

*In light of the Governor's Executive Orders N-25-20 dated March 12, 2020 and N-29-20 dated March 17, 2020 (collectively, the "Executive Order") issued in response to the Covid-19 outbreak, the WQA Board Has Suspended Application of Certain Public Meeting Requirements otherwise required under Brown Act during the term of the Executive Order, Including Restrictions and Noticing Requirements Relating to the Conduct of Teleconferenced Board Meetings.*

*Due to the essential nature of the WQA Board Meetings in conducting Authority business, the WQA Board meeting will take place via online and teleconference.*

*Copies of Executive Order will be made available to members of the public upon request.*

Register in advance for this webinar:

[https://zoom.us/webinar/register/WN\\_DU4bxXf\\_RC2S87FLdD\\_h8g](https://zoom.us/webinar/register/WN_DU4bxXf_RC2S87FLdD_h8g)

After registering, you will receive a confirmation email containing information about joining the webinar.

Public comments can be emailed prior to the meeting to [stephanie@wqa.com](mailto:stephanie@wqa.com)

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**A REGULAR MEETING  
OF THE  
SAN GABRIEL BASIN WATER QUALITY AUTHORITY  
AT  
1720 W. CAMERON AVENUE, SUITE 100  
WEST COVINA, CALIFORNIA**

**WEDNESDAY, JANUARY 20, 2021 AT 12:00 P.M.**

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**AGENDA**

**I. CALL TO ORDER** **MARQUEZ**

**II. PLEDGE OF ALLEGIANCE**

**III. ROLL CALL OF BOARD MEMBERS** **MORENO**

Jorge Marquez, Chairman	_____	_____ (alt)
Bob Kuhn, Vice-Chairman	_____	_____ (alt)
Mark Paulson, Treasurer	_____	_____ (alt)
Valerie Munoz, Secretary	_____	_____ (alt)
Lynda Noriega	_____	_____ (alt)
Mike Whitehead	_____	_____ (alt)
Ed Chavez	_____	_____ (alt)

**IV. PUBLIC COMMENTS (Agendized Matters Only):** **MARQUEZ**

As provided under Government Code Section 54954.3, this time has been set aside for persons in the audience to provide comment or make inquiries on matters appearing on this Special Meeting agenda only. Please complete the appropriate request card and submit it to the Secretary, prior to the item being heard. A five-minute time limit on remarks is requested.

**V. ITEMS TOO LATE TO BE AGENDIZED - Recommended Action:** **MARQUEZ**

Approve motion determining need to take action on item(s) which arose subsequent to posting of the Agenda (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board or, if less than two-thirds of Board members are present, a unanimous vote)

**VI. LEGISLATIVE WORKSHOP**

**SCHOELLERMAN**

*The Monares Group*  
*The Gualco Group*  
*Kadesh & Associates*

**VII. ELECTION OF OFFICERS**

**CHAIRMAN**

- (a) Chairman
- (b) Vice-Chairman
- (c) Treasurer
- (d) Secretary

**VIII. APPOINTMENT OF COMMITTEE MEMBERS**

**CHAIRMAN**

- (a) Administrative/Finance Committee
- (b) Engineering Committee
- (c) Legislative/Public Information Committee

**IX. CONSENT CALENDAR**

**CHAIRMAN**

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

- (a) Minutes for 12/16/20 Regular Board Meeting
- (b) Minutes for 1/12/21 Administrative/Finance Committee – Special Joint Meeting
- (c) Minutes for 1/13/21 Legislative/Public Information Committee – Special Joint Meeting
- (d) Demands on Administrative Fund
- (e) Demands on Project Fund

**X. COMMITTEE REPORTS**

(These items may require action)

- (a) Administrative/Finance Committee Report [enc]
  - 1. Discussion Regarding Report on Cash and Investments for 4<sup>th</sup> Quarter 2020 [enc]
  - 2. Discussion/Action Regarding License Agreement with L.A. County Department of Parks and Recreation for MW5-19 [enc]
  - 3. Discussion/action Regarding License Agreement with Alderson F, LLC for MW5-01 [enc]
- (b) Legislative/Public Information Committee Report [enc]

**XI. OTHER ACTION/INFORMATION ITEMS**

**CHAIRMAN**

(These items may require action)

- (a) Discussion/Action Regarding Authorization to Contract Services with the Bank of the West [enc]
  - 1. Adopt Resolution No. 21-001

- (b) Draft San Gabriel Basin Groundwater Quality Management and Remediation Plan “§406 Plan” for 2021 [enc]

1. Open of 25-day Public Comment Period

**XII. PROJECT REPORTS**

**COLBY**

(a) Treatment Plants:

	<u>Status</u>
1. Baldwin Park Operable Unit	
• Arrow/Lante Well (Subarea 1)	Operational
• Monrovia Wells	Operational
• SGVWC B6 Plant	Operational
• SGVWC B5 Plant	Operational
• CDWC Well No. 14	Operational
• La Puente Valley County Water District	Operational
2. El Monte Operable Unit	
• Eastern Shallow Zone	Operational
• Eastern Deep Zone	Operational
• GSWC Encinita Plant	Operational
• Western Shallow Zone	Operational
3. South El Monte Operable Unit	
• Whitmore Street. Ground Water Remediation Treatment Facility	Operational
• City of M.P. Well No. 5 VOC Treatment Facility	Operational
• City of M.P. Well No. 12 VOC Treatment Facility	Operational
• City of M.P. Well No. 15	Operational
• City of M.P. Well Nos. 1, 3, 10 VOC Treatment Facility	Operational
• GSWC Wells SG-1 & SG-2	Operational
• SGVWC Plant No. 8	Operational
4. Puente Valley Operable Unit	
• Shallow Zone	Design
• Deep Zone	Construction
5. Area 3 Operable Unit	
• City of Alhambra Phase 1	Operational
• City of Alhambra Phase 2	Operational

**XIII. ATTORNEY'S REPORT**

**PADILLA**

**XIV. LEGISLATIVE REPORT**

**MONARES**

**XV. EXECUTIVE DIRECTOR'S REPORT**

**SCHOELLERMAN**

**XVI. FUTURE AGENDA ITEMS**

**CHAIRMAN**

**XVII. INFORMATION ITEMS [enc]**

**CHAIRMAN**

- (a) San Gabriel Basin Water Calendar

## **XVIII. FUTURE BOARD/COMMITTEE MEETINGS**

**CHAIRMAN**

- (a) The next Administrative/Finance Committee Meeting is scheduled for Tuesday, February 9, 2021 at 10:00am
- (b) The next Engineering Committee Meeting was scheduled for Tuesday, February 9, 2021 at 11:00am
- (c) The next Legislative/Public Information Committee meeting was scheduled for Wednesday, February 10, 2021 at 11:00am
- (d) The next WQA Board meeting is scheduled for Wednesday, February 17, 2020 at 12:00 P.M. at WQA

## **XIX. BOARD MEMBERS' COMMENTS/REPORTS**

**CHAIRMAN**

## **XX. ADJOURNMENT**

**CHAIRMAN**

*Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection in the lobby of the Authority's business office located at 1720 W. Cameron Ave., Suite 100, West Covina, CA 91790, during regular business hours. When practical, these public records will also be made available on the Authority's internet web site, accessible at [www.wqa.com](http://www.wqa.com).*



# DRAFT

## A REGULAR MEETING OF THE SAN GABRIEL BASIN WATER QUALITY AUTHORITY DECEMBER 16, 2020 AT 12:00 P.M.

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*To the extent authorized by the Governor's Executive Order N-25-20 dated March 12, 2020 ("Executive Order") issued in response to the Covid-19 outbreak, the WQA Board Reserved the Right to Suspend Application of Certain Public Meeting Requirements Under the Brown Act during the term of the Executive Order, Including Restrictions and Noticing Requirements Relating to the Conduct of Teleconferenced Board Meetings.*

*Due to the essential nature of the WQA Board Meetings in conducting Authority business, the WQA Board meeting took place online and teleconference.*

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### **CALL TO ORDER**

The Chairman called the regular meeting of the San Gabriel Basin Water Quality Authority to order and reviewed the actions anticipated on the agenda for the meeting.

### **ROLL CALL OF BOARD MEMBERS**

Jorge Marquez, Bob Kuhn, Mark Paulson, Lynda Noriega (entered late), Mike Whitehead, and Ed Chavez.

### **BOARD MEMBERS ABSENT**

None.

### **STAFF MEMBERS PRESENT**

Randy Schoellerman, Executive Director; Stephanie Moreno, Executive Assistant/Outreach Coordinator; Dan Colby, Assistant Executive Director/Senior Project Manager; Michelle Sanchez, Admin/Accounting Assistant; Richard Padilla, Legal Counsel

### **MEMBERS OF THE PUBLIC PRESENT**

None.

### **MEMBERS OF THE PUBLIC THAT PARTICIPATED VIA ONLINE/TELECONFERENCE**

Gabriel Monares, The Monares Group; Ken Manning, WQA Consultant; Garry Hoffer, Cal American Water Company; David Muse, Valley County Water District; Lenet Pacheco, Valley County Water District; Brian Bowcock, Three Valleys MWD

### **PUBLIC COMMENT**

None.

### **ITEMS TOO LATE TO BE AGENDIZED**

None.

### **CONSENT CALENDAR**

Ms. Noriega moved to approve the consent calendar. Mr. Kuhn seconded the motion, and it was approved by a roll call vote.

AYES: MARQUEZ, KUHN, PAULSON, MUNOZ, NORIEGA, WHITEHEAD, CHAVEZ

NO: NONE

ABSTENTIONS: Mr. Whitehead abstained from Project Demand Nos: E91034. Ms. Noriega abstained from Project Demand No. E91033.

## COMMITTEE REPORTS

### *Administrative/Finance Committee Report*

#### *Discussion/Action Regarding Update of Administrative Procedure No. 36 Part-Time Personnel*

Mr. Schoellerman reported that the minutes for the committee meeting were enclosed for review.

Mr. Schoellerman reported that WQA maintains its medical insurance with JPIA, and as such, it needs to comply with the JPIA Employer Participation Requirement for Medical. JPIA reviewed the employee benefits portion of the WQA Employee Handbook and found that sections in the handbook need to be updated to conform with the JPIA Employer Participation Requirements. He indicated that certain of these categories are defined by WQA Administrative Procedures, and any revisions to the Employee Handbook will require WQA to update the underlying Administrative Procedures. He noted that most of the changes are simple updates to current laws and regulations. He reported that staff has started that process with help from JPIA and will be bringing the updated procedures to the committee at future meetings. However, JPIA is insisting that WQA update the definition of a Regular Part-Time Employee and the related employee benefits immediately so that it conforms to the JPIA Employer Participation Requirements. He reported that JPIA recommends that the definition of a Part-Time employee be changed to an employee who works at least 20 hours per week and less than 30 hours per week. They further recommend that Part-Time Employees are not eligible for medical/dental/vision benefits. He indicated that staff concurs with these recommendations. He also noted that the Administrative Procedure No. 36 has also been updated so that the sick leave policy conforms to California's Healthy Workplaces, Healthy Families Act of 2014. He lastly noted that the Administrative/Finance Committee reviewed this item on December 8, 2020 and recommended approval.

After brief discussion, Mr. Paulson moved to approve the update of Administrative procedure No. 36 Part-Time Personnel. Ms. Munoz seconded the motion, and it was approved by the following roll call vote:

AYES: MARQUEZ, KUHN, PAULSON, MUNOZ,  
NORIEGA, WHITEHEAD, CHAVEZ

NO: NONE

ABSTAIN: NONE

#### *Discussion/Action Regarding Memorandum of Understanding for Integrated Regional Water*

Mr. Schoellerman reported that WQA is a member of the Greater Los Angeles County (GLAC) Region Integrated Regional Water Management Plan (IRWMP) Leadership

*Management Planning and  
Implementation for the Greater Los  
Angeles County Region*

Committee. He indicated that the committee operates under an existing memorandum of understanding (MOU) that expires at the end of 2020. He noted that the parties are proposing to extend the term of the agreement an additional 5 years. He reported that the MOU also indicates that the parties will create, adopt and update an IRWM Plan for the GLAC Region. He noted that a plan update was completed in 2014. He also reported that the parties agree to solicit funding for implementation of the plan, to share water resources management information and to coordinate projects and programs.

After brief discussion, Mr. Kuhn made a motion to approve the Memorandum of Understanding for Integrated Regional Water Management Planning and Implementation for the Greater Los Angeles County Region for another five years. Mr. Whitehead seconded the motion, and it was approved by the following roll call vote:

AYES: MARQUEZ, KUHN, PAULSON, MUNOZ,  
NORIEGA, WHITEHEAD, CHAVEZ

NO: NONE

ABSTAIN: NONE

*Legislative/Public Information  
Committee Report*

Mr. Schoellerman reported that the minutes for the committee meeting were enclosed for review.

*Discussion Regarding Resolution  
No. 20-007*

Mr. Schoellerman reported that staff has drafted Resolution No. 20-007, A Resolution of the San Gabriel Basin Water Quality Authority in Support of Restoration of Congressional Earmarks. He reported that the earmark ban in congress has been preventing the WQA from receiving funding that had been authorized for the WQA. He noted that the Legislative/Public Information Committee reviewed this resolution and have recommended approval.

Mr. Whitehead commented that he would like to confirm how the local delegates feel on this issue and make sure that our efforts are in line with theirs.

Mr. Monares confirmed that delegation would like to bring earmarks back in order fund local projects.

After some discussion, Mr. Kuhn moved to adopt Resolution No. 20-007. Mr. Whitehead seconded the motion and it was approved by the following roll call vote:

AYES: MARQUEZ, KUHN, PAULSON, MUNOZ,  
NORIEGA, WHITEHEAD, CHAVEZ

NO: NONE

ABSTAIN: NONE

**OTHER  
ACTION/INFORMATION  
ITEMS**

***Discussion/Action Regarding  
Whitmore Street Groundwater  
Remediation Facility Expanded  
Site Investigation Notice of  
Exemption***

Mr. Colby reported that in 2018, WQA was awarded a Proposition 1 Planning Grant funding to gather hydrogeologic data around the Whitmore Street Groundwater Remediation Facility that may be used to plan for future upgrades of the facility. In 2020, WQA received additional Proposition 1 Grant funding to do similar work at an adjacent property, Arbor Courtyard, to further refine the extent of volatile organic compounds and 1,4-dioxane contamination. He noted that this additional work will involve approximately 10 Hydropunch groundwater samples, 10 cone penetration tests to further characterize site lithology and four dual nested monitoring wells to address data gaps identified in the original Proposition 1 grant. In addition, two additional dual nested wells will be located at in the public right of way on Whitmore Street. He indicated that the proposed additions qualify for an exemption under CEQA. He noted that following Board approval of Resolution No. 20-008, the NOE will be filed with the Los Angeles County Clerk.

***Adopt Resolution No. 20-008***

After brief discussion, Ms. Munoz moved to adopt Resolution No. 20-008, A Resolution of the San Gabriel Basin Water Quality Authority Concerning a Notice of Exemption and Approval for Whitmore Street Groundwater Remediation Facility Expanded Site Investigation Planning Project. Mr. Paulson seconded motion and it was adopted by the following roll call vote:

AYES: MARQUEZ, KUHN, PAULSON, MUNOZ,  
NORIEGA, WHITEHEAD, CHAVEZ

NO: NONE

ABSTAIN: NONE

***Discussion/Action Regarding Lease  
of Monitoring Well Site at Arbor  
Courtyard***

Mr. Colby reported that WQA received a Proposition 1 Planning Grant to conduct a subsurface investigation on properties surrounding the WQA Whitmore Street Groundwater Remediation Facility to fill in data gaps. He indicated that the proposed license agreement allows WQA to collect lithologic and groundwater data on the site using Hydropunch technology and cone penetration testing. Additionally, four dual nested monitoring wells will be constructed on this site to better evaluate the groundwater over time. He noted that the term of the agreement is 10 years with options to renew and the rent is \$1 per year.

After brief discussion, Mr. Whitehead moved to approve of a site access agreement with the ACEN, LLC, the owner of the Arbor Courtyard property along Telstar Ave, in El Monte. Mr. Marquez seconded the motion, and it was approved by the following roll call vote:

AYES: MARQUEZ, KUHN, PAULSON, MUNOZ,  
NORIEGA, WHITEHEAD, CHAVEZ

NO: NONE

ABSTAIN: NONE

## **PROJECT REPORTS**

Mr. Colby reported that a South El Monte Operable Unit site investigation workshop was held and went well. He also reported that permission for access had been received for 9 out of the 12 sites so far. He indicated that it was a positive sign for the project.

## **ATTORNEY'S REPORT**

None.

## **LEGISLATIVE REPORT**

Mr. Monares reported that a Federal stimulus bill has been finalized. He also reported that WQA is continuing to monitor the final Energy and Water Appropriations bill.

## **EXECUTIVE DIRECTOR'S REPORT**

Mr. Schoellerman indicated that he and Mr. Monares had a meeting with the city of Monterey Park's city manager Ron Bow and Councilman Henry Lo. He reported that he attended the California Groundwater Coalition board meeting. He noted that the ACWA Fall Conference was earlier this month and the next one was scheduled for May 2021 in Monterey. He reported that the National Groundwater Association Conference was the previous week and WQA sponsored Richard Shope with Eco Voices to present at the conference. He also reported that staff continues work on the Prop 68 application process. He reported that Mr. Manning's consulting contract ends this month. He lastly reported that WQA will be closed from December 24 through January 4, 2021.

## **FUTURE AGENDA ITEMS**

None.

## **FUTURE BOARD AND COMMITTEE MEETINGS**

The Admin/Finance Committee Meeting was scheduled for Tuesday, January 12, 2021 at 10:00 am.

The Engineering Committee Meeting scheduled for Tuesday, January 12, 2020 at 11am.

A Legislative/Public Information Committee was scheduled for Wednesday, January 13, 2021 at 11:00 am.

The next WQA Board meeting will be held on Wednesday,

January 20, 2021 at 12 pm.

**BOARD MEMBERS’  
COMMENTS/  
REPORTS**

Ms. Noriega reported that she attended the ACWA JPIA Sexual Harassment training and wished everyone a Merry Christmas.

Many members of the Board wished everyone happy holidays.

**ADJOURNMENT**

The Chairman asked if there were any other items of business to come before the Board. There being none, the meeting was adjourned to January 20, 2021.

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Jorge Marquez  
Chairman

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Valerie Munoz  
Secretary

# DRAFT

## SAN GABRIEL BASIN WATER QUALITY AUTHORITY ADMINISTRATIVE/FINANCE COMMITTEE AND SPECIAL MEETING OF THE BOARD OF DIRECTORS JANUARY 12, 2021 AT 10:00 A.M.

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*To the extent authorized by the Governor's Executive Order N-25-20 dated March 12, 2020 ("Executive Order") issued in response to the Covid-19 outbreak, the WQA Board Reserved the Right to Suspend Application of Certain Public Meeting Requirements Under the Brown Act during the term of the Executive Order, Including Restrictions and Noticing Requirements Relating to the Conduct of Teleconferenced Board Meetings.*

*Due to the essential nature of the WQA Board Meetings in conducting Authority business, the WQA Administrative/Finance Committee and Special meeting of the Board took place online and teleconference.*

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### CALL TO ORDER

Mr. Whitehead called the regular meeting of the San Gabriel Basin Water Quality Authority to order and reviewed the actions anticipated on the agenda for the meeting.

### COMMITTEE MEMBERS PRESENT

Mike Whitehead, Bob Kuhn and Mark Paulson

### WATERMASTER LIASON

Absent.

### COMMITTEE MEMBERS ABSENT

None.

### OTHER BOARD MEMBERS PRESENT

Lynda Noriega

### STAFF MEMBERS PRESENT

Randy Schoellerman, Executive Director; Stephanie Moreno, Executive Assistant/Public Outreach Coordinator; Dan Colby, Assistant Executive Director/Senior Project Manager; Mary Saenz, Director of Finance; Michelle Sanchez, Administrative/Accounting Assistant

### MEMBERS OF THE PUBLIC PRESENT

Brian Bowcock, Three Valleys Municipal Water District

### PUBLIC COMMENT

None.

### *Discussion Regarding Report on Cash and Investments for 4<sup>th</sup> Quarter 2020*

Ms. Saenz reported that the report was enclosed for review. She indicated that the average monthly effective yields for the Pooled Money Investment Account (PMIA) for October and November 2020 are 0.620% and 0.576%, respectively. She noted that she just received the average monthly yield for December, and it was at 0.54%. She indicated that the Local Agency Investment Fund (LAIF) quarterly rate for October through December 2020 have not been issued. The PMIA Quarter to Date rate is .58%, as shown on the PMIA Daily Rates schedule.

Mr. Kuhn asked about the \$250k FDIC insurance threshold and

if it has been increased.

Ms. Saenz commented that it has not been raised but the excess amounts are collateralized by Bank of the West (BOW) in accordance with state government regulations.

Mr. Kuhn questioned if we should consider moving more money in the BOW accounts to take advantage of the better rate.

Ms. Saenz commented that the return on the money in the Bank of the West accounts can only be used to offset the bank fees.

Mr. Whitehead commented that he felt it was important to have the money in accounts that were FDIC insured.

Ms. Saenz indicated that she would provide additional information to the board about the regulations and agreements in place to protect the funds.

After some discussion, the committee received and filed the report on cash and investments.

***Discussion Regarding License Agreement with L.A. County Department of Parks & Recreation for MW5-19***

Mr. Schoellerman reported that BPOU monitoring well MW5-19 was constructed on the County of Los Angeles Department of Parks and Recreation's East County Community Services Agency and Regional Facility Agency Yard located at 265 Cloverleaf Drive, Baldwin Park, CA 91706. He indicated that this license agreement allows WQA access to the site for the purposes of sampling and maintaining the well. He noted that this is effectively the same agreement we received last year for a one-year term. However, this year we were able to secure a 10-year agreement after L.A. County staff received approval from the Board of Supervisors in November. He noted that the application fee was \$500 with no annual fee required and the cost is reimbursable under the BPOU Project Agreement.

After brief discussion, the committee recommended that the License Agreement with the L.A. County Department of Parks and Recreation for MW5-19 go to the Board for approval.

***Discussion Regarding License Agreement with Alderson F, LLC for MW5-01***

Mr. Schoellerman reported that BPOU monitoring well MW5-01 was constructed on property located at 14910 Los Angeles Street in the city of Irwindale. The site was previously occupied by an AMVETS facility and was acquired by Alderson F, LLC, a developer that owns several adjacent properties. He indicated that the developer had initially refused to honor WQA's access agreement with the AMVETS. However, staff and legal counsel worked with the city of Irwindale to require the developer to provide WQA access to the well. He noted that the agreement provides for a one-time payment of \$5,000 to the developer to cover design and construction of an access road to the well. He also noted that the license renews



annually and provides for a fee of \$2,400/yr. with a 3% escalator and the cost is reimbursable under the BPOU Project Agreement.

Mr. Paulson asked why the monitoring well wasn't located in the city right-of-way a short distance away.

Mr. Schoellerman commented that it was constructed many years ago before much of what is developed there today. He noted that the well is deep and has multiple sampling locations which makes it expensive, and that it would not be practical to relocate it to the public right-of-way.

Mr. Kuhn asked what kind of notice is required to be provided before sampling a sampling event.

Mr. Schoellerman commented that there is a 7-day notice requirement, and sampling is usually done only twice a year. He noted that the language in this agreement provides WQA access on an as-needed basis for maintenance.

After some discussion, the committee recommended that the License Agreement with Alderson F, LLC for MW5-01 go to the Board for approval.

## **EXECUTIVE DIRECTOR'S REPORT**

Mr. Schoellerman reported that staff continues to work on the Prop 68 grants. He indicated that staff has met with the Department of Finance Assistance and continues to work on the scope of work for the grant agreement and updating the budgets. He reported that staff has been working with legal counsel to develop agreements for each of the water purveyors that will be receiving Prop 68 funding. He also reported that staff is working on proposals for services related to technical data and accounting to assist with the Prop 68 grant process.

Mr. Whitehead asked if the grant funds could be used to offset the costs needed to acquire the accounting and technical services.

Mr. Schoellerman indicated that yes, those costs would be covered under the grant funds.

Mr. Schoellerman reported that staff continues to monitor the activities in Washington, D.C. He indicated that the Board will receive an update at our the next Board meeting during the Legislative Workshop.

Mr. Kuhn commented that he has encouraged the new Three Valleys MWD Board Members, Mike Ti and Danielle Soto to attend the WQA meetings so they can get up to speed on the groundwater cleanup activities in the Basin.

Mr. Schoellerman commented that staff is working with Mr.

Monares to set up meetings with the new Board Members from Three Valleys MWD as well as the new Board Member from the Upper District.

## **ADJOURNMENT**

Mr. Whitehead asked if there were any other items of business to come before the Board. There being none, the meeting was adjourned.

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Jorge Marquez  
Chairman

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Valerie Munoz  
Secretary

# DRAFT

## SAN GABRIEL BASIN WATER QUALITY AUTHORITY LEGISLATIVE/PUBLIC INFORMATION COMMITTEE AND SPECIAL MEETING OF THE BOARD OF DIRECTORS JANUARY 13, 2021 AT 11:00 A.M.

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*To the extent authorized by the Governor's Executive Order N-25-20 dated March 12, 2020 ("Executive Order") issued in response to the Covid-19 outbreak, the WQA Board Reserved the Right to Suspend Application of Certain Public Meeting Requirements Under the Brown Act during the term of the Executive Order, Including Restrictions and Noticing Requirements Relating to the Conduct of Teleconferenced Board Meetings.*

*Due to the essential nature of the WQA Board Meetings in conducting Authority business, the WQA Legislative/Public Information Committee and Special meeting of the Board took place online and teleconference.*

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### **CALL TO ORDER**

The Chairman called the regular meeting of the San Gabriel Basin Water Quality Authority to order and reviewed the actions anticipated on the agenda for the meeting.

### **COMMITTEE MEMBERS PRESENT**

Jorge Marquez, Bob Kuhn and Valerie Munoz

### **WATERMASTER LIASON**

Absent

### **COMMITTEE MEMBERS ABSENT**

None

### **OTHER BOARD MEMBERS PRESENT**

None

### **STAFF MEMBERS PRESENT**

Randy Schoellerman, Executive Director; Stephanie Moreno, Executive Assistant/Public Outreach Coordinator; Dan Colby, Assistant Executive Director/Senior Project Manager; Mary Saenz, Director of Finance; Michelle Sanchez, Administrative/Accounting Assistant

### **MEMBERS OF THE PUBLIC PRESENT**

Chris Lancaster, Civic Publications; Brian Bowcock, Three Valleys Municipal Water District; Gabriel Monares, The Monares Group

### ***Discussion Regarding Next Advertorial***

Mr. Lancaster reported that the last completed advertorial was Sustainable Living which was published last week in the Los Angeles Times and the San Gabriel Valley Newspaper Group. He indicated that the next ad would be Civic Leadership that is scheduled to publish in February. He noted that the topic that he discussed with staff was to review the goals for the WQA for 2021.

Mr. Kuhn commented that staff should consider the residents down south below the Whittier Narrows area and inform them of the work that we are doing in the San Gabriel Basin since it could affect them too.

Ms. Moreno updated the committee on the social media campaign that started with the annual report. She indicated that since the WQA does not have a large social media audience staff is using a consultant to run the ads. She indicated that the first campaign ran December 26-31<sup>st</sup> and finished with 4,613 views of the annual report. The second campaign ran Jan 8-10<sup>th</sup> and resulted with 3,562 views of the annual report. She also reported that she posted the ad on the WQA Facebook and Instagram pages as a social post for everyone to view and share. She indicated that staff would look to run more social media ads in the future with different topics or information that the agency would like to share.

Mr. Lancaster reported that the annual report was also emailed out to 33,000 email address across the valley in English, Spanish and Chinese. He noted that this email blast resulted in a total of 13,130 views of the annual report.

Ms. Moreno commented that staff will look to ensure that the residents in the Central Basin area and the other areas that outside of the San Gabriel Basin be included in the outreach efforts. She indicated that the email blasts would be the best solution to address this by using geo-targeting to make sure all areas we want to cover will get the message.

Ms. Munoz commented that she was very happy to see the work being done with the public outreach.

### ***Legislative Activities/Reports***

#### **State**

Mr. Monares reported that UCLA is working on a report that may look negatively on the public regulated utilities. He also noted that the Governor presented his budget for the new year.

Mr. Schoellerman noted that reorganizing the Department of Toxic Substances Control will be addressed once again in the coming term.

#### **Federal**

Mr. Schoellerman reported that language WQA wanted in the FY20 Energy & Water Appropriations bill did not make it into the final bill but the language that was included may still work. He indicated that WQA advocates were gathering support from the SGV delegation to secure the funding. He also noted that staff is noting potential candidates for the incoming Bureau of Reclamation Commissioner. He lastly reported that staff continues to monitor for the change in earmark policies for FY21.

Mr. Monares reported that it was a good sign that the \$10M

from the FY19 budget is still available.

## **EXECUTIVE DIRECTOR'S REPORT**

Mr. Schoellerman indicated that he was working with Mr. Monares on a letter that would go along with the WQA's earmark resolution requesting support from our local city officials. He indicated that Mr. Monares was working with the San Gabriel Valley Council of Governments for the distribution. He noted that a separate letter was being prepared for the SGV Congressional delegation.

Ms. Munoz requested that a sample resolution of support be sent along with the letter for the cities to use if they choose to support it.

Mr. Kuhn suggested that Mr. Schoellerman and Mr. Monares also attend a meeting of the local City Managers to present this to them so they can bring it back to their councils for discussion.

Mr. Schoellerman reported that staff was planning to schedule another webinar for the city council members in March. He noted that staff would review the feedback they received from the last webinar to put together the topics for that event. He lastly reported that at the next Board meeting there will be a Legislative Workshop with our Federal, State and Local Lobbyists in attendance to discuss the legislative agenda for the coming year.

## **ADJOURNMENT**

The Chairman asked if there were any other items of business to come before the Board. There being none, the Board meeting was adjourned.

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Jorge Marquez  
Chairman

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Bob Kuhn  
Vice-Chairman

**DRAFT**

The following demands on the Administration Fund Account at Bank of the West are hereby submitted for payment.

Check No.	Payable to	Description	Amount
D01792	Bob Kuhn	Board Member Compensation for December 2020	
		3 Days WQA Business	448.29
		Meeting/Travel Expenses/Other	0.00
		Less Deferred Compensation	(414.00)
		Less Taxes Withheld	(34.29)
			0.00
D01793	Michael Whitehead	Board Member Compensation for December 2020	
		2 Days WQA Business	298.86
		Meeting/Travel Expenses/Other	0.00
		Less Deferred Compensation	0.00
		Less Taxes Withheld	(22.86)
			276.00
D01794	Ed Chavez	Board Member Compensation for December 2020	
		6 Days WQA Business	896.58
		Meeting/Travel Expenses/Other	0.00
		Less Deferred Compensation	0.00
		Less Taxes Withheld	(68.59)
			827.99
D01795	Jorge Marquez	Board Member Compensation for December 2020	
		4 Days WQA Business	597.72
		Meeting/Travel Expenses/Other	0.00
		Less Deferred Compensation	0.00
		Less Taxes Withheld	(293.75)
			303.97
D01796	Valerie Munoz	Board Member Compensation for December 2020	
		3 Days WQA Business	448.29
		Meeting/Travel Expenses/Other	0.00
		Less Deferred Compensation	0.00
		Less Taxes Withheld	(34.29)
			414.00
D01797	Mark Paulson	Board Member Compensation for December 2020	
		2 Days WQA Business	298.86
		Meeting/Travel Expenses/Other	0.00
		Less Deferred Compensation	0.00
		Less Taxes Withheld	(22.86)
			276.00
D01798	Lynda Noriega	Board Member Compensation for December 2020	
		3 Days WQA Business	448.29
		Meeting/Travel Expenses/Other	0.00
		Less Deferred Compensation	0.00
		Less Taxes Withheld	(34.29)
			414.00
EFT/ACH	SGBWQA - Payroll Fund	Replenish payroll fund for December 2020	
		Staff Payroll	75,270.34
		Board Deferred Compensation-Lincoln Life	414.00
		Board Payroll Taxes - Federal & State	773.84
			76,458.18
		<b>Total replenishment to payroll fund</b>	<b>78,970.14</b>
EFT/ACH	SGBWQA - Revolving Fund	Replenish revolving fund for 12/01/20 to 12/31/20 disbursements	
		Group Insurance	4401.69
		Dues and Subscriptions	850.00
		Office Supplies	228.85
		Telephone Service	383.04
		Plant & Water Service	67.87
		Misc. Office Expense	130.00
		Copier Machine	411.72
		Computer Systems O&M	450.97
		Meetings and Conferences	106.01
		Project Costs	92.43
			7,122.58

**DRAFT**

The following demands on the Administration Fund Account at Bank of the West are hereby submitted for payment.

Check No.	Payable to	Description	Amount
E91045	ACWA/JPIA	Invoice No. 660321, Medical and life insurance premiums for February 1, 2021 to March 1, 2021	8,550.25
E91046	ACWA/JPIA	Invoice No. '4Q-2020-WC', For Worker's Compensation program for October 1, 2020 to December 31, 2020	1,123.00
E91047	Accent Computer Solutions, Inc.	Invoice No. 140275, Professional IT services for January 2021	1,364.76
E91048	Association of California Water Agencies	Invoice No. 2021, For membership agency dues for January to December 2021	10,920.00
E91049	Bank of America	Invoice No. '20-12Dec-DC', Credit Card Expenses incurred for 12/01/20 to 12/31/20 Dues & Subscriptions	<u>76.96</u> 76.96
E91050	Bank of America	Invoice No. '20-12Dec-RS', Credit Card Expenses incurred for 12/01/20 to 12/31/20 Internet Service	<u>29.95</u> 29.95
E91051	Bank of America	Invoice No. '20-12Dec-SM', Credit card expenses incurred for 12/01/20 to 12/31/20 Misc. Office Expense	<u>114.95</u> 114.95
E91052	California Groundwater Coalition	Invoice No. '2021', Membership dues for 2021	4,500.00
E91053	The Gualco Group	Invoice No '20-12Dec', Professional consulting services for December 2020	5,140.00
E91054	Kadesh & Associates, LLC	Invoice No. 01-21, Professional consulting services for December 2020	15,000.00
E91055	The Monares Group, LLC	Invoice No. '21-01Jan', Professional consulting services for January 2021	16,000.00
E91056	Olivarez Madruga Lemieux O'Neill, LLP	Invoice No. 13327, Professional legal services for December 2020	2,425.00
E91057	Ruffle Properties, LLC	Office lease, CAM, and Storage for February 2021 Invoice No. '21-01Feb', Office lease Invoice No. '21-01Feb-CAM', Electricity charges Invoice No. '21-01Feb-Storage', Storage Room	<u>6,845.79</u> <u>643.20</u> <u>150.00</u> 7,638.99
mhs 01-14-2021			<b>TOTAL</b>
			<u><u>158,976.58</u></u>







**Board Member Per Diem**  
 \$149.43 per meeting, 6 meeting maximum per month  
 Mileage Rate: \$0.575 per mile (updated January 2015)

## EXPENSE SHEET

NAME: Michael Whitehead MONTH/YEAR: Dec-20

DATE	MEETING DESCRIPTION	Roundtrip Mileage	# of Days (not to exceed 6)	\$149.43 PER DIEM
12/8/20	WQA Admin/Finance Committee		1	\$149.43
12/18/20	WQA Board Meeting		1	\$149.43
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
Total Meetings			2	\$298.86
Total Mileage (at \$0.575 per mile)		0		\$0.00

DATE	Expense Reimbursement Description	Amount	Amount Allocated
		\$0.00	
		\$0.00	
		\$0.00	
		\$0.00	
	TOTAL Expenses	\$0.00	
TOTAL MEETINGS, MILEAGE, EXPENSES		\$298.86	
457	Deferred Compensation Amount (enter a positive number)		
TOTAL		\$298.86	

I hereby certify that I have incurred and paid all of the above expenses on behalf  
 of the SAN GABRIEL BASIN WATER QUALITY AUTHORITY.

Signature



**Board Member Per Diem**  
 \$149.43 per meeting, 6 meeting maximum per month  
 Mileage Rate: \$0.58 per mile (updated January 2019)

## EXPENSE SHEET

NAME: Edward L. Chavez MONTH/YEAR: Dec-20

DATE	MEETING DESCRIPTION	Roundtrip Mileage	# of Days (not to exceed 6)	\$149.43 PER DIEM
12/1/20	City Council Meeting - City of Monrovia		1	\$149.43
12/2/20	Board Members' Meeting - San Gabriel Basin Watermaster		1	\$149.43
12/8/20	Board of Directors' Meeting - Rowland Water District		1	\$149.43
12/9/20	Legislative and Public Information Committee - San Gabriel Basin Water Quality Authority		1	\$149.43
12/10/20	City Council Meeting - City of Industry		1	\$149.43
12/16/20	Board Members' Meeting - San Gabriel Basin Water Quality Authority		1	\$149.43
				\$0.00
				\$0.00
				\$0.00
				\$0.00
<b>Total Meetings</b>			<b>6</b>	<b>\$896.58</b>
<b>Total Mileage (at \$0.58 per mile)</b>		<b>0</b>		<b>\$0.00</b>

DATE	Expense Reimbursement Description (receipts required)	Amount
<b>TOTAL Expenses</b>		<b>\$0.00</b>
<b>TOTAL MEETINGS, MILEAGE, EXPENSES</b>		<b>\$896.58</b>
457	Deferred Compensation Amount (enter a positive number)	
<b>TOTAL</b>		<b>\$896.58</b>

I hereby certify that I have incurred and paid all of the above expenses on behalf of the SAN GABRIEL BASIN WATER QUALITY AUTHORITY

\_\_\_\_\_  
 Signature

*Please attach any fliers or back-up information regarding meetings listed above to be in compliance with AB 1234. If there are no attachments, a verbal report is required.*



# Board Member Per Diem

\$149.43 per meeting, 6 meeting maximum per month

Mileage Rate: \$0.575 per mile

(updated January 2020)

## EXPENSE SHEET

NAME: Jorge Marquez

MONTH/YEAR: Dec. 2020

DATE	MEETING DESCRIPTION	Roundtrip Mileage	# of Days (not to exceed 6)	\$149.43 PER DIEM
				\$0.00
12/9/20	WQA - Legislative Committee		1	\$149.43
12/14/20	San Gabriel Valley Regional Chamber of Commerce - Govt Affairs Meeting - Member		1	\$149.43
12/16/20	WQA - Board Meeting		1	\$149.43
12/17/20	WQA - Administrative Work - WQA Office		1	\$149.43
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
<b>Total Meetings</b>			<b>4</b>	<b>\$597.72</b>
<b>Total Mileage (at \$0.575 per mile)</b>		<b>0</b>		<b>\$0.00</b>

DATE	Expense Reimbursement Description (receipts required)	Amount
<b>TOTAL Expenses</b>		<b>\$0.00</b>

<b>TOTAL MEETINGS, MILEAGE, EXPENSES</b>		<b>\$597.72</b>
457	Deferred Compensation Amount (enter a positive number)	
<b>TOTAL</b>		<b>\$597.72</b>

I hereby certify that I have incurred and paid all of the above expenses on behalf of the  
SAN GABRIEL BASIN WATER QUALITY AUTHORITY

  
Signature

**Please attach any fliers or back-up information regarding meetings listed above to be in compliance with AB 1234. If there are no attachments, a verbal report is required.**





**\$149.43 per meeting, 6 meeting maximum per month**

**Mileage Rate: \$0.575 per mile**

(updated January 2020)

## EXPENSE SHEET

Valerie Munoz

**MONTH/YEAR:**

Dec-20

<b>DATE</b>	<b>MEETING DESCRIPTION</b>	<b>Mileage</b>	<b># of Days</b>	<b>\$148.29 PER DIEM</b>
12/9/20	Ledgislative and Pub Meeting		1	\$148.43
12/16/20	WQA Board Meeting		1	\$148.43
12/17/20	WQA Staff update and Checks signings		1	\$148.43
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
<b>Total Meetings</b>			<b>3</b>	<b>\$448.29</b>
<b>Total Mileage (at \$0.575 per mile)</b>		<b>0</b>		<b>\$0.00</b>

<b>DATE</b>	<b>Expense Raimbursement Description (receipts required)</b>	<b>Amount</b>
	<b>TOTAL Expenses</b>	<b>\$0.00</b>

<b>TOTAL MEETINGS, MILEAGE, EXPENSES</b>		<b>\$448.29</b>
<b>457</b>	<b>Deferred Compensation Amount (enter a positive number)</b>	
<b>TOTAL</b>		<b>\$448.29</b>

I hereby certify that I have incurred and paid all of the above expenses on behalf of the SAN GABRIEL BASIN WATER QUALITY AUTHORITY

Signature \_\_\_\_\_

**Please attach any fliers or back-up information regarding meetings listed above to be in compliance with AB 1234. If there are no attachments, a verbal report is required.**





Water Quality Authority

**Board Member Per Diem**

\$149.43 per meeting, 6 meeting maximum per month

Mileage Rate: \$0.575 per mile (updated January 2020)

**EXPENSE SHEET**

NAME:

Lynda Noriega

MONTH/YEAR:

Dec-20

DATE	MEETING DESCRIPTION	Roundtrip Mileage	# of Days (not to exceed 6)	\$149.43 PER DIEM
12/8/20	WQA Administrative/Finance Committee Meeting		1	\$149.43
12/9/20	WQA Legislative/Public Information Committee Meeting		1	\$149.43
12/16/20	ACWA/JPIA Sexual Harassment Prevention Training Webinar		0	\$0.00
12/16/20	WQA Board of Directors Meeting		1	\$149.43
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00
<b>Total Meetings</b>			<b>3</b>	<b>\$448.29</b>
<b>Total Mileage (at \$0.575 per mile)</b>		<b>0</b>		<b>\$0.00</b>

DATE	Expense Reimbursement Description (receipts required)	Amount
<b>TOTAL Expenses</b>		<b>\$0.00</b>
<b>TOTAL MEETINGS, MILEAGE, EXPENSES</b>		<b>\$448.29</b>
457	Deferred Compensation Amount (enter a positive number)	
<b>TOTAL</b>		<b>\$448.29</b>

I hereby certify that I have incurred and paid all of the above expenses on behalf of the  
SAN GABRIEL BASIN WATER QUALITY AUTHORITY

DocuSigned by:

DD802C1F4A03488...

Signature

**Please attach any fliers or back-up information regarding meetings listed above to be in compliance with AB 1234. If there are no attachments, a verbal report is required.**

**DRAFT**

The following demands on the Project Fund Account and Trustee Account at Bank of the West are hereby submitted for payment.

Check No.	Payable to	Description	Amount	Funding Sources
<b><u>BALDWIN PARK OPERABLE UNIT</u></b>				
E91058	RC Foster Corporation	Invoice No. 02-21-001, Project costs for Spare parts costs for January 2021		
		Invoice No. 02-21-001, Spare parts costs for January 2021	740.22	
		Invoice No. 02-21-005, Spare parts program insurance coverage for January thru December 2021	<u>1,721.00</u>	CR's
			2,461.22	
<b><u>SOUTH EL MONTE OPERABLE UNIT</u></b>				
E91059	Avocet Environmental Inc.	Project costs for Whitmore Street Groundwater Remediation Facility for December 2020		
		Invoice No. 6397 - Whitmore GW Treatment System	2,819.53	
		Invoice No. 6398 - Round 1 Prop 1-Whitmore Hydropunch	6,117.32	
		Invoice No. 6399 - Prop 1 SGV Priority Sites	<u>54,147.53</u>	WQA/Prop 1
			63,084.38	
E91060	City of Monterey Park	Project O&M Costs for Wells 5, 12, and 15 for April to June 2020		
		Invoice No. 24521, Well #5 VOC O&M Costs	42,755.71	
		Invoice No. 24522, Well #12 VOC O&M Costs	129,626.65	
		Invoice No. 24524, Well #12 DB O&M Costs	209,330.35	
		Invoice No. 24525, Well #15 VOC O&M Costs	<u>22,351.62</u>	EPA
			404,064.33	
<b>Total Project Costs</b>			<u><u>469,609.93</u></u>	
<b><u>SOUTH EL MONTE OPERABLE UNIT - TRUSTEE</u></b>				
E91061	City of Monterey Park	Invoice No. 24523, Project O&M Costs for Well #1,3, 10 & Fern VOC April to June 2020	166,789.28	RP's
<b>Total Trustee Costs</b>			<u><u>166,789.28</u></u>	
<b>Total Project and Trustee Costs</b>			<u><u>636,399.21</u></u>	

mhs 01-14-2021

**DRAFT**

The following demands on the Project Fund Account at Bank of the West are hereby submitted for payment. Pursuant to the BPOU Project Agreement Section 4.7 Payment of Invoices, the following invoices were approved by the BPOU Project Committee on December 31, 2020.

Check No.	Payable to	Description	Amount	Funding Sources
<b><u>BALDWIN PARK OPERABLE UNIT</u></b>				
E91062	La Puente Valley County WD	Invoice No. 4-2020-11, Project T&R costs for November 2020	97,761.48	CR's
E91063	Main San Gabriel Basin Watermaster	Invoice No. 02-226, Administrative Project Costs for November 2020		
		Administrative costs	21,454.27	
		T&R costs	<u>20,282.24</u>	CR's
E91064	Suburban Water Systems	Invoice No. 59881120, for project T&R costs for November 2020	25,510.53	CR's
E91065	Valley County Water District	Project costs for November 2020		
		Invoice No. 429, Capital costs	14,229.00	
		Invoice No. 429, T&R costs	195,087.06	
		Invoice No. 430, T&R costs	<u>45,819.68</u>	CR's
E91066	California Domestic Water Co.	Project costs for November 2020		
		Invoice No. 3430, T&R costs for Perchlorate	20,411.95	
		Invoice No. 3431, T&R costs for NDMA & VOC's	<u>86,897.38</u>	CR's
E91067	San Gabriel Valley Water Co.	Project costs for October 2020		
		Invoice No. 20-11281, B5 T&R costs	193,696.71	
		Invoice No. 20-12286, B5 T&R costs - install controller and pump	13,925.43	
		Invoice No. 20-11279, B6 T&R Costs	405,424.34	
		Invoice No. 20-11280, B6 Capital costs-UV Flex Treatment Plant	<u>22,185.59</u>	CRs
<i>mhs 01-14-2021</i>			<b>Total BPOU Project Costs</b>	<b><u>1,162,685.66</u></b>





# San Gabriel Basin Water Quality Authority

1720 W. Cameron Avenue, Suite 100, West Covina, CA 91790 • 626-338-5555 • Fax 626-338-5775

## AGENDA SUBMITTAL

**To:** WQA Board of Directors  
**From:** Randy Schoellerman, Executive Director  
**Date:** January 20, 2021  
**Subject:** **Report on Cash and Investments – 4th Quarter 2020**

---

### **Discussion**

Attached for your review is the quarterly report on cash and investments as of December 31, 2020.

The average monthly effective yields for the Pooled Money Investment Account (PMIA) for October, November and December 2020 are 0.620%, 0.576%, and 0.540%, respectively. The Local Agency Investment Fund (LAIF) quarterly rate for October through December 2020 been not yet issued. The PMIA Quarter to Date rate is .58%, as shown on the PMIA Daily Rates schedule.

SGBWQA holds its cash funds at Bank of the West (BOTW). Funds held at BOTW exceed the FDIC insured limit of \$250,000; all funds in excess of the FDIC limits are collateralized by BOTW in accordance with California Government Code Title 5, Division 2, Part 1, Chapter 4, Article 2 – Deposit of Funds.

Attached to this staff report are copies of the initial *Contract for Deposit for Public Funds* agreement with BOTW effective October 1, 2013, as well as an amendment to the agreement effective August 4, 2020. Section 8 of the agreements describes the eligible securities that serve as collateral for the SGBWQA deposits, in accordance with Government Code Section 53632.5 which refers to Section 53651.

Also attached is the text of the relevant California Government Code – page 3 (Section 53632.5) and pages 11 to 15 (Section 53651) describe the securities eligible to be used as collateral for the BOTW deposits.

### **Recommendation / Proposed Action**

For information only.

**Enclosures**

*Cash Report*

*Schedule of Interest Received and Interest Rates*

*PMIA/LAIF Performance Report as of 1/8/2021*

*PMIA Daily Rates through 12/30/2020*

*Contract with BOTW for Deposit of Public Funds Effective 10/1/2013*

*Amended Contract for Deposit of Public Funds Effective 8/4/2020*

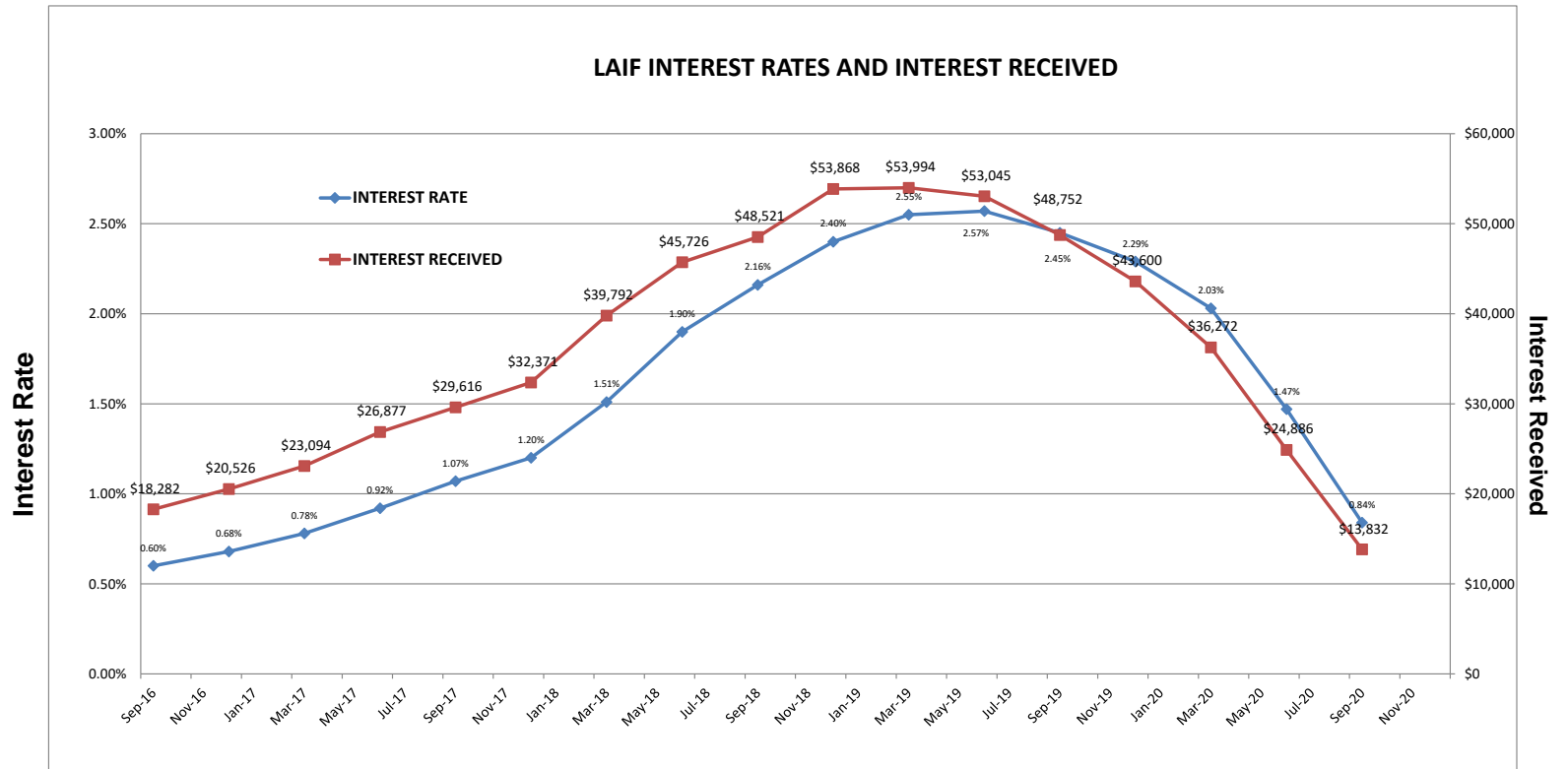
*California Gov. Code Title 5, Div. 2, Part 1, Chap. 4, Article 2. Deposit of Funds [53630 -53686]*

**San Gabriel Basin Water Quality Authority**  
**SUMMARY OF CASH AND INVESTMENTS**  
**DECEMBER 31, 2020**  
**DRAFT**

DESCRIPTION	BALANCE
<b><u>CASH AND BANK ACCOUNTS</u></b>	
Cash on Hand	\$ 250
<b><u>Bank of the West Checking Accounts</u></b>	
General Account	1,000
Revolving Account	18,526
Payroll Account	87,578
Project Account	1,898,319
Pooled Money Market Account - Project/Admin	11,974
Federal Funding Account	1,000
Total Cash and Bank Accounts	2,018,647
<b><u>Trustee Accounts</u></b>	
<b><u>Bank of the West</u></b>	
South El Monte Operable Unit (SEMOU) Checking Account	6,543
Total Trustee Accounts	6,543
<b><u>Investment Accounts</u></b>	
California Treasurer's Office	
Local Agency Investment Fund (LAIF)	
WQA General	5,266,911
SEMOU RP's	1,215,463
Total Investment Accounts	6,482,374
<b>TOTAL CASH, TRUSTEE AND INVESTMENT ACCOUNTS</b>	<b>\$ 8,507,564</b>

**San Gabriel Basin Water Quality Authority**  
**SUMMARY OF CASH AND INVESTMENTS**  
Schedule of LAIF Interest Received and Interest Rates  
AS OF DECEMBER 31, 2020  
**DRAFT**

LAIF RATE TABLE		
Quarter Ended	Interest Rate (%)	Interest Rec'd
Sep-16	0.60%	\$ 18,282
Dec-16	0.68%	\$ 20,526
Mar-17	0.78%	\$ 23,094
Jun-17	0.92%	\$ 26,877
Sep-17	1.07%	\$ 29,616
Dec-17	1.20%	\$ 32,371
Mar-18	1.51%	\$ 39,792
Jun-18	1.90%	\$ 45,726
Sep-18	2.16%	\$ 48,521
Dec-18	2.40%	\$ 53,868
Mar-19	2.55%	\$ 53,994
Jun-19	2.57%	\$ 53,045
Sep-19	2.45%	\$ 48,752
Dec-19	2.29%	\$ 43,600
Mar-20	2.03%	\$ 36,272
Jun-20	1.47%	\$ 24,886
Sep-20	0.84%	\$ 13,832
Dec-20		





# PMIA/LAIF Performance Report as of 01/08/21



## PMIA Average Monthly Effective Yields<sup>(1)</sup>

Dec	0.540
Nov	0.576
Oct	0.620

## Quarterly Performance Quarter Ended 09/30/20

LAIF Apportionment Rate <sup>(2)</sup> :	0.84
LAIF Earnings Ratio <sup>(2)</sup> :	0.00002309407394024
LAIF Fair Value Factor <sup>(1)</sup> :	1.004114534
PMIA Daily <sup>(1)</sup> :	0.65%
PMIA Quarter to Date <sup>(1)</sup> :	0.80%
PMIA Average Life <sup>(1)</sup> :	169

## Pooled Money Investment Account Monthly Portfolio Composition <sup>(1)</sup> 11/30/20 \$103.0 billion

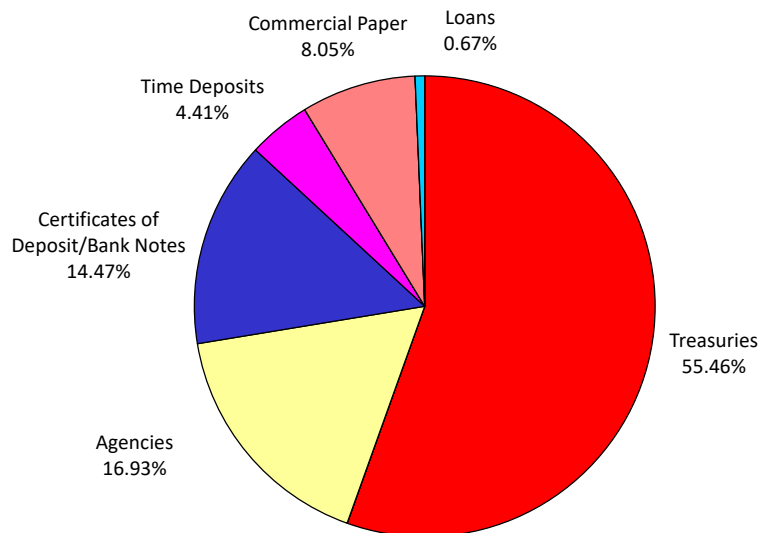


Chart does not include 0.01% of mortgages. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

*Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).*

Source:

<sup>(1)</sup> State of California, Office of the Treasurer

<sup>(2)</sup> State of California, Office of the Controller



**CALIFORNIA STATE TREASURER  
FIONA MA, CPA**



**PMIA Daily Rates**

Date	Daily	Quarter to Date	Average Maturity
12/30/20	0.52	0.58	163
12/29/20	0.52	0.58	163
12/28/20	0.52	0.58	162
12/27/20	0.53	0.58	167
12/26/20	0.53	0.58	167
12/25/20	0.53	0.58	167
12/24/20	0.53	0.58	167
12/23/20	0.52	0.58	167
12/22/20	0.53	0.59	169
12/21/20	0.53	0.59	167
12/20/20	0.53	0.59	170
12/19/20	0.53	0.59	170
12/18/20	0.53	0.59	170
12/17/20	0.53	0.59	170
12/16/20	0.53	0.59	170
12/15/20	0.55	0.59	171
12/14/20	0.55	0.59	169
12/13/20	0.55	0.59	169
12/12/20	0.55	0.59	169
12/11/20	0.55	0.59	169
12/10/20	0.55	0.59	171
12/09/20	0.56	0.59	173
12/08/20	0.56	0.59	173
12/07/20	0.56	0.60	172
12/06/20	0.56	0.60	176
12/05/20	0.56	0.60	176
12/04/20	0.56	0.60	176
12/03/20	0.56	0.60	176
12/02/20	0.58	0.60	176
12/01/20	0.57	0.60	175
11/30/20	0.56	0.60	171
11/29/20	0.57	0.60	171
11/28/20	0.57	0.60	172
11/27/20	0.57	0.60	173
11/26/20	0.57	0.60	175
11/25/20	0.57	0.60	175
11/24/20	0.57	0.60	174
11/23/20	0.57	0.60	172
11/22/20	0.57	0.60	175

\*Daily yield does not reflect capital gains or losses

Updated: 12/30/2020



**CALIFORNIA STATE TREASURER**  
**FIONA MA, CPA**



**PMIA Daily Rates**

Date	Daily	Quarter to Date	Average Maturity
11/21/20	0.57	0.60	175
11/20/20	0.57	0.60	175
11/19/20	0.57	0.61	176
11/18/20	0.57	0.61	174
11/17/20	0.57	0.61	174
11/16/20	0.58	0.61	174
11/15/20	0.58	0.61	175
11/14/20	0.58	0.61	177
11/13/20	0.58	0.61	177
11/12/20	0.58	0.61	177
11/11/20	0.58	0.61	178
11/10/20	0.58	0.61	178
11/09/20	0.58	0.61	177
11/08/20	0.58	0.61	177
11/07/20	0.58	0.61	177
11/06/20	0.58	0.62	177
11/05/20	0.58	0.62	177
11/04/20	0.59	0.62	177
11/03/20	0.60	0.62	178
11/02/20	0.60	0.62	180
11/01/20	0.60	0.62	176

Depository: BANK OF THE WEST  
Local Agency: SAN GABRIEL BASIN WATER QUALITY AUTHORITY  
Agent of Depository: WELLS FARGO BANK N.A. MN  
Security Safekeeper: WELLS FARGO BANK N.A. MN  
Depository's Net Worth as of 08/31/13 : 11,762,524,803  
Depository's Paid-up Capital and Surplus: \$11,762,519,255  
Depository's Most Recent CRA Rating: Satisfactory  
Effective Date of this Agreement: 10/01/2013

This agreement is made by and between Bank of the West ("Depository") and the Treasurer of the local agency named above ("Agency") on behalf of the Agency with respect to the Agency's deposit of funds with Depository.

Depository and Agency agree, as follows:

1. **Governing law.** This agreement is entered into pursuant to California Government Code Title 5, Division 2 (the "Code") (Note: all sections referenced in this agreement shall be to the California Government Code).
2. **Agency Representations.** Agency has determined that the deposit accounts and services contemplated by this agreement are to the public advantage. The person(s) executing this agreement on behalf of Agency represent and warrant that: (a) they are authorized by the Agency and under applicable law to bind the Agency to this agreement; (b) no further approval by any other person, board or governing body is required to make this agreement effective and binding as to the Agency; and (c) Agency's funds may be deposited with Depository in accordance with this agreement.
3. **Depository Representations.** Depository represents and warrants that its net worth and latest Community Reinvestment Act rating are as set forth at the top of this agreement.
4. **Interest.** Interest shall accrue on interest-bearing accounts maintained by Agency at the rate set forth in Agency's account agreement with Depository. If Depository does not have a system that can accrue interest on a 360-day basis for inactive deposits, Depository may increase the rate of interest on the account so that the interest yield is



equivalent to an account where interest is calculated on a 360-day basis. Interest shall be paid quarterly or more frequently, as set forth in the account agreement.

5. **Expenses.** Unless otherwise agreed by the parties: (a) Depository shall bear the expense of transportation of eligible securities maintained as collateral to and from the designated Agent of the Depository; (b) Agency shall bear the expense of transportation of funds to and from Depository; and (c) Depository shall handle, collect, and pay checks, drafts, and other exchange for the fees set forth in the account agreement between Depository and Agency.
6. **Other Deposit Terms.** Each deposit shall be subject to the terms of the account agreement between Depository and Agency. This agreement supplements and supersedes, where inconsistent, the terms of the account agreement between Depository and Agency.
7. **Deposits.** At the time of each deposit, Depository will issue a receipt to Agency. Each deposit shall be subject to the terms of this agreement and the account agreement, which shall state if and when interest is to be paid, the rate of interest, the duration of the deposit, and the terms of withdrawal.
8. **Security for Deposits.** Depository shall at all times maintain the required amount of eligible securities with the Agent of Depository named above to secure the deposits of the Agency, in accordance with the Code. The Agent of Depository is authorized to place such securities for safekeeping with the bank named above as "*Security Holder*" or with any Federal Reserve Bank or branch thereof or with any other Approved Agents of Depository, in accordance with Section 53659. Pursuant to Section 53653, Treasurer waives security for the portion of any deposits that is insured pursuant to federal law.

Depository may add, substitute or withdraw securities being used as security for deposits in accordance with Section 53654. Depository shall not interchange classes of security, as defined in Section 53632.5, without the prior written approval of the Treasurer.

Depository shall have and hereby reserves the right to collect interest on the securities maintained as collateral, except in cases where the securities are liable to sale or are sold or converted in accordance with the provisions of California Government Code §53665.

9. **Default by Depository.** If Depository fails as an institution or fails to pay all or part of the deposits of the Agency secured by pooled securities in accordance with this agreement and upon the demand of the Treasurer or any other authorized official, Treasurer will send written notice to the Administrator of Local Agency Security of the State of California (the "*Administrator*"), who shall draw on any applicable letter of credit and/or convert into money any securities necessary to cover (a) the deposits of the Agency, (b) any accrued interest, and (c) the reasonable expenses of the Administrator, which shall be distributed and used by the Administrator, as provided in Section 53665 of the Code. If the Administrator determines that a security is not qualified to secure public deposits, Depository will substitute other securities to comply with the requirements of this agreement.

Upon notice to the Treasurer from the Administrator, Treasurer may withdraw deposits in the event the Depository fails to pay the assessments, fines, or penalties assessed by the Administrator or may withdraw authorization for the placement of pooled securities in an agent of depository in the event the Agent of Depository fails to pay the fines or penalties assessed by the Administrator.

10. **Compliance.** Subject to Section 53648 and applicable federal law, the parties shall comply in all respects with the provisions of the Code and other applicable provisions of law.
11. **Termination.** Either party may terminate this agreement as to future deposits by providing 30 days prior written notice written notice to the other party.

SAN GABRIEL BASIN WATER QUALITY  
AUTHORITY

Date: October 3, 2013

AGENCY

By: Mary Saenz  
Name/Title: Mary Saenz, Director of Finance

By: \_\_\_\_\_  
Name/Title: \_\_\_\_\_

BANK OF THE WEST  
"DEPOSITORY"

Date: 10/10/13

By: M. E. Pisano  
Name/Title: Maria E. Pisano, VP - Cash & Collateral Manager

By: G. Crow  
Name/Title: Gary Crow, VP Treasury Funding



[Note: This agreement should be signed in triplicate]



**BANK OF THE WEST**  
**BNP PARIBAS**

**CONTRACT FOR DEPOSIT OF  
PUBLIC FUNDS  
[California – Inactive and Active]**

Depository:	Bank of the West
Local Agency:	
Agent of Depository:	Wells Fargo Bank N.A., MN
Security Safe keeper:	Wells Fargo Bank N.A., MN
Depository's Net Worth as of	06/30/2020: \$13,104,614.137.62
Depository's Paid-up Capital and Surplus:	\$13,085,250,540.78
Depository's Most Recent CRA Rating:	Satisfactory
Effective Date of this Agreement:	

This Contract for Deposit of Public Funds ("Agreement") is made by and between Bank of the West ("Depository") and Treasurer of the local agency named above ("Agency") on behalf of the Agency with respect to the Agency's deposit of funds with Depository. This Agreement, supplements the applicable Deposit Account Disclosure and Safe Deposit Box Rental Agreement Terms and Conditions, Schedule of Fees and Charges for Business Deposit Accounts, current Rate Sheet, the Agency's signature card and other addenda that may be provided to you with reference to the Agency's deposit accounts as those documents are added to, deleted from or otherwise amended from time to time ("Account Agreement"). Any inconsistency between this Agreement and the Account Agreement shall be controlled by this Agreement.

Depository and Agency agree, as follows:

1. **Governing law.** This Agreement is entered into pursuant to California Government Code Title 5, Division 2 (the "Code"). (Note: all sections referenced in this Agreement shall be to the California Government Code).
2. **Agency Representations.** Agency has determined that the deposit accounts and services contracted for in the Account Agreement and covered in this Agreement are to the public advantage. The person(s) executing this Agreement on behalf of Agency represent and warrant that: (a) they are authorized by the Agency and under applicable law to bind the Agency to this Agreement; (b) no further approval by any other person, board or governing body is required to make this Agreement effective and binding on the Agency; and (c) Agency's funds may be deposited with Depository in accordance with this Agreement.
3. **Depository Representations.** Depository represents and warrants that its net worth and latest Community Reinvestment Act rating are as set forth at the top of this Agreement.
4. **Interest.** Interest shall accrue on interest-bearing accounts maintained by Agency at the rate set forth in Agency's Account Agreement with Depository. If Depository does not have a system that can accrue interest on a 360-day basis for inactive deposits, Depository may increase the rate of interest on the account so that the interest yield is equivalent to an account where interest is calculated on a 360-day basis. Interest shall be paid quarterly or more frequently, as set forth in the Account Agreement.



5. **Expenses.** Unless otherwise agreed by the parties: (a) Depository shall bear the expense of transportation of eligible securities maintained as collateral to and from the designated Agent of the Depository; (b) Agency shall bear the expense of transportation of funds to and from Depository; and (c) Depository shall handle, collect, and pay checks, drafts, and other exchange for the fees set forth in the Account Agreement between Depository and Agency.
6. **Other Deposit Terms.** Each deposit shall be subject to the terms of the Account Agreement between Depository and Agency.
7. **Deposits.** At the time of each deposit, Depository will issue a receipt to Agency. Each deposit shall be subject to the terms of this Agreement and the Account Agreement, which shall state if and when interest is to be paid, the rate of interest, the duration of the deposit, and the terms of withdrawal.
8. **Security for Deposits; Waiver of Security for Deposits Insured by Federal Law; Authorization to Collateralize Deposits with Letters of Credit Issued by the Federal Home Loan Bank of San Francisco.** Depository shall at all times maintain the required amount of eligible securities with the Agent of Depository named above to secure the deposits of the Agency, in accordance with the Code. The Agent of Depository is authorized to place such securities for safekeeping with the bank named above as "*Security Holder*" or with any Federal Reserve Bank or branch thereof or with any other Approved Agents of Depository, in accordance with Section 53659.

Pursuant to Section 53653, Treasurer waives security for the portion of any deposits that is insured pursuant to federal law. Treasurer also waives security for the interest accrued on the deposits which, when added to the local agency deposits, would cause the sum of the interest and deposits to exceed the maximum amount insured pursuant to federal law, provided the interest is computed by the depository on the average daily balance of the deposits, paid monthly and computed on a 360-day basis.

Treasurer consents that Depository is hereby authorized to collateralize the deposits of the agency with letters of credit issued by the Federal Home Loan Bank of San Francisco provided those letters of credit comply with Section 53651.6.

Depository may add, substitute or withdraw securities being used as security for deposits in accordance with Section 53654. Depository shall not interchange classes of security, as defined in Section 53632.5, without the prior written approval of Treasurer.

Depository shall have and hereby reserves the right to collect interest on the securities maintained as collateral, except in cases where the securities are liable to sale or are sold or converted in accordance with the provisions of California Government Code §53665.

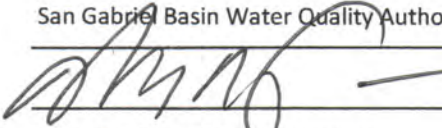
9. **Default by Depository.** If Depository fails as an institution or fails to pay all or part of the deposits of the Agency secured by pooled securities in accordance with this Agreement and upon the demand of Treasurer or any other authorized official, Treasurer will send written notice to the Administrator of Local Agency Security of the State of California (the "Administrator"), who shall draw on any applicable letter of credit and/or convert into money any securities necessary to cover (a) the deposits of the Agency, (b) any accrued interest, and (c) the reasonable expenses of the Administrator, which shall be distributed and used by the Administrator, as provided in Section 53665 of the Code. If the Administrator determines that a security is not qualified to secure public deposits, Depository will substitute other securities to comply with the requirements of this Agreement.


Upon notice to Treasurer from the Administrator, Treasurer may withdraw deposits in the event the Depository fails to pay the assessments, fines, or penalties assessed by the Administrator or may withdraw authorization for the placement of pooled securities in an agent of depository in the event the Agent of Depository fails to pay the fines or penalties assessed by the Administrator.

10. **Compliance.** Subject to Section 53648 and applicable federal law, the parties shall comply in all respects with the provisions of the Code and other applicable provisions of law.
11. **Electronic Record; Counterpart.** This Agreement may be in the form of an Electronic Record and may, if Depository has expressly agreed with you to accept Electronic Signatures, be executed using Electronic Signatures (including manually executed paper documents that are sent by facsimile, .pdf or other electronic means), which shall be considered an original and shall have the same legal effect, validity and enforceability as an original paper record. For purposes hereof, each of the terms "Electronic Record" and "Electronic Signature" has the respective meaning assigned to it in 15 USC §7006 (as the same may be amended from time to time).

This Agreement may be executed in one or more counterparts, including both paper and electronic counterparts, but all such counterparts shall constitute one and the same agreement.

12. **Termination.** Either party may terminate this Agreement as to future deposits by providing 30 days prior written notice to the other party.

Date: 08/05/2020 Agency: San Gabriel Basin Water Quality Authority (SGBWQA)  
By:   
Name/Title: Mark Paulson - Board Treasurer

Date: 08/03/2020 Depository: BANK OF THE WEST  
By:   
Name/Title: Abe Amerie, Vice President

**GOVERNMENT CODE - GOV**

**TITLE 5. LOCAL AGENCIES [50001 - 57607]**

*( Title 5 added by Stats. 1949, Ch. 81. )*

**DIVISION 2. CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 55821]**

*( Division 2 added by Stats. 1949, Ch. 81. )*

**PART 1. POWERS AND DUTIES COMMON TO CITIES, COUNTIES, AND OTHER AGENCIES [53000 - 54999.7]**

*( Part 1 added by Stats. 1949, Ch. 81. )*

**CHAPTER 4. Financial Affairs [53600 - 53997]**

*( Chapter 4 added by Stats. 1949, Ch. 81. )*

**ARTICLE 2. Deposit of Funds [53630 - 53686]**

*( Article 2 added by Stats. 1949, Ch. 81. )*

**53630.**

As used in this article:

(a) **"Local agency"** means county, city, city and county, including a chartered city or county, a community college district, or other public agency or corporation in this state.

(b) **"Treasurer"** means treasurer of the local agency.

(c) **"Depository"** means a state or national bank, savings association or federal association, a state or federal credit union, or a federally insured industrial loan company, in this state in which the moneys of a local agency are deposited.

(d) **"Agent of depository"** means a trust company or trust department of a state or national bank located in this state, including the trust department of a depository where authorized, and the Federal Home Loan Bank of San Francisco, which is authorized to act as an agent of depository for the purposes of this article pursuant to Section 53657.

(e) **"Security"** means any of the eligible securities or obligations listed in Section 53651.

(f) **"Pooled securities"** means eligible securities held by an agent of depository for a depository and securing deposits of one or more local agencies.

(g) **"Administrator"** means the Administrator of Local Agency Security of the State of California.

(h) **"Savings association or federal association"** means a savings association, savings and loan association, or savings bank as defined by Section 5102 of the Financial Code.

(i) **"Federally insured industrial loan company"** means an industrial loan company licensed under Division 7 (commencing with Section 18000) of the Financial Code, the investment certificates of which are insured by the Federal Deposit Insurance Corporation.

(j) **"Corporation"** includes a limited liability company.

*(Amended by Stats. 2004, Ch. 118, Sec. 19.7. Effective January 1, 2005.)*

**53630.1.**



The Legislature hereby finds that the solvency and creditworthiness of each individual local agency can impact the solvency and creditworthiness of the state and other local agencies within the state. Therefore, to protect the solvency and creditworthiness of the state and all of its political subdivisions, the Legislature hereby declares that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern.

*(Added by Stats. 1995, Ch. 784, Sec. 16. Effective January 1, 1996.)*

#### **53630.5.**

(a) The definitions in Section 1670 of, and Chapter 1 (commencing with Section 99) of Division 1 of, the Financial Code apply to this section.

(b) In this article, for purposes of being a depository of moneys belonging to or being in the custody of a local agency, the phrases "**state** or national bank located in this **state**," "**state** or national **bank**," "**state** or national bank in this **state**," and "**state** or national banks in the **state**" include, without limitation, any of the following:

(1) A California branch office of a foreign (other state) state bank that the bank is authorized to maintain under the law of its domicile and federal law.

(2) A California branch office of a foreign (other state) national bank that the bank is authorized to maintain under federal law.

(3) A California branch office of a foreign (other nation) bank that the bank is licensed to maintain under Article 3 (commencing with Section 1800) of Chapter 20 of Division 1.1 of the Financial Code.

(4) A California federal branch of a foreign (other nation) bank that the bank is authorized to maintain under federal law.

*(Amended by Stats. 2018, Ch. 92, Sec. 113. (SB 1289) Effective January 1, 2019.)*

#### **53631.**

Under those conditions as the treasurer of a local agency fixes with the approval of the legislative body, he or she may establish accounts at banks within or without the state and deposit money in those accounts to the extent necessary to pay the principal and interest of bonds to pay any warrant that has been presented for payment, or to fund any electronic disbursement of funds from the treasury of the local agency. This article does not apply to deposits for those purposes.

*(Amended by Stats. 2001, Ch. 176, Sec. 15. Effective January 1, 2002.)*

#### **53632.**

There are three classes of deposits:

(a) Inactive deposits.

(b) Active deposits.

(c) Interest-bearing active deposits.

*(Amended by Stats. 1983, Ch. 105, Sec. 1.5.)*

#### **53632.5.**

There are three classes of security for deposits:

- (a) Securities described in subdivision (m) of Section 53651.
- (b) Securities described in subdivision (p) of Section 53651.
- (c) Securities enumerated in Section 53651, except for those described in subdivisions (m) and (p) of that section.

*(Amended by Stats. 1986, Ch. 1132, Sec. 2.)*

#### **53633.**

The treasurer shall determine the amounts of money to be deposited as inactive, active, and interest-bearing active deposits, except as otherwise provided in Section 53679.

*(Amended by Stats. 1983, Ch. 105, Sec. 3.)*

#### **53634.**

The treasurer may call in money from inactive deposits and place it in active deposits as current demands require. When there is money in his possession for which there is no demand as inactive deposits, he may place it as active deposits.

*(Added by Stats. 1949, Ch. 81.)*

#### **53635.**

(a) This section shall apply to a local agency that is a county, a city and county, or other local agency that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body. However, Section 53601 shall apply to all local agencies that pool money in deposits or investments exclusively with local agencies that have the same governing body. This section shall be interpreted in a manner that recognizes the distinct characteristics of investment pools and the distinct administrative burdens on managing and investing funds on a pooled basis pursuant to Article 6 (commencing with Section 27130) of Chapter 5 of Division 2 of Title 3.

A local agency that is a county, a city and county, or other local agency that pools money in deposits or investments with other agencies may invest in commercial paper pursuant to subdivision (h) of Section 53601, except that the local agency shall be subject to the following concentration limits:

- (1) No more than 40 percent of the local **agency's** money may be invested in eligible commercial paper.
  - (2) No more than 10 percent of the total assets of the investments held by a local agency may be invested in any one **issuer's** commercial paper.
- (b) Notwithstanding Section 53601, the City of Los Angeles shall be subject to the concentration limits of this section for counties and for cities and counties with regard to the investment of money in eligible commercial paper.



(c) A local agency subject to this section may invest in commercial paper, debt securities, or other obligations of a public bank, as defined in Section 57600.

*(Amended by Stats. 2019, Ch. 442, Sec. 12. (AB 857) Effective January 1, 2020.)*

### **53635.2.**

As far as possible, all money belonging to, or in the custody of, a local agency, including money paid to the treasurer or other official to pay the principal, interest, or penalties of bonds, shall be deposited for safekeeping in state or national banks, public banks, savings associations, federal associations, credit unions, or federally insured industrial loan companies in this state selected by the treasurer or other official having legal custody of the money; or may be invested in the investments set forth in Section 53601. To be eligible to receive local agency money, a bank, savings association, federal association, or federally insured industrial loan company shall have received an overall rating of not less than **"satisfactory"** in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California's communities, including low- and moderate-income neighborhoods, pursuant to Section 2906 of Title 12 of the United States Code. Sections 53601.5 and 53601.6 shall apply to all investments that are acquired pursuant to this section.

*(Amended by Stats. 2019, Ch. 442, Sec. 13. (AB 857) Effective January 1, 2020.)*

### **53635.7.**

In making any decision that involves borrowing in the amount of one hundred thousand dollars (\$100,000) or more, the legislative body of the local agency shall discuss, consider, and deliberate each decision as a separate item of business on the agenda of its meeting as prescribed in Chapter 9 (commencing with Section 54950). As used in this section, **"borrowing"** does not include bank overdrafts or security lending.

*(Amended by Stats. 2001, Ch. 176, Sec. 16. Effective January 1, 2002.)*

### **53635.8.**

Notwithstanding any other provision of this code, a local agency that has the authority under law to invest funds, at its discretion, may invest a portion of its surplus funds in deposits at a commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of deposits. The following conditions shall apply:

(a) The local agency shall choose a nationally or state-chartered commercial bank, savings bank, savings and loan association, or credit union in this state to invest the funds, which shall be known as the **"selected"** depository institution.

(b) The selected depository institution may use a private sector entity to help place local agency deposits with one or more commercial banks, savings banks, savings and loan associations, or credit unions that are located in the United States and are within the network used by the private sector entity for this purpose.

(c) The selected depository institution shall request that the local agency inform it of depository institutions at which the local agency has other deposits, and the selected depository institution shall provide that information to the private sector entity.

(d) Any private sector entity used by a selected depository institution to help place its local agency deposits shall maintain policies and procedures requiring all of the following:

(1) The full amount of each deposit placed pursuant to subdivision (b) and the interest that may accrue on each such deposit shall at all times be insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

(2) Every depository institution where funds are placed shall be capitalized at a level that is sufficient, and be otherwise eligible, to receive such deposits pursuant to regulations of the Federal Deposit Insurance Corporation or the National Credit Union Administration, as applicable.

(3) At the time of the local **agency's** investment with a selected depository institution and no less than monthly thereafter, the private sector entity shall ensure that the local agency is provided with an inventory of all depository institutions in which deposits have been placed on the local **agency's** behalf, that are within the private sector **entity's** network.

(4) Within its network, the private sector entity shall ensure that it does not place additional deposits from a particular local agency with any depository institution identified pursuant to subdivision (c) as holding that local **agency's** deposits if those additional deposits would result in that local **agency's** total amount on deposit at that depository institution exceeding the Federal Deposit Insurance Corporation or the National Credit Union Administration insurance limit.

(e) If a selected depository uses two or more private sector entities to assist in the placement of a local **agency's** deposits, the selected depository shall ensure that it does not place additional deposits from a particular local agency with a depository institution if those additional deposits would result in that local **agency's** total amount on deposit at that depository institution exceeding the Federal Deposit Insurance Corporation or the National Credit Union Administration insurance limit.

(f) The selected depository institution shall serve as a custodian for each such deposit.

(g) On the same date that the local **agency's** funds are placed pursuant to subdivision (b) by the private sector entity, the selected depository institution shall receive an amount of insured deposits from other financial institutions that, in total, are equal to, or greater than, the full amount of the principal that the local agency initially deposited through the selected depository institution for investment pursuant to subdivision (b).

(h) Notwithstanding subdivisions (a) to (g), inclusive, a credit union shall not act as a selected depository institution under this section unless both of the following conditions are satisfied:

(1) The credit union offers federal depository insurance through the National Credit Union Administration.

(2) The credit union is in possession of written guidance or other written communication from the National Credit Union Administration authorizing participation of federally insured credit unions in one or more deposit placement services and affirming that the moneys held by those credit unions while

participating in a deposit placement service will at all times be insured by the federal government.

(i) It is the intent of the Legislature that this section shall not restrict competition among private sector entities that provide placement services pursuant to this section.

(j) The deposits placed pursuant to this section shall be subject to Section 53638 and shall not, in total, exceed 30 percent of the **agency's** funds that may be invested for this purpose.

*(Amended (as amended by Stats. 2015, Ch. 181, Sec. 3) by Stats. 2019, Ch. 619, Sec. 4. (AB 945) Effective January 1, 2020.)*

### **53636.**

Money so deposited is deemed to be in the treasury of the local agency.

*(Added by Stats. 1949, Ch. 81.)*

### **53637.**

The money shall be deposited in any bank, savings association or federal association, state or federal credit union, or federally insured industrial loan company with the objective of realizing maximum return, consistent with prudent financial management, except that money shall not be deposited in any state or federal credit union if a member of the legislative body of a local agency, or any person with investment decisionmaking authority of the administrative office, **manager's** office, budget office, auditor-**controller's** office, or **treasurer's** office of the local agency, also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or supervisory committee, of the state or federal credit union.

*(Amended by Stats. 1998, Ch. 81, Sec. 2. Effective January 1, 1999.)*

### **53638.**

(a) The deposit shall not exceed the **shareholder's** equity of any depository bank. For the purposes of this subdivision, **shareholder's** equity shall be determined in accordance with Section 463 of the Financial Code, but shall be deemed to include capital notes and debentures.

(b) The deposit shall not exceed the total of the net worth of any depository savings association or federal association, except that deposits not exceeding a total of five hundred thousand dollars (\$500,000) may be made to a savings association or federal association without regard to the net worth of that depository, if such deposits are insured or secured as required by law.

(c) The deposit to the share accounts of any regularly chartered credit union shall not exceed the total of the unimpaired capital and surplus of the credit union, as defined by rule of the Commissioner of Business Oversight, except that the deposit to any credit union share account in an amount not exceeding five hundred thousand dollars (\$500,000) may be made if the share accounts of that credit union

are insured or guaranteed pursuant to Section 14858 of the Financial Code or are secured as required by law.

(d) The deposit in investment certificates of a federally insured industrial loan company shall not exceed the total of the unimpaired capital and surplus of the insured industrial loan company.

*(Amended by Stats. 2016, Ch. 277, Sec. 12. (AB 2907) Effective January 1, 2017.)*

#### **53639.**

(a) Except as otherwise provided in Section 53682, the depository shall bear the expenses of transportation of money to and from the depository. If, pursuant to a contract between the treasurer and the depository, the depository is not required to bear the expense of transportation of money to and from the depository, the treasurer shall secure those transportation services by separate agreement or contract.

(b) (1) A separate agreement or contract for transportation services includes an agreement to procure bank courier or armored car transport services and a contract for the pickup and transportation of moneys received by the treasurer or any other department requiring secure transportation.

(2) The terms of a separate agreement or contract for transportation services may include, but are not limited to, a specification of costs, frequency of pickup, locations of pickup, and any other transportation services that are necessary for the conduct of the **treasurer's** office.

*(Amended by Stats. 2019, Ch. 258, Sec. 1. (SB 789) Effective January 1, 2020.)*

#### **53640.**

Except as otherwise provided in Section 53682, the depository shall handle, collect, and pay all checks, drafts, and other exchange without cost to the local agency.

*(Amended by Stats. 1986, Ch. 248, Sec. 92.)*

#### **53641.**

When money is deposited in a depository, the treasurer or other authorized official shall take and preserve a receipt, certificate of deposit, or other evidence of the deposit as he or she requires.

*(Amended by Stats. 1986, Ch. 248, Sec. 93.)*

#### **53642.**

The money deposited may be drawn out by check or order of the treasurer or other official authorized to make such deposit.

*(Amended by Stats. 1953, Ch. 670.)*

#### **53643.**

The treasurer may deposit any part of the money as agreed upon between the treasurer and the depository.

*(Amended by Stats. 1986, Ch. 248, Sec. 94.)*

#### **53644.**

If an agreement is not made:

(a) Active deposits and interest thereon are subject to withdrawal upon the demand of the treasurer or other authorized official, subject to any penalties which may be prescribed by federal law or regulation.

(b) Inactive deposits are subject to notice of at least thirty days before withdrawal.

*(Amended by Stats. 1983, Ch. 105, Sec. 7.)*

#### **53645.**

Interest shall be computed and paid by the depository, as follows:

(a) For active deposits upon which interest is payable, interest shall be computed on the average daily balance for the calendar quarter, and shall be paid quarterly.

(b) For inactive deposits, interest shall be computed on a 360-day basis, and shall be paid quarterly.

*(Amended by Stats. 1992, Ch. 523, Sec. 5.3. Effective January 1, 1993.)*

#### **53646.**

(a) (1) In the case of county government, the treasurer may annually render to the board of supervisors and any oversight committee a statement of investment policy, which the board shall review and approve at a public meeting. Any change in the policy shall also be reviewed and approved by the board at a public meeting.

(2) In the case of any other local agency, the treasurer or chief fiscal officer of the local agency may annually render to the legislative body of that local agency and any oversight committee of that local agency a statement of investment policy, which the legislative body of the local agency shall consider at a public meeting. Any change in the policy shall also be considered by the legislative body of the local agency at a public meeting.

(b) (1) The treasurer or chief fiscal officer may render a quarterly report to the chief executive officer, the internal auditor, and the legislative body of the local agency. The quarterly report shall be so submitted within 30 days following the end of the quarter covered by the report. Except as provided in subdivisions (e) and (f), this report shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and moneys held by the local agency, and shall additionally include a description of any of the local **agency's** funds, investments, or programs, that are under the management of contracted parties, including lending programs. With respect to all securities held by the local agency, and under management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund, the report shall also

include a current market value as of the date of the report, and shall include the source of this same valuation.

(2) The quarterly report shall state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance.

(3) The quarterly report shall include a statement denoting the ability of the local agency to meet its **pool's** expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

(4) In the quarterly report, a subsidiary ledger of investments may be used in accordance with accepted accounting practices.

(c) Pursuant to subdivision (b), the treasurer or chief fiscal officer shall report whatever additional information or data may be required by the legislative body of the local agency.

(d) The legislative body of a local agency may elect to require the report specified in subdivision (b) to be made on a monthly basis instead of quarterly.

(e) For local agency investments that have been placed in the Local Agency Investment Fund, created by Section 16429.1, in National Credit Union Share Insurance Fund-insured accounts in a credit union, in accounts insured or guaranteed pursuant to Section 14858 of the Financial Code, or in Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, in a county investment pool, or any combination of these, the treasurer or chief fiscal officer may supply to the governing body, chief executive officer, and the auditor of the local agency the most recent statement or statements received by the local agency from these institutions in lieu of the information required by paragraph (1) of subdivision (b) regarding investments in these institutions.

(f) The treasurer or chief fiscal officer shall not be required to render a quarterly report, as required by subdivision (b), to a legislative body or any oversight committee of a school district or county office of education for securities, investments, or moneys held by the school district or county office of education in individual accounts that are less than twenty-five thousand dollars (\$25,000).

(g) In recognition of the state and local interests served by the actions made optional in subdivisions (a) and (b), the Legislature encourages the local agency officials to continue taking the actions formerly mandated by this section. However, nothing in this subdivision may be construed to impose any liability on a local agency that does not continue to take the formerly mandated action.

*(Amended by Stats. 2009, Ch. 332, Sec. 68.5. (SB 113) Effective January 1, 2010.)*

#### **53647.**

(a) Interest on all money deposited belongs to, and shall be paid quarterly into the general fund of, the local agency represented by the officer making the deposit, unless otherwise directed by law.

(b) Notwithstanding the provisions of subdivision (a), and except as otherwise directed by law, if the governing body of the local agency represented by the officer making the deposit so directs, such interest shall be paid to the fund which contains the principal on which the interest accrued.

*(Amended by Stats. 1978, Ch. 126.)*

#### 53647.5.

Notwithstanding any other provision of law, interest earned on any bail money deposited by a court in a bank account pursuant to Section 1463.1 of the Penal Code and Section 53679 of this code shall be allocated for the support of that court.  
*(Amended by Stats. 2010, Ch. 212, Sec. 7. (AB 2767) Effective January 1, 2011.)*

#### 53648.

Notwithstanding this article, the treasurer may deposit moneys in, and enter into contracts with, a state or national bank, savings association or federal association, federal or state credit union, or federally insured industrial loan company, pursuant to a federal law or a rule of a federal department or agency adopted pursuant to the law if the law or rule conflicts with this article in regulating the payment of interest on deposits of public moneys by any of the following:

(a) Banks which are Federal Reserve System members or whose deposits are insured by the Federal Deposit Insurance Corporation.

(b) Savings associations or federal associations which are federal home loan bank members or whose deposits are insured by the Federal Savings and Loan Insurance Corporation.

(c) State or federal credit unions whose accounts are insured by the National Credit Union Share Insurance Fund or guaranteed by the California Credit Union Share Guaranty Corporation or insured or guaranteed pursuant to Section 14858 of the Financial Code, unless a member of the legislative body of a local agency, or any person with investment decisionmaking authority of the administrative office, **manager's** office, budget office, auditor-**controller's** office, or **treasurer's** office of the local agency, also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or supervisory committee, of the state or federal credit union.

(d) A federally insured industrial loan company.

*(Amended by Stats. 1998, Ch. 81, Sec. 3. Effective January 1, 1999.)*

#### 53648.5.

Upon the removal by federal law of the conflicting federal law or rule the agreement between the treasurer or other authorized official and a depository may be terminated by either party.

*(Added by Stats. 1986, Ch. 1132, Sec. 11.)*

#### 53649.

The treasurer is responsible for the safekeeping of money in his or her custody and shall enter into any contract with a depository relating to any deposit which in his or her judgment is to the public advantage. The depository, and the agent of depository to the extent the agent of depository has been notified of deposits and the amount thereof, are responsible for securing moneys deposited pursuant to

such a contract in accordance with Section 53652. One copy of each contract shall be filed with the auditor, controller, secretary, or corresponding officer of the local agency. The contract shall:

- (a) Fix the duration of deposits, if appropriate.
  - (b) Fix the interest rate, if any.
  - (c) Provide conditions for withdrawal and repayment.
  - (d) Provide for placement of pooled securities in a named agent of depository in accordance with Section 53656.
  - (e) Grant authority for agent of depository to place securities for safekeeping in accordance with Section 53659.
  - (f) Set forth in accordance with Section 53665 the conditions upon which the administrator shall order pooled securities converted into money for the benefit of the local agency, and the procedure therefor.
  - (g) Provide for compliance in all respects with the provisions of this article and other applicable provisions of law.
  - (h) Provide, upon notice to the treasurer from the administrator, that a treasurer may withdraw deposits in the event a depository fails to pay the assessments, fines, or penalties assessed by the administrator or may withdraw authorization for the placement of pooled securities in an agent of depository in the event that the agent of depository fails to pay the fines or penalties assessed by the administrator.
- (Amended by Stats. 1987, Ch. 841, Sec. 1.)*

#### **53651.**

**Eligible securities** are any of the following:

- (a) United States Treasury notes, bonds, bills or certificates of indebtedness, or obligations for which the faith and credit of the United States are pledged for the payment of principal and interest, including the guaranteed portions of small business administration loans, so long as the loans are obligations for which the faith and credit of the United States are pledged for the payment of principal and interest.
- (b) Notes or bonds or any obligations of a local public agency (as defined in the United States Housing Act of 1949) or any obligations of a public housing agency (as defined in the United States Housing Act of 1937) for which the faith and credit of the United States are pledged for the payment of principal and interest.
- (c) Bonds of this state or of any local agency or district of the State of California having the power, without limit as to rate or amount, to levy taxes or assessments to pay the principal and interest of the bonds upon all property within its boundaries subject to taxation or assessment by the local agency or district, and in addition, limited obligation bonds pursuant to Article 4 (commencing with Section 50665) of Chapter 3 of Division 1, senior obligation bonds pursuant to Article 5 (commencing with Section 53387) of Chapter 2.7, and revenue bonds and other obligations payable solely out of the revenues from a revenue-producing property owned, controlled or operated by the state, local agency or district or by a department, board, agency or authority thereof.
- (d) Bonds of any public housing agency (as defined in the United States Housing Act of 1937, as amended) as are secured by a pledge of annual contributions under



an annual contribution contract between the public housing agency and the Public Housing Administration if such contract shall contain the covenant by the Public Housing Administration which is authorized by subsection (b) of Section 22 of the United States Housing Act of 1937, as amended, and if the maximum sum and the maximum period specified in the contract pursuant to that subsection 22(b) shall not be less than the annual amount and the period for payment which are requisite to provide for the payment when due of all installments of principal and interest on the obligations.

(e) Registered warrants of this state.

(f) Bonds, consolidated bonds, collateral trust debentures, consolidated debentures, or other obligations issued by the United States Postal Service, federal land banks or federal intermediate credit banks established under the Federal Farm Loan Act, as amended, debentures and consolidated debentures issued by the Central Bank for Cooperatives and banks for cooperatives established under the Farm Credit Act of 1933, as amended, consolidated obligations of the federal home loan banks established under the Federal Home Loan Bank Act, bonds, debentures and other obligations of the Federal National Mortgage Association or of the Government National Mortgage Association established under the National Housing Act, as amended, bonds of any federal home loan bank established under that act, bonds, debentures and other obligations of the Federal Home Loan Mortgage Corporation established under the Emergency Home Finance Act of 1970, and obligations of the Tennessee Valley Authority.

(g) Notes, tax anticipation warrants or other evidence of indebtedness issued pursuant to Article 7 (commencing with Section 53820), Article 7.5 (commencing with Section 53840) or Article 7.6 (commencing with Section 53850) of this Chapter 4.

(h) State of California notes.

(i) Bonds, notes, certificates of indebtedness, warrants or other obligations issued by: (1) any state of the United States (except this state), or the Commonwealth of Puerto Rico, or any local agency thereof having the power to levy taxes, without limit as to rate or amount, to pay the principal and interest of such obligations, or (2) any state of the United States (except this state), or the Commonwealth of Puerto Rico, or a department, board, agency or authority thereof except bonds which provide for or are issued pursuant to a law which may contemplate a subsequent legislative appropriation as an assurance of the continued operation and solvency of the department, board, agency or authority but which does not constitute a valid and binding obligation for which the full faith and credit of such state or the Commonwealth of Puerto Rico are pledged, which are payable solely out of the revenues from a revenue-producing source owned, controlled or operated thereby; provided the obligations issued by an entity described in (1), above, are rated in one of the three highest grades, and such obligations issued by an entity described in (2), above, are rated in one of the two highest grades by a nationally recognized investment service organization that has been engaged regularly in rating state and municipal issues for a period of not less than five years.

(j) Obligations issued, assumed or guaranteed by the International Bank for Reconstruction and Development, Inter-American Development Bank, the Government Development Bank of Puerto Rico, the Asian Development Bank, the International Finance Corporation, or the African Development Bank.

- (k) Participation certificates of the Export-Import Bank of the United States.
  - (l) Bonds and notes of the California Housing Finance Agency issued pursuant to Chapter 7 (commencing with Section 51350) of Part 3 of Division 31 of the Health and Safety Code.
  - (m) Promissory notes secured by first mortgages and first trust deeds which comply with Section 53651.2.
  - (n) Any bonds, notes, warrants, or other evidences of indebtedness of a nonprofit corporation issued to finance the construction of a school building or school buildings pursuant to a lease or agreement with a school district entered into in compliance with the provisions of Section 39315 or 81345 of the Education Code, and also any bonds, notes, warrants or other evidences of indebtedness issued to refinance those bonds, notes, warrants, or other evidences of indebtedness as specified in Section 39317 of the Education Code.
  - (o) Any municipal securities, as defined by Section 3(a)(29) of the Securities Exchange Act of June 6, 1934, (15 U.S.C. Sec. 78, as amended), which are issued by this state or any local agency thereof.
  - (p) With the consent of the treasurer, letters of credit issued by the Federal Home Loan Bank of San Francisco which comply with Section 53651.6.
- (Amended by Stats. 1991, Ch. 1206, Sec. 7.)*

#### **53651.2.**

- (a) To be an eligible security under subdivision (m) of Section 53651, a promissory note placed in a securities pool on or after January 1, 1987, shall comply with all of the following provisions:
- (1) Each promissory note shall be secured by a first mortgage or first trust deed on improved 1 to 4 unit residential real property located in California, shall be fully amortized over the term of the note, and shall have a term of no more than 30 years. Any first mortgage or first trust deed which secures a promissory note providing for negative amortization shall be removed from the securities pool and replaced with an eligible security under subdivision (m) of Section 53651 if the loan to value ratio exceeds 85 percent of the original appraised value of the security property as a consequence of negative amortization.
  - (2) Each promissory note shall be eligible for sale to the Federal National Mortgage Association, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation; provided, however, that up to 25 percent of the total dollar amount of any promissory note securities pool established pursuant to Section 53658 may consist of promissory notes with loan amounts which exceed the maximum amounts eligible for purchase by the Federal National Mortgage Association, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation, but which do not exceed: (i) five hundred thousand dollars (\$500,000) in the case of a single family dwelling; (ii) one million dollars (\$1,000,000) in the case of a 2, 3, or 4 unit dwelling.
- (b) The following shall not constitute eligible securities under subdivision (m) of Section 53651:
- (1) Any promissory note on which any payment is more than 60 days past due.

(2) Any promissory note secured by a mortgage or deed of trust as to which there is a lien prior to the mortgage or deed of trust. For the purposes of this paragraph, no lien specified in Section 766 of the Financial Code shall be considered a prior encumbrance unless any installment or payment thereunder (other than a rental or royalty under a lease) is due and delinquent.

(3) Any promissory note secured by a mortgage or deed of trust as to which a notice of default has been recorded pursuant to Section 2924 of the Civil Code or an action has been commenced pursuant to Section 725a of the Code of Civil Procedure.

(c) The depository may exercise, enforce, or waive any right granted to it by the promissory note, mortgage, or deed of trust.

(d) For purposes of this article, the market value of a promissory note which is an eligible security under subdivision (m) of Section 53651, shall be determined in accordance with the regulations adopted by the Treasurer under paragraph (2) of subdivision (m) of Section 53651, as the regulations and statute were in effect on December 31, 1986. However, if and when regulations on the subject are adopted by the administrator, the market value shall be determined in accordance with those regulations of the administrator.

*(Amended by Stats. 1996, Ch. 1063, Sec. 81. Effective January 1, 1997.)*

#### **53651.4.**

(a) A depository that uses eligible securities of the class described in subdivision (m) of Section 53651 shall, within 90 days after the close of each calendar year or within a longer period as the administrator may specify, file with the administrator a report of an independent certified public accountant regarding compliance with this article and with regulations and orders issued by the administrator under this article with respect to eligible securities of that class. The report shall be based upon the audit, shall contain the information, and shall be in the form the administrator may prescribe. The depository shall provide a copy of the report to the treasurer on request.

(b) If a depository that is a state bank files with the administrator, not less than 90 days before the beginning of the calendar year, a notice that it elects to be examined by the administrator instead of filing a report of an independent certified public accountant under subdivision (a) for that calendar year, the depository shall be exempt from subdivision (a) for that calendar year and shall for that calendar year be subject to examination by the administrator regarding compliance with this article and with regulations and orders under this article with respect to eligible securities of the class described in subdivision (m) of Section 53651. The administrator shall provide a report to a treasurer with deposits in the examined state bank upon request of the treasurer.

(c) A national bank may apply to the administrator to be examined, and the administrator, in his or her discretion, may examine a national bank for the purposes of satisfying the requirements of subdivision (a). The administrator shall provide a report to a treasurer with deposits in the examined national bank upon request of the treasurer.

(d) Whenever the administrator examines a depository pursuant to subdivision (b) or (c), the depository shall pay, within 30 days after receipt of a statement from the administrator, a fee of seventy-five dollars (\$75) per hour for each examiner engaged in the examination.

*(Amended by Stats. 1997, Ch. 375, Sec. 18. Effective January 1, 1998.)*

#### **53651.6.**

(a) To be an eligible security under subdivision (p) of Section 53651, a letter of credit shall be in such form and shall contain such provisions as the administrator may prescribe, and shall include all of the following terms:

(1) The administrator shall be the beneficiary of the letter of credit.

(2) The letter of credit shall be clean and irrevocable and shall provide that the administrator may draw upon it up to the total amount in the event of the failure of the depository savings association or federal association or if the depository savings association or federal association refuses to permit the withdrawal of funds by a treasurer.

*(Added by Stats. 1986, Ch. 1132, Sec. 17.)*

#### **53652.**

To secure active or inactive deposits a depository shall at all times maintain with the agent of depository eligible securities in securities pools, pursuant to Sections 53656 and 53658, in the amounts specified in this section. Uncollected funds shall be excluded from the amount deposited in the depository when determining the security requirements for the deposits.

(a) Eligible securities, except eligible securities of the classes described in subdivisions (m) and (p) of Section 53651, shall have a market value of at least 10 percent in excess of the total amount of all deposits of a depository secured by the eligible securities.

(b) Eligible securities of the class described in subdivision (m) of Section 53651 shall have a market value at least 50 percent in excess of the total amount of all deposits of a depository secured by those eligible securities.

(c) Eligible securities of the class described in subdivision (p) of Section 53651 shall have a market value of at least 5 percent in excess of the total amount of all deposits of a depository secured by those eligible securities. For purposes of this article, the market value of a letter of credit which is an eligible security under subdivision (p) of Section 53651 shall be the amount of credit stated in the letter of credit.

*(Repealed and added by Stats. 1986, Ch. 1132, Sec. 19.)*

#### **53653.**

When in his or her discretion local conditions so warrant, the treasurer may waive security for the portion of any deposits as is insured pursuant to federal law, notwithstanding this article. For deposits equivalent to and not less than the

maximum amount insured pursuant to federal law for which a treasurer has waived security under this section, a treasurer at his or her discretion may also waive security for the interest accrued on the deposits which, when added to the deposits, would cause the sum of the interest and deposits to exceed the maximum amount insured pursuant to federal law, provided that the interest is computed by the depository on the average daily balance of the deposits, paid monthly and computed on a 360-day basis.

*(Amended by Stats. 1988, Ch. 156, Sec. 1.)*

#### **53654.**

(a) The depository may add securities to the pool or substitute securities of equal value for those in the pool at any time, but shall not interchange classes of security, as defined in Section 53632.5, without prior approval of the treasurer.

(b) Withdrawal of securities from the pool without replacement at equal value may be ordered only by two duly authorized officers or employees of the depository who satisfy the requirements as may be set by the administrator.

(c) The agent of depository is responsible for the safekeeping and disbursement of securities placed in its custody by a depository. It shall release securities only upon presentation by the depository of the most reasonably current statement of the total deposits subject to this article held by the depository, such statement to be verified and countersigned by two duly authorized officers, other than those who ordered the withdrawal of securities. A copy of this statement shall be forwarded to the administrator concurrently by the agent of depository.

*(Amended by Stats. 1986, Ch. 1132, Sec. 22.)*

#### **53655.**

A placement of securities by a depository with an agent of depository pursuant to this article shall have the effect of perfecting a security interest in those securities in the local agencies having deposits in that depository notwithstanding provisions of the Uniform Commercial Code to the contrary and notwithstanding that the agent of depository may be the trust department of the depository.

*(Repealed and added by Stats. 1969, Ch. 1483.)*

#### **53656.**

(a) At the time the treasurer enters into a contract with the depository pursuant to Section 53649, he or she shall authorize the agent of depository designated by the depository, but including the trust department of the depository only when acceptable to both the treasurer and the depository, to hold securities of the depository in accordance with this article to secure the deposit of the local agency.

(b) Only those trust companies and trust departments, or the Federal Home Loan Bank of San Francisco, which have been authorized by the administrator pursuant to Section 53657 shall be authorized by treasurers to act as agents of depository.

(c) The securities are subject to order of the depository in accordance with Section 53654 except when the provisions of subdivision (i) of Section 53661 and Section 53665 are in effect.

(d) An agent of depository shall not release any security held to secure a local agency deposit in a depository unless the administrator issues an order authorizing the release where either of the following occurs:

(1) A state or federal regulatory agency has taken possession of the depository.

(2) A conservator, receiver, or other legal custodian has been appointed for the depository.

*(Amended by Stats. 1998, Ch. 1035, Sec. 10. Effective September 30, 1998.)*

### **53657.**

(a) No person shall act as an agent of depository unless that person is a trust company located in this state, the trust department of a bank located in this state, or the Federal Home Loan Bank of San Francisco, and is authorized by the administrator to act as an agent of depository.

(b) (1) An application for authorization shall be in such form, shall contain such information, shall be signed in such manner, and shall (if the administrator so requires) be verified in such manner, as the administrator may prescribe.

(2) The fee for filing an application for authorization with the administrator shall be five hundred dollars (\$500).

(3) If the administrator finds, with respect to an application for authorization, that the applicant is competent to act as an agent of depository and that it is reasonable to believe the applicant will comply with all applicable provisions of this article and of any regulation or order issued under this article, the administrator shall approve the application. If the administrator finds otherwise, the administrator shall deny the application.

(4) When an application for authorization has been approved, the applicant shall file with the administrator an agreement to comply with all applicable provisions of this article and of any regulation or order issued under this article. The agreement shall be in such form, shall contain such provisions, and shall be signed in such manner as the administrator may prescribe.

(5) When an application for authorization has been approved, the applicant has complied with paragraph (4), and all conditions precedent to authorizing the applicant to act as agent of depository have been fulfilled, the administrator shall authorize the applicant to act as agent of depository.

*(Amended by Stats. 1996, Ch. 1063, Sec. 82. Effective January 1, 1997.)*

### **53658.**

An agent of a depository may hold and pool securities to secure deposits for one or more depositories pursuant to Section 53656, but shall maintain a separate pool for each said depository. Each local agency shall have an undivided security interest in the pooled securities in the proportion that the amount of its deposits bears to the total amount of deposits secured by the pooled securities.

*(Amended by Stats. 1970, Ch. 84.)*

### **53659.**

Whenever an agent of depository accepts securities pursuant to Section 53656 it may, with the authorization of the depository, place such securities for safekeeping with a Federal Reserve Bank or branch thereof or with any bank located in a city designated as a reserve city by the Board of Governors of the Federal Reserve System or with the Federal Home Loan Bank of San Francisco or with a trust company located in this state. Authority for such placement together with the names of the banks or, including the Federal Home Loan Bank of San Francisco, trust companies to be so used, shall be contained in the contract between the treasurer and the depository required in Section 53649.

*(Amended by Stats. 1976, Ch. 349.)*

### **53660.**

When deposits of a local agency are secured by pooled securities pursuant to Section 53656, the agent of depository shall make available to the treasurer for review at a mutually agreed upon time and location all of the following information which may be in the form of a copy of the report required in subdivision (e) of Section 53661:

- (a) A certification that there are securities in the pool in the amounts required by Section 53652 to secure deposits.
- (b) A certified report of the individual securities then on deposit in the pool with the location and total market value thereof.
- (c) The total amount of deposits then reported by the depository to be secured by the pool.

*(Amended by Stats. 1986, Ch. 1132, Sec. 26.)*

### **53661.**

- (a) The Commissioner of Business Oversight shall act as Administrator of Local Agency Security and shall be responsible for the administration of Sections 53638, 53651, 53651.2, 53651.4, 53651.6, 53652, 53654, 53655, 53656, 53657, 53658, 53659, 53660, 53661, 53663, 53664, 53665, 53666, and 53667.
- (b) The administrator shall have the powers necessary or convenient to administer and enforce the sections specified in subdivision (a).
- (c) (1) The administrator shall issue regulations consistent with law as the administrator may deem necessary or advisable in executing the powers, duties, and responsibilities assigned by this article. The regulations may include regulations prescribing standards for the valuation, marketability, and liquidity of the eligible securities of the class described in subdivision (m) of Section 53651, regulations prescribing procedures and documentation for adding, withdrawing, substituting, and holding pooled securities, and regulations prescribing the form, content, and execution of any application, report, or other document called for in any of the sections specified in subdivision (a) or in any regulation or order issued under any of those sections.

(2) The administrator, for good cause, may waive any provision of any regulation adopted pursuant to paragraph (1) or any order issued under this article, where the provision is not necessary in the public interest.

(d) The administrator may enter into any contracts or agreements as may be necessary, including joint underwriting agreements, to sell or liquidate eligible securities securing local agency deposits in the event of the failure of the depository or if the depository fails to pay all or part of the deposits of a local agency.

(e) The administrator shall require from every depository a report certified by the agent of depository listing all securities, and the market value thereof, which are securing local agency deposits together with the total deposits then secured by the pool, to determine whether there is compliance with Section 53652. These reports may be required whenever deemed necessary by the administrator, but shall be required at least four times each year at the times designated by the Comptroller of the Currency for reports from national banking associations. These reports shall be filed in the office of the administrator by the depository within 20 business days of the date the administrator calls for the report.

(f) The administrator may have access to reports of examination made by the Comptroller of the Currency insofar as the reports relate to national banking association trust department activities which are subject to this article.

(g) (1) The administrator shall require the immediate substitution of an eligible security, where the substitution is necessary for compliance with Section 53652, if

(i) the administrator determines that a security listed in Section 53651 is not qualified to secure public deposits, or (ii) a treasurer, who has deposits secured by the securities pool, provides written notice to the administrator and the administrator confirms that a security in the pool is not qualified to secure public deposits.

(2) The failure of a depository to substitute securities, where the administrator has required the substitution, shall be reported by the administrator promptly to those treasurers having money on deposit in that depository and, in addition, shall be reported as follows:

(A) When that depository is a national bank, to the Comptroller of the Currency of the United States.

(B) When that depository is a state bank, to the Commissioner of Business Oversight.

(C) When that depository is a federal association, to the Office of the Comptroller of the Currency.

(D) When that depository is a savings association, to the Commissioner of Business Oversight.

(E) When that depository is a federal credit union, to the National Credit Union Administration.

(F) When that depository is a state credit union or a federally insured industrial loan company, to the Commissioner of Business Oversight.

(h) The administrator may require from each treasurer a registration report and at appropriate times a report stating the amount and location of each deposit together with other information deemed necessary by the administrator for effective operation of this article. The facts recited in any report from a treasurer to the administrator are conclusively presumed to be true for the single purpose of the



administrator fulfilling responsibilities assigned to him or her by this article and for no other purpose.

(i) (1) If, after notice and opportunity for hearing, the administrator finds that any depository or agent of depository has violated or is violating, or that there is reasonable cause to believe that any depository or agent of depository is about to violate, any of the sections specified in subdivision (a) or any regulation or order issued under any of those sections, the administrator may order the depository or agent of depository to cease and desist from the violation or may by order suspend or revoke the authorization of the agent of depository. The order may require the depository or agent of depository to take affirmative action to correct any condition resulting from the violation.

(2) (A) If the administrator makes any of the findings set forth in paragraph (1) with respect to any depository or agent of depository and, in addition, finds that the violation or the continuation of the violation is likely to seriously prejudice the interests of treasurers, the administrator may order the depository or agent of depository to cease and desist from the violation or may suspend or revoke the authorization of the agent of depository. The order may require the depository or agent of depository to take affirmative action to correct any condition resulting from the violation.

(B) Within five business days after an order is issued under subparagraph (A), the depository or agent of depository may file with the administrator an application for a hearing on the order. The administrator shall schedule a hearing at least 30 days, but not more than 40 days, after receipt of an application for a hearing or within a shorter or longer period of time agreed to by a depository or an agent of depository. If the administrator fails to schedule the hearing within the specified or agreed to time period, the order shall be deemed rescinded. Within 30 days after the hearing, the administrator shall affirm, modify, or rescind the order; otherwise, the order shall be deemed rescinded. The right of a depository or agent of depository to which an order is issued under subparagraph (A) to petition for judicial review of the order shall not be affected by the failure of the depository or agent of depository to apply to the administrator for a hearing on the order pursuant to this subparagraph.

(3) Whenever the administrator issues a cease and desist order under paragraph (1) or (2), the administrator may in the order restrict the right of the depository to withdraw securities from a security pool; and, in that event, both the depository to which the order is directed and the agent of depository which holds the security pool shall comply with the restriction.

(4) In case the administrator issues an order under paragraph (1) or (2) suspending or revoking the authorization of an agent of depository, the administrator may order the agent of depository at its own expense to transfer all pooled securities held by it to such agent of depository as the administrator may designate in the order. The agent of depository designated in the order shall accept and hold the pooled securities in accordance with this article and regulations and orders issued under this article.

(j) In the discretion of the administrator, whenever it appears to the administrator that any person has violated or is violating, or that there is reasonable cause to believe that any person is about to violate, any of the sections specified in subdivision (a) or any regulation or order issued thereunder, the administrator may

bring an action in the name of the people of the State of California in the superior court to enjoin the violation or to enforce compliance with those sections or any regulation or order issued thereunder. Upon a proper showing a permanent or preliminary injunction, restraining order, or writ of mandate shall be granted, and the court may not require the administrator to post a bond.

(k) In addition to other remedies, the administrator shall have the power and authority to impose the following sanctions for noncompliance with the sections specified in subdivision (a) after a hearing if requested by the party deemed in noncompliance. Any fine assessed pursuant to this subdivision shall be paid within 30 days after receipt of the assessment.

(1) Assess against and collect from a depository a fine not to exceed two hundred fifty dollars (\$250) for each day the depository fails to maintain with the agent of depository securities as required by Section 53652.

(2) Assess against and collect from a depository a fine not to exceed one hundred dollars (\$100) for each day beyond the time period specified in subdivision (b) of Section 53663 the depository negligently or willfully fails to file in the office of the administrator a written report required by that section.

(3) Assess against and collect from a depository a fine not to exceed one hundred dollars (\$100) for each day beyond the time period specified in subdivision (e) that a depository negligently or willfully fails to file in the office of the administrator a written report required by that subdivision.

(4) Assess and collect from an agent of depository a fine not to exceed one hundred dollars (\$100) for each day the agent of depository fails to comply with any of the applicable sections specified in subdivision (a) or any applicable regulation or order issued thereunder.

(l) (1) In the event that a depository or agent of depository fails to pay a fine assessed by the administrator pursuant to subdivision (k) within 30 days of receipt of the assessment, the administrator may assess and collect an additional penalty of 5 percent of the fine for each month or part thereof that the payment is delinquent.

(2) If a depository fails to pay the fines or penalties assessed by the administrator, the administrator may notify local agency treasurers with deposits in the depository.

(3) If an agent of depository fails to pay the fines or penalties assessed by the administrator, the administrator may notify local agency treasurers who have authorized the agent of depository as provided in Sections 53649 and 53656, and may by order revoke the authorization of the agent of depository as provided in subdivision (i).

(m) The amendments to this section enacted by the Legislature during the 1999–2000 Regular Session shall become operative on January 1, 2001.

*(Amended by Stats. 2013, Ch. 353, Sec. 106. (SB 820) Effective September 26, 2013. Operative July 1, 2013, by Sec. 129 of Ch. 353.)*

### **53663.**

(a) Each agent of depository shall report in writing to the administrator within two business days after any withdrawal, substitution, or addition of pooled securities

and shall state the name and market value of the securities withdrawn, substituted, or added together with the total deposits then secured by the pool. This information shall be available from the administrator to the treasurer upon request.

(b) Each depository shall report in writing to the administrator weekly, giving the total amount of all deposits held by the depository pursuant to this article. The report shall be as of close of business on Wednesday of each week and shall be delivered to the office of the administrator, deposited in the United States mail, postage prepaid, or delivered electronically via email, or other electronic means approved by the administrator, addressed to the office of the administrator, within five business days. Where there has occurred no change in the deposits required to be held by the depository pursuant to this article, the report required by this subdivision need only state that fact.

*(Amended by Stats. 2014, Ch. 214, Sec. 1. (AB 2298) Effective January 1, 2015.)*

#### **53664.**

The individual reports specified in Sections 53654, 53660, 53661, and 53663 are not public documents and are not open to inspection by the public.

*(Amended by Stats. 1987, Ch. 841, Sec. 5.)*

#### **53665.**

If a depository fails to pay all or part of the deposits of a local agency secured by pooled securities in accordance with the contract provided for in Section 53649, and on demand of its treasurer or other authorized official and the treasurer files a report with the administrator, or if the depository fails:

(a) In case the pooled securities consist of securities other than securities of the class described in subdivision (p) of Section 53651, the administrator shall order the agent of depository holding the pooled securities to convert into money that portion of the pooled securities necessary to produce an amount equal to the sum of (i) the deposits of the local agency, (ii) any accrued interest due on the deposits, and (iii) the reasonable expenses of the agent of depository in complying with the order of the administrator and to pay the sum of items (i) and (ii) to the treasurer in satisfaction of the deposits. The agent of depository shall be reimbursed out of the proceeds of the conversion for its reasonable expenses in complying with the order of the administrator, as approved by the administrator. Any excess moneys resulting from the conversion shall be retained by the agent of depository as part of the securities pool until the depository substitutes for the excess moneys securities having a market value sufficient to bring the total of pooled securities up to the amount required by Section 53652.

(b) In case the pooled securities consist of a security of the class described in subdivision (p) of Section 53651, the administrator shall draw on the letter of credit an amount equal to the sum of (i) the deposits of the local agency, (ii) any accrued interest on the deposits, and (iii) the reasonable expenses of the administrator in paying the deposits and pay the sum of items (i) and (ii) to the treasurer in satisfaction of the deposits.

*(Amended by Stats. 1986, Ch. 1132, Sec. 30.)*

#### **53666.**

The only liability that shall attach to the administrator as the result of the operation of this article is that which would attach as a result of other laws of this state.

*(Repealed and added by Stats. 1969, Ch. 1483.)*

#### **53667.**

(a) Expenses incurred by the administrator in carrying out the duties and responsibilities assigned to the administrator by the sections specified in subdivision (a) of Section 53661, shall be borne by the Local Agency Deposit Security Fund, which is hereby created and continuously appropriated to the administrator for the administration of the sections specified in subdivision (a) of Section 53661. This fund shall consist of fines levied pursuant to Section 53661, fees collected pursuant to the sections specified in subdivision (a) of Section 53661, and assessments levied pursuant to this section.

(b) Each fiscal year the administrator shall levy an assessment on a pro rata basis on those depositories which at any time during the preceding fiscal year held local agency deposits. The total assessment levied on all of those depositories shall be in an amount which, when added to the amount of fines and fees that the administrator estimates will be collected during the fiscal year when the assessment is levied, is sufficient in the judgment of the administrator to meet the expenses of the administrator in administering the sections specified in subdivision (a) of Section 53661 and to provide a reasonable reserve for contingencies. The basis of the apportionment of the assessment among the depositories assessed shall be the proportion that the average amount of local agency deposits held by each of those depositories bears to the average total amount of local agency deposits held by all of those depositories as shown by the reports of depositories to the administrator for the preceding fiscal year, as required in subdivision (e) of Section 53661; provided, however, that the amount of the assessment levied on each of those depositories shall be not less than twenty-five dollars (\$25).

(c) The administrator shall notify each depository by mail of the amount levied against it. The depository shall pay the amount levied within 20 days after such notice into the Local Agency Deposit Security Fund for the administration of the sections specified in subdivision (a) of Section 53661. If payment is not made to the administrator within such time, the administrator shall assess and collect, in addition to the annual assessment, a penalty of 5 percent of the assessment for each month or part thereof that the payment is delinquent. If a depository fails to pay the assessment or penalties assessed by the administrator, the administrator may notify local agency treasurers with deposits in the depository.

*(Amended by Stats. 1987, Ch. 841, Sec. 6.)*

#### **53669.**

The treasurer or other authorized official is not responsible for money while it is deposited pursuant to this article.

*(Amended by Stats. 1953, Ch. 670.)*

**53676.**

The treasurer is not responsible for securities delivered to and receipted for by any bank, savings and loan association, credit union, federally insured industrial loan company, or trust company.

*(Amended by Stats. 1988, Ch. 1004, Sec. 6. Operative January 1, 1989, by Sec. 8 of Ch. 1004.)*

**53678.**

The charges for the handling and safekeeping of any such securities are not a charge against the treasurer but shall be paid by the depository owning the securities.

*(Amended by Stats. 1976, Ch. 349.)*

**53679.**

So far as possible, all money belonging to a local agency under the control of any of its officers or employees other than the treasurer shall, and money deposited as bail coming into the possession of a judge or officer of a superior court may, be deposited as active deposits in the state or national bank, inactive deposits in the state or national bank or state or federal association, federal or state credit union, or federally insured industrial loan company in this state selected by the officer, employee, or judge of the court. For purposes of this section, an officer or employee of a local agency and a judge or officer of a superior court are prohibited from depositing local agency funds or money coming into their possession into a state or federal credit union if an officer or employee of the local agency, or a judge or officer of a superior court, also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or supervisory committee, of the particular state or federal credit union. That money is subject to this article except:

(a) Deposits in an amount less than that insured pursuant to federal law are not subject to this article.

For deposits in excess of the amount insured under any federal law a contract in accordance with Section 53649 is required and the provisions of this article shall apply.

(b) Interest is not required on money deposited in an active deposit by a judge or officer of a superior court.

(c) Interest is not required on money deposited in an active deposit by an officer having control of a revolving fund created pursuant to Chapter 2 (commencing with Section 29300) of Division 3 of Title 3.

(d) Interest is not required on money deposited in an active deposit by an officer having control of a special fund established pursuant to Article 5 (commencing with Section 29400) or Article 6 (commencing with Section 29430) of Chapter 2 of Division 3 of Title 3.

*(Amended by Stats. 2010, Ch. 212, Sec. 8. (AB 2767) Effective January 1, 2011.)*

#### **53679.1.**

Notwithstanding any other provision of law, the accounting practices of each county utilized prior to the effective date of this section relating to interest on trust funds shall be deemed appropriate and to have been made under the direction of the board of supervisors of that county. This section is declaratory of the law in existence prior to the enactment of this section.

*(Added by Stats. 1992, Ch. 1032, Sec. 1. Effective January 1, 1993.)*

#### **53680.**

A tax collector of a local agency shall immediately deposit with the treasurer all money under his control, unless he deposits the money in a depository pursuant to this article under permission and instructions of the treasurer having authority to make such deposit.

*(Added by Stats. 1949, Ch. 81.)*

#### **53681.**

An officer or employee of a local agency who deposits money belonging to, or in the custody of, the local agency in any other manner than that prescribed in this article is subject to forfeiture of his office or employment.

*(Added by Stats. 1949, Ch. 81.)*

#### **53682.**

Notwithstanding any other provision in this article except Section 53652, the treasurer may deposit moneys in and enter into contracts with any depository, as defined in subdivision (c) of Section 53630, for services to be rendered by that depository that in the **treasurer's** judgment are to the public advantage. One copy of each contract entered into under this section shall be filed with the auditor or corresponding officer of the local agency. The contract shall:

- (a) Fix the duration of compensating deposits, if any.
- (b) Fix the interest rate of that compensating deposit, if any.
- (c) Specify the services to be rendered by the depository.
- (d) Indicate whether the depository shall bear the expenses of transportation of the money to and from the depository.
- (e) Fix the consideration payable by the agency for such services.
- (f) Specify who may deposit moneys into the **treasurer's** active account and how those persons are to make those deposits.

*(Amended by Stats. 1994, Ch. 705, Sec. 11. Effective January 1, 1995.)*

#### **53683.**

Notwithstanding any other provision in this article, the consideration payable by the agency as specified in subdivision (e) of Section 53682 shall be paid by the

treasurer by applying such consideration as costs applied on a pro rata basis against the interest earned by all the agencies for which the treasurer invests.  
*(Amended by Stats. 1976, Ch. 723.)*

#### **53684.**

(a) Unless otherwise provided by law, if the treasurer of any local agency, or other official responsible for the funds of the local agency, determines that the local agency has excess funds which are not required for immediate use, the treasurer or other official may, upon the adoption of a resolution by the legislative or governing body of the local agency authorizing the investment of funds pursuant to this section and with the consent of the county treasurer, deposit the excess funds in the county treasury for the purpose of investment by the county treasurer pursuant to Section 53601 or 53635, or Section 20822 of the Revenue and Taxation Code.

(b) The county treasurer shall, at least quarterly, apportion any interest or other increment derived from the investment of funds pursuant to this section in an amount proportionate to the average daily balance of the amounts deposited by the local agency and to the total average daily balance of deposits in the investment pool. In apportioning and distributing that interest or increment, the county treasurer may use the cash method, the accrual method, or any other method in accordance with generally accepted accounting principles.

Prior to distributing that interest or increment, the county treasurer may deduct the actual costs incurred by the county in administering this section in proportion to the average daily balance of the amounts deposited by the local agency and to the total average daily balance of deposits in the investment pool.

(c) The county treasurer shall disclose to each local agency that invests funds pursuant to this section the method of accounting used, whether cash, accrual, or other, and shall notify each local agency of any proposed changes in the accounting method at least 30 days prior to the date on which the proposed changes take effect.

(d) The treasurer or other official responsible for the funds of the local agency may withdraw the funds of the local agency pursuant to the procedure specified in Section 27136.

(e) Any moneys deposited in the county treasury for investment pursuant to this section are not subject to impoundment or seizure by any county official or agency while the funds are so deposited.

(f) This section is not operative in any county until the board of supervisors of the county, by majority vote, adopts a resolution making this section operative in the county.

(g) It is the intent of the Legislature in enacting this section to provide an alternative procedure to Section 51301 for local agencies to deposit money in the county treasury for investment purposes. Nothing in this section shall, therefore, be construed as a limitation on the authority of a county and a city to contract for the county treasurer to perform treasury functions for a city pursuant to Section 51301.

*(Amended by Stats. 2011, Ch. 369, Sec. 2. (AB 1090) Effective January 1, 2012.)*

#### **53686.**

(a) Any audit conducted relating to the investment of local agency funds and other funds by the county treasurer in the county fund maintained pursuant to Section 53684 shall be rendered to the depositary, the auditor, the controller, the secretary, or the corresponding officer of the local agency, the treasurer or other official responsible for the funds of any local agency that has funds on deposit in the county treasury, and the presiding judge of any superior court that has ordered, pursuant to Section 3412, Section 3413, or Section 3611 of the Probate Code, that assets of an estate be deposited with the county treasurer for deposit or investment.

(b) Any report rendered pursuant to Section 53646 shall be provided to the treasurer or other official responsible for the funds of any local agency that has funds on deposit in the county treasury.

*(Added by Stats. 1996, Ch. 81, Sec. 2. Effective July 1, 1996.)*





# San Gabriel Basin Water Quality Authority

1720 W. Cameron Avenue, Suite 100, West Covina, CA 91790 • 626-338-5555 • Fax 626-338-5775

## AGENDA SUBMITTAL

**To:** WQA Board of Directors  
**From:** Randy Schoellerman, Executive Director  
**Date:** January 20, 2021  
**Subject:** **Monitoring Well MW5-19 License Agreement with County of Los Angeles  
Department of Parks & Recreation**

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### Summary

WQA coordinated the construction of several monitoring wells in the Baldwin Park Operable Unit (BPOU) in the 1990's and early 2000's. WQA also executed long term site access agreements with the different entities that owned the property the wells were constructed on. Staff has been of reviewing each of these agreements for necessary modifications and renewals.

BPOU monitoring well MW5-19 was constructed on the County of Los Angeles Department of Parks and Recreation's East County Community Services Agency and Regional Facility Agency Yard located at 265 Cloverleaf Drive, Baldwin Park, CA 91706. The attached license agreement allows WQA access to the site for the purposes of sampling and maintaining the well.

This is effectively the same agreement we received last year for a one-year term. However, this year we were able to secure a 10-year agreement after L.A. County staff received approval from the Board of Supervisors in November. The application fee was \$500 with no annual fee required. The cost is reimbursable under the BPOU Project Agreement.

The Admin/Finance Committee has reviewed this item and is recommending its approval.

### Recommendation / Proposed Action

Approve the San Gabriel Basin Water Quality Authority Access Permit and License Agreement with the County of Los Angeles Department of Parks and Recreation for monitoring well MW5-19.

### Attachment:

- *San Gabriel Basin Water Quality Authority Access Permit and License Agreement for MW5-19*

**EAST COUNTY COMMUNITY SERVICES AGENCY AND  
REGIONAL FACILITY AGENCY YARD**

265 CLOVERLEAF DRIVE, BALDWIN PARK, CA 91706

**SAN GABRIEL BASIN WATER QUALITY AUTHORITY  
ACCESS PERMIT AND LICENSE AGREEMENT  
("LICENSE")**

Licensee:

San Gabriel Basin Water Quality  
Authority  
1720 W. Cameron Avenue, Suite 100  
West Covina, California 91790

Licensor:

County of Los Angeles Department of  
Parks and Recreation  
1000 South Fremont Avenue, Unit #40  
Alhambra, CA 91803  
Building A-9 West  
Authority: L.A.C.C. 2.26.140B(2) and (3)  
Expiration Date: See Section 3  
Consideration: See Section 4

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- 1. PREMISES:** Licensee, its employees, contractors and agents, after execution of this License by the Director of the Los Angeles County Department of Parks and Recreation ("Director") or her designee, is hereby granted permission to enter East County Community Services Agency and Regional Facility Agency Yard (the "Park" or "Premises"), located at 265 Cloverleaf Drive, Baldwin Park, CA 91706 for entry onto Premises from Cloverleaf Drive to conduct maintenance and sample collection for the Baldwin Park Operable Unit (BPOU) Performance Standards Evaluation Plan (PSEP) groundwater monitoring at the existing multiport monitoring well, MW5-19 (Site) located in Licensor's parking area as shown on the site map and photos attached, Exhibits A1-A9 and hereto incorporated into this License.

    - A. Licensee hereby acknowledges the title of Licensor and/or any other public agencies having jurisdiction there over, in and to the Premises, and covenants and agrees never to assail, contest or resist said title.
    - B. Equipment, tools, materials and vehicles are not allowed to remain on the Premises overnight.
  - 2. LICENSED USE:** Licensee is granted access to Premises to conduct its annual monitoring activities at Licensee's Monitoring Well (MW5-19) Site, including pump, draw, extract, remove, test, sample and evaluate groundwater and to operate equipment, make parking closures and conduct other such activities for the purposes of inspecting, repairing and maintaining the subject monitoring well. Testing of water samples will be collected and tested at an off-site laboratory.

Licensee shall exercise the permission herein given in such a manner as to minimize interference with the full use and enjoyment of said Premises by Licensors.

3. **TERM:** The term of this License commences when the License is signed by the Director or her designee and runs thereafter for a period not to exceed ten (10) years or ending when Licensee's Project is completed, whichever occurs first and subject to Sections 21 and 22. The term may be extended by mutual agreement in writing between the Licensee and Licensors.
4. **CONSIDERATION:** Consideration is payment of the \$500 application fee. Licensee shall provide Licensors with a written report as to findings of groundwater samplings addressed to Licensors's Environmental Engineer Specialist, below in Section 6 Notices.
5. **CEQA COMPLIANCE:** The proposed activities are categorically exempt from the California Environmental Quality Act (CEQA) according to Sections 15301 and 15306 of the State CEQA Guidelines and Classes 1 and 6 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G, because the actions consist of repair and maintenance of an existing private structures, facilities, or mechanical equipment and information collection.
6. **NOTICES:**
  - A. Whenever a provision is made for giving written notice, such notice shall be deemed to have been received if it was sent by mail and mail and e-mailed to: Mr. Sean Woods at [swoods@parks.lacounty.gov](mailto:swoods@parks.lacounty.gov) and Mr. Randy Schoellerman at [randy@wqa.com](mailto:randy@wqa.com) and addressed as follows:  
  
To Licensors:  
County of Los Angeles Department of Parks and Recreation  
Attention: Sean Woods, Planning Division Chief  
1000 South Fremont Avenue, Unit #40, Building A-9 West  
Alhambra, California 91803  
  
County of Los Angeles Department of Parks and Recreation  
Attention: Jose A. Caprile, M.A., Environmental Engineering Specialist  
1000 South Fremont Avenue, Unit #40, Building A-9 West  
Alhambra, California 91803  
  
To Licensee:  
San Gabriel Basin Water Quality Authority  
Attention: Randy Schoellerman, Executive Director  
1720 W. Cameron Avenue, Suite 100  
West Covina, California 91790

or such other place in California as may hereinafter be designated in writing respectively by Licensor or Licensee.

7. **INDEMNIFICATION:** Licensee shall indemnify, defend and hold harmless County, its Special Districts, elected and appointed officers, employees, agents and volunteers ("County Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from and/or connected with Licensee's acts and/or omissions arising from and/or relating to this License. The terms of this paragraph survive the termination or expiration of this License.
8. **GENERAL INSURANCE PROVISIONS:** Without limiting Licensee's indemnification of Licensor, and in the performance of this License and until all of its obligations pursuant to this License have been met, Licensee shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Section, "General Insurance Provisions" and the "Insurance Coverage Requirements – Types and Limits" Section of this License. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Licensee pursuant to this License. The Licensor in no way warrants that the Required Insurance is sufficient to protect the Licensee for liabilities which may arise from or relate to this License.
  - a. **Evidence of Coverage and Notice to Licensor:** Certificate(s) of insurance coverage (Certificate) satisfactory to Licensor, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the Licensee's General Liability policy, shall be delivered to Licensor at the address shown below and provided prior to commencing services under this License.
    - i. Renewal Certificates shall be provided to Licensor not less than 10 days prior to Licensee's policy expiration dates. Licensor reserves the right to obtain complete, certified copies of any required Licensee and/or Sub-Contractor insurance policies at any time.
    - ii. Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this License by name and number **001168**, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match Licensee's name. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-

insured retentions exceeding fifty thousand (\$50,000.00) dollars, and list any Licensor required endorsement forms.

- iii. Neither the Licensor's failure to obtain, nor the Licensor's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Licensee, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements shall be sent to:

County of Los Angeles Department of Parks and Recreation  
Attention: Diane Thorne  
1000 South Fremont Avenue, Unit #40, Building A-9 West  
Alhambra, California 91803

- iv. Licensee also shall promptly report to Licensor any injury or property damage accident or incident, including any injury to a Licensee employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Licensee. Licensee also shall promptly notify Licensor of any third party claim or suit filed against Licensee or any of its Sub-Contractors which arises from or relates to this License and could result in the filing of a claim or lawsuit against Licensee and/or Licensor.

- b. **Additional Insured Status and Scope of Coverage.** The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Licensee's General Liability policy with respect to liability arising out of Licensee's ongoing and completed operations performed on behalf of the Licensor. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Licensee's acts or omissions, whether such liability is attributable to the Licensee or to the Licensor. The full policy limits and scope of protection also shall apply to the Licensor and its Agents as an additional insured, even if they exceed the Licensor's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.
- c. **Cancellation of or Changes in Insurance.** Licensee shall provide County with, or Licensee's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of

coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.

- d. **Failure to Maintain Insurance.** Licensee's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which County immediately may withhold payments due to Licensee, and/or suspend or terminate this Contract. County, at its sole discretion, may obtain damages from Licensee resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Licensee or pursue Contractor reimbursement.
- e. **Insurer Financial Ratings.** Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by Licensor.
- f. **Licensee's Insurance Shall Be Primary.** Licensee's insurance policies, with respect to any claims related to this License, shall be primary with respect to all other sources of coverage available to Licensee. Any Licensor maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Licensee coverage.
- g. **Waivers of Subrogation.** To the fullest extent permitted by law, Licensee hereby waives its and its insurer(s)' rights of recovery against Licensor under all the Required Insurance for any loss arising from or related to this License. Licensee shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to affect such waiver.
- h. **Sub-Contractor Insurance Coverage Requirements.** Licensee shall include all Sub-contractors as insureds under Licensee's own policies or shall provide Licensor with each Sub-Contractor's separate evidence of insurance coverage. Licensee shall be responsible for verifying each Sub-Contractor complies with the Required Insurance provisions herein and shall require that each Sub-Contractor name the Licensor and Licensee as additional insureds on the Sub-Contractor's General Liability policy. Licensee shall obtain Licensor's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

- i. **Deductibles and Self-Insured Retentions (SIRs).** Licensee's policies shall not obligate the County to pay any portion of any Licensee deductible or SIR. The County retains the right to require Licensee to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Licensee's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.
- j. **Claims Made Coverage.** If any part of the Required Insurance is written on claims made basis, any policy retroactive date shall precede the effective date of this License. Licensee understands and agrees it shall maintain such coverage for a period of not less than three (3) years following License expiration, termination or cancellation.
- k. **Application of Excess Liability Coverage.** Licensee may use a combination of primary and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies to satisfy the Required Insurance provisions.
- l. **Separation of Insureds.** All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.
- m. **Alternative Risk Financing Programs.** The Licensor reserves the right to review, and then approve, Licensee use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an Additional Covered Party under any approved program.
- n. **Licensor Review and Approval of Insurance Requirements.** The Licensor reserves the right to review and adjust the Required Insurance provisions conditioned upon Licensor's determination of changes in risk exposures.

## 9. INSURANCE COVERAGE REQUIREMENTS – TYPES AND LIMITS

- a. **Commercial General Liability** insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than the following:

General Aggregate:	\$ 2 million
Products/Completed Operations Aggregate:	\$ 1 million



Personal and Advertising Injury	\$ 1 million
Each Occurrence:	\$ 1 million

- b. **Automobile Liability** insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with a limit of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Licensee's use of autos pursuant to this License, including owned, leased, hired, and/or non-owned autos, as each may be applicable.
- c. **Workers Compensation and Employers' Liability** insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Licensee will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that Licensor will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Licensee's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.
- d. **Contractor's Pollution Liability Insurance.** Such insurance shall cover liability arising from the release, discharge, escape, dispersal or emission of pollutants, whether gradual or sudden, and include coverage for the costs and expenses associated with voluntary clean-up, testing, monitoring and treatment of pollutants in compliance with governmental mandate or requests. Motor vehicle pollution liability will be required under the Automobile Liability Insurance indicated above under section "9b" for removal of pollutant from the work site. Contractor shall maintain limits not less than \$ (1 million) per occurrence and \$(2 million) aggregate.
- e. **Professional Liability.** Such insurance shall cover liability arising from any error, omission, negligent, or wrongful act of the Licensee's contractor and/or licensed professional (i.e. architects, engineers, surveyors, etc.) with limits of not less than \$500,000 per claim and \$1 million aggregate. The coverage shall also provide an extended two-year reporting period commencing upon expiration, termination or cancellation of the construction project.

**10. OPERATIONAL RESPONSIBILITIES: Licensee shall:**

- a. Comply with and abide by all applicable rules, regulations but not limited to, State Executive Orders and Public Health Orders issued in response to COVID-19, and in the course thereof obtain and keep in effect all permits and licenses required to conduct Licensee's permitted activities on the Premises. In addition, Licensee agrees to comply with all reasonable directions of Licensors; designate and provide Licensors with the name(s) and phone contact number(s) of Licensee's responsible representative(s) who shall be on the Premises during the hours Licensee is conducting supervised activities in accordance with Section 2, Licensed Use pursuant to this License.
- b. Licensee is permitted access to the Premises from sunrise to sunset weekdays, except holidays and when Licensee's permitted use conflicts with scheduled Park events or activities.
- c. Contact Michael Ralston, East Agency Regional Operations Manager, forty-eight (48) hours prior to Licensee's initial access to Premises and immediately in emergencies: phone (626) 369-3671, cell (626) 926-6494, and email address [mrалston@parks.lacounty.gov](mailto:mrалston@parks.lacounty.gov). Randy Schoellerman, Executive Director is Licensee's emergency contact who can be reached at (626) 338-5555 by phone, and email address [randy@wqa.com](mailto:randy@wqa.com).
- d. At or before the time proof of insurance is submitted, provide Licensors with the names, license numbers, business addresses, and phone numbers of any and all of Licensee's contractors who will be entering the Premises.
- e. Take the following precautions prior to commencing permitted activities: contact Underground Service Alert (USA) to locate utilities in or near the Premises; review park irrigation/utility plans; walk the Premises and Licensee's access route with Park personnel to flag irrigation/utility lines, sprinkler heads, valve boxes, etc. Notwithstanding said precautions, Licensee agrees to repair or replace any pipelines, sprinkler heads, valve boxes, etc. damaged during the course of exercising the permission herein given.
- f. Maintain the Premises and surrounding area in a safe and sound condition to Licensors's satisfaction. Licensee shall ensure staging area is secured.
- g. Provide all safety and security signs, barricades, pedestrian and traffic cones, lights and other related safety features to prevent vehicular accidents, personal injury, and property damage due to Licensee's activities.

- h. Assume the risks and bear all costs of damage or destruction, and loss due to theft, burglary or vandalism to any and all of Licensee's equipment, materials, tools, and vehicles owned hired, leased, or used by Licensee for this License, except to the extent that such damage or destruction and loss result from willful misconduct of Licensor.
  - i. Repair or replace, to the satisfaction of Licensor, any and all of Licensor property lost, damaged, or destroyed as a result of Licensee's use of the Premises and activities. Should Licensee fail to promptly make repairs or replacements to Licensor's satisfaction, Licensor may have these repairs made at Licensee's sole cost and expense.
- 11. **INDEPENDENT STATUS:** This License is by and between Licensor and Licensee. It is not intended and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association as between Licensor and Licensee. Licensee understands and agrees to bear the sole responsibility and liability for furnishing Workers' Compensation benefits to any person for injuries arising from or connected with services performed on behalf of Licensee pursuant to this License.
- 12. **EMPLOYEES:** All references to the "Licensee" herein are deemed to include the employees, agents, contractors, apprentices and anyone else required under written contract with Licensee to access the Premises.
- 13. **LIMITATIONS:** It is expressly understood that in licensing the right to use said Premises, no estate or interest in real property is being conveyed to Licensee, and that the right to use is only a nonexclusive, revocable and unassignable permission to use the Premises in accordance with the terms and conditions of this License.
- 14. **ENTIRE AGREEMENT:** This License contains the entire agreement between the parties hereto, and no addition or modification of any terms or provisions shall be effective unless set forth in writing, signed by both Licensor and Licensee.
- 15. **AMENDMENTS:** The terms of this License may be amended by the Director or her designee upon mutual agreement of Licensor and Licensee with either party giving the other prior written notice explaining why the amendment is being requested.
- 16. **POWER AND AUTHORITY:** The Licensee has the legal power, right and authority to enter into this License, and to comply with the provisions hereof. The individuals executing this License on behalf of any legal entity comprising Licensee have the legal power, right and actual authority to bind the entity to the terms and conditions of this License.

17. **COUNTERPARTS:** This License may be exerted in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute but one and the same instrument.
18. **PDF SIGNATURE AS ORIGINAL:** Notwithstanding any law to the contrary, including Evidence Code sections 255 and 260, a signature in a pdf form is deemed to be an original for purposes of this License.
19. **ASSIGNMENT:** This License is personal to Licensee, and any attempt to assign or transfer same in whole or part without Licensor's prior written consent shall immediately terminate all of Licensee's rights hereunder.
20. **AUTHORITY TO STOP:** In the event that an authorized representative of Licensor finds that Licensee's activities on the Premises unnecessarily endanger the health or safety of persons on or near said Premises, the representative may require that this License immediately be suspended until said endangering activities cease, or until such action is taken to eliminate or prevent the endangerment.
21. **DEFAULT:** This License may be immediately revoked by Licensor in the event of any failure or refusal on the part of Licensee to keep or perform any of the terms or conditions herein. Notice of revocation shall be given as provided by Section 6 of this License. Failure by Licensor to revoke this License for noncompliance of the terms or conditions by Licensee shall not constitute a waiver of the terms or conditions.
22. **TERMINATION:** This License may be terminated at any time without cause for any reason or no reason at all at the option of Licensor by giving five (5) days' notice of termination.
23. **RESTORATION OF PREMISES:** Upon any termination or expiration of this License, pursuant to Sections 3 or 22, Licensee shall surrender the Premises in a neat and clean condition to the satisfaction of Licensor. Licensee shall complete restoration of the Premises to its original condition or better prior to the termination or expiration of this License. Restoration of the Premises shall include, but not be limited to, removal of all of Licensee's equipment, vehicles, trailers, containers, signs, litter, and debris. Licensee shall remove all improvements unless otherwise instructed in writing by Licensor. Licensor shall conduct an inspection of the Premises to determine if restoration has been completed by Licensee to Licensor's satisfaction. If Licensor determines that restoration has not been completed to Licensor's satisfaction upon expiration or termination of this License, Licensor may restore said Premises entirely at the expense of Licensee.

Upon any revocation of this License, pursuant to Section 21, Licensee shall surrender the Premises in a neat and clean condition to the satisfaction of Licensor, remove its property therefrom, and restore the Premises as provided above within such time as Licensor may designate.

If Licenser determines that restoration has not been completed to Licenser's satisfaction under any scenario, Licenser may restore said Premises entirely at the expense of Licensee.

- 24. ALTERATIONS AND IMPROVEMENTS:** Licensee has examined the Premises and knows the condition thereof. Licensee accepts the Premises in the present state and condition and waives any and all demand upon the County for alteration, repair, or improvement thereof. All betterments to the Premises shall become the property of County upon the termination or expiration of this License.
- 25. COUNTY LOBBYIST ORDINANCE:** Licensee is aware of the requirements of Chapter 2.160 of the Los Angeles County Code with respect to County Lobbyists as such are defined in Section 2.160.010 of said code and certifies full compliance therewith. Failure to fully comply shall constitute a material breach upon which Licenser may terminate or suspend this License.
- 26. TRANSFER OF TITLE/PARK CLOSURE:** In the event Licenser transfers title of the Park and the licensed Premises to a newly-formed or existing governmental agency, this License shall be terminated on the date of said transfer to such agency, unless that agency agrees to assume this License. Licenser agrees to use its best efforts to obtain said assignment in the event Licenser transfers title of the Park to a newly-formed or existing governmental agency. In the event Licenser closes the Park this License shall terminate upon the effective date of such closure. Licenser shall provide written notice to Licensee immediately upon any consideration by the Licenser of the possibility of transferring or closing the Park. Licenser shall provide Licensee with as much prior written notice of any such transfer or closure of the Park as reasonably possible before the effective date of any such transfer or closure.
- 27. SURVIVAL OF COVENANTS:** The covenants, agreements, indemnities, representations and warranties made herein are intended to survive the termination of the License.
- 28. GOVERNING LAW AND FORUM:** This License shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this License shall be conducted in the courts of the County of Los Angeles, State of California.

/

(Signature Page Follows)

**LICENSEE:**

SAN GABRIEL BASIN WATER QUALITY AUTHORITY

By: \_\_\_\_\_  
Randy Schoellerman, Executive Director

Who hereby personally covenants, guarantees and warrants that he/she has the power and authority to obligate the Licensee to the terms and conditions in this License.

Pursuant to Sections 2.26.140B (2) and (3) of the Los Angeles County Code, this License has been executed on behalf of the County of Los Angeles by the Director of Parks and Recreation's designee on the \_\_\_\_\_ day of \_\_\_\_\_, 2020. Upon approval, a copy of the fully executed License will be provided to Licensee.

**LICENSOR:**

COUNTY OF LOS ANGELES  
DEPARTMENT OF PARKS AND RECREATION

By: \_\_\_\_\_  
Alina Bokde, Deputy Director  
Planning and Development  
Department of Parks and Recreation

**APPROVED AS TO FORM:**

RODRIGO A. CASTRO-SILVA  
Acting County Counsel

By: \_\_\_\_\_  
Rory LoAllen, Deputy  
County Counsel

## **Exhibit A1-A9**

**EAST AGENCY/REGIONAL FACILITY AGENCY LOCATION MAP**



# MW5-19 Location Map

County of Los Angeles  
East Agency Property

MW5-19 Location

Google Earth

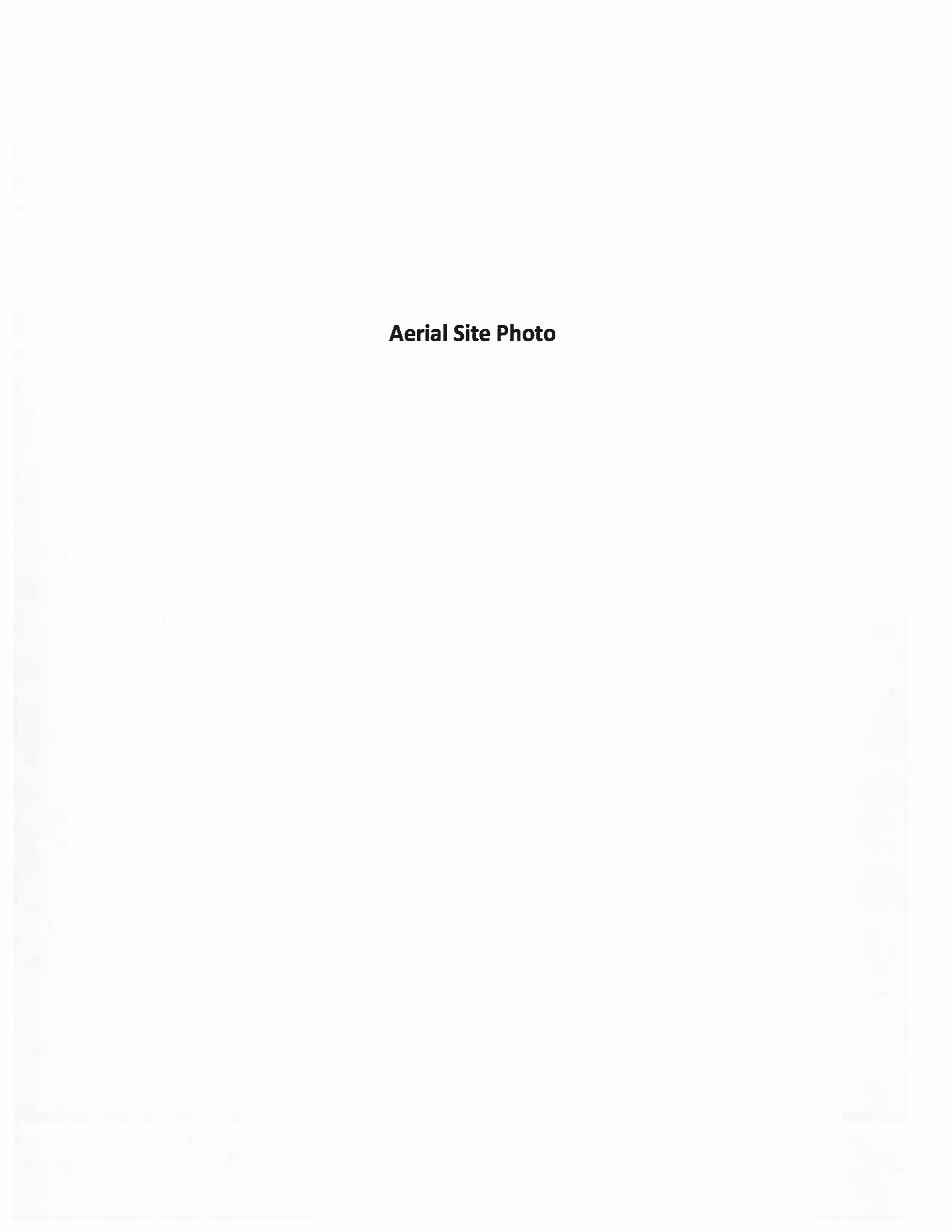
© 2020 Google

1000 ft





## Aerial Site Photo





**Aerial Ingress/Egress Route Map**





Imagery ©2018 Google, Map data ©2018 Google 50 ft

**MONITORING WELL MW5-19  
INGRESS/EGRESS ROUTE**

**LEGEND**

- ..... Ingress Route
- - - - Egress Route

## Photo of MW5-19







**Photos Showing Method of Securing Monitoring Area**  
(Using signage and cones)



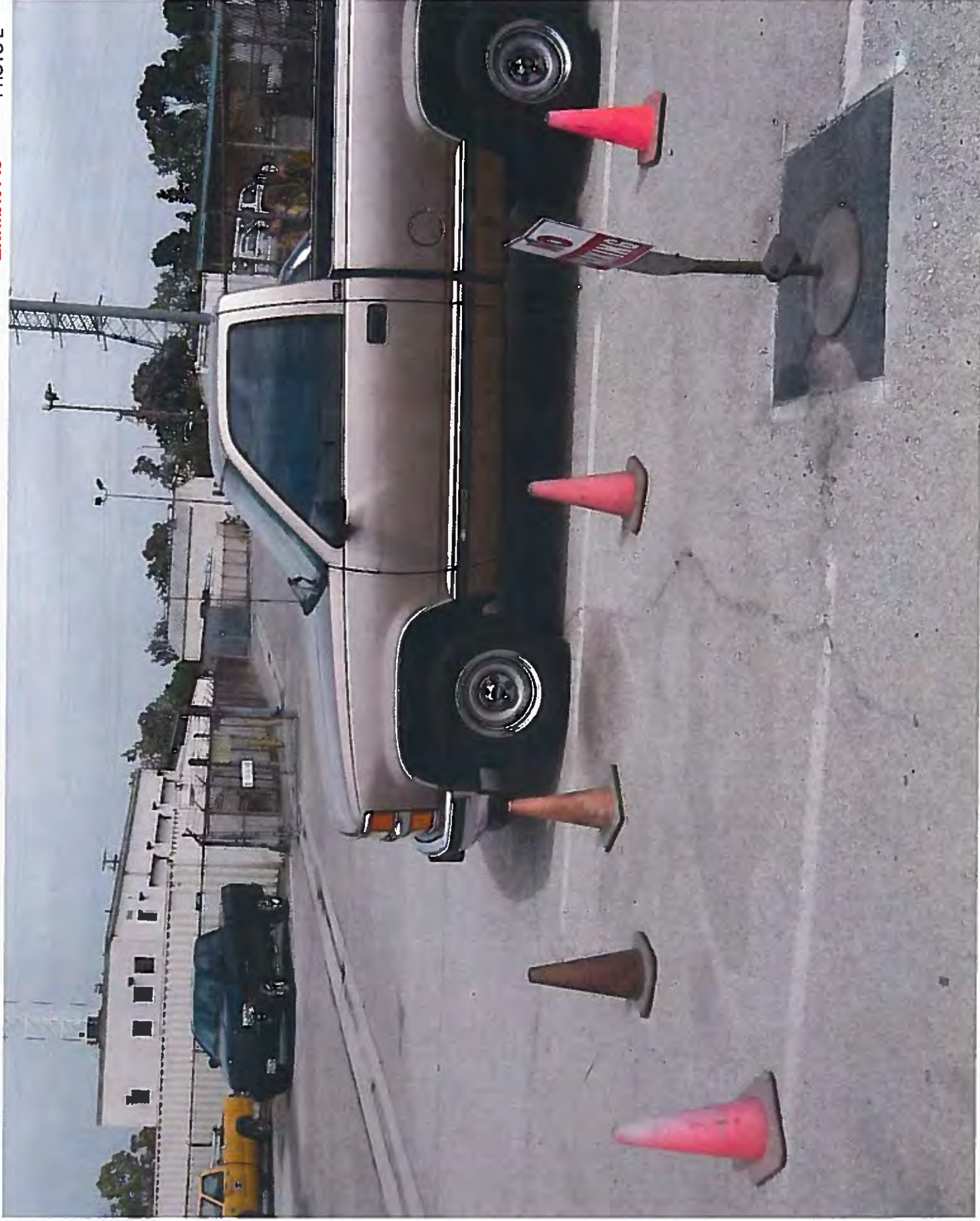












**Photo Showing the Typical Sample Truck**



**Exhibit A9**



**MW5-19**  
Typical (Blain Tech Services) crew truck required for sampling work





# San Gabriel Basin Water Quality Authority

1720 W. Cameron Avenue, Suite 100, West Covina, CA 91790 • 626-338-5555 • Fax 626-338-5775

## AGENDA SUBMITTAL

**To:** WQA Board of Directors  
**From:** Randy Schoellerman, Executive Director  
**Date:** January 20, 2021  
**Subject:** **Monitoring Well MW5-01 License Agreement with Alderson F, LLC**

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### **Summary**

WQA coordinated the construction of several monitoring wells in the Baldwin Park Operable Unit (BPOU) in the 1990's and early 2000's. WQA also executed long term site access agreements with the different entities that owned the property the wells were constructed on.

BPOU monitoring well MW5-01 was constructed on property located at 14910 Los Angeles Street in the city of Irwindale. The site was previous occupied by an AMVETS facility and was acquired by Alderson F, LLC, a developer that owns several adjacent properties.

The developer had initially refused to honor WQA's access agreement with the AMVETS. However, staff and legal counsel worked with the city of Irwindale to require the developer to provide WQA access to the well. The agreement provides for a one-time payment of \$5,000 to the developer to cover design and construction of an access road to the well. The license renews annually and provides for a fee of \$2,400/yr. with a 3% escalator. The cost is reimbursable under the BPOU Project Agreement.

The Admin/Finance Committee reviewed this item and is recommending its approval.

### **Recommendation / Proposed Action**

Approve the License Agreement with the Alderson F, LLC. for MW5-01.

### **Attachment:**

- *License Agreement for the Operation and Maintenance of a Groundwater Monitoring Well MW5-01*

## **LICENSE AGREEMENT NO. 2020-01**

### **LICENSE AGREEMENT FOR THE MAINTENANCE AND OPERATION OF A GROUND WATER MONITORING WELL**

THIS LICENSE AGREEMENT (“license”) is made and entered into by and between **Alderson F, LLC, a California limited liability company** (“**OWNER**” hereinafter), and the **San Gabriel Basin Water Quality Authority, a public agency** (“**LICENSEE**” hereinafter), as of the latest date set forth opposite the respective signatures of the parties hereto (the “Execution Date”).

#### **WITEESSETH**

##### **A. Recitals.**

(1) OWNER is in escrow to purchase an approximately 2.3-acre property located at 14910 Los Angeles Street, Irwindale, CA 91706 as described on Exhibit A (the “Property”).

(2) LICENSEE was formed by special act of the California Legislature for the purpose of and is engaged in the remediation of groundwater contamination in the San Gabriel groundwater basin which includes the City of Irwindale. LICENSEE desires access to an existing monitoring well (the “Well”) located on the northeast corner of the Property as highlighted on Exhibit B.

(3) The monitoring well will be utilized for the purpose of monitoring, testing, gauging, and sampling ground water.

(4) Upon acquisition of the Property, OWNER desires to permit access to the Well by LICENSEE for the purposes set forth herein and upon the terms and conditions specified in this license.

##### **B. Agreement.**

NOW, THEREFORE, the parties hereto agree as follows:

1. Whenever in this license the words or phrases set forth in this Section are used, they shall have the respective meanings ascribed to them in the following definitions:

a. The word “Well” shall mean the monitoring well located on the Property existing as of the Execution Date as shown on Exhibit B;

b. The words “Normal Business Hours” shall mean Monday through Friday from 8:00 am to 5:00 pm.;

c. The word “waters” shall mean waters to be sampled and tested.

d. The phrase “pipes and appurtenances” shall mean pipe, pipeline, main, service, trap, vent, vault, manhole, meter, gauge, regulator, valve, conduit, appliance, attachment, appurtenance, well and any other device located on the Property as of the Execution Date and used or useful in monitoring, testing and sampling of said waters;

e. The phrase “use” shall mean to operate, maintain, use, repair, replace or remove.

2. OWNER hereby licenses LICENSEE, subject to each and all terms and conditions contained in this license, to access and use the existing pipes and appurtenances on the Property for monitoring, testing, gauging, and sampling waters (the “Licensed Use”).

3. Subject to obtaining required approvals, OWNER agrees to create a 10-foot-wide rolled curb and 10-foot-wide decomposed granite path with concrete curb mow strip on the sides in OWNER’S proposed landscape area to allow access for LICENSEE’S consultants’ vehicle to the Well. The entrance to the rolled curb will have two bollards with a chain and lock impeding access to the rolled curb area. LICENSEE shall be given a key to this lock by OWNER. (See Exhibit “B”.)

4. LICENSEE’S Access shall be limited to four times per year. Each of the four periods of access shall be limited to a maximum of eight (8) hours. LICENSEE must provide OWNER with seven (7) days advanced written Notice of the dates and specific times it intends to access the Well. Notwithstanding the foregoing, in the case that the Well needs special maintenance, LICENSEE shall contact OWNER and OWNER will provide reasonable access to the Well to complete such maintenance.

5. OWNER shall have full use of the Property including the area where the Well is located except that OWNER shall not erect or construct any fence, wall or permanent surface or subsurface structure which would prevent access to the Well by LICENSEE or prevent the Licensed Use.

6. The term of this license is for a period of one (1) year from the date of execution of this license and shall be automatically renewed per Paragraph B-10(e) until the same shall be voluntarily surrendered or abandoned by LICENSEE, in accordance with the terms and conditions set forth herein, or

forfeited for noncompliance with the terms hereof. LICENSEE shall limit its activities to the area of the Well and the direct access path thereto. LICENSEE shall limit the number of vehicles on the site to a maximum of two (2) at any time and such vehicles shall only park on the access path and will not obstruct the use of any parking stalls or any part of the parking lot or drive aisles.

7. This instrument is a license, is not transferable or assignable by LICENSEE and does not constitute a sale, lease or any transaction other than a license and LICENSEE shall not acquire any rights whatsoever based upon the uses permitted herein excepting those rights specifically delineated herein.

8. SUCCESSORS. This license shall be binding upon and insure to the benefit of OWNER and its successors and assigns.

9. This license is entered into in lieu of all other licenses or leases owned or held claimed to be owned or held by LICENSEE with regard to the Property. The acceptance of this license hereby shall operate as an abandonment of all such other licenses or leases and a final determination that they are void and of no force and effect.

10. LICENSEE shall:

a. Maintain all pipes and appurtenances in accordance and in conformity with any and all ordinances, rules and regulations hereto or hereafter adopted by the City of Irwindale or other regulatory bodies with jurisdiction over the Property;

b. Pay to OWNER upon the full execution of this license the sum of **Five Thousand Dollars (\$5,000)** to compensate OWNER in part for costs incurred by Owner for the creation of this license as well as for costs incurred by OWNER to design, permit and construct the access to the Well described in Paragraph B-3 above.

c. Pay to OWNER, on demand, the cost of all repairs to the Property made necessary by any operations of LICENSEE or its invitees under this license;

d. Defend, indemnify and hold OWNER and OWNER's tenants and each of their respective members, managers, officers, agents, employees and invitees free and harmless from all claims or liabilities for damage or injuries to persons or property by reason of LICENSEE's negligence or LICENSEE's acts or those of LICENSEE's officers, agents or employees in connection with LICENSEE's operations or use under this license. LICENSEE shall be liable to OWNER for all damages proximately resulting from the failure of LICENSEE to well and faithfully observe and perform each and every provision

of this license including, but not limited to, any amounts for attorneys' fees and court costs assessed by a court of competent jurisdiction;

e. Pay to OWNER on the Execution Date an annual maintenance fee of **Two Thousand Four Hundred Dollars per year (\$2,400/year)**. This maintenance fee shall automatically renew on the anniversary of the Execution Date and each anniversary date thereafter, provided LICENSEE pays an annual license fee equal to the prior year's fee increased by 3%. Should LICENSEE not pay the annual maintenance fee prior to each anniversary date and after thirty (30) Business Days written notice by OWNER, this license shall terminate and be of no further force or effect;

f. Throughout the term of this license, at LICENSEE's sole cost and expense, LICENSEE shall keep or cause to be kept in full force and effect, for the mutual benefit of OWNER and LICENSEE, comprehensive broad form general public liability insurance against claims and liability for personal injury, death, or property damage arising from the operations of LICENSEE under this license, providing protection of the greater of the insurance held by LICENSEE or at least One Million Dollars (\$1,000,000) per occurrence for bodily injury or death and at least One Million Dollars (\$1,000,000) per occurrence for property damage. Where a combined single limit is utilized, protection of at least Two Million Dollars (\$2,000,000) must be provided. All insurance required by express provision of this license shall be carried only in responsible insurance companies admitted and licensed to do business in the State of California and which are rated A.VII or better according to the most recent A.M. Best Co. Rating Guide. All such policies shall:

- (1) Be subject to no deductible amount unless otherwise provided, or approved in writing by OWNER;
- (2) Name as additional insureds OWNER and Seventh Street Development, Inc. and OWNER's tenants, lenders and investors to be specified by OWNER;
- (3) Specify that it acts as primary insurance and that no insurance held or owned by the designated additional insureds shall be called upon to cover a loss under said policy;
- (4) Specify that it applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability;
- (5) Contain a clause substantially in the following words:

"It is hereby understood and agreed that this policy may not be canceled nor the amount of coverage thereof reduced until thirty (30) days after receipt by OWNER

of written notice of such cancellation or reduction of coverage' as evidenced by receipt of a registered letter."

(6) Specify that any failure to comply with reporting or other provisions of the required policy, including breaches of warranty, shall not affect the coverage required to be provided;

(7) Specify that the insurer waives all rights of subrogation against any of the named additional insureds;

(8) Specify that any and all costs of adjusting and/or defending any claim against any insured, including court costs and attorneys' fees, shall be paid in addition to and shall not deplete any policy limits; and

(9) Otherwise be in form satisfactory to OWNER. Prior to commencing any access to the Property under this license, LICENSEE shall furnish OWNER with original endorsements, or copies of each required policy, effecting and evidencing the insurance coverage required by this license. The endorsements shall be signed by a person authorized by the insurer(s) to bind coverage on its behalf. All endorsements or policies shall be received and approved by OWNER before LICENSEE commences access to the Property. LICENSEE shall provide OWNER with the renewal of any required policies of insurance prior to the expiration of any required policies of insurance. Subject to OWNER's approval, LICENSEE may maintain a self-insurance program which complies with the provisions provided herein. LICENSEE may effect for its own account insurance not required under this license.

11. Only the Well may be accessed by LICENSEE or agent of LICENSEE under this license. Any additional pipes and appurtenances may be installed, operated and maintained only with the consent of OWNER pursuant to a license agreement with OWNER.

12. If the LICENSEE shall fail, neglect or refuse to comply with any of the provisions or conditions hereof, or shall not, within fifteen (15) days after written demand for compliance, begin the work of compliance, or after such beginning shall not prosecute the same with due diligence to completion, then OWNER may immediately declare this license expired, revoked or terminated and commence and/or complete any such work. LICENSEE shall be liable to OWNER for any and all costs and expenses incurred by OWNER in connection with any such work including, but not limited to, reasonable overhead expenses in the sum of thirty percent (30%).

13. Upon expiration, revocation or termination of this license, or the permanent discontinuance of use of the pipes and appurtenances or any portion thereof, LICENSEE shall, within ninety (90) days thereafter, cause the Well to be filled and abandoned in compliance with all applicable laws, ordinances, regulations and standards in effect (at such time) for abandonment of wells, including but not limited to the regulations of the California Department of Water Resources. The abandonment shall be completed at LICENSEE's sole cost and expense, and LICENSEE shall restore the rolled curb and restore the surface of the Well Site and the access path with landscaping to a condition which is reasonably satisfactory to OWNER and which matches the surrounding landscaping at the time of the abandonment.

If any pipes and appurtenances to be abandoned in place subject to prescribed conditions are not abandoned in accordance with all such conditions, the OWNER may require that the LICENSEE remove all such pipes and appurtenances in accordance with applicable requirements. In the event LICENSEE fails to remove any pipes and appurtenances in accordance with such applicable requirements within the time prescribed by the OWNER, then OWNER may remove such pipes and appurtenances and LICENSEE shall thereafter pay to OWNER the actual cost thereof, plus thirty percent (30%) as and for OWNER's reasonable overhead expenses. Any decision of the OWNER with respect to conditions, interpretations of plans, specifications, ordinances, rules, regulations and/or standards shall be final.

14. Notices - All notices required under this license, or any payments hereunder, shall be served by placing the said notice or payment, postage prepaid, via United States certified mail or by delivery via reputable overnight courier such as Federal Express and addressed as follows:

OWNER:	Alderson F, LLC 3780 Kilroy Airport Way, #520 Long Beach, California 90806 Attn: Craig Furniss
Licensee:	San Gabriel Basin Water Quality Authority 1720 W. Cameron Ave., Suite 100 West Covina, CA 91790 Attn: Randy Schoellerman Executive Director

Any change in address of either of the parties shall be reported forthwith to the other party at the address set forth hereinabove.

15. Compliance with Laws – When conducting its activities on the Property, LICENSEE shall comply with all applicable laws, statutes, ordinances, regulations, procedures, practices and guidelines of any agency department or commission of the United States, the State of California, the County of Los Angeles, the City of Irwindale and any other political subdivision having jurisdiction over LICENSEE or its activities. LICENSEE shall be solely responsible for and shall obtain from the appropriate governmental authorities all necessary licenses, approvals, and permits necessary for the operation or use of monitoring well facilities and for the filling and abandonment of the Well at the end of the term or earlier termination of the License.

16. Attorneys' Fees – In the event that any action is instituted to enforce the terms of this license by either party, the prevailing party in such action shall be entitled to recover its reasonable attorney's fees as awarded by a court of competent jurisdiction.

17. Mechanic's Liens – LICENSEE will not cause or suffer any mechanic's lien, material men's lien or other lien to be placed against the Property in connection with any work performed by LICENSEE or its contractors on the Property. LICENSEE shall post a bond with OWNER or OWNER's lender equal to 150% of the amount of any lien and shall immediately pay any judgment rendered and will have the lien released at LICENSEE's expense and shall reimburse OWNER for all of its reasonable expenses incurred in connection with such lien.

18. Authority – The individuals executing this license on behalf of the respective parties hereto, represent and warrant that they have been duly authorized to do so, and that this license shall be binding upon the party on whose behalf it is executed.

19. Integration/Amendment – This license constitutes the entire agreement of OWNER and LICENSEE with respect to the matters herein, and supersedes any and all prior and contemporaneous agreements, whether oral or in writing. This license may be amended only in writing which must be executed by each party to the license.

**[SIGNATURES APPEAR ON FOLLOWING PAGE]**



WHEREFORE, the parties hereto have executed this license as of the date set forth below opposite the name of each such party.

Dated:

ALDERSON F, LLC  
A California limited liability company

By:

Name: Robert Minsky  
Its: Manager

Dated:

SAN GABRIEL BASIN WATER  
QUALITY AUTHORITY

By:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**  
**Description of Property**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF IRWINDALE, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THAT PORTION OF SECTION 17, TOWNSHIP 1 SOUTH, RANGE 10 WEST, S.B.M., IN THE CITY OF IRWINDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTH LINE OF SAID SECTION BEING THE NORTHWEST CORNER OF SAID LAND DESCRIBED IN DEED FROM LOS ANGELES TRUST COMPANY TO JOSEPH P. LONERGAN, RECORDED IN [BOOK 2727, PAGE 115 OF DEEDS](#), RECORDS OF LOS ANGELES COUNTY AND DISTANT 2955.81 FEET WEST FROM THE NORTHEAST CORNER OF SAID SECTION; THENCE SOUTH PARALLEL WITH THE EAST LINE OF LOT 2 OF SAID SECTION, 502 FEET MORE OR LESS TO THE NORTHWESTERLY LINE OF THE RIGHT OF WAY OF THE SOUTHERN PACIFIC RAILROAD COMPANY; THENCE NORTHEASTERLY ALONG THE NORTHWESTERLY AND NORTHERLY LINES OF SAID RIGHT OF WAY TO ITS INTERSECTION WITH THE NORTH LINE OF SAID SECTION 17; THENCE WEST ALONG SAID NORTH LINE TO BEGINNING.

EXCEPTING THEREFROM THE NORTHERLY 30 FEET THEREOF CONVEYED TO THE COUNTY OF LOS ANGELES BY DEED RECORDED IN [BOOK 1304, PAGE 109 OF DEEDS](#).

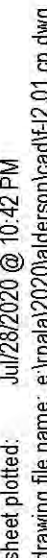
EXCEPT ALSO THE SOUTHERLY 10 FEET OF THE NORTHERLY 40 FEET OF SAID LAND BY DEED RECORDED [MARCH 11 1985 AS INSTRUMENT NO. 85-263961 OF OFFICIAL RECORDS](#).

EXCEPT THEREFROM ANY PORTION INCLUDED WITHIN THE EDWIN ALDERSON'S ACRE LOT TRACT, IN THE CITY OF IRWINDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 13, PAGE 28 OF MAPS](#), IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 8437-020-007



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SEVENTH STREET DEVELOPMENT

## L2.01

ISSUED FOR CONSTRUCTION 2020-08-24





# San Gabriel Basin Water Quality Authority

1720 W. Cameron Avenue, Suite 100, West Covina, CA 91790 • 626-338-5555 • Fax 626-338-5775

## AGENDA SUBMITTAL

**To:** WQA Board of Directors  
**From:** Randy Schoellerman, Executive Director  
**Date:** January 20, 2021  
**Subject:** Resolution 21-001 for Authorization to Contract for Service and Establish Accounts with Bank of the West

---

### Discussion

WQA currently has its banking relationship with Bank of the West ("Bank"). The Bank requires that WQA adopt a resolution each time Board Officers are elected, authorizing the Board Officers to contract for service and establish accounts with the Bank, including checking signing authorization. Last year at the January 15, 2020 board meeting Resolution 20-001 was passed and adopted, authorizing the newly elected Board Officers to contract for service with the Bank.

The election of new Board Officers typically takes place at the January regular board meeting. If new officers are elected at today's regular board meeting, WQA will need to rescind Resolution 20-001 and pass and adopt Resolution 21-001 authorizing the newly elected Board Officers to contract for service with the Bank.

A draft resolution is enclosed with this staff report listing the Board's officer positions, but not the officers' names. Once the election has taken place, the resolution will be updated with the information for the newly elected Board Officers.

Attached is a draft copy of Resolution 21-001 for your review.

### Recommendation / Proposed Action

Recommend that the Board pass and adopt Resolution 21-001 authorizing Board Officers to contract for services with Bank of the West as described in the attached resolution.

Attachment:  
Resolution 21-001

**DRAFT**

**RESOLUTION NO. 21-001**

**A RESOLUTION OF THE  
SAN GABRIEL BASIN WATER QUALITY AUTHORITY  
AUTHORIZING BOARD OFFICERS TO CONTRACT FOR SERVICE AND  
ESTABLISH ACCOUNTS WITH  
BANK OF THE WEST**

**WHEREAS**, the San Gabriel Basin Water Quality Authority ("WQA") has a banking relationship with Bank of the West; and

**NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF THE SAN GABRIEL BASIN WATER QUALITY AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:**

SECTION 1. Each of the Board Officers is authorized to open deposit accounts, manage or provide instructions regarding each account and contract for other banking services deemed necessary to manage the deposit accounts with Bank of the West ("Bank") on behalf of the WQA, acting alone, to: (1) establish one or more deposit accounts and from time to time additional accounts; (2) to designate from time to time persons to manage, operate or otherwise provide instructions regarding each account, including the designation of authorized signers; and (3) contract for such other banking services as any authorized representative deems necessary or appropriate to manage this Organization's deposit accounts.

This authorization is in addition to any other authorizations in effect and will remain in force until the Bank receives written notice of its revocation at the address and in the manner designated by it.

SECTION 2. The Board hereby certifies that the Board Officers for the WQA as of January 20, 2021 are as follows:

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Vice-Chairman

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Treasurer

SECTION 3. The Board certifies that the above referenced officers constitute all of the WQA's Board Officers.

SECTION 4. The signatures and titles of the authorized person(s) identified in SECTION 1 and SECTION 2 are the genuine signatures and titles of those persons.

SECTION 5. No other person's signature or authorization is required to bind the WQA with respect to the agreements or authorizations mentioned above.

SECTION 6. Resolution 20-001 is hereby rescinded.

**PASSED AND ADOPTED THIS 20th DAY OF JANUARY 2021**

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary



# San Gabriel Basin Water Quality Authority

1720 W. Cameron Avenue, Suite 100, West Covina, CA 91790 • 626-338-5555 • Fax 626-338-5775

## AGENDA SUBMITTAL

**To:** WQA Board Members  
**From:** Randy Schoellerman, P.E., Executive Director  
**Date:** January 20, 2021  
**Subject:** **Draft 2021 §406 Plan for Public Review**

---

### **Background and Discussion**

Section 406 of WQA's enabling act requires the WQA to develop and adopt a basinwide groundwater quality management and remediation plan. The plan includes a characterization of the contamination, a comprehensive cleanup plan, a summary of financing available, a description of public outreach efforts and a discussion about the authorities of other agencies the WQA interacts with to facilitate the basin cleanup effort.

Each year staff updates the §406 Plan and releases it for public comment prior to the Board adopting it. A proposed public review and board adoption scheduled is attached.

### **Recommendation / Proposed Action**

Staff recommends releasing the Draft 2021 §406 Plan for 25-day public comment period.

### **Attachments**

*Draft Public Comment Schedule*

*Draft 2021 §406 Plan*

# **DRAFT**

## **PUBLIC COMMENT PROCESS FOR THE AMENDED SAN GABRIEL BASIN GROUNDWATER QUALITY MANAGEMENT AND REMEDIATION PLAN FOR 2021**

1/20/21	WQA Board Meeting Open 25-day Public Comment Period	Approve Draft Plan for Public Comment Period
1/22-25/21 (est.)	San Gabriel Valley Tribune La Opinion Newspaper <a href="http://www.wqa.com">www.wqa.com</a>	Notice of Public Comment Period Posted Notice of Public Comment Period Posted in Spanish Notice Posted on WQA Website
2/9/21	WQA Admin/Finance Committee	Receive Comments on Draft Plan
2/16/21	Close of 25-day Public Comment Period	Comments must be received by <b><u>5:00 P.M.</u></b>
2/20/21	Regular Board Meeting	Presentation on Comments/Responses Received Present Revised Plan for Adoption





**San Gabriel Basin Water Quality Authority**

1720 W. Cameron Avenue, Suite 100, West Covina, CA 91790 • 626-338-5555 • Fax 626-338-5775

**DRAFT**

***San Gabriel Basin Groundwater Quality  
Management and Remediation Plan  
“§406 Plan”***

**January XX, 2021**

**Jorge Marquez, Chairman · Bob Kuhn, Vice-Chairman · Mark Paulson, Treasurer · Valerie Munoz, Secretary  
Mike Whitehead, Board Member · Lynda Noriega, Board Member · Ed Chavez, Board Member**

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



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# **VOLUME I**

## LIST OF TERMS AND ACRONYMS

§406	San Gabriel Basin Groundwater Quality Management and Remediation Plan
ACT	The California Safe Drinking Water Act (Health & Safety Code §§ 116275 <i>et seq.</i> )
ARARs	Applicable or Relevant and Appropriate Requirements
ARMWC	Adams Ranch Mutual Water Company
Basin	Main San Gabriel Basin
Basin Plan	LARWQCB Los Angeles Basin Plan
BATT	Best Available Treatment Technology
BPOU	Baldwin Park Operable Unit
CD	Consent Decree
CDWC	California Domestic Water Company
CEM	City of El Monte
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act of 1980
CrVI	Chromium VI
CMP	City of Monterey Park
CPUC	California Public Utilities Commission
DAC	Disadvantaged Community
DDW	State Water Resources Control Board - Division of Drinking Water (prior 2014 known as California Department of Public Health)
DTSC	Department of Toxic Substances Control
DWR	Department of Water Resources
EC	Emergent Chemicals
EMOU	El Monte Operable Unit
ESD	Explanation of Significant Differences
ESPSD	East Side Performing Settling Defendants
General Permit	LARWQCB Issued General NPDES Permit No.

	CAG914001
GSWC	Golden State Water Company
IROD	Interim Record of Decision
IRWMP	Integrated Regional Water Management Plan
LACFCD	Los Angeles County Flood Control District
LARWQCB	Los Angeles Regional Water Quality Control Board
LPVCWD	La Puente Valley County Water District
MCL	Maximum Contaminant Level
MHI	Statewide Median Household Income
MSGBW	Main San Gabriel Basin Watermaster
NCP	National Oil and Hazardous Substances Pollution Contingency Plan (aka: National Contingency Plan)
NDMA	N-Nitrosodimethylamine
NL	Notification Level
Northrop	Northrop Grumman Systems Corporation
NPDES	National Pollutant Discharge Elimination System
OAL	Office of Administrative Law
NPL	National Priorities List
OEHHA	Office of Environmental Health Hazard Assessment
OU	Operable Unit
<u>PFAS</u>	<u>Per- and polyfluoroalkyl substances</u>
Process Memo 97-005	State Water Resources Control Board – Division of Drinking Water Process Memo 97-005
PRPs	Potentially Responsible Parties
PVOU	Puente Valley Operable Unit
PVOUSC	Puente Valley Operable Unit Steering Committee
QSA	Quantification Settlement Agreement
Restoration Fund	San Gabriel Basin Restoration Fund
RI/FS	Remedial Investigation Feasibility Study
RL	Response Level
ROD	Record of Decision



SA1	Baldwin Park Operable Unit Subarea 1
SEMOU	South El Monte Operable Unit
SGVMWD	San Gabriel Valley Municipal Water District
SGVWC	San Gabriel Valley Water Company
SEMOU Barrier	South El Monte Shallow Extraction Barrier
SWP	State Water Project
SWRCB	State Water Resources Control Board
SWS	Suburban Water Systems
TCP	1,2,3-Trichloropropane
TDS	Total Dissolved Solids
TVMWD	Three Valleys Municipal Water District
Title XVI	San Gabriel Basin Demonstration Project
USBR	United States Bureau of Reclamation
USEPA	The United States Environmental Protection Agency
USGVMWD	Upper San Gabriel Valley Municipal Water District
UTC	United Technologies Corporation
UWMP	Urban Water Management Plan
VCWD	Valley County Water District
VOC	Volatile Organic Compound
WSGRF	Whitmore Street Groundwater Remediation Facility
WQA	Water Quality Authority
WQA Act	San Gabriel Basin Water Quality Authority's Enabling Act SB1679 (Statutes of 1992, Chapter 776), as amended
WSPSD	West Side Performing Settling Defendants

## **Summary:**

As in previous years, the San Gabriel Basin Water Quality Authority (“WQA”) is revising its San Gabriel Basin Groundwater Quality Management and Remediation Plan (“§406 Plan”). The §406 Plan, which is required by this agency’s enabling act (“WQA Act”), Statutes 1992, Chapter 776 (West’s California Water Code Appendix, §134-101 et seq.), as amended by Chapter 370 of the Statutes of 2019, promotes improvement of groundwater quality in the San Gabriel Basin (“Basin”) by setting forth: (1) a general process under which this plan shall be developed and implemented; (2) remedial goals; and (3) a restatement of existing regulatory authority governing cleanup within the Basin in addition to requirements of the United States Environmental Protection Agency (“USEPA”). Additionally, elements of the §406 Plan fit into a framework of overarching remedial principals and sets forth specific projects proposed to be facilitated by the WQA or by others within the Basin.

## **Date:**

This §406 Plan is effective February XX, 2021.

## **Address:**

Supporting materials are available for viewing at WQA offices, located at 1720 W. Cameron Avenue, Suite 100, West Covina, CA 91790. WQA offices are open from 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding recognized holidays. It is recommended that an appointment be made to review these materials by calling (626) 338-5555.

## **General Information:**

For general information, WQA may be contacted at (626) 338-5555 between the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding recognized holidays. Various materials may also be viewed at [www.wqa.com](http://www.wqa.com).

## **I. Legal Authority**

This §406 Plan is developed and adopted under the authority of the WQA Act. §406 of the WQA Act requires the WQA to “develop and adopt a basinwide groundwater quality management and remediation plan” that is consistent with the USEPA’s National Contingency Plan (“NCP”) and applicable Records of Decision (“ROD”), and all requirements of the Los Angeles Regional Water Quality Control Board (“LARWQCB”). According to the WQA Act, the §406 Plan must include:

- 1) Characterization of Basin contamination;
- 2) A comprehensive cleanup plan;
- 3) Strategies for financing the design, construction, operation and maintenance of groundwater cleanup facilities;
- 4) Provision for a public information and involvement program; and
- 5) Coordination of activities with federal, state, and local entities.

Furthermore, §406 requires WQA to, on an annual basis, incorporate a status report on activities undertaken by the WQA pursuant to the §406 Plan. The status report must also include:

- 1) An overview of groundwater contamination in the San Gabriel Basin;
- 2) Goals for the basin groundwater;
- 3) Coordination with other agencies;
- 4) Public outreach and information;
- 5) Funding from potentially responsible parties and other sources;
- 6) Status of non-operable unit specific plans;
- 7) For each operable unit:
  - a. Treatment and remediation plans;
  - b. Description of contamination plan;
  - c. Costs incurred ;
  - d. Beneficial uses of recovered water; and
  - e. Projected activities for the next reporting period.

- 8) A description of the manner in which projects are prioritized and selected for funding and the manner in which contractors are selected, including identification of projects in disadvantaged communities and those which further human right to water; and
- 9) Criteria used to quantitatively evaluate projects for effectiveness.

In support of the §406 Plan, the WQA shall adopt an annual fiscal year budget (July 1 through June 30) which shall include all projects (actual or planned) that WQA is facilitating through its participation during that time period. The budget shall identify various funding sources and combinations thereof to ensure that full funding for each project (capital and/or O&M) can be achieved.

## **II. Policy Statement for Year 2021**

The WQA general policy statement is the foundation of the §406 Plan. Therefore, the first steps in revising the §406 Plan are to review the past year's activities and to identify successes as well as challenges and obstacles that may have delayed or hindered cleanup progress. Using that information as a basis, WQA can apply current conditions and determine WQA's direction for the coming year.

WQA continues to engage and participate with regulatory agencies USEPA, State Water Resources Control Board – Division of Drinking Water (“DDW”), Los Angeles County Flood Control District (“LACFCD”), LARWQCB and the Department of Toxic Substances Control (“DTSC”) to facilitate solutions in many areas of the Basin. For example, a long-standing impediment to groundwater cleanup was removed recently as WQA was successful in its efforts to secure a general temporary discharge permit to facilitate the construction and testing of new extraction wells and treatment facilities in the Basin. The approval of the permit was the culmination of years of cooperative discussions with these agencies and served as a demonstration of an effective policy that should continue.

Additionally the LARWQCB approved a new MS4 permit that provides greater flexibility for city permittees to meet their obligations. The new permit could also benefit

water purveyors with treatment facilities that require temporary discharges and WQA will continue to facilitate long-term solutions in this area.

### **POLICY STATEMENT 2021**

The WQA was created and authorized by the State Legislature to address the critical need for coordinated and accelerated groundwater cleanup programs in the Basin.

The WQA is committed: 1) to protecting public health and safety; 2) to prioritizing, facilitating, and coordinating groundwater cleanup/supply programs with local water providers, DDW, LARWQCB, LACFCD, DTSC and USEPA; and 3) to minimizing local financial and economic impacts, including impacts on local groundwater consumers.

The WQA recognizes that groundwater contamination issues in the Basin are complex and that the USEPA Superfund response alone may not adequately address the environmental, regulatory and financial issues that affect the one million residents and the many thousands of businesses who rely primarily on the Basin for potable water.

In addition, the WQA recognizes the critical nature of developing strategies that ensure the Basin's long-term reliability while reducing our reliance on imported water and enhancing the Basin's potential to meet regional strategic groundwater storage demands.

In order to effectively coordinate the local water supply needs with cleanup, containment, reliability and storage goals, the WQA will promote and participate in technical, financial and regional partnerships, including partnerships with responsible parties, wherever possible. Where partnerships with responsible parties cannot be voluntarily formed, WQA will seek ways to move forward and implement the necessary groundwater cleanup projects and will consider all options to require financial participation from those responsible for the contamination.

Recent court cases and severe drought have contributed to a significant reduction of replenishment water available from MWD. Due to the fragility of the Delta water system, the WQA should continue to promote the Basin as a strategic regional groundwater storage solution for supply reliability and the vital role it could play if all imported supplies were suspended to the region by either a natural disaster or institutional decisions. When viewed from this perspective, the Basin's viability as part



of the region-wide strategic water supply plan rests on the ability to move cleanup forward and assure its completion.

The WQA will continue to pro-actively address the growing problems of emerging chemicals (“EC”), such as 1,4-Dioxane, 1,2,3-Trichloropropane (“TCP”), ~~and~~ Chromium VI (“CrVI”) and Per- and polyfluoroalkyl substances (PFAS) and the impact they have on the overall cleanup goals of the WQA.

In 2015, the Office of Environmental Health Hazard Assessment (“OEHHA”) lowered the Public Health Goal for perchlorate to 1 ppb, and in 2017 DDW began the process of re-evaluating the current 6 ppb MCL for perchlorate by studying the feasibility of lowering the laboratory reporting limit for perchlorate to 1 ppb. Should DDW ultimately decide to lower the MCL as well additional perchlorate treatment will be required in the Basin. While the USEPA has announced that they will establish a federal MCL their process is not expected to be completed prior to DDW’s process. USEPA would most likely target an MCL close to the 1 ppb that was suggested by their draft risk assessment released in 2002.

On July 1, 2014 an MCL of 10 ppb for CrVI became effective as the only CrVI drinking water standard in the country. In 2015, SB385 was passed by the legislature to establish compliance timeframes and assist water purveyors to come into compliance with the new regulation. However, in May 2017 the Superior Court of Sacramento County invalidated the MCL noting that the “state failed to properly consider the economic feasibility of complying with the MCL.” As a result, DDW has embarked on creating a new CrVI regulation that is expected to ~~take between 18 and 24 months to complete~~be completed in 2021.

On December 14, 2017 an MCL of 5 ppt for 1,2,3-TCP became effective. A Notification Level (“NL”) of 5 ppt existed previously and several wells in the Basin already have treatment in place for this contaminant.

On July 31, 2019, the Governor signed Assembly Bill 756 (“AB 756” or “the Bill”), authorizing the State Water Resources Control Board (“SWRCB”) to order public water systems to monitor PFAS substances.

In August 2019, the OEHHA recommended NLs for Perfluorooctanoic acid (“PFOA”) and Perfluorooctanesulfonic acid (“PFOS”) be set at the lowest levels at which they can be reliably detected in drinking water using currently available and appropriate

technologies. DDW established NLs at 6.5 ppt for PFOS and 5.1 ppt for PFOA. These levels are consistent with OEHHA's recommendations. The NL levels are among the strictest in the nation. There were no changes to the Response Levels ("RL") for these contaminants, which are currently set at 70 ppt individually or combined. A RL is set higher than a notification level and represents a recommended chemical concentration level at which water systems consider taking a water source out of service or provide treatment if that option is available to them.

On February 6, 2020, the SWRCB revised PFAS drinking water response levels for PFOA and PFOS from a combined sum of 70 ppt to 10 ppt for PFOA and 40 ppt for PFOS, while the current notification levels remain unchanged.

WQA will continue to coordinate activities while reviewing the potential impact of these regulatory standards on current and planned treatment projects throughout the Basin.

The WQA will continue to address orphan sites such as the shallow 1,4-Dioxane plume in the SEMOU. WQA operates and maintains the Whitmore Street Groundwater Remediation Facility to contain the 1,4-Dioxane contamination that threatens to further degrade downgradient water supply wells and increase the cost of cleanup to residents. The WQA will continue to coordinate with regulatory agencies to implement long-term funding solutions.

While cleanup costs have grown, so have requests and competition for federal and state funding (primarily due to nationwide perchlorate problems). At the same time, local groundwater providers continue to face growing ambiguity and sometimes conflicting federal and state requirements. WQA will continue to assist water entities access state and federal funding.

The Policy Statement will become effective with the adoption of this document and will remain in effect until institutional, environmental or other changes necessitate a revision of the Policy Statement.

### **III. Background Information**

#### **A. OVERVIEW OF THE GROUNDWATER CONTAMINATION**

The San Gabriel Valley's groundwater Basin has the dubious distinction of being one of the most contaminated in the nation. The Basin's groundwater is contaminated from the ground disposal—dating back to World War II— of volatile organic compounds used primarily as solvents in industrial and commercial activities.

The seriousness of the groundwater contamination problem became evident when high concentrations of volatile organic compounds (“VOCs”) were discovered in Azusa in 1979 near a major industrial complex. Over the next four years, further investigation revealed widespread VOC contamination significantly impacting the Basin. This discovery led USEPA to place four portions of the Basin on the National Priorities List (“NPL”) under authority of Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (“CERCLA”), also known as the Superfund program. These areas are referred to as Operable Units (“OUs”) under CERCLA. Currently, there are six active OUs: Baldwin Park, El Monte, South El Monte, Puente Valley, Area 3 and Whittier Narrows.

Unfortunately, in 1997, newly detected contaminants, perchlorate and N-Nitrosodimethylamine (“NDMA”) liquid/solid rocket fuel, complicated and delayed progress of cleanup activities. Most notably affected was the Baldwin Park Operable Unit (“BPOU”) which has the largest geographical area in the San Gabriel Valley. This led USEPA, state and local agencies to conduct further investigation of the sources and treatment technologies available for remediating groundwater for potable use.

In prior years, several VOC treatment/supply projects were expanded at significant costs to treat perchlorate and other emerging compounds. More recently, many of these multiple treatment train projects were further burdened with increased levels of VOCs. As a result, additional VOC treatment, also known as a secondary barrier, was needed to meet DDW permitting requirements under their Technical Memorandum 97-005. While the additional treatment is necessary, each step has incrementally increased the costs of capital construction and operations and

maintenance resulting in an overall project cost 4 to 5 times the original VOC treatment/supply project.

Beginning in the mid-2000's Basin cleanup became impacted in terms of delayed construction and increased costs by the growing concern for the surface water quality in southern California. As environment groups filed subsequent lawsuits against the LACFCD, the County in turn withdrew treatment facility access to many of its flood control channels by the water purveyors. The channels are used temporarily during start-up and testing procedures of treatment facilities.

While some significant projects remain, the overall cleanup focus in the Basin is shifting from one of capital construction to one of treatment and remediation. However, even in the Treatment & Remediation phase projects may still require capital improvements dictated by new technology and new regulations. With cleanup projects spanning multiple decades it makes sense in a lot of situations to install newer technology when cost estimates can demonstrate a significant cost-savings over the life of the project. A similar capital expense may be necessary when new regulations, such as the establishment of a new MCL for an existing contaminant or the discovery and regulation of a new contaminant, make it necessary to add treatment equipment to the existing facilities.

## **B. OVERVIEW OF WQA AUTHORITY**

The WQA was formed by special act of the California Legislature (Senate Bill 1679, Russell). The WQA Act gives WQA authority, *inter alia*, to plan for and to coordinate among several agencies with authority affecting cleanup of the Basin. §406 of the WQA Act requires WQA to develop and adopt a basinwide groundwater quality management and remediation plan. §406 further requires the plan to provide for: (1) a characterization of the Basin's contamination; (2) the development and implementation of a comprehensive Basin cleanup plan; (3) the financing of the design, construction, operation, and maintenance of groundwater cleanup facilities; (4) provisions for a public information and participation program; (5) the coordination with federal, state and local entities, including WQA member agencies; and (6) the maintaining of consistency with the NCP, any applicable USEPA RODs, all LARWQCB requirements, and all applicable cleanup agreements with federal, state and local agencies. The §406 Plan has to be

developed with an eye toward the statutory requirement that “the basinwide plan shall consider the benefits to be achieved by the plan or any proposed project in relation to its economic impact on persons or entities within the boundaries of the authority.”

### **C. HISTORY OF WQA PLANNING**

As required by §406, WQA first adopted the §406 Plan in June of 1993. This plan identified a mission and eight goals and served as the guiding principles over the next six years of early action projects to remove and contain contamination (well ahead of the Superfund-mandated process) and to characterize the extent and movement of contamination.

Once the data, necessary to design and construct projects on a regional basis, was available, including information on the extent and movement of groundwater contamination, the WQA officially adopted the first amended §406 Plan on March 6, 2000. Since that time, the WQA, using the §406 Plan as its implementation guide, facilitated the design and/or construction of several treatment facilities described within the §406 Plan. A listing of WQA’s major activities and milestones can be found in Table 1.

As in previous years, the WQA will continue to assist USEPA with its response efforts by engaging the authority of other agencies. Section 102(b) of the WQA Act declares legislative intent directing the WQA to coordinate among state and federal government agencies to plan and implement groundwater cleanup. The Remedial Standards (Section V.B) established by the §406 Plan (as required by Section 406 of the WQA Act) incorporate rules, regulations and standards previously adopted by other agencies of the State of California. The Remedial Standards harmonize and coordinate the requirements of the Main San Gabriel Basin Watermaster (“MSGBW”), the SWRCB, the LARWQCB, and the DDW. One purpose of the Remedial Standards is to help integrate groundwater cleanup objectives with water supply objectives, according to the legislative intent directive set forth in Section 102(a) of the WQA Act.

The USEPA has recognized some of these Remedial Standards as applicable or relevant and appropriate requirements (“ARARs”). Federal Superfund Law requires parties responsible for pollution to comply with ARARs in the process of carrying out federal cleanup orders. ARARs include any State standard that is (1) more stringent



than any Federal requirement, (2) validly promulgated, (3) either "applicable" or "relevant and appropriate" and has been identified by the State to the USEPA. Due in part to the efforts of the WQA, the USEPA's Unilateral Administrative Order (No. 2003-17) for remedial design and remedial action in the SEMOU of the San Gabriel Valley Superfund Sites, issued on August 28, 2003, (1) encourages the parties identified as responsible for the pollution to integrate their cleanup obligations with water supply projects that exist or are under development and (2) directs compliance with ARARs, such as meeting water quality standards for potable water service established by DDW and/or for discharge of the product water established by the LARWQCB.

#### **IV. Goals of the WQA §406 Plan**

Originally, WQA's goals were developed as a result of discussions with federal, state and local agencies, various stakeholders, and comments heard at public workshops and hearings. Each year, the goals are re-evaluated to determine applicability and whether any additional goals should be added. While these goals have remained unchanged, WQA has expanded the descriptions under the four goals to further validate WQA's focus. The four goals are:

- Accelerate Removal of Contaminant Mass in the Basin;
- Prevent Migration of Contamination into Critical Groundwater Supplies;
- Integrate Cleanup with Water Supply; and
- Minimize Economic Impact to the Public.

In the following sections, each of the four goals are described in more detail.

## **A. ACCELERATE REMOVAL OF CONTAMINANT MASS IN THE BASIN**

In recent years, it has become increasingly apparent that cleanup actions, implemented earlier than CERCLA provides, are needed to address the immediate threats to the local water supplies. The goal of accelerating the removal of contaminant mass is fulfilled primarily by engaging the regulatory processes of other agencies of the State, and, wherever possible, prompting the implementation of activities ahead of the time required under the applicable regulatory process.

In the past, the WQA identified and focused its accelerated removal activities on projects that could immediately be implemented to remove contaminant mass. In more recent years, the focus has changed due to the ever-growing list of impacted water supply wells. This widespread impact has necessitated the early implementation of several treatment facilities by water purveyors, individually and jointly with the WQA and/or other agencies well ahead of the mandate from regulatory agencies.

With the rapid migration of contamination towards critical water supplies, the WQA now primarily focuses on projects that will accelerate and advance cleanup activities while providing a clean water supply or protecting a nearby water source. More of these types of early actions are necessary to either (1) remove contaminant mass to immediately prevent further degradation of downgradient aquifers, (2) contain the spread of contamination to protect critical water supplies, (3) restore critical water supplies, or (4) combine the aforementioned.

Although early actions are implemented before a regulatory mandate, there has and will continue to be extensive coordination with USEPA, DTSC, DDW and the LARWQCB to link the early action to the eventual mandate. By working closely with USEPA, the WQA and other local stakeholders can affect USEPA's decision-making and identify certain high priority cleanup projects that are consistent with USEPA's objectives. Although USEPA cannot formally endorse and mandate cleanup until a rigorous process is completed, WQA can facilitate and assist in the implementation of the required action well before the mandate. Several crisis situations exist within the Basin that demand this type of immediate action as described in Appendix A. Waiting on mandated actions have already had severe impacts in many parts of the Basin.

## **B. PREVENT MIGRATION OF CONTAMINATION INTO CRITICAL GROUNDWATER SUPPLIES**

In many parts of the Basin, the contamination continues to spread towards, and threaten groundwater supply wells. Given that so many supply wells have already been shut down, the current situation continues to represent a significant threat to the Basin's water supply. Therefore, priority must be given to implementing cleanup projects that will prevent the loss of water supplies. In order to meet this goal, contaminant migration controls must be implemented quickly so that constituents will be prevented from entering clean supplies. Further, this action must also prevent constituents from entering supplies with existing treatment not built or suited to treat the threatening contaminant(s). The goal to contain the contamination is supported with actions that specifically address threats to groundwater pumping centers. Loss of major production centers will continue to impair the water supply unless these types of threats are immediately addressed in a cleanup plan. In furtherance of this goal WQA has allocated funding to assist purveyors in discrete well destruction activities to ensure that non-producing wells do not act as a conduit for contaminant migration.

The MSGBW has existing rules and regulations which govern the location and production of water wells for water quality purposes. The WQA under this §406 Plan will work with the MSGBW and its existing rules and regulations to help contain and control the migration of contaminants within the Basin.

## **C. INTEGRATE CLEANUP WITH WATER SUPPLY**

With so much of the state and local water supply impaired, it is essential that water treated from the cleanup projects be put to its highest and best use. Putting the treated water back into the supply system will serve to enhance the overall water supply situation in the Basin and help many water purveyors mitigate the threat to their water supply. The desired objectives can be achieved by maximizing the use of existing facilities that have either been shut down or have been impaired. When new facilities are needed, these should be integrated into the supply of the appropriate water purveyor.

If cleanup facilities are built without the consideration of the local supply, then many water purveyors will be forced to build redundant treatment facilities on impaired

wells or import increasingly scarce surface supplies from other areas. Currently, water purveyors only use treated surface water sources when they are readily available or when groundwater sources become impaired or unavailable; otherwise the predominant source of supply is from the local groundwater.

Although cleanup projects that put treated water to beneficial use will provide localized benefits, there are, of course, broad benefits that impact the regional water supply situation in California. The necessity to develop new sources and to fully utilize existing sources is very evident in court decisions within the State and the Colorado River Watershed. For example, the 2003 Quantification Settlement Agreement (“QSA”) between the United States Department of the Interior and Southern California Colorado River users restricts the State’s withdrawal of Colorado River water to its original allotment of 4.4 million acre-ft per year in non-surplus years. In addition, the dependability of the State Water Project (“SWP”) is decreasing as a result of a lack of storage facilities. Furthermore, in 2007, United States District Court Judge Oliver Wanger ordered that the California Department of Water Resources and the United States Bureau of Reclamation (“USBR”) must reduce pumping from the Sacramento Delta in order enhance the Delta Smelt population. This decision and his subsequent decisions have the effect of significantly reducing SWP availability. Now more than ever, it is critical to protect and develop the groundwater resources so that both groundwater and surface waters of the State can be managed more effectively. Critical to this statewide need is the full utilization and restoration of the Basin groundwater.

The Los Angeles County Superior Court has Constitutional authority, through its continuing jurisdiction under the Judgment in the case of *Upper San Gabriel Valley Municipal Water District v. City of Alhambra*, LACSC 924128, to promote the beneficial use of water and to prevent the waste of water in the Basin. Through the Court’s continuing jurisdiction under the Judgment, the MSGBW has adopted rules and regulations governing the location and production of water wells for water quality purposes. The LARWQCB has Constitutional, statutory and regulatory authority to regulate discharges to waters of the State, to promote the beneficial use of water, and to prevent the waste of water. DDW has statutory and regulatory authority to set and enforce standards for public drinking water systems, including acceptable water treatment processes. The WQA intends to engage the existing rules, regulations and

standards of these agencies of the State to coordinate and promote the reasonable and beneficial use of water produced and treated under mandate from the USEPA. The WQA recognizes that a number of voluntary or consensual arrangements ultimately will be required to implement the objective to integrate water cleanup operations and water supply operations in the Basin. In addition to engaging existing regulatory authority held by other agencies, WQA intends to encourage the needed voluntary or consensual arrangements through the exercise of authority under the WQA Act, including its authority to seek recovery of WQA's costs to respond to and cleanup groundwater contamination in the Basin.

#### **D. MINIMIZE ECONOMIC IMPACT TO THE PUBLIC**

The issue of who pays for the cleanup is often the biggest obstacle in initiating the necessary cleanup programs. Although PRPs may be held completely liable for the costs of a response action under the CERCLA mandate, actions normally do not occur until a lengthy process is completed. Equally detrimental to the water supply crisis is the fact that there is no assurance that the immediate water supply concerns will be addressed under CERCLA. Therefore, many water purveyors may still need to construct and bear the expense of operating their own treatment facilities or look for alternative supplies at their own expense even after the PRPs fulfill their obligation under CERCLA.

Adding to the economic complexity of the situation is the fact that USEPA conducts its own detailed financial evaluation of PRPs and may settle for a reduced amount. And even then, many businesses cannot fully absorb the financial liability without detrimentally impacting their businesses. In the meantime, the spread of contamination continues to impact more water supply sources and, by extension, the basic reliability of plentiful water to support the economic basis and vitality of the Basin. To address this goal, WQA has pursued and continues to aggressively pursue sources of funding from responsible parties and the federal/state government. Despite these efforts, organizations like WQA and some of the local water purveyors have had to pool their own resources to immediately initiate many of the required response actions. This has required a financial commitment on behalf of the local public (at least initially). Early actions financed outside of the CERCLA process have been necessary to assure



that many of the critical projects are implemented quickly. In addition, cleanup projects such as those prescribed by WQA are designed from a local perspective to address groundwater cleanup in conjunction with the water supply. However, costs borne by the public for this effort would have to be absorbed or recovered through litigation.

To accommodate potentially conflicting goals between accelerating cleanup and minimizing impact to water rate payers, WQA has identified high priority response actions that can be implemented ahead of USEPA's mandate using available financial resources, including federal reimbursement funding, and in some cases, financial participation from PRPs. If a required project lacks sufficient funding, a commitment by the affected water purveyors and/or WQA through its assessment, along with other potential local sources, will be required. Where WQA is required to use its own assessment to quickly assist in the development of a project, WQA will always consider cost recovery actions to minimize costs borne by the public. To that end, WQA has filed two cost recovery actions and may be considering other cost recovery actions against those responsible entities that chose not to participate in the sponsored early remedial actions.

## **V. §406 Plan**

### **A. DEFINITIONS**

1. This §406 Plan incorporates by reference the definitions of "facility," "hazardous substance," "national contingency plan," and "person". The terms "remedial action," or "remedy," or "cleanup," or "remediation," are used interchangeably herein. Additionally, such terms are intended to be encompassed by the definitions of "remove," "removal," "remedy," "remedial action," "respond," or "response," as appropriate and as those terms are defined in Title 42 (CERCLA) of the United States Code, § 9601, as amended.

2. This §406 Plan incorporates by reference Title 42 of the United States Code, §9607 (a), as amended, the class of persons who are PRPs for the cleanup of hazardous substances.

## **B. REMEDIAL STANDARDS**

The WQA has identified certain appropriate rules, regulations and standards for the management of Basin remedial actions from among the rules, regulations and standards promulgated by the MSGBW, LARWQCB and DDW. The rules, regulations and standards specified below are incorporated by reference in this §406 Plan and adopted as the Remedial Standards of the WQA.

These Remedial Standards, and the underlying existing rules, regulations and standards of the MSGBW, LARWQCB and DDW are additional requirements of the State which are ARARs to remedial actions ordered by the USEPA in the Basin. (See Appendix C-2).

The WQA will engage the existing procedures of the MSGBW, LARWQCB and DDW to implement the following Remedial Standards so that all remedial actions affecting Basin groundwater shall be conducted accordingly.

### **1. MSGBW SECTION 28**

In furtherance of two objectives of this §406 Plan to prevent migration of contamination into critical groundwater supplies and to integrate cleanup activities with water supply operations, production of Basin water for remedial action purposes shall be carried out in conformance with Section 28 of the Rules and Regulations adopted by the MSGBW under authority of the Amended Judgment in *Upper San Gabriel Valley Municipal Water District vs. City of Alhambra*, Los Angeles County Superior Court Case No. 924128. (See Appendix D-1). Under this Remedial Standard water wells used for remedial action purposes shall be located, with the approval of the MSGBW, both to prevent migration of contaminated groundwater and to best integrate the water produced for remedial action with water supply operations in the Basin. If necessary, WQA will engage the existing implementation and enforcement procedures of the MSGBW to carry out this Remedial Standard. Section 28 of the MSGBW Rules and Regulations is attached as Appendix D-1 and incorporated herein.

### **2. LARWQCB DISCHARGE REQUIREMENTS**

In furtherance of an objective of this §406 Plan to integrate cleanup activities with water supply operations, disposal of Basin water produced for remedial action purposes

shall be carried out in conformance with discharge requirements issued by the LARWQCB and, if necessary, approved by the SWRCB. (See Appendix D-2). Under this Remedial Standard, Basin water produced and treated for remedial action purposes shall not be wasted and such water shall be put to the greatest reasonable and beneficial use of which it is capable. Conversely, the waste and unreasonable use or unreasonable method of use of such waters shall be prohibited. Additionally, under this Remedial Standard, Basin water produced and treated for remedial action purposes shall not be discharged to the environment except in conformance with discharge requirements issued by the LARWQCB.

The SWRCB and the LARWQCB are both subject to the requirements of the California State Constitution and California Water Code § 100 *et seq.* to promote the greatest reasonable and beneficial uses of the waters of the State and to prevent the waste and unreasonable use and unreasonable method of use of those waters. SWRCB's express statutory authority to prevent the waste and unreasonable use of water is set forth in Water Code § 275 which provides as follows:

*“The department and board shall take all appropriate proceedings or actions before executive, legislative, or judicial agencies to prevent waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of water in this state”*

The LARWQCB exists, pursuant to Water Code §§ 13200-13201, as a branch of the SWRCB. The LARWQCB exercises its authority to regulate discharges to promote the beneficial use of water and prevent waste through the issuance of waste discharge requirements. Waste discharge requirements are predicated upon the water quality control plan (“Basin Plan”) that each regional board is required to promulgate according to Water Code § 13241. Water Code § 13263(a) requires each regional board to issue discharge permits in conformity with its adopted Basin Plan.

Discharge requirements issued by the LARWQCB must be conditioned, taking into consideration the beneficial use of water, pursuant to Water Code § 13263(a), as follows:

*“The regional board, after any necessary hearing, shall prescribe requirements as to the nature of any proposed discharge, existing discharge, or material change in an existing discharge, except discharges into a community sewer system, with relation to the conditions existing in the disposal area or receiving waters upon, or into which, the discharge is made or proposed. The requirements shall implement any relevant water quality control plans that have been adopted, and shall take into consideration the beneficial uses to be protected, the water quality objectives reasonably required for that purpose, other waste discharges, the need to prevent nuisance, and the provisions of Section 13241.”*

Thus, in enacting Water Code §§ 13241 and 13263, the State has expressly stated its intent that the regional boards exercise their authority to regulate discharges to promote the beneficial use of water and prevent waste through the issuance of waste discharge requirements. Pursuant to the express terms of these statutes, this authority includes the prohibition on any discharge that is wasteful and does not promote the beneficial use of water.

The State has been approved to issue National Pollutant Discharge Elimination System (“NPDES”) Program permits under the Federal Clean Water Act. Under that authority, the LARWQCB issued General NPDES Permit No. CAG914001 (the “General Permit”), adopted by Order No. R4-2018-0087 on June 14, 2018. The General Permit establishes Waste Discharge Requirements for discharges of Treated Groundwater from Investigation and/or Cleanup of Volatile Organic Compounds Contaminated-Sites to Surface Waters in Coastal Watersheds of Los Angeles and Ventura Counties. The General Permit prohibits, for example, the daily discharge of an effluent containing more than 6 ppb perchlorate (See General Permit, Attachment F, Table 6 (Effluent Limitations)).

The standards contained in the General Permit are ARARs. They were properly promulgated because they were adopted pursuant to the authority granted to the State

under 40 CFR parts 122 and 123 and Section 402 of the Clean Water Act and other State authorities, including Water Code § 13263. The General Permit is generally applicable – it serves as a general NPDES permit and covers discharges to all surface waters in the Los Angeles Region (See General Permit, ¶23.). It is enforceable both administratively and through the Superior Court (See Water Code §§ 13300 et seq.). Finally, the General Permit standards are legally applicable or relevant and appropriate as state standards stricter than current federal standards. Thus, the standards set forth in the General Permit are ARARs.

If necessary, WQA will engage the implementation and enforcement procedures of SWRCB and LARWQCB to carry out this Remedial Standard. The applicable rules, regulations and standards of SWRCB and LARWQCB are attached as Appendix D-2 and incorporated herein.

### **3. DDW TREATMENT STANDARDS**

In furtherance of an objective of this §406 Plan to integrate cleanup activities with water supply operations, water treatment for remedial action purposes shall be carried out in conformance with treatment standards for public drinking water systems adopted by the DDW. (See Appendix D-3). Under this Remedial Standard, Basin water produced and treated for remedial action purposes shall not be wasted and such water shall be put to the greatest reasonable and beneficial use of which it is capable. Conversely, the waste and unreasonable use or unreasonable method of use of such waters shall be prohibited. Under authority of §106 of the California Water Code, domestic use is the highest beneficial use of water. Unless discharge or other use of the Basin water produced and treated for remedial action purposes is approved by the LARWQCB, all such water shall be made available for domestic use through public drinking water systems or recycled water systems. Under this Remedial Standard, Basin water produced for remedial action, with the approval of the DDW, shall be integrated into water supply operations in the Basin.

The California Safe Drinking Water Act (Health & Safety Code §§ 116275 *et seq.*) (the “Act”), contains public water supply permitting provisions which authorize DDW to set permit conditions for water delivered by public water systems. In Section 116270(e) of the Act, the Legislature declared its intent to “ensure that the water

delivered by public water systems of this state shall at all times be pure, wholesome, and potable.” In addition, in Section 116270(g) of the Act, the Legislature declared its intent “to establish a drinking water regulatory program within the DDW in order to provide for the orderly and efficient delivery of safe drinking water within the state and to give the establishment of drinking water standards and public health goals greater emphasis and visibility within the state department.”

In 1997, the then Chief of the Division of Drinking Water and Environmental Management of the California Department of Public Health drafted a “Guidance for Direct Use of Extremely Impaired Sources” memorandum known as Policy Memo 97-005. This memorandum provides guidance to DDW staff on the evaluation of extremely impaired sources of water for use as a supply of drinking water. In 2015, DDW staff produced a draft update version of the memo entitling it “Addressing the Direct Domestic Use of Extremely Impaired Sources Process Memo 97-005 Initially Established November 5, 2015” (“Process Memo 97-005”). In 2020, DDW staff issued a revised Process Memo 97-005-R2020 along with a 97-005 User Guide developed by a collaborative effort led by DDW, WQA and other members of the Coalition for Environmental Protection Restoration and Development .

Pursuant to Process Memo 97-005, the following findings are required of DDW for approval to use an extremely impaired source<sup>1</sup>:

(1) Drinking water MCLs, action levels for lead and copper, and Notification Levels<sup>1</sup> (formerly Action Levels) will not be exceeded if the permit is complied with; and

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<sup>1</sup> An extremely impaired source, according to Process Memo 97-005, is one that meets two or more of the following criteria: 1) exceeds 10 times an MCL ~~or action level (AL)~~ based on chronic health effects, 2-) exceeds 3 times ~~its an~~ MCL ~~or AL~~ based on acute health effects for example, nitrate or perchlorate, 3) contains a contaminant that exceeds 10 times its NL, based on chronic health effects, 4) contains a contaminant that exceeds 3 times its NL, based on acute health effects, 5) -contains one or more contaminants meeting criteria (1), (2), (3) or (24) above and the source has not been adequately characterized by responsible parties, 46) is a surface water that requires more than 4 log *Giardia*/5 log virus reduction, 57) is a surface water source that contains more than 5% treated waste water, unless associated with approved drinking water-related surface water augmentation project, 68) is extremely threatened with contamination due to proximity to known contaminating activities within the long term, steady state capture zone of a drinking water well or within the watershed of a surface water intake, 79) contains a mixture of contaminants of health concern or 8) is designed to intercept known contaminants of health concern beyond what is typically seen in terms of number and concentration of contaminants, 10) is designed to intercept known contaminants of health concern.



(2) The potential for human health risk is minimized by treatment, and the risk from treatment failure is minimized through good engineering practices that may involve redundancies in treatment, and efficiencies in maintenance, inspections, monitoring, and alarms.

As set forth in Appendix C-2, the permit conditions in Process Memo 97-005 will be considered state ARARs if (1) they are more stringent than federal standards (2) they are properly promulgated standards, requirements, criteria or limitations, and (3) they are legally applicable or relevant and appropriate. The Process Memo 97-005 permit requirements are more stringent than federal standards. The requirements were “properly promulgated” because they are based on laws adopted by the California Legislature and administrative standards developed by the DDW. Finally, they are of general applicability to anyone who introduces water from extremely impaired sources into the drinking water system. Thus, the permit conditions in Process Memo 97-005 are ARARs.

If necessary, WQA will engage the implementation and enforcement procedures of the DDW to carry out this Remedial Standard. A copy of Process Memo [97-005-R202097-005](#) and the applicable rules, regulations and standards of DDW are attached as Appendix D-3 and incorporated herein.

### **C. OVERARCHING REMEDIAL PRINCIPLES**

These principles represent the general guidelines that will steer the implementation of the strategies and tactics contained in this §406 Plan.

1. Consensual participation in remedial activities shall be maximized.

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<sup>1</sup> As a result of an amendment in 2005 to Health & Safety Code § 116455, Action Levels have now been replaced by Notification Levels. As defined in Section 116455, a “Notification Levels” are “nonregulatory, health-based advisory levels established by the department for contaminants in drinking water for which maximum contaminant levels have not been established. Notification levels are established as precautionary measures for contaminants that may be considered candidates for establishment of maximum contaminant levels, but have not yet undergone or completed the regulatory standard setting process prescribed for the development of maximum contaminant levels and are not drinking water standards.”

2. Consistency with USEPA actions and MSGBW Section 28 shall be maintained.

3. Control of decisions by the local public (i.e., producers and the water consumers/rate payers they represent) affecting groundwater quality and water supplies shall be maintained.

4. Expedite remedial activities, as appropriate, by providing incentives, such as (a) avoiding litigation costs and risks (e.g. adverse judgment, exposure to other PRPs/agencies, etc.), (b) providing funds from federal, state, the WQA or other sources, and (c) utilizing existing water producing/treatment equipment, where appropriate.

5. The overall economic impact to water consumers shall be minimized for all response actions by requiring financial participation from any party responsible for the contamination. Within the discretion of the WQA, a cost recovery action, including, but not limited to, a request for joint and several liability, will be initiated against any responsible party not participating at a financial level acceptable to WQA.

6. WQA shall facilitate the acceleration of the removal of contaminant mass in the Basin by working with the USEPA, DTSC, LARWQCB, DDW, water purveyors and PRPs to (a) identify high priority cleanup projects that are consistent with USEPA objectives, and (b) begin implementation of the required remedy as soon as possible. Cleanup projects that prevent or otherwise restrict the lateral or vertical migration of contamination shall be given higher ranking over those cleanup projects that do not prevent such migration.

7. Treated water shall be used for its highest and best use.

#### **D. OPERABLE UNIT SPECIFIC PLANS**

After more than 20 years of studies and investigations, USEPA's CERCLA activities have progressed to a point where the configuration of the required remedies, in conjunction with local needs, can be determined in most areas. In general, these remedies include multiple groundwater extraction and treatment facilities designed to remove and contain the spread of contamination. Appendix A summarizes WQA's specific plans for the individual OUs including key components and OU specific issues. Table 2 identifies the annual estimated costs of each project within the Basin OU boundaries through FY21/22.

## **E. EVALUATING PROJECT EFFECTIVENESS**

During the initial stages of a potential treatment project extensive studies are conducted to ensure the project is located in the appropriate area to achieve:

- an effective contaminant capture and containment zone
- the halting of contamination migration into adjacent clean water supplies
- meeting the water supply objectives of the affected water purveyor

WQA plays a key role during this evaluation process to ensure that each project provides the greatest protection to the water supply of the residents of the Basin while minimizing any economic impact. WQA has developed the following criteria to evaluate projects for effectiveness:

- How much contaminant mass is removed from the Basin?
- How much of the treated water is used for beneficial purposes?
- How many downgradient wells are being protected?
- Does the project integrate cleanup with water supply?

WQA also considers that overall impact of the combined cleanup projects. Figure 12 demonstrates the number of treatment plants coming online has grown steadily since WQA's inception in 1993. The total pounds of contaminants removed and acre-feet of water treated are shown in Figure 13.

## **VI. Project Funding**

The WQA has and continues to be committed to accelerating cleanup, integrating cleanup with water supply, preventing migration, and minimizing the financial impact to

the public through its annual assessment. In order to meet these goals, adequate funds, primarily from PRPs, state and/or federal programs, are necessary for implementation. And as can be discerned in the project section of this Plan, much of the Basin's needs are now focused on long-term remediation costs which make up most of the \$499 million funding gap in Table 3. While the WQA recognizes that PRPs must fulfill their CERCLA liabilities, it is often a very slow process - a process that jeopardizes the time and cost of implementing projects. In addition, even though USEPA has urged PRPs to consider affected water supplies, the CERCLA process does not allow USEPA to require it. It is for these reasons that WQA is determined to aggressively seek funds from PRPs before, during and after project implementation, either voluntarily, through mandated CERCLA actions or through litigation measures. If funds cannot be generated from PRPs to begin an identified early action project, WQA will work with individual purveyors, MSGBW and/or other local agencies to develop funding for the project using federal and/or state funds, WQA member agency funds, including individual purveyors, and only if necessary, its own assessment. This section prioritizes each potential source of funding in the order of which it will be sought for a particular early response action.

#### **A. POTENTIALLY RESPONSIBLE PARTIES**

As stated previously, WQA will seek voluntary funds from those responsible for the contamination. If the process of acquiring those funds is unilaterally stalemating or delaying the project, the WQA will move forward without this source of funds to ensure necessary cleanup/water supply projects are implemented.

The WQA is committed to securing PRP funding for any given project by providing incentives for PRPs to participate financially. In the absence of sufficient PRP funds, WQA and others may be required to combine its resources to fund a project. In this event, WQA may choose to initiate cost recovery actions. This was the case in the BPOU, in which WQA brought two separate legal actions against PRPs in the year 2000 to recover costs incurred from the La Puente Valley County Water District ("LPVCWD") Treatment Plant and the Big Dalton Well Treatment Facility.

In 2002, WQA along with three affected purveyors ("water entities") jointly settled with 13 of the more than 60 PRPs in the SEMOU. Thereafter, the WQA and water

entities initiated litigation against the remaining PRPs in order to maximize the recoverable dollars in an operable unit with very high estimated costs and very little potential funding from PRPs. As part of the overall financial and technical process, the USEPA and the DTSC were engaged due to their respective roles in the SEMOU. A portion of the PRP settlements cover ROD costs and are provided to the water entities via a cooperative agreement between WQA and the USEPA. The settlements also include some direct funding for non-ROD costs. Nevertheless, these early settlements did not fully cover the project costs. In recognition of the funding shortfall, the USEPA obtained \$2.65 million in gap funding from their Superfund program to help offset a portion of the water entity ROD costs. In total, \$35.3 million in settlements have been negotiated and obtained from the PRPs. DTSC is expected to take on the longer term regulatory responsibility once it is declared a fund-lead operable unit by the USEPA and the State of California.

## **B. FEDERAL GOVERNMENT**

The WQA, with the support and assistance of other local agencies, has sought and continues to seek all funding that may be available for projects in the Basin. As a result of those efforts, two federal programs have been authorized by Congress specifically for the Basin. Both of these reimbursement programs are administered through the USBR directly to the WQA. In February of 2002, WQA adopted a set of procedures called the Federal Funding Program Administration (Appendix F) to guide the allocation process for both programs.

Both sources of federal funding will be used to the maximum extent possible to accelerate cleanup and to provide incentives for PRPs to address affected water suppliers while implementing cleanup actions in the Basin under CERCLA.

## **C. RESTORATION FUND (DREIER)**

In December of 2000, through the leadership of former Congressman David Dreier, Congress authorized the San Gabriel Basin Restoration Fund ("Restoration Fund"). The original authorization of the Restoration Fund provided \$85 million for groundwater cleanup of which \$10 million was for use by the Central Basin Municipal Water District ("CBMWD") to cleanup the Central Basin and \$75 million was for use by

the WQA to cleanup the Basin. In March 2009, Dreier successfully led an effort to increase the total authorization to \$142.6 million. That increased the respective Restoration Fund authorizations to \$125 million for WQA and \$17.2 million for CBMWD. To date, the CBMWD has received \$10 million and WQA has received \$70,567,509<sup>1</sup>. The WQA Board has already allocated the \$70,567,509 for cleanup projects throughout the Basin based on criteria found in its Federal Funding Program Administration guidelines.

This program requires a 35% non-federal match deposited into the Restoration Fund to reimburse the WQA up to a maximum of 65% from federal sources. Non-federal funds are classified as funds that are not from the Department of the Interior, but rather PRP funds, state funds, local municipality funds, purveyor funds, WQA assessment funds or non-profit funds. Funds from this program may be used for design, construction and operation & maintenance for up to 10 years following construction. The Restoration Fund is administered via the USBR in conjunction with the WQA for use within the Basin.

Congress acknowledged that millions of dollars had already been spent to protect the Basin by remediating the groundwater and preventing further contamination. Due to the emergency nature of the contamination and the threat it posed to the local groundwater supply, Congress allowed the use of those past expenditures as a credit towards the 35% non-federal matching requirement under this program. The USBR is responsible for approving all qualifying prior expenditures. However, the WQA, at its discretion, will use this credit to meet the 35% matching requirement and eliminate the need to deposit additional funds into the Restoration Fund.

As of 2008, WQA had accumulated past cleanup cost information totaling more than \$47 million. This amount was sufficient to meet the 35% non-federal matching requirement for the original \$75 million authorization. Based on more recent information, it is clear that additional funding will be required to continue the progress of ensuring that remedial activities will be combined with local water supply needs.

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<sup>1</sup> The first year appropriation was \$25 million but \$2 million was retained by the Army Corp for costs related to an independent study and \$10 thousand was retained for administrative costs which resulted in a reduced FY 2001 appropriation of \$22.99 million.



## **D. TITLE XVI**

In 1992, Congress authorized the San Gabriel Basin Demonstration Project to implement conjunctive use projects in the Basin. By implementing cleanup projects that provide a reliable source of water and reduce the need for outside sources of water, many of the Basin's cleanup projects are eligible for this program.

This program requires a 75% match from non-federal sources to reimburse the project up to a maximum of 25% from federal sources. Funds from this program may be used for design and construction only. The Title XVI fund is administered via the USBR directly to the WQA for use within the Basin.

In 2004, Congresswoman Grace Napolitano authored H.R. 1284 which was passed and signed into law. The legislation raised the cap on the Title XVI program by \$6.5 million. The total authorization for the Title XVI program is now \$44.5 million.

Based on the Basin's enormous need for funds, the WQA will (1) continue to work to secure full appropriation of the remaining funds in the Title XVI authorization, and (2) work with Congress to seek legislation authorizing the transfer of any unobligated funds in the Title XVI program to the Restoration Fund.

## **E. STATE GOVERNMENT**

California voters have passed several Propositions over the past two decades that contain funding for various water-type projects. WQA has aggressively sought and been successful in securing funding from these Propositions for Basin projects. The list includes: Proposition 13 – the Safe Drinking Water, Clean Water, Watershed Protection, Flood Protection Bond Act of 2000; Proposition 50 – the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002; and Proposition 84 – the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006. [Six Basin projects received grant awards of \\$17.1M.](#)

In 2014, voters passed Proposition 1 – the Safe, Clean, and Reliable Drinking Water Supply Act of 2014. The Proposition requires a 50% match and includes language that would allow funding to be used for both Capital and Treatment & Remediation components of cleanup projects. The groundwater section also contains language that is favorable to the WQA's efforts by giving preference to NPL- listed sites

such as the San Gabriel Basin. ~~However, the state subsequently determined that the proposition lacked sufficient language to justify the use of these funds for Treatment and Remediation. WQA pursued a solution with the legislature that resulted in the \$80M of Treatment and Remediation funds being moved to the subsequent Proposition 68 bond. Nevertheless, WQA was able to secure two planning grants from Proposition 1 totaling \$636,000 to investigate sources of contamination.~~

In 2018, voters passed Proposition 68 – the Parks, Environment and Water Bond. This bond requires a 50% match and contains language to effectively clarify and authorize the use of \$80M in Prop 1 funding for Treatment and Remediation activities. ~~In 2020, WQA secured two Proposition 68 awards totaling \$35M that will provide several years of funding for 21 existing treatment facilities in the Basin. Similar to previous years, WQA will closely monitor the implementation process and provide input as appropriate. Additionally, WQA will assist water purveyors with application preparation and support to maximize the funding opportunities~~

Furthermore, the WQA will seek to place similar language in any future water bond ballot measures. Working with other water entities, the WQA will continue to lead efforts to formulate a comprehensive approach to water infrastructure in the Basin. The WQA will look to any future proposed bond packages for much needed funding for cleanup projects.

The WQA will work to educate State agencies on the merits of financial participation in the near-term and the very real impacts which could result from inadequate State financial assistance. The WQA will emphasize that stemming the flow and mitigating the spread of contamination will be more cost effective and have less of an impact on both the State and local ratepayers.

One example of a beneficial impact is WQA's Whitmore Street Groundwater Remediation Facility ("WSGRF"). In 2007, the SWRCB awarded WQA a \$1.42 million grant from their Cleanup and Abatement Account ("CAA") to the orphan project. The grant included construction costs and up to five years of operation. The treatment facility was completed in 2007 and is currently operational. In 2012, WQA secured an additional \$950,646 in CAA funding through September 2018. WQA has continued funding the project temporarily until an alternative funding source can be obtained. The project is located within the SEMOU and removes significant concentrations of 1,4-

dioxane and VOCs (see Appendix A). WQA will actively continue to identify projects that could qualify for similar funding streams from the SWRCB.

The WQA is also actively involved in hosting, representing and financially supporting the Upper San Gabriel River and Rio Hondo River (“USGRHR”) sub-regional area of the Greater Los Angeles County (“GLAC”) Region IRWMP. The state IRWMP program is overseen by the California Department of Water Resources (“DWR”) in accordance with the IRWMP Act of 2002. As the Vice-Chair of the USGRHR steering committee, the WQA provides and solicits input and opportunities for local stakeholders to network and develop multi-benefit projects. This in turn increases the likelihood of funding from IRWMP bond funds. For example, what may have been a single-purpose project to increase water supply, could become a project that enhances nearby open space, cleans-up water supply and/or provides more water storage.

In addition, WQA is also a member of the GLAC IRWMP Leadership Committee which acts as a Regional Water Management Group under the IRWMP program. This committee includes two members from each of the five sub-regions in the GLAC Region plus representatives from several resource management areas. The duties of this committee includes the development, administration and updating of the IRWMP. The committee also selects priority projects for funding applications that represent and benefit the needs of the entire GLAC Region.

## **F. WATER QUALITY AUTHORITY**

The WQA may impose an annual assessment for capital and operational costs not to exceed \$10 per acre-foot. However, the WQA Act also allows for the maximum assessment to be increased by annual inflation adjustments. As a result, the current assessment authorized by the WQA Board is \$12 per acre-foot. In the past, it has been WQA’s policy to utilize assessment dollars to provide incentives for PRPs to move forward on a given project. With the availability of significant federal funds, these funds will only be utilized if sufficient federal and/or state dollars are or will not be available in addition to PRP funds. If PRPs do not voluntarily provide funds to a project, then the WQA will, on a project-by-project basis, consider the use of assessment funds to underwrite the project costs with or without other local dollars. However, the WQA is

committed to recovering its costs from non-participating PRPs at a later date, so that the cost to the local consumer will ultimately be minimized.

The WQA Act provides that WQA may issue bonds for a term not to exceed 20 years for any purpose authorized by it. Additionally, the WQA Act authorizes the State Treasurer to continue to collect assessments to payoff bond obligations in the event that WQA sunsets prior to the bonds' maturity dates. WQA has begun exploring this option in addition to the other funding mechanisms available as a means to augment treatment and remediation costs over the next several decades.

#### **G. WATER PURVEYORS/CITIES/MEMBER AGENCIES/OTHER LOCAL WATER AGENCIES**

As of January 2001, all potential projects requesting WQA participation must go through WQA's Procedure No. 38, "WQA Project Participation". As part of that procedure, the WQA requires the impacted water purveyor to fund or secure funds other than WQA's assessment representing a minimum of 25% of capital costs. In the event projects cannot be otherwise fully funded using any or all of the above funding sources, WQA will work with an affected city, member water agency and/or other local water agencies to develop potential funding sources. The WQA will pursue the recovery of these funds on behalf of the participating agency, if necessary.

### **VII. Project Prioritization**

WQA utilizes a number of tools to prioritize projects for funding. To be eligible for funding consideration, proposed projects must meet all of the following conditions:

- *Project must be located within the jurisdictional boundaries of the WQA*
- *Applicant(s) must demonstrate, through WQA's Procedure No. 38 process, (described in the following section) that the project in the area of the proposed groundwater remediation project removes contamination, and protects and/or prevents groundwater contamination from spreading into clean areas*
- *Applicant(s) must demonstrate that the project water will be put to beneficial use, with priority given to those projects which include an affected water purveyor and provides potable water, if applicable*

- *Project must conform and further the objectives of the WQA §406 Plan or the intent thereof*
- *Project must be consistent with the legislative intent of the statute(s) authorizing or appropriating the public funds used for project funding reimbursement*
- *Project cannot have been used in calculating the 35% credit provision in the Restoration Funds*
- *Project cannot have begun operating prior to July 1, 1999 (this provision may be waived by the WQA Board)*
- *Start of project construction for a new project must be anticipated within 18 months of executed agreement between WQA and applicant(s)*
- *Applicant(s) must provide a plan that commits 100% of the required funds in WQA's account in advance of each payment owed on the project and prior to each reimbursement request.*

Criteria to which a proposed project shall be measured, but not required, are as follows:

- Project conforms and furthers the objectives of WQA's §406 Plan or the intent thereof
- Ranking on priority list if multiple requests are competing for available funds
- Project is "necessary" and "consistent" with the NCP
- Requesting party to pay no less than 25% of capital costs
- Funding for operation and maintenance secured from funds other than WQA assessment
- Implementation of construction anticipated within one year of executed agreement

Projects are scored according to the questions and corresponding scores listed in Table 2 – Project Scoring. Once scored, the projects are then ranked according to the criteria in Table 3 – Project Ranking. The higher scores represent a higher ranked priority position within each category for available funding.

#### **A. PROCEDURE NO. 38**

San Gabriel Basin WQA Policy and Procedures Manual - Administrative  
 Procedure 38 - WQA evaluates projects submitted to determine whether the projects

are “necessary” and “consistent” with the National Oil and Hazardous Substances Pollution Contingency Plan (NCP). For cost recovery purposes, remediation projects are considered “necessary” if there is evidence of a release of hazardous substances, the project is designed to mitigate the impact of such releases and the project is needed to meet regulatory requirements for remediation and/or water supply. The determination of necessity shall be based on data of sufficient quality and quantity to satisfy the WQA. Remediation projects are considered “consistent” with the NCP if the remediation project is in substantial compliance with the applicable requirements of the NCP and results in a CERCLA-quality clean-up. Specific potentially applicable NCP requirements are addressed below.

## **B. HUMAN RIGHT TO WATER**

In recognition of AB685 (Chapter 524, Statutes of 2015), which declares that it is the “established policy of the state of California that every human being has the right to safe clean, affordable, and accessible water adequate for human consumption”, the WQA, consistent with its mission and goals, will identify projects to further this policy. There are no public water systems in the San Gabriel Valley operating in violation of their operating permits.

## **C. DISADVANTAGED COMMUNITIES**

Disadvantaged communities (DACs) are defined by the state as a community with an annual median household income (MHI) less than 80% of the Statewide annual MHI. Figure 11 contains a map of the San Gabriel Basin overlaid with census block groups matching that definition. Together the block groups represent approximately 410,000 residents living in DACs. WQA will identify projects located in DACs and provide recommendations for the appropriate state funding.

## **VIII. Contractor Selection**

Competitive bids are typically used for contractor selection for capital projects when funding sources include WQA assessments, local water funds, or funding from the state or federal government. Projects with federal and state dollars follow their respective contracting guidelines regarding competitive bids. Sole source awards may



occur, consistent with either federal and state guidelines, or the criteria established by the individual water purveyor.

## **IX. Public Information**

The WQA has succeeded over a number of years in building public support for cleaning up contaminated groundwater in the Basin. The public information program will continue to build on that effort to foster understanding of the WQA's mission, projects and accomplishments and plans, and to encourage public participation in the cleanup process. The WQA will undertake efforts to ensure that all stakeholders, including the general public, understand projects that involve the WQA and have ample opportunity to contribute ideas and opinions.

The program will employ a variety of methods to reach everyone from specialized audiences, such as the local water community and legislators in Sacramento and Washington, to the general public in the Basin and beyond. The WQA will constantly update its web site and social media outlets including Facebook ([facebook.com/SGBWQA](https://facebook.com/SGBWQA)), Twitter (@SGBWQA) and YouTube ([youtube.com/SGBWQA](https://youtube.com/SGBWQA)) to provide instant access to public information, including news releases, publications, agendas, minutes of meetings, and reports on projects. In addition to WQA-specific issues, the WQA web site links to local, state and federal water agencies and organizations, giving the public immediate access to information on many local water issues, including groundwater contamination and cleanup activities. It also gives access to the names of officials who can be contacted for further information.

The WQA will work to keep the local offices of federal and state legislators informed of any developments and the progress of water cleanup issues in the Basin. These efforts will include office visits, tours of treatment facilities and an invitation to participate in the WQA legislative committee. The WQA has continued to host the Legislative Water Forum Luncheon in which local legislators are invited to provide updates on state legislation as it pertains to the Basin water community. Speakers in the series to date have included United States Senator Dianne Feinstein, former Senator Barbara Boxer, former Congressman David Dreier, former Congresswoman and U.S. Secretary of Labor Hilda Solis (now Los Angeles County Supervisor, District

1), Congresswoman Lucille Roybal-Allard, former Attorney General and State Treasurer Bill Lockyer, former Secretary of State Bruce McPherson and former Board of Equalization Member Judy Chu (now Congresswoman).

In 2006, the WQA developed a DVD presentation that features Senator Dianne Feinstein and former Congressman David Dreier. The DVD is being used in Sacramento and Washington, D.C to educate legislators, bureaucrats and other stakeholders to the strategic importance of the Basin. Senator Feinstein and Congressman Dreier implore the state and the state legislators to become full participants in the cleanup of the Basin.

In 2007, KCET's *Life & Times* program produced a segment on the Basin. The segment focused on the status of the cleanup, the impact of the contamination on the City of Monterey Park's water supply, the potential impact on ratepayers, and the need for more state involvement. A DVD of the segment is also used to educate local stakeholders on the cleanup of the Basin.

In 2012, WQA published its first annual report. The full color annual publication also serves as an executive summary of the §406 Plan.

The public information program uses a variety of written publications to carry its message. These may include annual reports, brochures, bulletins for specific projects and periodic news inserts in the *Los Angeles Times*, *San Gabriel Valley Tribune*, *Pasadena Star News* and the *Whittier Daily News*. The inserts are distributed throughout the Basin, through home and business delivery and general sales. The WQA will continue to provide the public with the latest information on its projects and programs

The WQA will continue to work closely with the news media and other organizations to reach the public. It will distribute press releases, contact and meet with reporters and editors to inform them of activities respond to press inquiries and take other steps to encourage media interest. The WQA will continue to work with major news outlets, such as the Los Angeles News Group, *Los Angeles Times*, and foreign language publications, such as *La Opinion* and the *Chinese Daily News*. It also will continue to provide information to other local newspapers, city and chambers of commerce newsletters and publications directed at water and environmental interests, the business press and the electronic media.

The WQA Board, through a variety of means, including public meetings and workshops, also interacts with the public to provide information and to solicit input. In addition, the WQA will continue to work with other agencies on information projects and participate with other water agencies on public outreach efforts.

All projects involving WQA will follow an established process, including all applicable federal, state and local regulations. Because the Basin is a Superfund site, the process will always include meeting requirements under the NCP, including its public participation component, in order to ensure maximum cost recovery potential. In addition, whenever needed or requested, WQA will work closely with water purveyors to help them meet the extensive public outreach requirements set forth in the DDW Technical Memorandum 97-005. However, absent regulatory requirements, the WQA continues to be committed to informing the public of all of its activities.

## **X. Coordination with Other Agencies**

The WQA was created to fulfill a need to coordinate response actions to the contamination in the Basin. The WQA continues to call for the involved federal, state, and local agencies to unite with all stakeholders to work more effectively and efficiently. Stakeholders include but are not limited to the USEPA, the USBR, the DTSC, the SWRCB, the LARWQCB, the DDW, the WQA and each of its member water districts, the MSGBW, cities affected by the Basin groundwater contamination, San Gabriel Valley Water Association, water purveyors in the Basin, and PRPs.

Response actions alone cannot fulfill the long-term need of creating a sustainable and reliable source of water supply in the Basin. The State of California requires water districts to develop and adopt an Urban Water Management Plan ("UWMP"). WQA, in coordination with its three member water districts, the Upper San Gabriel Valley Municipal Water District ("Upper District"), the Three Valleys Municipal Water District ("TVMWD"), and the San Gabriel Valley Municipal Water District ("SGVMWD"), shall incorporate water reliability projects identified in each of their UWMPs into the §406 Plan. Their respective sponsorship and administration of these projects is a vital part of enhancing the long-term reliability of the Basin's water supply.

These projects, listed in Appendix G, directly benefit the Basin and help augment WQA's groundwater cleanup activities.

## **XI. Litigation Plan**

The WQA Act authorizes the WQA to bring legal action, including against responsible parties to recover from them the response costs incurred in connection with removal and remedial actions in the Basin.

Among other claims the WQA can assert for cost recovery, the WQA may bring suit under CERCLA, which provides that any person or entity who owns or operates a facility from which there has been an actual or threatened release of a hazardous substance which has caused the WQA to incur response costs, is liable for the costs of response. Liability similarly is imposed on persons and entities, among others, who previously owned or operated a facility at the time such hazardous substance(s) were released.

CERCLA further allows the WQA to seek to hold all PRPs jointly and severally liable for these response costs, recover prejudgment interest, and obtain a declaration from the court that the responsible parties are liable for future response costs. In addition, the WQA may seek to recover its attorneys' fees incurred in bringing legal action. A more detailed discussion of the WQA's legal options is included in Appendix C- 3.

## **XII. Future Activities**

Over the next year WQA will continue to play an integral role in protecting the groundwater supplies of the Basin by actively participating in all operable unit remedies to ensure that the necessary facilities are constructed and treatment and remediation continues to occur in a manner that provides the greatest benefit to the residents of the Basin.

**BPOU** - Additional modifications necessary to operate the BPOU remedy project in the most cost effective way possible will continue. Once all modifications are complete the BPOU projects combine to provide up to 25,900 gpm of potable supply.

WQA will continue to participate in decisions that affect project treatment and remediation activities as a member of the project committee.

**SEMOU** – The WQA received a Proposition 1 planning grant from the SWRCB to conduct additional site investigation activities upgradient of the WSGRF. The activities include several hydropunch locations along with cone penetration testing to further delineate plume boundaries while providing invaluable aquifer lithology. It is anticipated that the additional site investigation work will lead to an implementation grant that will ensure the optimization of the WSGRF. In addition, WQA ~~will be applying for~~received additional Prop 1 funds to assist the LARWQCB with contaminant source investigation activities at various locations within the SEMOU.

**EMOU** - WQA will continue to participate in the remedial activities including but not limited to remedial design, project oversight and any potential federal reimbursement activities associated with the EMOU. ~~In 2012, the westside workparty finished construction of the shallow zone remedy and will continue operation as required by the USEPA. In late 2015, the eastside workparty's shallow zone remedy became operational. In 2019, the city of El Monte received its 97-005 amended water supply permit for the operation of eastside deep zone remedy.~~ In addition, WQA will encourage that the end use of the treated water be put for beneficial use whenever possible.

**PVOU** - WQA will continue to participate in the remedial activities, including but not limited to, remedial design and project oversight associated with the PVOU remedy. In early ~~2019~~2021, the PVOU IZ Remedy will ~~began~~finish construction of the centralized treatment facility and began the critical testing phase required to achieve its amended water supply permit. ~~Construction activities will continue throughout the next reporting period.~~ In addition, it is anticipated that the shallow zone north remedy will ramp up its remedial design activities. WQA will continue to assist the workparties in developing an enhanced alternative end use discharge plan that will have a regional benefit to the San Gabriel Valley water supply.

**Area 3** - It is anticipated that the City of Alhambra will continue to operate its Phase I and Phase II treatment facilities, and the the City of South Pasadena will continue to operate its 1,2,3-TCP treatment facility at their Wilson wellsite. In addition, WQA will assist USEPA and LARWQCB whenever possible to further characterize contamination within the Area 3 boundaries.

**WNOU** – WQA will continue to assist the DTSC in its oversight of the WNOU remedy to guarantee the continued operation and to ensure that the remedy is performing as required by the WNOU IROD.

**Non-Operable Unit Projects** – All non-operable unit projects mentioned above are anticipated to remain in service and continue to mitigate contaminant migration.



## **Volume II**

## **APPENDIX A**

## **Appendix A - Operable Unit Area plans**

### **1. BALDWIN PARK OPERABLE UNIT**

Of the six areas of contamination in the Basin, the BPOU is considered the most significant because of the geographic size and degree of contamination. For this reason, USEPA prioritized this area for investigation back in the late 1980's. Located in eastern Los Angeles County and covering 10 square miles, the BPOU includes portions of the cities of Azusa, industry, Irwindale, Baldwin Park, West Covina and the unincorporated areas in Los Angeles County. The area of groundwater contamination is more than 8 miles long and 1 mile wide, reflecting multiple, commingled groundwater contaminant plumes. By 1994, there was a general consensus on the technical approach including a financial arrangement whereby sales from the water produced by the treatment plant would be used to offset the costs of the project. However, just as designs were being prepared, the discovery of new contaminants prompted a complete reevaluation of cleanup plans.

In 1997, perchlorate, a contaminant derived from solid rocket fuel, was discovered in many of the active production wells within the OU. This discovery had widespread impacts, primarily because traditional treatment methods were ineffective in removing perchlorate from the groundwater. The new discovery not only disrupted the design of the CERCLA remedy, but also shut down many of the existing treatment plants that had been operating for water supply purposes. In one case, a water purveyor's (LPVCWD) complete water supply was shut down due to excessive concentrations of perchlorate that could not be removed by treatment facilities currently in place. This forced the water purveyor to buy alternative groundwater supply from neighboring water purveyors and supplemental imported water costing five times the cost of groundwater before the discovery of perchlorate.

Based on the discovery of perchlorate, USEPA chose to update its ROD and issue a plan update (Appendix E). This update was similar to the original ROD except that the containment requirement in the southern portion of the OU unit was shifted

further downgradient to address the new contaminants and the larger VOC plume resulting from several years of movement since the original ROD was issued. USEPA's plan required that about 22,000 gpm of contaminated groundwater be extracted and treated. The update did not, however, specify how the water was to be used.

In 1998, although USEPA had recently accepted a "good faith offer" from a portion of the BPOU PRPs to conduct the required cleanup, the specifics of the offer suggested that the PRPs intended to construct cleanup facilities without addressing the local water supply needs. The promise of the good faith offer was to extract water from the specified locations, treat the water at centralized facilities using emerging (unapproved) treatment technology and then discharge the water into nearby surface water channels. This approach was met with strong resistance that could have resulted in further delays and continuance of the existing water supply crisis. In addition, USEPA's approach focused on overall containment of the plume and did not include projects that were outside of USEPA's primary objectives that would have beneficial effects on both cleanup and water supply.

In response to this situation, WQA prescribed a cleanup plan developed by the MSGBW (Figure 2) that integrates cleanup and water supply objectives. The first phase of this plan focused on the southern portion of the plume where the priority is highest to contain the plume, protect critical water supplies and restore critical water supplies.

In 1999, due to the critical need for immediate action, WQA, MSGBW and Upper District joined resources and began implementation of the plan by constructing the first facility to treat both perchlorate and NDMA for drinking water at the LPVCWD well site. Following the success of the LPVCWD project, WQA prescribed additional early actions that build on the LPVCWD project development model.

In 2002, eight of the 20 BPOU PRPs entered into a comprehensive project agreement with WQA, MSGBW and local purveyors to fund the prescribed remedy described in this section.

To achieve rapid implementation in the BPOU, only treatment processes that are approved as Best Available Treatment Technologies ("BATT") by DDW shall be used to meet drinking water requirements. This requirement is necessary to assure that lengthy approval processes normally associated with emerging technologies are eliminated.

Use of BATTs will be necessary to accelerate removal of contaminant mass from the Basin and to restore impacted potable water supplies. However, wherever practical, other technologies may be considered if significant and exceptional benefits are shown to outweigh the need for urgency.

In addition, as new technologies become available, the WQA prescribes that cost-effective studies and pilot programs are pursued in order to maximize the potential savings in cleanup costs over the life of the projects. For example, multiple projects are using an ion exchange technology that may be outdated and costly. New resin technology has been introduced that could provide alternatives to the existing technology, and studies have been undertaken to assess the benefits of switching over if the lifetime benefits appear to be substantial.

In the cases where existing technology remains in place, careful optimization will be performed regularly on the equipment in order to achieve the best effective operation and the lowest operating cost possible.

➤ *Southern Remedy*

In conjunction with the LPVCWD treatment project constructed in 2000, a new treatment facility located at the San Gabriel Valley Water Company (“SGVWC”) Plant B6 treatment facility near the southern extension of the plume was prescribed for immediate implementation. The project also included the construction of four new extraction wells (B25A, B25B, B26A and B26B) and transmission pipelines connecting the extraction wells to the Plant B6 treatment facility.

The project finished construction in 2004 and received its 97-005 amended water supply permit from the DDW in June 2005. The water extracted from this facility is needed by SGVWC to replace production capacity lost when contamination forced the closure of the then operating water treatment facilities that lacked the ability to remove the newly discovered contaminants, perchlorate and NDMA. The project has the ancillary benefit of protecting downgradient water supply wells by halting the southeastern migration of contaminant mass.

In 2009, efficiency studies have led to changing out the existing ion exchange treatment technologies at LPVCWD’s treatment facility and SGVWC’s Plant B6

treatment facility from a regenerable resin technology to a more efficient single-pass resin technology. As a result of changing from a regenerable resin ion exchange technology to a single-pass technology SGVWC lost the ancillary benefit of some nominal nitrate treatment. Therefore, DDW required SGVWC to construct additional nitrate treatment at its Plant B6 to ensure continued operation of the treatment facility. The new nitrate treatment utilizes a regenerable ion exchange treatment system but will be designed specifically for nitrate removal.

In 2020, SGVWC ~~plans~~ began construction to replace its existing UV treatment equipment with new more efficient 3<sup>rd</sup> generation UV treatment technology. It is anticipated that the new treatment equipment will come online in 2021.

The next component of the remedy prescribed for the southern area is a new treatment facility that is located at the SGVWC Plant B5. The project finished construction and began testing in 2007. In April 2008, the Plant B5 treatment facility received its amended water supply permit from DDW. The Plant B5 treatment facility treats water from an existing well (B5B), from a new extraction well drilled on site (B5E) and from an existing City of Industry well located in the San Fidel Well Field. The Plant B5 facility is necessary to meet water supply demand and to serve as a final containment point to prevent the further degradation of clean aquifers resulting from the migrating BPOU contamination plume.

This plan prescribes immediate implementation and long-term operation of the southern remedies for the BPOU including all of the necessary facilities to achieve full containment of the BPOU plume at the downgradient edge. In June 2008, the last component of the BPOU remedy became operational. These facilities will accelerate removal of contaminant mass in the Basin, prevent migration of contamination into critical groundwater water supplies, and through the integration of cleanup with water supply objectives, mitigate the existing water supply crisis in the area.

As of ~~September 30, 2019~~ June 30, 2020, the southern remedy projects have treated approximately ~~317,562.74~~ 335,151.02 acre-feet of contaminated groundwater and have removed approximately ~~42,324.90~~ 44,378.50 lbs. of VOCs, perchlorate, NDMA and 1,4-Dioxane.



➤ Northern Remedy

In 2005 construction was completed on a new treatment facility at the VCWD Arrow/Lante wellfield. The new treatment facility known as the Subarea 1 (“SA1”) treatment facility will consist of all necessary treatment technology and two new extraction wells (SA1-1 and SA1-2) that were constructed east of the treatment facility which will deliver raw water to the facility via new transmission pipelines. The plan also includes a treated water pipeline to deliver all of the treated water to SWS. In 2007, VCWD discovered TCP in its SA1 extraction wells and was forced to construct additional Liquid Phase Granular Activated Carbon (“LPGAC”) treatment at SA1 to combat the newfound contamination.

Similarly to LPVCWD and SGVWC in 2008, VCWD initiated the process to replace the ion-exchange regenerable treatment system with single pass ion-exchange treatment equipment. Design and construction of the single pass ion-exchange system was completed in 2009.

In 2014, VCWD approved the nitrate management plan which will provide ancillary nitrate blend capabilities to ensure compliance with drinking water standards.

In 2015, VCWD will begin construction of a new extraction well that will replace existing offsite extraction wells SA1-1 and SA1-2. The new extraction well along with existing SA1-3 will provide enough capacity to achieve the revised extraction rate of 6,000 gpm. After evaluating relevant water quality results, VCWD elected to move forward with plans to reactivate the Arrow Well instead of constructing a new extraction well.

As of ~~September 30, 2019~~ June 30, 2020, the northern remedy project has treated approximately ~~77,414.27~~ 80,994.10 acre-feet of contaminated groundwater and has removed approximately ~~42,820.10~~ 43,894.30 lbs. of VOCs, perchlorate, NDMA and 1,4-Dioxane.

➤ Other Remedies

California Domestic Water Company's ("CDWC") Well No. 14 was affected by contamination emanating from the BPOU, including perchlorate and NDMA. CDWC expanded their existing VOC and NDMA treatment systems by including a perchlorate treatment system. The project is also designed to protect CDWC's downgradient wells. Construction was completed in June of 2002.

Recently DDW informed CDWC that blending for VOCs would no longer be allowed and treatment for VOC removal will be mandatory. In addition, DDW stated that Well No. 10 will not be allowed to operate as a blending source for perchlorate if upstream perchlorate levels are shown to be increasing. Therefore, in 2016, CDWC completed construction of the influent pipeline connecting Well 10 to the ion exchange system. ~~CDWC intends to construct dedicated VOC and perchlorate treatment systems for its Well No. 10.~~

As of ~~September 30, 2019~~June 30, 2020, the CDWC project has treated approximately ~~373,162.93~~383,181.36 acre-feet of contaminated groundwater and has removed approximately ~~48,837.70~~19,746.60 lbs. of VOCs, perchlorate and NDMA.

After losing their Plant 139 and Plant 140 wellfields to the BPOU contamination, SWS constructed new production wells at their Plant 121, Plant 142 and Plant 151 properties. The interim project also included the construction of pipelines that will allow for better operational flexibility and provide additional supply to their affected service area.

In addition to operating the SA1 treatment facility as part of the BPOU remedy, VCWD also has two additional treatment facilities that they own and operate for their immediate water supply. In 1990, VCWD constructed the Maine East and West treatment facility and in 2004 the Nixon East and West treatment facility.

As of ~~September 30, 2019~~June 30, 2020, the VCWD's Maine and Nixon treatment facilities have treated approximately ~~443,761.39~~118,511.49 acre-ft of contaminated groundwater and have removed approximately 2,163.80<sup>[DC1]</sup> lbs. of contamination.

Finally, WQA endorses the construction of the Covina Irrigation Company's ("CICs") Baldwin Pumping Plant. In 2014, WQA assisted CIC in receiving a DDW grant

for the construction of the treatment facility. In ~~2020~~2021, it is anticipated that CIC will finish construction and begin start-up testing.

## **2. SOUTH EL MONTE OPERABLE UNIT**

The SEMOU covers approximately 8 square miles. It encompasses all of the city of South El Monte and portions of El Monte and Rosemead. The SEMOU is generally bounded by Interstate 10 to the north, Highway 60 to the south, Interstate 605 to the east, and San Gabriel Blvd to the west. Contamination in the SEMOU is predominantly VOCs 1,4-dioxane, and perchlorate. In general, VOC concentrations are highest in shallow groundwater near industrial facility source areas where releases have occurred. VOCs have also migrated downward into the intermediate aquifer zone. The VOCs have migrated westward toward drinking water production wells as well as southward toward the WNOU. Some drinking water production wells have been impacted by groundwater contaminants and either shut down or equipped with wellhead treatment to reduce contaminant levels to drinking water standards.

The threat to the northwest has already impacted several critical water supply wells, primarily those owned by the City of Monterey Park (“CMP”), SGVWC and Golden State Water Company (“GSWC”). These water purveyors have had to implement treatment facilities in order to resolve their water supply crises. The other predominant threat is from contamination in the shallow aquifers that provide a continuous source of contamination that has traveled as far south as the Whittier Narrows Dam. Continued migration of the contamination past the Whittier Narrows Dam threatens many production wells and the sensitive recharge areas within the Central Basin. Immediate action is clearly needed to address these imminent threats.

To address the VOC groundwater contamination in the SEMOU, USEPA released its Interim ROD (“IROD”) (Appendix E) in September 2000. The IROD specifies extraction from the intermediate zone at or near CMP’s existing well No. 5, CMP’s existing well No. 12, SGVWC’s existing Plant No. 8 wellfield, and GSWC’s existing San Gabriel (SG1 & SG2) wellfield. USEPA’s plan also includes a new extraction well (CMP No. 15) northeast of CMP No. 12. USEPA’s goal is to contain the flow of contaminants and prevent exposure to downgradient pumping centers operated

by CMP, SGVWC, and other purveyors. Although USEPA recommends the use of existing water supply facilities, the PRPs are not mandated to use these facilities in their response, nor are they obligated to integrate water supply with the required remedy.

In 2005 USEPA issued an ESD (Appendix E) for the SEMOU to include treatment of perchlorate in the intermediate zone and reserved the right to include treatment for 1,4-Dioxane and other ECs at a later date.

With the exception of perchlorate treatment, WQA's prescribed actions for the SEMOU have, for the most part, been put into place and are consistent with USEPA's proposed plan. They address specific concerns that (1) action needed to take place immediately to halt further migration into critical water supplies, (2) complications in the negotiations with the PRPs would delay USEPA's implementation schedule, and (3) PRPs may choose to fulfill their CERCLA responsibility to USEPA without addressing the need to restore water supplies. Specifically, the prescribed actions referenced below have and will address both the immediate threat and water supply crisis prevalent in the northwest portion of the OU and the long-term threat to Central Basin to the south.

To date, USEPA has lodged nine Consent Decrees ("CDs") embodying settlements with 72 PRPs for costs associated with implementation of the SEMOU remedy. The funds recovered by USEPA will be used to reimburse affected water purveyors for future treatment and remediation costs associated with the continued operation of remedy wells and treatment facilities as described in the SEMOU remedy through a cooperative agreement between USEPA and WQA.

➤ *Intermediate Zone Remedy*

To address the threat presented in the northwest portion of the OU, WQA's prescribed action (Figure 3) includes the existing VOC and perchlorate blending treatment facility at CMP No. 5 along with the existing VOC treatment facilities at CMP No. 12, SGVWC Plant 8 and GSWC SG1 & SG2. Additionally, the plan specifies that water from CMP remediation Well No. 15 be treated at the existing treatment facility at CMP No. 12.

This plan promotes the beneficial use of the treated water by the appropriate water purveyors. To that end, WQA entered into funding contracts in the year 2000 with CMP, GSWC and SGVWC to construct VOC treatment projects ahead of enforcement action by USEPA.

SGVWC's Plant No. 8 VOC treatment facility was completed in October 2000 and is currently operating. Rising levels of VOCs in the wells at Plant 8 caused the DDW to require SGVWC to install a secondary barrier treatment system. Construction of a LPGAC secondary barrier treatment system to polish the air stripper effluent was completed in 2005. As part of the amended water supply permit issued to SGVWC by DDW to operate the Plant No. 8 VOC treatment facility, a sentinel well, SEMW09 had to be installed upgradient and within two years travel time of the Plant No. 8 wells. The primary purpose of the sentinel well is to provide an "early warning" of emerging contaminants that might affect the operation of the Plant No. 8 VOC treatment facility. A 2005 sample of SEMW09 detected 1,4-Dioxane below 1 ppb however, all subsequent sampling events for 1,4-Dioxane have been non-detect.

SGVWC's recent analyses of onsite production well 8D revealed and continued to confirm the presence of perchlorate and 1,4-Dioxane at concentrations just below the DDW MCL and Notification Level ("NL"), respectively. Because the current Plant No. 8 VOC treatment facility is not capable of removing perchlorate or 1,4-Dioxane, SGVWC has designed and plans to construct a 5,000 gpm, single pass ion exchange treatment facility for the removal of perchlorate when levels reach 50% of the MCL. In addition, SGVWC constructed an advanced oxidation ultraviolet ("UV") light treatment facility for the removal of 1,4-Dioxane. The addition of the UV light treatment facility will ensure continued operation of the Plant No. 8 VOC treatment facility and continued remediation of the SEMOU groundwater. The UV system is undergoing testing for a 97-005 amended water supply permit.

Both CMP's and GSWC's VOC treatment facilities for Well No. 12 and SG1 & SG2, respectively, were completed. However, the wells for both plants were subsequently found to be contaminated with perchlorate and immediately shut down. In 2004, CMP completed construction of a perchlorate treatment plant for Well No. 12. In addition to the VOC treatment, GSWC operated an interim perchlorate treatment facility

for Well SG1 only SG2 was removed from service. However, based on two years of non-detects for perchlorate contamination, GSWC and CMP have deactivated their perchlorate treatment systems.

In 2012, GSWC returned Well SG2 to service and restore plant capacity. CMP has constructed additional piping to bypass their perchlorate treatment equipment while maintaining it in a state of readiness if future perchlorate treatment is needed. Both projects are endorsed as they are designed to restore lost water supply and protect existing downgradient production wells.

In 2018, CMP finished construction of its centralized UV treatment facility at its Delta site. The centralized treatment facility will end the need for redundant VOC wellhead treatment and address 1,4 dioxane issues. Additionally, this new facility will streamline CMP's production and distribution while providing an overall decrease in CMP's treatment and remediation costs. However due to the presence of PFAS contamination, DDW is requiring CMP construct dedicated PFAS treatment before permitting its centralized UV treatment facility. It is anticipated the CMP will begin construction of the PFAS treatment system in 2021.

As of ~~September 30, 2019~~June 30, 2020, the intermediate zone remedy projects have treated approximately ~~175,545.07~~184,187.66 acre-feet of contaminated groundwater and have removed approximately ~~23,890~~25,122.40 lbs. of VOCs and perchlorate.

➤ Other Intermediate Zone Remedies

In addition to the extraction and containment projects identified in the SEMOU IROD, purveyors in the SEMOU had to construct treatment facilities at several of their wells to ensure a safe and reliable water supply in the event that the IROD projects are temporarily removed from service. Although these projects are not identified as SEMOU remedy projects by USEPA they do contribute to the remedy by removing mass contamination within the groundwater thus improving the regional groundwater basin as a whole.



In 2004, CMP constructed a VOC treatment facility at its Delta Plant to treat VOC contamination that was recently discovered in CMP Well Nos. 1, 3, 10 and Fern.

In 2005, SGVWC has constructed a VOC treatment facility at its Plant G4 located within the SEMOU.

In 2016, GSWC finished construction of its Garvey Well No. 3 VOC treatment facility.

These actions, as prescribed by this plan, will accelerate removal of contaminant mass and help to prevent migration of contamination into critical water supplies. In addition, integrating the cleanup action with the surrounding water supply will mitigate the current water supply crisis caused by the presence of the contamination.

As of ~~September 30, 2019~~June 30, 2020, other intermediate zone projects have treated approximately ~~36,854.34~~37,844.68 acre-feet of contaminated groundwater and have removed approximately ~~1,826.50~~1,842.40 lbs. of VOCs.

➤ *Shallow Zone Extraction*

Part of WQA's prescribed response to address the threat to Central Basin was the South El Monte Shallow Extraction Barrier ("South El Monte Barrier"). The South El Monte Barrier was constructed under a voluntary partnership including WQA, several of the local businesses and the City of South El Monte. The objective of the response action was to halt the flow of contaminants near the primary source areas within the SEMOU.

The project consisted of two extraction wells, treatment facilities and discharge pipes which allow the treated water to infiltrate back into the aquifer downgradient of the extraction. The project was originally constructed to remove VOCs and later modified with ozone/peroxide treatment to remove 1,4-Dioxane. Given that there are no water supply wells directly affected in the immediate areas and that water from the shallow aquifer is not normally used for potable use by the purveyors, low priority was given to mandating beneficial use of the water.

In 2004, the WQA discontinued operation of the South El Monte Barrier after it was determined that USEPA's fund-led Whittier Narrows project (see the Whittier Narrows Operable Unit ("WNOU") portion of this plan) would halt the contaminant

migration farther downgradient. While this situation was not the preferred alternative, the WQA determined that no water supplies would be affected by discontinuing the project. Additionally, funds made available by discontinuing the South El Monte Barrier were redirected to contain an alternate source of contaminants that was threatening water supplies.

In 2005, the WQA initiated design on a shallow groundwater barrier to be constructed in and around the area of the former J.A. Bozung facility. The WSGRF project will remove a hot spot plume of VOCs and 1,4-Dioxane that threatens downgradient water supplies. The WSGRF started full-time operation in December of 2008 with treatment and remediation estimated to continue through 2020.

In June of 2019, WQA completed field work of its Proposition 1 Expanded Site Investigation Planning Project upgradient of the WSGRF. The project consisted of seven Hydropunch and CPT locations along with some compound specific isotopic analysis of selected contaminants. It is anticipated that the results of the project will lead to a robust enhancement of the WSGRF.

In 2020, WQA was successful in amending its Proposition 1 Expanded Site Investigation Planning Grant to conduct similar work at an adjacent property to the east to further define the extent of the contamination. The additional work is scheduled to begin early 2021.

As of ~~September 30, 2019~~June 30, 2020, the treatment facility has treated approximately ~~325.60~~335.01 acre-feet of contaminated groundwater and has removed approximately ~~187.10~~192.60 lbs. of VOCs and 1,4-Dioxane.

### **3. EL MONTE OPERABLE UNIT**

The El Monte Operable Unit (“EMOU”) covers approximately 10 square miles in the south central portion of the San Gabriel Basin in eastern Los Angeles County. The OU is generally bounded by Interstate 10 to the south, Rosemead Blvd to the west, and Santa Anita Ave and the Rio Hondo to the east. The El Monte OU includes portions of the cities of El Monte, Rosemead and Temple City. This OU is generally characterized by shallow groundwater VOC contamination that is mostly contained in the upper 100 feet of the aquifer. VOCs have also spread downward into the deep zone. VOCs in the

deep zone have migrated downgradient towards some drinking water production wells which necessitated that some wells be shut down or equipped with wellhead treatment to reduce contaminant levels.

The City of El Monte ("CEM"), in particular, lost several wells and experienced a shortage of supply. New sources of supply, either from new cleanup facilities or reactivation of existing supplies are greatly needed to enhance and secure the local water supply situation. WQA has provided assistance by leasing the CEM four surplus LPGAC vessels from past WQA projects.

To provide long-term protection of these supplies, immediate actions were needed to cut off and contain the movement of contaminants in the shallow aquifer. Elimination of the high concentrations of contaminants near the sources is necessary to provide for rapid reduction of mass from the aquifer and establish long-term protection of downgradient water supplies. To address this emergency need, in 1997 WQA prescribed the immediate implementation of two shallow extraction barriers to stop the flow of contamination on the western and eastern portion of the OU. Anticipating that this type of removal would be required, WQA and many of the PRPs for the EMOU executed agreements to fund the construction of these projects. As part of this early response, WQA sponsored three components (extraction and treatment at the Clayton Manufacturing facility and individual extractions with centralized treatment for Hermetic Seal, and Crown City Plating facilities) which operated for several years. Immediate implementation of the shallow extraction barriers ahead of USEPA's mandate will complement these other early responses and help to accelerate the removal of mass from the Basin and prevent the further migration of contamination into critical groundwater supplies.

In June 1999, USEPA released its IROD (Appendix E) which requires containment of the shallow contaminant plume on the western and eastern sides of the OU and containment of the deep contaminant plume on the northwestern and southeastern edges of the OU. In 2002, USEPA released an ESD (Appendix E) that requires the containment of emerging chemicals in addition to VOCs. In 2004, due to unrest within the EMOU PRP group, USEPA entered into a CD effectively dividing the

PRPs into two distinct work parties, the West Side Performing Settling Defendants (“WSPSD”) and the East Side Performing Settling Defendants (“ESPSD”).

As a result of the elevated levels of Nitrates and Total Dissolved Solids (“TDS”) in both west and east shallow zone extraction projects, local water purveyors cannot integrate the treated water into the local supply. Thus, WQA prescribes that, to the extent possible, the water extracted from the shallow extraction projects be put to beneficial use for one of the following alternatives: (1) potable source through blending, (2) industrial reuse, (3) re-injection to the groundwater basin, or (4) used as a reclaimed water source. If no beneficial end use is available and all alternatives have been exhausted the treated water may be discharged to a nearby channel if permitted by LARWQCB and MSGBW's rules and regulations.

For the shallow zone remediation, the WSPSD is discharging its treated water to the adjacent Eaton Wash under an NPDES permit issued by the LARWQCB and the EPSPD will be re-injecting all shallow zone treated water upgradient of the extraction wells under an LARWQCB permit.

Together, all of these facilities will serve to contain the migration of the contamination in the intermediate (potable) aquifers and prevent the further spread of contamination into critical groundwater supplies. Requiring the beneficial use of shallow zone treated water will enhance the local water supply and help to mitigate the current water shortage caused by impairment of water supply wells.

In 2016, USEPA required both work parties to work together and develop a comprehensive workplan to address regional CrVI contamination within the EMOU. WQA is supportive of this joint effort and will provide any and all assistance necessary to fully characterize CrVI contamination within the EMOU.

➤ *West Side Remedy*

The WSPSD is responsible for containment of the western shallow zone contaminant plume (Figure 4) and the containment of the northwestern deep zone plume (Figure 5). Containment of the western shallow plume will be accomplished via six extraction wells and a centralized treatment facility. The treatment facility will be designed to treat not only VOCs but all emergent chemicals (“ECs”) to below drinking

water standards. Construction of the western shallow zone treatment facility, extraction wells and pipeline ~~was~~were completed in January 2012.

In 2018, due to the decline in the water table in the area the WSPSD's ~~constructed 8 new extraction wells plan to~~ enhance the shallow zone remedy. ~~by installing 8 new extraction wells.~~ Construction activities on the raw water pipeline to connect the new wells to the existing treatment facility will begin in 2021.

As of ~~September 30, 2019~~June 30, 2020, the WSPSD shallow zone treatment system has treated approximately ~~418.83~~456.53 acre-feet of contaminated groundwater and has removed approximately ~~39.30~~43.30 lbs. of VOCs, perchlorate, nitrate and hexavalent chromium.

The existing GSWC Encinita Plant treatment facilities, owned and operated by GSWC and partially funded by the WSPSD, along with a VOC treatment facility, previously owned and operated by Adams Ranch Mutual Water Company ("ARMWC"), will help address the deep zone contaminant plume in the northwestern sector. Both deep zone projects received federal reimbursement from WQA.

In 2016, ARMWC was acquired by the California American Water Company which has ceased operation of the VOC treatment facility. That leaves GSWC's Encinita Plant as the singular operating deep zone remedy project on the west side of the EMOU.

As of ~~September 30, 2019~~June 30, 2020, the west side deep zone remedy project has treated approximately ~~31,314.09~~32,647.29 acre-feet of contaminated groundwater and has removed ~~750.40~~768.60 lbs. of VOCs.

➤ *East Side Remedy*

The ESPSD is responsible for containment of the eastern shallow zone contaminant plume (Figure 4) and the containment of the southeastern deep zone contaminant plume (Figure 5). Containment of the eastern shallow plume will be accomplished via five extraction wells, a centralized treatment facility and three re-injection wells. The treatment facility will be designed to treat not only VOCs but all ECs. The east side shallow zone remedy became operational in March 2015.

As of September 30, 2019, the east side shallow zone remedy project has treated approximately 132.94 acre-feet of contaminated groundwater and has removed 25.00 lbs. of VOCs.

In 2013, ESPSD in conjunction with CEM installed three extraction wells in the intermediate zone aquifer in the southeastern sector and constructed a centralized treatment facility to control migration of low levels of VOCs. The treated water will be conveyed into CEM's existing distribution system in the area. WQA has provided the ESPSD federal reimbursements for their projects. The east side deep zone remedy project finished construction and is in the process of the required 97-005 amended water supply permit testing.

In 2019, CEM received its 97-005 amended water supply permit for the treatment facility and is using the treated water in its domestic supply.

As of ~~September 30, 2019~~June 30, 2020, the east side deep zone remedy project has treated approximately ~~3,353.90~~3,954.06 acre-feet of contaminated groundwater and has removed ~~172.80~~211.20 lbs. of VOCs.

#### ➤ Other Intermediate Zone Remedies

Similar to the SEMOU, affected purveyors in the EMOU had to construct additional treatment facilities. Specifically, the CEM constructed three VOC treatment facilities at wells 2A, 10 and 12 to ensure safe and reliable supply to their customers. Although these projects are not identified as EMOU remedy projects by USEPA they do contribute to the remedy by removing mass contamination within the groundwater thus improving the regional groundwater basin as a whole.

As of ~~September 30, 2019~~June 30, 2020, CEM wells 2, 10 and 12 have treated approximately ~~34,031.37~~34,486.52 acre-feet of contaminated groundwater and have remove ~~1,366.60~~1,379.10 lbs. of VOCs.

#### **4. WHITTIER NARROWS OPERABLE UNIT**

Whittier Narrows is a 1.5-mile gap in the bedrock hills that separates the San Gabriel and Central Basins and represents the primary discharge point for groundwater and surface water flow exiting the Main San Gabriel Basin. USEPA designated Whittier



Narrows as an OU specifically to address groundwater contamination flowing out of the Main San Gabriel Basin, through Whittier Narrows, into the Montebello Forebay portion of the Central Basin. The WNOU is bounded to the north by the South El Monte OU (at Highway 60) and to the south by the Montebello Forebay portion of the Central Basin (near the Whittier Narrows Dam).

VOCs, 1,4-dioxane, and NDMA are the primary groundwater contaminants found in the Whittier Narrows Operable Unit (WNOU). USEPA has not identified any significant sources of VOC and 1,4-dioxane contamination in the WNOU. Hence, the VOC and 1,4-dioxane contamination is migrating into the WNOU from upgradient industrial sources within the Main San Gabriel Basin. The contamination being addressed by the interim remedy largely appears to originate from the South El Monte OU, located immediately north of the WNOU.

In 1999, USEPA issued an amendment to the ROD for the WNOU which identifies the need for a groundwater extraction barrier approximately ¼ mile north of the Whittier Narrows Dam (Appendix E) to halt the flow of contamination traveling towards Central Basin. To form an effective containment barrier, five or six extraction sites were required to remove and treat a total of about 12,000 gpm extracting from both the shallow and intermediate zone aquifers. Because USEPA was implementing this remedy under its “fund lead” authority, the responsibility for administering the design, construction and operation of the comprehensive cleanup facility was USEPA. In 2002, USEPA finished construction of the comprehensive cleanup facility.

In recognition of the immediate threat to downgradient water supplies in Central Basin and the potential for significant delays associated with a large-scale treatment facility, WQA had prescribed a phased approach (Figure 6) that addressed the most severe threats first with an immediate early action at well EW4-3. WQA prescribed that well EW4-3 be integrated into the comprehensive potable treatment facility proposed by USEPA. WQA implemented the first component of this early action with the construction of a temporary treatment facility located at well EW4-3. Water from well EW4-3 was treated and temporarily discharged into nearby surface drainages until the full-scale remedy could be implemented. USEPA has completed construction of their centralized treatment facility and integrated well EW4-3 into their extraction system.

In 2002, the City of Whittier reached an agreement with USEPA to take most of the water extracted from the intermediate zone aquifer and use it as a potable supply for its customers. Water from the shallow zone is extracted at a reduced rate and is being discharged into Legg Lake.

In 2006, USEPA conducted a five-year review of the WNOU remedy to ensure that it remains protective of human health and the environment. USEPA concluded that the remedy for the WNOU is protective of human health and the environment.

In 2011, USEPA conducted its second five-year review of the WNOU remedy. USEPA concluded that in the shallow zone the extent of contamination has shrunk dramatically since the remedy construction was completed in 2002 and that contaminant concentrations have continued to decline consistently over the last five years (2006 to 2010). There are currently no shallow zone MCL exceedances in the WNOU, indicating that continued extraction is not needed to meet the goals of the remedy and was ceased in 2013.

As of ~~September 30, 2019~~June 30, 2020, the WNOU shallow zone remedy project has treated approximately 30,066.52 acre-feet of contaminated groundwater and has removed approximately 1,619.90 lbs. of VOCs.

USEPA's second five-year review also reports that in the intermediate zone the extent of intermediate zone contamination downgradient of the WNOU extraction wells has declined dramatically since remedy extraction began in 2002. These continued concentration declines have occurred despite intermediate zone extraction averaging less than 3,300 gpm over the last five years. This provides strong evidence that the remedial objectives (hydraulic control of migrating contamination) can be met at a lower extraction rate than the current intermediate zone target extraction rate of 6,000 gpm.

In May of 2013, DTSC assumed operation of the WNOU remedy from USEPA. DTSC subsequently entered into a long-term operational agreement with SGVWC in which SGVWC will use the treated intermediate zone water supply in its service area. Currently SGVWC is operating the treatment facility and discharging the water into Legg Lake while additional infrastructure is being constructed to allow SGVWC to take the treated water into its existing distribution system.

In 2018, DTSC received Proposition 1 funding that will be used to add additional infrastructure to return the WNOU intermediate zone remedy back to a potable water supply project. Construction activities are anticipated to begin in 2021.

As of ~~September 30, 2019~~June 30, 2020, the WNOU intermediate zone remedy project has treated approximately ~~56,458.65~~58,954.92 acre-feet of contaminated groundwater and has removed approximately ~~1,832.20~~1,851.10 lbs. of VOCs.

## **5. PUENTE VALLEY OPERABLE UNIT**

The Puente Valley Operable Unit (“PVOU”) includes most of the City of Industry, portions of the City of La Puente, and portions of unincorporated Los Angeles County. Groundwater and soil are contaminated with various VOCs, 1,4-dioxane, perchlorate, and hexavalent chromium. Groundwater contamination occurs primarily in the shallow and intermediate groundwater zones of the aquifer, with most of the contaminant mass found in the shallow groundwater zone. VOC concentrations exceed drinking water standards in both the shallow and intermediate zones.

In 1998, the USEPA released the Interim ROD for the Puente Valley Operable Unit (“PVOU”) that described, in part, USEPA’s selected remedy for both shallow and intermediate zone contamination. It stated that the remedial action for the shallow zone shall prevent contaminated groundwater from migrating beyond its current lateral and vertical extent as described in the Remedial Investigation/Feasibility Study (“RI/FS”). The remedial action selected by USEPA for the intermediate zone shall prevent contaminated groundwater from migrating beyond the SGVWC B7 Well Field Area (an area defined by 14 wells in the immediate area of SGVWC’s B7 Well Field). Furthermore, perchlorate was recently discovered in the B7 Well Field Area causing USEPA to further evaluate remedy options.

In 2005 USEPA issued an ESD for the PVOU mandating treatment for all ECs in both the shallow and intermediate zones (Appendix E).

In 2009, the PVOU remedial activity was stalled due to conflicting interpretations by two separate divisions of the USEPA, namely the Superfund Division and the Water Division which enforces the Clean Water Act. As a result, USEPA required additional

feasibility studies to be conducted to re-evaluate alternatives for the disposition of the treated water in both the shallow and intermediate zone remedies.

➤ *Shallow Zone North Remedy*

In 2005 USEPA entered into a CD with United Technologies Corporation (“UTC”) to perform the shallow zone remedy north of Puente Creek in the PVOU. The shallow zone remedy will consist of the installation of ten extraction wells, associated pipelines and a centralized treatment facility at the mouth of the valley (Figure 7). In 2008, UTC completed the installation of all extraction wells and is currently securing pipeline access agreements. Since water from the shallow zone is not suitable for potable use due to high Nitrates and TDS, UTC originally planned to discharge the treated water into a neighboring creek under a discharge waiver from the LARWQCB. However, recent changes to regulations have eliminated that discharge option.

In 2011, due to the continued migration of the contaminant plume USEPA requested that the shallow zone remedy be completed in phases. Phase I consists of migration control of the eastern plume via extraction from well S05, treatment for VOCs and ECs and re-injection of the treated water into the shallow zone aquifer.

In 2019, UTC amended its Consent Decree with the USEPA to allow re-injection as a potential end use. With this modification UTC has ramped up its remedial design of the shallow zone north remedy.

In 2020, UTC installed additional monitoring wells as part of pre-design activities to characterize the current extent of groundwater contamination.

➤ *Shallow Zone South Remedy*

The Northrop Grumman Systems Corporation (“Northrop”) is responsible for cleanup of the shallow contamination south of Puente Creek emanating from the former Benchmark Technology Facility. The Benchmark facility is understood to be the largest single source of VOC and 1,4-Dioxane contamination in the eastern portion of the shallow aquifer at the mouth of the Puente Valley. This portion of the shallow zone remedial action was part of the remedy in the 1998 ROD. In 2003, the groundwater contamination downgradient of the former Benchmark facility was to be addressed by a

facility-specific cleanup through a Cleanup and Abatement Order (“CAO”) administered by the LARWCQB. However, the cleanup was never implemented and in May 2010, lead agency status was transferred to USEPA. Therefore, the groundwater contamination downgradient of the Benchmark facility is again being addressed as part of the shallow zone remedy.

In 2018 Northrop completed the design of the shallow zone south remedy. The groundwater extraction and conveyance system includes the installation of two groundwater extraction wells, EW-C and EW-N, and groundwater conveyance via pipelines shallow zone south treatment plant location (Figure 7).

In 2020, EPA clarified lead agency oversight responsibilities with the LARWQCB former Benchmark facility source area. USEPA is the lead agency for the Shallow Zone South interim groundwater remedy while the LARWQCB is lead oversight agency for source control remediation at the former Benchmark facility and adjacent properties.

➤ Intermediate Zone Remedy

In 2008, Northrop finished construction of the six extraction wells and a portion of the pipeline that were approved by USEPA as part of the intermediate zone remedy at the mouth of the valley (Figure 8). At that time the remedy called for contaminated water to be treated at SGVWC’s existing Plant B7 VOC facility. Treatment would consist of an existing air-stripper, liquid phase granular activated carbon, ion-exchange and advanced oxidation/ultraviolet technologies for the treatment of VOCs and all ECs. In addition, Northrop has reached an agreement in principal for SGVWC to accept the treated water and to provide a blending component with SGVWC’s Plant B24 wells. SGVWC has constructed a transmission main from its B6 service area to its Plant B24 to facilitate blending of the PVOU treated water.

In 2013, water quality samples indicated elevated levels of TDS and nitrates that would require a much greater volume of blend water to be compatible with SGVWC’s distribution system. As a result, it was determined that additional treatment consisting of reverse osmosis would be required. As a result, SGVWC’s Plant B7 site is not likely to accommodate the additional treatment because of its size. Northrop immediately

began working with the City of Industry to purchase an alternative site that would be large enough for all treatment facilities.

In 2014, Northrop acquired a property from the City of Industry large enough to site both Intermediate Zone and Shallow Zone South treatment facilities. The current conceptual plan is to have LPVCWD operate the Intermediate Zone Remedy and utilize the treated water in its distribution system.

Pursuant to USEPA's request and agreement with Northrop, SGVWC in October 2016, properly destroyed Well B7C and decommissioned the accompanying treatment system. SGVWC's Well B11B and accompanying treatment system continues to operate in the PVOU.

In 2018, Northrop will complete the construction of an additional extraction well for a total of 7 wells to capture contamination at the toe of the plume. In addition, it is anticipated that Northrop will begin construction of the treatment facility.

In 2019, Northrop began construction of the Intermediate Zone remedy and associated pipelines. Construction is anticipated to be completed early 2021.

As of ~~September 30, 2019~~June 30, 2020, Plants B7 and B11 have treated approximately ~~96,678.98~~96,884.42 acre-feet and have removed approximately ~~5,159.405~~5,176.00 lbs. of VOCs.

➤ Other Intermediate Zone Remedies

In 2020, SGVWC was awarded a Proposition 68 grant to add PFAS treatment at its Plant 24. Construction is slated to begin in 2021.

## **6. AREA 3 OPERABLE UNIT**

The Area Three Operable Unit ("ATOU") covers 19 square miles in the western portion of the San Gabriel Valley, Area 3 is located west of Rosemead Blvd, north of I-10, and south of the Raymond Fault (which separates the main San Gabriel Basin from the Raymond Basin to the northwest). Area 3 includes all of the City of San Gabriel, as well as portions of the Cities of Alhambra, Rosemead, Temple City, San Marino and South Pasadena. VOCs have been detected in production wells and safeguards are in place to ensure acceptable drinking water quality.



ATOU groundwater is contaminated with VOCs, perchlorate, and nitrate at concentrations exceeding state and federal water quality standards.

In 1999, USEPA began RI/FS investigations in the ATOU. The purpose of the RI/FS is to determine the nature and extent of soil and groundwater contamination and to identify likely sources. USEPA has completed the installation of additional monitoring wells in order to collect additional data to assess the extent of the contamination and its relationship to suspected source areas. USEPA released the RI in 2010 and is currently evaluating the results to identify cleanup options. Conclusions of the RI will form the basis of an FS to evaluate cleanup alternatives to prevent and eliminate the release or threat of release of contaminants at the site. USEPA anticipates the release of the FS sometime mid-2020. The focus of the FS is to develop, screen and evaluate cleanup alternatives. During development of the FS, USEPA continues investigations to address remaining uncertainties identified in the RI

ATOU VOC contamination has impacted a number of the City of Alhambra's ("Alhambra") wells. In 2001, Alhambra started operation of Phase I of its pump and treat program. Phase I consists of a VOC treatment facility at Well No. 7. In 2008, Alhambra finished most of the construction of Phase II of its pump and treat program. Phase II consists of VOC and Nitrate treatment technologies at Well No. 8 and has the ability to treat contaminated groundwater from Wells Nos. 8, 11 and 12. Alhambra finished construction of Phase II in 2008 and it is operational. All water treated from both Phase I and Phase II projects is used by Alhambra in its distribution system (Figure 9). Both phases of the Alhambra's pump and treat program received reimbursement from WQA's federal funding programs. In addition, California American Water Company (CAWC) has informed USEPA of its rising contamination found at its Rosemead and Grand wells located in the south eastern ATOU.

In 2019, the City of South Pasadena ("CSP") responded to new regulations that more strictly limit the MCL of 1,2,3-TCP. The CSP completed construction of its 1,2,3-TCP treatment facility at the Wilson wellsite.

As of ~~September 30, 2019~~June 30, 2020, ~~Alhambra's ATOU~~ treatment facilities have treated approximately ~~35,286.25~~36,298.52 acre-feet of contaminated groundwater and have removed approximately ~~1,162.30~~1,289.70 lbs. of VOCs and nitrates.

## **APPENDIX B**

## Appendix B

### NON-OPERABLE UNIT SPECIFIC PLANS

The overwhelming amount of time spent planning remedial actions is understandably focused on projects that are related to a specific OU, i.e., Baldwin Park, El Monte, South El Monte, Whittier Narrows, and Puente Valley. This is because USEPA's enforcement actions in these areas make headlines and demand public attention. However, necessity for cleanup in the Basin is not limited to the specific locations designated by USEPA. Because the USEPA mandate is limited to defining only how a plume of contamination may be contained, their RODs fail to address the remedial actions necessary to restore water supply wells that are not a part of their official cleanup plan. Furthermore, many contaminated water supply wells are facing imminent shutdown or have already been shut down and remain in this state largely due to overburdened regulatory agencies. WQA prescribes the treatment of the water at these wells to restore the water supplies and to remove contaminant mass from the Basin thus enhancing future water supplies. Table 4 provides a list of contaminated wells that are not part of any OU specific plan. Figure 10 shows the locations of these wells relative to Basin contamination.

Over the past several years the City of Monrovia ("Monrovia") has experienced rising levels of VOCs at their Myrtle Well Field. In 2007, Monrovia finished construction of a VOC treatment facility to help contain contamination and restore lost water supply.

As of ~~September 30, 2019~~June 30, 2020, Monrovia's treatment facility has treated approximately ~~72,553.73~~75,950.56 acre-feet of contaminated groundwater and has removed approximately ~~1,216~~1,264.00 lbs. of VOCs.

In addition to Monrovia, the City of Arcadia had to construct a VOC treatment facility at their Longden Well Field directly down gradient from the Monrovia Well Field. In 2019, due to increasing levels of contamination, Arcadia finished construction of a treatment facility at its Live Oak Well.

As of ~~September 30, 2019~~June 30, 2020, Arcadia's ~~Longden~~ treatment ~~facility~~  
facilities has treated approximately ~~70,999.62~~71,542.16 acre-feet of contaminated  
groundwater and has removed approximately ~~756.80~~785.80 lbs. of VOCs.

## **APPENDIX F**

SAN GABRIEL BASIN WATER QUALITY AUTHORITY  
Policy and Procedures Manual

ADMINISTRATIVE PROCEDURES

No. 38

Date: 2/12/01      Revised: 11/21/05

WQA PROJECT PARTICIPATION

Purpose

WQA's focused role is primarily to facilitate projects and to seek and provide funds for remediation projects in the San Gabriel Valley. As a public agency, WQA is accountable to the general public. Therefore, the WQA shall apply a consistent process to provide opportunities for input by the public and to qualify projects for WQA participation.

The WQA will also seek to recover costs from potentially responsible parties (PRPs), whenever practicable and consistent with the policies and procedures of the WQA. To assist in the success of such cost recoveries, the WQA will evaluate the projects submitted to determine whether the projects are "necessary" and "consistent" with the National Oil and Hazardous Substances Pollution Contingency Plan (NCP). For cost recovery purposes, remediation projects will be considered "necessary" if there is evidence of a release of hazardous substances, the project is designed to mitigate the impact of such releases and the project is needed to meet regulatory requirements for remediation and/or water supply. The determination of necessity shall be based on data of sufficient quality and quantity to satisfy the WQA. Remediation projects will be considered "consistent" with the NCP if the remediation project is in substantial compliance with the applicable requirements of the NCP and results in a CERCLA-quality clean-up. Specific potentially applicable NCP requirements are addressed below.

Criteria to which a proposed project shall be measured, but not required, are as follows:

- Project conforms and furthers the objectives of WQA's Section 406 Plan or the intent thereof
- Ranking on priority list if multiple requests are competing for available funds
- Project is "necessary" and "consistent" with the NCP
- Requesting party to pay no less than 25% of capital costs
- Funding for operation and maintenance secured from funds other than WQA assessment
- Implementation of construction anticipated within one year of executed agreement



## **Phase I**

A written request for WQA project participation by a Project Committee or any other entity shall be considered by the full board on a preliminary basis. Staff shall identify potential funding sources and shall identify all of the criteria the proposed project meets. If approved by a simple majority of the full board, staff will then allocate resources to implement Phase II. Staff shall begin the process of determining whether the project is a California Environmental Quality Act (“CEQA”) Project and, if so, whether it is exempt from CEQA requirements.

## **Phase II**

- WQA’s staff engineer shall prepare a technical report for review by the WQA Engineering Committee.
  - The report shall analyze and review all pertinent documentation, including, but not limited to, WQA’s Section 406 Plan, U.S. EPA’s documents, whether the project is “necessary” and “consistent” with the NCP, Watermaster’s Section 28 Application and documentation supporting project cost estimates provided by the project owner.
  - The report shall present the alternatives considered and an analysis of the cost and feasibility of such alternatives.
  - The report shall also present the basis for the selection of the proposed alternative.
- In the event costs are recovered for project capital and/or O&M from PRPs, a separate agreement may be developed, independent of or jointly with, the affected water purveyor(s). Such agreement and the terms thereof shall supersede any of the terms contained within this procedure. This may include allocation of direct and/or indirect labor costs, overhead, etc. If such agreement is silent, then terms contained within this section (Phase II) shall have primacy.
- WQA staff, in coordination with WQA legal counsel and the requesting party or project committee, shall develop a funding agreement or FFPA letter agreement for review by the WQA Administrative/Finance Committee.
  - As part of the agreement, legal counsel shall identify project components which may not be legally recoverable from responsible parties, under CERCLA or the WQA Act, or reimbursable from proposed funding source(s), if any. Staff shall provide oral communications to the committee regarding legal counsel’s review and provide recommendations, if appropriate, for modifications to the project to address NCP requirements. The agreement may include the following minimum components:
    - A project description;
    - A statement of project costs which shall include an estimate for the major components of the project as well as estimates for internal costs such as direct labor, fringe benefits, and overhead.
    - Definition of capital and O&M costs (i.e., overhead, legal costs, contingency, etc.)
      - Allowable costs are those costs included in “WQA’s Allowable Project Capital and Operations and Maintenance Costs”, included as Attachment “A”.

- Internal overhead of all parties to the agreement may be included in the capital and O&M costs but cannot exceed **5% (Five percent)** of the total costs of the project. Each party shall be responsible for determining the legally acceptable rate of their respective overhead and for the documentation and accounting thereof.
- A maximum 10% contingency shall be considered a part of capital cost
- WQA's costs for CEQA compliance will be considered capital costs, unless expressly excluded.
- A process for payment of invoices;
- An agreement termination date;
- Change order provisions shall require approval by the project committee or parties to the agreement;
- Funding apportionments;
- Project owner shall be responsible for compliance with all state and federal regulatory requirements, contract bidding, and any other regulations pertinent to the respective funding sources [i.e., CEQA, USBR, competitive bidding, etc.]. WQA shall be responsible for the coordination of federal environmental requirements, if applicable, and will also assist the requesting party with any project-related required process to the extent needed, including serving as the lead agency for purposes of CEQA.
- The project owner shall work with the WQA to ensure that the project is managed consistent with the requirements of the NCP for remedial design, construction and operation and maintenance, if applicable.
- The project owner shall work with the WQA to assure that the remediation project conforms with a health and safety program consistent with 29 CFR 1910.120, if applicable.
- Modification to the agreement shall require approval by parties to the agreement.

### **PHASE III**

- In conjunction with the preparation of the staff engineer report and funding agreement, if the project is not exempt from CEQA requirements, staff shall begin an initial study required by CEQA. All required CEQA documentation shall be completed before the implementation of Phase III.
- A public notice of the proposed project will be mailed, by the WQA, to interested individuals and published in a local newspaper. The notice will include a brief summary of the proposed project and the proposed funding for the project and describe how interested individuals can provide input to the WQA. A public meeting shall be held, within the comment period, to describe the proposed project and the proposed funding by the WQA. At least 30 days notice shall be provided to receive public comments. A summary of the WQA staff engineer's report, describing the proposed project, will be made available to interested members of the community, and be available at the public meeting and at the WQA offices.

- A record of the public meeting shall be kept and a written summary of the significant public comments shall be prepared and presented to the WQA Board.
- Based on the original proposal and any modifications needed as a result of public input the final proposed agreement will be presented to the WQA Board.
- If the proposed project changes significantly, based on public comments, another public comment period will be afforded to interested parties.

### **Phase IV**

- Approval for execution of a proposed agreement by the Executive Director shall be provided by a simple majority of the full board.
  - A written agenda submittal providing background and project summary and the comments received from the public shall be provided to the full board and shall include a draft funding agreement and the staff engineer report. The submittal shall certify that legal counsel has approved the draft agreement, unless a final review is required. In this case, staff may recommend approval contingent upon legal counsel's final approval. Any material changes shall require a subsequent approval by a simple majority of the board.

### **Phase V**

- Project implementation shall require continuous WQA staff oversight.
  - Project invoices, regardless of the presence of a project committee, shall be processed through WQA's internal, multi-level review process to provide redundant oversight.
  - Bid documents shall be reviewed by WQA staff to verify that the project requirements are met by responsible bidders and that the chosen bidder is selected considering technical and managerial qualifications, experience, proposed costs and other relevant factors.
  - The remediation project will be designed, constructed and operated consistent with the proposal approved by the WQA Board.
  - If the remediation project that is constructed differs significantly from the proposed remediation project submitted for public comment, an explanation of significant differences shall be prepared and presented to the public for comment in a manner consistent with the original proposal.
  - The project owner shall work with the WQA to verify that the remediation project continues to conform with a health and safety program consistent with 29 CFR 1910.120
  - The project owner shall work with the WQA to establish a system for project implementation that includes accurate accounting of costs, proof of payment of and maintenance of invoices and other cost accounting documentation.
  - Progress reports shall be provided by WQA's staff engineer at Engineering Committee and full board meetings once per month minimum.

## **ATTACHMENT A**

### **SAN GABRIEL BASIN WATER QUALITY AUTHORITY ALLOWABLE PROJECT CAPITAL AND OPERATION AND MAINTENANCE COSTS**

#### **ALLOWABLE PROJECT CAPITAL COSTS**

(Copies of Invoices Required on Items 1-9)

1. Outside Engineering & Design
2. Equipment
3. Contractor/Sub-Contractor
4. Energy/Utilities
5. Permit Fees
6. Laboratory Costs
7. Additional Required Property & Liability Insurance
8. Outside Legal Fees
  - a. General preparation and review of project documents (RFPs, contracts, etc.)
9. Land/Property
10. Interest
11. Direct Labor & Fringe (Summary Breakdown Req'd.)
  - a. Directly tracked labor (timesheets req'd.)
  - b. Medical benefits
  - c. Worker's Compensation
  - d. Payroll taxes
  - e. Pension/Retirement
  - f. Other employee benefits
12. Overhead (Summary Breakdown Req'd.)
  - a. Property taxes
  - b. General Property & Liability Insurance
  - c. Administrative & Management Salaries & Benefits
  - d. Vehicle Expense (not mileage)
13. Other Tracked Direct Costs (Breakdown Documentation Req'd.)
  - a. Postage
  - b. Shipping
  - c. Copies/Facsimiles
  - d. Phone
  - e. Vehicle mileage
  - f. Other tracked direct costs
14. Unique cost items for a specific project (Requires approval by WQA)

#### **ALLOWABLE PROJECT OPERATION & MAINTENANCE COSTS**

(Copies of Invoices Required on Items 1-9)

1. Laboratory Costs
2. Consumables
3. Energy/Utilities

4. Incremental energy/utilities costs (Treatment Plant)
5. Permit Fees
6. Contractor/Sub-Contractor
7. Outside Legal Fees
  - a. General preparation and review of project documents (RFPs, contracts, etc.)
8. Equipment
9. Additional Required Property & Liability Insurance
10. Direct Labor & Fringe (Summary Breakdown Req'd.)
  - a. Directly tracked labor (timesheets req'd.)
  - b. Medical benefits
  - c. Worker's Compensation
  - d. Payroll taxes
  - e. Pension/Retirement
  - f. Other employee benefits
11. Overhead (Summary Breakdown Req'd.)
  - a. Property taxes
  - b. General Property & Liability Insurance
  - c. Administrative & Management Salaries & Benefits
  - d. Vehicle Expense (not mileage)
12. Other Tracked Direct Costs (Breakdown Documentation Req'd.)
  - a. Postage
  - b. Shipping
  - c. Copies/Facsimiles
  - d. Phone
  - e. Vehicle mileage
  - f. Other tracked direct costs

## **APPENDIX G**

## Appendix G

### MEMBER WATER DISTRICT PROJECTS

The WQA, in coordination with its three member water districts, USGMWD, TVMWD and SGVMWD, incorporates the following projects by reference. The projects are sponsored, administered and implemented by the water districts. It is WQA's determination that these projects: 1) directly benefit the Basin; 2) help augment WQA's groundwater cleanup activities; and therefore 3) help enhance the long-term reliability of the Basin's water supply.

<u>Description</u>	<u>Estimated Budget</u>
1) <u>Fulton Plant Water Resource Enhancements</u> Utilization of District's Fulton Property to develop groundwater well, nitrate removal facility, 1.0 MG reservoir, and appurtenant piping. (TVMWD)	\$4,000,000
2) <u>Covina Irrigating Company Water Treatment &amp; Supply Plan</u> Upgrade of surface water treatment processes at Temple Plant and addition of a groundwater treatment facility and transmission pipelines. (TVMWD)	\$7,000,000
3) <u>Imported Water Spreading Connection at San Dimas Wash</u> Raw water service connection to MWD's Foothill Feeder to replenish groundwater in the Basin on behalf of Golden State Water Company. (TVMWD)	\$1,500,000
4) <u>Extension of PM-26 Replenishment Service Connection</u> Pipeline facilities and turnout from existing connection in Little Dalton Wash to Big Dalton Wash for enhanced groundwater replenishment opportunities in the Basin. (TVMWD)	\$2,000,000
5) <u>TVMWD – SGVMWD Interconnection</u> Raw water connection between District's Miramar Plant and nearby Azusa~Devil's Canyon Pipeline. (TVMWD)	\$1,750,000



- |     |   |              |
|-----|---|--------------|
| 6)  | <u>Alosta Connection</u><br>Provide operational flexibility to Upper District/MWD to provide untreated imported water to Canyon Basin area. (SGVMWD)  | \$2,000,000  |
| 7)  | <u>Extension of SGVMWD Pipeline</u><br>Provide groundwater recharge to Raymond Basin and to Eaton S.B. (SGVMWD)   | \$10,000,000 |
| 8)  | <u>Wellfield Outside of Alhambra Pumping Hole</u><br>Provide alternative sources of supply to various purveyors to reduce the drawdown in the pumping hole area. Consists of new wells, pumps and transmission pipeline. (SGVMWD & USGVMWD) | \$10,000,000 |
| 9)  | <u>Suburban Water Systems Improvements</u><br>Infrastructure improvements including well(s) and transmission pipelines to convey groundwater. (USGVMWD)   | \$5,000,000  |
| 10) | <u>New Spreading Ground Development</u><br>Infrastructure improvements including well(s) and transmission pipeline to convey groundwater. (USGVMWD)   | \$10,000,000 |

# TABLES

SAN GABRIEL BASIN WATER QUALITY AUTHORITY  
SAN GABRIEL BASIN GROUNDWATER QUALITY MANAGEMENT AND REMEDIATION PLAN

**Table 1 - Major WQA Activities and Milestones**

Month	Year	Area	Activity/Milestone
Sept.	2020	SEMOU	<b>SWRCB awards \$2,000,000 in Proposition 1 funding for the Regional Site Investigation**</b>
Mar.	2020	SEMOU	<b>SWRCB awards \$200,000 in additional Proposition 1 funding for the WSGRF Expanded Site Investigation**</b>
Dec.	2019		<b>WQA receives NGWA Groundwater Awareness Project Award</b>
Sept.	2018		WQA Participates as a founding partner of the 5th San Gabriel Valley Water Forum
Sept.	2018	PVOU	<b>WQA held a groundbreaking ceremony for the Intermediate Zone Remedy**</b>
Mar.	2018	SEMOU	<b>SWRCB awards \$118,264 in Proposition 1 funding for the Whitmore Street Groundwater Remediation Facility Expanded Site Investigation**</b>
Mar.	2018		WQA celebrates its 25th anniversary
Feb.	2018	EMOU	<b>Eastside Intermediate Zone Remedy facilities completed</b>
May	2018	BPOU	BPOU Project Agreement Extension Completed
Sept.	2016		WQA Participates as a founding partner of the 4th San Gabriel Valley Water Forum
Jan.	2016	EMOU	<b>Eastside Shallow Zone Remedy facilities completed</b>
Nov.	2015	All	Initiated comprehensive basinwide database cooperation between WQA, USEPA and Watermaster
Jul.	2015	All	Final Award for IRWMP funding from Prop 84
Apr.	2015	BPOU	Initiated BPOU Project Agreement Extension Negotiations
Nov.	2014	ALL	WQA re-allocates \$5.9M in federal funding to qualified projects
Nov.	2014	ALL	Proposition 1 approved by voters
Oct.	2014		WQA Participates as a founding partner of the 3rd annual San Gabriel Valley Water Forum
July	2014	ALL	Los Angeles Regional Water Quality Control Board adopts WQA's basinwide NPDES Discharge Permit
April	2014	BPOU	WQA partners with Covina Irrigating Company in hosting a groundbreaking ceremony for CIC Baldwin Pumping Plant
Oct.	2013		WQA participates as a founding partner of the 2nd annual San Gabriel Valley Water Forum
Sept.	2013		Governor signs SB 429 extending WQA's sunset date to July 1, 2030
Jan.	2013	SEMOU	WQA concluded settlement agreements with 72 responsible parties encompassing 9 Consent Decrees
Dec.	2012	SEMOU	<b>SWRCB awards \$950,646 to WQA for Whitmore Street Groundwater Remediation Facility**</b>
Oct.	2012	EMOU	Dedication of the El Monte Operable Unit Westside Shallow Zone Remedy Project
Aug.	2012		WQA participates as a founding partner of the 1st annual San Gabriel Valley Water Forum
Apr.	2012	ALL	Secured \$10M in Proposition 84 funding for four projects
Jan.	2012	EMOU	<b>Westside Shallow Zone Remedy facilities completed</b>
Aug.	2011	ALL	WQA submitted applications on behalf of 5 projects for the second round of Proposition 84 funding
Jun.	2011	ALL	WQA launched its social media campaign on Facebook, Twitter and YouTube
Sept.	2010	ALL	AB153 passes to allow future WQA bond funding to be used for treatment and remediation
Mar.	2010	SEMOU	Initiated reimbursements from Consent Decree settlements
Mar.	2009	ALL	Congress passed H.R. 146 which included an additional \$50 million for the Restoration Fund
Oct.	2008	ATOU	<b>City of Alhambra's Phase II treatment facility completed</b>
Oct.	2008	SEMOU	Dedication of WQA's Whitmore Street groundwater remediation treatment facility
Nov.	2007	SEMOU	<b>1-4 Dioxane &amp; VOC Treatment Project completed at Bozung site**</b>
Nov.	2007	SEMOU	Two Consent Decrees filed by U.S. EPA as a result of settlements between WQA, affected purveyors, several PRPs, U.S. EPA & DTSC.
Oct.	2007		Governor signs AB 1010 extending WQA's sunset date to July 1, 2017
Sept.	2007	SEMOU	<b>SWRCB awards \$1.4M to WQA for project at Bozung site (capital &amp; O&amp;M)**</b>
Jan.	2007	BPOU	<b>San Gabriel Valley Water Company B5 treatment facility completed</b>
Jan.	2007		Congressman Dreier Introduced HR 123 to raise authorization cap of the Restoration Fund by \$50M
Oct.	2007		<b>City of Monrovia's Myrtle Wellfield treatment facility completed</b>
Jun.	2006	SEMOU	<b>Monterey Park Well No. 5 perchlorate blending facility completed</b>
Aug.	2005	BPOU	<b>Valley County Water District SA-1 treatment facility completed</b>
Nov.	2004	SEMOU	<b>San Gabriel Valley Water Company Plant No. 8 secondary barrier completed</b>
Apr.	2004	SEMOU	<b>Plant No. 8 sentinel well completed</b>
Feb.	2004	SEMOU	<b>Monterey Park Well No. 12 secondary barrier completed</b>
Jan.	2004	SEMOU	<b>Monterey Park Well No. 15 completed</b>
Jul.	2004	BPOU	<b>San Gabriel Valley Water Company B6 treatment facility completed</b>
Jun.	2004		Proposition 50 passes and includes \$7M loan for WQA

Note: Groundwater remediation projects in **BOLD** were completed with funding participation from WQA. \*\*Projects solely funded and operated by WQA.

SAN GABRIEL BASIN WATER QUALITY AUTHORITY  
SAN GABRIEL BASIN GROUNDWATER QUALITY MANAGEMENT AND REMEDIATION PLAN

**Table 1 (cont.) - Major WQA Activities and Milestones**

Month	Year	Area	Activity/Milestone
Nov.	2003	SEMOU	<b>Monterey Park Well Nos. 1,3,10 treatment facility completed</b>
Oct.	2003	SEMOU	<b>Monterey Park Well No. 12 Delta Plant perchlorate treatment facility completed</b>
May	2003		Governor signs AB 334 extending WQA's sunset date to July 1, 2010
Apr.	2003	SEMOU	<b>San Gabriel Valley Water Company G4 treatment facility completed</b>
Mar.	2003	BPOU	BPOU Project Agreement completed
Feb.	2003	EMOU	<b>Golden State Water Company Encinita Phase III treatment facility completed</b>
Apr.	2002	SEMOU	Led negotiations with settling parties (G10 & G13) and administered settlement funds
Mar.	2001	SEMOU	<b>Golden State Water Company SG1 &amp; SG2 treatment facility completed</b>
Apr.	2000	SEMOU	<b>San Gabriel Valley Water Company Plant No. 8 treatment facility completed</b>
Mar.	2000		WQA Board adopts the Amended San Gabriel Basin Groundwater Quality Management & Remediation Plan and updates it annually thereafter
Feb.	2000	BPOU	<b>LPVCWD treatment plant construction completed</b>
Jan.	2000	WNOU	<b>Whittier Narrows Barrier project completed**</b>
Aug.	1999	Area 3	<b>Alhambra Phase I treatment facility completed</b>
May	1999	SEMOU	Led development of ROD and implementation of projects
Apr.	1999	SEMOU	WQA-sponsored investigation and design study completed
Jan.	1999	ALL	Spear-headed legislative effort (H.R. 910) with San Gabriel Valley Water Association to acquire \$75M in federal funding to accelerate cleanup
Jul.	1999	SEMOU	<b>Monterey Park Well No. 5 treatment facility completed</b>
Jul.	1999	SEMOU	<b>South El Monte Barrier project completed**</b>
Jun.	1999	SEMOU	<b>Monterey Park Well No. 12 air stripping treatment facility completed</b>
Nov.	1998	EMOU	<b>Golden State Water Company Encinita Phase I &amp; II treatment facility completed</b>
Oct.	1998	BPOU	WQA first to authorize \$1.5M to expedite LPVCWD Perchlorate and NDMA treatment facility construction and acquires 25% USBR funding
Mar.	1998	EMOU	<b>Clayton Manufacturing treatment facility construction completed</b>
Jul.	1998	EMOU	WQA sponsored investigation and design study completed
Jul.	1998	EMOU	WQA and PRPs form partnership to conduct voluntary design and implementation of early action cleanup
Sep.	1997	BPOU	WQA successfully acquires \$1.7M from a state administered escrow funds and reimburses BPOU producer for cleanup costs
Nov.	1996	EMOU	<b>Crown City Plating/Hermetic Seal treatment facility construction completed</b>
Feb.	1996	BPOU	State and Federal Environmental Documentation Completed for BPOU cleanup
Feb.	1996	BPOU	Final design and construction administration transferred to Three Valleys MWD
Jun.	1996	BPOU	Discovery of perchlorate contamination
Nov.	1995	SEMOU	WQA and PRPs form partnership to conduct voluntary investigations and remedy design study
May	1995	BPOU	<b>Big Dalton treatment facility completed</b>
Apr.	1995	BPOU	WQA and PRPs form partnership for voluntary pre-design leading to \$4.39M in contributions from PRPs
Feb.	1995	Monrovia	<b>Monrovia treatment facility completed</b>
Feb.	1995	EMOU	WQA and PRPs form partnership to conduct voluntary investigations and remedy design study
Aug.	1994	BPOU	WQA develops Consensus Approach plan integrating water supply and cleanup
Jun.	1993		WQA Board adopted the San Gabriel Basin Groundwater Quality Management & Remediation Plan (406 Plan)
Jan.	1992	BPOU	<b>Arrow Well treatment facility completed</b>
Sep.	1992		Governor signs SB 1679 which establishes WQA

Note: Groundwater remediation projects in **BOLD** were completed with funding participation from WQA. \*\*Projects solely funded and operated by WQA.

SAN GABRIEL BASIN WATER  
QUALITY AUTHORITY  
SAN GABRIEL BASIN  
GROUNDWATER QUALITY  
MANAGEMENT AND REMEDIATION PLAN

REVIEWED 01/13/2021

Table 2- Estimated Costs of  
WQA-Assisted Projects  
Within Operable Unit Areas  
Plans per Fiscal Year

OPERABLE UNIT	FISCAL YEAR 2020-2021		FISCAL YEAR 2021-2022		FISCAL YEAR 2022-2023		FISCAL YEAR 2023-2024		FISCAL YEAR 2024-2025		FISCAL YEAR 2025-2026	
	CAPITAL	O&M	CAPITAL	O&M	CAPITAL	O&M	CAPITAL	O&M	CAPITAL	O&M	CAPITAL	O&M
<b>BALDWIN PARK</b>												
LPVCWD (2)		1,000,000		1,000,000		1,000,000		1,000,000		1,000,000		1,000,000
LPVCWD New Well & Single Pass Perchlorate Treatment (2)		438,000		438,000		438,000		438,000		438,000		438,000
SGVWC B6 (7)	1,500,000	4,600,000		4,600,000		4,600,000		4,600,000		4,600,000		4,600,000
SGVWC B5 (2)		3,300,000		3,300,000		3,300,000		3,300,000		3,300,000		3,300,000
VCWD Arrow/Lante (2)		5,200,000		5,200,000		5,200,000		5,200,000		5,200,000		5,200,000
VCWD Nixon Wells Treatment (14)		600,000		600,000		600,000		600,000		600,000		600,000
California Domestic Well 14-NDMA, VOC (2), (3)		1,000,000		1,000,000		1,000,000		1,000,000		1,000,000		1,000,000
California Domestic Well 14-Perchlorate (2), (3)												
California Domestic Well 14 Rehabilitation (14)												
California Domestic New Well and Treatment (14)												
SWS Extraction Wells & Pipelines (2), (3)		350,000		350,000		350,000		350,000		350,000		350,000
CIC Baldwin Wells Pumping Plant (14)												
<b>EL MONTE</b>												
West Shallow Extraction (4)	1,000,000	1,400,000		1,400,000		1,400,000		1,400,000		1,400,000		1,400,000
East Shallow Extraction (5)		630,000		630,000		630,000		630,000		630,000		630,000
GSWC Encinita Plant (1)		184,450		184,450		184,450		184,450		184,450		184,450
ESPSD/City of El Monte East Deep Extraction (5)		330,000		330,000		330,000		330,000		330,000		330,000
<b>SOUTH EL MONTE</b>												
Monterey Park No.5 (1)												
Monterey Park No.5 Perchlorate Blending (1)		17,000		17,000		17,000		17,000		17,000		17,000
Monterey Park Centralized UV (6)		510,000		510,000		510,000		510,000		510,000		510,000
Monterey Park No.12 & No.15 VOC (1)		522,000		522,000		522,000		522,000		522,000		522,000
Monterey Park No. 15 Well and Pipeline (1)		104,000		104,000		104,000		104,000		104,000		104,000
Monterey Park No.12 & No.15 Secondary Barrier (1)		180,000		180,000		180,000		180,000		180,000		180,000
SGVWC Plant 8 (1)		175,000		175,000		175,000		175,000		175,000		175,000
SGVWC Plant 8 Secondary Barrier (1)		365,000		365,000		365,000		365,000		365,000		365,000
SGVWC Plant 8 Perchlorate, 1,4-Dioxane (14)		750,000		750,000		750,000		750,000		750,000		750,000
SGVWC Plant G4 (1)												
GSWC SG1 & SG2 VOC (1)		179,000		179,000		179,000		179,000		179,000		179,000
GSWC Nitrate Blend (8)		10,850		10,850		10,850		10,850		10,850		10,850
WQA WSGRF Project		167,000		167,000		167,000		167,000		167,000		167,000
<b>WHITTIER NARROWS</b>												
DTSC Intermediate Zone Remedy	3,000,000	620,000	8,000,000	620,000	2,000,000	620,000		620,000		620,000		620,000
<b>PUENTE VALLEY</b>												
UTC Shallow Zone Remedy (11)	5,000,000		10,000,000	1,280,000		2,000,000		2,000,000		2,000,000		2,000,000
Northrop Intermediate Extraction (12)	1,500,000	1,479,350		1,479,350		1,479,350		1,479,350		1,479,350		1,479,350
Northrop Benchmark Extraction (12)	7,000,000		3,000,000	1,000,000		2,000,000		2,000,000		2,000,000		2,000,000
<b>AREA 3</b>												
Alhambra Water Treatment Facilities Phase I (1)		200,000		200,000		200,000		200,000		200,000		200,000
Alhambra Water Treatment Facilities Phase II (13)		1,080,338		1,080,338		1,080,338		1,080,338		1,080,338		1,080,338
<b>TOTAL COSTS</b>	19,000,000	25,391,988	21,000,000	27,871,988	2,000,000	29,391,988	-	29,391,988	-	29,391,988		29,391,988

Notes:

- (1) Existing Projects
- (2) BPOU Project Agreement Estimate, May 2002.
- (3) Project not included in Operable Unit Specific Plan, but is included in the comprehensive BPOU Project Agreement
- (4) West Side Performing Settling Defendants Estimate, November 2017
- (5) East Side Performing Settling Defendants Estimate, July 2014
- (6) City of Monterey Park Estimate, March 2015
- (7) San Gabriel Valley Water Company Estimate, July 2016

- (8) Golden State Water Company Estimate, September 2012
  - (9) Discontinued 2004
  - (10) U.S Environmental Protection Agency Estimate, February 2004
  - (11) UTC Estimate, January 2011
  - (12) Northrop Estimate, July 2018
  - (13) City of Alhambra Estimate March 2008
  - (14) FFPA Estimate July 2014
- \*Costs are present value and do not include monitoring wells and long term monitoring, which may be required by EPA.

**SAN GABRIEL BASIN WATER QUALITY AUTHORITY**

**406 PLAN STATUS REPORT**

**TABLE 3 - SCHEDULE OF FUNDING FROM POTENTIALLY RESPONSIBLE PARTIES AND OTHER SOURCES**

**AS OF DECEMBER 31, 2019**

**DRAFT**

**FUNDING FOR CAPITAL AND**

<b>TREATMENT &amp; REMEDIATION COSTS<sup>1, 2</sup></b>	<b>SEMOU</b>	<b>BPOU<sup>4</sup></b>	<b>EMOU<sup>9</sup></b>	<b>PVOU<sup>9</sup></b>	<b>ATOU<sup>5</sup></b>	<b>Other<sup>6</sup></b>	<b>Total</b>
Responsible Parties	\$ 15,681,766	\$ 553,756,967	\$ 51,053,979	\$ 106,207,492	\$ -	\$ -	\$ 726,700,204
EPA Federal Grants & Settlements with Responsible Parties <sup>3</sup>	23,673,725	-	-	-	-	-	23,673,725
Federal Grants - Bureau of Reclamation	13,923,033	48,357,671	10,188,794	5,320,769	3,163,612	1,692,803	82,646,682
State Grants - SWRCB <sup>10</sup>	5,000,000	4,629,416	-	-	-	-	9,629,416
State Grants - SWRCB Clean Up & Abatement	2,375,646	-	-	-	-	-	2,375,646
State Grants - DTSC	-	2,853,658	-	-	-	684,499	3,538,157
State Loan - DTSC (Responsible Parties) <sup>7</sup>	-	6,440,000	-	-	-	-	6,440,000
State Funding - Proposition 84 <sup>8</sup>	5,250,000	7,897,473	1,500,000	-	-	-	14,647,473
Water Producers	30,481,081	19,028,018	1,283,000	2,500,000	11,244,903	3,909,546	68,446,548
Watermaster	-	358,319	-	-	-	-	358,319
WQA Sources (Assessments, interest, etc.)	5,315,543	4,328,578	1,608,653	-	-	836,548	12,089,322
<b>Total Funding for Capital and Treatment &amp; Remediation</b>	<b>\$ 101,700,794</b>	<b>\$ 647,650,100</b>	<b>\$ 65,634,426</b>	<b>\$ 114,028,261</b>	<b>\$ 14,408,515</b>	<b>\$ 7,123,396</b>	<b>\$ 950,545,492</b>
<b>ESTIMATED COSTS FOR CAPITAL</b>							
<b>AND TREATMENT &amp; REMEDIATION<sup>2, 4, 9</sup></b>	<b>\$ 196,089,240</b>	<b>\$ 869,941,697</b>	<b>\$ 120,163,252</b>	<b>\$ 196,916,435</b>	<b>\$ 34,623,815</b>	<b>\$ 31,851,363</b>	<b>\$ 1,449,585,802</b>
<b>FUNDING GAP</b>	<b>\$ (94,388,446)</b>	<b>\$ (222,291,597)</b>	<b>\$ (54,528,826)</b>	<b>\$ (82,888,174)</b>	<b>\$ (20,215,300)</b>	<b>\$ (24,727,967)</b>	<b>\$ (499,040,310)</b>

**ANNOTATIONS**

- <sup>1</sup> Funding for Capital Projects and Treatment & Remediation ("T & R") Costs reflects funding obligations per current agreements including funds received to date and future anticipated funds.
- <sup>2</sup> The dollar amounts for future anticipated funds and estimated costs do not include an inflation factor. Although there are currently agreements in place for the funding of future Capital Projects and T & R Costs, the agreements do not specify the timing of the funding contributions, nor is the funding itself guaranteed.
- <sup>3</sup> The U.S. Environmental Protection Agency ("EPA") and the U.S. Department of Justice have lodged Consent Decrees which require Responsible Parties to pay a certain amount. WQA has entered into Cooperative Agreements with EPA for these funds. EPA also granted \$2.65M of additional Superfund funding to the Cooperative Agreement.
- <sup>4</sup> The BPOU agreement covers Capital Projects as well as T & R Costs for operations through 2027. Treatment costs shown above are projected to be ongoing for an additional 5 to 10 years.
- <sup>5</sup> Area Three Operable Unit (ATOU) does not currently have a source of funding for T & R Costs. Treatment is projected for 15 years.
- <sup>6</sup> Funding for Capital Projects and T & R has been provided for treatment facilities that are located within the San Gabriel Basin boundaries but are operating outside the bounds of known operable units.
- <sup>7</sup> State Loan - DTSC, shown above as a source of funding, is being repaid to the State of California by the BPOU Responsible Parties.
- <sup>8</sup> Funding for Capital Projects includes \$9.40M from the second round of Proposition 84, Section 75025, as well as \$5.25M in a Proposition 84 IRWMP grant.
- <sup>9</sup> Responsible Parties are projected to fund T & R Costs for the EMOU and the PVOU for 8 years as required by the Consent Decrees. Treatment Costs shown above are projected to be ongoing for 30 years, therefore the remaining years are considered unfunded.
- <sup>10</sup> State funding for SEMOU includes \$5.0M of Proposition 1 funding which requires a match ranging from 10 percent to 50 percent.

SAN GABRIEL BASIN WATER QUALITY AUTHORITY  
SAN GABRIEL BASIN GROUNDWATER MANAGEMENT AND REMEDIATION PLAN

**Table 4 - Additional Existing and Potential Projects Basinwide**  
**(With and Without WQA Funding)**

PURVEYOR	WELL NAME	TREATMENT	ESTIMATED COSTS (3)	CAPACITY (GPM)
ALHAMBRA, CITY OF	09	LGAC	\$ 650,000	590
AMARILLO MUTUAL WATER (1)	01 & 02	LGAC	\$ 400,000	1,100
ARCADIA, CITY OF	ST. JOSEPH	LGAC/IONEXCHANGE	\$ 5,250,000	3,000
ARCADIA, CITY OF	LIVE OAK	LGAC	\$ 1,500,000	3,000
AZUSA, CITY OF	GEN. 3	LGAC	\$ 1,060,000	3,780
AZUSA, CITY OF	10	LGAC	\$ 1,840,000	2,650
CALIFORNIA AMERICAN	HOWLAND	LGAC	\$ 1,040,000	1,060
CALIFORNIA AMERICAN	IVAR 1	LGAC	\$ 1,500,000	780
CALIFORNIA AMERICAN	ROSEMEAD	LGAC	\$ 650,000	580
CALIFORNIA AMERICAN	ROANOKE	LGAC	\$ 1,040,000	1,210
COVINA, CITY OF	02	ION EXCHANGE, LGAC	\$ 6,700,000	600
<b>EL MONTE, CITY OF</b>	<b>10</b>	<b>LGAC</b>	<b>\$ 1,440,000</b>	<b>2,000</b>
EL MONTE, CITY OF	13	LGAC	\$ 500,000	1,500
GLENDORA, CITY OF (2)	IRWINDALE	ION EXCHANGE	\$ 9,000,000±5,000,000 (2)	4,250
LA VERNE, CITY OF		ION EXCHANGE	\$ 3,500,000	2,000
<b>MONROVIA, CITY OF</b>	<b>MYRTLE WELLS</b>	<b>LGAC/IONEXCHANGE</b>	<b>\$ 4,780,000</b>	<b>6,000</b>
MONTEREY PARK, CITY OF	09	LGAC	\$ 1,440,000	1,980
SAN GABRIEL COUNTY WATER DISTRICT	10	ION EXCHANGE		2,200
<b>GSWC SAN DIMAS</b>	<b>ART-3 and BAS-3,4</b>	<b>ION EXCHANGE, LGAC</b>	<b>\$ 6,590,000</b>	<b>360</b>
GSWC SAN DIMAS	COL-4, 6	ION EXCHANGE		
GSWC SAN GABRIEL (1)	JEF 1	LGAC	\$ 1,440,000	600
GSWC SAN GABRIEL	JEF 2	LGAC		350
GSWC SAN GABRIEL	JEF 3	LGAC		960
GSWC SAN GABRIEL (1)	GARVEY 3	LGAC	\$ 1,500,000	1,500



SAN GABRIEL BASIN WATER QUALITY AUTHORITY  
SAN GABRIEL BASIN GROUNDWATER MANAGEMENT AND REMEDIATION PLAN

**Table 4 (cont.) - Additional Existing and Potential Projects Basinwide**  
**(With and Without WQA Funding)**

PURVEYOR	WELL NAME	TREATMENT	ESTIMATED COSTS (3)	CAPACITY (GPM)
<b>SOUTH PASADENA, CITY OF (1)</b>	<b>WIL 2</b>	LGAC	<b>\$ 2,348,000</b>	<b>3,000</b>
SOUTH PASADENA, CITY OF	WIL 3	LGAC		1,590
SOUTH PASADENA, CITY OF	WIL 4	LGAC		1,040
SOUTH PASADENA, CITY OF	GRAV 2	LGAC	\$ 2,356,000	900
SUBURBAN WATER SYSTEMS (1)	139W-2	ION EXCHANGE, UV OXIDATION	\$ 5,000,000	2,570
SUBURBAN WATER SYSTEMS	139W-4	ION EXCHANGE, UV OXIDATION		2,580
SUBURBAN WATER SYSTEMS	139W-5	ION EXCHANGE, UV OXIDATION		3,470
SUBURBAN WATER SYSTEMS	139W-6	ION EXCHANGE, UV OXIDATION		3,500
SUBURBAN WATER SYSTEMS (1), (5)	140W-3	ION EXCHANGE, UV OXIDATION	\$ 7,360,000	850
SUBURBAN WATER SYSTEMS	140W-5	ION EXCHANGE, UV OXIDATION		3,720
VALENCIA HEIGHTS WATER	06	ION EXCHANGE, AIR STRIPPING	\$ 4,570,000	2,180
VALLEY COUNTY WATER	PADDY LN	ION EXCHANGE, AIR STRIPPING	\$ 6,750,000	1,460
VALLEY COUNTY WATER (6)	PALM	LGAC	\$ 640,000	790
VALLEY COUNTY WATER	MORADA	ION EXCHANGE, LGAC	\$ 6,640,000	1,200
WHITTIER, CITY OF	18	AIR STRIPPING	\$ 3,030,000	5,210

NOTES

PROJECTS IN BOLD RECEIVED WQA FUNDING

(1) COSTS FOR ENTIRE WELLFIELD

(2) CITY OF GLENDORA'S 1999 COST ESTIMATE

(3) STETSON ENGINEERS ESTIMATE, JANUARY 2001

(4) INCLUDED IN SUBURBAN WATER SYSTEMS 139W-2 COST

(5) UV TREATMENT NOT INCLUDED IN ESTIMATED COSTS

(6) EXISTING PROPERTY CANNOT ACCOMMODATE TREATMENT FACILITY

**Table 5 – Project Scoring**

QUESTION	PTS.	RESPONSE
Is applicant(s) ready to proceed with the groundwater remediation project?	0	Not fully ready to proceed
	10	Yes, ready to proceed
Does the project complement U.S. USEPA's plans? Is it consistent with USEPA's plans and the NCP?	0	Does not complement plan and is not consistent
	5	Complements and is consistent with USEPA plans
	10	Complements and is consistent with USEPA plans and NCP
How effective is project relative to amount of water treated and made available for use? Does the project use technology consistent with BAT?	0	Not effective relative to amount treated & available for use
	5	Somewhat effective and consistent with BAT
	10	Effective relative to amount treated & available for use, consistent with BAT
What are the impacts or potential impacts to the plume within the Main San Gabriel Basin?	0	No
	5	Some impact
	15	Very significant impact
Is project a joint cleanup and water supply project?	0	Not a joint cleanup and supply project
	5	Only a cleanup project
	15	Yes, project is a joint cleanup/supply project
Is project partially or solely funded by affected purveyor(s)?	0	N/A
	5	Yes, partially funded by purveyor(s)
	10	Yes, solely funded by purveyor(s)
Does the project address immediate water supply needs in the MSG Basin?	0	No
	15	Yes
Does the project address a need for migration control?	0	No
	15	Yes
Is project partially or solely funded by PRPs through an executed agreement?	0	No PRP agreement
	5	Yes, partially funded by PRPs with an agreement
	10	Yes, solely funded by PRPs with an agreement

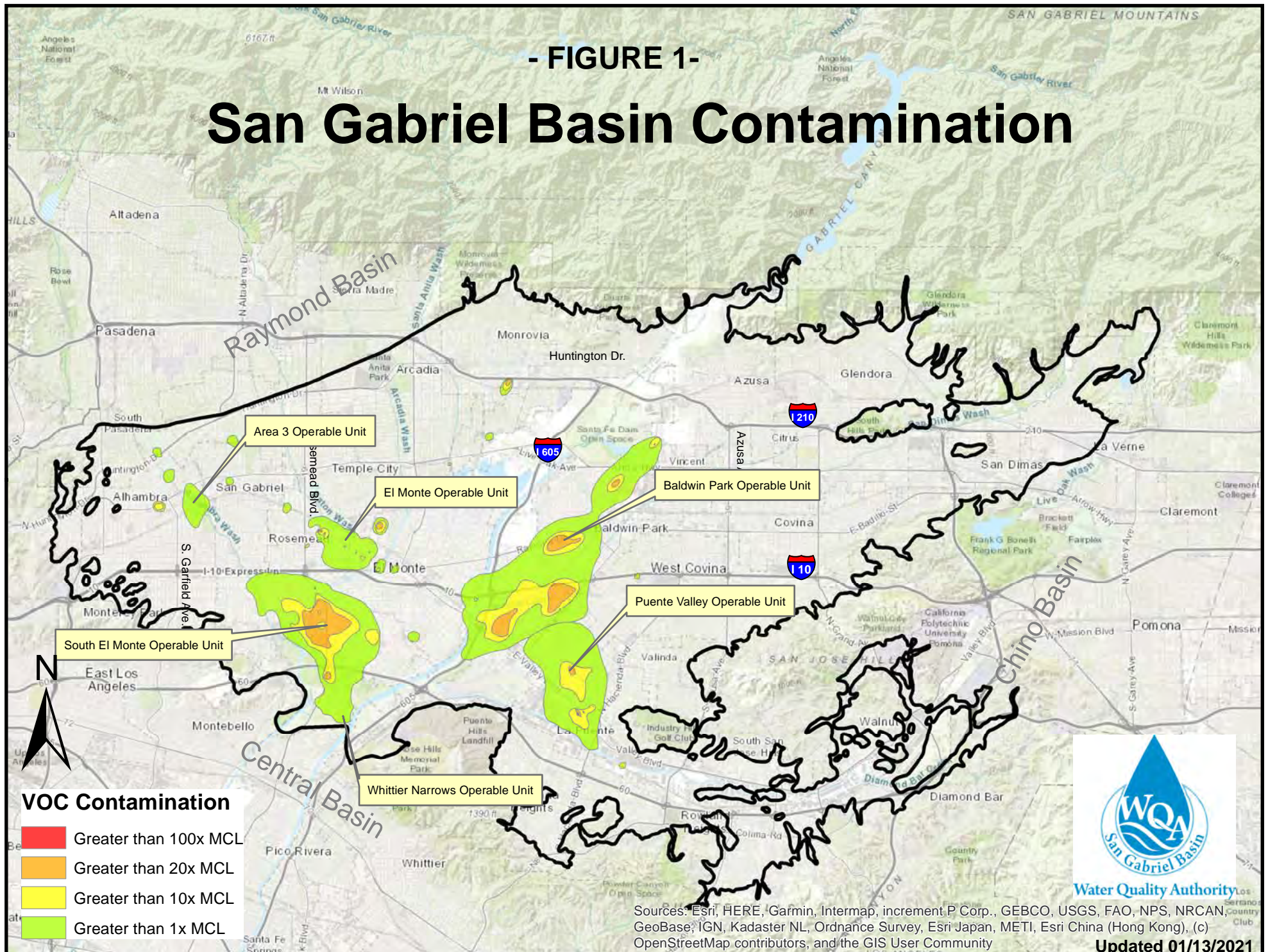
**Table 6 – Priority Ranking**

<b>CATEGORY</b>	<b>SCORING RANGE</b>	<b>TITLE XVI</b>	<b>RESTORATION FUNDS</b>
Category 1	90-100	0 to 25%	up to 65% capital and/or T&R
Category 2	80-89	0 to 25%	up to 50% capital and/or T&R
Category 3	70-79	based upon availability	up to 40% capital and/or T&R
Category 4	0-69	based upon availability	up to 30% capital and/or T&R

# FIGURES

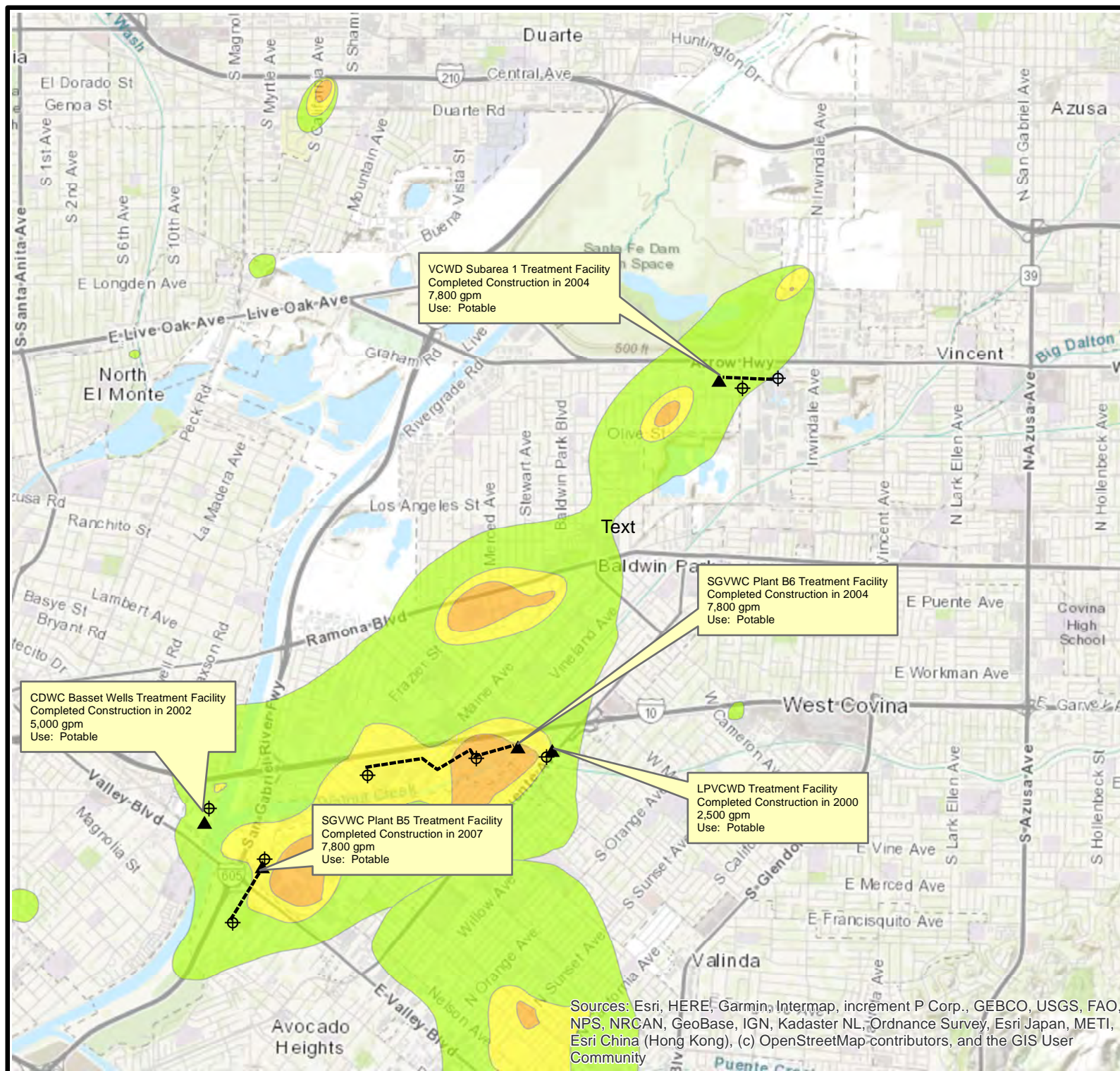
- FIGURE 1 -

# San Gabriel Basin Contamination





**-Figure 2-  
Prescribed Remedy  
Baldwin Park  
Operable Unit**



- Pipeline
- ⊕ Remedial Extraction Well
- ▲ Treatment Plant
- Greater than 1x MCL
- Greater than 10x MCL
- Greater than 20x MCL
- Greater than 100x MCL

Notes:  
The areas of contamination shown represent simplified regional approximations of groundwater contamination based on the maximum detected concentration of any VOC between 1/1/2012 to 12/31/2017. If data was not available during this timeframe, then data from as far back as 1/1/2007 was considered. Contamination depicted in the figure is based on wells screened entirely within the intermediate and deep zone aquifers, as defined by site-specific geology and OU-specific convention.

Map Date: 1/14/2021  
Data Sources: USEPA Region 9  
ESRI (topo background)  
Map Projection: NAD1983 UTM Zone 11N

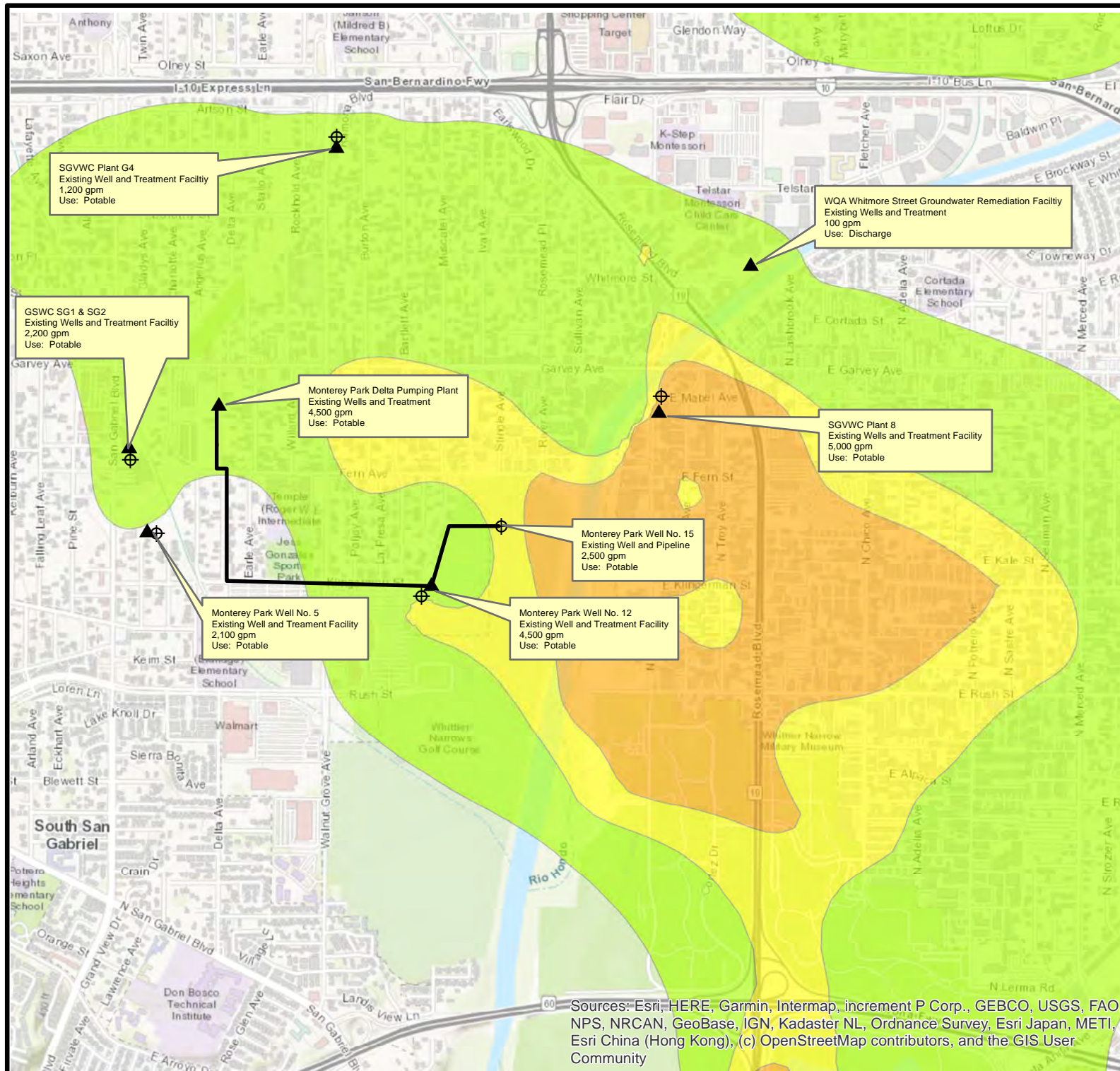
0 0.15 0.3 0.6 0.9 1.2 Miles



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community



**-Figure 3-  
Prescribed Remedy  
South El Monte  
Operable Unit**



- Pipeline
- Remedial Extraction Well
- Treatment Plant
- Greater than 1x MCL
- Greater than 10x MCL
- Greater than 20x MCL
- Greater than 100x MCL

Notes:  
The areas of contamination shown represent simplified regional approximations of groundwater contamination based on the maximum detected concentration of any VOC between 1/1/2012 to 12/31/2017. If data was not available during this timeframe, then data from as far back as 1/1/2007 was considered. Contamination depicted in the figure is based on wells screened entirely within the intermediate and deep zone aquifers, as defined by site-specific geology and OU-specific convention.

Map Date: 1/14/2021  
Data Sources: USEPA Region 9  
ESRI (topo background)  
Map Projection: NAD1983 UTM Zone 11N

1,300 650 0 1,300 Feet

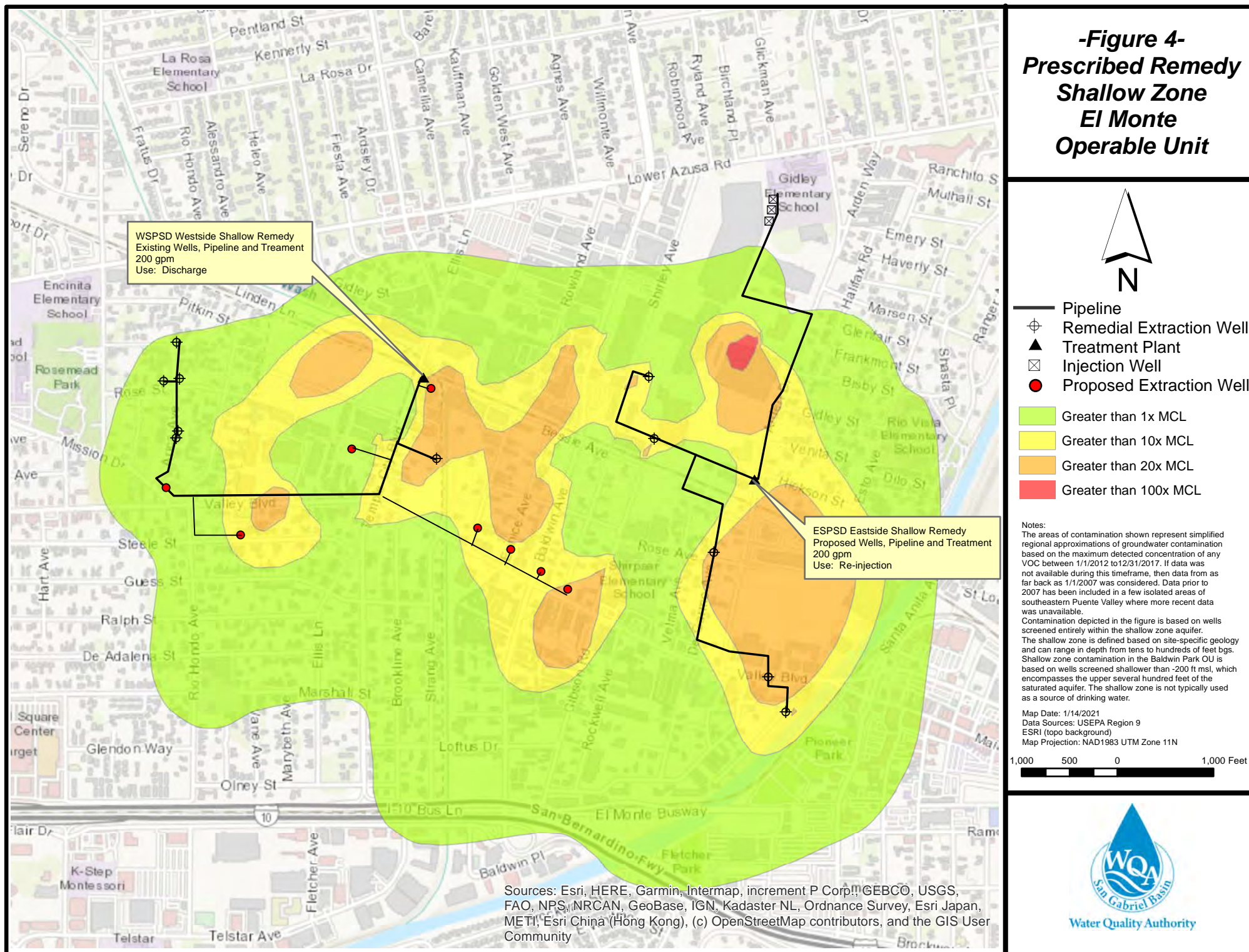


Water Quality Authority

Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community

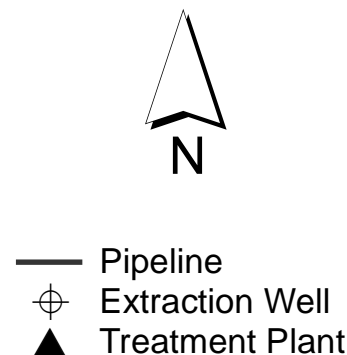
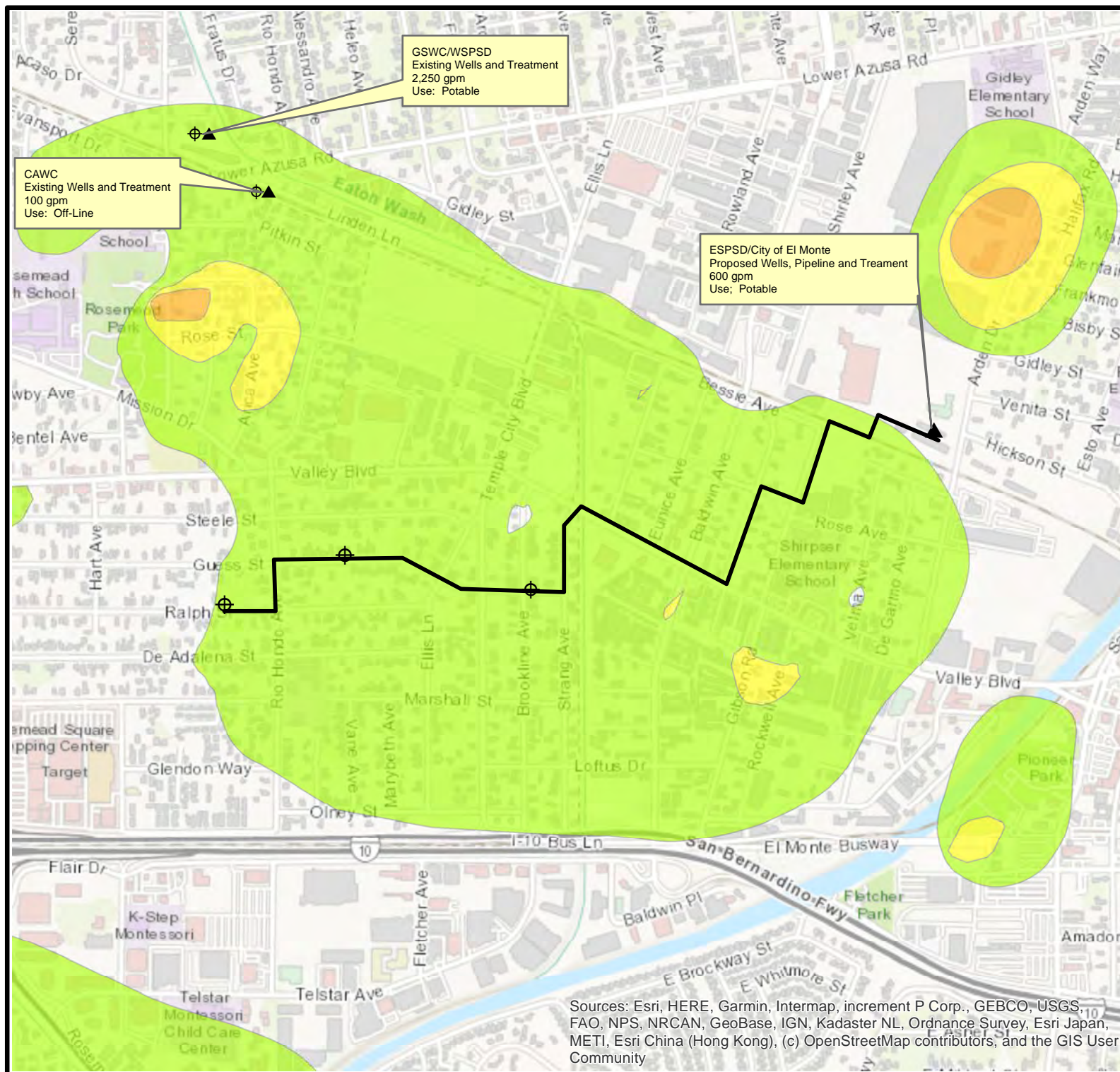


**-Figure 4-  
Prescribed Remedy  
Shallow Zone  
El Monte  
Operable Unit**





**-Figure 5-  
Prescribed Remedy  
Intermediate Zone  
El Monte  
Operable Unit**



- Greater than 1x MCL
- Greater than 10x MCL
- Greater than 20x MCL
- Greater than 100x MCL

**Notes:**  
The areas of contamination shown represent simplified regional approximations of groundwater contamination based on the maximum detected concentration of any VOC between 1/1/2012 to 12/31/2017. If data was not available during this timeframe, then data from as far back as 1/1/2007 was considered. Contamination depicted in the figure is based on wells screened entirely within the intermediate and deep zone aquifers, as defined by site-specific geology and OU-specific convention.

Map Date: 1/14/2021  
Data Sources: USEPA Region 9  
ESRI (topo background)  
Map Projection: NAD1983 UTM Zone 11N

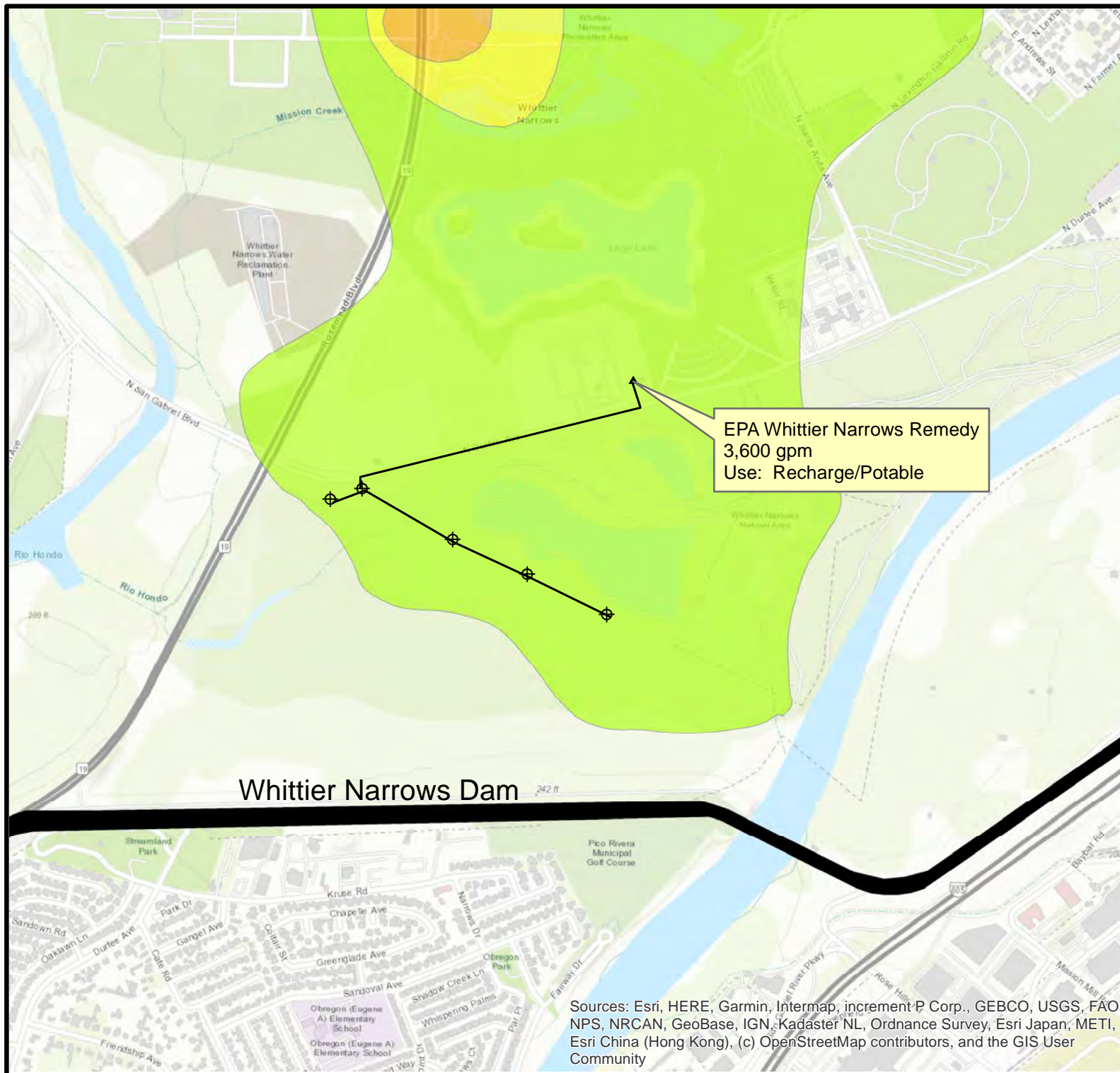
940 470 0 940 Feet



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community



**-Figure 6-  
Prescribed Remedy  
Whittier Narrows  
Operable Unit**



- Pipeline
- ⊕ Remedial Extraction Well
- ▲ Treatment Plant
- Greater than 1x MCL
- Greater than 10x MCL
- Greater than 20x MCL
- Greater than 100x MCL
- Dams

Notes:  
The areas of contamination shown represent simplified regional approximations of groundwater contamination based on the maximum detected concentration of any VOC between 1/1/2012 to 12/31/2017. If data was not available during this timeframe, then data from as far back as 1/1/2007 was considered. Contamination depicted in the figure is based on wells screened entirely within the intermediate and deep zone aquifers, as defined by site-specific geology and OU-specific convention.

Map Date: 1/14/2021  
Data Sources: USEPA Region 9  
ESRI (topo background)  
Map Projection: NAD1983 UTM Zone 11N

800 400 0 800 Feet



Water Quality Authority  
Updated 02/13/2020

Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community



**-Figure 7-  
Prescribed Remedy  
Shallow Zone  
Puente Valley  
Operable Unit**



- ..... Shallow Zone Remedy Pipeline
- ⊙ SZ Remedial Extraction Well
- ▲ Treatment Plant
- Greater than 1x MCL
- Greater than 10x MCL
- Greater than 20x MCL
- Greater than 100x MCL

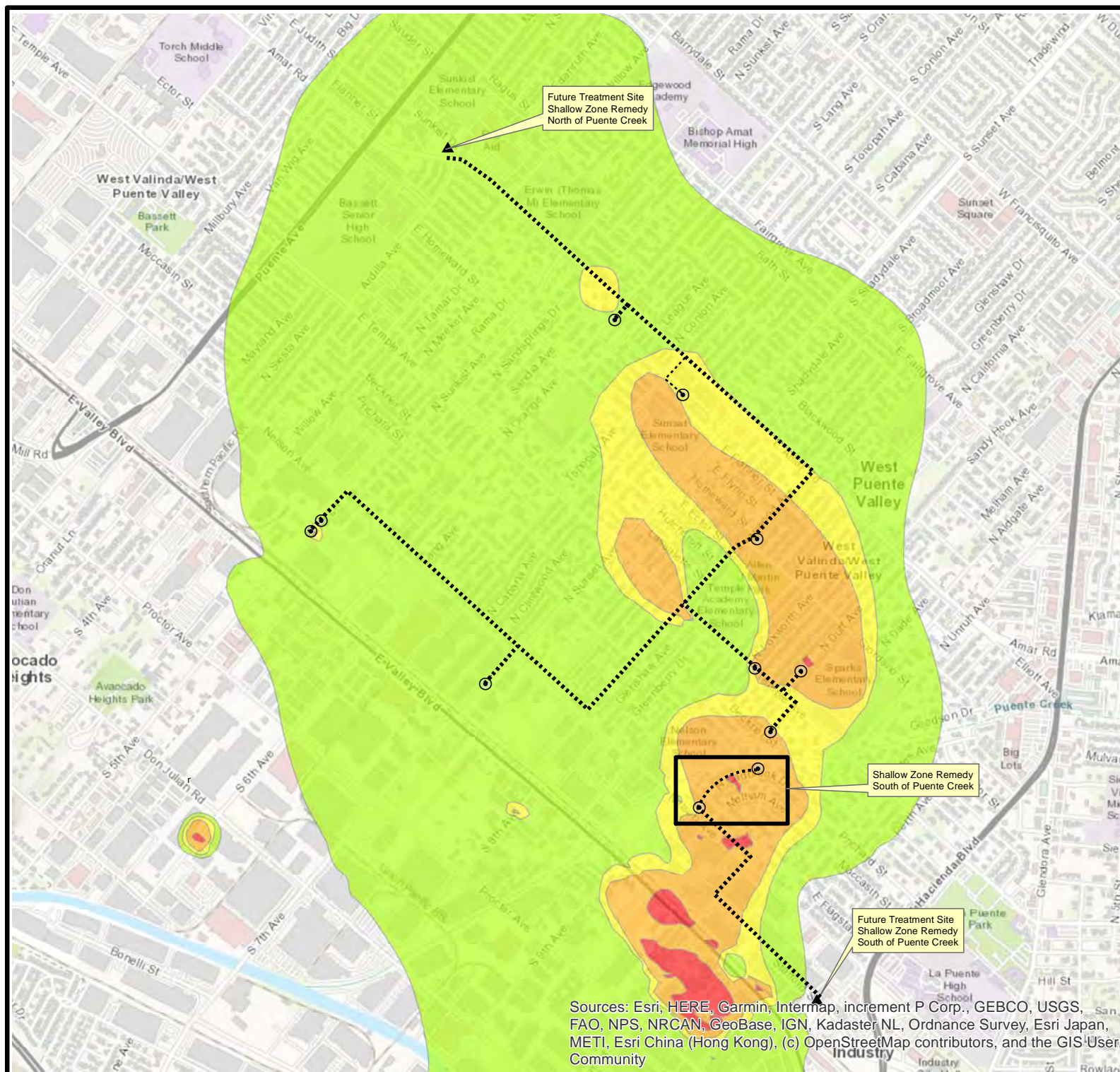
**Notes:**  
The areas of contamination shown represent simplified regional approximations of groundwater contamination based on the maximum detected concentration of any VOC between 1/1/2012 to 12/31/2017. If data was not available during this timeframe, then data from as far back as 1/1/2007 was considered. Data prior to 2007 has been included in a few isolated areas of southeastern Puente Valley where more recent data was unavailable.  
Contamination depicted in the figure is based on wells screened entirely within the shallow zone aquifer. The shallow zone is defined based on site-specific geology and can range in depth from tens to hundreds of feet bgs. Shallow zone contamination in the Baldwin Park OU is based on wells screened shallower than -200 ft msl, which encompasses the upper several hundred feet of the saturated aquifer. The shallow zone is not typically used as a source of drinking water.

Map Date: 1/14/2021  
Data Sources: USEPA Region 9  
ESRI (topo background)  
Map Projection: NAD1983 UTM Zone 11N

1,100 550 0 1,100 Feet



Water Quality Authority



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community



**-Figure 8-  
Prescribed Remedy  
Intermediate Zone  
Puente Valley  
Operable Unit**



Intermediate Zone Remedy Pipeline



IZ Remedial Extraction Well



Treatment Plant

- Greater than 1x MCL
- Greater than 10x MCL
- Greater than 20x MCL
- Greater than 100x MCL

Notes:  
The areas of contamination shown represent simplified regional approximations of groundwater contamination based on the maximum detected concentration of any VOC between 1/1/2012 to 12/31/2017. If data was not available during this timeframe, then data from as far back as 1/1/2007 was considered. Contamination depicted in the figure is based on wells screened entirely within the intermediate and deep zone aquifers, as defined by site-specific geology and OU-specific convention.

Map Date: 1/14/2021  
Data Sources: USEPA Region 9,  
ESRI (topo background)  
Map Projection: NAD1983 UTM Zone 11N

1,200 600 0 1,200 Feet

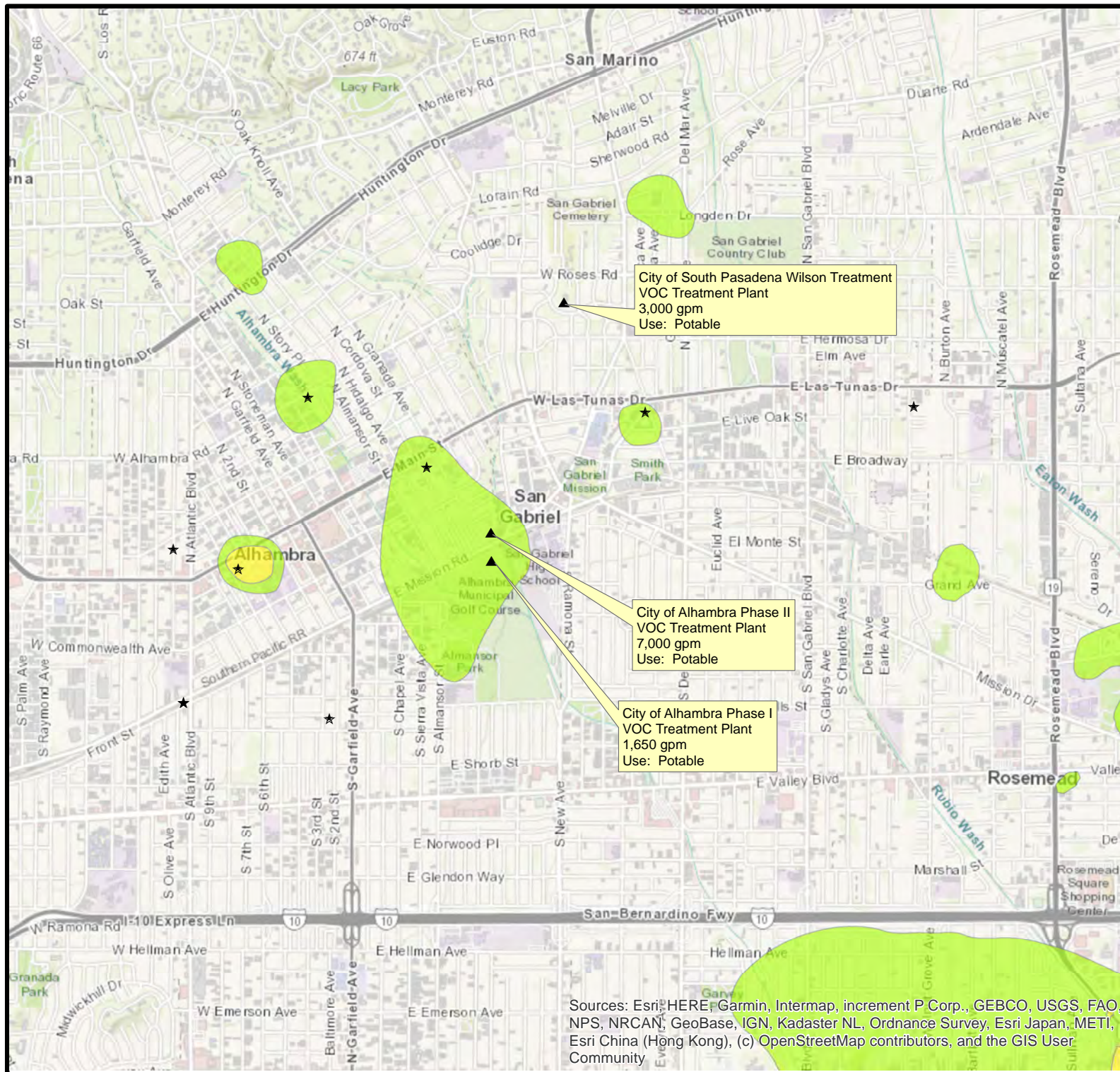


Water Quality Authority

Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community



**-Figure 9-  
Prescribed Remedy  
Area 3  
Operable Unit**



- ★ EPA Installed Monitoring Well
- ▲ Treatment Plant

- Greater than 1x MCL
- Greater than 10x MCL
- Greater than 20x MCL
- Greater than 100x MCL

Notes:  
The areas of contamination shown represent simplified regional approximations of groundwater contamination based on the maximum detected concentration of any VOC between 1/1/2012 to 12/31/2017. If data was not available during this timeframe, then data from as far back as 1/1/2007 was considered. Contamination depicted in the figure is based on wells screened entirely within the intermediate and deep zone aquifers, as defined by site-specific geology and OU-specific convention.

Map Date: 1/14/2021  
Data Sources: USEPA Region 9  
ESRI (topo background)  
Map Projection: NAD1983 UTM Zone 11N

2,100 1,050 0 2,100 Feet

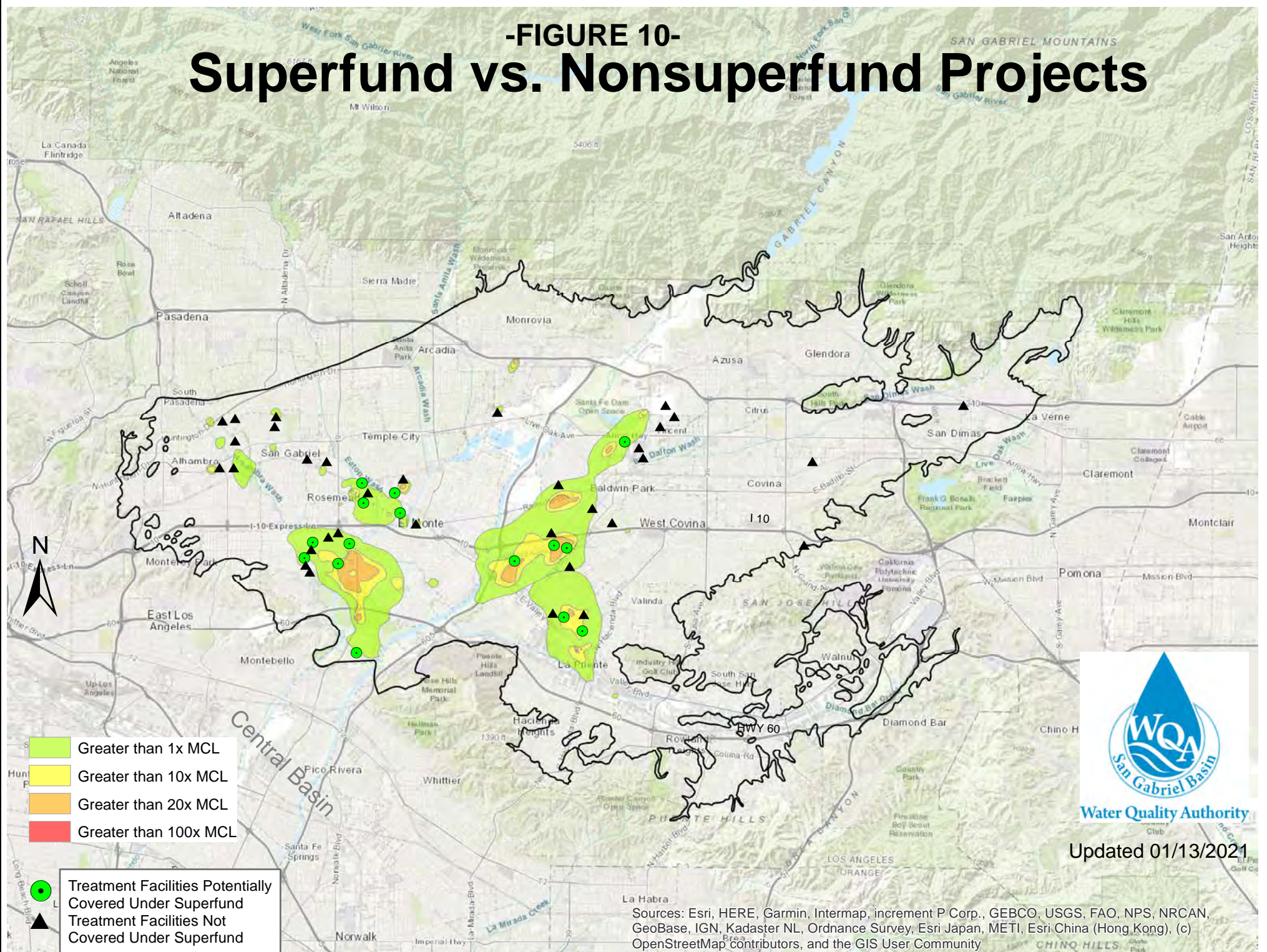


Water Quality Authority

Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community

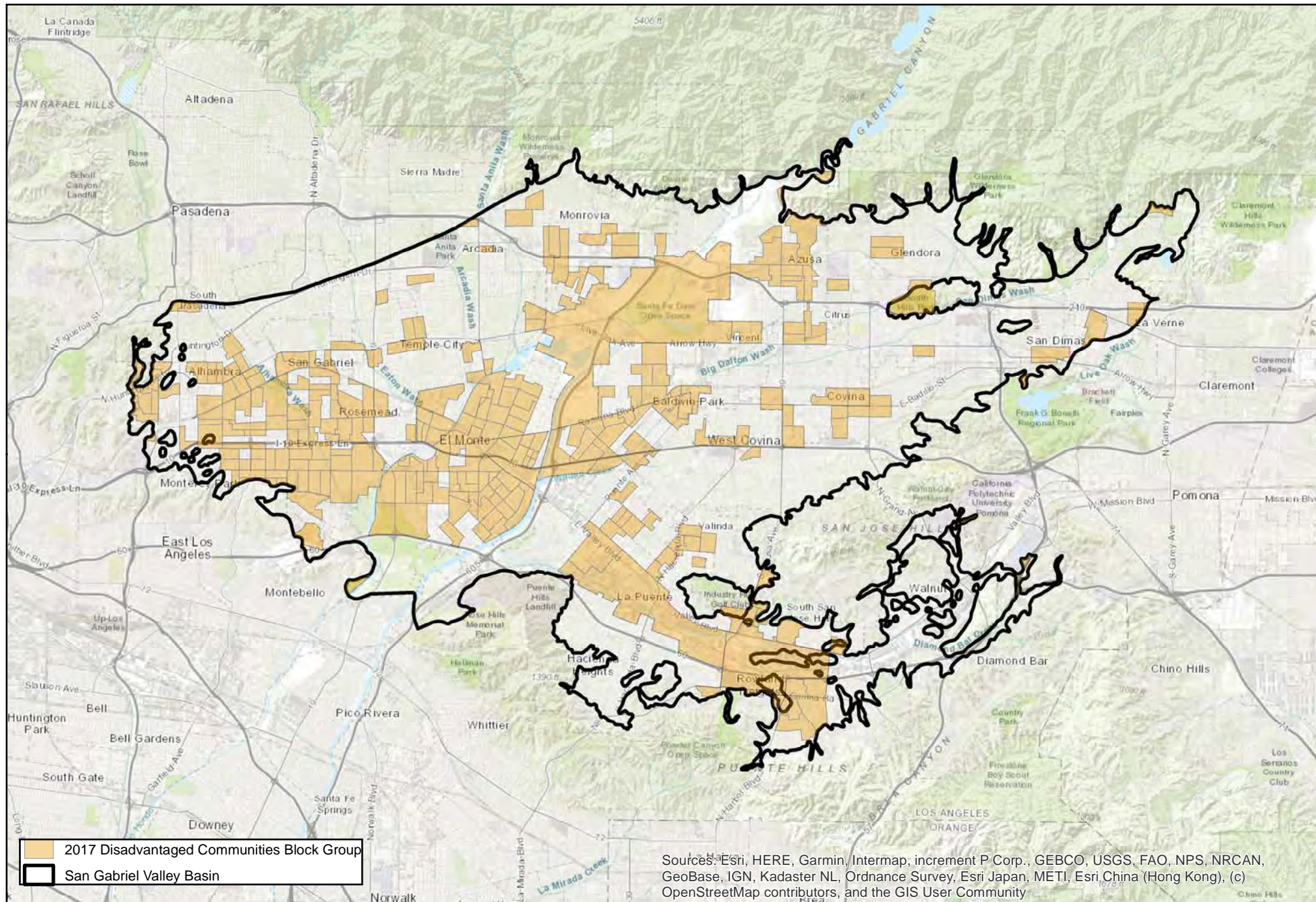


# -FIGURE 10- Superfund vs. Nonsuperfund Projects



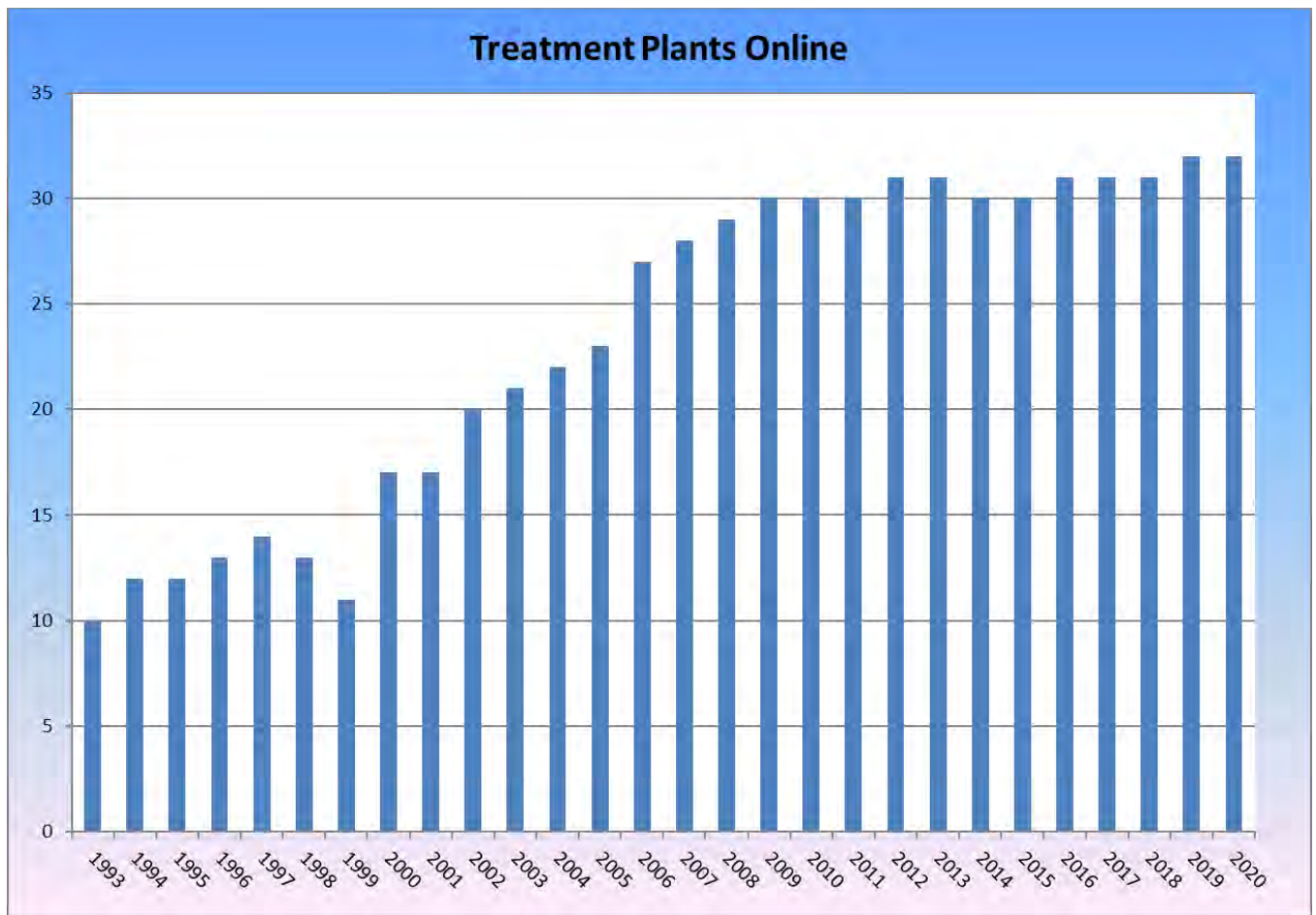


- Figure 11 -  
Disadvantaged Communities in the San Gabriel Basin

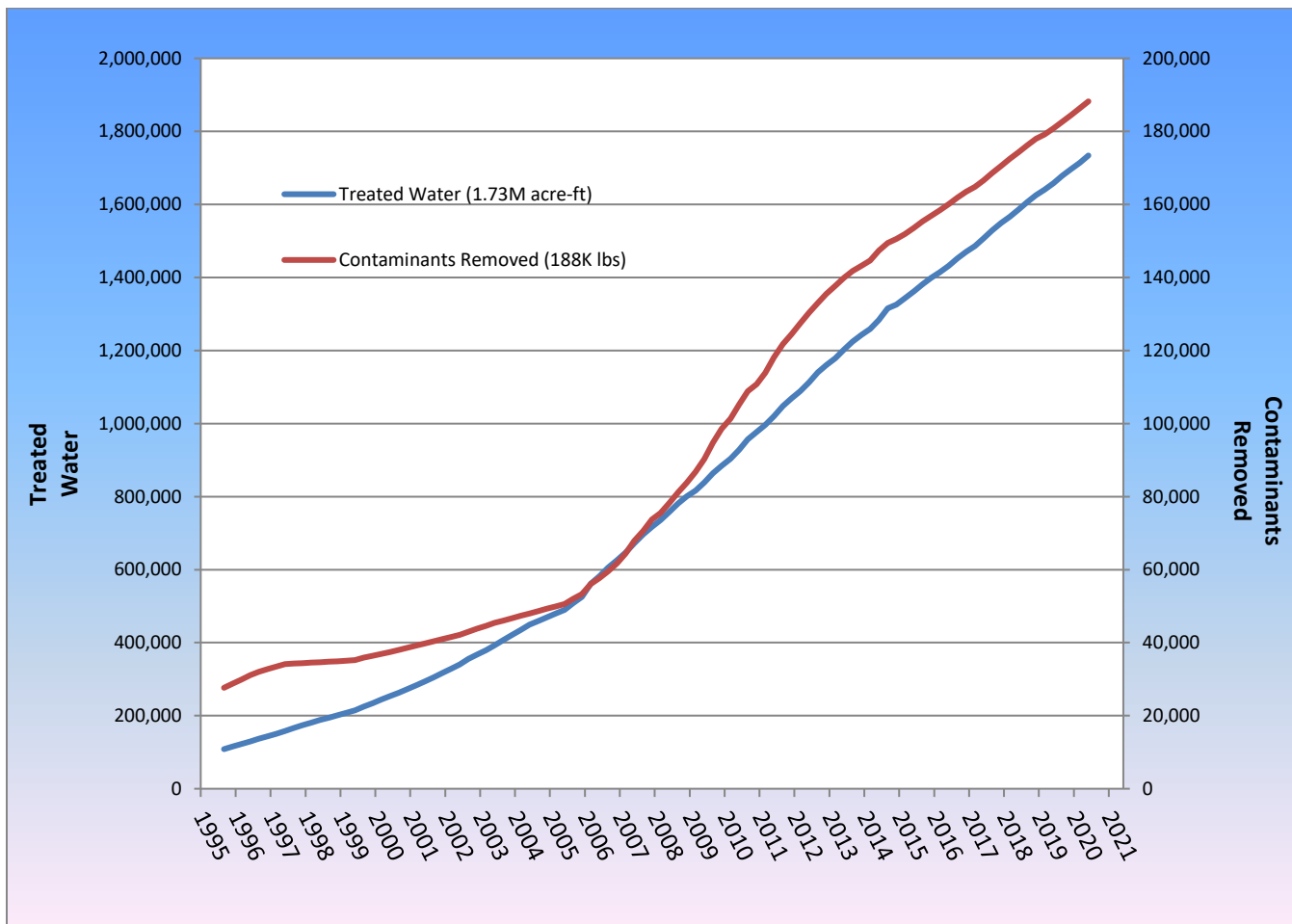




**FIGURE 12 – The number of treatment plants operating in the Basin through September 30, 2020.**



**FIGURE 13 – The total amount of water treated and contaminants removed in the Basin.** WQA considers the overall impact of the combined cleanup projects. This chart demonstrates how much contaminant mass has been removed from the Basin and how much treated water the projects have made available for beneficial use through June 30, 2020.



## Calendars

- SGVMWD
- TVMWD
- USGVMWD
- WM
- WQA

Jan 15 - Apr 14, 2021

### Wednesday Jan 20, 2021

- 8:00am - 10:30am [TVMWD Board Meeting](#)
- 12:00pm - 1:00pm [WQA Board Meeting](#)
- 1:30pm - 2:30pm [WM Administrative Committee Mtg](#)

### Tuesday Jan 26, 2021

- 4:00pm - 5:00pm [USGVMWD Water Resources & Facility Management Committee](#)

### Wednesday Jan 27, 2021

- 9:00am - 10:00am [USGVMWD Board Meeting](#)

### Thursday Jan 28, 2021

- 4:00pm - 5:00pm [USGVMWD Admin & Finance Committee meeting](#)

### Wednesday Feb 3, 2021

- 8:00am - 10:30am [TVMWD Board Meeting](#)
- 2:30pm - 3:30pm [Watermaster Board Meeting](#)

### Tuesday Feb 9, 2021

- 10:00am - 11:00am [WQA Admin/Finance Committee](#)
- 11:00am - 12:00pm [WQA Engineering Committee](#)

### Wednesday Feb 10, 2021

- 9:00am - 10:00am [USGVMWD Board Meeting](#)
- 11:00am - 12:00pm [WQA Leg/Pub Committee](#)
- 1:30pm - 3:00pm [WM Basin Watermaster Committee Mtg](#)

### Tuesday Feb 16, 2021

- 4:00pm - 5:00pm [USGVMWD Gov Affairs Committee Meeting](#)

### Wednesday Feb 17, 2021

- 8:00am - 10:30am [TVMWD Board Meeting](#)
- 12:00pm - 1:00pm [WQA Board Meeting](#)

12:00pm - 1:00pm [WQA Board Meeting](#) ↻

1:30pm - 2:30pm [WM Administrative Committee Mtg](#) ↻

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## Tuesday Feb 23, 2021

4:00pm - 5:00pm [USGVMWD Water Resources & Facility Management Committee](#) ↻

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## Wednesday Feb 24, 2021

9:00am - 10:00am [USGVMWD Board Meeting](#) ↻

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## Thursday Feb 25, 2021

4:00pm - 5:00pm [USGVMWD Admin & Finance Committee meeting](#) ↻

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## Wednesday Mar 3, 2021

8:00am - 10:30am [TVMWD Board Meeting](#) ↻

2:30pm - 3:30pm [Watermaster Board Meeting](#) ↻

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## Tuesday Mar 9, 2021

10:00am - 11:00am [WQA Admin/Finance Committee](#) ↻

11:00am - 12:00pm [WQA Engineering Committee](#) ↻

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## Wednesday Mar 10, 2021

9:00am - 10:00am [USGVMWD Board Meeting](#) ↻

11:00am - 12:00pm [WQA Leg/Pub Committee](#) ↻

1:30pm - 3:00pm [WM Basin Watermaster Committee Mtg](#) ↻

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## Wednesday Mar 17, 2021

8:00am - 10:30am [TVMWD Board Meeting](#) ↻

12:00pm - 1:00pm [WQA Board Meeting](#) ↻

1:30pm - 2:30pm [WM Administrative Committee Mtg](#) ↻

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## Tuesday Mar 23, 2021

4:00pm - 5:00pm [USGVMWD Gov Affairs Committee Meeting](#) ↻

4:00pm - 5:00pm [USGVMWD Water Resources & Facility Management Committee](#) ↻

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## Wednesday Mar 24, 2021

9:00am - 10:00am [USGVMWD Board Meeting](#) ↻

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**Thursday** Mar 25, 2021

4:00pm - 5:00pm [USGVMWD Admin & Finance Committee meeting](#)

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**Wednesday** Apr 7, 2021

8:00am - 10:30am [TVMWD Board Meeting](#)

2:30pm - 3:30pm [Watermaster Board Meeting](#)

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**Tuesday** Apr 13, 2021

10:00am - 11:00am [WQA Admin/Finance Committee](#)

11:00am - 12:00pm [WQA Engineering Committee](#)

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**Wednesday** Apr 14, 2021

9:00am - 10:00am [USGVMWD Board Meeting](#)

11:00am - 12:00pm [WQA Leg/Pub Committee](#)

1:30pm - 3:00pm [WM Basin Watermaster Committee Mtg](#)

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