With passage and signing of AB 361 and in light of the ongoing Statewide State of Emergency originally declared by Governor Newsom on March 4, 2020, WQA Board Meetings will continue to be conducted via remote teleconferencing, subject to the requirements of Government Code Section 54953(e). Members of the public can participate remotely via Zoom following the instructions provided below. Members of the public may also submit comments in writing to Stephanie@wqa.com which comments will be distributed to the members of the Board, provided such written comments are received prior to the meeting start time. To address the Board during the meeting you may use the "raise hand" feature and you will be called upon when appropriate.

To attend the meeting please register in advance at:

https://us06web.zoom.us/webinar/register/WN_fkyJL42vQ4isxUWpzVO3ew

A confirmation email will be sent to you with instructions on how to join the meeting virtually or a call-in option

---

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

WEDNESDAY, DECEMBER 15, 2021 AT 12:00 P.M.

AGENDA

I. CALL TO ORDER — MUNOZ

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL OF BOARD MEMBERS — MORENO

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

IV. PUBLIC COMMENTS (Agendized Matters Only): — MUNOZ

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 agenda items and non-agenda items. 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: — MUNOZ

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. ELECTION OF WQA REPRESENTATIVE FOR CITIES WITH PUMPING RIGHTS [enc] — SCHOELLERMAN

VII. PRESENTATION

"Presentation on Audited Financial Statements for Fiscal Year Ending June 30, 2021" [enc] **CANIEDA**

VIII. CONSENT CALENDAR **MUNOZ**

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

(a) Minutes for 11/17/21 Regular Board Meeting
(b) Demands on Administrative Fund for December 2021
(c) Demands on Project Fund for December 2021
(d) Resolution No. 21-007 (AB 361)

IX. COMMITTEE REPORTS

(These items may require action)

None.

X. OTHER ACTION/INFORMATION ITEMS **MUNOZ**

(These items may require action)

(a) Discussion/Action Regarding Draft of Audited Financial Statements for the Fiscal Year Ended June 30, 2021 [enc]

(b) Draft San Gabriel Basin Groundwater Quality Management And Remediation Plan "§406 Plan" for 2022 [enc]

1. Open of 30-day Public Comment Period

XI. PROJECT REPORTS **COLBY**

(a) Treatment Plants:

		Status
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	Operational

Facility
- 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

XII. ATTORNEY'S REPORT **PADILLA**

XIII. LEGISLATIVE REPORT **MONARES**

XIV. EXECUTIVE DIRECTOR'S REPORT **SCHOELLERMAN**

XV. FUTURE AGENDA ITEMS **MUNOZ**

XVI. INFORMATION ITEMS [enc] **MUNOZ**

(a) San Gabriel Basin Water Calendar

XVII. FUTURE BOARD/COMMITTEE MEETINGS **MUNOZ**

(a) The next Administrative/Finance Committee Meeting is scheduled for Tuesday, January 11, 2022 at 10:00am

(b) The next Legislative/Public Information Committee meeting was scheduled for Wednesday, January 12, 2022 at 11:00am

(c) The next WQA Board meeting is scheduled for Wednesday, January 19, 2022 at 12:00 P.M. at WQA

XVIII. BOARD MEMBERS' COMMENTS/REPORTS **MUNOZ**

XVIV. ADJOURNMENT **MUNOZ**

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 .

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: December 15, 2021

Subject: **Election of WQA Representative for Cities with Pumping Rights**

Summary

Staff will present the results of the election of the WQA representative for cities with pumping rights. The deadline for cities to submit their official ballot and resolution to WQA is December 14th at noon.

Recommendation / Proposed Action

Report only – no action required.

DRAFT

A REGULAR MEETING
OF THE
SAN GABRIEL BASIN WATER QUALITY AUTHORITY
NOVEMBER 17, 2021 AT 12:00 P.M.

With passage and signing of AB 361 and in light of the ongoing Statewide State of Emergency originally declared by Governor Newsom on March 4, 2020, WQA Board Meetings will continue to be conducted via remote teleconferencing, subject to the requirements of Government Code Section 54953(e). Due to the essential nature of the WQA Board Meetings in conducting Authority business, this WQA Board meeting took place online and teleconference.

CALL TO ORDER	The Chairwoman 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	Valerie Munoz, Jorge Marquez, Bob Kuhn, Lynda Noriega, Michael Whitehead, Mark Paulson
BOARD MEMBERS ABSENT	Ed Chavez
STAFF MEMBERS PRESENT	Randy Schoellerman, Executive Director; Stephanie Moreno, Executive Assistant/Outreach Coordinator; Dan Colby, Assistant Executive Director/Senior Project Manager; Mary Saenz, Director of Finance; 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; Ralph Galvan, Valley County Water District; Jennifer Santana, Upper District; Brian Bowcock, Three Valleys MWD; Brianne Logasa, San Gabriel Valley Council of Governments; Lenet Pacheco, Valley County Water District; Robert DiPrimio, San Gabriel Valley Water Company
PUBLIC COMMENT	None.
ITEMS TOO LATE TO BE AGENDIZED	None.
CONSENT CALENDAR	Mr. Marquez moved to approve the consent calendar. Mr. Kuhn seconded the motion, and it was approved by the following roll call vote. AYES: MUNOZ, PAULSON, MARQUEZ, KUHN, NORIEGA, WHITEHEAD NO: NONE

ABSENT: CHAVEZ

ABSTENTIONS:
Mr. Whitehead abstained from Project Demand No: E91354.
Ms. Noriega abstained from Project Demand Nos. E91355.

COMMITTEE REPORTS

Administrative/Finance Committee Report

Mr. Schoellerman reported that the minutes for the committee meeting were enclosed for review. He noted that the committee reviewed budget projections for the next five years and that staff does not anticipate the need to raise the assessment for the next fiscal year.

Mr. Kuhn asked if inflation was considered in the budget projections.

Mr. Schoellerman confirmed that inflation was considered when preparing the projections.

Legislative/Public Information Committee Report

Mr. Schoellerman reported that the minutes for the committee meeting were enclosed for review. He noted that the committee discussed the next advertorial and the annual report.

Ms. Munoz commented that she would like to put together an ADHOC committee for strategic legislative planning and goals for the next year. She requested that herself, Mr. Marquez, Mr. Whitehead, Mr. Schoellerman and Mr. Monares be appointed to the committee.

After some discussion, Ms. Noriega moved to approve the appointments of Ms. Munoz, Mr. Marquez, Mr. Whitehead, Mr. Schoellerman and Mr. Monares to a Legislative ADHOC committee for the period of 6 months. Mr. Paulson seconded the motion and it was approved by the following roll call vote:

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

NO: NONE

ABSENT: CHAVEZ

OTHER ACTION/INFORMATION ITEMS

None.

PROJECT REPORTS

Mr. Colby reported that work began today at the Astro Seal site for their site investigation. He indicated that four more sub recipient agreements are coming for the Prop 68 grants which leaves two left to complete. He also reported that draft 406 Plan would be presented to the Board in December to open a 30-day public comment period.

ATTORNEY'S REPORT None.

LEGISLATIVE REPORT Mr. Monares reported that the appropriation bills have been passed and now we are waiting for the Senate to go into conference committee with the House. He noted that the infrastructure package contains PFAS funding and that it is being reviewed for funding opportunities. He indicated that if the WQA needs any legislative work done it would be beneficial to work with the senior members of Congress now before the districts shift next year.

EXECUTIVE DIRECTOR'S REPORT Mr. Schoellerman reminded everyone that the ballots for the WQA election for the representative of cities with pumping rights are due on December 14th at 12pm. He noted that he continues to speak to stakeholders regarding the possible extension of WQA's sunset date and also announced it at the October San Gabriel Valley Water Association meeting. He reported that the ACWA Conference is December 1-2 and is currently sold out and is only available to attend virtually. He noted that the Fiscal Year 2020/2021 audit will be presented to the Board at the December Board meeting. He also noted that he would be providing the Upper District Board Members a presentation at their December 8th Board meeting. He suggested that the Board adjourn today's Board meeting in memory of former WQA Board Members Bryan Urias and Roger Chandler. He lastly wished everyone a Happy Thanksgiving.

FUTURE AGENDA ITEMS None.

FUTURE BOARD AND COMMITTEE MEETINGS The Administrative/Finance Committee meeting was cancelled for the month of December.

The next Legislative/Public Information Committee meeting was scheduled for Wednesday, December 8, 2021, at 11:00am.

The next WQA Board meeting is scheduled for Wednesday, December 15, 2021, at 12:00pm.

BOARD MEMBERS' COMMENTS/ REPORTS Mr. Kuhn thanked everyone that reached out to him regarding his surgery. He indicated that it went well and he is now focusing on his recovery.

Ms. Noriega commented that she was glad to hear that Mr. Kuhn is doing well and wished everyone a happy Thanksgiving.

Ms. Whitehead wished Mr. Kuhn well.

Ms. Munoz wished everyone a happy Thanksgiving.

ADJOURNMENT The Chairwoman asked if there were any other items of

business to come before the Board. There being none, the meeting was adjourned in the memory of Bryan Urias and Roger Chandler to December 15, 2021.

Valerie Munoz
Chairwoman

Bob Kuhn
Secretary

San Gabriel Basin Water Quality Authority December 15, 2021

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
D01928	Bob Kuhn	Board Member Compensation for November 2021		
		3 Days WQA Business	448.29	
		Meeting/Travel Expenses/Other	0.00	
		Less Deferred Compensation	0.00	
		Less Taxes Withheld	(34.29)	414.00
D01929	Michael Whitehead	Board Member Compensation for November 2021		
		2 Day WQA Business	298.86	
		Meeting/Travel Expenses/Other	0.00	
		Less Deferred Compensation	0.00	
		Less Taxes Withheld	(22.86)	276.00
D01930	Ed Chavez	Board Member Compensation for November 2021		
		6 Days WQA Business	896.58	
		Meeting/Travel Expenses/Other	0.00	
		Less Deferred Compensation	0.00	
		Less Taxes Withheld	(68.59)	827.99
D01931	Jorge Marquez	Board Member Compensation for November 2021		
		4 Days WQA Business	597.72	
		Meeting/Travel Expenses/Other	0.00	
		Less Deferred Compensation	0.00	
		Less Taxes Withheld	(293.75)	303.97
D01932	Valerie Munoz	Board Member Compensation for November 2021		
		5 Days WQA Business	747.15	
		Meeting/Travel Expenses/Other	0.00	
		Less Deferred Compensation	0.00	
		Less Taxes Withheld	(57.15)	690.00
D01933	Mark Paulson	Board Member Compensation for November 2021		
		2 Days WQA Business	298.86	
		Meeting/Travel Expenses/Other	0.00	
		Less Deferred Compensation	0.00	
		Less Taxes Withheld	(22.86)	276.00
D01934	Lynda Noriega	Board Member Compensation for November 2021		
		2 Days WQA Business	298.86	
		Meeting/Travel Expenses/Other	0.00	
		Less Deferred Compensation	0.00	
		Less Taxes Withheld	(22.86)	276.00
EFT/ACH	SGBWQA - Payroll Fund	Replenish payroll fund		
		Staff Payroll - for November 2021	68,822.34	
		Board Payroll Taxes - Federal & State	796.70	69,619.04
		Total replenishment to payroll fund		**72,683.00**
EFT/ACH	SGBWQA - Revolving Fund	Replenish revolving fund for 11/01/21 to 11/30/21 disbursements		
		Group Insurance	791.24	
		Office Supplies	686.83	
		Telephone Service	483.68	
		Plant & Water Service	214.61	
		Misc. Office Expense	135.00	
		Computer Systems O&M	435.97	
		Meetings and Conferences	109.70	
		Project Costs	1,474.31	4,331.34

mke 12-9-21

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
E91362	ACWA/JPIA	Invoice No. 22-01Jan, Medical and life insurance premiums for January 1, 2022 to February 1, 2022		7,032.41
E91363	Bank of America	Invoice No. '21-11Nov-DC', Credit Card Expenses incurred for 11/01/21 to 11/30/21		
		Dues and Subscriptions	175.00	
		Public Relations	723.46	
		Training	410.00	1,308.46
E91364	Bank of America	Invoice No. '21-11Nov-RS', Credit Card Expenses incurred for 11/01/21 to 11/30/21		
		Internet	29.95	29.95
E91365	Bank of America	Invoice No. '21-10Nov-SM', Credit card expenses incurred for 11/01/21 to 11/30/21		
		Public Relations	66.84	
		Meetings & Conferences	15.00	81.84
E91366	Civic Publications	Invoice No. 1685, Professional services for community outreach - California Water 2021		8,755.00
E91367	The Gualco Group	Invoice No '21-11Nov', Professional consulting services for November 2021		5,325.00
E91368	Kadesh & Associates, LLC	Invoice No. 12-21, Professional consulting services for November 2021		15,000.00
E91369	The Monares Group, LLC	Invoice No. '21-12Dec', Professional consulting services for December 2021		16,000.00
E91370	Olivarez Madruga Lemieux O'Neill, LLP	Invoice No. 17692, Professional legal services for November 2021		657.50
E91371	Ruffle Properties, LLC	Office lease, CAM, and Storage for January 2022		
		Invoice No. '22-01Jan', Office lease	6,845.79	
		Invoice No. '22-01Jan-CAM', Electricity charges	643.20	
		Invoice No. '22-01Jan-Storage', Storage Room	150.00	7,638.99
E91372	Stetson Engineers Inc.	Invoice No. 1609-005-003, Professional services for October 2021 - Prop 68 grant implementation		20,631.00
E91373	Vasquez & Company LLP	Invoice No. 2211121, Annual Audit of Financial Statements for FY 6/30/21 - Final Billing		7,326.00
E91374	West Yost & Associates	Invoice No. 2047329, Professional services for October 9, 2021 to November 5, 2021		4,988.00
		TOTAL		**171,788.49**

Water Quality Authority

EXPENSE SHEET

Board Member Per Diem
$149.43 per meeting, 6 meeting maximum per month
Mileage Rate: $0.56 per mile
(updated July 2021)

Per the requirements of AB1234, please attach back-up documentation (fliers, agendas, etc.) regarding meetings listed below. Alternatively, if no documentation is provided, AB1234 requires that a verbal report be provided at the next board meeting.

NAME: Bob Kuhn MONTH/YEAR: Nov-21

	DATE	MEETING	Roundtrip Mileage	# of Days (not to exceed 6)	$149.43 PER DIEM
1	11/17/21	WQA Board Meeting		1	$149.43
	Meeting Description				
2	11/18/21	SGVEP Co-Chair Committee Meeting		1	$149.43
	Meeting Description				
3	11/24/21	SGVEP Legislative Action Committee Meeting		1	$149.43
	Meeting Description				
4					$0.00
	Meeting Description				
5					$0.00
	Meeting Description				
6					$0.00
	Meeting Description				
		Total Meetings		3	$448.29
		Total Mileage (at $0.56 per mile)	0		$0.00

DATE	Expense Reimbursement Description (receipts required)	Amount
	TOTAL Expenses	$0.00
	TOTAL MEETINGS, MILEAGE, EXPENSES	$448.29
	TOTAL	$448.29

☐ Please check box if AB1234 documentation is attached.

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

Signature

Water Quality Authority

EXPENSE SHEET

Board Member Per Diem
$149.43 per meeting, 6 meeting maximum per month
Mileage Rate: $0.56 per mile

Per the requirements of AB1234, please attach back-up documentation (fliers, agendas, etc.) regarding meetings listed below. Alternatively, if no documentation is provided, AB1234 requires that a verbal report be provided at the next board meeting.

NAME: Michael Whitehead

MONTH/YEAR: Nov-21

	DATE	MEETING	Roundtrip Mileage	# of Days	$ PER DIEM
1	11/9/21	Administrative and Finance Committee Meeting	0.0	1	$149.43
	Meeting Description	Regular monthly meeting			
2	11/17/21	WQA Board Meeting	0.0	1	$149.43
	Meeting Description	Regular monthly meeting			
3					$0.00
	Meeting Description				
4					$0.00
	Meeting Description				
5					$0.00
	Meeting Description				
6					$0.00
	Meeting Description				
		Total Meetings		2	$298.86
		Total Mileage (at $0.56 per mile)	0		$0.00

	DATE	Expense Reimbursement Description (receipts required)	Amount
		TOTAL Expenses	$0.00
		TOTAL MEETINGS, MILEAGE, EXPENSES	$298.86
		TOTAL	$298.86

☐ Please check box if AB1234 documentation is attached.

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

Signatu

Water Quality Authority

EXPENSE SHEET

Board Member Per Diem
$149.43 per meeting, 6 meeting maximum per month
Mileage Rate: $0.56 per mile
(updated July 2021)

Per the requirements of AB1234, please attach back-up documentation (fliers, agendas, etc.) regarding meetings listed below. Alternatively, if no documentation is provided, AB1234 requires that a verbal report be provided at the next board meeting.

NAME: Edward L. Chavez MONTH/YEAR: Nov-21

	DATE	MEETING	Roundtrip Mileage	# of Days (not to exceed 6)	$149.43 PER DIEM
1	11/3/021	Board of Directors' Meeting - Three Valleys Municipal Water District		1	$149.43
	Meeting Description				
2	11/8/21	Board of Directors' Meeting - Valley County Water District		1	$149.43
	Meeting Description				
3	11/9/21	Board of Directors' Meeting - Metropolitan Water District of S.C.		1	$149.43
	Meeting Description				
4	11/10/21	City Council Meeting - City of Irwindale		1	$149.43
	Meeting Description				
5	11/18/21	Board of Directors' Meeting - Water Replishment District of S.C.		1	$149.43
	Meeting Description				
6	11/23/21	Board of Directors' Meeting - San Gabriel County Water District		1	$149.43
	Meeting Description				
		Total Meetings		6	$896.58
		Total Mileage (at $0.56 per mile)	0		$0.00

DATE	Expense Reimbursement Description (receipts required)	Amount
	TOTAL Expenses	$0.00
	TOTAL MEETINGS, MILEAGE, EXPENSES	$896.58
	TOTAL	$896.58

☐ Please check box if AB1234 documentation is attached.

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

Signature

Water Quality Authority

EXPENSE SHEET

Board Member Per Diem
$149.43 per meeting, 6 meeting maximum per month
Mileage Rate: $0.56 per mile
(updated July 2021)

Per the requirements of AB1234, please attach back-up documentation (fliers, agendas, etc.) regarding meetings listed below. Alternatively, if no documentation is provided, AB1234 requires that a verbal report be provided at the next board meeting.

NAME: Jorge A. Marquez MONTH/YEAR: Nov-21

	DATE	MEETING	Roundtrip Mileage	# of Days (not to exceed 6)	$149.43 PER DIEM
1	11/8/21	SGVRCC - Government Affairs Committee - WQA Membership	0.0	1	$149.43
	Meeting Description	Regular Meeting of the Government Committee for the Regional Chamber of Commerce. WQA is a member and holds the chair position for the committee. Update from Local/State/Federal Legislation from Staff Representatives.			
2	11/10/21	WQA - Legislative Committee	0.0	1	$149.43
	Meeting Description	Regular Legislative Committee Meeting for WQA - Zoom Meeting			
3	11/17/21	Regular WQA Board Meeting	0.0	1	$149.43
	Meeting Description	Standard Board for WQA - Zoom Meeting			
4	11/30/21	Meeting with Azusa Councilmember - Update on WQA	0.0	1	$149.43
	Meeting Description	Meeting with Councilmember M endez from the City of Azusa to give information regarding WQA Meeting lasted an hour. Spoke about contamination and history of the WQA of the last 10 years, and possible changes with legislation in the future.			
5					$0.00
	Meeting Description				
6					$0.00
	Meeting Description				
		Total Meetings		4	$597.72
		Total Mileage (at $0.56 per mile)	0		$0.00

	DATE	Expense Reimbursement Description (receipts required)	Amount
		TOTAL Expenses	$0.00
		TOTAL MEETINGS, MILEAGE, EXPENSES	$597.72
		TOTAL	$597.72

☐ Please check box if AB1234 documentation is attached.

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

Water Quality Authority

EXPENSE SHEET

Board Member Per Diem
$149.43 per meeting, 6 meeting maximum per month
Mileage Rate: $0.56 per mile
(updated July 2021)

Per the requirements of AB1234, please attach back-up documentation (fliers, agendas, etc.) regarding meetings listed below. Alternatively, if no documentation is provided, AB1234 requires that a verbal report be provided at the next board meeting.

NAME: **Valerie Munoz** MONTH/YEAR: **Nov-21**

	DATE	MEETING	Roundtrip Mileage	# of Days (not to exceed 6)	$149.43 PER DIEM
1	11/02/021	San Gabriel Valley Public Affairs Leadership series		1	$149.43
	Meeting Description	Assembly woman Lisa Calderon leadership meeting and updates			
2	11/10/21	WQA Ledge and Pub Meeting		1	$149.43
	Meeting Description				
3	11/15/21	Meeting with Mayor Klinakis		1	$149.43
	Meeting Description	Overview of presentation from 10/5/21 city updates and WQA			
4	11/17/21	WQA Board Meeting		1	$149.43
	Meeting Description				
5	11/18/21	California water policy conference		1	$149.43
	Meeting Description	webinar series, califonia water supply and drought			
6					$0.00
	Meeting Description				
		Total Meetings		5	$747.15
		Total Mileage (at $0.56 per mile)	0		$0.00

	DATE	Expense Reimbursement Description (receipts required)	Amount
		TOTAL Expenses	$0.00
		TOTAL MEETINGS, MILEAGE, EXPENSES	$747.15
		TOTAL	$747.15

☐ Please check box if AB1234 documentation is attached.

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

Signature

Water Quality Authority

XPENSE SHEET

Board Member Per Diem
$149.43 per meeting, 8 meeting maximum per month
Mileage Rate: $0.56 per mile
(updated July 2021)

4, please attach back-up documentation (fliers, agendas, etc.) regarding meetings lernatively, if no documentation is provided, AB1234 requires that a verbal report be provided at the next board meeting.

NAME: **Mark Paulson** MONTH/YEAR: **Nov-21**

	DATE	MEETING	Roundtrip Mileage	# of Days	$149.43 PER DIEM
1	11/9/21	Committee Meeting		1	$149.43
	Meeting Description				
2	11/17/21	Board Meeting		1	$149.43
	Meeting Description				
3					$0.00
	Meeting Description				
4					$0.00
	Meeting Description				
5					$0.00
	Meeting Description				
6					$0.00
	Meeting Description				
		Total Meetings		2	$298.86
		Total Mileage (at $0.56 per mile)	0		$0.00

DATE	Expense Reimbursement Description (receipts required)	Amount
	TOTAL Expenses	$0.00
	TOTAL MEETINGS, MILEAGE, EXPENSES	$298.86
	TOTAL	$298.86

Please check box if AB1234 documentation is attached.

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

Water Quality Authority

EXPENSE SHEET

Board Member Per Diem
$149.43 per meeting, 6 meeting maximum per month
Mileage Rate: $0.56 per mile
(updated July 2021)

Per the requirements of AB1234, please attach back-up documentation (fliers, agendas, etc.) regarding meetings listed below. Alternatively, if no documentation is provided, AB1234 requires that a verbal report be provided at the next board meeting.

NAME: **Lynda Noriega** MONTH/YEAR: **Nov-21**

	DATE	MEETING	Roundtrip Mileage	# of Days (not to exceed 6)	$149.43 PER DIEM
1	11/9/21	WQA Admin/Finance Committee Meeting		1	$149.43
	Meeting Description	Discuss fiscal year 2021/2022 interim budget review and assessment reserve.			
2	11/17/21	WQA Board of Directors Meeting		1	$149.43
	Meeting Description	Receive and file reports - Consent Calendar, Administrative/Finance Committee and Legislative/Public Information Committee, Project Reports.			
3					$0.00
	Meeting Description				
4					$0.00
	Meeting Description				
5					$0.00
	Meeting Description				
6					$0.00
	Meeting Description				
		Total Meetings		2	$298.86
		Total Mileage (at $0.56 per mile)	0		$0.00

	DATE	Expense Reimbursement Description (receipts required)	Amount
		TOTAL Expenses	$0.00
		TOTAL MEETINGS, MILEAGE, EXPENSES	$298.86
		TOTAL	$298.86

☐ Please check box if AB1234 documentation is attached.

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

DocuSigned by:

Si

San Gabriel Basin Water Quality Authority

December 15, 2021

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
BALDWIN PARK OPERABLE UNIT					
E91375	RC Foster Corporation	Invoice No. 02-21-046, Project costs for Spare parts costs for December 2021		755.02	CR's
SOUTH EL MONTE OPERABLE UNIT					
E91376	Avocet Environmental Inc.	Project costs for Whitmore Street Groundwater Remediation Facility and Site Investigation Project for November 2021			
		Invoice No. 6820 - Whitmore GW Treatment System	15,585.08		
		Invoice No. 6821- Round 1 Prop 1-Whitmore Hydropunch	1,208.25		
		Invoice No. 6822 - Round 2 Prop 1 SGV Priority Sites	101,813.88	118,607.21	WQA/Prop 1
			Total	**119,362.23**	

12-9-21

San Gabriel Basin Water Quality Authority

December 15, 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 29, 2021.

Check No.	Payable to	Description		Amount	Funding Sources
BALDWIN PARK OPERABLE UNIT					
E91377	La Puente Valley County WD	Invoice No. 4-2021-10, Project T&R costs for October 2021		166,632.20	CR's
E91378	Main San Gabriel Basin Watermaster	Invoice No. 02-237, Administrative Project Costs for October 2021			
		Administrative costs	21,520.38		
		T&R costs	20,698.80	42,219.18	CR's
E91379	Suburban Water Systems	Invoice No. 59881121, Project T&R costs for October 2021		122,040.94	CR's
E91380	Valley County Water District	Project costs for October 2021			
		Invoice No. 451, Capital costs	88,800.00		
		Invoice No. 451, T&R costs	476,825.46		
		Invoice No. 452, T&R costs	84,591.98	650,217.44	CR's
E91381	California Domestic Water Co.	Project costs for October 2021			
		Invoice No. 3512, T&R costs for Perchlorate	219,416.03		
		Invoice No. 3513, T&R costs for NDMA & VOC's	130,794.36	350,210.39	CR's
E91382	San Gabriel Valley Water Co.	Project costs for September 2021			
		Invoice No. 21-10310, B5 T&R costs	83,630.21		
		Invoice No. 21-10308, B6 T&R costs	329,094.92		
		Invoice No. 21-11320, B6 Capital costs - UV Flex Treatment	889.47		
		Invoice No. 21-11321, B6 T&R costs	26,711.81	440,326.41	CRs
			Total	**1,771,646.56**	

12-9-21

DRAFT

RESOLUTION NO. 21-007

A RESOLUTION OF THE BOARD OF THE SAN GABRIEL BASIN WATER QUALITY AUTHORITY PROCLAIMING THE PERSISTENCE OF LOCAL EMERGENCY, AFFIRMING THE PROCLAMATION OF A STATEWIDE STATE OF EMERGENCY BY GOVERNOR NEWSOM ON MARCH 4, 2020 AND AUTHORIZING, PURSUANT TO GOVERNMENT CODE SECTION 54953(E), THE ONGOING TELECONFERENCING OF MEETINGS OF THE BOARD AND OTHER BODIES OF THE AUTHORITY SUBJECT TO THE BROWN ACT FOR A PERIOD OF 30 DAYS FROM DECEMBER 20, 2021

WHEREAS, the governing board ("Board") of the San Gabriel Basin Water Quality Authority ("Authority") is committed to preserving and nurturing public access and participation in meetings of the Board and other bodies of the Authority subject to the Ralph M. Brown Act (Cal. Gov. Code 54950-54963) ("Brown Act"); and

WHEREAS, all meetings of bodies subject to the Brown Act must be open and public so that any member of the public may view the proceedings and be given an opportunity to offer public comment; and

WHEREAS, on September 16, 2021, the Governor signed AB 361 which allows members of public agency governing bodies to continue participating remotely for meetings under the relaxed teleconferencing procedures first established by Governor Newsom's executive orders; and

WHEREAS, AB 361 amends Government Code section 54953 which sets forth the procedures that must be followed in order for public agencies to avail themselves of such relaxed teleconferencing procedures; and

WHEREAS, among the conditions is the requirement that a state of emergency be declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the Authority's boundaries, caused by natural, technological or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, on March 4, 2020, Governor Gavin Newsom declared a State of Emergency in response to the rising cases of COVID-19 throughout the state of California; and

WHEREAS, on March 4, 2020, the Los Angeles County Board of Supervisors and Los Angeles County Department of Public Health ("LACDPH") declared a local emergency and local public health emergency in response to the spread of COVID-19 throughout the County; and

WHEREAS, since the declaration of emergency by LACDPH, LACDPH has issued a series of Health Officer Orders containing mandates and recommendations for keeping individuals safe and preventing the spread of COVID-19; and

WHEREAS, the most recent Health Officer Order, issued by LACDPH on September 17, 2021, states that all individuals and businesses are strongly urged to follow the LACDPH Best Practice Guidance, containing health and safety recommendations for COVID-19; the LACDPH Best Practice Guidance for individuals titled "COVID-19: Reducing Risk, Keeping Safe & Preventing Spread," in a section titled "How to Reduce the Risk of COVID-19," states "Keep your distance. Use two arms lengths as your guide (about 6 feet) for social distancing with people outside your household when you are not sure they are fully vaccinated"; and the LACDPH Best Practices to Prevent COVID-19, Guidance for Businesses and Employers, in a section titled "Maintain healthy business operations," recommends implementation of policies and practices that support physical distancing, stating, "Whenever possible, take steps to reduce crowding indoors and enable employees and customers to physically distance from each other. Generally, at least 6 feet of distance is recommended, although not a guarantee of safety, especially in enclosed or poorly ventilated spaces."; and

WHEREAS, AB 361 requires legislative bodies that conduct teleconferenced meetings under its relaxed and abbreviated teleconferencing procedures to give notice of the meeting and post agendas, as described, to allow members of the public to access the meeting and address the legislative body, to give notice of the means by which members of the public may access the meeting and offer public comment, including an opportunity for all persons to attend via a call-in option or an internet-based service option, and to conduct the meeting in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body; and

WHEREAS, AB 361 requires the legislative body take no further action on agenda items when there is a disruption which prevents the public agency from broadcasting the meeting, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments, until public access is restored; and

WHEREAS, AB 361 prohibits the legislative body from requiring public comments to be submitted in advance of the meeting and specifies that the legislative body must provide an opportunity for the public to address the legislative body and offer comment in real time; and

WHEREAS, AB 361 prohibits the legislative body from closing the public comment period and the opportunity to register to provide public comment, until the public comment period has elapsed or until a reasonable amount of time has elapsed, as specified; and

WHEREAS, the Board meetings and meetings of certain other subordinate bodies of the Authority are open and public, as required by the Brown Act, so that any member of the public may attend, participate, and watch the Board or such bodies conduct business; and

WHEREAS, the Authority finds that the continuing spread of COVID-19 and its variants throughout the nation and in the greater Los Angeles region justifies the ongoing implementation of social distancing and other infection control measures, including the conduct of remote meetings under the relaxed teleconferencing rules set forth under AB361;

WHEREAS, the Authority posts COVID-19 safety measures throughout its office and requires all staff and visitors to wear masks and maintain social distancing guidelines;

WHEREAS, in light of the continuing State declaration of emergency resulting from the COVID-19 pandemic, the continuing recommendation by Los Angeles County Public Health officials of measures to promote social distancing, and the imminent risks to the health and safety of attendees at meetings conducted in person due to the spread of COVID-19, the Board desires to make the findings required by AB 361 to allow the Board and all other bodies of the Authority that are subject to the Brown Act to continue to meet under AB 361's relaxed and abbreviated teleconferencing procedures.

NOW, THEREFORE, THE BOARD OF THE SAN GABRIEL BASIN WATER QUALITY AUTHORITY DOES HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. Incorporation and Adoption of Findings. The recitals set forth above are true and correct and incorporated into this Resolution by this reference.

SECTION 2. Affirmation that Local Emergency Persists. The Board hereby considers the conditions of the state of emergency in the County and the State and acknowledges and affirms the ongoing existence of a Statewide and local emergency due to the COVID-19 pandemic, and finds that local officials, specifically, the Los Angeles County Department of Public Health, has continued to recommend social distancing and other infection control measures.

SECTION 3. Re-ratification of Governor's Proclamation of a State of Emergency. The Board hereby acknowledges and affirms the Governor's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.

SECTION 4. Remote Teleconference Meetings. The Executive Director is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of

the Brown Act.

SECTION 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective for a period of thirty (30) calendar days from its effective date in accordance with Government Code section 54953(e).

SECTION 6. Severability. All portions of this Resolution are severable. If any section, subsection, sentence, clause, phrase or portion of this Resolution is for any reason held invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Resolution. The Board hereby declares that it would have passed this Resolution, and each section, subsection, phrase or clause thereof irrespective of the fact that any one or more sections, subsections, phrases or clauses be declared unconstitutional on their face or as applied.

PASSED, APPROVED AND ADOPTED by the Board of the San Gabriel Basin Water Quality Authority at the regular meeting of this 15th day of December, 2021.

_____	_____
Valerie Munoz	Bob Kuhn
Chairwoman	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 of Directors

From: Randy Schoellerman, Executive Director

Date: December 15, 2021

Subject: **Draft of Audited Financial Statements for the Fiscal Year Ended June 30, 2021**

Discussion

The draft of the annual audit for the fiscal year ended June 30, 2021, is hereby submitted to the WQA Board Members for review, discussion and approval. It is comprised of the following two documents.

- Financial Statement Audit of Basic Financial Statements
- Single Audit on Expenditures of Federal Awards

Vasquez & Co LLP is the WQA's current audit firm. The audit is being presented by the Audit Engagement Partner, Ms. Cristy A. Canieda, CPA, CGMA.

Also being submitted is the Report to the Board of Directors. The Report includes two additional documents issued at the completion of the audit.

- The Summary of Audit Results – this is the Auditor's Communication with Those Charged with Governance and summarizes the auditor's responsibility regarding the audit as well as observations arising from the audit.

- The Management Representation Letter which is submitted by WQA to Vasquez detailing WQA's responsibilities in the audit process. Once the audit is approved by the Board, the letter is printed on WQA letterhead and signed by the Executive Director and the Director of Finance.

Recommendation / Proposed Action

Staff requests that the Board approve the annual audit for the fiscal year ended June 30, 2021.

Attachments

Draft of the Financial Statement Audit and Single Audit for the fiscal year ended June 30, 2021.
Report to the Board - Summary of Audit Results and Management Representation Letter.

Water Quality Authority

San Gabriel Basin Water Quality Authority
Audited Financial Statements
As of and for the Years Ended June 30, 2021 and 2020
with Independent Auditor's Report

An independently owned member RSM US Alliance
RSM

Vasquez & Company LLP
Certified Public Accountants and Business Consultants

San Gabriel Basin Water Quality Authority
Audited Financial Statements
As of and for the Years Ended June 30, 2021 and 2020
with Independent Auditor's Report

Vasquez & Company LLP
Certified Public Accountants and Business Consultants

655 N Central Avenue, Suite 1550
Glendale, CA 91203
Ph. (213) 873-1700
Fax (213) 873-1777

www.vasquezcpa.com

OFFICE LOCATIONS:
Los Angeles
Sacramento
San Diego
Manila

Independent Auditor's Report

The Honorable Members of the Board of Directors
San Gabriel Basin Water Quality Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the San Gabriel Basin Water Quality Authority (the Authority), which comprise the statements of net position as of June 30, 2021 and 2020, the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements (collectively, the Authority's basic financial statements).

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2021 and 2020, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated DATE OPEN on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Glendale, California
DATE OPEN

SAN GABRIEL BASIN WATER QUALITY AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)
June 30, 2021

INTRODUCTION

The San Gabriel Basin Water Quality Authority (Authority) is a special district whose major function is to facilitate the development, financing and implementation of groundwater treatment programs in the San Gabriel Valley. The groundwater treatment programs are located in Operable Units within the San Gabriel Valley - the Baldwin Park Operable Unit (BPOU), the El Monte Operable Unit (EMOU), the Puente Valley Operable Unit (PVOU), the South El Monte Operable Unit (SEMOU), Area Three Operable Unit (ATOU) and the Whittier Narrows Operable Unit (WNOU). Additionally, there are several treatment programs located outside of the defined Operable Units.

DESCRIPTION OF FINANCIAL STATEMENTS

The Authority's basic financial statements include the following three statements:

The *statements of net position* present information on all of the Authority's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the financial position of the Authority.

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

The *statements of cash flows* are related to the other financial statements by the way they link changes in assets and liabilities to the effect on cash and cash equivalents over the course of the fiscal year.

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

SAN GABRIEL BASIN WATER QUALITY AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)
June 30, 2021

SUMMARY FINANCIAL INFORMATION AND ANALYSIS

The following condensed financial information provides an overview of the Authority's financial position and financial activities as of and for the fiscal years ended June 30, 2021 and 2020.

	June 30		Dollar	Percentage
	2021	2020	Change	Change
Assets				
Current assets	$ 12,886,374	$ 12,809,316	$ 77,058	0.6%
Other capital assets , net	4,007,711	4,108,367	(100,656)	-2.5%
Construction in progress	25,347,235	23,617,790	1,729,445	7.3%
Noncurrent assets	1,237,282	1,620,938	(383,656)	-23.7%
Total assets	$ 43,478,602	$ 42,156,411	$ 1,322,191	3.1%
Liabilities				
Current liabilities	$ 6,205,816	$ 6,849,716	$ (643,900)	-9.4%
Noncurrent liabilities	1,214,387	1,598,087	(383,700)	-24.0%
Total liabilities	7,420,203	8,447,803	(1,027,600)	-12.2%
Net Position				
Investment in capital assets	29,354,946	27,726,157	1,628,789	5.9%
Restricted	2,710,394	2,710,394	-	0.0%
Unrestricted	3,993,059	3,272,057	721,002	22.0%
Total net position	36,058,399	33,708,608	2,349,791	7.0%
Total liabilities and net position	$ 43,478,602	$ 42,156,411	$ 1,322,191	3.1%

SAN GABRIEL BASIN WATER QUALITY AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)
June 30, 2021

Summary of Statements of Net Position

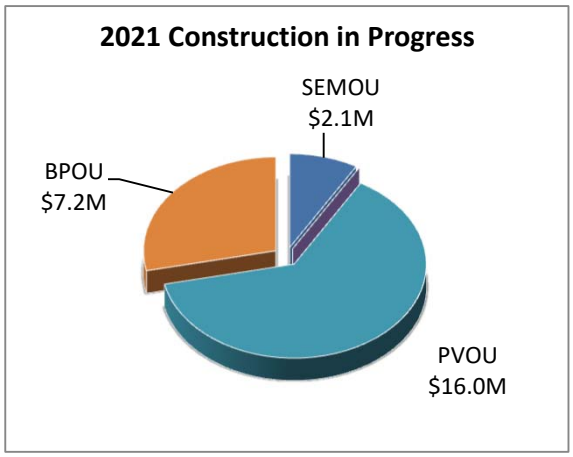
Current Assets - At June 30, 2021, current assets totaled $12.9M and were comprised primarily of $7.1M of cash and investments and $4.8M of accounts receivable. At June 30, 2020, current assets totaled $12.8M and were comprised primarily of $7.2M of cash and investments and $4.6M of accounts receivable. Current assets decreased $77K or 0.6% over the prior year, with cash and investments decreasing by $79K and accounts receivable increasing by $190K. The decrease in cash and investments is due primarily to the timing of payments and reimbursements from the Responsible Parties (RPs). The increase in accounts receivable is due primarily to a decrease of $708K in responsible parties funding receivable offset by an increase in federal grants receivable of $643K, state grants receivable of $233K and other receivables of $22K.

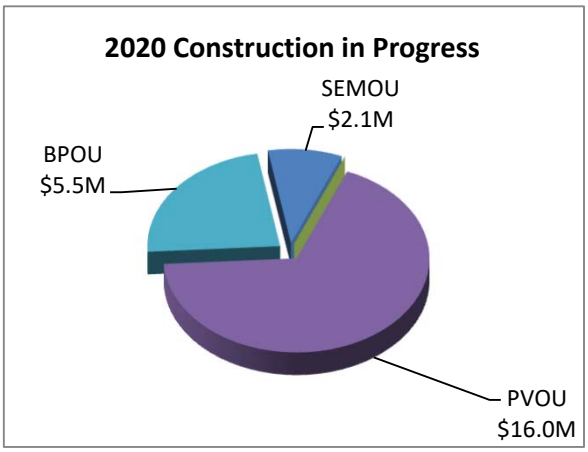
Other Capital Assets - During FY 2021 purchases of office equipment totaled $4K and the construction of monitoring wells at an SEMOU project totaled $194K. Additionally, disposals of office equipment totaled $25K - these assets were fully depreciated. The current year additions and disposals along with depreciation of $299K resulted in a net decrease in other capital assets of $101K, or 2.5%. During the prior FY 2020 purchases of office equipment totaled $19K, with depreciation of $294K resulting in a net decrease in capital assets of $275K, or 6.3%.

Construction in Progress (CIP) - As described in the Introduction, the groundwater treatment programs are located in Operable Units within the San Gabriel Valley. Each Operable Unit has unique terms to describe the parties responsible for contamination of the groundwater. These terms include RP, Cooperating Respondents, Performing Settling Defendants, Settling Defendants, Potentially Responsible Parties, and Work Parties. Hereafter, these parties shall be collectively referenced as RPs. The Authority, through agreements with various RPs and local Water Producers has agreed to provide capital funding for various projects in the San Gabriel Basin. Capital costs associated with these projects are accounted for as CIP and include land acquisition costs, design costs, construction costs, professional fees, labor costs and other related project costs. Through agreements, the projects have a variety of funding sources including the Authority's pumping right assessments and capital contributions from RPs, Water Producers, and federal and state grants. The funding received for projects under construction are recorded as capital contributions. Upon completion of a project, if the related asset is owned by the Authority, it is transferred to capital assets and depreciated. For completed projects where title is retained by the Water Producer, the Authority transfers the asset to the Water Producer.

Summary of Statements of Net Position (continued)

Construction in Progress (CIP) (continued) - Shown below is the composition of CIP by Operable Unit as of June 30, 2021 and 2020.





At June 30, 2021, CIP totaled $25.3M, a net increase of $1.7M or 7.3% from FY 2020. Approximately 28.4% of CIP is related to the BPOU, 63.2% is related to the PVOU with the remaining 8.4% related to the SEMOU. During FY 2021, the Authority incurred $1.5M of CIP for the UV/Flex modular treatment system for the removal of nitrates at the San Gabriel Valley Water Company B-6 treatment facility as well as $242K for the La Puente Valley County Water District future nitrate treatment. At June 30, 2020, CIP totaled $23.6M, a net increase of $1.6M or 7.2% from FY 2019. Approximately 23.2% of CIP is related to the BPOU, 67.8% is related to the PVOU with the remaining 9.0% related to the SEMOU. During FY 2020, the Authority incurred $1.2M of CIP for the UV/Flex modular treatment system at the San Gabriel Valley Water Company B-6 treatment facility as well as $300K for the La Puente Valley County Water District future nitrate treatment.

Listed on the next page are descriptions of the major projects currently under construction and included in CIP as of June 30, 2021.

Summary of Statements of Net Position (continued)

Construction in Progress (CIP) (continued)

BALDWIN PARK OPERABLE UNIT

Valley County Water District (VCWD) Single Pass Treatment Facility

$2.4M related primarily to the Arrow Well Rehab project including sitework, discharge and rubber dams, equipment, permitting and engineering.

San Gabriel Valley Water Company (SGVWC) Plant B6

$4.2M related to the design and construction of an additional fixed bed ion exchange treatment system for the removal of nitrates.

PUENTE VALLEY OPERABLE UNIT

Intermediate Zone Remedy - Northrop Grumman

$16.0M related primarily to the design and construction of extraction wells, conveyance pipelines, and the design of a treatment facility located at a site in the PVOU.

SOUTH EL MONTE OPERABLE UNIT

San Gabriel Valley Water Company (SGVWC) 1,4 Dioxane Treatment Facility

$2.1M related to the design of and equipment for an advanced oxidation system for the treatment of 1,4 dioxane contamination at SGVWC's Plant 8.

Summary of Statements of Net Position (continued)

Current Liabilities - At 2021, current liabilities totaled $6.2M, a decrease of $644K from the fiscal year 2020, and are comprised primarily of accounts payable and unearned revenue. At 2020, current liabilities totaled $6.8M, and are also comprised primarily of accounts payable and unearned revenue.

Accounts payable is $4.5M for the current year which is a decrease of $659K from FY 2020 primarily due to a decrease in payables for BPOU projects of $1.02M offset by an increase in payables to SEMOU water producers of $312K and an increase of $51K in accrued expenses for operating costs. Both the increase in BPOU payables and decrease in SEMOU payables are due to fluctuations in capital and T & R project costs for the current fiscal year, and are controlled by the timing and amount of submittals for cost reimbursements from RPs and Water Producers.

Unearned revenue relates to funds previously received by the Authority by way of various settlement agreements with SEMOU RPs. The funds are held to pay certain SEMOU project costs as per agreement. During the current year, the Authority did not recognize any unearned revenue as income as there were no payments of T & R costs to the SEMOU water producers per these agreements. Accordingly, the unearned revenue balance did not change from 2020. For the FY 2020, unearned revenue decreased from $1.9M to $1.2M as $364K of unearned revenue was recognized as income related to payment of T & R costs to the SEMOU water producers.

Noncurrent Assets/Noncurrent Liabilities - Between the years of 2003 through 2005, the Authority received loan proceeds totaling $6,440,000 from the Department of Toxic Substances Control through the State Water Resources Control Board (SWRCB) for reimbursement of project costs related to the VCWD SA1 project located in the BPOU. At June 30, 2021, the note payable totaled $1.60M, of which the current portion is $384K and the noncurrent portion is $1.2M. The Authority has a corresponding note receivable from the BPOU RPs of $1.60M. The proceeds from the note receivable are used by the Authority to repay the note payable in accordance with the Authority's repayment terms with the SWRCB. Accordingly, the noncurrent portion of the receivable is recorded as a noncurrent asset, with a balance of $1.2M as of June 30, 2021. Noncurrent assets and noncurrent liabilities both decreased by $384K during the current year due to payments from the BPOU RPs under the note receivable and the Authority's corresponding payments made on the note payable to SWRCB.

Summary of Statements of Net Position (continued)

Net Position - Investment in Capital Assets - For FY 2021, investment in capital assets totaled $29.4M and was comprised of CIP of $25.3M and other capital assets net of depreciation of $4.0M. For FY 2020, investment in capital assets totaled $27.7M and was comprised of CIP of $23.6M and other capital assets net of depreciation of $4.1M. The increase of $1.6M or 5.9% for FY 2021 from the prior year resulted primarily from an increase in CIP of $1.73M in construction activities and a decrease in other capital assets due depreciation expense of $299K offset by purchases of office equipment of $4.4K and construction of monitoring wells in the SEMOU totaling $194K.

Net Position - Restricted - Net position - restricted includes cash, investments and receivables comprised primarily from federal funding and settlement funds that are restricted for use under various agreements as discussed below. The Authority has entered into several agreements with the United States Bureau of Reclamation (USBR) to provide funding through two federal programs (Title XVI and Restoration Funds) for water treatment facilities located in the San Gabriel Basin. The funds are provided to the Authority on a reimbursement basis and then applied to projects through the Authority's Federal Funding Program Administration (FFPA) program. The Authority has also entered into Cooperative Agreements with the United States Environmental Protection Agency (EPA) to provide funding for water treatment facilities in the SEMOU. These funds are received by the Authority on an advance basis and must be paid to the Water Producers within a few days of the receipt of funds. In addition to the funding from USBR and EPA, the Authority has reached several financial settlements with RPs in the BPOU, EMOU, PVOU and SEMOU. Certain of the settlement funds are deposited into the Authority accounts and are disbursed for capital and T & R costs incurred in connection with the specific projects identified in the agreements. During FY 2021, there were no funds received or disbursed related to the agreements and funding sources described above. Accordingly, for FY 2021, net position - restricted totaled $2.71M, which is consistent with the balance at FY 2020.

SAN GABRIEL BASIN WATER QUALITY AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)
June 30, 2021

Summary of Revenue, Expenses and Changes in Net Position

	Years Ended June 30		Dollar Change	Percentage Change
	2021	**2020**		
Total operating revenues	$ 20,868,253	$ 22,127,069	$ (1,258,816)	-5.7%
Total operating expenses	20,421,384	22,349,123	(1,927,739)	-8.6%
Operating income (loss)	446,869	(222,054)	668,923	-301.2%
Nonoperating revenues	73,096	170,463	(97,367)	-57.1%
Nonoperating (expenses)	(43,148)	(53,236)	10,088	-18.9%
Income (loss) before capital contributions	476,817	(104,827)	581,644	-554.9%
Capital contributions	1,872,974	854,535	1,018,439	119.2%
Change in net position	2,349,791	749,708	1,600,083	213.4%
Beginning net position	33,708,608	32,958,900	749,708	2.3%
Ending net position	$ 36,058,399	$ 33,708,608	$ 2,349,791	7.0%

Operating Revenues - Operating revenues for FY 2021 totaled $20.9M, which is a decrease of $1.3M or 5.7% in the current year from the prior year due primarily to a decrease of $492K in RP contributions, a decrease of $1.2M in federal funding, and an increase in state funding of $371K.

RP Contributions - Through agreements, T & R costs for projects located primarily in the BPOU and SEMOU are paid through the Authority. For FY 2021, the Authority recognized as revenue $16.3M in funding from the BPOU RPs for costs related to these projects. The Authority did not recognize any funding from the SEMOU RPs for FY 2021. Overall, the decrease of $492K or 2.9% over the prior year is due primarily to decreases in T & R costs for the BPOU projects and the lack of funding for the SEMOU projects. For the prior year 2020, the Authority recognized $16.1M in funding from the BPOU RPs and $749K from the SEMOU RPs for costs related to these projects.

Summary of Revenue, Expenses and Changes in Net Position (continued)

Federal Funding - The Authority recognizes as income certain federal grants that are used to pay for project T & R costs. During FY 2021, $1.74M was recognized as income from federal grants, a decrease of $1.14M or 39.6% from the prior year. During FY 2020, $2.88M was recognized as income from federal grants. The decrease is due to the timing of the approval of reimbursements to the Water Producers.

Operating Expenses **-** Total operating expenses decreased by $1.9M or 8.6% in the current year primarily due to a $841K decrease in project T & R costs, a $823K decrease in project grants and a reduction in operating costs of $263K.

Professional Services - Professional services for FY 2021 are $109.7K. Costs incurred during 2021 include costs for general legal counsel and the services of certain professional firms, including project legal costs, a database and mapping consultant, an outside accountant, and audit services. Although for the most part, professional fees are consistent with the prior year, there is an overall $11K net increase due primarily to an increase in management fees of $24K, offset by a decrease in project legal fees of $6.0K.

Project T & R Costs - Project T & R costs total $18.0M and are related primarily to projects within the BPOU and SEMOU. Although the majority of these costs are funded through RPs, for FY 2021 approximately $1.7M in costs were funded by federal funding sources. The $841K decrease in the current year is due to decreases in costs related to the treatment and remediation process in the BPOU, as well as the timing of approval of the reimbursements for the SEMOU T & R costs.

Summary of Revenues, Expenses and Changes in Net Position (continued)

Nonoperating Revenues (Expenses) - For both FY 2021 and 2020 Nonoperating Revenues (Expenses) include interest income and interest expense.

Capital Contributions

	Years Ended June 30	
Capital Contributions	**2021**	**2020**
Governmental - Federal	$ -	$ -
Governmental - State	$ 136,785	$ -
Responsible Parties	880,051	854,535
Water Producers	856,138	-
Total Capital Contributions	$ 1,872,974	$ 854,535

Revenues that are restricted for capital expenditures are recorded as capital contributions. As funding is received for capital projects, it is recorded as a capital contribution and the corresponding costs are recorded as CIP or Fixed Assets. Capital contributions increased by $1.0M in the current year due to an increase in the CIP and capital assets for FY 2021. The capital contributions received from the BPOU RPs were for construction reimbursements for the SGVWC B6 project and the LPVCWD Nitrate project. The capital contributions received from Water Producers were for construction reimbursements for the SGVWC B6 project, and the capital contributions from State funding were for the Monitoring Wells that were constructed in the SEMOU.

SAN GABRIEL BASIN WATER QUALITY AUTHORITY

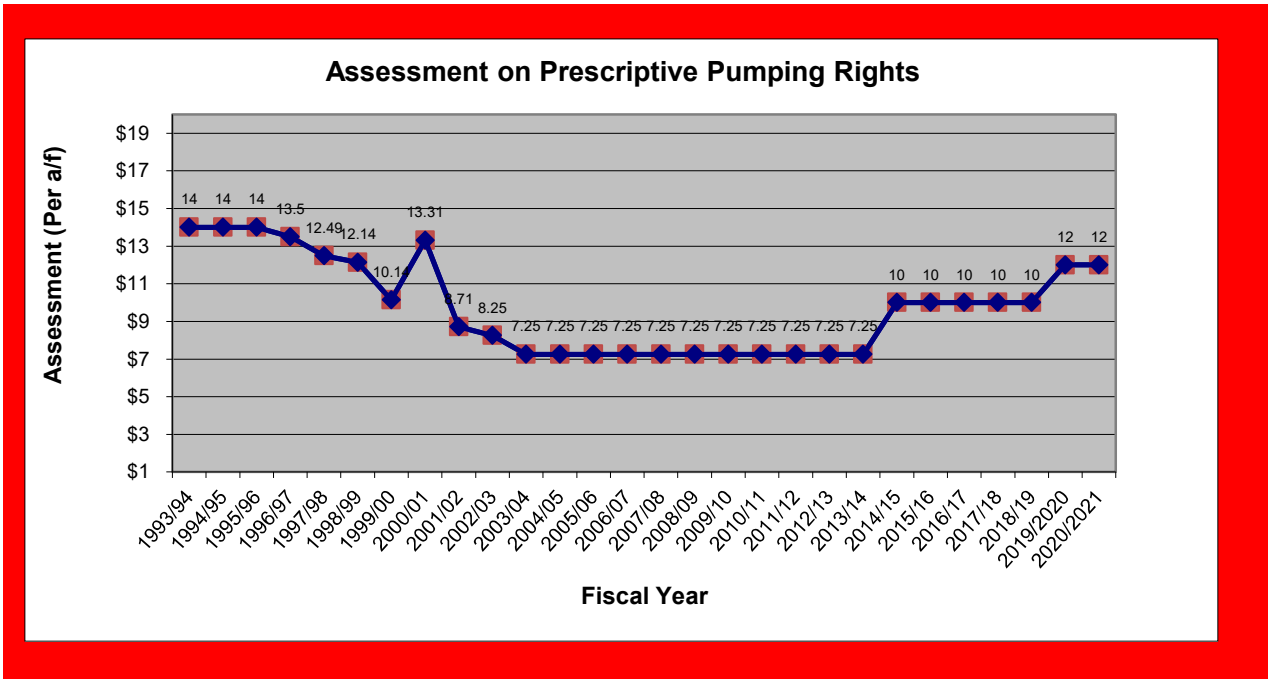
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)
June 30, 2021

Economic Factors

Assessment - Section 605 of the Authority's enabling Act, as amended effective January 1, 2004, grants the Authority the ability to impose an annual pumping right assessment not to exceed $10 per acre-foot. Additionally, Section 608 of the enabling Act grants the Authority the ability to annually adjust the assessment rate by an amount not to exceed the percentage change in the LA/Long Beach/Anaheim Consumer Price Index - All Urban Consumers (CPI). The increase in the CPI from 2004 to 2020 is 39.2%, resulting in an allowable maximum assessment of $14.70 per acre-foot.

Prior to FY 2015, the Authority had minimized assessment dollars needed by securing funding from outside sources such as federal funding, state funding, RP funding as well as utilizing its reserve that had been built up in previous years. As such, the Authority had been able to maintain the assessment at $7.25 per acre-foot for eleven consecutive years through FY 2014. During FY 2015, the assessment was increased to $10 per acre-foot, and remained at that rate through FY 2019. For FY 2020, the assessment was increased to $12 per acre-foot, and remained at $12 per acre-foot for FY 2021.

The following table presents the historical annual assessment rate per acre-foot since the Authority's inception.



	June 30	
	2021	2020
ASSETS		
Current assets		
Cash and investments	**$ 7,151,595**	$ 7,230,272
Accounts receivable	**4,800,005**	4,609,727
Inventories	**444,879**	444,879
Prepaid expenses and other receivables	**57,740**	72,703
Interest receivable	**48,455**	78,122
Current portion of note receivable	**383,700**	373,613
Total current assets	**12,886,374**	12,809,316
Noncurrent assets		
Capital assets:		
Construction in progress	**25,347,235**	23,617,790
Other capital assets, net of accumulated depreciation	**4,007,711**	4,108,367
Total capital assets, net	**29,354,946**	27,726,157
Deposits	**22,895**	22,851
Note receivable, net of current portion	**1,214,387**	1,598,087
Total noncurrent assets	**30,592,228**	29,347,095
Total assets	**$ 43,478,602**	$ 42,156,411
LIABILITIES		
Current liabilities		
Accounts payable	**$ 4,452,877**	$ 5,112,240
Accrued expenses	**91,419**	75,955
Interest payable	**43,148**	53,236
Unearned revenue	**1,234,672**	1,234,672
Current portion of note payable	**383,700**	373,613
Total current liabilities	**6,205,816**	6,849,716
Noncurrent liabilities		
Note payable, net of current portion	**1,214,387**	1,598,087
Total noncurrent liabilities	**1,214,387**	1,598,087
Total liabilities	**7,420,203**	8,447,803
NET POSITION		
Investment in capital assets	**29,354,946**	27,726,157
Restricted	**2,710,394**	2,710,394
Unrestricted	**3,993,059**	3,272,057
Total net position	**36,058,399**	33,708,608
Total liabilities and net position	**$ 43,478,602**	$ 42,156,411

See notes to financial statements.

	Years ended June 30	
	2021	2020
Operating revenues		
Pumping right assessments	**$ 2,371,336**	$ 2,371,336
Responsible party contributions	**16,330,841**	16,822,720
Federal funding sources	**1,739,919**	2,878,347
State funding	**426,157**	54,666
Total operating revenues	**20,868,253**	22,127,069
Operating expenses		
Project treatment and remediation costs	**18,043,145**	18,884,128
Administrative salaries	**728,948**	902,722
Consulting	**467,863**	520,343
Depreciation	**299,444**	293,724
Fringe benefits	**233,946**	268,171
Public relations	**147,578**	155,198
Professional services	**109,706**	97,804
Project grants	**104,989**	928,347
Office rent	**91,668**	91,668
Board member fees	**45,875**	39,855
Equipment rent and maintenance	**37,849**	36,683
Discharge permit activities	**32,264**	29,943
Insurance	**28,663**	28,101
Dues and subscriptions	**24,654**	23,855
Supplies	**9,931**	10,692
Travel and conferences	**8,612**	30,667
Telephone and utilities	**5,752**	6,481
Miscellaneous expense	**497**	741
Total operating expenses	**20,421,384**	22,349,123
Operating income (loss)	**446,869**	(222,054)
Nonoperating revenues (expenses)		
Interest income	**73,096**	170,463
Interest expense	**(43,148)**	(53,236)
Net nonoperating revenues (expenses)	**29,948**	117,227
Income (loss) before capital contributions	**476,817**	(104,827)
Capital contributions	**1,872,974**	854,535
Change in net position	**2,349,791**	749,708
Net position at beginning of year	**33,708,608**	32,958,900
Net position at end of year	**$ 36,058,399**	$ 33,708,608

See notes to financial statements.

	Years ended June 30	
	2021	2020
Cash flows from operating activities		
Cash from operating revenues	**$ 20,677,975**	$ 20,746,853
Cash paid to suppliers for goods and services	**(19,742,151)**	(20,107,142)
Cash paid to or on behalf of employees for services	**(1,008,769)**	(1,210,748)
Net cash used in operating activities	**(72,945)**	(571,037)
Cash flows from noncapital financing activities		
Proceeds received from note receivable	**373,613**	363,790
Interest received from note receivable	**53,236**	63,058
Payments on note payable	**(373,613)**	(363,790)
Interest paid on note payable	**(53,236)**	(63,058)
Net cash provided by noncapital financing activities	**-**	-
Cash flows from capital and related financing activities		
Acquisition of capital assets	**(198,788)**	(18,749)
Construction in progress expenditures	**(1,729,445)**	(1,581,818)
Capital contributions received	**1,872,974**	854,535
Net cash used in capital and related financing activities	**(55,259)**	(746,032)
Cash flows from investing activity		
Interest received on investments	**49,527**	145,386
Cash provided by investing activity	**49,527**	145,386
Net change in cash and cash equivalents	**(78,677)**	(1,171,683)
Cash and cash equivalents at beginning of year	**7,230,272**	8,401,955
Cash and cash equivalents at end of year	**$ 7,151,595**	$ 7,230,272

See notes to financial statements.

	Years ended June 30	
	2021	2020
Cash flows from operating activities		
Operating income (loss)	**$ 446,869**	$ (222,054)
Adjustments to reconcile operating income (loss) to net cash used in operating activities		
Depreciation	**299,444**	293,724
Increase in accounts receivable	**(190,278)**	(630,771)
(Increase) decrease in prepaid expenses and other receivables	**14,963**	(6,971)
Increase in deposits	**(44)**	(54)
Increase (decrease) in accounts payable and accrued expenses	**(643,899)**	744,534
Decrease in unearned revenue	**-**	(749,445)
Net cash used in operating activities	**$ (72,945)**	$ (571,037)

See notes to financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The San Gabriel Basin Water Quality Authority, initially named as the Main San Gabriel Basin Water Quality Authority, was formed in 1990 as a joint powers authority (JPA) in order to finance and construct treatment facilities to purify the contaminated groundwater within the San Gabriel Valley. The Main San Gabriel Basin Watermaster, Upper San Gabriel Valley Municipal Water District, Three Valleys Municipal Water District and San Gabriel Valley Municipal Water District were members of this JPA and provided it with a source of funding for its operations. On February 11, 1993, the Main San Gabriel Basin Water Quality Authority was converted by the State Legislature (SB 1679 – The San Gabriel Basin Water Quality Authority Act) (the Act) from a JPA to a special district and renamed the San Gabriel Basin Water Quality Authority (Authority). Under the direction of a seven-member Board, the major functions of the Authority are to develop, finance and implement groundwater treatment programs in the San Gabriel Valley. The legislative act authorized the Authority to impose pumping right assessments to carry out its treatment activities. Senate Bill No. 429 became law in September 2013, amending certain sections of the Act and extending the Act until July 1, 2030.

The groundwater treatment programs are located in Operable Units within the San Gabriel Valley - the Baldwin Park Operable Unit (BPOU), the El Monte Operable Unit (EMOU), the Puente Valley Operable Unit (PVOU), the South El Monte Operable Unit (SEMOU), the Area Three Operable Unit (ATOU) and the Whittier Narrows Operable Unit (WNOU). Additionally, there are several treatment programs located outside of the defined Operable Units.

Basis of Accounting and Financial Statement Presentation

The Authority is accounted for as an enterprise fund (proprietary fund type). A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges. The Authority utilizes the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized as they are incurred.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from pumping right assessments, grants and contributions. Operating expenses include project expenses, general and administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Capital contributions consist of contributed capital assets, and other charges that are legally restricted for capital expenditures by state law or by the Board action that established those charges.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories
Inventories consist of replacement parts for various treatment facilities. Inventories are stated at lower of cost determined on the first-in, first-out basis, or market.

Accounts Receivable
Accounts receivable are recorded at net realizable value. Management believes that accounts receivable are fully collectible. Therefore, no allowance for doubtful accounts is reflected on the Statements of Net Position at June 30, 2021 and 2020.

Capital Assets
Capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated fair market value on the date received. The Authority capitalizes all assets with a historical cost of at least $5,000 and a useful life of at least 5 years. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciation is computed utilizing the straight-line method over the following estimated useful lives:

Office equipment	3 to 5 years
Office furniture	10 years
Treatment plant equipment	10 years
Treatment plants	35 years
Monitoring wells	35 years

Construction in Progress
Project capital costs are accumulated as construction in progress over the life of the construction. The Authority believes that it is responsible for management of the asset during the construction phase. When a project is completed, the asset is "transferred" to the related water entity which takes over the management and maintenance of the asset at that time.

Water being treated in the treatment facilities frequently requires more than one type of treatment. A treatment facility may be operational but construction is ongoing to develop additional treatment processes to remediate newly detected contamination or to more efficiently address existing contamination. In these circumstances, if the construction is ongoing, the Authority will retain the project in construction in progress until the entire project is completed, even though portions of that project may have some involvement in water treatment activities.

Cash Equivalents
For the purposes of the Statements of Cash Flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near to their maturity that they present insignificant risk of changes in value because of changes in interest rates and have an original maturity date of 3 months or less.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments
Investments are reported at fair value, except for certain investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates. Changes in fair value that occur during the fiscal year are recognized as interest income reported for that fiscal year. Interest income also includes interest earnings.

Pumping Right Assessments
On September 19, 1992, the California state legislature approved legislation to allow the Authority to levy a pumping right assessment on holders of prescriptive (as determined by Superior Court Judgment) pumping rights. Prior to the fiscal year ended June 30, 2002, the pumping right assessment consisted of two components, a capital assessment and an administrative assessment. Assembly Bill 2544 amended this practice and combined the capital and administrative assessment into one annual pumping right assessment.

Pumping right assessments are imposed, on an as needed basis, after other revenue sources, such as private party, state and federal grant funding are budgeted. For the fiscal years ended June 30, 2021 and 2020, the annual pumping right assessment was $12 per acre-foot.

The Authority records incoming funds as operating revenues. Funds are received from the United States Bureau of Reclamation (USBR), United States Environmental Protection Agency (EPA), Water Producers, California State Water Resource Control Board (SWRCB) and assessments on prescriptive pumping right holders in the San Gabriel Basin, as well as from the parties responsible for contamination which include Responsible Parties, Cooperating Respondents (CRs), Performing Settling Defendants (PSDs), Settling Defendants (SDs), Work Parties, and Potentially Responsible Parties (PRPs). Hereafter, the parties responsible for contamination will be collectively referred to as Responsible Parties (RPs).

Accrued Liabilities and Accounts Payable
The Authority records accounts payable liabilities when invoices are approved for payment by the authorizing entity, which can be the Authority, EPA, RPs or Water Entities. The Authority incurs two types of costs: administrative costs and project costs.

Administrative Costs
These costs relate to administrative costs, including payroll and benefits, incurred by the Authority, and are funded by assessments. A liability is recorded when an invoice is approved by the Authority. The liability is recorded in the same time period as the cost/expense is incurred.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Project Costs
These costs include legal, government relations, community relations, and costs related to projects owned and operated by the Authority. These costs are either funded by RPs or funded by the Authority's assessments. Generally, the liability is recorded in the same time period as the cost is incurred.

Project Costs Incurred by RPs, and Water Producers and Paid by the Authority
As a part of its role in managing the quality of the water in the San Gabriel Basin, the Authority will pay certain costs for which the RPs are financially responsible. Typically, these costs will be incurred by Water Producers and then submitted by the Water Producers to the Authority to be considered for reimbursement. The process required to approve these costs for reimbursement requires input from various parties. Once a cost has been approved for reimbursement, the Authority reports an expense and a liability for the qualified cost (to reflect the amount due to the Water Producer). An equal amount of revenue (and a receivable) is also reported for the amount of reimbursement approved for collection from the RPs. In the event that a cost is not approved for reimbursement, the Authority has no liability, and the cost remains an unrecovered expense of the Water Producer.

Contingent Liabilities
The Authority has received funds from various federal, state, and local grant programs. It is possible that at some future date it may be determined that the Authority was not in compliance with applicable grant requirements. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although management does not expect such disallowed amounts, if any, to materially affect the financial statements.

Unearned Revenue
The Authority records unearned revenue when it receives funds from the SEMOU RPs through the various settlement agreements. Under these agreements, the funds received are required to be used to pay eligible project costs to the Water Producers. The funds are not considered earned until the Water Producers submit requests for reimbursement to the Authority and the Authority is in agreement that the costs are eligible for reimbursement. Unearned revenue as of June 30, 2021 and 2020 was $1,234,672 and $1,234,672, respectively.

Deferred Outflows/Inflows of Resources
In addition to assets, the Statements of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority does not have any items that qualify in this category as of June 30, 2021 and 2020.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to liabilities, the Statements of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority does not have any items that qualify for this category as of June 30, 2021 and 2020.

Net Position

Net position is presented in three components: net investment in capital assets, restricted, and unrestricted. Net position of the Authority has been reported as restricted when its use is constrained more narrowly than the reporting unit in which they are reported as a result of state laws governing such use. When both restricted and unrestricted resources are available for use, the Authority uses unrestricted resources first, and then restricted resources as they are needed. For capital expenditures, other restricted resources are used first, and then unrestricted resources are used if needed.

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

Pollution Remediation

Government Accounting Standards Board (GASB) Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* addresses pollution remediation obligations and how such costs should be recognized and disclosed. A pollution remediation obligation is an obligation to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities. For example, an obligation to clean up contaminated groundwater is a pollution remediation obligation.

Under GASB Statement No. 49, when a government knows or reasonably believes a site is polluted, it should determine whether a pollution remediation obligation exists and should be recorded as a liability. There are several criteria under which an entity must recognize a liability, one of which occurs when a government voluntarily commits or legally obligates itself to commence cleanup activities or monitoring or operation and maintenance of the remediation effort.

The Authority was created by the State of California to facilitate the development, financing and implementation of groundwater treatment programs in the San Gabriel Valley, the purpose of which is to clean up contaminated groundwater. As such, the Authority works with Water Producers, RPs as well as local, state and federal government agencies. The Authority has not committed or legally obligated itself to commence cleanup activities. As such, the Authority does not have a requirement to record a liability for the future estimated pollution remediation cost.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates are also required to determine potential impairment of long-lived assets such as capital assets. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Such events or circumstances include, but are not limited to, a significant decrease in the fair value of the equipment due to obsolescence, or a significant decrease in benefits realized from the equipment. Management is not aware of any circumstances that would lead to a material impairment of any long-lived assets.

Reclassification

Certain amounts in the prior period financial statements have been reclassified to conform to the presentation of the current period financial statements. These reclassifications had no effect on the previously reported financial results.

NOTE 2 CASH AND INVESTMENTS

Cash and investments as of June 30 consist of the following:		**2021**		2020
Cash on hand	**$**	**250**	$	250
Deposits with financial institutions		**651,628**		486,366
Investments		**6,499,717**		6,743,656
Total	**$**	**7,151,595**	$	7,230,272

Investment in State Investment Pool

The Authority is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by the California Government Code, the California Water Code, and the Authority's Investment Policy

The following table identifies the investment types that are authorized for the Authority by the California Government Code, and the Authority's investment policy, whichever is most restrictive. The table also identifies certain provisions of the California Government Code, and the Authority's investment policy that address interest rate risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the Authority, rather than the general provisions of the California Government Code or the Authority's investment policy.

Authorized Investment type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment In One Issuer
Local agency bonds (c)	5 years	None	None
U.S. Treasury obligations (a)(b)	5 years	None	None
U.S. Agency securities (a)(b)	5 years	None	None
Banker's acceptances (c)	180 days	40%	30%
Commercial paper (c)	270 days	25%	10%
Negotiable certificates of deposit (a)(b)	5 years	30%	None
Repurchase agreements (c)	1 year	None	None
Reverse repurchase agreements (c)	92 days	20%	None
Medium-term notes (c)	5 years	30%	None
Money market mutual funds (c)	N/A	20%	10%
Mortgage pass-through securities (c)	5 years	20%	None
Orange County Investment Pool (c)	N/A	None	None
Local Agency Investment Fund (LAIF) (a)	N/A	None	None

(a) Investment authorized by the Authority's Investment Policy
(b) The Authority's investment policy allows a term of 12 months or less
(c) Investment is not authorized by the Authority's investment policy

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Deposits are fully insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). Beginning January 1, 2013, the FDIC has insured noninterest-bearing transaction accounts, which generally provides each depositor up to $250,000 in coverage at each separately chartered insured depository institution.

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

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

At June 30, 2021, the Authority's deposits (bank balances) exceeded the maximum deposit insurance amount by $402,775.

Disclosure Relating to Credit Risk
Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized statistical rating organization.

Disclosures Relating to Interest Rate Risk
Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates.

Information about the sensitivity of the fair values of the Authority's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity as of June 30, 2021 and 2020:

	June 30, 2021				
		Remaining Maturity			
Investment	Amount	12 Months or Less	13 to 36 Months	37 to 60 Months	Over 60 Months
LAIF *	$ **6,499,717**	$ **6,499,717**	$ -	$ -	$ -
Total	$ **6,499,717**	$ **6,499,717**	$ -	$ -	$ -

	June 30, 2020				
		Remaining Maturity			
Investment	Amount	12 Months or Less	13 to 36 Months	37 to 60 Months	Over 60 Months
LAIF *	$ 6,743,656	$ 6,743,656	$ -	$ -	$ -
Total	$ 6,743,656	$ 6,743,656	$ -	$ -	$ -

* LAIF is not rated.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurement
The Authority follows GASB Statement No. 72, *Fair Value Measurement and Application*. GASB 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices for identical assets or liabilities in active markets that government can access at the measurement date.
- Level 2 inputs are other than quoted prices included in Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

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

	June 30		Level of Inputs
Investment Type	**2021**	**2020**	
Cash on Hand	**$ 250**	$ 250	Level 1
Deposits with financial institutions	**651,628**	486,366	Level 1
LAIF	**6,499,717**	6,743,656	Uncategorized
	$ 7,151,595	$ 7,230,272	

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable consist of the following at June 30, 2021 and 2020:

	2021	2020
Federal grants	**$ 1,739,919**	$ 1,096,562
State grants	**240,089**	7,023
Responsible party contributions	**2,664,700**	3,372,971
Pumping right assessments	**155,252**	133,126
Other	**45**	45
Total accounts receivable	**$ 4,800,005**	$ 4,609,727

NOTE 4 NOTE RECEIVABLE

Between the years ended June 30, 2003 through 2005, the Authority loaned funds to certain RPs for reimbursement of costs incurred in connection with construction of a treatment facility at the Arrow/Lante Well site. The RPs started repaying the loans in July 2005. The repayments are occurring over a twenty-year term on a fully amortizable basis. Interest accrues at the rate of 2.7 percent per annum.

NOTE 4 NOTE RECEIVABLE (CONTINUED)

At June 30, 2021, the note receivable for the Authority is $1,598,087, of which $383,700 is receivable within the next 12 months.

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets at June 30, 2021, is as follows:

	Beginning Balance June 30, 2020	Additions	Deletions	Transfers to Water Producers	Ending Balance June 30, 2021
Capital assets, not being depreciated					
Construction in progress	$ 23,617,790	$ 1,729,445	$ -		$ 25,347,235
Total capital assets, not being depreciated	23,617,790	1,729,445	-	-	25,347,235
Capital assets being depreciated					
Office furniture and equipment	243,662	4,444	(25,279)	-	222,827
BPOU monitoring wells	8,792,835	-	-	-	8,792,835
SEMOU sentinel well	102,437	-	-	-	102,437
SEMOU Bozung Treatment Facility	933,954	-	-	-	933,954
SEMOU monitoring wells	-	194,344	-	-	194,344
Total capital assets being depreciated	10,072,888	198,788	(25,279)	-	10,246,397
Less accumulated depreciation					
Office furniture and equipment	(204,883)	(16,759)	25,279	-	(196,363)
BPOU monitoring wells	(5,389,782)	(251,223)	-	-	(5,641,005)
SEMOU sentinel well	(46,830)	(2,927)	-	-	(49,757)
SEMOU Bozung Treatment Facility	(323,026)	(26,684)	-	-	(349,710)
SEMOU monitoring wells	-	(1,851)	-		(1,851)
Total accumulated depreciation	(5,964,521)	(299,444)	25,279	-	(6,238,686)
Total capital assets being depreciated, net	4,108,367	(100,656)	-	-	4,007,711
Total capital assets, net	$ 27,726,157	$ 1,628,789	$ -	-	$ 29,354,946

A summary of changes in capital assets at June 30, 2020, is as follows:

	Beginning Balance June 30, 2019	Additions	Deletions	Transfers to Water Producers	Ending Balance June 30, 2020
Capital assets, not being depreciated					
Construction in progress	$ 22,035,972	$ 1,581,818	$ -	-	$ 23,617,790
Total capital assets, not being depreciated	22,035,972	1,581,818	-	-	23,617,790
Capital assets being depreciated					
Office furniture and equipment	224,913	18,749	-	-	243,662
BPOU monitoring wells	8,792,835	-	-	-	8,792,835
SEMOU sentinel well	102,437	-	-	-	102,437
SEMOU Bozung Treatment Facility	933,954	-	-	-	933,954
Total capital assets being depreciated	10,054,139	18,749	-	-	10,072,888
Less accumulated depreciation					
Office furniture and equipment	(191,993)	(12,890)	-	-	(204,883)
BPOU monitoring wells	(5,138,559)	(251,223)	-	-	(5,389,782)
SEMOU sentinel well	(43,903)	(2,927)	-	-	(46,830)
SEMOU Bozung Treatment Facility	(296,342)	(26,684)	-	-	(323,026)
Total accumulated depreciation	(5,670,797)	(293,724)	-	-	(5,964,521)
Total capital assets being depreciated, net	4,383,342	(274,975)	-	-	4,108,367
Total capital assets, net	$ 26,419,314	$ 1,306,843	$ -	-	$ 27,726,157

NOTE 6 NOTE PAYABLE

In 2003, the Authority was granted a loan from the SWRCB of $6,440,000. The loan accrues interest at a rate of 2.7 percent per annum from the dates funds were disbursed and the interest accrued was included in a fully amortized balance with payments over a twenty-year period commencing in July 2005. The funds received by the Authority under this agreement were then loaned to certain RPs in connection with the construction of a groundwater remediation facility. The Authority's note receivable from certain RPs has the same repayment terms as the Authority's note payable to SWRCB. See Note 4 for additional information.

Changes in long-term debt for the year ended June 30, 2021, are as follows:

	Balance June 30, 2020	Additions	Payments	Balance June 30, 2021	Due Within One Year
Note payable	$ 1,971,700	$ -	$ (373,613)	$ 1,598,087	$ 383,700

Changes in long-term debt for the year ended June 30, 2020, are as follows:

	Balance June 30, 2019	Additions	Payments	Balance June 30, 2020	Due Within One Year
Note payable	$ 2,335,490	$ -	$ (363,790)	$ 1,971,700	$ 373,613

Payments of principal and interest for each of the next four fiscal years increments thereafter are as follows:

Years ending June 30	Principal	Interest	Total
2022	$ 383,700	$ 43,148	$ 426,848
2023	394,060	32,788	426,848
2024	404,700	22,148	426,848
2025	415,627	11,221	426,848
Total	$ 1,598,087	$ 109,305	$ 1,707,392

NOTE 7 CAPITAL CONTRIBUTIONS

Capital contributions include the following:

Governmental
The USBR, under the Title XVI and the Restoration Funds programs, has provided funding for design, planning and construction for treatment facilities in the BPOU, SEMOU, EMOU and PVOU operable units.

The Authority has entered into agreements with the California SWRCB for Proposition 1 funding for planning projects in the SEMOU. Capital contributions for the construction of monitoring wells totaled $136,785 and $0 for the fiscal years ended June 30, 2021 and 2020, respectively.

Water Producers
The Authority has entered into agreements with Water Producers for the design, construction and operation of treatment facilities in the BPOU, SEMOU, PVOU and EMOU, and ATOU operable units. The total producers' contributions restricted for capital is included in capital contributions on the Statements of Revenues, Expenses, and Changes in Net Position amounting to $856,138 and $0 for the fiscal years ended June 30, 2021 and 2020, respectively.

Responsible Parties
The EPA identified several private companies referred to as RPs, as being responsible for groundwater contamination in the San Gabriel Valley. Several companies named by the EPA as RPs have formed coalitions to facilitate the cleanup of the Basin's groundwater supply by providing funding for capital construction in the BPOU, SEMOU, PVOU and EMOU operable units. RPs contributed $880,051 and $854,535 for fiscal years ended June 30, 2021 and 2020, respectively.

During the year ended June 30, 2002, the Authority became a party to the BPOU Project Agreement. During the year ended June 30, 2017, the BPOU Project Agreement was renegotiated and extended for an additional 10 years. Under the agreement, RPs agreed to provide funding for the design, construction, operation, maintenance and management of groundwater extraction, treatment and distribution facilities within the BPOU. The portion related to the design and construction is recorded as capital contributions.

The Authority is a party to multiple SEMOU Settlement Agreements with RPs. The agreements called for the SEMOU RPs to provide funding to pay, partially pay or reimburse the Water Producers for capital and treatment and remediation costs incurred or to be incurred in connection with certain projects outlined in the agreements.

NOTE 8 PENSION PLAN

The Authority sponsors a Money Purchase Pension Plan (the Pension Plan), a defined contribution plan, under Internal Revenue Code Section 401(a) for the benefit of its employees who have attained the age of 21 and have completed 1,000 hours of service. The Authority contributes on behalf of the employees, 12.726 percent of their covered compensation up to and not to exceed the lesser of $58,000 ($64,500 including catch-up contributions), or 25 percent of covered compensation. The Authority's contributions to the Pension Plan totaled $90,691 and $115,375 for the years ended June 30, 2021 and 2020, respectively.

NOTE 9 DEFERRED COMPENSATION PLANS

The Authority offers its employees and board members deferred compensation plans (the Plans) under Internal Revenue Code Section 457. The Plans, available to all Authority employees and board members, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. The Authority is in compliance with this legislation. These assets are not the legal property of the Authority and are not subject to claims of the Authority's general creditors. The unaudited market values of the Plans' assets amounted to $856,311 and $687,587 for the years ended June 30, 2021 and 2020, respectively.

In accordance with GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans,* as the Authority has little administrative involvement and does not perform the investing function for the Plans, the assets and related liabilities are not shown on the Statements of Net Position.

NOTE 10 COMMITMENTS AND CONTINGENCIES

Leases

The Authority leases its office space and certain equipment under operating leases expiring at various dates through 2023. Expense for office space for each of the years ended June 30, 2021 and 2020 was $91,668 and for the equipment leases was $5,782 and $5,694, respectively. The expense for office equipment is included in Equipment Rent and Maintenance on the Statements of Revenue, Expenses and Changes in Net Position. Future minimum lease payments under the operating lease agreements as of June 30, 2021 are as follows:

Years ending June 30		Amount
2022	$	97,362
2023		1,235
Total	$	98,597

NOTE 11 INSURANCE

The Authority is a member of the Association of California Water Agencies Joint Powers Insurance Authority (JPIA). The JPIA is a risk-pooling, self-insurance authority, created under provisions of California Government Code Sections 6500 et seq. The purpose of the JPIA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. The JPIA provides coverage to the Authority for property losses, general liability and workers' compensation. Members of the JPIA share the costs of professional risk management claims, administration and excess insurance. The Authority has established a self-insured retention amount which represents the Authority's deductible per occurrence and the JPIA provides self-insured coverage for the Authority up to established pool limits for the various types of insurance coverage. Coverage limits are $5 million per occurrence for liability; replacement cost for property, subject to a $1,000 deductible; and statutory limits for workers' compensation.

NOTE 12 SUBSEQUENT EVENTS

The Authority has evaluated events or transactions through DATE OPEN, the date on which the financial statements were available to be issued, for potential recognition or disclosure in the financial statements and determined no other subsequent matters require disclosure or adjustment to the accompanying financial statements.

www.vasquezcpa.com

655 N Central Avenue, Suite 1550 • Glendale, California 91203-1437 • Ph. (213) 873-1700 • Fax (213) 873-1777

Water Quality Authority

San Gabriel Basin Water Quality Authority
Single Audit Report
Year Ended June 30, 2021
With Independent Auditor's Report

An independently owned member
RSM US Alliance
RSM

Vasquez & Company LLP
Certified Public Accountants and Business Consultants

San Gabriel Basin Water Quality Authority
Single Audit Report
Year Ended June 30, 2021
With Independent Auditor's Report

Vasquez & Company LLP
Certified Public Accountants and Business Consultants

655 N Central Avenue, Suite 1550
Glendale, CA 91203
Ph. (213) 873-1700
Fax (213) 873-1777

www.vasquezcpa.com

OFFICE LOCATIONS:
Los Angeles
Sacramento
San Diego
Manila

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
San Gabriel Basin Water Quality Authority
West Covina, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the San Gabriel Basin Water Quality Authority (the Authority), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 15, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Glendale, California
December 15, 2021

Vasquez & Company LLP
Certified Public Accountants and Business Consultants

655 N Central Avenue, Suite 1550
Glendale, CA 91203
Ph. (213) 873-1700
Fax (213) 873-1777

www.vasquezcpa.com

OFFICE LOCATIONS:
Los Angeles
Sacramento
San Diego
Manila

Independent Auditor's Report on Compliance for Each Major Program, on Internal Control over Compliance, and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Board of Directors
San Gabriel Basin Water Quality Authority
West Covina, California

Report on Compliance for Each Major Federal Program

We have audited San Gabriel Basin Water Quality Authority's (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended June 30, 2021. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Authority's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the Authority as of and for the year ended June 30, 2021, and have issued our report thereon dated December 15, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Glendale, California
December 15, 2021

San Gabriel Basin Water Quality Authority
Schedule of Expenditures of Federal Awards
Year ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Program Identification Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures	
U.S. Environmental Protection Agency						
Direct Assistance:						
Superfund Support Agency Cooperative Agreement:						
South El Monte Operable Unit	66.802	99T29201	Not applicable	$ -	$ 1,739,919	*
Total U.S. Environmental Protection Agency				-	1,739,919	
Total Federal Expenditures				$ -	$ 1,739,919	

* Major program

See Notes to Schedule of Expenditures of Federal Awards.

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Authority under programs of the federal government for the year ended June 30, 2021. For purposes of this Schedule, financial awards include federal awards received directly from a federal agency, as well as federal funds received indirectly by the Authority from a non-federal agency or other organization. Only the portions of program expenditures reimbursable with federal funds are reported in the accompanying Schedule. Program expenditures in excess of the maximum reimbursement authorized, if any, or the portion of the program expenditures that were funded with other state, local or other non-federal funds are excluded from the accompanying Schedule.

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The expenditures reported on the Schedule are reported on the accrual basis of accounting except that the lending of certain federal award monies and acquisition of capital assets are reported as expenditures of federal funds. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Authority has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 SUBRECIPIENTS

There were no payments to subrecipients for the year ended June 30, 2021.

NOTE 4 RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Grant expenditure reports as of and for the year ended June 30, 2021, which have been submitted to grantor agencies, will, in some cases, differ from amounts disclosed herein. The reports prepared for grantor agencies are typically prepared at a later date and often reflect refined estimates of the year-end accruals.

Section I – Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	No

Identification of Major Programs:

Assistance Listing Number	Name of Federal Program or Cluster
66.802	Superfund Support Agency Cooperative Agreement

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as a low-risk auditee?	Yes

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings

None noted.

There were no federal award findings reported in the prior year.

www.vasquezcpa.com

655 N Central Avenue, Suite 1550 • Glendale, California 91203-1437 • Ph. (213) 873-1700 • Fax (213) 873-1777

Water Quality Authority

San Gabriel Basin Water Quality Authority
Report to the Board of Directors
June 30, 2021

Vasquez & Company LLP
Certified Public Accountants and Business Consultants

655 N Central Avenue, Suite 1550
Glendale, CA 91203
Ph. (213) 873-1700
Fax (213) 873-1777
www.vasquezcpa.com

OFFICE LOCATIONS:
Los Angeles
Sacramento
San Diego
Manila

December 15, 2021

Honorable Members of the Board of Directors
San Gabriel Basin Water Quality Authority

We are pleased to present this report related to our audit of the financial statements of San Gabriel Basin Water Quality Authority (the Authority) as of and for the year ended June 30, 2021. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Authority's financial reporting process.

This report is intended solely for the information and use of the Board of Directors, the Administrative and Finance Committee and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the Authority.

Very truly yours,

VASQUEZ & COMPANY, LLP

Cristy A. Canieda
Partner

San Gabriel Basin Water Quality Authority
Table of Contents

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities With Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States have been described to you in our arrangement letter dated May 19, 2021. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued a separate communication dated October 15, 2021, regarding the planned scope and timing of our audit and have discussed with you our identification of, and planned audit response to, significant risks of material misstatement.
Accounting Policies and Practices	Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Authority. The Authority did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.
Significant or Unusual Transactions	We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.
Going Concern	The financial statements were prepared on the assumption that the Authority will continue as a going concern.
Audit Adjustments	There were no audit adjustments made to the original trial balance presented to us to begin our audit.
Uncorrected Misstatements	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.
Disagreements With Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations With Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed With Management	No significant issues arising from the audit were discussed with or were the subject of correspondence with management.

Area	Comments
Significant Difficulties Encountered in Performing the Audit	We did not encounter any significant difficulties in dealing with management during the audit.
Significant Written Communication Between Management and Our Firm	The most significant written communication between management and our firm was the Management Representation Letter attached as Exhibit A.

(Please see the attached)

www.vasquezcpa.com

655 N Central Avenue, Suite 1550 • Glendale, California 91203-1437 • Ph. (213) 873-1700 • Fax (213) 873-1777

San Gabriel Basin Water Quality Authority

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

December 15, 2021

Vasquez & Company LLP
655 N Central Ave, Suite 1550
Glendale, CA 91203

This representation letter is provided in connection with your audit of the basic financial statements of San Gabriel Basin Water Quality Authority (the Authority), which comprise the statements of net position as of June 30, 2021 and 2020, the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves, that as of December 15, 2021:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated December 15, 2021, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.

2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.

5. Related-party transactions, including long-term loans, leasing arrangements, and guarantees, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

6. All events subsequent to the date of the financial statements, and for which disclosure, have been disclosed.

7. The effects of all known actual or possible litigation and claims have been accounted for in accordance with U.S. GAAP.

8. With respect to the assistance with the preparation and word processing of the financial statements performed in the course of the audit:

    a. We have made all management decisions and performed all management functions;

    b. We assigned an appropriate individual to oversee the services;

    c. We evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed;

    d. We have accepted responsibility for the results of the services; and

    e. We have accepted responsibility for all significant judgments and decisions that were made.

9. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.

10. We have no knowledge of any uncorrected misstatements in the financial statements.

Information Provided

11. We have provided you with:

    a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.

    b. Additional information that you have requested from us for the purpose of the audit.

    c. Unrestricted access to persons within the from whom you determined it necessary to obtain audit evidence.

    d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.

12. All transactions have been recorded in the accounting records and are reflected in the financial statements.

13. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of internal control is risk assessment. We hereby represent that our risk assessment process includes identification and assessment of risks of material misstatement due to fraud. We have shared with you our fraud risk assessment, including a description of the risks, our assessment of the magnitude and likelihood of misstatements arising from those risks, and the controls that we have designed and implemented in response to those risks.

14. We have no knowledge of allegations of fraud or suspected fraud affecting the financial statements involving:

    a. Management.

    b. Employees who have significant roles in internal control.

    c. Others where the fraud could have a material effect on the financial statements.

15. We have no knowledge of any allegations of fraud or suspected fraud affecting the financial statements received in communications from employees, former employees, analysts, regulators, short sellers or others.

16. We have complied with all aspects of laws, regulations and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance.

17. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.

18. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing financial statements.

19. We have disclosed to you the identity of the related parties and all the related-party relationships and transactions of which we are aware.

20. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the ability to record, process, summarize and report financial data.

21. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

Compliance Considerations

In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

22. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.

23. Is responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to the auditee.

24. Is aware of no instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

25. Is aware of no instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts.

26. Is aware of no instances that have occurred, or are likely to have occurred, of waste or abuse that could be quantitatively or qualitatively material to the financial statements.

27. Is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

28. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.

29. Has a process to track the status of audit findings and recommendations.

30. Has identified for the auditor previous audits, attestation engagements and other studies related to the audit objectives and whether related recommendations have been implemented.

31. Acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including a statement that it assumes all management responsibilities; that it oversees the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

In connection with your audit of federal awards conducted in accordance with Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), we confirm:

32. Management is responsible for complying, and has complied, with the requirements of Uniform Guidance.

33. Management is responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of its federal programs.

34. Management is responsible for establishing and maintaining, and has established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that the auditee is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal award that could have a material effect on its federal programs.

35. Management is responsible for the preparation of the schedule of expenditures of federal awards, acknowledges and understands its responsibility for the presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; believes the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; asserts that methods of measurement or presentation have not changed from those used in the prior period, or if the methods of measurement or presentation have changed, the reasons for such changes has have been communicated; and is responsible for any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

36. Management will make the audited financial statements readily available to the intended users of the schedule no later than the issuance date by the entity of the schedule of expenditures of federal awards and the auditor's report thereon.

37. Management has identified and disclosed all of its government programs and related activities subject to the Uniform Guidance compliance audit.

38. Management has identified and disclosed to the auditor the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.

39. Management has made available all federal awards (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.

40. Management has identified and disclosed to the auditor all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards or stated that there was no such noncompliance.

41. Management believes that the auditee has complied with the direct and material compliance requirements.

42. Management has made available all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

43. Management has disclosed to the auditor the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

44. There are no subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

45. Management has disclosed all known noncompliance with direct and material compliance requirements occurring subsequent to the period covered by the auditor's report or stated that there were no such known instances.

46. Management has disclosed whether any changes in internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditor's report.

47. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.

48. The copies of federal program financial reports provided to the auditor are true copies of the reports submitted, or electronically transmitted, to the federal agency or pass-through entity, as applicable.

49. Management has charged costs to federal awards in accordance with applicable cost principles.

50. The reporting package does not contain protected personally identifiable information.

51. Management has accurately completed the appropriate sections of the data collection form.

San Gabriel Basin Water Quality Authority

Randy Schoellerman,
Executive Director

Mary Saenz,
Director of Finance

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: December 15, 2021

Subject: **Draft 2022 §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 2022 §406 Plan for 30-day public comment period.

Attachments
Draft Public Comment Schedule
Draft 2022 §406 Plan

San Gabriel Basin Water Quality Authority

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

DRAFT 2022

San Gabriel Basin Groundwater Quality Management and Remediation Plan

"§406 Plan"

Revised: December 9, 2021

TABLE OF CONTENTS

VOLUME I

VOLUME II

VOLUME III

APPENDIX D-2 – AUTHORITY OF STATE WATER RESOURCES CONTROL BOARD AND LOS ANGELES REGIONAL WATER QUALITY CONTROL BOARD

APPENDIX D-3 – AUTHORITY OF STATE WATER RESOURCES CONTROL BOARD DEPARTMENT OF DRINKING WATER (FORMERLY CALIFORNIA DEPARTMENT OF PUBLIC HEALTH SERVICES)

APPENDIX E – USEPA PLAN UPDATES FOR EACH OPERABLE UNIT

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 *et seq.*)
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.

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
PFAS	Per- and polyfluoroalkyl substances
PFOA	Perfluorooctanoic acid
PFOS	Perfluorooctanesulfonic acid
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
SDWA	Safe Drinking Water Act
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 Disolved 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~~ The San Gabriel Basin Water Quality Authority ("WQA") ~~is revising~~ has completed the annual update to 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.

The WQA Board adopts this §406 Plan each year following a staff review and a public comment period that is noticed in local newspapers and on WQA's website and social media sites. This lastest version of the §406 Plan was adopted and became~~is~~ effective on ~~February 17, 2021~~.January XX, 2022.

For questions or comments about this document, please contact the WQA office at (626) 338-5555, or send an e-mail to info@wqa.com.

~~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.~~

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~~2022

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~~2022

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 the ~~MWD~~Metropolitan Water District. 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"), 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 had announced that they will establish a federal MCL their process was not expected to be completed prior to DDW's process.

In 2020, the USEPA issued a final action regarding ~~the~~their proposed 2011 regulation of perchlorate under the Safe Drinking Water Act ("SDWA"). Considering the best available science and the proactive steps that USEPA, states and public water systems have taken to reduce perchlorate levels, the USEPA ~~has~~ determined that perchlorate does not meet the criteria for regulation as a drinking water contaminant under the SDWA. Therefore, the agency ~~is withdrawing~~withdrew ~~its~~the 2011 regulatory determination and ~~is making~~made a final determination to not issue a national regulation for perchlorate ~~at this time~~.

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 invalided 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 be completed in ~~2021~~2022.

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. An RL is set higher than an NL 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 RLs for PFOA and PFOS from a combined sum of 70 ppt to 10 ppt for PFOA and 40 ppt for PFOS, while the current NLs remained unchanged.

In 2021, USEPA published its PFAS Action Plan which promotes regulating PFOS and PFOA under Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA"). This process requires USEPA to develop a federal MCL for these chemicals, a process that is expected to take several years.

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 and PFAS 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. 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, WQA collaborated with DDW and the Coalition for Environmental Protection Restoration and Development to create a 97-005 User Guide to assist applicants in the preparation of the Process Memo 97-005 documentation. In addition, DDW staff issued a revised Process Memo 97-005-R2020.

Pursuant to Process Memo 97-005-R2020, the following findings are required of DDW for approval to use an extremely impaired source[1]:

[1] An extremely impaired source, according to Process Memo 97-005-R2020, is one that meets two or more of the following criteria: 1) exceeds 10 times an MCL based on chronic health effects, 2) exceeds 3 times its MCL 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 (4) above and the source has not been adequately characterized by responsible parties, 6) is a surface water that requires more than 4 log *Giardia*/5 log virus reduction, 7) is a surface water source that contains more than 5% treated waste water, unless associated with approved drinking

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

(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-R2020 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-R2020 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-R2020 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-

---

water-related surface water augmentation project, 8) 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, 9) 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.

[1] 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."

R2020 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.

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 $570 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 Parities

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 that 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[1]. 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.

[1] 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.

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.

D. TITLE XVI

In 1992, Congress authorized the Reclamation Wastewater and Groundwater Study and Facilities Act of 1992 (Title XVI). The original act authorized USBR to participate in the construction of five recycling projects, three of which were located in Southern California: the San Diego Area Water Reclamation Program, Los Angeles Area Water Reclamation and Reuse Project, and San Gabriel Basin Demonstration Project. The San Gabriel Basin Demonstration Project has three components: the Rio Hondo Water Recycling Program; the San Gabriel Valley Water Reclamation Project; and the San Gabriel Basin Demonstration Project.

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 were 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 were 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 San Gabriel Basin Demonstriation Project program by $6.5 million to $44.5 million.

To date, the San Gabriel Basin Demonstration Project has reached its full celing of $44.5 million with Rio Hondo Water Recycling Program receiving $15.6 million, San Gabriel Valley Reclamation Project receiving $13.9 million and WQA receiving $15 million.

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 Remedation. 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.

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 IRMWP 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 5 – Project Scoring. Once scored, the projects are then ranked according to the criteria in Table 6 – Project Ranking. The higher scores represent a higher ranked priority position within each category for available funding.

A. PROCEDURE NO. 38

~~San Gabriel Basin~~ Under WQA's ~~Policy and Procedures Manual –~~ Administrative Procedure 38 (Appendix F), ~~–~~ WQA evaluates projects ~~submitted~~ under consideration for funding 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 publc 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 overlayed 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), Twitter (@SGBWQA) and YouTube (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.

In 2020, WQA initiated a webinar series focused on WQA topics of interest to local city councils and their staffs. Each subsequent webinar has been driven by the attendees' interests as determined by follow-up surveys.

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. A comprehensive description of ongoing basin cleanup activites is included in Appendix A.

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 pariticpate in decisions that affect project treatment and remediation activies 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 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 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 ~~2021~~2022, the PVOU IZ Remedy will finish construction of the centralized treatment facility and began the critical testing phase required to achieve its amended water supply permit. 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~~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~~ twenty 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 began construction to replace its existing UV treatment equipment with new more efficient 3rd generation UV treatment technology. It is anticipated that the new treatment equipment will come online in ~~2021~~2022.

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 June 30, ~~2020~~2021, the southern remedy projects have treated approximately ~~335,151.02~~357,782.72 acre-feet of contaminated groundwater and have removed approximately ~~44,378.50~~47,165.50 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 June 30, ~~2020~~2021, the northern remedy project has treated approximately ~~80,994.10~~86,554.78 acre-feet of contaminated groundwater and has removed approximately ~~43,894.30~~44,945.50 lbs. of VOCs, perchlorate, NDMA and 1,4-Dioxane.

- *Other ~~Remedies~~Projects*

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.

As of June 30, ~~2020~~2021, the CDWC project has treated approximately ~~383,181.36~~357,782.72 acre-feet of contaminated groundwater and has removed approximately ~~19,746.60~~21,621 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 June 30, ~~2020~~2021, the VCWD's Maine and Nixon treatment facilities have treated approximately ~~118,511.49~~127,287.32 acre-ft of contaminated groundwater and have removed approximately 2,163.80 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 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 June 30, ~~2020~~2021, the intermediate zone remedy projects have treated approximately ~~184,187.66~~196,572.55 acre-feet of contaminated groundwater and have removed approximately ~~25,122.40~~27,054.90 lbs. of VOCs and perchlorate.

- Other Intermediate Zone ~~Remedies~~Projects

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 June 30, ~~2020~~2021, other intermediate zone projects have treated approximately ~~37,844.68~~40,421.58 acre-feet of contaminated groundwater and have removed approximately ~~1,842.40~~1,917.10 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~~ was completed in ~~scheduled to begin early~~ 2021. Based on the findings of the expanded site investigation activities, WQA submitted a preliminary application for a Proposition 1 Implementation Grant in late 2021. If awarded, WQA will begin construction of the WSGRF enhancements in 2022.

As of June 30,~~2020~~2021, the treatment facility has treated approximately ~~335.01~~349.14 acre-feet of contaminated groundwater and has removed approximately ~~192.60~~199.30 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 ESPSD 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 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 enhance the shallow zone remedy. Construction activities on the raw water pipeline to connect the new wells to the existing treatment facility will begin in ~~2021~~2022.

As of June 30, ~~2020~~2021, the WSPSD shallow zone treatment system has treated approximately ~~456.53~~501.51 acre-feet of contaminated groundwater and has removed approximately ~~43.30~~48.80 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 June 30, ~~2020~~2021, the west side deep zone remedy project has treated approximately ~~32,647.29~~34,709.49 acre-feet of contaminated groundwater and has removed ~~768.60~~804.90 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~~2021, the east side shallow zone remedy project has treated approximately ~~132.94~~237.46 acre-feet of contaminated groundwater and has removed ~~25.00~~37.40 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 June 30, ~~2020~~2021, the east side deep zone remedy project has treated approximately ~~3,954.06~~4,910.85 acre-feet of contaminated groundwater and has removed ~~211.20~~276.10 lbs. of VOCs.

- Other Intermediate Zone ~~Remedies~~Projects

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 June 30, ~~2020~~2021, CEM wells 2, 10 and 12 have treated approximately ~~34,486.52~~35,089.43 acre-feet of contaminated groundwater and have removed ~~1,379.10~~1,393.90 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 June 30, ~~2020~~2021, 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 June 30, ~~2020~~2021, the WNOU intermediate zone remedy project has treated approximately ~~58,954.92~~61,908.81 acre-feet of contaminated groundwater and has removed approximately ~~1,851.10~~1,885.70 lbs. of VOCs.

➢ Other Intermediate Zone Projects

As a result of new PFAS remediation standards Suburban Water Systems will be required to add treatment to its Bartolo Wellfield. It is anticipated that design will begin in 2022.

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.

In 2021, USEPA issued an ESD for the PVOU with the focus of added reinjection as a discharge option for the shallow zone treated water and define surface water discharge as an offsite activity that must comply with all regulatory requirements.

- *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 is remedial design of the shallow zone north remedy. Additionally, Carrier separated itself from United Technologies and became an independent company.

In 2020, ~~UTC~~ Carrier 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.

In 2021, Northrop began construction activities of the Shallow Zone South Remedy.

- *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 June 30, ~~2020~~2021, Plants B7 and B11 have treated approximately ~~96,884.42~~97,582 acre-feet and have removed approximately ~~5,176.00~~5,267.70 lbs. of VOCs.

- Other Intermediate Zone ~~Remedies~~Projects

In 2020, SGVWC was awarded a ~~Propostion~~Proposition 68 grant to add PFAS treatment at its Plant B24. Construction is slated to begin in ~~2021~~2022.

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. In 2021, CSP finished constructed of a groundwater treatment system at its Graves wellsite to enhance its local supply and be less reliable on imported water to meet system demands. The new treatment facility is expected to go online in 2022.

As of ~~Jne~~June 30, ~~2020~~2021, ATOU treatment facilities have treated approximately ~~36,298.52~~47,354.10 acre-feet of contaminated groundwater and have removed approximately ~~1,289.70~~2,008.50 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~~ Tthe City of Monrovia ("Monrovia") has experienced rising levels of VOCs at their Myrtle Well Field. In 1996, with the assistance of WQA, Monrovia constructed it first VOC treatment facility. In 2007, Monrovia finished construction of a second VOC treatment facility to help contain contamination and restore lost water supply.

In 2022, Monrovia will begin construction on a new PFAS treatment system.

As of June 30, ~~2020~~2021, Monrovia's treatment facility has treated approximately ~~75,950.56~~78,681.72 acre-feet of contaminated groundwater and has removed approximately ~~1,264.00~~1,322.10 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~~2021, due to increasing levels of contamination, Arcadia finished construction of a treatment facility at its Live Oak Well.

As of June 30, ~~2020~~2021, Arcadia's treatment facilities has treated approximately ~~71,542.16~~72,619.73 acre-feet of contaminated groundwater and has removed approximately ~~785.80~~761.10 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.

Description	Estimated Budget
1) Fulton Plant Water Resource Enhancements 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) Covina Irrigating Company Water Treatment & Supply Plan Upgrade of surface water treatment processes at Temple Plant and addition of a groundwater treatment facility and transmission pipelines. (TVMWD)	$7,000,000
3) Imported Water Spreading Connection at San Dimas Wash 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) Extension of PM-26 Replenishment Service Connection 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) TVMWD – SGVMWD Interconnection Raw water connection between District's Miramar Plant and nearby Azusa~Devil's Canyon Pipeline. (TVMWD)	$1,750,000

6) Alosta Connection — $2,000,000

Provide operational flexibility to Upper District/MWD to provide untreated imported water to Canyon Basin area. (SGVMWD)

7) Extension of SGVMWD Pipeline — $10,000,000

Provide groundwater recharge to Raymond Basin and to Eaton S.B. (SGVMWD)

8) Wellfield Outside of Alhambra Pumping Hole — $10,000,000

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)

9) Suburban Water Systems Improvements — $5,000,000

Infrastructure improvements including well(s) and transmission pipelines to convey groundwater. (USGVMWD)

10) New Spreading Ground Development — $10,000,000

Infrastructure improvements including well(s) and transmission pipeline to convey groundwater. (USGVMWD)

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
Aug.	**2021**	**All**	**SWRCB awards $35,000,000 in Proposition 68 funding for Groundwater Remediation**
Sept.	**2020**	**SEMOU**	**SWRCB awards $2,000,000 in Proposition 1 funding for the Regional Site Investigation****
Mar.	**2020**	**SEMOU**	**SWRCB awards $200,000 in additional Proposition 1 funding for the WSGRF Expanded Site Investigation****
Dec.	**2019**		**WQA receives NGWA Groundwater Awarness Project Award**
Sept.	2018		WQA Participates as a founding partner of the 5th San Gabriel Valley Water Forum
Sept.	2018	PVOU	**WQA held a groundbreaking ceremony for the Intermediate Zone Remedy****
Mar.	2018	SEMOU	**SWRCB awards $118,264 in Proposition 1 funding for the Whitmore Street Groundwater Remediation Facility Expanded Site Investigation****
Mar.	2018		WQA celebrates its 25th aniversary
Feb.	2018	EMOU	**Eastside Intermediate Zone Remedy facilities completed**
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	**Eastside Shallow Zone Remedy facilities completed**
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	**SWRCB awards $950,646 to WQA for Whitmore Street Groundwater Remediation Facility****
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	**Westside Shallow Zone Remedy facilities completed**
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	**City of Alhambra's Phase II treatment facility completed**
Oct.	2008	SEMOU	Dedication of WQA's Whitmore Street groundwater remediation treatment facility
Nov.	2007	SEMOU	**1-4 Dioxane & VOC Treatment Project completed at Bozung site****
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	**SWRCB awards $1.4M to WQA for project at Bozung site (capital & O&M)****
Jan.	2007	BPOU	**San Gabriel Valley Water Company B5 treatment facility completed**
Jan.	2007		Congressman Dreier Introduced HR 123 to raise authorization cap of the Restoration Fund by $50M
Oct.	2007		**City of Monrovia's Myrtle Wellfield treatment facility completed**
Jun.	2006	SEMOU	**Monterey Park Well No. 5 perchlorate blending facility completed**
Aug.	2005	BPOU	**Valley County Water District SA-1 treatment facility completed**
Nov.	2004	SEMOU	**San Gabriel Valley Water Company Plant No. 8 secondary barrier completed**
Apr.	2004	SEMOU	**Plant No. 8 sentinel well completed**
Feb.	2004	SEMOU	**Monterey Park Well No. 12 secondary barrier completed**
Jan.	2004	SEMOU	**Monterey Park Well No. 15 completed**

Note: Groundwater remediation projects in **BOLD** were completed with funding participation from WQA. **Projects solely funded and operated by WQA.

Table 1 (cont.) - Major WQA Activities and Milestones

Month	Year	Area	Activity/Milestone
Jul.	2004	BPOU	**San Gabriel Valley Water Company B6 treatment facility completed**
Jun.	2004		Proposition 50 passes and includes $7M loan for WQA
Nov.	2003	SEMOU	**Monterey Park Well Nos. 1,3,10 treatment facility completed**
Oct.	2003	SEMOU	**Monterey Park Well No. 12 Delta Plant perchlorate treatment facility completed**
May	203		Governor signs AB 334 extending WQA's sunset date to July 1, 2010
Apr.	2003	SEMOU	**San Gabriel Valley Water Company G4 treatment facility completed**
Mar.	2003	BPOU	BPOU Project Agreement completed
Feb.	2003	EMOU	**Golden State Water Company Encinita Phase III treatment facility completed**
Apr.	2002	SEMOU	Led negotiations with settling parties (G10 & G13) and administered settlement funds
Mar.	2001	SEMOU	**Golden State Water Company SG1 & SG2 treatment facility completed**
Apr.	2000	SEMOU	**San Gabriel Valley Water Company Plant No. 8 treatment facility completed**
Mar.	2000		WQA Board adopts the Amended San Gabriel Basin Groundwater Quality Management & Remediation Plan and updates it annually thereafter
Feb.	2000	BPOU	**LPVCWD treatment plant construction completed**
Jan.	2000	WNOU	**Whittier Narrows Barrier project completed****
Aug.	1999	Area 3	**Alhambra Phase I treatment facility completed**
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	**Monterey Park Well No. 5 treatment facility completed**
Jul.	1999	SEMOU	**South El Monte Barrier project completed****
Jun.	1999	SEMOU	**Monterey Park Well No. 12 air stripping treatment facility completed**
Nov.	1998	EMOU	**Golden State Water Company Encinita Phase I & II treatment facility completed**
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	**Clayton Manufacturing treatment facility construction completed**
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	**Crown City Plating/Hermetic Seal treatment facility construction completed**
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	**Big Dalton treatment facility completed**
Apr.	1995	BPOU	WQA and PRPs form partnership for voluntary pre-design leading to $4.39M in contributions from PRPs
Feb.	1995	Monrovia	**Monrovia treatment facility completed**
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	**Arrow Well treatment facility completed**
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.

REVIEWED 12/14/2021

SAN GABRIEL BASIN WATER
QUALITY AUTHORITY
SAN GABRIEL BASIN
GROUNDWATER QUALITY
MANAGEMENT AND REMEDIATION PLAN

Table 2- Estimated Costs of
WQA-Assisted Projects
Within Operable Unit Areas
Plans per Fiscal Year

OPERABLE UNIT	FISCAL YEAR 2021-2022		FISCAL YEAR 2022-2023		FISCAL YEAR 2023-2024		FISCAL YEAR 2024-2025		FISCAL YEAR 2025-2026		FISCAL YEAR 2026-2027	
	CAPITAL	O&M	CAPITAL	O&M	CAPITAL	O&M	CAPITAL	O&M	CAPITAL	O&M	CAPITAL	O&M
BALDWIN PARK												
LPVCWD (2)		1,000,000		1,000,000		1,100,000		1,210,000		1,320,000		1,400,000
LPVCWD New Well & Single Pass Perchlorate Treatment (2)		438,000		438,000		446,760		491,436		536,112		613,200
SGVWC B6 (7)		4,600,000		4,600,000		4,692,000		5,161,200		5,630,400		6,440,000
SGVWC B5 (2)		3,300,000		3,300,000		3,366,000		3,702,600		4,039,200		4,620,000
VCWD Arrow/Lante (2)		5,200,000		5,200,000		5,304,000		5,834,400		6,364,800		7,280,000
VCWD Nixon Wells Treatment (14)		600,000		600,000		612,000		673,200		734,400		840,000
California Domestic Well 14-NDMA, VOC (2), (3)		1,000,000		1,000,000		1,020,000		1,122,000		1,224,000		1,400,000
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		357,000		392,700		428,400		490,000
CIC Baldwin Wells Pumping Plant (14)						-		-		-		-
EL MONTE						-		-		-		-
West Shallow Extraction (4)	1,000,000	1,400,000		1,400,000		1,428,000		1,570,800		1,713,600		1,960,000
East Shallow Extraction (5)	750,000	630,000		630,000		642,600		706,860		771,120		882,000
GSWC Encinita Plant (1)		184,450		184,450		188,139		206,953		225,767		258,230
ESPSD/City of El Monte East Deep Extraction (5)		330,000		330,000		336,600		370,260		403,920		462,000
SOUTH EL MONTE						-		-		-		-
Monterey Park No.5 (1)						-		-		-		-
Monterey Park No.5 Perchlorate Blending (1)		17,000		17,000		17,340		19,074		20,808		23,800
Monterey Park Centralized UV (6)		510,000		510,000		520,200		572,220		624,240		714,000
Monterey Park No.12 & No.15 VOC (1)		522,000		522,000		532,440		585,684		638,928		730,800
Monterey Park No. 15 Well and Pipeline (1)		104,000		104,000		106,080		116,688		127,296		145,600
Monterey Park No.12 & No.15 Secondary Barrier (1)		180,000		180,000		183,600		201,960		220,320		252,000
SGVWC Plant 8 (1)		175,000		175,000		178,500		196,350		214,200		245,000
SGVWC Plant 8 Secondary Barrier (1)		365,000		365,000		372,300		409,530		446,760		511,000
SGVWC Plant 8 Perchlorate, 1,4-Dioxane (14)		750,000		250,000		255,000		280,500		306,000		350,000
SGVWC Plant G4 (1)						-		-		-		-
GSWC SG1 & SG2 VOC (1)		179,000		179,000		182,580		200,838		219,096		250,600
GSWC Nitrate Blend (8)		10,850		10,850		11,067		12,174		13,280		15,190
WQA WSGRF Project		167,000		167,000		170,340		187,374		204,408		233,800
WHITTIER NARROWS						-		-		-		-
DTSC Intermediate Zone Remedy	8,000,000	620,000	2,000,000	620,000		632,400		695,640		758,880		868,000
PUENTE VALLEY						-		-		-		-
UTC Shallow Zone Remedy (11)	10,000,000		5,000,000	1,280,000	2,000,000	1,305,600		1,436,160		1,566,720		1,792,000
Northrop Intermediate Extraction (12)	1,500,000	1,479,350		1,479,350		1,508,937		1,659,831		1,810,724		2,071,090
Northrop Shallow Zone South (12)	3,000,000		3,000,000	1,000,000	2,000,000	1,020,000		1,122,000		1,224,000		1,400,000
AREA 3						-		-		-		-
Alhambra Water Treatment Facilities Phase I (1)		200,000		200,000		204,000		224,400		244,800		280,000
Alhambra Water Treatment Facilities Phase II (13)		1,080,338		1,080,338		1,101,945		1,212,139		1,322,334		1,512,473
TOTAL COSTS	24,250,000	25,391,988	10,000,000	27,171,988	4,000,000	27,795,428	-	30,574,971	-	33,354,513	-	38,040,783

Notes:

(1) Existing Projects
(2) BPOU Project Agreement Estimate, May 2002.
(3) Project not included in Operable Unit Specfic Plan, but is includeded 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, 2020

FUNDING FOR CAPITAL AND TREATMENT & REMEDIATION COSTS[1, 2]	SEMOU	BPOU[4]	EMOU[9]	PVOU[9]	ATOU	Other[6]	Total
Potentially Responsible Parties	$ 15,681,766	$ 552,422,904	$ 53,575,291	$ 106,207,492	$ -	$ -	**$ 727,887,453**
EPA Federal Grants & Settlements with Responsible Parties[3]	23,673,725	-	-	-	-	-	**23,673,725**
Federal Grants - Bureau of Reclamation	13,923,033	48,357,671	10,188,794	5,320,769	4,277,816	1,103,803	**83,171,886**
State Grants - SWRCB [10]	5,000,000	4,629,416	-	-	-	-	**9,629,416**
State Grants - SWRCB Clean Up & Abatement	2,375,646	-	-	-	-	-	**2,375,646**
State Grants - SWRCB Proposition 68[5]	12,876,750	810,000	4,878,700	-	7,428,000	9,340,000	**35,333,450**
State Grants - DTSC	-	2,853,658	-	-	-	684,499	**3,538,157**
State Loan - DTSC (Responsible Parties) [7]	-	6,440,000	-	-	-	-	**6,440,000**
State Funding - Proposition 84 [8]	5,250,000	7,897,473	1,500,000	-	-	-	**14,647,473**
Water Producers	30,481,081	19,028,018	3,714,217	2,500,000	13,375,903	5,716,046	**74,815,265**
Watermaster	-	358,319	-	-	-	-	**358,319**
WQA Sources (Assessments, interest, etc.)	5,315,543	4,328,578	1,608,653	-	-	836,548	**12,089,322**
Total Funding for Capital and Treatment & Remediation	$ 114,577,544	$ 647,126,037	$ 75,465,655	$ 114,028,261	$ 25,081,719	$ 17,680,896	**$ 993,960,112**
ESTIMATED COSTS FOR CAPITAL AND TREATMENT & REMEDIATION [2, 4, 9]	$ 212,965,990	$ 873,327,979	$ 155,714,553	$ 196,916,435	$ 53,827,815	$ 70,953,359	**$ 1,563,706,131**
FUNDING GAP	**$ (98,388,446)**	**$ (226,201,942)**	**$ (80,248,898)**	**$ (82,888,174)**	**$ (28,746,096)**	**$ (53,272,463)**	**$ (569,746,019)**

ANNOTATIONS

1 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.

2 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.

3 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.

4 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 to10 years.

5 SWRCB Proposition 68 Funding for the San Gabriel Basin Regional Groundwater Remediation Program covers 3 years of T & R costs for projects within the San Gabriel Basin boundaries.

6 Funding for Capital Projects and T & R has been provided for treatment facilities located within the San Gabriel Basin boundaries but operating outside the bounds of known operable units.

7 State Loan - DTSC, shown above as a source of funding, is being repaid to the State of California by the BPOU Responsible Parties.

8 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.

9 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.

10 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
AZUSA, CITY OF	ASPEN		$ 2,910,000	1,800
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
EL MONTE, CITY OF	**10**	**LGAC**	**$ 1,440,000**	**2,000**
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
MONROVIA, CITY OF	**MYRTLE WELLS**	**LGAC/IONEXCHANGE**	**$ 4,780,000**	**6,000**
MONTEREY PARK, CITY OF	09	LGAC	$ 1,440,000	1,980
SAN GABRIEL COUNTY WATER DISTRICT	10	ION EXCHANGE		2,200
GSWC SAN DIMAS	**ART-3 and BAS-3,4**	**ION EXCHANGE, LGAC**	**$ 6,590,000**	**360**
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)
SOUTH PASADENA, CITY OF (1)	**WIL 2**	LGAC	**$ 2,348,000**	**3,000**
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
SUBURBAN WATER SYSTEMS	BARTOLO WELL FIELD	ION EXCHANGE, LGAC	$ 14,000,000	15,000
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

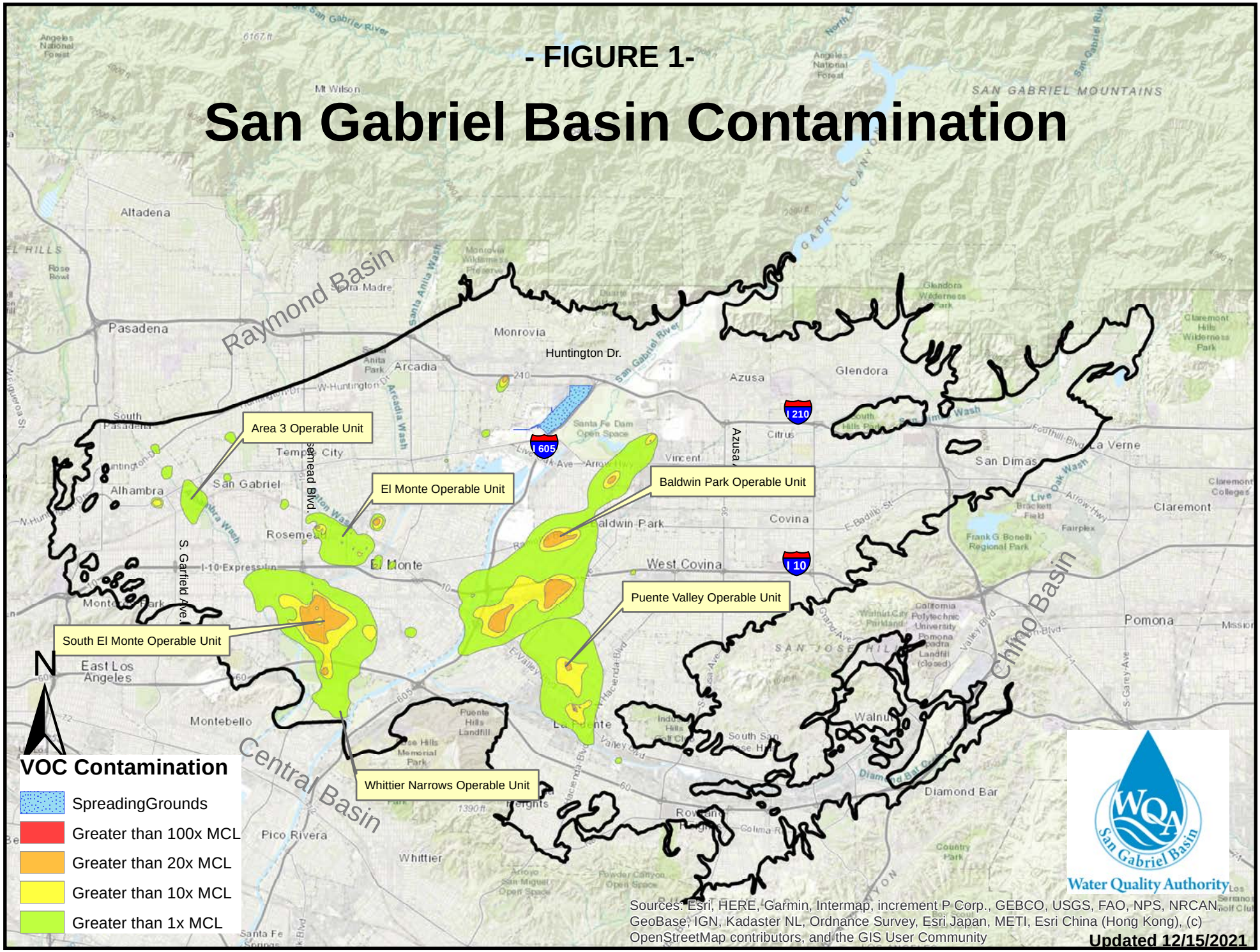
Table 6 – Priority Ranking

CATEGORY	SCORING RANGE	TITLE XVI	RESTORATION FUNDS
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

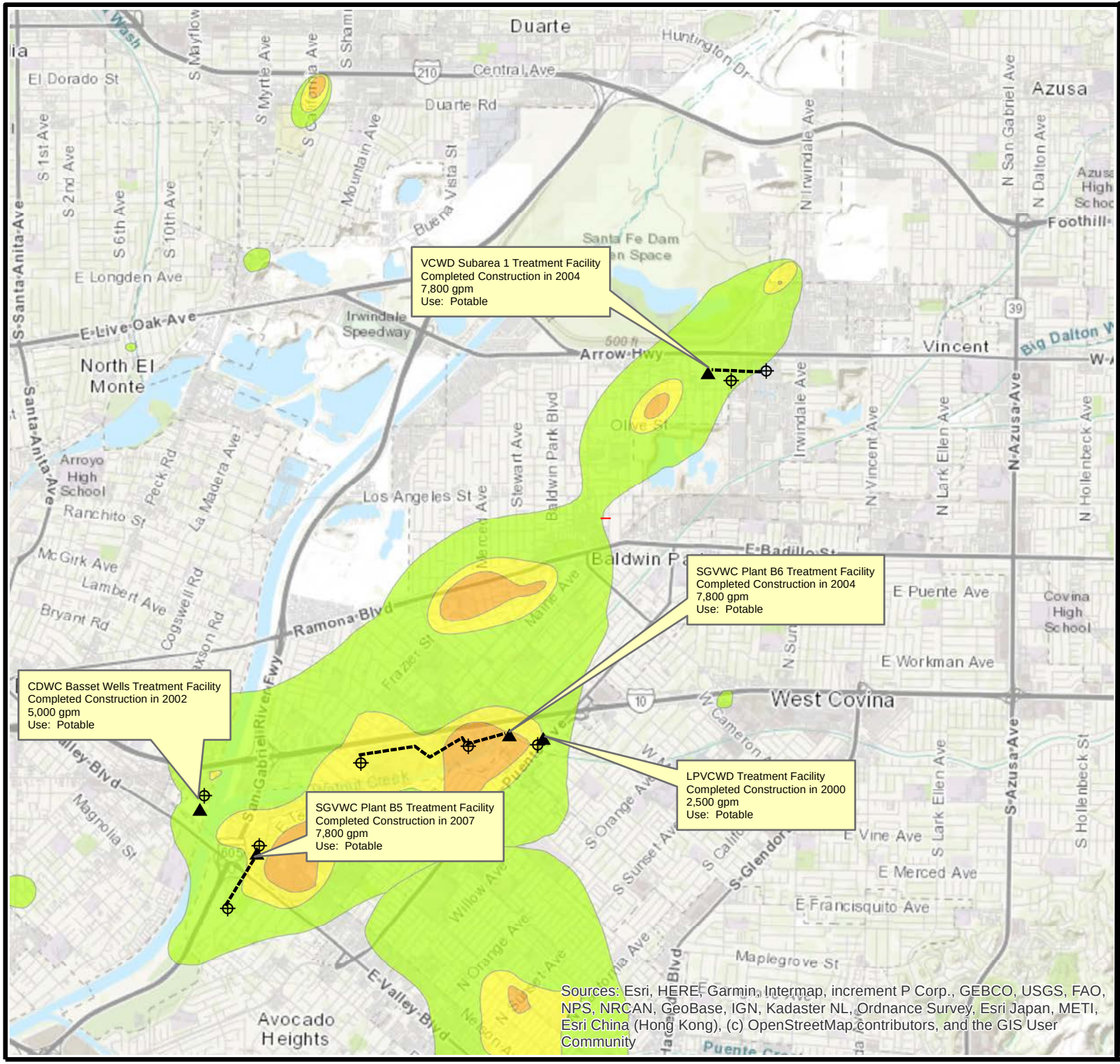
FIGURES

- FIGURE 1-

San Gabriel Basin Contamination



-Figure 2-
Prescribed Remedy
Baldwin Park
Operable Unit



N

- Pipeline
- Remedial Extraction Well
- Treatment Plant
- Greater than 1x MCL
- Greater than 10x MCL
- Greater than 20x MCL
- Greater than 100x MCL

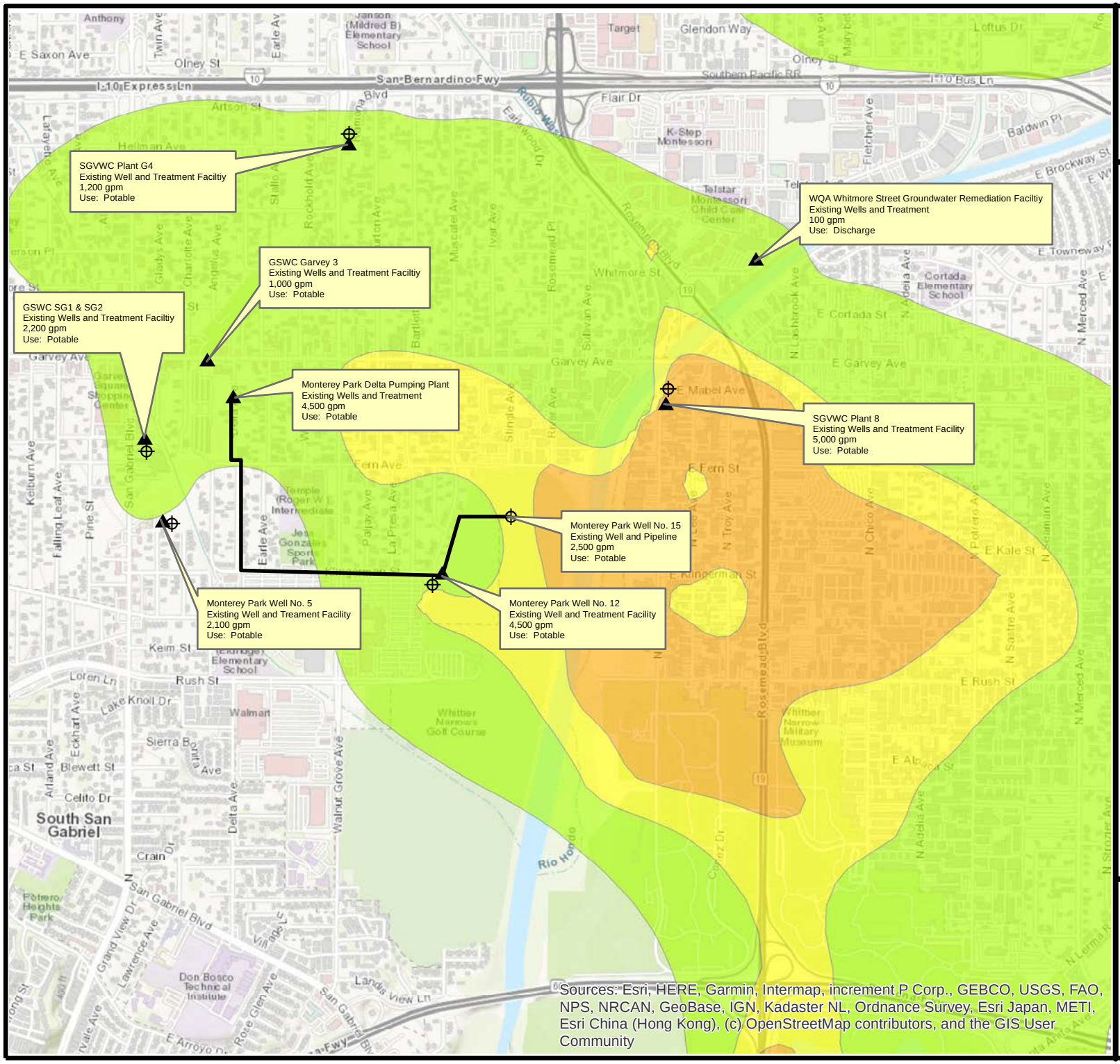
Notes:
The areas of contamination shown represent simplified regional approximations of groundwater contamination based on the maximum detected concentration of any VOC between 1/1/2012 to12/31/2017. If data was not available during this timeframe, then data from as far back as 1/1/2007 was considered. 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: 12/15/2021
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

San Gabriel Basin Water Quality Authority

-Figure 3- Prescribed Remedy South El Monte Operable Unit



N

Pipeline

Remedial Extraction Well

Treatment Plant

Greater than 1x MCL

Greater than 10x MCL

Greater than 20x MCL

Greater than 100x MCL

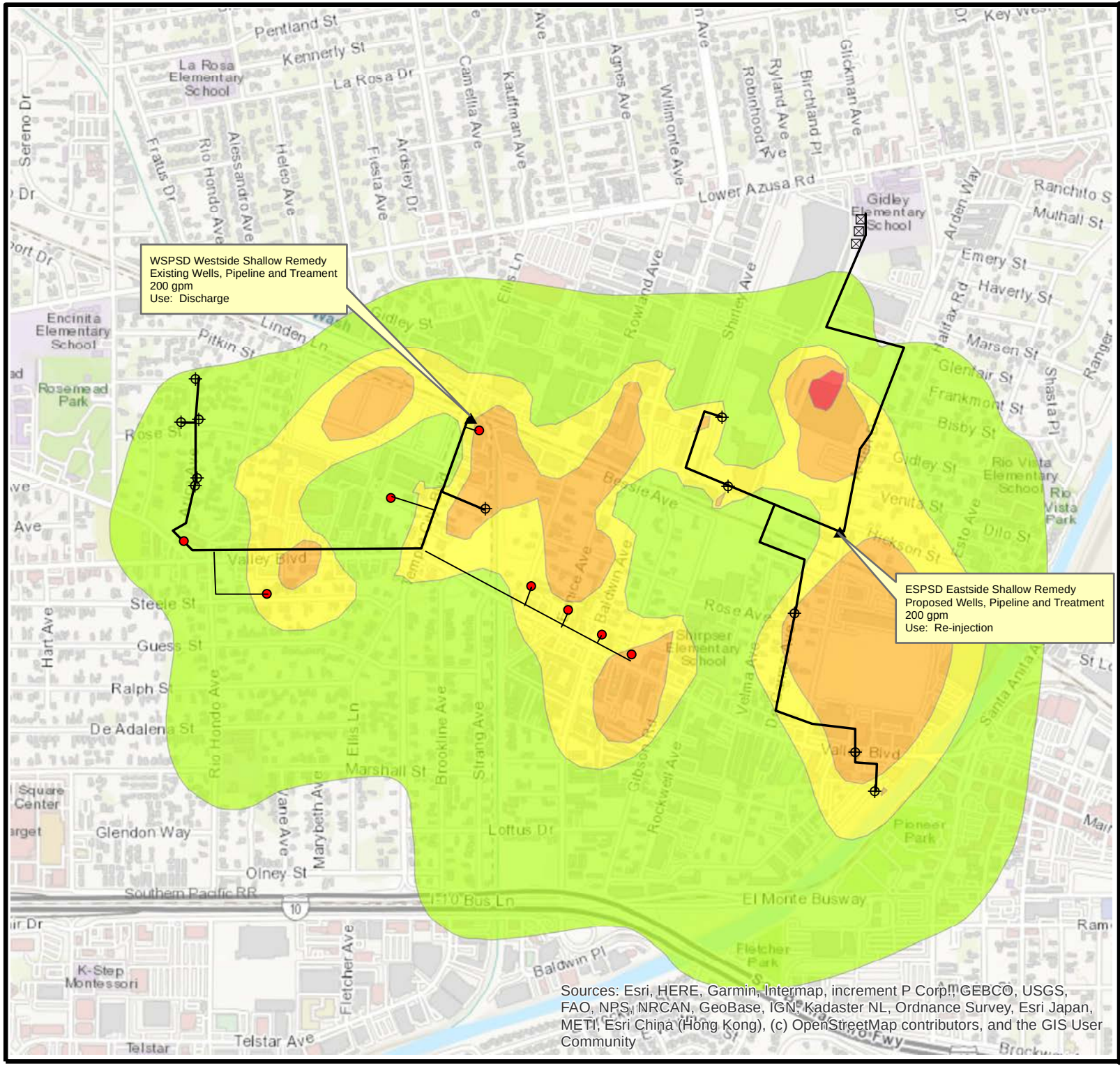
Notes:
The areas of contamination shown represent simplified regional approximations of groundwater contamination based on the maximum detected concentration of any VOC between 1/1/2012 to12/31/2017. If data was not available during this timeframe, then data from as far back as 1/1/2007 was considered.
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: 12/14/2021
Data Sources: USEPA Region 9
ESRI (topo background)
Map Projection: NAD1983 UTM Zone 11N

1,300 650 0 1,300 Feet

Water Quality Authority

-Figure 4-
Prescribed Remedy
Shallow Zone
El Monte
Operable Unit



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

N

- Pipeline
- Remedial Extraction Well
- Treatment Plant
- Injection Well
- Proposed Extraction Well

- Greater than 1x MCL
- Greater than 10x MCL
- Greater than 20x MCL
- Greater than 100x MCL

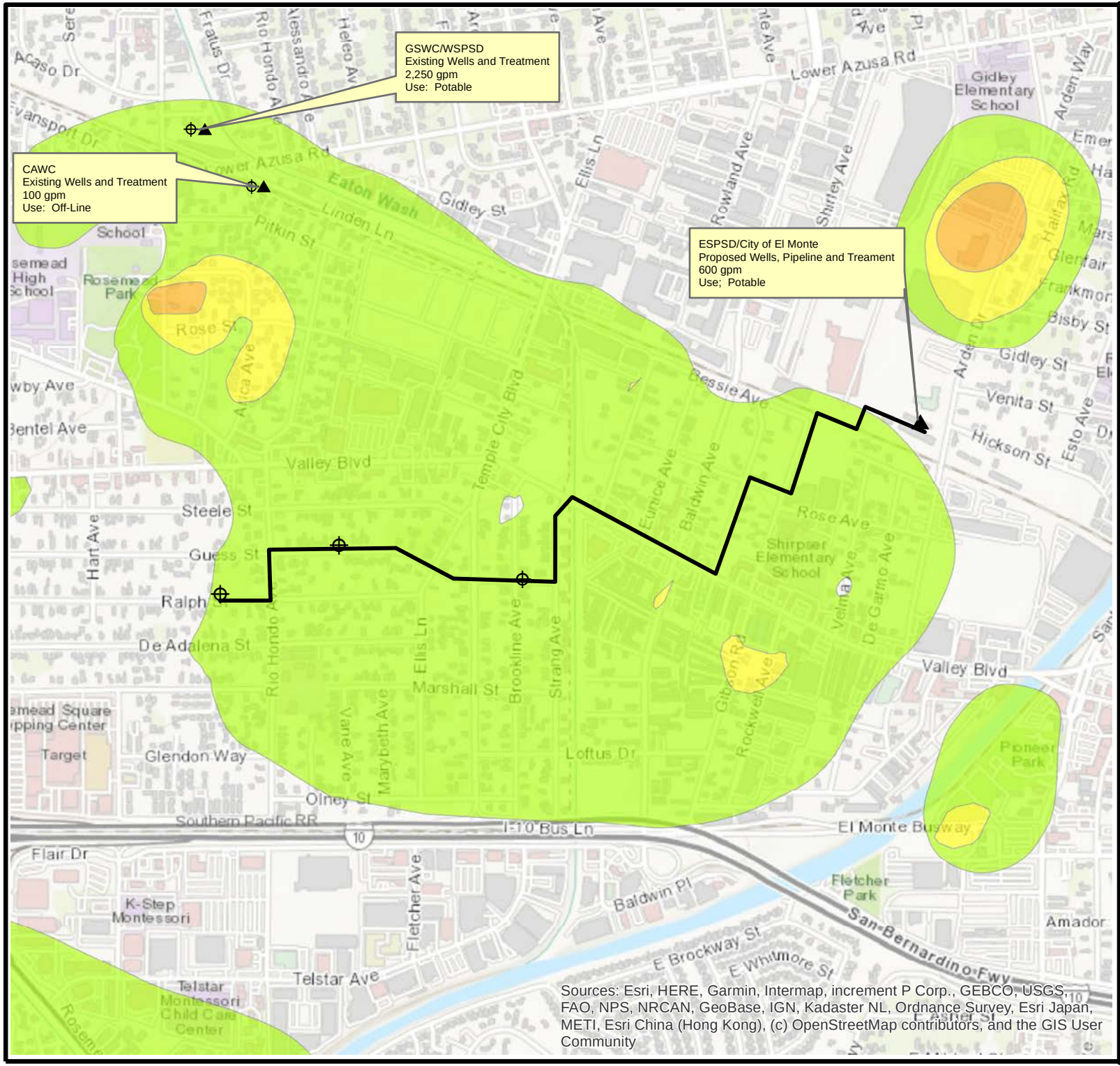
Notes:
The areas of contamination shown represent simplified regional approximations of groundwater contamination based on the maximum detected concentration of any VOC between 1/1/2012 to12/31/2017. If data was not available during this timeframe, then data from as far back as 1/1/2007 was considered. 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: 12/14/2021
Data Sources: USEPA Region 9
ESRI (topo background)
Map Projection: NAD1983 UTM Zone 11N

1,000 500 0 1,000 Feet

Water Quality Authority

-Figure 5-
Prescribed Remedy
Intermediate Zone
El Monte
Operable Unit



N

Pipeline
Extraction Well
Treatment Plant

- Greater than 1x MCL
- Greater than 10x MCL
- Greater than 20x MCL
- Greater than 100x MCL

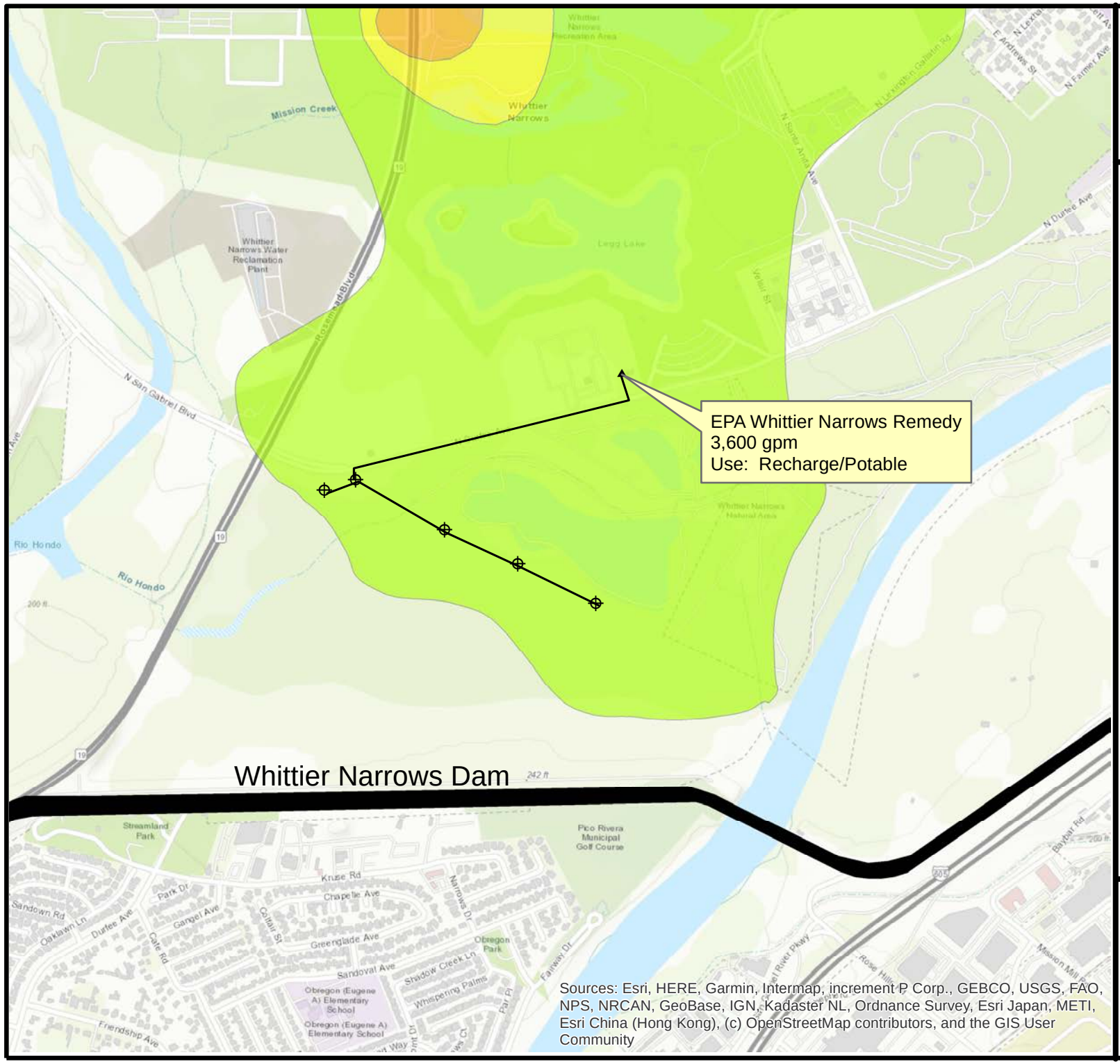
Notes:
The areas of contamination shown represent simplified regional approximations of groundwater contamination based on the maximum detected concentration of any VOC between 1/1/2012 to12/31/2017. If data was not available during this timeframe, then data from as far back as 1/1/2007 was considered.
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: 12/14/2021
Data Sources: USEPA Region 9
ESRI (topo background)
Map Projection: NAD1983 UTM Zone 11N

940 470 0 940 Feet

Water Quality Authority

-Figure 6-
Prescribed Remedy
Whittier Narrows
Operable Unit



N

- Pipeline
- Remedial Extraction Well
- Treatment Plant
- Greater than 1x MCL
- Greater than 10x MCL
- Greater than 20x MCL
- Greater than 100x MCL
- Dams

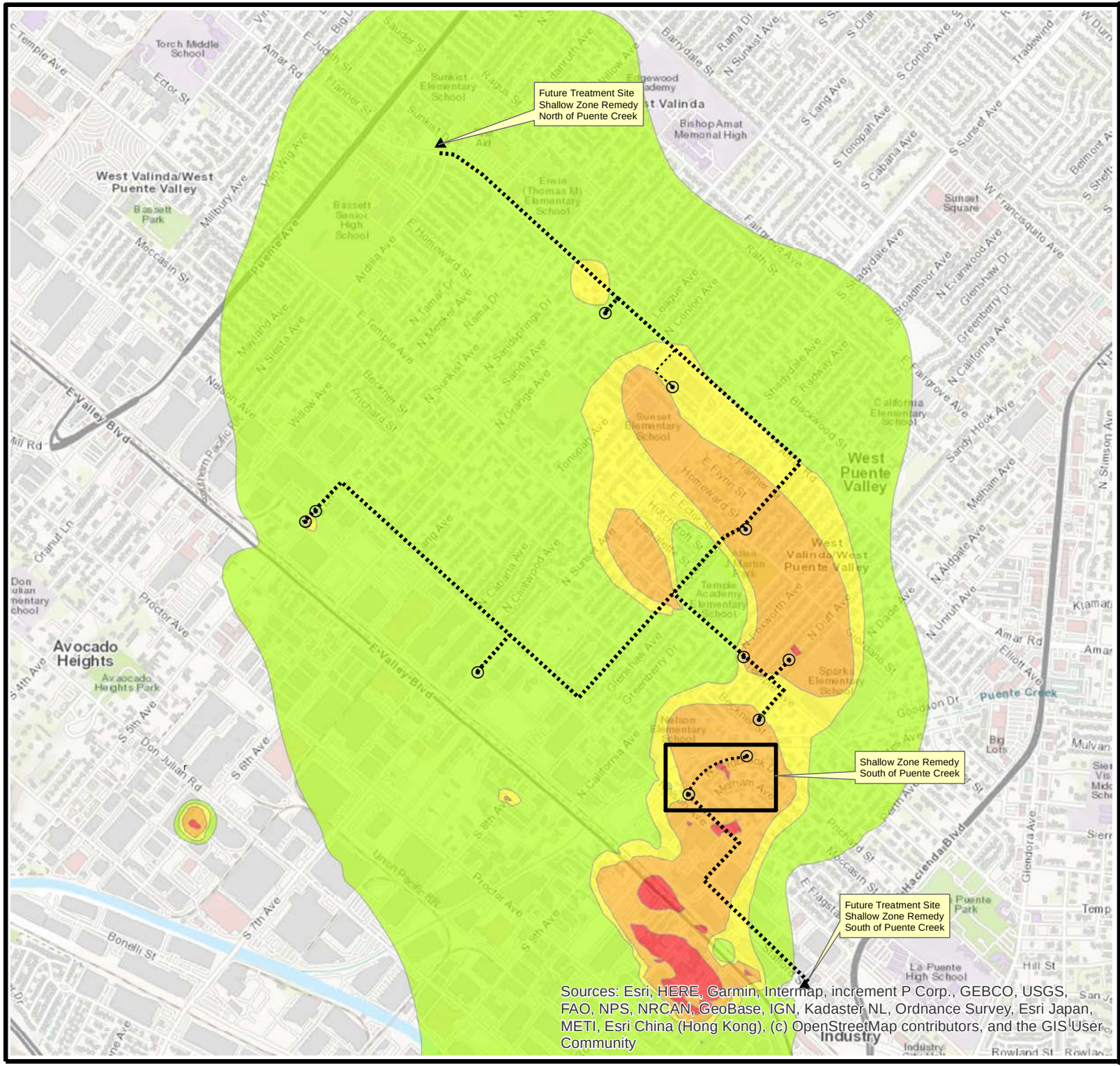
Notes:
The areas of contamination shown represent simplified regional approximations of groundwater contamination based on the maximum detected concentration of any VOC between 1/1/2012 to12/31/2017. If data was not available during this timeframe, then data from as far back as 1/1/2007 was considered.
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: 12/14/2021
Data Sources: USEPA Region 9
ESRI (topo background)
Map Projection: NAD1983 UTM Zone 11N

800 400 0 800 Feet

Water Quality Authority

-Figure 7- Prescribed Remedy Shallow Zone Puente Valley Operable Unit



N

- 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

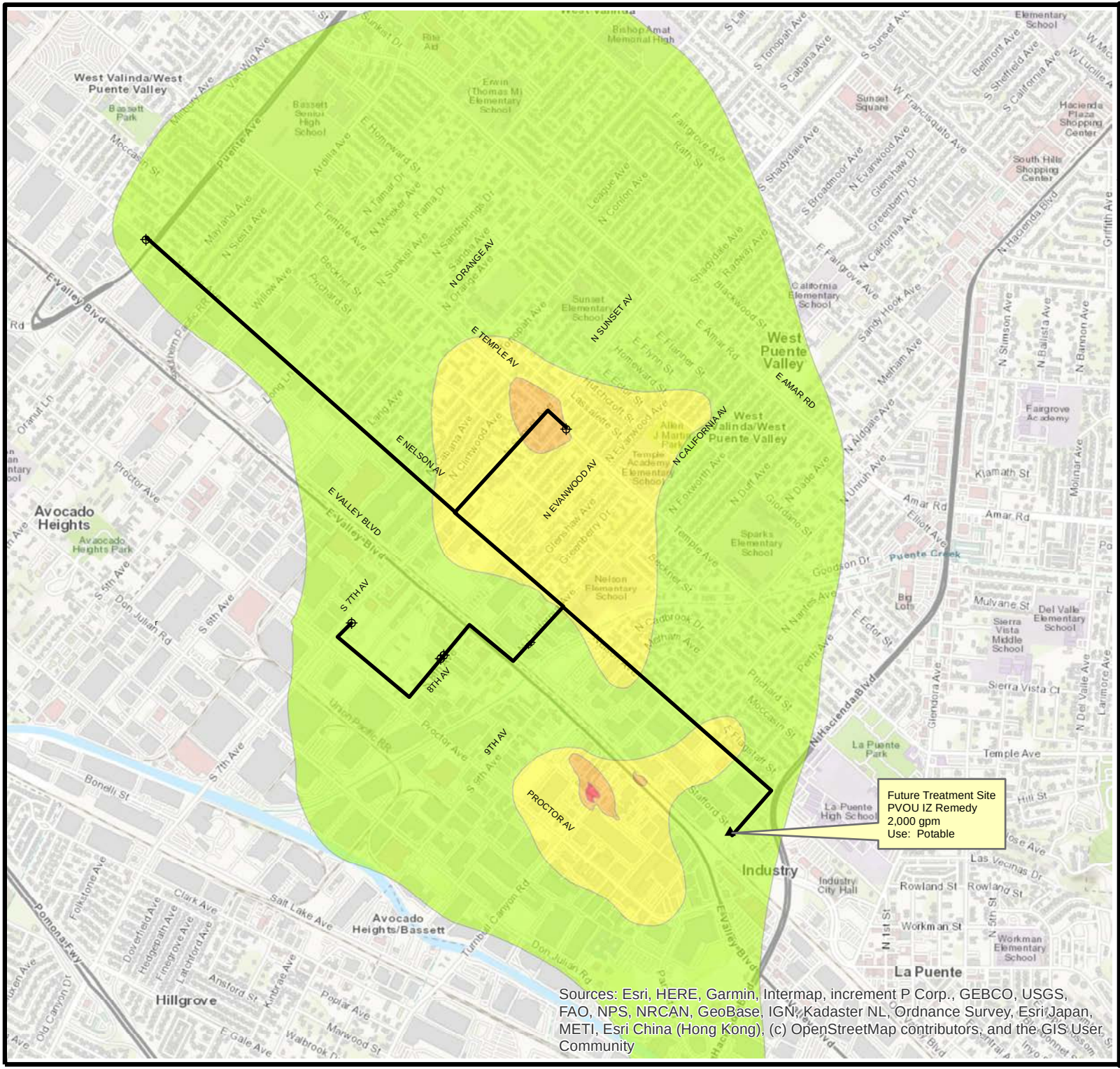
Notes:
The areas of contamination shown represent simplified regional approximations of groundwater contamination based on the maximum detected concentration of any VOC between 1/1/2012 to12/31/2017. If data was not available during this timeframe, then data from as far back as 1/1/2007 was considered. 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: 12/14/2021
Data Sources: USEPA Region 9
ESRI (topo background)
Map Projection: NAD1983 UTM Zone 11N

1,100 550 0 1,100 Feet

San Gabriel Basin Water Quality Authority

-Figure 8-
Prescribed Remedy
Intermediate Zone
Puente Valley
Operable Unit



N

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

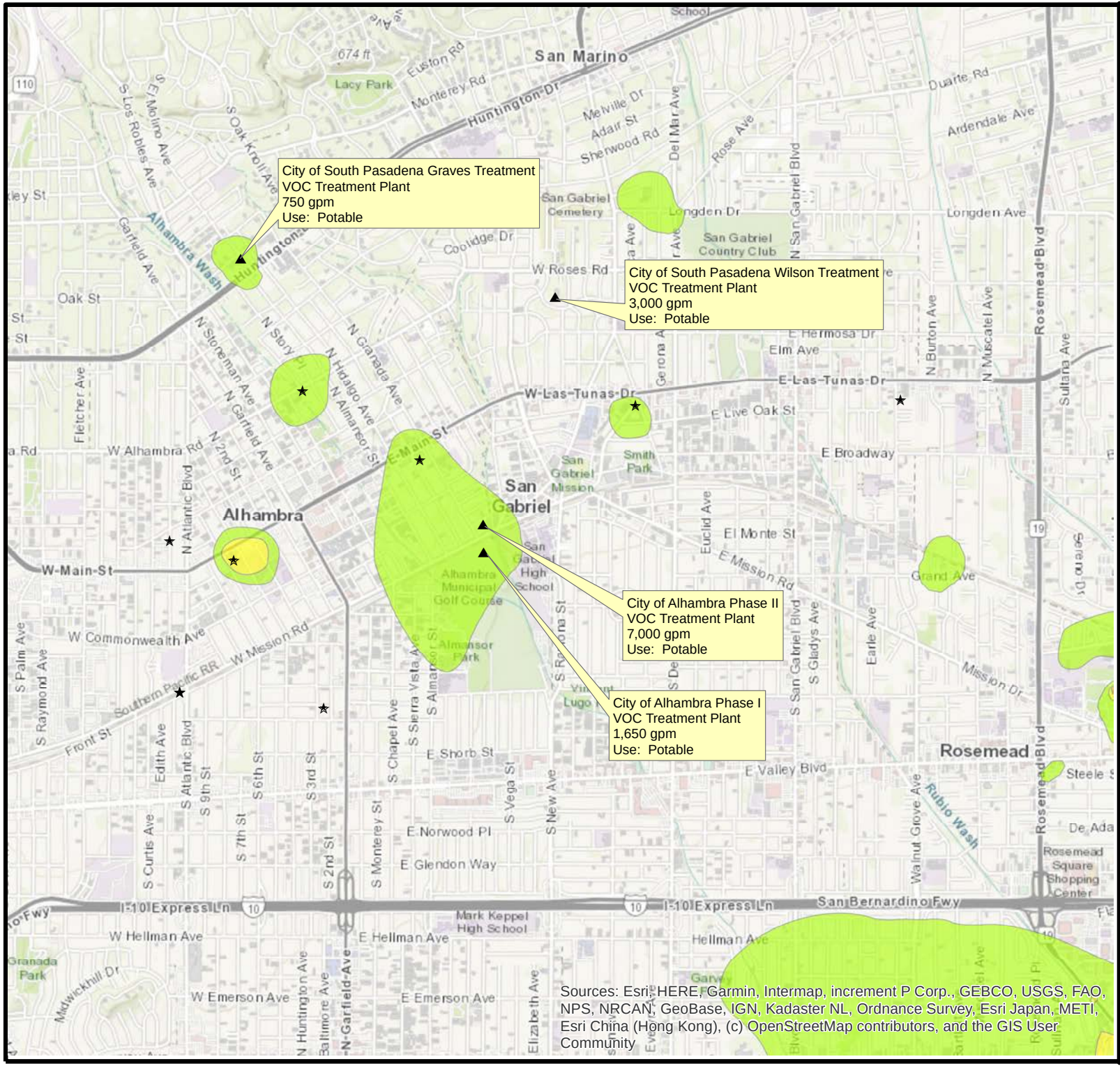
Notes:
The areas of contamination shown represent simplified regional approximations of groundwater contamination based on the maximum detected concentration of any VOC between 1/1/2012 to12/31/2017. If data was not available during this timeframe, then data from as far back as 1/1/2007 was considered.
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: 12/14/2021
Data Sources: USEPA Region 9, ESRI (topo background)
Map Projection: NAD1983 UTM Zone 11N

1,200 600 0 1,200 Feet

Water Quality Authority

-Figure 9-
Prescribed Remedy
Area 3
Operable Unit



N

★ EPA Installed Monitoring Welll

▲ 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 to12/31/2017. 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.

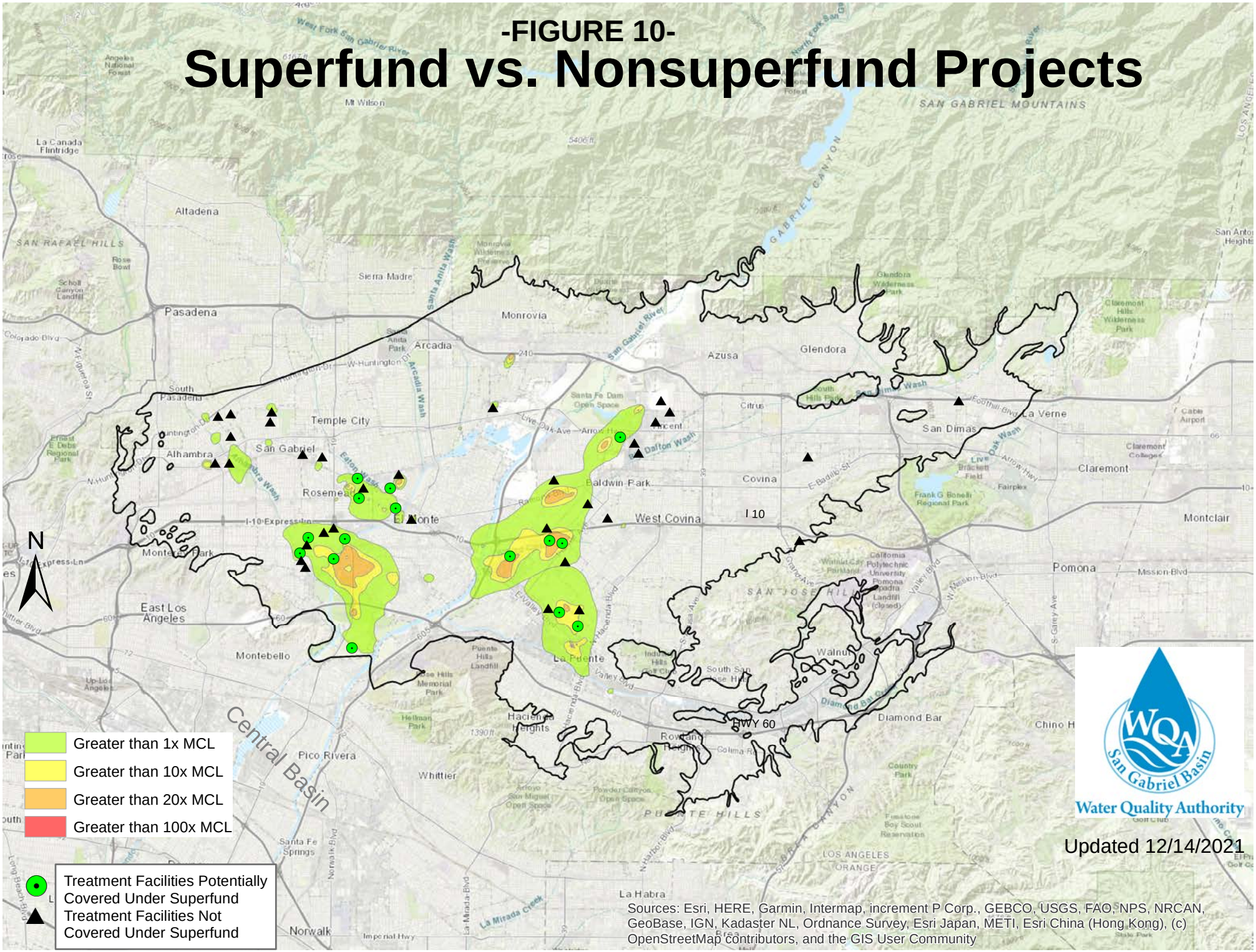
Map Date: 12/14/2021
Data Sources: USEPA Region 9
ESRI (topo background)
Map Projection: NAD1983 UTM Zone 11N

2,100 1,050 0 2,100 Feet

Water Quality Authority

-FIGURE 10-

Superfund vs. Nonsuperfund Projects



- Figure 11 -
Disadvantaged Communities in the San Gabriel Basin

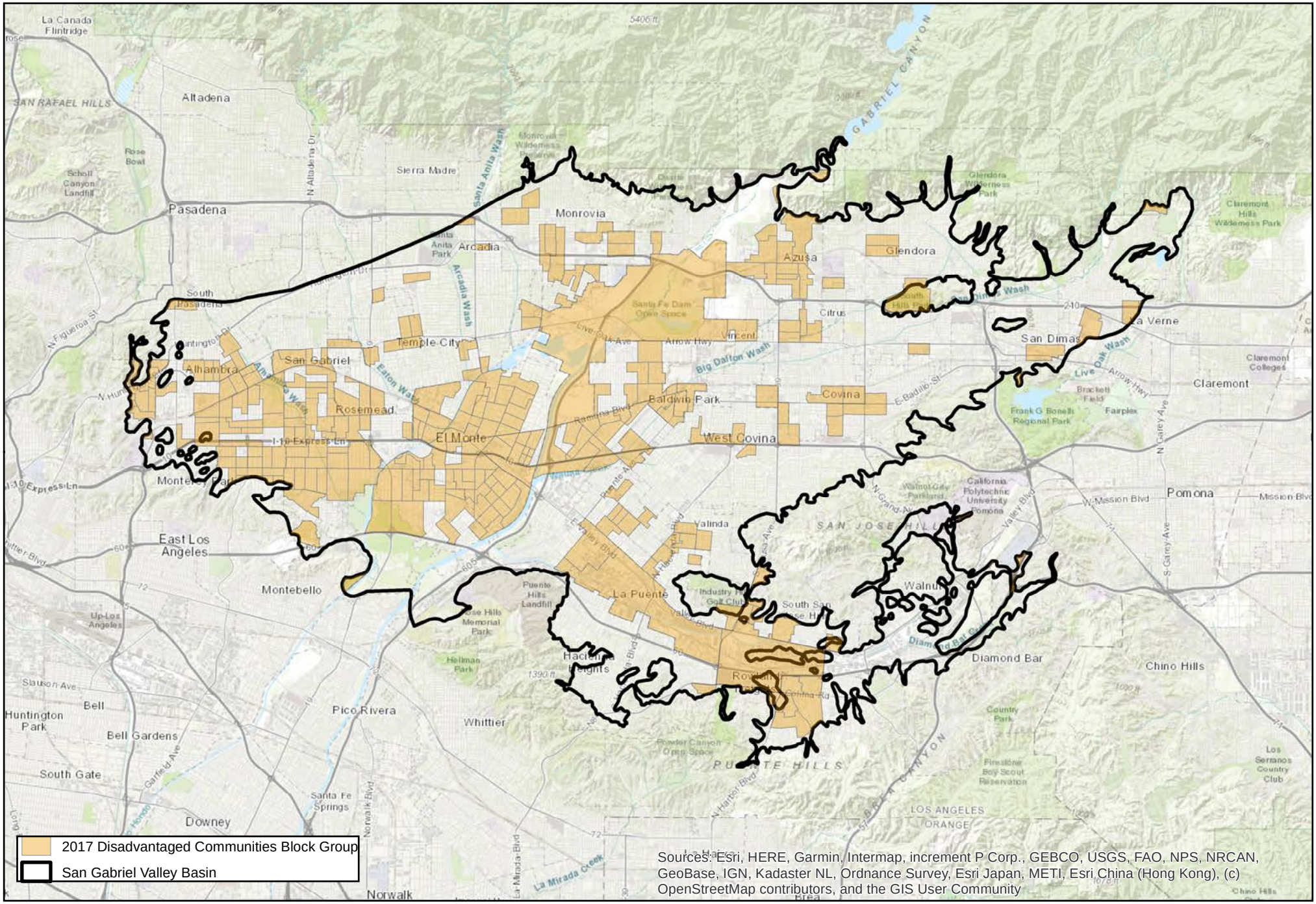


FIGURE 12 – The number of treatment plants operating in the Basin through December 31, 2021.

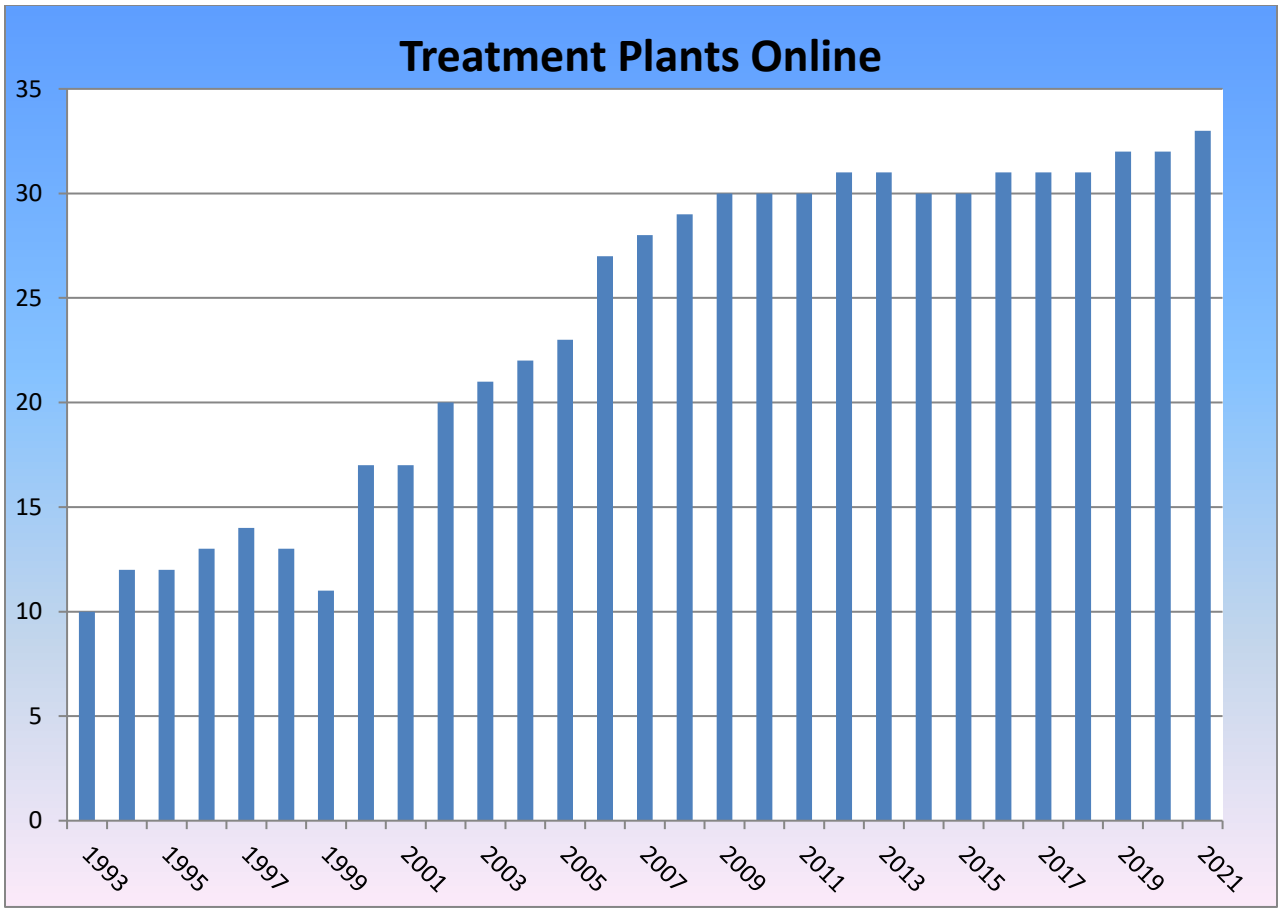
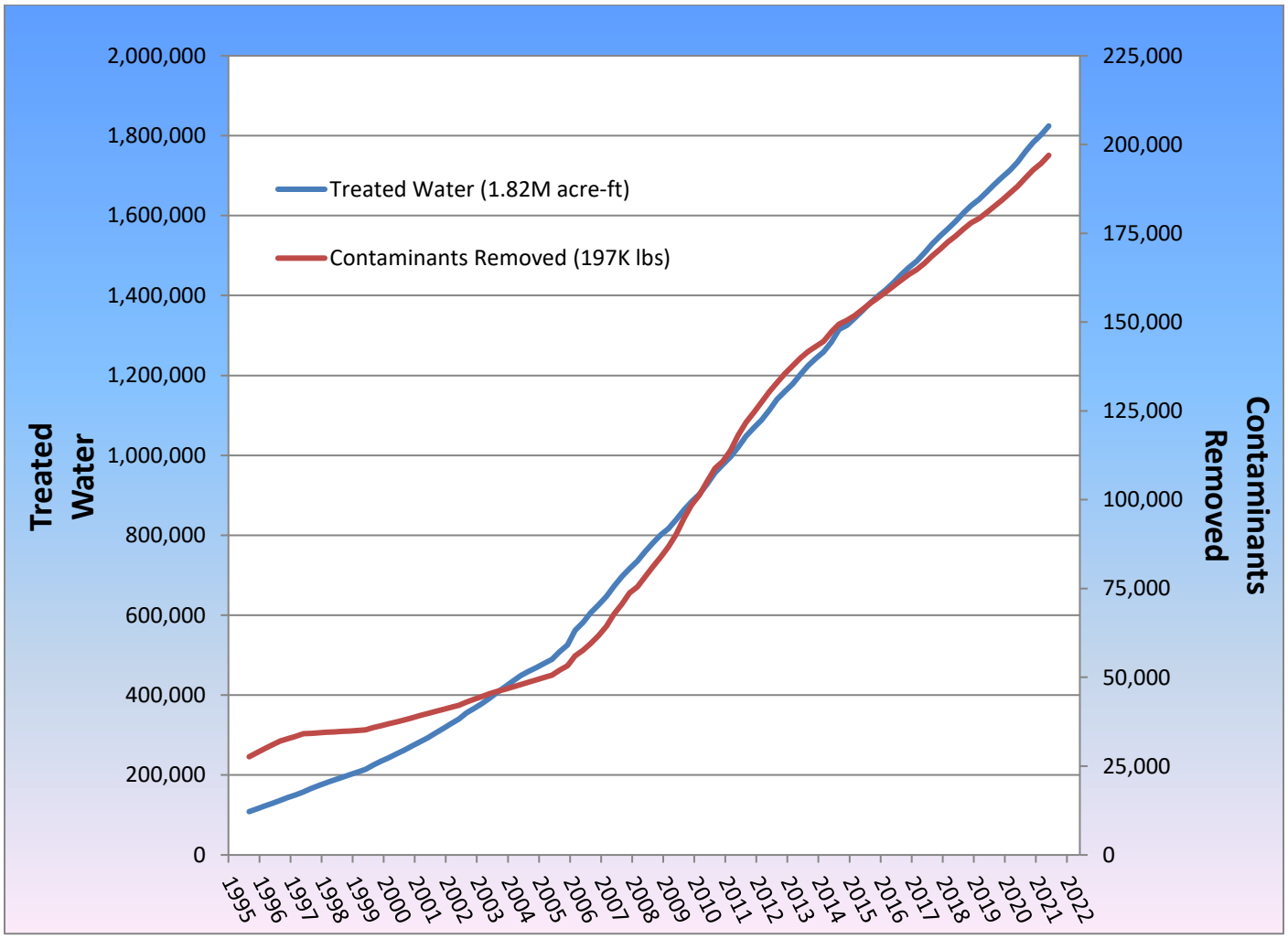


FIGURE 13 – The total amount of water treated and contaminants removed in the Basin. WQA considers the overall impact of the combined cleanup projects. This chart demonstrates how much contaminant mass has been removed from the Basin and how much treated water the projects have made available for beneficial use through June 30, 2021.



DRAFT

PUBLIC COMMENT PROCESS
FOR THE
AMENDED
SAN GABRIEL BASIN
GROUNDWATER QUALITY MANAGEMENT AND REMEDIATION PLAN FOR 2022

12/15/21	WQA Board Meeting Open 30 -day Public Comment Period	Approve Draft Plan for Public Comment Period
12/20-23/21 (est.)	San Gabriel Valley Tribune La Opinion Newspaper www.wqa.com	Notice of Public Comment Period Posted Notice of Public Comment Period Posted in Spanish Notice Posted on WQA Website
1/11/21	WQA Admin/Finance Committee	Receive Comments on Draft Plan
1/14/21	Close of 30-day Public Comment Period	Comments must be received by **5:00 P.M.**
1/19/21	Regular Board Meeting	Presentation on Comments/Responses Received Present Revised Plan for Adoption

SGB Water Calendar

Administrator

Calendars

- SGVMWD
- TVMWD
- USGVMWD
- WM
- WQA

December 2021

	Sun	Mon	Tue	Wed	Thu	Fri	Sat
49	Nov 28, 2021	29	30	Dec 1 8am TVMWD Boa 2:30pm Watermast 4pm USGVMWD V	2	3	4
50	5	6 4pm USGVMWD C	7 4pm CANCELED - U	8 8am USGVMWD E 11am CANCELLED - 1:30pm WM Basin	9	10	11
51	12	13	14 10am CANCELLED -	15 8am TVMWD Boa 12pm WQA Board 1:30pm WM Admin	16	17	18
52	19	20	21	22 8am CANCELED: US	23	24 WQA Closed for the Holidays	25
1	26 WQA Closed for the Holidays	27 10am SGVWA Leg 11:30am SGVWA E	28	29	30	31	Jan 1

Printed on: 12/10/2021 5:08pm

Powered by teamup