

*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.*



**BOARD OF DIRECTORS  
REGULAR MEETING**

**OCTOBER 19, 2022**

**8:00 AM**

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1021 E. Miramar Avenue | Claremont, California 91711-2052

909.621.5568 | [www.threevalleys.com](http://www.threevalleys.com)



# THREE VALLEYS MUNICIPAL WATER DISTRICT REGULAR BOARD MEETING AGENDA

1021 E. Miramar Avenue, Claremont, CA 91711  
OCTOBER 19, 2022 – 8:00 AM

*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.*

## SPECIAL NOTICE OF TELECONFERENCE ACCESSIBILITY

Pursuant to the provisions of Assembly Bill 361, which amended certain provisions of the Brown Act regarding teleconference meetings during periods of statewide emergencies, and as a precaution to our Board of Directors, District staff and general public as a result of the ongoing COVID-19 pandemic, Three Valleys MWD will hold this meeting of its Board of Directors both in-person at the above location and via teleconference. The public may participate in the meeting by physical attendance or by teleconference by clicking on the link below:

[https://tvmwd.zoom.us/webinar/register/WN\\_pHB-E7rUSKckd0yazayK6g](https://tvmwd.zoom.us/webinar/register/WN_pHB-E7rUSKckd0yazayK6g)

*(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 in any of the following manners: (1) when prompted by the President during the public comment period, (2) by filling out the electronic speaker’s card at the following link <https://arcg.is/0z5GqO> prior to the close of public comment, (3) by sending an email to [publiccomment@tvmwd.com](mailto:publiccomment@tvmwd.com) prior to the close of public comment, or (4) for those attending the meeting in person, completing a speaker’s card and providing it to the Executive Assistant prior to the close of public comment.

1. CALL TO ORDER ROBERTO

2. ROLL CALL AGUIRRE

- Jody Roberto, President
- Brian Bowcock, Vice President
- Carlos Goytia, Secretary
- Mike Ti, Treasurer
- David De Jesus, Director
- Bob Kuhn, Director
- Danielle Soto, Director

3. FLAG SALUTE ROBERTO

4. AGENDA REORDER/ADDITIONS [*Government Code Section 54954.2(b)(2)*] ROBERTO

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.

5. PUBLIC COMMENT (*Government Code Section 54954.3*)

ROBERTO

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 three minutes or less. Pursuant to Government Code Section 54954.3, if speaker is utilizing a translator, the total allotted time will be doubled.

6. PRESENTATION

HOWIE

A. YEAR END LEGISLATIVE UPDATE

Mr. Mike Arnold and Ms. Kristi Foy of Arnold and Associates will provide a year-end legislative update for 2022.

7. CONSENT CALENDAR

ROBERTO

The Board will consider consent calendar items 7.A – 7.L 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.

A. RECEIVE, APPROVE AND FILE BOARD MEETING MINUTES

- September 7, 2022 – Regular Board Meeting
- September 21, 2022 – Regular Board Meeting

B. RECEIVE, APPROVE AND FILE FINANCIAL REPORTS AND INVESTMENT UPDATE, SEPTEMBER 2022

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

C. IMPORTED WATER SALES, SEPTEMBER 2022

The Board will review the imported water sales report for September 2022.

D. MIRAMAR OPERATIONS REPORT, SEPTEMBER 2022

The Board will review the Miramar Operations report for September 2022.

E. APPROVE DIRECTOR EXPENSE REPORTS, SEPTEMBER 2022

The Board will consider approval of the September 2022 Director expense reports that include disclosure of per diem requests for meeting attendance and itemization of any expenses incurred by TVMWD.

(ITEM 7 CONTINUED)

F. REVISED CY 2022 HOLIDAY SCHEDULE

The Board will receive, approve, and file the revised CY 2022 holiday schedule.

G. CY 2023 HOLIDAY SCHEDULE

The Board will receive, approve, and file the proposed CY 2023 holiday schedule.

H. LAFCO BALLOT SPECIAL DISTRICT REPRESENTATIVE

The Board will select a candidate for Special District LAFCO Voting Member.

I. MIRAMAR ELECTRICAL SWITCHBOARD UPGRADE

The Board will consider awarding a contract for the electrical switchboard upgrade.

J. MIRAMAR TRANSMISSION LEAK DETECTION PROGRAM

The Board will consider approval of a budget amendment and approving a contract for the Miramar transmission leak detection program.

K. ADOPT RESOLUTION NO. 22-10-943 TAX SHARING EXCHANGE COUNTY SANITATION DISTRICT NO. 21, ANNEXATION NO. 21-770

Approval of Resolution No. 22-10-943 signifies acceptance of the tax sharing exchange by County Sanitation District No. 21.

L. ADOPT RESOLUTION NO. 22-10-944 TAX SHARING EXCHANGE COUNTY SANITATION DISTRICT NO. 22, ANNEXATION NO. 22-442

Approval of Resolution No. 22-10-944 signifies acceptance of the tax sharing exchange by County Sanitation District No. 22.

**BOARD ACTION REQUIRED 7.A – 7.L**

Staff Recommendation: Approve as Presented

8. REPORTS

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.

A. INFORMATION TECHNOLOGY MASTER PLAN

PENG

The Board will be briefed on the Information Technology Master Plan.

B. WATER SUPPLY UPDATE

LEE

The Board will be provided an oral update on current water supply conditions.

9. ACTION AGENDA

LITCHFIELD

The following items on the Action Agenda call for discussion and action by the Board. All items are placed on the agenda so that the Board may discuss and take action on the item if the Board is so inclined.

A. AUDIT AND ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2022

LINTHICUM

The Board will consider approval of the FY 21/22 audit and ACFR after a presentation from staff and the audit firm.

**BOARD ACTION REQUIRED 9.A**

Staff Recommendation: Approve as Presented

B. RESERVE SCHEDULE FOR FISCAL YEAR ENDED JUNE 30, 2022

LINTHICUM

The Board will consider adopting staff's recommendations for allocation of reserves.

**BOARD ACTION REQUIRED 9.B**

Staff Recommendation: Approve as Presented

C. MASTER ON-CALL PROFESSIONAL SERVICES AGREEMENTS AWARD

LEE

The Board will consider awarding the master on-call professional services agreements.

**BOARD ACTION REQUIRED 9.C**

Staff Recommendation: Approve as Presented

10. DIRECTORS'/GENERAL MANAGER'S ORAL REPORTS

ROBERTO

Directors 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.

11. CLOSED SESSION

ROBERTO

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
[Government Code Section 54956.9(d)(1)]

Name of Case: Chino Basin Municipal Water District v. City of Chino, et al.,  
San Bernardino County Superior Court Case No. RCV RS 51010

B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

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

## 12. FUTURE AGENDA ITEMS

ROBERTO

## 13. ADJOURNMENT AND NEXT MEETING

ROBERTO

The Board will adjourn to a regular Board Meeting on November 2, 2022 at 8:00 AM.

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In compliance with the Americans with Disabilities Act Government Code Section 54954.2(a), if special assistance is needed to participate in this public meeting, please contact the Executive Assistant at (909) 621-5568 at least 24 hours prior to the meeting.

Pursuant to Government Code Section 54957.5, materials related to an item on this agenda submitted after distribution of the agenda packet will be posted on the TVMWD website at [www.threevalleys.com](http://www.threevalleys.com).

Three Valleys MWD Board meeting packets and agendas are available for review at [www.threevalleys.com](http://www.threevalleys.com).



## THREE VALLEYS MUNICIPAL WATER DISTRICT REGULAR BOARD MEETING MINUTES

September 7, 2022 – 8:00 a.m.

### 1. CALL TO ORDER

The Board meeting was called to order at 8:00 a.m. at the District office located at 1021 East Miramar Ave., Claremont, CA, and via teleconference. The presiding officer was President Jody Roberto.

### 2. ROLL CALL

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

#### DIRECTORS PRESENT

Jody Roberto, President  
Brian Bowcock, Vice President  
Carlos Goytia, Secretary  
Mike Ti, Treasurer  
David De Jesus, Director  
Bob Kuhn, Director  
Danielle Soto, Director

#### STAFF PRESENT

Matthew Litchfield, General Manager  
Steve Kennedy, Legal Counsel  
Nadia Aguirre, Executive Assistant  
Liz Cohn, Senior Financial Analyst  
Freeman Ensign, Operations Supervisor  
Karen Harberson, Compliance Specialist  
Kirk Howie, Chief Administrative Officer  
Steve Lang, Chief Operations Officer  
Sylvie Lee, Chief Water Resources Officer  
James Linthicum, Chief Finance Officer  
Kevin Panzer, Assistant Engineer  
Robert Peng, I.T. Manager  
Viviana Robles, Human Resources/Risk Manager  
Marissa Turner, Admin./Communications Assistant

Virtual Attendees: Ed Chavez, Water Quality Authority; Kelly Gardner, Main San Gabriel Basin Watermaster; Rick Hansen, Cal Poly Pomona; Kevin Hayakawa, Walnut Valley Water District; Ed Hilden, Walnut Valley Water District; Richard Lambros, Engineering Contractors' Association; Ben Lewis, Golden State Water Company; Szu Lu, Rowland Water District; Myra Malner, Rowland Water District; Michael Melinte, City of Covina; John Mendoza; Dave Michalko, Valencia Heights Water Company; Carolee Monroe, League of Women Voters; Stephanie Moreno, Water Quality Authority; Gabriela Sanchez, Rowland Water District; Marci Stange, Rebuild SoCal Partnership; Jennifer Stark, City of Claremont

In Person Attendee: Tom Coleman, Rowland Water District; Tony Lima, Rowland Water District; Dusty Moisiso, Rowland Water District

### 3. FLAG SALUTE

The flag salute was led by President Roberto.

### 4. AGENDA REORDER/ADDITIONS

No reorder or additions to the agenda were requested.

**5. PUBLIC COMMENT**

Marci Stange of the Rebuild SoCal Partnership provided public comment.

Richard Lambros from the Southern California Group provided public comment.

**6. PRESENTATION****A. TVMWD TEAM ACHIEVEMENTS & MILESTONES**

General Manager Litchfield recognized the following employees for their one-year anniversary at TVMWD: (1) Human Resources/Risk Manager Viviana Robles; (2) Engineer Kevin Panzer; and (3) Administrative/Communications Assistant Marissa Turner.

**7. ACTION AGENDA****A. ADOPT RESOLUTION NO. 22-09-936 RE-AUTHORIZING REMOTE TELCONFERENCE MEETINGS PURSUANT TO THE PROVISIONS OF ASSEMBLY BILL 361**

A brief update was provided on AB 2449. The bill is currently on the Governor's desk and awaiting signature in the next couple of weeks.

Upon motion and second, President Roberto called for a roll call vote.

Moved: Director De Jesus	Second: Director Goytia
Ayes: Bowcock, De Jesus, Goytia, Kuhn, Roberto, Soto, Ti	
Noes:	
Absent:	
Motion No. 22-09-5391 Adoption of Resolution No. 22-09-936	
Motion passed 7-0	

**8. GENERAL MANAGER'S REPORT****A. GOVERNMENT FINANCE OFFICERS ASSOCIATION AWARD**

This is the 15<sup>th</sup> consecutive year TVMWD has been awarded the Government Finance Officers Association Award for Excellence in Financial Reporting. Chief Finance Officer Linthicum thanked Liz Cohn and Esther Romero for their efforts and hard work.

**B. JPIA REFUND CHECK**

The Board discussed the potential for providing the JPIA refund of \$17,210 to eligible staff as a one-time discretionary bonus to recognize their efforts to control liability, property and workers' compensation insurance costs. Upon motion by Director Kuhn and second by Director De Jesus to provide a one-time discretionary bonus to staff, Legal Counsel Kennedy stated this item is not for motion on today's agenda. This item will be brought back to a future board meeting for consideration of approval via resolution. Vice President Bowcock

recommended research on alternative methods of disbursement where employees are not taxed.

#### **C. EMPLOYEE HEALTH CARE COSTS CY 2023**

Human Resources/Risk Manager Robles reviewed changes to the employee's health care costs. A summary of 2023 rate changes is provided in the staff report. The premium renewal will generate a \$25,000 calendar year savings to the district. Director Kuhn requested information on long term care and how inflation impacts the rates. This item will be brought back to a future board meeting for consideration of approval.

#### **D. CONFLICT OF INTEREST CODE AMENDMENT**

TVMWD received the biennial review certification notice from the Los Angeles County Board of Supervisors (BOS). After review, it was determined the Engineer position should be added to the Conflict of Interest Code. Documents have been submitted to the BOS for review and upon approval, a resolution will be brought forth to the TVMWD Board for adoption.

#### **E. GEOGRAPHIC INFORMATION SYSTEM UPDATE**

Information Technology Manager Peng provided a Geographic Information System (GIS) update. Upon execution of a professional services agreement with Miller Spatial Services in September 2021, project objectives were established and followed throughout the GIS project. The scope of work has been completed and the project remains open as there are project hours remaining from the field data verification task. Project hours have been reallocated for additional training, support, and GIS development.

#### **F. RESOLUTION TO ADOPT THE 2017 UPDATED GREATER LOS ANGELES COUNTY REGION INTEGRATED REGIONAL WATER MANAGEMENT PLAN**

Chief Water Resources Officer Lee provided information on the Integrated Regional Water Management (IRWM) Grant Program. The program will provide funding for projects and programs that support integrated water management. In order to be eligible for the program, TVMWD must adopt a resolution to apply for funding and adopt the IRWM plan. Director Ti requested a summary of the plan for review at the next board meeting. This item will be brought back to a future board meeting for consideration of approval.

#### **G. WATER RESOURCES UPDATE**

Engineer Panzer provided an update on current district projects. In regard to the Miragrind Well project, the motor was delivered to the factory for testing this week and an on-site delivery date will be provided soon. On-site construction activities have progressed, and the anticipated completion date is November 2022. The Emergency Generator Upgrade project will open for construction bid solicitation in October with an anticipated completion date of February 2023. Next, the Electrical Switch Gear Upgrade project will retrofit existing equipment providing a savings in cost and downtime while increasing reliability. Anticipated completion of this project is February 2024. The Big Dalton Spreading Grounds project was to be an extension of PM-26 in Glendora. The project did not provide significant benefit to the City of Glendora and participation with L.A. County Public Works was declined. The Six

Basins Groundwater project is in partnership with Puente Basin Water Agency. Walnut Valley Water District is procuring the permit and construction. Engineer Panzer reviewed projects planned which include: Miramar System Leak Detection, and Glendora Irwindale Wells Reliability project.

Chief Water Resources Officer Lee reported on projects in planning: Miramar Pumpback Upgrades, reconfiguring the Water Resources Master Plan, and taking the lead on applying for the DWR Urban Community Drought Relief Grant Program with Walnut Valley Water District.

## 9. DIRECTORS'/GENERAL MANAGER'S ORAL REPORTS

General Manager Litchfield reported MWD has eliminated the Solar Cup program; another water related program for students will be created.

Director Kuhn reported a new judge has been assigned to the CBWM case.

## 10. CLOSED SESSION

The Board convened into closed session at 9:23 a.m. to discuss the following items:

### A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION [Government Code Section 54956.9(d)(1)]

Name of Case: Chino Basin Municipal Water District v. City of Chino, et al., San Bernardino County Superior Court Case No. RCV RS 51010

### B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

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

The Board convened out of closed session and into open session at 10:46 a.m. Legal Counsel Kennedy stated direction was given to staff and the General Manager; no reportable action was taken.

## 11. FUTURE AGENDA ITEMS

No future agenda items were requested.

## 12. ADJOURNMENT AND NEXT MEETING

The board meeting adjourned at 10:47 a.m. to the next regular board meeting scheduled for Wednesday, September 21, 2022.

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Jody Roberto  
*President, Board of Directors*

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Recorded by: Nadia Aguirre  
Executive Assistant

DRAFT



## THREE VALLEYS MUNICIPAL WATER DISTRICT REGULAR BOARD MEETING MINUTES

Wednesday, September 21, 2022 – 8:00 a.m.

### I. CALL TO ORDER

The Board meeting was called to order at 8:00 a.m. at the District office located at 1021 East Miramar Ave., Claremont, CA, and via teleconference. The presiding officer was President Jody Roberto.

### 2. ROLL CALL

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

#### DIRECTORS PRESENT

Jody Roberto, President  
Brian Bowcock, Vice President  
Carlos Goytia, Secretary  
Mike Ti, Treasurer  
David De Jesus, Director  
Bob Kuhn, Director  
Danielle Soto, Director

#### STAFF PRESENT

Matthew Litchfield, General Manager  
Steve Kennedy, Legal Counsel  
Dominique Aguiar, Operations Supervisor  
Nadia Aguirre, Executive Assistant  
Liz Cohn, Senior Financial Analyst  
Freeman Ensign, Operations Supervisor  
Karen Harberson, Compliance Specialist  
Kirk Howie, Chief Administrative Officer  
Steve Lang, Chief Operations Officer  
Sylvie Lee, Chief Water Resource Officer  
James Linthicum, Chief Finance Officer  
Kevin Panzer, Assistant Engineer  
Robert Peng, I.T. Manager  
Viviana Robles, Human Resources/Risk Manager  
Esther Romero, Accounting Technician  
Marissa Turner, Admin./Communications Assistant

Virtual Attendees: Josh Byerrum, Walnut Valley Water District; Ed Chavez, Upper San Gabriel Valley Municipal Water District; Tom Coleman, Rowland Water District; Kelly Gardner, Main San Gabriel Basin Watermaster; Ed Hilden, Walnut Valley Water District; Erik Hitchman, Walnut Valley Water District; Richard Lambros, Engineering Contractors' Association; Ben Lewis, Golden State Water Company; Szu Lu, Rowland Water District; Jared Macias, Walnut Valley Water District; Myra Malner, Rowland Water District; Richard Martinez, City of La Verne; Carolee Monroe, League of Women Voters; Toby Moore, Golden State Water Company; Stephanie Moreno, Water Quality Authority; Sherry Shaw, Walnut Valley Water District; Jennifer Stark, City of Claremont

In person attendees Tony Lima, Rowland Water District

### 3. FLAG SALUTE

The flag salute was led by President Roberto.

**4. AGENDA REORDER/ADDITIONS**

No reorder or additions to the agenda were requested.

**5. PUBLIC COMMENT**

President Roberto called for public comment and there was none.

**6. CONSENT CALENDAR**

The Board considered consent calendar items 6.A – 6.J for the September 21, 2022 Board meeting that included: (6.A) Receive, Approve and File Minutes, June 1, 2022, June 15, 2022, July 20, 2022, and August 17, 2022; (6.B) Ratify Financial Reports, June & July 2022; (6.C) Receive, Approve and File Financial Reports and Investment Update, August 2022; (6.D) Imported Water Sales, August 2022; (6.E) Miramar Operations Report, August 2022; (6.F) Ratify Director Expense Reports, June & July 2022; (6.G) Approve Director Expense Reports, August 2022; (6.H) Adopt Resolution No. 22-09-937 Tax Sharing Exchange County Sanitation District No. 21, Annexation No. 21-767; (6.I) Adopt Resolution No. 22-09-938 Tax Sharing Exchange County Sanitation District No. 21, Annexation No. 21-769; (6.J) Adopt Resolution No. 22-09-939 Tax Sharing Exchange County Sanitation District No. 22, Annexation No. 22-440.

Upon motion and second and no discussion, President Roberto called for a roll call vote.

Moved: Director Kuhn	Second: Director Goytia
Ayes: Bowcock, De Jesus, Goytia, Kuhn, Roberto, Soto, Ti	
Noes:	
Absent:	
Motion No. 22-09-5392 Approval of Consent Calendar Items 6.A – 6.J	
Motion passed 7-0	

**7. REPORTS****A. METROPOLITAN WATER DISTRICT UPDATE**

Director De Jesus provided an update on current MWD activities. Repairs to the MWD pipeline have been completed and water restrictions pertaining to the shutdown have been lifted. Director De Jesus led a panel interview for Palo Verde Irrigation District's Board of Trustee's and cast the vote on MWD's behalf. Nisha Noroian was elected to serve on the Board of Trustee's.

**B. LEGISLATIVE UPDATE**

Chief Administrative Officer Howie briefed the Board on current legislative activities. The two-year session has concluded, and the Governor has until the end of September to sign bills. AB 2449 carried by Assemblymember Blanca Rubio was signed by the Governor and goes into effect on January 1, 2023. An overview of the bills details was provided and discussion among the board ensued. AB 361 and AB 2449 will run concurrently in 2023. AB

2449 has a three-year sunset date. President Roberto thanked Chief Administrative Officer Howie, Legal Counsel Kennedy and staff for all their hard work on AB 2449. Chief Administrative Officer also provided a brief overview of the upcoming November 8, 2022 election. Lobbyist Arnold & Associates will attend the October 19, 2022 board meeting to provide an end of year legislative recap.

### **C. CONSERVATION PROGRAMMING UPDATE**

Chief Administrative Officer Howie reported on conservation efforts within the service area. MWD's Member Agency Administered Program (MAAP) projects were moved into the new two-year allocation period. All MAAP funds of \$374,000 have been committed to member agency projects and programs. The emergency water conservation program allows for affected cities to receive reimbursement through MWD for expenses related to messaging and enforcement; City of Claremont and City of La Verne have already started the process. MWD's Krista Guerrero will provide a turf replacement update at the November 2, 2022 board meeting. Walnut Valley Water District (WVWD) approached TVMWD regarding a grant opportunity through the Department of Water Resources Urban Community Drought Relief Program. WVWD is working to make this program available to all member agencies by providing additional funding for turf replacement.

### **D. EDUCATION AND OUTREACH UPDATE**

Administrative/Communications Assistant Turner reported that Bill Hasencamp from MWD will present on the critical conditions of the Colorado River at the Legislative Breakfast on October 13, 2022. TVMWD submitted for ACWA's Huell Howser Excellence in Communication Award, and we are awaiting notification of the finalists. In place of the Solar Cup Program, MWD has developed a STEAM based program that will run from November 2022 to March 2023. MWD Inspection Tours have been modified due to COVID and MWD's budget. TVMWD partnered with Upper San Gabriel Valley Municipal Water District with each agency being limited to 11 seats. The tour consists of the Hoover Dam and Colorado River Aqueduct from October 28 – 30, 2022.

### **E. WATER SUPPLY UPDATE**

Chief Water Resources Officer Lee provided an update on imported water sales, the emergency water conservation program, MWD water supply allocation, and MWD emergency repairs. A three-year comparison of TVMWD water purchases from 2020 through 2022 was reviewed. The State Water Project dependent areas are well within the monthly allocation. City of La Verne and City of Claremont's messaging and enforcing efforts of one watering day a week have significantly reduced demands. As of September 6, 2022, TVMWD's service area is under by -28%. MWD's Upper Feeder shutdown repairs were completed ahead of schedule on September 13 and full service restored on September 19.

## 8. ACTION AGENDA

### A. RESOLUTION NO. 22-09-940 ADOPTING THE 2017 UPDATED GREATER LOS ANGELES COUNTY REGION INTEGRATED REGIONAL WATER MANAGEMENT PLAN

Adopting Resolution No. 22-09-940 allows TVMWD to be eligible for future funding opportunities. Resolution No. 22-09-940 will be forwarded to Main San Gabriel Basin Watermaster.

Upon motion and second, President Roberto called for a roll call vote.

Moved: Director Roberto	Second: Director Goytia
Ayes: Bowcock, De Jesus, Goytia, Kuhn, Roberto, Soto, Ti	
Noes:	
Absent:	
Motion No. 22-09-5393 Approval of Resolution No. 22-09-940	
Motion passed 7-0	

### B. APPROVE EMPLOYEE HEALTH CARE COSTS CY 2023

Human Resources/Risk Manager Robles briefed the Board on health care costs for CY 2023 with a recommendation to maintain the same employer/employee contributions by percentage. The premium renewal will generate a \$25,000 calendar year savings. Rate changes and plan enhancements are described in the staff report.

Upon motion and second, and no further discussion, President Roberto called for a roll call vote.

Moved: Director Goytia	Second: Director Ti
Ayes: Bowcock, De Jesus, Goytia, Kuhn, Roberto, Soto, Ti	
Noes:	
Absent:	
Motion No. 22-09-5394 Approval of CY 2023 Employee Health Care Costs	
Motion passed 7-0	

### C. CONSIDER RESOLUTION NO. 22-09-941 TO AUTHORIZE A ONE-TIME EMPLOYEE BONUS

The Board reviewed and discussed four alternative options for distributing the JPIA refund check of \$17,210.89:

1. One-time \$748.00 distribution match to go towards employees' 457/401(a) plan in 2023.
2. One-time \$748.00 discretionary bonus.
3. Funds will go towards District staff to be used for employee activities.
4. Combination: Half of the refund stays with the District and half goes toward the employees (in either option 1 or 2). \$8,605 will go to the District and employees would receive \$374.00 via option 1 or 2.



**13. ADJOURNMENT**

The meeting adjourned at 11:06 a.m. to the next regular meeting scheduled for Wednesday, October 5, 2022.

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Jody Roberto  
*President, Board of Directors*

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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 19, 2022  
**Subject:** **Change in Cash and Cash Equivalents Report**

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**Funds Budgeted:** \$  **Fiscal Impact:** \$

**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, 2022.

**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, 2022

	<u>CASH</u>	<u>CASH EQUIVALENTS</u>
SUMMARY 9/30/2022		
Petty Cash	6,000.00	
Local Agency Investment Fund		7,317.88
California Asset Management Program(CAMP)		71,990.22
General Checking	1,700,635.30	
Sweep Account	1,013,885.53	
U.S. Bank	5,000.00	
	\$ 2,725,520.83	\$ 79,308.10
<b>TOTAL CASH IN BANKS &amp; ON HAND</b>	<b>\$ 2,725,520.83</b>	<b>\$ 79,308.10</b>
TOTAL CASH IN BANKS & ON HAND	09/30/22 \$ 2,725,520.83	\$ 79,308.10
TOTAL CASH IN BANKS & ON HAND	08/31/22 \$ 2,974,763.95	\$ 79,153.78
<b>PERIOD INCREASE (DECREASE)</b>	<b>\$ (249,243.12)</b>	<b>\$ 154.32</b>
CHANGE IN CASH POSITION DUE TO:		
Water Sales/Charges Revenue	6,229,991.51	
Interest Revenue	239.94	
Subvention/RTS Standby Charge Revenue		
Hydroelectric Revenue	-	
Other Revenue	5,650.59	
Cadiz - Bonanza Springs Study	5,750.36	
Investment Xfer From Chandler Asset Mgt		
LAIF Quarterly Interest		
California Asset Mgmt Program Interest		154.32
Transfer to CAMP		
Transfer from LAIF		
Transfer to LAIF		
INFLOWS	6,241,632.40	154.32
Expenditures	(6,317,969.36)	
Current Month Outstanding Payables	59,348.02	
Prior Month Cleared Payables	(229,873.71)	
Bank/FSA Svc Fees		
HRA Payment	(2,380.47)	
CalPers Unfunded Liability /1959 Survivor Ben		
PARS Pension Trust		
Investment Xfer to Chandler Asset Mgt		
Transfer from LAIF		
Transfer From CAMP		
OUTFLOWS	(6,490,875.52)	-
<b>PERIOD INCREASE (DECREASE)</b>	<b>(249,243.12)</b>	<b>154.32</b>
	\$ -	\$ 0.00



**THREE VALLEYS MUNICIPAL WATER DISTRICT**  
**CONSOLIDATED LISTING OF INVESTMENT PORTFOLIO**  
 September 30, 2022

ITEM	BOOK YIELD	BOOK VALUE	PAR VALUE	MARKET VALUE
Chandler Asset Management				
ABS - Asset Backed Securities	1.85%	217,658.53	217,677.11	209,754.87
Bonds - Agency	1.54%	709,071.94	707,000.00	668,684.09
Commercial Paper	0.00%	0.00	0.00	0.00
Money Market Fund	2.45%	13,175.33	13,175.33	13,175.33
Supranational	0.97%	59,804.81	60,000.00	53,231.40
US Corporate	3.02%	1,243,633.35	1,270,000.00	1,185,430.01
US Treasury	1.35%	3,596,475.12	3,585,000.00	3,353,810.37
	<b>1.74%</b>	<b>5,839,819.08</b>	<b>5,852,852.44</b>	<b>5,484,086.07</b>
Local Agency Invest Fund TVMWD	1.28%	7,317.88	7,317.88	7,317.88
California Asset Management Program	2.61%	71,990.22	71,990.22	71,990.22
<b>Reserve Fund</b>		<b>\$ 5,919,127.18</b>	<b>\$ 5,932,160.54</b>	<b>\$ 5,563,394.17</b>
<hr/>				
Checking (Citizens)	0.55%	1,700,635.30	1,700,635.30	1,700,635.30
Sweep Account (Citizens)	0.10%	1,013,885.53	1,013,885.53	1,013,885.53
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
<b>Working Cash</b>		<b>\$ 2,725,520.83</b>	<b>\$ 2,725,520.83</b>	<b>\$ 2,725,520.83</b>
<hr/>				
<b>TOTAL PORTFOLIO</b>	<b>1.31%</b>	<b>\$ 8,644,648.01</b>	<b>\$ 8,657,681.37</b>	<b>\$ 8,288,915.00</b>

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 21-05-895). 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, 2022 THROUGH SEPTEMBER 30, 2022

### Chandler Team:

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

### Custodian

US Bank  
Alexander Bazan  
(503) 402-5305

**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	2.46
Average Coupon	1.81%
Average Purchase YTM	1.74%
Average Market YTM	4.34%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.66 yrs
Average Life	2.59 yrs

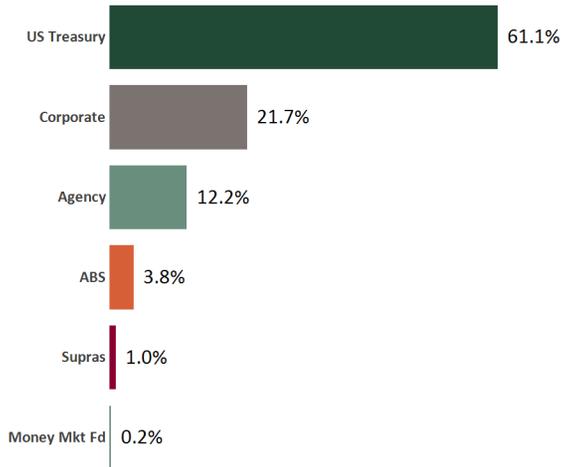
**ACCOUNT SUMMARY**

	Beg. Values as of 8/31/22	End Values as of 9/30/22
Market Value	5,572,813	5,484,086
Accrued Interest	26,068	22,172
<b>Total Market Value</b>	<b>5,598,881</b>	<b>5,506,258</b>
Income Earned	7,862	8,141
Cont/WD		-667
Par	5,839,052	5,852,852
Book Value	5,828,473	5,839,819
Cost Value	5,843,051	5,855,101

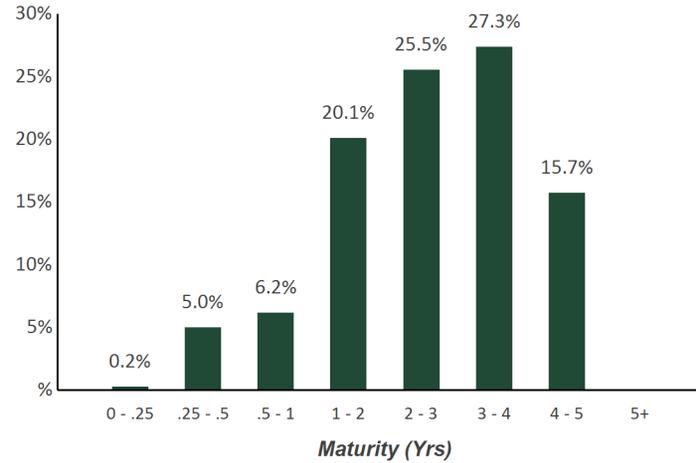
**TOP ISSUERS**

Government of United States	61.1%
Federal Home Loan Mortgage Corp	4.0%
Federal National Mortgage Assoc	3.7%
Federal Home Loan Bank	3.6%
Deere & Company	1.9%
Bank of America Corp	1.5%
State Street Bank	1.5%
Bank of New York	1.5%
<b>Total</b>	<b>78.9%</b>

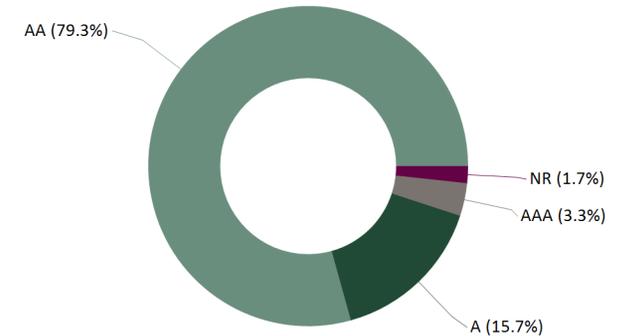
**SECTOR ALLOCATION**



**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	-1.64%	-1.97%	-5.58%	-6.19%	-3.22%	-0.55%	0.73%	0.91%	1.42%
ICE BofA 1-5 Yr US Treasury & Agency Index	-1.69%	-2.28%	-6.13%	-6.78%	-3.63%	-0.97%	0.39%	0.62%	1.10%

# Statement of Compliance

As of September 30, 2022



## 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, 2022



BOOK VALUE RECONCILIATION		
<b>BEGINNING BOOK VALUE</b>		<b>\$5,828,472.95</b>
<b>Acquisition</b>		
+ Security Purchases	\$82,965.10	
+ Money Market Fund Purchases	\$29,419.23	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
<b>Total Acquisitions</b>		<b>\$112,384.33</b>
<b>Dispositions</b>		
- Security Sales	\$14,961.33	
- Money Market Fund Sales	\$84,053.99	
- MMF Withdrawals	\$667.34	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$897.38	
<b>Total Dispositions</b>		<b>\$100,580.04</b>
<b>Amortization/Accretion</b>		
+/- Net Accretion	(\$434.18)	
		(\$434.18)
<b>Gain/Loss on Dispositions</b>		
+/- Realized Gain/Loss	(\$23.98)	
		(\$23.98)
<b>ENDING BOOK VALUE</b>		<b>\$5,839,819.08</b>

CASH TRANSACTION SUMMARY		
<b>BEGINNING BALANCE</b>		<b>\$68,477.43</b>
<b>Acquisition</b>		
Contributions	\$0.00	
Security Sale Proceeds	\$14,961.33	
Accrued Interest Received	\$78.82	
Interest Received	\$13,392.68	
Dividend Received	\$89.02	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$897.38	
<b>Total Acquisitions</b>	<b>\$29,419.23</b>	
<b>Dispositions</b>		
Withdrawals	\$667.34	
Security Purchase	\$82,965.10	
Accrued Interest Paid	\$1,088.89	
<b>Total Dispositions</b>	<b>\$84,721.33</b>	
<b>ENDING BOOK VALUE</b>		<b>\$13,175.33</b>

# Holdings Report

As of September 30, 2022



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
<b>ABS</b>									
58769KAD6	Mercedes-Benz Auto Lease Trust 2021-B A3 0.4% Due 11/15/2024	15,000.00	06/22/2021 0.40%	14,998.87 14,999.43	96.54 4.75%	14,481.29 2.67	0.26% (518.14)	NR / AAA AAA	2.13 0.80
09690AAC7	BMW Vehicle Lease Trust 2021-2 A3 0.33% Due 12/26/2024	15,000.00	09/08/2021 0.34%	14,998.45 14,999.16	97.15 4.51%	14,572.28 0.83	0.26% (426.88)	Aaa / NR AAA	2.24 0.68
05601XAC3	BMW Vehicle Lease Trust 2022-1 A3 1.1% Due 3/25/2025	15,000.00	01/11/2022 1.11%	14,997.76 14,998.48	96.29 4.76%	14,442.98 2.75	0.26% (555.50)	NR / AAA AAA	2.48 1.02
89240BAC2	Toyota Auto Receivables Owners 2021-A A3 0.26% Due 5/15/2025	12,677.11	02/02/2021 0.27%	12,674.76 12,676.01	97.43 4.30%	12,351.74 1.46	0.22% (324.27)	Aaa / NR AAA	2.62 0.63
36266FAC3	GM Financial Auto Lease Trust 2022-2 A3 3.42% Due 6/20/2025	30,000.00	05/03/2022 3.45%	29,996.87 29,997.43	98.09 4.76%	29,427.66 31.35	0.54% (569.77)	NR / AAA AAA	2.72 1.46
43815GAC3	Honda Auto Receivables Trust 2021-4 A3 0.88% Due 1/21/2026	15,000.00	11/16/2021 0.89%	14,996.84 14,997.67	94.61 4.70%	14,191.70 3.67	0.26% (805.97)	Aaa / NR AAA	3.31 1.43
47789QAC4	John Deere Owner Trust 2021-B A3 0.52% Due 3/16/2026	15,000.00	07/13/2021 0.52%	14,998.66 14,999.10	94.50 4.71%	14,175.39 3.47	0.26% (823.71)	Aaa / NR AAA	3.46 1.33
89238JAC9	Toyota Auto Receivables Trust 2021-D A3 0.71% Due 4/15/2026	15,000.00	11/09/2021 0.71%	14,999.68 14,999.77	94.72 4.62%	14,208.54 4.73	0.26% (791.23)	NR / AAA AAA	3.54 1.37
43815BAC4	Honda Auto Receivables Trust 2022-1 A3 1.88% Due 5/15/2026	25,000.00	02/15/2022 1.89%	24,996.24 24,996.94	95.03 4.81%	23,757.65 20.89	0.43% (1,239.29)	Aaa / AAA NR	3.62 1.73
89238FAD5	Toyota Auto Receivables OT 2022-B A3 2.93% Due 9/15/2026	20,000.00	04/07/2022 2.95%	19,999.53 19,999.60	96.96 4.69%	19,392.84 26.04	0.35% (606.76)	Aaa / AAA NR	3.96 1.76
47787JAC2	John Deere Owner Trust 2022-A A3 2.32% Due 9/16/2026	15,000.00	03/10/2022 2.34%	14,996.68 14,997.20	95.59 5.00%	14,339.22 15.47	0.26% (657.98)	Aaa / NR AAA	3.96 1.67
47800AAC4	John Deere Owner Trust 2022-B A3 3.74% Due 2/16/2027	25,000.00	07/12/2022 3.77%	24,997.61 24,997.74	97.65 4.86%	24,413.58 41.56	0.44% (584.16)	Aaa / NR AAA	4.38 2.16
<b>Total ABS</b>		<b>217,677.11</b>	<b>1.85%</b>	<b>217,651.95</b> <b>217,658.53</b>	<b>4.72%</b>	<b>209,754.87</b> <b>154.89</b>	<b>3.81%</b> <b>(7,903.66)</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>3.27</b> <b>1.42</b>

# Holdings Report

As of September 30, 2022



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
<b>AGENCY</b>									
3137EAEN5	FHLMC Note 2.75% Due 6/19/2023	100,000.00	09/27/2018 3.03%	98,785.00 99,816.17	98.93 4.27%	98,929.80 779.17	1.81% (886.37)	Aaa / AA+ AAA	0.72 0.70
313383YJ4	FHLB Note 3.375% Due 9/8/2023	100,000.00	02/26/2019 2.57%	103,413.00 100,705.71	99.10 4.36%	99,102.70 215.63	1.80% (1,603.01)	Aaa / AA+ NR	0.94 0.91
3137EAey1	FHLMC Note 0.125% Due 10/16/2023	30,000.00	10/22/2020 0.26%	29,875.50 29,956.52	95.71 4.37%	28,713.42 17.19	0.52% (1,243.10)	Aaa / AA+ AAA	1.04 1.02
3133EDBU5	FFCB Note 3.5% Due 12/20/2023	50,000.00	01/16/2019 2.74%	51,743.00 50,431.39	99.13 4.23%	49,566.35 490.97	0.91% (865.04)	Aaa / AA+ AAA	1.22 1.17
3130A1XJ2	FHLB Note 2.875% Due 6/14/2024	100,000.00	06/18/2019 1.96%	104,323.00 101,475.80	97.52 4.40%	97,515.50 854.51	1.79% (3,960.30)	Aaa / AA+ NR	1.71 1.63
3137EAEP0	FHLMC Note 1.5% Due 2/12/2025	22,000.00	03/24/2020 0.95%	22,571.34 22,276.87	93.94 4.22%	20,665.99 44.92	0.38% (1,610.88)	Aaa / AA+ AAA	2.37 2.28
3135G03U5	FNMA Note 0.625% Due 4/22/2025	100,000.00	04/27/2020 0.67%	99,768.00 99,880.94	91.14 4.32%	91,140.60 276.04	1.66% (8,740.34)	Aaa / AA+ AAA	2.56 2.48
3137EAEU9	FHLMC Note 0.375% Due 7/21/2025	20,000.00	07/21/2020 0.48%	19,900.40 19,944.08	89.73 4.30%	17,945.86 14.58	0.33% (1,998.22)	Aaa / AA+ AAA	2.81 2.73
3135G05X7	FNMA Note 0.375% Due 8/25/2025	60,000.00	08/25/2020 0.47%	59,719.20 59,836.97	89.43 4.29%	53,657.76 22.50	0.97% (6,179.21)	Aaa / AA+ AAA	2.90 2.83
3137EAEX3	FHLMC Note 0.375% Due 9/23/2025	60,000.00	09/23/2020 0.44%	59,819.40 59,892.27	89.25 4.25%	53,551.26 5.00	0.97% (6,341.01)	Aaa / AA+ AAA	2.98 2.90
3135G06G3	FNMA Note 0.5% Due 11/7/2025	65,000.00	11/09/2020 0.57%	64,767.30 64,855.22	89.07 4.30%	57,894.85 130.00	1.05% (6,960.37)	Aaa / AA+ AAA	3.11 3.01
<b>Total Agency</b>		<b>707,000.00</b>	<b>1.54%</b>	<b>714,685.14</b> <b>709,071.94</b>	<b>4.31%</b>	<b>668,684.09</b> <b>2,850.51</b>	<b>12.20%</b> <b>(40,387.85)</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>1.87</b> <b>1.81</b>
<b>CORPORATE</b>									
808513AT2	Charles Schwab Corp Callable Note Cont 12/25/2022 2.65% Due 1/25/2023	70,000.00	06/01/2018 3.31%	68,014.10 69,864.09	99.62 3.83%	69,736.10 340.08	1.27% (127.99)	A2 / A A	0.32 0.32
037833AK6	Apple Inc Note 2.4% Due 5/3/2023	70,000.00	11/29/2018 3.49%	66,895.50 69,588.63	98.91 4.29%	69,234.97 690.67	1.27% (353.66)	Aaa / AA+ NR	0.59 0.57
69371RP59	Paccar Financial Corp Note 3.4% Due 8/9/2023	70,000.00	09/10/2018 3.37%	70,099.40 70,017.31	99.37 4.15%	69,561.73 343.78	1.27% (455.58)	A1 / A+ NR	0.86 0.83

Holdings Report

As of September 30, 2022



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
<b>CORPORATE</b>									
24422EVN6	John Deere Capital Corp Note 0.45% Due 1/17/2024	25,000.00	03/01/2021 0.47%	24,982.25 24,992.00	94.83 4.60%	23,707.98 23.13	0.43% (1,284.02)	A2 / A A	1.30 1.26
023135BW5	Amazon.com Inc Note 0.45% Due 5/12/2024	25,000.00	05/10/2021 0.50%	24,963.50 24,980.38	93.77 4.49%	23,441.25 43.44	0.43% (1,539.13)	A1 / AA AA-	1.62 1.57
79466LAG9	Salesforce.com Inc Callable Note Cont 7/15/2022 0.625% Due 7/15/2024	5,000.00	06/29/2021 0.64%	4,997.45 4,998.48	93.24 4.60%	4,661.76 6.60	0.08% (336.72)	A2 / A+ NR	1.79 1.74
06051GHR3	Bank of America Corp Callable Note 1X 3/15/2024 3.458% Due 3/15/2025	55,000.00	05/19/2021 0.75%	59,143.15 57,138.01	96.86 5.34%	53,272.56 84.53	0.97% (3,865.45)	A2 / A- AA-	2.46 2.30
06406RBC0	Bank of NY Mellon Corp Callable Note Cont 3/25/2025 3.35% Due 4/25/2025	85,000.00	04/21/2022 3.35%	85,000.00 85,000.00	96.60 4.77%	82,107.37 1,226.01	1.51% (2,892.63)	A1 / A AA-	2.57 2.39
931142EW9	Wal-Mart Stores Note 3.9% Due 9/9/2025	15,000.00	09/06/2022 3.92%	14,989.50 14,989.71	98.21 4.55%	14,732.16 35.75	0.27% (257.55)	Aa2 / AA AA	2.95 2.74
06051GJG5	Bank of America Corp Callable Note Cont 9/25/2024 0.981% Due 9/25/2025	35,000.00	03/16/2022 3.31%	33,246.85 33,515.20	91.01 5.22%	31,853.40 5.72	0.58% (1,661.80)	A2 / A- AA-	2.99 2.86
857477BR3	State Street Bank Callable Note Cont 2/6/2025 1.746% Due 2/6/2026	90,000.00	Various 3.46%	86,597.25 86,988.46	93.15 4.85%	83,838.60 240.07	1.53% (3,149.86)	A1 / A AA-	3.36 3.17
46647PBK1	JP Morgan Chase & Co Callable Note Cont 4/22/2025 2.083% Due 4/22/2026	90,000.00	03/22/2022 3.68%	86,833.80 87,239.67	91.12 5.61%	82,009.44 827.99	1.50% (5,230.23)	A1 / A- AA-	3.56 3.31
023135BX3	Amazon.com Inc Callable Note Cont 4/12/2026 1% Due 5/12/2026	25,000.00	05/26/2021 0.97%	25,040.25 25,029.15	87.88 4.68%	21,969.58 96.53	0.40% (3,059.57)	A1 / AA AA-	3.62 3.46
91324PEC2	United Health Group Inc Callable Note Cont 4/15/2026 1.15% Due 5/15/2026	90,000.00	Various 3.13%	83,257.50 83,976.27	88.53 4.62%	79,678.26 391.00	1.45% (4,298.01)	A3 / A+ A	3.62 3.46
89236TJK2	Toyota Motor Credit Corp Note 1.125% Due 6/18/2026	90,000.00	Various 2.25%	85,879.40 86,390.21	87.51 4.84%	78,757.56 289.69	1.44% (7,632.65)	A1 / A+ A+	3.72 3.55
61747YET8	Morgan Stanley Callable Note Cont 7/17/2025 4.679% Due 7/17/2026	30,000.00	07/18/2022 4.68%	30,000.00 30,000.00	97.41 5.46%	29,224.26 276.84	0.54% (775.74)	A1 / A- A	3.80 3.39

# Holdings Report

As of September 30, 2022



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
<b>CORPORATE</b>									
931142ER0	Wal-Mart Stores Callable Note Cont 08/17/2026 1.05% Due 9/17/2026	10,000.00	09/08/2021 1.09%	9,981.10 9,985.02	87.29 4.59%	8,729.10 4.08	0.16% (1,255.92)	Aa2 / AA AA	3.97 3.80
24422EWW6	John Deere Capital Corp Note 1.3% Due 10/13/2026	90,000.00	04/21/2022 3.31%	82,534.50 83,261.84	87.27 4.81%	78,545.97 546.00	1.44% (4,715.87)	A2 / A A	4.04 3.82
87612EBM7	Target Corp Callable Note Cont 12/15/2026 1.95% Due 1/15/2027	25,000.00	01/19/2022 1.99%	24,957.50 24,963.35	89.69 4.62%	22,423.28 102.92	0.41% (2,540.07)	A2 / A A	4.30 4.02
084664CZ2	Berkshire Hathaway Callable Note Cont 2/15/2027 2.3% Due 3/15/2027	90,000.00	Various 2.70%	88,360.10 88,506.37	91.05 4.54%	81,947.43 92.00	1.49% (6,558.94)	Aa2 / AA A+	4.46 4.15
09247XAN1	Blackrock Inc Note 3.2% Due 3/15/2027	85,000.00	04/25/2022 3.41%	84,219.70 84,288.41	94.28 4.63%	80,139.45 120.89	1.46% (4,148.96)	Aa3 / AA- NR	4.46 4.08
023135CF1	Amazon.com Inc Callable Note Cont 3/13/2027 3.3% Due 4/13/2027	30,000.00	04/11/2022 3.35%	29,938.20 29,943.99	94.43 4.68%	28,328.10 462.00	0.52% (1,615.89)	A1 / AA AA-	4.54 4.08
665859AW4	Northern Trust Company Callable Note Cont 4/10/2027 4% Due 5/10/2027	70,000.00	09/28/2022 4.70%	67,975.60 67,976.80	96.47 4.86%	67,529.70 1,096.67	1.25% (447.10)	A2 / A+ A+	4.61 4.08
<b>Total Corporate</b>		<b>1,270,000.00</b>	<b>3.02%</b>	<b>1,237,906.60</b> <b>1,243,633.35</b>	<b>4.73%</b>	<b>1,185,430.01</b> <b>7,346.39</b>	<b>21.66%</b> <b>(58,203.34)</b>	<b>A1 / A+</b> <b>A+</b>	<b>3.07</b> <b>2.86</b>
<b>MONEY MARKET FUND</b>									
31846V203	First American Govt Obligation Fund Class Y	13,175.33	Various 2.45%	13,175.33 13,175.33	1.00 2.45%	13,175.33 0.00	0.24% 0.00	Aaa / AAA AAA	0.00 0.00
<b>Total Money Market Fund</b>		<b>13,175.33</b>	<b>2.45%</b>	<b>13,175.33</b>	<b>2.45%</b>	<b>13,175.33</b> <b>0.00</b>	<b>0.24%</b> <b>0.00</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>0.00</b> <b>0.00</b>

# Holdings Report

As of September 30, 2022



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
<b>SUPRANATIONAL</b>									
4581X0DV7	Inter-American Dev Bank Note 0.875% Due 4/20/2026	60,000.00	04/13/2021 0.97%	59,725.20 59,804.81	88.72 4.33%	53,231.40 234.79	0.97% (6,573.41)	Aaa / AAA AAA	3.56 3.42
<b>Total Supranational</b>		<b>60,000.00</b>	<b>0.97%</b>	<b>59,725.20</b> <b>59,804.81</b>	<b>4.33%</b>	<b>53,231.40</b> <b>234.79</b>	<b>0.97%</b> <b>(6,573.41)</b>	<b>Aaa / AAA</b> <b>AAA</b>	<b>3.56</b> <b>3.42</b>

<b>US TREASURY</b>									
912828N30	US Treasury Note 2.125% Due 12/31/2022	55,000.00	01/31/2018 2.54%	53,960.15 54,947.28	99.66 3.48%	54,813.33 295.36	1.00% (133.95)	Aaa / AA+ AAA	0.25 0.25
9128284D9	US Treasury Note 2.5% Due 3/31/2023	150,000.00	Various 1.69%	152,096.87 150,594.64	99.35 3.82%	149,027.40 10.29	2.71% (1,567.24)	Aaa / AA+ AAA	0.50 0.49
9128285K2	US Treasury Note 2.875% Due 10/31/2023	125,000.00	09/23/2021 0.29%	131,762.70 128,482.75	98.52 4.28%	123,154.25 1,503.91	2.26% (5,328.50)	Aaa / AA+ AAA	1.08 1.04
9128285P1	US Treasury Note 2.875% Due 11/30/2023	80,000.00	03/30/2021 0.26%	85,546.88 82,420.35	98.36 4.33%	78,690.64 772.95	1.44% (3,729.71)	Aaa / AA+ AAA	1.17 1.12
912828V80	US Treasury Note 2.25% Due 1/31/2024	150,000.00	03/24/2022 2.17%	150,222.66 150,160.17	97.36 4.31%	146,033.25 568.61	2.66% (4,126.92)	Aaa / AA+ AAA	1.34 1.29
91282CBR1	US Treasury Note 0.25% Due 3/15/2024	125,000.00	09/23/2021 0.39%	124,580.08 124,753.07	94.32 4.31%	117,900.38 13.81	2.14% (6,852.69)	Aaa / AA+ AAA	1.46 1.43
912828XT2	US Treasury Note 2% Due 5/31/2024	150,000.00	Various 1.37%	152,993.76 151,540.15	96.34 4.30%	144,503.85 1,008.21	2.64% (7,036.30)	Aaa / AA+ AAA	1.67 1.60
912828XX3	US Treasury Note 2% Due 6/30/2024	150,000.00	Various 1.68%	152,161.33 150,800.41	96.18 4.29%	144,269.55 758.15	2.63% (6,530.86)	Aaa / AA+ AAA	1.75 1.68
91282CCT6	US Treasury Note 0.375% Due 8/15/2024	125,000.00	08/25/2021 0.46%	124,687.50 124,803.00	93.06 4.27%	116,323.25 59.87	2.11% (8,479.75)	Aaa / AA+ AAA	1.88 1.83
9128282Y5	US Treasury Note 2.125% Due 9/30/2024	150,000.00	Various 1.66%	152,623.44 151,338.51	96.00 4.23%	143,994.15 8.76	2.62% (7,344.36)	Aaa / AA+ AAA	2.00 1.93
912828YV6	US Treasury Note 1.5% Due 11/30/2024	150,000.00	Various 1.02%	152,798.83 151,519.44	94.37 4.25%	141,556.65 756.15	2.58% (9,962.79)	Aaa / AA+ AAA	2.17 2.08
91282CDN8	US Treasury Note 1% Due 12/15/2024	100,000.00	12/22/2021 0.94%	100,167.97 100,124.43	93.23 4.25%	93,226.60 295.08	1.70% (6,897.83)	Aaa / AA+ AAA	2.21 2.14

# Holdings Report

As of September 30, 2022



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
<b>US TREASURY</b>									
912828Z52	US Treasury Note 1.375% Due 1/31/2025	150,000.00	Various 1.64%	148,960.94 149,073.43	93.68 4.25%	140,519.55 347.49	2.56% (8,553.88)	Aaa / AA+ AAA	2.34 2.25
912828ZF0	US Treasury Note 0.5% Due 3/31/2025	100,000.00	Various 0.59%	99,630.47 99,768.69	91.25 4.22%	91,250.00 1.37	1.66% (8,518.69)	Aaa / AA+ AAA	2.50 2.44
912828XB1	US Treasury Note 2.125% Due 5/15/2025	150,000.00	Various 1.16%	155,085.94 153,683.87	94.77 4.25%	142,160.10 1,203.97	2.60% (11,523.77)	Aaa / AA+ AAA	2.62 2.49
9128284Z0	US Treasury Note 2.75% Due 8/31/2025	150,000.00	Various 1.30%	158,617.19 156,125.85	95.91 4.26%	143,859.30 353.25	2.62% (12,266.55)	Aaa / AA+ AAA	2.92 2.76
9128285C0	US Treasury Note 3% Due 9/30/2025	150,000.00	Various 1.45%	158,929.68 156,732.84	96.53 4.24%	144,796.80 12.36	2.63% (11,936.04)	Aaa / AA+ AAA	3.00 2.83
91282CAZ4	US Treasury Note 0.375% Due 11/30/2025	100,000.00	Various 0.70%	98,518.75 98,991.31	88.68 4.23%	88,675.80 126.02	1.61% (10,315.51)	Aaa / AA+ AAA	3.17 3.08
91282CBC4	US Treasury Note 0.375% Due 12/31/2025	85,000.00	Various 0.65%	83,906.44 84,254.17	88.44 4.22%	75,175.19 80.55	1.37% (9,078.98)	Aaa / AA+ AAA	3.25 3.16
91282CBH3	US Treasury Note 0.375% Due 1/31/2026	100,000.00	Various 0.78%	98,076.64 98,672.94	88.09 4.24%	88,093.80 63.18	1.60% (10,579.14)	Aaa / AA+ AAA	3.34 3.24
91282CBQ3	US Treasury Note 0.5% Due 2/28/2026	100,000.00	Various 0.82%	98,480.86 98,944.54	88.25 4.23%	88,253.91 42.82	1.60% (10,690.63)	Aaa / AA+ AAA	3.42 3.32
91282CBT7	US Treasury Note 0.75% Due 3/31/2026	100,000.00	Various 0.85%	99,523.24 99,660.91	88.81 4.22%	88,808.60 2.06	1.61% (10,852.31)	Aaa / AA+ AAA	3.50 3.39
91282CCF6	US Treasury Note 0.75% Due 5/31/2026	125,000.00	08/25/2021 0.80%	124,702.15 124,770.83	88.34 4.22%	110,424.75 315.06	2.01% (14,346.08)	Aaa / AA+ AAA	3.67 3.54
91282CCP4	US Treasury Note 0.625% Due 7/31/2026	125,000.00	08/25/2021 0.82%	123,813.48 124,077.81	87.50 4.19%	109,370.13 131.62	1.99% (14,707.68)	Aaa / AA+ AAA	3.84 3.71
9128282A7	US Treasury Note 1.5% Due 8/15/2026	125,000.00	09/16/2021 0.82%	129,057.62 128,199.93	90.47 4.19%	113,090.88 239.47	2.06% (15,109.05)	Aaa / AA+ AAA	3.88 3.69
91282CDG3	US Treasury Note 1.125% Due 10/31/2026	150,000.00	Various 1.84%	145,220.70 145,793.92	88.71 4.16%	133,060.50 706.18	2.43% (12,733.42)	Aaa / AA+ AAA	4.09 3.90
91282CEF4	US Treasury Note 2.5% Due 3/31/2027	90,000.00	05/25/2022 2.73%	89,050.78 89,119.42	93.47 4.10%	84,125.43 6.18	1.53% (4,993.99)	Aaa / AA+ AAA	4.50 4.19

# Holdings Report

As of September 30, 2022



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
<b>US TREASURY</b>									
91282CET4	US Treasury Note 2.625% Due 5/31/2027	150,000.00	06/21/2022 3.38%	144,855.47 145,143.50	93.93 4.07%	140,888.70 1,323.26	2.58% (4,254.80)	Aaa / AA+ AAA	4.67 4.29
91282CFB2	US Treasury Note 2.75% Due 7/31/2027	125,000.00	08/30/2022 3.30%	121,923.83 121,976.96	94.21 4.08%	117,763.63 579.14	2.15% (4,213.33)	Aaa / AA+ AAA	4.84 4.44
<b>Total US Treasury</b>		<b>3,585,000.00</b>	<b>1.35%</b>	<b>3,611,956.35</b> <b>3,596,475.12</b>	<b>4.20%</b>	<b>3,353,810.37</b> <b>11,585.13</b>	<b>61.12%</b> <b>(242,664.75)</b>	<b>Aaa / AA+</b> <b>AAA</b>	<b>2.63</b> <b>2.51</b>
<b>TOTAL PORTFOLIO</b>		<b>5,852,852.44</b>	<b>1.74%</b>	<b>5,855,100.57</b> <b>5,839,819.08</b>	<b>4.34%</b>	<b>5,484,086.07</b> <b>22,171.71</b>	<b>100.00%</b> <b>(355,733.01)</b>	<b>Aa1 / AA</b> <b>AAA</b>	<b>2.66</b> <b>2.46</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>5,506,257.78</b>			



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	09/01/2022	31846V203	89.02	First American Govt Obligation Fund Class Y	1.000	1.73%	89.02	0.00	89.02	0.00
Purchase	09/08/2022	31846V203	1,687.50	First American Govt Obligation Fund Class Y	1.000	1.73%	1,687.50	0.00	1,687.50	0.00
Purchase	09/09/2022	931142EW9	15,000.00	Wal-Mart Stores Note 3.9% Due 9/9/2025	99.930	3.92%	14,989.50	0.00	14,989.50	0.00
Purchase	09/15/2022	31846V203	3,502.20	First American Govt Obligation Fund Class Y	1.000	1.73%	3,502.20	0.00	3,502.20	0.00
Purchase	09/15/2022	31846V203	39.17	First American Govt Obligation Fund Class Y	1.000	1.73%	39.17	0.00	39.17	0.00
Purchase	09/15/2022	31846V203	29.00	First American Govt Obligation Fund Class Y	1.000	1.73%	29.00	0.00	29.00	0.00
Purchase	09/15/2022	31846V203	6.50	First American Govt Obligation Fund Class Y	1.000	1.73%	6.50	0.00	6.50	0.00
Purchase	09/15/2022	31846V203	5.00	First American Govt Obligation Fund Class Y	1.000	1.73%	5.00	0.00	5.00	0.00
Purchase	09/15/2022	31846V203	142.85	First American Govt Obligation Fund Class Y	1.000	1.73%	142.85	0.00	142.85	0.00
Purchase	09/15/2022	31846V203	8.88	First American Govt Obligation Fund Class Y	1.000	1.73%	8.88	0.00	8.88	0.00
Purchase	09/15/2022	31846V203	48.83	First American Govt Obligation Fund Class Y	1.000	1.73%	48.83	0.00	48.83	0.00
Purchase	09/15/2022	31846V203	900.32	First American Govt Obligation Fund Class Y	1.000	1.73%	900.32	0.00	900.32	0.00
Purchase	09/17/2022	31846V203	52.50	First American Govt Obligation Fund Class Y	1.000	1.73%	52.50	0.00	52.50	0.00
Purchase	09/20/2022	31846V203	85.50	First American Govt Obligation Fund Class Y	1.000	1.73%	85.50	0.00	85.50	0.00
Purchase	09/21/2022	31846V203	11.00	First American Govt Obligation Fund Class Y	1.000	1.73%	11.00	0.00	11.00	0.00
Purchase	09/23/2022	31846V203	112.50	First American Govt Obligation Fund Class Y	1.000	1.73%	112.50	0.00	112.50	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	09/25/2022	31846V203	171.68	First American Govt Obligation Fund Class Y	1.000	1.73%	171.68	0.00	171.68	0.00
Purchase	09/26/2022	31846V203	4.13	First American Govt Obligation Fund Class Y	1.000	1.73%	4.13	0.00	4.13	0.00
Purchase	09/26/2022	31846V203	13.75	First American Govt Obligation Fund Class Y	1.000	1.73%	13.75	0.00	13.75	0.00
Purchase	09/29/2022	31846V203	15,040.15	First American Govt Obligation Fund Class Y	1.000	2.45%	15,040.15	0.00	15,040.15	0.00
Purchase	09/30/2022	31846V203	7,468.75	First American Govt Obligation Fund Class Y	1.000	2.45%	7,468.75	0.00	7,468.75	0.00
Purchase	09/30/2022	665859AW4	70,000.00	Northern Trust Company Callable Note Cont 4/10/2027 4% Due 5/10/2027	97.108	4.70%	67,975.60	1,088.89	69,064.49	0.00
<b>Subtotal</b>			<b>114,419.23</b>				<b>112,384.33</b>	<b>1,088.89</b>	<b>113,473.22</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>114,419.23</b>				<b>112,384.33</b>	<b>1,088.89</b>	<b>113,473.22</b>	<b>0.00</b>
<b>DISPOSITIONS</b>										
Sale	09/09/2022	31846V203	14,989.50	First American Govt Obligation Fund Class Y	1.000	1.73%	14,989.50	0.00	14,989.50	0.00
Sale	09/29/2022	912828N30	15,000.00	US Treasury Note 2.125% Due 12/31/2022	99.742	2.54%	14,961.33	78.82	15,040.15	-23.98
Sale	09/30/2022	31846V203	69,064.49	First American Govt Obligation Fund Class Y	1.000	2.45%	69,064.49	0.00	69,064.49	0.00
<b>Subtotal</b>			<b>99,053.99</b>				<b>99,015.32</b>	<b>78.82</b>	<b>99,094.14</b>	<b>-23.98</b>
Paydown	09/15/2022	43815BAC4	0.00	Honda Auto Receivables Trust 2022-1 A3 1.88% Due 5/15/2026	100.000		0.00	39.17	39.17	0.00
Paydown	09/15/2022	47787JAC2	0.00	John Deere Owner Trust 2022-A A3 2.32% Due 9/16/2026	100.000		0.00	29.00	29.00	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>DISPOSITIONS</b>										
Paydown	09/15/2022	47789QAC4	0.00	John Deere Owner Trust 2021-B A3 0.52% Due 3/16/2026	100.000		0.00	6.50	6.50	0.00
Paydown	09/15/2022	47800AAC4	0.00	John Deere Owner Trust 2022-B A3 3.74% Due 2/16/2027	100.000		0.00	142.85	142.85	0.00
Paydown	09/15/2022	58769KAD6	0.00	Mercedes-Benz Auto Lease Trust 2021-B A3 0.4% Due 11/15/2024	100.000		0.00	5.00	5.00	0.00
Paydown	09/15/2022	89238FAD5	0.00	Toyota Auto Receivables OT 2022-B A3 2.93% Due 9/15/2026	100.000		0.00	48.83	48.83	0.00
Paydown	09/15/2022	89238JAC9	0.00	Toyota Auto Receivables Trust 2021-D A3 0.71% Due 4/15/2026	100.000		0.00	8.88	8.88	0.00
Paydown	09/15/2022	89240BAC2	897.38	Toyota Auto Receivables Owners 2021-A A3 0.26% Due 5/15/2025	100.000		897.38	2.94	900.32	0.00
Paydown	09/20/2022	36266FAC3	0.00	GM Financial Auto Lease Trust 2022-2 A3 3.42% Due 6/20/2025	100.000		0.00	85.50	85.50	0.00
Paydown	09/21/2022	43815GAC3	0.00	Honda Auto Receivables Trust 2021-4 A3 0.88% Due 1/21/2026	100.000		0.00	11.00	11.00	0.00
Paydown	09/26/2022	05601XAC3	0.00	BMW Vehicle Lease Trust 2022-1 A3 1.1% Due 3/25/2025	100.000		0.00	13.75	13.75	0.00
Paydown	09/26/2022	09690AAC7	0.00	BMW Vehicle Lease Trust 2021-2 A3 0.33% Due 12/26/2024	100.000		0.00	4.13	4.13	0.00
<b>Subtotal</b>			<b>897.38</b>				<b>897.38</b>	<b>397.55</b>	<b>1,294.93</b>	<b>0.00</b>
Security Withdrawal	09/09/2022	31846V203	563.17	First American Govt Obligation Fund Class Y	1.000		563.17	0.00	563.17	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>DISPOSITIONS</b>										
Security Withdrawal	09/26/2022	31846V203	104.17	First American Govt Obligation Fund Class Y	1.000		104.17	0.00	104.17	0.00
<b>Subtotal</b>			<b>667.34</b>				<b>667.34</b>	<b>0.00</b>	<b>667.34</b>	<b>0.00</b>
<b>TOTAL DISPOSITIONS</b>			<b>100,618.71</b>				<b>100,580.04</b>	<b>476.37</b>	<b>101,056.41</b>	<b>-23.98</b>

<b>OTHER TRANSACTIONS</b>										
Interest	09/08/2022	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	09/15/2022	06051GHR3	55,000.00	Bank of America Corp Callable Note 1X 3/15/2024 3.458% Due 3/15/2025	0.000		950.95	0.00	950.95	0.00
Interest	09/15/2022	084664CZ2	90,000.00	Berkshire Hathaway Callable Note Cont 2/15/2027 2.3% Due 3/15/2027	0.000		1,035.00	0.00	1,035.00	0.00
Interest	09/15/2022	09247XAN1	85,000.00	Blackrock Inc Note 3.2% Due 3/15/2027	0.000		1,360.00	0.00	1,360.00	0.00
Interest	09/15/2022	91282CBR1	125,000.00	US Treasury Note 0.25% Due 3/15/2024	0.000		156.25	0.00	156.25	0.00
Interest	09/17/2022	931142ER0	10,000.00	Wal-Mart Stores Callable Note Cont 08/17/2026 1.05% Due 9/17/2026	0.000		52.50	0.00	52.50	0.00
Interest	09/23/2022	3137EAEX3	60,000.00	FHLMC Note 0.375% Due 9/23/2025	0.000		112.50	0.00	112.50	0.00
Interest	09/25/2022	06051GJG5	35,000.00	Bank of America Corp Callable Note Cont 9/25/2024 0.981% Due 9/25/2025	0.000		171.68	0.00	171.68	0.00
Interest	09/30/2022	9128282Y5	150,000.00	US Treasury Note 2.125% Due 9/30/2024	0.000		1,593.75	0.00	1,593.75	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>OTHER TRANSACTIONS</b>										
Interest	09/30/2022	9128284D9	150,000.00	US Treasury Note 2.5% Due 3/31/2023	0.000		1,875.00	0.00	1,875.00	0.00
Interest	09/30/2022	9128285C0	150,000.00	US Treasury Note 3% Due 9/30/2025	0.000		2,250.00	0.00	2,250.00	0.00
Interest	09/30/2022	912828ZF0	100,000.00	US Treasury Note 0.5% Due 3/31/2025	0.000		250.00	0.00	250.00	0.00
Interest	09/30/2022	91282CBT7	100,000.00	US Treasury Note 0.75% Due 3/31/2026	0.000		375.00	0.00	375.00	0.00
Interest	09/30/2022	91282CEF4	90,000.00	US Treasury Note 2.5% Due 3/31/2027	0.000		1,125.00	0.00	1,125.00	0.00
<b>Subtotal</b>			<b>1,300,000.00</b>				<b>12,995.13</b>	<b>0.00</b>	<b>12,995.13</b>	<b>0.00</b>
Dividend	09/01/2022	31846V203	68,477.43	First American Govt Obligation Fund Class Y	0.000		89.02	0.00	89.02	0.00
<b>Subtotal</b>			<b>68,477.43</b>				<b>89.02</b>	<b>0.00</b>	<b>89.02</b>	<b>0.00</b>
<b>TOTAL OTHER TRANSACTIONS</b>			<b>1,368,477.43</b>				<b>13,084.15</b>	<b>0.00</b>	<b>13,084.15</b>	<b>0.00</b>

Income Earned

As of September 30, 2022



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
<b>FIXED INCOME</b>						
023135BW5	Amazon.com Inc Note 0.45% Due 05/12/2024	05/10/2021 05/12/2021 25,000.00	24,979.39 0.00 0.00 24,980.38	34.06 0.00 43.44 9.38	0.99 0.00 0.99 10.37	10.37
023135BX3	Amazon.com Inc Callable Note Cont 4/12/2026 1% Due 05/12/2026	05/26/2021 05/28/2021 25,000.00	25,029.83 0.00 0.00 25,029.15	75.69 0.00 96.53 20.84	0.00 0.68 (0.68) 20.16	20.16
023135CF1	Amazon.com Inc Callable Note Cont 3/13/2027 3.3% Due 04/13/2027	04/11/2022 04/13/2022 30,000.00	29,942.97 0.00 0.00 29,943.99	379.50 0.00 462.00 82.50	1.02 0.00 1.02 83.52	83.52
037833AK6	Apple Inc Note 2.4% Due 05/03/2023	11/29/2018 11/30/2018 70,000.00	69,530.96 0.00 0.00 69,588.63	550.67 0.00 690.67 140.00	57.67 0.00 57.67 197.67	197.67
05601XAC3	BMW Vehicle Lease Trust 2022-1 A3 1.1% Due 03/25/2025	01/11/2022 01/19/2022 15,000.00	14,998.39 0.00 0.00 14,998.48	2.75 13.75 2.75 13.75	0.09 0.00 0.09 13.84	13.84
06051GHR3	Bank of America Corp Callable Note 1X 3/15/2024 3.458% Due 03/15/2025	05/19/2021 05/21/2021 55,000.00	57,258.80 0.00 0.00 57,138.01	876.99 950.95 84.53 158.49	0.00 120.79 (120.79) 37.70	37.70
06051GJG5	Bank of America Corp Callable Note Cont 9/25/2024 0.981% Due 09/25/2025	03/16/2022 03/18/2022 35,000.00	33,474.34 0.00 0.00 33,515.20	148.79 171.68 5.72 28.61	40.86 0.00 40.86 69.47	69.47
06406RBC0	Bank of NY Mellon Corp Callable Note Cont 3/25/2025 3.35% Due 04/25/2025	04/21/2022 04/26/2022 85,000.00	85,000.00 0.00 0.00 85,000.00	988.72 0.00 1,226.01 237.29	0.00 0.00 0.00 237.29	237.29
084664CZ2	Berkshire Hathaway Callable Note Cont 2/15/2027 2.3% Due 03/15/2027	Various Various 90,000.00	88,478.81 0.00 0.00 88,506.37	954.50 1,035.00 92.00 172.50	27.56 0.00 27.56 200.06	200.06

Income Earned

As of September 30, 2022



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
09247XAN1	Blackrock Inc Note 3.2% Due 03/15/2027	04/25/2022 04/27/2022 85,000.00	84,275.28 0.00 0.00 84,288.41	1,254.22 1,360.00 120.89 226.67	13.13 0.00 13.13 239.80	239.80
09690AAC7	BMW Vehicle Lease Trust 2021-2 A3 0.33% Due 12/26/2024	09/08/2021 09/15/2021 15,000.00	14,999.10 0.00 0.00 14,999.16	0.83 4.13 0.83 4.13	0.06 0.00 0.06 4.19	4.19
24422EVN6	John Deere Capital Corp Note 0.45% Due 01/17/2024	03/01/2021 03/04/2021 25,000.00	24,991.49 0.00 0.00 24,992.00	13.75 0.00 23.13 9.38	0.51 0.00 0.51 9.89	9.89
24422EVW6	John Deere Capital Corp Note 1.3% Due 10/13/2026	04/21/2022 04/25/2022 90,000.00	83,124.60 0.00 0.00 83,261.84	448.50 0.00 546.00 97.50	137.24 0.00 137.24 234.74	234.74
3130A1XJ2	FHLB Note 2.875% Due 06/14/2024	06/18/2019 06/19/2019 100,000.00	101,546.98 0.00 0.00 101,475.80	614.93 0.00 854.51 239.58	0.00 71.18 (71.18) 168.40	168.40
313383YJ4	FHLB Note 3.375% Due 09/08/2023	02/26/2019 02/27/2019 100,000.00	100,767.62 0.00 0.00 100,705.71	1,621.88 1,687.50 215.63 281.25	0.00 61.91 (61.91) 219.34	219.34
3133EDBU5	FFCB Note 3.5% Due 12/20/2023	01/16/2019 01/17/2019 50,000.00	50,460.47 0.00 0.00 50,431.39	345.14 0.00 490.97 145.83	0.00 29.08 (29.08) 116.75	116.75
3135G03U5	FNMA Note 0.625% Due 04/22/2025	04/27/2020 04/28/2020 100,000.00	99,877.12 0.00 0.00 99,880.94	223.96 0.00 276.04 52.08	3.82 0.00 3.82 55.90	55.90
3135G05X7	FNMA Note 0.375% Due 08/25/2025	08/25/2020 08/27/2020 60,000.00	59,832.35 0.00 0.00 59,836.97	3.75 0.00 22.50 18.75	4.62 0.00 4.62 23.37	23.37



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
3135G06G3	FNMA Note 0.5% Due 11/07/2025	11/09/2020 11/12/2020 65,000.00	64,851.38 0.00 0.00 64,855.22	102.92 0.00 130.00 27.08	3.84 0.00 3.84 30.92	30.92
3137EAEN5	FHLMC Note 2.75% Due 06/19/2023	09/27/2018 09/28/2018 100,000.00	99,795.03 0.00 0.00 99,816.17	550.00 0.00 779.17 229.17	21.14 0.00 21.14 250.31	250.31
3137EAEP0	FHLMC Note 1.5% Due 02/12/2025	03/24/2020 03/25/2020 22,000.00	22,286.47 0.00 0.00 22,276.87	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	19,942.45 0.00 0.00 19,944.08	8.33 0.00 14.58 6.25	1.63 0.00 1.63 7.88	7.88
3137EAEX3	FHLMC Note 0.375% Due 09/23/2025	09/23/2020 09/25/2020 60,000.00	59,889.30 0.00 0.00 59,892.27	98.75 112.50 5.00 18.75	2.97 0.00 2.97 21.72	21.72
3137EAey1	FHLMC Note 0.125% Due 10/16/2023	10/22/2020 10/23/2020 30,000.00	29,953.08 0.00 0.00 29,956.52	14.06 0.00 17.19 3.13	3.44 0.00 3.44 6.57	6.57
36266FAC3	GM Financial Auto Lease Trust 2022-2 A3 3.42% Due 06/20/2025	05/03/2022 05/11/2022 30,000.00	29,997.31 0.00 0.00 29,997.43	31.35 85.50 31.35 85.50	0.12 0.00 0.12 85.62	85.62
43815BAC4	Honda Auto Receivables Trust 2022-1 A3 1.88% Due 05/15/2026	02/15/2022 02/23/2022 25,000.00	24,996.85 0.00 0.00 24,996.94	20.89 39.17 20.89 39.17	0.09 0.00 0.09 39.26	39.26
43815GAC3	Honda Auto Receivables Trust 2021-4 A3 0.88% Due 01/21/2026	11/16/2021 11/24/2021 15,000.00	14,997.59 0.00 0.00 14,997.67	3.67 11.00 3.67 11.00	0.08 0.00 0.08 11.08	11.08



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
4581X0DV7	Inter-American Dev Bank Note 0.875% Due 04/20/2026	04/13/2021 04/20/2021 60,000.00	59,800.30 0.00 0.00 59,804.81	191.04 0.00 234.79 43.75	4.51 0.00 4.51 48.26	48.26
46647PBK1	JP Morgan Chase & Co Callable Note Cont 4/22/2025 2.083% Due 04/22/2026	03/22/2022 03/24/2022 90,000.00	87,175.92 0.00 0.00 87,239.67	671.77 0.00 827.99 156.22	63.75 0.00 63.75 219.97	219.97
47787JAC2	John Deere Owner Trust 2022-A A3 2.32% Due 09/16/2026	03/10/2022 03/16/2022 15,000.00	14,997.12 0.00 0.00 14,997.20	15.47 29.00 15.47 29.00	0.08 0.00 0.08 29.08	29.08
47789QAC4	John Deere Owner Trust 2021-B A3 0.52% Due 03/16/2026	07/13/2021 07/21/2021 15,000.00	14,999.07 0.00 0.00 14,999.10	3.47 6.50 3.47 6.50	0.03 0.00 0.03 6.53	6.53
47800AAC4	John Deere Owner Trust 2022-B A3 3.74% Due 02/16/2027	07/12/2022 07/20/2022 25,000.00	24,997.69 0.00 0.00 24,997.74	106.49 142.85 41.56 77.92	0.05 0.00 0.05 77.97	77.97
58769KAD6	Mercedes-Benz Auto Lease Trust 2021-B A3 0.4% Due 11/15/2024	06/22/2021 06/29/2021 15,000.00	14,999.39 0.00 0.00 14,999.43	2.67 5.00 2.67 5.00	0.04 0.00 0.04 5.04	5.04
61747YET8	Morgan Stanley Callable Note Cont 7/17/2025 4.679% Due 07/17/2026	07/18/2022 07/20/2022 30,000.00	30,000.00 0.00 0.00 30,000.00	159.87 0.00 276.84 116.97	0.00 0.00 0.00 116.97	116.97
665859AW4	Northern Trust Company Callable Note Cont 4/10/2027 4% Due 05/10/2027	09/28/2022 09/30/2022 70,000.00	0.00 67,975.60 0.00 67,976.80	0.00 (1,088.89) 1,096.67 7.78	1.20 0.00 1.20 8.98	8.98
69371RP59	Paccar Financial Corp Note 3.4% Due 08/09/2023	09/10/2018 09/12/2018 70,000.00	70,018.97 0.00 0.00 70,017.31	145.44 0.00 343.78 198.34	0.00 1.66 (1.66) 196.68	196.68



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
79466LAG9	Salesforce.com Inc Callable Note Cont 7/15/2022 0.625% Due 07/15/2024	06/29/2021 07/12/2021 5,000.00	4,998.42 0.00 0.00 4,998.48	3.99 0.00 6.60 2.61	0.06 0.00 0.06 2.67	2.67
808513AT2	Charles Schwab Corp Callable Note Cont 12/25/2022 2.65% Due 01/25/2023	06/01/2018 06/05/2018 70,000.00	69,828.94 0.00 0.00 69,864.09	185.50 0.00 340.08 154.58	35.15 0.00 35.15 189.73	189.73
857477BR3	State Street Bank Callable Note Cont 2/6/2025 1.746% Due 02/06/2026	Various Various 90,000.00	86,914.64 0.00 0.00 86,988.46	109.13 0.00 240.07 130.94	73.82 0.00 73.82 204.76	204.76
87612EBM7	Target Corp Callable Note Cont 12/15/2026 1.95% Due 01/15/2027	01/19/2022 01/24/2022 25,000.00	24,962.65 0.00 0.00 24,963.35	62.29 0.00 102.92 40.63	0.70 0.00 0.70 41.33	41.33
89236TJK2	Toyota Motor Credit Corp Note 1.125% Due 06/18/2026	Various Various 90,000.00	86,310.35 0.00 0.00 86,390.21	205.31 0.00 289.69 84.38	79.86 0.00 79.86 164.24	164.24
89238FAD5	Toyota Auto Receivables OT 2022-B A3 2.93% Due 09/15/2026	04/07/2022 04/13/2022 20,000.00	19,999.59 0.00 0.00 19,999.60	26.04 48.83 26.04 48.83	0.01 0.00 0.01 48.84	48.84
89238JAC9	Toyota Auto Receivables Trust 2021-D A3 0.71% Due 04/15/2026	11/09/2021 11/15/2021 15,000.00	14,999.76 0.00 0.00 14,999.77	4.73 8.88 4.73 8.88	0.01 0.00 0.01 8.89	8.89
89240BAC2	Toyota Auto Receivables Owners 2021-A A3 0.26% Due 05/15/2025	02/02/2021 02/08/2021 12,677.11	13,573.24 0.00 897.38 12,676.01	1.57 2.94 1.46 2.83	0.15 0.00 0.15 2.98	2.98
9128282A7	US Treasury Note 1.5% Due 08/15/2026	09/16/2021 09/17/2021 125,000.00	128,267.82 0.00 0.00 128,199.93	86.62 0.00 239.47 152.85	0.00 67.89 (67.89) 84.96	84.96



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	Various Various 150,000.00	151,393.53 0.00 0.00 151,338.51	1,341.19 1,593.75 8.76 261.32	0.00 55.02 (55.02) 206.30	206.30
9128284D9	US Treasury Note 2.5% Due 03/31/2023	Various Various 150,000.00	150,693.21 0.00 0.00 150,594.64	1,577.87 1,875.00 10.29 307.42	0.00 98.57 (98.57) 208.85	208.85
9128284Z0	US Treasury Note 2.75% Due 08/31/2025	Various Various 150,000.00	156,298.40 0.00 0.00 156,125.85	11.40 0.00 353.25 341.85	0.00 172.55 (172.55) 169.30	169.30
9128285C0	US Treasury Note 3% Due 09/30/2025	Various Various 150,000.00	156,917.30 0.00 0.00 156,732.84	1,893.45 2,250.00 12.36 368.91	0.00 184.46 (184.46) 184.45	184.45
9128285K2	US Treasury Note 2.875% Due 10/31/2023	09/23/2021 09/24/2021 125,000.00	128,747.26 0.00 0.00 128,482.75	1,210.94 0.00 1,503.91 292.97	0.00 264.51 (264.51) 28.46	28.46
9128285P1	US Treasury Note 2.875% Due 11/30/2023	03/30/2021 03/31/2021 80,000.00	82,591.20 0.00 0.00 82,420.35	584.43 0.00 772.95 188.52	0.00 170.85 (170.85) 17.67	17.67
912828N30	US Treasury Note 2.125% Due 12/31/2022	01/31/2018 01/31/2018 55,000.00	69,910.79 0.00 14,985.31 54,947.28	254.65 78.82 295.36 119.53	21.80 0.00 21.80 141.33	141.33
912828V80	US Treasury Note 2.25% Due 01/31/2024	03/24/2022 03/25/2022 150,000.00	150,170.04 0.00 0.00 150,160.17	293.48 0.00 568.61 275.13	0.00 9.87 (9.87) 265.26	265.26
912828XB1	US Treasury Note 2.125% Due 05/15/2025	Various Various 150,000.00	153,799.36 0.00 0.00 153,683.87	944.13 0.00 1,203.97 259.84	0.00 115.49 (115.49) 144.35	144.35

Income Earned

As of September 30, 2022



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
912828XT2	US Treasury Note 2% Due 05/31/2024	Various Various 150,000.00	151,616.14 0.00 0.00 151,540.15	762.30 0.00 1,008.21 245.91	0.00 75.99 (75.99) 169.92	169.92
912828XX3	US Treasury Note 2% Due 06/30/2024	Various Various 150,000.00	150,838.04 0.00 0.00 150,800.41	513.58 0.00 758.15 244.57	0.00 37.63 (37.63) 206.94	206.94
912828YV6	US Treasury Note 1.5% Due 11/30/2024	Various Various 150,000.00	151,577.06 0.00 0.00 151,519.44	571.72 0.00 756.15 184.43	21.62 79.24 (57.62) 126.81	126.81
912828Z52	US Treasury Note 1.375% Due 01/31/2025	Various Various 150,000.00	149,040.85 0.00 0.00 149,073.43	179.35 0.00 347.49 168.14	54.41 21.83 32.58 200.72	200.72
912828ZF0	US Treasury Note 0.5% Due 03/31/2025	Various Various 100,000.00	99,761.09 0.00 0.00 99,768.69	210.39 250.00 1.37 40.98	7.60 0.00 7.60 48.58	48.58
91282CAZ4	US Treasury Note 0.375% Due 11/30/2025	Various Various 100,000.00	98,965.13 0.00 0.00 98,991.31	95.29 0.00 126.02 30.73	26.20 0.02 26.18 56.91	56.91
91282CBC4	US Treasury Note 0.375% Due 12/31/2025	Various Various 85,000.00	84,235.32 0.00 0.00 84,254.17	54.57 0.00 80.55 25.98	18.85 0.00 18.85 44.83	44.83
91282CBH3	US Treasury Note 0.375% Due 01/31/2026	Various Various 100,000.00	98,640.24 0.00 0.00 98,672.94	32.61 0.00 63.18 30.57	32.70 0.00 32.70 63.27	63.27
91282CBQ3	US Treasury Note 0.5% Due 02/28/2026	Various Various 100,000.00	98,919.13 0.00 0.00 98,944.54	1.38 0.00 42.82 41.44	25.41 0.00 25.41 66.85	66.85



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
91282CBR1	US Treasury Note 0.25% Due 03/15/2024	09/23/2021 09/24/2021 125,000.00	124,739.12 0.00 0.00 124,753.07	144.36 156.25 13.81 25.70	13.95 0.00 13.95 39.65	39.65
91282CBT7	US Treasury Note 0.75% Due 03/31/2026	Various Various 100,000.00	99,652.93 0.00 0.00 99,660.91	315.58 375.00 2.06 61.48	7.98 0.00 7.98 69.46	69.46
91282CCF6	US Treasury Note 0.75% Due 05/31/2026	08/25/2021 08/26/2021 125,000.00	124,765.69 0.00 0.00 124,770.83	238.22 0.00 315.06 76.84	5.14 0.00 5.14 81.98	81.98
91282CCP4	US Treasury Note 0.625% Due 07/31/2026	08/25/2021 08/26/2021 125,000.00	124,058.03 0.00 0.00 124,077.81	67.93 0.00 131.62 63.69	19.78 0.00 19.78 83.47	83.47
91282CCT6	US Treasury Note 0.375% Due 08/15/2024	08/25/2021 08/26/2021 125,000.00	124,794.35 0.00 0.00 124,803.00	21.65 0.00 59.87 38.22	8.65 0.00 8.65 46.87	46.87
91282CDG3	US Treasury Note 1.125% Due 10/31/2026	Various Various 150,000.00	145,709.29 0.00 0.00 145,793.92	568.62 0.00 706.18 137.56	84.63 0.00 84.63 222.19	222.19
91282CDN8	US Treasury Note 1% Due 12/15/2024	12/22/2021 12/23/2021 100,000.00	100,129.07 0.00 0.00 100,124.43	213.11 0.00 295.08 81.97	0.00 4.64 (4.64) 77.33	77.33
91282CEF4	US Treasury Note 2.5% Due 03/31/2027	05/25/2022 05/26/2022 90,000.00	89,103.34 0.00 0.00 89,119.42	946.72 1,125.00 6.18 184.46	16.08 0.00 16.08 200.54	200.54
91282CET4	US Treasury Note 2.625% Due 05/31/2027	06/21/2022 06/22/2022 150,000.00	145,057.94 0.00 0.00 145,143.50	1,000.51 0.00 1,323.26 322.75	85.56 0.00 85.56 408.31	408.31

**Income Earned**

As of September 30, 2022



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
91282CFB2	US Treasury Note 2.75% Due 07/31/2027	08/30/2022 08/31/2022 125,000.00	121,925.54 0.00 0.00 121,976.96	298.91 0.00 579.14 280.23	51.42 0.00 51.42 331.65	331.65
91324PEC2	United Health Group Inc Callable Note Cont 4/15/2026 1.15% Due 05/15/2026	Various Various 90,000.00	83,839.59 0.00 0.00 83,976.27	304.75 0.00 391.00 86.25	137.23 0.55 136.68 222.93	222.93
931142ERO	Wal-Mart Stores Callable Note Cont 08/17/2026 1.05% Due 09/17/2026	09/08/2021 09/17/2021 10,000.00	9,984.71 0.00 0.00 9,985.02	47.83 52.50 4.08 8.75	0.31 0.00 0.31 9.06	9.06
931142EW9	Wal-Mart Stores Note 3.9% Due 09/09/2025	09/06/2022 09/09/2022 15,000.00	0.00 14,989.50 0.00 14,989.71	0.00 0.00 35.75 35.75	0.21 0.00 0.21 35.96	35.96
			<b>5,759,995.52</b>	<b>26,068.34</b>	<b>1,219.83</b>	
			<b>82,965.10</b>	<b>12,382.61</b>	<b>1,654.01</b>	
			<b>15,882.69</b>	<b>22,171.71</b>	<b>(434.18)</b>	
<b>Total Fixed Income</b>		<b>5,839,677.11</b>	<b>5,826,643.75</b>	<b>8,485.98</b>	<b>8,051.80</b>	<b>8,051.80</b>
<b>CASH &amp; EQUIVALENT</b>						
31846V203	First American Govt Obligation Fund Class Y	09/26/2022 09/26/2022 13,175.33	68,477.43 29,419.23 84,721.33 13,175.33	0.00 89.02 0.00 89.02	0.00 0.00 0.00 89.02	89.02
			<b>68,477.43</b>	<b>0.00</b>	<b>0.00</b>	
			<b>29,419.23</b>	<b>89.02</b>	<b>0.00</b>	
			<b>84,721.33</b>	<b>0.00</b>	<b>0.00</b>	
<b>Total Cash &amp; Equivalent</b>		<b>13,175.33</b>	<b>13,175.33</b>	<b>89.02</b>	<b>89.02</b>	<b>89.02</b>
			<b>5,828,472.95</b>	<b>26,068.34</b>	<b>1,219.83</b>	
			<b>112,384.33</b>	<b>12,471.63</b>	<b>1,654.01</b>	
			<b>100,604.02</b>	<b>22,171.71</b>	<b>(434.18)</b>	
<b>TOTAL PORTFOLIO</b>		<b>5,852,852.44</b>	<b>5,839,819.08</b>	<b>8,575.00</b>	<b>8,140.82</b>	<b>8,140.82</b>



Chandler Asset Management, Inc. ("Chandler") is an SEC registered investment adviser. For additional information about our firm, please see our current disclosures (Form ADV). To obtain a copy of our current disclosures, you may contact your client service representative by calling the number on the front of this statement or you may visit our website at [www.chandlerasset.com](http://www.chandlerasset.com).

Information contained in this monthly statement is confidential and is provided for informational purposes only and should not be construed as specific investment or legal advice. The information contained herein was obtained from sources believed to be reliable as of the date of this statement, but may become outdated or superseded at any time without notice.

**Custody:** Your qualified custodian bank maintains control of all assets reflected in this statement and we urge you to compare this statement to the one you receive from your qualified custodian. Chandler does not have any authority to withdraw or deposit funds from/to the custodian account.

**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.

Source ice Data Indices, LLC ("ICE"), used with permission. ICE PERMITS USE OF THE ICE INDICES AND RELATED DATA ON AN "AS IS" BASIS; ICE, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY SUPPLIERS DISCLAIM ANY AND ALL WARRANTIES AND REPRESENTATIONS, EXPRESS AND/OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, INCLUDING THE INDICES, INDEX DATA AND ANY DATA INCLUDED IN, RELATED TO, OR DERIVED THEREFROM. NEITHER ICE DATA, ITS AFFILIATES OR THEIR RESPECTIVE THIRD PARTY PROVIDERS GUARANTEE THE QUALITY, ADEQUACY, ACCURACY, TIMELINESS OR COMPLETENESS OF THE INDICES OR THE INDEX DATA OR ANY COMPONENT THEREOF, AND THE INDICES AND INDEX DATA AND ALL COMPONENTS THEREOF ARE PROVIDED ON AN "AS IS" BASIS AND LICENSEE'S USE IS AT LICENSEE'S OWN RISK. ICE DATA, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY DO NOT SPONSOR, ENDORSE, OR RECOMMEND CHANDLER, OR ANY OF ITS PRODUCTS OR SERVICES.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

**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.



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Benchmark Index	Disclosure
ICE BofA 1-5 Yr US Treasury & Agency Index	The ICE BofA 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.

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## BOARD OF DIRECTORS STAFF REPORT

**To:** TVMWD Board of Directors  
**From:** Matthew H. Litchfield, General Manager   
**Date:** October 19, 2022  
**Subject:** **YTD District Budget Status Report**

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Funds Budgeted: \$  Fiscal Impact: \$

### 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, 2022.

The **Interest Income** line item reflects negative YTD actuals due to decreases in the market for first quarter FY 22-23.

Due to the payment schedule for **Membership Dues & Fees**, the 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

## Item 7.B - Exhibit A

THREE VALLEYS MUNICIPAL WATER DISTRICT				
DISTRICT BUDGET - FISCAL YEAR 2022-2023				
Month Ending September 30, 2022				
	2022-2023 YTD Actuals	Annual Budget All Funds	2022-2023 Percent of Budget	2022-2023 Balance Remaining
<b>REVENUES</b>				
<b>OPERATING REVENUES</b>				
Water Sales	17,638,659	68,404,581	25.8%	50,765,922
MWD RTS Standby Charge	34,271	4,800,755	0.7%	4,766,484
MWD Capacity Charge Assessment	435,845	1,604,680	27.2%	1,168,835
TVMWD Fixed Charges	204,830	845,637	24.2%	640,807
Hydroelectric Revenue	(3,627)	230,000	-1.6%	233,627
<b>NON-OPERATING REVENUES</b>				
Property Taxes	83,455	2,654,044	3.1%	2,570,589
Interest Income	(107,075)	83,374	-128.4%	190,449
Pumpback O&M Reimbursement	-	10,000	0.0%	10,000
Grants and Other Revenue	10,297	5,517	186.6%	(4,780)
<b>TOTAL REVENUES</b>	<b>18,296,655</b>	<b>78,638,587</b>	<b>23.3%</b>	<b>60,341,933</b>
<b>EXPENSES</b>				
<b>OPERATING EXPENSES</b>				
MWD Water Purchases	16,143,867	60,768,527	26.6%	44,624,660
MWD RTS Standby Charge	12,500	4,800,755	0.3%	4,788,255
Staff Compensation	1,400,804	5,167,273	27.1%	3,766,469
MWD Capacity Charge	-	1,604,680	0.0%	1,604,680
Operations and Maintenance	227,640	2,076,500	11.0%	1,848,860
Professional Services	162,618	625,176	26.0%	462,558
Directors Compensation	47,396	273,680	17.3%	226,284
Communication and Conservation Programs	23,187	170,700	13.6%	147,513
Planning & Resources	9,794	275,000	3.6%	265,206
Membership Dues and Fees	66,502	93,022	71.5%	26,520
Hydroelectric Facilities	3,337	30,000	11.1%	26,663
Board Elections	-	-	0.0%	-
<b>NON OPERATING EXPENSES</b>				
Pumpback O&M Expenses	432	10,000	4.3%	9,568
<b>RESERVE EXPENSES</b>				
Reserve Replenishment	-	90,000	0.0%	90,000
<b>CAPITAL INVESTMENT</b>				
Capital Repair & Replacement	77,198	1,851,919	4.2%	1,774,721
Capital Investment Program	205,671	1,412,123	14.6%	1,206,452
<b>TOTAL EXPENSES</b>	<b>18,380,948</b>	<b>79,249,355</b>	<b>23.2%</b>	<b>60,868,407</b>
<b>NET INCOME (LOSS) BEFORE TRANSFERS</b>		<b>(610,768)</b>		
TRANSFER FROM/(TO) CAPITAL RESERVES		(1,029,044)		
TRANSFER IN FROM BOARD ELECTION RESERVES				
TRANSFER IN FROM ENCUMBERED RESERVES		1,673,757		
<b>NET INCOME (LOSS) AFTER TRANSFERS</b>		<b>\$ 33,945</b>		

**\*\*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 ACTION**

**BOARD OF DIRECTORS  
STAFF REPORT**

**To:** TVMWD Board of Directors  
**From:** Matthew H. Litchfield, General Manager   
**Date:** October 19, 2022  
**Subject:** **Warrant List**

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Funds Budgeted: \$  Fiscal Impact: \$ 6,317,969.36

**Staff Recommendation**

Receive and file the **Warrant List** for the period ending **September 30, 2022**, as presented.

**Discussion**

The monthly warrant list is provided for your information.

General checks 52071 through 52136 totaling \$342,475.34 are listed on pages 1 to 3.

MWD July water invoice totaling \$5,660,147.50 is listed on page 3.

Wire transfers for taxing agencies, benefit payments and PERS totaling \$120,331.40 is listed on page 3.

Total payroll checks 14988 through 15042 totaling \$195,015.12 are listed on page 3.

Umpqua Bank invoices details are listed on pages 4 to 5.

**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 2022

General Checks 52071 through 52136  
Payroll Wire Transfer 3356 through 3371  
Payroll Checks 14988 through 15042

Check Number	Vendor	Description	Paid Amount
52071	CONTRERAS, MARIA	RETIREE HEALTH BENEFITS - SEPT	256.85
52072	DECHAINED, CYNTHIA	RETIREE HEALTH BENEFITS - SEPT	146.48
52073	FAULK, GEORGE	RETIREE HEALTH BENEFITS - SEPT	355.00
52074	GAMBOA, ROGELIO	12/15/22 MEETING EXPENSE - DEPOSIT	1,322.87
52075	HANSEN, RICHARD W.	RETIREE HEALTH BENEFITS - SEPT	600.00
52076	KRIEDEL, BETTY	RETIREE HEALTH BENEFITS - SEPT	148.10
52077	LAREZ, MARY PAT	RETIREE HEALTH BENEFITS - SEPT	165.10
52078	PALM, JAMES	RETIREE HEALTH BENEFITS - SEPT	170.10
52079	SWRCB-DWOC	T5 CERTIFICATION RENEWAL - AGUIAR	105.00
52080	DE LAGE LANDEN FIN SVCS, INC.	POSTAGE METER LEASING CHARGES 8/15/22 - 9/14/22	146.87
52081	DENALI WATER SOLUTIONS, LLC	SLUDGE REMOVAL - JUL	9,214.00
52082	HIGHROAD INFORMATION TECH, LLC	IT SERVICES/MICROSOFT BACKUP STORAGE/MICROSOFT 365 LICENSING - SEPT	3,214.49
52083	LAYFIELD USA CORP	REPAIR RESERVOIR COVER #1 7/1/22 - 7/31/22	14,700.00
52084	LINCOLN LIFE, EMPL SVCS(5H-26)	457 DEFRO: SEPTEMBER 4 PAYROLL	11,048.32
52085	RED WING BUSINESS ADVNTGE ACCT	SAFETY FOOTWEAR - PERALTA	252.12
52086	CELL BUSINESS EQUIPMENT	PLOTTER LEASE - SEPT	268.27
52087	CLAREMONT PRINT & COPY	BUSINESS CARDS - HOWIE	74.46
52088	DE LAGE LANDEN FIN SVCS, INC.	POSTAGE MACHINE FULL BUYOUT WITH EQUIPMENT RETURN	300.14
52089	FORD OF UPLAND, INC.	OIL & FILTER CHANGE/INSPECTION/TIRE ROTATION FOR DISTRICT VEHICLES	153.42
52090	LEE, SYLVIE	MILEAGE EXPENSE AUG/SEPT	38.00
52091	LOS ANGELES COUNTY FIRE DEPT	HAZARDOUS MATERIALS/WASTE GENERATOR/CA.ACCIDENTAL RELEASE PROGRAMS PERMIT FEES	13,681.00
52092	LOWE'S	SOIL MIX/PRIMER/PAINT/MASKS/WRENCH SETS/PLIERS/RAGS/GLOVES/TOWELS/POWER STRIP	1,821.10
52093	MICHAEL J ARNOLD & ASSOC, INC.	LEGISLATIVE CONSULTANT SEPT/AUG EXPENSES	6,084.00
52094	MWH CONSTRUCTORS, INC.	MIRAGRAND WELL EQUIPPING CONSTRUCTION INSPECTION	4,650.00
52095	PACIFIC STAR CHEMICAL, LLC	SODIUM HYDROXIDE	11,750.00
52096	PEST OPTIONS INC.	MICE/RATS CONTROL	197.95
52097	PRIME SYSTEMS IND AUTOMATION	GENERAL SCADA PROGRAMMING - JUL/AUG	5,247.00
52098	SONNENBERG, RYAN	D5 EXAMINATION/CERTIFICATION FEES	260.00
52099	SOUTHERN CALIFORNIA EDISON	MIRAMAR/WILLIAMS/FULTON - APR/MAR/JUN/JUL/AUG	4,808.73
52100	SAN ANTONIO WATER COMPANY	WATER AVAILABILITY CHARGE 6/30/22 - 8/31/22	4.00
52101	SOCALGAS	FULTON SERVICE 8/05/22 - 9/06/22	15.78
52102	SOUTHERN CALIFORNIA EDISON	MIRAMAR/WILLIAMS/FULTON/PM-26/SCADA/PUMPBACK - AUG	1,354.44



THREE VALLEYS MUNICIPAL WATER DISTRICT  
 Warrant List  
 September 2022  
 General Checks 52071 through 52136  
 Payroll Wire Transfer 3356 through 3371  
 Payroll Checks 14988 through 15042

Item 7.B - Exhibit A

Check Number	Vendor	Description	Paid Amount
52103	WEX BANK	FUEL 8/01/22 - 8/31/22	2,704.15
52104	UMPQUA BANK	UMPQUA BANK INVOICE DETAIL - LAST PAGE	32,465.40
52105	UMPQUA BANK	UMPQUA BANK INVOICE DETAIL - LAST PAGE	80,053.22
52106	ACWA/JPIA	ACWA EMPLOYEE BENEFITS - OCTOBER 2022	45,848.89
52107	AFLAC	AFLAC SUPP. INS: SEPTEMBER 2022 (EMPLOYEE REIMBURSED)	1,146.90
52108	BRAX COMPANY, INC.	PUMP POWER CORD	536.87
52109	CANON FINANCIAL SERVICES, INC.	COPY MACHINE LEASE - SEPT	1,845.08
52110	CCS INTERACTIVE	QUARTERLY WEBSITE HOSTING OCT - DEC 2022	174.00
52111	CLS LANDSCAPE MANAGEMENT	LANDSCAPE MAINTENANCE/FUEL SURCHARGE - SEPT	3,025.26
52112	HARRIS & ASSOCIATES, INC.	WATER STANDBY CHARGE ASSESSMENT ADMINISTRATION FEES FY 22/23	12,500.00
52113	LIEBERT CASSIDY WHITMORE	LEGAL FEES - AUG	1,248.00
52114	LINCOLN LIFE, EMPL SVCS(5H-26)	457 DEF RD: SEPTEMBER 18 PAYROLL	11,048.32
52115	LINCOLN LIFE, EMPL SVCS(5H-26)	457 DEF RD: BOARD-SEPTEMBER 2022	4,246.75
52116	PUBLIC WATER AGENCIES GROUP	EMERGENCY PREPAREDNESS MONTHLY ASSESSMENT	963.75
52117	RELIANCE STANDARD LIFE INS CO.	GROUP LIFE INSURANCE: SEPTEMBER 2022	1,412.16
52118	RELIANCE STANDARD LIFE INS.	ST/LT DISAB: SEPTEMBER 2022	1,061.16
52119	SWRCB-DWOCP	T4 CERTIFICATION RENEWAL - SONNENBERG	105.00
52120	AQUILOGIC, INC.	CADIZ STUDY PLAN 10/30/21- 3/25/22	6,356.80
52121	BRUNICK, MCELHANEY & KENNEDY	LEGAL FEES- AUG	12,230.00
52122	HIGHROAD INFORMATION TECH, LLC	AUTOCAD SOFTWARE RENEWAL	824.00
52123	JCI JONES CHEMICALS, INC.	CHLORINE	14,275.36
52124	MATHISEN OIL CO., INC.	MOBIL OIL	334.67
52125	MCR TECHNOLOGIES, INC.	ABB WATERMASTER ELECTROMAGNETIC FLOW METER 18"	11,281.39
52126	SYNCB/AMAZON	THERMOMETER/PAINT/AMMONIA CALIBRATION GAS/CABINET/TONER CARTRIDGES/KEYBOARD	2,231.37
52127	UNITED STATES TREASURY	PATIENT-CENTERED OUTCOMES RESEARCH FEE 2019	63.70
52128	UNITED STATES TREASURY	PATIENT-CENTERED OUTCOMES RESEARCH FEE 2017	61.02
52129	UNITED STATES TREASURY	PATIENT-CENTERED OUTCOMES RESEARCH FEE 2018	59.75
52130	UNITED STATES TREASURY	PATIENT-CENTERED OUTCOMES RESEARCH FEE 2016	47.74
52131	UNITED STATES TREASURY	ANNUAL FORM 720 FILING FEE	27.38
52132	HARBOR FREIGHT TOOLS	GLOVES/FLOOD RESPONSE SUMP PUMPS	622.75
52133	POMONA WHOLESALE ELECTRIC	BUILDING WIRE/PULLING LUB/FISH LINE/CONDUIT ELBOW/COUPLING/PIPE	267.51
52134	QUINTERO, RICHARD	SAFETY FOOTWEAR	160.14
52135	RED WING BUSINESS ADVNTGE ACCT	SAFETY FOOTWEAR - SONNENBERG	262.87



THREE VALLEYS MUNICIPAL WATER DISTRICT  
 Warrant List  
 September 2022  
 General Checks 52071 through 52136  
 Payroll Wire Transfer 3356 through 3371  
 Payroll Checks 14988 through 15042

Item 7.B - Exhibit A

Check Number	Vendor	Description	Paid Amount
52136	SOUTHERN CALIFORNIA EDISON	MIRAMAR/GRAND AVE - SEPT	430.39
<b>TOTAL AMOUNT OF CHECKS LISTED</b>			<b>\$ 342,475.34</b>
12830	METROPOLITAN WATER DISTRICT	JULY 2022 MWD WATER INVOICE	5,660,147.50
<b>TOTAL AMOUNT OF WIRE TRANSFERS</b>			<b>\$ 5,660,147.50</b>
3356	FEDERAL TAX PAYMENT	FED TAX: SEPTEMBER 4 PAYROLL	21,146.20
3357	BASIC	HEALTH SAVINGS ACCT: SEPTEMBER 4 PAYROLL	1,564.98
3358	PUBLIC EMPLOYEES RETIREMENT SY	PERS CONTR: SEPTEMBER 4 PAYROLL	22,763.27
3359	STATE TAX PAYMENT	STATE TAX: SEPTEMBER 4 PAYROLL	7,535.77
3360	LINCOLN FINANCIAL GROUP	401A DEFRD: SEPTEMBER 4 PAYROLL	1,750.00
3361	CALPERS-457 PLAN	PERS-457 DEFERRED COMP: SEPTEMBER 4 PAYROLL	3,378.15
3362	FEDERAL TAX PAYMENT	FED TAX: SEPTEMBER 18 PAYROLL	21,772.83
3363	BASIC	HEALTH SAVINGS ACCT: SEPTEMBER 18 PAYROLL	1,564.98
3364	PUBLIC EMPLOYEES RETIREMENT SY	PERS CONTR: SEPTEMBER 18 PAYROLL	22,899.35
3365	STATE TAX PAYMENT	STATE TAX: SEPTEMBER 18 PAYROLL	7,774.04
3366	LINCOLN FINANCIAL GROUP	401A DEFRD: SEPTEMBER 18 PAYROLL	1,750.00
3367	CALPERS-457 PLAN	PERS-457 DEFERRED COMP: SEPTEMBER 18 PAYROLL	3,210.00
3368	FEDERAL TAX PAYMENT	FED TAX: BOARD-SEPTEMBER 2022	1,400.40
3369	BASIC	HEALTH SAVINGS ACCT: BOARD-SEPTEMBER 2022	541.66
3370	STATE TAX PAYMENT	STATE TAX: BOARD-SEPTEMBER 2022	314.77
3371	CALPERS-457 PLAN	PERS-457 DEFERRED COMP: BOARD-SEPTEMBER 2022	965.00
<b>TOTAL AMOUNT OF PAYROLL WIRE TRANSFERS LISTED</b>			<b>\$ 120,331.40</b>
<b>PAYROLL SUMMARY</b>			
Check# 14988 - 15042			<b>\$ 195,015.12</b>
<b>TOTAL September 2022 CASH DISBURSEMENTS</b>			<b>\$ 6,317,969.36</b>



THREE VALLEYS MUNICIPAL WATER DISTRICT  
 Warrant List  
 September 2022  
 Umpqua Bank E-Payables Invoice Detail Check 52104  
 Umpqua Bank Credit Cards Invoice Detail Check 52105

Item 7.B - Exhibit A

Check Number	Vendor	Description	Paid Amount
52104	AIRGAS SPECIALTY PRODUCTS	AMMONIA	3,720.74
52104	ALS GROUP USA, CORP	OUTSIDE LABORATORY TESTING - THM	250.00
52104	ANIMAL PEST MGMT SVCS, INC.	VERTEBRATE PEST CONTROL	2,750.00
52104	APPLIED TECHNOLOGY GROUP, INC	PWAG RADIO MONTHLY CHARGE - JUL	30.00
52104	ASCO POWER SERVICES, INC.	GENERATOR SERVICE MAINTENANCE AGREEMENT 7/14/22-7/13/23	1,377.60
52104	AT&T MOBILITY LLC	MI-FI DEVICE - LANG/MOBILE WIRELESS SERVICE 8/3/22 - 9/2/22	504.70
52104	AWWA	10/19-20/22 OPSHOW VIRTUAL EVENT - HARBERSON	155.00
52104	AZUSA LIGHT & WATER	ELECTRIC UTILITY 7/11/22 TO 8/12/22	39.90
52104	BASIC	FSA & HRA ADMINISTRATION FEES	125.00
52104	CHARTER COMMUNICATIONS	BROADBAND SERVICES - WILLIAMS/PLANT 2/FULTON 6/09/22 - 7/20/22	349.97
52104	CITY OF CLAREMONT	REFUSE PICKUP/STREET SWEEPING - JUL	179.14
52104	GOLDEN STATE WATER COMPANY	MIRAGRAND WELL WATER PURCHASE 7/18/22 - 8/15/22	133.37
52104	GRAINGER	CURRENT SENSING RELAYS/LEGEND PLATE	93.73
52104	HACH COMPANY	NITRIVER/AMMONIA SALICYLATE/INDICATOR SOLUTION/ALKALINITY/HARDNESS/BUFFER SOLUTIONS	1,608.12
52104	HARRINGTON IND PLASTICS, LLC	NIPPLE/ELBOW/ADAPTER TANKS/SEAT/SEAL PTFE KIT	1,666.94
52104	IDEXX DISTRIBUTION CORP	COMPARATOR	22.49
52104	LANCE, SOLL & LUNGHARD LLP	2022 GOVERNMENT AUDIT YEAR-END	14,800.00
52104	LIGHT BULBS ETC.	LIGHT/MINI-LIGHT BULBS	194.84
52104	MC MASTER-CARR SUPPLY CO.	RINGS/STEEL RODS/WEATHERPROOF OUTLET COVER	104.98
52104	MERCER, DUSTIN DBA MCC QUALITY	JANITORIAL SERVICE - JUL	1,375.00
52104	ODYSSEY POWER	GENERATOR PM AGREEMENT	1,119.61
52104	SMITH-EMERY LABORATORIES	MIRAGRAND WELL SOIL TESTING	900.00
52104	THERMO FISHER SCIENTIFIC LLC	CARTRIDGE PACK	852.23
52104	UNDERGROUND SERVICE ALERT	DIGALERT TICKETS - AUG	76.50
52104	UPS	SHIPPING CHARGES	35.54
<b>TOTAL AMOUNT OF UMPQUA BANK E-PAYABLES SERVICES INVOICE</b>			<b>\$ 32,465.40</b>



THREE VALLEYS MUNICIPAL WATER DISTRICT  
 Warrant List  
 September 2022  
 Umpqua Bank E-Payables Invoice Detail Check 52104  
 Umpqua Bank Credit Cards Invoice Detail Check 52105

Item 7.B - Exhibit A

Check Number	Vendor	Description	Paid Amount
52105	ACWA	9/19/22 EVENT - HOWIE/LEE / FALL CONFERENCE - BOWCOCK/LITCHFIELD/TI / EVENT CREDIT - BOWCOCK	1,910.00
52105	AMERICAN FLAG & AMP, BANNER CO.	WIND TRACKER REPLACEMENT/HARNESS SET	194.17
52105	BACKGROUNDS ONLINE	INTERN BACKGROUND CHECK	112.53
52105	BATTERY SYSTEMS, INC	BATTERIES	549.15
52105	BNI BUILDING NEWS	GREENBOOK SPECS FOR PUBLIC WORKS CONSTRUCTION	462.94
52105	CA SECRETARY OF STATE	STATEMENT OF INFORMATION FILING FEE	20.00
52105	CA-NV SECTION AWWA	8/24/22 WEBINAR - HERNANDEZ/LARIOS/LARSON/NELSON/SUAREZ / T1-T2 MATH REVIEW - LITCHFIELD	700.00
52105	CLAREMONT CHAMBER OF COMMERCE	9/13/22 BUSINESS OVER BREAKFAST - BOWCOCK	20.00
52105	COLE-PARMER INSTRUMENT CO.	THERMCASE	76.13
52105	CSDA	11/7-9/22 BOARD SECRETARY/CLERK CONFERENCE - AGUIRRE/TURNER	1,425.00
52105	EEC ACQUISITION LLC	WELL HOT FOOD SERVICE REPAIR	950.65
52105	FRONTIER	DSL FOR SCADA 7/10/22 - 8/09/22	95.98
52105	GOLDEN STATE WATER COMPANY	MIRAGRAND WELL WATER PURCHASE 6/15/22 - 7/18/22	133.37
52105	GRAINGER	LEGEND PLATE/MEMBERSHIP FEE	148.38
52105	IAAP - CITRUS VALLEY CHAPTER	RECORDS MANAGEMENT CERTIFICATE COURSE/MEMBERSHIP - AGUIRRE	900.00
52105	JACK'S KEY SERVICE	DISTRICT VEHICLE BROKEN KEY REPLACE	168.48
52105	LOMELI, ROSANA DBA WATERWISE	11/8-9/22 EXPO-BURROUGHS/ENSIGN/HARBERSON/HERNANDEZ/LANG/LARIOS/QUINTERO/SONNENBERG	600.00
52105	METRO EXPRESSLANES	REPLENISH FASTRAK TRANSPONDER ACCOUNT	40.00
52105	MISCELLANEOUS VENDORS	EVENTS REGISTRATIONS & EXPENSES - AUG	1,788.67
52105	MOUNTAIN MEADOWS GOLF COURSE	10/13/22 LEADERSHIP BREAKFAST DEPOSIT	1,000.00
52105	QUICK QUACK CAR WASH	DISTRICT VEHICLE CAR WASH MEMBERSHIP	31.99
52105	RANCHO SANTA ANA BOTANIC GARDE	WATERWISE FEST SPONSORSHIP	250.00
52105	SCWUA	8/24/22 WELL BACTERIA ISSUES & PUMP - DE JESUS/LANG/LITCHFIELD	75.00
52105	SGV WATER ASSOCIATION	8/18/22 QUARTERLY MEETING - LITCHFIELD/PANZER	60.00
52105	TELEPACIFIC COMMUNICATIONS	TELEPHONE/INTERNET SERVICES - 7/16/22 - 8/15/22	2,140.29
52105	UNIVAR SOLUTIONS USA INC.	EARTHTEC	66,158.29
52105	ZOOM VIDEO COMMUNICATIONS INC.	CLOUD RECORDING	42.20
<b>TOTAL AMOUNT OF UMPQUA BANK CARD SERVICES INVOICE</b>			<b>\$ 80,053.22</b>



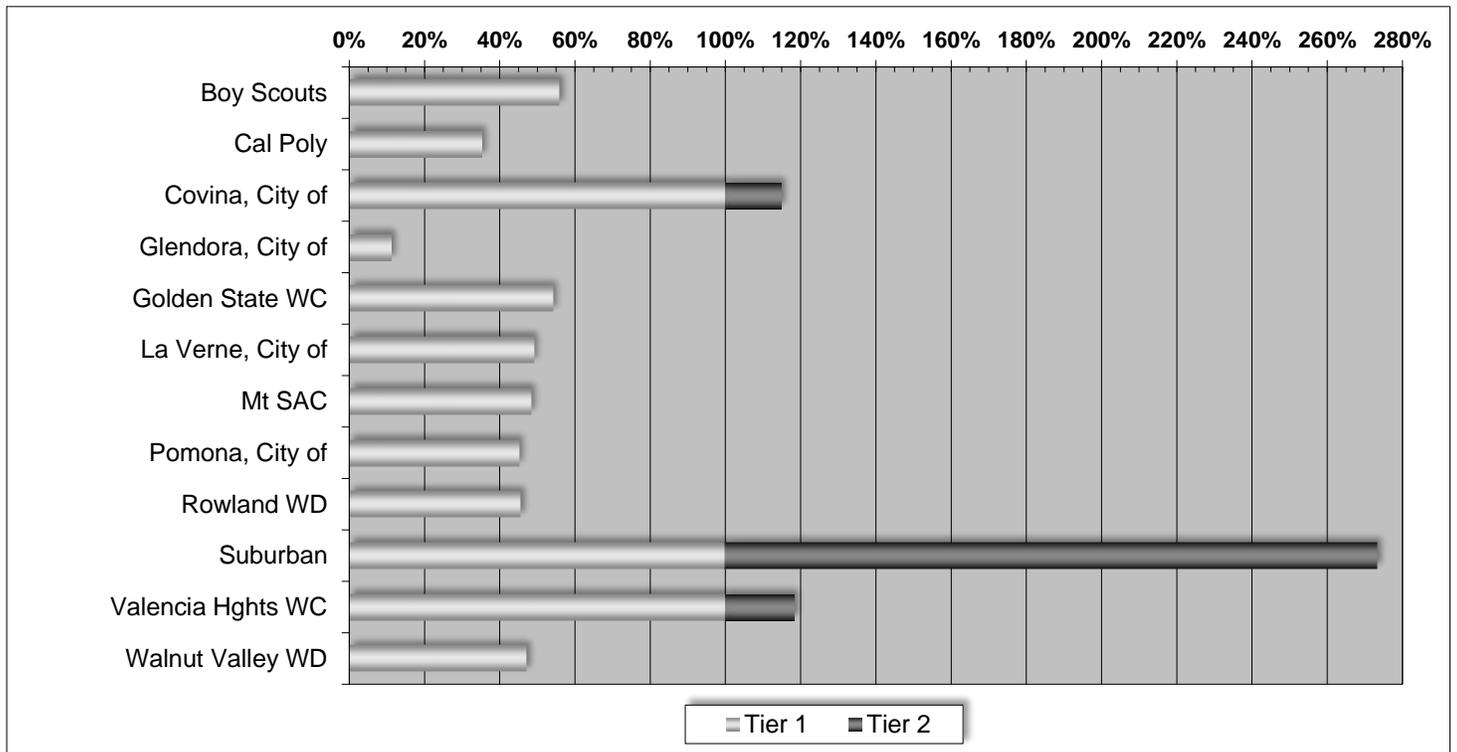
**Tier 1 Balance (in Acre-Feet)  
Calendar Year 2022  
(through September 2022)**

Agency	Tier 1 Allocation					Balance
		Weymouth	Miramar	CIC	Spreading	
Boy Scouts of America	36	19.8	0.0	0.0	0.0	15.8
Cal Poly Pomona	269	94.4	0.0	0.0	0.0	174.6
Covina, City of *	1,568	17.4	0.0	1,780.3	0.0	<b>-229.7</b>
Glendora, City of *	4,101	453.3	0.0	0.0	0.0	3,648.0
Golden State Water Company *	15,714	5,600.1	2,690.9	189.3	0.0	7,233.5
La Verne, City of	8,026	0.0	3,929.4	0.0	0.0	4,096.9
Mt San Antonio College	699	336.6	0.0	0.0	0.0	362.4
Pomona, City of *	7,052	3,017.9	156.6	0.0	0.0	3,877.8
Rowland Water District *	14,741	6,175.9	514.6	0.0	0.0	8,050.5
Suburban Water Systems *	1,961	2,689.3	0.0	2,668.8	0.0	<b>-3,397.1</b>
Three Valleys MWD	NA				0.0	NA
Valencia Heights Water Co *	464	327.7	0.0	220.9	0.0	<b>-84.6</b>
Walnut Valley Water District *	26,057	11,512.8	714.1	0.0	0.0	13,829.8

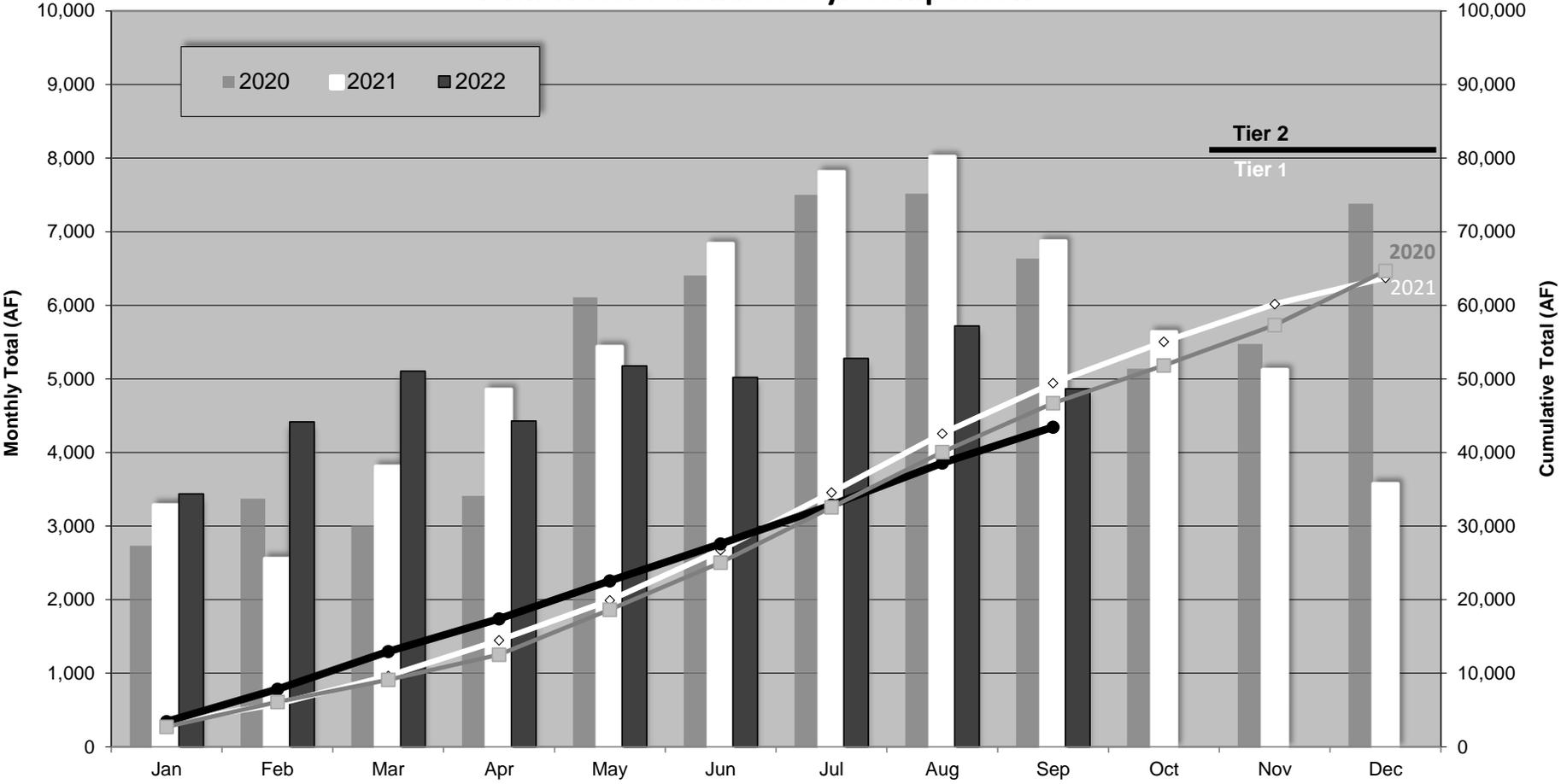
\* Deliveries to JWV are assigned to Pomona, RWD, and WVWD.  
 Deliveries to BGL are assigned to Suburban, VHWC, GSWC and WVWD.  
 Deliveries to CIC are assigned to Covina, Glendora, GSWC, SWS, and VHWC.  
 Quantities apportioned to above agencies are preliminary based on available data.

**TVMWD Tier 1 Allowable = 80,688**  
**MWD Tier 1 Deliveries = 43,454**  
**TVMWD Tier 1 Balance = 37,234**

**Overage by Individual Agencies -3,711.4**



### TVMWD Firm Water Purchases 3-yr Comparison



2022 Firm Water Usage (AF)													
Direct Delivery	3,439.7	4,417.0	5,106.7	4,429.2	5,177.5	5,020.3	5,278.5	5,719.3	4,866.0	0.0	0.0	0.0	<b>43,454.3</b>
Spreading Delivery	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	<b>0.0</b>
<b>Total</b>	<b>3,439.7</b>	<b>4,417.0</b>	<b>5,106.7</b>	<b>4,429.2</b>	<b>5,177.5</b>	<b>5,020.3</b>	<b>5,278.5</b>	<b>5,719.3</b>	<b>4,866.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>43,454.3</b>

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

**SEPTEMBER 2022**

**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	<b>0.47</b>	NTU	N/A	
Turbidity	Reservoir Effluent	<b>0.05</b>	NTU	0.3	0.04-0.08 NTU
MIB	Lake Silverwood	<b>1</b>	ng/L	N/A	DWR results as of Sep 21, 2022
Geosmin	Lake Silverwood	<b>ND</b>	ng/L	N/A	DWR results as of Sep 21, 2022
Total Trihalomethanes	Distribution System	<b>30.2-32.4</b>	µg/l	80	Ranges from 4 distribution locations (Jun 2022 results)
Haloacetic Acids	Distribution System	<b>2.3-6.9</b>	µg/l	60	
Nitrate	Reservoir Effluent	<b>0.4</b>	mg/L	10	<2.0 mg/L
Nitrite	Reservoir Effluent	<b>0.011</b>	mg/L	1	<0.008 mg/L
PFAS	Raw	<b>ND</b>	µg/l	N/A	June 2019 results
Total Organic Carbon	RAA Ratio (Running Annual Average)	<b>1.24</b>		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 %
<b>Potable water produced from Miramar Plant</b>	<b>733.7 AF</b>	1785.1 AF	41.1%

**Monthly Well Production**

	Days in service		Same month prior year	Days in service
Well #1	<b>0</b>	<b>0.0 AF</b>	<b>21.5 AF</b>	<b>25</b>
Well #2	<b>0</b>	<b>0.0 AF</b>	<b>67.2 AF</b>	<b>29</b>
Grand Ave Well	<b>0</b>	<b>0.0 AF</b>	<b>64.8 AF</b>	<b>28</b>
<b>Total Monthly Well Production</b>		<b>0.0 AF</b>	<b>153.5 AF</b>	

**Monthly Sales**

La Verne	<b>473.3 AF</b>	64.5%
GSWC (Claremont)	<b>259.5 AF</b>	35.4%
GSWC (San Dimas)	<b>0.0 AF</b>	0.0%
PWR-JWL	<b>0.0 AF</b>	0.0%
Pomona (Mills)	<b>0.0 AF</b>	0.0%
TVMWD Admin	<b>0.9 AF</b>	0.1%
<b>Total Potable Water Sold</b>	<b>733.7 AF</b>	<b>100.0%</b>

	Actual	Budget	% of Budget
Potable Water Sold from Miramar Plant (100%)	<b>2,474.1</b> AF	<b>6,150.4</b> AF	40.2%
Total Well Production (0%)	<b>0.0</b> AF	<b>516.7</b> AF	0.0%
<b>Total Potable Water Sold (Plant &amp; Wells)</b>	<b>2,474.1</b> AF	<b>6,667.0</b> AF	37.1%
Average monthly water sold	<b>824.7</b> AF		

**Hydroelectric Generation (kWh) FY 2022-23**

	Monthly kWh		YTD kWh		
	Actual	Budget	Actual	Budget	% of Budget
Miramar					
Hydro 1	<b>15,034</b>	<b>110,723</b>	<b>249,069</b>	<b>249,126</b>	100.0%
Hydro 2	<b>48</b>	<b>19,217</b>	<b>48</b>	<b>54,448</b>	0.1%
Hydro 3	<b>9,335</b>	<b>38,953</b>	<b>9,335</b>	<b>110,367</b>	8.5%
Williams	<b>0</b>	<b>74,356</b>	<b>0</b>	<b>223,068</b>	0.0%
Fulton	<b>0</b>	<b>30,940</b>	<b>0</b>	<b>69,615</b>	0.0%
	<b>24,417</b>	<b>274,189</b>	<b>258,452</b>	<b>706,624</b>	36.6%

**Operations/Maintenance Review**

**Special Activities**

- ▶ Operations staff added a motor run signal for both reservoir one and two and two rain water removal pumps. The SCADA remote was reset for motor fault alarm on both pumps.
- ▶ Air circulation was added to the Williams Hydro electrical cabinet.
- ▶ LA County Fire Department was onsite for their annual petro/chemical inspection.
- ▶ All TVMWD staff participated in a emergency fire drill and worked with our local Claremont Fire Department /Mills Station in the training.
- ▶ Distribution system vault maintenance and painting continues.
- ▶ The San Dimas connection meter was re=zeroed and calibrated.

**Outages/Repairs**

- ▶ None

**Unbudgeted Activities**

- ▶ None

**Other**

- ▶ Operations staff attended CPR/AED training which is required every two years.

Submitted by: \_\_\_\_\_

Steve Lang  
Chief Operations Officer





# Name: Brian Bowcock, Division 3

Compensated Meetings

Meeting Date	Meeting / Description	Mileage (assumed as roundtrip unless noted)		Compensation		
		From City	To City	Miles	Mileage \$	
9/6/2022	Exec. Committee meeting	La Verne	Diamond Bar	18	\$11.25	\$200.00
Discussion for the upcoming agenda and meeting						
9/7/2022	TVMWD BOD meeting	La Verne	Claremont	10	\$6.25	\$200.00
Regular meeting of the board to discuss issues within the district						
9/12/2022	Citrus College Foundation	La Verne	Glendora	18	\$11.25	\$200.00
Regular meeting of the BOD to discuss Finances, Scholarships, Budget						
9/13/2022	Claremont Chamber of Commerce	La Verne	Claremont	8	\$5.00	\$200.00
Senator Anthony Portantino speaker						
9/20/2022	La Verne Chamber BOD meeting	La Verne	La Verne	0	\$0.00	\$200.00
Regular Board meeting discussion of issues with small businesses and upcoming events						
9/21/2022	TVMWD BOD meeting	La Verne	Claremont	10	\$6.25	\$200.00
Regular monthly meeting an announcement was made to remove us from the Cadiz Study.						
9/24/2022	Citrus College Foundation Retreat for Board members and Staff	La Verne	Glendora	16	\$10.00	\$200.00
The entire morning for the Board to discuss strategies for the upcoming year. For and bring on 2 new BOD members.						
9/26/2022	SGV Water Assoc.	La Verne	virtual	0	\$0.00	\$200.00
Meeting for the membership to discuss the finances, assessments, and strategies for conservation as well as upcoming Legislative issues pertaining to water						
9/28/2022	Six Basins BOD meeting	La Verne	Claremont	0	\$0.00	\$200.00
Regular monthly meeting to discuss issues with the district i.e. projects such as the spreading grounds and grants available to us.						
9/29/2022	Haynes Family of Programs	La Verne	La Verne	0	\$0.00	\$200.00
Strategic plan and the new budget along with reports from the staff						

## Approved

Brian Bowcock

Subtotal Meeting Compensation:	\$2,000.00
Mandatory Deferred Comp 7.5 %	(\$150.00)
Subtotal Mileage Reimbursement	\$50.00
<b>Total</b>	<b>\$1,900.00</b>

Monday, October 10, 2022



Expenses

Brian Bowcock

Meeting Date	Meeting name	
9/20/2022	La Verne Chamber BOD meeting	
Travel Expenses (e.g. Airline Ticket, Train Ticket, Parking)	Meal Expenses	
	\$0.00	\$14.07
Lodging Expenses (e.g. Hotel, Motel)	Miscellaneous Expenses	Total Expenses
\$0.00	\$0.00	\$14.07

Monday, October 10, 2022

**Total Reimbursement: \$14.07**

THE BROKEN YORK Cafe - La Verne  
2488 Foothill Blvd.

Please Redeem Your Coupon  
at Cash Register ONLY.

Thank You For Your Visit!

1031 Daniel V

2

Tbl 62/8

Chk 8714

Gst 0

Sep20'22 08:38AM

MAIN ROOM

1 2 EGGS

10.95

2 EGGS

SUBTOTAL

10.95

TAX

1.12

08:51AM TOTAL DUE

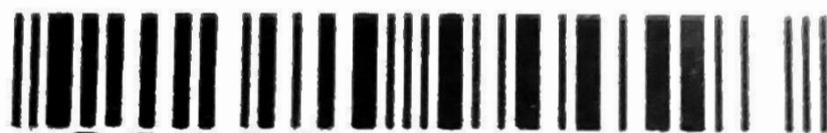
12.07

Tip

2.00

14.07

Download our new BYC REWARDS App  
Get 50 points for registering!



5712924944593

L.V. Chamber

BOD

Brian

## Name: Brian Bowcock, Division 3



## Non-Compensated Meetings

Meeting Date	Meeting / Description	Meeting Location
9/7/2022	Active Claremont BOD	Claremont

Prepare for forum of the Claremont Council

9/7/2022	SGV Watermaster BOD meeting	virtual
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Regular monthly meeting to discuss issues with the service area.

9/12/2022	Hillcrest and La Verne forum	La Verne
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The city had their staff there to present an update on water in La Verne

9/12/2022	SGV Government Affairs	virtual
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Update on Legislative issues.

9/13/2022	University Club of Claremont	Claremont
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Our Manager was the speaker with an update on water supply

9/15/2022	Active Claremont Forum	Claremont
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Forum for Claremont candidates for council seats

9/15/2022	SGV Chambers of Commerce	virtual
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Update of Legislative issues pertaining to small businesses

9/20/2022	Leroy Haynes Project committee	La Verne
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Meet with contractors to discuss a Lawn removal project at the David & Margaret site for new parking lot 15,000 sq. Ft. of lawn.

Meeting Date	Meeting / Description	Meeting Location
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9/21/2022	Haynes and David & Margaret event	La Verne
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An event for all Chamber of Commerce in the region approx. 250 people to tour our facilities at Leroy Haynes

Monday, October 10, 2022

# Name: David De Jesus, Division 2

Compensated Meetings



Meeting Date	Meeting / Description	Mileage (assumed as roundtrip unless noted)			Compensation	
		From City	To City	Miles	Mileage \$	\$
9/1/2022	Special Chino Basin Board Workshop	Walnut	Virtual	0	\$0.00	\$200.00
<p>The workshop focused of the Basin beginning with a historical perspective and ending with the current need to reauthorize the Operating Basin Management Plan (OBMP). The presentation offered by the engineer and the General Manager led to a number of clarifying questions and a need for further review of the process.</p>						
9/2/2022	Meeting with the GM and Chino Basin Director Kuhn	Walnut	Virtual	0	\$0.00	\$200.00
<p>The meeting with the GM revolved around the current issues at both Chino Basin and the Metropolitan Water District.</p>						
9/6/2022	San Gabriel Valley MWD Directors Meeting	Walnut	Virtual	0	\$0.00	\$200.00
<p>A meeting with several "foothill district" MWD directors. Met to discuss current issues impacting both operations and at the board level.</p>						
9/7/2022	TVMWD Board Meeting Workshop	Walnut	Claremont	34	\$21.25	\$200.00
<p>Attended the meeting and represented Division 2 constituents in both deliberation, reporting, and provided concurrence on items as identified in the agenda for action later in the month.</p>						
9/8/2022	Northern Caucus Meeting	Walnut	Virtual	0	\$0.00	\$200.00
<p>Heard timely staff updates on committee and board agenda items. After the caucus meeting attended a private meeting with Attorney Remcho to provide instruction on the scope of work related to the number of complaints being investigated by MWD.</p>						
9/15/2022	Chino Basin Advisory Committee	Walnut	Virtual	0	\$0.00	\$200.00
<p>Heard an in depth report on the Safe Yield Reset Methodology followed by an in depth discussion for certain members. The GM offered updates on his report and an outside agency report was also provided.</p>						
9/21/2022	Three Valleys Board Meeting	Walnut	Virtual	0	\$0.00	\$200.00
<p>Due to the extended day before I attended this meeting via zoom and provided the board and those listening with an update on my MWD activities. Refer to the agenda minutes for additional information disclosed by the board subsequent to the closed session.</p>						
9/22/2022	Chino Basin Water Master Board Meeting	Walnut	Virtual	0	\$0.00	\$200.00
<p>Acting as the Districts assigned alternate, I attended the board meeting via zoom. Dir Kuhn will report as usual.</p>						
9/26/2022	San Gabriel Valley Water Assoc. Board Meeting	Walnut	Virtual	0	\$0.00	\$200.00
<p>Attended the meeting and collaborated Dir Anthony Fellows report on MWD matters and activities for the month including the upcoming board elections.</p>						
9/28/2022	Six Basins Board Meeting	Walnut	Virtual	0	\$0.00	\$200.00
<p>Attended the meeting with the intent to obtain updates under the current water supply situation. Basin safe yield to be discussed next month.</p>						

Meeting Date	Meeting / Description	Mileage (assumed as roundtrip unless noted)		Miles	Mileage \$	Compensation
		From City	To City			
<hr/>						
<b>Approved</b>						
Subtotal Meeting Compensation:						\$2,000.00
Mandatory Deferred Comp 7.5 %						(\$150.00)
Subtotal Mileage Reimbursement						\$21.25
Total						\$1,871.25

David De Jesus

Monday, October 10, 2022

# Name: David De Jesus, MWD

Compensated Meetings



Meeting Date	Meeting / Description	Mileage (assumed as roundtrip unless noted)				Compensation
		From City	To City	Miles	Mileage \$	
9/9/2022	Candidate interviews for the Palo Verde Irrigation District Board	Walnut	Virtual	0	\$0.00	\$200.00
Interviewed 5 candidates for 2 seats with Directors Randy Record and Cynthia Kurtz.						
9/12/2022	MWD Committee Meeting	Walnut	Virtual	0	\$0.00	\$200.00
Attended the monthly meetings via zoom as did most directors. Oral report to be provided.						
9/13/2022	MWD Board Meeting	Walnut	Virtual	0	\$0.00	\$200.00
Attended the meetings as required by assignment. Will provide an oral report as required to the board.						
9/14/2022	Colorado River Board Meeting	Walnut	Virtual	0	\$0.00	\$200.00
Attended the meeting as the voting alternate to Dir Glen Peterson. Discussion about strategizing for the renegotiation of river flows ensued with staff given directions to obtain more information. Other agency reports and updates were also provided to those in attendance.						
9/16/2022	Meetings with Marcia Scully MWD General Council and subsequent conference with Bart Fisher PVID Board	Walnut	Virtual	0	\$0.00	\$200.00
Confidential separate discussions as assigned by the Chair in relation to the legalities (rules, regulations, limits and allowances) in the upcoming elections. Clarifying issues were also discussed with PVID Board member Bart Fisher.						
9/19/2022	Conference Call with Chairwoman Gray	Walnut	Virtual	0	\$0.00	\$200.00
Discussion was had regarding the results of the interviews, feedback and advise obtained during the candidate selection process for the PVID voting to be conducted tomorrow (20th).						
9/20/2022	PVID Board Elections – Vote	Walnut	Blyth, CA	0	\$0.00	\$200.00
Represented MWD and voted on the “two” most qualified candidates running to fill the expired 3 year term on the board (of trustees).						
9/23/2022	Meeting with MWD Kevin Donhoff (Managing MWD staff for PVID)	Walnut	Virtual	0	\$0.00	\$200.00
Post PVID vote debriefing regarding a report to be provided to the Executive Committee as requested by the Board Chair.						
9/27/2022	MWD Executive Committee Meeting	Walnut	Virtual	0	\$0.00	\$200.00
Attended the meeting provided the board with a PVID board election report. The main issue dealing with a one-time waiver of the act as it related to the extension of the board chair term limit. The item will be referred to the full board for a vote in October.						
9/29/2022	MWD Direct Report annual evaluations:	Walnut	Virtual	0	\$0.00	\$200.00
As required as a Board Member annual evaluations of the GM, GC, and Ethics Officer were conducted.						

Approved

David De Jesus

Monday, October 10, 2022

Subtotal Meeting Compensation:	\$2,000.00
Mandatory Deferred Comp 7.5 %	(\$150.00)
Subtotal Mileage Reimbursement	\$0.00
<b>Total</b>	<b>\$1,850.00</b>

# Name: Carlos Goytia, Division 1

Compensated Meetings



Meeting Date	Meeting / Description	Mileage (assumed as roundtrip unless noted)				Compensation
		From City	To City	Miles	Mileage \$	
9/1/2022	Pomona City Council Meeting	Pomona	Pomona	8	\$5.00	\$200.00
Attended as TVMWD Representative. met with Mayor Sandoval and Councilmember Lustro.						
9/6/2022	SGVCOG Water Committee Meeting	Pomona	virtual	0	\$0.00	\$200.00
Attended and participated in meeting deliberations and discussions.						
9/7/2022	TVMWD Board Meeting	Pomona	Claremont	32	\$20.00	\$200.00
Attended and participated in board meeting discussion's and deliberations.						
9/11/2022	Lopez Urban Farm jr. Farmers Program and Water Education.	Pomona	Pomona	8	\$5.00	\$200.00
Guest speaker for program to discuss the importance of water in everyday life, water conservation.						
9/12/2022	Pomona City Council meeting	Pomona	Pomona	8	\$5.00	\$200.00
Attended meeting deliberation and discussions. Also met with Mayor Sandoval.						
9/13/2022	SGVCOG Water Policy Committee	Pomona	Virtual	0	\$0.00	\$200.00
Attended and participated in Board discussions and deliberations.						
9/14/2022	Spadra Basin Executive Committee Meeting	Pomona	Virtual	0	\$0.00	\$200.00
Attended and participated in committee discussions and deliberations.						
9/15/2022	SGVCOG Governing Board Meeting	Pomona	Virtual	0	\$0.00	\$200.00
SGV Water Districts Rep. attended and participated in Board deliberations and discussions.						
9/21/2022	TVMWD Board Meeting	Pomona	Virtual	0	\$0.00	\$200.00
Attended and participated in board discussions and deliberations						
9/24/2022	Project Hope Ca. community event	Pomona	Pomona	8	\$5.00	\$200.00
Event Co sponsor with Councilmember Victor Preciado and Mayor Tim Sandoval. Community resource event for the entire community. Discuss water conservation during drought.						

Approved:

\_\_\_\_\_  
Carlos Goytia

Subtotal Meeting Compensation:	\$2,000.00
Mandatory Deferred Comp 7.5	(\$150.00)
Subtotal Mileage Reimbursement	\$40.00
<b>Total</b>	<b>\$1,890.00</b>

Name: Carlos Goytia, Division 1

Non-Compensated Meetings



Meeting Date	Meeting / Description	Meeting Location
9/8/2022	Meeting w/Councilmember V.Preciado	Pomona

Met with core group of Lopez Urban Farm to organize and discuss a water related event for the Community on 9/11. Also to discuss implementation of a Junior Water Program for the farm and community at whole.

Tuesday, October 11, 2022

# Name: Bob Kuhn, Division 4

Compensated Meetings



Meeting Date	Meeting / Description	Mileage (assumed as roundtrip unless noted)				Compensation
		From City	To City	Miles	Mileage \$	
9/1/2022	Glendora Chamber of Commerce Legislative Committee	Glendora	Glendora	7	\$4.38	\$200.00
Update on Several local issues and MWD Shut down this month						
9/5/2022	Meeting with David De Jesus and GM	Glendora	Phone Call in	0	\$0.00	\$200.00
Update on MWD and CBWM issues						
9/7/2022	TVMWD Board meeting	Glendora	Claremont	20	\$12.50	\$200.00
Board Work shop, See the agenda for issues discussed						
9/15/2022	CBWM Executive Committee	Glendora	Sancho Cucamong	32	\$20.00	\$200.00
In person meeting of the exec. board officers and pool chairs.						
9/21/2022	TVMWD Board meeting	Glendora	Claremont	20	\$12.50	\$200.00
Board Meeting Regular business of the district and reports from staff.						
9/28/2022	Six Basins Water Master Board Meeting	Glendora	Virtual	0	\$0.00	\$200.00
Business of the six basin area. No major reports.						

**Approved**

Bob Kuhn

Monday, October 10, 2022

Subtotal Meeting Compensation:	\$1,200.00
Mandatory Defered Comp 7.5	(\$90.00)
Subtotal Mileage Reimbursement	\$49.38
<b>Total</b>	<b>\$1,159.38</b>



# Name: Jody Roberto, Division 5

Compensated Meetings

Meeting Date	Meeting / Description	Mileage (assumed as roundtrip unless noted)				Compensation
		From City	To City	Miles	Mileage \$	
9/6/2022	General Manager's Meeting	Diamond Bar	Pomona	10	\$6.25	\$200.00
Matt, Brian and I met to discuss upcoming agenda and district business.						
9/7/2022	Three Valleys MWD Board Meeting	Diamond Bar	Claremont	38	\$23.75	\$200.00
The board met to discuss district business. Several staff members gave reports including James, Viviana, Robert, Sylvie and Kevin.						
9/12/2022	San Gabriel Valley Chamber Government Affairs Committee meeting	Diamond Bar	Virtual	0	\$0.00	\$200.00
Brian, Kirk and I attended the SGVGAC meeting. The guest speakers provided background info on Prop 30. The Chamber board voted to oppose Prop 30. Legislative representatives gave reports from their offices.						
9/13/2022	Rowland Water District Meeting	Diamond Bar	Rowland Heights	15	\$9.38	\$200.00
Sylvie and I attended the RWD board meeting. The board discussed and approved regular board business. GM Tom Coleman provided a legislative update including our bill AB 2449.						
9/14/2022	Spadra Basin Executive Committee Meeting	Diamond Bar	Virtual	0	\$0.00	\$200.00
Veva from West Yost reported on the construction of new monitoring well; work should begin next week. She also gave a presentation on the Groundwater Sustainability Plan implementation and preparation for the annual report.						
9/16/2022	OC Water Summit	Diamond Bar	Anaheim	38	\$23.75	\$200.00
Mike and I attended the OC Water Summit hosted by the Municipal Water District of OC and OC Water District held at the Disney Grand Californian Hotel. Over 400 people attended the very informative summit facilitated by former MWD GM Jeff Kightlinger.						
9/20/2022	Walnut Valley Water District Meeting	Diamond Bar	Virtual	0	\$0.00	\$200.00
David, Mike, Matt and I attended the meeting. The board discussed and approved district business. David provided MWD report, Matt gave TVMWD update.						
9/21/2022	Three Valleys MWD meeting	Diamond Bar	Claremont	38	\$23.75	\$200.00
The board received several updates from staff including Kirk, Marissa, Viviana and Sylvie. District business was discussed and approved.						
9/26/2022	San Gabriel Valley Water Association meeting	Diamond Bar	Virtual	0	\$0.00	\$200.00
David, Brian, Matt and I attended the monthly board meeting. All the water agencies provided reports. Matt provided TVMWD report.						

# Item 7.E

Meeting Date	Meeting / Description	Mileage (assumed as roundtrip unless noted)				Compensation
		From City	To City	Miles	Mileage \$	
<b>Approved</b>		Subtotal Meeting Compensation:				\$1,800.00
		Mandatory Deferred Comp 7.5 %				(\$135.00)
		Subtotal Mileage Reimbursement				\$86.88
<hr/> Jody Roberto		Total				\$1,751.88

Monday, October 10, 2022



Expenses

Jody Roberto

Meeting Date	Meeting name	
9/16/2022	OC Water Summit	
Travel Expenses (e.g. Airline Ticket, Train Ticket, Parking)	Meal Expenses	
\$50.00		\$0.00
Lodging Expenses (e.g. Hotel, Motel)	Miscellaneous Expenses	Total Expenses
\$0.00	\$0.00	\$50.00

Monday, October 10, 2022

**Total Reimbursement: \$50.00**

# Disneyland

RESORT  
*Where dreams come true* ANAHEIM, CA

MARY ROBERTO  
**VISA** 09/16/22

1 GCH \$50 VALET PARKIN

**TOTAL SALE** THANK YOU **50.00**

Code:387 Time:13:55 Agent:0224 Trans:474901

**GUEST RECEIPT** format#22

© Disney

Name: Jody Roberto, Division 5

Non-Compensated Meetings



Meeting Date	Meeting / Description	Meeting Location
9/28/2022	Six Basins Water Master meeting	Virtual

Brian, Matt and I attended the meeting. Staff gave an update on grant funding and provided a brief staff report.

Monday, October 10, 2022



# Name: Mike Ti, Division 7

Compensated Meetings

Meeting Date	Meeting / Description	Mileage (assumed as roundtrip unless noted)			Compensation	
		From City	To City	Miles	Mileage \$	
9/7/2022	Three Valleys MWD Regular Board Meeting	West Covina	Virtual	0	\$0.00	\$200.00
Three Valleys MWD regular board meeting - heard public comments, employee recognition, JPIA refund check, employee healthcare cost for next year, conflict of interest code amendment to include an engineer position, update on the GIS project, resolution to adopt the 2017 IRWMP, and water resources update.						
9/16/2022	Orange County Water Summit	West Covina	Anaheim	36	\$22.50	\$200.00
Orange County Water Summit - Brenda Burman of Central Arizona Project and former commissioner discussed the megadrought in the Colorado River watershed; and three panel discussions: 1) Proposition Proposal - Dam the Legislature, Grow Me the Money, 2) Mission Impossible - Water Projects We Need Now, and 3) To Pump or Not to Pump - Re-examining Conventional Wisdom About the Delta.						
9/20/2022	Walnut Valley Water District Regular Board Meeting	West Covina	Virtual	0	\$0.00	\$200.00
Walnut Valley Water District Regular Board Meeting - heard operations report, healthcare pricing, finance reports on current state of the economy, investment transaction, and surplus property for salvage.						
9/21/2022	Three Valleys MWD Regular Board Meeting	West Covina	Virtual	0	\$0.00	\$200.00
Three Valleys MWD Regular Board Meeting - heard updates on MWD, AB2449 teleconference for board meeting, conservation programming, water supply conditions, OSCOP SWP demand shift from Miramar to Weymouth, resolution to adopt the integrated regional water management plan, approval of employee healthcare cost, and approval of a one-time employee bonus from the JPIA refund check.						

Approved

Mike Ti

Monday, October 10, 2022

Subtotal Meeting Compensation:	\$800.00
Mandatory Deferred Comp 7.5 %	(\$60.00)
Subtotal Mileage Reimbursement	\$22.50
<b>Total</b>	<b>\$762.50</b>



**Three Valleys MWD  
Calendar Year 2022  
Revised Holiday Schedule**

Each calendar year, TVMWD employees receive the benefit of 12 paid holidays. Listed below is the schedule of holidays for the upcoming Calendar Year 2022.

<b><u>HOLIDAY</u></b>	<b><u>DATE RECOGNIZED - 2022</u></b>
1.) New Year's Day	January 1 (Saturday)
2.) President's Day	February 21 (Monday)
3.) Memorial Day	May 30 (Monday)
4.) Independence Day	July 4 (Monday)
5.) Labor Day	September 5 (Monday)
6.) Veteran's Day	November 11 (Friday)
7.) Thanksgiving	November 24 (Thursday)
8.) Thanksgiving (Day After)	November 25 (Friday)
9.) Christmas Day (Observed)	December 26 (Monday)

TVMWD will also be closed for the holidays between December 25<sup>th</sup> and December 31<sup>st</sup>. Employees will receive an equivalent number of holidays based on their normal work schedule during this time period.

**Note:** Employees who have completed one year of service with TVMWD will be eligible for three (3) additional "floating" holidays to be used on a date of their choosing during 2022. 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.



**Three Valleys MWD  
Calendar Year 2023  
Holiday Schedule**

Each calendar year, TVMWD employees receive the benefit of 12 paid holidays. Listed below is the schedule of holidays for the upcoming Calendar Year 2023.

<u><b>HOLIDAY</b></u>	<u><b>DATE RECOGNIZED</b></u>
1.) New Year's Day (Observed)	January 2 (Monday)
2.) President's Day	February 20 (Monday)
3.) Memorial Day	May 29 (Monday)
4.) Independence Day	July 4 (Tuesday)
5.) Labor Day	September 4 (Monday)
6.) Veteran's Day (Observed)	November 10 (Friday)
7.) Thanksgiving	November 23 (Thursday)
8.) Thanksgiving (Day After)	November 24 (Friday)
9.) Christmas Day	December 25 (Monday)

TVMWD will also be closed for the holidays between December 26<sup>th</sup> and December 31<sup>st</sup>. Employees will receive an equivalent number of holidays based on their normal work schedule during this time period.

**Note:** Employees who have completed one year of service with TVMWD will be eligible for three (3) additional "floating" holidays to be used on a date of their choosing during 2023. 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 19, 2022  
**Subject:** **LAFCO Ballot Special District Representative**

---

Funds Budgeted: \$

Fiscal Impact: \$

### **Recommendation**

The Board selected Robert W. Lewis as the candidate for the Special District LAFCO Voting Member at the October 5, 2022 Board of Directors meeting and will direct staff to return the ballot to Lagerlof, LLP.

### **Discussion**

On September 28, 2022, TVMWD received a ballot and supporting materials for candidates for Special District LAFCO Voting Member for the term expiring May 2026. The candidates are as follows:

#### Special District LAFCO Voting Member:

Steven Appleton, Greater Los Angeles County Vector Control District

Robert W. Lewis, Rowland Water District

Sharon Raghavachary, Crescenta Valley Water District

Yvette Stevenson-Rodriguez, Orchard Dale Water District

Ballots must be returned to Lagerlof, LLP by 5:00 p.m. on November 30, 2022.

### **Strategic Plan Objective(s)**

3.3 – Be accountable and transparent with major decisions

### **Attachment(s)**

Exhibit A – LAFCO Letter, ballot and supporting materials

**Meeting History**

Board of Directors Meeting, October 5, 2022, Informational Item Only

NA/ML



SEP 28 2022

THREE VALLEYS MWD

**Lagerlof**  
LLP

## MEMORANDUM

TO: PRESIDING OFFICER OF EACH INDEPENDENT SPECIAL DISTRICT IN  
LOS ANGELES COUNTY

FROM: WILLIAM F. KRUSE 

RE: BALLOT; SPECIAL DISTRICT LAFCO REPRESENTATIVE

DATE: September 26, 2022

Enclosed is the Ballot and the supplementary materials submitted for each of the candidates for Special District LAFCO **VOTING MEMBER** for the term expiring in May 2026. Nominations closed as of 5:00 p.m. on September 21, 2022.

Please vote for ONE candidate for the position. The marked ballots should be placed in the envelope marked "Ballot Envelope" and sealed. Please write the name of your agency and sign your name on the outside of the ballot envelope and return the completed ballots by mail to:

**William F. Kruse, Esq.**  
**Lagerlof, LLP**  
**155 N. Lake Avenue, 11th Floor**  
**Pasadena, CA 91101.**

**No ballot will be counted if it is missing the name of the voting agency and the signature of the Presiding Officer on the ballot envelope.**

The candidate receiving the highest number of votes will be declared the special district **voting member** to LAFCO.

**Ballots must be returned by 5:00 p.m. on November 30, 2022.**

WFK/dc  
Enclosures

cc: Paul Novak, w/enc.

# BALLOT

## SPECIAL DISTRICT LAFCO VOTING MEMBER

**Please vote for no more than one candidate.**

**STEVEN APPLETON**

Occupation: Board of Trustee Member

Sponsor: Greater Los Angeles County Vector Control District

**ROBERT W. LEWIS**

Occupation: Water District Director

Sponsor: Rowland Water District

**SHARON RAGHAVACHARY**

Occupation: Water District Director

Sponsor: Crescenta Valley Water District

**YVETTE STEVENSON-RODRIGUEZ**

Occupation: Board President

Sponsor: Orchard Dale Water District

NOMINATION  
OF  
INDEPENDENT SPECIAL DISTRICT **VOTING MEMBER**  
TO THE  
LOS ANGELES COUNTY LOCAL AGENCY FORMATION COMMISSION

To: Independent Special District Selection Committee

From: GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT

Date: SEPTEMBER 21, 2022

Name of Candidate: STEVEN APPLETON

GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT is pleased to nominate STEVEN APPLETON as a candidate for appointment as special district **voting member** to the Los Angeles Local Agency Formation Commission. The nominee is an elected official or a member of the board of an independent special district appointed for a fixed term. For your consideration, we submit the following additional information together with a resume of the candidate's qualifications.

Elective office: BOARD OF TRUSTEE, LOS ANGELES CITY

Agency: GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT

Type of Agency: SPECIAL DISTRICT

Term Expires: JANUARY 6, 2025

Residence Address: 2825 BENEDICT STREET

LOS ANGELES, CA 90039

Telephone: 310-740-7294

PLEASE ATTACH RESUME OR CANDIDATE STATEMENT (limit one page)

GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT

(Name of Agency)

By: Mary-Joy Coburn

Its: Mary-Joy Coburn, Communications Director / Board Liaison



Steve Appleton

**I am running for the position of Special District Voting Member on LAFCO. If I am elected, you can trust that I will be an effective and engaged representative for Special Districts.**

As the Trustee for the City of Los Angeles and former President of the Greater Los Angeles County Vector Control District, I have participated in annexation decisions that gave me a small window into one aspect of LAFCO's work.

Mosquitoes do not read "City Limit" signs. Spheres of influence for vector control are often better drawn by physical and social bounds versus municipal lines. When we have considered annexations, our board and staff took a scientific approach. Would extending our outreach, prevention and treatment area increase efficiency of regional control of mosquito-borne disease? To approve an annexation request we also considered if eliminating isolated pockets of vectors reduced our net cost per parcel or area. As the new environmental control of Sterile Insect Technique (SIT) emerges, our board and staff have created cooperative agreements with adjacent vector control districts to help fund initial development.

Such agreements may harken the new future of regional cooperation and technology sharing in an era where climate change is affecting all levels of government services. Water resources, fire suppression and park equity all require new thinking. In this context LAFCO's role may shift from facilitating "orderly growth" to the more nuanced idea of "sustainable growth." I am poised to be a student of the issues who listens to all sides of any issue and represents Special Districts in this process.

*Resume:*

- Public artist who has created award-winning civic art works for LA Metro, the Los Angeles Community Redevelopment Agency, City of Denver, City of Seattle, and internationally.
- Founder of *Water Institute of Science Policy (WISP)* in 2019 to focus academic and community discussion on sustainable urban park, habitat, and water issues. Affiliated with the Institute for Sustainability, California State University, Northridge.
- 2021-2022 organized five events that brought together academic researchers with local communities. Sponsors included: Cal State University Northridge, Berggruen Institute, California State University's 13th Annual Conference, "*Water Connects: Justice, Resilience, and Innovation.*"
- Founder of LA River Kayak Safari (LARKS) that has led more than 12,000 people on tours of a naturalized section of our urban waterway. Leading a native plant restoration project with indigenous collaborators. Technical stakeholder for recreational water testing of LA City Sanitation (LA San) and the "State of the Watershed" report of the "Council for Watershed Health."

NOMINATION  
OF  
INDEPENDENT SPECIAL DISTRICT **VOTING MEMBER**  
TO THE  
LOS ANGELES COUNTY LOCAL AGENCY FORMATION COMMISSION

To: Independent Special District Selection Committee

From: Rowland Water District

Date: September 6, 2022

Name of Candidate: Robert W. Lewis

Rowland Water District is pleased to nominate

Robert W. Lewis as a candidate for appointment as special district **voting**

**member** to the Los Angeles Local Agency Formation Commission. The nominee is an elected official or a member of the board of an independent special district appointed for a fixed term. For your consideration, we submit the following additional information together with a resume of the candidate's qualifications.

Elective office: Director, Division IV

Agency: Rowland Water District

Type of Agency: Special District Water Agency

Term Expires: December 2, 2022

Residence Address: 2231 S. Fullerton Road Unit #8, Rowland Heights, CA 91748

Telephone: (626) 964-0875

PLEASE ATTACH RESUME OR CANDIDATE STATEMENT (limit one page)

Rowland Water Agency  
(Name of Agency)

By: Tom Coleman

Its: General Manager



# LAFCO Candidate Statement: Robert W. Lewis

As the longest-serving board member at Rowland Water District, I understand the need for effective oversight and informed decision making to best serve the public. With this knowledge and my extensive experience in local government, I respectfully seek appointment as the special district representative to the Local Agency Formation Commission of Los Angeles County.

One of my first political positions was on the City of Fullerton’s Redevelopment Commission. Since then, I have committed nearly 30 years to Rowland Water District and its customers. I endeavor to represent my community the way I would want to be represented. Beyond my board of directors experience I represent Rowland Water District on numerous other public agencies, including:



Association of California Water Agencies (ACWA) Region 8 Board Member; ACWA is a statewide industry group that monitors and influences legislation and policies affecting water supply



ACWA/Joint Powers Insurance Authority Alternate Voting Representative



Puente Basin Water Agency Board of Commissioners; this commission coordinates and secures supplemental funding for projects that improve regional water quality



California Municipal Utilities Association (CMUA); this association represents its members’ interests on energy and water issues before the California Legislature, the Governor’s Office, and regulatory bodies



San Gabriel Valley Regional Chamber of Commerce Government Affairs Committee Member



Several LAFCO Committees. Of importance, I was a member of the Special Districts Ad Hoc Committee in the 1990’s which worked in establishing the LAFCO Special Districts seat.

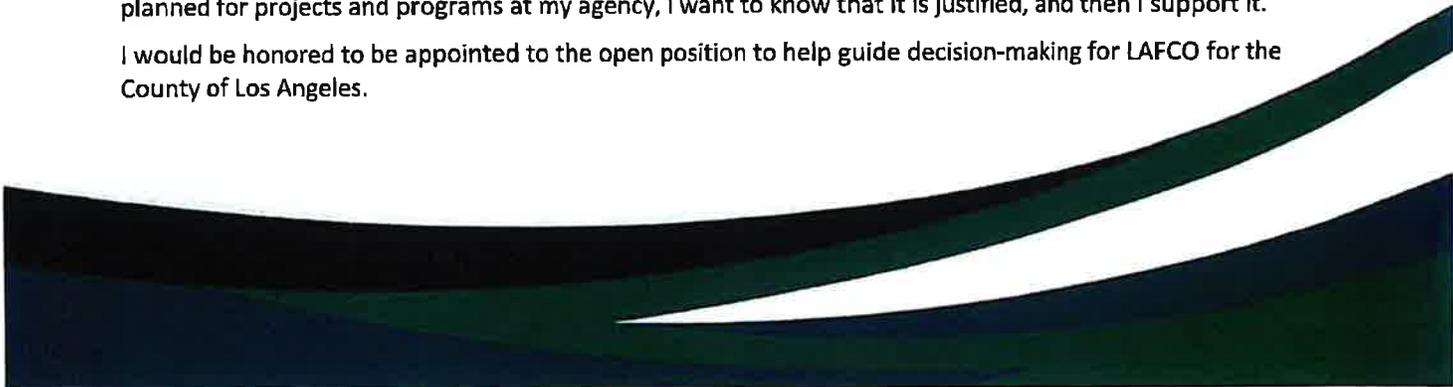


During my Board tenure, I advocated for expanding the water supply by tapping into a local groundwater source to be used for irrigation and saving drinking water. This commitment has reduced Rowland’s dependence on water that is imported hundreds of miles to our area.

Supply and reliability are pressing issues facing my District. Upon my re-election this fall, my goals at Rowland are to meet the challenge of a drier California future, expand water supply sources, and educate customers about the value of water and conservation to stretch water supplies. I work with my fellow board members, general manager and leadership team in a cohesive and effective manner, which I would like to do in a larger capacity with LAFCO.

I take pride in contributing to my community. My pledge to my constituents will always be that when money is planned for projects and programs at my agency, I want to know that it is justified, and then I support it.

I would be honored to be appointed to the open position to help guide decision-making for LAFCO for the County of Los Angeles.



NOMINATION  
OF  
INDEPENDENT SPECIAL DISTRICT **VOTING MEMBER**  
TO THE  
LOS ANGELES COUNTY LOCAL AGENCY FORMATION COMMISSION

To: Independent Special District Selection Committee

From: President James D. Bodnar and Member of the Board of Directors

Date: July 23, 2022

Name of Candidate: Sharon S. Raghavachary

The Board of Directors of the Crescenta Valley Water District is pleased to nominate Sharon S. Raghavachary as a candidate for appointment as special district **voting member** to the Los Angeles Local Agency Formation Commission. The nominee is an elected official or a member of the board of an independent special district appointed for a fixed term. For your consideration, we submit the following additional information together with a resume of the candidate's qualifications.

Elective office: Director of the Board of Directors of

Agency: Crescenta Valley Water District

Type of Agency: Water and Sewer District

Term Expires: December 2025

Residence Address: 2209 Maurice

La Crescenta, CA 91214

Telephone: 818 541-9071

PLEASE ATTACH RESUME OR CANDIDATE STATEMENT (limit one page)

Crescenta Valley Water District

(Name of Agency)

By: 

Its: Chairman of the Board of Directors

**Sharon S. Raghavachary**



Director Raghavachary has been active in the La Crescenta Community for 20 years and has a background in accounting and computer systems.

Ms. Raghavachary has been a member of the Crescenta Valley Water District Board of Directors since June of 2019 and served as President in 2021.

Ms. Raghavachary is a founder of the Crescenta Valley Community Association. She served for seven years on the Crescenta Valley Town Council, during which time she was co-chair of the Foothill Design Committee that wrote design standards for Foothill Boulevard and was a member of Supervisor Antonovich's Library Committee. She also served as Council Vice President and Land Use Committee Chair.

Additionally, Director Raghavachary served three years on the Parent Advisory Council for Children's Hospital Los Angeles, providing input for the new hospital tower. She has been a volunteer for the Los Angeles County Sheriff's Department and Treasurer of the Crescenta Valley Arts Council, as well as a Girl Scout troop leader for ten years. For over five years she wrote a featured column for the Glendale News Press and the Crescenta Valley Weekly. She is currently serving her second year on the Clark Magnet High School's School Site Council.

Ms. Raghavachary has teenage twins, a boy, and a girl, who attend Clark Magnet High School and Crescenta Valley High School.

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NOMINATION  
OF  
INDEPENDENT SPECIAL DISTRICT VOTING MEMBER  
TO THE  
LOS ANGELES COUNTY LOCAL AGENCY FORMATION COMMISSION

To: Independent Special District Selection Committee

From: Orchard Dale Water District

Date: September 7, 2022

Name of Candidate: YVETTE STEVENSON-RODRIGUEZ

Orchard Dale Water District is pleased to nominate

YVETTE STEVENSON-RODRIGUEZ as a candidate for appointment as special district voting member to the Los Angeles Local Agency Formation Commission. The nominee is an elected official or a member of the board of an independent special district appointed for a fixed term. For your consideration, we submit the following additional information together with a resume of the candidate's qualifications.

Elective office: LAFCO Special District Representative

Agency: Orchard Dale Water District

Type of Agency: Special District

Term Expires: 11 / 2024

Residence Address: 14036 Mystic St. Whittier,

CA 90604

Telephone: 562-447-6909 / 562-941-0114

PLEASE ATTACH RESUME OR CANDIDATE STATEMENT (limit one page)

Orchard Dale Water District

(Name of Agency)

By: 

Its:

Yvette Stevenson Rodriguez  
LAFCO Candidate, 2022

[ysr@odwd.org](mailto:ysr@odwd.org)  
(562)447-6909  
Whittier, California

Director, President, Orchard Dale Water District  
Member of the Board

Currently, I preside as President of the Board, with 15+ years as a Member of the Board with various achievements completed as follows:

- Achieved completion of two regional multi-million dollar water reliability projects on behalf of Orchard Dale Water District in collaboration with LA County and Water Replenishment District.
- Authored the first Investment policy for Orchard Dale Water District and developed additional policies such as the Safety Work Boots program for field staff and Education Enrichment program for all eligible employees.
- Assessed water resources, reviewed financials and constructed scenarios with executive staff to develop a water resource plan to mitigate interruptions of service due to infrastructure and prolong droughts.

Director, Development, Non Profit Education TCS Foundation

Directed and Managed a Non Profit Education Foundation established for K-12 grade students to provide both academic enrichment programs, a summer school program and an experiential learning grant program for classroom teachers.

- Developed and executed a successful citywide fundraising program, contributions raised from this campaign funded 200 experiential learning grants awarded to Teachers for classroom enrichment.
- Collaborated and assisted with developing Summer School Programs,

Education  
University of Phoenix

Memberships  
California Special Districts Association  
Central Basin Municipal Water Association

Notables  
Proud Mom of Bosco Brave student

**BOARD ACTION**

## BOARD OF DIRECTORS STAFF REPORT

**To:** TVMWD Board of Directors  
**From:** Matthew H. Litchfield, General Manager   
**Date:** October 19, 2022  
**Subject:** **Miramar Electrical Switchboard Upgrade**

---

**Funds Budgeted: \$25,000**

**Fiscal Impact:**

### **Staff Recommendation**

**It is recommended that the Board of Directors approve the sole source contract with Eaton in the amount of \$182,216.00 for the Miramar Electrical Switchboard Upgrade.**

### **Background**

The Miramar Electrical Switchboard Upgrade Project [Project] was designed to increase Miramar Treatment Plant operational reliability, reduce shutdown period during planned service interruptions and provide a safe work environment. During the annual Miramar Treatment Plant shutdown in February 2022, the main electrical breakers could not be isolated by staff resulting in an increased unplanned shutdown. On April 20, 2022, the Three Valleys Municipal Water District [TVMWD] Board of Directors approved a Professional Services Agreement Amendment with Mullens & Associates to develop additional design services to address the breakers and safety concerns while also providing value engineering services to remain cost effective [Table 1].

### **Discussion**

The amended agreement with Mullen & Associates was intended to develop engineering design and construction bid documents with updated project costs to be included in TVMWD's 5-year Capital Improvements Plan. Since then, staff worked with Eaton, the original manufacturer of the switchboard/breaker, and discovered that Eaton provides a specialized team to modify existing equipment to bring it to current standards, in lieu of complete replacement. This process would utilize the existing cabinets and modified equipment to install the new breakers. This technique is a specialized practice, and it is recommended that it only be performed by the original manufacturer. As a result, Mullen & Associates was requested to not complete the task #2 as authorized by the amendment approved by the Board in April 2022.

**Table 1 | Mullen & Associates Professional Services Agreement**

	<b>Cost</b>
<b>Original Agreement</b>	<b>\$74,940.00</b>
<b>Amendment I</b>	
<b>Task #1</b> - Revise design drawings to incorporate emergency generator connections for Well 2 and the existing emergency generator only	\$16,000.00
<b>Task #2</b> - Research, engineer, and develop design drawing and documents to replace the existing main SCE switchboard	\$25,000.00
<b>Amendment Task Subtotal</b>	<b>\$41,000.00</b>
<b>Revised Agreement</b>	<b>\$115,940.00</b>

The original concept of acquiring new electrical switchboard/breaker has an estimated cost of \$600,000. Staff identified second methodology requires a single source contract with Eaton in the amount of \$182,216 for services to retrofit the existing breakers at the Miramar Treatment Plant main switchgear, resulting in Project savings of \$442,784. The rehabilitation method would result in Miramar Treatment Plant shutdown in a few days compared to a few weeks for the full replacement as contemplated by the original method.

Staff will rescind the previously approved task order #2 for the electrical switchboard/breaker replacement in the amount of \$25,000 [Table 1] and reallocate the funds to the proposed rehabilitation of the existing switchboard. Staff recommends the sole source contract with Eaton in the amount of \$182,216.00 for the higher value it provides along with the overall Project savings. The project entails long procurement time frames with the actual work to occur during the annual plant shutdown. Procuring a contract now will allow the vendor to guarantee the costs of the material and start the extended procurement process. This project was not budgeted in the current fiscal year, however with the extended procurement schedule, costs are not anticipated to occur until FY 23/24. This project will be included in the FY 23/24 budget.

### **Strategic Plan Objective(s)**

I.4 – Maintain water infrastructure to assure 100% reliability

I.5 – Prepare for long-term MWD shutdown or catastrophic event that affects operations

**Attachment**

Exhibit A – Eaton proposal

**Meeting History**

Board of Directors Meeting, October 5, 2022, Informational Item Only

On November 18, 2020, the TVMWD Board of Directors authorized the General Manager to award Mullen & Associates a design contract for the Miramar Emergency Electrical Upgrades Project for \$74,940.

On April 6, 2022, the TVMWD Board of Directors approved a Professional Services Agreement Amendment with Mullen & Associates for \$41,000 with a not-to-exceed contract amount of \$115,940.

NA/ KP

Response to Request for Proposal

# THREE VALLEYS MUNICIPAL WATER DIST

## Three Valleys MWD-SPB Retrofills

Eaton Proposal Number LAK2-220503-01-AW-R1

May 31, 2022



Presented By: Eaton Corporation  
Electrical Engineering Services & Systems  
13039 Crossroads Pkwy South  
City of Industry, CA 91746

### Contacts:

**Eaton Corporation**  
*Electrical Engineering Service & Systems*  
Service Sales Representative:  
Robert Henriquez(LAK2)  
Phone: (M)213-304-9026  
Email: roberthenriquezjr@eaton.com

**Eaton Corporation**  
*Electrical Engineering Service & Systems*  
Technical Application Support Engineer:  
Adam Webb  
Phone: 626-290-7183  
Email: AdamLWebb@eaton.com

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## Introduction

### Eaton Breaker Retrofit

Eaton provides our customers with an IEEE Certified alternate conversion solution for metal enclosed and metal-clad switchgear components for low voltage (LV) and medium voltage (MV) applications. These switchgear solutions are assembled in various combinations to satisfy specific application requirements. Newer technology and circuit breakers with increased capabilities can be interfaced into the existing enclosures and provide a less expensive alternative to the installation of new switchgear while providing improved uptime and reliability of the installation. These conversions utilize standard production circuit breakers so they are interchangeable with current Eaton low voltage (LV) and medium voltage (MV) power circuit breakers supplied in new switchgear.

Eaton has for many years provided replacement circuit breakers, and LV circuit breaker conversions. Eaton has consolidated its resources of engineers and technicians into a team for developing and testing retrofit conversions as an alternative to customers that want the interchangeability of their vintage power circuit breakers with those of new Eaton switchgear. Eaton's retrofit conversions provide customers with all the necessary drawings, literature, testing, and documentation for successful installation and operation of the new retrofit conversions. Eaton's retrofit conversions replace the vintage power circuit breaker with new current technology and replaces all the cell structure envelope in which it engages both mechanically and electrically.



- Reduced maintenance cost and downtime with reliable Magnum DS Breaker technology
- Designed and tested to IEEE/ANSI standards
- Installation savings and robust interface
- Designed for easy access, inspection, and minimal maintenance.
- Latest Eaton technology and circuit breakers with increased capabilities can be interfaced into the existing enclosures
- Conversions of fixed mounted circuit breakers to drawout construction improve uptime and reliability of the installation
- Mechanism parts and control components are current stock production items and most parts are available on a 24/7 basis
- LV power circuit breakers are directly interchangeable with new Eaton switchgear circuit breakers of the same ratings.

### Eaton's Arc-flash Reduction Maintenance System™

A circuit breaker equipped with an Arc-Flash Reduction Maintenance System™ can improve safety by providing a simple and reliable method to reduce fault clearing time. The Arc-Flash Reduction Maintenance System™ unit utilizes a separate analog trip circuit that provides faster interruption times than the standard (digital) "instantaneous" protection. Work locations downstream of a circuit

breaker with an Arc-Flash Reduction Maintenance System™ unit can have a significantly lower incident energy level.



The table below shows how incident energy varies with fault duration times where the bolted fault level is 40 kA.

BOLTED FAULT (kA)	ARCING FAULT (kA)	FAULT DURATION (SECONDS)	INCIDENT ENERGY (cal/cm2)	HAZARD RISK CATEGORY
40	20	2	89	>4
40	20	0.5	22	3
40	20	0.3	13	3
40	20	0.1	4.4	2
40	20	0.05	2.2	1
40	20	0.04	1.8	1

Note for the table above:  
1. Incident energy values shown in this table were calculated using the IEEE STD 1584™-2002 method for a 480 Vac system with a working distance of 24 inches. Other parameters are: Grounding type = solid grounded and Equipment type = Switchgear.

### Qualifications

Eaton’s Electrical Engineering Services & Systems is committed to providing the highest quality services, while providing advanced product-based solutions. Eaton implemented the following programs and procedures to establish a new level of excellence in field engineering service quality.

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1. We have developed comprehensive standardized test procedures that meet or exceed industry standards. Our observance of such high-quality standards demonstrates our commitment to identifying any potential product deficiencies. All of this ensures that when we test a power distribution system, we can provide an accurate and impartial assessment of its suitability and reliability.
2. Eaton field personnel are certified to test per NETA standards by the National Institute for Certification in Engineering Technologies (NICET) Electrical Power Certification Program. This program provides an independent verification of the capabilities, knowledge, and experience of our field personnel for electrical testing.
3. All our field personnel are thoroughly trained, with lead personnel having extensive field service and project management experience. Our field personnel receive training by both Eaton and other vendors, through which they obtain a clear understanding of the entire equipment construction and assembly process. This preparation is advantageous in the field during commissioning and subsequent service work. Additionally, our field personnel have direct access to factory personnel, a benefit not always available to most independent service companies. Safety training related to Arc flash and OSHA requirements are also provided to all field service personnel, and we maintain safety training records.
4. We maintain an equipment calibration program in accordance with the International Standards Organization (ISO). Furthermore, we have invested in the latest technologically advanced field test equipment and diagnostic software.
5. Our field personnel have access to one of the largest groups of Power System Engineers, which are dedicated to the study of electrical power distribution systems. Their primary expertise involves performing technically independent power system studies, including short-circuit, coordination, load-flow, motor starting, harmonics and other power quality and system reliability related analysis.



### Equipment Bill of Material

- QTY (3) 2000 Amp Magnum retro-fill kit
- Electrically operated
  - Draw out breaker
  - Digitrip 520MC trip unit w/maintenance mode
  - 100 KIAC
  - 1 unit w/2000 amp rating plug - **MAIN**
  - 1 unit w/1600 amp rating plug - **MCC**
  - 1 unit w/1000 amp rating plug - **GEN**
- QTY (1) 2000 Amp Magnum Breaker - **SPARE**
- Electrically operated
  - Draw out breaker
  - Digitrip 520MC trip unit w/maintenance mode
  - 100 KIAC
  - 1 unit w/2000 amp rating plug

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- Includes Neutral Sensor if Needed
- Interruption Rating to Match SPB100 Rating at 480Vac
- May Require a Bump Out at the Front of the Gear
- **Note: A bump out at the front of the gear may be necessary to accommodate this drawout retrofit. Please verify this is acceptable.**

Eaton's Magnum DS Low-voltage Power Circuit Breakers offer the highest ANSI interrupting and withstand ratings in the industry in the smallest physical size and are the most easily maintained ANSI circuit breakers on the market.



**Standard Features**

- Controls and indicators are functionally grouped together on the front cover.
- Through the door design permits easy and safe access to the front cover controls and trip unit.
- Rigid frame of high strength engineered thermoset composite resins.
- Compact and Lightweight.
- Spring stored energy mechanism.
- Field installed accessories.
- 100% rated for continuous operation.
- 3 cycle closing.
- Digitrip microprocessor based true rms sensing trip units.
- Patented "Heal-Toe" contact.
- "C" loop current path.
- Braided current path connections.
- Sealed Arc Chambers – Insulating and isolating arc chambers.
- Finger proof secondary contacts (Magnum DS side).
- Mechanical main contact wear indicator.
- One piece arc chutes and covers.

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## Scope of Work

EESS will provide the necessary manpower and equipment to install the New Magnum DS Draw-Out, 2000A Breaker Retrofills kits into the designated cubicles. There will be a total of (3) outages required to perform the work scope.

Outage #1: A site visit and outage will be required by an Eaton engineer to confirm existing equipment and gather any appropriate measurements prior to release for manufacturer. A total equipment outage will be required to take appropriate measurements. Estimated outage: 4hrs to 6hrs

Outage #2: Installation of new Magnum Retrofill kit for #1 & #2 Main and Gen Breakers. Estimated Outage: 8 to 10hrs.

Outage #3: Installation of new Magnum Retrofill kit for #3 MCC Breaker. Estimated Outage: 6 to 8hrs.

1. EESS will remove existing SPB circuit breakers along with any unnecessary components, and install Eaton's Magnum DS circuit breaker and cassette.
2. EESS will perform Site Acceptance Testing and Startup per standard SATSU guidelines.

## Closeout Documentation

Once site work is complete EESS will supply final documentation reflecting the modernization and a field service test report documenting test results of the new equipment.

## Pricing

Pricing for the scope of work described above is as follows:

Item	Description	Price (C/N)
1	Required Initial Site Measurements by Eaton Engineering. Customer Approval Drawings will be provided. Outage Required.	\$ 14,618.00
2	Qty (2) NEW Breakers, 2000A Magnum DS Draw-Out (D/O), Electrically Operated (E/O) with 520MC Trip Unit, LSIG (4W) and ARMS for #1&2 (Main & GEN) with Installation, including Site Acceptance Testing and Start-Up. Outage Required.	\$ 98,425.00
3	Qty (1) NEW Breaker, 2000A Magnum DS Draw-Out (D/O), Electrically Operated (E/O) with 520MC Trip Unit, LSIG (4W) and ARMS for #3 (MCC) with Installation, including Site Acceptance Testing and Start-Up. Outage Required.	\$ 49,993.00
4	<b>SPARE:</b> Qty (1) NEW Breaker, 2000A Magnum DS Draw-Out (D/O), Electrically Operated (E/O) with 520MC Trip Unit, LSIG (4W) and ARMS	\$ 17,243.00
5	Breaker Coordination Study, only. Applicable to NEW Magnum DS Breakers	\$ 1,937.00
	<b>GRAND TOTAL</b>	<b>\$ 182,216.00 C/N</b>
	Labor is Overtime (M-F, anytime and Saturday). Excludes Sundays and/or Holidays.	

## Delivery

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The scheduling of work will be mutually agreed upon between the customer and Eaton's Electrical Engineering Services & Systems.

**Material Shipment: Standard way is L-T-L FOB Factory pre-paid and allowed. FOB Point or Destination is per Eaton Selling Policy 25-000 and is a 2% net adder.**

**F.O.B. Factory shipment is 24 to 30 weeks after receipt of order, completion of site data collection visit, and approval of customer approval drawings. Please allow 6-8 weeks after site measurement visit for customer approval drawings, if required. Please note that this lead time may be affected by COVID-19, and subject to change. Please consult factory for current lead times at the time of order placement.**

Please allow 3 to 4 weeks for scheduling purposes.

### Qualifications / Clarifications

- Seller shall not be responsible for any failure to perform, or delay in performance of, its obligations resulting from the COVID-19 pandemic or any future epidemic, and Buyer shall not be entitled to any damages resulting thereof.
- All work to be completed at straight time, Monday through Friday except for scheduled outages as defined in our proposal.
- 3rd party UL inspection not included. Requirements for UL listed components are the responsibility of the end user.
- No time/labor included for site specific training meetings/classes/videos. If required, additional charges will apply and will be billed separately from this proposal.
- Any significant delays due to adverse weather will result in additional charges.
- If straight time work is required to be performed on an overtime basis, Customer will be billed the difference between the straight time and overtime rate.
- Stand-by power needs, if deemed necessary, are not included.
- Applicable fees for outage related costs, including stand-by and re-connect services, are not included.
- Method of procedure (MOP) development or meeting time not outlined in the scope of work will be treated as an extra.
- Delays beyond the control of Eaton, extras and authorized additional work will be charged in accordance with the Eaton's Electrical Engineering Services & Systems the Current Price List PL02700001E.
- Delay time: If Eaton arrives onsite to perform scheduled work and the work is cancelled, Eaton will charge for four (4) hours minimum per person, plus travel expenses if no replacement work can be scheduled. If sufficient notice (72 hours) is given to Eaton when canceling scheduled work, no additional charge will apply.
- *Waste Management:*
  - Proposal includes disposal of debris that is brought onto the construction site by Eaton and sub-contractors only. Disposal of materials removed or found onsite will be the responsibility of others.

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- Excavated soils are assumed to be non-contaminated and will be left onsite and smoothed flat
- It is the responsibility of Customer to hire a local environmental engineering firm to perform any site-specific hazardous material testing
- Handling or remediation of contaminated or hazardous materials or associated soil/air monitoring is not included with Eaton's scope of work.

### Safety Clarifications

- Eaton will not perform work activities in situations where the proper level of PPE is not practical. At no time will work be performed when the arc-flash exposure levels are above 40 cal/cm<sup>2</sup>.
- To establish an electrically safe work condition, the customer is to provide an up-to-date site electrical one-line diagram(s) for lockout/tagout purposes showing all sources of power.
- For electrical outages requiring utility isolation, the customer and utility shall coordinate lockout/tagout requirements with Eaton in a written plan of execution.
- Customer shall be responsible to perform all switching. Any requirement of Eaton for perform switching will require customer signature and a minimum of two EESS personnel present. Additional charges will apply.

### Testing Clarifications:

- All testing will be performed by Eaton's Electrical Engineering Services & Systems (EESS) per Eaton's standard testing guidelines unless otherwise specified.
- All test results will be evaluated in accordance with manufacturer's published data.

### Safety Training of Eaton Field Personnel:

- All Eaton field personnel received training to comply with OSHA CFR1910 Electrical Safety Standard, which sets minimum safety rules and practices for the design, operation, and maintenance of high-voltage systems (over 600 volts). Safety standards are in place to meet or exceed NFPA 70E requirements, and appropriate Personal Protective Equipment (PPE) have been issued.
- The customer is responsible to ensure that any supporting plant personnel have also be fully trained in electrical safety and provided with the appropriate personnel protective equipment.

### Safety Arc-Flash Provisional Statement:

The customer supplied Arc-Flash study along with their labeled equipment to meet NFPA requirements will be used to determine the Personal Protective Equipment (PPE) required to perform the work required for this proposal. When a current study and labeling is not available, the time required to determine the proper PPE will be at the current rate per hour, unless included within the Eaton scope of work. Eaton will not perform work activities in situations where the proper level of PPE is not practical. At no time will work be performed when the arc-flash exposure levels are above 40 cal/cm<sup>2</sup>.

### Division of Responsibility

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### Eaton Responsibilities:

- Eaton will provide you with a minimum notice of 72 hours of intent to service any equipment.
- Eaton shall furnish test engineers, field technicians, support personnel, tools, equipment, materials, supplies, and transportation as required.
- Eaton will provide and install safety locks and grounding, as required, and in accordance with the facility safety guidelines.
- Eaton will perform voltage test and install necessary circuit / equipment safety grounds to assure safe working conditions
- Upon completion of work:
  - 1) Eaton will remove safety grounds installed by Eaton
  - 2) Eaton will remove safety locks installed by Eaton.

### Customer Will Be Responsible for the Following:

- Providing free access to equipment within their facility.
- Ensuring that all equipment is available upon arrival of Eaton personnel, including removal from service to permit continuous progression of work. Delay time in making equipment available will be treated as an extra.
- Identifying site contact for this project.
- Providing electricians to remove equipment covers and re-install the same when required.
- Coordinating all outages and perform all switching to de-energize and isolate equipment to be serviced.
- Ensuring that all circuits to be de-energized have been clearly identified and that all plant personnel and downstream operations are aware of the required outage date, time and duration. This includes maintaining power to vital or necessary plant equipment and processes during the performance of this scope of work.
- Providing a copy of the past maintenance records to Eaton personnel.
- Providing manufacturers maintenance manuals upon arrival of Field Engineer/s.
- Supplying a complete set of electrical plans, including the plant single-line diagram, specifications, and any pertinent change orders to Eaton before commencement of work.
- Supply a suitable and stable source of power for operation of test and motorized equipment at each test site when normal power is removed or authorize Eaton to obtain a source of auxiliary power, Eaton shall specify requirements. Any non-standard generators rentals will result in a price adder to this proposal.
- Providing a place to receive and unload replacement equipment, test equipment or other supplies.
- Providing special tools supplied by equipment manufacturers.

### Proprietary and Confidential Information

This submittal contains Eaton proprietary and confidential information, which may only be used by THREE VALLEYS MUNICIPAL WATER DIST to evaluate and respond to this submittal. By accepting this submittal from Eaton, THREE VALLEYS MUNICIPAL WATER DIST agrees to not use this submittal, or any information contained herein, in any manner adverse to Eaton's interests; to keep in confidence the submittal and all information contained; and to not disclose to any third party or publish this submittal, any portion thereof, or any information contained herein without Eaton's prior written consent.

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**Terms and Conditions**

Unless previously negotiated and agreed upon, any order arising out of this offer will be governed by the conditions contained in Eaton Selling Policy 25-000 effective September 1, 2021. Taxes, if applicable, are not included. This offer is valid for 30 days unless otherwise extended, modified, or withdrawn, in writing, by Eaton. Payments are due and payable net within thirty (30) days from the date of each invoice.

**Ordering Instructions**

To accept this proposal under Eaton's SP-25000 T&Cs and Net 30 Payment Terms, please:

1. Reference: **LAK2-220503-01-AW-R1**
2. Issue a purchase order to **EATON CORPORATION**
  - Email purchase order to [RobertHenriquezJr@Eaton.com](mailto:RobertHenriquezJr@Eaton.com)
  - PO must state Eaton Selling Policy 25-000 applies
  - PO must state Net 30 payment terms applies

**Mail Address:**

Eaton Corporation  
13039 Crossroads Parkway South  
City of Industry, CA 91746

**Remit to Address:**

Eaton Corporation  
P.O. Box 93531  
Chicago, IL 60673

**If Unable to Accept Eaton SP-25000 T&Cs or Net 30 Payment Terms:**

Contact your local Eaton Authorized Distributor to purchase these services. Provide a copy of this proposal to your distributor and have them contact me, directly. If you do not have an Eaton Authorized Distributor, please contact me for options.

**A HARDCOPY OF THE PURCHASE ORDER MUST BE RECEIVED BY EESS PRIOR TO SERVICE BEING SCHEDULED.**

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Should there be any further questions or needs, please contact at any time. It is a privilege to have this opportunity to be of service. Eaton's Electrical Services & Systems looks forward to working with you on this project.

Sincerely,

*Robert Henriquez(LAK2)*

**Robert Henriquez(LAK2)**

[roberthenriquezjr@eaton.com](mailto:roberthenriquezjr@eaton.com)

**(M) 213-304-9026**

Service Sales Engineer

Eaton Corporation

Electrical Services and Systems Division

## Magnum DS

Low voltage air power circuit breaker



# Industry-proven high performance

Magnum DS® low voltage air power circuit breakers are ANSI designed, tested and certified to UL® 1066. Characteristic of Eaton power circuit breakers, Magnum offers industry-leading performance in terms of interruption and short time withstand ratings.

### Product characteristics

- Up to 635 Vac operating voltage
- Up to 200 kA interruption ratings
- Up to 130 kA short time withstand ratings
- 200–6000A continuous current
- Three- and four-pole configurations
- Fixed and drawout

### Protection, coordination, information and diagnostics with the Digitrip™ trip unit family

- Comprehensive trip unit offering covering basic overcurrent protection to current, power and power quality metering with programmable alarms
- Communicates with translators to common protocols, such as Modbus® INCOM™ and PROFIBUS®, and Ethernet

### Safety

- Zone selective interlocking for improved coordination and reduced arc flash energy
- Arcflash Reduction Maintenance System™ technologies for arc flash reduction
- Mechanical and electrical interlocks to prevent unintentional operation

### Reliability

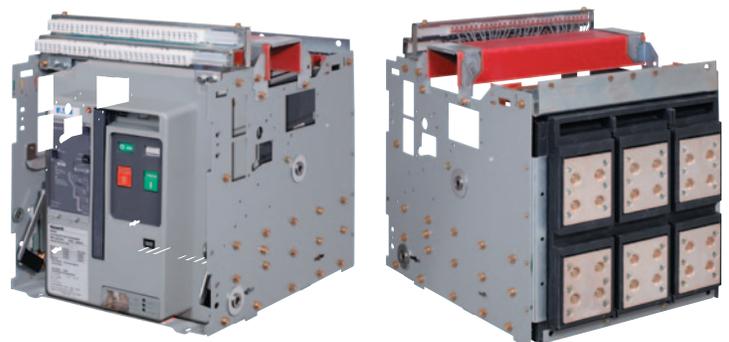
- High short time withstand ratings maximize system uptime, while downstream overcurrent protection devices clear local faults
- Proven high endurance for demanding load transfer applications

### Maintenance, modification and service

- UL-approved field-installable accessories
- Common to all frame sizes
- Easy to add or replace accessories and renewal parts at the point of use
- Primary disconnecting contacts are mounted on the breaker for ease of inspection and replacement
- Eaton's Electrical Services & Systems is available for startup and support

# EATON

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## Dimensions in inches (mm)

Description	Height		Depth		Width	
	Three-Pole	Four-Pole	Three-Pole	Four-Pole	Three-Pole	Four-Pole
<b>Standard Frame (800–3000A)</b>						
Fixed	16.80 (426.7)	16.80 (426.7)	14.60 (370.8)	14.60 (370.8)	16.20 (411.5)	21.20 (538.5)
Drawout	21.00 (533.4)	21.00 (533.4)	18.70 (475.0)	18.70 (475.0)	13.30 (337.8)	17.00 (431.8)
<b>Double Frame (3200–5000A)</b>						
Fixed	16.80 (426.7)	16.80 (426.7)	14.60 (370.8)	14.60 (370.8)	34.90 (886.5)	44.10 (1120.1)
Drawout	21.00 (533.4)	21.00 (533.4)	18.70 (475.0)	18.70 (475.0)	36.00 (914.4)	45.80 (1163.3)

## Specifications

Continuous Current	Frame	254 Interruption	254 Withstand	508 Interruption	508 Withstand	635 Interruption	635 Withstand	Catalog Number
800	Standard	100	85	100	85	100	85	<b>MDSC08</b>
1200	Standard	100	85	100	85	100	85	<b>MDSC12</b>
1600	Standard	100	85	100	85	100	85	<b>MDSC16</b>
2000	Standard	100	85	100	85	100	85	<b>MDSC20</b>
2500	Standard	100	85	100	85	100	85	<b>MDSC25</b>
3000	Standard	100	85	100	85	100	85	<b>MDSC30</b>
3200	Standard	100	85	100	85	100	85	<b>MDSC32</b>
4000	Double	100	100	100	100	100	100	<b>MDSC4N</b>
5000	Double	100	100	100	100	100	100	<b>MDSC5N</b>
6000	Double	100	100	100	100	100	100	<b>MDSC6N</b>
2500	Standard	130	85	130	85	130	85	<b>MDSH25</b>
3000	Standard	130	85	130	85	130	85	<b>MDSH30</b>
3200	Standard	130	85	130	85	130	85	<b>MDSH32</b>
4000	Double	130	130	130	130	130	130	<b>MDSH4N</b>
5000	Double	130	130	130	130	130	130	<b>MDSH5N</b>
6000	Double	130	130	130	130	130	130	<b>MDSH6N</b> ①②
3200	Double	150	100	150	100	100	100	<b>MDSE3N</b>
4000	Double	150	100	150	100	100	100	<b>MDSE4N</b>
5000	Double	150	100	150	100	100	100	<b>MDSE5N</b>
6000	Double	150	100	150	100	100	100	<b>MDSE6N</b> ①②
1200	Standard	200	30	200	30	65	30	<b>MDSX12</b> ③
1600	Standard	200	30	200	30	65	30	<b>MDSX16</b> ③
2000	Standard	200	30	200	30	65	30	<b>MDSX20</b> ③
3200	Double	200	50	200	50	65	30	<b>MDSX3N</b> ③
4000	Double	200	50	200	50	65	30	<b>MDSX4N</b> ③
5000	Double	200	50	200	50	65	30	<b>MDSX5N</b> ③
3200	Double	200	100	200	100	100	100	<b>MDDX3N</b>
4000	Double	200	100	200	100	100	100	<b>MDDX4N</b>
5000	Double	200	100	200	100	100	100	<b>MDDX5N</b>
800	Standard	200	—	200	—	200	—	<b>MDSL08</b> ④
1200	Standard	200	—	200	—	200	—	<b>MDSL12</b> ④
1600	Standard	200	—	200	—	200	—	<b>MDSL16</b> ④
2000	Standard	200	—	200	—	200	—	<b>MDSL20</b> ④

① 5000A and 6000A rated power circuit breaker for use in a forced air cooled enclosure manufactured and tested by the manufacturer.

② 5000A and 6000A rated power circuit breaker for use in a forced air cooled Magnum DS switchgear or power module enclosure manufactured by Eaton.

③ Magnum MDSX current limiting power circuit breaker with fast opening contacts.

④ Magnum MDSL current limiting power circuit breaker with integral current limiters. Current limiter selected determines short time and fixed instantaneous trip rating. Maximum voltage rating is 600 Vac.

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## Arcflash Reduction Maintenance System

### What is an Arcflash Reduction Maintenance System™ unit?

A circuit breaker equipped with an Arcflash Reduction Maintenance System can improve safety by providing a simple and reliable method to reduce fault clearing time. The Arcflash Reduction Maintenance System unit uses a separate analog trip circuit that provides faster interruption times than the standard (digital) “instantaneous” protection. Work locations downstream of a circuit breaker with an Arcflash Reduction Maintenance System unit can have a significantly lower incident energy level.

### Benefits of the Arcflash Reduction Maintenance System unit

- Increased worker safety—when enabled, the Arcflash Reduction Maintenance System provides an accelerated instantaneous trip to reduce arc flash
- The operator can pre-select from five levels of protection to facilitate the maximum arc-flash reduction while avoiding nuisance tripping during planned startup and maintenance operations without disturbing the normal operational trip unit settings
- Once the setting for the Arcflash Reduction Maintenance System has been properly chosen, the Arcflash Reduction Maintenance System is enabled by a simple lockable switch that can be incorporated into a lockout/tagout (LOTO) procedure
- The lockable switch is mounted on the front door, or remotely, up to 9.78 ft (3m) away from the breaker, eliminating the need to open the door to enable it (no special PPE required)
- The Arcflash Reduction Maintenance System is designed to be used only during the time that a worker is exposed to the flash hazard. The Arcflash Reduction Maintenance System is not activated or armed continuously. This feature improves overcurrent coordination when compared to a permanently installed instantaneous trip element on the same circuit breaker

- Reduction in incident energy levels may allow reduced levels of PPE to be used, offering an improvement to worker comfort and mobility
- When properly applied, the hazard risk category frequently can be lowered one or two categories, permitting less PPE

### How is the Arcflash Reduction Maintenance System used to reduce incident energy?

When the Arcflash Reduction Maintenance System is enabled and fault current is detected, the clearing time of the associated circuit breaker is reduced.

The table below shows how incident energy varies with fault duration times where the bolted fault level is 40 kA.

Bolted Fault (kA)	Arcing Fault (kA)	Fault Duration (Seconds)	Incident Energy (cal/cm <sup>2</sup> )	Hazard Risk Category
40	20	2	89	>4
40	20	0.5	22	3
40	20	0.3	13	3
40	20	0.1	4.4	2
40	20	0.05	2.2	1
<b>40</b>	<b>20</b>	<b>0.04</b>	<b>1.8</b>	<b>1</b>

**Note:** Incident energy values shown in this table were calculated using the IEEE® STD 1584TM-2002 method for a 480 Vac system with a working distance of 24 inches. Other parameters are: grounding type = solid grounded and equipment type = switchgear.



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## How is the pickup setting of the Arcflash Reduction Maintenance System chosen?

The pickup settings must be chosen by a person who is qualified in power system analysis. The initial setup of each Arcflash Reduction Maintenance System will require power system analysis to determine the fault currents that flow through the circuit breaker associated with the Arcflash Reduction Maintenance System unit. The Arcflash Reduction Maintenance System has five pickup settings that are based on multiples of the per unit secondary current monitored by the trip unit of its associated circuit breaker (2.5X, 4X, 6X, 8X or 10X rating plug).

The pickup setting is chosen using the following steps:

1. Calculate the arcing fault current that could flow through the circuit breaker associated with the Arcflash Reduction Maintenance System.
  - Note:** The table shows that arcing fault current is much lower than that of the bolted fault current. Formulas from IEEE STD 1584TM-2002 are used to calculate the arcing current.
2. Determine the total transient load current that can flow to loads fed by the circuit breaker equipped with the Arcflash Reduction Maintenance System. These can include motor inrush and transformer inrush.

Choose a pickup setting for the Arcflash Reduction Maintenance System that is:

1. Below 75% of calculated arcing current.
2. Above the total transient load current.

Include the tolerance of the Arcflash Reduction Maintenance System pickup in the setting choice.

## Upgrading existing Magnum DS® installations with the Arcflash Reduction Maintenance System

- Enhance existing Magnum DS lineups
- Field installable
- For further information, contact Eaton's Aftermarket Group at 1-800-937-5487



## Busting myths about the Arcflash Reduction Maintenance System unit

### Myth 1: All it does is turn the instantaneous setting down to a lower value.

**FALSE:** Unlike other products, the Arcflash Reduction Maintenance System involves a separate circuit that acts faster than the standard “instantaneous” protection.

- The Arcflash Reduction Maintenance System is an analog circuit that provides faster interruption times versus the digital “instantaneous” protection (~20 ms faster)
- Faster interruptions = less fault current let through = less arc flash energy

### Myth 2: Coordination is lost.

**FALSE:** The Arcflash Reduction Maintenance System mode is activated on the first breaker upstream from the point of maintenance. During maintenance, downstream personnel and equipment protection is greatly enhanced, in lieu of simple downstream coordination. When the maintenance is complete, the Arcflash Reduction Maintenance System mode is set to OFF and normal protective settings resume.

### Myth 3: Nuisance trips occur because of noise.

**FALSE:** Noise does not affect protection as explained for activation methods that follow:

- Local at the trip unit—The Arcflash Reduction Maintenance System circuit has passed all the tests that a normal trip unit needs to pass for noise immunity: RF, Surge, Burst. This is as robust as any normal (non-Arcflash Reduction Maintenance System) trip
- External switch—The trip unit circuit is in Off/Remote Enable mode. An external switch can then be mounted on the gear and wired to the breaker to enable or disable the mode. This has been tested up to 9.78 ft (3m) away from the switch to the breaker. It has passed all the “noise” tests at that maximum length. For added assurance, Eaton recommends that the switch be mounted reasonably close to the breaker
- For more information, please visit [arcflashsafetysolutions.com](http://arcflashsafetysolutions.com)



**Arcflash Reduction Maintenance System Upgrade Solution—520MC Trip Unit**

**Eaton**  
1000 Eaton Boulevard  
Cleveland, OH 44122 USA  
Eaton.com

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March 2013

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## BOARD OF DIRECTORS STAFF REPORT

**To:** TVMWD Board of Directors  
**From:** Matthew H. Litchfield, General Manager   
**Date:** October 19, 2022  
**Subject:** **Miramar Transmission Line Leak Detection**

---

Funds Budgeted: \$

Fiscal Impact: \$190,000

### Staff Recommendation

It is recommended that the Board of Directors:

1. Approve a budget amendment to establish a budget in the amount of \$190,000 for the Miramar Transmission Line Leak Detection; and
2. Approve the contract with Xylem in the amount of \$160,450.00 for the Miramar Transmission Line Leak Detection.

### Background

Metropolitan Water District of Southern California [Metropolitan] invoices Three Valleys Municipal Water District [TVMWD] monthly for the imported water delivered into the TVMWD service area. Every month, staff reconciles the total volume of water billed by Metropolitan with the total volume of water sold. Historically, the difference between the billed and sold amount [water loss] was balanced during each year. However, since 2020, the water loss trend has increased, and is continuing to increase to approximately ten percent each year. The Miramar Transmission Line Leak Detection Project [Project] has been developed to identify potential leaks within the pipeline distribution system and develop corrective measures to address the water loss.

### Discussion

On average, 14 to 18 percent of total daily treated potable water in the United States is lost through leaks, with some water systems reporting water-loss rates exceeding 60 percent. The water loss identified by TVMWD ranges between five to ten percent, with variations depending on the quantities of flow, i.e., higher losses when the distribution system flow is lower and more noticeable. Water loss control program helps to identify real or physical losses of water from the water system and apparent losses, the water that is consumed but not accounted for. Real losses represent costs to a water system through the additional energy and chemical usage

required to treat the lost water. Apparent losses represent a loss of revenue because the water is consumed but not accounted for and thus not billed.

On average, 30 percent of the TVMWD imported water purchases from Metropolitan is through Miramar Treatment Plant and the remaining 70 percent is purchased from Weymouth via direct Metropolitan service connections. From TVMWD's revenue perspective, the treated water purchases from Metropolitan service connections are completely accounted for. The water loss for TVMWD's system occurs mainly in the deliveries associated with the Miramar Treatment Plant. Over the course of the last year, staff has been working to identify physical loss of water within the Miramar Treatment Plant. The investigation has been completed with no significant loss within the treatment plant. Staff has also been working with Metropolitan to identify any potential inaccuracies of the PM-21 service connection into Miramar Treatment Plant.

As a result, the Project has been developed to identify other potential sources that could contribute to the water loss. Staff has developed a two-prong approach to reach a resolution. The first path is through the Project to identify any potential sources/weaknesses within the Miramar pipeline distribution system. The second path is to work with Metropolitan to identify potential deficiencies with the current Metropolitan meter at the Miramar Treatment Plant. Staff has been working with Metropolitan on this second path and will provide future updates as information is available.

The current industry standard has two common methods to detect leaks within buried pipelines. The first method uses a SmartBall® internally within the pipe. The second method uses ultrasonic listening and ground penetrating radar. Proposals were solicited and received for both methods; the two technologies significantly range in cost with the SmartBall® being the highest of the two [Exhibits A and B].

The ultrasonic method requires manpower walking along the pipe alignment to detect any leaks. Since the majority of the Miramar transmission line resides in major arterial streets, this method poses issues with completing the ultrasonic listening and potential traffic/ safety issues on the ground. The SmartBall® platform is a free-swimming inspection tool used to detect leaks and gas pockets and map pipeline networks. This platform assesses pressurized water pipelines in a single deployment, without disrupting regular service. The SmartBall® platform also provides pipeline condition data and confirms the location of underground pipelines and their alignment with other critical assets. The pipeline condition data also provides valuable information for any rehabilitation or asset management decisions. Staff's recommendation is to pursue the SmartBall® technology due to the higher value it provides.

Since both methods are innovative technologies, there are few manufacturers that are local who would be competitive in providing pricing or have sufficient equipment to complete the scope of the project. The SmartBall® Technology is provided by Xylem, a widely recognized name in the

water industry. Staff has reviewed the references provided by Xylem and agrees that their expertise in the scope of work will provide a successful project.

Annual system water loss of ten percent or 700 acre-feet results in a potential revenue loss of \$750,000. The SmartBall® technology to perform the leak detection analysis is \$160,450. TVMWD will be pursuing potential funding opportunities to offset the cost of the Project. As listed in Xylem's proposal, it would be TVMWD responsibility to provide any traffic control to facilitate the inspection.

The project is not included in the FY 2022-23 budget and as a result a project budget will need to be established as part of this effort. Staff recommends a budget transfer of \$190,000 from opportunity reserves to establish the Project budget of \$190,000. The Budget Amendment request is provided as Exhibit C.

### **Strategic Plan Objective(s)**

1.4 – Maintain water infrastructure to assure 100% reliability

2.7 – Energy Efficiency

### **Attachment(s)**

Exhibit A – Xylem Proposal

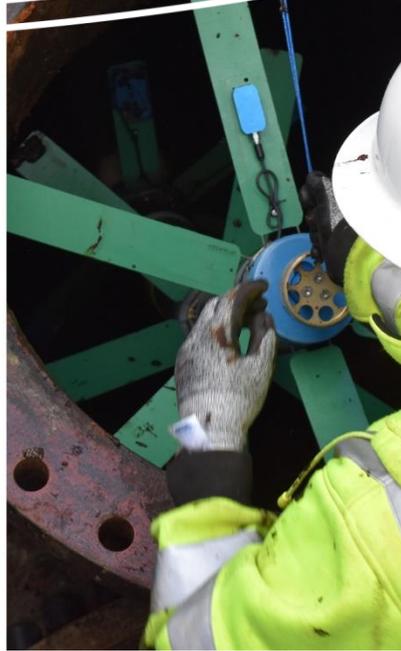
Exhibit B – GPRS Proposal

Exhibit C – Budget Amendment

### **Meeting History**

Board of Directors Meeting, October 5, 2022, Informational Item Only

NA/KP



Proposal for  
PCCP INSPECTION AND LEAK  
DETECTION  
Miramar System

SmartBall<sup>®</sup>, PureRobotics<sup>®</sup>  
& PipeDiver<sup>®</sup>

May 11, 2022

Prepared for

**Three Valleys MWD**

Attn: Kevin Panzer  
1021 E. Miramar Avenue

Claremont, CA 91711



PCCP Inspection and Leak Detection - Miramar System

Kevin Panzer, P.E.  
Assistant Engineer  
Three Valleys MWD

RE: PCCP Inspection and Leak Detection - Miramar System

Dear Kevin,

Pure Technologies U.S. Inc., a Xylem brand, is pleased to offer our services for inspection, leak detection, and mapping of the Miramar System using our PipeDiver, Robotics and SmartBall platforms. The inspection scope involves approximately 7 miles of 36in, 30in, 24in, and 18in diameter prestressed concrete cylinder pipe (PCCP) potable water pipeline. We propose using the PipeDiver free-swimming electromagnetic inspection platform as well as using our PureRobotics® tethered inspection platform to identify individual pipes with broken steel prestressing wire wraps, a key structural component of PCCP. Our SmartBall® free-swimming inspection platform inspects pipelines while they are in service, detects acoustic activity associated with leaks and pockets of trapped air and can leverage motion data to map pipelines.

Included in this scope is Transient Pressure Monitoring as well as a suite of Condition Assessment Engineering services—design review, finite element analysis, and remaining useful life analysis—to enable you to proactively manage the failure risk and asset life of your pipeline.

The PipeDiver platform has been successfully used to inspect and inform the management of over 1,500 miles of pipelines around the world. Through this experience, we have identified key success factors for free-swimming inspections to minimize risk and disruption to pipeline operations. Highly trained and experienced technicians will work closely with your operations personnel to understand and mitigate inspection risks during project planning and execution. The PureRobotics platform has been successfully used to inspect over 600 miles of pipelines around the world. Through this experience we have identified key factors for success for robotic inspections to minimize risk and pipeline downtime associated with the inspection. The SmartBall platform has been deployed for more than 15 years to successfully inspect over 7,500 miles and report over 3,300 leaks.

Pure Technologies is a recognized industry leader in the inspection, assessment, and management of pressurized water and wastewater pipelines. We continually strive to set the industry standard with the most trusted, technologically advanced tools operated by our highly experienced team.

We look forward to addressing any questions you may have and helping you solve your water challenges.

A handwritten signature in blue ink, appearing to read "Aronitz".

**Christopher Aronitz, PE, PMP**  
Business Development Manager  
619-514-9140  
Christopher.Aronitz@Xylem.com

## PCCP Inspection & Leak Detection

The best way to proactively manage any pipeline is to better understand its health using proven condition assessment solutions combined with advanced analysis.

A comprehensive condition assessment of PCCP water pipeline involves deploying inspection tools to accurately assess the health of the buried infrastructure along with advanced engineering analysis to provide a clearer understanding of risks that inform short- and long-term repair and replacement strategies.

We propose a comprehensive condition assessment initiative for Three Valleys MWD comprising four phases:

1. Leak and air pocket detection helps determine a pipe's baseline condition. Pure Technologies' free-swimming SmartBall® platform uses acoustic technology to accurately locate leaks and air pockets and operates while the pipeline is in service.
2. In-line wall inspection identifies and locates broken wire wraps to provide a critical baseline for pipe degradation. Prestressing wires are the main structural component in PCCP. The PipeDiver® platform is a free-swimming condition assessment tool that is easy to deploy and operates while the pipeline remains in service.
3. Transient Pressure Monitoring accurately measures the operating pressure in a pipeline to better understand the system hydraulics and the effect of pressure surges on the pipeline.
4. Condition Assessment Engineering turns inspection and monitoring data into actionable recommendations for PCCP owners. Structural evaluation services, such as finite element analysis and degradation modeling, help utilities make long-term capital planning decisions about reinspection, rehabilitation, and replacement while ensuring safe pipeline operation into the future.

### Leak and Air Pocket Detection

The first phase of the condition assessment is an initial survey for leaks and air pockets using the SmartBall platform. This inspection will identify potential leaks and air pockets as a preliminary indicator of pipeline condition.

The SmartBall inspection platform is a free-swimming, nondestructive inline inspection technology that detects acoustic activity associated with leaks and pockets of trapped air in pressurized pipelines. Optionally, SmartBall can map the pipeline using the motion data of the tool along with field-collected GPS data.

The SmartBall tool is typically inserted through a valve into an active line. Once deployed, the tool is propelled by the hydraulic flow and can navigate inline valves, 90-degree bends, tees, diameter changes, profile changes, and vertical risers. It is typically extracted by inserting an expandable retrieval net through a pressurized stack attached to a 4-inch full-bore flanged valve.

## PCCP Inspection and Leak Detection - Miramar System

The SmartBall tool is continuously tracked during an inspection using proprietary tracking devices synchronized with the tool and tracking sensors installed along the pipeline prior to deployment.

The collected data is evaluated by experienced data analysts using proprietary software and methods to report the location of leaks and air pockets, as well as provide a qualitative estimate of leak magnitudes to help prioritize further investigation and repair activities. When mapping of the pipeline is included in the project scope, advanced location algorithms are used to evaluate motion data recorded by the SmartBall tool in combination with field-collected GPS data to determine the alignment of the pipeline.

An overview of the SmartBall platform inspection process is shown in Figure 1. Further details of the SmartBall technology can be found in the data sheets included in this proposal.

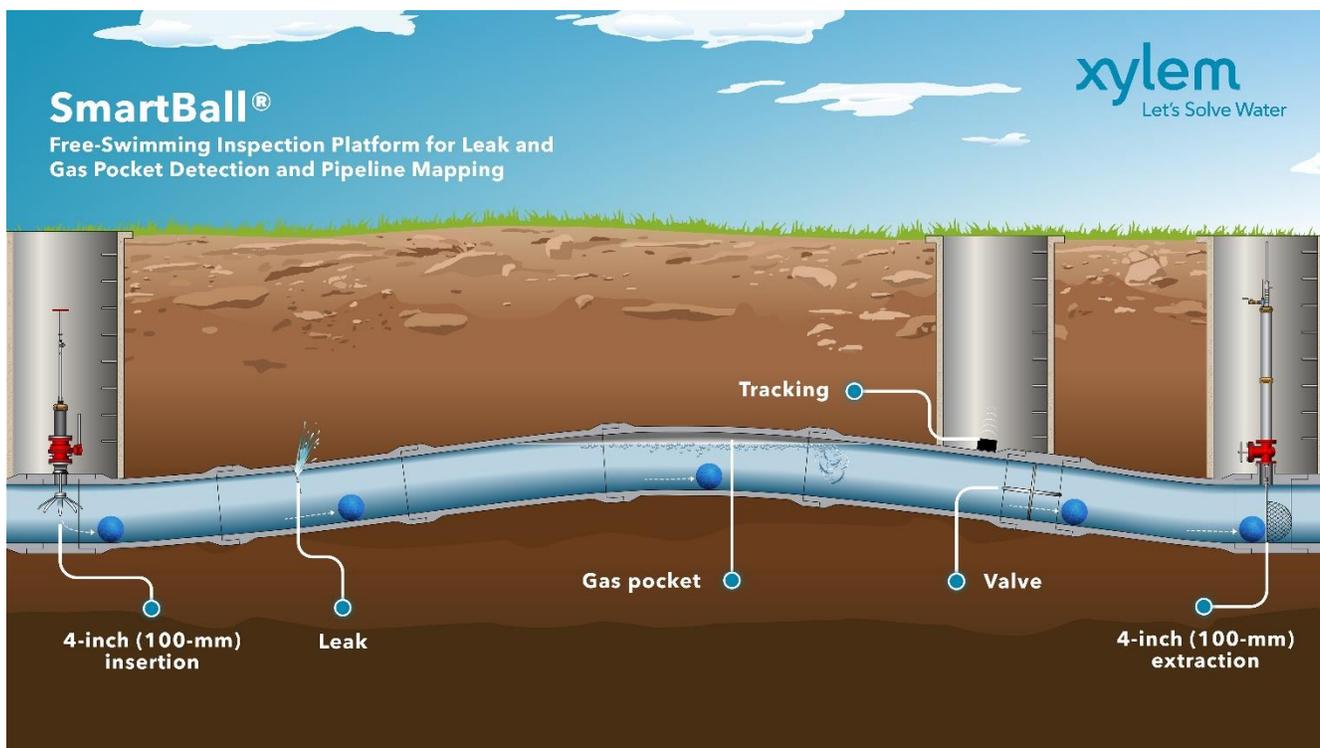


Figure 1: SmartBall Inspection Overview

### Inline Wall Inspection

After completing the inline leak and air pocket survey, the pipeline will be inspected with the PipeDiver and PureRobotics platform to identify broken prestressing wire wraps, which are the main structural component in PCCP.

The PipeDiver and PureRobotics platform provides accurate, detailed pipe wall condition data to inform proactive management decisions. Pure Technologies' industry-leading, patented electromagnetic technology can locate groups of as few as five broken wire wraps along the length

**FUTURE PROJECT ONLY**

## Project Milestones and Deliverables

### Planning and Mobilization

The planning process is an integral part of the project. Gathering more detailed pipeline information during the planning process facilitates a more successful inspection. Pure Technologies will meet with Three Valleys MWD to perform a site visit to assess access to the pipeline and identify site or pipe features that could pose a challenge during the inspection. Steps are then put into place to mitigate any potential risk. Based on information gathered and the preliminary site visit, the team drafts a detailed Project Planning Document that outlines the inspection plan, including insertion and extraction procedures and tracking sensor locations. The Project Planning Document will be submitted to Three Valleys MWD prior to starting the work. Changes in scope that arise from the planning process that impact pricing outlined in this proposal will be discussed with Three Valleys MWD and mutually agreed upon before proceeding.

Civil work may be required for successful insertion and/or extraction of the PipeDiver, PureRobotics or SmartBall tool and will be identified during the detailed planning process. Civil work may include, but is not necessarily limited to, pipeline fitting modifications, excavation, tapping, shoring, and/or any other activity necessary to access valves and appurtenances identified as critical to the inspection. It is expected that the Three Valleys MWD will complete this work.

**[If pipeline mapping is included in scope:]** During the site visit, GPS location data will be collected for all Control Points and Reference Points. Chambers and vaults must be opened to ensure that the GPS points can be recorded above the actual pipeline feature or to add an offset to the GPS points. This data collection effort is expected to take an additional one to two days onsite.

Activities undertaken as part of the planning and mobilization process include, but are not necessarily limited to:

- Project document review
- Preliminary site visit and review
- Evaluation of the need for alternative methods for insertion and extraction, such as utilizing pressurized insertion and extraction tubes for PipeDiver or a hydrant insertion for a SmartBall
- Pre-inspection coordination/meetings
- Planning document development
- Equipment and staffing logistics to and from the project sites
- Tool preparation
- Pre-inspection activities required in advance of the scheduled inspection date

**Optional Flow Rate Verification.** Onsite verification of flow rates under inspection conditions can be conducted during initial site visit. This can be an important step in the planning process for complex pipeline networks that require numerous valves to be operated or for utilities needing additional assistance to verify that operating conditions in the pipeline are suitable for inline inspection.

## Planning and Mobilization Deliverables

1. Project Planning Document that outlines the inspection plan, including insertion and extraction procedures and tracking sensor locations.

## Leak & Air Pocket Detection & Mapping

Tracking sensor installation will occur for both the PipeDiver and SmartBall tools in the days prior to inspection. It is expected that Three Valleys MWD will assist in any installations that require soft digs or pavement coring to access the pipeline and will provide appropriate traffic control during tracking installations, if required, as outlined in the Project Planning Document.

Leak locations are determined using data recorded by the sensors onboard the SmartBall tool as well as that recorded by the tracking devices. This data is also used to determine if a leak is occurring on a pipe joint or barrel. Leaks occurring on the barrel of a pipe may indicate the pipe has been structurally weakened and is in danger of failing. Experience has shown our analysis methods are accurate to within approximately  $\pm 6$  feet.

The inspection is anticipated to take two days to complete. Immediately preceding the deployment of the SmartBall tool, Pure Technologies personnel will measure the flow speed, flow direction, and pipeline operating pressure to verify the conditions in the pipeline. Several tracking teams will be assigned to monitor the tool's movement through the pipeline. If required, Three Valleys MWD will provide traffic control during the inspection at each tracking sensor location. Coordination with operations staff will be required throughout the duration of the inspection, particularly for activities such as valve operation, pump management, etc. These activities will be outlined in the Project Planning Document. Upon completion of the inspection, data will be downloaded from the SmartBall and shared with the Pure Technologies analysis team.

Prior to demobilizing from the inspection, the Pure Technologies team will review data recorded by the SmartBall tool and investigate suspected medium and large leaks identified during the inspection. The results from this analysis will be communicated directly to Three Valleys MWD through email, phone, or in-person. To investigate, personnel will travel to the location of the suspected leak to look for obvious signs of leakage, listen with a ground microphone, investigate nearby pipeline features and manholes, and will record additional GPS points used to improve the final reported location of the leak that will be delivered in the draft report.

The Pure Technologies analysis team will analyze the data collected by the SmartBall platform to document details of acoustic events including acoustic intensity plots and tracking details. A dig sheet will be developed for each leak to aid in location and excavation. Dig sheets include an aerial view of the pipeline alignment and detail a leak location based on the distance from the leak to the nearest upstream and downstream pipeline features.

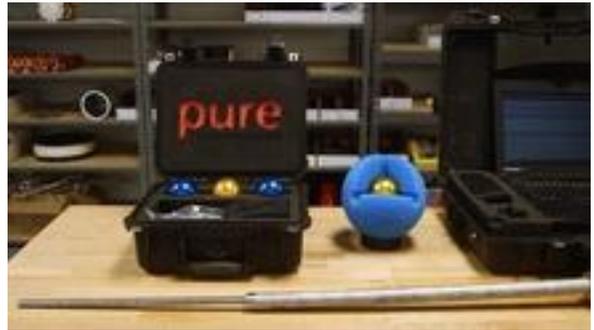


Figure 6

**[If pipeline mapping is included in scope:]** The SmartBall platform will be inserted into the pipeline a second time to complete location data collection. Using the latest accelerometer and gyroscope technologies with advanced location algorithms, the pipeline directional data will be calculated. The Pure Technologies data analysis team will combine this data with aboveground GPS data points to develop a geodatabase of the pipeline location.

**[If pipeline mapping is included in scope:]** Data analysts will use the SmartBall directional data, along with field-collected aboveground GPS points and pipeline bearing information, to create a geodatabase that characterizes the alignment of the pipeline. This alignment is then compared to available pipeline information, such as an existing pipeline GIS and as built drawings, to identify conflicts or confirm the assumed pipeline alignment. In areas where the SmartBall-derived alignment agrees with a utility's records, the utility can feel more confident the assumed location of the pipeline is close to actual. If a conflict is identified, a targeted effort of exposing the pipeline, line finding and/or surveying at these specific areas may be warranted depending on the location accuracy required for the subject pipeline. The error range of the mapping results will be calculated considering the distance between control points, availability of GPS points and pipeline heading, and quality of rolling motion of the SmartBall tool.

Further details on considerations related to the pipeline inspection such as pressure, flow requirements, or insertion/extraction requirements can be found in Appendix A.

Optional hydrant extraction: Pure Technologies can provide equipment to safely retrieve the SmartBall tool from pipelines utilizing existing fire hydrants when other access points are unavailable. The SmartBall tool can also be inserted into the pipeline using hydrants. This method of insertion is performed at no additional fee from Pure Technologies but may require the utility to provide pumping services.

### Leak & Air Pocket Detection Deliverables

1. Immediate notification of suspected medium and large leaks, if needed
2. Draft Inspection Report including:
  - Project background and inspection details
  - Details of acoustic events including acoustic intensity plots and tracking details
  - A table of results identifying locations of acoustic events (e.g., leaks and/or air pockets)
  - Dig sheets to aid in locating and excavating reported leaks, including an aerial view of the pipeline alignment and detail of each leak location
3. **[If pipeline mapping is included in scope.]** Geodatabase including SmartBall-collected alignment data, GPS points, and range of accuracy.
4. **[If pipeline mapping is included in scope.]** Identification of conflicts between an existing pipeline alignment dataset and the SmartBall generated GIS alignment.
5. Final Inspection Report incorporating comments from Three Valleys MWD.

## Project Schedule

A typical schedule for this project is shown below.

Leak & Air Pocket Detection	
Task	Timing
Site visit	Within 30 days following NTP
Project Planning Document	2 weeks before inspection
Field Inspection	8-10 weeks following NTP
Leak investigation prior to demobilization	24 hours after completion of inspection
Draft Report <ul style="list-style-type: none"> <li>Leak and air pocket detection only</li> <li>Leak, air pocket, and XY Alignment, &lt;4 miles</li> <li>Leak, air pocket, and XY Alignment, &gt;4 miles</li> </ul>	4 weeks after inspection 8 weeks after inspection 10 weeks after inspection
Final Report and Geodatabase	2 weeks after receipt of comments on Draft Report

Inline Wall Inspection	
Task	Timing
Site visit	Within 30 days following NTP
Project Planning Document	2 weeks after site visit
Field Inspection	1-3 weeks from Project Planning document approval
Draft Report	6 weeks following inspection
Final Report	2 weeks after receipt of comments on Draft Report

Transient Pressure Monitoring	
Task	Timing
Site visit	Within 30 days following NTP
Project Planning Document	2 weeks after site visit
Field Inspection	1-3 weeks from Project Planning document approval

Condition Assessment Engineering	
Design Review	Included with draft Inline Wall Inspection Report
Finite Element Analysis	Included with draft Inline Wall Inspection Report
Remaining Useful Life Analysis	Included with draft Inline Wall Inspection Report

**FUTURE PROJECT ONLY**

## Project Pricing - Leak Detection Only

Project Pricing					
Item	Description	Unit	Unit Price	Quantity	Total Price
1.1	SmartBall Project Planning and Mobilization	\$20,000	Each	1	\$20,000
1.2	SmartBall Inspection (up to 2 miles)	\$20,000	Each	1	\$20,000
1.3	SmartBall Inspection (2-4 miles)	\$9,500	Per Mile	2	\$19,000
1.4	SmartBall Inspection (4-7 miles)	\$8,650	Per Mile	3	\$25,950
1.5	SmartBall Inspection (7-10 miles)	\$7,650	Per Mile	0	\$0
1.6	SmartBall Additional Insertion	\$5,500	Each	1	\$11,000
1.7	SmartBall Report	\$15,000	Each	1	\$15,000
				Estimated Total Project Cost	\$110,950
Optional Services Pricing					
Item	Description	Unit	Unit Price	Quantity	Total Price
1.8	SmartBall Mapping	Per Mile	\$6,500	7	\$45,500
1.9	Flow Testing to confirm flow under inspection conditions (during site visit)	Each	\$4,000	1	\$4,000

## Pricing Notes

- All travel, shipping and related expenses are included in the mobilization and field data collection/inspection fees.
- Pricing is based on available information provided to date.
- If additional work is required due to circumstances outside of Pure Technologies' control or based on additional requests from Three Valleys MWD, a mutually agreed change order will be required.
- A cancellation charge in the amount of the costs incurred to mobilize will apply should the work be cancelled within the two weeks prior to the agreed Mobilization Date.
- If Three Valleys MWD requests a change to the mobilization Date within 2 weeks of the previously agreed Mobilization Date, additional charges will occur.
- A stand-by charge of \$5,000 per day applies if the project is delayed by Three Valleys MWD after mobilization.
- Pricing does not include traffic control, civil works, permitting, confined space support, or valve exercising. These tasks are the responsibility of Three Valleys MWD unless otherwise agreed.
- Suitable access points for insertion and extraction of the inspection tools are the responsibility of Three Valleys MWD.
- Structural Analysis Design Check can be completed without developing FEA performance curves.
- Final Engineering Report cannot be completed without the design check and predictive analyses activities.

## Payment Schedule

Invoicing Schedule	
Service	Invoicing Period
Project Planning and Mobilization	Upon submittal of the Project Planning Document
Inspection	Upon completion of Inspection
Technology Report	Upon submittal of the final Technology Report
Engineering Report	Upon submittal of the final Engineering Report
SmartBall Mapping	Upon completion of Inspection
Flow Testing	Upon completion of Site Visit

## Standard Terms and Conditions

### SCHEDULE "A"

#### CONDITIONS OF ENGAGEMENT FOR THE PROVISION OF SERVICES

(North America)

The Proposal is issued upon and is subject to these Conditions of Engagement. If the Proposal is accepted by the Client, these Conditions of Engagement and the Proposal will be deemed to form part of the Contract between the Client and Pure.

#### DEFINITIONS

1. In these Conditions of Engagement, the following definitions apply:
  - a. **Client** means any person or persons, firm or company engaging Pure to provide the Services.
  - b. **Contract** means the agreement awarded to Pure as a result of the Proposal.
  - c. **Pure** means Pure Technologies Ltd., Pure Technologies Canada Ltd., Pure Technologies U.S. Inc., PureHM Inc., PureHM U.S. Inc., or any of their affiliates, as the case may be, which submitted the Proposal and is a party to the Contract.
  - d. **Proposal** means Pure's offer to carry out the Services and includes all related correspondence plus agreed written variations or amendments thereto.
  - e. **Services** mean those services of whatever nature to be supplied by Pure under the Contract.
  - f. **Site** means the facility, land, installation or premises to which Pure is granted access for the purposes of the Contract and may include any combination of the foregoing.

#### PURE'S OBLIGATIONS

2. Pure will perform the Services in accordance with the procedures described in the Proposal, using reasonable skill, care and diligence and consistent with industry standards.
3. Pure will ensure that the equipment used in performing the Services is in a good and functional state.

#### CLIENT'S OBLIGATIONS

4. The Client will provide to Pure full, good faith co-operation to assist Pure in providing the Services. Unless otherwise specified in the Proposal and without limiting the generality of the foregoing, the Client will at its own expense:
  - a. ensure, if required, access to private land will be given to Pure and that any official permits or permissions required for Pure to have access to the Site or carry out the Services are obtained and are in force for the duration of the Services;
  - b. inform Pure in writing of any special circumstances or danger which the execution of the Services may entail or which are inherent in the Site, including the existence and identity of any known hazardous substance or material; and

- c. perform such additional duties and responsibilities and provide such information and resources as are described in the Proposal.
5. The description of the Services and related compensation amount set out in the Proposal will be based upon information that the Client shall have provided to Pure, and assumptions that Pure shall have identified in the Proposal. The Client acknowledges that if any such information provided by Client is materially incomplete or inaccurate, or if the assumptions identified by Pure are not correct, then the parties will modify the Proposal to reflect the actual information, assumptions, and Services required, and the compensation to Pure will be adjusted accordingly using the change order process set out in the Contract, or if there is no such process, on an equitable basis.

#### PROPRIETARY AND CONFIDENTIAL INFORMATION

6. All reports generated in the performance of the Services and delivered by Pure to the Client will become the property of the Client.
7. Pure's equipment which is made available to the Client in connection with the Contract and the raw data generated in the performance of the Services will remain the sole and exclusive property of Pure. The Client will not acquire any proprietary rights in Pure's equipment, systems, software, technology, inventions (whether or not patentable), patents, patent applications, documentation, specifications, designs, data, databases, methods, processes or know-how ("Pure's Proprietary Technology"). Any modifications or improvements to the Pure's Proprietary Technology made during the performance of the Services will be the sole and exclusive property of Pure.
8. Both parties agree to keep confidential all documentation and information provided by the other during the performance of the Contract. The obligations set out in this clause 0 will remain in full force and effect after any termination or expiry, as the case may be, of the Contract.
9. Notwithstanding anything herein to the contrary, Pure will have a limited, non-exclusive, royalty-free license to utilize data collected in the performance of services hereunder for purposes of:
  - a. providing services
  - b. analyzing and improving the services, and
  - c. internal research and development for the benefit of Pure clients.

#### LIABILITY AND WARRANTIES

10. Pure will indemnify the Client against any expense, demand, liability, loss, claim or proceeding whatsoever in respect of personal injury to or the death of any person, or any loss, destruction or damage to any tangible property and arising directly or indirectly from the negligence of Pure, its employees, servants or agents except to the extent caused by the negligence of the Client or any person for whom the Client is responsible. The Client will similarly indemnify Pure.
11. Pure will not be liable for any loss of production, loss of use of property, loss of revenue or profit, equipment downtime, business interruption, loss of goodwill, loss of anticipated savings, cost of procurement of substitute goods or services, or for any consequential,

indirect, incidental, or special loss or damage suffered by the Client or any third party, or for any punitive damages, even if advised of the possibility thereof and notwithstanding the failure of essential purpose of any remedy.

12. Pure's cumulative liability under the Contract, whether in contract, tort (including negligence), or otherwise, will in no event exceed the aggregate consideration paid by the Client to Pure for the portion of the Services that gave rise to the liability, provided, however, that this clause shall not limit Pure's indemnification obligations under these Conditions of Engagement.
13. The report(s), data, and any other recommendations or advice made by Pure relating to the pipeline or the Services will be made in accordance with the procedures described in the Proposal, using reasonable skill, care and diligence consistent with industry standards, but do not and will not constitute a warranty of the pipeline's quality, capacity, safety or fitness for purpose. Pure will not be liable to the Client for any liability or damages that arise from the Client's reliance upon or application or use of such final report, data, or recommendations or advice made by Pure in relation to the pipeline or Services, and the Client will indemnify Pure against any liability to third parties resulting therefrom.
14. Pure's warranties for the Services will be set out in the Contract. Pure disclaims all implied or statutory warranties or conditions, including of merchantability, merchantable quality, durability, or fitness for a particular purpose to the extent allowed by applicable law. This means Pure's warranty obligations will be limited to what is expressly set out in the Contract.

## Appendix A - SmartBall Inspection Considerations

### Insertion and Extraction

The SmartBall tool is typically inserted through a 4-inch (100mm) or larger full-bore flanged valve into an active pipeline. When using standard insertion equipment, the valve should have direct access to the pipeline with no bends in the connecting riser. The minimum internal diameter of valve opening must be no less than 3.5 inches (90 mm). A minimum of 4 feet (1.3 m) of overhead clearance is required above the flange of the insertion valve. Alternative methods for insertion include utilizing check valves in pump stations, areas where the pipeline transitions to gravity, and pumping the SmartBall through offset piping such as a hydrant or bypass.

The SmartBall tool is typically extracted from the pipeline by installing a pressurized stack on a 4-inch full bore flanged valve, or larger, with a minimum internal diameter no less than 3.5 inches (90 mm). The valve should be on the crown of the pipe and be located on a flat section of pipeline with no vertical slopes or horizontal bends 30 feet (9 m) upstream of the valve. A minimum of 16 feet (5 m) of overhead clearance is required above the flange of the extraction valve. It is possible to core the roof of a vault above the valve with a 6-inch (150 mm) or greater opening if the vault does not have enough overhead clearance. The net utilizes a tracking sensor and a camera to confirm the SmartBall tool has been caught in the extraction net. Other extraction methods, such as retrieval from a reservoir using a remotely operated vehicle (ROV), are possible and can be evaluated by the SmartBall technical experts for feasibility.

### Tracking

Prior to the inspection, tracking sensors will be installed along the pipeline to track the position of the SmartBall tool. The tracking sensors function best when they are installed as close as possible to the water column in the pipeline and are attached to metal surfaces of pipeline appurtenances, such as air release valves, flanges, valves, or any other contact point on the pipeline. At these locations, Pure Technologies staff clean an area approximately 3 inches by 3 inches and will adhere tracking sensors using a fast-drying epoxy. Computers synchronized with the SmartBall tool will be connected to the tracking sensors to calculate the location and velocity of the SmartBall tool as it approaches and passes the tracking location. Tracking teams will set up at tracking sensors before the deploying the SmartBall tool and will 'leap-frog' to subsequent tracking locations as the SmartBall tool traverses the pipeline on its way to the extraction point. A tracking plan and details for installing tracking sensors will be included in the Project Planning Document submitted to Three Valleys MWD prior to the inspection.

### Flow Requirements

The SmartBall tool requires a fluid velocity of 0.5 feet per second (0.15 meters per second) to traverse flat sections of pipeline. The ideal fluid velocity for most pipelines is 2 to 4 feet per second (0.6 to 1.2 meters per second) for traversing slopes and allowing tracking teams to relocate to the next tracking location. The maximum fluid velocity before data quality is impacted is 6 feet per second (1.8 meters per second) for leak and air pocket inspection and 3 feet per second (0.9 meters

per second) for SmartBall Mapping. The SmartBall tool usually travels at approximately 70% of average fluid velocity. Three Valleys MWD staff will control the flow rate to confirm the requisite velocity during tool deployment as requested in the Project Planning Document. Pure Technologies will also evaluate pumping rates and cycle times to determine if supplemental water will be required to complete the inspection. It should be noted that air pocket and leak detection surveys should be performed as close to typical operating conditions as feasible.

### Pipeline Pressure

Acoustic leak detection functions by detecting the acoustic signature generated by the sudden drop in pressure of water exiting the pipeline at the site of the leak. Inline leak detection technology is inherently more sensitive than external methods and correlators because it brings the acoustic sensor within one pipe diameter of the leak.

SmartBall technology requires a minimum pressure differential of 15 psi (1 bar) for acoustic leak detection. This is the difference in pressure between internal and external pipeline conditions. For pipelines in high water tables, and river crossings, the resultant hydrostatic head acting against the exterior of the pipe wall should be taken into consideration.

Three Valleys MWD staff will operate the system to maintain pipeline pressures as necessary to accommodate the needs of its customers. A review of the pipeline will be performed as part of the planning process to identify potential areas where the pressure may drop below the minimum required pressure differential for acoustic leak detection. Additional factors that affect acoustic leak detection include tunnels and encasements where the sudden drop in pressure that causes the acoustic signature generated by the leak may not occur at the site of the leak inside the pipeline, but rather at the point where the fluid exits the tunnel or encasement if the "leak path" becomes pressurized between the pipe wall and the tunnel or encasement. Approximate pressure measurements may be requested prior to and/or during the inspection to ensure the pipeline is operating within expected conditions.

## Appendix B: PipeDiver Inspection Considerations

### **FUTURE PROJECT ONLY**

#### Insertion and Extraction

The PipeDiver tool is typically inserted through a minimum 12-inch (300mm) access port, however a 16-inch (350mm) access is recommended if installing a new tap. For insertion, a brief shutdown and depressurization of the pipeline will be required to allow a flanged access to be removed and the PipeDiver tool inserted. Once the tool is placed in the pipe the flange is replaced and the pipeline is returned to operation. From the time the access point is depressurized, the process typically takes 2 hours. Depending on the pipeline configuration, equipment may be installed to hold the PipeDiver tool in place during the refill and re-pressurization process. Once optimal flow conditions are met, the tool will be released to perform the inspection.

There are various methods by which the PipeDiver tool can be extracted from the pipeline. Typically, a net is installed into the pipeline during a brief shutdown and depressurization that will stop the

PipeDiver tool at the end of an inspection. Once in the net a second depressurization is required to remove the tool and net from the pipeline through a minimum 12-inch access.

Alternative methods for insertion and extraction, such as utilizing pressurized insertion and extraction tubes or retrieval from a reservoir using a remotely operated vehicle (ROV), are possible and can be evaluated by the PipeDiver technical experts for feasibility.

### Tracking PipeDiver

## FUTURE PROJECT ONLY

Prior to the inspection, tracking sensors will be installed along the pipeline to track the position of the PipeDiver tool. The tracking sensors function best when they are installed as close as possible to the water column in the pipeline and are attached to metal surfaces of pipeline appurtenances, such as air release valves, flanges, valves, or any other contact point on the pipeline. At these locations, Pure Technologies staff will adhere the tracking sensors to the pipeline using a fast-drying epoxy. Computers that are synchronized with the PipeDiver will be attached to the tracking sensors to calculate the location and velocity of the PipeDiver as it approaches and passes the tracking location. Tracking teams will set up at tracking sensors before the deploying the PipeDiver and will leap-frog to subsequent tracking locations as the PipeDiver traverses the pipeline on its way to the extraction point. A tracking plan and details for installing tracking sensors will be included in the Project Planning Document submitted to Three Valleys MWD prior to the inspection.

### Flow Requirements

The PipeDiver requires a fluid velocity of 1.5 feet per second for optimum data quality, traversing slopes and allowing the tracking teams to relocate to the next tracking location. The maximum fluid velocity before data quality is impacted is 3 feet per second. The PipeDiver usually travels at approximately 90% of average fluid velocity. Three Valleys MWD staff will control the flow rate to confirm the requisite velocity during tool deployment as requested in the Project Planning Document. Pure Technologies will also evaluate pumping rates and cycle times to determine if supplemental water will be required to complete the inspection. Flow changes during the inspection may be needed to assist the tools in navigating obstacles in the pipeline or for contingency measures.

### Pipeline Pressure

A maximum pressure for a PipeDiver inspection is 250 psi (500 psi for Large Diameter PipeDiver platform). For pipelines with river crossings, the resultant hydrostatic head should be taken into consideration. Three Valleys MWD staff will operate the system to maintain pipeline pressures as necessary to accommodate the needs of its customers. A review of the pipeline will be performed as part of the planning process to identify potential areas where the pressure may exceed the maximum pressure. Approximate pressure measurements may be requested prior to and/or during the inspection to ensure the pipeline is operating within expected conditions.

## Appendix C: Robotics Inspection Considerations

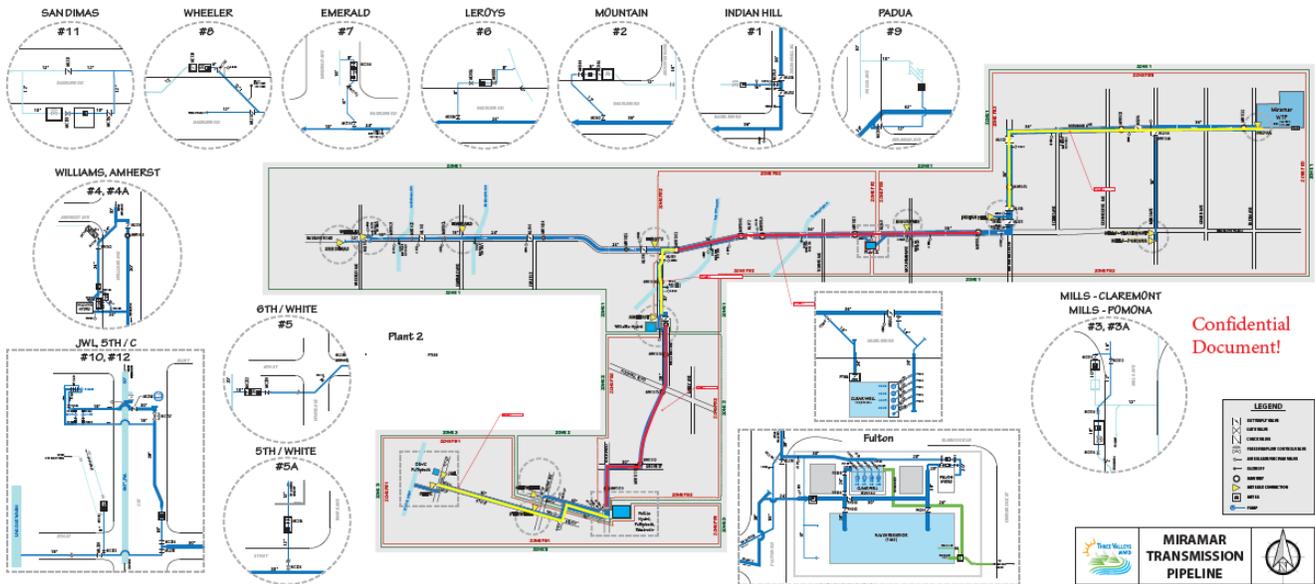
# FUTURE PROJCT ONLY

### Insertion and Extraction

The PureRobotics tool is typically inserted through a minimum 18-inch access port. For insertion, shutdown and depressurization of the pipeline will be required to allow a flanged access to be removed and the Robotics tool inserted. Typically insertion times are between 1 and 2 hours and the inspection generally takes 2 hours after insertion.

## Appendix D: Inspection Outline

Without Plan and profile drawings a rough inspection plan can not be provided based. All distances are estimates based on the scale of the diagram provided (image below). Based on this diagram the following runs would be required to perform leak detection and PipeWall inspection of the pipeline.



PCCP Inspection and Leak Detection - Miramar System

SmartBall

Run 1: Insert at Manway 1035 and extract at AR120

Run 2: Insert at Manway 1003 and extract at 5<sup>th</sup>/C pumpback (exact location to be determined)

\*Note that tracking points are not identified and will be included in planning document or when plan and profile drawings are provided.

PipeDiver

**FUTURE PROJECT ONLY**

Run 1: Insert at Manway 1035 and extract at MW1003

Run 2: Insert at Manway 1015 and extract at MW1010

\*Note that tracking points are not identified and will be included in planning document or when plan and profile drawings are provided.

Robotics

Location 1: New Manway required to inspect 30in pipe along 5<sup>th</sup> street

Location 2: Insert at MW1006 and inspect to ML1080 and MH142

Location 3: Insert at MW1025 and inspection to ML090 and ML094

Location 4: Insert at MW1023 and inspection to ML094 and ML108

Location 5: Insert at MW1021 and inspection to ML108 and ML116

## Appendix E: Tech Sheets

# SmartBall<sup>®</sup>

## FREE-SWIMMING PLATFORM FOR INLINE LEAK AND GAS POCKET DETECTION AND PIPELINE MAPPING

### Operating Environment

Pipe Materials	PCCP, RCP, AC, PVC, HDPE, Steel, Ductile Iron, Cast Iron, GRP, and other
Maximum Pressure	500 psi (34.4 bar), higher available upon request
Minimum Recommended Pressure Differential	15 psi (1.0 bar) <i>Consult with the SmartBall Technical Team for pipe diameters 72 inches (1800 mm) and larger</i>
Leak Sensitivity	Between 0.03 gallons/minute (0.11 l/min) at 90 psi (6.2 bar) and 0.35 gallons/minute (1.32 l/min) at 15 psi (1.0 bar) <i>Pipeline pressure, leak volume, and leak shape affect acoustic leak detection capability</i>
Pipeline Diameters	12 inches (300 mm) and greater for unlined metallic water pipes 6 inches (150 mm) and greater for all other pipe material and wastewater pipes
Maximum Flow Velocity	6 feet/second (1.8 m/s) <i>Maximum when mapping is 3 feet/second (0.9 m/s)</i>
Minimum Flow Velocity	0.5 foot/second (0.15 m/s) in flat terrain <i>For vertical shafts, consult with the SmartBall Technical Team Mapping requires a consistent flow rate</i>
Maximum Deployment Time	24 hours
Maximum Fluid Temperature	158° F / 70°C
Maximum Degree of Bends from Insertion Point	Unlimited

### Insertion Requirements

Minimum Tap Diameter	4 inches (100 mm)
Minimum External Clearance from Insertion Tap	4 feet (1.2 m) for insertion claw method; 2.5 feet (0.76 m) for plunger method
Insertion Device	Insertion claw, plunger, and hydrant

## Insertion Requirements Continued

Insertion Methods	Gate valves, check valves, open ports, swab launchers, reservoirs, and hydrants <i>Alternative insertion methods may be possible</i>
-------------------	---

## Extraction Requirements

Minimum Tap Diameter	4 inches (100 mm), with a minimum of 3.75 ID <i>Must be vertical off the pipeline</i> <i>Alternative extraction methods may be possible</i>
Minimum External Clearance from Extraction Tap	13.2 feet (4.02 m)
Extraction Device	SmartBall extraction net, hydrant <i>Other pipeline specific options available upon request</i>
Maximum Flow for Net Use	3.2 feet/second (1 m/s) to 6 feet/second (1.8 m/s) depending on pipe diameter <i>Max flow range may vary if large diameter / high flow extraction is used</i>

## Specifications

SmartBall Tool Components	Pinger, temperature sensor, pressure sensor, magnetometer, acoustic hydrophone, acceleromator, dual gyroscope, and battery
SmartBall Tool Size	SmartBall core - 2.8 inches (7.1 cm) Foam shell - 7 inches (17.8 cm); size is adjustable
Mapping Accuracy	Generates X Y line for GIS deliverable
Shipping Requirements	All SmartBall leak detection kits can be shipped on a standard pallet
Tracking	Tracked by remote trackers or sensors
Disinfection	All materials that enter the pipeline are thoroughly disinfected based on local water authority standards prior to inspection.



SmartBall Kit



SmartBall Core



Insertion Claw



Live Insertion



SmartBall Tracking



Extraction Net



[www.xylem.com](http://www.xylem.com)

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Fax: +1 (443) 766-7877  
info@puretechltd.com

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M: +65 8292 8392  
info@puretechltd.com

May 3, 2022

**Client:** Three Valleys MWD

1021 E. Miramar Avenue, Claremont, CA 91711

**Attn:** Kevin Panzer

[kpanzer@tvmwd.com](mailto:kpanzer@tvmwd.com), 909.225.8507

**Project:** Three Valleys Leak Detection Survey – Claremont, CA

**Submitted By:**

Jared Malone

419.250.9170

[Jared.Malone@gprsinc.com](mailto:Jared.Malone@gprsinc.com)

GPRS appreciates the opportunity to provide this proposal. I encourage you to visit our website ([www.gprsinc.com](http://www.gprsinc.com)) and contact any of the numerous references listed. Our insurance certificate and W-9 can also be downloaded [here](#). Please feel free to contact me if you have any questions, or if you need additional information.

## LEAK DETECTION

We understand the scope of work to be to locate potential leaks throughout the water distribution system as shown on the map shown on Page 2 estimated at 8 miles. The system consists of pipe ranging from 24", 30", and 36" precast concrete lined steel pipe. Estimated water loss is between 20 – 60 ac-ft per month. There are multiple contact points throughout the system. Contact points will be listened to using noise amplification equipment throughout the entire system in order to identify general areas with potential leaks. The leak will then be located using a combination of a correlator and ground microphones. Our ability to accurately locate the leak will depend on a variety of factors such as depth, pipe material, soil type, water pressure, and noise interference from traffic, machinery, etc. Any potential leaks can be detailed in a formal report (see Project Costs table).

## EQUIPMENT

- **Electronic Microphone.** The leak noise amplification system consists of a control unit, a microphone, and headphones, and is used to listen for a leak signal on a water system contact points (valves, hydrants, etc.) to identify a general location of a potential water leak. This same system will also be used with a ground microphone to further pinpoint the leak location from the surface. Its effectiveness depends on a variety of factors such as pipe size and material, water pressure, leak size, soil type, and noise interference from traffic, machinery, etc.
- **Leak Noise Correlator.** The leak correlator consists of sensors that are placed on water system contact points, and the sound signals between these points will then be processed by mathematical algorithms to provide an approximate distance of the leak between the two points. The accuracy of the potential leak location depends on the ability of the pipe to be located along with the accurate input of pipe attributes such as pipe size and material (size and material information provided by the client).
- **Underground Scanning GPR Antenna.** The antenna frequencies range from 250 MHz-450 MHz is mounted in a stroller frame which rolls over the surface. The surface needs to be reasonably smooth and unobstructed in order to obtain readable scans. Obstructions such as curbs, landscaping, and vegetation will limit the feasibility of GPR. The data is displayed on a screen and marked in the field in real time. The total depth achieved can be as much as 8' or more with this antenna but can vary widely depending on the types of materials being scanned through. Some soil types such as clay may limit maximum depths to 3' or less. As depth increases, targets must be larger in order to be detected and non-metallic targets can be especially difficult to locate. Depths provided should always be treated as estimates as their accuracy can be affected by multiple factors. For more information, please visit: [Link](#)
- **Electromagnetic Pipe Locator.** The EM locator can passively detect the signals from live AC power or radio signals travelling along some conductive utilities. It can also be used in conjunction with a transmitter to connect directly to accessible, metallic pipes, risers, or tracer wires. A current is sent through the pipe or tracer wire at a specific frequency and the resulting signal can then be detected by the receiver. A utility's ability to be located depends on a variety of factors including access to the utility, conductivity, grounding, interference from other utilities, and many others. Depths provided should always be treated as estimates as their accuracy can be affected by multiple factors. For more information, please visit: [Link](#)
- **Traceable Rodder.** The rodder has a copper wire encased in fiberglass. The line is pushed through accessible pipes before placing a current on the wire and the signal is then traced from the surface. The maximum traceable depth is 10' depending on the soil conditions and the maximum distance is 200'. The line can be pushed through a pipe with direct access such as a sewer line at a cleanout or a storm drain catch basin. It may not be able to be pushed through deeper pipes within manholes. Electrical conduits will not be accessed by GPRS. The signal cannot be located through metallic pipes. For more information, please visit: [Link](#)
- **GPS.** This handheld GPS unit offers accuracy down to 4 inches, however, the accuracy achieved will depend on the satellite environment at the time of collection and should not be considered to be survey-grade. Features can be collected as points, lines, or areas and then exported as a KML/KMZ or overlaid on a CAD drawing. For more information, please visit: [Link](#)

MAP OF SCAN AREA

MIRAMAR DISTRIBUTION SYSTEM NORMAL OPERATION



### PROJECT COSTS

SERVICE	DESCRIPTION	PRICE
LEAK DETECTION/FIELD MARKINGS	Locate potential leaks throughout the water distribution system as shown on the map shown on Page 2 estimated at 8 miles.	Included
MOBILIZATION		Included
FORMAL REPORT	Detailed report of findings with photos, example data, and a site sketch (if applicable) in addition to the basic summary report that is included with every job. See example: <a href="#">Link</a>	Included
<b>TOTAL (Prevailing Wage)</b>		<b>*\$9,550</b>
<b>OPTIONAL SERVICES (INITIAL IF DESIRED)</b>		

- \* This price assumes that we will be given access to perform the work during normal, weekday business hours (8am-5pm).
- \* As-builts and any other applicable drawings should be made available to GPRS prior to the project if possible.
- \* A thorough utility search can only be completed if GPRS is given access to all utility structures, interior and exterior. This service is never a replacement for the use of the state One Call system (811).
- \* All of our technicians have OSHA-10 safety training or greater. Site-specific safety training is not included in this quote. Please notify us if this project requires additional safety training.
- \* These rates assume that there are no certified payroll requirements. GPRS has not been notified of any PLA, DIR, or Certified Payroll requirements. If GPRS receives notice that any of these conditions exist, there will be additional costs

**This proposal is subject to the General Terms and Conditions for Services of Ground Penetrating Radar Systems, LLC posted at [Link](#) (the “Terms and Conditions”) and is hereby incorporated by reference into and made a part of this proposal. Customer acknowledges it has read and agrees to be bound by such Terms and Conditions. In the event of any conflict between the terms of this proposal and the Terms and Conditions, the Terms and Conditions will prevail. Customer also acknowledges that Ground Penetrating Radar Systems, LLC may, from time to time and at its discretion, modify the Terms and Conditions and Customer agrees to be bound by such Terms and Conditions as modified.**

### PROPOSAL-SPECIFIC TERMS & CONDITIONS

1. Customer agrees to meet and perform all requirements described in this document and has fully read and understands all items listed within this document.
2. It is the customer’s responsibility to prepare the site for scanning, including clearly identifying areas to be scanned, securing access to all areas required for scanning, and keeping these areas clear and free of obstructions. Delays caused by customer’s failure to do so may result in an increased price.
3. GPRS does not conduct an investigation, analysis, or interpretation of soil composition, soil/concrete conditions, or geophysical, geological, engineering, or land surveying information. Customer acknowledges it understands that we are merely reporting retrieved data and that we do NOT provide geophysical, geological, engineering, or land surveying services. Customer should contact a professional in those fields if such services are needed.
4. If for some reason the technician arrives on site and the work is cancelled there will be a charge of \$500.00 per requested technician.

### ACCEPTED AND AGREED:

Billing Company Name: \_\_\_\_\_

Billing Address: \_\_\_\_\_

Company Phone/Email: \_\_\_\_\_ PO#: \_\_\_\_\_ Job#: \_\_\_\_\_

Print Name: \_\_\_\_\_ Signature \_\_\_\_\_ Date: \_\_\_\_\_



# BUDGET AMENDMENT

To: Finance Department

Fiscal Year: 22/23

From: Water Resources  
Department

Date: 10/19/22

Subject: Set aside funding for Miramar Transmission Line leak detection project

Please process this request and distribute the budget amendment as follows:

## Expenditure Amendment

Ref No.	Line Item Description	Account Number	FY Budget (\$)			Reserve Funds (\$)		
			Existing	Change (+/-)	Revised	Existing	Change (+/-)	Balance
1	Miramar Trans Line Leak Detection Proj		0	190,000	190,000			0
2	Opportunity Reserves				0	2,350,000	(190,000)	2,160,000
3					0			0
4					0			0
5					0			0
6					0			0
7					0			0
8					0			0
9					0			0
10					0			0
<b>NET CHANGE:</b>				<b>\$190,000</b>			<b>(\$190,000)</b>	

**Attach staff report, motion, committee and/or board minutes associated with this budget amendment**

- Amendment Procedure**
1. If required by District policy, General Manager requests Board approval of budget amendment. Request to amend budget must be included in the staff report.
  2. Upon Board approval, the Finance Department secures all necessary signatures to complete the Budget Amendment form. The staff report and board minutes, if any, should be attached to the form.
  3. Finance Department maintains all appropriate documentation and processes the budget entry.
  4. A fiscal year file will also be kept to hold all budget amendment forms for auditor review.

	YES	NO	
Committee Review:	<input type="checkbox"/>	<input type="checkbox"/>	Date: _____
Board Approval:	<input type="checkbox"/>	<input type="checkbox"/>	Date: _____
_____			Date: _____
Chief Finance Officer Signature			
_____			Date: _____
General Manager Signature			

**Finance Dept Use Only**

Date Received	
Board Report Date	
Motion #	
Date Posted	
Posted By	



**BOARD ACTION**

### BOARD OF DIRECTORS STAFF REPORT

**To:** TVMWD Board of Directors

**From:** Matthew H. Litchfield, General Manager *MHL*

**Date:** October 19, 2022

**Subject:** **Adopt Resolution No. 22-10-943 Tax Sharing Exchange County Sanitation District (CSD) No. 21, Annexation No. 21-770**

**Funds Budgeted:** \$

**Fiscal Impact:** \$

**Requested Action:**

Approve the following:

1. TVMWD Resolution No. 22-10-943 for CSD Tax Sharing Resolution Annexation No. 21-770; and
2. Direct staff to return the documents back to the CSD with proper documentation.

**Alternative Action:**

The TVMWD Board may deny the request, upon which the CSD will make this request to the County Board of Supervisors for a final determination.

**Discussion**

The applicants for projects have requested annexation of their respective properties to the CSD No. 21 in order to receive off-site disposal of sewage. The annexation process requires that a resolution for property tax revenue exchange be adopted by all the affected agencies prior to approval.

Listed below is a matrix and description for the pending tax sharing resolution that require Board approval:

Project Name	TVMWD Current Tax Share	Percent	Adjustments	TVMWD Net Share
A-21-770	0.003296091	0.3296%	-0.000026102	0.003269989
The property consists of: Tax Rate Area 02740				

Upon execution and receipt of the documents, fully conformed copies will be provided back to TVMWD.

**Strategic Plan Objective(s)**

3.3 – Be accountable and transparent with major decisions

**Attachment(s)**

Exhibit A – Resolution No. 22-10-943

**Meeting History**

None

NA/ML

TVMWD RESOLUTION NO. 22-10-943

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

Los Angeles County General Fund

Los Angeles County Library

Los Angeles County Consolidated Fire Protection District

Los Angeles County Flood Control

THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 21 OF LOS ANGELES  
COUNTY, AND THE GOVERNING BODIES OF

City of Claremont

Three Valleys Municipal Water District

APPROVING AND ACCEPTING NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES  
RESULTING FROM ANNEXATION TO COUNTY SANITATION DISTRICT NO. 21.

**"ANNEXATION NO. 770"**

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

**WHEREAS**, the governing bodies of the agencies signatory hereto have made determinations of the amount of property tax revenues from the annual tax increments to be exchanged as a result of the annexation to County Sanitation District No. 21 entitled *Annexation No. 770*;

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

1. The negotiated exchange of property tax revenues resulting from the annexation of territory to County Sanitation District No. 21 in the annexation entitled *Annexation No. 770* is approved and accepted.

2. For each fiscal year commencing on and after July 1, 2022 or after the effective date of this jurisdictional change, whichever is later, the County Auditor shall transfer to County Sanitation District No. 21 a total of 0.4188419 percent of the annual tax increment attributable to the land area encompassed within *Annexation No. 770* as shown on the attached Worksheet.

3. No additional transfer of property tax revenues shall be made from any other tax agencies to County Sanitation District No. 21 as a result of annexation entitled *Annexation No. 770*.

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

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

The foregoing resolution was adopted by the Board of Supervisors of the County of Los Angeles, the Board of Directors of County Sanitation District No. 21 of Los Angeles County, and the governing bodies of City of Claremont and Three Valleys Municipal Water District, signatory hereto.

THREE VALLEYS MUNICIPAL WATER  
DISTRICT

\_\_\_\_\_  
SIGNATURE

Jody Roberto, President

\_\_\_\_\_  
PRINT NAME AND TITLE

ATTEST:

\_\_\_\_\_  
Secretary, Carlos Goytia

October 19, 2022  
\_\_\_\_\_  
Date

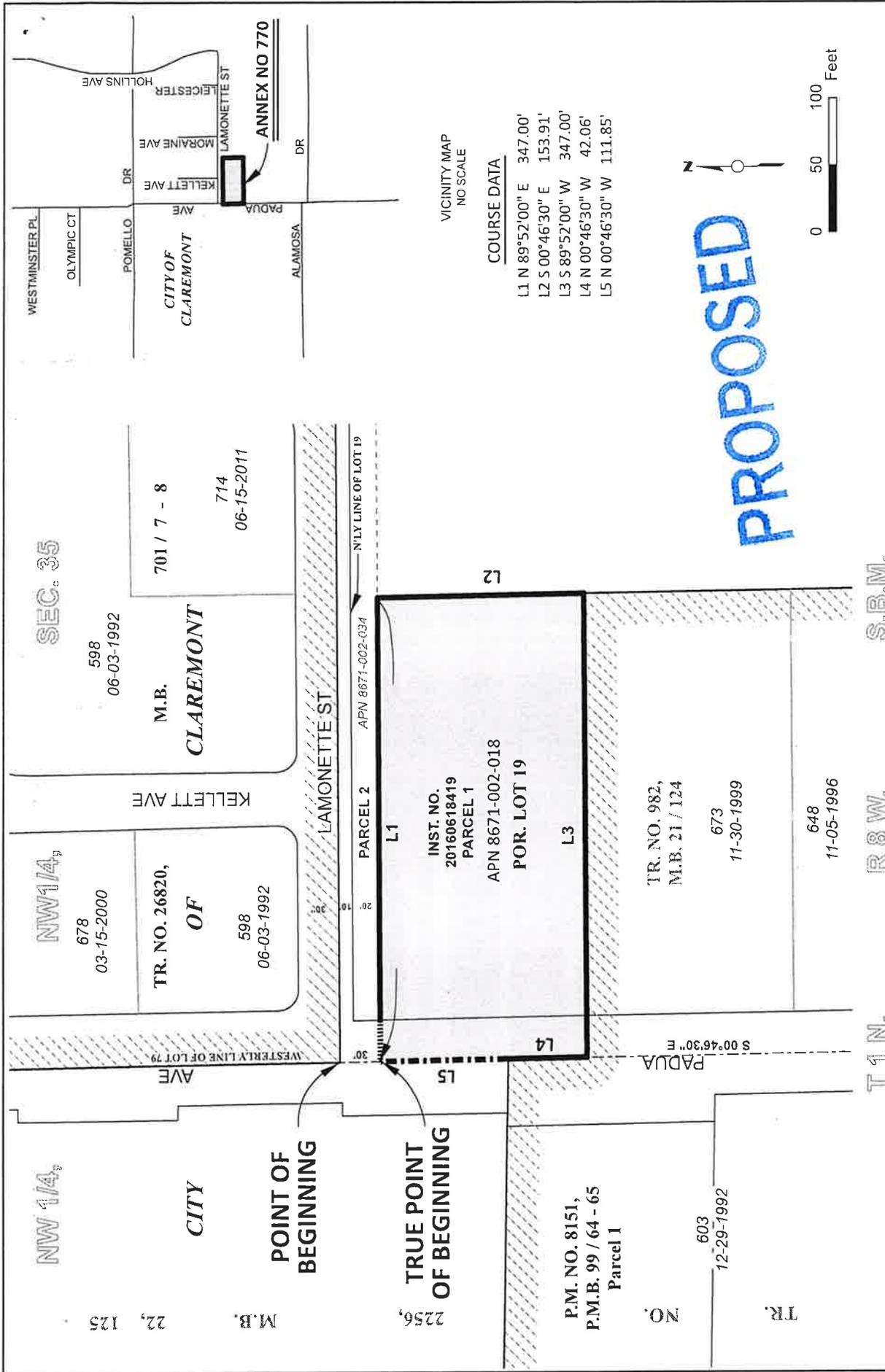
(SIGNED IN COUNTERPART)

ANNEXATION TO: CO SANITATION DIST.NO 21 DEBT S.  
ACCOUNT NUMBER: 066.80  
TRA: 02740  
EFFECTIVE DATE: 07/01/2022  
ANNEXATION NUMBER: 770 PROJECT NAME: A-21-770  
DISTRICT SHARE: 0.007919104

ACCOUNT #	TAXING AGENCY	CURRENT TAX SHARE	PERCENT	PROPOSED DIST SHARE	ALLOCATED SHARE	ADJUSTMENTS	NET SHARE
001.05	LOS ANGELES COUNTY GENERAL	0.231815506	23.1823 %	0.007919104	0.001835778	-0.001878699	0.229936807
001.20	L.A. COUNTY ACCUM CAP OUTLAY	0.000094471	0.0094 %	0.007919104	0.000000748	0.000000000	0.000094471
003.01	L A COUNTY LIBRARY	0.018358422	1.8358 %	0.007919104	0.000145382	-0.000145382	0.018213040
007.30	CONSOL. FIRE PRO.DIST.OF L.A.CO.	0.145248969	14.5248 %	0.007919104	0.001150241	-0.001150241	0.144098728
007.31	L A C FIRE-FFW	0.005325555	0.5325 %	0.007919104	0.000042173	0.000000000	0.005325555
030.10	L.A.CO.FL.CON.DR.IMP.DIST.MAINT.	0.001274534	0.1274 %	0.007919104	0.000010093	-0.000010093	0.001264441
030.70	LA CO FLOOD CONTROL MAINT	0.007212440	0.7212 %	0.007919104	0.000057116	-0.000057116	0.007155324
128.01	CITY-CLAREMONT TD #1	0.116274138	11.6274 %	0.007919104	0.000920786	-0.000920786	0.115353352
365.05	THREE VALLEY MWD ORIG AREA	0.003296091	0.3296 %	0.007919104	0.000026102	-0.000026102	0.003269989
400.00	EDUCATIONAL REV AUGMENTATION FD	0.078865462	7.8865 %	0.007919104	0.000624543	EXEMPT	0.078865462
400.01	EDUCATIONAL AUG FD IMPOUND	0.168070700	16.8070 %	0.007919104	0.001330969	EXEMPT	0.168070700
400.15	COUNTY SCHOOL SERVICES	0.001171560	0.1171 %	0.007919104	0.000009277	EXEMPT	0.001171560
400.21	CHILDREN'S INSTIL TUITION FUND	0.002325145	0.2325 %	0.007919104	0.000018413	EXEMPT	0.002325145
791.04	CITRUS COMMUNITY COLLEGE DIST	0.020563348	2.0563 %	0.007919104	0.000162843	EXEMPT	0.020563348
791.20	CHILDREN'S CTR FUND CITRUS C C	0.000536360	0.0536 %	0.007919104	0.000004247	EXEMPT	0.000536360
842.03	CLAREMONT UNIFIED SCHOOL DIST	0.192163056	19.2163 %	0.007919104	0.001521759	EXEMPT	0.192163056
842.06	CO.SCH.SERV.FD. - CLAREMONT	0.006669828	0.6669 %	0.007919104	0.000052819	EXEMPT	0.006669828
842.07	DEV.CTR.HDCPD.MINOR-CLAREMONT	0.000734415	0.0734 %	0.007919104	0.000005815	EXEMPT	0.000734415
***066.80	CO.SANITATION DIST.NO 21 DEBT S.	0.000000000	0.0000 %	0.007919104	0.000000000	0.000000000	0.004188419

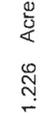
ANNEXATION NUMBER: 770      PROJECT NAME: A-21-770      TRA: 02740

ACCOUNT #	TAXING AGENCY	CURRENT TAX SHARE	PERCENT	PROPOSED DIST SHARE	ALLOCATED SHARE	ADJUSTMENTS	NET SHARE
TOTAL: 1.000000000    100.0000 %    0.007919104    -0.004188419    1.000000000							



COUNTY SANITATION DISTRICT NO. 21  
OF LOS ANGELES COUNTY, CA  
OFFICE OF CHIEF ENGINEER  
ROBERT C. FERRANTE  
CHIEF ENGINEER & GENERAL MANAGER

ANNEXATION NO. 770  
TO  
COUNTY SANITATION DISTRICT NO. 21  
Revised

Annexation No. 770 shown thus  .....  
Boundary of Sanitation District No. 21 prior  
to Annexation No. 770 shown thus  .....  
Prior Annexations shown thus  .....  
Area of Annexation  ..... 1.226 Acres

ANNEX. NO.  
(RECORDING DATE)

**"FOR TAX ASSESSMENT  
PURPOSES ONLY"**

LA County Assessor Landbase  
CAMS Centerline DPW City boundary  
LA County Sanitation Districts  
Annexation Layer and District Layer

EAO: JULY 6, 2022



**BOARD ACTION**

### BOARD OF DIRECTORS STAFF REPORT

**To:** TVMWD Board of Directors

**From:** Matthew H. Litchfield, General Manager *ML*

**Date:** October 19, 2022

**Subject:** **Adopt Resolution No. 22-10-944 Tax Sharing Exchange County Sanitation District (CSD) No. 22, Annexation No. 22-442**

**Funds Budgeted:** \$

**Fiscal Impact:** \$

**Requested Action:**

Approve the following:

1. TVMWD Resolution No. 22-10-944 for CSD Tax Sharing Resolution Annexation No. 22-442; and
2. Direct staff to return the documents back to the CSD with proper documentation.

**Alternative Action:**

The TVMWD Board may deny the request, upon which the CSD will make this request to the County Board of Supervisors for a final determination.

**Discussion**

The applicants for projects have requested annexation of their respective properties to the CSD No. 22 in order to receive off-site disposal of sewage. The annexation process requires that a resolution for property tax revenue exchange be adopted by all the affected agencies prior to approval.

Listed below is a matrix and description for the pending tax sharing resolution that require Board approval:

Project Name	TVMWD Current Tax Share	Percent	Adjustments	TVMWD Net Share
A-22-442	0.004296448	0.4296%	-0.000039707	0.004256741
The property consists of: Tax Rate Area 02718				

Upon execution and receipt of the documents, fully conformed copies will be provided back to TVMWD.

**Strategic Plan Objective(s)**

3.3 – Be accountable and transparent with major decisions

**Attachment(s)**

Exhibit A – Resolution No. 22-10-944

**Meeting History**

None

NA/ML

TVMWD RESOLUTION NO. 22-10-944

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

Los Angeles County General Fund

Los Angeles County Consolidated Fire Protection District

Los Angeles County Flood Control

THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 22 OF LOS ANGELES  
COUNTY, AND THE GOVERNING BODIES OF

City of Covina

Three Valleys Municipal Water District

APPROVING AND ACCEPTING NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES  
RESULTING FROM ANNEXATION TO COUNTY SANITATION DISTRICT NO. 22.

**"ANNEXATION NO. 442"**

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

**WHEREAS**, the governing bodies of the agencies signatory hereto have made determinations of the amount of property tax revenues from the annual tax increments to be exchanged as a result of the annexation to County Sanitation District No. 22 entitled *Annexation No. 442*;

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

1. The negotiated exchange of property tax revenues resulting from the annexation of territory to County Sanitation District No. 22 in the annexation entitled *Annexation No. 442* is approved and accepted.
2. For each fiscal year commencing on and after July 1, 2022, or after the effective date of this jurisdictional change, whichever is later, the County Auditor shall transfer to County Sanitation District No. 22 a total of 0.4504329 percent of the annual tax increment attributable to the land area encompassed within *Annexation No. 442* as shown on the attached Worksheet.
3. No additional transfer of property tax revenues shall be made from any other tax agencies to County Sanitation District No. 22 as a result of annexation entitled *Annexation No. 442*.

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

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

The foregoing resolution was adopted by the Board of Supervisors of the County of Los Angeles, the Board of Directors of County Sanitation District No. 22 of Los Angeles County, and the governing bodies of City of Covina and Three Valleys Municipal Water District, signatory hereto.

THREE VALLEYS MUNICIPAL WATER  
DISTRICT

\_\_\_\_\_  
SIGNATURE

Jody Roberto, President  
\_\_\_\_\_  
PRINT NAME AND TITLE

ATTEST:

\_\_\_\_\_  
Secretary , Carlos Goytia

October 19, 2022  
\_\_\_\_\_  
Date

**(SIGNED IN COUNTERPART)**

ANNEXATION TO: CO.SANITATION DIST.NO 22 DEBT S.  
 ACCOUNT NUMBER: 066.85  
 TRA: 02718  
 EFFECTIVE DATE: 07/01/2022  
 ANNEXATION NUMBER: 442  
 PROJECT NAME: A-22-442  
 DISTRICT SHARE: 0.009242042

ACCOUNT #	TAXING AGENCY	CURRENT TAX SHARE	PERCENT	PROPOSED DIST SHARE	ALLOCATED SHARE	ADJUSTMENTS	NET SHARE
001.05	LOS ANGELES COUNTY GENERAL	0.317867872	31.7876 %	0.009242042	0.002937757	-0.003006277	0.314861595
001.20	L.A. COUNTY ACCUM CAP OUTLAY	0.000114229	0.0114 %	0.009242042	0.000001055	0.000000000	0.000114229
007.30	CONSOL. FIRE PRO.DIST.OF L.A.CO.	0.000000000	0.0000 %	0.009242042	0.000000000	0.000000000	0.000000000
007.31	L A C FIRE-FFW	0.007299884	0.7299 %	0.009242042	0.000067465	0.000000000	0.007299884
030.10	L.A.CO.FL.CON.DR.IMP.DIST.MAINT.	0.001740027	0.1740 %	0.009242042	0.000016081	-0.0000016081	0.001723946
030.70	LA CO FLOOD CONTROL MAINT	0.009846259	0.9846 %	0.009242042	0.000090999	-0.000090999	0.009755260
136.01	CITY-COVINA TD #1	0.146208555	14.6208 %	0.009242042	0.001351265	-0.001351265	0.144857290
365.05	THREE VALLEY MWD ORIG AREA	0.004296448	0.4296 %	0.009242042	0.000039707	-0.000039707	0.004256741
400.00	EDUCATIONAL REV AUGMENTATION FD	0.069122953	6.9122 %	0.009242042	0.000638837	EXEMPT	0.069122953
400.01	EDUCATIONAL AUG FD IMPOUND	0.171005879	17.1005 %	0.009242042	0.001580443	EXEMPT	0.171005879
400.15	COUNTY SCHOOL SERVICES	0.001417019	0.1417 %	0.009242042	0.000013096	EXEMPT	0.001417019
400.21	CHILDREN'S INSTIL TUITION FUND	0.002812350	0.2812 %	0.009242042	0.000025991	EXEMPT	0.002812350
809.04	MT.SAN ANTONIO COMMUNITY COLLEGE	0.030349519	3.0349 %	0.009242042	0.000280491	EXEMPT	0.030349519
809.20	MT SAN ANTONIO CHILDRENS CTR FD	0.000292802	0.0292 %	0.009242042	0.000002706	EXEMPT	0.000292802
840.03	CHARTER OAK UNIF SCHOOL DIST	0.227707790	22.7707 %	0.009242042	0.002104484	EXEMPT	0.227707790
840.06	CO.SCH.SERV.FD.- CHARTER OAK	0.008927945	0.8927 %	0.009242042	0.000082512	EXEMPT	0.008927945
840.07	DEV.CTR.HDCPD.MINOR-CHARTER OAK	0.000990469	0.0990 %	0.009242042	0.000009153	EXEMPT	0.000990469
***066.85	CO.SANITATION DIST.NO 22 DEBT S.	0.000000000	0.0000 %	0.009242042	0.000000000	0.000000000	0.004504329

ANNEXATION NUMBER: 442

PROJECT NAME: A-22-442

TRA: 02718

ACCOUNT #

TAXING AGENCY

CURRENT TAX SHARE

PERCENT

PROPOSED DIST SHARE

ALLOCATED SHARE

ADJUSTMENTS

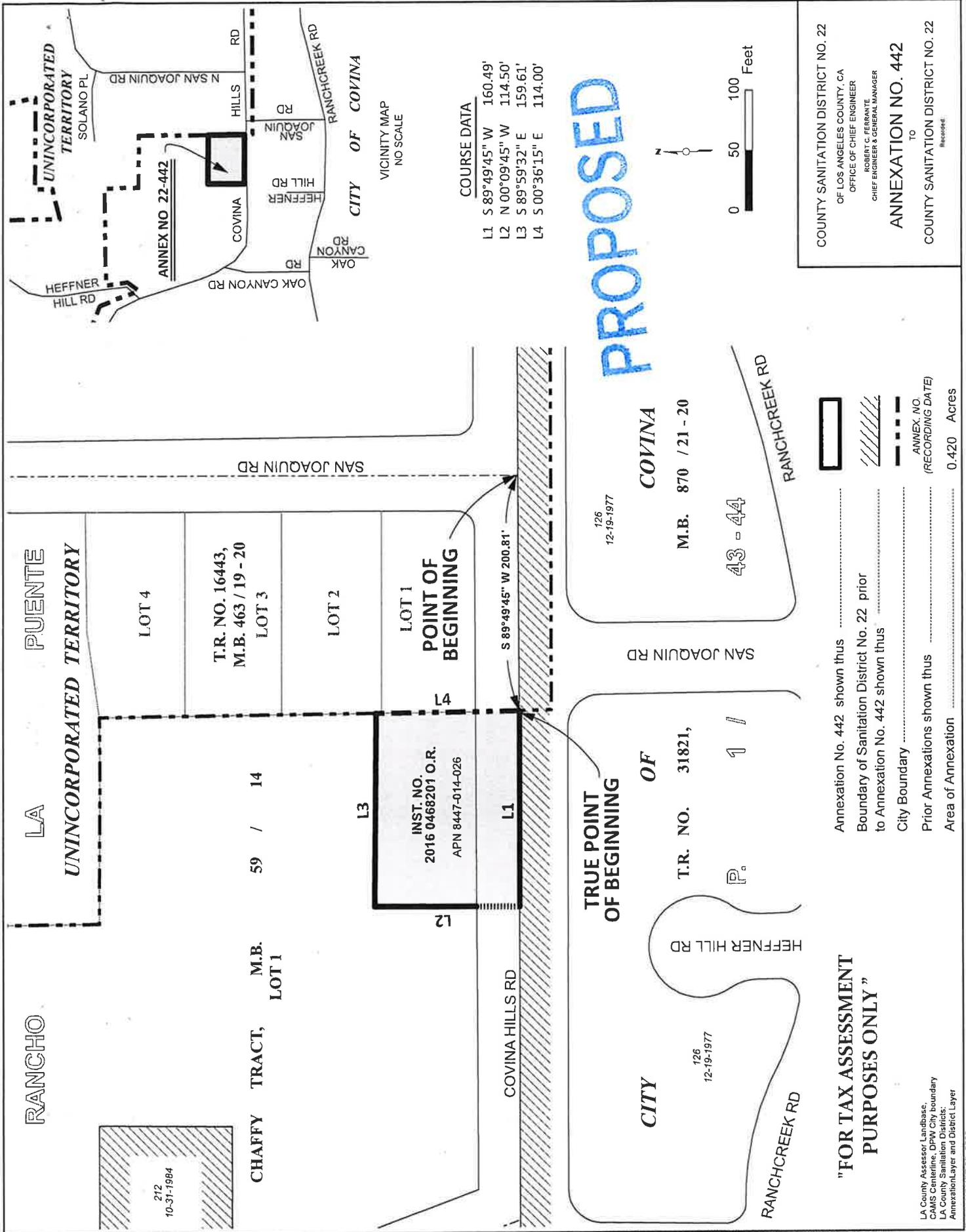
NET SHARE

TOTAL: 1.000000000 100.0000 %

0.009242042

-0.004504329

1.000000000



COURSE DATA

L1	S 89°49'45" W	160.49'
L2	N 00°09'45" W	114.50'
L3	S 89°59'32" E	159.61'
L4	S 00°36'15" E	114.00'

**PROPOSED**



VICINITY MAP  
NO SCALE

COUNTY SANITATION DISTRICT NO. 22  
OF LOS ANGELES COUNTY, CA  
OFFICE OF CHIEF ENGINEER  
ROBERT C. FERRANTE  
CHIEF ENGINEER & GENERAL MANAGER  
**ANNEXATION NO. 442**  
TO  
COUNTY SANITATION DISTRICT NO. 22  
Reapproved

Annexation No. 442 shown thus .....  
 Boundary of Sanitation District No. 22 prior to Annexation No. 442 shown thus .....  
 City Boundary .....  
 Prior Annexations shown thus .....  
 Area of Annexation ..... 0.420 Acres

**"FOR TAX ASSESSMENT PURPOSES ONLY"**

LA County Assessor's Landbase, CAMS GIS, PSW City Boundary, LA County Sanitation Districts, Annexation Layer and District Layer



## BOARD OF DIRECTORS STAFF REPORT

**To:** TVMWD Board of Directors  
**From:** Matthew H. Litchfield, General Manager   
**Date:** October 19, 2022  
**Subject:** **Information Technology Master Plan**

---

**Funds Budgeted:** \$

**Fiscal Impact:** \$

### **Staff Recommendation**

**No Action Necessary – Informational Item Only**

### **Discussion**

The Information Technology Master Plan (ITMP) represents a District-wide effort in the planning and development of a three-year plan of prioritized technology initiatives to ensure the efficient and effective use of technology to achieve TVMWD's goals and objectives.

The objectives of the Information Technology Master Plan are:

1. Actively listen and seek input from TVMWD staff and other sources to identify challenges, risks, and opportunities to modernize and improve information systems, processes, IT infrastructure, and the ability to deliver IT solutions and services.
2. Establish a direct correlation between technology initiatives with TVMWD's strategic plan to ensure an alignment that supports future goals.
3. Identify critical IT initiatives and departmental initiatives that are needed to realize operational efficiencies, to comply with regulatory requirements, and to meet stakeholders' expectations.
4. Create a 3-year IT work plan that maps the identified IT initiatives over the length of the ITMP based on priority, resources, impacts, costs and risks.
5. Improve and deliver IT services internally and externally to TVMWD stakeholders in a cost-effective manner.

A critical first step in developing the ITMP was to discover the needs, challenges, and potential opportunities of improvement. This phase of the project included seeking information about TVMWD by conducting a current environment assessment which included soliciting staff input from a technology survey, staff interviews, assessing information technology inventory, and reviewing key organizational documents.

The organizational documents reviewed included TVMWD's Strategic Plan, America's Water Infrastructure Act (AWIA) documents, and cybersecurity assessments conducted by the Cybersecurity and Infrastructure Security Agency (CISA). This ensures the ITMP is aligned with TVMWD's strategic direction and technology will be available to support TVMWD in achieving its future goals and objectives. Recommendations from AWIA and CISA are based on industry standards with the overall goals of enhancing cybersecurity, mitigating risks, and improving the reliability of our critical infrastructure.

There were 29 technology related projects identified after evaluating information obtained from the discovery phase. These projects were then prioritized over a three-year period based on input from Executive Management and three high-level criteria:

- Meets Requirements
- Improved Operations
- Modernization

The ITMP is a living document that will be updated annually through a collaborative process with TVMWD staff to achieve continuous improvement in our operations, explore new opportunities, and effectively utilize technology to maximize its value.

### **Strategic Plan Objective(s)**

4.3 – Increase use of technology to secure information and keep current with industry standards

### **Attachment(s)**

Exhibit A - Information Technology Master Plan

### **Meeting History**

None

NA/RP

Three Valleys Municipal Water District

# Information Technology Master Plan

2022-2025



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# IT Strategic Plan Overview

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## Introduction

This document provides Three Valleys Municipal Water District (District) a three-year Information Technology Master Plan (ITMP) which includes prioritized technology initiatives. The ITMP addresses findings and recommendations from the current environment based on staff input and other key sources of information.

The ITMP should be reviewed and updated on a yearly basis. Updates to the ITMP should consider the dynamic environment and changing circumstances in a variety of areas including emerging technologies, evolving risks, legislative changes, industry standards, new opportunities, and the overall changes that impact the District's stakeholders.

The remainder of this report contains the following sections:

- District Overview
- Current Environment
- Technology Projects
- Project Schedule
- Budget Overview

## Purpose of Information Technology Master Plan

The primary purpose of the ITMP is to ensure the future projects and strategic goals of the District are aligned with the Information Technology (IT) planned initiatives. Current and ongoing challenges of the District are also considered during the planning of technological improvements. The ITMP documents the results of a comprehensive planning process and provides a framework for TVMWD to prioritize and implement technology to continuously improve its operations and services.

## Objectives of the Information Technology Master Plan

The objectives of the Information Technology Master Plan are to:

- Actively listen and seek input from TVMWD staff and other sources to identify challenges, risks, and opportunities to modernize and improve information systems, processes, IT infrastructure, and the ability to deliver IT solutions and services;
- Establish a direct correlation between technology initiatives with the District's strategic plan to ensure an alignment that supports future goals;
- Identify critical IT initiatives and departmental initiatives that are needed to realize operational efficiencies, to comply with regulatory requirements, and to meet stakeholders' expectations;
- Create a 3-year IT work plan that maps the identified IT initiatives over the length of the ITMP based on priority, resources, impacts, costs and risks;
- Improve and deliver IT services internally and externally to District stakeholders in a cost-effective manner.

## Approach

The approach used to develop the Information Technology Master Plan is depicted in Figure 1. It is composed of three phases:

1. Discover – The first phase begins with a project kickoff meeting, conduct an IT Service Satisfaction Survey, conduct staff interviews, and gather relevant documentation to draft a list of potential IT initiatives.
2. Plan – The next phase assesses the use of existing technologies, processes, and evaluation of documentation. This is benchmarked against industry best practices and recommendations from previous assessments. Documents evaluated include the District’s Strategic Plans, American Water Infrastructure Act (AWIA) Risk Assessment and Emergency Response Plan, and cybersecurity assessments.

The result of this phase is a list of prioritized IT initiatives that are structured and realistic recommendations to enable greater value for future investments in technology that ensure IT initiatives are aligned with the District’s goals and priorities.

3. Deliver – The last phase compiles and organizes the information gathered from the previous phases to develop an Information Technology Master Plan.

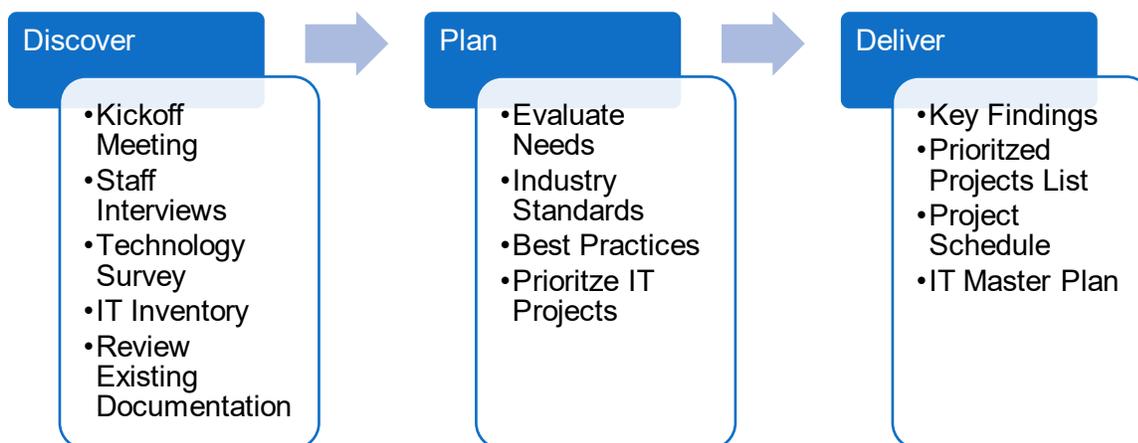


Figure 1 - Approach used to develop the Information Technology Master Plan

## District Overview

### Mission

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

### Vision

TVMWD meets its regional water supply needs through:

1. Collaboration with its member agencies to understand their short-term and long-term needs.
2. Development and implementation of a plan to address these needs in a cost-effective manner based on current water conditions.
3. Periodic update of the plan as needs or as major changes in water conditions occur.
4. Adaptive management strategies that seek a combination of operational and cost efficiency.



### District 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 approximately 500,000.

TVMWD's operations consist of a conventional surface water treatment plant, a state certified laboratory, three groundwater production wells, five hydroelectric generators, residual solids removal, groundwater recharge pipelines, pump stations, and transmission pipelines. Water is treated at the Miramar Treatment Plant and wholesaled to local agencies through several miles of pipeline. Approximately 30% of TVMWD's total treated sales are from the Miramar Treatment Plant, while the remaining 70% is from MWD's Weymouth Treatment Plant. TVMWD receives a Tier 1 water supply allotment from MWD of 80,688 AFY. TVMWD has water storage accounts in Six Basins (stored: approx. 600 AF; capacity: 3,500 AF) and Main San Gabriel Basin (stored: approx. 5,400 AF; capacity: 50,000 AF).

TVMWD is governed by a seven-member Board of Directors elected by the registered voters residing within TVMWD's boundaries. The Board has a combined 87 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.

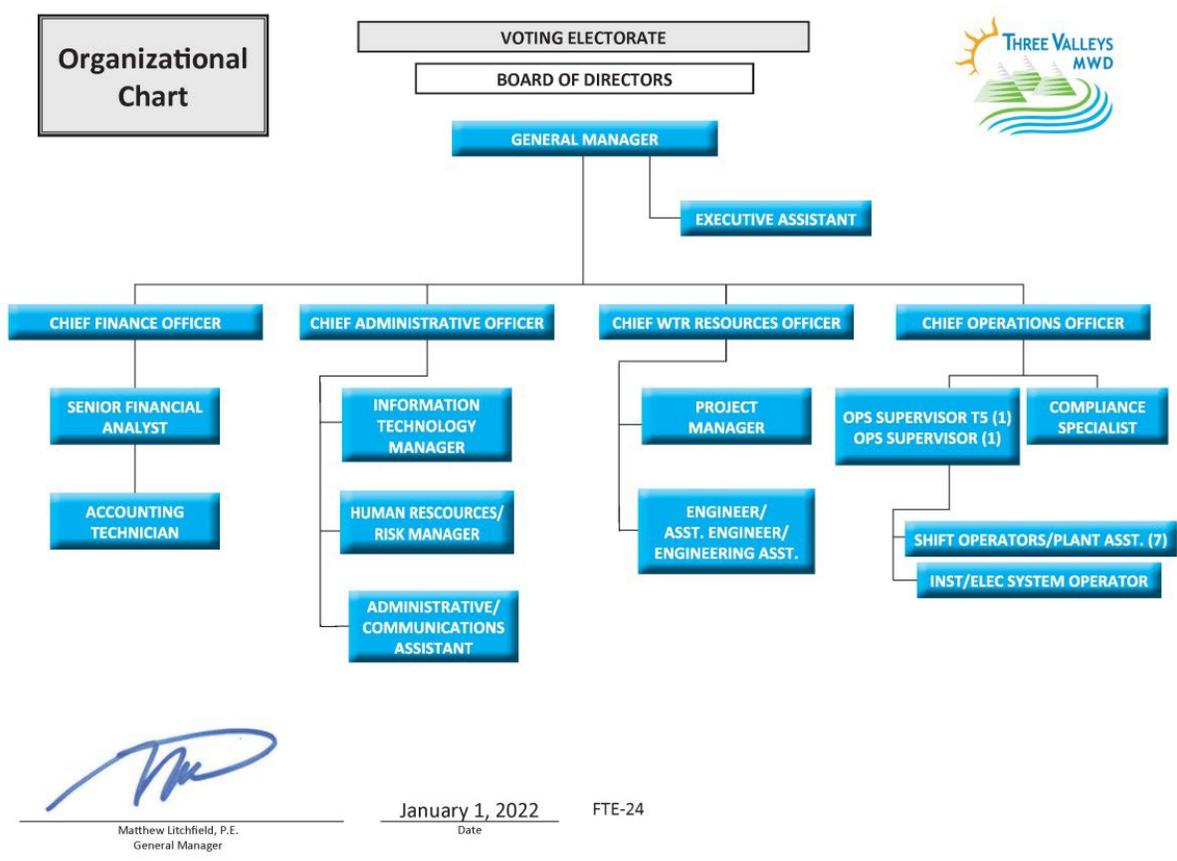


Figure 2 - TVMWD Organizational Chart

## Current Environment

### Technology Assessment

A Technology Assessment was conducted to evaluate the effectiveness of technology and to identify potential opportunities for improvement. This important step in the creation of the IT Master Plan focuses on the service delivery of IT, day-to-day operations, and how technology is leveraged by the District to attain its goals.

The information provided by the assessment depicts objective review of the District's current environment, along with deficiencies and needs that are addressed in recommendations and future projects within the IT Master Plan.

### Technology Survey

As part of the Technology Assessment, a web-based survey was used to gather information relevant to technology services and usage. The survey was delivered to District staff and 17 responded.

A total of 25 questions were included in the survey with response options of Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree. A series of open-ended questions allowed respondents to provide detailed input regarding their concerns. The questions were organized into five high-level categories identified below:

- Staff Abilities
- IT Service Delivery
- Technology Usage Assessment
- Training
- Efficient and Effective Technology

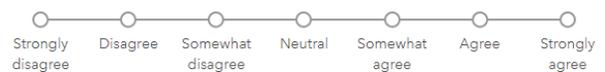
#### Technology Survey

This Technology Survey captures staff feedback for the Needs Assessment portion of the IT Master Plan.

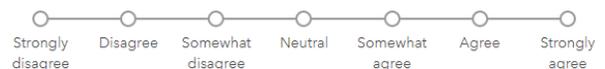
This will contribute to the development of projects and initiatives in the IT Master Plan.

#### Internal IT Staff Abilities

I am satisfied with internal support's ability to solve technology-related issues.



How satisfied are you with the overall technical knowledge of internal IT?



How satisfied are you with internal IT staff's understanding of your department's business functions and objectives?



I am confident in internal IT staff's ability to manage a project for my department.



A summary of key findings based on the Technology Survey results are provided below:

<b>Staff Abilities</b>
<ul style="list-style-type: none"> <li>Majority (88%) of respondents were satisfied with internal support's overall technical knowledge and ability to solve technology-related issues.</li> <li>Communications should be timely, clear, and understandable.</li> <li>Respondents are confident with internal management of projects for their departments.</li> <li>Responding to and resolving support tickets in a timely manner is a high priority.</li> </ul>
<b>IT Service Delivery</b>
<ul style="list-style-type: none"> <li>Majority (99%) of respondents were satisfied with in-house IT service request response times.</li> <li>47% of respondents were dissatisfied with the managed service provider's IT service request response times. Note, this particular managed service provider no longer provides service to the District.</li> <li>70% of respondents were satisfied with the speed and reliability of their computer, however, not a single respondent was completely satisfied.</li> <li>59% of respondents agree that existing software allows them to do their job efficiently and effectively.</li> </ul>
<b>Technology Use</b>
<ul style="list-style-type: none"> <li>Print/scan/copy functions are used daily by 82% of respondents.</li> <li>94% of respondents use the telephone system daily.</li> <li>File sharing (internal and external) is used extensively with a 93% response rate.</li> <li>Geographic Information System (GIS) is used on a weekly basis, followed by monthly and daily basis.</li> <li>41% use the document management monthly, followed by a weekly usage of 23% of respondents.</li> <li>Photo/video editing software is not frequently used.</li> <li>Remote access is used frequently (82% daily, 17% weekly).</li> </ul>
<b>Training</b>
<ul style="list-style-type: none"> <li>Majority of respondents were not satisfied with hardware/software training.</li> <li>Requests Adobe Acrobat and Office applications training were most addressed in comments.</li> <li>Hands-on (lab) style training is the preferred learning style, followed by self-paced/independent learning.</li> </ul>
<b>Efficient and Effective Technology</b>
<ul style="list-style-type: none"> <li>"Automation" was used most frequently in respondent comments.</li> <li>The Water Sales files and processes were identified in needing improvements.</li> <li>Consolidating and improving accessibility to data from multiple systems to generate reports.</li> <li>There is interest in tracking technology related regulations that may impact us in the future.</li> <li>Update policies and procedures to reflect current practices.</li> </ul>

## Staff Interviews

Individual interviews were conducted with staff members to capture additional information beyond the Technology Survey. The interviews were conducted with the objectives of identifying:

- IT service delivery issues;
- Challenges related to the effectiveness of technology;
- Opportunities for operational efficiency;

- Missing projects that should be included in the IT Master Plan;
- Anticipated needs or priorities.

The following items were identified as high-level needs or concerns based on staff interviews:

- Staff leave request approval process is cumbersome and the automated process is not always reliable;
- Files are difficult to find within the “Archive” folder directory due to files and folders not adhering to a standard convention;
- Staff evaluation process can be improved by eliminating multiple document versions and supporting multiple evaluators;
- There is a lack of training available for Microsoft 365 applications (Word, Excel, PowerPoint);
- The Eden financial system is a critical system that lacks vendor support and enhancements to support modern business processes;
- Scheduling conflicts occur when using Outlook calendar to reserve resources (rooms, vehicles);
- The entire business process used to collect meter reads and generate water sales reports needs to be evaluated to improve operational efficiencies and reduce potential errors.

## Existing Documentation

### District Strategic Plan

The District Strategic Plan is updated annually and contains valuable information that contributes to future technology initiatives. Goals and objectives identified within this document are used as a guide to align technology with the District’s strategic direction.

The Current and Ongoing Challenges addressed in the plan also present opportunities for technology to be used as a support tool or solution to address the District’s challenges. The following challenges below were considered in the IT Master Plan:

- Financial/HR software inefficient and support declining
- Aging infrastructure
- Readiness for an emergency event
- Staying up-to-date with technology and cybersecurity
- Continue MWD and member agency engagement
- Impact of regulatory and legislative changes
- Preparing next generation of water professionals



## America's Water Infrastructure Act Documents

In October of 2018, America's Water Infrastructure Act (AWIA) was signed into law and required community water systems serving more than 3,300 people to develop or update risk assessments and emergency response plans.

In 2020, the District participated in a regional effort coordinated by the Public Water Agencies Group (PWAG) and contracted with Claris Strategy to develop two key documents:

- Risk and Resilience Assessment (RRA)
- Emergency Response Plan (ERP)

The IT Master Plan takes recommendations and considerations from both documents and addresses them with technology related projects. Recommendations from AWIA documents are based on multiple industry standards and frameworks. Key benefits of aligning the IT Master Plan with AWIA documents are:

- Risk mitigation
- Threat/Asset pair identification
- Emergency preparedness
- Disaster recovery

## EMERGENCY RESPONSE PLAN

Prepared for  
**Three Valleys Municipal Water District**



Prepared by  
**Claris Strategy  
HDR Engineering**  
October 2020

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## Cybersecurity Assessments

In May of 2022, the Cybersecurity & Infrastructure Security Agency completed a Risk and Vulnerability Assessment (RVA). External and internal (onsite) services were conducted for a 2-week period. CISA assessment services included:

- Penetration Testing
- Technical Phishing Assessment
- Wireless Assessment
- Web Application Assessment
- Operating System Security Assessment
- Database Scans

Findings and recommendations from the RVA are based in accordance with the National Institute of Standards and Technology (NIST) Cybersecurity Framework and have been prioritized as IT projects based on risk severity.



RVA prepared for Three Valleys Municipal Water District

If Three Valleys Municipal Water District wishes to create and distribute derivatives of this report (such as summaries of this report or Three Valleys Municipal Water District's commentary on the report's recommendations), Three Valleys Municipal Water District should (1) provide notice to CISA prior to distributing such derivatives; (2) clearly mark derivatives so that it is clear that Three Valleys Municipal Water District created them and so that they cannot be mistaken for official CISA documents; and (3) refrain from affixing the CISA logo or DHS seal to the derivatives, unless Three Valleys Municipal Water District has obtained written permission to do so from the CISA Office of External Affairs.

The unauthorized use of any Federal agency's seal is governed by the U.S. Code title 18 sections 506, 701, 709 and 1017. Requests to use the CISA logo or DHS seal should be directed to branding@cisa.dhs.gov, copying oicoo@cisa.dhs.gov.



## Key Recommendations

The Technology Survey and staff interviews identified several concerns and potential opportunities for technology projects or initiatives. The following summary provides a consolidated representation of general and actionable recommendations.

### 1. IT Support

Continue monitoring IT support metrics such as average response time, average resolution time, and first contact resolution rate to maintain high-quality support services.

### 2. Files and Folders

Develop District standards for file and folder naming conventions that apply to all content repositories including file servers, SharePoint document libraries, and the future document management system.

### 3. Software Training

Evaluate and determine a software training platform that will accommodate multiple learning styles and cover multiple software titles.

### 4. Digitize Workflows

Eliminate paper based or Excel based data collection and use a systems-based approach to improve business process, data collection, and accessibility to data.

### 5. Review Existing Software

Some concerns addressed can be resolved with existing software. Review existing software configurations, capabilities and procedures to resolve issues without the need for investing and onboarding new systems.

The recommendations listed above are consolidated and summarized recommendations. The list is not a comprehensive list that addresses all concerns discovered with the Technology Survey and staff interviews. A prioritized list of technology projects has been developed as a core component of the IT Master Plan as a result of assessing the current environment.

## Technology Projects

### Past Projects

 IT Infrastructure	 Security	 Software/Service	 Hardware
Data storage expansion	Multi-factor authentication	Website Refresh	Replaced End-of-Life Computers
Network switch replacement	Enterprise Password Management System	SharePoint Intranet Portal	Dock and Go Computers
Firewalls replacement	CISA Cybersecurity Assessment	Member Agency Conservation Coordinators Portal	Modernized Audio/Video system
Internet Upgrade	File Sandboxing	SCADA Data Historian	FirstNet Mi-Fi Rollout
New Backup Software	Email Filter	GIS Implementation	EOC Trailer Upgrades
	Physical Access Control	New Managed Service Provider	
	Enhanced anti-malware software	Key Performance Metrics Dashboard	
	Phishing Campaigns	SharePoint File Migration	

## Active Projects

 Active Projects	 Project Description
<b>Support Enterprise Resource Planning (ERP) Replacement</b>	Advise and support the Finance department during the RFP development, evaluation process, data conversion, implementation, training, support, and future integrations for the new ERP system.
<b>Implement Enhanced Password Policy</b>	Configure and deploy new password policy based on cyber assessment and enable password write-back capabilities to support a hybrid work environment.
<b>Geographic Information System (GIS) Implementation</b>	TVMWD contracted with Miller Spatial to conduct the work. Work kicked off in August 2021. Project anticipated to be completed by December 2022.
<b>Phone System Replacement</b>	Replace antiquated phone system with a modernized phone system that supports a hybrid work environment, unified communications, and enhances business continuity.
<b>Emergency Operations Center Enhancement</b>	Enhance EOC trailer communications by installing Internet failover with FirstNet (AT&T) CradlePoint device. Distribute FirstNet hot spots to key staff members, to help virtual and physical emergency responses.
<b>Local Area Network Upgrade</b>	Increase local area network backplane from 1GB to 10GB to maximize new data center server capabilities and increase internal network throughput.
<b>Server Replacement</b>	Replace end-of-support servers with new equipment capable of supporting future growth.
<b>Enterprise Content Management (ECM) System Pilot</b>	Initiate a pilot project for a new Enterprise Content Management system to improve document management and records retention processes.

## Future Projects

 <b>Future Projects</b>	 <b>Project Description</b>
<b>Boardroom Audio/Video System Upgrades</b>	Improve boardroom audio and video quality for various meeting types (speakers, trainings, audience, presenter/podium capabilities).
<b>Bulk Email Solution</b>	Utilize a bulk email solution to improve contact management, email design, and to prevent email server real-time blacklisting.
<b>Centralize System Information and Events Management</b>	Implement a System Information and Events Management (SIEM) solution to efficiently collect, store, and analyze system information and event logs to effectively detect and investigate potential security incidents.
<b>Cyber Assessment and Penetration Test</b>	Continue conducting cybersecurity assessments and penetration testing with CISA to reduce the risk of a cyber incident.
<b>Cybersecurity Training</b>	Introduce new cybersecurity training tools based on recommendations from the AWIA and CISA assessments.
<b>Data Warehousing, Analytics and Integrations</b>	Enhance the value of existing systems by consolidating data from multiple systems into a data warehouse to improve accessibility, reporting, analytics, and business decision capabilities.
<b>Develop IT Incident Response Plan</b>	Develop an IT Incident Response Plan that considers new systems, processes, and recommendations from previous assessments, disaster drills, and industry best practices.
<b>Develop IT Policies and Procedures</b>	Develop new IT policies and procedures based on best practices from previous assessments and industry standards.
<b>Develop Job Continuity Handbook</b>	Develop a succession planning document that provides details of IT related tasks, processes, contacts, equipment, data, and other pertinent information.
<b>Expand IT Auditing Capabilities</b>	Minimize cybersecurity risks and improve IT management of user permissions and security settings for multiple applications and systems.
<b>Geographic Information System (GIS) Enhancements</b>	Prioritize and implement GIS enhancement requests that may include Work Orders, Information Maps, Dashboards,

	ERP system integration, SCADA integration. Emergency Operations, Public Maps/Apps, inter-agency collaboration.
<b>Grand Ave Well Connectivity</b>	Install Internet connection at the Grand Ave Well site for non-SCADA related business systems.
<b>Internet Failover Implementation</b>	Improve communications redundancy by installing a new Internet failover communications line.
<b>Mobile Device Management</b>	Optimize enterprise device management capabilities beyond District headquarters to ensure properly maintained, configured, and secured devices.
<b>Network Fiber Installation</b>	Increase local area network backplane from 1GB to 10GB to maximize new data center servers' capabilities and increase internal network speed.
<b>Replace End of Life Devices</b>	Replace end-of-life staff devices which include workstations and mobile devices (laptops, District-issued phones, Mi-fi devices).
<b>Replace Uninterruptible Power Supply Units (UPS)</b>	Replace existing UPS units in the server room with properly sized units and line conditioning to handle power anomalies.
<b>Replace Wireless Radios</b>	Replace end-of-support wireless radios throughout headquarters while increasing network throughput, coverage, and enhanced security features.
<b>Security Camera Replacement</b>	Improve the District's physical security with the installment of a new video security solution with enhanced video quality, optimized storage, and management capabilities.
<b>Virtual Emergency Operations Center</b>	Leverage existing systems and capabilities to improve communications, information sharing, data collection, and streamline processes for emergency response.

## Prioritization Criteria

### Meets Requirements

- The number of times a project was identified as a need or request during the technology assessment process including the technology survey, staff interviews, and documentation (AWIA, cybersecurity assessment, District Strategic Plan, etc.);
- Other projects are dependent on the results of the prioritized project that may provide the technical requirements to implement other key projects;
- Mitigation of current or future risks associated with the industry and/or compliance with regulatory requirements;
- Provides enterprise-wide benefits that can be leveraged by the District as a whole.

### Improved Operations

- Creates operational efficiencies that result in staff time savings;
- Provides the potential for cost savings or opportunities for cost avoidance;
- Enhances communications or the ability to share information;
- Business continuity improvements to work uninterrupted in the event of an on-premises incident or disaster;
- Improves District processes to achieve departmental goals or results.

### Modernization

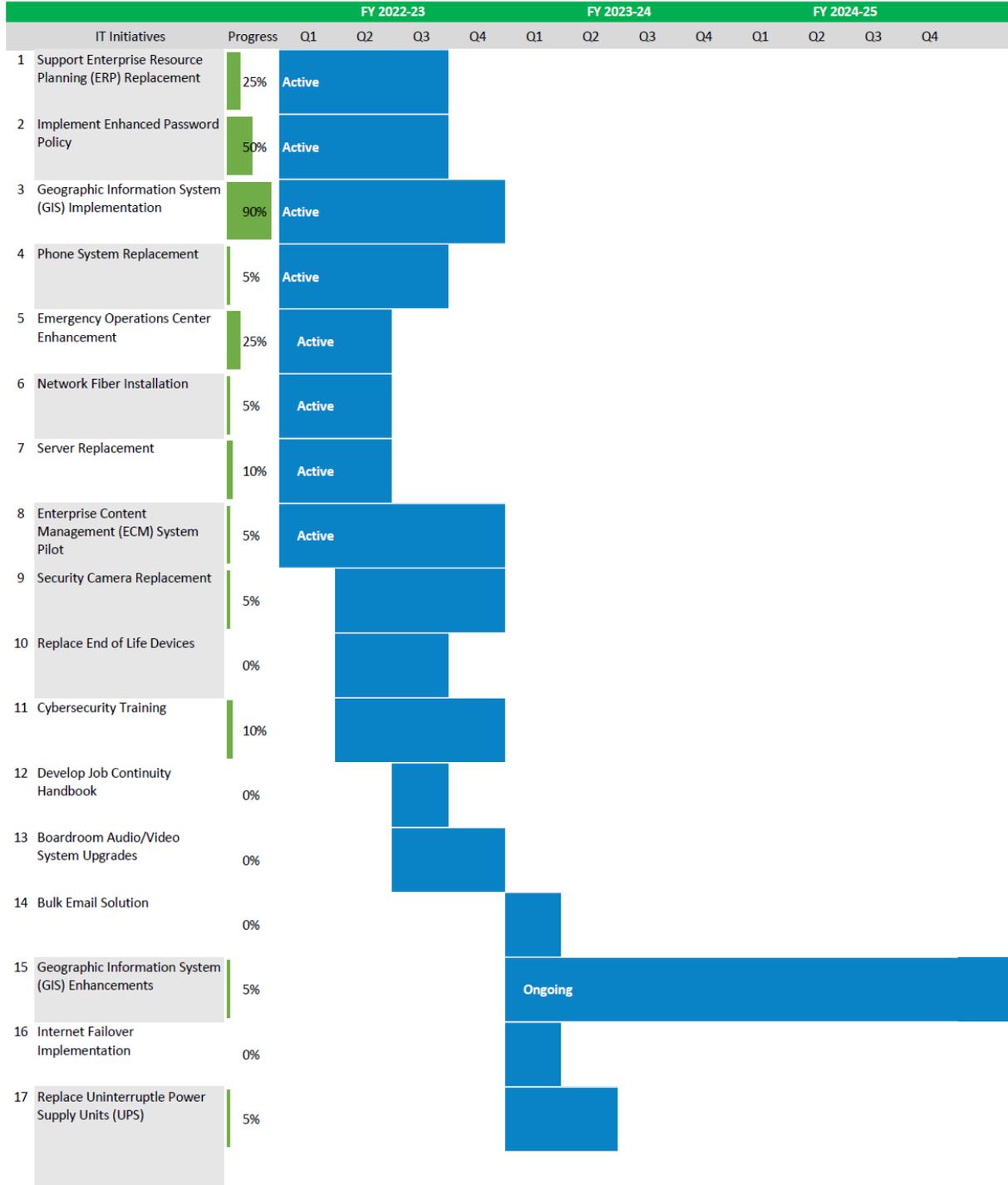
- Improves hybrid work environment and provides the ability to work anywhere, on any device;
- Facilitates internal and/or external collaborations;
- Creates additional value by leveraging existing technologies;
- Fosters a digital workplace and eliminates paper processes;
- Enhances the accessibility to information and the overall experience of technology use.

# Project Schedule



**THREE VALLEYS MUNICIPAL WATER DISTRICT  
INFORMATION TECHNOLOGY ROAD MAP  
FISCAL YEAR 2022-23**

*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 8.A - Exhibit A

		FY 2022-23				FY 2023-24				FY 2024-25			
IT Initiatives	Progress	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
18	Develop IT Policies and Procedures					█							
19	Data Warehousing, Analytics and Integrations					█	█	█	█				
20	Grand Ave Well Connectivity					█	█						
21	Develop IT Incident Response Plan					█	█						
22	Centralize System Information and Events Management					█	█	█					
23	Expand IT Auditing Capabilities					█	█	█	█				
24	Cyber Assessment and Penetration Test							█	█				
25	Replace Wireless Radios									█	█	█	
26	Mobile Device Management									█	█	█	█
27	Virtual Emergency Operations Center										█	█	█

## Budget Overview

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The budget estimates represent an analysis of specific information collected during the development of the ITMP. It should be used as a management planning budget tool and not as an actual price quote.

High-level efforts have been made to estimate the approximate cost of the proposed projects by:

- Past experience with similar projects
- Publicly available information for similar projects
- Retail pricing made available on public websites
- Formal quotes received from vendors

The District should take into account that technology hardware and software prices vary widely by vendors. Additional factors that contribute to costs include pricing models, software bundles, lengths of agreements, and maintenance options. External factors such as inflation have not been factored into the current estimates.

The technology industry has also consistently evolved from an ownership model into a distribution model over the past years. Examples of distribution models include the Software-as-a-Service (SaaS) and Infrastructure-as-a-Service (IaaS) products in which the District no longer owns the software or hardware. It is anticipated that capital costs for these types of projects will decrease, however, operational costs will increase to license the hardware or software through annual or multi-year agreements with the vendor.

<b>Project</b>	<b>Low (thousands)</b>	<b>High (thousands)</b>	<b>Level of Effort</b>	<b>Fiscal Year</b>	<b>Comment</b>
<b>Support Enterprise Resource Planning (ERP) Replacement</b>	\$ 100	\$ 100	High	FY 2022-23	Capital Improvement Project
<b>Implement Enhanced Password Policy</b>	\$ -	\$ -	Low	FY 2022-23	
<b>Geographic Information System (GIS) Implementation</b>	\$ 50	\$ 50	High	FY 2022-23	
<b>Phone System Replacement</b>	\$ 5	\$ 10	High	FY 2022-23	Subscription-based
<b>Emergency Operations Center Enhancement</b>	\$ 1	\$ 5	Medium	FY 2022-23	
<b>Network Fiber Installation</b>	\$ -	\$ -	Low	FY 2022-23	Included in the Server Replacement project
<b>Server Replacement</b>	\$ 50	\$ 75	High	FY 2022-23	Capital Improvement Project
<b>Enterprise Content Management (ECM) System Pilot</b>	\$ 2	\$ 5	High	FY 2022-23	Software included with ERP Replacement
<b>Security Camera Replacement</b>	\$ 50	\$ 75	High	FY 2022-23	Capital Improvement Project
<b>Replace End of Life Devices</b>	\$ 4	\$ 6	Low	FY 2022-23	
<b>Cybersecurity Training</b>	\$ 2	\$ 6	Low	FY 2022-23	Subscription-based
<b>Develop Job Continuity Handbook</b>	\$ -	\$ -	Medium	FY 2022-23	
<b>Boardroom Audio/Video System Upgrades</b>	\$ 10	\$ 35	Medium	FY 2022-23	
<b>FY 2022-23 Total Estimate</b>	<b>\$ 274</b>	<b>\$ 367</b>			

<b>Project</b>	<b>Low (thousands)</b>	<b>High (thousands)</b>	<b>Level of Effort</b>	<b>Fiscal Year</b>	<b>Comment</b>
<b>Bulk Email Solution</b>	\$ 1	\$ 2	Low	FY 2023-24	
<b>Geographic Information System (GIS) Enhancements</b>	\$ 10	\$ 20	Medium	FY 2023-24	Professional Services
<b>Internet Failover Implementation</b>	\$ 5	\$ 10	Medium	FY 2023-24	
<b>Replace Uninterruptible Power Supply Units (UPS)</b>	\$ 8	\$ 15	Low	FY 2023-24	
<b>Develop IT Policies and Procedures</b>	\$ -	\$ -	Medium	FY 2023-24	
<b>Data Warehousing, Analytics and Integrations</b>	\$ 1	\$ 15	High	FY 2023-24	Subscription-based, in-house development
<b>Grand Ave Well Connectivity</b>	\$ 3	\$ 6	Low	FY 2023-24	
<b>Develop IT Incident Response Plan</b>	\$ -	\$ -	Medium	FY 2023-24	
<b>Centralize System Information and Events Management</b>	\$ 5	\$ 25	High	FY 2023-24	
<b>Expand IT Auditing Capabilities</b>	\$ 2	\$ 8	Medium	FY 2023-24	
<b>FY 2023-24 Total Estimate</b>	<b>\$ 35</b>	<b>\$ 101</b>			

<b>Project</b>	<b>Low (thousands)</b>	<b>High (thousands)</b>	<b>Level of Effort</b>	<b>Fiscal Year</b>	<b>Comment</b>
<b>Cyber Assessment and Penetration Test</b>	\$ 25	\$ 50	Medium	FY 2024-25	
<b>Replace Wireless Radios</b>	\$ 25	\$ 50	High	FY 2024-25	Capital Improvement Project
<b>Mobile Device Management</b>	\$ 1	\$ 3		FY 2024-25	
<b>Virtual Emergency Operations Center</b>	\$ -	\$ -	High	FY 2024-25	
<b>FY 2024-25 Total Estimate</b>	<b>\$ 51</b>	<b>\$ 103</b>			

## Abbreviations

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<b>AF</b>	Acre Feet
<b>AWIA</b>	America's Water Infrastructure Act
<b>ECM</b>	Enterprise Content Management System
<b>ERP</b>	Emergency Response Plan
<b>ERP</b>	Enterprise Resource Planning
<b>GIS</b>	Geographic Information System
<b>IT</b>	Information Technology
<b>IaaS</b>	Infrastructure-as-a-Service
<b>ITMP</b>	Information Technology Master Plan
<b>MWD</b>	Metropolitan Water District of Southern California
<b>NIST</b>	National Institute of Standards and Technology
<b>PWAG</b>	Public Water Agencies Group
<b>RRA</b>	Risk and Resilience Assessment
<b>RVA</b>	Risk and Vulnerability Assessment
<b>SaaS</b>	Software-as-a-Service
<b>SIEM</b>	System Information and Events Management
<b>TVMWD</b>	Three Valleys Municipal Water District
<b>UPS</b>	Uninterruptable Power Supply

**BOARD ACTION**

## BOARD OF DIRECTORS STAFF REPORT

**To:** TVMWD Board of Directors  
**From:** Matthew H. Litchfield, General Manager   
**Date:** October 19, 2022  
**Subject:** **Audit and Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2022**

---

**Funds Budgeted:** \$

**Fiscal Impact:** \$

### **Staff Recommendation**

**The Board will consider approval to receive and file the attached Audit and Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2022**

### **Discussion**

Attached for Board review and approval is the FY 21-22 Audit and ACFR (Annual Comprehensive Financial Report). Preparation for the audit and compilation of the ACFR 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 Officers Association for 15 consecutive years. This award is presented to government units and public employee retirement systems whose ACFR achieves the highest standards in government accounting and financial reporting. We are confident this ACFR will once again qualify for the award.

Also included are the audit communication letter and report on internal controls provided by TVMWD's audit firm, Lance, Soll & Lunghard, LLP (LSL). A representative from LSL will be in attendance 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 – ACFR for Fiscal Year Ended June 30, 2022

**Meeting History**

None

NA/JL



September 29, 2022

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

We have audited the financial statements of the business-type activities and the aggregate remaining fund information of Three Valleys Municipal Water District (the District) for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the State Controller's Minimum Audit Standards for California Special Districts, 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 22, 2022. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### ***Qualitative Aspects of Significant 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 Note 1 to the financial statements. As described in Note 2 to the financial statements, the District changed accounting policies related to accounting for leases by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 87, *Leases*, in the fiscal year ended June 30, 2022. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Statement of Revenues, Expenses, and Changes in Net Position. 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 (OPEB) liability are based on actuarial valuation specialist assumptions. We evaluated the key factors and assumptions used to develop the net pension liability and net OPEB liability, in determining that they are reasonable in relation to the financial statements taken as a whole.

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

#### ***Significant or Unusual Transactions***

Management is responsible for the policies and practices used to account for significant or unusual transactions.



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

### ***Difficulties Encountered in Performing the Audit***

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

### ***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. We are pleased to report that no such misstatements were identified during the course of our audit.

### ***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 29, 2022.

### ***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 significant events or transactions that occurred during the year, business conditions affecting the District and business plans and strategies that may affect the risks of material misstatements, 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.

### **Other Matters**

We applied certain limited procedures to the management's discussion and analysis and the required pension and other post-employment benefits schedules, as listed in the Annual Comprehensive Financial Report's table of contents, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.



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

We were not engaged to report on the Introductory and Statistical Sections of the Annual Comprehensive Financial Report, 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.

The following new Governmental Accounting Standards Board (GASB) pronouncements were effective for fiscal year 2021-2022 audit:

GASB Statement No. 87, *Leases*.

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

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*.

The following GASB pronouncements are effective in the following fiscal years' audits and should be reviewed for proper implementation by management:

Fiscal year 2023

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

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangement*.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

Fiscal year 2024

GASB Statement No. 99, *Omnibus 2022*.

GASB Statement No. 100, *Accounting Changes and Error Corrections*.

Fiscal year 2025

GASB Statement No. 101, *Compensated Absences*.

**Restriction on Use**

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

Very truly yours,

A handwritten signature in cursive script that reads "Lance, Solt &amp; Luyhard, LLP". The signature is written in black ink and is positioned above the firm's name.

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, 2022, 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 29, 2022.

### Report on 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### Report on 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*.



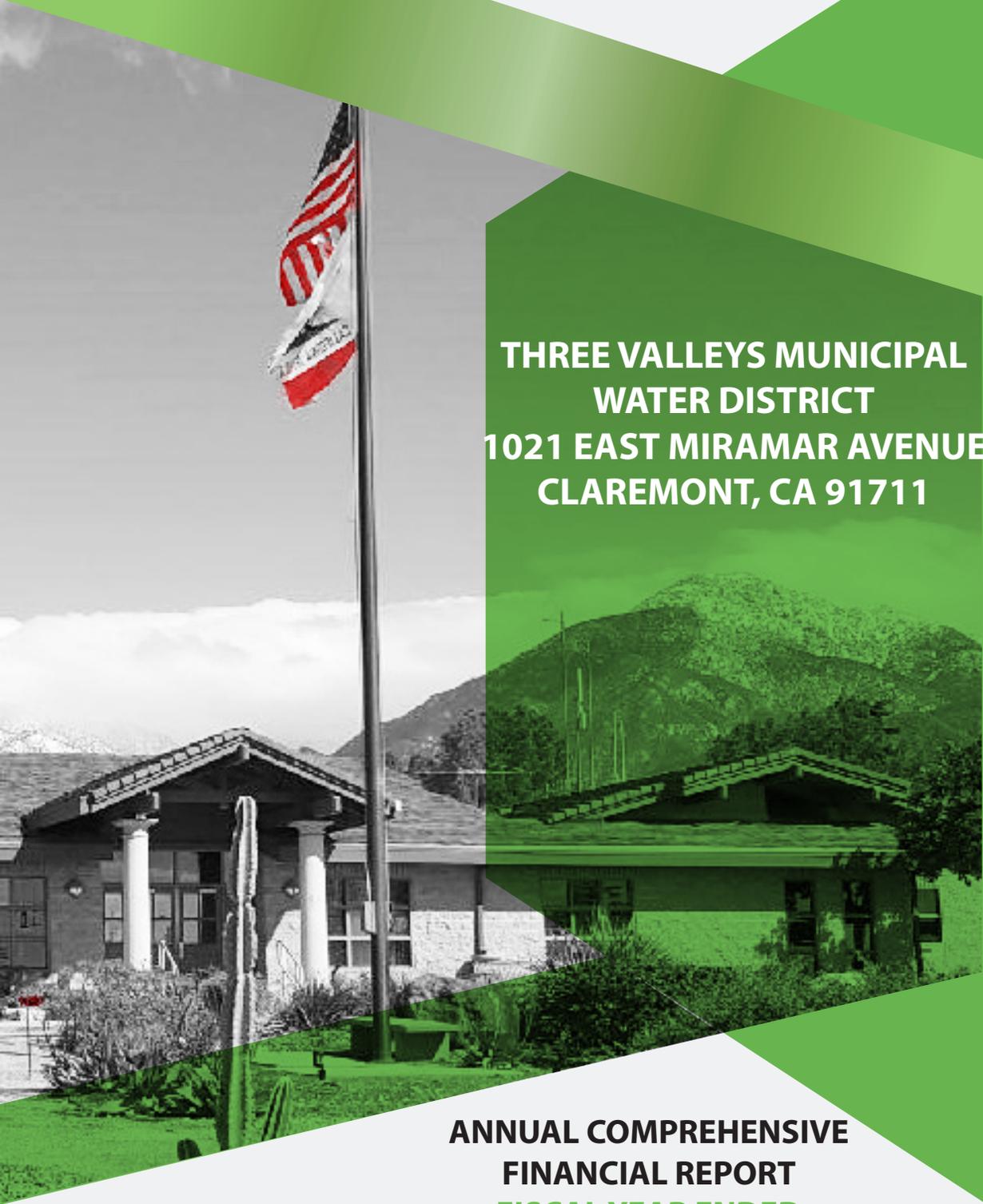
To the Board of Directors  
Three Valleys Municipal Water District  
Claremont, California

**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, Soll & Lughard, LLP*

Brea, California  
September 29, 2022



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

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
FISCAL YEAR ENDED  
JUNE 30, 2022**

***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.***





# **Annual Comprehensive Financial Report**

**Fiscal Year Ended**

**June 30, 2022**

## **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

## Annual Comprehensive Financial Report

Fiscal Year Ending

June 30, 2022

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# INTRODUCTORY SECTION





## BOARD OF DIRECTORS

Brian Bowcock  
David D. De Jesus  
Carlos Goytia  
Bob Kuhn  
Jody Roberto  
Danielle Soto  
Mike Ti

## GENERAL MANAGER/CHIEF ENGINEER

Matthew H. Litchfield, P.E.

September 29, 2022

To the Honorable Board of Directors and Member Agencies:

### Introduction

It is our pleasure to submit the Annual Comprehensive Financial Report (ACFR) for Three Valleys Municipal Water District (TVMWD) for the fiscal year (FY) ended June 30, 2022. 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

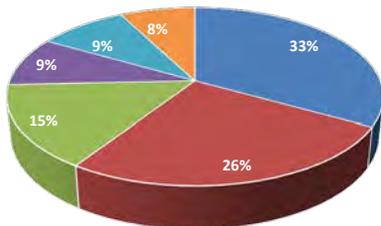
TVMWD is a special district formed by public election in 1950 and is the area's primary source of supplemental water covering the Pomona, Walnut and East San Gabriel Valleys. TVMWD is one of 26 member agencies of the Metropolitan Water District of Southern California (MWD) that is authorized to deliver 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, three groundwater production wells with a fourth under construction, five hydroelectric generators, residual solids removal, groundwater recharge pipelines, 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. Approximately 30% of TVMWD's total treated sales are from the Miramar Treatment Plant, while the remaining 70% is from MWD's Weymouth Treatment Plant. TVMWD receives a Tier 1 water supply allotment from MWD of 80,688 AFY. TVMWD has water storage accounts in Six Basins (stored: approximately 1,500 AF; capacity: 3,500 AF) and Main San Gabriel Basin (stored: approximately 5,400 AF; capacity: 50,000 AF).

TVMWD is governed by a seven-member Board of Directors elected by the registered voters residing within TVMWD's boundaries. The Board has a combined 87 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.

For this fiscal year 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:

City of La Verne	33%
Golden State Water Company (Claremont)	26%
Walnut Valley Water District	15%
City of Pomona	9%
Rowland Water District	9%
Golden State Water Company (San Dimas)	8%



## Local Economy<sup>1</sup>

Los Angeles County (the County) faced significant economic impacts resulting from the Covid-19 global pandemic that began in March 2020 and continues endemically today at a much lower severity. The unprecedented economic shock almost immediately halted economic activity across most all industries and businesses which were faced with closures and mandatory quarantines. Travel restrictions were imposed, and public gatherings were prohibited. Since the structure of the County's economy is comprised of industries that require a high degree of in-person interaction and these industries were hard-hit by the pandemic, the effects more severely impacted the County as compared to all of California or the nation as a whole.

Despite the multiple surges and variants in the Covid-19 virus that took place during 2021 and early 2022, the County experienced significant improvement towards a post-pandemic new normalcy. Businesses have reopened, schools resumed in-person learning, travel has increased, and job recovery is on the rise. However, the pandemic caused some long lasting or permanent changes within industries such as a shift toward a more remote and home-based hybrid workforce, more digital delivery of electronic services, a significant increase in e-commerce, and related labor market shifts. The overall social and economic effects of these transformative changes may not

be fully understood or quantified for many years. 2022 will be a year for the County's economy to continue to recover from and adapt to the disruptions caused by the pandemic, as well as to face new economic challenges. It is important to note that the economic recovery has not been consistent between all industries, with some experiencing stronger recovery than others.

The County was at the height of nearly ten years of strong economic growth prior to the pandemic. Real GDP had grown by 3.3% in 2019 but then plummeted to a negative 6.3% in 2020 due to the pandemic. Real GDP is forecasted to grow to 6.8% in 2021 in a type of spike recovery, and to normalize to 4.6% in 2022. Despite the significant growth in 2021, the GDP growth is expected to slow down over the next couple years, but signs show that the County's economy is getting back on track. Continued economic growth could be impacted by the future direction of the Covid-19 pandemic.

The effects of the ongoing War on Ukraine will have a serious impact on the County's economic condition and recovery as well as the state, national and world economies. Additionally, national fiscal and monetary policy being implemented now and in the coming years will be important determinants of overall economic performance and the inflation rate. Other economic risks that may far outweigh the Covid-19 virus are the ongoing supply chain crisis and crushing impact of the highest inflation and energy costs in 40 years. With fuel, food, building materials, and almost all other goods and services costing more in 2021 and 2022, the local and national economy are in serious risk of entering an economic recession.

The County experienced the most severe amount of job losses in early 2020 because of the pandemic. By 2021, most all the major industries in the County rebounded by experiencing significant increases in employment. In the second half of 2021, the County added jobs back at a faster rate than the rest of the state or nation. By late 2021 the unemployment rate had dropped to around 7% from a high of 21.1% in May 2020. Despite this employment recovery, total employment in the County is still below the January 2020 levels. The industries that were hardest hit such as leisure and hospitality added back the highest number of jobs. The professional and business services, leisure and hospitality, and education and health services are expected to increase the most payroll jobs over the next couple of years.

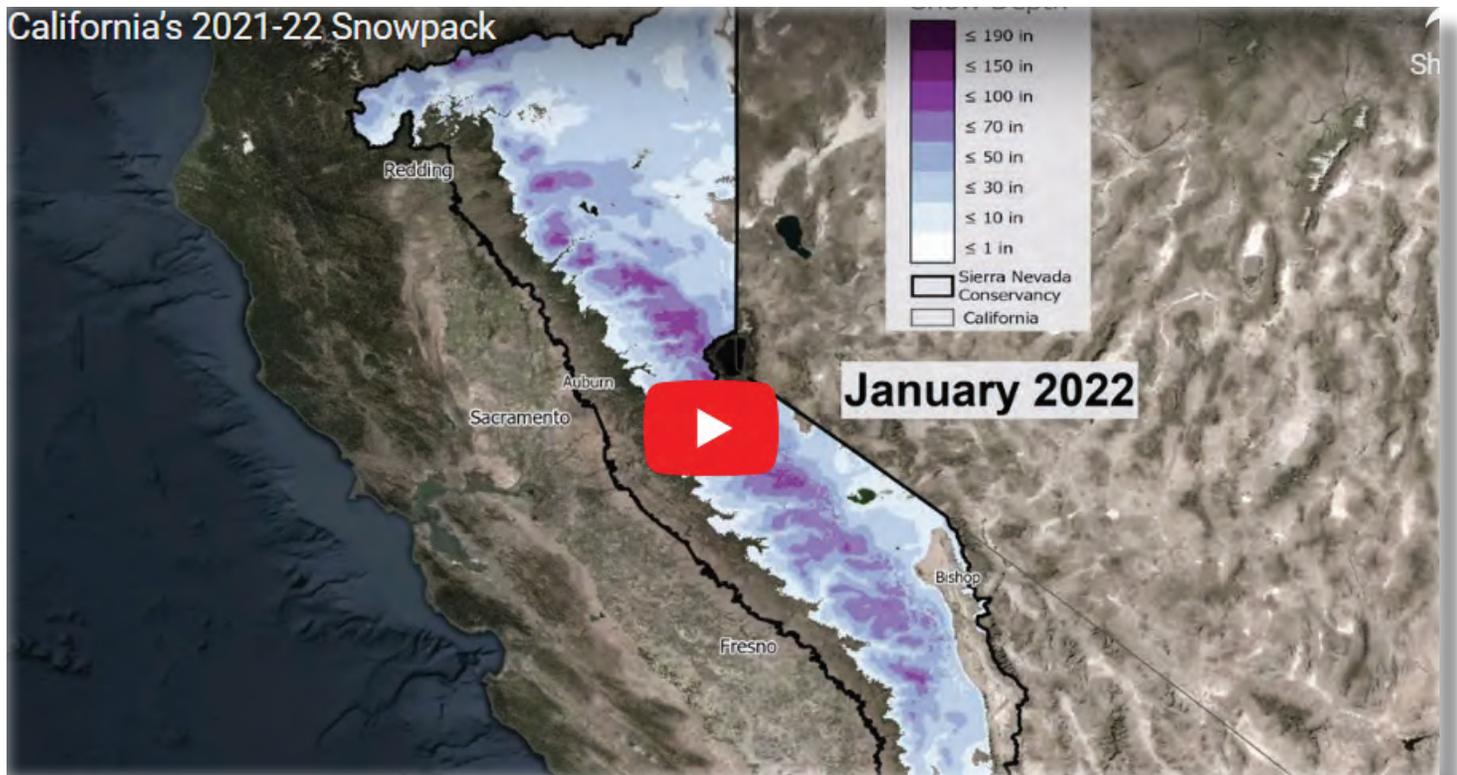
Going forward, issues such as declining county population, housing shortages and income inequality issues that existed pre-pandemic in the County have been exacerbated throughout the pandemic. The County will need to continue to focus on these issues along with other challenges as part of its economic recovery process and to help ensure economic stability and success for the future.

<sup>1</sup> Source: Los Angeles County Economic Development Corporation's 2022 Economic Forecast

## Industry Outlook

California's economic performance was severely negatively impacted by the Covid-19 pandemic. Beginning in 2021, California experienced significant economic recovery from the depths of the pandemic induced downturn. The state still has many challenges to overcome before getting back to pre-pandemic economic levels. Besides the many economic issues brought on by the pandemic that California is dealing with, the state now faces its third consecutive year of drought conditions and its second extreme drought in ten years due to severe heat and lack of rain and snow. California had the driest January, February, and March 2022 on record dating back over 100 years. These drought conditions are impacting every region of the state. According to the U.S. Drought Monitor, 97% of California is in a severe drought. All 58 counties in the state are currently under a drought emergency proclamation.

The Department of Water Resources (DWR) announced that the amount of California's Sierra Nevada Snowpack was measured at 38% of the April 1 average, when it is historically at its peak. DWR's manual survey only recorded 2.5 inches of snow depth which would normally be about five feet deep at this time of year. Based on the exceptionally dry conditions in the early months of the year, DWR is forecasting a statewide snowmelt of only 44% of average.



Governor Gavin Newsom signed an executive order, N-7-22, on March 28, 2022, calling upon local water suppliers to move to Level 2 of their Water Storage Contingency Plans, which requires locally appropriate actions that will conserve water across all sectors. He would like to see local water agencies implement more aggressive water conservation measures to help drive water use savings at this critical time. Governor Newsom directed the State Water Resources Control Board to evaluate the adoption of regulations banning irrigation of non-functional turf at businesses and institutions. With the worsening of the drought and ongoing water shortages, Governor Newsom is asking all Californians to voluntarily reduce their water use by 15% and help conserve as much water as possible to make supplies last longer. These actions will help the state better prepare for continued dry conditions in the future.

One of the main sources where MWD imports water supplies from Northern California to Southern California is the Sacramento and San Joaquin Rivers through the State Water Project (SWP). The SWP is operated and maintained by the California DWR, who allocates water annually to each of the twenty-nine SWP contractors throughout the state. Metropolitan Water District (MWD) is the largest contractor of the SWP, receiving approximately 50 percent of the supplies in average years. On January 20, 2022, the DWR announced an increase of their SWP allocation to 15% from 5% for the water year 2022, but by March 18, 2022, DWR decreased the SWP allocation back down to 5% because of the record dry start of 2022. Officials with the DWR indicated that they will continue providing water for critical health and safety needs in addition to the 5% allocation, but increased conservation and water usage cutbacks are necessary.

The dramatic swings in Southern California's climate have created many challenges for MWD to manage its water supplies for its vast service area especially those areas that rely primarily on SWP water. On February 8, 2022, MWD's Board of Directors voted to approve infrastructure investments, water transfer options and alternate delivery programs to improve resiliency and preserve limited SWP supplies for member agencies in the western portions of its service area that depend most on this drought-stricken water source. Developing innovative programs and projects will help strengthen reliability for MWD's member agencies that are more dependent on SWP supplies.



With Governor Newsom's executive order, N-7-22, issued in late March, MWD also acted on mandatory conservation necessary to generate a greater level of water savings needed to stretch the limited State Water Project supplies. The MWD Board of Directors during a special board meeting on April 27, 2022, declared a Water Shortage Emergency for the SWP dependent areas and executed an Emergency Water Conservation Program. MWD's board adopted new restrictions to reduce water use in those communities that are dependent on SWP water, affecting about six million Southern Californians, by restricting outdoor watering to one day a week. MWD worked diligently with its member agencies to help them prepare for the SWP supply reductions and resulting restrictions that went into effect June 1, 2022.

MWD is looking to make some bold and strategic investments in local water supplies, storage, and conservation and resiliency to help adapt to the ongoing dry conditions and climate change. MWD will be taking action on a first round suite of projects in February 2023. MWD is also seeking support from State and Federal partners for investments in our region to help with water supply reliability. MWD continues to strongly encourage residents and businesses to conserve water. On March 8, 2022, MWD's Board of Directors approved entering into a \$10.5 million three-year agreement to expand advertising and outreach efforts that will increase the public's awareness of the drought and need to conserve water. Although the SWP dependent communities are being asked to make more significant cuts in their water usage, everyone across Southern California must reduce water usage.

**Local Perspective**

TVMWD along with its member agencies continued working through the challenges of the fluctuating Covid-19 pandemic over the past couple years. TVMWD followed all the necessary steps to comply with Los Angeles County restrictions, implemented safety protocols to protect its workforce, and ensured continuous delivery of safe and reliable water to its member agencies and in turn to the communities we serve.

TVMWD has been directly affected by Governor Newsom’s executive order, N-7-22, issued in March of this year and the reductions in the SWP allocations. TVMWD worked closely with MWD to ensure we took the appropriate actions consistent with their Water Shortage Emergency Condition and Water Conservation Program in the SWP constrained areas specifically the Cities of La Verne and Claremont (Claremont retail water service provided by Golden State Water Company). On, April 20, 2022, TVMWD’s Board of Directors approved adopting a resolution Implementing our Water Shortage Contingency Plan to Level 5 in SWP constrained areas. TVMWD notified the affected member agencies that due to the severe drought, a consumer imported demand reduction of up to 50% is necessary to make more efficient use of SWP water and ensure the supplies are maximized as much as possible. In an effort to meet the robust conservation efforts, TVMWD recommended that the SWP constrained areas reduce outdoor irrigation to one day per week by June 1, 2022. TVMWD coordinated with the impacted member agencies by providing information on necessary actions to be taken at the retail level and other outreach activities available to help with conservation.



As the worsening drought conditions continue to plague Southern California, TVMWD remains proactive in identifying projects to help secure additional reliable water supplies. TVMWD has looked toward building extraction wells for these additional water supplies. Construction of a fourth well, the MiraGrand Well, began in June 2021 and is expected to be operational by November 2022. Additionally, at the April 20, 2022 board meeting, TVMWD’s Board of Directors approved a Groundwater Reliability Partnership Principles agreement with the City of Glendora and Puente Basin Water Agency for TVMWD to relaunch a groundwater reliability project in the Main San Gabriel Basin increasing local supplies by up to 6,500 AFY. Enhancing the capability to use local resources is critical in helping to provide drought resiliency now and in the future.

TVMWD staff is in the process of developing a Water Resources Master Plan that will provide a road map to continue our mission of providing a reliable high quality water supply in the most cost-effective manner. In April 2022, staff applied for a Bureau of Reclamation’s WaterSMART (Sustain and Manage America’s Resources for Tomorrow) grant. This funding has been approved and will help support TVMWD with the development and update of our Drought Contingency Plan in conjunction with the Water Resources Master Plan. Staff will work with our member agencies, watermasters, and interested stakeholders to develop a robust plan. Planning for growth and preserving and strengthening the reliability of our water supplies for both future generations and for emergencies such as extreme drought or a catastrophic earthquake are primary goals for TVMWD.

TVMWD entered into an agreement with MWD in 2020 to take up to 6,500 AFY from MWD’s *Pure Water Southern California Water Project* currently in the CEQA stage of project development. This project is anticipated to generate up to 160,000 AFY of advanced treated recycled water for groundwater recharge and direct potable reuse at MWD treatment plants at various locations throughout MWD’s service area, including the Six Basins Groundwater Basin and TVMWD’s Miramar Treatment Plant.

# MAJOR INITIATIVES AND PROJECTS

TVMWD began, continued, or completed many projects and programs in FY 2021-2022. These included, but were not limited to:

**Miragrand Well:** The project includes the construction of the well, equipping the well and associated pipeline at TVMWD's site located at Miramar Avenue and Grand Avenue in the city of Claremont. Construction began in June 2021 and a majority of the site civil work has been completed. Extensive equipment procurement delays for the pump and motor for the well have directly impacted the completion of the mechanical activities. The MiraGrand Well will allow TVMWD to supplement its imported water with reliable local groundwater resources in the Six Basins groundwater basin. The Miragrand Well will be TVMWD's fourth groundwater production well with a groundwater production capacity of 600 gallons per minute (gpm) or 825 acre-feet per year (AFY). The project is expected to be completed by Fall 2022.



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

# MAJOR INITIATIVES AND PROJECTS

**Emerald Service Meter Cabinet:** The project includes upgrade of the existing SCADA/flowmeter cabinet located on Emerald Avenue in the city of La Verne. The existing electrical service connection within the cabinet was outdated and did not meet Southern California Edison's [SCE] standards. Construction began in January 2022. New electrical conduits were installed to accommodate SCE's larger size feeders. The existing electrical cabinet was installed in the middle of the sidewalk hindering pedestrian access. As part of the project, the cabinet was relocated outside of the sidewalk to improve pedestrian access. The project was completed in June 2022.



**Big Dalton Spreading Grounds Improvement Project [PM-26 Expansion]:** This is a joint project between TVMWD, Los Angeles County Flood Control District (LACFCD) and the City of Glendora. The proposed Project will increase the stormwater storage capacity and imported water recharge capacity at the Big Dalton Spreading Grounds. The Project includes improvement of the spreading grounds to increase the water storage capacity from 12 to 37 acre-feet [AF] and includes pipeline and service connection improvements with Metropolitan Water District to delivering approximately 5,000 AFY of imported water. Prior to initiating a funding agreement between the agencies, TVMWD initiated a study with the Main San Gabriel Basin Watermaster to perform hydraulic modeling to demonstrate the potential benefits of the increased imported and stormwater recharge as a result of the Project. The analysis demonstrated that the additional groundwater recharge based on predicted imported water availability and future hydrology, minimal groundwater levels and quality benefits would be realized in the Glendora Groundwater Basin. TVMWD is working with LACFCD to identify any additional opportunities that would result in increased groundwater recharge that would benefit TVMWD's member agencies in the Main San Gabriel Groundwater Basin.



## 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 2021-2022, 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 5% to 7%, TVMWD's rates are expected to mirror those increases.

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 ACFR 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 ACFR for the fiscal year ended June 30, 2021. This was the fifteenth 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 ACFR. 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 ACFR 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 Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

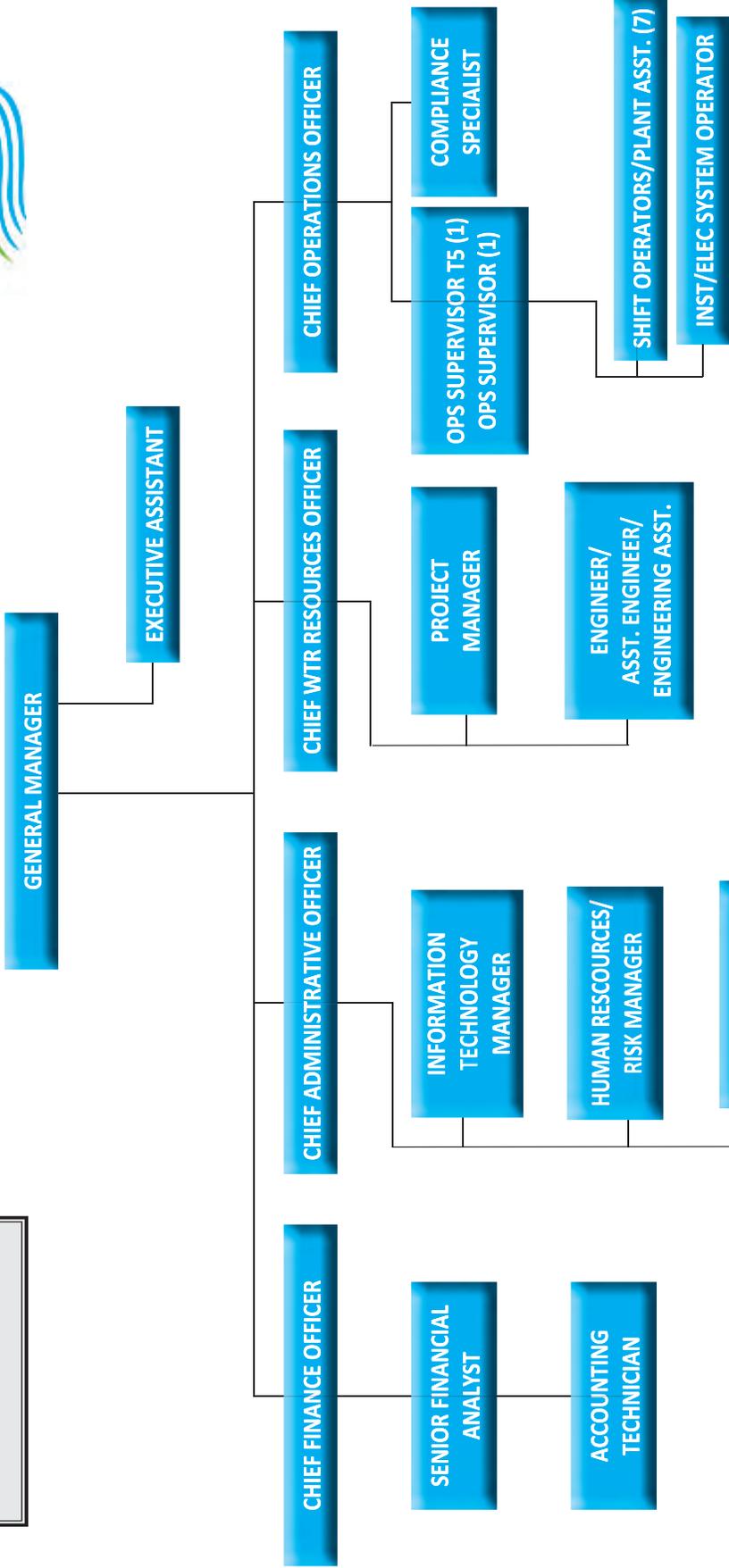
June 30, 2021

*Christopher P. Morrill*

Executive Director/CEO

# Organizational Chart

VOTING ELECTORATE  
BOARD OF DIRECTORS



Matthew Litchfield, P.E.  
General Manager

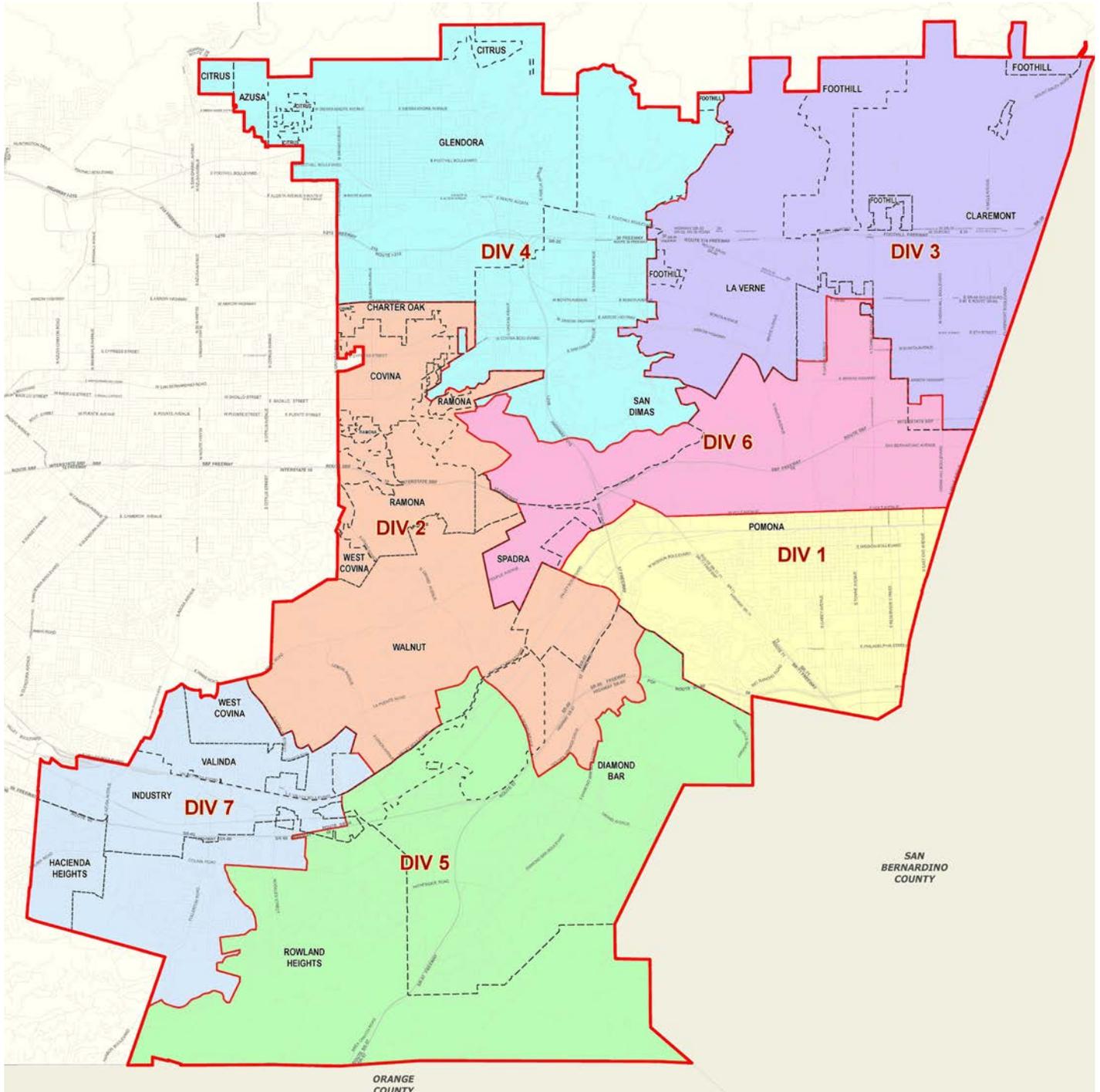
FTE-24

January 1, 2022

Date



# Elective Subdivision Boundary Map



## TVMWD Board of Directors



**Director Jody Roberto, President  
Division 5**  
Diamond Bar, City of Industry, Rowland Heights



**Director Brian Bowcock, Vice President  
Division 3**  
Claremont, La Verne



**Director Carlos Goytia, Secretary  
Division 1**  
Southern Pomona



**Director Mike Ti, Treasurer  
Division 7**  
Rowland Heights, West Covina,  
City of Industry, Hacienda Heights



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



**Director Bob Kuhn  
Division 4**  
Glendora, San Dimas



**Director Danielle Soto  
Division 6**  
Northern Pomona



**BOARD REPRESENTATION**  
(Revised at the January 5, 2022 Board Meeting)

<b><u>NAME</u></b>	<b><u>REPRESENTING</u></b>	<b><u>POSITION</u></b>
<b>Jody Roberto</b>	<b>Division V</b>	<b>President</b>
<b>Brian Bowcock</b>	<b>Division III</b>	<b>Vice President</b>
<b>Carlos Goytia</b>	<b>Division I</b>	<b>Secretary</b>
<b>Mike Ti</b>	<b>Division VII</b>	<b>Treasurer</b>
<b>David De Jesus</b>	<b>Division II</b>	<b>Director</b>
<b>Bob Kuhn</b>	<b>Division IV</b>	<b>Director</b>
<b>Danielle Soto</b>	<b>Division VI</b>	<b>Director</b>

**2022 COMMITTEE/REPRESENTATION APPOINTMENTS**  
(Revised at the January 19, 2022 Board Meeting)

<b><u>COMMITTEE/BOARD</u></b>	<b><u>REPRESENTATIVE</u></b>	<b><u>ALTERNATE</u></b>
ACWA Region 8 Delegate	Director Bowcock	Director Kuhn
ACWA/JPIA Representative	Director Bowcock	Director Kuhn
Chino Basin Watermaster <sup>(1)</sup>	Director Kuhn	Director De Jesus
City of Pomona	Director Goytia	Director Soto
Main San Gabriel Basin Watermaster	Director Ti	Director Soto
MWD Board Representative	Director De Jesus	-----
PWR Joint Water Line Commission	Director Goytia	Director Roberto
Rowland Water District	Director Ti	Director Roberto
San Gabriel Basin WQA <sup>(1)(2)</sup>	Director Kuhn	Director Bowcock
San Gabriel Valley Chamber of Commerce	Director Roberto	Director Bowcock
San Gabriel Valley Council of Govt's (SGV-COG)	Director Goytia	Director Soto
San Gabriel Valley Economic Partnership	Director Ti	Director Kuhn
Six Basins Watermaster <sup>(1)</sup>	Director Bowcock	Director Roberto
Southern California Water Coalition	Director Ti	Director Roberto
Walnut Valley Water District	Director De Jesus	Director Roberto
Spadra Basin Groundwater Sustainability Agency	Director Goytia	Director Roberto

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

<sup>(2)</sup>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.

# FINANCIAL SECTION





## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of Three Valleys Municipal Water District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Three Valleys Municipal Water District as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter***

##### *Change in Accounting Principle*

As described in Note 2 to the financial statements, in the fiscal year ended June 30, 2022, the District adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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



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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State Controller's Minimum Audit Standards we:

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

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



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

### ***Other Reporting Responsibilities***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required pension and other post-employment benefits schedules, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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*

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

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2022, 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.

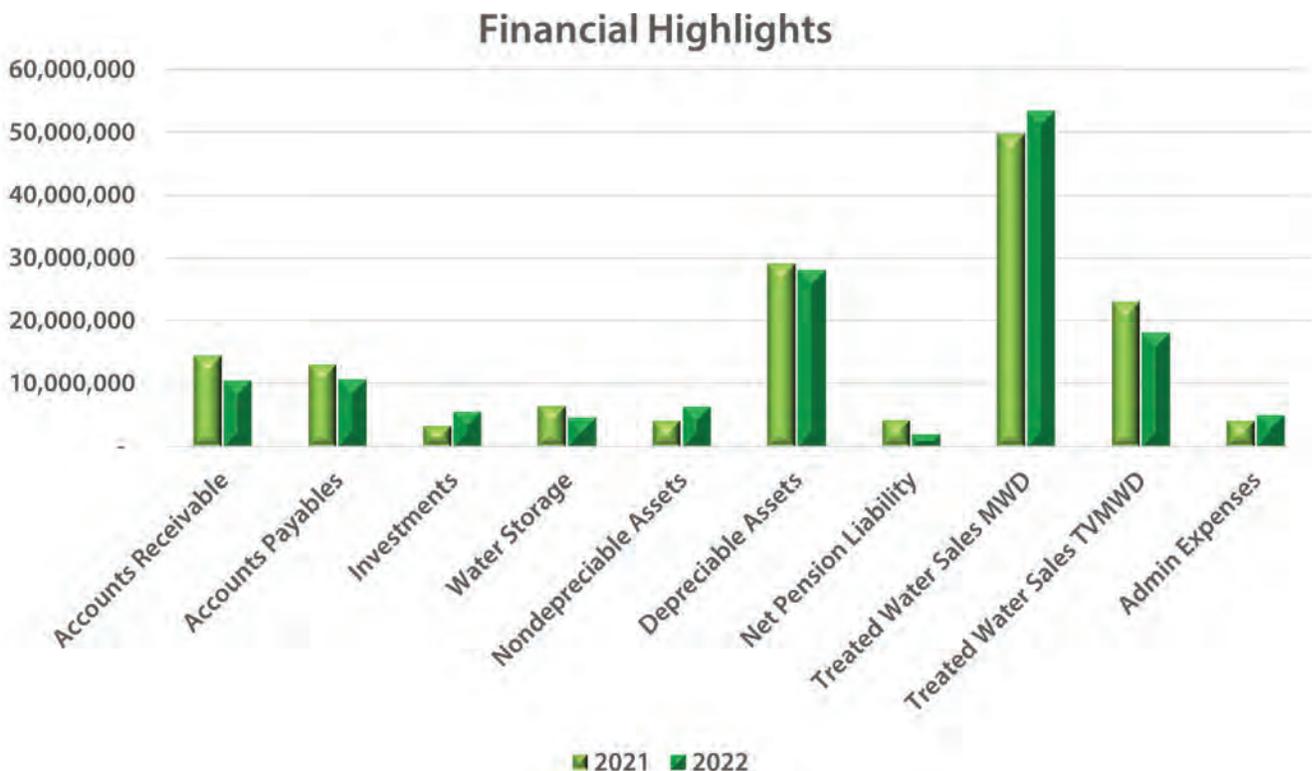
Brea, California  
September 29, 2022

**THREE VALLEYS MUNICIPAL WATER DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2022**

This section of TVMWD’s annual financial report presents our analysis of TVMWD’s financial performance during the fiscal year ended on June 30, 2022. Please read it in conjunction with the basic financial statements that follow this section.

**FINANCIAL HIGHLIGHTS**

- Accounts receivable and accounts payable decreased \$4 million and \$2.4 million respectively due to lower water demands during May and June. Residents are being encouraged to use less water due to the drought.
- Total investments increased \$2.3 million while water storage inventory decreased \$1.8 million primarily due to the sale of stored water within Main Basin. This stored water was purchased with the intent of reselling at a higher price, serving as a different type of investment option.
- Nondepreciable assets increased \$2.2 million primarily due to the construction of the MiraGrand Well. The well is expected to be completed Fall 2022.
- Depreciable assets decreased \$1.1 million primarily due to depreciation and amortization of \$1.7 million offset by a few additions of infrastructure and equipment.
- Net pension liability decreased \$2.3 million while deferred inflows of pension related items increased \$2 million. CalPERS investment income was significantly more than projected in FY 20-21, resulting in a large decrease in the amount of unfunded liability owed by TVMWD. The difference between projected and actual investment income is reflected in deferred inflows and will be recognized over the next few years.
- Treated water sales revenue from MWD and the related water purchased increased \$3.6 million and \$2 million respectively primarily due to a low availability of SWP water. MWD financially incentivized a shift from SWP water to CRA water, thus explaining why water purchased didn’t increase as much as water revenues.
- Treated water sales revenue and the related water purchased via the Miramar Treatment Plant decreased \$4.9 million and \$2.6 million respectively. Since the Miramar Treatment Plant can only receive SWP water, MWD financially incentivized TVMWD to decrease production in order to reduce use of the SWP.
- Administrative expenses decreased \$935,000 primarily due to a reduced pension expense due to the significant CalPERS investment income (\$500,000) and no board of director elections this year (\$400,000).
- TVMWD’s overall financial position improved slightly, remaining stable and healthy.



**THREE VALLEYS MUNICIPAL WATER DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2022**

**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 24-31) and Notes to the Basic Financial Statements (pages 32-46). 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 24-25) 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 27) 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 28-29) 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 30) includes all of TVMWD's OPEB investments in resources (assets).

The Statement of Changes in Fiduciary Net Position (page 31) 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, 2022**

**TABLE A-1  
Condensed Statement of Net Position  
Fiscal Years 2022 and 2021**

	2022	2021	Dollar Change	Total Percent Change
<b>Current and noncurrent assets</b>				
Cash and cash equivalents	\$ 4,687,799	\$ 3,852,001	\$ 835,798	22 %
Accounts receivable	10,466,625	14,511,220	(4,044,595)	(28) %
Interest receivable	21,123	10,275	10,848	106 %
Interest receivable - <i>restricted</i>	1,061	-	1,061	0 %
Taxes receivable	235,432	82,198	153,234	186 %
Other receivables	27,746	27,016	730	3 %
Loans receivable from employees	5,573	5,768	(195)	(3) %
Prepaid expenses and deposits	85,736	98,737	(13,001)	(13) %
Water storage inventory	4,600,349	6,436,853	(1,836,504)	(29) %
Investments	5,589,113	3,304,442	2,284,671	69 %
Investments - <i>restricted</i>	971,631	885,040	86,591	10 %
<b>Capital assets</b>				
Net Depreciable assets	28,067,558	29,128,582	(1,061,024)	(4) %
Net Nondepreciable assets	6,350,371	4,157,432	2,192,939	53 %
<b>Total Assets</b>	<b>\$ 61,110,117</b>	<b>\$ 62,499,564</b>	<b>\$ (1,389,447)</b>	<b>(2) %</b>
<b>Deferred outflows of resources</b>				
Deferred OPEB and pension related items	\$ 1,606,514	\$ 1,634,985	\$ (28,471)	(2) %
<b>Current liabilities</b>				
Accounts payable	\$ 10,707,344	\$ 13,069,476	\$ (2,362,132)	(18) %
Accrued payroll	272,864	168,232	104,632	62 %
Accrued compensated absences	176,299	155,004	21,295	14 %
Lease payable	22,050	-	22,050	0 %
<b>Long-term liabilities</b>				
Accrued compensated absences	447,769	436,272	11,497	3 %
Lease payable	72,201	-	72,201	0 %
Net pension liability	1,943,186	4,246,130	(2,302,944)	(54) %
Net OPEB liability	696,323	507,145	189,177	37 %
<b>Total Liabilities</b>	<b>\$ 14,338,036</b>	<b>\$ 18,582,259</b>	<b>\$ (4,244,223)</b>	<b>(23) %</b>
<b>Deferred inflows of resources</b>				
Deferred OPEB and pension related items	\$ 2,119,671	\$ 560,147	\$ 1,559,524	278 %
<b>Net Investment in capital assets</b>	<b>\$ 34,323,678</b>	<b>\$ 33,286,014</b>	<b>\$ 1,037,664</b>	<b>3 %</b>
<b>Restricted for pensions</b>	<b>972,692</b>	<b>885,040</b>	<b>87,652</b>	<b>10 %</b>
<b>Unrestricted</b>	<b>10,962,554</b>	<b>10,821,089</b>	<b>141,465</b>	<b>1 %</b>
<b>Total Net Position</b>	<b>\$ 46,258,924</b>	<b>\$ 44,992,143</b>	<b>\$ 1,266,781</b>	<b>3 %</b>

As depicted in Table A-1, the following significant changes occurred during FY 2021-2022:

- Accounts receivable and accounts payable decreased \$4 million and \$2.4 million respectively due to lower water demands during May and June. Residents are being encouraged to use less water due to the drought.
- Total investments increased \$2.3 million while water storage inventory decreased \$1.8 million primarily due to the sale of stored water within Main Basin. This stored water was purchased with the intent of reselling at a higher price, serving as a different type of investment option.
- 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.
- Net pension liability decreased \$2.3 million while deferred inflows of pension related items increased \$2 million. CalPERS investment income was significantly more than projected in FY 20-21, resulting in a large decrease in the amount of unfunded liability owed by TVMWD. The difference between projected and actual investment income is reflected in deferred inflows and will be recognized over the next few years.

**THREE VALLEYS MUNICIPAL WATER DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2022**

**TABLE A-2  
Condensed Statements of Revenues, Expenses and Changes in Net Position  
Fiscal Years 2022 and 2021**

	2022	2021	Dollar Change	Total Percent Change
<b>Operating revenues</b>				
Water and hydroelectric sales	\$ 71,402,291	\$ 72,718,737	\$ (1,316,446)	(2) %
Water use and connection capacity charges	6,502,071	5,847,692	654,379	11 %
<b>Nonoperating revenues</b>				
Property tax revenue	2,940,933	2,858,584	82,349	3 %
Investment income	(324,563)	40,175	(364,738)	(908) %
<b>Total Revenues</b>	<b>80,520,732</b>	<b>81,465,188</b>	<b>(944,456)</b>	<b>(1) %</b>
<b>Operating expenses</b>				
Water purchases	64,350,362	64,978,664	(628,302)	(1) %
Water use and connection capacity	5,762,759	5,136,217	626,542	12 %
Water treatment and transmission	3,322,872	3,565,287	(242,415)	(7) %
Administrative expenses	4,120,212	5,055,671	(935,459)	(19) %
Depreciation	1,651,010	1,621,166	29,844	2 %
<b>Nonoperating expenses</b>				
Loss on sale/disposal of assets	77,941	62,868	15,073	24 %
<b>Total Expenses</b>	<b>79,285,156</b>	<b>80,419,873</b>	<b>(1,134,717)</b>	<b>(1) %</b>
<b>Net income (loss) before contributions</b>	<b>1,235,575</b>	<b>1,045,315</b>	<b>190,260</b>	<b>18 %</b>
<b>Contributions</b>	<b>33,021</b>	<b>152,102</b>	<b>(119,081)</b>	<b>(78) %</b>
<b>Changes in net position</b>	<b>1,268,596</b>	<b>1,197,417</b>	<b>71,179</b>	<b>6 %</b>
<b>Beginning net position, as previously reported</b>	<b>44,992,143</b>	<b>43,794,726</b>	<b>1,197,417</b>	<b>3 %</b>
<b>Prior period adjustment</b>	<b>(1,816)</b>	<b>-</b>	<b>(1,816)</b>	<b>0 %</b>
<b>Beginning net position</b>	<b>44,990,327</b>	<b>43,794,726</b>	<b>1,195,601</b>	<b>3 %</b>
<b>Ending net position</b>	<b>\$ 46,258,923</b>	<b>\$ 44,992,143</b>	<b>\$ 1,266,780</b>	<b>3 %</b>

As depicted in Table A-2, the following significant changes occurred during FY 2021-2022:

- Treated water sales revenue from MWD and the related water purchased increased \$3.6 million and \$2 million respectively primarily due to a low availability of SWP water. MWD financially incentivized a shift from SWP water to CRA water, thus explaining why water purchased didn't increase as much as water revenues.
- Treated water sales revenue and the related water purchased via the Miramar Treatment Plant decreased \$4.9 million and \$2.6 million respectively. Since the Miramar Treatment Plant can only receive SWP water, MWD financially incentivized TVMWD to decrease production in order to reduce use of the SWP.
- Administrative expenses decreased \$935,000 primarily due to a reduced pension expense due to the significant CalPERS investment income (\$500,000) and no board of director elections this year (\$400,000).

**THREE VALLEYS MUNICIPAL WATER DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2022**

**TABLE A-3  
Capital Assets  
Fiscal Years 2022 and 2021**

	2022	2021	Dollar Change	Total Percent Change
<b>Nondepreciable Assets</b>				
Land	\$ 1,633,704	\$ 1,633,704	\$ -	0 %
Water Share	301,000	301,000	-	0 %
Construction in Progress	4,415,667	2,222,728	2,192,939	99 %
<b>Total Nondepreciable Assets</b>	<b>6,350,371</b>	<b>4,157,432</b>	<b>2,192,939</b>	<b>53 %</b>
<b>Depreciable Assets</b>				
Building	8,058,943	8,058,943	-	0 %
Furniture, Fixtures, & Equipment	1,250,914	1,129,578	121,336	11 %
Intangible Right to Use Lease - Equipment	200,849	-	200,849	0 %
Infrastructure	62,803,006	62,637,005	166,001	0 %
Land Improvements	1,448,951	1,448,951	-	0 %
Vehicles	608,148	608,148	-	0 %
<b>Total Depreciable Assets</b>	<b>74,370,811</b>	<b>73,882,625</b>	<b>488,186</b>	<b>1 %</b>
<b>Less Accumulated Depreciation</b>	<b>(46,303,253)</b>	<b>(44,754,043)</b>	<b>(1,549,210)</b>	<b>3 %</b>
<b>Net Depreciable Assets</b>	<b>28,067,558</b>	<b>29,128,582</b>	<b>(1,061,024)</b>	<b>(4) %</b>
<b>Total Capital Assets, Net</b>	<b>\$ 34,417,929</b>	<b>\$ 33,286,014</b>	<b>\$ 1,131,915</b>	<b>3 %</b>

As depicted in Table A-3, the following significant changes occurred during FY 2021-2022:

- Nondepreciable assets increased \$2.2 million primarily due to the construction of the MiraGrand Well. The well is expected to be completed Fall 2022.
- Depreciable assets decreased \$1.1 million primarily due to depreciation and amortization of \$1.7 million offset by a few additions of infrastructure and equipment.
- More information about TVMWD's capital assets is presented in Note 4 of the Notes to the Basic Financial Statements.

**THREE VALLEYS MUNICIPAL WATER DISTRICT**  
**STATEMENT OF NET POSITION**  
**June 30, 2022**

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**ASSETS****Current assets**

Cash and cash equivalents (Note 3)	\$ 4,687,799
Accounts receivable (Note 1)	10,466,625
Interest receivable	21,123
Interest receivable - restricted (Note 1)	1,061
Investments (Note 3)	683,462
Investments - restricted (Note 1)	971,631
Taxes receivable (Note 1)	235,432
Other receivables	27,746
Loans receivable from employees (Note 1)	5,573
Prepaid expenses (Note 1)	66,786
Deposits (Note 1)	18,950
Water storage inventory (Note 1)	4,600,349
Total current assets	21,786,537

**Noncurrent assets**

Investments (Note 3)	4,905,651
Capital assets (Note 4)	
Depreciable assets, net	28,067,558
Nondepreciable assets	6,350,371
Total noncurrent assets	39,323,580
<b>TOTAL ASSETS</b>	<b>\$ 61,110,117</b>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred pension related items (Note 10)	1,111,562
Deferred OPEB related items (Note 12)	494,952
Total deferred outflows of resources	\$ 1,606,514

THREE VALLEYS MUNICIPAL WATER DISTRICT  
 STATEMENT OF NET POSITION (continued)  
 June 30, 2022

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**LIABILITIES**

**Current liabilities**

Accounts payable	\$ 10,707,344
Accrued payroll	272,864
Current portion of accrued compensated absences (Note 1)	176,299
Current portion of lease payables (Note 5)	22,050
Total current liabilities	<u>11,178,557</u>

**Noncurrent liabilities**

Accrued compensated absences, net of current portion (Note 1)	447,769
Lease payable, net of current portion (Note 5)	72,201
Net pension liability (Note 10)	1,943,186
Net OPEB (Note 12)	696,323
Total noncurrent liabilities	<u>3,159,479</u>

**TOTAL LIABILITIES**

**\$ 14,338,036**

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**DEFERRED INFLOWS OF RESOURCES**

Deferred pension related items (Note 10)	1,979,155
Deferred OPEB related items (Note 12)	140,516
Total deferred inflows of resources	<u>\$ 2,119,671</u>

**NET POSITION**

Net Investment in capital assets	34,323,678
Restricted for pensions	972,692
Unrestricted	10,962,554
<b>TOTAL NET POSITION</b>	<b><u><u>\$ 46,258,924</u></u></b>



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**THREE VALLEYS MUNICIPAL WATER DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**For the Year Ended June 30, 2022**

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**OPERATING REVENUES**

Water sales - MWD	\$ 53,276,541
Water and hydroelectric sales - Miramar	18,125,750
Water use and connection capacity charges	6,502,071
	<hr/>
Total operating revenues	77,904,362
	<hr/>

**OPERATING EXPENSES**

Water purchases - MWD	51,909,651
Water purchases - Miramar	12,440,711
Water use and connection capacity	5,762,759
Water treatment and distribution	3,322,872
Administrative expenses	4,120,212
Depreciation and amortization	1,651,010
	<hr/>
Total operating expenses	79,207,215
	<hr/>

**OPERATING LOSS**

(1,302,853)

**NONOPERATING REVENUES (EXPENSES)**

Property tax revenue	2,940,933
Investment income	(324,563)
Loss on sale/disposal of assets	(77,941)
	<hr/>
Net nonoperating revenues	2,538,429
	<hr/>

**NET INCOME BEFORE CONTRIBUTIONS**

1,235,576

**CONTRIBUTIONS (Note 1)**

33,021

**CHANGES IN NET POSITION**

1,268,597

**NET POSITION:****NET POSITION AT BEGINNING OF YEAR**

44,992,143

## Prior period adjustment (Note 2)

(1,816)

## Beginning of year, as restated

44,990,327

**NET POSITION AT END OF YEAR**\$ 46,258,924

*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, 2022**

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from customers	\$ 83,784,731
Cash payments to suppliers of goods or services	(75,134,499)
Cash payments to employees for services	(5,186,047)
Net cash provided by operating activities	<u>3,464,185</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Proceeds from property taxes	<u>2,787,699</u>
Net cash provided by noncapital financing activities	<u>2,787,699</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Proceeds from contributions	33,021
Acquisitions of capital assets	(359,308)
Cost of construction in progress additions	<u>(2,382,065)</u>
Net cash used by capital and related financing activities	<u>(2,708,352)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of investments in government securities	(3,130,014)
Proceeds from sales of investments in government securities	495,123
Investment income	<u>(72,843)</u>
Net cash provided by investing activities	<u>\$ (2,707,734)</u>

*See accompanying independent auditors' report and notes to the basic financial statements.*

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**THREE VALLEYS MUNICIPAL WATER DISTRICT**  
**STATEMENT OF CASH FLOWS (continued)**  
**For the Year Ended June 30, 2022**

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**NET INCREASE (DECREASE)**

<b>IN CASH AND CASH EQUIVALENTS</b>	\$ 835,798
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	3,852,001
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 4,687,799</u>

**RECONCILIATION OF INCOME FROM OPERATIONS TO  
NET CASH PROVIDED BY OPERATING ACTIVITIES**

Income from operations	\$ (1,302,853)
Adjustments to reconcile income from operations to net cash provided by operating activities:	
Depreciation	1,651,010
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	4,044,595
(Increase) decrease in other receivables	(730)
(Increase) decrease in loans receivable from employees	195
(Increase) decrease in prepaid expenses	5,053
(Increase) decrease in deposits	(1,028)
(Increase) decrease in water storage inventory	1,836,504
(Increase) decrease in advance dues deposit	8,976
Increase (decrease) in accounts payable	(2,362,132)
Increase (decrease) in accrued payroll	104,632
Increase (decrease) in lease payable	(27,058)
Increase (decrease) in accrued OPEB liability and related items	56,307
Increase (decrease) in accrued compensated absences	32,792
Increase (decrease) in net pension liability and related items	(582,078)
Net cash provided by operating activities	<u>\$ 3,464,185</u>

**RECONCILIATION OF CASH AND CASH EQUIVALENTS  
TO STATEMENT OF NET POSITION**

Cash and cash equivalents	\$ 4,687,799
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**NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:**

Loss on sale/disposal of assets	(77,941)
Changes in fair value of investments	(263,627)

*See accompanying independent auditors' report and notes to the basic financial statements.*

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THREE VALLEYS MUNICIPAL WATER DISTRICT  
 OTHER POST EMPLOYMENT BENEFITS PLAN TRUST  
 STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2022

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**ASSETS:**

Mutual funds <i>(Note 12)</i>	\$ 1,010,518
Interest receivable <i>(Note 12)</i>	3,689
<b>TOTAL ASSETS</b>	<u>1,014,207</u>

**NET POSITION**

Restricted for OPEB benefits	1,014,207
<b>TOTAL NET POSITION</b>	<u>\$ 1,014,207</u>

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, 2022

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**ADDITIONS:**

Employers' contributions	\$ -
Investment Income:	
Interest and dividends	19,696
Net depreciation in fair value of investments	(149,340)
Less: investment expense	<u>(3,892)</u>
Net investment income	<u>(133,536)</u>
<b>TOTAL ADDITIONS</b>	<u>(133,536)</u>

**DEDUCTIONS:**

Administrative expenses	<u>2,842</u>
<b>TOTAL DEDUCTIONS</b>	<u>2,842</u>
<b>CHANGE IN NET POSITION</b>	(136,378)

**NET POSITION RESTRICTED  
 FOR OPEB BENEFITS:**

BEGINNING OF YEAR	<u>1,150,585</u>
END OF YEAR	<u><u>\$ 1,014,207</u></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, 2022**

**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 10.

**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, 2022, 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, 2022, 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-Foot	Amount	Acre-Foot	Amount
Beginning Balance at July 1, 2021	2,257	\$ 420,746	8,265	\$ 6,016,107
Acquired	329	473,464	-	22,910
Used or Sold	(1,043)	(231,166)	(2,877)	(2,101,712)
Ending Balance at June 30, 2022	<b>1,543</b>	<b>\$ 663,044</b>	<b>5,388</b>	<b>\$ 3,937,305</b>

**THREE VALLEYS MUNICIPAL WATER DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2022**

**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 assets 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 assets 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.

**Classification of Revenues and Expenses**

As an enterprise (proprietary) fund, TVMWD classifies its revenues and expenses into the following classifications: operating

**THREE VALLEYS MUNICIPAL WATER DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

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 – PRIOR PERIOD ADJUSTMENT**

TVMWD's financial statements have been updated to conform to newly adopted GASB Statement No. 87, Leases. As a result of compliance with GASB Statement No. 87, TVMWD has restated net position by \$1,816 to reflect the balance of net position as of June 30, 2022.

This schedule reflects the Right-to-Use Leased Assets and Liabilities added to the statement of net position as of June 30, 2022 for three lease agreements.

Net Capital Assets	\$ 18,973
Lease Payable	<u>(20,789)</u>
	<u>\$ (1,816)</u>

**NOTE 3 – CASH AND CASH EQUIVALENTS AND  
INVESTMENTS**

**Deposits**

As of June 30, 2022, the carrying amount of TVMWD's cash deposits was \$4,601,163 and the bank balances were \$4,697,065. 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, 2022:

Type	Fair Value
<b>Cash and cash equivalents</b>	
Cash	\$ 4,601,163
Money Market Funds	8,698
California Asset Management Trust	11,611
Local Agency Investment Fund	<u>66,327</u>
<b>Total cash and cash equivalents</b>	<u>4,687,799</u>
<b>Investments</b>	
US Treasury Notes	3,462,773
US Corporate Notes	1,099,155
Federal Agency Securities	782,537
Asset Backed Security	189,468
Supranational	55,180
Mutual Funds*	<u>1,982,149</u>
<b>Total investments</b>	<u>7,571,262</u>
<b>Total cash and cash equivalent and investments</b>	<u>\$ 12,259,061</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.

**THREE VALLEYS MUNICIPAL WATER DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2022**

**NOTE 3 – CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)**

**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.

**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.

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, 2022, TVMWD had the following investment maturities:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Investment Maturities (In Years)</b>		
		<b>Less than 1</b>	<b>1 to 3</b>	<b>3 to 5</b>
Money Market Funds	\$ 8,698	\$ 8,698	\$ -	\$ -
US Treasury Notes	3,462,773	344,231	1,657,151	1,461,391
US Corporate Notes	1,099,155	139,481	260,914	698,760
Federal Agency Securities	782,537	199,751	394,338	188,448
Asset Backed Security	189,468	-	88,059	101,409
Supranational	55,180	-	-	55,180
Mutual Funds	1,982,149	1,982,149	-	-
California Asset Management Trust	11,611	11,611	-	-
Local Agency Investment Fund	66,327	66,327	-	-
<b>Total</b>	<b>\$7,657,898</b>	<b>\$2,752,248</b>	<b>\$2,400,462</b>	<b>\$2,505,188</b>

**THREE VALLEYS MUNICIPAL WATER DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2022**

**NOTE 3 – 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, 2022, 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&amp;P's Credit Rating</u>	<u>% of Investment with Interest Rate Risk</u>
Federal Agency Securities	Aaa	AA+	10.21%
US Corporate Notes	A2	A	2.59%
US Corporate Notes	A2	A-	2.23%
US Corporate Notes	A1	A	2.21%
US Corporate Notes	A3	A+	2.13%
US Corporate Notes	Aa2	AA	1.08%
US Corporate Notes	A1	AA	0.99%
US Corporate Notes	A1	A+	0.91%
US Corporate Notes	Aaa	AA+	0.91%
US Corporate Notes	A2	A+	0.06%
Supranational	Aaa	AAA	0.72%
Asset Backed Security	NR	AAA	0.95%
Asset Backed Security	Aaa	NR	0.94%
Asset Backed Security	Aaa	AAA	0.57%
Money Market Fund	Aaa	AAA	0.11%
Mutual Funds	Aaa	AAA	25.93%
California Asset Management Trust	NR	AAAm	0.15%
Local Agency Investment Fund	NR	NR	0.87%

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, 2022:

<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>
US Treasury Notes	\$ 3,462,773	\$ -	\$ 3,462,773	\$ -
US Corporate Notes	1,099,155	-	1,099,155	-
Federal Agency Securities	782,537	-	782,537	-
Asset Backed Security	189,468	-	189,468	-
Supranational	55,180	-	55,180	-
Mutual Funds	1,982,149	-	1,982,149	-
California Asset Management Trust	11,611	-	11,611	-
Local Agency Investment Fund	66,327	-	66,327	-
<b>Totals</b>	<b>\$7,649,200</b>	<b>\$ -</b>	<b>\$7,649,200</b>	<b>\$ -</b>
<b>Investments Measured at Amortized Cost</b>				
Money Market Fund	8,698			
<b>Total Investments</b>	<b>\$7,657,898</b>			

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, 2022**

**NOTE 3 – 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, 2022, none of TVMWD's deposits or investments were exposed to custodial credit risk.

**NOTE 4 – CAPITAL ASSETS**

A summary of the changes in capital assets for the year ended June 30, 2022 is as follows:

	Beginning Balance 06/30/2021	Restated Balance 06/30/2021	Additions	Retirements*	Transfers	Ending Balance 06/30/2022
<b>Capital assets, not being depreciated:</b>						
Land	\$ 1,633,704	\$ 1,633,704	\$ -	\$ -	\$ -	\$ 1,633,704
Water Share	301,000	301,000	-	-	-	301,000
Construction in progress	2,222,728	2,222,728	2,382,065	-	(189,126)	4,415,667
<b>Total capital assets, not being depreciated</b>	<b>4,157,432</b>	<b>4,157,432</b>	<b>2,382,065</b>	<b>-</b>	<b>(189,126)</b>	<b>6,350,371</b>
<b>Capital assets, being depreciated:</b>						
Building and Building Improvement	8,058,943	8,058,943	-	-	-	8,058,943
Furniture, Fixtures, and Equipment	1,129,578	1,129,578	121,336	-	-	1,250,914
Intangible Right to Use Lease - Equipment	-	200,849	-	-	-	200,849
Infrastructure	62,637,005	62,637,005	237,972	(261,097)	189,126	62,803,006
Land Improvements	1,448,951	1,448,951	-	-	-	1,448,951
Vehicles	608,148	608,148	-	-	-	608,148
<b>Total capital assets, being depreciated</b>	<b>73,882,625</b>	<b>74,083,474</b>	<b>359,308</b>	<b>(261,097)</b>	<b>189,126</b>	<b>74,370,811</b>
<b>Less accumulated depreciation and amortization:</b>						
Building and Building Improvement	6,716,033	6,716,033	43,464	-	-	6,759,497
Furniture, Fixture and Equipment	850,914	850,914	38,916	-	-	889,830
Intangible Right to Use Lease - Equipment	-	81,356	26,102	-	-	107,458
Infrastructure	35,457,966	35,457,966	1,478,963	(183,156)	-	36,753,773
Land Improvement	1,263,651	1,263,651	13,222	-	-	1,276,873
Vehicles	465,479	465,479	50,343	-	-	515,822
<b>Total accumulated depreciation and amortization</b>	<b>44,754,043</b>	<b>44,835,399</b>	<b>1,651,010</b>	<b>(183,156)</b>	<b>-</b>	<b>46,303,253</b>
<b>Total capital assets, being depreciated, net</b>	<b>29,128,582</b>	<b>29,248,075</b>	<b>(1,291,702)</b>	<b>(77,941)</b>	<b>189,126</b>	<b>28,067,558</b>
<b>Total capital assets, net</b>	<b>\$ 33,286,014</b>	<b>\$ 33,405,507</b>	<b>\$ 1,090,363</b>	<b>\$ (77,941)</b>	<b>\$ -</b>	<b>\$ 34,417,929</b>

\*Replacement of Well 1 turbine pump bowls and shaft, Control Room PLC, and water pumps.

Depreciation expense for the year totaled \$1,651,010.



**THREE VALLEYS MUNICIPAL WATER DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2022**

**NOTE 5 – LEASES**

Lease agreements are summarized as follows:

Describe	Date	Payment Terms	Payment Amount	Interest Rate	Total Lease Liability	Balance June 30, 2022
Canon Image Runner V5550i & 4551	03/02/2017	60 months	1,451	4.00%	\$79,043	\$ -
Mail Machine, meter & scale	04/17/2017	63 months	117	4.00%	6,670	-
Canon Plotter TX-4000	06/05/2018	60 months	268	4.00%	\$14,616	3,208
Canon Image Runner DX5860i & 4761i	09/23/2021	60 months	1,845	4.00%	100,520	91,043
Total Lease Agreements						<u>94,251</u>

The lease agreements for the printers and mail machine began March 2, 2017, April 17, 2017, June 5, 2018 and September 23, 2021, respectively, for a term of five years at a fixed interest rate of 4%. The leases are renewable and TVMWD will not acquire the equipment at the end of the five years. At June 30, 2022 two lease agreements concluded and will not be renewed.

A summary of the principal and interest amounts for the leases is as follows:

Year Ending June 30	Principal	Interest
2023	\$22,050	\$3,370
2024	19,610	2,531
2025	20,409	1,732
2026	21,240	901
2027	10,942	128
TOTAL	<u>\$94,251</u>	<u>\$8,662</u>

**NOTE 6 – RIGHT-TO-USE LEASE ASSET**

**Amortization of Right-to-Use Leased Assets**

TVMWD has a lease payable of \$94,251 for intangible right to use equipment. Due to the implementation of GASB Statement No. 87, the leases for equipment met the criteria of a lease; thus, requiring them to be recorded by TVMWD. The assets for this lease payable will be amortized over the lease term of five years. TVMWD will not acquire the equipment at the end of the five years. There are no residual value guarantees in the lease provisions. The leases will end in 2023 and 2027, respectively.

A summary of the amortization for the leases is as follows:

Year Ending June 30	Amortization
2023	\$23,027
2024	20,104
2025	20,104
2026	20,104
2027	10,052
TOTAL	<u>\$93,391</u>

**THREE VALLEYS MUNICIPAL WATER DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2022**

**NOTE 7 – 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.

**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 \$1,468,185 of open contracts as of June 30, 2022.

The following material construction commitments existed at June 30, 2022:

Project Name	Contract Amount	Expenditures to date as of June 30, 2022	Remaining Commitment
MiraGrand Well	\$2,962,907	\$2,099,329	\$863,578
Bonanza Springs Study	1,002,628	398,021	604,607



**NOTE 8 – 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 Errors and Omissions: 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 \$5 million per claim up to \$5 million aggregate.

Settlements have not exceeded insurance coverage in each of the past three fiscal years.

**NOTE 9 – 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 2021-2022 was 11,241 acre-feet. These sales occurred in the same manner as would occur with any TVMWD member agency. TVMWD expects sales to CIC to decrease to comply with MWD drought guidelines.

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 2021 and 2022 were \$777 and \$799, 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 2021-2022, 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, 2022**

**NOTE 9 – RELATED PARTY TRANSACTIONS (continued)**

charges from CIC was \$9,115,961. TVMWD allows its member agencies approximately 45 days to pay for monthly water purchases. As such, TVMWD had a receivable outstanding at June 30, 2022 from CIC for June 2022 capacity charges and fixed charges in the amounts of \$20,408. This receivable, due in August 2022, was paid by CIC in July 2022.

**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, 2022.

**NOTE 10 – PENSION PLAN**

**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](http://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, 2022**

**NOTE 10 – PENSION PLANS (continued)**

The \$630,803 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, 2023. 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>Measurement Period Ended June 30</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2022	\$(312,839)
2023	(340,995)
2024	(375,793)
2025	(468,769)
2026	-
Remaining	-
Total	<u>\$(1,498,396)</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 3.7 years.

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

For the measurement period ending June 30, 2021 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2020 total pension liability. Both the June 30, 2020 total pension liability and the June 30, 2021 total pension liability were based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
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% <sup>(1)</sup>
Mortality	<sup>(2)</sup>
Post Retirement Benefit Increase	2.50%

<sup>(1)</sup> Net of pension plan investment expenses, including inflation

<sup>(2)</sup> 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.

All other actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2015, 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 amortization policy effective June 30, 2019. The policy reduces the actuarial amortization gains and losses from 30 years to 20 years. The new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes, non-investment gains and losses and investment gains and losses.

**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, 2022**

**NOTE 10 – 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.

<b>Asset Class<sup>1</sup></b>	<b>Assumed Asset Allocation</b>	<b>Real Return Years 1-10<sup>2,4</sup></b>	<b>Real Return Years 11+<sup>3,4</sup></b>
Public 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)%

<sup>1</sup>In the CalPERS' ACFR, Liquidity is included in Short-Term Investments; Inflation Assets are included in both Public Equity and Fixed Income.

<sup>2</sup>An expected inflation of 2.00% used for this period.

<sup>3</sup>An expected inflation of 2.92% used for this period.

<sup>4</sup>Figures are based on the previous ALM of 2017.

**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:

<b>Net Pension Liability</b>		
<b>Discount Rate-1%</b>	<b>Current Discount Rate</b>	<b>Discount Rate+1%</b>
<b>6.15%</b>	<b>7.15%</b>	<b>8.15%</b>
\$ 4,773,661	\$ 1,943,186	\$ (396,729)

**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, 2022, TVMWD reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

**NOTE 11 – 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 \$6,000 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. Fair value of all plan assets held in trust by the two TVMWD plans amounted to \$7,222,019 at June 30, 2022.

TVMWD has implemented GASB 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Since neither Program above is a defined benefit pension or OPEB plan that meets GASB 67 or 74 criteria, 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.

**THREE VALLEYS MUNICIPAL WATER DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2022**

**NOTE 11 – 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. Fair value of all plan assets held in trust by TVMWD plan amounted to \$110,015 at June 30, 2022.

TVMWD has implemented GASB 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Since the plan above is not a defined benefit pension or OPEB plan that meets GASB 67 or 74 criteria, the assets and related liabilities are not shown on the statement of net position.

**NOTE 12 – 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, 2022, TVMWD Retiree Benefits Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	13
Inactive plan members entitled to but not yet receiving benefit payments	0
Active plan members	24
<b>Total</b>	<b>37</b>

**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](http://www.pars.org). For the year ended June 30, 2022, TVMWD's average contribution rate was 1.76% 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, 2022:

<b>Asset Class</b>	<b>Target Allocation</b>
Mutual Funds-Equity	47%
Mutual Funds-Fixed Income	47%
Cash and Equivalents	6%
<b>Total</b>	<b>100%</b>

**Rate of return**

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (11.85)%. 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, 2022**

**NOTE 12 – OTHER POST EMPLOYMENT BENEFITS  
(Continued)**

**Net OPEB Liability**

The components of the Net OPEB Liability at June 30, 2022 were as follows:

Total OPEB Liability	\$1,710,530
Plan fiduciary net position	<u>(1,014,207)</u>
TVMWD's net OPEB Liability	<u>\$ 696,323</u>
Plan fiduciary net position as a percentage of the total OPEB liability	59%

Deferred outflows and inflows of resources related to OPEB as of June 30, 2022 were:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$123,284	\$6,878
Changes in assumptions	282,457	133,638
Net differences between projected and actual earnings on OPEB investments	89,211	0
Total	\$494,952	\$140,516

Amounts reported as deferred outflows and inflows will be recognized in OPEB expense as follows:

<u>For the Fiscal Year Ending June 30</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2023	\$63,512
2024	63,826
2025	45,696
2026	117,826
2027	63,576
Thereafter	-
Total	<u>\$354,436</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 5.7 years.

**Actuarial assumptions**

The total OPEB liability was determined by an actuarial valuation as of April 1, 2021. Update procedures were used to roll forward the total OPEB liability to June 30, 2022. The following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.00%, average, including inflation
Investment rate of return	5.3%, net of trust investment and administrative fees. At 6-30-2020 the rate was 6.15%
Healthcare cost trend rates	5.7% in 2022, down to 4% by 2076 in periodic steps of .1

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 5.3%. 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 (4.3%) or 1% point higher (6.3%) than the current discount rate:

<b>Net OPEB Liability</b>		
<b>1% Decrease 4.3%</b>	<b>Discount Rate 5.3%</b>	<b>1% Increase 6.3%</b>
\$ 876,615	\$ 696,323	\$ 541,775

**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 (5.7% decreasing to 4.7%) or 1% point higher (5.7% increasing to 6.7%) than the current healthcare cost trend rates:

<b>Net OPEB Liability</b>		
<b>1% Decrease 4.7%</b>	<b>Healthcare Cost Trend Rate 5.7%</b>	<b>1% Increase 6.7%</b>
\$ 603,286	\$ 696,323	\$ 802,028

**THREE VALLEYS MUNICIPAL WATER DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2022**

**NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

The long-term expected rate of return of 5.3% 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 <sup>(1)</sup>

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
2022	0.035930%	\$ 1,943,186	\$ 2,891,728	67.20%	90.94%
2021	0.039025%	\$ 4,246,130	\$ 2,743,774	154.76%	78.73%
2020	0.037537%	\$ 3,846,454	\$ 2,750,395	139.85%	77.98%
2019	0.035826%	\$ 3,452,268	\$ 2,662,296	129.67%	78.94%
2018	0.035482%	\$ 3,518,869	\$ 2,539,815	138.55%	75.38%
2017	0.034127%	\$ 2,953,009	\$ 2,419,392	122.06%	75.87%
2016	0.031250%	\$ 2,145,000	\$ 2,400,313	89.36%	79.82%
2015	0.033104%	\$ 2,059,901	\$ 2,287,837	90.04%	78.40%

**Notes to Schedule:**

Benefit Changes: None.

<sup>(1)</sup> 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 eight 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, 2022<sup>(1)</sup>

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
2022	\$ 630,803	\$(630,803)	\$ -	\$ 3,181,568	19.83%	6/30/2020
2021	\$ 560,009	\$(560,009)	\$ -	\$ 2,863,454	19.56%	6/30/2019
2020	\$ 485,393	\$(485,393)	\$ -	\$ 2,743,774	17.69%	6/30/2018
2019	\$ 426,711	\$(426,711)	\$ -	\$ 2,750,395	15.51%	6/30/2017
2018	\$ 363,282	\$(363,282)	\$ -	\$ 2,662,296	13.65%	6/30/2016
2017	\$ 324,213	\$(324,213)	\$ -	\$ 2,539,815	12.77%	6/30/2015
2016	\$ 286,627	\$(286,627)	\$ -	\$ 2,419,392	11.85%	6/30/2014
2015	\$ 272,007	\$(272,007)	\$ -	\$ 2,400,313	11.33%	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	Fair 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.

<sup>(1)</sup> 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 eight 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, 2022<sup>(1)</sup>

FISCAL YEAR	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>						
Service cost	\$ 59,377	\$ 50,376	\$ 48,909	\$ 35,365	\$ 34,335	\$ 22,989
Interest	88,487	77,554	73,742	84,221	65,379	63,032
Differences between expected and actual experience	-	99,602	(13,757)	-	110,332	-
Changes of assumptions	-	262,184	(267,276)	-	140,935	143,737
Benefit payments	(95,064)	(85,295)	(53,555)	(47,588)	(41,611)	(23,007)
Net changes in total OPEB liability	52,800	404,421	(211,937)	71,998	309,370	206,751
Total OPEB liability - beginning	\$ 1,657,730	\$ 1,253,309	\$ 1,465,246	\$ 1,393,247	\$ 1,083,877	\$ 877,126
Total OPEB liability - ending (a)	<u>\$ 1,710,530</u>	<u>\$ 1,657,730</u>	<u>\$ 1,253,309</u>	<u>\$ 1,465,245</u>	<u>\$ 1,393,247</u>	<u>\$ 1,083,877</u>
<b>Plan fiduciary net position</b>						
Contributions-employer	\$ 95,064	\$ 85,295	\$ 53,555	\$ 47,588	\$ 41,611	\$ 138,561
Net investment income	(136,378)	185,799	38,250	55,386	45,031	52,341
Benefit payments	(95,064)	(85,295)	(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	(136,378)	185,799	35,897	53,174	42,873	166,738
Plan fiduciary net position-beginning	1,150,585	964,786	928,889	875,715	832,842	666,104
Plan fiduciary net position-ending(b)	<u>\$ 1,014,207</u>	<u>\$ 1,150,585</u>	<u>\$ 964,786</u>	<u>\$ 928,889</u>	<u>\$ 875,715</u>	<u>\$ 832,842</u>
Net OPEB liability	<u>\$ 696,323</u>	<u>\$ 507,145</u>	<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	59%	69%	77%	63%	63%	77%
Covered-employee payroll	\$ 3,181,568	\$ 2,863,454	\$ 2,743,774	\$ 2,750,395	\$ 2,662,296	\$ 2,539,815
TVMWD's net OPEB liability as a percentage of covered-employee payroll	21.89%	17.71%	10.52%	19.50%	19.44%	9.88%

<sup>(1)</sup> 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, 2022<sup>(1)</sup>

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
2022	\$85,926	\$ (95,064)	\$ (9,138.0)	\$3,181,568	2.70%	4/1/2021
2021	\$83,411	\$ (85,295)	\$ (1,884.0)	\$2,863,454	2.91%	4/1/2021
2020	\$38,993	\$ (48,157)	\$ (9,163.6)	\$2,743,774	1.42%	7/1/2019
2019	\$47,588	\$ (30,971)	\$ 16,617.0	\$2,750,395	1.73%	7/1/2017
2018	\$41,611	\$ (27,470)	\$ 14,141.0	\$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	30 years
Asset valuation method	Fair value
Inflation	2.50%
Healthcare cost trend rates	5.7% in 2022 down to 4% by 2076 in periodic steps of 0.1
Salary increases	3.00% per year
Investment rate of return	5.30%
Retirement age	CalPERS: From 50 to 75
Mortality	CalPERS 2017 Experience Study

<sup>(1)</sup> 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 April 1, 2021 Actuarial Valuation Report

## SCHEDULE 5

**Three Valleys Municipal Water District**  
 Schedule of Investment Returns - OPEB Trust  
 Last Ten Fiscal Years<sup>(1)</sup>

Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2022	(11.85)%
2021	19.26%
2020	3.89%
2019	6.07%
2018	6.15%
2017	7.94%

<sup>(1)</sup> 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, 2022**

This part of TVMWD's ACFR 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.

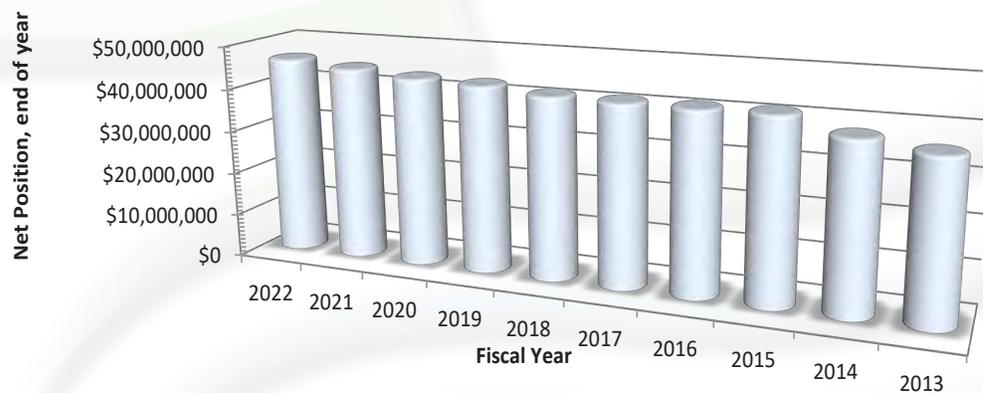
### **Operating Information**

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Operating revenues (see Schedule 3)	\$ 77,904,362	\$ 78,566,429	\$ 69,287,655	\$ 67,239,719	\$ 64,251,879	\$ 65,041,248	\$ 55,387,218	\$ 58,657,568	\$ 66,759,939	\$ 59,240,205
Operating expenses (see Schedule 4)	79,207,215	80,357,005	71,974,662	69,081,691	66,272,700	66,736,601	57,910,157	61,091,237	68,546,823	60,088,682
Total operating income (loss)	(1,302,853)	(1,790,576)	(2,687,007)	(1,841,972)	(2,020,821)	(1,695,353)	(2,522,939)	(2,433,669)	(1,786,884)	(848,477)
Nonoperating revenues (expenses)										
Property tax revenue	2,940,933	2,858,584	2,625,061	2,481,726	2,291,505	2,266,019	2,091,254	2,014,754	1,886,998	1,958,128
Sublease income	-	-	-	-	-	-	-	5,775,000	821,303	832,593
Investment income	(324,563)	40,175	341,434	513,710	3,089	25,793	226,747	136,976	236,128	72,974
Intergovernmental grants revenue	-	-	-	-	-	-	6,121	46,924	115,962	-
Intergovernmental grants expense	-	-	-	-	-	-	(6,121)	(46,924)	(115,962)	-
Interest expense	-	-	-	-	-	-	-	-	(29,787)	(221,353)
Amortization of deferred bond costs/refunding	-	-	-	-	-	-	-	-	(195,647)	(183,225)
Reimbursements revenue	-	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of assets	(77,941)	(62,868)	(38,360)	(52,553)	(40,400)	(88,421)	(40,173)	(12,109)	(104,254)	(3,296,81)
Other non-operating revenues (expenses)	-	-	-	-	-	-	-	-	-	-
Total nonoperating revenues (expenses)	2,538,429	2,835,891	2,928,135	2,942,883	2,254,194	2,203,391	2,277,828	7,914,621	2,614,741	2,455,820
Net income before contributions and change in accounting principle	1,235,576	1,045,315	241,128	1,100,911	233,373	508,038	(245,111)	5,480,952	827,857	1,607,343
Contributions	33,021	152,102	218,649	98,500	2,000	5,250	111,150	618,666	1,742,423	-
Change in net position	1,268,597	1,197,417	459,777	1,199,411	235,373	513,288	(133,961)	6,099,618	2,570,280	1,607,343
Net Position, beginning of year	44,992,143	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
Prior period adjustment	(1,816) <sup>5</sup>	-	-	-	-	(471,438) <sup>4</sup>	-	(2,570,344) <sup>3</sup>	(613,501) <sup>2</sup>	(50,495) <sup>1</sup>
<b>Net Position, end of year, as restated (see Schedule 2)</b>	<b>\$ 46,258,924</b>	<b>\$ 44,992,143</b>	<b>\$ 43,794,726</b>	<b>\$ 43,334,949</b>	<b>\$ 42,135,538</b>	<b>\$ 41,900,165</b>	<b>\$ 41,858,315</b>	<b>\$ 41,992,276</b>	<b>\$ 38,463,002</b>	<b>\$ 36,506,223</b>



<sup>1</sup> Prior Period Adjustment related to removal of prepaid pension asset.

<sup>2</sup> Prior Period Adjustment related to change in accounting principle.

<sup>3</sup> Prior Period Adjustment related to removal of MWD assets.

<sup>4</sup> Prior Period Adjustment related to GASB 68.

<sup>5</sup> Prior Period Adjustment related to GASB 87.

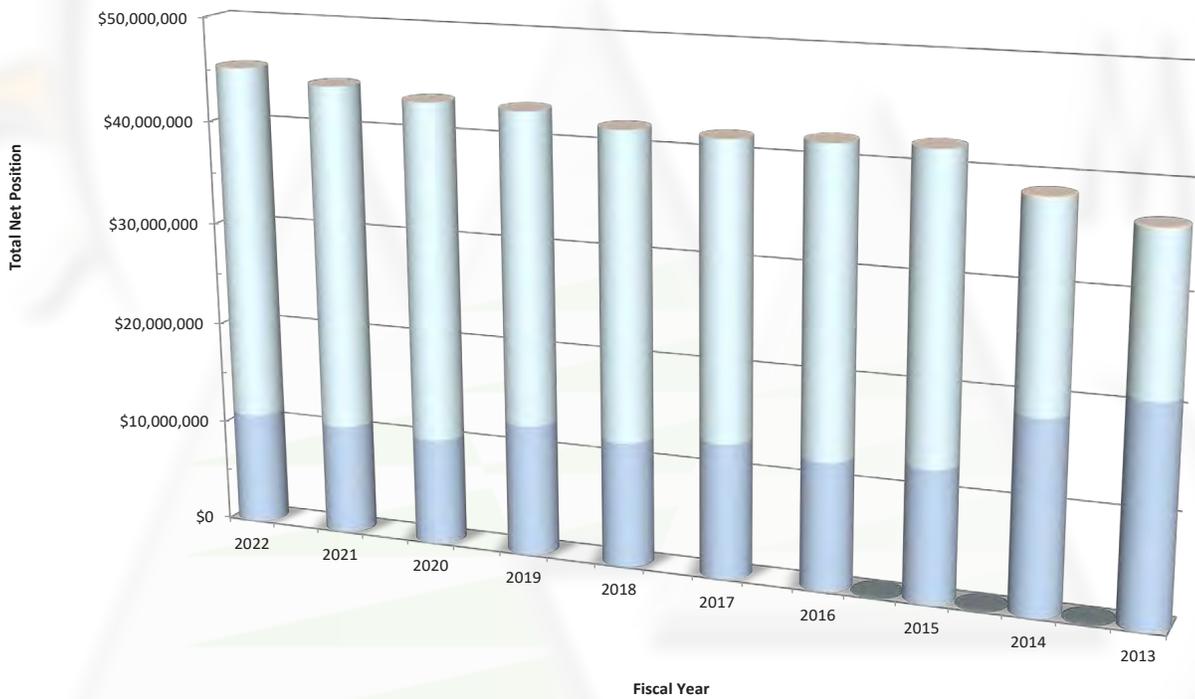
NOTE: Revenues and expenses in prior years may be reclassified to conform to current year presentation.

SOURCE: TVMWD - Finance Department

SCHEDULE 2

Three Valleys Municipal Water District  
Components of Net Position  
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net investment in capital assets	\$ 34,323,678	\$ 33,286,014	\$ 32,705,438	\$ 29,990,254	\$ 29,558,377	\$ 28,369,643	\$ 29,354,853 <sup>1</sup>	\$ 29,078,712 <sup>1</sup>	\$ 19,483,706	\$ 15,073,992
Restricted for debt service	-	-	-	-	-	-	-	-	225,000	227,163
Restricted for pensions	972,692	885,040	649,072	415,437	341,101	338,096	-	-	-	-
Unrestricted	10,962,554	10,821,089	10,440,216	12,929,258	12,236,060	13,192,426	12,503,462	12,913,564	18,754,296	21,205,068
<b>Total Net Position</b>	<b>\$ 46,258,924</b>	<b>\$ 44,992,143</b>	<b>\$ 43,794,726</b>	<b>\$ 43,334,949</b>	<b>\$ 42,135,538</b>	<b>\$ 41,900,165</b>	<b>\$ 41,858,315</b>	<b>\$ 41,992,276</b>	<b>\$ 38,463,002</b>	<b>\$ 36,506,223</b>



<sup>1</sup> Increase due to significant increase in capital assets and construction in progress during fiscal year.

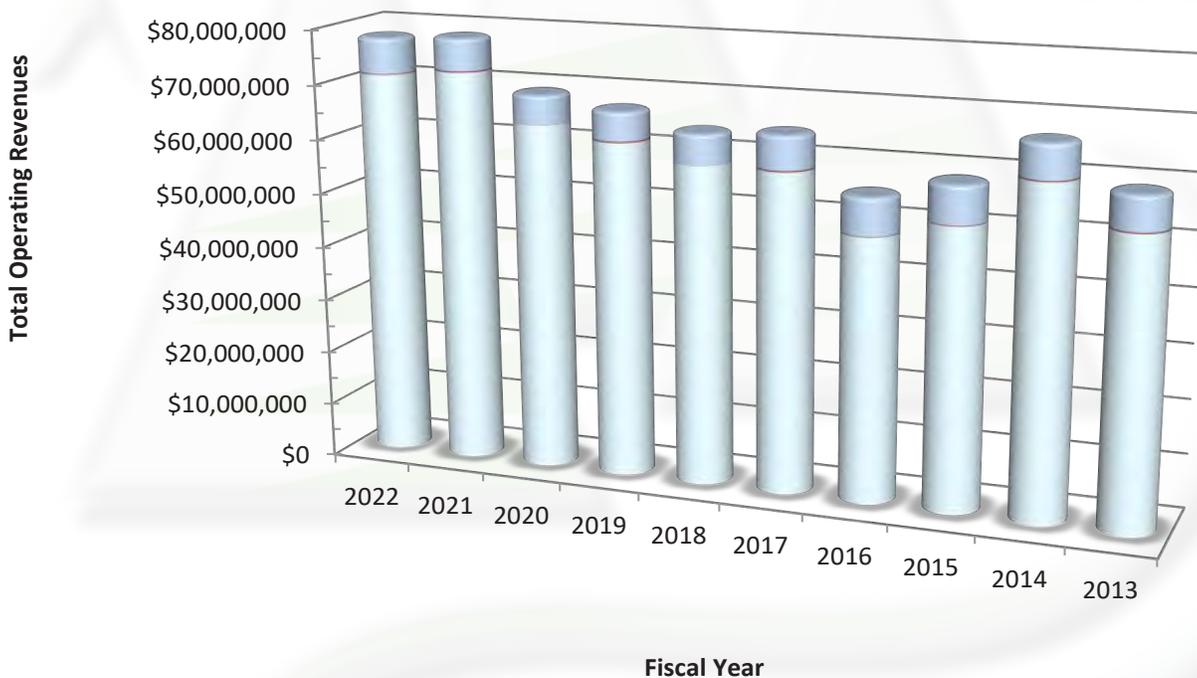
**NOTE:** Revenues and expenses in prior years may be reclassified to conform to current year presentation.

**SOURCE:** TVMWD - Finance Department

SCHEDULE 3

Three Valleys Municipal Water District  
 Operating Revenues by Source  
 Last Ten Fiscal Years

Fiscal Year	Water Sales <sup>1</sup>	Hydroelectric Sales	Water Use and Connection Charges	Total Operating Revenues
2022	\$ 71,268,988	\$ 133,303	\$ 6,502,071	\$ 77,904,362
2021	72,508,611	210,126	5,847,692	78,566,429
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



<sup>1</sup> Water sales will vary depending upon a variety of external factors beyond TVMWD's control such as rainfall, population growth and supply fluctuations.

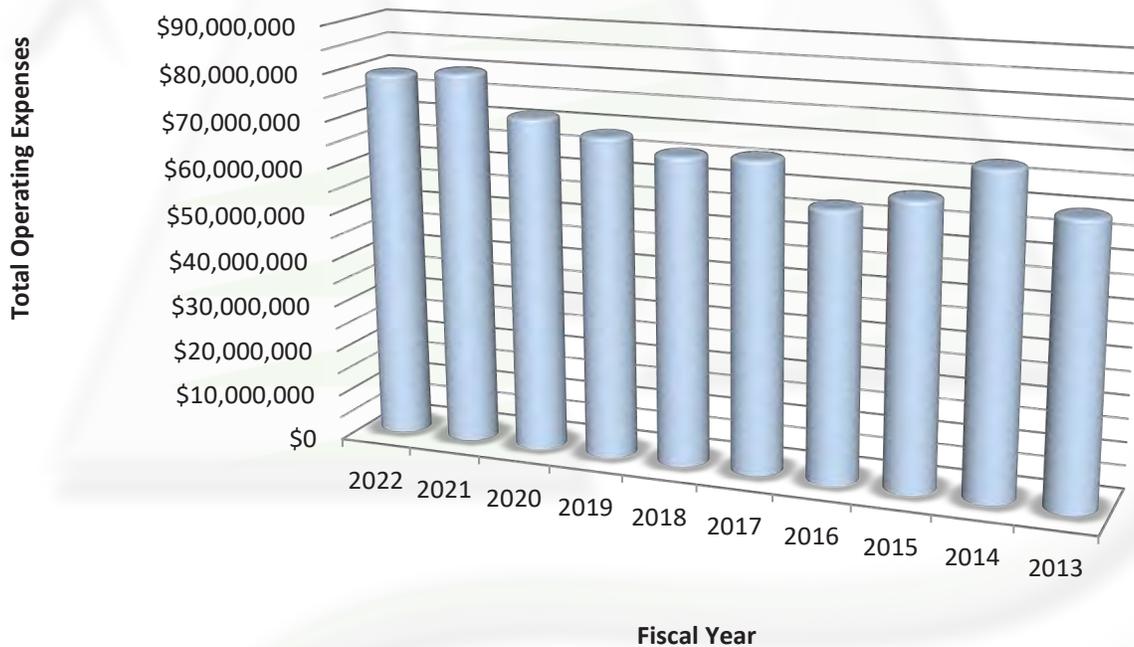
NOTE: Revenues in prior years may be reclassified to conform to current year presentation.

SOURCE: TVMWD - Finance Department

SCHEDULE 4

Three Valleys Municipal Water District  
Operating Expenses by Activity  
Last Ten Fiscal Years

Fiscal Year	Water Purchases <sup>1</sup>	Water Treatment and Distribution	Water Use and Connection	General and Administration	Depreciation	Total Operating Expenses
2022	\$ 64,350,362	\$ 3,322,872	\$ 5,762,759	\$ 4,120,212	\$ 1,651,010	\$ 79,207,215
2021	64,978,664	3,565,287	5,136,217	5,055,671	1,621,166	80,357,005
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



<sup>1</sup> Water purchases will vary depending upon a variety of external factors beyond TVMWD's control such as rainfall, population growth and supply fluctuations.

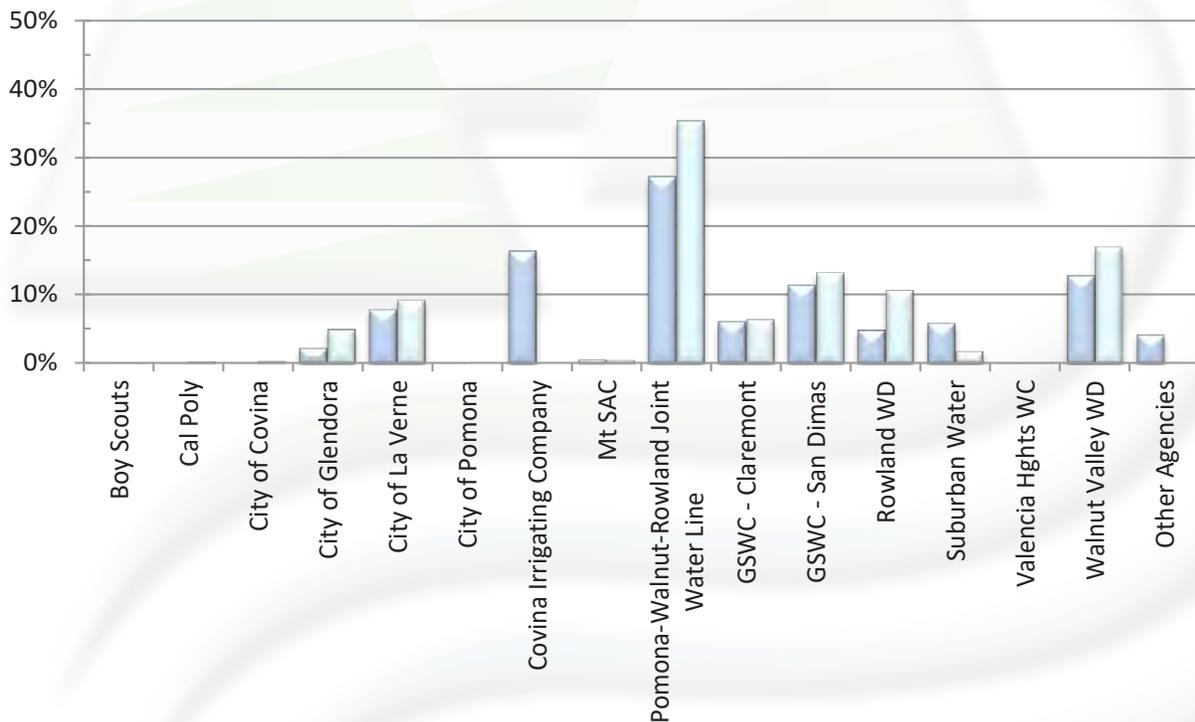
**NOTE:** Expenses in prior years may be reclassified to conform to current year presentation.

**SOURCE:** TVMWD - Finance Department

SCHEDULE 5

**Three Valleys Municipal Water District**  
 Prinicipal Water Customers Changes in Past Ten Years  
 Current Fiscal Year and Nine Years Ago

Member Agency	Acre-Feet Sold FY 2022	Percentage of total	Acre-Feet Sold FY 2013	Percentage of total
Boy Scouts of America - Firestone Reservation	26	0.04%	35	0.05%
California State Polytechnic University, Pomona	97	0.14%	202	0.31%
City of Covina	24	0.03%	239	0.36%
City of Glendora	1,567	2.28%	3,299	5.03%
City of La Verne	5,411	7.88%	6,083	9.27%
City of Pomona	0	0.00%	-	0.00%
Covina Irrigating Company	11,241	16.37%	-	0.00%
Mt. San Antonio College	401	0.58%	341	0.52%
Pomona-Walnut-Rowland Joint Water Line	18,658	27.16%	23,140	35.28%
Golden State Water Company - Claremont	4,246	6.18%	4,222	6.44%
Golden State Water Company - San Dimas	7,854	11.44%	8,691	13.25%
Rowland Water District	3,368	4.90%	7,017	10.70%
Suburban Water Systems	4,035	5.88%	1,158	1.77%
Valencia Heights Water Company	77	0.11%	2	0.00%
Walnut Valley Water District	8,802	12.82%	11,172	17.02%
Other Agencies	2,876	4.19%	-	0.00%
	<b>68,683</b>	<b>100.00%</b>	<b>65,601</b>	<b>100.00%</b>

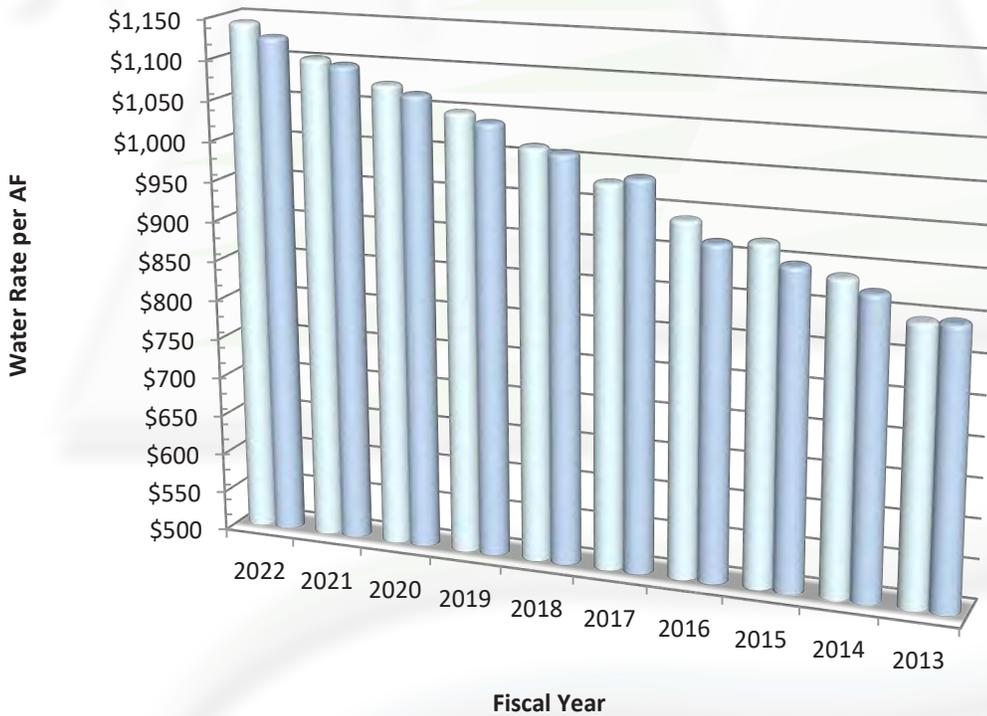


SOURCE: TVMWD - Finance Department

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
2022	\$ 1,143	\$ (16)	\$ 1,127
2021	1,104	(6)	1,098
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



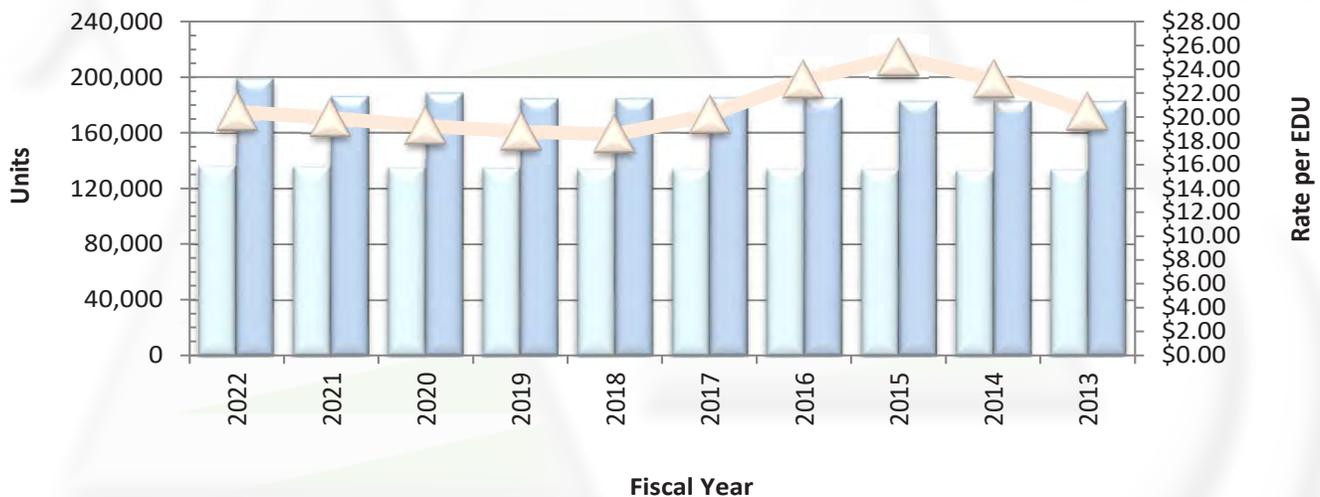
**Note:** All amounts are per acre foot.

**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 <sup>1</sup>	EDUs <sup>2</sup>	Rate per EDU <sup>3</sup>
2022	136,367	198,835	\$20.43
2021	135,607	186,373	\$19.90
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



<sup>1</sup> All parcels in service area including residential, commercial, vacant and industrial. Excluded parcels are public streets, right-of-ways, easements and public property.

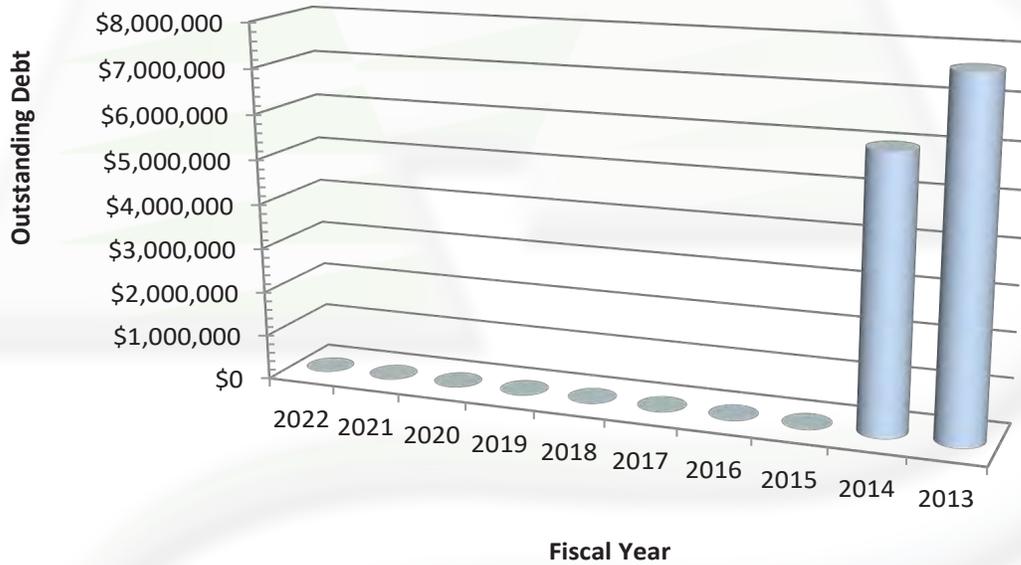
<sup>2</sup> EDUs are assigned to each parcel in proportion to the estimated benefit it receives from the availability of water service. A Single Family Residential parcel, the basic unit for calculating the Assessment, is defined as 1.0 EDU. Other land uses are assigned proportional EDUs.

<sup>3</sup> 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
2022	\$ -	\$ -	\$ -	0.00%
2021	-	-	-	0.00%
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%



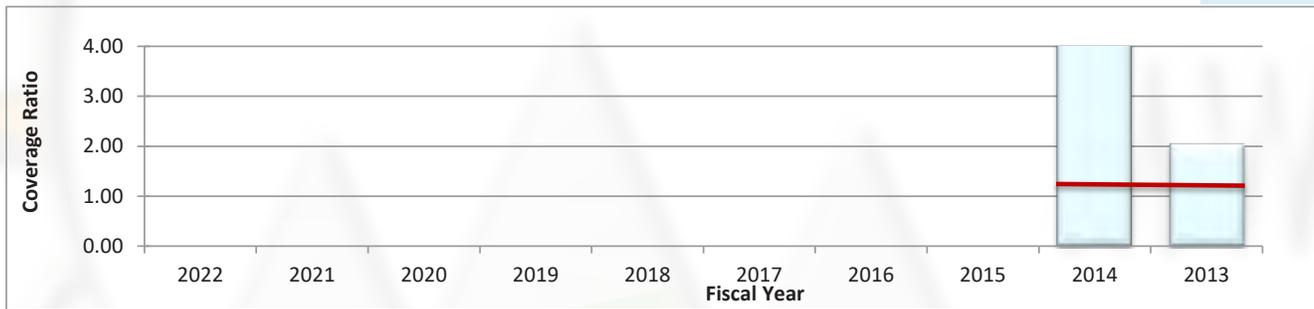
SOURCE: TVMWD - Finance Department

SCHEDULE 9

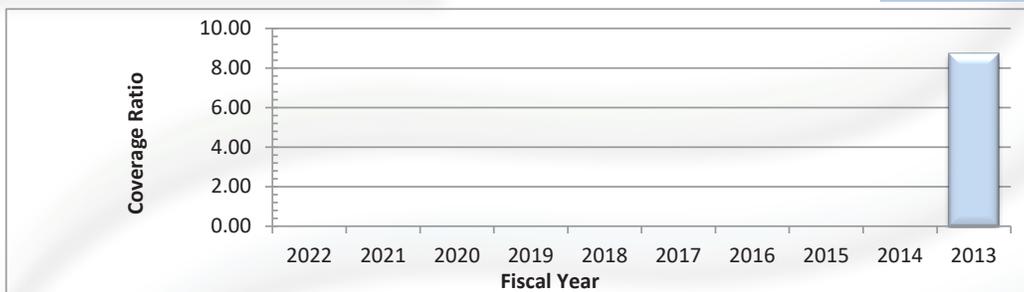
Three Valleys Municipal Water District  
Debt Coverage  
Last Ten Fiscal Years

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Fiscal Year	Revenues <sup>1</sup>	Expenses <sup>2</sup>	Net Available Revenue	Debt Service		Total	Coverage Ratio <sup>3</sup>
				Principal	Interest		
2022	\$80,442,791	\$77,556,205	\$ 2,886,586	\$ -	\$ -	\$ -	0.00
2021	81,402,319	78,735,839	2,666,480	-	-	-	0.00
2020	72,215,790	70,423,525	1,792,265	-	-	-	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



Fiscal Year	Unencumbered Cash and Cash Equivalents	Debt Service		Total	Coverage Ratio <sup>3</sup>
		Principal	Interest		
2022	\$ 4,687,799	\$ -	\$ -	\$ -	0.00
2021	3,852,001	-	-	-	0.00
2020	1,568,103	-	-	-	0.00
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



<sup>1</sup> Revenues include operating and non-operating revenues less GSWC interest payments.

<sup>2</sup> Expenses include operating and non-operating expenses less depreciation, amortization and interest.

<sup>3</sup> Bond covenant debt coverage ratio of 1.15 is now 0 because debt has been fully repaid.

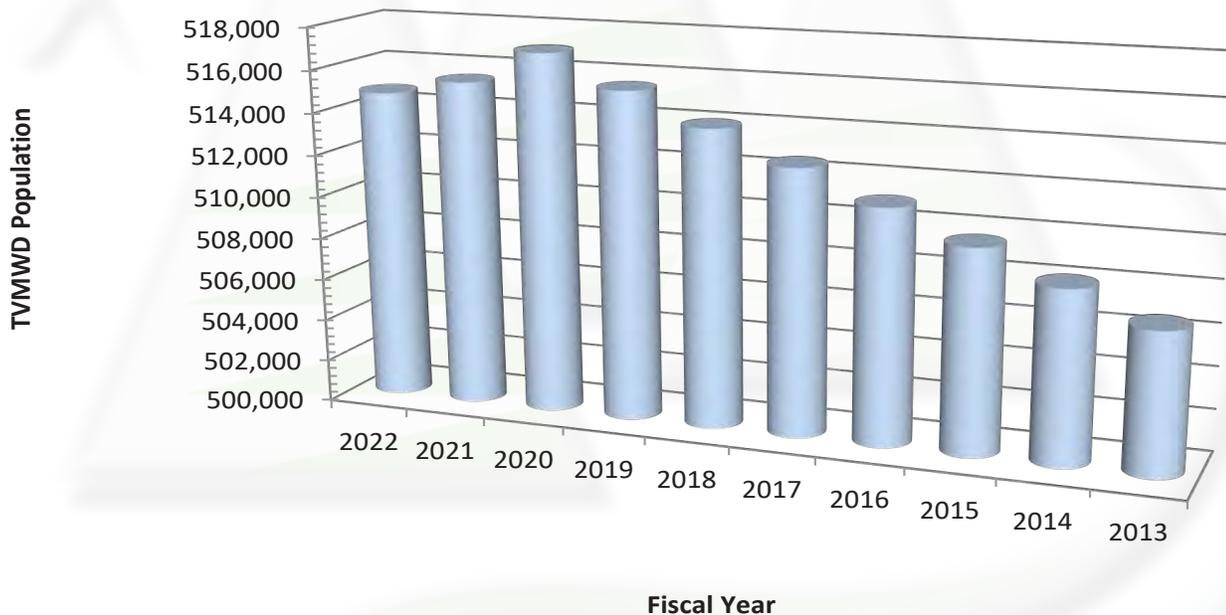
NOTE: Revenues and expenses in prior years may be reclassified to conform to current year presentation.

SOURCE: TVMWD - Finance Department

SCHEDULE 10

Three Valleys Municipal Water District  
Demographic and Economic Statistics  
Last Ten Fiscal Years

Fiscal Year	TVMWD Population Estimate <sup>1</sup>	County of Los Angeles			
		Unemployment Rate	Population	Personal Income (in thousands)	Personal Income per Capita
2022	514,778	6.4%	9,860,000	609,636,061	59,482
2021	515,477	9.3%	10,080,000	620,179,106	60,511
2020	517,066	13.6%	10,382,000	630,904,482	61,557
2019	515,575	4.4%	10,382,000	619,749,000	60,469
2018	514,089	4.6%	10,328,000	602,632,000	58,818
2017	512,607	4.7%	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



<sup>1</sup> Population estimate is based on TVMWD's population for years 2010 and 2021; the estimate is a percentage of the increase projected for the County of Los Angeles.

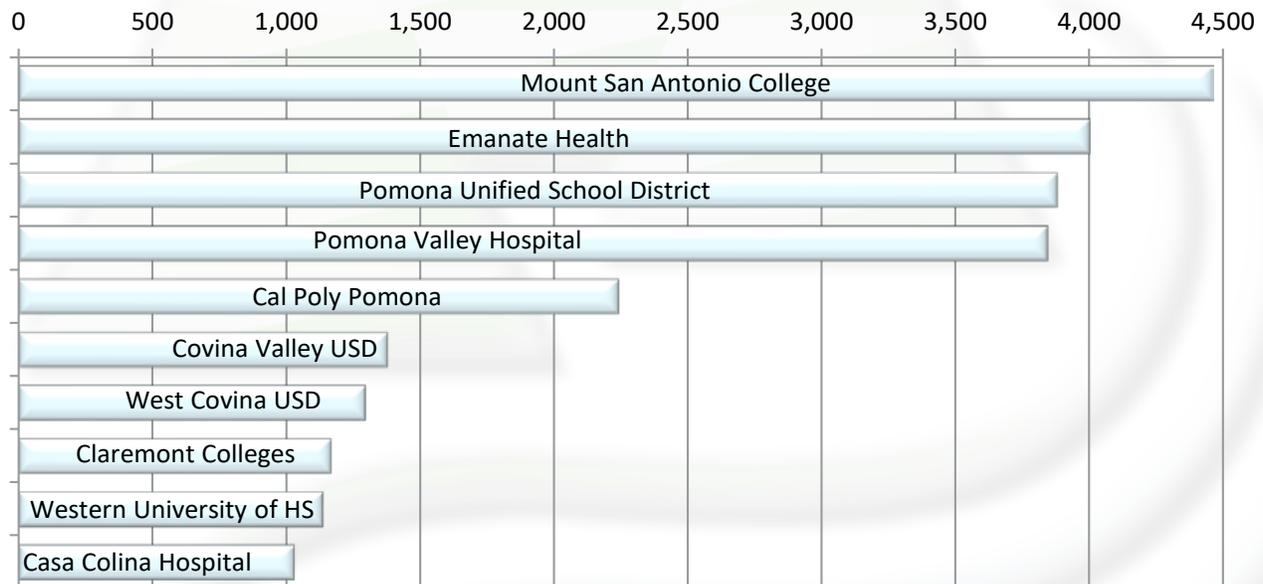
**NOTE:** Certain economic indicators such as unemployment rate and personal income are not calculated separately for TVMWD. Therefore, TVMWD has chosen to use the County of Los Angeles data, which is representative of the conditions and experiences of TVMWD.

**SOURCES:** LAEDC 2022 Economic Forecast and Industry Outlook

**SCHEDULE 11**

**Three Valleys Municipal Water District**  
**Principal Employers Changes in Past Ten Years**  
**Calendar Year 2021**

<b>Employer</b>	<b>Number of Employees FY 2021</b>	<b>Percentage of Total Employment</b>	<b>Number of Employees FY 2012</b>	<b>Percentage of Total Employment</b>
Mount San Antonio College	4,462	2.3%	3,103	1.6%
Emanate Health	4,000	2.1%	3,500	1.8%
Pomona Unified School District	3,878	2.0%	2,961	1.5%
Pomona Valley Hospital	3,842	2.0%	2,980	1.5%
Cal State Polytechnic University Pomona	2,240	1.1%	2,154	1.1%
Covina Valley Unified School District	1,378	0.7%	1,882	1.0%
West Covina Unified School District	1,296	0.7%	1,277	0.7%
Claremont Colleges	1,169	0.6%	3,600	1.8%
Western University of Health Sciences	1,137	0.6%		
Casa Colina Hospital and Centers	1,031	0.5%		
Lanterman Development Center			976	0.5%
Glendora Unified School District	734	0.4%	658	0.3%



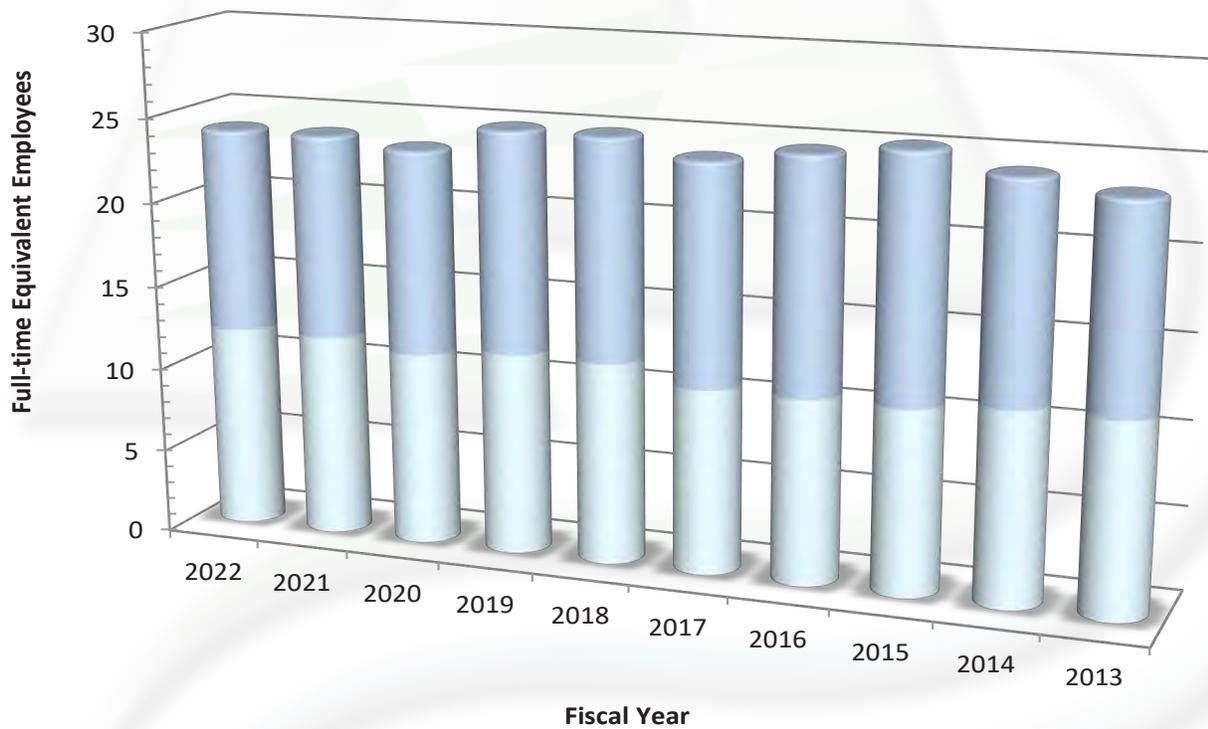
**NOTE:** The percentage of total employment is based on an estimate of 195,000 jobs in TVMWD's area.

**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
2022	12.00	12.00	24.00
2021	12.00	12.00	24.00
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

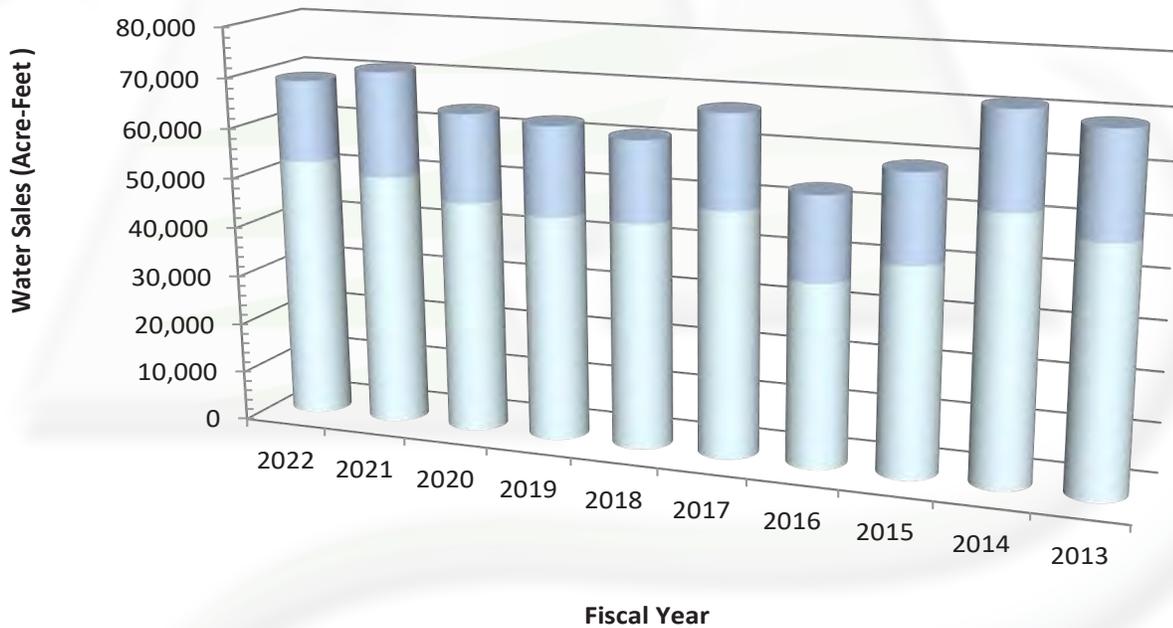


SOURCE: TVMWD - Finance Department

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
2022	52,450	16,233	68,683
2021	50,394	20,989	71,383
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



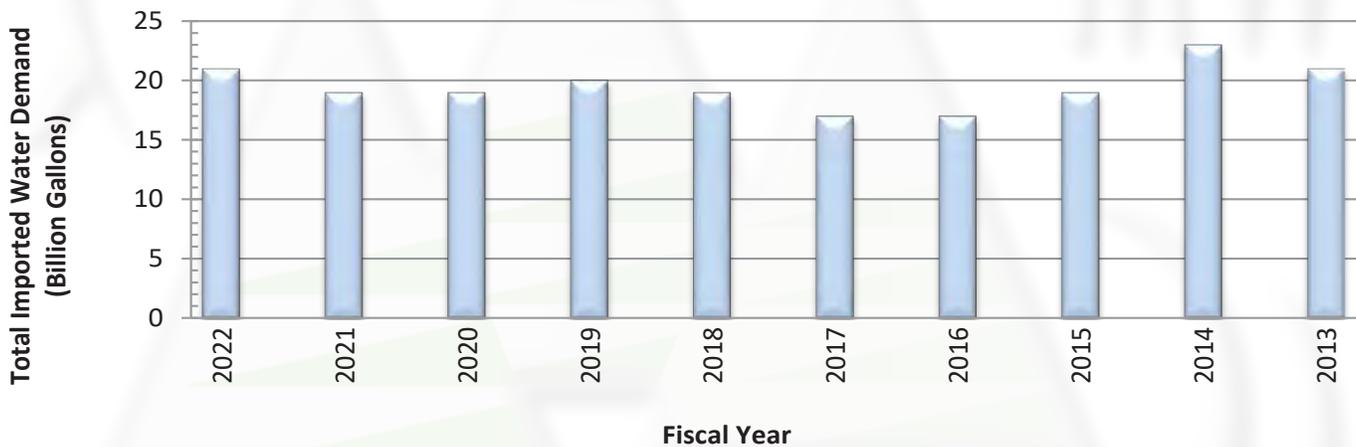
**Note:** Water Sales will vary depending upon a variety of external factors beyond TVMWD's control such as rainfall, population growth and supply fluctuations.

**SOURCE:** TVMWD - Finance Department

**SCHEDULE 14**

**Three Valleys Municipal Water District  
Miscellaneous Operating Statistics  
Last Ten Fiscal Years**

	FISCAL YEAR									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>TVMWD's SERVICE AREA:</b>										
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)	43,052	58,852	62,998	61,994	59,488	51,660	51,600	57,116	70,061	64,858
<b>Imported (Billion gallons)</b>	<b>21</b>	<b>19</b>	<b>19</b>	<b>20</b>	<b>19</b>	<b>17</b>	<b>17</b>	<b>19</b>	<b>23</b>	<b>21</b>
Total water demand	43,052	58,852	62,998	61,994	59,488	51,660	51,600	57,116	70,061	64,858



	FISCAL YEAR									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>MIRAMAR WATER TREATMENT PLANT AND PIPELINES:</b>										
Length of pipeline (in miles)	10	10	10	10	10	10	10	10	10	10
Annual production (Acre-feet)	19,017	19,017	17,660	17,865	16,191	18,591	16,710	17,458	18,791	20,508
Annual production (billion gallons)	7	6	5	6	5	6	5	6	6	7
Number of connections	13	13	13	13	13	13	13	12	12	12
Hydroelectric Facilities										
Number of generating stations	5	5	5	5	5	5	5	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

- ACFR – Annual Comprehensive Financial Report
- ACWA/JPIA – Association of California Water Agencies /Joint Power Insurance Authority
- AF – Acre-Feet
- AFY – Acre-Feet per Year
- CalPERS – California Public Employees Retirement System
- CAMP – California Asset Management Program
- County – Los Angeles County
- 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
- LACFCD – Los Angeles County Flood Control District
- 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
- SCE – Southern California Edison
- 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
- SWP – State Water Project
- TVMWD – Three Valleys Municipal Water District



# EVENTS AND ACTIVITIES

## FACILITIES TOUR



## OUTREACH



## MWD



## LEADERSHIP BREAKFAST



REACH CAMP CERTIFICATES



SEMS/NIMS TRAINING



SHUTDOWN



GREAT CAL SHAKEOUT



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

**PHONE: (909) 621-5568**

**FAX: (909) 625-5470**

**[www.threevalleys.com](http://www.threevalleys.com)**



**BOARD ACTION**

## BOARD OF DIRECTORS STAFF REPORT

**To:** TVMWD Board of Directors  
**From:** Matthew H. Litchfield, General Manager   
**Date:** October 19, 2022  
**Subject:** **Reserve Schedule for Fiscal Year Ended June 30, 2022**

---

**Funds Budgeted:** \$

**Fiscal Impact:** \$

### **Staff Recommendation**

**Board adoption of staff's recommendations for allocation of reserves.**

### **Background**

Attached for Board review is the Reserves Schedule as of June 30, 2022 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.

At the last meeting the Board requested a discussion on the Water Rate Stabilization reserve policy. This reserve is to help fund operations when water sales are less than budgeted. The reserve targets are set at an amount to supplant any lost income in the event of a 10% water sales shortage over a 2-3 year period. The current calculation of this shortfall is approximately \$700,000 annually, thus the reserve level is set at a low of \$1,400,000 and a high of \$2,100,000 to cover the 2-3 year period. These levels are recalculated annually for strategic plan adoption.

The intent of this reserve is not to keep rates lower than needed. Its purpose is to backfill revenues until the next time we set rates based on what may be a new normal for water sales.

**Discussion:**

**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.

- \$30,842 remains from projects completed or that will not continue as of June 30, 2022. As has been customary, staff recommends returning these funds to Capital Asset reserves.
- \$1,673,757 remains from projects that are incomplete as of June 30, 2022. Staff recommends carrying these funds forward to FY 22-23 to finish these projects.

**Assigned (Board Designated) and Unassigned (General):**

- There are excess reserves of \$755,763 from FY 21-22. Staff recommends allocating \$46,245 to Water Rate Stabilization reserves and \$76,989 to Capital Asset reserves to bring these categories to their lower goal targets. The remaining \$632,529 would be added to unassigned General reserves.
- Board Elections reserves will be at lower goal target just as we pay for the next elections.
- Total Board Designated and Unassigned reserves will be approximately \$9.3 million. This is below our \$10 million goal target for Emergency reserves, however with the budget adopted for FY 22-23, we expect this to increase to \$10.6 million.

**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 – Reserve Schedule as of Fiscal Year End June 30, 2022

**Meeting History**

Board of Directors Meeting, October 5, 2022, Informational Item Only

NA/JL

# Item 9.B - Exhibit A

## TMWD RESERVES SCHEDULE

FUND BALANCE	June 30, 2021 BALANCE	SOURCES	USES	TRANSFERS	Capital Asset Reserve	Year End Allocation	June 30, 2022 BALANCE
<b>NONSPENDABLE</b>							
Deposits	8,976	-	(8,976)	-	-	-	-
Invested in Capital Assets net of related debt	33,284,198	1,116,465	(172,192)	95,207	-	-	34,323,678
	\$ 33,293,174	\$ 1,116,465	\$ (181,168)	\$ 95,207	\$ -	\$ -	\$ 34,323,678

June 30, 2023 BALANCE	RESERVE GOAL

<b>RESTRICTED</b>							
Restricted for pension trust	885,040	200,000	(112,348)	-	-	-	\$ 972,692
	\$ 885,040	\$ 200,000	\$ (112,348)	\$ -	\$ -	\$ -	\$ 972,692

<b>RESERVED FOR ENCUMBRANCE</b>							
Filter Aid System Upgrades	30,000	-	-	-	-	-	30,000
MiraGrand Well	136,544	1,000,000	(2,294,868)	2,185,000	-	-	1,026,676
PM-26 Expansion	-	100,000	(34,183)	-	-	-	65,818
Emergency Electrical Upgrades	19,530	250,000	(13,270)	-	-	-	256,260
Well #1 Rehabilitation	11,847	-	-	-	(11,847)	-	-
Emerald Relocation	60,000	-	(118,898)	63,000	(4,102)	-	(0)
PM-27 Connection	25,000	-	-	(25,000)	-	-	-
PM-29 Connection	25,000	-	-	(25,000)	-	-	-
Security Equipment	-	200,000	(90,371)	-	-	-	109,629
BFP Belt Replacement	-	84,000	(1,213)	(70,000)	(12,787)	-	0
Turbidimeters Replacement	-	40,000	(37,894)	-	(2,106)	-	0
Chlorine System	-	250,000	(86,341)	(63,000)	-	-	100,659
CalTrans Well	-	50,000	-	-	-	-	50,000
Analyzers - Chemical Systems	-	10,000	-	13,000	-	-	23,000
GIS Services	-	50,000	(38,285)	-	-	-	11,715
	\$ 307,921	\$ 2,034,000	\$ (2,715,322)	\$ 2,078,000	\$ (30,842)	\$ -	\$ 1,673,757

<b>BOARD DESIGNATED</b>							
Board Elections	195,049	90,000	-	-	-	-	\$ 285,049
Water Rate Stabilization	1,353,755	-	-	-	-	46,245	1,400,000
Capital Asset R/R	5,552,169	-	-	(2,160,000)	30,842	76,989	3,500,000
Opportunity	2,350,000	-	-	-	-	-	2,350,000
Employee Benefits	378,237	300,000	-	-	-	-	678,237
Spadra Basin - Future Groundwater Project	232,000	-	(232,000)	-	-	-	-
Emergency	-	-	-	-	-	-	-
	\$ 10,061,210	\$ 390,000	\$ (232,000)	\$ (2,160,000)	\$ 30,842	\$ 123,234	\$ 8,213,286

	Lower	Upper
\$ 375,049	\$ 375,000	\$ 500,000
1,400,000	1,400,000	2,100,000
4,674,080	3,500,000	9,700,000
2,350,000	2,000,000	3,000,000
678,237	-	3,400,000
-	-	-
\$ 9,477,366	\$ 7,275,000	\$ 18,700,000

<b>UNASSIGNED</b>							
General	442,982	-	-	-	-	632,529	\$ 1,075,511
	\$ 442,982	\$ -	\$ -	\$ -	\$ -	\$ 632,529	\$ 1,075,511

\$ 1,109,457
\$ 1,109,457

<b>TOTAL FUND BALANCE</b>	\$ 44,990,327						\$ 46,258,924
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**BOARD ACTION****BOARD OF DIRECTORS  
STAFF REPORT**

**To:** TVMWD Board of Directors  
**From:** Matthew H. Litchfield, General Manager   
**Date:** October 19, 2022  
**Subject:** **Master On-Call Professional Services Agreements Award**

---

Funds Budgeted: \$

Fiscal Impact: \$

**Staff Recommendation**

It is recommended that the **Board of Directors:**

- I. Award the Master On-Call Professional Services Agreements to the following consultants for their respective specialties;**

1. Anser Advisory	Construction Management
2. Cannon	Engineering and Survey
3. CSI Services, Inc.	Construction Management and Material Testing
4. GEI Consultants, Inc.	Planning and Engineering
5. Intera Inc.	Planning
6. Kennedy Jenks	Engineering
7. Leighton	Engineering and Material Testing
8. Michael Baker	Construction Management
9. MWH Constructors	Construction Management
10. Rincon Consultants, Inc.	Environmental Services
11. Smith Emery Laboratories	Material Testing
12. Thomas Harder & Co	Engineering
13. Tom Dodson & Associates	Environmental Services
14. Traffic Control Engineering	Traffic Control
15. Water Systems Consulting	Planning and Engineering
16. West Yost	Planning
17. Woodard & Curran, Inc.	Planning and Environmental Services
18. Yao Engineering	Engineering

2. **Authorize the General Manager to issue task orders up to \$250,000 per task order for any of the task orders issued under On-Call Master Professional Services Contract; and**
3. **Authorize the General Manager to finalize and execute the Professional Services Agreement for the Master On-Call Professional Services, subject to non-substantive changes.**

### **Background**

To streamline professional services contract procurement and expeditiously complete projects to meet stringent timelines as required by many funding opportunities, Three Valleys Municipal Water District (TVMWD) desired to establish a Master On-Call PSA with a select list of qualified consulting firms. The services are expected to be provided on an intermittent, as-needed basis. When the need for professional services arises, TVMWD will request a proposal from one or more firms from the Master On-Call PSA and issue a Task Order.

### **Discussion**

On July 18, 2022, TVMWD invited professional services consultants to submit proposals for the Master On-Call PSA through PlanetBids [Request for Proposals/RFP]. PlanetBids provides a modular suite of leading electronic Procurement solutions to help organizations automate and better manage the complete competitive bidding process for goods, professional services and construction related projects, cost effectively and efficiently. TVMWD began the use of PlanetBids for procurement on July 1, 2022. The RFP provides the following categories for the Master On-Call PSA:

1. Planning
  - a. Water Resources Planning
  - b. Hydraulic Modeling and Analysis
  - c. Grant Writing Support
2. Design
  - a. Civil Engineering
  - b. Electrical Engineering
  - c. Hydrogeological and Geotechnical Engineering
3. Construction Management Services
  - a. Construction Management & Inspection
  - b. Materials Testing
  - c. Survey
  - d. Traffic Control
4. Environmental [CEQA] and Biological Services

The Consulting Firms had the option to propose on one or multiple disciplines, in one or all sub-categories. 31 proposals were received on August 25, 2022. Staff evaluated the proposals and have determined that the following eighteen Consulting Firms have met the criteria as established through the RFP and provide the best value to TVMWD. The selected firms per their respective category of expertise is provided below:

<b>Category 1 Planning</b>	GEI Consultants, Inc.
	Intera Inc.
	Water Systems Consulting
	West Yost
	Woodard & Curran, Inc.
<b>Category 2 Engineering</b>	Cannon
	GEI Consultants, Inc.
	Kennedy Jenks
	Leighton
	Thomas Harder & Co
	Water Systems Consulting
	Yao Engineering
<b>Category 3 A Construction Management</b>	Answer Advisory
	CSI Services, Inc
	Michael Baker
	MWH Constructors, Inc.
<b>Category 3 B Material Testing</b>	Leighton
	Smith Emery Laboratories
	CSI Services, Inc
<b>Category 3C Survey</b>	Cannon
<b>Category 3D Traffic</b>	Traffic Control Engineering
<b>Category 4 Environmental Services</b>	Rincon Consultants, Inc.
	Tom Dodson & Associates
	Woodard & Curran, Inc

The establishment of the Master On-Call PSA by itself does not establish a project budget or consume fiscal year budget. When project needs arise, the project with its approved budget will encumber any associated task orders established through the use of a firm from the Mater On-Call list. Staff recommends establishing a maximum threshold of \$250,000 per task order to be approved by the General Manager for the duration of the Master On-Call PSAs. If task orders exceed the threshold, the task order will be presented to the Board of Directors for their consideration before award of such task order.

The initial term of the Master On-Call PSA(s) will be for three (3) years. The PSA(s) may be extended for one (1) year at a time, after the initial three (3) years, with written agreement of TVMWD and the Consultant. The PSA(s) may be extended for a maximum of five (5) year period.

**Strategic Plan Objective(s)**

- I.1 – Secure water supplies that exceed the estimated annual demands
- I.3 – Maintain diverse sources of water supplies and storage
- I.4 – Maintain infrastructure to assure 100% reliability
- I.5 – Prepare for long term MWD shutdown or catastrophic event that affects operations
- 2.5 – Increase ability to store water for future use
- 3.3 – Be accountable and transparent with major decisions

**Attachment(s)**

Exhibit A – Master On-Call Professional Services Agreement

**Meeting History**

Board of Directors Meeting, October 5, 2022, General Manger’s Oral Report

SL/NA



**MASTER ON-CALL PROFESSIONAL SERVICES AGREEMENT  
BETWEEN  
THREE VALLEYS MUNICIPAL WATER DISTRICT AND**

This Master On-Call Professional Services Agreement ("AGREEMENT") is made and entered into this \_\_\_ day of \_\_\_\_\_ 2022 ("EFFECTIVE DATE"), by and between Three Valleys Municipal Water District, a municipal water district organized and operating pursuant to California Water Code Section 71000 et seq. (hereinafter referred to as "DISTRICT") and \_\_\_\_\_, (hereinafter referred to as "CONSULTANT"). DISTRICT and CONSULTANT are sometimes individually referred to as "PARTY" and collectively as "PARTIES" in this AGREEMENT.

**RECITALS**

WHEREAS, DISTRICT desires to contract with CONSULTANT as an independent contractor to provide professional services for the Master On-Call Professional Services on an "as-needed" TASK ORDER assignment basis; and

WHEREAS, CONSULTANT represents that it is duly licensed, qualified and capable to perform such services by virtue of its experience and the training, education and expertise of its principals and employees, and that CONSULTANT is customarily engaged in an independently established trade, profession, occupation, and/or business of the same nature as the work to be performed for herein; and

WHEREAS, DISTRICT desires to retain CONSULTANT and CONSULTANT desires to serve the DISTRICT to perform the services described herein in accordance with the terms and conditions of this AGREEMENT.

**COVENANTS**

NOW, therefore, in consideration of the faithful performance of the terms and conditions set forth herein, the PARTIES hereto agree as follows:

**ARTICLE I**

**SERVICES OF CONSULTANT**

1. **SCOPE OF SERVICES:** The scope of services to be performed by the CONSULTANT under this AGREEMENT are described in Exhibit "A" attached hereto and incorporated herein by this reference ("PROPOSAL"), and shall, where not specifically addressed, include all related services ordinarily provided by the CONSULTANT under same or similar circumstances. The DISTRICT may request, in writing, changes in the PROPOSAL services to be performed. Any changes mutually agreed upon by the PARTIES, and any increase or decrease in compensation, shall be incorporated by written amendments to this AGREEMENT. Individual "TASK ORDERS" will be issued based on the services and rates provided in the PROPOSAL.
2. **PREVAILING WAGES:** CONSULTANT shall comply with all applicable provisions of labor law relating to employment for the performance of services on the TASK ORDER. In accordance with the provisions of the California Labor Code, CONSULTANT shall secure the payment of



compensation to employees. To the extent required by the California Labor Code, CONSULTANT shall pay not less than the prevailing rate of per diem wages as determined by the Director, Department of Industrial Relations, State of California. Copies of such prevailing rate of per diem wages are on file at the DISTRICT's office, which copies will be made available to any interested party upon request. CONSULTANT shall post a copy of such determination at each job site. If applicable, CONSULTANT shall forfeit to the DISTRICT the amount of the penalty set forth in California Labor Code Section 1777.7(b), or any subsequent amendments thereto, for each calendar day, or portion thereof, for each worker paid less than the specified prevailing rates for such work or craft in which such worker is employed, whether paid by CONSULTANT or by any subconsultant/subconsultant.

**ARTICLE II**  
**ENGAGEMENT OF CONSULTANT AND**  
**AUTHORIZATION TO PROCEED**

1. **ENGAGEMENT:** The DISTRICT hereby engages CONSULTANT, and CONSULTANT hereby accepts the engagement, to perform the services described in Section I.1 of this AGREEMENT.
2. **AUTHORIZATION TO PROCEED:** Authorization for CONSULTANT to proceed with the work described in Section I.1 of this AGREEMENT will be granted in writing by the DISTRICT as soon as both PARTIES sign this AGREEMENT and all applicable insurance and security documents required pursuant to Section VI.5 of this AGREEMENT are received and approved by the DISTRICT. CONSULTANT shall not proceed with said work until so authorized by the DISTRICT and shall commence work immediately upon receipt of the executed TASK ORDER.
3. **INDEPENDENT CONTRACTOR:** The TASK ORDER services to be performed by CONSULTANT under this AGREEMENT are outside the usual course of the DISTRICT's business. CONSULTANT is, and shall at all times remain as to DISTRICT, a wholly independent contractor. The personnel performing the services under this AGREEMENT on behalf of CONSULTANT shall at all times be under CONSULTANT's exclusive direction and control. CONSULTANT shall have no power to incur any debt, obligation, or liability on behalf of the DISTRICT. Neither DISTRICT nor any of its agents shall have control over the conduct of CONSULTANT or any of CONSULTANT's employees, except as set forth in this AGREEMENT. CONSULTANT shall not, at any time, or in any manner, represent that it or any of its officers, agents or employees are in any manner employees of the DISTRICT. No employee benefits shall be available to CONSULTANT in connection with the performance of this AGREEMENT. Except for the fees paid to CONSULTANT as provided in this AGREEMENT, the DISTRICT shall not pay salaries, wages, or other compensation to CONSULTANT for performing services hereunder for the DISTRICT. The DISTRICT shall not be liable for compensation or indemnification to CONSULTANT for injury or sickness arising out of performing services hereunder.

**ARTICLE III**  
**RESPONSIBILITIES OF DISTRICT AND OF CONSULTANT**

1. **DUTIES OF THE DISTRICT:** The DISTRICT, without cost to CONSULTANT, will provide all pertinent information necessary for CONSULTANT's performance of its obligations under this AGREEMENT that is reasonably available to the DISTRICT unless otherwise specified in the TASK ORDER in which case the CONSULTANT is to acquire such information. The DISTRICT does not guarantee or ensure the accuracy of any reports, information, and/or data so provided.



To the extent that any reports, information, and/or other data so provided was supplied to CONSULTANT by persons who are not employees of DISTRICT, any liability resulting from inaccuracies and/or omissions contained in said information shall be limited to liability on behalf of the entity who prepared the information for CONSULTANT.

2. **REPRESENTATIVE OF DISTRICT:** The DISTRICT will designate *Kevin Panzer* as the person to act as the DISTRICT's representative with respect to the PROPOSAL services to be performed under this AGREEMENT. Such person will have complete authority to receive information and interpret and define the DISTRICT's policies pertinent to the TASK ORDER, although such person will not control or direct CONSULTANT's work.
3. **DUTIES OF CONSULTANT:** CONSULTANT shall perform TASK ORDER work in such a manner as to fully comply with all applicable professional standards of care, including professional quality, technical accuracy, timely completion, and other services furnished and/or work undertaken by CONSULTANT pursuant to this AGREEMENT. The CONSULTANT shall cause all work and deliverables to conform to all applicable federal, state, and local laws and regulations.
4. **APPROVAL OF WORK:** The DISTRICT's approval of work or materials furnished hereunder shall not in any way relieve CONSULTANT of responsibility for the technical adequacy of its work. Neither the DISTRICT's review, approval or acceptance of, nor payment for any of the services shall be construed to operate as a waiver of any rights under this AGREEMENT or of any cause of action arising out of the performance of this AGREEMENT.

#### ARTICLE IV

#### PAYMENTS TO CONSULTANT

1. **PAYMENT:** The DISTRICT will pay CONSULTANT for work performed under this AGREEMENT, which work can be verified by the DISTRICT, on the basis of the following:

During the term of this AGREEMENT, the DISTRICT will pay CONSULTANT for services performed in accordance with the rates and estimated hours and costs set forth in the PROPOSAL and individual TASK ORDERS. The amount set forth in Section IV.3 of this AGREEMENT is the maximum compensation to which CONSULTANT may be entitled for the performance of services to complete the work for each TASK ORDER, unless the TASK ORDER or time to complete the work is changed by the DISTRICT in writing in advance of the work to be performed thereunder. Adjustments in the total payment amount shall only be allowed pursuant to Section VI.4 of this AGREEMENT. In no event shall CONSULTANT be entitled to compensation greater than the amount set forth in Section IV.3 of this AGREEMENT where changes in each TASK ORDER or the time for performance are necessitated by the negligence of CONSULTANT or any subconsultant performing work on each TASK ORDER.

2. **PAYMENT TO CONSULTANT:** Payment will be made by the DISTRICT within thirty (30) calendar days after receipt of an invoice from CONSULTANT, provided that all invoices are complete, and product and services are determined to be of sufficient quality by the DISTRICT. Each invoice shall itemize the services rendered during the billing period, hourly



rates charged, if applicable, and the amount due. If the DISTRICT disputes any of CONSULTANT'S fees, it shall give written notice to CONSULTANT within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice.

3. **ESTIMATED CHARGES:** The total estimated charges for all work under this AGREEMENT will be determined by each executed TASK ORDER. and such amount is the cost ceiling described herein. The total estimated charges stated herein constitute the total amount agreed to. All rates and charges are subject to the terms set in the PROPOSAL and TASK ORDERS.
4. **COST FOR REWORK:** CONSULTANT shall, at no cost to the DISTRICT, prepare any necessary rework occasioned by CONSULTANT's negligent act or omission or otherwise due substantially to CONSULTANT'S fault.

## ARTICLE V

### COMPLETION SCHEDULE

1. **TERM:** The term of this AGREEMENT shall begin on the EFFECTIVE DATE, and shall continue for a 36-month term, unless this AGREEMENT is earlier terminated pursuant to the provisions of Section VI.8 below. Notwithstanding the above, the provisions of Sections I.2, II.3, III.3, and III.4, and Articles IV, V, and VI herein shall survive the expiration and/or termination of this AGREEMENT.
2. **TASK SCHEDULE:** The work is anticipated to be completed in accordance with Exhibit "A" as agreed upon by DISTRICT and CONSULTANT at the time that a TASK ORDER is issued by DISTRICT.
3. **TIME OF ESSENCE:** CONSULTANT shall perform all services required by this AGREEMENT in a prompt, timely, and professional manner in accordance with the agreed upon schedule. Time is of the essence in this AGREEMENT.

## ARTICLE VI

### GENERAL PROVISIONS

1. **COMPLIANCE WITH FEDERAL, STATE, AND LOCAL LAWS:** CONSULTANT shall at all times observe all applicable provisions of Federal, State, and Local laws and regulations including, but not limited to, those related to Equal Opportunity Employment.
2. **SUBCONSULTANTS AND OUTSIDE CONSULTANTS:** No subcontract shall be awarded by CONSULTANT if not identified as a subconsultant to PROPOSAL unless prior written approval is obtained from the DISTRICT. CONSULTANT shall be responsible for payment to subconsultants used by them to perform the services under this AGREEMENT. If CONSULTANT subcontracts any of the work to be performed, CONSULTANT shall be as fully responsible to the DISTRICT for the performance of the work, including errors and omissions of CONSULTANT's subconsultants and of the persons employed by the subconsultant, as CONSULTANT is for the acts and omissions of persons directly employed by the CONSULTANT. Nothing contained in this AGREEMENT shall create any contractual relationship between any subconsultant of CONSULTANT and the DISTRICT.



CONSULTANT shall bind every subconsultant and every subconsultant of a subconsultant to the terms of this AGREEMENT that are applicable to CONSULTANT's work unless specifically noted to the contrary in the subcontract in question and approved in writing by the DISTRICT.

**3. OWNERSHIP OF DOCUMENTS:** Upon completion of, or in the event of termination or suspension of this AGREEMENT, all original documents, designs, drawings, maps, models, computer files containing data generated for the work, surveys, notes, and other documents prepared in the course of providing the services to be performed ("WRITTEN PRODUCTS") pursuant to this AGREEMENT shall become the sole property of the DISTRICT without restriction or limitation upon its use and may be used, reused, disseminated or otherwise disposed of by the DISTRICT without the permission of the CONSULTANT. With respect to computer files containing data generated for the work, CONSULTANT shall make available to the DISTRICT, upon reasonable written request by the DISTRICT, the necessary computer software and hardware for purposes of accessing, compiling, transferring and printing computer files. CONSULTANT may take and retain copies of WRITTEN PRODUCTS as desired, but WRITTEN PRODUCTS shall not be the subject of a copyright application by CONSULTANT.

**4. INDEMNIFICATION:**

**A. Indemnity for Design Professional Services:** To the fullest extent permitted by law, CONSULTANT shall, at its sole cost and expense, protect, indemnify and hold harmless DISTRICT and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those DISTRICT agents serving as independent contractors in the role of DISTRICT officials (collectively "INDEMNITEES"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, liens and losses of any nature whatsoever, including fees of accountants, attorneys or other professionals, and all costs associated therewith, and reimbursement of attorney's fees and costs of defense, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to, in whole or in part, the negligence, recklessness or willful misconduct of CONSULTANT, its officers, agents, servants, employees, subconsultants, material men, contractors or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of design professional services under this AGREEMENT. It is the intent of the PARTIES to this AGREEMENT that the defense, indemnity, and hold harmless obligations of CONSULTANT under this AGREEMENT shall be as broad and inclusive as may be allowed under California Civil Code §2778 through §2784.5, or other similar state or federal law.

**B. Other Indemnities:**

i. Other than in the performance of design professional services, and to the fullest extent permitted by law, CONSULTANT shall, at its sole cost and expense, defend, hold harmless and indemnify the INDEMNITEES from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, liens and losses of any nature whatsoever, including fees of accountants, attorneys or other professionals,



and all costs associated therewith, and the payment of all consequential damages, in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of CONSULTANT, its officers, agents, servants, employees, subconsultants, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that CONSULTANT shall bear the legal liability thereof) in the performance of this AGREEMENT, including the INDEMNITEES' active or passive negligence, except for claims arising from the sole negligence or willful misconduct of the INDEMNITEES, as determined by final arbitration or court decision or by the agreement of the PARTIES. CONSULTANT shall defend the INDEMNITEES in any action or actions filed in connection with any claim with counsel of the INDEMNITEES' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. CONSULTANT shall reimburse the INDEMNITEES for any and all legal expenses and costs incurred by the INDEMNITEES in connection therewith.

- ii. CONSULTANT shall pay all required taxes on amounts paid to CONSULTANT under this AGREEMENT and indemnify and hold DISTRICT harmless from any and all taxes, assessments, penalties, and interest asserted against DISTRICT by reason of the independent contractor relationship created by this AGREEMENT. CONSULTANT shall fully comply with the workers' compensation law regarding CONSULTANT and CONSULTANT's employees. CONSULTANT shall indemnify and hold DISTRICT harmless from any failure of CONSULTANT to comply with applicable workers' compensation laws. DISTRICT may offset against the amount of any fees due to CONSULTANT under this AGREEMENT any amount due to DISTRICT from CONSULTANT as a result of CONSULTANT's failure to promptly pay to DISTRICT any reimbursement or indemnification arising under this Subparagraph.
- iii. CONSULTANT shall obtain executed indemnity agreements provisions identical to those in this Section VI.4 from each and every subconsultant or any other person or entity involved by, for, with or on behalf of CONSULTANT in the performance of this AGREEMENT. If CONSULTANT fails to obtain such indemnities, CONSULTANT shall be fully responsible and indemnify, hold harmless and defend the INDEMNITEES from and against any and all claims in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of CONSULTANT's subconsultant, its officers, agents, servants, employees, subconsultants, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that CONSULTANT's subconsultant shall bear the legal liability thereof) in the performance of this AGREEMENT, including the INDEMNITEES' active or passive negligence, except for claims arising from the sole negligence or willful misconduct of the INDEMNITEES, as determined by final arbitration or court decision or by the agreement of the PARTIES.



- A. **Workers' Compensation Acts not Limiting:** CONSULTANT's obligations under this Section VI.4, or any other provision of this AGREEMENT, shall not be limited by the provisions of any workers' compensation act or similar act. CONSULTANT expressly waives its statutory immunity under such statutes or laws as to DISTRICT, its officers, agents, employees and volunteers.
- B. **Insurance Requirements not Limiting:** DISTRICT does not, and shall not, waive any rights that it may possess against CONSULTANT because of the acceptance by DISTRICT, or the deposit with DISTRICT, of any insurance policy or certificate required pursuant to this AGREEMENT. This hold harmless and indemnification provisions in this Section VI.4 shall apply regardless of whether or not any insurance policies are determined to be applicable to the liability, claim, tax, assessment, penalty or interest asserted against DISTRICT.
- C. **Survival of Terms:** The indemnification in this Section VI.4 shall survive the expiration or termination of this AGREEMENT.

## 5. INSURANCE:

- A. **Minimum Scope and Limits of Insurance:** CONSULTANT shall secure and maintain in full force and effect, until the satisfactory completion and acceptance of AGREEMENT by DISTRICT, such insurance as will protect it and the DISTRICT in such a manner and in such amounts as set forth below. The premiums for said insurance coverage shall be paid by the CONSULTANT. The failure to comply with these insurance requirements may constitute a material breach of this AGREEMENT, at the sole discretion of the DISTRICT.
  - i. **Workers' Compensation:** CONSULTANT shall maintain Workers' Compensation insurance, as required by the State of California, with Statutory Limits and Employers' Liability Insurance in an amount not less than \$1,000,000 per accident for bodily injury or disease. This insurance shall also waive all right to subrogation against the DISTRICT, its Board of Directors, officers, employees, representatives, and guests.
  - ii. **General Liability:** CONSULTANT shall maintain Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 00 01) including products and completed operations, property damage, bodily injury, personal and advertising injury with limit of at least \$2,000,000 per occurrence or the full per occurrence limits of the policies available, whichever is greater. If a general aggregate limit applies, the general aggregate limit shall be twice the required occurrence limit. DISTRICT shall be named as an additional insured.
  - iii. **Automobile Liability:** CONSULTANT shall maintain Insurance Services Office (ISO) Business Auto Coverage (Form CA 00 01), covering Symbol 1 (any auto) or if Consultant has no owned autos, Symbol 8 (hired) and 9



(non-owned) with limit of \$1,000,000 for bodily injury and property damage each accident. This insurance shall have an endorsement naming the DISTRICT as an additional insured.

iv. **Professional Liability:** CONSULTANT shall maintain professional liability insurance with coverage for wrongful acts, errors, or omissions committed by CONSULTANT in the course of work performed for the DISTRICT under this AGREEMENT. This insurance shall include coverage for liability assumed under this AGREEMENT when CONSULTANT's wrongful acts, errors, or omissions cause such liability. The limit for this insurance shall be not less than \$1,000,000 per occurrence or claim and \$2,000,000 policy aggregate.

**B. Acceptability of Insurers:** The insurance policies required under this Section VI.5 shall be issued by an insurer admitted to write insurance in the State of California with a rating of AA:VII or better in the latest edition of the A.M. Best Insurance Rating Guide. Self-insurance shall not be considered to comply with the insurance requirements under this Section VI.5.

**C. Primary and Non-Contributing:** The insurance policies required under this Section VI.5 shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to DISTRICT. Any insurance or self-insurance maintained by DISTRICT, its officers, employees, agents or volunteers, shall be in excess of CONSULTANT's insurance and shall not contribute with it.

**D. Consultant's Waiver of Subrogation:** The insurance policies required under this Section VI.5 shall not prohibit CONSULTANT and CONSULTANT's employees, agents or subconsultants from waiving the right to subrogation prior to loss. CONSULTANT hereby waives all rights of subrogation against DISTRICT.

**E. Deductibles and Self-Insured Retentions:** Any deductibles or self-insured retentions must be approved by DISTRICT. At DISTRICT's option, CONSULTANT shall either reduce or eliminate the deductibles or self-insured retentions with respect to DISTRICT, or CONSULTANT shall procure a bond guaranteeing payment of losses and expenses.

**F. Cancellations or Modifications to Coverage:** CONSULTANT shall not cancel, reduce or otherwise modify the insurance policies required by this Section VI.5 during the term of this AGREEMENT. The commercial general and automobile liability policies required under this AGREEMENT shall be endorsed to state that should the issuing insurer cancel the policy before the expiration date, the issuing insurer will endeavor to mail thirty (30) calendar days' prior written notice to DISTRICT. If any insurance policy required under this Section VI.5 is canceled or reduced in coverage or limits, CONSULTANT shall, within two (2) business days of notice from the insurer, phone, fax or notify DISTRICT via certified mail, return receipt requested, of the cancellation of or changes to the policy.

**G. District Remedy for Noncompliance:** If CONSULTANT does not maintain the policies of insurance required under this Section VI.5 in full force and effect during the term of this AGREEMENT, or in the event any of CONSULTANT's policies do not



comply with the requirements under this Section VI.5, DISTRICT may either immediately terminate this AGREEMENT or, if insurance is available at a reasonable cost, DISTRICT may, but has no duty to, take out the necessary insurance and pay, at CONSULTANT's expense, the premium thereon. CONSULTANT shall promptly reimburse DISTRICT for any premium paid by DISTRICT or DISTRICT may withhold amounts sufficient to pay the premiums from payments due to CONSULTANT.

- H. Evidence of Insurance:** Prior to the performance of services under this AGREEMENT, CONSULTANT shall furnish DISTRICT representative with a certificate or certificates of insurance and all original endorsements demonstrating the DISTRICT as additionally insured, evidencing and effecting the coverages required under this Section VI.5. The endorsements are subject to DISTRICT's approval. CONSULTANT may provide complete, certified copies of all required insurance policies to DISTRICT. CONSULTANT shall maintain current endorsements on file with DISTRICT's representative. CONSULTANT shall provide proof to DISTRICT representative that insurance policies expiring during the term of this AGREEMENT have been renewed or replaced with other policies providing at least the same coverage. CONSULTANT shall furnish such proof at least two (2) weeks prior to the expiration of the coverages.
- I. Indemnity Requirement not Limiting:** Procurement of insurance by CONSULTANT shall not be construed as a limitation of CONSULTANT's liability or as full performance of CONSULTANT's duty to indemnify DISTRICT under Section VI.4 of this AGREEMENT.
- J. Subconsultant Insurance Requirements:** CONSULTANT shall require each of its subconsultants that perform services under this AGREEMENT to maintain insurance coverage that meets all of the requirements of this Section VI.5.
- K. Claim Reporting:** CONSULTANT shall not fail to comply with the claim reporting provisions or cause any breach of a policy condition or warranty of the insurance policies required by this AGREEMENT that would affect the coverage afforded under the policies to the DISTRICT.
- L. Broader Coverage/Higher Limits:** If CONSULTANT maintains broader coverage and/or higher limits than the minimums shown above, the DISTRICT requires and shall be entitled to the broader coverage and/or higher limits maintained by CONSULTANT. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the DISTRICT.

## 6. MUTUAL COOPERATION

- A. District's Cooperation:** DISTRICT shall provide CONSULTANT with all pertinent data, documents and other requested information as is reasonably available for CONSULTANT's proper performance of the services required under this AGREEMENT.
- B. Consultant's Cooperation:** In the event any claim or action is brought against the DISTRICT relating to CONSULTANT's performance or services rendered under this



AGREEMENT, CONSULTANT shall render any reasonable assistance that DISTRICT requires.

**7. EXAMINATION OF RECORDS:** All original drawings, specifications, reports, calculations, and other documents or electronic data developed by CONSULTANT for TASK ORDER shall be furnished to and become the property of the DISTRICT. CONSULTANT agrees that the DISTRICT will have access to and the right to examine any directly pertinent books, documents, papers, and records of any and all of the transactions relating to this AGREEMENT. The DISTRICT shall not be limited in any way in its use of the work materials at any time.

**8. TERMINATION OR SUSPENSION OF AGREEMENT**

**A. Right to Terminate or Suspend:** DISTRICT may terminate or suspend this AGREEMENT at any time, at will, for any reason or no reason, after giving written notice to CONSULTANT at least ten (10) calendar days before the termination or suspension is to be effective. CONSULTANT may terminate this AGREEMENT at any time, at will, for any reason or no reason, after giving written notice to DISTRICT at least thirty (30) calendar days before the termination is to be effective.

**B. Obligations upon Termination:** CONSULTANT shall cease all work under this AGREEMENT on or before the effective date of termination specified in the notice of termination. In the event of DISTRICT's termination of this AGREEMENT due to no fault or failure of performance by CONSULTANT, DISTRICT shall pay CONSULTANT based on the percentage of work satisfactorily performed up to the effective date of termination. In no event shall CONSULTANT be entitled to receive more than the amount that would be paid to CONSULTANT for the full performance of the services required by this AGREEMENT.

**9. NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY:** In the performance of this AGREEMENT, CONSULTANT shall not discriminate against any employee, subconsultant or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation or other basis prohibited by law. CONSULTANT will take affirmative action to ensure that subconsultants and applicants are employed, and that employees are treated during employment, without regard to their race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information or sexual orientation.

**10. PROHIBITION OF ASSIGNMENT AND DELEGATION:** CONSULTANT shall not assign any of its rights or delegate any of its duties under this AGREEMENT, either in whole or in part, without DISTRICT's prior written consent. DISTRICT's consent to an assignment of rights under this AGREEMENT shall not release CONSULTANT from any of its obligations or alter any of its primary obligations to be performed under this AGREEMENT. Any attempted assignment or delegation in violation of this section shall be void and of no effect and shall entitle DISTRICT to terminate this AGREEMENT. As used in this section, "assignment" and "delegation" means any sale, gift, pledge, hypothecation, encumbrance or



other transfer of all or any portion of the rights, obligations, or liabilities in or arising from this AGREEMENT to any person or entity, whether by operation of law or otherwise, and regardless of the legal form of the transaction in which the attempted transfer occurs.

- 11. NO THIRD-PARTY BENEFICIARIES INTENDED:** Except as otherwise provided in Section VI.4, this AGREEMENT is made solely for the benefit of the PARTIES to this AGREEMENT and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this AGREEMENT.
- 12. WAIVER:** No delay or omission to exercise any right, power or remedy accruing to DISTRICT under this AGREEMENT shall impair any right, power or remedy of DISTRICT, nor shall it be construed as a waiver of, or consent to, any breach or default. No waiver of any breach, any failure of a condition, or any right or remedy under this AGREEMENT shall be (1) effective unless it is in writing and signed by PARTY making the waiver, (2) deemed to be a waiver of, or consent to, any other breach, failure of a condition, or right or remedy, or (3) deemed to constitute a continuing waiver unless the writing expressly so states.
- 13. ENTIRE AGREEMENT:** This AGREEMENT and all exhibits referred to in this AGREEMENT constitute the final, complete and exclusive statement of the terms of this AGREEMENT between the PARTIES pertaining to the subject matter of this AGREEMENT and supersede all other prior or contemporaneous oral or written understandings and agreements of the PARTIES. No PARTY has been induced to enter into this AGREEMENT by, nor is any PARTY relying on, any representation or warranty except those expressly set forth in this AGREEMENT.
- 14. HEADINGS:** Article and Section headings in this AGREEMENT are for convenience only and are not intended to be used in interpreting or construing the terms, covenants, and conditions of this AGREEMENT.
- 15. AMENDMENT OF AGREEMENT:** This AGREEMENT may be amended only by a writing signed by both PARTIES. The DISTRICT representative is authorized to sign an amendment to this AGREEMENT on the DISTRICT's behalf to make the following non-substantive modifications to the AGREEMENT: (a) name changes; (b) extensions of time; (c) non-monetary changes in TASK ORDER; and (d) termination of this AGREEMENT.
- 16. GOVERNING LAW AND CHOICE OF FORUM:** This AGREEMENT, and any dispute arising from the relationship between the PARTIES to this AGREEMENT, shall be governed by and construed in accordance with the laws of the State of California, except that any rule of construction to the effect that ambiguities are to be resolved against the drafting PARTY shall not be applied in interpreting this AGREEMENT. Any dispute that arises under or relates to this AGREEMENT (whether contract, tort or both) shall be resolved in a municipal, superior or federal court with geographic jurisdiction over the DISTRICT.
- 17. ATTORNEYS' FEES:** In any litigation or other proceeding by which a PARTY seeks to enforce its rights under this AGREEMENT (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this AGREEMENT, the prevailing PARTY shall be awarded reasonable attorneys' fees together with any costs and expenses, to resolve the dispute and to enforce the final judgment.



**18. SEVERABILITY:** If a court of competent jurisdiction holds any provision of this AGREEMENT to be illegal, invalid or unenforceable for any reason, the validity of and enforceability of the remaining provisions of this AGREEMENT shall not be affected and continue in full force and effect.

**19. SAFETY:** CONSULTANT shall perform the work in full compliance with applicable State and Federal safety requirements including, but not limited to, Occupational Safety and Health Administration requirements. CONSULTANT shall take all precautions necessary for the safety of, and prevention of damage to, property on or adjacent to TASK ORDER site, and for the safety of, and prevention of injury to, persons, including DISTRICT's employees, CONSULTANT's employees, and third persons. All work shall be performed entirely at CONSULTANT's risk. CONSULTANT shall comply with the insurance requirements set forth in Section VI.5 of this AGREEMENT. CONSULTANT shall also furnish the DISTRICT with a copy of any injury prevention program established for the CONSULTANT's employees pursuant to Labor Code Section 6401.7, including any necessary documentation regarding implementation of the program. CONSULTANT hereby certifies that its employees have been trained in the program, and procedures are in place to train employees whenever new substances, processes, procedures, or equipment are introduced. CONSULTANT shall demonstrate compliance with Labor Code Section 6401.7 by maintaining a copy of its Injury and Illness Prevention Plan at TASK ORDER site and making it available to the DISTRICT.

**20. USE OF NAMES:** CONSULTANT shall not employ or use the name of the DISTRICT in any promotional materials, advertising, or in any other manner without prior express written permission of the DISTRICT.

**21. NOTICES:** All notices to either PARTY by the other shall be made in writing and delivered or mailed to such PARTY at their respective addresses as follows, or to other such address as either PARTY may designate and said notices shall be deemed to have been made when delivered or, if mailed, five (5) days after mailing.

**To DISTRICT:**

Three Valleys Municipal Water District  
 1021 E. Miramar Avenue  
 Claremont, CA 91711  
 Attn: General Manager

**To CONSULTANT:**

Name  
 Street  
 City, ST, Zip  
 Attn:



**22. AUTHORITY TO EXECUTE AGREEMENT:** The individuals executing this AGREEMENT represent and warrant that they have the legal capacity and authority to sign this AGREEMENT on behalf of and to so bind their respective legal entities.

IN WITNESS WHEREOF, the PARTIES hereto have executed this AGREEMENT as of the date opposite their respective signatures.

**Name:** \_\_\_\_\_

Matthew H. Litchfield

**Title:** \_\_\_\_\_

General Manager

**Organization:** \_\_\_\_\_

Three Valleys Municipal Water District

**Signature:** \_\_\_\_\_

\_\_\_\_\_

**Date:** \_\_\_\_\_

Date: \_\_\_\_\_