation:

For the Board of Directors to approve Resolution No. 20-10-880 of the Three Valleys MWD supporting approval of the Chino Basin Watermaster Optimum Basin Management Program.

Background:

The Chino Groundwater Basin is a vital resource for TVMWD member agencies as well as member agencies of the Inland Empire Utilities Agency (“IEUA”) and Western Municipal Water District (“WMWD”). Over the past 20 years, the Parties to the Chino Basin Judgement have collaborated on the development and implementation of the Optimum Basin Management Program (“OBMP”) which has enabled the region to manage the Chino Groundwater Basin to guarantee a reliable water supply for the benefit of the regional economy.

It is common knowledge that the Chino Basin region has experienced rapid economic and population growth during times of extreme drought period in the last decade. Through the collaborative efforts of the Parties to the Judgment and work of the Chino Basin Watermaster (“Watermaster”), the scientific understanding of the Chino Basin has improved significantly over the past 20 years. Furthermore, since imported water supplies to the region have become scarcer over time, the importance of the OBMP as a planning document guiding the management of the Chino Basin has become even more paramount. The Chino Groundwater Basin region faces many challenges to address with the goals of (1) enhancing Basin water supplies; (2) protecting and enhancing water quality; (3) enhancing management of the Basin; and (4) equitably financing the OBMP.

To date, Chino Basin Watermaster staff and all Chino Basin Parties have worked on the OBMP update for over a year and half. The OBMP update is complete and will be the

document utilized by all stakeholders that rely on the Chino Basin to meet their respective needs and solve challenges. The resolution is attached as **Exhibit A**.

Strategic Plan Objective(s):

1.1 – Secure water supplies that exceed the estimated annual demands by 10%

1.3 – Maintain diverse sources of water supplies and storage

3.3 – Be accountable and transparent with major decisions

Attachment(s):

Exhibit A – Resolution No. 20-10-880

Meeting History:

Board of Director’s Meeting – June 19, 2019, Action Item

Board of Director’s Meeting – October 7, 2020, Informational Item

NA/ML

RESOLUTION NO. 20-10-880

**A Resolution of the Board of Directors of Three Valleys Municipal Water District
in Support of the Adoption of the 2020 Chino Basin Optimum Basin Management Program**

WHEREAS, the Three Valleys Municipal Water District was created in 1950 with the objective to provide clean, safe and reliable water to the community it serves.

WHEREAS, the Community~~iesy~~ that Three Valleys MWD serves depends on Clean, Safe and Reliable water to sustain economic development, foster a healthy community and preserve the environment for future generations.

WHEREAS, Three Valleys MWD's Water Portfolio relies in a combination of surface, groundwater and recycled water to satisfy the demands of the region.

WHEREAS, a reliable water supply is a necessary element for growth, economic development and prosperity, and according to state laws must be verified before new development is approved; and

WHEREAS, a safe water supply ensures the daily wellbeing and health of the community~~iesy~~ Three Valleys MWD serves, by providing water that is safe to drink, cook, bathe in, and use for all other human necessities.

WHEREAS, a clean water supply helps preserve the environmental health of our Community, by ensuring there are adequate resources to meet environmental needs such as habitat for fish and birds.

WHEREAS, groundwater is an essential part of ~~our-such~~ portfolio since it is local and less dependent of temporal and seasonal variations.

WHEREAS, the Chino Groundwater Basin is a vital resource for achieving Three Valleys MWD's mission of providing clean, safe and reliable water.

WHEREAS, the Parties to the Chino Basin Judgment have collaborated on the development and implementation of the Optimum Basin Management Program ("OBMP") for the past 20 years.

WHEREAS, the OBMP has enabled the region to manage the Chino Groundwater Basin to guarantee a reliable water supply for the buoyant economy of the area.

WHEREAS, the Chino Basin region has experienced rapid economic and population growth.

WHEREAS, over the last 20 years, the scientific understanding of the Chino Basin has improved significantly.

~~**WHEREAS**, the imported water supplies to the region have become more scarce over time for a number of reasons.~~

WHEREAS, the OBMP is a planning document that has guided the management of the Chino Basin through the challenges facing the region for the past 20 years, with the goals of [1] enhance Basin water supplies; [2] protect and enhance water quality; [3] enhance management of the Basin; and [4] equitably finance the OBMP; and has been implemented over the same time to enhance the reliability of groundwater resources.

WHEREAS, the region now faces new challenges and, while the goals of the OBMP remain the same, there is a need to reconsider the implementation activities.

WHEREAS, ~~the region has experienced unprecedented economic growth, imported and local~~ the surface water supplies are becoming less reliable, seasonal variability is becoming more extreme, and there are new emerging constituents that degrade groundwater quality.

WHEREAS, the Chino Basin Watermaster conducted a process to gather stakeholder input that was comprised of eight Listening Sessions, multiple Storage Management Workshops, multiple rounds of comments and responses to the written materials produced throughout the process.

WHEREAS, the 2020 Optimum Basin Management Program will be one of the planning documents that the parties will rely on to develop an Implementation Plan which will be utilized to create solutions to the challenges after mentioned.

~~**WHEREAS**, the 2020 OBMP Implementation Plan will be the document where all stakeholders that rely on the Chino Basin to meet their needs will collaborate to solve the challenges aforementioned.~~

WHEREAS, the Board of Directors of Three Valleys Municipal Water District passed the Resolution 19-06-861 in support of the development and timely completion of the 2020 OBMP.

Now therefore let it be resolved that the Board of Directors of Three Valleys Municipal Water District fully support the Chino Basin Watermaster Board's adoption of the 2020 Optimum Basin Management Program.

Let it be further resolved that the Board of Directors of Three Valleys Municipal Water District considers the timely adoption of the 2020 Optimum Basin Management Program critical to the future development of the region and encourages its members agency to timely develop an Implementation Plan that will allow the parties to meet the challenges facing the region.

ADOPTED and PASSED at a meeting of the Three Valleys Municipal Water District's Board of Directors held via teleconference, on this 21st day of October by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Bob G. Kuhn
President


ATTEST:

Carlos Goytia
Secretary

SEAL:



Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: October 21, 2020
Subject: **Purchasing Policy Update**

<input checked="" type="checkbox"/> For Action	<input type="checkbox"/> Fiscal Impact	\$
<input type="checkbox"/> Information Only	<input type="checkbox"/> Funds Budgeted:	

Staff Recommendation:

Staff is recommending approval of the attached TVMWD Purchasing Policy

Discussion:

To keep up with the changing times, staff has revised TVMWD Purchasing Policy (attached) to provide for the submission of bids and proposals by electronic means. There are no other changes at this time.

Strategic Plan Objective(s):

3.3 – Be accountable and transparent with major decisions

Attachment(s):

Exhibit A – TVMWD Purchasing Policy

Meeting History:

Board of Directors Meeting, October 7, 2020, Informational Item Only

NA/JL

Three Valleys Municipal Water District Purchasing Policy

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Section F - Public Projects.....	11

DRAFT

PURCHASING POLICY SUMMARY

GENERAL PURCHASES

	<u><\$25,000</u>	<u>\$25,000-\$75,000</u>	<u>>\$75,000</u>
APPROVAL	Department Head or GM	General Manager	Board
PO REQUIRED	No	Yes	Yes
NOTICE REQUIREMENT			
-General Supplies, Materials and Equipment	None	None	Newspaper
-Proprietary Equipment	None	None	None
-General Trade Services	None	None	Newspaper
-Professional Services	None	None	Newspaper suggested
COMPETITIVE OFFER REQUIREMENT			
-General Supplies, Materials and Equipment	None	Informal Quotes	Formal Bidding
-Proprietary Equipment	None	Informal Product Review	Formal Product Review
-General Trade Services	None	Informal Quotes	Formal Bidding
-Professional Services	None	Informal Proposals	RFP/RFQ's
SELECTION			
-General Supplies, Materials and Equipment	Department Discretion	Best Value Procurement	Best Value Procurement
-Proprietary Equipment	Department Discretion	Top Ranked Product	Top Ranked Product
-General Trade Services	Department Discretion	Best Value Procurement	Best Value Procurement
-Professional Services	Department Discretion	Top Ranked Provider	Top Ranked Provider

PUBLIC PROJECTS

	<u><\$60,000</u>	<u>\$60,000-\$200,000</u>	<u>>\$200,000</u>
APPROVAL	General Manager	General Manager	Board
PO REQUIRED	Yes	Yes	Yes
NOTICE REQUIREMENT	None	Contractors and/or Trade Journals	Newspaper and Trade Journals
COMPETITIVE OFFER REQUIREMENT	None	Informal Bid per CPCC*	Formal Bid per CPCC*
SELECTION	General Manager	Lowest Responsive/Responsible Bidder	Lowest Responsive/Responsible Bidder

*CPCC - California Public Contract Code

SECTION A - GENERAL

1) Definitions

- a) Best value procurement - shall mean to award based on the best overall value to TVMWD considering: ability, capacity, and skill; ability to meet time requirements; character, integrity, and reputation; financial resources available for contract performance; previous vendor experience; price; and warranty or other documented considerations offered.
- b) Top ranked provider - shall mean to award based on a Committee's ranking of the good or service as being the best solution for TVMWD where cost is not considered the primary selection criteria.
- c) Lowest responsible bidder - Bidder with the lowest price, and whose business and financial capabilities, past performance and reputation meet the required standards.
- d) Lowest responsive bidder - Bidder with the lowest price, and conforms in all material respects to the terms and conditions, specifications and other requirements requested.
- e) Single Source - a procurement where there is a compelling reason for only a preferred brand. Examples would be standardization, time schedule, technical expertise, follow-up on work to existing contract, etc.
- f) Sole Source - a procurement where only one viable source exists. Examples of reasons could be legal restrictions of patent rights, warranty issues, original equipment manufacturer, copyrights, etc.
- g) Emergency - an event which adversely affects the ability of TVMWD to carry out its functions, or puts TVMWD personnel or property in jeopardy, or which jeopardizes the health or safety of the community and its residents.
- h) Quote - a simple, brief offer to provide a good or service at a specific price.
- i) Proposal - a comprehensive offer to provide a good or service at a specific price.
- j) Bid - an offer to provide a good or service at a specific price in response to a formal bid form.
- k) Contract - written agreement between the seller and buyer to sell and purchase a good or service.
- l) RFQ/RFP - Request for Quote / Request for Proposal

- 2) General Provisions - The basic purchasing policy of TVMWD is to obtain quality goods and services for operation at the lowest possible overall cost. This includes maintaining a purchasing system that ensures maximum use of fair and open competition and receipt of the best value for funds available, consistent with applicable laws and regulations. The purchasing functions are decentralized, with each Department responsible for compliance with TVMWD policies and procedures. Purchasing responsibility and authority shall be delegated to the lowest possible level consistent with good business practice and sound financial management policy.

The following apply to all purchases made by TVMWD:

- a) No purchase will be approved or undertaken unless an appropriation has been established, either through the adopted annual budget or Board approval of additional appropriations. It is the responsibility of the Department Head to maintain control of their individual budgets.
- b) All purchases shall be of the quality deemed necessary to suit the intended purpose.
- c) Competitive offer requirements are set out in subsequent sections of this policy and are established based on type of purchase and/or established dollar limits.
- d) Purchases shall not be split to avoid required procedures or established dollar limits. Purchases of like items or services will be considered on an annual basis.
- e) The emergency purchase of goods is authorized under certain conditions.
- f) No purchase over \$25,000 shall be made without an authorized Purchase Order (PO) unless exempted in these guidelines. Otherwise such purchases are void and not considered an obligation of TVMWD.
- g) No TVMWD employee or Board member shall have a direct or indirect financial interest in any contract or purchase of goods or services entered into by TVMWD, or shall derive any personal benefit from TVMWD's purchase of goods or services.
- h) No TVMWD employee or Board member shall use the purchasing procedures to obtain property for personal use or by misrepresenting that personal purchases are for TVMWD (i.e., for the purpose of obtaining price discounts).
- i) No TVMWD employee or Board member shall draft or cause to be drafted any specifications for bids in such a way as to intentionally limit the bidding directly or indirectly to any one bidder, except for a sole source or single source procurement.
- j) The bid process obligates vendors to disclose any material financial relationship they may have or may have had with a TVMWD Board member or employee.
- k) Any TVMWD employee or Board member failing to follow the purchasing policy and procedures may incur personal liability or financial obligation to the vendor.

SECTION A - GENERAL (cont.)

- 3) Federal, State and Other Grant Programs - Federal, State, or grant programs may require special conditions that are more stringent than TVMWD procedures. It is the responsibility of the Department accepting the grant to ensure that all grant provisions are complied with.
- 4) Exceptions to Competitive Offer Requirements
- a) The informal offers and the formal bidding process may be bypassed with GM approval in the following instances:
 - i) In emergency situations where time is of the essence.
 - ii) Where a single source or sole source purchase is justified.
 - iii) When there exists other governmental contracts that were competitively bid (such as State Contracts, DGS, etc.) that TVMWD is eligible to use.
 - iv) When an item has been bid within the last 36 months and the price has not changed.
 - v) When purchasing goods with significant market fluctuations (such as chemicals), wherein requiring a guaranteed price for a year would actually cost TVMWD more.
 - vi) When it is neither practical nor cost effective to continue soliciting offers until three are received.
 - b) Certain purchases are unique in nature and do not lend themselves to the process of competitive offers. Therefore, these items do not require competitive offers or PO's as listed in Sections B through F. These items include, but are not limited to, water or water rights, debt service payments, real property and ongoing expenses for utility services (electricity, gas, telecommunications, etc.).
- 5) Department Responsibilities - It is the responsibility of the acquiring Department to:
- a) Make purchases in accordance with established policies and procedures.
 - b) Verify that an appropriation is available for the purchase.
 - c) Anticipate the Departments' needs in advance to minimize the need for emergency purchases.
 - d) Review goods and services received to ensure conformity with PO or contract.
 - e) No invoice should be processed for payment when the goods or services are unsatisfactory or there is a price discrepancy from the price originally offered. Please resolve the issue prior to payment.
- 6) Payment Authorization - An authorized signature on the invoice, receipt or other backup shall be considered authorization for payment. The signature shall indicate that the signer has:
- a) Verified that TVMWD has received the goods or services in good working condition.
 - b) Verified that the purchase complies with this purchasing policy and that funds are available for the purchase.
- 7) Signature Authorization - Each Department Head will be responsible for signing off on various financial and other administrative documents.
- a) All Departments - General Manager/Chief Engineer (GM)
 - b) Water Resources – Chief Water Resources Officer
 - c) Administration – Chief Administrative Officer
 - d) Finance - Chief Finance Officer (CFO)
 - e) Operations – Chief Operations Officer
- 8) Contract and Purchase Order
- a) If needed, contracts shall be prepared and original copies signed by the vendor and the Department Head or GM.
 - b) A PO shall be prepared detailing the vendor name, address, goods or services being purchased, total price including tax and shipping, and budget account to be charged. The PO packet shall contain the PO and any supporting documentation (contract, proposals, quotes, etc.).
 - c) The PO packet shall then be reviewed by the CFO for conformity to the purchasing policy and availability of funds.
 - d) The PO packet shall then be submitted to the Department Head or GM for final approval.
- 9) Execution - Once the Department has received the approved PO (and original contract, if necessary), they may contact the vendor to purchase the goods or begin the services. Goods must generally be shipped to TVMWD address. If the goods will be shipped to an alternate location, this should be cleared with the GM in advance.

SECTION B - GENERAL SUPPLIES, MATERIALS AND EQUIPMENT

- 1) Purpose - Provide guidelines for the purchase of general supplies, materials and equipment. General supplies, materials and equipment shall consist of any and all tangible items necessary for day-to-day operations, excluding proprietary equipment and goods (Section C) and any goods purchased as part of a Public Project (Section F). When goods and services are purchased together, this section shall apply if the majority of the purchase is for goods.
- 2) Department Award ≤ \$25,000 - The Department Head or GM may authorize purchases \$25,000 or less. These purchases do not require competitive offers and Departments are given considerable discretion in these purchases. Use of an RFQ/RFP is encouraged when appropriate but not required.
- 3) General Manager Award > \$25,000 to ≤ \$75,000 - Purchases greater than \$25,000 but \$75,000 or less must be awarded by the GM. Informal quotes should be obtained to assure a competitive price is received for an item, while avoiding the additional time and expense involved with formal bidding.
 - a) Informal Quotes - The Department should make every reasonable attempt to obtain at least three written quotes. In the event that three quotes are not received, the Department shall document what steps were taken, any vendors contacted that declined to quote, and if applicable, why it is not practical to receive three quotes. Use of an RFQ/RFP is encouraged when appropriate but not required.
 - b) Evaluation - The Department shall evaluate the informal quotes received and determine the best value procurement. TVMWD reserves the right to accept that quote which is in the best interest of TVMWD.
 - c) Change Orders - The GM is authorized to issue change orders for changes or additions to the original purchase that result in an overall amount up to \$75,000. All other change orders shall be brought to the Board for approval.
- 4) Board Award > \$75,000 - Purchases greater than \$75,000 must be awarded by the Board. Formal bidding should be used to assure all possible vendors are given the opportunity to bid on major TVMWD purchases, thereby assuring TVMWD that it has received the most competitive price. The formal process generally takes more time and expense than informal quotes and in some instances may actually not be the most cost-effective approach.
 - a) Formal Bidding
 - i) Bid Forms - The initiating Department shall prepare a bid form including detailed specifications for the item to be purchased. The following format is suggested for competitive bids:
 - (1) Submission of bids - Include date, time, location, bid number and a detailed list of the information the bid should contain.
 - (2) Questions - List the name, address, and telephone number of the person to be contacted concerning questions about the project.
 - (3) Background - Provide as much background as necessary to give the bidder an understanding of the environment in which the job will be performed and to which the job relates.
 - (4) Scope of work - Describe in detail the requirement for the job and detail specification.
 - (5) Desired project schedule - Be as specific as possible.
 - (6) Minimum and desirable qualifications - Be as specific as possible.
 - (7) Performance Bond - Whether a performance bond is required & the amount and form of bidders security.
 - ii) Notice Inviting Bids - The Department shall also prepare a notice inviting bids that includes the following:
 - (1) A general description of the item to be purchased.
 - (2) A statement indicating where bid forms and specifications can be obtained.
 - (3) A statement specifying the time and place for the opening of the bid.
 - (4) The first publication of the notice shall be at least ten days before the date of opening the bids. The notice shall be published at least twice, not less than five days apart, in a newspaper of general circulation, printed and published in TVMWD. The notice may also be sent to all applicable vendors.

SECTION B - GENERAL SUPPLIES, MATERIALS AND EQUIPMENT (cont.)

iii) Bid Opening

- (1) Sealed or electronic bids shall be submitted to TVMWD office, time stamped when received, and shall be clearly identified with the bid number on the envelope or subject line of the email. Faxed ~~or other electronic~~ bids are not acceptable.
 - (2) Respondents may modify or withdraw their bids prior to the established closing date and time without penalty. However, any modifications submitted after the established closing date and time will not be accepted. Such modifications will be returned to the respondent, unopened.
 - (3) Bids shall be opened in public at the time and place stated in the public notice.
 - (4) The GM or his/her designee shall open the bids and shall record all bids received.
 - (5) Any bid received after the time specified in the notice shall be returned to the respondent, unopened.
 - (6) When a bidder's security is required, it will be announced in the public notice inviting bids. The amount shall be determined at the time of preparation of the bid. It shall be in the form of cash, certified or cashier's check, certificate of deposit in TVMWD's name, or bid bond made payable to TVMWD. When a bidder's security is required, a bid shall not be considered unless one of the aforementioned forms of security accompanies the bid. Bidders shall be entitled to return of the bid security with the following exception:
 - (a) The successful bidder must execute the contract and file acceptable documents within thirty (30) calendar days from the date of award unless extended by the GM. Failure to execute the contract shall be just cause for annulment of the award and forfeiture of the bidder's security, not as a penalty, but as liquidated damages. The Board may, upon refusal or failure of the successful bidder to execute the contract, award the contract to the next lowest responsible and responsive bidder.
 - (7) All bids received shall be available for inspection during regular business hours in TVMWD office for a period of not less than thirty (30) calendar days after the bid opening.
- iv) Rejection of Bids - TVMWD reserves the right to reject any and all bids, to accept or reject any one or more items of a bid, or to waive any irregularities or informalities in the bids or the bidding process if it is deemed in the best interests of TVMWD.
- v) Evaluation - The Department shall evaluate the formal bids received and determine the best value procurement. TVMWD reserves the right to accept that bid which is in the best interest of TVMWD.
- b) Awarding - Once the bids have been evaluated, the Department Head shall prepare a report to the Board recommending the best value procurement. The Board shall then award the bid in a public meeting.
- c) Change Orders - The GM is authorized to issue change orders for changes or additions to the original purchase that are less than a 20% aggregate change. All other change orders shall be brought to the Board for approval.

SECTION C - PROPRIETARY EQUIPMENT AND GOODS

- 1) Purpose - Provide guidelines for the purchase of equipment/software and other artistic goods that may only be purchased through a proprietary vendor. There is no competitive offer requirement for this type of purchase since the item is being purchased based on qualification rather than price. Proprietary vendors are those vendors that directly sell their products and do not use distributors or other outlets.
- 2) Department Award ≤ \$25,000 - The Department Head or GM may authorize purchases \$25,000 or less. Departments are given considerable discretion in these purchases.
- 3) General Manager Award > \$25,000 to ≤ \$75,000 - Purchases greater than \$25,000 but \$75,000 or less must be awarded by the GM. An informal evaluation should be used to assure quality goods are received for a reasonable price.
 - a) Informal Product Review - must be documented to the satisfaction of the GM. Ideal documentation should include:
 - i) The name of the company
 - ii) The person providing the quote
 - iii) Estimated price
 - iv) Pros/Cons of the product
 - v) Brief justification for the selection of the goods
 - b) Review of Three Products - The Department should make every reasonable attempt to review at least three products. In the event that three products are not reviewed, the Department shall document why it is not practical to review alternate products.
 - c) Evaluation - The Department shall select the product which, in their evaluation, is the best solution for TVMWD. TVMWD reserves the right to accept the product which is in the best interest of TVMWD.
 - d) Change Orders - The GM is authorized to issue change orders for changes or additions to the original purchase that result in an overall amount up to \$75,000. All other change orders shall be brought to the Board for approval.
- 4) Board Award > \$75,000 - Purchases greater than \$75,000 must be awarded by the Board. A more formal evaluation should be used, thereby assuring TVMWD that it has purchased the best product fit for TVMWD. The formal process generally takes more time and expense than informal offers and in some instances may actually not be the most cost-effective approach.
 - a) Formal Product Review - To ensure maximum exposure and competition, the responsible Department shall prepare a list of potential companies from which to solicit quotes. A Selection Committee shall be formed to evaluate the submitted data and determine the products that should receive further consideration. The Committee shall be appointed by the Department Head, subject to the approval of the GM, and may consist of more than one Department.
 - b) Evaluation - Because unique products are requested, cost is not considered the primary selection criteria.
 - i) A Selection Committee shall be formed to evaluate the submitted quotes and determine the products that should receive further consideration. The Committee shall be appointed by the GM.
 - ii) The Selection Committee may choose to interview all the responding companies, only the top ranking companies, or to not perform interviews.
 - iii) The Selection Committee may also choose to view demonstrations of all the products, only the top ranking products, or to not view demonstrations.
 - iv) After the interviews and demonstrations (if applicable), the Selection Committee shall rank the products accordingly, based on their evaluation, as to the best solution for TVMWD.
 - c) Awarding - The Department Head shall prepare a report to the Board recommending the top ranked product. The Board shall then award the purchase in a public meeting.
 - d) Change Orders - The GM is authorized to issue change orders for changes or additions to the original purchase that are less than a 20% aggregate change in price. All other change orders shall be brought to the Board for approval.

SECTION D - GENERAL TRADE SERVICES

- 1) Purpose - Provide guidelines for the purchase of trade contractual services. Trade services shall mean the repair, rental or maintenance of equipment, machinery, and other TVMWD-owned or operated property. Included within this term are services necessary for the routine operation, repair or maintenance of existing buildings or improvements. The term does not include services rendered by professionals and other services which are unique in nature and not subject to competition. When goods and services are purchased together, this section shall apply if the majority of the purchase is for services.
- 2) Department Award ≤ \$25,000 - The Department Head or GM may authorize purchases \$25,000 or less. These purchases do not require competitive offers and Departments are given considerable discretion in these purchases. Use of an RFQ/RFP is encouraged when appropriate but not required.
- 3) General Manager Award > \$25,000 to ≤ \$75,000 - Trade services greater than \$25,000 but \$75,000 or less must be awarded by the GM. Informal quotes should be used to assure the most competitive price is received for an item, while avoiding the additional time and expense involved in formal offers.
 - a) Informal Quote - The Department should make every reasonable attempt to obtain at least three written quotes. In the event that three quotes are not received, the Department shall document what steps were taken, any vendors contacted that declined to quote, and if applicable, why it is not practical to receive three quotes. Use of an RFQ/RFP is encouraged when appropriate but not required.
 - b) Evaluation - The Department shall evaluate the informal quotes received and determine the best value procurement. TVMWD reserves the right to accept that quote which is in the best interest of TVMWD.
 - c) Change Orders - The GM is authorized to issue change orders for changes or additions to the original purchase that result in an overall amount up to \$75,000. All other change orders shall be brought to the Board for approval.
- 4) Board Award > \$75,000 - Trade services greater than \$75,000 must be awarded by the Board. Formal bidding should be used to assure all possible contractors/service providers are given the opportunity to bid on major TVMWD purchases, thereby assuring TVMWD that it has received the most competitive price. The formal process generally takes more time and expense than informal bidding and in some instances may actually not be the most cost-effective approach.
 - a) Formal Offer
 - i) Bid Forms - The initiating Department shall prepare a bid form including detailed specifications of the services to be performed. The following format is suggested for competitive bids
 - (1) Submission of bids - Include date, time, location, bid number and a detailed list of the information the bid should contain.
 - (2) Questions - List the name, address, and telephone number of the person to be contacted concerning questions about the project.
 - (3) Background - Provide as much background as necessary to give the bidder an understanding of the environment in which the job will be performed and to which the job relates.
 - (4) Scope of work - Describe in detail the requirement for the job and detail specification.
 - (5) Desired project schedule - Be as specific as possible.
 - (6) Minimum and desirable qualifications - Be as specific as possible.
 - (7) Performance Bond - Whether a performance bond is required & the amount and form of bidders security.
 - (8) Sample Contract - A sample of the contract expected to be used should be included in the bid package.
 - ii) Notice Inviting Bids - The Department shall also prepare a notice inviting bids that includes the following:
 - (1) A general description of the services to be performed.
 - (2) A statement indicating where bid forms and specifications can be obtained.
 - (3) A statement specifying the time and place for the opening of the bid.
 - (4) The first publication of the notice shall be at least ten days before the date of opening the bids. The notice shall be published at least twice, not less than five days apart, in a newspaper of general circulation, printed and published in TVMWD. The notice may also be sent to all applicable contractor/service providers.

SECTION D - GENERAL TRADE SERVICES (cont.)

iii) Bid Opening

- (1) Sealed or electronic bids shall be submitted to TVMWD office, time stamped when received, and shall be clearly identified with the bid number on the envelope or subject line of the email. Faxed ~~or other electronic~~ bids are not acceptable.
- (2) Respondents may modify or withdraw their bids prior to the established closing date and time without penalty. However, any modifications submitted after the established closing date and time will not be accepted. Such modifications will be returned to the respondent, unopened.
- (3) Bids shall be opened in public at the time and place stated in the public notice.
- (4) The GM or his/her designee shall open the bids and shall record all bids received.
- (5) Any bid received after the time specified in the notice shall be returned unopened.
- (6) When a bidder's security is required, it will be announced in the public notice inviting bids. The amount shall be determined at the time of preparation of the bid. It shall be in the form of cash, certified or cashier's check, certificate of deposit in TVMWD's name, or bid bond made payable to TVMWD. When a bidder's security is required, a bid shall not be considered unless one of the aforementioned forms of security accompanies the bid. Bidders shall be entitled to return of the bid security with the following exception:
 - (a) The successful bidder must execute the contract and file acceptable documents within thirty (30) calendar days from the date of award unless extended by the GM. Failure to execute the contract shall be just cause for annulment of the award and forfeiture of the bidder's security, not as a penalty, but as liquidated damages. The Board may, upon refusal or failure of the successful bidder to execute the contract, award the contract to the next lowest responsible and responsive bidder.
- (7) All bids received shall be available for inspection during regular business hours in TVMWD office for a period of not less than thirty (30) calendar days after the bid opening.

iv) Rejection of Bids - TVMWD reserves the right to reject any and all bids, to accept or reject any one or more items of a bid, or to waive any irregularities or informalities in the bids or the bidding process if it is deemed in the best interests of TVMWD.

v) Evaluation - The Department shall evaluate the formal bids received and determine the best value procurement. TVMWD reserves the right to accept that bid which is in the best interest of TVMWD.

b) Awarding - Once the bids have been evaluated, the Department Head shall prepare a report to the Board recommending the best value procurement. The Board shall then award the bid in a public meeting.

c) Change Orders - The GM is authorized to issue change orders for changes or additions to the original purchase that are less than a 20% aggregate change. All other change orders shall be brought to the Board for approval.

5) Renewals - Contracts for ongoing services may include annual renewal provisions for up to five years. Cost increases related to such renewals shall not exceed the Consumer Price Index (CPI) adjustments unless approved in advance.

SECTION E - PROFESSIONAL SERVICES

- 1) Purpose - Provide guidelines for the purchase of professional services. Professional services are those activities performed by a consultant who possesses a high degree of expertise in a particular profession. This would generally include (but not be limited to) architectural services, accounting/auditing services, environmental services, design services, engineering services, technical services, financial services, legal services, economic services and other administrative services. There is no competitive offer requirement for services since the agent is being hired based on qualifications rather than price.
- 2) Department Award ≤ \$25,000 - The Department Head or GM may authorize purchases \$25,000 or less. Departments are given considerable discretion in these purchases. Use of an RFQ/RFP is encouraged when appropriate but not required.
- 3) General Manager Award > \$25,000 to ≤ \$75,000 - Purchases greater than \$25,000 but \$75,000 or less must be awarded by the GM. Informal proposal should be used to assure quality services are received for a reasonable price. Use of an RFQ/RFP is encouraged when appropriate but not required.
 - a) Informal Proposal - must be documented to the satisfaction of the GM. Ideal documentation should include:
 - i) The name of the company.
 - ii) The person providing the proposal.
 - iii) Estimated price.
 - iv) Understanding of the required scope of services.
 - v) Specialized experience of the firm and its personnel relative to the required services.
 - vi) References who can be contacted to verify past record of performance, (i.e., completion of a quality product in a timely manner and within budget constraints).
 - vii) The capacity of the firm to perform the subject project within a required timeframe.
 - viii) Pros/Cons of the proposal.
 - ix) Brief justification for the selection of the services.
 - b) Review of Three Proposals - The Department should make every reasonable attempt to obtain at least three written proposals. In the event that three proposals cannot be provided, the Department shall document why it is not practical to continue soliciting proposals.
 - c) Evaluation - The Department shall select the provider which, in their evaluation, is the best solution for TVMWD. TVMWD reserves the right to accept that proposal which is in the best interest of TVMWD.
 - d) Change Orders - The GM is authorized to issue change orders for changes or additions to the scope of services that result in an overall amount up to \$75,000. All other change orders shall be brought to the Board for approval.
- 4) Board Award > \$75,000 - Services greater than \$75,000 must be awarded by the Board. A Formal RFP process should be used, thereby assuring TVMWD that it has engaged the most qualified consultant available for the engagement. The formal process generally takes more time and expense than informal offers of qualifications and in some instances may actually not be the most cost-effective approach. A request for qualifications can be used when the scope of work is broadly defined. This method is used for either making an award to the most qualified provider or for pre-qualifying potential respondents for a subsequent competitive offer.
 - a) Request for Proposal/Qualifications - Because these requests ask for a subjective product, they should contain the greatest detail possible, and may include the following:
 - i) A precise description of the problem, objective or service required.
 - ii) The services to be performed and/or product to be provided.
 - iii) Time schedule requirements.
 - iv) Evaluation factors and the relative importance of each.
 - v) Expectations and/or limitations on the part of TVMWD.
 - vi) Expected content.
 - vii) Contractual requirements.
 - viii) Requests for construction project management services may require evidence provided of experience in construction project design review and evaluation, construction mobilization and supervision, bid evaluation, project scheduling, cost-benefit analysis, claims review and negotiation, and general management and administration of a construction project.

SECTION E - PROFESSIONAL SERVICES (cont.)

- b) Issuing the Request
- i) To ensure maximum exposure and competition, the responsible Department shall prepare a list of potential firms to receive the request.
 - ii) If required or desired, the responsible Department will submit the request to be advertised in a local newspaper of general circulation. Additional advertisements may be placed in a regional newspaper of general circulation; appropriate professional or trade journals; and state or governmental publications designed for public notice.
 - iii) A reasonable length of time between offering/advertising and closing dates must be allowed to provide potential respondents time for preparation in accordance with the complexity, the size of the project, and the scope of advertising.
 - iv) TVMWD staff may conduct conferences to explain the requirements of the project. A sufficient amount of time should be allowed after the request has been issued to allow potential respondents to become familiar with the project. Any clarification or changes required to the request, as a result of the conference, shall be added as a written amendment. A summary of the conference shall be provided to all prospective respondents receiving the request.
 - v) The requesting Department shall prepare sufficient copies of the request to allow distribution to potential respondents of record and responses to the published advertisements. In addition, the Department shall maintain a list of requests issued and responses.
- c) Proposal Opening
- i) Proposals shall be submitted by paper or electronically to TVMWD office, time stamped when received, and shall be clearly identified with the proposal number on the envelope or subject line of the email. Faxed ~~or other electronic~~ proposals are not acceptable.
 - ii) Respondents may modify or withdraw their proposals prior to the established closing date and time, without penalty. However, any modifications submitted after the established closing date and time will not be accepted. Such modifications will be returned to the respondent, unopened.
 - iii) Any proposal received after the time specified in the request shall be returned to the respondent, unopened.
 - iv) To avoid disclosure of the contents of competing requests, proposals will be opened in the presence of the GM or his/her designee and the Department Head requesting the proposals.
 - v) TVMWD office shall maintain a list of proposals received, including name and address of respondent, the number of modifications received, if any, and any additional information requested. The register will be open to inspection after the award of the contract or the rejection of all proposals.
 - vi) Proposals and modifications shall be shown only to the evaluation committee personnel, the GM or his/her designee, and the Department Head until a recommendation is made to the Board or all proposals have been rejected.
- d) Evaluation - Because unique services are requested, cost is not considered the primary selection criteria.
- i) A Selection Committee shall be formed to evaluate the submitted quotes and determine the products that should receive further consideration. The Committee shall be appointed by the GM.
 - ii) The Selection Committee may choose to interview all the responding companies, only the top ranking companies, or to not perform interviews.
 - iii) After the interviews (if applicable), the Selection Committee shall rank the companies accordingly, based on their evaluation, as to the best solution for TVMWD.
- e) Awarding - The Department Head shall prepare a report to the Board recommending the top ranked provider. The Board shall then award the purchase in a public meeting.
- f) Change Orders - The GM is authorized to issue change orders for changes or additions to the original scope of services that are less than a 20% aggregate change in price. All other change orders shall be brought to the Board for approval.
- 5) Renewals - Contracts for ongoing services may include annual renewal provisions for up to five years. Cost increases related to such renewals shall not exceed the Consumer Price Index (CPI) adjustments unless approved in advance.

SECTION F - PUBLIC PROJECTS

- 1) Purpose - Provide guidelines for public project procurement. **Public project is defined as:**
- a) Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any facility owned, leased, or operated by TVMWD.
 - b) Painting or repainting any facility owned, leased or operated by TVMWD.
 - c) Construction, erection, improvement, or repair of dams, reservoirs, power plants, and electrical transmission lines of 230,000 volts and higher that are owned by TVMWD.
 - d) A public project **does not** include maintenance work. Maintenance work includes all of the following:
 - i) Routine, recurring, and usual work for the preservation or protection of facilities owned or operated by TVMWD.
 - ii) Minor repainting.
 - iii) Street and highways resurfacing at less than one inch (1”) deep.
 - iv) Landscape maintenance (mowing, watering, trimming, planting, and servicing of irrigation systems).

- 2) Policy - It is TVMWD’s policy to follow the Uniform Construction Cost Accounting Procedures for all Public Projects, as set forth in the Public Contract Code. It is also TVMWD’s policy to adopt the purchasing limits and policies as set forth in Public Contract Code Sections 22030 to 22045. TVMWD’s policy is also to adhere to California Prevailing Wage Law on all public works construction projects exceeding \$1,000. Consult Finance staff for Federally funded projects.

California Prevailing Wage Law – prevailing wage is defined as a minimum wage requirement for public works projects. State prevailing wage rates apply to all public works contracts as set forth in Labor Code Sections 1720, et. seq., and include, but are not limited to such types of work performed under contract as construction, modernization, alteration, demolition, installation, or repair.

- a) The Office of Policy, Research and Legislation (OPRL) predetermines the appropriate prevailing wage rates for particular construction trades and crafts by county.
- b) A contractor or subcontractor may not pay less than the prevailing wage rate (includes wages and benefits).
- c) The correct wage determination for a project is to be provided by the Awarding Agency and should be included in project specifications and available during the bid process.
- d) The date of the first bid advertisement determines which prevailing wage determination is used.
- e) Contractors and subcontractors must employ registered apprentices on public works projects (Labor Code Section 1777.5).

California Public Works Contractors Registration – Contractors and subcontractors must register with DIR for all public works projects. This program will fund DIR’s monitoring and enforcement of prevailing wage laws. All public works projects with bids submitted after March 1, 2015, or awarded on or after April 1, 2015, may use only registered contractors and subcontractors.

- a) TVMWD is required to include notice of the registration requirement in bid invitations and bid documents.
- b) TVMWD must file notice of their public works project with DIR form PWC-100 (www.dir.ca.gov/pwc100).
- c) Contractors and subcontractors will be required to submit certified payroll records to the Labor Commissioner.

- 3) General Manager Award Level I ≤ \$60,000 - Public Projects contracts \$60,000 (per limit established by Public Contract Code Section 22032) or less must be awarded by the GM. The Department Head may recommend a contractor without using competitive offer, however a PO and approval by the GM is required for these purchases. The Department Head may also elect to perform the project using employees of TVMWD by force account.
- a) Change Orders - The GM is authorized to issue change orders for changes or additions to the original scope of services that result in less than \$60,000 annual contract amount. All other change orders shall be brought to the Board for approval.

SECTION F - PUBLIC PROJECTS (cont.)

- 4) General Manager Award Level II > \$60,000 to ≤ \$200,000 - Public Projects contracts greater than \$60,000 but \$200,000 (per limit established by Public Contract Code Section 22032) or less may be let to contract by the informal bid process set forth in this policy.
- a) Informal Bids - TVMWD shall solicit informal bids in accordance with Public Contract Code Sections 22034-22036.
- i) List of Qualified Contractors - TVMWD shall maintain a list of qualified contractors, identified according to categories of work as specified in Public Contract Code Section 22034.
- ii) Bid Forms - The initiating Department shall prepare a bid form including detailed specifications for the item to be purchased. The following format is suggested for competitive bids:
- (1) Submission of bids - Include date, time, location, bid number and a detailed list of the information the bid should contain.
 - (2) Questions - List the name, address, and telephone number of the person to be contacted concerning questions about the project.
 - (3) Background - Provide as much background as necessary to give the bidder an understanding of the environment in which the job will be performed and to which the job relates.
 - (4) Scope of work - Describe in detail the requirement for the job and detail specification.
 - (5) Desired project schedule - Be as specific as possible.
 - (6) Minimum and desirable qualifications - Be as specific as possible.
 - (7) Performance Bond - Whether a performance bond is required & the amount and form of bidders security.
 - (8) Sample Contract - A sample of the contract expected to be used should be included in the bid package.
- iii) Notice Inviting Bids - The initiating Department shall also prepare a notice inviting bids detailing the following:
- (1) A general description of the services to be performed.
 - (2) A statement indicating where bid forms, specifications and bonding requirements can be obtained.
 - (3) A statement specifying the time and place for the opening of the bid.
 - (4) The notice shall be mailed at least ten (10) calendar days before the date of opening the bids to:
 - (a) All qualified contractors on the list for the category of work to be performed OR
 - (b) All construction trade journals specified in Section 22036 of the Public Contract Code OR
 - (c) Both all contractors and all trade journals
- iv) Bid Opening
- (1) Sealed or electronic bids shall be submitted to TVMWD office, time stamped when received, and shall be clearly identified with the bid number on the envelope or subject line of the email. Faxed ~~or other electronic~~ bids are not acceptable.
 - (2) Respondents may modify or withdraw their bids prior to the established closing date and time, without penalty. However, any modifications submitted after the established closing date and time will not be accepted. Such modifications will be returned to the respondent, unopened.
 - (3) Bids shall be opened in public at the time and place stated in the public notice.
 - (4) The GM or his/her designee shall open the bids and shall record all bids received.
 - (5) Any bid received after the time specified in the notice shall be returned to the respondent, unopened.
 - (6) When a bidder's security is required, it will be announced in the public notice inviting bids. The amount shall be determined at the time of preparation of the bid. It shall be in the form of cash, certified or cashier's check, certificate of deposit in TVMWD's name, or bid bond made payable to TVMWD. When a bidder's security is required, a bid shall not be considered unless one of the aforementioned forms of security accompanies the bid. Bidders shall be entitled to return of the bid security with the following exception:
 - (a) The successful bidder must execute the contract and file acceptable documents within thirty (30) calendar days from the date of award unless extended by the GM. Failure to execute the contract shall be just cause for annulment of the award and forfeiture of the bidder's security, not as a penalty, but as liquidated damages. The Board may, upon refusal or failure of the successful bidder to execute the contract, award the contract to the next lowest responsive and responsible bidder.
 - (7) All bids received shall be available for inspection during regular business hours in TVMWD office for a period of not less than thirty (30) calendar days after the bid opening.

SECTION F - PUBLIC PROJECTS (cont.)

- v) Rejection of Bids - TVMWD reserves the right to reject any and all bids, to accept or reject any one or more items of a bid, or to waive any irregularities or informalities in the bids or the bidding process if it is deemed in the best interests of TVMWD.
- vi) Evaluation - The Department shall evaluate the formal bids. All valid bids shall be considered in determining award of bid to the lowest responsive and responsible bidder. TVMWD reserves the right to accept that bid which is in the best interest of TVMWD. When selecting the recommended bidder the Department Head will take into consideration:
 - (1) Price.
 - (2) Ability, capacity, and skill.
 - (3) Ability to meet time requirements.
 - (4) Character, integrity, and reputation.
 - (5) Previous vendor experience.
 - (6) Financial resources available for contract performance.
 - (7) Ability to provide future maintenance and service, if necessary.
- b) Tie Bids - If tie bids are received, quality and service being equal, TVMWD may, at its discretion:
 - i) Reject any and all bids presented and re-advertise; or
 - ii) Accept either one or accept the lowest bid made by negotiation with the tie bidders; or
 - iii) Award the bid to any one of the low tie bidders by public drawing.
- c) Awarding - Once the bids have been evaluated, the Department Head shall prepare a report to the Board recommending the lowest responsible and responsive bidder. The GM shall then award the bid.
- d) Change Orders - The GM is authorized to issue change orders for changes or additions to the original scope of services that results an overall amount up to \$200,000. All other change orders shall be brought to the Board for approval.
- 5) Board Award > \$200,000 - Public Projects exceeding \$200,000 (per limit established by Public Contract Code Section 22032) must be formally bid and awarded by the Board in accordance with Public Contract Code Sections 22037 to 22044.
 - a) Formal Bids - TVMWD shall solicit formal bids in accordance with Public Contract Code Sections 22037-22044.
 - i) Bid Forms - The initiating Department shall prepare a bid form including detailed specifications for the services to be performed. The following format is suggested for competitive bids:
 - (1) Submission of bids - Include date, time, location, bid number and a detailed list of the information the bid should contain.
 - (2) Questions - List the name, address, and telephone number of the person to be contacted concerning questions about the project.
 - (3) Background - Provide as much background as necessary to give the bidder an understanding of the environment in which the job will be performed and to which the job relates.
 - (4) Scope of work - Describe in detail the requirement for the job and detail specification.
 - (5) Desired project schedule - Be as specific as possible.
 - (6) Minimum and desirable qualifications - Be as specific as possible.
 - (7) Performance Bond - Whether a performance bond is required & the amount and form of bidders security.
 - (8) Sample Contract - A sample of the contract expected to be used should be included in the bid package.
 - ii) Notice Inviting Bids - The initiating Department shall also prepare a notice inviting bids detailing the following:
 - (1) A general description of the services to be performed.
 - (2) A statement indicating where bid forms, specifications and bonding requirements can be obtained.
 - (3) A statement specifying the time and place for the opening of the bid.
 - (4) The first publication of the notice shall be at least fourteen (14) days before the date of opening the bids. The notice shall be published at least twice, not less than five days apart, in a newspaper of general circulation, printed and published in TVMWD.
 - (5) The notice shall also be sent (mailed, faxed or e-mailed) to all construction trade journals specified in Section 22036 of the Public Contract Code. The notices shall be mailed at least fifteen (15) calendar days before the date of opening the bids.

SECTION F - PUBLIC PROJECTS (cont.)

iii) Bid Opening

- (1) Sealed or electronic bids shall be submitted to TVMWD office, time stamped when received, and shall be clearly identified with the bid number on the envelope or subject line of the email. Faxed ~~or other electronic~~ bids are not acceptable.
- (2) Respondents may modify or withdraw their bids prior to the established closing date and time, without penalty. However, any modifications submitted after the established closing date and time will not be accepted. Such modifications will be returned to the respondent, unopened.
- (3) Bids shall be opened in public at the time and place stated in the public notice.
- (4) The GM or his/her designee shall open the bids and shall record all bids received.
- (5) Any bid received after the time specified in the notice shall be returned to the respondent, unopened.
- (6) When a bidder's security is required, it will be announced in the public notice inviting bids. The amount shall be determined at the time of preparation of the bid. It shall be in the form of cash, certified or cashier's check, certificate of deposit in TVMWD's name, or bid bond made payable to TVMWD. When a bidder's security is required, a bid shall not be considered unless one of the aforementioned forms of security accompanies the bid. Bidders shall be entitled to return of the bid security with the following exception:
 - (a) The successful bidder must execute the contract and file acceptable documents within thirty (30) calendar days from the date of award unless extended by the GM. Failure to execute the contract shall be just cause for annulment of the award and forfeiture of the bidder's security, not as a penalty, but as liquidated damages. The Board may, upon refusal or failure of the successful bidder to execute the contract, award the contract to the next lowest responsive and responsible bidder.
- (7) All bids received shall be available for inspection during regular business hours in TVMWD office for a period of not less than thirty (30) calendar days after the bid opening.

iv) Rejection of Bids - TVMWD reserves the right to reject any and all bids, to accept or reject any one or more items of a bid, or to waive any irregularities or informalities in the bids or the bidding process if it is deemed in the best interests of TVMWD. If after the first invitation of bids all bids are rejected, TVMWD may elect to re-advertise for bids or have the project done by force account. (See Section 22038 of the Public Contract Code for Procedures and limitations)

v) Evaluation - The Department shall evaluate the formal bids. All valid bids shall be considered in determining award of bid to the lowest responsive and responsible bidder. TVMWD reserves the right to accept that bid which is in the best interest of TVMWD. When selecting the recommended bidder the Department Head will take into consideration:

- (1) Price.
- (2) Ability, capacity, and skill.
- (3) Ability to meet time requirements.
- (4) Character, integrity, and reputation.
- (5) Previous vendor experience.
- (6) Financial resources available for contract performance.
- (7) Ability to provide future maintenance and service, if necessary.

b) Award - Once the bids have been evaluated, the Department Head shall prepare a report to the Board recommending the lowest responsible and responsive bidder. The Board shall then award the bid in a public meeting.

c) Change Orders - The GM is authorized to issue change orders for changes or additions to the original scope of services that results in less than a 20% aggregate change in the contract price. All other change orders shall be brought to the Board for approval.



**Three Valleys MWD
Calendar Year 2021
Proposed Holiday Schedule**

Each calendar year, TVMWD employees receive the benefit of 12 paid holidays. Listed below is the Proposed schedule of holidays for the upcoming Calendar Year 2021.


<u>HOLIDAY</u>	<u>DATE RECOGNIZED - 2021</u>
New Year's Day	January 1 (Friday)
President's Day	February 15 (Monday)
Memorial Day	May 31 (Monday)
Independence Day (Observed)	July 5 (Monday)
Labor Day	September 6 (Monday)
Veteran's Day	November 11 (Thursday)
Thanksgiving	November 25 (Thursday)
Thanksgiving (Day After)	November 26 (Friday)
Christmas Eve	December 24 (Friday)
New Year's Eve	December 31 (Friday)

Note: Employees who have completed one year of service with TVMWD will be eligible for two additional "floating" holidays to be used on a date of their choosing during 2021. If one of the above holidays is recognized on a regular day off, the employee may take a "floating holiday" in its place, subject to prior approval by a supervisor.



Board of Directors Staff Report

To: TVMWD Board of Directors

From: Matthew H. Litchfield, General Manager 

Date: October 21, 2020

Subject: **FY 19-20 Audit and CAFR (Comprehensive Annual Financial Report)**

<input checked="" type="checkbox"/> For Action	<input type="checkbox"/> Fiscal Impact	\$
<input type="checkbox"/> Information Only	<input type="checkbox"/> Funds Budgeted:	

Staff Recommendation:

The Board will consider approval to receive and file the attached FYE June 30, 2020 Audit and CAFR.

Discussion:

Attached for Board review and approval is the FY 19-20 Audit and CAFR. The preparation for the audit and compilation of the CAFR required a significant amount of staff time, review and oversight.

TVMWD has received the Certificate of Achievement for Excellence in Financial Reporting presented by the Government Finance Officers Association for 13 consecutive years. The award is presented to government units and public employee retirement systems whose CAFR achieves the highest standards in government accounting and financial reporting. We are confident this CAFR will again qualify for the award.

Also included are the audit communication letter and report on internal controls provided by TVMWD's auditor, LSL CPAs (LSL). A representative from LSL will attend to make a brief presentation and answer any questions.

Strategic Plan Objective(s):

- 3.1 – Utilize and comply with a set of financial policies to maintain TVMWD's financial health
- 3.3 – Be accountable and transparent with major decisions

Attachment(s):

Exhibit A – Audit Communication Letter

Exhibit B – Report on Internal Controls

Exhibit C – CAFR for Fiscal Year Ended June 30, 2020

Meeting History:

None

NA/JL



September 30, 2020

To the Board of Directors
Three Valleys Municipal Water District
Claremont, California

We have audited the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Three Valleys Municipal Water District (the District), for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 24, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in the notes to the financial statements. No new accounting policies were adopted, and the application of existing policies were not changed during fiscal year 2019-2020. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimates of its net pension liability and net other post-employment benefits liability based on actuarial valuation specialist assumptions. We evaluated the key factors and assumptions used to develop the net pension liability and net other post-employment benefits liability in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.





To the Board of Directors
Three Valley Municipal Water District
Claremont, California

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. These differences are described below. In addition, none of the misstatements detected as a result of our audit procedures were material, either individually or in the aggregate, to the financial statements taken as a whole.

<u>Unadjusted Audit Differences</u>	<u>Current Year Over (Under) Revenues and Expenditures/Expenses and Changes in Fund</u>
<u>Estimated unrecorded replacement benefit fund liability</u>	<u>\$ (31,693)</u>
Cumulative effect (before effect of prior year differences)	<u>(31,693)</u>
Effect of unadjusted audit difference - prior year	<u>-</u>
Cumulative effect (after effect of prior year differences)	<u>\$ (31,693)</u>

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 30, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



To the Board of Directors
 Three Valley Municipal Water District
 Claremont, California

Other Matters

We applied certain limited procedures to the management's discussion and analysis, the schedule of the plan's proportionate share of the net pension liability, the schedule of pension plan contributions - California Public Employees Retirement Plan, the schedule of changes in Net OPEB liability and related ratios, the schedule of contributions - OPEB, and the schedule of investment returns - OPEB Trust, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the introductory section or statistical section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

New Accounting Standards

The following new Governmental Accounting Standards Board (GASB) pronouncements were effective for fiscal year 2019-2020 audit:

GASB Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* – The following pronouncements have been postponed as a temporary relieve to governments and other stakeholders in light of the COVID-19 pandemic and the new effective date are reflected in the following fiscal years.

GASB Statement No. 88, *Certain Disclosure Related to Debt, including Direct Borrowing and Direct Placements*.

The following Governmental Accounting Standards Board (GASB) pronouncements are effective in the following fiscal year audit and should be reviewed for proper implementation by management:

Fiscal year 2021

GASB Statement No. 84, *Fiduciary Activities*.

GASB Statement No. 90, *Majority Equity Interests - an Amendment of GASB Statement Nos. 14 and 61*.

Fiscal year 2022

GASB Statement No. 87, *Leases*.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

Fiscal year 2023

GASB Statement No. 91, *Conduit Debt Obligations*.



To the Board of Directors
Three Valley Municipal Water District
Claremont, California

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Three Valleys Municipal Water District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Lance, Soll & Lingham, LLP

Brea, California



INDEPENDENT AUDITORS' 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*

To the Board of Directors
Three Valleys Municipal Water District
Claremont, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Three Valleys Municipal Water District (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 30, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.



To the Board of Directors
Three Valleys Municipal Water District
Claremont, California

Purpose of this Report

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

Lance, Solt & Lingham, LLP

Brea, California
September 30, 2020

**THREE VALLEYS MUNICIPAL WATER DISTRICT
1021 EAST MIRAMAR AVENUE
CLAREMONT, CA 91711**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED
JUNE 30, 2020**

The mission of Three Valleys Municipal Water District is to supplement and enhance local water supplies to meet our region's needs in a reliable and cost-effective manner.





Comprehensive Annual Financial Report

Fiscal Year Ended

June 30, 2020

Three Valleys Municipal Water District

1021 East Miramar Avenue

Claremont, CA 91711-2052

General Manager/Chief Engineer

Matthew H. Litchfield, P.E.

Prepared by the Finance Department of

Three Valleys Municipal

Water District

THREE VALLEYS MUNICIPAL WATER DISTRICT

Comprehensive Annual Financial Report

Fiscal Year Ending

June 30, 2020

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THREE VALLEYS MUNICIPAL WATER DISTRICT

Comprehensive Annual Financial Report Fiscal Year Ending June 30, 2020

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INTRODUCTORY SECTION





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Item 8.A - Exhibit C



BOARD OF DIRECTORS

Brian Bowcock
David D. De Jesus
Denise Jackman
Carlos Goytia
Bob Kuhn
John Mendoza
Jody Roberto

GENERAL MANAGER/CHIEF ENGINEER

Matthew H. Litchfield, P.E.

September 30, 2020

To the Honorable Board of Directors and Member Agencies:

Introduction

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) for Three Valleys Municipal Water District (TVMWD) for the fiscal year (FY) ended June 30, 2020. TVMWD staff, following guidelines set forth by the Governmental Accounting Standards Board (GASB), worked collectively to prepare this financial report. TVMWD is ultimately responsible for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures in this financial report. We believe the data presented is accurate in all material respects. This report is designed in a manner that we believe is necessary to enhance your understanding of TVMWD's financial position and activities.

TVMWD derives its legal power from the Municipal Water District Act of 1911, including the powers of acquisition and construction of water and hydroelectric generating facilities; acquisition and disposal of property; purchase, production, treatment, distribution, and sale of water, wastewater, and storm waters; provision, generation, delivery and sale of hydroelectric power; levying and collection of taxes; issuance of general obligation and improvement bonds; acquisition of water rights; and right of eminent domain.

State law and TVMWD bylaws require an annual audit of financial statements by an independent certified public accountant. The accounting firm of Lance, Soll & Lunghard, LLP conducted TVMWD's annual audit. Their report, providing an unmodified opinion on TVMWD's financial statements, appears in the Financial Section.

Management's discussion and analysis immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. TVMWD's Management's discussion and analysis complements this letter of transmittal and should be read in conjunction with it.

Agency Profile

TVMWD is a special district formed by public election in 1950 and is the area's primary source of supplemental water covering the Pomona, Walnut and East San Gabriel Valleys. TVMWD is one of 26 member agencies of the Metropolitan Water District of Southern California (MWD) that is authorized to deliver wholesale water supplies from the Colorado River and Northern California. The region served by TVMWD spans over 133 square miles and serves 13 retail member agencies that in turn serve a population of over 500,000.

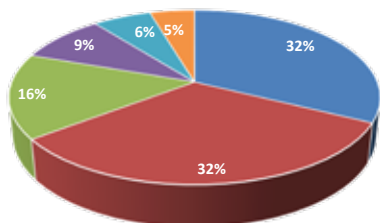
TVMWD's operations consist of a conventional surface water treatment plant, a state certified laboratory, groundwater wells, five hydroelectric generators rated with a potential of 1.1 megawatts, residual solids removal, groundwater recharge pipelines, spreading grounds, pump stations, and transmission pipelines. Water is treated at the Miramar Treatment Plant and wholesaled to local agencies by way of several miles of pipeline. TVMWD receives a Tier 1 water supply allotment from MWD of 80,688 AFY.

Item 8.A - Exhibit C

TVMWD is governed by a seven-member Board of Directors elected by the registered voters residing within TVMWD's boundaries. The Board averages over 11 years of experience with TVMWD. TVMWD employs a team of 24 staff members who are responsible for administering the day-to-day operations of the facility and implementing strategic objectives and policies set forth by the Board. The average tenure of TVMWD employees is 10 years. This stability provides a tremendous benefit to TVMWD.

Approximately 70% of TVMWD's treated water sales are wholesaled out of MWD's Weymouth Treatment Plant in La Verne. The remaining 30% is treated and sold out of TVMWD's Miramar Treatment Plant in Claremont to the following agencies:

Golden State Water Company (Claremont)	32%
City of La Verne	32%
Golden State Water Company (San Dimas)	16%
Walnut Valley Water District	9%
Rowland Water District	6%
City of Pomona	5%



Local Economy¹

TVMWD serves a population of over 500,000 residing within the eastern region of Los Angeles County (the County). One quarter of all Californians make their home in the County and they produce over one quarter of the State's gross domestic product (GDP). This is a leading factor as to why the County is both a proxy and driver of several of the economic trends occurring and forecasted to occur at the state level.

Similar to the slowing economic growth trend for California, the County's real GDP growth slowed to 1.6% in 2019, only grew by 1.8% in 2020 and has an estimated 1.6% growth rate for 2021. This is a significant slowdown from the 3.7% growth rate in 2018 and last year's forecasted growth rates of 3.0% in 2019 and 2.7% in 2020.

Most of the GDP growth will be due to expansion in education and health services which will account for about half of all new employment. Construction employment is also expected to increase substantially due to public transit expansion and infrastructure development efforts being expedited for completion prior to the 2028 Olympics in Los Angeles. The professional and business services sector is also expected to see significant employment growth resulting from the high demand for technical skills. Unlike these sectors, manufacturing

employment will continue its downward trend as the region shifts from the 20th century production-based economy to a more service-oriented emphasis that has become the reality of the 21st century.

The County is facing a softer labor market than the state and nation. The County's unemployment level is currently a full point above the nation at 4.5%. The unemployment rate is expected to decline to 4.3% in 2020 and 4.1% by the end of 2021 as more workers are pulled off the sidelines. With the tightening in the labor market, the result should be continued wage gains, and an estimated growth of 1.8% and 2.1% in real personal income over the next couple years.

The County saw a slowing to its economic growth this past year which will continue at least over the next two years. Just like California, some significant barriers to the County's growth are attributed to demographic and housing shortage issues. The County actually experienced negative growth in its population in 2019 which could pose a risk to the region moving forward due to an aging and declining population which may not be able to maintain economic growth without accelerated productivity gains. On the housing front, the County is not able to keep up with demand for housing construction. This means that housing costs will most likely stay high in the near-term causing more relocation to the Inland Empire or to more affordable states. One additional key barrier to the County's long-term regional and economic growth is its aging transportation infrastructure which impacts the efficient movement of people and goods. These issues must be addressed by the County to help ensure economic success in the future.

SPECIAL NOTE: The information above was published February 19, 2020 and the expectation just prior to the onset of the Covid-19 pandemic outbreak around the world. County Unemployment as of July 2020 is around 17.5%. The outlook for economic activity remains uncertain but is highly dependent on the course of the pandemic, the amount of additional fiscal relief from the government and the timeline for a vaccine.

¹ Source: Los Angeles County Economic Development Corporation's 2020 Economic Forecast and Industry Outlook

Industry Outlook

California's weather conditions continue to be unpredictable and fluctuate from year-to-year. Southern California received above average precipitation in November and December of 2019 but that was followed by some extremely dry conditions in January and February. There were many locations in Southwestern California that recorded February 2020 as the driest February on record. The storms in March and April brought substantial rainfall to Southern California but Northern California remained mostly dry, impacting snowpack conditions. The statewide snowpack only peaked at 64% of normal. Despite the deficient snowpack, California's reservoir levels continue to remain in good condition. As of June 30, 2020, 60% of the state is seeing

drought conditions, mostly in Central and Northern California, with Southern California in the clear for now. Southern California must deal with challenges such as climate change, demographic shifts and increasing water supply costs. MWD is preparing for the future by addressing these challenges and striving to provide a reliable water supply through an evolving long-term water strategy known as its Integrated Water Resources Plan (IRP). In late January 2020, MWD formed a special committee to provide input on how the region's water supplies will be developed and managed over the next two decades. The committee will make recommendations to the MWD board on preparing a new IRP that incorporates various scenarios for the future.



As Southern California faces uncertainty in our weather conditions, MWD continues to search for new potential local water supplies. One of the areas MWD is researching is the possible water supply benefits of local stormwater capture. On September 10, 2019, MWD's board of directors approved a \$5 million pilot program to help fund the construction of new direct-use stormwater capture projects and the installation of monitoring equipment on existing projects. On November 5, 2019, the MWD board of directors expanded its efforts to learn more about the water supply potential of enhanced local stormwater capture by approving a second new \$7.5 million pilot program. This program will focus on different types of projects, such as spreading basins and dry wells. Data will be collected and reviewed over the next three years from both pilot programs to guide MWD on decisions of possible funding of stormwater capture efforts in the future. MWD believes stormwater capture projects have many benefits besides enhanced water supply such as improved water quality in local groundwater, expanding flood control capacity, and creation of more wildlife habitat.

MWD partnered with the Sanitation Districts of Los Angeles County (Sanitation Districts) in constructing what is potentially one of the largest water recycling plants in the nation in another effort to develop a drought-proof local water supply for Southern Californians. Construction on the \$17 million demonstration plant began in late 2017. The start of operations of the Regional Recycled Water Advanced Purification Center in Carson, California, began in October 2019. This is a 500,000-gallon-per-day demonstration facility that takes cleaned wastewater from the Sanitation Districts' Joint Water Pollution Control Plant and purifies it using an innovative process that could significantly improve efficiencies and reduce the cost of recycled water. Over the next 15 months, MWD will perform rigorous testing of the treatment process to ensure the resulting water product meets the highest water quality standards. Based on the results, MWD could grow the facility to a full-scale plant that could potentially produce up to 150 million gallons of purified water daily. This is enough to serve more than 500,000 homes and industrial facilities.

A primary focus of MWD continues to remain with ensuring there is progress with the California Waterfix, an upgrade project to the statewide water delivery system. Under Governor Gavin Newsom's administration, the twin tunnel plan was modified to a single tunnel project. This project is critical for California to prepare for the future with a water system in the Delta that will safely and reliably capture peak storm flows when they happen. In early January 2020, the California Department of Water Resources issued a Notice of Preparation (NOP) to initiate the environmental review process for the single tunnel conveyance system in the Delta. While MWD does not believe the project described in the NOP will support a sustainable and resilient water supply for the state while still protecting the Delta's ecosystem, they see benefit and will continue to work with the parties involved to ensure a viable project moves forward.

MWD continues to encourage Southern Californians to use water wisely and efficiently. MWD has launched a new digital and social media campaign, "Wasting Water is...?". The campaign is a series of video commercial spotlights that are humorous and entertaining while asking the target audience to "fill in the blank". The video spoofs are advertised on YouTube, Apple TV, Chromecast and Roku targeting airtime during entertainment, lifestyle and sports shows. MWD's goal is to continue raising awareness and to advance the region's conservation goals. Southern Californians need to make water conservation a way of life regardless of current weather and drought conditions.



TVMWD will play a key role in providing input to MWD for preparation of their 2020 IRP. The long-term strategies MWD develops will impact TVMWD and will be taken into consideration while we prepare our 2020 Urban Water Management Plan due to DWR by July 31, 2021. TVMWD also continues supporting MWD in advancing the Waterfix delta conveyance improvement project to ensure Southern California has a reliable water source. TVMWD understands the value of reliable water supplies and is proactive in finding new local sources of water supplies as well. TVMWD completed our third groundwater extraction well this year, the Grand Avenue Well, and is working on a fourth well, the Miragrando Well, which is expected to be completed in 2022. TVMWD is also working with MWD and our member agencies on an ongoing basis to develop water storage agreements and come up with other means to ensure our region maintains a reliable and affordable water supply.



TVMWD has been faced with the challenges of the Covid-19 pandemic beginning in March of this year. Covid-19 does not pose a threat to the safety of TVMWD's water supplies and is believed to only be transmitted person-to-person, not through water according to the Centers for Disease Control and Prevention. TVMWD has taken all the necessary steps to comply with Los Angeles County restrictions, protect its workforce, and ensure continued delivery of safe and reliable water to its member agencies and in turn to the communities we serve. Planning for growth and preserving and strengthening our water supplies for both future generations and for emergencies such as a catastrophic earthquake are at the forefront of TVMWD's goals.

MAJOR INITIATIVES AND PROJECTS

TVMWD began, continued, or completed many projects and programs in FY 2019-2020. These included, but were not limited to:

Grand Avenue Well: Phase 2 (well equipping and pipeline design) construction began in May 2019 and is scheduled to be completed by mid-August 2020, with anticipated production of 900 gpm (1,250 AFY). The Grand Avenue Well will enable TVMWD to take advantage of less expensive, local, reliable groundwater resources. In addition, the discharge piping and disinfection points for Wells 1 and 2 were modified/relocated to allow flows to combine with flow from the Grand Avenue Well and enable the wells to meet contact time before reaching the finished water reservoirs thereby eliminating the wells from the Ground Water Rule.



MAJOR INITIATIVES AND PROJECTS

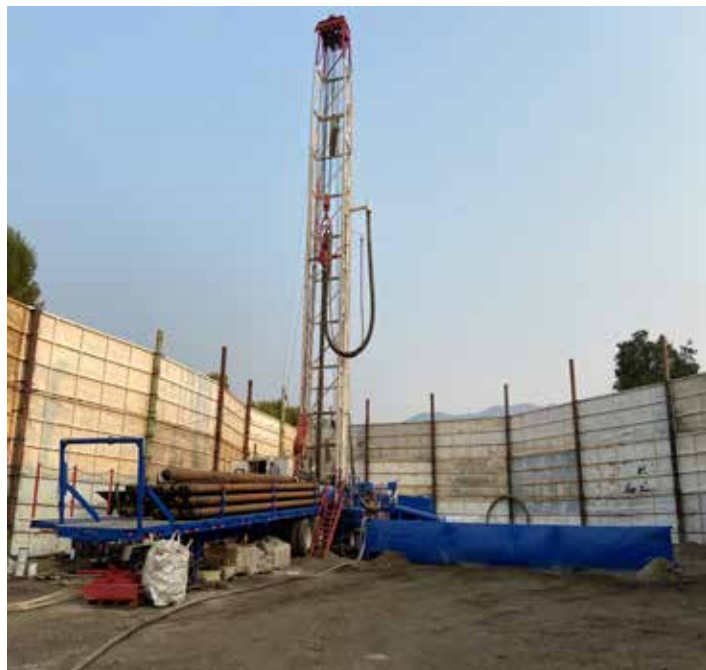
Miragrand Well: Preparation of the preliminary design report and environmental documentation was completed in February 2020 which included several neighborhood public outreach workshops. Phase 1 (drilling) construction began in August 2020 and is scheduled to be completed by mid-November 2020. Phase 2 (well equipping) design began in June 2020 and is scheduled to be completed by mid-December 2020. Well equipping construction will begin in February 2021 and should be complete by mid-June 2021. The Miragrand Well will be TVMWD's fourth groundwater production well and have an anticipated production of about 600 gpm (850 AFY).



Rendering of well



Rendering of well



1021 E. Miramar Avenue • Claremont, California 91711-2052
 Telephone (909) 621-5568 • Fax (909) 625-5470 • <http://www.threevalleys.com>

MAJOR INITIATIVES AND PROJECTS

Urban Water Management Plan: Preparation of the 2020 Urban Water Management Plan (UWMP) began in FY 19-20. The UWMP is required by California Water Code and has the intent of planning water supply reliability for the next 25 years. Water agencies evaluate the balance of supply and demand and describe how the agency will meet the needs of its water users. Three Valleys has partnered with some of its member agencies to create a Regional UWMP and entered into a professional services agreement with Stetson Engineering to complete the plan. The projected completion date is April 2021.



Relevant Financial Policies

Internal Control Structure

TVMWD management is responsible for the establishment and maintenance of the internal control structure that ensures 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 (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

Financial Policies

Prior to June 30th each fiscal year, TVMWD adopts an annual appropriated budget for planning, control, and evaluation purposes. The budget includes proposed expenses and the means of financing them. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. The Board of Directors approve total budgeted appropriations and any significant amendments to the appropriations throughout the year. Formal budgetary integration is employed as a management control device during the year. The Board of Directors requires the preparation of an annual budget, but TVMWD is not legally required to report on the budget. Encumbrance accounting is used to account for commitments related to unperformed or incomplete contracts for construction and services. Consistent with the State of California Government Code, TVMWD annually adopts an investment policy that is intended to minimize credit and market risks while maintaining a competitive yield on its overall portfolio. TVMWD's cash management system is also designed to forecast revenues and expenditures accurately, and to invest surplus funds to the fullest extent possible. During FY 2019-2020, all funds were invested in accordance with this policy. These investments primarily consisted of United States Government Securities/Instrumentalities.

Long-Term Financial Planning

TVMWD's main expense is for treated and untreated water from MWD. Since MWD is forecasting rate increases in the future of 3% to 5%, TVMWD's rates are expected to mirror those increases. TVMWD's financial forecast is to continue leveraging costs so that TVMWD can offer water at a \$6 discount per acre-feet below MWD for the foreseeable future.

TVMWD will continue to work towards providing a sustainable supply of water by making capital investments to enhance groundwater production capabilities during the next few years. TVMWD will utilize reserves and debt financing if necessary to pay for these projects with as little rate impact as possible. Not only will these projects improve reliability, they will also provide an avenue to decrease dependence upon MWD. Operating expenses would increase slightly with the additional infrastructure but the cost would be justifiable.

TVMWD's strategic plan includes maintaining a reserve of funds in accordance with TVMWD's Reserve Policy. The objective of reserve funds is:

- to balance short-term fluctuations in revenues/expenses without adopting unplanned significant rate increases that could severely impact ratepayers
- to provide a safety net in the event of an emergency
- to minimize external borrowing and interest expense
- to determine the most opportune time to issue debt when necessary

TVMWD's strategic plan also includes a reserve category for unfunded employee pension and OPEB liabilities. TVMWD has gone beyond what is required by establishing irrevocable trusts to accumulate and grow funds to pay these future obligations. A long-term plan for bringing down these liabilities has been established.

Other References

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

Contact TVMWD

This CAFR is designed to provide a general overview of TVMWD's finances and to demonstrate TVMWD's accountability for the resources it receives. If you have any questions about this report or need additional information, please contact the Finance Department at (909) 621-5568.

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 TVMWD for its CAFR for the fiscal year ended June 30, 2019. This was the thirteenth consecutive year that TVMWD has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

TVMWD currently maintains the District of Distinction triennial accreditation by the Special District Leadership Foundation (SDLF) for its sound fiscal management policies and practices in district operations. The SDLF provides an independent audit review of the last three years of a district's operations to ensure prudent fiscal practices. This recognition is further proof of TVMWD's commitment towards developing a fiscally sound operation that is open and transparent.

Preparation of this report was accomplished by the combined efforts of TVMWD staff. We appreciate the dedicated efforts and professionalism that these staff members contribute to the service of TVMWD's customers. The contributions made by Esther Romero, Liz Cohn, and our auditors deserve special recognition. We would also like to thank and recognize the members of the Board of Directors for their continued support in the planning and implementation of TVMWD's fiscal policies.

Respectfully submitted,



Matthew H. Litchfield, P.E.
General Manager/Chief Engineer



James Linthicum, CPA
Chief Finance Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Three Valleys Municipal Water District
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

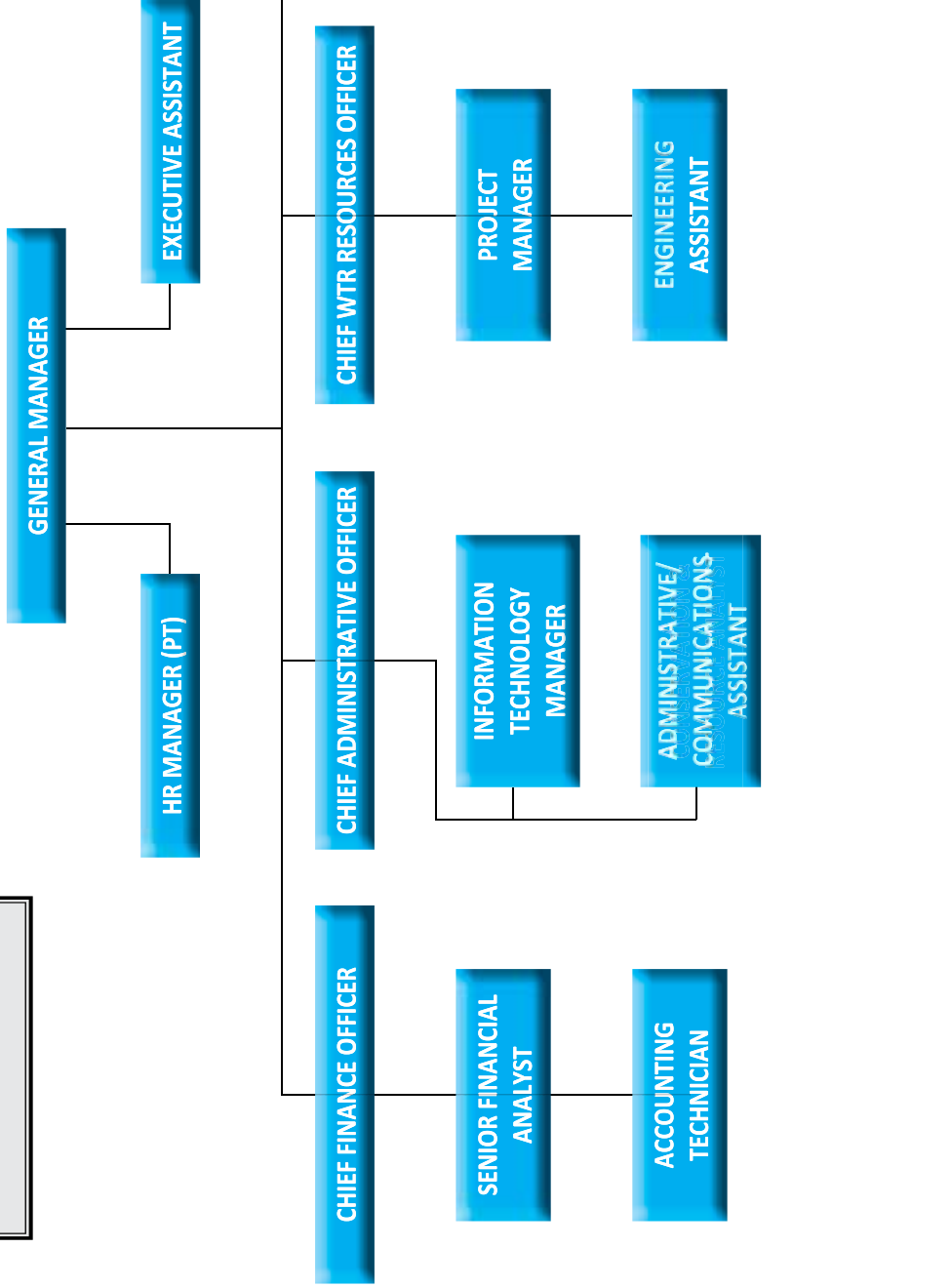
Executive Director/CEO



Organizational Chart

VOTING ELECTORATE

BOARD OF DIRECTORS

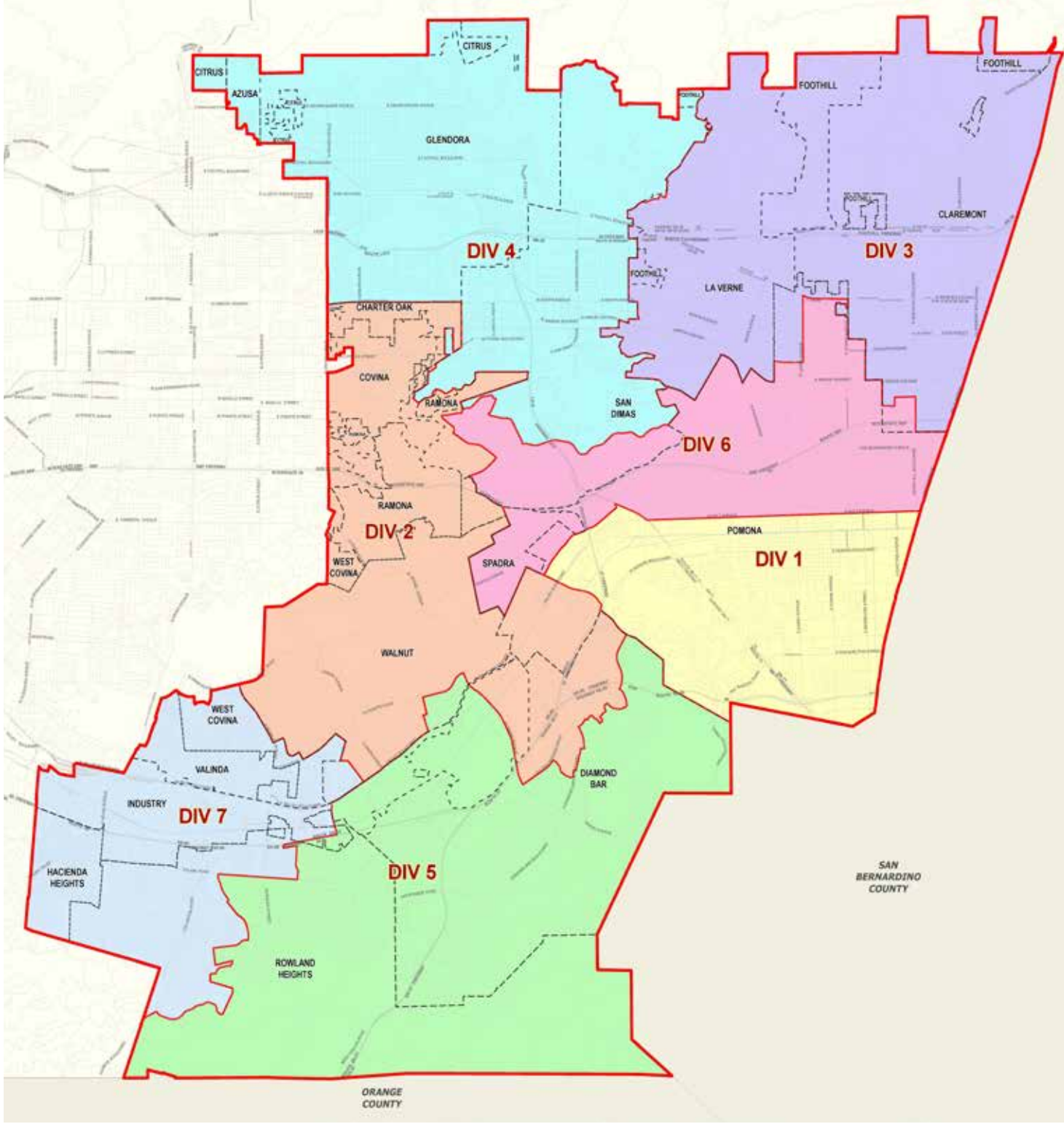


Matthew Litchfield, P.E.
General Manager

January 6, 2020
Date



Elective Subdivision Boundary Map



TVMWD Board of Directors



Director Bob Kuhn, President
Division 4
Glendora, San Dimas



Director David De Jesus, Vice President
Division 2
Walnut, Covina, West Covina,
San Dimas



Director Brian Bowcock, Treasurer
Division 3
Claremont, La Verne



Director Jody Roberto
Division 5
Diamond Bar, City of Industry, Rowland Heights
January 2020 - Present



Director Denise Jackman
Division 7
Rowland Heights, West Covina,
City of Industry, Hacienda Heights



Director John Mendoza
Division 6
Northern Pomona



Director Carlos Goytia, Secretary
Division 1
Southern Pomona



Director Joseph Ruzicka
Division 5
Diamond Bar, City of Industry, Rowland Heights
July 2019 - December 2019



BOARD REPRESENTATION

(Revised at the December 18, 2019 Board Meeting)

<u>NAME</u>	<u>REPRESENTING</u>	<u>POSITION</u>
Bob Kuhn	Division IV	President
David De Jesus	Division II	Vice President
Brian Bowcock	Division III	Treasurer
Carlos Goytia	Division I	Secretary
Denise Jackman	Division VII	Director
John Mendoza	Division VI	Director
Jody Roberto	Division V	Director

2020 COMMITTEE/REPRESENTATION APPOINTMENTS

(Revised at the January 15, 2020 Board Meeting)

<u>COMMITTEE/BOARD</u>	<u>REPRESENTATIVE</u>	<u>ALTERNATE</u>
ACWA Region 8 Delegate	Director Bowcock	Director Kuhn
ACWA/JPIA Representative	Director Bowcock	Director Kuhn
BizFed	Director Mendoza	Director Goytia
Chino Basin Watermaster ⁽¹⁾	Director Kuhn	Director De Jesus
City of Pomona Council Meetings	Director Mendoza	Director Goytia
Main San Gabriel Basin Watermaster	Director Bowcock	Director Goytia
MWD Board Representative	Director De Jesus	-----
PWR Joint Water Line Commission	Director Goytia	Director Jackman
Rowland Water District	Director Jackman	Director De Jesus
San Gabriel Basin WQA ⁽¹⁾⁽²⁾	Director Kuhn	Director Bowcock
San Gabriel Valley Council of Govt's (SGV-COCG) ⁽³⁾	Director Goytia	Director Jackman
San Gabriel Valley Economic Partnership (SGVEP)	Director Kuhn	Director Mendoza
Six Basins Watermaster ⁽¹⁾	Director Mendoza	Director Bowcock
Southern California Water Coalition	Director Bowcock	Director Mendoza
Walnut Valley Water District	Director De Jesus	Director Jackman

⁽¹⁾Both the representative and alternate will attend these meetings due to voting requirements.

⁽²⁾Resolution No. 18-09-831 was submitted to the San Gabriel Valley Water Quality Authority to appoint a delegate and alternate to serve for a four year term.

⁽³⁾For CY 2020 TVMWD will be on hiatus.

FINANCIAL SECTION





INDEPENDENT AUDITORS' REPORT

To the Board of Directors
 Three Valleys Municipal Water District
 Claremont, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Three Valleys Municipal Water District (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special District. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.





To the Board of Directors
 Three Valleys Municipal Water District
 Claremont, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Three Valleys Municipal Water District, as of June 30, 2020, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the plan's proportionate share of the net pension liability, the schedule of plan contributions – California Public Employees Retirement Plan, the schedule of changes in Net OPEB liability and related ratios, the schedule of contributions - OPEB, and the schedule of investment returns – OPEB Trust on pages 18-21 and 46-50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lance, Soll & Loughard, LLP".

Brea, California
 September 30, 2020

**THREE VALLEYS MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020**

This section of TVMWD's annual financial report presents our analysis of TVMWD's financial performance during the fiscal year ended on June 30, 2020. Please read it in conjunction with the basic financial statements that follow this section.

FINANCIAL HIGHLIGHTS

- Water storage inventory increased \$6.2 million and Investments decreased \$7.3 million. It was determined that groundwater provided a better return than the current financial investment market.
- Treated water sales revenue and the related water purchased increased in 2020. While sales increased approximately 6%, the rate increased 3%.
- Accounts receivable and accounts payable increased \$2.6 and \$1.2 million, respectively, as a result of higher water demands for water during May and June.
- Total Nondepreciable Assets increased \$3.5 million mainly due to continued work on the Grand Avenue Well.
- Total Depreciable Assets increased \$660,000 primarily due to completion of the JWL Control Valve, the addition of a vehicle and an excavation/valve turning trailer for operations.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to TVMWD's basic financial statements, which are comprised of two components: Basic Financial Statements (pages 22-29) and Notes to the Basic Financial Statements (pages 30-43). This report also includes other supplementary information in addition to the basic financial statements.

Required Financial Statements

The financial statements of TVMWD report information about TVMWD using the accrual basis of accounting; accordingly, all of the current year's revenues and expenses are accounted for regardless of when the cash is received or paid. This accounting treatment is similar to the methods used by private sector companies and aids in answering the question of whether TVMWD, as a whole, has improved or deteriorated as a result of this year's activities.

The Statement of Net Position (pages 22-23) includes all of TVMWD's investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for evaluating the capital structure of TVMWD and assessing the liquidity and financial flexibility of TVMWD.

The Statement of Revenues, Expenses and Changes in Net Position (page 25) includes all of the current year revenues and expenses. This statement measures the success of TVMWD's operations over the past year and can be used to determine whether TVMWD has successfully recovered all of its costs through user fees and other charges.

The Statement of Cash Flows (pages 26-27) reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities. This statement demonstrates where the cash came from, how the cash was used, and how much the change in cash was during the fiscal year.

The Statement of Fiduciary Net Position (page 28) includes all of TVMWD's OPEB investments in resources (assets).

The Statement of Changes in Fiduciary Net Position (page 29) provides the basis for evaluating the changes in investments and contributions to the OPEB trust.

These statements are one of many different ways to measure TVMWD's financial health or financial position. Over time, increases or decreases in TVMWD's net position are one of the indicators of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in TVMWD's property tax base, investment income, grant opportunities, and other operational measures to help assess the overall financial health of TVMWD.

**THREE VALLEYS MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020**

**TABLE A-1
Condensed Statement of Net Position
Fiscal Years 2020 and 2019**

	2020	2019	Dollar Change	Total Percent Change
Current and noncurrent assets				
Cash and cash equivalents	\$ 1,568,103	\$ 3,968,050	\$ (2,399,947)	(60) %
Accounts receivable	13,076,573	10,485,682	2,590,891	25 %
Interest receivable	13,779	54,872	(41,093)	(75) %
Interest receivable - <i>restricted</i>	1	75	(74)	(100) %
Taxes receivable	45,387	67,580	(22,193)	(33) %
Other receivables	75,575	5,373	70,202	1306 %
Loans receivable from employees	5,989	4,803	1,186	25 %
Prepaid expenses and deposits	81,005	81,828	(823)	(1) %
Water storage inventory	8,777,755	2,553,120	6,224,635	244 %
Investments	2,798,896	10,056,595	(7,257,699)	(72) %
Investments - <i>restricted</i>	649,070	415,362	233,708	56 %
Capital assets				
Net Depreciable assets	24,790,744	25,606,507	(815,763)	(3) %
Net Nondepreciable assets	7,914,694	4,383,747	3,530,947	81 %
Total Assets	\$ 59,797,571	\$ 57,683,594	\$ 2,113,977	4 %
Deferred outflows of resources				
Deferred OPEB and pension related items	\$ 1,410,961	\$ 1,445,586	\$ (34,625)	(2) %
Current liabilities				
Accounts payable	\$ 12,059,503	\$ 10,860,640	\$ 1,198,863	11 %
Accrued payroll	177,332	157,130	20,202	13 %
Accrued compensated absences	145,920	190,415	(44,495)	(23) %
Long-term liabilities				
Accrued compensated absences	316,812	268,943	47,869	18 %
Net pension liability	3,846,454	3,452,268	394,186	11 %
Net OPEB liability	288,523	536,357	(247,834)	(46) %
Total Liabilities	\$ 16,834,544	\$ 15,465,753	\$ 1,368,791	9 %
Deferred inflows of resources				
Deferred OPEB and pension related items	\$ 579,262	\$ 328,478	\$ 250,784	76 %
Investment in capital assets	\$ 32,705,438	\$ 29,990,254	\$ 2,715,184	9 %
Restricted for pensions	649,072	415,437	233,635	56 %
Unrestricted	10,440,216	12,929,258	(2,489,042)	(19) %
Total Net Position	\$ 43,794,726	\$ 43,334,949	\$ 459,777	1 %

As depicted in Table A-1, the following significant changes occurred during FY 2019-2020:

- Accounts receivable and accounts payable increased \$2.6 and \$1.2 million, respectively, as a result of higher water demands for water during May and June.
- Water storage inventory increased \$6.2 million and Investments decreased \$7.3 million. It was determined that groundwater provided a better return than the current financial investment market.
- More information about water storage inventory is presented in Note 1 of the Notes to the Basic Financial Statements for the changes in water storage inventory.

**THREE VALLEYS MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020**

TABLE A-2
Condensed Statements of Revenues, Expenses and Changes in Net Position
Fiscal Years 2020 and 2019

	2020	2019	Dollar Change	Total Percent Change
Operating revenues				
Water and hydroelectric sales	\$ 63,885,142	\$ 61,874,355	\$ 2,010,787	3 %
Water use and connection capacity charges	5,402,513	5,365,364	37,149	1 %
Nonoperating revenues				
Property tax revenue	2,625,061	2,481,726	143,335	6 %
Investment income	341,434	513,710	(172,276)	(34) %
Total Revenues	72,254,150	70,235,155	2,018,995	3 %
Operating expenses				
Water purchases	58,056,004	55,670,169	2,385,835	4 %
Water use and connection capacity	4,754,664	4,720,544	34,120	1 %
Water treatment and transmission	3,167,888	2,848,109	319,779	11 %
Administrative expenses	4,444,970	4,321,058	123,912	3 %
Depreciation	1,551,136	1,521,811	29,325	2 %
Nonoperating expenses				
Loss on sale/disposal of assets	38,360	52,553	(14,193)	(27) %
Total Expenses	72,013,022	69,134,244	2,878,778	4 %
Net income (loss) before contributions	241,128	1,100,911	(859,783)	(78) %
Contributions	218,649	98,500	120,149	122 %
Changes in net position	459,777	1,199,411	(739,634)	(62) %
Beginning net position	43,334,949	42,135,538	1,199,411	3 %
Ending net position	\$ 43,794,726	\$ 43,334,949	\$ 459,777	1 %

As depicted in Table A-2, the following significant changes occurred during FY 2019-2020:

- Treated water sales revenue and the related water purchased increased in 2020. While sales increased approximately 6%, the rate increased 3%.

**THREE VALLEYS MUNICIPAL WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020**

**TABLE A-3
Capital Assets
Fiscal Years 2020 and 2019**

	2020	2019	Dollar Change	Total Percent Change
Nondepreciable Assets				
Land	\$ 1,633,704	\$ 1,633,704	\$ -	0 %
Water Share	301,000	301,000	-	0 %
Construction in Progress	5,979,990	2,449,043	3,530,947	144 %
Total Nondepreciable Assets	7,914,694	4,383,747	3,530,947	81 %
Depreciable Assets				
Building	7,659,512	7,521,416	138,096	2 %
Furniture, Fixtures, & Equipment	952,854	964,296	(11,442)	(1) %
Infrastructure	57,479,567	57,157,301	322,266	1 %
Land Improvements	1,310,768	1,257,839	52,929	4 %
Vehicles	608,148	449,804	158,344	35 %
Total Depreciable Assets	68,010,849	67,350,656	660,193	1 %
Less Accumulated Depreciation	(43,220,105)	(41,744,149)	(1,475,956)	4 %
Net Depreciable Assets	24,790,744	25,606,507	(815,763)	(3) %
Total Capital Assets, Net	\$ 32,705,438	\$ 29,990,254	\$ 2,715,184	9 %

As depicted in Table A-3, the following significant changes occurred during FY 2019-2020:

- Total Nondepreciable Assets increased \$3.5 million mainly due to continued work on the Grand Avenue Well.
- Total Depreciable Assets increased \$660,000 primarily due to completion of the JWL Control Valve, the addition of a vehicle and an excavation/valve turning trailer for operations.
- More information about TVMWD's capital assets is presented in Note 3 of the Notes to the Basic Financial Statements.

THREE VALLEYS MUNICIPAL WATER DISTRICT
STATEMENT OF NET POSITION
June 30, 2020

ASSETS**Current assets**

Cash and cash equivalents (Note 2)	\$ 1,568,103
Accounts receivable (Note 1)	13,076,573
Interest receivable	13,779
Interest receivable - restricted (Note 1)	1
Investments (Note 2)	196,435
Investments - restricted (Note 1)	649,070
Taxes receivable (Note 1)	45,387
Other receivables	75,575
Loans receivable from employees (Note 1)	5,989
Prepaid expenses (Note 1)	53,328
Deposits (Note 1)	18,701
Water storage inventory (Note 1)	8,777,755
Total current assets	24,480,696

Noncurrent assets

Advance dues deposit (Note 1)	8,976
Investments (Note 2)	2,602,461
Capital assets (Note 3)	
Depreciable assets, net	24,790,744
Nondepreciable assets	7,914,694
Total noncurrent assets	35,316,875

TOTAL ASSETS

TOTAL ASSETS	\$ 59,797,571
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DEFERRED OUTFLOWS OF RESOURCES

Deferred pension related items (Note 7)	1,135,257
Deferred OPEB related items (Note 9)	275,704
Total deferred outflows of resources	\$ 1,410,961

THREE VALLEYS MUNICIPAL WATER DISTRICT
STATEMENT OF NET POSITION (continued)
June 30, 2020

LIABILITIES

Current liabilities

Accounts payable	\$ 12,059,503
Accrued payroll	177,332
Current portion of accrued compensated absences <i>(Note 1)</i>	145,920
Total current liabilities	<u>12,382,755</u>

Noncurrent liabilities

Accrued compensated absences, net of current portion <i>(Note 1)</i>	316,812
Net pension liability <i>(Note 7)</i>	3,846,454
Net OPEB <i>(Note 9)</i>	288,523
Total noncurrent liabilities	<u>4,451,789</u>

TOTAL LIABILITIES

\$ 16,834,544

DEFERRED INFLOWS OF RESOURCES

Deferred pension related items <i>(Note 7)</i>	344,110
Deferred OPEB related items <i>(Note 9)</i>	235,152
Total deferred inflows of resources	<u>\$ 579,262</u>

NET POSITION

Investment in capital assets	32,705,438
Restricted for pensions	649,072
Unrestricted	10,440,216
TOTAL NET POSITION	<u><u>\$ 43,794,726</u></u>



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THREE VALLEYS MUNICIPAL WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2020

OPERATING REVENUES

Water sales - MWD	\$ 45,236,182
Water and hydroelectric sales - Miramar	18,648,960
Water use and connection capacity charges	5,402,513
	<hr/>
Total operating revenues	69,287,655
	<hr/>

OPERATING EXPENSES

Water purchases - MWD	45,650,434
Water purchases - Miramar	12,405,570
Water use and connection capacity	4,754,664
Water treatment and distribution	3,167,888
Administrative expenses	4,444,970
Depreciation	1,551,136
	<hr/>
Total operating expenses	71,974,662
	<hr/>

OPERATING LOSS

(2,687,007)

NONOPERATING REVENUES (EXPENSES)

Property tax revenue	2,625,061
Investment income	341,434
Loss on sale/disposal of assets	(38,360)
	<hr/>
Net nonoperating revenues	2,928,135
	<hr/>

NET INCOME BEFORE CONTRIBUTIONS

241,128

CONTRIBUTIONS (Note 1)

218,649

CHANGES IN NET POSITION

459,777

NET POSITION AT BEGINNING OF YEAR

43,334,949

NET POSITION AT END OF YEAR

\$ 43,794,726

See accompanying independent auditors' report and notes to the basic financial statements.

THREE VALLEYS MUNICIPAL WATER DISTRICT
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 60,401,927
Cash payments to suppliers of goods or services	(64,198,800)
Cash payments to employees for services	(4,570,889)
Net cash provided by operating activities	<u>(8,367,762)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Proceeds from property taxes	<u>2,647,254</u>
Net cash provided by noncapital financing activities	<u>2,647,254</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds from contributions	218,649
Acquisitions of capital assets	(687,586)
Cost of construction in progress additions	(3,617,094)
Net cash used by capital and related financing activities	<u>(4,086,031)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of investments in government securities	(1,102,268)
Proceeds from sales of investments in government securities	8,160,265
Investment income	348,595
Net cash provided by investing activities	<u>\$ 7,406,592</u>

See accompanying independent auditors' report and notes to the basic financial statements.

THREE VALLEYS MUNICIPAL WATER DISTRICT
STATEMENT OF CASH FLOWS (continued)
For the Year Ended June 30, 2020

NET INCREASE (DECREASE)

IN CASH AND CASH EQUIVALENTS	\$ (2,399,947)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,968,050
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 1,568,103</u></u>

**RECONCILIATION OF INCOME FROM OPERATIONS TO
NET CASH PROVIDED BY OPERATING ACTIVITIES**

Income from operations	\$ (2,687,007)
Adjustments to reconcile income from operations to net cash provided by operating activities:	
Depreciation	1,551,136
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(2,590,891)
(Increase) decrease in other receivables	(70,202)
(Increase) decrease in loans receivable from employees	(1,186)
(Increase) decrease in prepaid expenses	2,993
(Increase) decrease in deposits	(2,170)
(Increase) decrease in water storage inventory	(6,224,635)
Increase (decrease) in accounts payable	1,198,863
Increase (decrease) in accrued payroll	20,202
Increase (decrease) in accrued OPEB liability and related items	13,092
Increase (decrease) in accrued compensated absences	3,374
Increase (decrease) in net pension liability and related items	418,669
Net cash provided by operating activities	<u><u>\$ (8,367,762)</u></u>

**RECONCILIATION OF CASH AND CASH EQUIVALENTS
TO STATEMENT OF NET POSITION**

Cash and cash equivalents	\$ 1,568,103
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NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

Loss on sale/disposal of assets	(38,360)
Changes in fair value of investments	34,006

See accompanying independent auditors' report and notes to the basic financial statements.

**THREE VALLEYS MUNICIPAL WATER DISTRICT
OTHER POST EMPLOYMENT BENEFITS PLAN TRUST
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020**

ASSETS:

Mutual funds <i>(Note 9)</i>	\$ 964,784
Interest receivable <i>(Note 9)</i>	2
TOTAL ASSETS	\$ 964,786

NET POSITION RESTRICTED FOR OPEB BENEFITS

Restricted for OPEB benefits	\$ 964,786
TOTAL NET POSITION RESTRICTED FOR OPEB BENEFITS	\$ 964,786

See accompanying independent auditors' report and notes to the basic financial statements.

**THREE VALLEYS MUNICIPAL WATER DISTRICT
OTHER POST EMPLOYMENT BENEFITS PLAN TRUST
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020**

ADDITIONS:

Employers' contributions	\$ -
Investment Income:	
Interest and dividends	21,849
Net appreciation in fair value of investments	19,575
Less: investment expense	<u>(3,174)</u>
Net investment income	<u>38,250</u>
TOTAL ADDITIONS	<u>38,250</u>

DEDUCTIONS:

Administrative expenses	<u>(2,353)</u>
TOTAL DEDUCTIONS	<u>(2,353)</u>
CHANGE IN NET POSITION	35,897

**NET POSITION RESTRICTED
FOR OPEB BENEFITS:**

BEGINNING OF YEAR	<u>928,889</u>
END OF YEAR	<u>\$ 964,786</u>

See accompanying independent auditors' report and notes to the basic financial statements.

**THREE VALLEYS MUNICIPAL WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES**

Nature of Organization

TVMWD wholesales potable and non-potable water to its member agencies which include Golden State Water Company, serving Claremont and San Dimas; Rowland Water District; Walnut Valley Water District; the Boy Scouts of America; California State Polytechnic University, Pomona; Mount San Antonio College; Pomona-Walnut-Rowland Joint Water Line; Valencia Heights Water Company; Covina Irrigating Company; Suburban Water Systems; and the cities of Covina, Glendora, La Verne and Pomona.

Basis of Accounting and Financial Statement Presentation

TVMWD uses proprietary fund accounting which is similar to the principles applied to a business in the private sector. TVMWD utilizes the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange like transactions are recognized when the exchange takes place. The measurement focus is on determination of net income, net position and cash flows.

TVMWD's basic financial statements are presented in conformance with the provisions of GASB Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis - For State and Local Governments". GASB Statement No. 34 established standards for external financial reporting for all state and local governmental entities, which includes a statement of net position, statement of revenues, expenses and changes in net position, and statement of cash flows.

The other post-employment benefits plan trust fiduciary fund is reported using the economic resources measurement focus and the accrual basis of accounting.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

TVMWD's cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid investments with a maturity of three months or less from the date of acquisition.

Restricted Investments and Interest Receivable

Amounts shown as restricted are associated with an irrevocable trust established to collect and invest additional funds for TVMWD's pension plan as explained in Note 7.

Accounts Receivable

TVMWD grants unsecured credit to its member agencies. Bad debts are accounted for by the reserve method, which establishes an allowance for doubtful accounts based upon historical losses and a review of past due accounts. All receivables are considered collectible as of June 30, 2020, thus no allowance is reflected on the statement of net position.

Property Taxes

Property tax in California is levied in accordance with Article 13A of the State Constitution at 1% of county-wide assessed valuations. Taxes are collected by Los Angeles County for each fiscal year on taxable real and personal property which is situated within TVMWD as of the preceding January 1. For assessment and collection purposes, property is classified as either secured or unsecured. Taxes receivable at year-end are related to property taxes collected by Los Angeles County which have not been received by TVMWD as of June 30. All taxes receivable are considered collectible as of June 30, 2020, thus no allowance is reflected on the statement of net position.

Loans Receivable from Employees

TVMWD offers interest free loans to full-time employees for the initial purchase and/or upgrades for technology (computers, tablets, smart phones) eligible under the program. TVMWD deems all loans receivable to be collectible.

Prepaid Expenses and Deposits

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

Water Storage Inventory

TVMWD maintains storage of untreated water within Main San Gabriel Basin and Six Basins. This stored water is intended for future benefit of TVMWD and its member agencies. Payments made reflect costs applicable to future accounting periods and are recorded at cost as inventory in the financial statements. Cost is determined using the weighted average method.

	Six Basins		Main San Gabriel Basin	
	Acre-Feet	Amount	Acre-Feet	Amount
Beginning Balance at July 1, 2019	3,078	\$ 532,723	2,827	\$ 2,020,397
Acquired	1,048	142,528	11,799	8,625,222
Used or Sold	(1,200)	(204,108)	(3,215)	(2,339,007)
Ending Balance at June 30, 2020	2,926	\$ 471,143	11,411	\$ 8,306,612

**THREE VALLEYS MUNICIPAL WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

Investments

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 realized or unrealized gains or losses upon the liquidation or sale of investments.

Capital Assets

Capital assets purchased and/or constructed are capitalized at historical cost. TVMWD’s capitalization policy dollar threshold is \$5,000. Depreciation has been provided using the straight-line method over the following useful lives:

Category	Useful Life (years)
Building and Building Improvements	10-40
Infrastructure	5-40
Land Improvements	10-20
Furniture, Fixture and Equipment	3-20
Vehicles	5-10

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Compensated Absences

TVMWD’s employees earn vacation, sick, compensatory and universal leave in varying amounts depending primarily on length of service. Accumulated vacation, compensatory and universal leave time is accrued at year-end to account for TVMWD’s obligation to the employees for amounts owed. The current portion of accrued compensated absences is based on a rolling 3-year annual average of leave cashed out by the employee. Sick leave can be accumulated without limit. Any unused sick leave is treated as additional service time in the calculation of the employee's retirement plan.

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the California Public Employees’ Retirement System (CalPERS) Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS’ website under Forms and Publications.

Net OPEB Liability

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 and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by PARS. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net investment in capital assets - The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - The restricted component of net position consists of constraints placed on assets used 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 - The unrestricted component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Sometimes TVMWD will fund outlays for a particular purpose from both restricted 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 TVMWD’s policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.



THREE VALLEYS MUNICIPAL WATER DISTRICT NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Classification of Revenues and Expenses

As an enterprise (proprietary) fund, TVMWD classifies its revenues and expenses into the following classifications: operating revenues, operating expenses, nonoperating revenues and nonoperating expenses. Operating revenues and expenses are defined as revenues realized by TVMWD in exchange for providing its primary services for water treatment and transmission, hydroelectric sales and water use and connection capacity charges. Non-operating revenues are those derived from the investment of cash reserves and from entities other than customers and other ancillary sources. Non-operating expenses include those related to bond costs and amortization expenses.

Contributions

Contributions are comprised of federal, state, and local grants and of project reimbursements from member agencies. The portion of the grants and reimbursements used for capital purposes are reflected as capital contributions in the statement of revenues, expenses and changes in net position. The funds are reimbursable contributions, whereas TVMWD first pays for the project and then the granting agency reimburses TVMWD for its eligible expenditures.

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

Deposits

As of June 30, 2020, the carrying amount of TVMWD's cash deposits was \$1,466,263 and the bank balances were \$1,572,697. The bank balances were fully insured and/or collateralized with securities held by the pledging financial institutions in TVMWD's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure an agency's cash deposits by pledging government securities with a value of 110% of an agency's deposits. California law also allows institutions to secure agency deposits by pledging first trust deed mortgage notes having a value of 150% of an agency's total deposits.

TVMWD's Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an

Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an Agent of Depository has the effect of perfecting the security interest in the name of the local government agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local government agency.

Cash and cash equivalents and investments are presented on the Statement of Net Position as follows as of June 30, 2020:

Type	Fair Value
Cash and cash equivalents	
Cash	\$ 1,466,263
Money Market Funds	23,498
California Asset Management Trust	11,563
Local Agency Investment Fund	<u>66,779</u>
Total cash and cash equivalents	<u>1,568,103</u>
Investments	
Federal Agency Securities	1,061,960
US Treasury Notes	806,281
US Corporate Notes	722,719
Asset Backed Security	207,934
Mutual Funds*	<u>1,613,856</u>
Total investments	<u>4,412,750</u>
Total cash and cash equivalent and investments	<u>\$ 5,980,853</u>

*Mutual Funds consist of funds with irrevocable trusts for pension and OPEB liabilities.

Local Agency Investment Fund

TVMWD is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of TVMWD's investment in this pool is reported in the accompanying financial statements at amounts based on TVMWD's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of the portfolio.) The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is not registered with the SEC and is not rated. Deposits and withdrawals in LAIF are made based on one dollar and not fair value.

California Asset Management Program (CAMP)

TVMWD is a voluntary participant in CAMP, a Joint Powers Authority established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is a permitted investment for all local agencies under California Code Section 53601(p). CAMP is directed by a Board of Trustees which is made up of experienced local government finance directors and treasurers.

**THREE VALLEYS MUNICIPAL WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Investments

TVMWD contracts the services of an external investment manager to assist in the management of TVMWD's investment portfolio. The external manager is granted the discretion to purchase and sell investment securities in accordance with TVMWD's investment policy. For security purposes, physical custody of the securities is maintained by a separate banking institution.

TVMWD's investment policy limits certain concentrations of investments. It is empowered by the California Government Code 53601 to invest in a variety of securities. Investment options under the code include the following:

- 1) Direct obligations of the United States Government, its agencies, and instruments to which the full faith and credit of the United States government is pledged, or obligations to the payment of which the full faith and credit of the United States is pledged;
- 2) Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions;
- 3) With certain limitation, negotiable certificates of deposit, prime bankers' acceptances, prime commercial paper, and repurchase agreements with certain limitations;
- 4) Medium term notes (5 years or less) issued by corporations organized and operating with the United States or by depository institutions licensed by the United States or any state and operating within the United States;
- 5) Mutual funds investing in the securities and obligations authorized by TVMWD's investment policy and share in money market mutual funds;
- 6) County, municipal, or school district tax supported debt obligations; bond or revenue anticipation notes; money judgments; or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality, or school district;
- 7) Notes or bonds secured by a mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and obligations of the National Mortgage Association;
- 8) Money market funds regulated by the Securities and Exchange Commission (SEC) in which investments consist of the investments mentioned in points 1, 2, 3, and 4 above.

Funds held in the pension and OPEB trusts are governed by the trust agreements rather than by TVMWD's investment policy.

Investments

TVMWD 's investment policy limits investment maturities to five years or less as a means of managing its exposure to fair value losses arising from increasing rates. As June 30, 2020, TVMWD had the following investment maturities:

Investment Type	Fair Value	Investment Maturities (In Years)		
		Less than 1	1 to 3	3 to 5
Money Market Funds	\$ 23,498	\$ 23,498	\$ -	\$ -
Federal Agency Securities	1,061,960	-	497,302	564,658
US Treasury Notes	806,281	-	317,598	488,683
US Corporate Notes	722,719	196,435	418,071	108,213
Asset Backed Security	207,934	-	207,934	-
Mutual Funds	1,613,856	1,613,856	-	-
California Asset Management Trust	11,563	11,563	-	-
Local Agency Investment Fund	66,779	66,779	-	-
Total	\$4,514,590	\$1,912,131	\$1,440,905	\$1,161,554

**THREE VALLEYS MUNICIPAL WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

**NOTE 2 – CASH AND CASH EQUIVALENTS AND
INVESTMENTS (continued)**

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating by a nationally recognized statistical rating organization (NRSRO's).

State law limits investments in commercial paper and corporate bonds to the top two ratings issued by NRSROs. It is TVMWD's policy to limit its investments in these investment types to rated "A" or better issued by NRSROs, including raters S&P's and Moody's Investors Service. As of June 30, 2020, TVMWD's credit risks, expressed on a percentage basis, were as follows:

**Credit Quality Distribution for Securities
With Credit Exposure as a Percentage of Total Investments**

<u>Investment Type</u>	<u>Moody's Credit Rating</u>	<u>S&P's Credit Rating</u>	<u>% of Investment with Interest Rate Risk</u>
Federal Agency Securities	Aaa	AA+	21.46%
Federal Agency Securities	NR	AA+	2.25%
US Corporate Notes	A2	A	5.24%
US Corporate Notes	A1	A+	2.42%
US Corporate Notes	Aa1	AA+	2.36%
US Corporate Notes	Aa2	AA+	1.81%
US Corporate Notes	A2	A-	1.73%
US Corporate Notes	A3	A	1.68%
US Corporate Notes	A1	A	0.90%
Asset Backed Security	Aaa	NP	2.16%
Asset Backed Security	Aaa	AAA	1.80%
Asset Backed Security	NR	AAA	0.68%
Money Market Fund	Aaa	AAA	0.52%
Mutual Funds	Aaa	AAA	35.23%
California Asset Management Trust	NR	AAAm	0.26%
Local Agency Investment Fund	NR	NR	1.50%

It is not necessary to disclose the credit ratings of obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government, therefore it is not disclosed.

Fair Value Measurements

TVMWD 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; Level 3 inputs are significant unobservable inputs.

TVMWD has the following recurring fair value measurements as of June 30, 2020:

<u>Investments by Fair Value Level</u>	<u>Totals</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Un- observable Inputs (Level 3)</u>
Federal Agency Securities	\$ 1,061,960	\$ -	\$ 1,061,960	\$ -
US Treasury Notes	806,281	-	806,281	-
US Corporate Notes	722,719	-	722,719	-
Asset Backed Security	207,934	-	207,934	-
Mutual Funds	1,613,856	-	1,613,856	-
California Asset Management Trust	11,563	-	11,563	-
Local Agency Investment Fund	66,779	-	66,779	-
Totals	\$4,491,092	\$ -	\$4,491,092	\$ -
Investments Measured at Amortized Cost				
Money Market Fund	23,498			
Total Investments	\$4,514,590			

Securities and mutual funds classified in Level 1 of the fair value hierarchy are valued using priced quoted in active markets for those securities and mutual funds. Corporate bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing model. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Mortgage-backed securities classified in Level 3 are valued using discounted cash flow techniques.

Concentration of Credit Risk

TVMWD's policy is that assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. According to GASB 40, there is potential concentration of credit risk if more than 5% of the entity's investments are with any one issuer. The following investments are considered exposed to concentration of credit risk as shown in the Credit Quality Distribution for Securities Table:

- Federal National Mortgage Association
- Federal Home Loan Mortgage Corporation
- Federal Home Loan Bank
- Government of United States

**THREE VALLEYS MUNICIPAL WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 2 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside agency. TVMWD's policy is to diversify its investments by security type and institution. As of June 30, 2020, none of TVMWD's deposits or investments were exposed to custodial credit risk.

NOTE 3 – CAPITAL ASSETS

A summary of the changes in capital assets for the year ended June 30, 2020 is as follows:

	Beginning Balance 06/30/2019	Additions	Retirements*	Transfers	Ending Balance 06/30/2020
Capital assets, not being depreciated:					
Land	\$ 1,633,704	\$ -	\$ -	\$ -	\$ 1,633,704
Water Share	301,000	-	-	-	301,000
Construction in progress	2,449,043	3,617,094	-	(86,147)	5,979,990
Total capital assets, not being depreciated	4,383,747	3,617,094	-	(86,147)	7,914,694
Capital assets, being depreciated:					
Building and Building Improvement	7,521,416	138,096	(7,770)	7,770	7,659,512
Furniture, Fixtures, and Equipment	964,296	6,889	(18,331)	-	952,854
Infrastructure	57,157,301	331,328	(87,439)	78,377	57,479,567
Land Improvements	1,257,839	52,929	-	-	1,310,768
Vehicles	449,804	158,344	-	-	608,148
Total capital assets, being depreciated	67,350,656	687,586	(113,540)	86,147	68,010,849
Less accumulated depreciation for:					
Building and Building Improvement	6,650,155	30,698	-	-	6,680,853
Furniture, Fixture and Equipment	814,699	26,944	(18,331)	-	823,312
Infrastructure	32,743,767	1,373,722	(56,849)	-	34,060,640
Land Improvement	1,190,630	60,951	-	-	1,251,581
Vehicles	344,898	58,821	-	-	403,719
Total accumulated depreciation	41,744,149	1,551,136	(75,180)	-	43,220,105
Total capital assets, being depreciated, net	25,606,507	(863,550)	(38,360)	86,147	24,790,744
Total capital assets, net	\$ 29,990,254	\$ 2,753,544	\$ (38,360)	\$ -	\$ 32,705,438

*Replacement of the actuator for the 5th & White Connection and the meters for the Mountain, 5th & White and Emerald Connections.

Depreciation expense for the year totaled \$1,551,136.



**THREE VALLEYS MUNICIPAL WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 4 – COMMITMENTS AND CONTINGENCIES

Litigation

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

Grant Awards

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

Operating Leases

TVMWD leases office equipment under non-cancelable leases. Total costs for such leases were \$27,478 for the year ended June 30, 2020. The future minimum lease payments are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2021	29,104
2022	31,611
2023	3,401
Total	\$ 64,116

Contracts

TVMWD usually has a variety of agreements with private parties relating to the installation, improvement or modification of water facilities and distribution systems and other TVMWD activities. The financing of such contracts is provided primarily from TVMWD encumbered reserves. TVMWD has committed to approximately \$1,732,214 of open contracts as of June 30, 2020.

The following material construction commitments existed at June 30, 2020:

Project Name	Contract Amount	Expenditures to date as of June 30, 2020	Remaining Commitment
MiraGrand Well	\$1,595,262	\$25,450	\$1,569,812
2020 Regional Urban Water Management Plan	165,000	2,599	162,401



NOTE 5 – POOLED ARRANGEMENTS

TVMWD is a member of the ACWA/JPIA, a risk-pooling, self-insurance authority, created under provisions of California Government Code Sections 6500 et seq. The purpose of ACWA/JPIA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. Members of ACWA/JPIA share the costs of professional risk management, claims administration and excess insurance. TVMWD participates in the property, liability and worker's compensation programs of ACWA/JPIA as follows:

Property: Insured up to replacement value. Includes Boiler and Machinery, Mechanical, Electrical and Pressure Equipment, Vehicles, Mobile Equipment and Watercraft. The pooled layer is up to \$100,000 per occurrence and excess insurance coverage up to \$500 million.

General, Auto and Public Officials: The pooled layer is up to \$5 million per occurrence and excess insurance coverage of up to \$55 million.

Workers' Compensation: The pooled layer is up to \$2 million per occurrence and excess insurance coverage up to \$4 million.

Cyber: Financial losses resulting from data breaches and other cyber events. Limit \$3 million per claim up to \$5 million aggregate.

Settlements have not exceeded insurance coverage in each of the past three fiscal years.

NOTE 6 – RELATED PARTY TRANSACTIONS

Covina Irrigating Company (CIC)

TVMWD wholesales potable and non-potable water to its member agencies, one of which is Covina Irrigating Company (CIC). CIC is a wholesale water supplier that provides water to the City of Covina, City of Glendora, Golden State Water Company, Suburban Water Systems, Valencia Heights Water Company and Valley County Water District. The President/CEO of CIC is David De Jesus. Mr. De Jesus is also a voter elected member of the Board of Directors for TVMWD.

TVMWD began selling water to CIC in November 2015. The amount of water sold to CIC for FY 2019-2020 was 7,404 acre-feet. These sales occurred in the same manner as would occur with any TVMWD member agency. TVMWD expects sales to CIC to continue in the future.

TVMWD's rates are set annually for the calendar year and approved by the TVMWD Board of Directors. The rate charged to CIC is the same rate charged to any TVMWD member agency. The rates for 2019 and 2020 were \$731 and \$755, respectively, per acre foot. The pipeline used to deliver water to CIC is owned by San Gabriel Valley Municipal Water District (SGVMWD). SGVMWD charges a fee of \$5 per acre foot, so TVMWD (and ultimately CIC) was also responsible for this fee. For FY 2019-2020, total water sales revenue, capacity charges and fixed

**THREE VALLEYS MUNICIPAL WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 6 – RELATED PARTY TRANSACTIONS (Continued)

charges from CIC was \$5,665,817. TVMWD allows its member agencies approximately 45 days to pay for monthly water purchases. As such, TVMWD had receivables outstanding at June 30, 2020 from CIC for May and June 2020 water sales, capacity charges and fixed charges in the amounts of \$712,072 and \$753,872, respectively. The receivables were due on July 23, 2020 and August 26, 2020, and were paid by CIC on July 1, 2020 and July 31, 2020, respectively.

SGV-COG Joint Powers Agreement

On June 9, 2008, TVMWD, San Gabriel Valley Municipal Water District and Upper San Gabriel Valley Municipal Water District entered into a Joint Exercise of Powers Agreement to create the San Gabriel Water District Joint Powers Authority which was required to participate as a single Member on the San Gabriel Valley Council of Governments.

The San Gabriel Valley Council of Governments (the "Council") is a Joint Powers Authority formed pursuant to Chapter 5 of Division 7, Title 1 of the Government Code of the State of California (Sections 6500, et seq.). The purpose of the Council is to provide a means for the Members to engage in regional and cooperative planning and coordination of government services and responsibilities to assist the Members in the conduct of their affairs. In addition, the Council provides a regional organization for the review of federal, state, and/or regional projects and studies which involve the use of federal, state and/or regional funds, in various forms.

The Members of the Council are 30 incorporated cities, the unincorporated communities in Los Angeles County Supervisorial Districts 1, 4, and 5, and 1 seat for the San Gabriel Water District Joint Powers Authority.

As a Member of the Council, TVMWD has limited financial liability as outlined in the Council's Fourth Amended and Restated Joint Exercise of Powers Agreement adopted on December 19, 2017. The debts, liabilities and obligations of the Council are debts, liabilities or obligations of the Council alone. No Member of the Council shall be responsible, directly or indirectly, for any obligation, debt or liability of the Council whatsoever, to the fullest extent allowed by law. No Member of the Council shall be responsible for the debts or liabilities of any other Member solely by reason of membership on the Council. Implementation agreements to provide for the design and/or construction of projects with other Members or other agencies shall provide for indemnification of the individual Members of the Council who are not parties to the contracts. TVMWD has no debt, liabilities or obligations associated with the Council as of June 30, 2020.

NOTE 7 – PENSION PLANS

Plan Descriptions

All qualified permanent, probationary and part-time vested employees are eligible to participate in TVMWD's miscellaneous employee pension plan (the Plan), a cost-sharing multiple employer defined benefit pension plan administered by CalPERS. TVMWD sponsors a plan with two tiers:

- Tier 1 – 2%@55 for employees with CalPERS membership prior to December 31, 2012, and since this date have not had a break in service of greater than six months.
- Tier 2 – 2%@62 for employees new to CalPERS since January 1, 2013 or who have had a break in service of greater than six months.

Benefit provisions under the Plan are established by State statute and TVMWD 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 (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 (or 52 for members hired on or after January 1, 2013) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The Post-Retirement Death Benefit is a one-time payment made to a retiree's designated survivor or estate upon the retiree's death. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1959 Survivor Benefit (level 4) if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least 5 years of credited service.

The cost of living adjustments for the plan are applied as specified by the California Public Employees' Retirement Law (PERL).



THREE VALLEYS MUNICIPAL WATER DISTRICT NOTES TO THE BASIC FINANCIAL STATEMENTS For the Year Ended June 30, 2020

⁽²⁾ The mortality table used was developed based on CalPERS' specific data. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

NOTE 7 – PENSION PLANS (continued)

The \$485,393 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

<u>Year Ending June 30</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2020	\$278,143
2021	(24,821)
2022	38,843
2023	13,589
2024	-
Remaining	-
Total	<u>\$305,754</u>

Deferred inflows and outflows are recognized in expense systematically over time. The recognition in expense for the net difference between projected and actual earnings on plan investments is 5 years and all other amounts are recognized over expected average remaining service lifetime of 3.8 years.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2019 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. Both the June 30, 2018 total pension liability and the June 30, 2019 total pension liability were based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	varies by entry age and service
Investment Rate of Return	7.15% ⁽¹⁾
Mortality	⁽²⁾
Post Retirement Benefit Increase	2.50%

⁽¹⁾ Net of pension plan investment expenses, including inflation

All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Change of Assumptions and Methods

CalPERS implemented a new actuarial valuation software system for the June 30, 2018 valuation. The new system refines and improves the calculation methodology.

Discount Rate

The discount rate used to measure the total pension liability was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.15%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach.

**THREE VALLEYS MUNICIPAL WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 7 – PENSION PLANS (continued)

Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of 1%.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class¹	Assumed Asset Allocation	Real Return Years 1-10²	Real Return Years 11+³
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	(0.92)%

¹In the CalPERS' CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

²An expected inflation of 2.00% used for this period.

³An expected inflation of 2.92% used for this period.

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

The following presents TVMWD's proportionate share of the net pension liability for the Plan, calculated using the discount rate for each tier, as well as what the TVMWD's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Net Pension Liability		
Discount Rate-1% 6.15%	Current Discount Rate 7.15%	Discount Rate+1% 8.15%
\$ 6,200,312	\$ 3,846,454	\$ 1,903,509

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 Q Street, Sacramento, CA 95811.

Payable to the Pension Plan

At June 30, 2020, TVMWD reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

NOTE 8 – DEFERRED COMPENSATION PLANS

457 Deferred Compensation Savings Plan

TVMWD participates in two 457 Deferred Compensation Programs (Programs) administered by Lincoln Financial Services and CalPERS. Both plans qualify as defined contribution pension plans. The purpose is to provide deferred compensation for employees that elect to participate in the Programs. Generally, eligible employees may voluntarily defer receipt of a portion of their salary until termination, retirement, death or unforeseen emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes. TVMWD matches employee contributions up to \$4,800 per year. The plan is authorized and may be amended by the Board of Directors. Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, TVMWD is in compliance with this legislation. Therefore, these assets are not the legal property of TVMWD and are not subject to claims of TVMWD's general creditors. Market value of all plan assets held in trust by the two TVMWD plans amounted to \$6,459,083 at June 30, 2020.

TVMWD has implemented GASB Statement 32, Accounting for Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Since TVMWD has little administrative involvement and does not perform the investing function of this plan, the assets and related liabilities are not shown on the statement of net position.

401(a) Defined Contribution Plan

TVMWD participates in a 401(a) plan (a defined contribution plan), administered by Lincoln Financial Services. The purpose of this plan is to provide an additional option for employees who fully contribute to the 457 Plan. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes. Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. The plan is authorized and may be amended by the Board of Directors.

R E T I R E M E N T

**THREE VALLEYS MUNICIPAL WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

**NOTE 8 – DEFERRED COMPENSATION PLANS
(continued)**

Accordingly, TVMWD is in compliance with this legislation. Therefore, these assets are not the legal property of TVMWD and are not subject to claims of TVMWD's general creditors. Market value of all plan assets held in trust by TVMWD plan amounted to \$66,073 at June 30, 2020.

TVMWD has implemented GASB Statement 32, Accounting for Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Since TVMWD has little administrative involvement and does not perform the investing function of this plan, the assets and related liabilities are not shown on the statement of net position.

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS

Plan Administration

TVMWD administers the Retiree Benefits Plan—a single-employer defined benefit plan that is used to provide post employment benefits other than pensions (OPEB) for all TVMWD permanent full-time employees.

Management of the TVMWD Retiree Benefits Plan is vested in the Board of Directors (the Board), which consists of seven members elected by the registered voters residing within TVMWD's boundaries.

Plan membership

At June 30, 2020, TVMWD Retiree Benefits Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	11
Inactive plan members entitled to but not yet receiving benefit payments	0
Active plan members	23
Total	34

Benefits

TVMWD offers continued medical coverage to employees who retire from TVMWD at age 50 or older with a minimum of 10 years of service. The retired employee may continue medical coverage through either their own personal medical insurance or ACWA/JPIA. For eligible retirees hired prior to January 1, 2005, TVMWD provides 50% (plus an additional 10% for each additional year of service at retirement in excess of 10 years – not to exceed 100%) of the lesser of \$355 per month or the

cost for single medical coverage. For eligible retirees hired on or after January 1, 2005 with 10 years of TVMWD service, TVMWD provides 50% (plus an additional 5% for each additional year of service at retirement in excess of 10 years – not to exceed 100%) of the lesser of \$355 per month or the cost for single medical coverage. For employees retiring on or after January 1, 2015, the monthly benefits cap increased from \$355 to \$600. Employees retiring on or after January 1, 2015 may cover dependents, but the retiree must pay the entire dependents premiums. Retirees must pay the portion of the coverage, if any not covered by their benefits. Employees retiring on or after December 5, 2018, may claim dental and vision premiums in addition to medical premiums, not to exceed the \$600 cap. The dental and vision plans must be obtained by the retirees on their own. This plan is authorized and may be amended by the Board of Directors.

Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to pre-fund benefits as determined annually by the Board. Plan members are not required to contribute to the plan. Any additional amounts for pre-funding are deposited into an irrevocable trust from which funds can only be used to pay for retiree medical coverage. Separate financial statements for the irrevocable trust may be obtained by writing to PARS at 4350 Von Karman Ave., Suite 100 Newport Beach, CA 92660-2043 or by visiting the PARS website at www.pars.org. For the year ended June 30, 2020, TVMWD's average contribution rate was 1.95% of covered-employee payroll.

Investments

TVMWD's policy in regard to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

The following was the Board's adopted asset allocation policy as of June 30, 2020:

Asset Class	Target Allocation
Mutual Funds-Equity	49%
Mutual Funds-Fixed Income	47%
Cash and Equivalents	4%
Total	100%

Rate of return

For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 3.86%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**THREE VALLEYS MUNICIPAL WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

**NOTE 9 – OTHER POST EMPLOYMENT BENEFITS
(Continued)**

Net OPEB Liability

The components of the Net OPEB Liability at June 30, 2020 were as follows:

Total OPEB Liability	\$1,253,309
Plan fiduciary net position	(964,786)
TVMWD's net OPEB Liability	<u>\$ 288,523</u>
Plan fiduciary net position as a percentage of the total OPEB liability	77%

Deferred outflows and inflows of resources related to OPEB as of June 30, 2020 were:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$75,490	\$11,464
Changes in assumptions	182,671	222,730
Net differences between projected and actual earnings on OPEB investments	17,543	958
Total	\$275,704	\$235,152

Amounts reported as deferred outflows and inflows will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2021	\$(1,303)
2022	(1,349)
2023	(2,573)
2024	(2,256)
2025	(6,015)
2026	40,823
2027	13,225
Total	<u>\$40,552</u>

Deferred inflows and outflows are recognized in expense systematically over time. The recognition in expense for the net difference between projected and actual earnings on plan investments is 5 years and all other amounts are recognized over expected average remaining service lifetime of 6.5 years.

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2019. Update procedures were used to roll forward the total OPEB liability to June 30, 2020. The following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary increases	3.00%, average, including inflation
Investment rate of return	6.15%, net of OPEB plan investment expense, including inflation. At 6-30-2019 the rate was 3.86%
Healthcare cost trend rates	6% for 2019-20, decreasing to 4.5% for 2021-22 and thereafter

Mortality rates were based on the RP-2014 Employee and Health Annuitant Mortality Tables.

Discount rate

The discount rate used to measure the total OPEB liability was 6.15%. The projection of cash flows used to determine the discount rate assumed that TVMWD's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

The following presents the net OPEB liability of TVMWD, as well as what TVMWD's net OPEB liability would be if it were calculated using a discount rate that is 1% point lower (5.15%) or 1% point higher (7.15%) than the current discount rate:

Net OPEB Liability		
1% Decrease 5.15%	Discount Rate 6.15%	1% Increase 7.15%
\$ 445,697	\$ 288,523	\$ 157,622

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

The following presents the net OPEB liability of TVMWD, as well as what TVMWD's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower (5% decreasing to 4.0%) or 1% point higher (5.0% increasing to 6%) than the current healthcare cost trend rates:

Net OPEB Liability		
1% Decrease 5.0%	Healthcare Cost Trend Rate 6%	1% Increase 7%
\$ 245,121	\$ 288,523	\$ 336,420

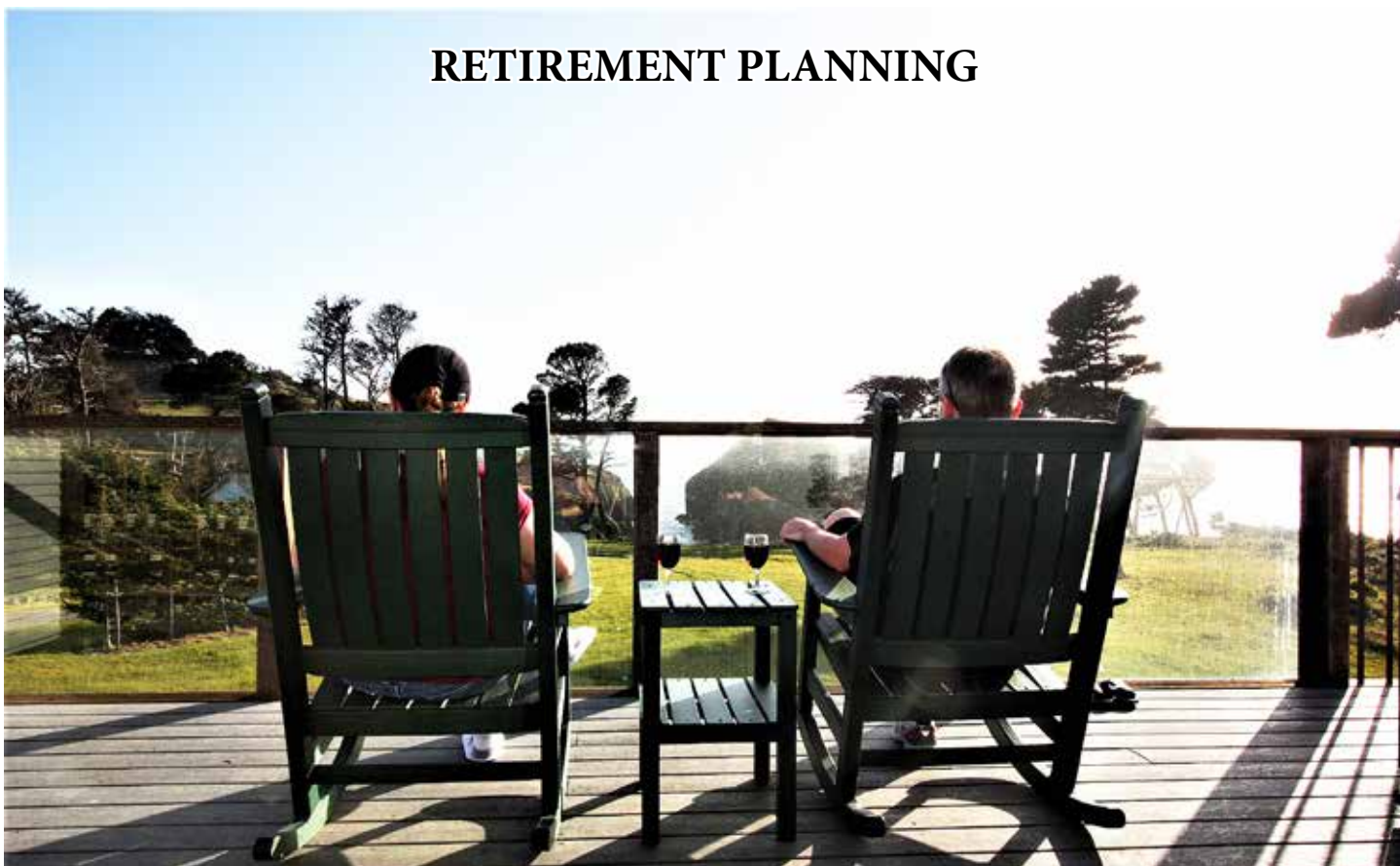
**THREE VALLEYS MUNICIPAL WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020**

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (Continued)

The long-term expected rate of return of 6.15% on OPEB plan investments was calculated the following way:

1. The expected return of each asset class is determined through a combination of historical rates of returns, valuation projections, and economic expectations. Expected rates of return are provided by Wilshire Associates Incorporated and HighMark proprietary research. Expected rates of return are developed and annually reviewed by HighMark's Asset Allocation Committee.
2. With thirty year forecasts for U.S. Treasuries, Wilshire's ten year forecast for U.S. Treasuries is used as the assumed return for the first ten years of the thirty year period. Over the following twenty years (years 11-thirty) U.S. Treasuries are assumed to return a historical long run (1926-2014) risk premium over inflation. The resulting combination of the assumed return on U.S. Government bonds over the two periods becomes HighMark's thirty year forecast. All other taxable fixed income asset classes are derived from the expected return on U.S. Treasuries plus a credit or term premium consistent with those of the ten year forecasts.
3. With thirty year forecasts for global equity, Wilshire's ten year forecast for global equity is used as the assumed return for the first ten years of the thirty year period. Over the following twenty years (years 11-30) global equities are assumed to return historical long run (1926-2014) risk premiums over cash. The return on cash over this period is derived from the ten and thirty year cash assumptions. The resulting combination of the assumed global equity returns over the two periods becomes HighMark's thirty year forecast.
4. Returns reflect the reinvestment of dividends, interests, and other distributions.
5. An expected return is then calculated by weighting the returns for each asset class according to the exposure as determined by HighMark's current strategic allocation.

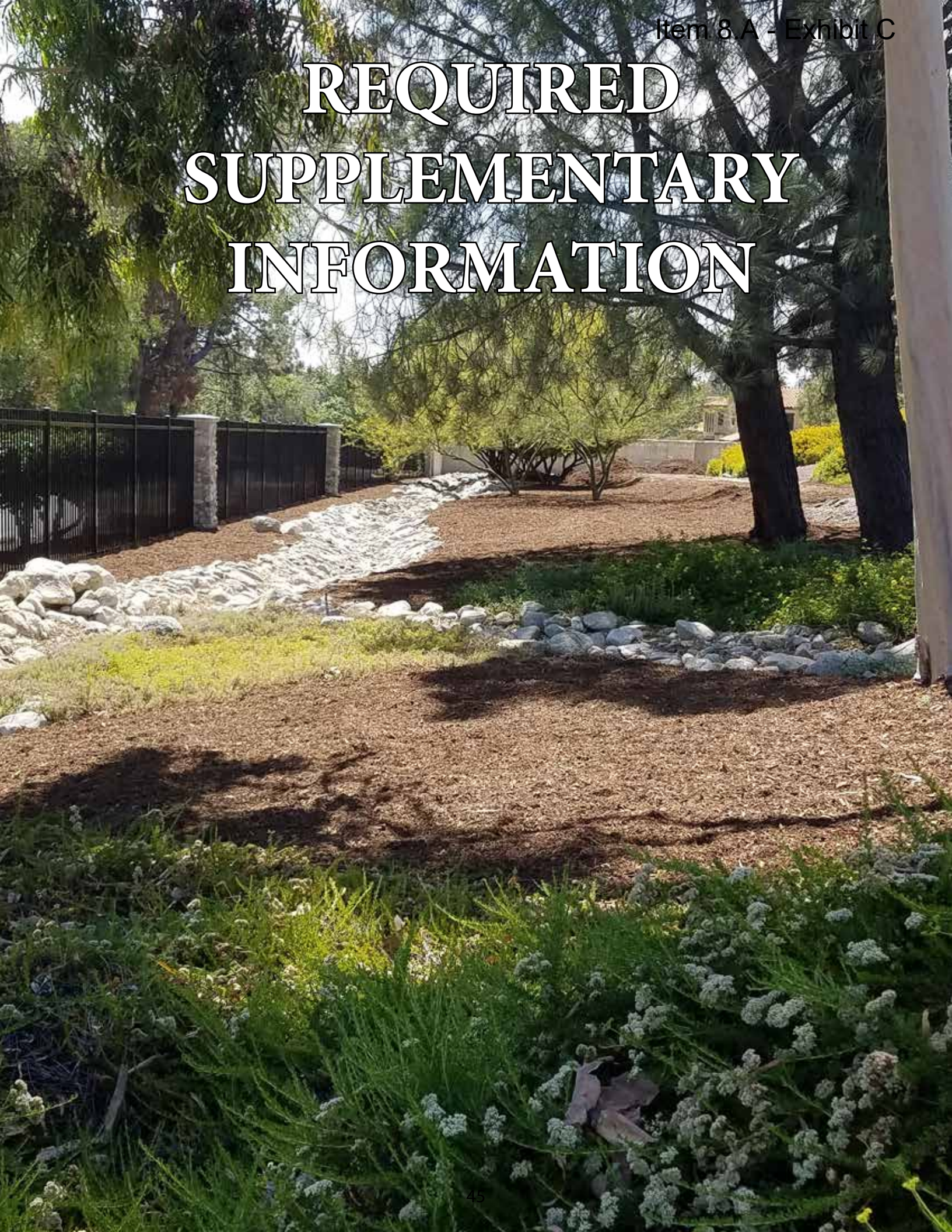
RETIREMENT PLANNING





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REQUIRED SUPPLEMENTARY INFORMATION



SCHEDULE 1

Three Valleys Municipal Water District
 Miscellaneous Cost-Sharing Pension Plan
 Schedule of the Plan's Proportionate Share of the Net Pension Liability
 As of June 30, For The Last Ten Fiscal Years ⁽¹⁾

FY	Proportion of the Net Pension Liability/(Asset)	Proportionate Share of the Net Pension Liability/(Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Covered Payroll	Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability
2020	0.09731%	\$ 3,846,454	\$ 2,750,395	139.85%	77.98%
2019	0.09707%	\$ 3,452,268	\$ 2,662,296	129.67%	78.94%
2018	0.09680%	\$ 3,518,869	\$ 2,539,815	138.55%	75.38%
2017	0.09532%	\$ 2,953,009	\$ 2,419,392	122.06%	75.87%
2016	0.07819%	\$ 2,145,000	\$ 2,400,313	89.36%	79.82%
2015	0.03310%	\$ 2,059,901	\$ 2,287,837	90.04%	78.40%

Notes to Schedule:

Benefit Changes: None.

⁽¹⁾ Historical information is required only for the measurement periods for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only six years are shown.

NOTE: Accounting standard require presentation of 10 years of information. However the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

SOURCE: CalPERS GASB 68 Accounting Valuation Report

SCHEDULE 2

Three Valleys Municipal Water District
 Miscellaneous Cost-Sharing Pension Plan
 Schedule of the Plan Contributions - California Public Employees Retirement Plan
 For the Year Ended June 30, 2020⁽¹⁾

FY	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a Percentage of Covered Payroll	Valuation date
2020	\$ 485,393	\$(485,393)	\$ -	\$ 2,743,774	17.691%	6/30/2019
2019	\$ 426,711	\$(426,711)	\$ -	\$ 2,750,395	15.515%	6/30/2017
2018	\$ 363,282	\$(363,282)	\$ -	\$ 2,662,296	13.645%	6/30/2016
2017	\$ 324,213	\$(324,213)	\$ -	\$ 2,539,815	12.765%	6/30/2015
2016	\$ 286,627	\$(286,627)	\$ -	\$ 2,419,392	11.847%	6/30/2014
2015	\$ 272,007	\$(272,007)	\$ -	\$ 2,400,313	11.332%	6/30/2013

Note to Schedule:

Methods and assumptions used to determine contributions rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll and direct rate smoothing
Asset valuation method	Market value
Inflation	2.50%
Salary increases	varies by entry age and service
Investment rate of return	7.15%
Retirement age	50-63 for 2% @ 55 and 52-67 for 2% @ 62
Mortality	The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 90% of scale MP 2016 by Society of Actuaries. For more details on this table, please refer to the December 2017 experience study report.

⁽¹⁾ Historical information is required only for the measurement periods for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only six years are shown.

NOTE: Accounting standard require presentation of 10 years of information. However the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

SOURCE: CalPERS GASB 68 Accounting Valuation Report

SCHEDULE 3

Three Valleys Municipal Water District
 Schedule of Changes in Net OPEB Liability and Related Ratios
 For the Year Ended June 30, 2020⁽¹⁾

FISCAL YEAR	2020	2019	2018	2017
Total OPEB Liability				
Service cost	\$ 48,909	\$ 35,365	\$ 34,335	\$ 22,989
Interest	73,742	84,221	65,379	63,032
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(13,757)	-	110,332	-
Changes of assumptions	(267,276)	-	140,935	143,737
Benefit payments	(53,555)	(47,588)	(41,611)	(23,007)
Net changes in total OPEB liability	(211,937)	71,998	309,370	206,751
Total OPEB liability - beginning	\$1,465,246	\$1,393,247	\$1,083,877	\$ 877,126
Total OPEB liability - ending (a)	<u>\$1,253,309</u>	<u>\$1,465,245</u>	<u>\$1,393,247</u>	<u>\$1,083,877</u>
Plan fiduciary net position				
Contributions-employer	\$ 53,555	\$ 47,588	\$ 41,611	\$ 138,561
Net investment income	57,054	55,386	45,031	52,341
Differences between expected and actual investment income	(18,804)	-	-	-
Benefit payments	(53,555)	(47,588)	(41,611)	(23,007)
Administrative expense	(2,353)	(2,212)	(2,158)	(1,157)
Net changes in plan fiduciary net position	35,897	53,174	42,873	166,738
Plan fiduciary net position-beginning	928,889	875,715	832,842	666,104
Plan fiduciary net position-ending (b)	<u>\$ 964,786</u>	<u>\$ 928,889</u>	<u>\$ 875,715</u>	<u>\$ 832,842</u>
Net OPEB liability	<u>\$ 288,523</u>	<u>\$ 536,357</u>	<u>\$ 517,532</u>	<u>\$ 251,035</u>
Plan fiduciary net position as a percentage of the total OPEB liability	77%	63%	63%	77%
Covered-employee payroll	\$2,743,774	\$2,750,395	\$2,662,296	\$2,539,815
TVMWD's net OPEB liability as a percentage of covered-employee payroll	10.52%	19.50%	19.44%	9.88%

⁽¹⁾ Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2017 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Note: Accounting standard require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

SOURCE: OPEB Actuarial Valuation

SCHEDULE 4

Three Valleys Municipal Water District
 Schedule of Contributions - OPEB
 For the Year Ended June 30, 2020⁽¹⁾

FY	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contribution as a Percentage of Covered-Employee Payroll	Valuation date
2020	\$38,993	\$ (48,157)	\$ (9,164)	\$2,743,774	1.42%	7/1/2019
2019	\$47,588	\$ (30,971)	\$ 16,617	\$2,750,395	1.73%	7/1/2017
2018	\$41,611	\$ (27,470)	\$ 14,141	\$2,662,296	1.56%	7/1/2017
2017	\$39,410	\$ (39,410)	\$ -	\$2,539,815	1.55%	7/1/2015

Note to Schedule:

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contributions rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Amortization period	20 years
Asset valuation method	Fair value
Inflation	2.25%
Healthcare cost trend rates	6% for 2019-20, 4.5% for all later years
Salary increases	3.00% per year
Investment rate of return	6.15%, net of OPEB plan investment expense, including inflation.
Retirement age	Probabilities of retirement at different ages are taken from the 2014 CalPERS OPEB Assumptions Model
Mortality	Mortality rates were taken from the 2014 CalPERS OPEB Assumptions Model

⁽¹⁾ Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2017 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

SOURCE: OPEB July 1, 2019 Actuarial Valuation Report

SCHEDULE 5

Three Valleys Municipal Water District
 Schedule of Investment Returns - OPEB Trust
 Last Ten Fiscal Years⁽¹⁾

Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2020	3.89%
2019	6.07%
2018	6.15%
2017	7.94%

⁽¹⁾ Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2017 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Note: Accounting standard require presentation of 10 years of information. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule as future data becomes available.

SOURCE: TVMWD - Finance Department

STATISTICAL SECTION



**THREE VALLEYS MUNICIPAL WATER DISTRICT
STATISTICAL SECTION
For the Year Ended June 30, 2020**

This part of TVMWD's CAFR presents detailed information as a context for understanding what the information in the accompanying financial statements and notes to the basic financial statements says about TVMWD's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how TVMWD's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting TVMWD's ability to generate revenues.

Debt Capacity

These schedules present information to help the reader assess the affordability of TVMWD's current levels of outstanding debt and TVMWD's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which TVMWD's financial activities take place and to help make comparisons over time and with other agencies.

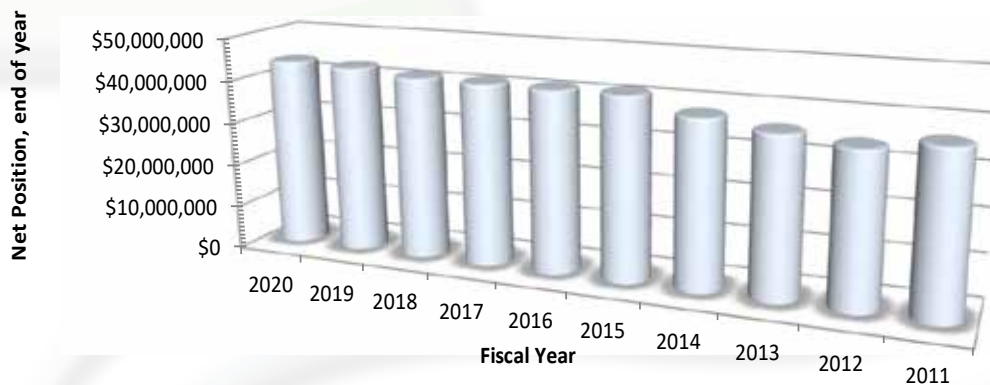
Operating Information

These schedules contain information about TVMWD's operations and resources to help the reader understand how TVMWD's financial information relates to the services TVMWD provides and the activities it performs.

SCHEDULE 1

Three Valleys Municipal Water District
Changes in Net Position
Last Ten Fiscal Years

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating revenues (see Schedule 3)	\$ 69,287,655	\$ 67,239,719	\$ 64,251,879	\$ 65,041,248	\$ 55,387,218	\$ 58,657,568	\$ 66,759,939	\$ 59,240,205	\$ 50,665,608	\$ 48,780,881
Operating expenses (see Schedule 4)	71,974,662	69,081,691	66,272,700	66,736,601	57,910,157	61,091,237	68,546,823	60,088,682	53,638,803	51,179,455
Total operating income (loss)	(2,687,007)	(1,841,972)	(2,020,821)	(1,695,353)	(2,522,939)	(2,433,669)	(1,786,884)	(848,477)	(2,973,195)	(2,398,574)
Nonoperating revenues (expenses)										
Property tax revenue	2,625,061	2,481,726	2,291,505	2,266,019	2,091,254	2,014,754	1,886,998	1,958,128	1,783,167	1,636,394
Sublease income	-	-	-	-	-	5,775,000	821,303	832,593	832,946	844,434
Investment income	341,434	513,710	3,089	25,793	226,747	136,976	236,128	72,974	311,222	352,529
Intergovernmental grants revenue	-	-	-	-	6,121	46,924	115,962	-	-	-
Intergovernmental grants expense	-	-	-	-	(6,121)	(46,924)	(115,962)	-	-	-
Interest expense	-	-	-	-	-	-	(29,787)	(221,353)	(327,853)	(398,839)
Amortization of deferred bond costs/refunding	-	-	-	-	-	-	(195,647)	(183,225)	(221,097)	(221,096)
Reimbursements revenue	-	-	-	-	-	-	-	-	-	33,945
Gain (loss) on sale of assets	(38,360)	(52,553)	(40,400)	(88,421)	(40,173)	(12,109)	(104,254)	(3,297)	(2,339)	-
Other non-operating revenues (expenses)	-	-	-	-	-	-	-	-	-	-
Total nonoperating revenues (expenses)	2,928,135	2,942,883	2,254,194	2,203,391	2,277,828	7,914,621	2,614,741	2,455,820	2,376,046	2,247,367
Net income before contributions and change in accounting principle	241,128	1,100,911	233,373	508,038	(245,111)	5,480,952	827,857	1,607,343	(597,149)	(151,207)
Contributions	218,649	98,500	2,000	5,250	111,150	618,666	1,742,423	-	-	-
Change in net position	459,777	1,199,411	235,373	513,288	(133,961)	6,099,618	2,570,280	1,607,343	(597,149)	(151,207)
Net Position, beginning of year	43,334,949	42,135,538	41,900,165	41,858,315	41,992,276	38,463,002	36,506,223	34,949,375	36,894,832	37,581,089
Prior period adjustment	-	-	-	(471,438) ⁶	-	(2,570,344) ⁵	(613,501) ⁴	(50,495) ³	(1,348,308) ²	(535,050) ¹
Net Position, end of year, as restated (see Schedule 2)	\$ 43,794,726	\$ 43,334,949	\$ 42,135,538	\$ 41,900,165	\$ 41,858,315	\$ 41,992,276	\$ 38,463,002	\$ 36,506,223	\$ 34,949,375	\$ 36,894,832



¹ Prior Period Adjustment related to disposal of capital assets.

² Prior Period Adjustment related to removal of prepaid pension asset.

³ Prior Period Adjustment related to change in accounting principle.

⁴ Prior Period Adjustment related to removal of MWD assets.

⁵ Prior Period Adjustment related to GASB 68.

⁶ Prior Period Adjustment related to GASB 75.

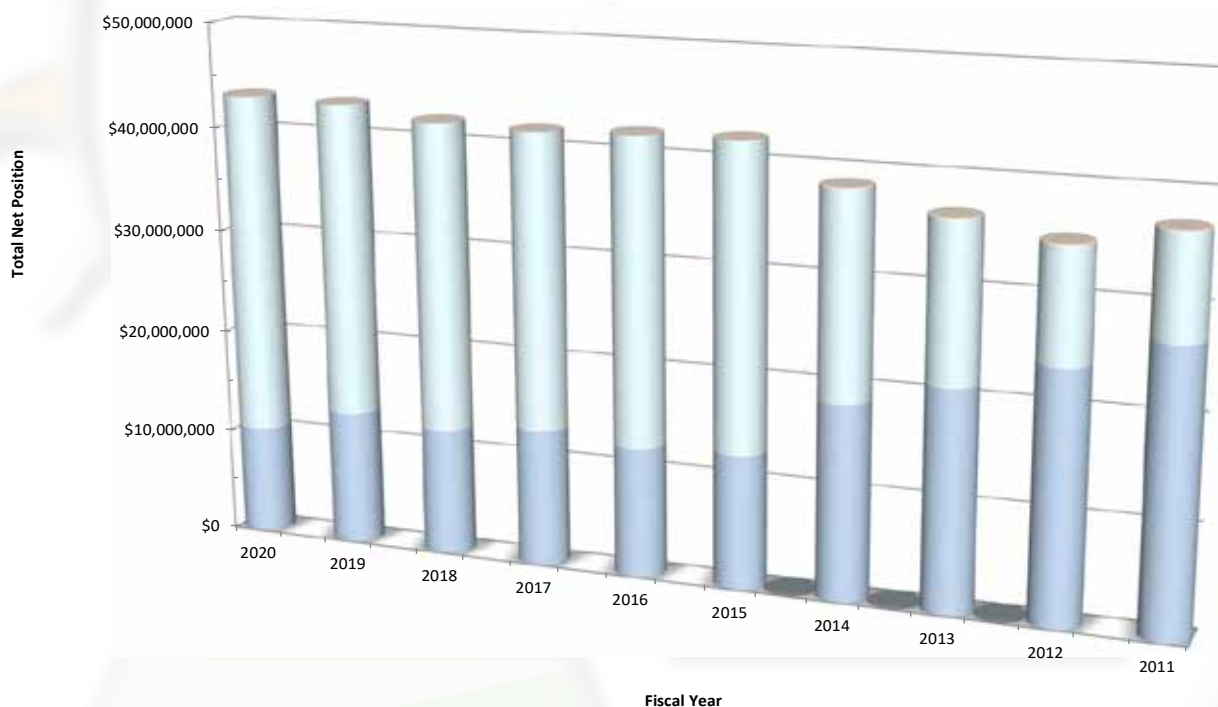
NOTE: Revenues and expenses in prior years may be reclassified to conform to current year presentation.

SOURCE: TVMWD - Finance Department

SCHEDULE 2

Three Valleys Municipal Water District
Components of Net Position
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net investment in capital assets	\$ 32,705,438	\$ 29,990,254	\$ 29,558,377	\$ 28,369,643	\$ 29,354,853	\$ 29,078,712	\$ 19,483,706	\$ 15,073,992	\$ 10,791,926	\$ 9,747,308
Restricted for debt service	-	-	-	-	-	-	225,000	227,163	227,203	226,165
Restricted for pensions	649,072	415,437	341,101	338,096	-	-	-	-	-	-
Unrestricted	10,440,216	12,929,258	12,236,060	13,192,426	12,503,462	12,913,564	18,754,296	21,205,068	23,930,246	26,921,359
Total Net Position	\$ 43,794,726	\$ 43,334,949	\$ 42,135,538	\$ 41,900,165	\$ 41,858,315	\$ 41,992,276	\$ 38,463,002	\$ 36,506,223	\$ 34,949,375	\$ 36,894,832



¹ Increase due to significant increase in capital assets and construction in progress during fiscal year.

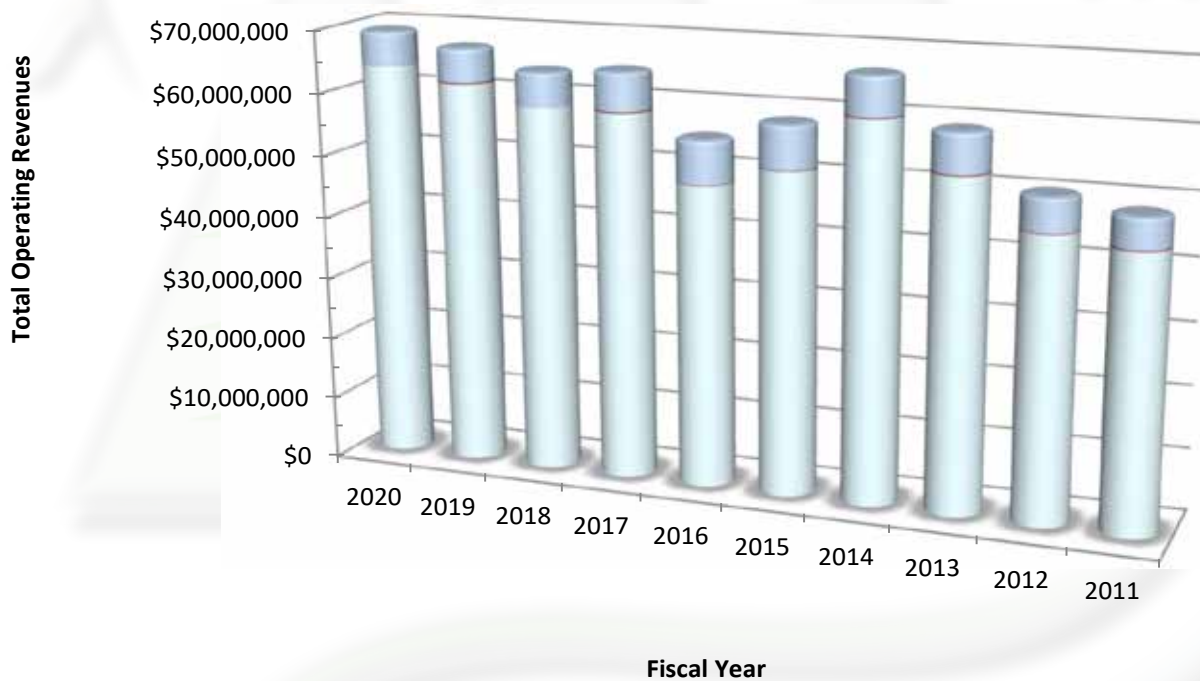
NOTE: Revenues and expenses in prior years may be reclassified to conform to current year presentation.

SOURCE: TVMWD - Finance Department

SCHEDULE 3

Three Valleys Municipal Water District
 Operating Revenues by Source
 Last Ten Fiscal Years

Fiscal Year	Water Sales ¹	Hydroelectric Sales	Water Use and Connection Charges	Total Operating Revenues
2020	\$ 63,852,311	\$ 32,831	\$ 5,402,513	\$ 69,287,655
2019	61,659,318	215,037	5,365,364	67,239,719
2018	58,728,537	23,870	5,499,472	64,251,879
2017	58,662,799	204,856	6,173,593	65,041,248
2016	48,374,543	98,142	6,914,533	55,387,218
2015	51,527,963	122,614	7,006,991	58,657,568
2014	60,281,711	190,561	6,287,667	66,759,939
2013	52,729,124	196,465	6,314,616	59,240,205
2012	45,097,918	117,593	5,450,097	50,665,608
2011	43,658,124	203,608	4,919,149	48,780,881



¹ Water sales will vary depending upon a variety of external factors beyond TVMWD's control such as rainfall, population growth and supply fluctuations.

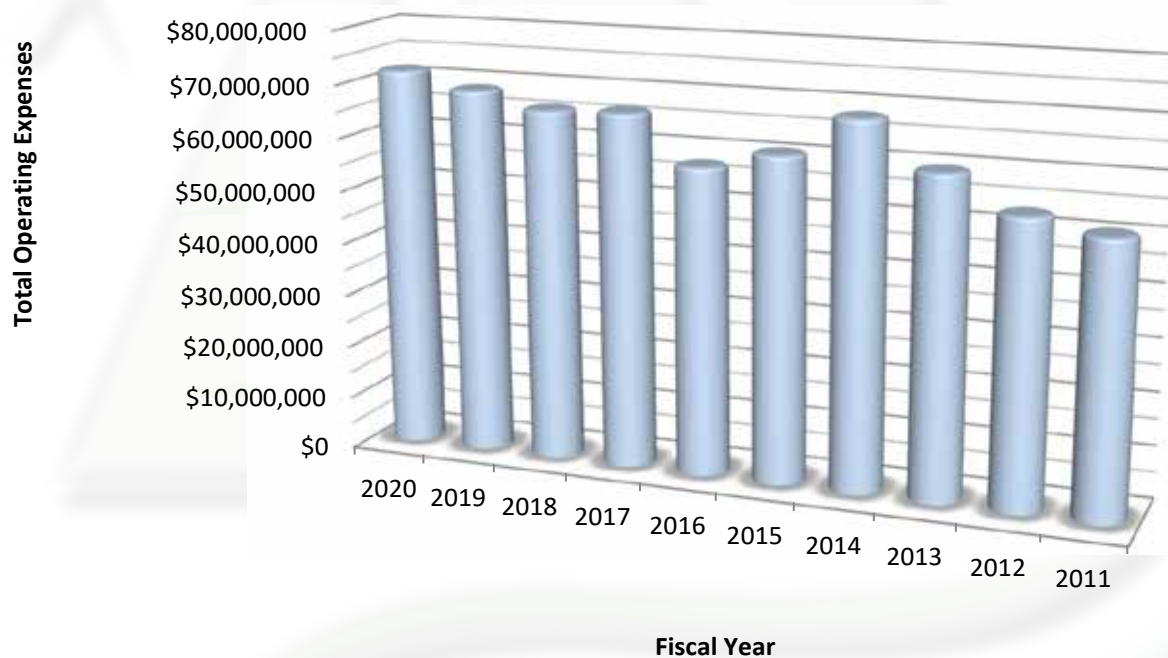
NOTE: Revenues in prior years may be reclassified to conform to current year presentation.

SOURCE: TVMWD - Finance Department

SCHEDULE 4

Three Valleys Municipal Water District
 Operating Expenses by Activity
 Last Ten Fiscal Years

Fiscal Year	Water Purchases ¹	Water Treatment and Distribution	Water Use and Connection	General and Administration	Depreciation	Total Operating Expenses
2020	\$ 58,056,004	\$ 3,167,888	\$ 4,754,664	\$ 4,444,970	\$ 1,551,136	\$ 71,974,662
2019	55,670,169	2,848,109	4,720,544	4,321,058	1,521,811	69,081,691
2018	52,987,129	2,891,079	4,887,541	3,928,897	1,578,054	66,272,700
2017	52,807,504	2,891,120	5,490,812	3,639,407	1,907,758	66,736,601
2016	43,514,064	2,543,649	6,323,886	3,304,582	2,223,976	57,910,157
2015	46,955,630	2,711,483	6,182,531	3,210,145	2,031,448	61,091,237
2014	55,401,389	2,648,714	5,254,027	3,347,977	1,894,716	68,546,823
2013	47,625,454	2,402,677	4,863,177	3,206,754	1,990,620	60,088,682
2012	41,371,120	2,316,509	4,645,695	3,377,341	1,928,138	53,638,803
2011	39,809,995	2,173,056	4,136,576	3,171,603	1,888,225	51,179,455



¹ Water purchases will vary depending upon a variety of external factors beyond TVMWD's control such as rainfall, population growth and supply fluctuations.

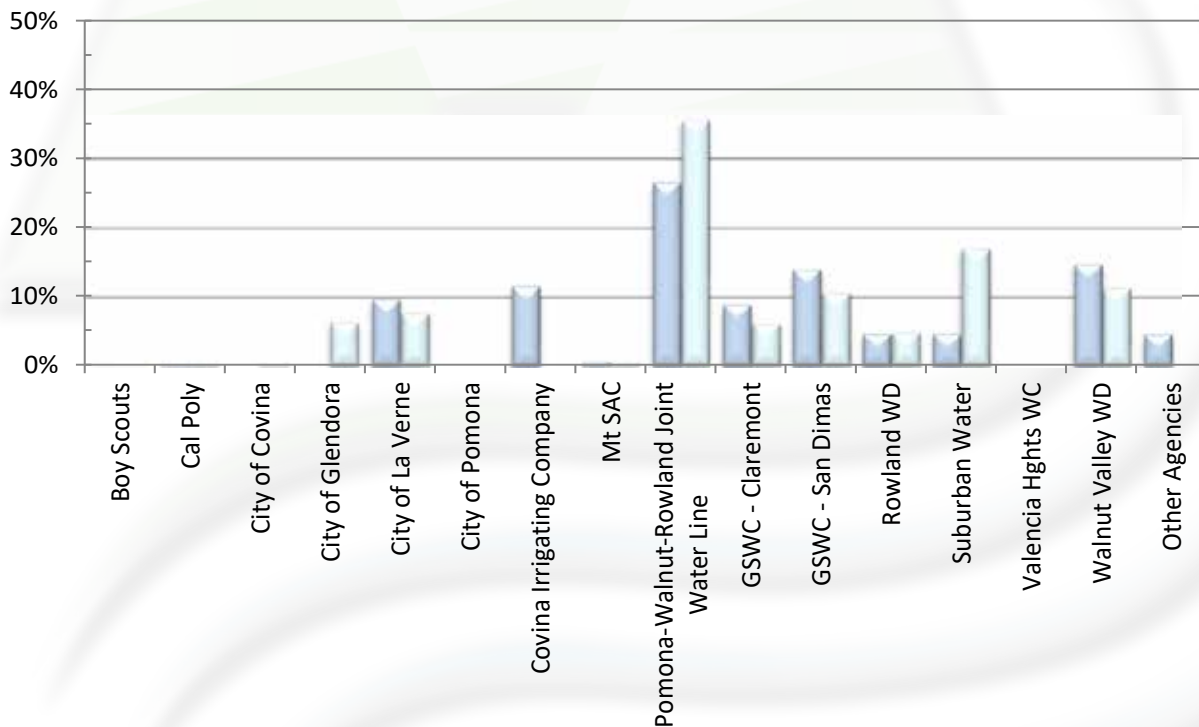
NOTE: Expenses in prior years may be reclassified to conform to current year presentation.

SOURCE: TVMWD - Finance Department

SCHEDULE 5

Three Valleys Municipal Water District
 Principal Water Customers Changes in Past Ten Years
 Current Fiscal Year and Nine Years Ago

Member Agency	Acre-Feet Sold FY 2020	Percentage of total	Acre-Feet Sold FY 2011	Percentage of total
Boy Scouts of America - Firestone Reservation	18	0.03%	8	0.01%
California State Polytechnic University, Pomona	127	0.20%	194	0.30%
City of Covina	-	0.00%	149	0.23%
City of Glendora	-	0.00%	4,129	6.35%
City of La Verne	6,188	9.64%	4,939	7.60%
City of Pomona	-	0.00%	-	0.00%
Covina Irrigating Company	7,404	11.53%	-	0.00%
Mt. San Antonio College	398	0.61%	294	0.45%
Pomona-Walnut-Rowland Joint Water Line	17,084	26.62%	23,103	35.54%
Golden State Water Company - Claremont	5,703	8.88%	3,956	6.08%
Golden State Water Company - San Dimas	8,917	13.89%	6,849	10.53%
Rowland Water District	2,987	4.65%	3,130	4.81%
Suburban Water Systems	3,003	4.68%	10,977	16.88%
Valencia Heights Water Company	-	0.00%	-	0.00%
Walnut Valley Water District	9,423	14.68%	7,290	11.22%
Other Agencies	2,946	4.59%	-	0.00%
	64,199	100.00%	65,018	100.00%

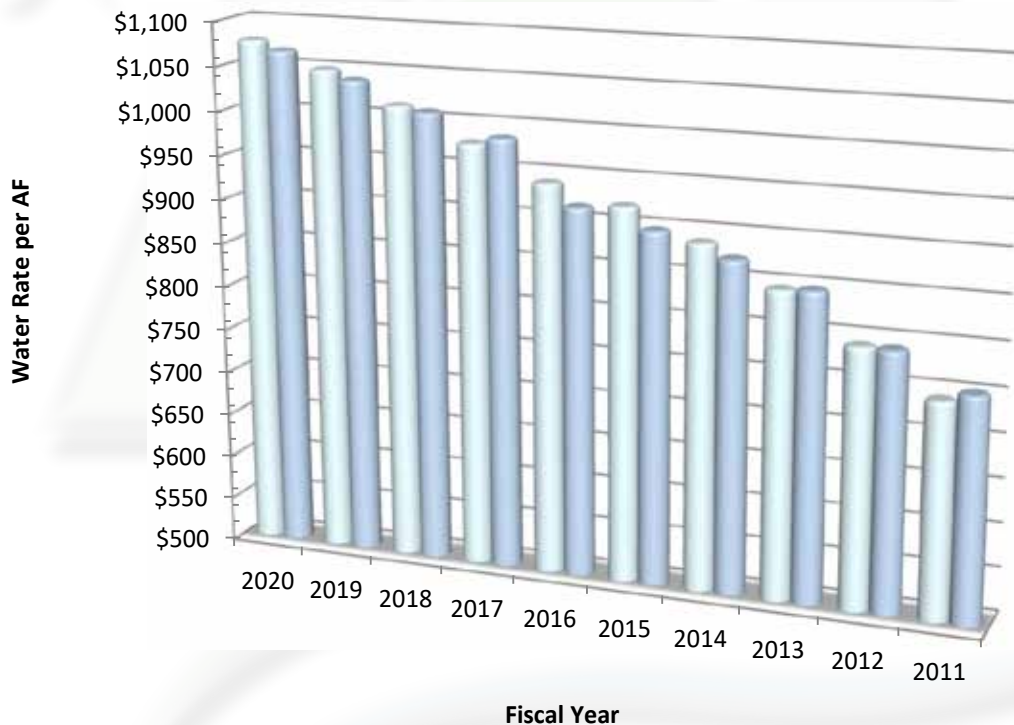


SOURCE: TVMWD - Finance Department

SCHEDULE 6

Three Valleys Municipal Water District
 Water Rates for MWD and TVMWD Water Sold
 Last Ten Calendar Years

Calendar Year	MWD Water Rate	Surcharge / Discount	TVMWD Water Rate
2020	\$ 1,078	\$ (10)	\$ 1,068
2019	\$ 1,050	\$ (10)	\$ 1,040
2018	1,015	(5)	1,010
2017	979	8	987
2016	942	(24)	918
2015	923	(24)	899
2014	890	(15)	875
2013	847	2	849
2012	794	(1)	793
2011	744	10	754



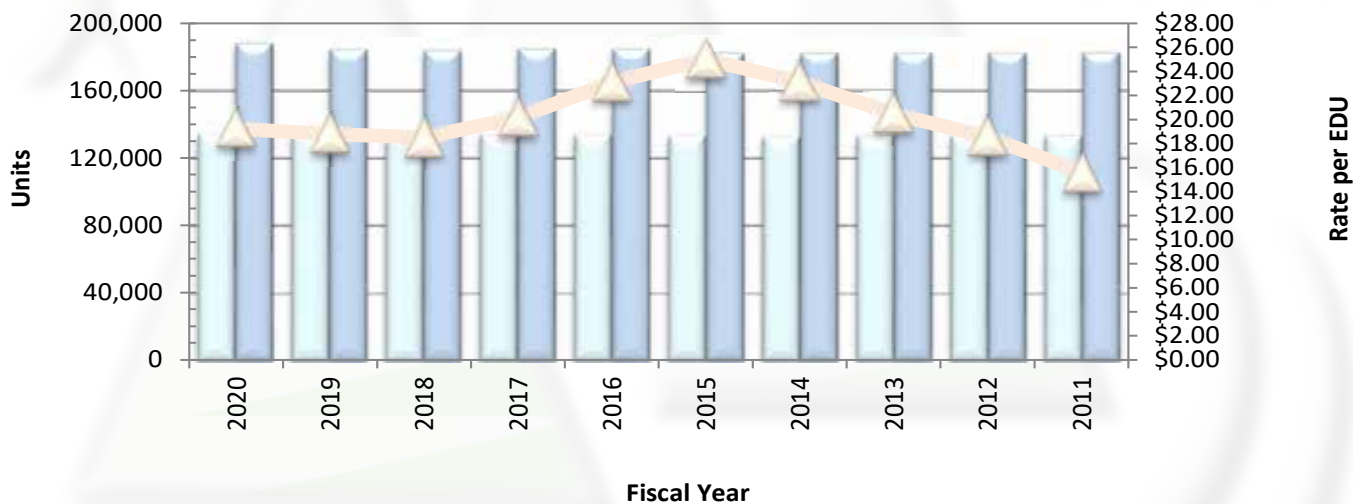
Note: All amounts are per acre foot.

SOURCE: TVMWD - Finance Department

SCHEDULE 7

Three Valleys Municipal Water District
Standby Charge Assessment Per Equivalent Dwelling Unit (EDU)
Last Ten Fiscal Years

Fiscal Year	Parcels ¹	EDUs ²	Rate per EDU ³
2020	134,850	188,427	\$19.23
2019	134,530	184,693	\$18.79
2018	134,019	184,484	\$18.51
2017	133,986	185,153	\$20.16
2016	133,949	185,144	\$23.09
2015	133,653	182,768	\$25.02
2014	132,918	182,732	\$23.11
2013	133,421	182,902	\$20.46
2012	133,406	182,893	\$18.54
2011	133,428	183,118	\$15.55



¹ All parcels in service area including residential, commercial, vacant and industrial. Excluded parcels are public streets, right-of-ways, easements and public property.

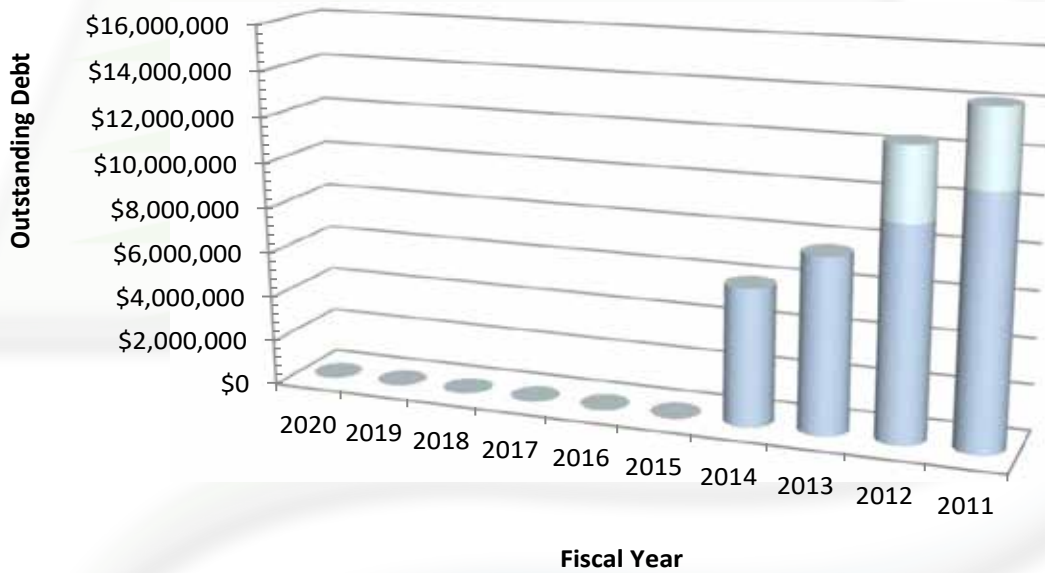
² EDUs are assigned to each parcel in proportion to the estimated benefit it receives from the availability of water service. A Single Family Residential parcel, the basic unit for calculating the Assessment, is defined as 1.0 EDU. Other land uses are assigned proportional EDUs.

³ MWD imposed a Readiness to Serve (RTS) charge on TVMWD to pay for capital improvements at MWD. TVMWD adopted a Standby Charge to pass the RTS charge through, at cost, to property owners within its service area. In the years prior to FY 06/07, the Standby Charge rate per EDU remained unchanged, even though TVMWD did not collect the full amount of its RTS obligation. In FY 06/07, TVMWD raised the rate per EDU to capture the entire cost of the RTS charge, and eliminated a monthly charge it had imposed on member agencies for the difference.

SCHEDULE 8

Three Valleys Municipal Water District
 Ratio of Outstanding Debt
 Last Ten Fiscal Years

Fiscal Year	Certificates of Participation	Installment Sales Agreement	Per Capita	Outstanding Debt as a Share of Personal Income
2020	\$ -	\$ -	\$ -	0.00%
2019	-	-	-	0.00%
2018	-	-	-	0.00%
2017	-	-	-	0.00%
2016	-	-	-	0.00%
2015	-	-	-	0.00%
2014	6,000,000	-	11.81	0.02%
2013	7,654,353	-	15.11	0.03%
2012	9,266,129	3,167,070	24.61	0.05%
2011	10,817,903	3,306,356	28.04	0.06%



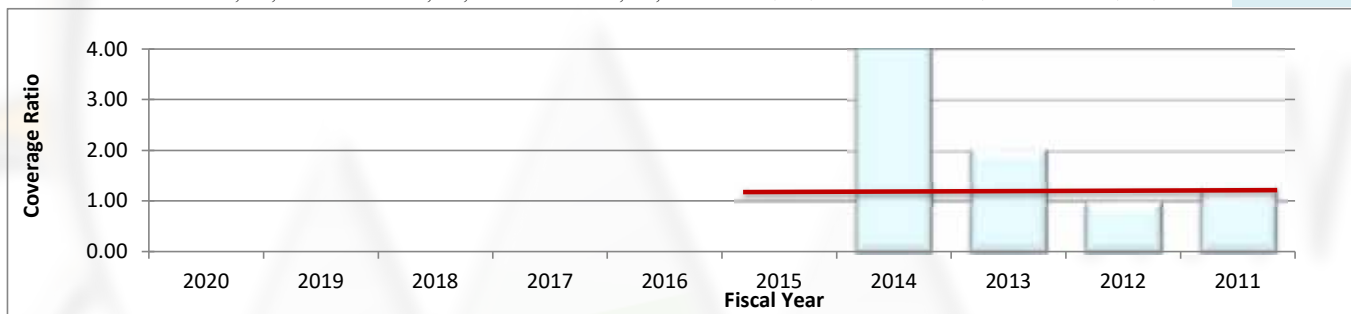
SOURCE: TVMWD - Finance Department

SCHEDULE 9

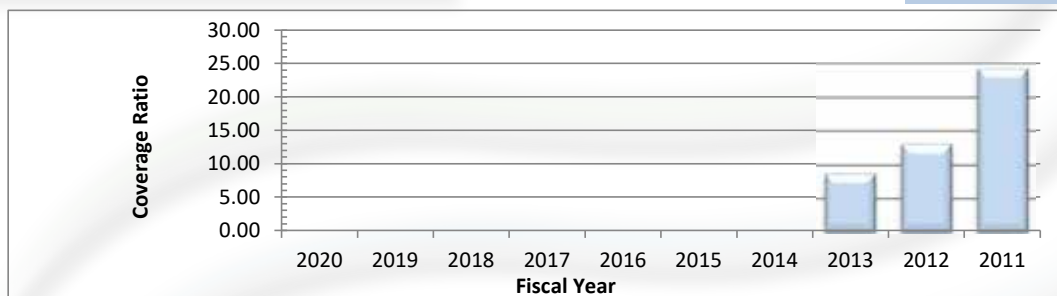
Three Valleys Municipal Water District
Debt Coverage
Last Ten Fiscal Years

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Fiscal Year	Revenues ¹	Expenses ²	Net Available Revenue	Debt Service		Total	Coverage Ratio ³
				Principal	Interest		
2020	\$72,215,790	\$70,423,526	\$ 1,792,264	\$ -	\$ -	\$ -	0.00
2019	70,182,603	67,559,880	2,622,723	-	-	-	0.00
2018	66,505,460	64,694,646	1,810,814	-	-	-	0.00
2017	67,243,154	64,828,844	2,414,310	-	-	-	0.00
2016	57,668,990	55,692,302	1,976,688	-	-	-	0.00
2015	66,619,113	59,059,789	7,559,324	-	-	-	0.00
2014	69,716,076	66,652,107	3,063,969	-	29,787	29,787	102.86
2013	62,100,603	58,098,062	4,002,541	1,850,000	104,599	1,954,599	2.05
2012	53,590,604	51,710,665	1,879,939	1,735,000	166,310	1,901,310	0.99
2011	51,648,183	49,291,230	2,356,953	1,690,000	228,903	1,918,903	1.23



Fiscal Year	Unencumbered Cash and Cash Equivalents	Debt Service		Total	Coverage Ratio ³
		Principal	Interest		
2020	\$ 1,568,103	\$ -	\$ -	\$ -	
2019	3,968,050	-	-	-	0.00
2018	1,803,767	-	-	-	0.00
2017	5,068,989	-	-	-	0.00
2016	3,728,324	-	-	-	0.00
2015	2,315,773	-	-	-	0.00
2014	3,509,585	-	-	-	0.00
2013	2,643,326	146,289	156,269	302,558	8.74
2012	3,937,407	139,286	161,543	300,829	13.09
2011	7,356,510	132,622	169,936	302,558	24.31



¹ Revenues include operating and non-operating revenues less GSWC interest payments.

² Expenses include operating and non-operating expenses less depreciation, amortization and interest.

³ Bond covenant debt coverage ratio of 1.15 is now 0 because debt has been fully repaid.

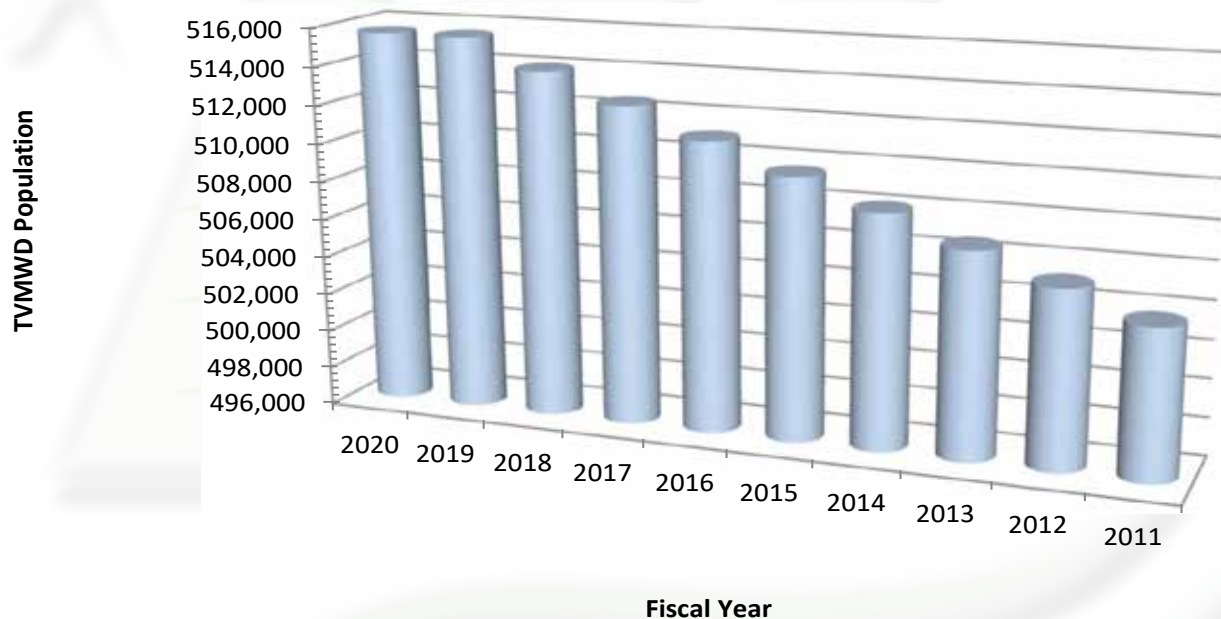
NOTE: Revenues and expenses in prior years may be reclassified to conform to current year presentation.

SOURCE: TVMWD - Finance Department

SCHEDULE 10

Three Valleys Municipal Water District
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	TVMWD Population Estimate ¹	County of Los Angeles			
		Unemployment Rate	Population ²	Personal Income (in thousands)	Personal Income per Capita
2020	515,575	4.3%	10,382,000	630,904,482	61,557
2019	515,575	4.1%	10,382,000	619,749,000	60,469
2018	514,089	4.3%	10,328,000	602,632,000	58,818
2017	512,607	4.6%	10,278,000	585,515,000	57,168
2016	511,129	5.2%	10,215,000	563,908,000	54,577
2015	509,655	6.6%	10,179,000	549,073,000	53,521
2014	508,186	8.2%	10,125,000	514,517,000	50,730
2013	506,721	9.8%	10,056,400	483,579,000	48,140
2012	505,260	10.9%	9,990,000	486,734,000	48,818
2011	503,803	12.2%	9,902,600	441,700,000	45,969



¹ Population estimate is based on TVMWD's population report for year 2010; the estimate is a percentage of the increase projected for the County of Los Angeles.

² County's population remains at the same level as the state did not provide an updated population forecast.

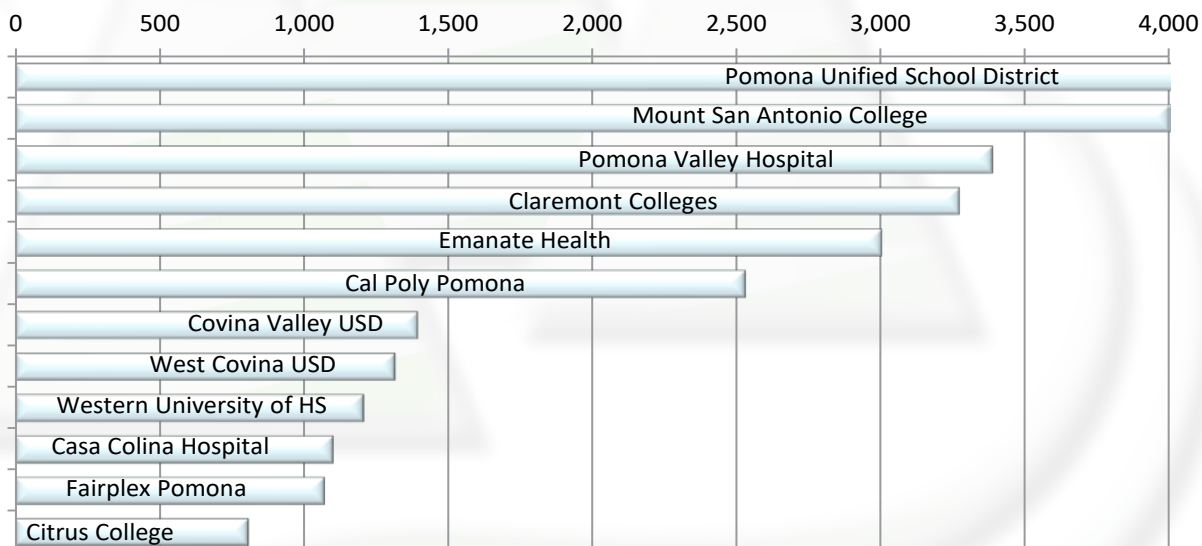
NOTE: Certain economic indicators such as unemployment rate and personal income are not calculated separately for TVMWD. Therefore, TVMWD has chosen to use the County of Los Angeles data, which is representative of the conditions and experiences of TVMWD.

SOURCES: LAEDC 2020 Economic Forecast and Industry Outlook

SCHEDULE 11

Three Valleys Municipal Water District
Principal Employers Changes in Past Ten Years
Calendar Year 2020

Employer	Number of Employees FY 2020	Percentage of Total Employment	Number of Employees FY 2011	Percentage of Total Employment
Pomona Unified School District	4,280	2.2%	3,076	1.6%
Mount San Antonio College	4,000	2.1%	2,775	1.4%
Pomona Valley Hospital	3,385	1.7%	2,800	1.4%
Claremont Colleges	3,270	1.7%	3,000	1.5%
Emanate Health	3,000	1.5%	3,500	1.8%
Cal State Polytechnic University Pomona	2,527	1.3%	2,100	1.1%
Covina Valley Unified School District	1,394	0.7%	1,073	0.6%
West Covina Unified School District	1,314	0.7%	1,492	0.8%
Western University of Health Sciences	1,206	0.6%		0.0%
Casa Colina Hospital and Centers	1,100	0.6%		0.0%
Fairplex Pomona	1,071	0.5%		0.0%
Citrus Community College	807	0.4%	566	0.3%
Lanterman Development Center		0.0%	1,072	0.5%



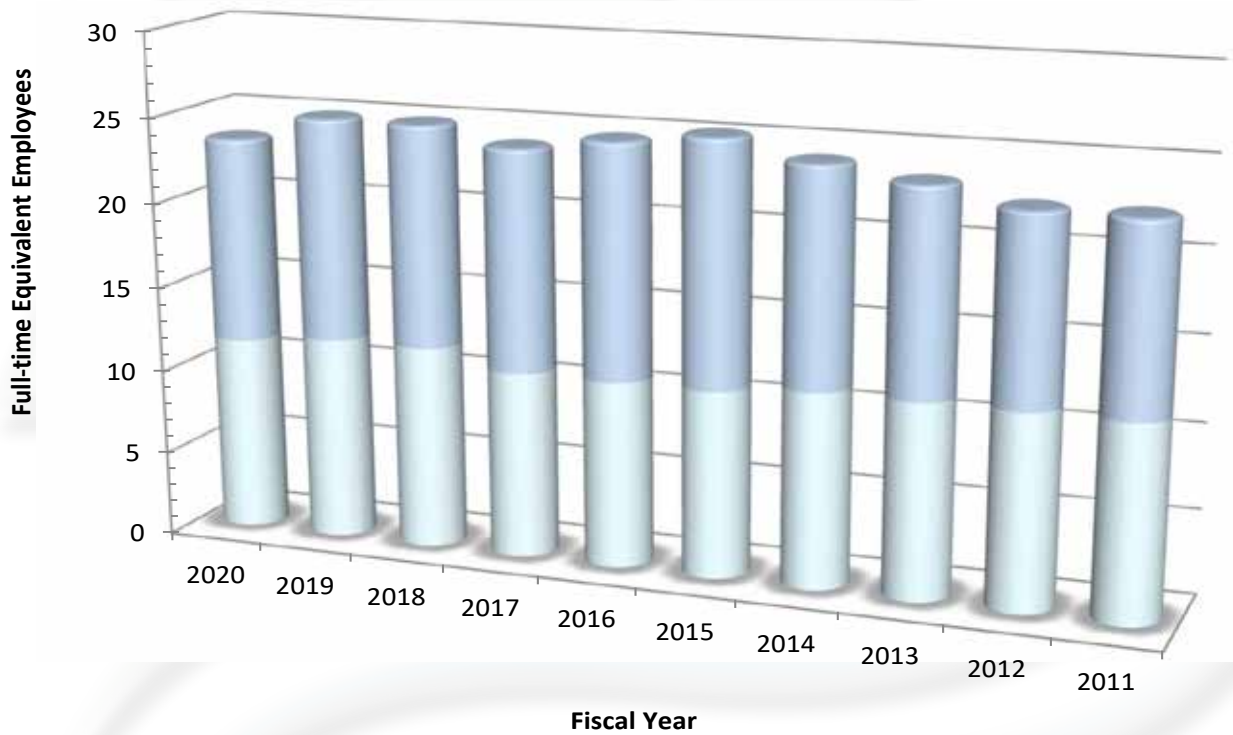
NOTE: The percentage of total employment is based on an estimate of 195,000 jobs in TVMWD's area.

SOURCE: City websites served by TVMWD

SCHEDULE 12

Three Valleys Municipal Water District
 Personnel Trends
 Last Ten Fiscal Years

Fiscal Year	Full-time Equivalent Employees by Department		
	Administration	Operations	TOTAL
2020	11.50	12.00	23.50
2019	12.00	13.00	25.00
2018	12.00	13.00	25.00
2017	11.00	13.00	24.00
2016	11.00	13.75	24.75
2015	11.00	14.33	25.33
2014	11.50	12.75	24.25
2013	11.50	12.00	23.50
2012	11.50	11.00	22.50
2011	11.50	11.00	22.50

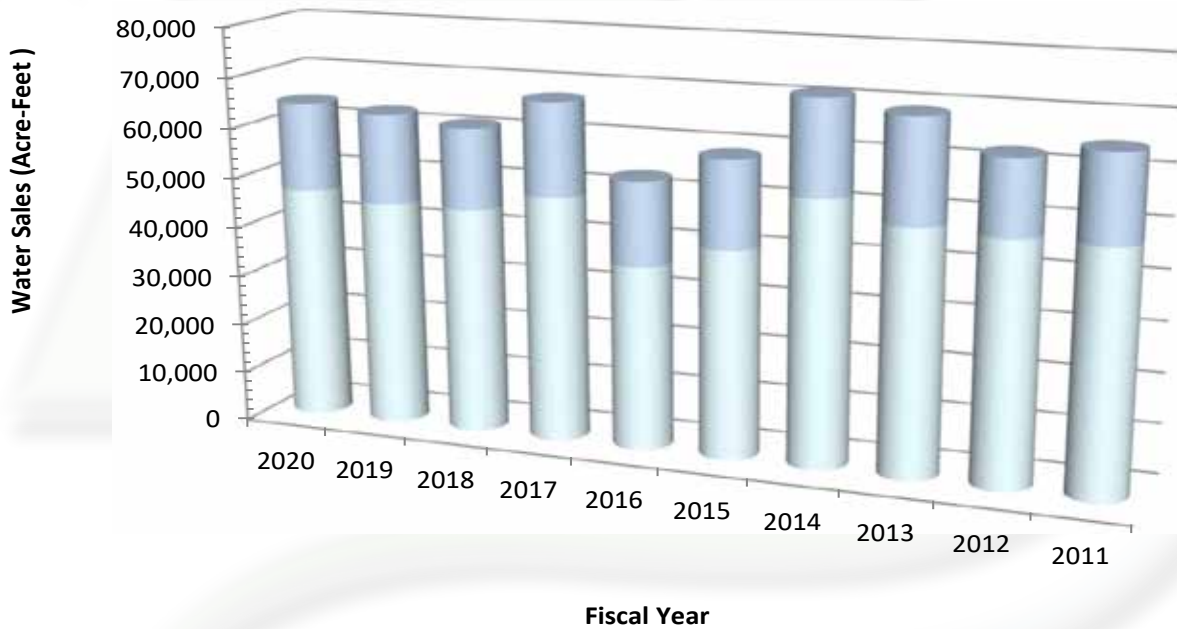


SOURCE: TVMWD - Finance Department

SCHEDULE 13

Three Valleys Municipal Water District
 Water Sales in Acre-Feet
 Last Ten Fiscal Years

Fiscal Year	Total MWD acre-feet sold	Total Miramar acre-feet sold	Total acre-feet sold
2020	46,539	17,660	64,199
2019	45,098	17,865	62,963
2018	45,186	16,191	61,377
2017	49,013	18,591	67,604
2016	36,739	16,710	53,449
2015	41,512	17,458	58,970
2014	52,718	18,791	71,509
2013	48,659	20,508	69,167
2012	47,985	14,870	62,855
2011	47,952	17,096	65,048



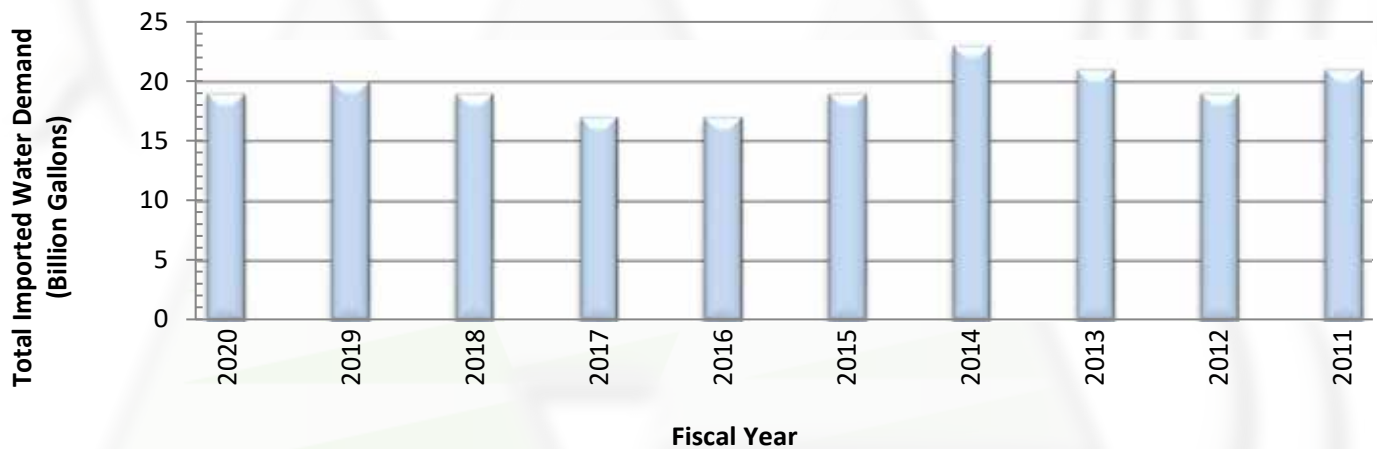
Note: Water Sales will vary depending upon a variety of external factors beyond TVMWD's control such as rainfall, population growth and supply fluctuations.

SOURCE: TVMWD - Finance Department

SCHEDULE 14

Three Valleys Municipal Water District
Miscellaneous Operating Statistics
Last Ten Fiscal Years

	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
TVMWD's SERVICE AREA:										
Number of member agencies	13	13	13	13	13	13	13	13	13	13
Number of cities/communities	16	16	16	16	16	16	16	16	16	16
Approximate Area (in square miles)	133	133	133	133	133	133	133	133	133	133
Number of connections (imported)	20	20	20	20	20	20	20	20	20	20
System capacity										
Imported (Acre-feet)	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Imported (Billion gallons)	26	26	26	26	26	26	26	26	26	26
Water Demand										
Imported (Acre-feet)	62,998	61,994	59,488	51,660	51,600	57,116	70,061	64,858	59,471	64,193
Imported (Billion gallons)	19	20	19	17	17	19	23	21	19	21
Total water demand	62,998	61,994	59,488	51,660	51,600	57,116	70,061	64,858	59,471	64,193



	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
MIRAMAR WATER TREATMENT PLANT AND PIPELINES:										
Length of pipeline (in miles)	10	10	10	10	10	10	10	10	10	10
Annual production (Acre-feet)	17,660	17,865	16,191	18,591	16,710	17,458	18,791	20,508	14,870	17,096
Annual production (billion gallons)	5	6	5	6	5	6	6	7	5	6
Number of connections	13	13	13	13	13	12	12	12	12	12
Hydroelectric Facilities										
Number of generating stations	5	5	5	5	5	3	3	3	3	3

Note: Service area demands are met by MWD and the Miramar Water Treatment Plant and Pipelines.

SOURCE: TVMWD - Finance Department

ACRONYMS AND ABBREVIATIONS

- ACWA/JPIA – Association of California Water Agencies /Joint Power Insurance Authority
- AF – Acre-Feet
- AFY – Acre-Feet per Year
- CAFR – Comprehensive Annual Financial Report
- CalPERS – California Public Employees Retirement System
- DWR – Department of Water Resources
- EDU – Equivalent Dwelling Unit
- FY – Fiscal Year
- GASB – Governmental Accounting Standards Board
- GDP – Gross Domestic Product
- GFOA – Government Finance Officers Association
- GPM – Gallons per Minute
- GSWC – Golden State Water Company
- IRP – Integrated Water Resources Plan
- JWL – Joint Water Line
- LAEDC – Los Angeles County Economic Development Corporation
- LAIF – Local Agency Investment Fund
- MWD – Metropolitan Water District of Southern California
- NRSROs – Nationally Recognized Statistical Rating Organizations
- OPEB – Other Post-Employment Benefits
- PERL – Public Employees’ Retirement Law
- RTS – Readiness-to-Serve
- S&P – Standard & Poor’s
- SDLF – Special District Leadership Foundation
- SEC – Securities and Exchange Commission
- SGV-COG – San Gabriel Valley Council of Governments
- SGVMWD – San Gabriel Valley Municipal Water District
- TVMWD – Three Valleys Municipal Water District
- UWMP – Urban Water Management Plan



EVENTS AND ACTIVITIES

LEADERSHIP BREAKFAST



SOLAR CUP 2020



SHUTDOWN



**THREE VALLEYS MUNICIPAL WATER DISTRICT
1021 EAST MIRAMAR AVENUE
CLAREMONT, CALIFORNIA 91711-2052**

**PHONE: (909) 621-5568
FAX: (909) 625-5470**


www.threevalleys.com

V THREE VALLEYS





Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: October 21, 2020
Subject: **FY 19-20 Final Reserves Schedule**

<input checked="" type="checkbox"/> For Action	<input type="checkbox"/> Fiscal Impact	\$
<input type="checkbox"/> Information Only	<input type="checkbox"/> Funds Budgeted:	

Staff Recommendation:

Staff recommends board approval to allocate FYE June 30, 2020 funds as follows:

- **Return \$1,177,500 to Capital Asset Reserves**
- **Carryforward \$396,462 of unused capital project funds to complete the listed projects during FY 20-21**

Background:

Attached for Board review is the Reserves Schedule as of June 30, 2020 presented as prescribed by GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB 54 presentation is not required, however tracking fund balance in this manner provides greater visibility as to the level of fund balance available for use. GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The hierarchy of five possible classifications of fund balance is:

- **Nonspendable** – Amounts that cannot be spent due to form.
- **Restricted** – Amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.
- **Committed (Reserved for Encumbrance)** – Amounts constrained for a specific purpose by a government using its highest level of decision-making authority.
- **Assigned (Board Designated)** – Amounts intended for specific purposes.
- **Unassigned** – The residual fund balance.

The Board has control primarily over Committed, Assigned and Unassigned.

Discussion:**Nonspendable (Inventory):**

The decision was made last September to repurpose some of our investment portfolio into buying and storing water within Main San Gabriel Basin, as it can provide a greater return on investment and is beneficial for future replenishment obligations of our member agencies. We have already turned some of that water back into cash and will bring forward a long-term strategy regarding this item during the next strategic plan. Therefore, we will no longer include inventory (stored water) in our reserve schedule.

Committed (Reserved for Encumbrance):

The Reserved for Encumbrance category reflects the final reconciliation for all encumbered projects that were completed or are still in progress.

- \$1,177,500 remains from projects completed or that will not continue on as of June 30, 2020. As has been done in the past, staff is proposing to return those funds to the Capital Asset Reserve category.
- \$396,462 remains from projects that are incomplete as of June 30, 2020. Staff recommends carrying these funds forward to FY 20-21 to finish the projects.

Assigned (Board Designated):

- All categories are within goal limits except Board Elections. Board Elections reserves will be replenished to the lower goal just as we pay for the next elections.
- Total Board Designated and Unassigned reserves are above the \$10 million goal for Emergency reserves.
- Lower and upper goal limits are updated annually with the revised strategic plan.

Strategic Plan Objective(s):

- 3.1 – Utilize and comply with a set of financial policies to maintain TVMWD's financial health
- 3.3 – Be accountable and transparent with major decisions

Attachment(s):

Exhibit A – FY 19-20 Final Reserve Schedule

Meeting History:

None

NA/JL

TVMWD RESERVES SCHEDULE

FUND BALANCE	June 30, 2019 BALANCE	SOURCES	USES	TRANSFERS	Year End Allocation	June 30, 2020 BALANCE
--------------	-----------------------	---------	------	-----------	---------------------	-----------------------

RESERVE GOAL

NONSPENDABLE						
Inventory	365,172		-	-	-	***
Deposits	8,976	-	-	-	-	8,976
Invested in Capital Assets net of related debt	29,990,254	4,304,679	(1,589,495)	-	-	32,705,438
	\$ 30,364,402	\$ 4,304,679	\$ (1,589,495)	\$ -	\$ -	\$ 32,714,414

RESTRICTED						
Restricted for pension trust	415,437	233,635	-	-	-	\$ 649,072
	\$ 415,437	\$ 233,635	\$ -	\$ -	\$ -	\$ 649,072

RESERVED FOR ENCUMBRANCE						
Vehicle Replacement	4,844	40,000	(43,672)	-	(1,172)	0
SCADA Modification & Upgrades	-	-	(49,830)	150,000	-	100,170
Admin Bldg Improvements	-	-	(43,509)	43,510	(1)	(0)
Bldg Modifications-Bathroom Upgrades	-	50,000	(1,928)	20,000	-	68,072
Bldg Modifications-Operations Interior	313,429	-	(4,964)	(109,510)	(198,955)	0
Filter Aid System Upgrades	85,089	-	-	-	(55,089)	30,000
6th/White Connection Upgrade	64,584	-	(16,753)	(18,649)	(29,183)	-
Miramar Plant - Site Paving	-	55,000	(49,178)	-	(5,822)	-
Miramar - PAC Room Remodel	-	140,000	(96,153)	(20,000)	(23,847)	(0)
Carpet Replacement	-	-	(39,235)	66,000	(8,813)	17,952
Carpports	226,972	-	(24,500)	-	(202,472)	-
TVMWD Well - Grand Ave. Claremont	407,050	2,532,259	(3,336,877)	392,354	5,214	(0)
TVMWD Well - West Baseline Claremont	295,828	-	-	(295,828)	-	-
CIP-Hydropneumatic Tank System Improvmts	-	-	(18,649)	18,649	-	0
Land Acquisitions	750,000	-	-	(151,493)	(598,507)	-
JWL Control Valve	128,896	53,640	(205,683)	22,000	1,147	0
MiraGrand Well	-	43,147	(164,724)	121,577	-	0
Miramar Plant-Alternative Disinfectn	-	124,167	-	-	-	124,167
Backwash Pond Gate Valves	-	-	-	36,100	-	36,100
AWIA Project	-	20,000	-	-	-	20,000
Fulton Reservoir-Residual Contrl Sys	-	200,000	-	(150,000)	(50,000)	-
Miramar Reservoir Effluent-Cover Str	-	105,000	(30,617)	(74,383)	-	-
Excavation/Valve Turning Trailer	-	175,000	(114,673)	(50,327)	(10,000)	0
	\$ 2,276,692	\$ 3,538,213	\$ (4,240,943)	\$ -	\$ (1,177,500)	\$ 396,462

BOARD DESIGNATED						
Board Elections	83,637	38,181	-	-	-	\$ 121,818
Water Management	200,000	-	-	-	-	200,000
Water Rate Stabilization	1,353,755	-	-	-	-	1,353,755
Capital Asset R/R	5,549,353	-	-	(1,217,269)	1,177,500	5,509,584
Opportunity	2,500,000	-	-	(150,000)	-	2,350,000
Employee Benefits	378,237	200,000	(200,000)	-	-	378,237
Emergency	-	-	-	-	-	-
	\$ 10,064,982	\$ 238,181	\$ (200,000)	\$ (1,367,269)	\$ 1,177,500	\$ 9,913,394

Lower	Upper
\$ 160,000	\$ 240,000
-	5,000,000
1,200,000	1,800,000
4,800,000	10,400,000
2,000,000	3,000,000
-	3,400,000
-	1,264,106
\$ 8,160,000	\$ 25,104,106


UNASSIGNED						
General	213,436	-	-	-	(92,052)	\$ 121,384
	\$ 213,436	\$ -	\$ -	\$ -	\$ (92,052)	\$ 121,384

TOTAL FUND BALANCE	\$ 43,334,949					\$ 43,794,726
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Board of Directors Staff Report

To: TVMWD Board of Directors

From: Matthew H. Litchfield, General Manager 

Date: October 21, 2020

Subject: **Audit Services Agreement**

<input checked="" type="checkbox"/> For Action	<input type="checkbox"/> Fiscal Impact	\$
<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Funds Budgeted:	

Staff Recommendation:

The Board authorizes the General Manager to enter into the attached five-year agreement with Lance, Soll & Lunghard, LLP for audit services.

Discussion:

TVMWD has utilized the audit services of Lance, Soll & Lunghard, LLP (LSL) since FY 07/08. LSL has numerous years of experience and extensive knowledge in working with water agencies. Over the years, LSL has consistently provided outstanding service to TVMWD. They display a high level of professionalism, provide additional assistance as needed throughout the year, and work extremely well with TVMWD staff.

The current audit service agreement with LSL expires at the conclusion of the audit for June 30, 2020. The audit service fee for FY 19/20 was \$23,771. LSL's attached proposed five-year agreement reflects a 1.8% increase for FY 20/21 and 2% increases for the subsequent four fiscal years through FY 24/25. LSL will also continue to rotate the audit partner over the agreement period to increase their objectivity and provide a fresh perspective.

Staff believes the proposed fee increases are minimal and reasonable for the value of service TVMWD receives. Staff also feels that by retaining LSL as TVMWD's audit firm, we will maintain continuity, a high level of experience, and there will be no impact to staff by introducing a new firm at this time.

Strategic Plan Objective(s):

3.3 Be accountable and transparent with major decisions.

Attachment(s):

Exhibit A – Lance, Soll & Lunghard, LLP Proposed Five-Year Service Agreement

Meeting History:

None

NA/JL



September 14, 2020

James Linthicum, CPA
Chief Finance Officer
Three Valleys Municipal Water District
1021 E. Miramar Avenue
Claremont, CA 91711

Dear Mr. Linthicum,

At your request, Lance, Soll & Lunghard, LLP is providing you a quote for audit services of the Three Valleys Municipal Water District for the next five (5) fiscal years beginning with the fiscal year ending June 30, 2021. The services to be provided will be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

The report to be issued will include the following:

- An audit opinion based on our audit of the financial statements of the Three Valleys Municipal Water District. These financial statements will be included within a Comprehensive Annual Financial Report (CAFR) and meet all the requirements necessary to receive the Government Finance Officers Association Award for Excellence in Financial Reporting.
- A report on internal control over financial reporting and other matters based on and audit of financial statements performed in accordance with Government Auditing Standards. This report will include recommendations on the internal control structure, which consists of the control environment, accounting system, and control procedures; and apparent noncompliance with laws, rules, and regulations and any other material matter coming to our attention during the conduct of the audit examination.

During our audit, we will be available to provide assistance and information to District staff when required including helpful recommendations to management.

We have made it an absolute priority to provide the Three Valleys Municipal Water District with the best service available and we would like to continue to provide this level of service to the District. Since we are familiar with your accounting system, we will be able to perform an efficient and effective audit under current audit standards, which will benefit the District with continuity of firm personnel and minimal disruption to District staff during the audit.





James Linthicum, CPA
 Chief Finance Officer
 Three Valleys Municipal Water District

We are proposing this contract to provide continuous and uninterrupted audit services to the District. To offer a fresh look at your organization, increase objectivity and independence, we are including a rotation of audit partners. Mr. Richard Kikuchi will be the audit partner for the audit of the fiscal year ending June 30, 2021, Mr. Bryan Gruber will rotate as the audit partner for the fiscal years ending June 30, 2022 and 2023, and Mr. Richard Kikuchi will rotate back as the audit partner for the fiscal years ending June 30, 2024 and 2025. As part of our services LSL CPAs, will continue to provide extensive Governmental Accounting Standards Board (GASB) assistance to the District throughout the years of the agreement.

Our quoted price for the above procedures will be as follows:

Services	2020-21	2021-22	2022-23	2023-24	2024-25
District's financial audit	\$ 24,195	\$ 24,670	\$ 25,170	\$ 25,670	\$ 26,180

Again, LSL CPAs looks forward to continuing to provide quality services to the Three Valleys Municipal Water District. Please sign below to acknowledge your acceptance of this agreement and return to my attention. Should you or any other representative of the District have additional questions regarding this agreement, please do not hesitate to contact Richard Kikuchi, Partner as (714)672-0022.

Very truly yours,

Richard K. Kikuchi, Partner
 LANCE, SOLL & LUNGHARD, LLP

RESPONSE:

This letter correctly sets forth the understanding of Three Valleys Municipal Water District.


By: _____

Title: _____

Date: _____



Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: October 21, 2020
Subject: **Review Insurance Plan Changes to Life & Accidental Death & Dismemberment Insurance, Short-Term Disability and Long-Term Disability**

<input type="checkbox"/> For Action	<input type="checkbox"/> Fiscal Impact	<input type="checkbox"/> Funds Budgeted
<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Cost Estimate:	

Staff Recommendation:

No Action Necessary – Informational Item Only

Discussion:

The proposed changes to the Life & Accidental Death & Dismemberment (AD&D) Insurance, Short-Term Disability Insurance, and Long-Term Disability Insurance plans described herein will lower the employee and employer contribution rate while maintaining the same level, or in some cases, a higher level of coverage.

Life & AD&D Insurance:

- Two (2) times salary with maximum benefit of \$200,000 will be increased to \$250,000.
- Employee contribution rates will decrease
- Rate guarantee will increase from 12-months to 24-months.

Short-Term Disability:

- Pay continuation rate of 66.67% - maximum weekly benefit of \$1,731 will increase to \$2,309.
- Increasing the plan benefit to \$2,309 would provide a stronger benefit for higher earners.

Long-Term Disability Insurance:

- Wage continuation at a maximum monthly benefit of \$7,500 will increase to \$10,000.

Life & AD&D Insurance	<p>Life Insurance: is a policy that pays benefits to the beneficiary upon the death of the insured person.</p> <ul style="list-style-type: none"> • Employees can voluntarily elect for coverage. • Current plan is managed through ACWA JPIA, with Reliance as the insurance carrier. <p>AD&D: Accidental Death and Dismemberment is a policy that pays benefits to the beneficiary if the cause of death is an accident. The rider covers the unintentional death or dismemberment of the insured.</p> <ul style="list-style-type: none"> • <u>Current Plan:</u> 2 times salary with a maximum benefit of \$200,000. • <u>Revised Plan:</u> 2 times salary with maximum benefit of \$250,000. • <u>Plan Cost:</u> Employee Rate Decrease from \$0.229/per \$1,000 to \$0.150/per \$1,000 with a 24-month rate guarantee (currently we only have a 12-month guarantee). <p>The revised plan lowered the employee contribution rate while maintaining the same level or in some cases higher level of coverage.</p> <table border="1" data-bbox="428 886 1446 1245"> <thead> <tr> <th>LIFE/AD&D BENEFIT SUMMARY</th> <th>CURRENT PLAN</th> <th>REVISED PLAN</th> </tr> </thead> <tbody> <tr> <td>Employee Amount</td> <td>2 X Salary</td> <td>2 X Salary</td> </tr> <tr> <td>Minimum</td> <td>\$10,000</td> <td>\$10,000</td> </tr> <tr> <td>Maximum</td> <td>\$200,000</td> <td>\$250,000</td> </tr> <tr> <td>Guarantee Issue</td> <td>\$200,000</td> <td>\$250,000</td> </tr> <tr> <td>Life/AD&D Volume</td> <td>\$4,135,000</td> <td>\$4,623,000</td> </tr> <tr> <td># Employees</td> <td>18</td> <td>18</td> </tr> <tr> <td>Employee Rate per \$1,000</td> <td>0.229</td> <td>0.150</td> </tr> <tr> <td>Rate Guarantee</td> <td>12 months</td> <td>24 months</td> </tr> </tbody> </table>	LIFE/AD&D BENEFIT SUMMARY	CURRENT PLAN	REVISED PLAN	Employee Amount	2 X Salary	2 X Salary	Minimum	\$10,000	\$10,000	Maximum	\$200,000	\$250,000	Guarantee Issue	\$200,000	\$250,000	Life/AD&D Volume	\$4,135,000	\$4,623,000	# Employees	18	18	Employee Rate per \$1,000	0.229	0.150	Rate Guarantee	12 months	24 months
LIFE/AD&D BENEFIT SUMMARY	CURRENT PLAN	REVISED PLAN																										
Employee Amount	2 X Salary	2 X Salary																										
Minimum	\$10,000	\$10,000																										
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Employee Rate per \$1,000	0.229	0.150																										
Rate Guarantee	12 months	24 months																										
Short-Term Disability	<p>Short-term disability: is a type of insurance benefit that provides some compensation or income replacement for non-job-related injuries or illnesses that render you unable to work for a limited time period. Plan benefit is for 18-weeks.</p> <ul style="list-style-type: none"> • <u>Current Plan:</u> Pay continuation rate of 66.67% wage continuation at a maximum weekly benefit of \$1,731. • <u>Revised Plan:</u> Pay continuation rate of 66.67% wage continuation at a maximum weekly benefit of \$2,309. • <u>Plan Cost:</u> Employer funded plan. Current monthly plan cost: \$214. Rate would decrease to \$84 monthly (\$130/month decrease). <p>Employee Impact: Under the current plan we have 6 employees (about 25% of our employee population) whose earnings are greater than \$157,500. If they needed to draw from the short-term disability benefit, they would be compensated at the maximum dollar amount (\$1,731) – which would fall below 66.67% of their salary.</p>																											

Increasing the plan benefit to \$2,309 would provide a stronger benefit for those 6-employees, primarily made up from the Executive Team.

STD BENEFIT SUMMARY	CURRENT PLAN	REVISED PLAN
Benefit %	66.67%	66.67%
Elimination Period: Accident	60 days	60 days
Sickness	60 days	60 days
Maximum Weekly Benefit	\$1,731	\$2,309
Benefit Period	18 weeks	18 weeks
STD COST SUMMARY		
18 WEEK RATE	\$0.070	\$0.025
STD Volume	\$30,519	\$33,590
18 WEEK TOTAL MONTHLY	\$214	\$84
Rate Guarantee	24 months	24 months

Long-Term Disability

Long-term disability: is an insurance policy that provides income replacement for workers if they become unable to work due to an illness or injury and have exhausted their short-term disability plan benefits.

- Current Plan: Pay continuation rate of 66.67% wage continuation at a maximum monthly benefit of \$7,500.
- Revised Plan: Pay continuation rate of 66.67% wage continuation at a maximum monthly benefit of \$10,000.
- Plan Cost: Employer funded plan. Current monthly plan cost: \$736. Rate would increase to \$840 monthly (\$104/month increase).

Employee Impact:

Under the current plan we have 6 employees (about 25% of our employee population) whose earnings are greater than \$157,500. If they needed to draw from the short-term disability benefit, they would be compensated at the maximum dollar amount (\$1,731) – which would fall below 66 2/3% of their salary.

Increasing the plan benefit to \$2,309 would provide a stronger benefit for those 6-employees, primarily made up from the Executive Team.

LTD COST SUMMARY	CURRENT PLAN	REVISED PLAN
180 DAY ELIMINATION RATE	0.370%	0.370%
LTD Volume	\$198,814	\$218,290
180 DAY TOTAL MONTHLY	\$736	\$808
Rate Guarantee	24 months	24 months

District Cost/Benefit Analysis:

Move from a 12-month rate guarantee to a 24-month rate guarantee on all 4-plans.

	CURRENT PLAN	REVISED PLAN
Life & AD&D Monthly Cost	\$947	\$693
STD 18 Week Monthly Total	\$214	\$84
LTD 180 Day EP Monthly Total	\$736	\$808
TOTAL MONTHLY COST	\$1,896	\$1,585
Monthly Increase/Savings		\$311
Annual Increase/Savings		\$3,732
Percentage Increase/Decrease		16.41%

Strategic Plan Objective(s):

3.3 – Be accountable and transparent with major decisions

Attachment(s):

None

Meeting History:

None

NA/LP