

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_fcO-C_EYTzCGRicuRtD-AQ

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 21, 2022 AT 12:00 P.M.

AGENDA

- | | | |
|-------------|---|---------------|
| I. | CALL TO ORDER | MUNOZ |
| II. | PLEDGE OF ALLEGIANCE | |
| III. | ROLL CALL OF BOARD MEMBERS | MORENO |
| | <div style="display: flex; justify-content: space-between; align-items: flex-end;"><div>Valerie Munoz, Chairwoman</div><div>_____</div><div>_____ (alt)</div></div> <div style="display: flex; justify-content: space-between; align-items: flex-end;"><div>Mark Paulson, Vice-Chairman</div><div>_____</div><div>_____ (alt)</div></div> <div style="display: flex; justify-content: space-between; align-items: flex-end;"><div>Bob Kuhn, Secretary</div><div>_____</div><div>_____ (alt)</div></div> <div style="display: flex; justify-content: space-between; align-items: flex-end;"><div>Lynda Noriega, Treasurer</div><div>_____</div><div>_____ (alt)</div></div> <div style="display: flex; justify-content: space-between; align-items: flex-end;"><div>Mike Whitehead</div><div>_____</div><div>_____ (alt)</div></div> <div style="display: flex; justify-content: space-between; align-items: flex-end;"><div>Ed Chavez</div><div>_____</div><div>_____ (alt)</div></div> <div style="display: flex; justify-content: space-between; align-items: flex-end;"><div>Robert Gonzales</div><div>_____</div><div>_____ (alt)</div></div> | |
| IV. | PUBLIC COMMENTS (Agendized Matters Only):
As provided under Government Code Section 54954.3, this time has been set aside for persons in the audience to provide comment or make inquiries on matters appearing on this Special Meeting agenda only. Please complete the appropriate request card and submit it to the Secretary, prior to the item being heard. A five-minute time limit on remarks is requested. | MUNOZ |
| V. | ITEMS TOO LATE TO BE AGENDIZED - Recommended Action:
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) | MUNOZ |
| VI. | SPECIAL ELECTION OF WQA ALTERNATE REPRESENTATIVE FOR CITIES WITH PUMPING RIGHTS [enc] | MORENO |

VII. PRESENTATION

“Presentation on Audited Financial Statements for Fiscal Year Ending June 30, 2022” [enc]

CANIEDA

VIII. CONSENT CALENDAR

MUNOZ

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

- (a) Ratification of Demand No. E91698 Accent Computers
- (b) Minutes for 11/16/22 Regular Board Meeting
- (c) Minutes for 12/13/22 Administrative/Finance Committee Meeting
- (d) Minutes for 12/14/22 Legislative/Public Information Committee Meeting
- (e) Demands on Administrative Fund for December 2022
- (f) Demands on Project Fund for December 2022
- (g) Resolution No. 22-019 (AB 361- Teleconferencing of Meetings)

IX. COMMITTEE REPORTS

(These items may require action)

- (a) Administrative/Finance Committee Report [enc]
 - 1. Discussion/Action Regarding WQA Teleconferencing Policy [enc]
 - 2. Discussion/Action Regarding Draft Federal Funding Program Administration Recommendations (FFPA)
- (b) Legislative/Public Information Committee Report [enc]
 - 1. Discussion/Action Regarding Professional Services Agreement for Kadesh & Associates [enc]

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, 2022 [enc]
- (b) Discussion/Action Regarding Monitoring Well MW5-17 License Agreement [enc]
- (c) Adopt Resolution No. 22-20, A Resolution of the Board of San Gabriel Basin Water Quality Authority Recognizing Brian Bowcock [enc]

XI. PROJECT REPORTS

COLBY

- (a) Treatment Plants:

- | | | |
|----|--------------------------------|---------------|
| 1. | Baldwin Park Operable Unit | <u>Status</u> |
| | • 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
	• VCWD Nixon	Operational
	• VCWD Maine	Operational
2.	El Monte Operable Unit	
	• Eastern Shallow Zone	Operational
	• Eastern Deep Zone	Operational
	• GSWC Encinita Plant	Operational
	• Western Shallow Zone	Operational
3.	South El Monte Operable Unit	
	• Whitmore Street. Ground Water Remediation Treatment Facility	Operational
	• City of M.P. Well No. 5 VOC Treatment Facility	Operational
	• City of M.P. Well No. 12 VOC Treatment Facility	Operational
	• City of M.P. Well No. 15	Operational
	• City of M.P. Well Nos. 1, 3, 10 VOC Treatment Facility	Operational
	• GSWC Wells SG-1 & SG-2	Operational
	• GSWC Garvey	Operational
	• SGVWC Plant No. 8	Operational
	• SGVWC Plant G4	Operational
4.	Puente Valley Operable Unit	
	• Intermediate Zone	Construction
	• SGVWC Plant B11	Operational
5.	Area 3 Operable Unit	
	• City of Alhambra Phase 1	Operational
	• City of Alhambra Phase 2	Operational
	• City of South Pasadena Wilson	Operational
6.	Non-Operable Unit	
	• City of Arcadia Longden	Operational
	• City of Arcadia Live Oak	Operational
	• City of Monrovia Tower 1&2	Operational
	• City of Monrovia Tower 3&4	Operational
	• SGVWC Plant 11	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 10, 2023 at 10:00 a.m.
- (b) The next Legislative/Public Information Committee meeting was scheduled for Wednesday, January 11, 2023 at 11:00 a.m.
- (c) The next WQA Board meeting is scheduled for Wednesday, January 18, 2023 at 12:00 p.m.

XVIII. CLOSED SESSION

MUNOZ

- (a) Closed Session Pursuant to Government Code Section 54956.9(d)(4)
– Conference with Legal Counsel – Anticipated Litigation – One (1) potential matter

XIX. RECONVENE OPEN SESSION

MUNOZ

XX. BOARD MEMBERS' COMMENTS/REPORTS

MUNOZ

XXI. 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.

DRAFT *RATIFICATION*

The following demand on the Administration Fund Account at Bank of the West is hereby submitted for ratification. ACH payment was issued on November 22, 2022.

Check No.	Payable to	Description	Amount
E91698	Accent Computers	Invoice No.154713, 2nd down payment for server upgrades	9,172.03
TOTAL			<u>9,172.03</u>

DRAFT

A REGULAR MEETING OF THE SAN GABRIEL BASIN WATER QUALITY AUTHORITY NOVEMBER 16, 2022 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, Mark Paulson, Bob Kuhn, Lynda Noriega, Michael Whitehead, Ed Chavez, and Robert Gonzales
BOARD MEMBERS ABSENT	None
STAFF MEMBERS PRESENT	Randy Schoellerman, Executive Director; Stephanie Moreno, Executive Assistant/Outreach Coordinator; Dan Colby, Assistant Executive Director/Senior Project Manager; 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; Steve Kiggins, San Gabriel Valley Municipal Water District; Brian Bowcock, Three Valleys Municipal Water District; David Muse, Valley County Water District
PUBLIC COMMENT	None.
ITEMS TOO LATE TO BE AGENDIZED	None.
CONSENT CALENDAR	<p>Mr. Paulson moved to approve the consent calendar as presented. Ms. Noriega seconded the motion, and it was approved by the following roll call vote:</p> <p>AYES: PAULSON, KUHN, NORIEGA, WHITEHEAD, CHAVEZ, GONZALES</p> <p>NO: NONE</p> <p>ABSENT: MUNOZ</p>

ABSTENTIONS:

Mr. Whitehead abstained from Project Demand Nos. E91658.

Ms. Noriega abstained from Project Demand No. E91657.

COMMITTEE REPORTS

Ms. Munoz enters the meeting

***Administrative/Finance
Committee Report***

*Discussion/Action Regarding WQA
Retirement Account Options*

Ms. Saenz reported that at the June 22, 2022, Board meeting, the Board approved the Amended and Restated WQA Employee Pension Plan. At the time of approval, the Board asked staff to look into additional plans that would allow for employee contributions. She indicated that WQA currently participates in the 401(a) Employee Pension Plan, which provides for a guaranteed contribution from the WQA. Additionally, employees are eligible to participate in a 457(b) deferred compensation plan, in which they can defer wages up to the IRS limits. She reported that Mr. Ken Mabie is WQA's Pension Plan administrator and advisor. He initially said that an after-tax and/or Roth type of deferral may be an option. Upon further research, he stated that with the 401(a) Plan and the 457(b) Plan, WQA has its bases covered and an additional plan would not be beneficial to employees. She noted that the employees have the option to personally open a non-deductible IRA account, or a ROTH IRA account, again subject to the IRS AGI thresholds. She indicated that staff recommends no action be taken.

After brief discussion, the Board concurred with staff and did not take any action on this item.

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

NO: NONE

ABSENT: NONE

ABSTENTIONS: NONE

*Discussion/Action Regarding
Administrative Procedure No. 41-
Reserve Fund Policy*

Ms. Saenz reported that staff is recommending an update to the Reserve Fund Policy to clarify that (1) interest earned on Restricted Reserves held in LAIF for the Federal Funding Program Administration (FFPA) projects are included in designated reserves and are unrestricted, and that (2) interest earned on Restricted Reserves for the South El Monte Operable Unit (SEMOU) Trustee Funds are restricted and are credited to the SEMOU Trustee Fund account.

After brief discussion,

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

NO: NONE

ABSENT: NONE

ABSTENTIONS: NONE

*Discussion/Action Regarding
Disposal of Surplus Property*

Ms. Saenz reported that under WQA Administrative Procedure 35, the Executive Director has the authority and responsibility for the disposal of surplus personal property that has been maintained as fixed assets of the WQA. She noted that if it is determined that the items are either broken, obsolete or of no further use for the purposes of the WQA, the Executive Director shall submit the items to the Board of Directors to be declared surplus. She indicated that WQA wishes to dispose of surplus equipment, as listed on the attached schedule that is either damaged, obsolete or has been replaced with updated technology, and is of no further use. These items have been fully depreciated and have a net book value of \$0.

After brief discussion,

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

NO: NONE

ABSENT: NONE

ABSTENTIONS: NONE

*Legislative/Public Information
Committee Report*

Mr. Schoellerman reported that the minutes for the committee meeting were included in the agenda packet.

**OTHER
ACTION/INFORMATION
ITEMS**

*Discussion/Action Regarding
ACWA Restated Bylaws and Voter
Designation Form*

Mr. Schoellerman reported that Association of California Water Agencies (ACWA) will hold a General Session Membership Meeting at its Fall 2022 Conference on Wednesday, November 30, 2022, at 12:30 p.m. He indicated that the purpose of the meeting is to conduct a vote by the membership on proposed amended and restated bylaws of ACWA as recommended by the Board of Directors at its meeting on September 23, 2022. He noted that member agencies must indicate their voting representative and alternate on the attached Voter Designation & Information Form as well as provide all of the information identified on the form in order

for ACWA to facilitate all aspects of the membership meeting and voting processes. He reported that staff was recommending the approval of the Executive Director and Assistant Executive Director/Senior Project Manager as voting representative and alternate, respectively

After brief discussion,

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

NO: NONE

ABSENT: NONE

ABSTENTIONS: NONE

PROJECT REPORTS

Mr. Colby reported that the site investigation work continues on four of the twelve sites and staff anticipates receiving two additional executed access agreements with the associated work anticipated to start in the first part of 2023. He reported that FFPA Round X application period closed on November 10th and staff received 23 applications.

ATTORNEY'S REPORT

None.

LEGISLATIVE REPORT

Mr. Monares reported that some legislative districts in the San Gabriel Valley have shifted as a result of redistricting. He indicated that he would provide a link to the state website showing maps of the new districts.

EXECUTIVE DIRECTOR'S REPORT

Mr. Schoellerman reported that the assessment adjustment language has been modified to only change the \$10 limit to \$20 and that it was under review by Legislative Counsel. Staff will continue to work on it with Assemblymember Rubio's office. He reported that he is scheduled to give a presentation at the next San Gabriel Valley MWD Board meeting. He noted that the ACWA Fall Conference is on November 29th through December 1st in Indian Wells. He reported that staff continues to monitor the \$10M FY23 appropriations request for the San Gabriel Basin Restoration Fund. He noted that staff is planning on having a resolution of recognition for Brian Bowcock for the Board to consider at the December Board meeting. He lastly noted that staff has been experiencing email issues and was working to resolve the problem. Finally, he wished everyone a Happy Thanksgiving.

FUTURE AGENDA ITEMS

None.

FUTURE BOARD AND COMMITTEE MEETINGS

The next Administrative/Finance Committee meeting was scheduled for Tuesday, December 13, 2022, at 10 a.m.

The next Legislative/Public Information Committee meeting was scheduled for Wednesday, December 14, 2022, at 11:00 a.m.

The next WQA Board meeting is scheduled for Wednesday, December 21, 2022, at 12:00 p.m.

CLOSED SESSION

The Board met in closed session.

*Closed Session Pursuant to
Government Code Section
54956.9(d)(4)*

*– Conference with Legal Counsel
– Anticipated Litigation – One (1)
potential matter*

RECONVENE OPEN SESSION

Mr. Padilla reported that the Board met in closed session. He indicated that the Board directed staff to enter into a Legal Services Agreement with SL Environmental Law Group.

BOARD MEMBERS' COMMENTS/ REPORTS

Ms. Noriega commended staff on their work on the FFPA and wished everyone a Happy Thanksgiving.

Mr. Whitehead congratulated Ms. Munoz and Mr. Gonzales on their elections, and commended staff on their hard work.

Mr. Chavez congratulated Ms. Munoz and Mr. Gonzales on their elections.

Mr. Gonzales wished everyone a happy Thanksgiving and commented that he has been reaching out to all the cities to vote in the WQA's special election.

Mr. Kuhn wished everyone a happy Thanksgiving and commended staff on their hard work.

Ms. Munoz thanked everyone for their support and wished everyone a happy Thanksgiving.

ADJOURNMENT

The Chairwoman asked if there were any other items of business to come before the Board the meeting was adjourned to December 21, 2022.

Valerie Munoz
Chairwoman

Bob Kuhn
Secretary

DRAFT

SAN GABRIEL BASIN WATER QUALITY AUTHORITY ADMINISTRATIVE/FINANCE COMMITTEE AND SPECIAL MEETING OF THE BOARD OF DIRECTORS DECEMBER 13, 2022 AT 10:00 A.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, the WQA Administrative/Finance Committee and Special meeting of the Board took place online and teleconference.

CALL TO ORDER

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

COMMITTEE MEMBERS PRESENT

Mike Whitehead, Lynda Noriega and Mark Paulson

WATERMASTER LIASON

Dave Michalko

COMMITTEE MEMBERS ABSENT

None

OTHER BOARD MEMBERS PRESENT

Bob Kuhn and Ed Chavez

STAFF MEMBERS PRESENT

Randy Schoellerman, Executive Director; Dan Colby, Assistant Executive Director/Senior Project Manager; Stephanie Moreno, Public Outreach Coordinator; Mary Saenz, Director of Finance; Michelle Sanchez, Admin/Accounting Assistant; Jackie Montgomery, Admin/Accounting Assistant; Richard Padilla, Legal Counsel

MEMBERS OF THE PUBLIC PRESENT

Brian Bowcock, Interested Party; Steve Kiggins, San Gabriel Valley Municipal Water District

PUBLIC COMMENT

None.

Discussion Regarding Remote Meeting Policy

Mr. Schoellerman noted that staff was asked to draft a teleconference policy for WQA Board and committee meetings that would incorporate the new AB2499 legislation.

Mr. Padilla reported that the draft policy follows the three options for teleconferencing that are available to the Board beginning January 1, 2023 and include traditional teleconferencing rules under the Brown Act, State of Emergency rules under AB361, and new options under AB2499. He noted that AB2449 becomes effectively January 1, 2023 and allows some board members to attend meetings

remotely as long as a quorum is present in-person at the designated location. Board members wishing to attend a meeting remotely under AB2449 would have to declare either a “just cause” or “emergency” circumstance. All requests for remote participation would be submitted to the Board via the Board secretary for documentation and tracking as its usage is limited to a certain number of times per calendar year. Mr. Padilla indicated that priority to participate remotely would be given the request made earlier in time to another request.

Mr. Whitehead asked about the Governor’s COVID-19 State of Emergency that is expected to expire on February 28, 2023.

Mr. Padilla commented that the WQA Board can continue to operate under AB 361 until February 28, 2023. After that only the traditional teleconferencing and AB 2449 rules and procedures would be available for members to attend meetings remotely. He noted that the additional flexibility of AB 361 could be available again if a state of emergency was once again declared.

After some discussion, the committee recommended that the draft policy go to the full Board for approval.

***Discussion Regarding Interim
Budget and Assessment Reserve
Review for FY 22/23***

Ms. Saenz reported that the assessment rate is determined during the annual WQA budget process. She indicated that typically, the WQA draft budget is presented to the Board and the public during April and May of each year, with the budget being approved at the May Board Meeting. She noted that the Board adopted the FY 22/23 budget on May 18, 2022, with an annual assessment of \$12/acre ft on 197K acre-ft. of prescriptive pumping rights. She reviewed page one of the summary of approved budget for FY 22/23 that shows the assessment reserve for WQA with the current assessment of \$12 per acre foot of prescriptive pumping rights. For reference, as of April 2022, the maximum assessment that can be charged is \$16.44 per acre foot. This limit is increased each year by the April CPI. She also reviewed an updated detail of actual assessment reserves for FY 21/22 and staff has been able to determine the actual use of assessments for the fiscal year ended 6-30-2022. She noted that this schedule compares the budgeted increase in assessments to the actual increase in assessments for FY 21/22. She lastly reviewed charts and schedules of projected assessment needs for the next five years. The primary chart indicated that with current projections, an assessment of \$12/acre ft over five years would result in an assessment reserve above the minimum 50% policy range. She noted that included in the projections are the impacts of the Prop 1 funding for SEMOU projects, three years of Prop 68 funding for treatment and remediation throughout the San Gabriel Basin, and the annual operating costs, funding acquisition costs as well as the federal funding from Restoration Funds received in September 2022.

Mr. Whitehead commented that he noticed the reserve fund assessment tops out at FY 24/25 then declines according to the projections presented. He also expressed concerns for possibly abnormal inflation rates in the future.

Ms. Saenz commented that a 3% inflation factor was included in these projections.

Mr. Paulson asked if staff has considered raising the assessment by \$0.50 instead of a whole \$1.00.

Ms. Noriega commented that she would like to see what a \$0.50 increase would look like starting in FY 24/25 and go from there. She agreed that a gradual increase might be a good start and to also show the added funding that may be received.

Mr. Michalko commented that he was in favor of small increases as well and to provide the producers long term notice.

Ms. Saenz indicated that staff also considers \$0.50 increases and would provide those examples at the next update in March.

Mr. Schoellerman thanked the committee for all of the feedback.

***Discussion Regarding Draft
Federal Funding Program
Administration Recommendations
(FFPA)***

Mr. Colby reported that on September 26, 2022, WQA Staff initiated Round X of WQA's FFPA process making the most recent \$10M of federal funding received available for distribution to projects. He indicated that staff accepted applications from September 26, 2022, thru November 10, 2022. He noted that staff received a total of 23 applications with a combined capital costs of \$201.6M, and combined treatment and remediation costs of \$18M. He indicated that during the application period, staff determined that an additional \$545K could be made available for distribution. He reported that the total amount available for distribution is \$10.275M after Bureau of Reclamation deducted their administrative costs. He presented a summary of the recommendations for review.

Mr. Paulson asked for those projects that received substantially lower amounts than what is needed for their projects, will they be able to proceed.

Mr. Colby commented that some of the projects have other funding sources contributing to the project and that one of the eligibility requirements for the application is that the applicants affirm that they can start the project within 12 months.

Mr. Michalko commented that this summary would be good to show when WQA goes back to Washington, D.C. to ask for additional federal funding. It shows that the WQA was

awarded \$10M for groundwater cleanup but there is a need for \$200M.

Mr. Whitehead commended staff for spreading the funding out among these projects even if they are not fully funded because it still mitigates the costs of the cleanup which benefits the ratepayers and is consistent with the previous nine rounds of funding.

After detailed discussion, Mr. Schoellerman commented that since two of the committee members have applications in this FFPA, staff has suggested that this go to the Board for discussion without a recommendation from this committee.

EXECUTIVE DIRECTOR'S REPORT

Mr. Schoellerman reported on federal budget activities noting that the Republicans are taking control of the House in January. He noted that the continuing resolution was set to expire December 16th and was expected to be extended until December 23rd while an omnibus bill package for the FY23 spending was negotiated. He noted that another \$10M for the San Gabriel Basin Restoration Fund was expected to be included. He reported that Special Election was still going on with 5 nominees for the alternate seat representing cities with pumping rights in the San Gabriel Basin. He reported that the results would be announced at the Board meeting on December 21st. He reported that staff is working with Assemblymember Rubio on proposed legislation to increase WQA's assessment limit to \$20, noting that the increase does not impact the current \$12 assessment set by the WQA board. Lastly, Mr. Schoellerman introduced Ms. Jackie Montgomery, WQA's newest employee. She will be taking Ms. Sanchez's place. He indicated that Ms. Sanchez has been training her remotely.

ADJOURNMENT

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

Valerie Munoz
Chairwoman

Bob Kuhn
Secretary

DRAFT

SAN GABRIEL BASIN WATER QUALITY AUTHORITY LEGISLATIVE/PUBLIC INFORMATION COMMITTEE AND SPECIAL MEETING OF THE BOARD OF DIRECTORS DECEMBER 14, 2022 AT 11:00 A.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, the WQA Legislative/Public Information Committee and Special meeting of the Board took place online and teleconference.

CALL TO ORDER

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

COMMITTEE MEMBERS PRESENT

Valerie Munoz, Bob Kuhn and Robert Gonzales

WATERMASTER LIASON

None.

COMMITTEE MEMBERS ABSENT

None.

OTHER BOARD MEMBERS PRESENT

Ed Chavez

STAFF MEMBERS PRESENT

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

MEMBERS OF THE PUBLIC PRESENT

Chris Lancaster, Civic Publications; Irma Cooper, Interested Party; Gabriel Monares, The Monares Group; Lenet Pacheco, Valley County Water District; Jeff Hanlon, Three Valleys Municipal Water District; Richard Shope, EcoVoices

Public Comment

None.

Discussion Regarding Next Advertorial

Ms. Moreno reported that the next advertorial would be in the Sustainable Living publication that would publish in mid-January 2023. She indicated that the ad would be a summary of the annual report for the FY 21/22.

Mr. Lancaster noted that Sustainable Living was one of the environmental publications that WQA participates in annually.

Update on EcoVoices Program

Ms. Moreno reported that Dr. Shope has been working on a

series of videos regarding groundwater treatment along with Dan Arrighi from San Gabriel Valley Water Company (SGVWC). She noted that staff invited Dr. Shope to the meeting to provide an update on his progress.

Dr. Shope reported that he has done an initial walk through with Mr. Arrighi at the B6 Treatment Facility and will be doing voice recordings of Mr. Arrighi at his SGVWC office on December 15th. He noted that the final filming of the treatment facility will be done on December 20th.

Mr. Kuhn requested that the video be included in one of the upcoming advertorials.

Dr. Schope answered that he would like to have some video ready in January that could be included in the Sustainable Living advertorial and for social media use.

Ms. Moreno commented that once editions of videos were completed staff would like to dedicate a publication to the EcoVoices program and highlight the videos as a learning resource that is available.

***Discussion Regarding Proposed
Assessment Limitation Legislation***

Mr. Schoellerman indicated the committee that staff has been working with Assemblymember Rubio's office on the proposed assessment limitation legislation. He noted that there were discussions to increase the cap to \$20/acre-foot (AF) or to increase it over a period of time. He indicated that after looking at the current assessment situation staff is proposing a single increase to the \$20/AF. He also noted that staff just reviewed some budget projections and believes this cap of \$20/AF would be sufficient. He reported that staff is not recommending any increase to the assessment, that this was just providing capacity in the future if needed. He reported that the language has come back from leg counsel that reflects the change of \$10/AF to the \$20/AF. He indicated that the Assemblywoman is considering co-authors for the bill. He noted that staff doesn't expect the legislation to be introduced until January. He noted that once that happens staff will go out and request support from other agencies.

After further discussion, Mr. Schoellerman noted that this was an information item and that no action was necessary

***Discussion Regarding
Professional Services Agreement
for Kadesh & Associates***

Mr. Schoellerman reported that staff was recommending a 2-year renewal WQA's federal advocacy services agreement with Kadesh & Associates (Kadesh). He indicated that their scope of work includes working with the various members of the California delegation and the Administration to secure federal appropriations for the San Gabriel Basin Restoration Fund (RF). Additionally, they pursue modifications to RF authorization to benefit the WQA and seek alternative

funding opportunities from various federal agencies. He noted that Kadesh has done an excellent job in helping the WQA secure federal funding. He concluded saying that the agreement includes their current monthly retainer of \$15,000 and a 30-day termination clause.

Mr. Kuhn asked about the term “California delegation” in the scope of work and wanted to make sure we weren’t limiting their interactions to only California members.

Mr. Schoellerman commented that Kadesh is not limited to the California delegation and that they often work with other state’s representatives as necessary. He indicated that he would add a clarification to the scope of work.

After some discussion, the committee recommended that the draft professional services agreement with Kadesh & Associates go to the full Board for approval.

Legislative Activities/Reports

Mr. Monares reported that the state legislature was just sworn in on December 5th. He also reported that federal omnibus bill should get through which would contain the \$10M WQA requested for FY 23.

Mr. Schoellerman reported that the House Republican caucus voted to keep earmarks for next year.

EXECUTIVE DIRECTOR’S REPORT

Mr. Schoellerman reported that the draft Federal Funding Program Administration Awards were going to the Board next week.

Ms. Moreno reported that there were 5 nominees in the special election, she indicated that she has received 3 ballots so far and would announce the election results at the Board meeting on December 21, 2022.

Mr. Schoellerman introduced Jackie Montgomery, WQA’s newest employee to the committee. He reported that she will be taking the place of Michelle Sanchez as the Administrative/Accounting Assistant. He noted that Ms. Sanchez has been training Ms. Montgomery remotely.

ADJOURNMENT

Ms. Munoz asked if there were any other items of business to come before the committee. There being none, the meeting was adjourned.

Valerie Munoz
Chairwoman

Bob Kuhn
Secretary

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
D02086	Bob Kuhn	Board Member Compensation for November 2022	
		6 Days WQA Business	900.00
		Meeting/Travel Expenses/Other	81.25
		Less Deferred Compensation	0.00
		Less Taxes Withheld	<u>(68.85)</u>
			912.40
D02087	Michael Whitehead	Board Member Compensation for November 2022	
		2 Days WQA Business	300.00
		Meeting/Travel Expenses/Other	0.00
		Less Deferred Compensation	0.00
		Less Taxes Withheld	<u>(22.95)</u>
			277.05
D02088	Ed Chavez	Board Member Compensation for November 2022	
		6 Days WQA Business	900.00
		Meeting/Travel Expenses/Other	0.00
		Less Deferred Compensation	0.00
		Less Taxes Withheld	<u>(68.85)</u>
			831.15
D02089	Valerie Munoz	Board Member Compensation for November 2022	
		3 Days WQA Business	450.00
		Meeting/Travel Expenses/Other	0.00
		Less Deferred Compensation	0.00
		Less Taxes Withheld	<u>(34.43)</u>
			415.57
D02090	Mark Paulson	Board Member Compensation for November 2022	
		2 Days WQA Business	300.00
		Meeting/Travel Expenses/Other	0.00
		Less Deferred Compensation	0.00
		Less Taxes Withheld	<u>(22.95)</u>
			277.05
D02091	Robert Gonzales	Board Member Compensation for November 2022	
		6 Days WQA Business	900.00
		Meeting/Travel Expenses/Other	0.00
		Less Deferred Compensation	0.00
		Less Taxes Withheld	<u>(68.85)</u>
			831.15
1808	Lynda Noriega	Board Member Compensation for November 2022	
		1 Day WQA Business	150.00
		Meeting/Travel Expenses/Other	0.00
		Less Deferred Compensation	<u>(138.52)</u>
		Less Taxes Withheld	<u>(11.48)</u>
			0.00
EFT/ACH	SGBWQA - Payroll Fund	Replenish payroll fund	
		Staff Payroll - for November 2022	83,199.79
		Board Payroll Taxes - Federal	596.72
		Deferred Comp - Lincoln Life	<u>138.52</u>
			<u>83,935.03</u>
		Total replenishment to payroll fund	87,479.40
EFT/ACH	SGBWQA - Revolving Fund	Replenish revolving fund for 11/1/22 to 11/30/22 disbursements	
		Group Insurance	853.22
		Dues and Subscriptions	125.00
		Office Supplies	673.54
		Telephone Service	547.45
		Plant & Water Service	19.71
		Copier Machine	475.23
		Copier Machine O&M	432.53
		Computer Systems O&M	438.77
		Public Relations	193.95
		Security Systems	306.00
		Project Costs	<u>1,785.55</u>
			5,850.95

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
E91700	ACWA/JPIA	Invoice No. 695318, Medical and life insurance premiums for January 1, 2023 to February 1, 2023	6,450.88
E91701	Accent Computer Solutions, Inc.	Invoice No. 155179, Professional IT services for December 2022	1,885.44
E91702	Bank of America	Invoice No. '22-11NOV-DC', Credit Card Expenses incurred for 11/01/22 to 11/30/22	
		Dues and Subscriptions	160.00
		Meetings and Conferences	<u>483.56</u>
			643.56
E91703	Bank of America	Invoice No. '22-11NOV-RS', Credit Card Expenses incurred for 11/01/22 to 11/30/22	
		Office Supplies	447.98
		Computer Systems O&M	176.77
		Internet	29.95
		Meetings & Conferences	<u>895.32</u>
			1,550.02
E91704	Bank of America	Invoice No. '22-11NOV-SM', Credit card expenses incurred for 11/01/22 to 11/30/22	
		Dues and Subscriptions	68.29
		Meetings & Conferences	<u>874.20</u>
			942.49
E91705	The Gualco Group	Invoice No '22-11NOV', Professional consulting services for November 2022	5,140.00
E91706	Kadesh & Associates, LLC	Invoice No. 12-22, Professional consulting services for November 2022	15,000.00
E91707	The Monares Group, LLC	Invoice No. '22-12DEC', Professional consulting services for December 2022	16,000.00
E91708	Olivarez Madruga Law Organization, LLP	Invoice No. 20917, Professional legal services for November 2022	2,760.00
E91709	Ruffle Properties, LLC	Office lease, CAM, and Storage for January, 2023	
		Invoice No. '23-01JAN', Office lease	9,004.80
		Invoice No. '23-01JAN-CAM', Electricity charges	643.20
		Invoice No. '23-01JAN-Storage', Storage Room	<u>150.00</u>
			9,798.00
E91710	Vasquez & Company LLP	Invoice No. 2221092, Annual Audit of Financial Statements for FY 6/30/22 - Final Billing	6,326.00
TOTAL			<u><u>159,826.74</u></u>

EXPENSE SHEET

Board Member Per Diem
\$150.00 per meeting, 6 meeting maximum per month
Mileage Rate: \$0.625 per mile
(Updated July 2021)

Per the requirements of AB1234, please attach back-up documentation (filers, 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

Nov-22

DATE	MEETING	Roundtrip Mileage	# of Days (not to exceed 6)	\$150.00 PER DIEM
1 11/2/22	Main San Gabriel Watermaster Board	0.0	1	\$150.00
Meeting Description				
2 11/3/22	Glendora Chamber of Commerce Legislative Committee	5.0	1	\$150.00
Meeting Description	Update on state issues and gave an update on Water related legislation.			
3 11/8/22	Legislative Committee	0.0	1	\$150.00
Meeting Description	Update and discussion on the next advertorial and Legislative update for federal and state.			
4 11/23/22	SGVEP Legislative Committee	0.0	1	\$150.00
Meeting Description	Update on Legislative activity in the San Gabriel Valley.			
5 11/24/22	WQA office to sign checks	20.0	1	\$150.00
Meeting Description				
6 11/30/22	Region 8 Meeting	105.0	1	\$150.00
Meeting Description				
Total Meetings			6	\$900.00
Total Mileage (at \$0.625 per mile)		130		\$81.25

DATE	Expense Reimbursement Description (receipts required)	Amount
TOTAL Expenses		\$0.00

TOTAL MEETINGS, MILEAGE, EXPENSES			\$981.25
TOTAL			\$981.25

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 AUTHC

Signature



Water Quality Authority

EXPENSE SHEET

Board Member Per Diem
\$150.00 per meeting, 6 meeting maximum per month
Mileage Rate: \$0.625 per mile
Updated July 2012

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-22

DATE	MEETING	Roundtrip Mileage	# of Days (and if extended)	\$150.00 PER DIEM
1 11/8/22	Admin. Finance Committee Meeting		1	\$150.00
Meeting Description				
2 11/16/22	Regular Meeting of the Board of Directors		1	\$150.00
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	\$300.00
Total Mileage (at \$0.625 per mile)		0		\$0.00

DATE	Expense Reimbursement Description (receipts required)	Amount
TOTAL Expenses		\$0.00
TOTAL MEETINGS, MILEAGE, EXPENSES		\$300.00

TOTAL \$300.00

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
 \$150.00 per meeting, 6 meeting maximum per month
 Mileage Rate: \$0.625 per mile
 (updated July 2022)

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-22

	DATE	MEETING	Roundtrip Mileage	# of Days (not to exceed 6)	\$150.00 PER DIEM
1	11/2/22	Board Meeting - Main San Gabriel Basin Watermaster		1	\$150.00
	Meeting Description				
2	11/7/22	Finance & Insurance Committee - Metropolitan Water District of S.C.		1	\$150.00
	Meeting Description				
3	11/8/22	Board Member Meeting - Metropolitan Water District of Southern CA		1	\$150.00
	Meeting Description				
4	11/9/22	Basin Water Management Committee - MSG Basin Watermaster		1	\$150.00
	Meeting Description				
5	11/16/22	Board Meeting - San Gabriel Basin Water Quality Authority		1	\$150.00
	Meeting Description				
6	11/29/22	WQA Dinner (ACWA Conference) - S.G. Basin Water Quality Authority		1	\$150.00
	Meeting Description				
Total Meetings				6	\$900.00
Total Mileage (at \$0.625 per mile)			0		\$0.00

DATE	Expense Reimbursement Description (receipts required)	Amount
TOTAL Expenses		\$0.00
TOTAL MEETINGS, MILEAGE, EXPENSES		\$900.00
TOTAL		\$900.00

☐ 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
\$150.00 per meeting, 6 meeting maximum per month
Mileage Rate: \$0.625 per mile
(updated July 2022)

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-22

DATE	MEETING	Roundtrip Mileage	# of Days (not to exceed 6)	\$150.00 PER DIEM
1 11/9/22	WQA Ledgislative and Pub Adhoc Meeting		1	\$150.00
Meeting Description				
2 11/16/22	WQA Board Meeting		1	\$150.00
Meeting Description				
3 11/28/22	WQA Check signing/ update with Randy		1	\$150.00
Meeting Description				
4				\$0.00
Meeting Description				
5				\$0.00
Meeting Description				
6				\$0.00
Meeting Description				
Total Meetings			3	\$450.00
Total Mileage (at \$0.625 per mile)		0		\$0.00

DATE	Expense Reimbursement Description (receipts required)	Amount
TOTAL Expenses		\$0.00

TOTAL MEETINGS, MILEAGE, EXPENSES			\$450.00
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TOTAL	\$450.00
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☐ 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
\$150.00 per meeting, 6 meeting maximum per month
Mileage Rate: \$0.625 per mile
(updated July 2022)

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

NAME: Mark Paulson

MONTH/YEAR: Nov-22

DATE	MEETING	Roundtrip Mileage	# of Days (not to exceed 2)	\$150.00 PER DIEM
1 11/8/22	Committee Meeting		1	\$150.00
	Meeting Description			
2 11/16/22	Board Meeting		1	\$150.00
	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	\$300.00
Total Mileage (at \$0.625 per mile)		0		\$0.00

DATE	Expense Reimbursement Description (receipts required)	Amount
TOTAL Expenses		\$0.00

TOTAL MEETINGS, MILEAGE, EXPENSES	\$300.00
TOTAL	\$300.00

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
 \$150.00 per meeting, 6 meeting maximum per month
 Mileage Rate: \$0.625 per mile
 (updated July 2022)

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 NoriegaMONTH/YEAR: Nov-22

DATE	MEETING	Roundtrip Mileage	# of Days (not to exceed 5)	\$150.00 PER DIEM
1 11/16/22	WQA Board of Directors Meeting Received update on WQA retirement account options, adopted updates to Administrative Procedure No. 41 - Reserve Fund Policy, approved the disposal of surplus property, approved the ACWA voter designation form, received and filed staff reports, and met in Closed Session to discuss one matter of potential litigation.		1	\$150.00
2	Meeting Description			\$0.00
3	Meeting Description			\$0.00
4	Meeting Description			\$0.00
5	Meeting Description			\$0.00
6	Meeting Description			\$0.00
Total Meetings			1	\$150.00
Total Mileage (at \$0.625 per mile)		0		\$0.00

DATE	Expense Reimbursement Description (receipts required)	Amount
TOTAL Expenses		\$0.00

TOTAL MEETINGS, MILEAGE, EXPENSES			\$150.00
TOTAL			\$150.00

☐ 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
\$150.00 per meeting, 6 meeting maximum per month
Mileage Rate: \$0.625 per mile
(updated July 2022)

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: ROBERT GONZALES

MONTH/YEAR: Nov-22

DATE	MEETING	Roundtrip Mileage	# of Days (not to exceed 6)	\$150.00 PER DIEM
1 11/9/22	LEGISLATIVE MEETING			\$150.00
Meeting Description				
2 11/12/22	MEETING WITH EL MONTE MAYOR JESSICA ANCONA			\$150.00
Meeting Description	REGARDING ALTERNATE			
3 11/14/22	MET WITH COUNCILMEMBER CITY OF IRWINDALE MANUEL ORTIZ			\$150.00
Meeting Description	REGARDING ALTERNATE			
4 11/15/22	MET WITH GLENDORA MAYOR KAREN DAVIS			\$150.00
Meeting Description	REGARDING ALTERNATE			
5 11/16/22	GENERAL MEETING			\$150.00
Meeting Description				
6 11/17/22	MET WITH CITY OF INDUSTRY ASSISTANT TO C.M. SAN PEDROZA			\$150.00
Meeting Description	REGARDING ALTERNATE WILL BE AGENDIZED 12/1/22			
Total Meetings			0	\$900.00
Total Mileage (at \$0.625 per mile)			0	\$0.00

DATE	Expense Reimbursement Description (receipts required)	Amount
	TOTAL Expenses	\$0.00
	TOTAL MEETINGS, MILEAGE, EXPENSES	\$900.00
	TOTAL	\$900.00

☐ 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 _____

DRAFT

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

Check No.	Payable to	Description	Amount	Funding Sources
<u>BALDWIN PARK OPERABLE UNIT</u>				
E91711	RC Foster Corporation	Invoice No.02-22-036, Project costs for Spare parts for November 2022	770.12	CR's
<u>SOUTH EL MONTE OPERABLE UNIT</u>				
E91712	Avocet Environmental Inc.	Project costs for Whitmore Street Groundwater Remediation Facility for October-November 2022		
		Invoice No. 7262- Round 2 Prop 1 SGV Priority Sites	232,928.92	
		Invoice No. 7305 - Whitmore GW Treatment System	14,209.25	
		Invoice No. 7306 - Round 2 Prop 1 SGV Priority Sites	<u>186,909.21</u>	WQA/SWRCB
E91713	State Water Resources Control Board	Invoice No. WD-0214550, Annual permit fee for the Whitmore Street Groundwater Remediation Facility project for the period of 07/01/22 to 06/30/23	18,863.00	WQA
Total			<u><u>453,680.50</u></u>	

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 2, 2022.

Check No.	Payable to	Description	Amount	Funding Sources
<u>BALDWIN PARK OPERABLE UNIT</u>				
E91714	La Puente Valley County WD	Invoice No. 4-2022-10 Project T&R costs for October 2022	231,407.26	CR's
E91715	Main San Gabriel Basin Watermaster	Invoice No. 02-249, Administrative Project Costs for October 2022		
		Administrative costs	35,310.42	
		T&R costs	<u>22,754.79</u>	CR's
E91716	Suburban Water Systems	Invoice No. 59881022, Project T&R costs for October 2022	104,208.52	CR's
E91717	Valley County Water District	Project costs for October 2022		
		Invoice No. 476, T&R costs	99,078.77	
		Invoice No. 475, T&R costs	<u>148,664.19</u>	CR's
E91718	California Domestic Water Co.	Project costs for October 2022		
		Invoice No. 3598, T&R costs for Perchlorate	28,522.02	
		Invoice No. 3599, T&R costs for NDMA & VOC's	<u>141,441.11</u>	CR's
E91719	San Gabriel Valley Water Co.	Project costs for September 2022		
		Invoice No. 22303, B5 T&R costs	165,450.41	
		Invoice No. 22302, B6 T&R costs	276,173.96	
		Invoice No. 22300, B6 Capital costs, UV Flex Treatment	45.09	
		Invoice No. 22301, B6 Capital costs, UV Flex Treatment Phase 2	<u>55.00</u>	CR's
Total			<u><u>1,253,111.54</u></u>	

DRAFT

RESOLUTION NO. 22-019

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 21, 2022

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 LACDPH Health Officer Order issued March 23, 2022 and effective April 1, 2022 continues to advise that all individuals and businesses are strongly urged to follow the LACDPH Best Practices Guidance, containing health and safety recommendations for COVID-19; and

WHEREAS, the LACDPH Best Practices Guidance provides, among other things:

1. Masks are *strongly recommended* in most indoor public settings to prevent transmission of the virus particularly to persons with prolonged, cumulative exposures (e.g., workers and to those with higher risk of illness (e.g., unvaccinated, older persons, or those with underlying medical conditions such as immunocompromised persons); and
2. Per state and federal law, visitors and workers must continue to wear masks in specified high-risk settings to continue protecting vulnerable populations and the workforce that delivers critical services in these settings; and
3. Identify and regularly clean frequently touched surfaces and objects such as doorknobs, elevator buttons, tools, handrails, phones, headsets, bathroom surfaces and steering wheels;
4. Whenever possible, take steps to reduce crowding indoors and encourage physical distancing including, but not limited to:
 - a. Limiting indoor occupancy to increase the physical space between employees at the worksite, between employees and customers, and between customers;
 - b. Using tape, signs, or other visual cues such as decals or colored tape on the floor, placed six feet apart, to guide customers about where to stand to avoid crowding and to encourage distancing where lines may form; and
 - c. Continuing, where feasible, to offer telework options and continue those teleworking arrangements that do not interfere with business operations

as telework significantly reduces the risk of exposure for employees, their households, and communities.

WHEREAS, surges in COVID-19 variants overseas have the potential to quickly spread in the United States warranting continued vigilance; 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 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, 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 to maintain various infection control and containment measures referenced above, 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 but its operational provisions shall go into effect upon the expiration date of prior Resolution No. 22-004 and shall continue for a period of thirty (30) days thereafter 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 21st day of December 2022.

Valerie Munoz
Chairwoman

Bob Kuhn
Secretary



San Gabriel Basin Water Quality Authority

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

AGENDA SUBMITTAL

To: WQA Board Members
From: Randy Schoellerman, Executive Director
Date: December 21, 2022
Subject: **WQA Teleconferencing Policy**

Summary

On September 13, 2022, the Governor signed Assembly Bill 2449 into law. Effective January 1, 2023, AB 2449 effectively creates four periods with differing options for remote access to, and member attendance of, local agency public meetings under the Ralph M. Brown Act. At the Admin/Finance Committee in November committee members asked for staff to develop a teleconferencing policy for WQA meetings. At the December Admin/Finance Committee meeting the committee reviewed the draft policy and recommended the draft policy go to the full Board for approval. Subsequent to the December committee meeting clarifying language was added to the draft policy. An updated draft is enclosed with the agenda packet.

Recommendation/Proposed Action

Approve Procedure No. 43 Teleconferencing Policy

Attachment

Draft Policy

PROCEDURE NO. 43

TELECONFERENCING POLICY

I. Purpose of Policy.

This policy affirms the San Gabriel Basin Water Quality Authority's ("Authority") acknowledgment of the requirements and restrictions set forth under the Ralph M. Brown Act (Government Code Section 54950 *et seq.*) ("Brown Act") that permit members of legislative bodies to participate remotely (via teleconference) for meetings of such bodies. The policy is also intended to expand upon updated requirements and restrictions established by the passage of California State Assembly Bill No. 2449 ("AB 2499")¹ which creates three time periods with differing options for remote access to, and member attendance of, local agency public meetings under the Brown Act.

From January 1, 2023 to January 1, 2024, public agencies may conduct meetings in which one or more legislative body members participate remotely (via teleconference) by following any one of the three following procedural schemes:

- **Traditional teleconferencing rules and procedures** set forth under subdivision (b) of Government Code Section 54953 which require, among other things, that: (i) at least of quorum of a legislative body must participate from within the boundaries of the public agency; (ii) members participating remotely must be at a location that is open and accessible to the general public; and (iii) the agenda for the legislative body must be posted at the remote location and must include reference to the address of the remote location. (For purposes of this policy, these traditional teleconferencing rules and procedures may be referred to as the "Traditional Procedures").
- **AB 361 relaxed teleconferencing rules and procedures** which may only be relied upon in the event of a state of emergency pursuant to Government Code Section 8625.² As of the effective date of this policy, the rules and procedures of established under AB 361 will be codified under subdivision (e) of Government Code Section 54953 until January 1, 2024, after which time its provisions will be repealed altogether. (For purposes of this policy, these AB 361 relaxed teleconferencing rules and procedures may be referred to as the "AB 361 State of Emergency Procedures").
- **AB 2449 For Cause rules and procedures** which do not require a state of emergency to be invoked but which does establish limitations on the number of times a member may participate remotely and limitations on the types of circumstances under which a member is allowed to participate remotely. As of the effective date of this policy, the just cause/emergency cause rules and

¹ AB 2449 was approved by Governor Gavin Newsom on September 13, 2022.

² AB 361 was approved by Governor Newsom on September 16, 2021 and expires January 1, 2024. As of the effective date of this policy, it is anticipated that the current gubernatorial state of emergency originally declared to address the COVID pandemic will end after February 28, 2023 at which point public agencies will not be able to avail themselves of the significantly relaxed teleconferencing procedures set forth under AB 361 unless and until another state of emergency is declared.

AGENDA DRAFT (12/21/22)

procedures of AB 2449 will be codified under subdivision (f) of Government Code Section 54953 until January 1, 2024, and under subdivision (e) of Government Code Section 54953 beginning January 1, 2024, up to January 1, 2026 at which time these provisions will be repealed altogether. (For purposes of this policy, these AB 2449 just cause/emergency cause rules and procedures may be referred to as the “AB 2449 For Cause Procedures”).

From January 1, 2024 to January 1, 2026, public agencies may avail themselves of the Traditional Procedures and the AB 2449 For Cause Procedures only.

After January 1, 2026, public agencies will only be able to avail themselves of the Traditional Procedures.

II. Duty to Comply with applicable Brown Act teleconferencing rules and procedure.

If one or more members of San Gabriel Basin Water Quality Authority’s governing board of directors (the “Board”) or any standing committee of the Board participate remotely for meetings of such bodies, such meetings will, as applicable, be conducted in compliance with the requirements of Government Code Section 54953 (“Section 54953”) and this policy as the same may be amended from time to time by the legislature or the Board, respectively. Members of the Board shall also, as applicable, comply with, and be subject to, the requirements and restrictions set forth under Section 54953 and this policy as the same may be amended from time to time by the legislature or the Board, respectively.

III. Meetings conducted subject to AB 2449 For Cause Procedures.

A. Any meeting of the Board or any standing committee of the Board conducted under the AB 2449 For Cause Procedures must comply with the following meeting requirements:

1. In the case of the Board, a quorum of its members must participate in person from a singular physical location identified on the agenda that is located within the territorial boundaries of the Authority;
2. The meeting must be open to the public;
3. The Board or standing committee must provide either (a) a two-way audiovisual platform, such as Zoom or WebEx, which allows the meeting to be viewed and heard from a remote location, or (b) a two-way telephonic service and a live webcasting of the meeting. This requirement may be satisfied with any combination of platforms that allows the meeting to be viewed and heard from the remote location;
4. Meeting agendas must give notice of the means by which members of the public may access the meeting and offer public comment; and

AGENDA DRAFT (12/21/22)

5. The meeting must be paused (and no action may be taken), if the broadcasting platform, either audio or visual, is interrupted.

B. If a member of a legislative body, including any alternate member whose participation is required, wishes to participate remotely under the AB 2449 For Cause Procedures, all of the following requirements, (1) through (4), below, must apply:

1. The request to remotely participate must be on the basis of a circumstance that qualifies as a “**just cause**” circumstance or “**emergency**” circumstance within the meaning of the AB 2449 For Cause Procedures;
 - (a) Just Cause Circumstance: At the earliest opportunity possible (including at the start of a regular meeting), the requesting member must notify the Board that he/she has a “**just cause**” reason for participating remotely. The request must generally describe the specific circumstances that prevent in person participation. “**Just cause**” is specifically defined to mean any of the following circumstances:
 - i) A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely. “Child,” “parent,” “grandparent,” “grandchild,” and “sibling” have the same meaning as those terms do in Government Section 12945.2.
 - ii) A contagious illness that prevents a member from attending in person.
 - iii) A need related to a physical or mental disability as defined in Government Code Sections 12926 and 12926.1 not otherwise accommodated elsewhere Government Code Section 54953.
 - iv) Travel while on official business of the legislative body or another state or local agency.

Each Board member shall be limited to a maximum of two (2) Board meetings per calendar year in which to participate remotely based on a “just cause” reason. Likewise, each Board member who is a member of a standing committee shall be limited to a maximum of two (2) standing committee meetings per calendar year in which to participate remotely based on a “just cause” reason.

- (b) Emergency Circumstance: An “**emergency circumstance**” means a “*physical or family medical emergency that prevents a member from attending a meeting in person.*” To invoke the “**emergency circumstance**” exception, the requesting Board member or standing committee member, as soon as possible, must request that the Board or standing committee allow him/her to participate remotely due to some specified “**emergency circumstance.**” In turn, the Board or standing committee must take action to approve the request at the earliest opportunity. The member invoking the “**emergency circumstance**” reason for remote participation must submit a general description (not exceeding 20 words) that describes the

circumstances relating to the “emergency.” The requesting member is not, however, required to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under existing law. The member must also make a separate request for each meeting in which he/she seeks to participate remotely on an “emergency circumstance” basis.

2. The member must publicly disclose at the meeting before any action is taken, whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member’s relationship with any such individuals.
3. The member must participate through *both* audio and visual connection.
4. A member’s remote participation may not exceed (i) three consecutive months, or (ii) 20% of a Board or standing committee’s regular meetings within a single calendar year.

€

IV. Requests for Remote Participation.

A. All requests for remote participation shall be submitted to the Board secretary. The Board secretary shall document the date and time of all requests for remote participation. To the extent Government Code Section 54953 requires that a member of the Board or a member of a standing committee give notice to the applicable legislative body, such notice shall only be deemed given if given to the legislative body care of the Board secretary. The Authority’s Executive Director may designate another employee of the Authority to discharge the duties of the Board secretary in the Board secretary’s absence. Notice to any other person other than the Board secretary or employee designated by the Executive Director in the Board secretary’s absence shall be ineffective.

B. Requests for remote participation under the Traditional Procedures must be made in writing submitted no less than **5 days** prior the start of any regular meeting of the Board or standing committee and no less than **3 days** prior to the start of any special meeting so that there is sufficient time to arrange for all posting required at the remote location and to ensure that the remote location is equipped to accommodate participation by members of the public. Members of the Board or a standing committee who fail to comply with the notification requirements of this paragraph will not be able to participate remotely in a meeting of the Board or a standing committee under the Traditional Procedures and will be counted as absent unless physically present or unless the member is eligible/able to invoke either the AB 361 State of Emergency Procedures or the AB 2449 For Cause Procedures and fully complies with such the procedures as applicable.

C. If a member of the Board or a standing committee has a **“just cause”** reason for participating remotely under the AB 2449 For Cause Procedures, the member shall use the member’s best efforts to notify the Board secretary in writing prior to the start of any meeting. Written notifications may be made via e-mail. If a “just

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AGENDA DRAFT (12/21/22)

cause” request is made by telephone (either by audio or text message), the Board secretary shall document the date and time of the request and which of the four “just cause” circumstances the member cites as the basis for remote participation. the specific reason for the request. All requests for remote participation based on a “just cause” reason shall include the specific reason the request is made. If a member of the Board or a standing committee fails to notify the Board secretary or fails to provide the Board secretary with the specific “just cause” circumstance invoked reason for participating remotely, the member will not be allowed to participate remotely in the meeting under the AB 2449 For Cause Procedures and will be counted as absent deemed absent unless if not physically present for the meeting or unless the member is eligible/able to invoke either the AB 361 State of Emergency Procedures or the Traditional Procedures and fully complies with all procedures required to successfully invoke either procedure.

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D. Requests for remote participation under the AB 2449 For Cause Procedures based on an “emergency circumstance” shall be made in accordance with the procedural requirements of Government Code Section 54953 which are generally described under Section III of this policy, above and will be acted upon by the appropriate legislative body in the manner set forth under Government Code Section 54953. The Board secretary shall note the date and time of all written notifications required in connection with the making of requests to participate remotely ~~on~~ under an “emergency circumstance”. - If a member of the Board or a standing committee fails to comply with the notification requirements and procedures for invoking the “emergency circumstances” grounds for remote participation, the member will not be allowed to participate remotely in the meeting under the “emergency circumstance” grounds for remote participation and will be counted as absent unless physically present for the meeting or unless the member is eligible/able to invoke the Traditional Procedures, the AB 361 State of Emergency Procedures or the “just cause” circumstance grounds for remote participation under the AB 2449 For Cause Procedures and fully complies with the procedures and requirements for successfully invoking the same.

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E. The rules and procedures referenced under paragraphs (A) through (D) of this Section IV, above, shall apply in the same manner to any alternate Board member who is called upon to participate in a meeting of the Board or a standing committee but wishes to do so remotely under one of the three general procedures described above.

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~~D.F.~~ The Board secretary shall track all requests for remote participation, including the number of requests made each calendar year by members of Boards and standing committees under the AB 2449 For Cause Procedures. The foregoing notwithstanding, it is the responsibility of each member of the Board or a standing committee to track the number of times they have participated remotely under the AB 2449 For Cause Procedures so as to comply with the limits on the number of times each member may participate remotely under these procedures in a given calendar year.

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AGENDA DRAFT (12/21/22)

E.G. If more than a quorum of the members of the Board or a standing committee wish to participate remotely for the same meeting under the AB 2449 For Cause Procedures, priority shall be given to the request made earlier in time to other requests. Requestors who cannot be accommodated without causing the Board or standing committee to violate the requirement that a quorum of the body be physically present within the jurisdiction of the Authority will be counted as absent unless physically present.

[END OF POLICY]

DRAFT



San Gabriel Basin Water Quality Authority

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AGENDA SUBMITTAL

To: WQA Board of Directors
From: Randy Schoellerman, Executive Director
Date: December 21, 2022
Subject: **Federal Funding Program Administration (FFPA) Round X Recommendations**

Background and Discussion

On September 26, 2022, WQA Staff initiated Round X of WQA's FFPA process making the most recent \$10M of federal funding received available for distribution to projects. Staff accepted applications from September 26, 2022, thru November 10, 2022. Staff received a total of 23 applications with a combined capital costs of \$201.6M, and combined treatment and remediation costs of \$18M. During the application period, staff determined that an additional \$545K could be made available for distribution. The total amount available for distribution is \$10.275M after Bureau of Reclamation deducted their administrative costs.

The draft FFPA Round X recommendations were presented at the December 13th Admin/Finance Committee.

Recommendation / Proposed Action

Staff requests that the Board approve the FFPA Round X recommendations.

Attachments

Draft Round X Federal Funding Program Administration Recommendations

DRAFT FEDERAL FUNDING ADMINISTRATION SUMMARY						
Process No. X Ending November 10, 2022						
Updated 12/21/22						
	FEDERAL FUNDING ADMINISTRATION SUMMARY REALLOCATION PROCESS PERIOD NO. X FOR December 21, 2022	Project Name	ROUND X DECEMBER 21, 2022			Comments
			Ranking Score	Project Capital ----- Annual T&R	Federal Funding RF	
1	Covina Irrigating Company	Baldwin Park Water Treatment Plant #2 (BPWTP#2). PFAS	71	2,529,600	525,000	
				N/A		
2	California Domestic Water Company	Well 8 PFAS	100	4,695,000	2,300,000	
				115,000		
3	La Puente Valley County Water District	Nitrate Treatment Facility	100	2,880,000	275,000	
				150,000		
4	Valley County Water District	Morada	66	2,200,000	0	
				N/A		
5	City of EL Monte	Wells 2A, 10, 12	71	N/A		
				335,337	0	
6	City of El Monte	Eastside Deep	100	N/A		
				428,682	0	
7	Northrop	PVOU IZ	100	45,312,216	0	
				N/A		
8	City of Azusa	Aspan Treatment	71	3,000,000	525,000	
				N/A		
9	Ametec WSPSD	Westside Shallow Expansion	40	8,014,342	0	
				250,000		
10	City of Monterey Park	PLC Upgrade	N/A	786,550	0	
				N/A		

DRAFT FEDERAL FUNDING ADMINISTRATION SUMMARY						
Process No. X Ending November 10, 2022						
Updated 12/21/22						
	FEDERAL FUNDING ADMINISTRATION SUMMARY REALLOCATION PROCESS PERIOD NO. X FOR December 21, 2022	Project Name	ROUND X DECEMBER 21, 2022			Comments
			Ranking Score	Project Capital	Federal Funding	
				Annual T&R	RF	
11	Three Valleys Municipal Water District	Groundwater Reliability Program	66	60,000,000	300,000	
				N/A		
12	City of South Pasadena	Graves Treatment	66	10,717,600	0	
				N/A		
13	BPOU CR Projects	BPOU Remedy	100	4,339,286	2,800,000	
				16,710,200		
14	San Gabriel Valley Water Company	B24 Treatment	71	900,000	200,000	
				N/A		
15	San Gabriel Valley Water Company	Plant 1 PFAS	71	6,650,000	525,000	
				N/A		
16	San Gabriel Valley Water Company	Plant 11 PFAS	81	7,195,000	1,500,000	
				N/A		
17	Suburban Water Systems	Plant 201 PFAS Phase 1	71	42,343,704	500,000	
				N/A		
18	Water Quality Authority	WSGRF	N/A	N/A		Award is for two years of T&R. (\$310,000 *2*65%)
				310,000	400,000	
19	Water Quality Authority	WQA Separate Costs	N/A	N/A	425,000	
				N/A		
	Totals Capital			\$201,563,298	\$9,875,000	
	Totals Treatment and Remediation			\$17,989,219	\$400,000	



San Gabriel Basin Water Quality Authority

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AGENDA SUBMITTAL

To: Legislative/Public Information Committee
From: Randy Schoellerman, Executive Director
Date: December 21, 2022
Subject: **Professional Services Agreement with Kadesh & Associates**

Background and Discussion

Staff is recommending a 2-year extension of WQA's professional services agreement with Kadesh & Associates for federal advocacy services. Their scope of work includes working with the various members of the California delegation and the Administration to secure federal appropriations for the San Gabriel Basin Restoration Fund (RF). Additionally, they pursue modifications to RF authorization to benefit the WQA and seek alternative funding opportunities from various federal agencies. The agreement includes their existing monthly retainer of \$15,000 and a 30-day termination clause for convenience.

The Legislative/Public Information Committee reviewed this item on December 14th and recommended its approval.

Recommendation / Proposed Action

Approve Professional Services Agreement with Kadesh & Associates

Attachments

Draft Professional Services Agreement with Kadesh & Associates

DRAFT - PROFESSIONAL SERVICES AGREEMENT
(Engagement: Professional Lobbying and Legislative Advocacy Services)
(Kadesh & Associates)

THIS PROFESSIONAL SERVICES AGREEMENT (hereinafter, "Agreement") is made and entered into this 21st day of December 2022 (hereinafter, "Effective Date") by and between the SAN GABRIEL BASIN WATER QUALITY AUTHORITY (hereinafter, "AUTHORITY") and KADESH & ASSOCIATES, LLC a District of Columbia limited liability company (hereinafter, "CONSULTANT"). For the purposes of this Agreement, AUTHORITY and CONSULTANT may be referred to collectively by the capitalized term "Parties." The capitalized term "Party" may refer to AUTHORITY or CONSULTANT interchangeably as appropriate.

RECITALS

WHEREAS, the AUTHORITY requires certain professional lobbying and legislative advocacy services;

WHEREAS, the AUTHORITY has determined that CONSULTANT possesses the skills, experience, and expertise necessary to perform the required professional services; and

WHEREAS, the AUTHORITY wishes to continue engaging CONSULTANT to provide Federal Advocacy Services;

NOW, THEREFORE, the Parties agree as follows:

AGREEMENT

1. **SCOPE OF WORK.** Pursuant to this Agreement CONSULTANT to provide the AUTHORITY with Federal legislative advocacy, lobbying services and other consulting services as requested by the AUTHORITY. CONSULTANT shall perform those specific services and tasks set forth in the document entitled "Scope of Services" which attached and incorporated hereto as Exhibit "A" (hereinafter, the "Scope of Services"). CONSULTANT shall provide written reports on a monthly basis to the AUTHORITY's Executive Director summarizing CONSULTANT's activities on behalf of the AUTHORITY and the status of pending legislation.
2. **TERM.** The term of this Agreement ("Term") shall commence on the Effective Date and shall extend through December 31, 2024, unless earlier terminated as provided herein.
3. **FEES AND EXPENSES.**
 - A. In consideration for CONSULTANT's performance of the services and tasks set forth in the Scope of Services, AUTHORITY shall pay to CONSULTANT a fixed sum of Fifteen Thousand Dollars (\$15,000) per month (hereinafter, the "Monthly Retainer") throughout the term of this Agreement. The Monthly Retainer shall be prorated for the month in which this Agreement takes effect and the month in which this Agreement is terminated.
 - B. The AUTHORITY shall reimburse CONSULTANT for all out-of-pocket expenses incurred by CONSULTANT in its representation of the AUTHORITY. It is understood that out-of-pocket expenses shall include travel, business related meals, taxi fares, telephone, mail, computer aided research, courier, and similar expenses.

CONSULTANT shall seek AUTHORITY's prior written authorization for any single out-of-pocket expense anticipated to exceed the sum of Five Hundred Dollars (\$500). The forgoing notwithstanding, CONSULTANT shall not be entitled to reimbursement for expenses related to contact with Congressional Staff.

- C. CONSULTANT shall submit to AUTHORITY a monthly invoice indicating the services performed and tasks completed during the recently concluded calendar month, including services and tasks performed and the reimbursable out-of-pocket expenses incurred. Within twenty (20) calendar days of receipt of each invoice, AUTHORITY shall notify CONSULTANT in writing of any disputed amounts included in the invoice. Within thirty (30) calendar days of receipt of each invoice, AUTHORITY shall pay all undisputed amounts included on the invoice. AUTHORITY shall not withhold applicable taxes or other authorized deductions from payments made to CONSULTANT.
- 4. TERMINATION FOR CONVENIENCE: AUTHORITY may terminate this Agreement at any time for convenience and without cause by giving CONSULTANT a minimum of thirty (30) calendar days' prior written notice of AUTHORITY's intent to terminate this Agreement. Upon such termination for convenience, CONSULTANT's Monthly Retainer shall be prorated to the effective date of the termination. CONSULTANT may not terminate this Agreement except for cause.
- 5. EVENTS OF DEFAULT; BREACH OF AGREEMENT:
 - A. In the event either Party fails to perform any duty, obligation, service or task set forth under this Agreement (or fails to timely perform or properly perform any such duty, obligation, service or task set forth under this Agreement), an event of default (hereinafter, "Event of Default") shall occur. For all Events of Default, the Party alleging an Event of Default shall give written notice to the defaulting Party (hereinafter referred to as a "Default Notice") which shall specify: (i) the nature of the Event of Default; (ii) the action required to cure the Event of Default; (iii) a date by which the Event of Default shall be cured, which shall not be less than the applicable cure period set forth under paragraphs B and C of this Section, below, or if a cure is not reasonably possible within the applicable cure period, to begin such cure and diligently prosecute such cure to completion. The Event of Default shall constitute a breach of this Agreement if the defaulting Party fails to cure the Event of Default within the applicable cure period or any extended cure period allowed under this Agreement.
 - B. CONSULTANT shall cure the following Events of Defaults within fourteen (14) calendar days of AUTHORITY's issuance of a Default Notice. Prior to the expiration of the 14-day cure period, CONSULTANT may submit a written request for additional time to cure the Event of Default upon a showing that CONSULTANT has commenced efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 14-day cure period. The foregoing notwithstanding, AUTHORITY shall be under no obligation to grant additional time for the cure of an Event of Default under this paragraph B that exceeds thirty (30) calendar days from the end of the initial 14-day cure period.
 - C. AUTHORITY shall cure any Event of Default asserted by CONSULTANT within thirty (30) calendar days of CONSULTANT's issuance of a Default Notice, unless

the Event of Default cannot reasonably be cured within the 30-day cure period. Prior to the expiration of the 30-day cure period, AUTHORITY may submit a written request for additional time to cure the Event of Default upon a showing that AUTHORITY has commenced its efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 30-day cure period. The foregoing notwithstanding, an Event of Default dealing with AUTHORITY's failure to timely pay any undisputed sums to CONSULTANT as provided under Section 3, above, shall be cured by AUTHORITY within five (5) calendar days from the date of CONSULTANT's Default Notice to AUTHORITY.

6. INDEPENDENT CONTRACTOR STATUS. It is understood and agreed that CONSULTANT does at all times in performing services under this Agreement act as an independent contractor and is neither an employee or agent of the AUTHORITY.
7. RESPONSIBILITY AND CONFIDENTIALITY. CONSULTANT shall be responsible for compliance with all laws, regulations and rules applicable to the services CONSULTANT provides under this agreement. CONSULTANT represents that it is in full compliance with the Honest Leadership and Open Government Act of 2007 (Public Law 110-81), which amends the Lobbying Disclosure Act of 1995, on behalf of *San Gabriel Basin Water Quality Authority*. All materials and information of AUTHORITY, which CONSULTANT gains access to or knowledge of in the performance of this Agreement shall be deemed confidential, and all such materials and information shall be used solely for the performance of the services and shall not be disclosed to any third party without the prior written consent of AUTHORITY.
8. GOVERNING LAW AND VENUE: This Agreement shall be interpreted and governed according to the laws of the State of California. In the event of litigation between the Parties, venue, without exception, shall be in the Los Angeles County Superior Court of the State of California. If, and only if, applicable law requires that all or part of any such litigation be tried exclusively in federal court, venue, without exception, shall be in the Central District of California located in the AUTHORITY of Los Angeles, California.
9. ATTORNEYS' FEES: If either Party commences an action against the other Party, legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing Party in such litigation shall be entitled to have and recover from the losing Party reasonable attorneys' fees and all other costs of such action.
10. SEVERABILITY: If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
11. AMENDMENT; MODIFICATION: No amendment, modification or supplement of this Agreement shall be valid or binding unless executed in writing and signed by both Parties, subject to AUTHORITY approval. The requirement for written amendments, modifications or supplements cannot be waived and any attempted waiver shall be void and invalid.
12. INCONSISTENCIES OR CONFLICTS: In the event of any conflict or inconsistency between the provisions of this Agreement and any of the exhibits attached hereto, the provisions of this Agreement shall control.

13. ENTIRE AGREEMENT. This Agreement supersedes any and all other agreements, either oral or written, between the parties hereto. No other agreement, statement or promise relating to the subject matter of this Agreement shall be valid or binding upon the parties hereto.
14. COUNTERPARTS: This Agreement shall be executed in two (2) original counterparts each of which shall be of equal force and effect. No handwritten or typewritten amendment, modification or supplement to any one counterparts shall be valid or binding unless made to all three counterparts in conformity with Section 11, above. One fully executed original counterpart shall be delivered to CONSULTANT and the remaining counterparts shall be retained by AUTHORITY.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first appearing in this Agreement, above.

**SAN GABRIEL BASIN WATER
QUALITY AUTHORITY:**

By: _____

Name: _____

Title: _____

Date: _____

CONSULTANT:

KADESH & ASSOCIATES, LLC

By: _____

Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM

By: _____

Name _____

Title: _____

EXHIBIT "A"
SCOPE OF SERVICES

1. The CONSULTANT will perform such services as directed regarding those issues mutually agreed between AUTHORITY and CONSULTANT, including, but not limited to:
 - a. Working with members of Congress, the California delegation, key members of the Senate and House of Representatives, and the Administration in seeking federal appropriations for the San Gabriel Basin Restoration Fund;
 - b. Pursue an authorization that would provide additional time for funding the operation maintenance of projects authorized under the San Gabriel Basin Restoration Fund;
 - c. Seek alternative funding through the U.S. Bureau of Reclamation's WaterSMART grant program and other Federal funding opportunity's opportunities that may become available; and,
 - d. Serve as the AUTHORITY'S liaison to Members of Congress, professional staff, and the Federal Agencies.



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 21, 2022
Subject: **Draft of Audited Financial Statements for the Fiscal Year Ended June 30, 2022**

Discussion

The draft of the annual audit for the fiscal year ended June 30, 2022, is hereby submitted to the WQA Board of Directors for review and approval. It is comprised of the following two documents.

- Financial Statement Audit of Basic Financial Statements
- Single Audit Report

Vasquez & Co LLP (Vasquez) is the WQA's current audit firm, and 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 (Report). The Report includes two additional documents issued at the completion of the audit.

- *The Summary of Audit Results* – This is the Auditors' Required Communication with those charged with governance and summarizes the auditors' responsibility regarding the audit as well as observations arising from the audit.
- *The Management Representation Letter* is included as Exhibit "A" to the Report. This 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 signed by the Executive Director and the Director of Finance and submitted to Vasquez.

Recommendation / Proposed Action

Staff requests that the Board approve the annual audit for the fiscal year ended June 30, 2022.

Attachments

- *Draft of the Financial Statement Audit and Single Audit for the fiscal year ended June 30, 2022.*
- *Report to the Board - Summary of Audit Results including Management Representation Letter as Exhibit "A".*

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Water Quality Authority

San Gabriel Basin Water Quality Authority
Audited Financial Statements
As of and for the Years Ended June 30, 2022 and 2021
with Independent Auditor's Report



Final Draft

San Gabriel Basin Water Quality Authority
Audited Financial Statements
As of and for the Years Ended June 30, 2022 and 2021
with Independent Auditor's Report

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of San Gabriel Basin Water Quality Authority (the Authority), as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of San Gabriel Basin Water Quality Authority, as of June 30, 2022 and 2021, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

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

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



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Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 15 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated **December 21, 2022** 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
December 21, 2022

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SAN GABRIEL BASIN WATER QUALITY AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2022

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 the 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.

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SAN GABRIEL BASIN WATER QUALITY AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2022

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, 2022 and 2021.

	<u>June 30</u>		Dollar	Percentage
	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>Change</u>
Assets				
Current assets	\$ 23,523,452	\$ 12,886,374	\$ 10,637,078	82.5%
Other capital assets , net	3,848,111	4,007,711	(159,600)	-4.0%
Right-to-use lease assets, net	575,854	-	575,854	0.0%
Construction in progress	25,588,787	25,347,235	241,552	1.0%
Noncurrent assets	<u>438,541</u>	<u>1,237,282</u>	<u>(798,741)</u>	<u>-64.6%</u>
Total assets	<u>\$ 53,974,745</u>	<u>\$ 43,478,602</u>	<u>\$ 10,496,143</u>	<u>24.1%</u>
Liabilities				
Current liabilities	\$ 6,673,449	\$ 6,205,816	\$ 467,633	7.5%
Noncurrent liabilities	<u>1,323,048</u>	<u>1,214,387</u>	<u>108,661</u>	<u>8.9%</u>
Total liabilities	<u>7,996,497</u>	<u>7,420,203</u>	<u>576,294</u>	<u>7.8%</u>
Net Position				
Investment in capital assets	29,436,898	29,354,946	81,952	0.3%
Restricted	12,218,442	2,710,394	9,508,048	350.8%
Unrestricted	<u>4,322,908</u>	<u>3,993,059</u>	<u>329,849</u>	<u>8.3%</u>
Total net position	<u>45,978,248</u>	<u>36,058,399</u>	<u>9,919,849</u>	<u>27.5%</u>
Total liabilities and net position	<u>\$ 53,974,745</u>	<u>\$ 43,478,602</u>	<u>\$ 10,496,143</u>	<u>24.1%</u>

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SAN GABRIEL BASIN WATER QUALITY AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2022

Summary of Statements of Net Position

Current Assets - At June 30, 2022, current assets totaled \$23.5M and were comprised primarily of \$9.8M of cash and investments and \$12.8M of accounts receivable. At the prior year ended 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. Current assets increased \$10.6M or 82.5% over the prior year, with cash and investments increasing by \$2.7M and accounts receivable increasing by \$7.9M. The increase in cash and investments is due to the timing of payments and reimbursements from the RPs, and the increase in accounts receivable is due a federal grant in the amount of \$9.7M that was awarded to the Authority and is included in accounts receivable.

Other Capital Assets - During FY 2022 purchases of office equipment totaled \$2.4K and the construction of monitoring wells at an SEMOU project totaled \$144K. Additionally, disposals of office equipment totaled \$35K - these assets were fully depreciated. The current year additions and disposals along with depreciation of \$305K resulted in a net decrease in capital assets of \$160K, or 4%. During the prior FY 2021 purchases of office equipment totaled \$4K and the construction of monitoring wells totaled \$194K, with depreciation of \$299K resulting in a net decrease in capital assets of \$101K, or 2.5%.

For Right-to-use lease assets totaling \$576K, see further discussion in the section titled 'Summary of Statements of Net Position at *Right-to-use lease asset / right-to-use lease payable* .

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 Responsible Parties (RPs), 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.

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SAN GABRIEL BASIN WATER QUALITY AUTHORITY

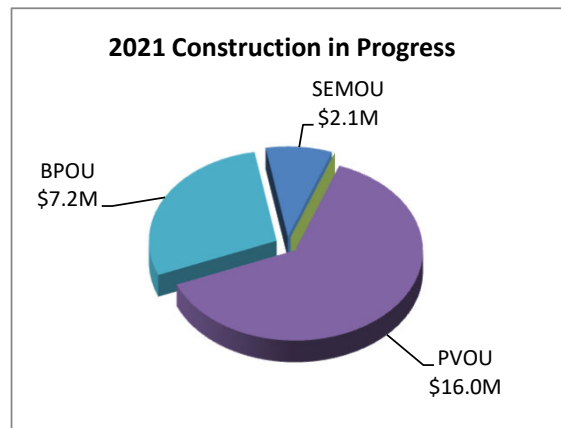
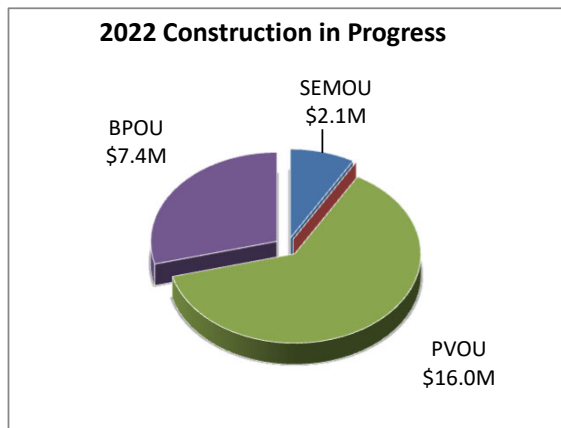
MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2022

Summary of Statements of Net Position (continued)

Construction in Progress (CIP) (continued) - 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. Shown below is the composition of CIP by Operable Unit as of June 30, 2022 and 2021.



At June 30, 2022, CIP totaled \$25.6M, a net increase of \$242K or 1.0% from FY 2021. Approximately 29.1% of CIP is related to the BPOU, 62.6% is related to the PVOU with the remaining 8.3% related to the SEMOU. During FY 2022, the Authority incurred \$12K of CIP for the treatment system at the San Gabriel Valley Water Company B-6 treatment facility as well as \$230K for the Valley County Water District treatment at Sub-Area 1. At the prior year ended June 30, 2021, CIP totaled \$25.3M, with approximately 28.4% of CIP related to the BPOU, 63.2% 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 treatment system 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, plus \$142K for the Valley County Water District treatment at Sub-area 1.

Listed on the next page are descriptions of the major projects currently under construction and included in CIP as of June 30, 2022.

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SAN GABRIEL BASIN WATER QUALITY AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2022

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

\$2.7M 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.

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SAN GABRIEL BASIN WATER QUALITY AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2022

Summary of Statements of Net Position (continued)

Current Liabilities - At 2022, current liabilities totaled \$6.7M, an increase of \$468K from the fiscal year 2021, and are comprised primarily of accounts payable and unearned revenue. At 2021, current liabilities totaled \$6.2M, and are also comprised primarily of accounts payable and unearned revenue.

Accounts payable is \$4.8M for the current year which is an increase of \$388K from FY 2021 primarily due to an increase in payables for BPOU projects of \$922K as well as a decrease in payables to SEMOU producers and vendors of \$524K. The increases in BPOU payables and decreases in SEMOU payables are due to fluctuations in capital and Treatment and Remediation (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 2021.

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, 2022, the note payable totaled \$1.20M, of which the current portion is \$394K and the noncurrent portion is \$820K. The Authority has a corresponding note receivable from the BPOU RPs of \$820K. 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 \$416K as of June 30, 2022. Usually the balance of the note receivable from the BPOU RPs and the note payable to the SWRCB are the same. However, for FY 2022, the BPOU RP's made an early payment for the FY 2023, resulting in two payments within the FY 2022, and resulting in a lower balance receivable from the BPOU RPs than the balance payable by the Authority to the SWRCB. Noncurrent assets decreased by \$799K and noncurrent liabilities decreased by \$394K 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.

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SAN GABRIEL BASIN WATER QUALITY AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2022

Summary of Statements of Net Position (continued)

Right-to-use lease asset / right-to-use lease payable - During the FY 2022 the Authority implemented GASB Statement No. 87 - Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The implementation of this new accounting standards resulted in recognition of a right-to-use lease payable and right-to-use lease asset in the Authority's June 30, 2022 financial statements. The June 30, 2021, financial statements were not restated because the lease agreements became effective during the fiscal year ended June 30, 2022. The right-to-lease asset totals \$576K, with a corresponding right-to-use lease payable of \$576K, of which \$73K is current. Included in the asset and payable is a building lease of \$551K for 64 months and an office equipment lease of \$25K for 60 months.

Net Position - Investment in Capital Assets - For FY 2022, investment in capital assets totaled \$29.4M and was comprised of CIP of \$25.6M and other capital assets net of depreciation of \$3.8M. 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. The increase of \$82K or 0.3% for FY 2022 from the prior year resulted primarily from an increase in CIP of \$242K in construction activities and a decrease in other capital assets due depreciation expense of \$306K offset by purchases of office equipment of \$2.4K and construction of monitoring wells in the SEMOU totaling \$144K.

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SAN GABRIEL BASIN WATER QUALITY AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2022

Summary of Statements of Net Position (continued)

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 2022, the Authority received a federal grant of Restoration Funds from USBR totaling \$9.7M, which is included in accounts receivable, and which increased the restricted funds accordingly. For FY 2022, net position-restricted totaled \$12.2M, which is consistent with the balance at FY 2021 plus the increase due to the federal grant.

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SAN GABRIEL BASIN WATER QUALITY AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2022

Summary of Revenue, Expenses and Changes in Net Position

	Years ended June 30		Dollar	Percentage
	2022	2021	Change	Change
Total operating revenues	\$ 19,770,422	\$ 20,868,253	\$ (1,097,831)	-5.3%
Total operating expenses	19,978,700	20,421,384	(442,684)	-2.2%
Operating income (loss)	(208,278)	446,869	(655,147)	-146.6%
Nonoperating revenues	53,927	73,096	(19,169)	-26.2%
Nonoperating (expenses)	(32,788)	(43,148)	10,360	-24.0%
Income (loss) before capital contributions	(187,139)	476,817	(663,956)	-139.2%
Capital contributions	10,106,988	1,872,974	8,234,014	439.6%
Change in net position	9,919,849	2,349,791	7,570,058	322.2%
Beginning net position	36,058,399	33,708,608	2,349,791	7.0%
Ending net position	<u>\$ 45,978,248</u>	<u>\$ 36,058,399</u>	<u>\$ 9,919,849</u>	<u>27.5%</u>

Operating Revenues - Operating revenues for FY 2022 totaled \$19.8M, which is a decrease of \$1.1M or 5.3% in the current year from the prior year due primarily to a decrease of \$519K in RP contributions, a decrease of \$698K in federal funding, and an increase in state funding of \$119K.

RP Contributions - Through agreements, T & R costs for projects located primarily in the BPOU and SEMOU are paid through the Authority. For FY 2022, the Authority recognized as revenue \$15.8M in funding from the BPOU RPs and \$0 from the SEMOU RPs for costs related to these projects. Overall, the decrease of \$518K or 3.2% 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 2021, the Authority recognized \$16.3M in funding from the BPOU RPs and \$0 from the SEMOU RPs for costs related to these projects.

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SAN GABRIEL BASIN WATER QUALITY AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2022

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 2022, \$1.04M was recognized as income from federal grants, a decrease of \$698K or 40.1% from the prior year. During FY 2021, \$1.74M was recognized as income from federal grants. The decrease for 2022 is due to the timing of the approval of reimbursements to the Water Producers.

Operating Expenses - Total operating expenses decreased by \$443K or 2.2% in the current year primarily due to a \$628K decrease in project T & R costs, a \$39K increase in project grants, an increase in professional services of \$110K and an increase in operating costs of \$479K.

Professional Services - Professional services for FY 2022 totaled \$220K which is an increase of \$110K from the prior year. Costs incurred during 2022 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. Additionally, included in professional fees for FY 2022 are costs totaling \$112K for engineering and accounting costs for the State funded Proposition 68 project.

Project T & R Costs - Project T & R costs total \$17.4M and are related primarily to projects within the BPOU and SEMOU. Although the majority of these costs are funded through RPs, for FY 2022 approximately \$1.0M in costs were funded by federal funding sources. The \$628K 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.

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SAN GABRIEL BASIN WATER QUALITY AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

June 30, 2022

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

Nonoperating Revenues (Expenses) - For both FY 2022 and 2021 Nonoperating Revenues (Expenses) include interest income and interest expense.

Capital Contributions

Capital Contributions	Years ended June 30	
	2022	2021
Governmental - Federal	\$ 9,730,000	\$ -
Governmental - State	131,482	136,785
Responsible Parties	245,506	880,051
Water Producers	-	856,138
Total Capital Contributions	<u>\$ 10,106,988</u>	<u>\$ 1,872,974</u>

Revenues that are restricted for capital expenditures and FFPA awards are recorded as capital contributions. As funding is received for capital projects and the FFPA program, it is recorded as a capital contribution and the corresponding costs are recorded as CIP, Fixed Assets, or restricted assets such as cash and account receivable. Capital contributions increased by \$8.2M in the current year due to the receipt of a federal grant to be used for the FFPA program, as well as an increase in the CIP and capital assets for FY 2022. The capital contributions received from the BPOU RPs were for construction reimbursements for the SGVWC B6 project and the VCWD SA-1 project. The capital contributions received from capital contributions from State funding were for the Monitoring Wells that were constructed in the SEMOU. The governmental - Federal contributions are restricted for the FFPA program.

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SAN GABRIEL BASIN WATER QUALITY AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

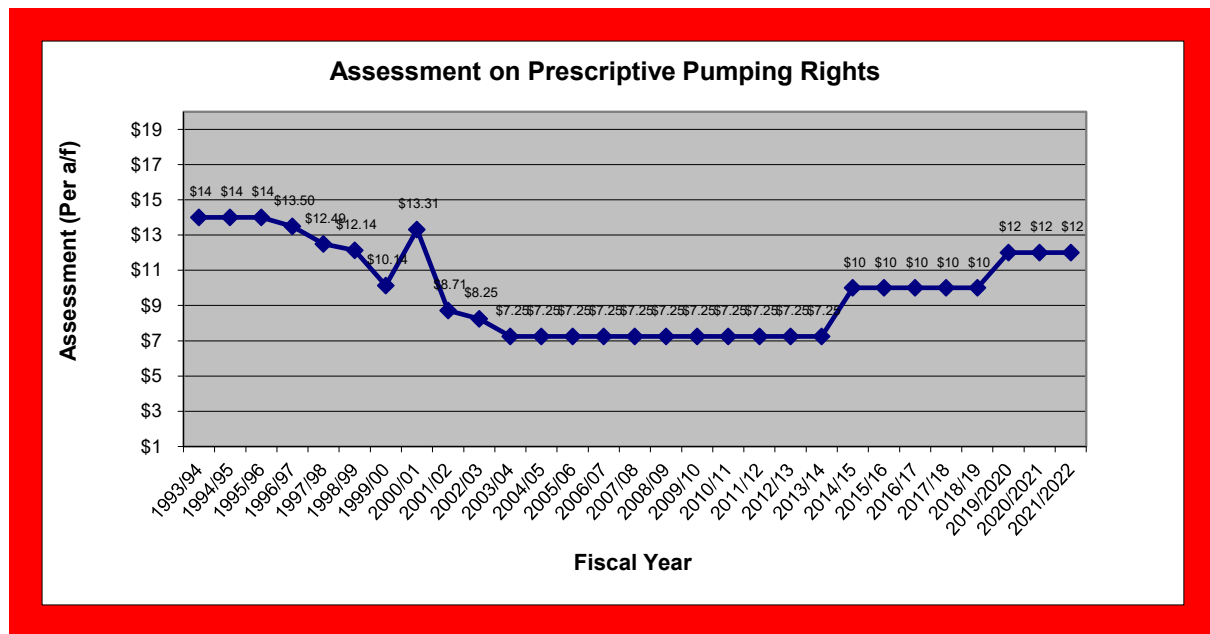
June 30, 2022

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 2022 is 50.7%, resulting in an allowable maximum assessment of \$16.44 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 and FY 2022.

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



		June 30	
		2022	2021
ASSETS			
Current assets			
Cash and investments	\$	9,848,330	\$ 7,151,595
Accounts receivable		12,760,212	4,800,005
Inventories		444,879	444,879
Prepaid expenses and other receivables		53,128	57,740
Interest receivable		12,203	48,455
Current portion of note receivable		404,700	383,700
Total current assets		23,523,452	12,886,374
Noncurrent assets			
Capital assets:			
Construction in progress		25,588,787	25,347,235
Other capital assets, net of accumulated depreciation		3,848,111	4,007,711
Right-to-use lease asset, net of accumulated amortization		575,854	-
Total capital assets, net		30,012,752	29,354,946
Deposits		22,914	22,895
Note receivable, net of current portion		415,627	1,214,387
Total noncurrent assets		30,451,293	30,592,228
Total assets	\$	53,974,745	\$ 43,478,602
LIABILITIES			
Current liabilities			
Accounts payable	\$	4,840,680	\$ 4,452,877
Accrued expenses		98,116	91,419
Interest payable		32,788	43,148
Unearned revenue		1,234,672	1,234,672
Current portion of note payable		394,060	383,700
Current portion of right-to-use lease payable		73,133	-
Total current liabilities		6,673,449	6,205,816
Noncurrent liabilities			
Right-to-use lease payable, net of current portion		502,721	-
Note payable, net of current portion		820,327	1,214,387
Total noncurrent liabilities		1,323,048	1,214,387
Total liabilities		7,996,497	7,420,203
NET POSITION			
Investment in capital assets		29,436,898	29,354,946
Restricted		12,218,442	2,710,394
Unrestricted		4,322,908	3,993,059
Total net position		45,978,248	36,058,399
Total liabilities and net position	\$	53,974,745	\$ 43,478,602

See notes to financial statements.

San Gabriel Basin Water Quality Authority Statements of Revenues, Expenses and Changes in Net Position

	Years ended June 30	
	2022	2021
Operating revenues		
Pumping right assessments	\$ 2,371,336	\$ 2,371,336
Responsible party contributions	15,811,888	16,330,841
Federal funding sources	1,041,771	1,739,919
State funding	545,427	426,157
Total operating revenues	19,770,422	20,868,253
Operating expenses		
Administrative salaries	772,211	728,948
Fringe benefits	225,667	233,946
Consulting	485,811	467,863
Professional services	219,737	109,706
Office rent	92,557	91,668
Supplies	8,279	9,931
Insurance	28,943	28,663
Public relations	147,374	147,578
Travel and conferences	7,120	8,612
Telephone and utilities	6,891	5,752
Dues and subscriptions	30,548	24,654
Board member fees	44,829	45,875
Equipment rent and maintenance	44,137	37,849
Depreciation	305,572	299,444
Miscellaneous expense	784	497
Project treatment and remediation costs	17,414,701	18,043,145
Project grants	143,539	104,989
Discharge permit activities	-	32,264
Total operating expenses	19,978,700	20,421,384
Operating Income (loss)	(208,278)	446,869
Nonoperating revenues (expenses)		
Interest income	53,927	73,096
Interest expense	(32,788)	(43,148)
Net nonoperating revenues (expenses)	21,139	29,948
Income (loss) before capital contributions	(187,139)	476,817
Capital contributions	10,106,988	1,872,974
Change in net position	9,919,849	2,349,791
Net position at beginning of year	36,058,399	33,708,608
Net position at end of year	\$ 45,978,248	\$ 36,058,399

See notes to financial statements.

	Years ended June 30	
	2022	2021
Cash flows from operating activities		
Cash from operating revenues	\$ 11,810,215	\$ 20,677,975
Cash paid to suppliers for goods and services	(18,231,328)	(19,742,151)
Cash paid to or on behalf of employees for services	(1,042,707)	(1,008,769)
Net cash used in operating activities	(7,463,820)	(72,945)
Cash flows from noncapital financing activities		
Proceeds received from note receivable	777,760	373,613
Interest received from note receivable	43,148	53,236
Payments on note payable	(383,700)	(373,613)
Interest paid on note payable	(43,148)	(53,236)
Net cash provided by noncapital financing activities	394,060	-
Cash flows from capital and related financing activities		
Acquisition of capital assets	(145,972)	(198,788)
Construction in progress expenditures	(241,552)	(1,729,445)
Capital contributions received	10,106,988	1,872,974
Net cash provided by (used in) capital and related financing activities	9,719,464	(55,259)
Cash flows from investing activity		
Interest received on investments	47,031	49,527
Cash provided by investing activity	47,031	49,527
Net increase (decrease) in cash and cash equivalents	2,696,735	(78,677)
Cash and cash equivalents at beginning of year	7,151,595	7,230,272
Cash and cash equivalents at end of year	\$ 9,848,330	\$ 7,151,595
<u>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Obtaining right-of-use lease assets	\$ 575,854	\$ -
Obtaining lease liabilities	575,854	-

See notes to financial statements.

	Years ended June 30	
	2022	2021
Cash flows from operating activities		
Operating income (loss)	\$ (208,278)	\$ 446,869
Adjustments to reconcile operating income (loss) to net cash used in operating activities		
Depreciation	305,572	299,444
Increase in accounts receivable	(7,960,207)	(190,278)
Decrease in prepaid expenses and other receivables	4,612	14,963
Increase in deposits	(19)	(44)
Increase (decrease) in accounts payable and accrued expenses	394,500	(643,899)
Net cash used in operating activities \$	<u>(7,463,820)</u>	<u>(72,945)</u>

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. Assembly Bill No. 2163 became law in September 2022, extending the Act until July 1, 2050.

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)**Financial reporting**

The Authority implemented the following new standard during the fiscal year ended June 30, 2022.

GASB Statement No. 87 – Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The implementation of this new accounting standards resulted in recognition of lease payable and right-to-use lease asset in the Authority's June 30, 2022 financial statements. The June 30, 2021, financial statements were not restated because the lease agreements became effective during the fiscal year ended June 30, 2022. See also Notes 11 and 12. for further discussion of right-of-use lease asset and lease payable.

Inventories

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

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, 2022 and 2021.

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 and sentinel wells	35 years

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**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.

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, 2022 and 2021, the annual pumping right assessment was \$12 per acre-foot.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Operating Revenues**

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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**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. The unearned revenue liability for each of the years ended June 30, 2022 and 2021 totaled \$1,234,672.

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, 2022 and 2021.

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, 2022 and 2021.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**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.

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:

Investment Type	Totals as of June 30,	
	2022	2021
Cash on hand	\$ 250	\$ 250
Deposits with financial institutions	3,330,216	651,628
LAIF	6,517,864	6,499,717
	<u>\$ 9,848,330</u>	<u>\$ 7,151,595</u>

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.

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

NOTE 2 CASH AND INVESTMENTS (CONTINUED)**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.

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, 2022, the Authority's deposits (bank balances) exceeded the maximum deposit insurance amount by \$3,132,177.

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, 2022 and 2021:

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

June 30, 2022					
Remaining Maturity					
Investment	Amount	12 Months or Less	13 to 36 Months	37 to 60 Months	Over 60 Months
LAIF *	\$ 6,517,864	\$ 6,517,864	\$ -	\$ -	\$ -
Total	\$ 6,517,864	\$ 6,517,864	\$ -	\$ -	\$ -

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	\$ -	\$ -	\$ -

* LAIF is not rated.

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:

Investment Type	Totals as of June 30,		Level of Inputs
	2022	2021	
Cash on hand	\$ 250	\$ 250	Level 1
Deposits with financial institutions	3,330,216	651,628	Level 1
LAIF	6,517,864	6,499,717	Uncategorized
	<u>\$ 9,848,330</u>	<u>\$ 7,151,595</u>	

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable consist of the following at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Federal grants	\$ 10,773,592	\$ 1,739,919
State grants	398,079	240,089
Responsible party contributions	1,339,859	2,264,700
Pumping right assessments	248,637	155,252
Other	45	45
Total accounts receivable	<u>\$ 12,760,212</u>	<u>\$ 4,400,005</u>

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. At June 30, 2022, the note receivable for the Authority is \$820,327, of which \$404,700 is receivable within the next 12 months.

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets at June 30, 2022, is as follows:

	Beginning Balance June 30, 2021	Additions	Deletions	Transfers to Water Producers	Ending Balance June 30, 2022
Capital assets, not being depreciated					
Construction in progress	\$ 25,347,235	\$ 241,552	\$ -	-	\$ 25,588,787
Total capital assets, not being depreciated	25,347,235	241,552	-	-	25,588,787
Capital assets being depreciated					
Office furniture and equipment	222,827	2,431	(35,453)	-	189,805
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	143,541	-	-	337,885
Total capital assets being depreciated	10,246,397	145,972	(35,453)	-	10,356,916
Less accumulated depreciation					
Office furniture and equipment	(196,363)	(16,520)	35,453	-	(177,430)
BPOU monitoring wells	(5,641,005)	(251,223)	-	-	(5,892,228)
SEMOU sentinel well	(49,757)	(2,927)	-	-	(52,684)
SEMOU Bozung Treatment Facility	(349,710)	(26,684)	-	-	(376,394)
SEMOU monitoring wells	(1,851)	(8,218)	-	-	(10,069)
Total accumulated depreciation	(6,238,686)	(305,572)	35,453	-	(6,508,805)
Total capital assets being depreciated, net	4,007,711	(159,600)	-	-	3,848,111
Right-to-use lease assets					
Office space	-	551,243	-	-	551,243
Office equipment	-	24,611	-	-	24,611
Total right-to-use lease assets	-	575,854	-	-	575,854
Less accumulated amortization					
Office space	-	-	-	-	-
Office equipment	-	-	-	-	-
Total accumulated amortization	-	-	-	-	-
Total right-to-use lease asset, net	-	575,854	-	-	575,854
Total capital assets, net	\$ 29,354,946	\$ 657,806	\$ -	-	\$ 30,012,752

NOTE 5 CAPITAL ASSETS (CONTINUED)

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

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, 2022, are as follows:

	Beginning Balance June 30, 2021	Additions	Payments	Ending Balance June 30, 2022	Due Within One Year
Note payable \$	<u>1,598,087</u>	<u>\$ -</u>	<u>\$ (383,700)</u>	<u>\$ 1,214,387</u>	<u>\$ 394,060</u>

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

	Beginning Balance June 30, 2020	Additions	Payments	Ending Balance June 30, 2021	Due Within One Year
Note payable \$	<u>1,971,700</u>	<u>\$ -</u>	<u>\$ (373,613)</u>	<u>\$ 1,598,087</u>	<u>\$ 383,700</u>

Payments of principal and interest for each of the next three fiscal years are as follows:

Years ending June 30	Principal	Interest	Total
2023	\$ 394,060	\$ 32,788	\$ 426,848
2024	404,700	22,148	426,848
2025	415,627	11,221	426,848
Total	<u>\$ 1,214,387</u>	<u>\$ 66,157</u>	<u>\$ 1,280,544</u>

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. Under the Restoration Funds program, the USBR has also provided funding for Treatment and Remediation for Phase I and Phase II treatment facilities in the BPOU. The revenue received for the Phase I and II totaled \$9.73M for the fiscal year ended June 30, 2022 and has been recorded as a capital contribution.

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 \$131,482 and \$136,785, for the fiscal years ended June 30, 2022 and 2021, 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 revenue restricted for capital is included in capital contributions on the Statements of Revenues, Expenses, and Changes in Net Position. The Producers contributed \$0 and \$856,138 for the fiscal years ended June 30, 2022 and 2021, 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 \$245,506 and \$880,051 for fiscal years ended June 30, 2022 and 2021, 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 \$61,000 (\$67,500 including catch-up contributions). The Authority's contributions to the Pension Plan totaled \$97,527 and \$90,691 for the years ended June 30, 2022 and 2021, 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 value of the Plans' assets totaled \$754,068 and \$856,311, as of June 30, 2022 and 2021, 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 2022. Expense for office space for the years ended June 30, 2022 and 2021 was \$92,557 and \$91,668, respectively, and for the equipment leases was \$6,171 and \$5,782 respectively. The expense for office equipment is included in Equipment Rental and Maintenance on the Statements of Revenue, Expenses and Changes in Net Position.

NOTE 11 RIGHT-TO-USE LEASE ASSET

Ruffle Properties - Office Space

On June 29, 2022, the Authority entered into a lease agreement with Ruffles Properties (lessor) to lease office space for sixty-four (64) months. The term of the agreement begins on July 1, 2022.

Since the interest rate implicit in the lease is not readily determined by the Authority, the future lease payment was discounted using an estimated incremental borrowing rate should a loan be taken to pay lease amounts during the lease term. The discount rate associated with the operating lease as of June 30, 2022 is 5 percent.

Cell Business Equipment (CBE) – Office equipment

On August 12, 2022, the Authority entered into a lease agreement with CBE (lessor) to lease office equipment for sixty (60) months. The term of the agreement begins on the date the equipment is delivered and accepted.

The future lease payment was discounted using the interest rate implicit in the lease which is 6 percent as of June 30, 2022.

NOTE 12 RIGHT-TO-USE LEASE PAYABLE

As of June 30, 2022, lease payable consisted of the following:

	Beginning Balance June 30, 2021	Additions	Payments	Ending Balance June 30, 2022	Due Within One Year
Ruffles Properties	\$ -	\$ 551,243	\$ -	\$ 551,243	\$ 69,500
CBE	-	24,611	-	24,611	3,633
Total lease payable	\$ -	\$ 575,854	\$ -	\$ 575,854	\$ 73,133

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
2023	\$ 73,133	\$ 25,067	\$ 98,200
2024	101,140	23,040	124,180
2025	109,763	17,740	127,503
2026	118,931	11,994	130,925
2027	128,677	5,774	134,451
Thereafter	44,210	461	44,671
Total	\$ 575,854	\$ 84,076	\$ 659,930

NOTE 13 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 14 SUBSEQUENT EVENTS

The Authority has evaluated events or transactions through **December 21, 2022**, 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.

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Water Quality Authority

San Gabriel Basin Water Quality Authority
Single Audit Report
Year Ended June 30, 2022
With Independent Auditor's Report

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San Gabriel Basin Water Quality Authority
Single Audit Report
Year Ended June 30, 2022
With Independent Auditor's Report

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**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, 2022, 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 21, 2022**.

Report on 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 or significant deficiencies may exist that were not identified.



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Report on 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 21, 2022



Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on 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

Opinion on Each Major Federal Program

We have audited San Gabriel Basin Water Quality Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.



Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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



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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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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, 2022, and have issued our report thereon dated **December 21, 2022**, which contained an unmodified opinion on those financial statements. Our audit was performed 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 21, 2022

San Gabriel Basin Water Quality Authority Schedule of Expenditures of Federal Awards Year ended June 30, 2022

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Program Identification Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
<u>U.S. Environmental Protection Agency</u>					
Direct Assistance:					
Superfund Support Agency Cooperative Agreement:					
South El Monte Operable Unit	66.802	99T29201	Not applicable	\$ -	\$ 1,043,592
Total U.S. Environmental Protection Agency				<u>-</u>	<u>1,043,592</u>
<u>U.S. Department of the Interior Bureau of Reclamation</u>					
Direct Assistance:					
San Gabriel Basin Restoration	15.526	R22AP00659	Not applicable	-	9,730,000 *
Total U.S. Department of the Interior Bureau of Reclamation				<u>-</u>	<u>9,730,000</u>
Total Federal Expenditures				\$ -	\$ 10,773,592

* 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, 2022. 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 position, 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 made to subrecipients for the year ended June 30, 2022.

NOTE 4 RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Grant expenditure reports as of and for the year ended June 30, 2022, 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?
Significant deficiency(ies) identified?

No
None reported

Noncompliance material to financial
statements noted?

No

Federal Awards

Internal control over major federal programs:
Material weakness(es) identified?
Significant deficiency(ies) identified?

No
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
15.526

Name of Federal Program or Cluster
San Gabriel Basin Restoration

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.

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Water Quality Authority

**San Gabriel Basin Water Quality Authority
Report to the Board of Directors
June 30, 2022**



December 21, 2022

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

Dear Ladies and Gentlemen:

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, 2022. 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 Canieda
Partner

Final Draft Pending Exhibit A

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REQUIRED COMMUNICATIONS

Auditing standards generally accepted in the United States of America (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 and related compliance reporting process.

Our Responsibilities With Regard to the Financial Statement and Compliance 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 6, 2022. Our audit of the financial statements does not replace the responsibilities of management or those charged with governance, 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 (planning document) dated May 6, 2022 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

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Authority. During the year ended June 30, 2022, the Authority adopted Statement No. 87 of the Governmental Accounting Standards Board – Leases.

Significant Accounting Policies

We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Unusual Transactions

We did not identify any significant unusual transactions.

Management's Judgments and Accounting Estimates

Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates.

Audit Adjustments and Uncorrected Misstatement

There were no audit adjustments made to the original trial balance presented to us to begin our audit.

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Observations About the Audit Process

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 or were the subject of correspondence with management

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in dealing with management during the audit.

Difficult or Contentious Matters That Required Consultation

We did not encounter any significant and difficult or contentious matters that required consultation outside the engagement team.

Significant Written Communication Between Management and Our Firm

The most significant written communication between management and our firm were the Management Representation Letters attached as Exhibit A.

SUMMARY OF SIGNIFICANT ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. The following describes the significant accounting estimates reflected in the Authority's June 30, 2022 financial statements.

Significant Accounting Estimates

Capital Assets

Accounting policy

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

Management's estimation process

The estimated useful lives of the Authority's capital assets were based on management's best estimate and prevailing practices in the local government sector.

Basis for our conclusion on the reasonableness of the estimate

We obtained the schedule of estimated useful lives of the Authority's capital assets provided by management and reviewed the propriety and accuracy of all information presented in the schedule. Based on our review, we ascertained the accuracy and appropriateness of information presented in management's schedule of estimated useful lives of capital assets. We agree with management's assessment that the estimated useful lives as of June 30, 2022 coincide with prevailing practices in the local government sector.

Significant Accounting Estimates

Fair Value Investments

Accounting policy

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.

Management's estimation process

Estimated fair values for investments are obtained from quoted market prices where available and from the California State Treasurer for LAIF.

Basis for our conclusion on the reasonableness of the estimate

We obtained the schedule of investments provided by management and reviewed the propriety and accuracy of all information presented in the schedule. Based on our review, we ascertained the accuracy and appropriateness of information presented in management's schedule of investments. We agree with management's assessment that the estimated fair values of investments as of June 30, 2022 are in line with market prices from the California State Treasurer for LAIF.

Lease Payments

Accounting policy

The future lease payments were discounted using the interest rate the lessor charges the Authority, which may be the interest rate implicit in the lease. If the interest rate cannot be readily determined by the Authority, the Authority's estimated incremental borrowing rate (an estimate of the interest rate that would be charged for borrowing the lease payment amounts during the lease term) was used.

Management's estimation process

The estimated incremental borrowing rate used to calculate the present value of future lease payments for purposes of GASB 87 implementation was an estimate of the interest rate that would be charged for borrowing the lease payment amounts during the lease term quoted by the Authority's bankers,

Basis for our conclusion on the reasonableness of the estimate

We obtained the schedule of discounted lease payments provided by management and reviewed the propriety and accuracy of all information presented in the schedule. Based on our review, we ascertained the accuracy and appropriateness of information presented in management's schedule of discounted lease payments. We agree with management's assessment that the estimated interest rate that would be charged for borrowing the lease payment amounts during the lease term as of June 30, 2022 was quoted by the Authority's bankers.

**Significant Written Communication Between
Management and Our Firm**

Final Draft Pending Exhibit A



www.vasquez.cpa

Vasquez & Company LLP has over 50 years of experience in performing audit, accounting & consulting services for all types of nonprofit organizations, for-profit companies, governmental entities and publicly traded companies. Vasquez is a member of the RSM US Alliance. RSM US Alliance provides its members with access to resources of RSM US LLP. RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International. Visit rsmus.com/about-us for more information regarding RSM US LLP and RSM International. The RSM™ logo is used under license by RSM US LLP. RSM US Alliance products and services are proprietary to RSM US LLP.



San Gabriel Basin Water Quality Authority

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

December 21, 2022

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, 2022 and 2021, 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 21, 2022:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated May 6, 2022, 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 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. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP, 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. The methods, assumptions, and data used to measure accounting estimates are as follows, and result in an estimate that is appropriate for financial statement measurement and disclosure purposes and have been consistently selected and applied in making the estimate: (1) investment's fair market value was obtained from the California State Treasurer and (2) the estimated incremental borrowing rate used to calculate the present value of future lease payments for purposes of GASB 87 implementation was an estimate of the interest rate that would be charged for borrowing the lease payment amounts during the lease term quoted by the Authority's bankers, and (3) the estimated useful lives of the Authority's capital assets were based on management's best estimate and prevailing practices in the local government sector. Significant judgments made in making the estimate have taken into account all relevant information of which we are aware. The assumptions listed above properly reflect our intent and ability to carry out the specific courses of actions previously communicated to you on behalf of the Authority. All disclosures related to the estimate, including disclosures describing estimation uncertainty, are complete and reasonable in the context of U.S. GAAP. No subsequent events have occurred that would require adjustment to the estimate and related disclosures included in the financial statements.
6. Related-party transactions 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. The type of related party transactions engaged in by the Authority includes transactions with Water Producers, whose officers and/or directors are also Authority's officers and/or directors, as part of the BPOU Agreement.
7. All events subsequent to the date of the financial statements, and for which disclosure, have been disclosed.
8. The effects of all known actual or possible litigation and claims have been accounted for in accordance with U.S. GAAP.
9. Management has followed applicable laws and regulations in adopting, approving and amending budgets.
10. Risk disclosures associated with deposit and investment securities and derivative transactions are presented in accordance with GASB requirements.
11. Capital assets, including infrastructure, intangible assets, and right of use assets are properly capitalized, reported and, if applicable, depreciated.
12. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
13. 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.
14. 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.
15. We have reviewed the GASB Statements effective for the fiscal year ended June 30, 2022, and concluded the implementation of the following Statements is appropriate:
 - a. GASB Statement No. 87, Leases. The implementation of this new accounting standards resulted in the recognition of lease payable and right-to-use lease assets in the Authority's June 30, 2022 financial statements.

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

Information Provided

17. 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.

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

19. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of Authority's system 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.

20. We have no knowledge of allegations of fraud or suspected fraud affecting the Authority's 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.

21. We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority's financial statements received in communications from employees, former employees, analysts, regulators, or others.

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

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

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

25. 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

26. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
27. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Supplementary Information

28. With respect to the Management Discussion and Analysis presented as required by Government Accounting Standards Board (GASB):
 - a. We acknowledge our responsibility for the presentation of such required supplementary information.
 - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.

Compliance Considerations

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

29. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
30. Is responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to the auditee.
31. Is not aware of any instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements.
32. 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.
33. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.
34. Has a process to track the status of audit findings and recommendations.
35. Has identified for the auditor previous audits, attestation engagements and other studies related to the audit objectives and whether related recommendations have been implemented.
36. Is not aware of any investigations or legal proceedings that have been initiated with respect to the period under audit.
37. Acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including 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:

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

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.

39. Management is responsible for the design, implementation, and maintenance, and has designed, implemented, 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.

40. 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 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.

41. 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.

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

43. 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.

44. 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.

45. 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.

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

46. 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.
47. Management is aware of no communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

There are no findings 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.

48. Management is responsible for taking corrective action on audit findings of the compliance audit that meets the requirements of the Uniform Guidance
49. 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.
50. There were no instances of noncompliance with direct and material compliance requirements occurring subsequent to the period covered by the auditor's report.
51. No changes in internal control over compliance or other factors that might significantly affect the Authority's system of 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.
52. 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.
53. 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.
54. Management has charged costs to federal awards in accordance with applicable cost principles.
55. The reporting package does not contain protected personally identifiable information.
56. 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: Administrative / Finance Committee
From: Randy Schoellerman, Executive Director
Date: December 21, 2022
Subject: Monitoring Well MW5-17 License Agreement

Summary

Staff is recommending a five-year renewal of a site access license agreement with the U.S. Army Corps of Engineers (ACE) for Baldwin Park Operable Unit (BPOU) monitoring well MW5-17.

Discussion

In the 1990's WQA managed the construction of several monitoring wells in the BPOU. WQA also executed long term site access agreements with the different entities that owned the property the wells were constructed on. Over the past few years there has been an effort to consolidate all of the BPOU monitoring well license agreements with WQA.

Monitoring well MW5-17 was constructed on United States Army Corps of Engineers land within the Santa Fe Dam Recreation Area in 1995. It is required to be sampled under the BPOU monitoring program. The proposed no-cost 5-year license renewal would expire November 30, 2027.

Recommendation / Proposed Action

Approve Monitoring Well MW5-17 License Agreement with the U.S. Army Corps of Engineers

Attachment: Draft Monitoring Well MW5-17 License Agreement with U.S. Army Corps of Engineers

**DRAFT
DEPARTMENT OF THE ARMY LICENSE
SANTA FE DAM FLOOD CONTROL BASIN
LOS ANGELES COUNTY, CALIFORNIA**

THE SECRETARY OF THE ARMY, hereinafter referred to as the Secretary, under and by virtue the authority vested in the Secretary by Title 10, United States Code, Section 2668, hereby grants to the **San Gabriel Basin Water Quality Authority** hereinafter referred to as the “Licensee,” a License **for use of government land to access Groundwater Monitoring Well MW5-17** as shown on **Exhibits A** , attached hereto and made apart hereof, herein after referred to as the “Premises.”

THIS LICENSE is granted subject to the following conditions:

1. TERM

This License is granted for a term of **Five (5) years**, beginning **December 1, 2022**, and ending **November 30, 2027**, but revocable at will be the Secretary.

2. CONSIDERATION

The consideration for this License is the operation and maintenance of the Premises by the Licensee for the benefit of the United States and the general public in accordance with the conditions herein set forth.

3. NOTICES

All notices and correspondence to be given pursuant to this License shall be addressed, if to the Licensee, to **San Gabriel Basin Water Quality Authority ATTN: Randy Schoellerman, P.E. Executive Director, San Gabriel Basin Water Quality Authority, 1720 W. Cameron Ave., Suite 100, West Covina, CA 91790**; and if to the United States, to the **District Engineer, Attention: Chief of Civil Works Branch, U.S Army Corps of Engineers, Los Angeles District, 915 Wilshire Blvd, Los Angeles, California 90017**; or as may from time to time otherwise be directed by the parties. Notice shall be deemed to have been duly given if and when enclosed in a properly seal envelope, or wrapper, addressed as foresaid, and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service.

4. AUTHORIZED REPRESENTATIVES

Expect as otherwise specially provided, any references herein to “Secretary”, “District Engineer”, “Installation Commander”, or “said Officer” shall include their duly authorized representatives. Any reference to “Licensee” shall include any duly authorized representatives.

5. SUPERVISION BY THE DISTRICT ENGINEER

The use and occupation of the Premises shall be subject to the general supervision and approval of the District Engineer, hereinafter referred to as said Officer, and to such rules and regulations as may be prescribed from time to time by said Officer.

6. APPLICABLE LAWS AND REGULATIONS

The Licensee shall comply with all applicable Federal, state, county and municipal laws, ordinances and regulations wherein the Premises are located.

7. CONDITIONAL USE BY LICENSEE

The exercise of the privileges herein granted shall be subject to Licensee's compliance with and/or acceptance of the following:

- a. Licensee must contact the U.S Army Corps of Engineers forty-eight (48) hours prior to commencing work.

8. CONDITION OF PREMISES

The Licensee acknowledges that it has inspected the Premises, knows its condition, and understands that the same is granted without any representations or warranties whatsoever and without any obligation on the part of the United States.

9. COST OF UTILITIES AND FACILITIES

The Grantee shall pay the cost, as determined by the officer having immediate supervision over the Premises, of producing and/or supplying any utilities and other services furnished by the Government or through Government-owned facilities for the use of the Grantee, including the Grantee's proportionate share of the cost of operation and maintenance of the Government-owned facilities by which such utilities or services are produced or supplied. The Government shall be under no obligation to furnish utilities or services. Payment shall be made in the manner prescribed by the officer having such jurisdiction.

10. PROTECTION OF PROPERTY

The Licensee shall keep the Premises in good order and in a clean, safe condition by and at the expense of the Licensee. The Licensee shall be responsible for any damage that may be caused to property of the United States by the activities of the Licensee under this License, and shall exercise due diligence in the protection of all property located on the Premises against fire or damage from any and all other causes. Any property of the United States damaged or destroyed by the Licensee incident to the exercise of the privileges herein granted shall be promptly repaired or replaced by the Licensee to a condition satisfactory to said Officer, or at the election of said Officer, reimbursement made therefore by the Licensee in an amount necessary to restore or replace the property to a condition satisfactory to said Officer.

11. INDEMNITY

The United States shall not be responsible for damages to property or injuries to persons which may arise from or be incident to the exercise of the privileges herein granted, or for damages to the property or injuries to the person of the Licensee's officers, agents, or employees or others who may be on the Premises at their invitation or the invitation of any one of them, and the Licensee shall hold the United States harmless from any and all such claims not including damages due to the fault or negligence of the United States or its contractors.

12. RESTORATION

On or before the expiration of this License or its termination by the Licensee, the Licensee shall vacate the Premises, remove the property of the Licensee, and restore the premises to a condition satisfactory to said officer. If, however, this License is revoked, the Licensee shall vacate the premises, remove said property and restore the Premises to the aforesaid condition within such time as the District Engineer may designate. In either event, if the Licensee shall fail or neglect to remove said property and restore the premises, then, at the option of said officer, the property shall either become the property of the United States without compensation therefore, or said officer may cause the property to be removed and no claim for damages against the United States or its officers or agents shall be created by or made on account of such removal and restoration work. The Licensee shall also pay the United States on demand any sum which may be expended by the United States after the expiration, revocation, or termination of this License in restoring the Premises.

13. NON-DISCRIMINATION

The Licensee shall not discriminate against any person or persons or exclude them from participation in the Licensee's operations, programs or activities because of race, color, religion, sex, age, handicap or national origin in the conduct of operations on the premises. The Licensee will comply with the Americans with Disabilities Act and attendant Americans with Disabilities Act Accessibility Guidelines (ADAAG) published by the Architectural and Transportation Barriers Compliance Board.

14. TERMINATION

This license may be terminated by the Grantee at any time by giving the Real Estate Contracting Officer at least ten (10) days' notice in writing provided that no refund by the United States of any consideration previously paid shall be made and provided further, that in the event that said notice is not given at least ten (10) days prior to the rental due date, the Grantee shall be required to pay the consideration for the period shown in the Condition on CONSIDERATION.

15. ENVIRONMENTAL PROTECTION

a. Within the limits of their respective legal powers, the parties to this License shall protect the Premises against pollution of its air, ground and water. The Licensee shall comply with any laws, regulations, conditions, or instructions affecting the activity hereby authorized if and when issued by the Environmental Protection Agency, or any Federal, state, interstate or local governmental agency having jurisdiction to abate or prevent pollution. The disposal of any toxic or hazardous materials within the Premises is specifically prohibited. Such regulations, conditions, or instructions in effect or prescribed by said Environmental Protection Agency, or any Federal, state, interstate or local governmental agency are hereby made a condition of this License. The Licensee shall not discharge waste or effluent from the Premises in such a manner that the discharge will contaminate streams or other bodies of water or otherwise become a public nuisance.

b. The Licensee will use all reasonable means available to protect the environment and natural resources, and where damage nonetheless occurs from the Licensee's activities, the Licensee shall be liable to restore the damaged resources.

c. The Licensee must obtain approval in writing from said Officer before any pesticides or herbicides are applied to the Premises.

16. HISTORIC PRESERVATION

The Licensee shall not remove or disturb, or cause or permit to be removed or disturbed, any historical, archeological, architectural or other cultural artifacts, relics, remains or objects of antiquity. In the event such items are discovered on the premises, the Licensee shall immediately notify said Officer and protect the site and the material from further disturbance until said Officer gives clearance to proceed.

17. DISCLAIMER

This License is effective only insofar as the rights of the United States in the Premises are concerned; and the Licensee shall obtain any permit or license which may be required by Federal, state, or local statute in connection with the use of the Premises. It is understood that the granting of this License does not preclude the necessity of obtaining a Department of the Army permit for activities which involve the discharge of dredge or fill material or the placement of fixed structures in the waters of the United States, pursuant to the provisions of Section 10 of the Rivers and Harbors Act of 3 March 1899 (33 USC 403), and Section 404 of the Clean Waters Act (33 USC 1344).

18. DETERMINATION REGARDING EXECUTIVE ORDER 13658

a. It has been determined this contract is not subject to Executive Order 13658 or the regulations issued by the Secretary of Labor in 29 CFR Part 10 pursuant to the Executive Order.

b. If a duly authorized representative of the United States discovers or determines, whether before or subsequent to executing this contract, that an erroneous determination regarding the applicability of Executive Order 13658 was made, contractor, to the extent permitted by law, agrees to indemnify and hold harmless the United States, its officers, agents, and employees, for and from any and all liabilities, losses, claims, expenses, suites, fines, penalties, judgments, demands or actions, costs, fees, and damages directly or indirectly arising out of, caused by, related to, resulting from or in any way predicated upon, in whole or in part, the erroneous Executive Order 13658 determination. This includes contractor releasing any claim or entitlement it would otherwise have to an equitable adjustment to the contract and indemnifying and holding harmless the United States from the claims of subcontractors and contractor employees.

IN WITNESS WHEREOF, I have hereunto set my hand by authority of the Secretary of the Army, this ____ day of _____, 2022.

**Real Estate Contracting Officer
U.S. Army Corps of Engineers
Los Angeles, California.**

THIS LICENSE is also executed by the Licensee this _____ day of _____, 2022.

SAN GABRIEL BASIN WATER QUALITY AUTHORITY:

SIGNATURE

PRINTED NAME

TITLE

PHONE NUMBER

Exhibit “A”



San Gabriel Basin Water Quality Authority

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

March 19, 2021

Ms. Lisa Sandoval
United States Army Corps of Engineers
Real Estate Division
915 Wilshire Boulevard, 11th Floor
Los Angeles, California 90017

Subject: Request for License Agreement to Access Groundwater Monitoring Well
Located at Santa Fe Dam Recreation Area

Dear Ms. Sandoval:

San Gabriel Basin Water Quality Authority (WQA) is requesting a License Agreement with the United States Army Corps of Engineers (USACE) to permit access to an existing groundwater multiport monitoring well, MW5-17, located within the Santa Fe Dam Recreation Area in the City of Irwindale. WQA's contractors would access this well site to perform groundwater monitoring for the Baldwin Park Operable Unit (BPOU) Performance Standards Evaluation Plan (PSEP). A scope of work is attached.

Stetson Engineers Inc. (Stetson) has been retained by WQA to assist in the process of obtaining the License Agreement. Representatives from Stetson, working for the WQA are authorized to represent WQA in obtaining the License Agreement from USACE for monitoring well MW5-17.

If you should have any questions regarding this letter, please contact me at
(626) 338-5555.

Sincerely,

A handwritten signature in black ink, reading "Randy Schoellerman". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Randy Schoellerman
Executive Director

cc: John Cardoza, Stetson Engineers Inc.
Sam Lo, Stetson Engineers Inc.

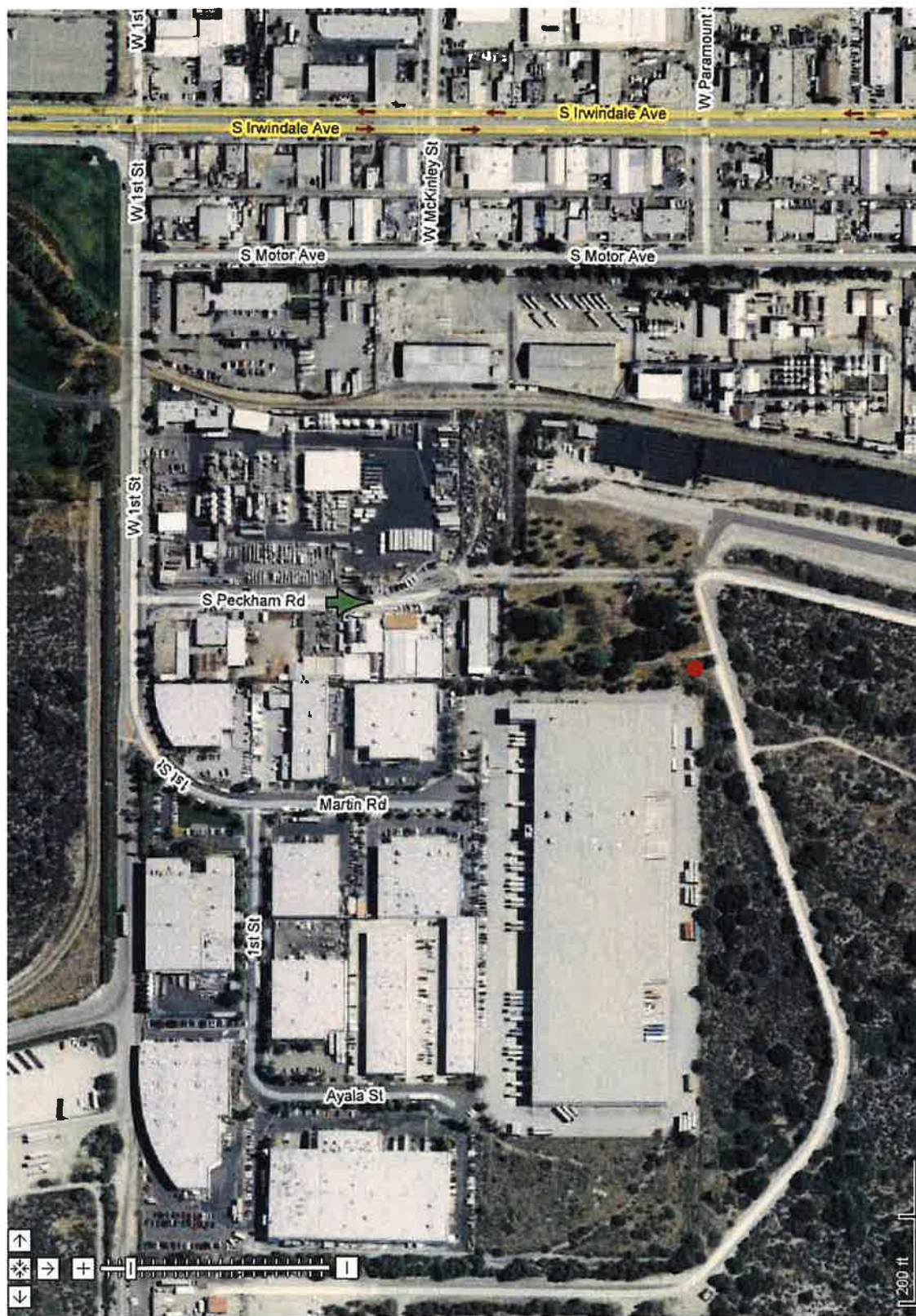
SCOPE OF WORK

There will be no proposed installation or modifications conducted at the existing monitoring well, MW5-17, and the premises around the monitoring well site. The permitted contractor will perform groundwater monitoring activities at the existing monitoring well, MW5-17, including pumping, drawing, extraction, removal, testing, sampling, and evaluation of groundwater. The permitted contractor will also conduct operation of contractor's equipment and other activities for the purposes of inspecting, repairing, and maintaining MW5-17. Groundwater samples will be collected on-site but tested at a laboratory off-site. The permitted contractor will need a maximum of two vehicle parking spaces in the premises near the monitoring well. The equipment used to perform groundwater monitoring activities is manufactured by Westbay Instruments consisting of a motorized winch with a sampler probe and sample bottles attached. The equipment and materials needed to conduct this work will be stored in the contractor's vehicle(s). There will be no equipment, materials, and vehicles left at the monitoring well or on the premises overnight. This work will be conducted during normal business hours (8AM to 5PM) during the day. This work will be conducted on four (4) non-consecutive days during the calendar year. The contractor will need access through the main entrance of the Santa Fe Dam Recreation Area near the intersection of Arrow Highway and Azusa Canyon Road in the City of Irwindale to access monitoring well, MW5-17. There will be no impacts made to federal property during this work.

LOS ANGELES COUNTY THOMAS GUIDE MAP, PAGE 598

AERIAL SITE PHOTO

Location Map for MW5-17
West of Peckham Road Azusa, California
(Well located within Santa Fe Dam Recreational Area)





Map data ©2021, Map data ©2021 20 ft

MONITORING WELL MW5-17

SITE MAP

PHOTOS OF MW5-17











DRAFT

RESOLUTION NO. 22-020

A RESOLUTION OF THE BOARD OF THE SAN GABRIEL BASIN WATER QUALITY AUTHORITY RECOGNIZING DIRECTOR BRIAN BOWCOCK FOR TWENTY YEARS OF OUTSTANDING SERVICE TO THREE VALLEYS MWD AND THE WATER COMMUNITY

WHEREAS, Director Brian Bowcock has proudly served with distinction as a Director of Three Valleys Municipal Water District (“TVMWD”) since being elected to office in January 2003; and

WHEREAS, Director Bowcock was unanimously selected as Vice President of the Board of Directors of TVMWD on January 5, 2022, and previously served as Treasurer from 2020 to 2021, and Secretary from 2009 to 2019; and

WHEREAS, Director Bowcock has served as the TVMWD representative for Main San Gabriel Basin Watermaster, ACWA Region 8 Delegate, ACWA/JPIA Representative, Six Basins Watermaster; and

WHEREAS, Director Bowcock has served as the TVMWD’s alternate representative to the San Gabriel Basin Water Quality Authority from January 2019 to December 2022; and

WHEREAS, additionally Director Bowcock is a leader in the regional water industry, where he is a member of multiple organizations including the Southern California Water Utilities Association; and

NOW THEREFORE BE IT RESOLVED that we, the Directors of the San Gabriel Basin Water Quality Authority, hereby recognize and congratulate Director Bowcock for 20 years of dedicated service to Three Valleys Municipal Water District.

ADOPTED and **PASSED** at a meeting of the San Gabriel Basin Board of Directors, on this 21st day of December 2022 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Valerie Munoz
Chairwoman

Bob Kuhn
Secretary

Calendars

- SGVMWD
- TVMWD
- USGVMWD
- WM
- WQA

Dec 15, 2022 - Mar 14, 2023

Wednesday Dec 21, 2022

- 8:00am - 10:30am [TVMWD Board Meeting](#)
- 12:00pm - 1:00pm [WQA Board Meeting](#)
- 1:30pm - 2:30pm [WM Administrative Committee Mtg](#)

Thursday Dec 22, 2022

All day [WQA Closed](#)

Monday Dec 26, 2022

- All day » [WQA Closed for the Holidays](#)
- 10:00am - 11:30am [CANCELLED - SGVWA Leg. Committee Meeting](#)

Tuesday Dec 27, 2022

» All day » [WQA Closed for the Holidays](#)

Wednesday Dec 28, 2022

- » All day » [WQA Closed for the Holidays](#)
- 8:00am - 9:00am [USGVMWD Board Meeting](#)

Thursday Dec 29, 2022

» All day » [WQA Closed for the Holidays](#)

Friday Dec 30, 2022

» All day [WQA Closed for the Holidays](#)

Monday Jan 2, 2023

- 4:00pm - 5:00pm [USGVMWD Gov Affairs Committee Meeting](#)

Tuesday Jan 3, 2023

- 4:00pm - 5:00pm [USGVMWD Admin & Finance Committee meeting](#)

Wednesday Jan 4, 2023

- 8:00am - 10:30am [TVMWD Board Meeting](#)

2:30pm - 3:30pm [Watermaster Board Meeting ↗](#)

4:00pm - 5:00pm [USGVMWD Water Resources & Facility Management Committee ↗](#)

Monday Jan 9, 2023

8:00am - 10:00am [SGVMWD Board Meeting ↗](#)

Tuesday Jan 10, 2023

10:00am - 11:00am [WQA Admin/Finance Committee ↗](#)

Wednesday Jan 11, 2023

8:00am - 9:00am [USGVMWD Board Meeting ↗](#)

11:00am - 12:00pm [WQA Leg/Pub Committee ↗](#)

1:30pm - 3:00pm [WM Basin Watermaster Committee Mtg ↗](#)

Wednesday Jan 18, 2023

8:00am - 10:30am [TVMWD Board Meeting ↗](#)

12:00pm - 1:00pm [WQA Board Meeting ↗](#)

1:30pm - 2:30pm [WM Administrative Committee Mtg ↗](#)

Monday Jan 23, 2023

10:00am - 11:30am [SGVWA Leg. Committee Meeting ↗](#)

11:30am - 1:00pm [SGVWA Board Meeting ↗](#)

Wednesday Jan 25, 2023

8:00am - 9:00am [USGVMWD Board Meeting ↗](#)

Wednesday Feb 1, 2023

8:00am - 10:30am [TVMWD Board Meeting ↗](#)

2:30pm - 3:30pm [Watermaster Board Meeting ↗](#)

4:00pm - 5:00pm [USGVMWD Water Resources & Facility Management Committee ↗](#)

Monday Feb 6, 2023

4:00pm - 5:00pm [USGVMWD Gov Affairs Committee Meeting ↗](#)

Tuesday Feb 7, 2023

4:00pm - 5:00pm [USGVMWD Admin & Finance Committee meeting ↗](#)

Wednesday Feb 8, 2023

- 8:00am - 9:00am [USGVMWD Board Meeting](#) ↻
- 11:00am - 12:00pm [WQA Leg/Pub Committee](#) ↻
- 1:30pm - 3:00pm [WM Basin Watermaster Committee Mtg](#) ↻
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Monday Feb 13, 2023

- 8:00am - 10:00am [SGVMWD Board Meeting](#) ↻
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Tuesday Feb 14, 2023

- 10:00am - 11:00am [WQA Admin/Finance Committee](#) ↻
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Wednesday Feb 15, 2023

- 8:00am - 10:30am [TVMWD Board Meeting](#) ↻
- 12:00pm - 1:00pm [WQA Board Meeting](#) ↻
- 1:30pm - 2:30pm [WM Administrative Committee Mtg](#) ↻
-

Wednesday Feb 22, 2023

- 8:00am - 9:00am [USGVMWD Board Meeting](#) ↻
-

Monday Feb 27, 2023

- 10:00am - 11:30am [SGVWA Leg. Committee Meeting](#) ↻
- 11:30am - 1:00pm [SGVWA Board Meeting](#) ↻
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Tuesday Feb 28, 2023

- All day » [ACWA DC Conference](#)
-

Wednesday Mar 1, 2023

- » All day » [ACWA DC Conference](#)
- 8:00am - 10:30am [TVMWD Board Meeting](#) ↻
- 2:30pm - 3:30pm [Watermaster Board Meeting](#) ↻
- 4:00pm - 5:00pm [USGVMWD Water Resources & Facility Management Committee](#) ↻
-

Thursday Mar 2, 2023

- » All day [ACWA DC Conference](#)
-

Monday Mar 6, 2023

4:00pm - 5:00pm [USGVMWD Gov Affairs Committee Meeting ↗](#)

Tuesday Mar 7, 2023

4:00pm - 5:00pm [USGVMWD Admin & Finance Committee meeting ↗](#)

Wednesday Mar 8, 2023

8:00am - 9:00am [USGVMWD Board Meeting ↗](#)

11:00am - 12:00pm [WQA Leg/Pub Committee ↗](#)

1:30pm - 3:00pm [WM Basin Watermaster Committee Mtg ↗](#)

Monday Mar 13, 2023

8:00am - 10:00am [SGVMWD Board Meeting ↗](#)

Tuesday Mar 14, 2023

10:00am - 11:00am [WQA Admin/Finance Committee ↗](#)
