

WALNUT VALLEY WATER DISTRICT
271 South Brea Canyon Road
Walnut, California 91789

REGULAR BOARD MEETING
TUESDAY, JANUARY 18, 2022, 5:00 P.M.
AGENDA

Pursuant to the provisions of Government Code Section 54953(e), as amended by AB 361, any Board member and any member of the public who desires to participate in the open session items of this meeting may do so by accessing the Webex link below without otherwise complying with the Brown Act's teleconference requirements:

<https://walnutvalley.webex.com/meet/bmeeting>

(Computer and Telephone Audio Accessible)

Any member of the public wishing to make any comments to the Board may do so by accessing the above-referenced link where they may select the option to join via webcam or teleconference. The meeting Chair will acknowledge such individual(s) at the appropriate time in the meeting prior to making his or her comment. **Members of the public will be disconnected from the meeting prior to the Closed Session.**

NOTE: To comply with the Americans with Disabilities Act, if you need special assistance to participate in any Board meeting, please contact the General Manager's office at least 4 hours prior to a Board meeting to inform the District of your needs and to determine if accommodation is feasible.

Each item on the agenda shall be deemed to include any appropriate motion, resolution, or ordinance, to take action on any item.

Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review during regular business hours at the District office, located at: 271 S. Brea Canyon Road, Walnut, California.

1. Flag Salute
2. Roll Call: Mr. Hayakawa__ Mr. Hilden__ Ms. Kwong__ Ms. Lee__ Mr. Tang__
3. Public Comment President Tang
The Presiding Officer of the Board of Directors may impose reasonable limitations on public comments to assure an orderly and timely meeting.
 - A. **Agenda Items** - Any person desiring to address the Board of Directors on any Agenda item may do so at the time the item is considered on the Agenda by requesting the privilege of doing so at this time and stating the Agenda item to be addressed. At the time the item is discussed, those requesting to speak will be called to do so.
 - B. **Non-Agenda Items** - At this time, the public shall have an opportunity to comment on any non-agenda item relevant to the jurisdiction of the District. Reasonable time limits on each topic and on each speaker are imposed in accordance with Board policy.
4. Additions to Agenda President Tang
 - A. Discussion
 - B. Action Taken
5. Reorder of Agenda President Tang
 - A. Discussion
 - B. Action Taken

6. [Public Hearing: Receive Public Input and Feedback Regarding Possible Adjustment of District Divisional Boundaries](#)
- A. Open Public Hearing
 - B. Report by Staff
 - C. Receive Public Comments
 - D. Close Public Hearing
7. [Public Hearing: Consideration of Adoption of Ordinance No. 01-18-22 to Amend and Restate Ordinance No. 07-16-09 to Establish Water Use Efficiency Requirements and Water Supply Shortages Stages](#)
- A. Open Public Hearing
 - B. Report by Staff
 - C. Receive Public Comments
 - D. Close Public Hearing
 - E. [Consider Adoption of WVWD Ordinance No. 01-18-22, Amending and Restating Ordinance No. 07-16-09 to Establish Water Use Efficiency Requirements and Water Supply Shortage Stages](#)
 - (1) Discussion
 - (2) Action Taken
 - F. [Consider Adoption of WVWD Resolution No. 01-22-690, Declaring a Stage 2 Water Supply Shortage Pursuant to District Ordinance No. 01-18-22](#)
 - (1) Discussion
 - (2) Action Taken
8. Consider Approval of Consent Calendar (Items 1-4)
- A. Discussion
 - B. Action Taken
 - (1) [Minutes of the Regular Board Meeting held December 13, 2021](#)
 - (2) [Check Register](#)
 - (3) [Employee Expense Reimbursement Report](#)
 - (4) [Community Outreach Update](#)
9. [Consider Approval of Director Expense Reports](#)
 Provided are Expense Reports disclosing per diem requests for Director meeting attendance and an itemization of expenses incurred by the District on behalf of each Director.
- A. Discussion
 - B. Action Taken
10. Treasurer's Report Mr. Byerrum
- A. [Financial Dashboard as of November 30, 2021](#)
 - B. [District Statement of Revenues, Expenses, and Change in Net Positions as of November 30, 2021](#)
 - C. [District Statement of Net Positions as of November 30, 2021](#)
 - D. [Summary of Cash and Investments as of November 30, 2021](#)
 - (1) Discussion
 - (2) Action Taken

COMMITTEE REPORTS

Standing Committee Reports (The Chair of each committee that has met will report to the full Board)

11. Engineering and Special Projects Director Hayakawa
- A. [Consider Award of Contract with ESRI for GIS Mapping Software](#)
 - (1) Discussion
 - (2) Action Taken
 - B. [Operations Report](#) (Information Only)
12. Personnel Committee Director Kwong
- A. [Disability and Life Insurance Renewal](#)
 - (1) Discussion
 - (2) Action Taken

13. Finance Committee Director Lee
- A. [Receive, Approve, and File Investment Transactions Report for Month Ending December 31, 2021](#)
 (1) Discussion (2) Action Taken
- B. [P-W-R Joint Water Line and Puente Basin Water Agency Audits for Fiscal Year Ending June 30, 2021](#)
 (1) Discussion (2) Action Taken
- C. [Budget Meeting Schedule](#) (Information Only)
- D. [Revenue Bond – East West Bank](#) (Information Only)

14. Public Information/Community Relations/Legislative Action Committee President Tang
- A. There are no Public Information items to come before the Board at this time

OTHER ITEMS

15. TVMWD/MWD Director Hilden
16. P-W-R Joint Water Line Commission Mr. Monk
- A. [P-W-R JWL Report for Water Purchases for the Months of November and December 2021](#)
- B. Other Items
17. Puente Basin Water Agency Director Lee
18. Spadra Basin Groundwater Sustainability Agency Director Tang
19. General Manager's Report Mr. Hitchman
- A. [District Activities Calendars for February, March and April 2022](#)
- B. [ACWA/JPIA President's Special Recognition Awards](#)
- C. Other Items
20. Water Supply and Conservation Mr. Hitchman
- A. [District Water Supply and Conservation Update](#)
- B. [Statewide Water Supply Conditions](#)
21. Directors' Oral Reports All Directors
22. Legal Reports Mr. Ciampa
- Report on matters of interest or having an effect on the District
23. Board members and staff will be given an opportunity to request and suggest subjects for discussion at a future meeting
24. Board of Directors Business President Tang
- A. [Consideration of Annual Board Commission and Agency Assignment Selections for Calendar Year 2022](#)
 (1) Discussion (2) Action Taken
- B. [Adoption of Resolutions No. 01-22-691 Appointing Representatives to the Pomona-Walnut-Rowland Joint Water Line Commission, 01-22-692 Appointing Representatives to the Puente Basin Water Agency, and 01-22-693 Appointing Representatives to the Spadra Basin Groundwater Sustainability Agency Executive Committee](#)
 (1) Discussion (2) Action Taken
- C. [Consideration of Nomination of Candidates for Special District Voting Member and Special District Alternate Member](#)
 (1) Discussion (2) Action Taken

D. [Consider Adoption of Subsequent Resolution No. 01-22-694 Authorizing Remote Teleconference Meetings for the Period January 18, 2022 to February 17, 2022](#)

(1) Discussion (2) Action Taken

25. Public Comment on Closed Session

26. Adjourn to Closed Session

27. Closed Session

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION [§54956.9(a)]

Name of Case: Bonnie Kessner et al vs. City of Santa Clara et al; Santa Clara County Superior Court Case No. 20CV364054

28. Reconvene in Open Session

A. Report of Action, if any, Taken in Closed Session

Adjournment

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
SUBMITTED BY: Director of External Affairs
DATE: January 18, 2022
SUBJECT: WVWD Demography Study & Redistricting

Action/Discussion Fiscal Impact Resolution Information Only

Recommendation

For information only.

Background

Every ten years, local governments use new census data to redraw their district lines to reflect how local populations have changed. Special Districts must be redrawn so that each district is substantially equal in population. This process, called redistricting, is important in ensuring that each board member represents about the same number of constituents. Federal and state law requires Special Districts to engage communities in the redistricting process by holding public hearings and/or workshops and doing public outreach, including to non- English-speaking communities.

In the Walnut Valley Water District, the Board of Directors is responsible for drawing board member districts. Redistricting will be done using U.S. Census data, which was released in August 2021. For Walnut Valley Water District, the redistricting process must be completed by April 17, 2022.

To the extent practicable, district lines will be adopted using the following criteria:

- (1) geographically contiguous districts,
- (2) the geographic integrity of local neighborhoods or communities shall be respected in a manner that minimizes its division,
- (3) geographic integrity of a city shall be respected in a manner that minimizes its division,
- (4) easily identifiable boundaries that follow natural or artificial barriers (rivers, streets, highways, rail lines, etc.), and
- (5) lines shall be drawn to encourage geographic compactness.

In addition, boundaries shall not be drawn for purposes of favoring or discriminating against a political party.

Bear Demographics & Research has conducted a demographic profile of the District by Division. The overall deviation (or difference in population between the districts) for the Division boundaries is 12.4 percent, which means they will require adjustments. The maximum overall deviation must be less than 10 percent to meet the minimum legal standard.

The Board of Directors will seek input in selecting the next district map for the District's board members. Community members have an opportunity to share with the Board of Directors how they think district boundaries should be drawn to best represent their community. District staff will develop a webpage with information of the redistricting process on the District website (www.wvwd.com) and will provide access to a public comment form along with various avenues of communication to District staff and the Board of Directors.

District staff will make a good faith effort to notify community groups of various kinds about the redistricting process. Public workshop and public input hearings will be provided in applicable languages (e.g., Mandarin or Spanish) if residents submit a request in advance. The Board of Directors will notify the public about the redistricting public workshop and public input hearings, post maps online before adoption, and create a dedicated web page for all relevant information about the redistricting process.

The Board of Directors will hold a public workshop and public input hearings to receive public input on where district lines should be drawn. The public workshop and public input hearings will be held as follows:

Redistricting Timeline	
January 18, 2022	<ul style="list-style-type: none"> • First Board of Directors meeting • Summary of Redistricting Law, Criteria, Process and 2020 Census Presentation • Public Hearing
January 20, 2022	<ul style="list-style-type: none"> • Public workshop
February 22, 2022	<ul style="list-style-type: none"> • Second Board of Director's meeting • Presentation and Adoption of Draft Board of Directors Division Boundaries Map • Public Hearing
March 21, 2022	<ul style="list-style-type: none"> • Third Board of Directors meeting • Presentation and Adoption of Final Board of Directors Division Boundaries Map • Public Hearing
April 17, 2022	<ul style="list-style-type: none"> • Final data set due to Registrar Recorder's office

Walnut Valley Water District Demographic Profile

Division	1	2	3	4	5	Total	
Total Population (Pop)	20,226	19,374	20,165	19,790	17,920	97,475	2020 Census State Adjusted Redistricting Data
Deviation	731	(121)	670	294	(1,575)	2,306	
% Deviation	3.6%	-0.6%	3.3%	1.5%	-8.8%	12.4%	
Latino	20.2%	23.3%	13.4%	21.5%	34.6%	22.3%	
White	9.9%	16.9%	13.1%	9.7%	15.3%	12.9%	
Black	2.2%	5.3%	2.5%	1.5%	3.5%	3.0%	
American Indian	0.2%	0.4%	0.4%	0.2%	0.3%	0.3%	
Asian	66.1%	52.5%	69.2%	65.9%	44.8%	60.1%	
Hawaiian, Pacific Islander	0.1%	0.2%	0.1%	0.1%	0.2%	0.1%	
Other Race	0.5%	0.6%	0.5%	0.5%	0.5%	0.5%	
Multi Minority Race	0.7%	0.7%	0.7%	0.5%	0.6%	0.7%	
Voting Age Population (VAP) 2020	16,521	16,118	16,223	16,388	14,729	79,979	2019 ACS CVAP Tabulation
Latino	19.5%	22.0%	13.0%	20.5%	32.7%	21.3%	
White	11.2%	18.6%	14.7%	10.5%	17.1%	14.4%	
Black	2.3%	5.5%	2.7%	1.6%	3.8%	3.2%	
American Indian	0.2%	0.4%	0.4%	0.3%	0.4%	0.3%	
Asian	65.6%	52.2%	68.0%	66.1%	44.7%	59.6%	
Hawaiian, Pacific Islander	0.1%	0.1%	0.2%	0.1%	0.2%	0.1%	
Other Race	0.4%	0.5%	0.5%	0.4%	0.4%	0.4%	
Multi Minority Race	0.7%	0.6%	0.7%	0.5%	0.6%	0.6%	
Citizen Voting Age Population (CVAP) 2019	14,729	13,625	13,405	14,698	13,395	69,852	
Latino	26.4%	20.6%	13.9%	24.1%	33.0%	23.7%	
White	14.4%	26.6%	17.3%	14.4%	23.1%	19.0%	
Black	4.1%	5.9%	3.6%	2.7%	4.3%	4.1%	
Asian	54.2%	45.4%	63.7%	57.4%	38.2%	51.9%	
All Other	0.9%	1.6%	1.3%	1.4%	1.3%	1.3%	
Total Registration (Reg)	12,899	12,436	11,515	11,305	9,430	57,586	
Spanish Surnamed	22.0%	23.5%	14.2%	23.1%	32.3%	22.7%	
Asian Surnamed	45.8%	32.7%	47.6%	45.3%	29.8%	40.6%	
Non-Ethnic Surnamed	32.2%	43.7%	38.3%	31.6%	37.9%	36.7%	
Korean Surnamed	3.2%	4.1%	8.6%	6.2%	3.8%	5.2%	
Chinese Surnamed	32.4%	18.2%	29.6%	29.8%	17.3%	25.8%	
Japanese Surnamed	1.8%	1.3%	1.5%	1.6%	1.1%	1.5%	
Indian Surnamed	2.4%	3.2%	4.1%	1.6%	2.3%	2.8%	
Vietnamese Surnamed	1.9%	2.5%	1.8%	2.7%	1.7%	2.1%	
Filipino Surnamed	4.0%	3.5%	1.9%	3.4%	3.6%	3.3%	

Walnut Valley Water District Demographic Profile

Division	1	2	3	4	5	Total	
Total Voted (Vot)	10,197	10,007	8,971	8,720	7,218	45,113	Statewide Database 2020 General Election Registration and Turnout by Precinct (Geographic Overlay)
Spanish Surnamed	22.7%	24.0%	14.9%	24.3%	32.3%	23.3%	
Asian Surnamed	44.5%	31.5%	45.8%	43.5%	29.4%	39.2%	
Non-Ethnic Surnamed	32.8%	44.5%	39.2%	32.3%	38.3%	37.5%	
Korean Surnamed	2.9%	3.9%	7.8%	5.9%	3.4%	4.8%	
Chinese Surnamed	31.1%	17.2%	28.2%	28.1%	16.8%	24.6%	
Japanese Surnamed	2.0%	1.3%	1.6%	1.6%	1.3%	1.6%	
Indian Surnamed	2.5%	3.2%	4.5%	1.6%	2.4%	2.8%	
Vietnamese Surnamed	1.9%	2.5%	1.8%	2.7%	1.7%	2.1%	
Filipino Surnamed	4.1%	3.3%	1.9%	3.6%	3.9%	3.4%	
Total Population (By Age and Gender)	21,401	19,608	20,617	21,488	18,826	101,941	2019 ACS Reformatted Tables -Block Group Tabulation
Male	49.1%	47.4%	49.6%	48.0%	46.9%	48.2%	
Female	50.9%	52.6%	50.4%	52.0%	53.1%	51.8%	
Under 5 years	3.9%	6.3%	5.2%	6.0%	4.9%	5.3%	
Male	2.2%	3.7%	3.1%	3.2%	2.3%	2.9%	
Female	1.7%	2.7%	2.1%	2.7%	2.6%	2.4%	
5 to 17 years	15.6%	14.0%	15.0%	12.5%	12.7%	14.0%	
Male	8.1%	7.0%	8.2%	6.2%	5.9%	7.1%	
Female	7.4%	7.0%	6.8%	6.2%	6.8%	6.8%	
18 to 65 years	61.6%	63.0%	63.2%	61.8%	67.5%	63.3%	
Male	29.9%	29.3%	31.1%	29.7%	32.5%	30.5%	
Female	31.7%	33.7%	32.2%	32.0%	35.0%	32.9%	
65 years and over	18.8%	16.7%	16.6%	19.8%	14.9%	17.4%	
Male	8.8%	7.4%	7.2%	8.9%	6.2%	7.7%	
Female	10.0%	9.3%	9.4%	11.0%	8.7%	9.7%	
Total Households (By Household Income)	6,224	6,422	6,586	6,271	5,093	30,595	
Less than \$10,000	4.6%	4.1%	2.7%	2.8%	3.4%	3.5%	
\$10,000 to \$14,999	2.1%	3.5%	2.1%	3.7%	2.5%	2.8%	
\$15,000 to \$24,999	4.2%	4.0%	4.0%	4.4%	5.8%	4.4%	
\$25,000 to \$34,999	4.7%	7.7%	5.5%	6.1%	8.7%	6.4%	
\$35,000 to \$49,999	8.2%	6.6%	8.5%	8.8%	9.5%	8.3%	
\$50,000 to \$74,999	11.8%	12.8%	13.7%	16.7%	16.1%	14.1%	
\$75,000 to \$99,999	12.0%	10.9%	11.8%	14.2%	15.3%	12.7%	
\$100,000 to \$149,999	22.1%	23.4%	22.9%	19.6%	19.2%	21.6%	
\$150,000 to \$199,999	13.4%	12.0%	14.2%	11.2%	9.0%	12.1%	
\$200,000 or more	16.8%	15.0%	14.5%	12.6%	10.5%	14.0%	

Walnut Valley Water District Demographic Profile

Division	1	2	3	4	5	Total
Population 25 years and over (By Education Level)	15,288	14,121	14,957	15,851	12,381	72,598
Less than 9th grade	5.3%	3.0%	2.1%	5.2%	8.4%	4.7%
9th to 12th grade, no diploma	3.4%	2.3%	1.9%	4.8%	5.1%	3.5%
High school graduate (includes equivalency)	15.8%	13.5%	13.1%	22.8%	21.8%	17.3%
Some college, no degree	15.8%	17.8%	14.7%	15.1%	19.4%	16.4%
Associate degree	8.1%	8.4%	7.4%	9.0%	9.5%	8.5%
Bachelor's degree	35.7%	36.6%	37.1%	31.6%	25.5%	33.5%
Graduate or professional degree	15.9%	18.4%	23.7%	11.5%	10.4%	16.1%
Population 15 years and over (By Marital Status)	18,160	16,347	17,098	18,232	16,171	86,007
Never married	31.9%	29.7%	26.4%	31.0%	42.4%	32.2%
Now married, except separated	56.2%	56.2%	62.0%	56.3%	45.0%	55.3%
Separated	1.7%	0.5%	0.5%	1.0%	1.0%	0.9%
Widowed	5.2%	5.5%	4.5%	6.9%	4.3%	5.3%
Female	3.8%	4.8%	3.9%	5.5%	3.8%	4.4%
Divorced	5.0%	8.1%	6.6%	4.9%	7.3%	6.3%
Female	3.2%	4.9%	4.9%	3.2%	4.3%	4.1%
Total Housing Units (By Occupancy Status)	6,554	6,719	6,838	6,460	5,275	31,845
Occupied	95.0%	95.6%	96.3%	97.1%	96.6%	96.1%
Owner occupied	79.5%	74.4%	70.6%	75.2%	72.5%	74.5%
Renter occupied	15.4%	21.1%	25.7%	21.9%	24.0%	21.6%
Vacant	5.0%	4.4%	3.7%	2.9%	3.4%	3.9%
Occupied Housing Units (Overcrowding by Tenure)	6,224	6,422	6,586	6,271	5,093	30,595
Overcrowded	3.3%	2.1%	2.2%	3.1%	3.9%	2.9%
Severely Overcrowded	0.3%	0.9%	2.2%	1.7%	0.7%	1.2%
Owner Occupied	83.7%	77.9%	73.3%	77.4%	75.1%	77.5%
Overcrowded	1.8%	1.0%	0.6%	2.1%	2.3%	1.5%
Severely Overcrowded	0.2%	0.5%	0.9%	1.2%	0.3%	0.6%
Renter Occupied	16.3%	22.1%	26.7%	22.6%	24.9%	22.5%
Overcrowded	1.6%	1.1%	1.6%	1.0%	1.6%	1.4%
Severely Overcrowded	0.1%	0.4%	1.3%	0.4%	0.4%	0.6%

2019 ACS Reformatted Tables -Block Group Tabulation

Walnut Valley Water District Demographic Profile

Division	1	2	3	4	5	Total		
Population 16 years and over (By Employment Status)	17,868	16,187	16,914	18,001	15,990	84,960		
In labor force:	58.8%	62.9%	62.6%	61.3%	58.6%	60.8%		
Civilian labor force:	58.7%	62.9%	62.6%	61.3%	58.5%	60.8%		
Employed	55.9%	59.0%	59.5%	57.8%	53.8%	57.2%		
Unemployed	2.8%	3.9%	3.1%	3.5%	4.8%	3.6%		
Armed Forces	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%		
Not in labor force	41.2%	37.1%	37.4%	38.7%	41.4%	39.2%		
Occupied housing units (Structure Type by Tenure)	6,224	6,422	6,586	6,271	5,093	30,595		
Owner-occupied housing units:	83.7%	77.9%	73.3%	77.4%	75.1%	77.5%	2019 ACS Reformatted Tables -Block Group Tabulation	
1 Unit	83.3%	73.3%	67.1%	72.1%	58.9%	71.4%		
2 to 4 Units	0.1%	1.4%	4.0%	1.3%	0.9%	1.6%		
5 or More Units	0.0%	3.3%	2.1%	0.6%	2.4%	1.7%		
Other	0.4%	0.0%	0.0%	3.4%	12.9%	2.9%		
Renter-occupied housing units:	16.3%	22.1%	26.7%	22.6%	24.9%	22.5%		
1 Unit	12.9%	14.8%	15.8%	17.9%	14.6%	15.2%		
2 to 4 Units	0.2%	1.9%	2.9%	0.6%	1.7%	1.5%		
5 or More Units	3.1%	5.5%	8.0%	3.1%	6.4%	5.2%		
Other	0.0%	0.0%	0.0%	0.9%	2.3%	0.6%		
Population 5 years and over (By Language Spoken at)	20,506	18,422	19,589	20,197	17,842	96,556		
English only	35.0%	43.9%	35.5%	31.5%	42.9%	37.5%		2019 ACS Reformatted Tables -Tract Tabulation
Language other than English	65.0%	56.1%	64.5%	68.5%	57.1%	62.5%		
Speaks English less than "very well"	27.9%	23.6%	28.0%	37.7%	25.3%	28.7%		
Spanish	14.2%	11.5%	7.9%	11.4%	23.7%	13.6%		
Speaks English less than "very well"	3.3%	2.6%	1.7%	3.0%	7.9%	3.6%		
Other Indo-European languages	2.2%	5.4%	4.9%	2.3%	3.0%	3.5%		
Speaks English less than "very well"	0.5%	1.2%	0.8%	0.4%	1.0%	0.8%		
Asian and Pacific Island languages	47.8%	37.6%	51.1%	54.5%	29.8%	44.6%		
Speaks English less than "very well"	23.9%	19.5%	25.4%	34.3%	16.3%	24.1%		

Walnut Valley Water District Demographic Profile

Division	1	2	3	4	5	Total
Population 1 years and over (By Residence Previous Year)	21,272	19,405	20,389	21,285	18,678	101,029
Same house	94.1%	88.8%	89.5%	91.6%	88.3%	90.6%
Different house in the U.S.	5.1%	9.8%	8.6%	6.6%	10.4%	8.0%
Same county	3.2%	6.5%	6.2%	4.3%	6.7%	5.3%
Different county	1.9%	3.3%	2.5%	2.3%	3.7%	2.7%
Same state	1.3%	1.5%	2.0%	1.3%	2.9%	1.8%
Different state	0.6%	1.8%	0.5%	1.0%	0.9%	0.9%
Elsewhere	0.9%	1.4%	1.9%	1.8%	1.2%	1.4%
Population With Poverty Status Determined (by Poverty)	21,375	19,556	20,602	21,452	17,199	100,183
Income Below Poverty Level Past 12 Months	7.0%	7.4%	5.1%	6.7%	7.8%	6.7%
Under 18 years	1.2%	1.6%	0.7%	1.1%	1.7%	1.2%
Over 65	1.2%	1.6%	1.4%	2.4%	1.7%	1.7%
Income At or Above Poverty Level Past 12 Months	93.0%	92.6%	94.9%	93.3%	92.2%	93.3%
Under 18 years	17.9%	18.1%	19.6%	17.4%	17.3%	18.1%
Over 65	17.8%	14.7%	15.6%	16.7%	15.0%	16.0%
Total Under 18 years	19.1%	19.7%	20.2%	18.5%	19.0%	19.3%
Total Over 65	19.1%	16.3%	17.0%	19.1%	16.7%	17.7%
Occupied housing units (By Housing Cost % of Income By)	6,234	6,382	6,602	6,305	5,078	30,599
Less than 20 percent	42.6%	33.6%	35.5%	38.2%	41.5%	38.1%
20 to 29 percent	18.5%	23.8%	23.4%	22.5%	22.7%	22.2%
30 percent or more	34.7%	39.1%	37.4%	36.7%	33.4%	36.4%
Owner-occupied housing units:	83.1%	75.6%	74.8%	77.5%	76.5%	77.5%
Less than 20 percent	39.5%	32.0%	30.3%	33.8%	36.5%	34.3%
20 to 29 percent	15.7%	18.8%	18.7%	16.8%	17.6%	17.5%
30 percent or more	26.5%	24.8%	24.9%	26.4%	22.1%	25.1%
Renter-occupied housing units:	16.9%	24.4%	25.2%	22.5%	23.5%	22.5%
Less than 20 percent	3.1%	1.7%	5.2%	4.4%	5.0%	3.8%
20 to 29 percent	2.8%	5.1%	4.7%	5.7%	5.1%	4.7%
30 percent or more	8.3%	14.4%	12.4%	10.3%	11.3%	11.4%

2019 ACS Reformatted Tables -Tract Tabulation

Walnut Valley Water District Demographic Profile

Division	1	2	3	4	5	Total	
Total Population (Pop) 2020	20,226	19,374	20,165	19,790	17,920	97,475	2020 Census State Adjusted Redistricting Data
Deviation	731	(121)	670	294	(1,575)	2,306	
% Deviation	3.6%	-0.6%	3.3%	1.5%	-8.8%	12.4%	
Latino	4,087	4,522	2,707	4,256	6,208	21,780	
White	2,004	3,284	2,642	1,916	2,750	12,595	
Black	446	1,031	509	293	627	2,906	
American Indian	36	76	72	48	62	294	
Asian	13,377	10,168	13,960	13,048	8,032	58,585	
Hawaiian, Pacific Islander	21	35	27	25	33	141	
Other Race	108	123	100	99	98	528	
Multi Minority Race	148	135	148	104	111	646	
Voting Age Population (VAP) 2020	16,521	16,118	16,223	16,388	14,729	79,979	2020 Census State Adjusted Redistricting Data
Latino	3,222	3,544	2,104	3,353	4,821	17,045	
White	1,858	2,990	2,383	1,728	2,524	11,482	
Black	378	894	432	258	563	2,525	
American Indian	31	64	59	42	56	252	
Asian	10,837	8,418	11,026	10,831	6,586	47,698	
Hawaiian, Pacific Islander	14	22	25	20	27	108	
Other Race	69	81	78	71	60	359	
Multi Minority Race	113	104	117	85	91	510	
Citizen Voting Age Population (CVAP)	14,729	13,625	13,405	14,698	13,395	69,852	
Latino	3,894	2,803	1,867	3,542	4,422	16,528	
White	2,125	3,620	2,323	2,113	3,089	13,271	
Black	597	798	480	394	578	2,848	
Asian	7,979	6,187	8,545	8,442	5,112	36,265	
All Other	133	211	175	202	176	897	
Total Registration (Reg)	12,899	12,436	11,515	11,305	9,430	57,586	Statewide Database 2020 General Election Registration and Turnout by Precinct (Geographic Overlay)
Spanish Surnamed	2,837	2,927	1,629	2,612	3,049	13,055	
Asian Surnamed	5,909	4,071	5,478	5,125	2,810	23,393	
Non-Ethnic Surnamed	4,153	5,438	4,407	3,569	3,571	21,139	
Korean Surnamed	408	504	994	706	358	2,971	
Chinese Surnamed	4,186	2,261	3,413	3,374	1,631	14,864	
Japanese Surnamed	238	161	168	177	101	845	
Indian Surnamed	312	403	477	176	218	1,585	
Vietnamese Surnamed	245	310	206	307	162	1,229	
Filipino Surnamed	521	432	222	385	339	1,898	

Walnut Valley Water District Demographic Profile

Division	1	2	3	4	5	Total	
Total Voted (Vot)	10,197	10,007	8,971	8,720	7,218	45,113	Statewide Database 2020 General Election Registration and Turnout by Precinct (Geographic Overlay)
Spanish Surnamed	2,316	2,403	1,341	2,115	2,333	10,507	
Asian Surnamed	4,534	3,151	4,111	3,789	2,122	17,706	
Non-Ethnic Surnamed	3,348	4,453	3,519	2,816	2,763	16,899	
Korean Surnamed	299	389	697	516	249	2,149	
Chinese Surnamed	3,169	1,726	2,533	2,446	1,211	11,085	
Japanese Surnamed	206	129	143	143	91	713	
Indian Surnamed	254	317	403	138	172	1,284	
Vietnamese Surnamed	193	254	163	232	121	962	
Filipino Surnamed	413	335	173	314	278	1,513	
Total Population (By Age and Gender)	21,401	19,608	20,617	21,488	18,826	101,941	2019 ACS Reformatted Tables -Block Group Tabulation
Male	10,499	9,301	10,222	10,320	8,829	49,171	
Female	10,902	10,307	10,395	11,168	9,998	52,770	
Under 5 years	844	1,243	1,073	1,279	920	5,359	
Male	470	722	642	691	432	2,957	
Female	374	520	432	588	488	2,402	
5 to 17 years	3,336	2,747	3,083	2,676	2,396	14,238	
Male	1,742	1,382	1,686	1,334	1,116	7,260	
Female	1,594	1,365	1,397	1,342	1,279	6,978	
18 to 65 years	13,193	12,348	13,039	13,270	12,708	64,558	
Male	6,409	5,745	6,402	6,392	6,116	31,064	
Female	6,784	6,603	6,637	6,877	6,593	33,494	
65 years and over	4,028	3,270	3,422	4,263	2,802	17,786	
Male	1,877	1,451	1,493	1,903	1,165	7,890	
Female	2,151	1,819	1,929	2,360	1,637	9,895	
Total Households (By Household Income)	6,224	6,422	6,586	6,271	5,093	30,595	
Less than \$10,000	289	260	177	178	172	1,077	
\$10,000 to \$14,999	132	226	139	231	125	853	
\$15,000 to \$24,999	260	254	266	276	296	1,352	
\$25,000 to \$34,999	290	494	360	381	444	1,969	
\$35,000 to \$49,999	509	425	560	554	484	2,532	
\$50,000 to \$74,999	737	821	905	1,045	818	4,327	
\$75,000 to \$99,999	750	702	777	891	781	3,901	
\$100,000 to \$149,999	1,376	1,504	1,510	1,227	979	6,595	
\$150,000 to \$199,999	836	771	934	699	458	3,697	
\$200,000 or more	1,046	965	958	788	536	4,293	

Walnut Valley Water District Demographic Profile

Division	1	2	3	4	5	Total
Population 25 years and over (By Education Level)	15,288	14,121	14,957	15,851	12,381	72,598
Less than 9th grade	807	420	319	817	1,044	3,408
9th to 12th grade, no diploma	516	325	289	765	627	2,521
High school graduate (includes equivalency)	2,410	1,901	1,955	3,621	2,694	12,582
Some college, no degree	2,422	2,519	2,197	2,392	2,401	11,930
Associate degree	1,243	1,192	1,108	1,428	1,179	6,151
Bachelor's degree	5,461	5,164	5,549	5,006	3,153	24,333
Graduate or professional degree	2,429	2,600	3,539	1,822	1,282	11,673
Population 15 years and over (By Marital Status)	18,160	16,347	17,098	18,232	16,171	86,007
Never married	5,791	4,852	4,515	5,643	6,861	27,661
Now married, except separated	10,213	9,186	10,597	10,259	7,278	47,532
Separated	304	85	80	175	156	800
Widowed	943	905	774	1,252	702	4,576
Female	689	783	659	999	621	3,752
Divorced	910	1,319	1,132	902	1,175	5,438
Female	583	806	844	579	689	3,500
Total Housing Units (By Occupancy Status)	6,554	6,719	6,838	6,460	5,275	31,845
Occupied	6,224	6,422	6,586	6,271	5,093	30,595
Owner occupied	5,212	5,001	4,828	4,855	3,825	23,721
Renter occupied	1,012	1,421	1,758	1,416	1,268	6,874
Vacant	329	297	252	189	182	1,250
Occupied Housing Units (Overcrowding by Tenure)	6,224	6,422	6,586	6,271	5,093	30,595
Overcrowded	208	133	143	197	201	880
Severely Overcrowded	20	58	146	105	36	365
Owner Occupied	5,212	5,001	4,828	4,855	3,825	23,721
Overcrowded	110	63	38	133	117	460
Severely Overcrowded	15	30	57	76	16	196
Renter Occupied	1,012	1,421	1,758	1,416	1,268	6,874
Overcrowded	98	70	105	64	84	420
Severely Overcrowded	5	28	89	28	19	169

2019 ACS Reformatted Tables -Block Group Tabulation

Walnut Valley Water District Demographic Profile

Division	1	2	3	4	5	Total	
Population 16 years and over (By Employment Status)	17,868	16,187	16,914	18,001	15,990	84,960	2019 ACS Reformatted Tables -Block Group Tabulation
In labor force:	10,502	10,181	10,592	11,037	9,375	51,687	
Civilian labor force:	10,484	10,181	10,592	11,036	9,361	51,653	
Employed	9,986	9,544	10,060	10,404	8,600	48,594	
Unemployed	498	637	531	632	761	3,059	
Armed Forces	18	-	-	1	15	34	
Not in labor force	7,366	6,006	6,323	6,964	6,615	33,273	
Occupied housing units (Structure Type by Tenure)	6,224	6,422	6,586	6,271	5,093	30,595	
Owner-occupied housing units:	5,212	5,001	4,828	4,855	3,825	23,721	
1 Unit	5,185	4,704	4,422	4,522	3,000	21,833	
2 to 4 Units	5	88	266	83	44	487	
5 or More Units	-	209	140	38	122	510	
Other	22	-	-	211	659	892	
Renter-occupied housing units:	1,012	1,421	1,758	1,416	1,268	6,874	
1 Unit	804	950	1,037	1,124	742	4,657	
2 to 4 Units	12	121	191	40	84	447	
5 or More Units	196	350	530	196	324	1,596	
Other	-	-	-	56	117	174	
Population 5 years and over (By Language Spoken at)	20,506	18,422	19,589	20,197	17,842	96,556	2019 ACS Reformatted Tables -Tract Tabulation
English only	7,173	8,091	6,957	6,354	7,648	36,223	
Language other than English	13,333	10,332	12,631	13,843	10,194	60,333	
Speaks English less than "very well"	5,718	4,351	5,482	7,616	4,518	27,685	
Spanish	2,908	2,122	1,556	2,306	4,225	13,117	
Speaks English less than "very well"	687	475	333	602	1,418	3,514	
Other Indo-European languages	447	992	963	466	541	3,409	
Speaks English less than "very well"	101	212	165	81	174	733	
Asian and Pacific Island languages	9,803	6,920	10,009	11,012	5,326	43,070	
Speaks English less than "very well"	4,895	3,595	4,985	6,918	2,908	23,301	

Walnut Valley Water District Demographic Profile

Division	1	2	3	4	5	Total	
Population 1 years and over (By Residence Previous Year)	21,272	19,405	20,389	21,285	18,678	101,029	
Same house	20,010	17,240	18,249	19,499	16,495	91,493	
Different house in the U.S.	1,081	1,895	1,758	1,405	1,951	8,090	
Same county	678	1,258	1,257	919	1,251	5,365	
Different county	403	636	501	486	700	2,725	
Same state	274	290	409	269	537	1,779	
Different state	128	346	92	217	164	946	
Elsewhere	181	271	381	381	231	1,446	
Population With Poverty Status Determined (by Poverty)	21,375	19,556	20,602	21,452	17,199	100,183	
Income Below Poverty Level Past 12 Months	1,486	1,441	1,045	1,431	1,337	6,740	
Under 18 years	258	306	137	245	286	1,231	
Over 65	264	313	290	520	291	1,678	
Income At or Above Poverty Level Past 12 Months	19,890	18,114	19,557	20,021	15,862	93,443	
Under 18 years	3,833	3,547	4,033	3,729	2,982	18,124	
Over 65	3,814	2,879	3,205	3,585	2,580	16,063	
Total Under 18 years	4,091	3,853	4,170	3,974	3,268	19,355	
Total Over 65	4,078	3,192	3,494	4,105	2,871	17,741	
Occupied housing units (By Housing Cost % of Income By)	6,234	6,382	6,602	6,305	5,078	30,599	
Less than 20 percent	2,653	2,147	2,344	2,409	2,106	11,658	
20 to 29 percent	1,151	1,521	1,545	1,422	1,152	6,791	
30 percent or more	2,166	2,498	2,467	2,311	1,697	11,139	
Owner-occupied housing units:	5,180	4,826	4,936	4,888	3,883	23,713	
Less than 20 percent	2,462	2,039	2,001	2,133	1,852	10,487	
20 to 29 percent	976	1,198	1,237	1,061	893	5,366	
30 percent or more	1,649	1,582	1,647	1,663	1,123	7,665	
Renter-occupied housing units:	1,054	1,556	1,665	1,417	1,194	6,886	
Less than 20 percent	191	108	342	276	254	1,171	
20 to 29 percent	175	323	308	361	259	1,426	
30 percent or more	517	916	820	648	574	3,474	

2019 ACS Reformatted Tables -Tract Tabulation



Summary of Redistricting Law, Criteria, and Process

2022 Board of Directors Redistricting Process

January 18, 2022

Overview of Redistricting Laws

- U.S. Constitution
- Federal Voting Rights Act
- California Elections Code
- California Constitution
- Case Law

Equal Population Principle

- General Principle: Board of Director Divisions must be substantially equal in population
 - U.S. Constitution's Equal Protection Clause and “One-Person, One-Vote” Jurisprudence
 - California Elections Code Section 21621 (“substantially equal” in “total population” as required by the U.S. Constitution)

Equal Population Principle

- Make good faith effort to draw districts with equal population
- Exact equality is not required for local districts if deviation is justified by legitimate state purposes
- Deviation of less than 10 percent is presumptively valid
 - Only if for legitimate reasons
 - Deviations should be explained on traditional redistricting criteria of other lawful justifications
- Legal Authorities –U.S. Constitution, Supreme Court Case Law including *Reynolds v. Sims*, *Gaffney v. Cummings*, *Larios v. Cox*, *Harris v. Arizona Independent Redistricting Commission*

Equal Population Principle

- Deviations from equal population should be justified
 - Show consistent reliance on traditional redistricting criteria (e.g., respecting neighborhoods and communities of interest, observing natural and other boundaries, maintaining compact districts)
- Do not seek to disadvantage any particular group
- Show good faith effort

Equal Population Principle

- Measuring Population Equality and Deviation
 - Start with District's total population
 - 97,475
 - Determine ideal equal population of the 5 Board of Director Divisions
 - 19,495
 - Determine percent deviation from ideal of each district
 - Determine total percent deviation – difference between the districts with the greatest positive and negative percent deviations

Equal Population Principle

Division	Total Population	Ideal Population	Percent Deviation
1	19,000	20,000	-5
2	20,000	20,000	0
3	19,900	20,000	-0.5
4	20,900	20,000	+4.5
5	20,200	20,000	+1.0

- Example of a District with a population of 100,000 and 5 Board of Directors Divisions
- Total Percent Deviation = 9.5%

Traditional Redistricting Criteria

- Focus on traditional redistricting criteria
 - Contiguity
 - Compactness
 - Natural Boundaries and Streets
 - Neighborhood and Communities of Interest

- Legal Authorities – Case Law, California Constitution Article XXI, Section 2; California Elections Code Section 21621

Traditional Redistricting Criteria

- Contiguity – all parts of district should connect
- Compactness – district should be geographically compact
 - Many ways to measure compactness
 - Be aware of appearance, shape, and border lines
- Existing boundaries – observe existing boundaries
 - Geographic, topographic boundaries
 - Streets, Freeways
 - Other Boundaries

Traditional Redistricting Criteria

- Neighborhoods and Communities of Interest – preserve communities sharing common interests
 - Neighborhoods
 - Example of Common Interests
 - Land Use patterns (residential, industrial, commercial)
 - Cultural and Language characteristics
 - Income Level
 - Educational Background; Employment and Economic patterns
 - Crime, schools, other common issues
 - Obtain public testimony and consider census data, City neighborhood information, planning information, etc.

Equal Protection Clause

- 14th Amendment's Equal Protection Clause prohibits the use of race as the predominant factor in redistricting except in narrow cases
 - race generally cannot be “predominant” factor
 - i.e., no racial gerrymandering
- Legal Authorities – U.S. Constitution; Supreme Court Case law including Shaw v. Reno, Miller v. Johnson, Bush v. Vera, Cromartie I & II, Alabama Legislative Black Caucus, Cooper v. Harris, Bethune-Hill

Equal Protection Clause

- 14th Amendment's Equal Protection Clause does not, however, prohibit all consideration of race
- May consider race as a factor along with traditional race-neutral redistricting criteria
- Consideration of traditional criteria should not be subordinated to consideration of race and should be contemporaneous

Equal Protection Clause

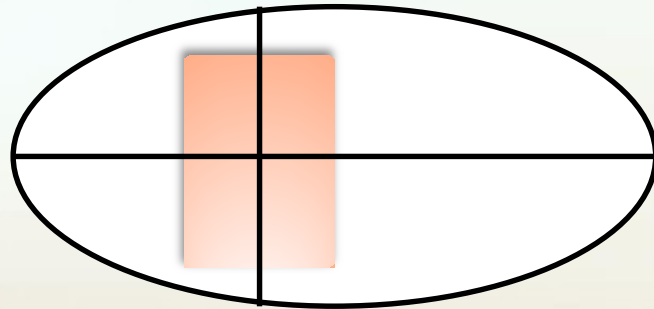
- Evidence of race as a predominant factor:
 - Direct testimony
 - Circumstantial evidence (demographics, shape, changes, process, public record)
- If race determined to be predominant factor, strict scrutiny applies to redistricting plan
 - Need compelling state interest
 - Plan must be narrowly tailored
 - High burden

Federal Voting Rights Act

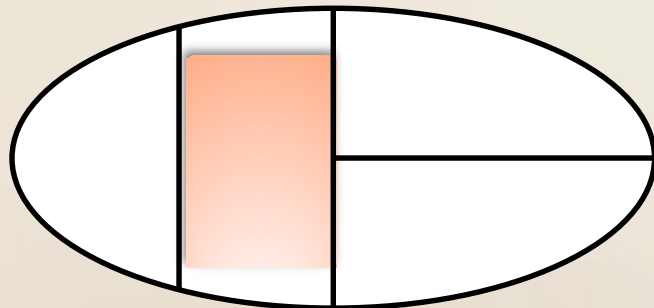
- Section 2 of the Voting Rights Act of 1965
 - Prohibits any voting practice or procedure that “results in a denial or abridgement” of the right to vote based on race, color, or language minority status
 - Applies to prohibit redistricting plans that result in “vote dilution” by depriving minority voters of an equal opportunity to elect a candidate of their choice
 - i.e., must not unlawfully minimize or cancel minority voting strength
 - Discriminatory effect sufficient, discriminatory intent not required

Federal Voting Rights Act

- Examples of “Vote Dilution”
 - **Fracturing** – dispersing minority voters into several different districts such that a bloc-voting majority can routinely outvote them



- **Packing** – concentrating minority voters into a small number of districts and thereby minimizing their influence in other districts



Federal Voting Rights Act

- The Supreme Court has set three preconditions to Section 2 liability under the federal VRA (the “Gingles” criteria)
 - The minority group must be sufficiently large and geographically compact to constitute a majority in a district
 - The minority group must be politically cohesive; and
 - The majority votes sufficiently as a bloc to enable it usually to defeat the minority’s preferred candidate
- Legal Authorities – Section 2 of the Voting Rights Act; *Thornburg v. Gingles*

Summary of Law and Criteria

- Key Principles to Keep in Mind
 - Strive for Population Equality
 - Make a good faith effort to draw districts equal in population
 - Justify any deviations with use of traditional redistricting criteria
 - Focus on Traditional Redistricting Criteria
 - Draw contiguous and compact districts
 - Respect boundaries, neighborhoods, and communities of interest
 - Obtain public testimony, neighborhood/community information, and make a good record
 - Do not Use Race as the Predominant Factor
 - Focus on traditional race-neutral criteria
 - Comply with the Voting Rights Act
 - Avoid fracturing or packing minority voters
 - Establish and Follow a Good Process

2020 Walnut Valley Water District Demographic Profile

Board of Directors Divisions	1		2		3		4		5		Total	
Total Population (Pop) 2020 Adjusted	20,226		19,374		20,165		19,790		17,920		97,475	
Deviation	731	3.6%	(121)	-0.6%	670	3.3%	294	1.5%	(1,575)	-8.8%		12.4%
Latino	4,087	20.2%	4,522	23.3%	2,707	13.4%	4,256	21.5%	6,208	34.6%	21,780	22.3%
White	2,004	9.9%	3,284	16.9%	2,642	13.1%	1,916	9.7%	2,750	15.3%	12,595	12.9%
Black	446	2.2%	1,031	5.3%	509	2.5%	293	1.5%	627	3.5%	2,906	3.0%
American Indian	36	0.2%	76	0.4%	72	0.4%	48	0.2%	62	0.3%	294	0.3%
Asian	13,377	66.1%	10,168	52.5%	13,960	69.2%	13,048	65.9%	8,032	44.8%	58,585	60.1%
Hawaiian, Pacific Islander	21	0.1%	35	0.2%	27	0.1%	25	0.1%	33	0.2%	141	0.1%
Other Race	108	0.5%	123	0.6%	100	0.5%	99	0.5%	98	0.5%	528	0.5%
Multi Minority Race	148	0.7%	135	0.7%	148	0.7%	104	0.5%	111	0.6%	646	0.7%



2022 Redistricting Timeline

- **Summary of Redistricting Law, Criteria, 2020 Census, and Process
Pre-Draft Map Public Hearing** Tue. January 18, 2022 – 5pm
- **Public Workshop** Thu. January 20, 2022 – 4pm
- **Presentation and Adoption of Draft District Boundaries Map
Pre-Final Map Public Hearing** Tue. Mon. February 22, 2022 – 5pm
- **Presentation and Adoption of Final District Boundaries Map
Final Public Hearing** Tue. March 21, 2022 – 5pm

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
DATE: January 18, 2022
SUBJECT: Consideration to Adopt Ordinance No. 01-18-22 to Amend and Restate Ordinance No. 07-16-09 to Establish Water Use Efficiency Requirements and Water Supply Shortages Stages, and to Adopt Resolution No. 01-22-690 to Declare a Stage 2 Water Supply Shortage

Action/Discussion Fiscal Impact Resolution Information Only

Recommendation

Request that the Board of Directors accepts staff's recommendations to:

1. Adopt Ordinance No. 01-18-22 to amend and restate Ordinance No. 07-16-09, "An Ordinance of Walnut Valley Water District to Establish Water Use Efficiency Requirements and Water Supply Shortage Stages" to incorporate the state's permanent water restrictions, to better respond to the experiences of the past year, and to create greater flexibility for future water shortage events;
2. Consider adoption of Resolution No. 01-22-690 approving the implementation of a Stage 2 Water Supply Shortage (we are currently at Stage 1);

Background

In July 2009 the District's Board of Directors adopted Ordinance No. 07-16-09 to establish water use efficiency requirements and water supply shortage stages. California's recent drought and the resulting actions the District has had to take to comply with applicable regulatory requirements have demonstrated that various revisions to that ordinance are necessary to provide greater flexibility for the District to implement water supply shortage restrictions in relation to current water supply conditions and near-term forecasts.

The purpose of this Ordinance is to establish water use efficiency requirements and water supply shortage stages that will reduce water consumption within the District through conservation, enable effective water supply planning, assure reasonable and beneficial use of water, prevent waste of water, and maximize the efficient use of water within the District to avoid and minimize the effect and hardship of water shortage on the District and its customers to the greatest extent possible.

This Ordinance establishes permanent water use efficiency requirements intended to alter behavior related to water use efficiency at all times and further establishes six stages of water supply shortage response actions to be implemented during times of declared water shortage or declared water shortage emergency, with increasing restrictions on water use in response to worsening drought or emergency conditions and decreasing supplies.

As a follow-up to the Governor's call for a 15% reduction in water use and the State Water Resources Control Board Emergency Water Use Regulations,

- Staff is proposing the attached amendment and restatement of the District's Water Use Efficiency Ordinance in an effort to provide greater flexibility for the District, while

implementing water supply shortage restrictions that are based on current water supply conditions and near-term forecasts and the state's permanent conservation orders. Additionally, the revised Ordinance No. 01-18-22 shall be compliant with the Urban Water Management Plan Act and align with the District's 2020 Urban Water Management Plan and its Water Shortage Contingency Plan.

- Accordingly, if the Board adopts Ordinance No. 01-88-22, staff further recommends that the Board adopt Resolution No. 01-22-690 to declare a Stage 2 Water Supply Shortage (Up to 20% Reduction of Water Use) - from the current Stage 1 (Up to 10% Reduction of Water Use). This will continue the District's water use efficiency efforts, and continue to encourage customers to elevate their conservation and water use efficiency efforts.

Customer Outreach

Should the Board adopt Ordinance No. 01-18-22 and Resolution No. 01-22-690 staff will commence with an extensive outreach program to notify customers of these actions, while continuing to encourage their conservation efforts, specifically outline the newly adopted water use restrictions. Such outreach efforts will include notifications in the District's bill inserts, the District website and all social media platforms, monthly and additional e-newsletters and e-blasts, and more.

Efforts to lower overall water demand in Stage 2 include:

- Watering or irrigating of lawn, landscape, or other vegetated areas to a maximum of three (3) days per week.
- An obligation to fix leaks, breaks, or malfunctions within 72 hours after written notification by the District, unless other arrangements are made by the District.
- Limited filling of residential pools and spas more than one foot of depth and initial filling of residential swimming pools or outdoor spas with potable water is prohibited.

Additional water conservation efforts include:

- No watering between 8:00 a.m. to 5:00 p.m.
- No water runoff onto streets, driveways, sidewalks, and gutters.
- No watering during rain.
- No watering up to 48 hours after rain.
- No washing of any hard surfaces such as sidewalks, walkways, driveways, buildings, structures, parking areas/lots, or patios using water, except for health and safety needs.
- No washing of a motor vehicle with a hose unless the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use.
- No use of potable water for decorative fountains or the filling or topping-off of decorative lakes or ponds, with exceptions for those decorative fountains, lakes, or ponds that use pumps to recirculate water and only require refilling to replace evaporative losses.

ORDINANCE NO. 01-18-22

AN ORDINANCE OF WALNUT VALLEY WATER DISTRICT
AMENDING AND RESTATING ORDINANCE NO. 07-16-09
TO ESTABLISH WATER USE EFFICIENCY REQUIREMENTS AND
WATER SUPPLY SHORTAGE STAGES

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF WALNUT VALLEY WATER DISTRICT (DISTRICT) AS FOLLOWS:

Section 1: Finding

- A. Careful water management that includes active water conservation measures at all times is essential to ensure a reliable supply of water to meet current and future water supply needs within the District's service area.
- B. Article X, Section 2, of the California Constitution declares that the general welfare requires that water resources be put to beneficial use, waste or unreasonable use or unreasonable method of use of water be prevented, and conservation of water be fully exercised with a view to the reasonable and beneficial use thereof.
- C. California Water Code Section 375 authorizes water suppliers to adopt and enforce a comprehensive water conservation program to reduce water consumption and conserve supplies.
- D. Section 4.07 of the District's Rules and Regulations ensures that water resources available to the District are put to a reasonable beneficial use and that the benefits of the District's water supply and service extend to the greatest number of persons.
- E. The adoption and enforcement of water use efficiency requirements and water supply shortage stages are necessary to manage the District's potable water supply to avoid or minimize the effects of drought and shortage within the District. Such measures are essential to ensure a reliable and sustainable minimum supply of water for the public health, safety, and welfare.
- F. In July 2009 the District's Board of Directors adopted Ordinance No. 07-16-09 to establish water use efficiency requirements and water supply shortage stages. California's recent drought and the resulting actions the District has had to take to comply with applicable regulatory requirements has demonstrated that various revisions to that ordinance are necessary to provide greater flexibility for the District to implement water supply shortage restrictions in relation to current water supply conditions and near-term forecasts. The District's Board of Directors therefore is amending and restating Ordinance No. 07-16-09 through this Ordinance No. 01-18-22 to provide that greater flexibility.

Section 2: Purpose

- A. The purpose of this Ordinance is to establish water use efficiency requirements and water supply shortage stages that will reduce water consumption within the District through conservation, enable effective water supply planning, assure reasonable and beneficial use of water, prevent waste of water, and maximize the efficient use of water within the District to avoid and minimize the effect and hardship of water shortage on the District and its customers to the greatest extent possible.
- B. This Ordinance establishes permanent water efficiency use requirements intended to alter behavior related to water use efficiency at all times and further establishes six stages of water supply shortage response actions to be implemented during times of declared water shortage or declared water shortage emergency, with increasing restrictions on water use in response to worsening drought or emergency conditions and decreasing supplies.

Section 3: Application

- A. The provisions of this ordinance apply to any person in the use of any potable water provided by the District.
- B. The provisions of this ordinance do not apply to uses of water necessary to protect public health and safety by the District or essential government services, such as police, fire, and other similar emergency services.
- C. The provisions of this ordinance do not apply to the use of recycled water.
- D. The provisions of this ordinance do not apply to the use of water by commercial nurseries and commercial growers to sustain plants, trees, shrubs, crops, or other vegetation intended for commercial sale.

Section 4: Authorization

- A. The District's General Manager or his or her designated representative is hereby authorized and directed to implement the staged water conservation and enforcement provisions of this Ordinance as necessary. In that regard, the General Manager or his or her designated representative shall have the authority to select from among the mandatory water use restrictions, including daily irrigation limitations, specified for each particular stage of water supply shortage based on the District's then existing water supply conditions.

Section 5: Water Use Efficiency Requirements – Prohibition Against Water Waste/Permanent Water Use Restrictions

- A. As part of the District's ongoing commitment to water use efficiency at all times, the following water use efficiency requirements are effective at all times and are permanent requirements set forth in the District's Rules and Regulations, Section 4.07.01. Violations of this section will be considered waste and an unauthorized use of water, which will result in penalties outlined in Section 14.
1. **Limit on Watering Duration:** Watering or irrigating of lawn, landscape, or other vegetated area with potable water using a landscape irrigation system or a watering device that is not continuously attended is limited to no more than 15 minutes watering per day per station. This does not apply to landscape irrigation systems that exclusively use very low-flow drip type irrigation systems when no emitter produces more than two gallons of water per hour and weather-based controllers or stream rotor sprinkles that meet the 70 percent efficiency standard.
 2. **Limits on Watering Hours:** Watering or irrigation of lawn, landscape, or other vegetated area with potable water is prohibited between the hours of 8:00 a.m. and 5:00 p.m. on any day, except by use of a hand-held bucket or similar container, a hand-held hose equipped with a positive self-closing water shut-off nozzle or device, or for short periods of time for the express purpose of adjusting or repairing an irrigation system.
 3. **Limits on Watering Following Precipitation/Rainfall:** Watering or irrigating of lawn, landscape, or other vegetated area with potable water within 48 hours following measurable precipitation is prohibited.
 4. **No Excessive Water Flow or Runoff:** Watering or irrigating of any lawn, landscape, or other vegetated area in a manner that causes or allows excessive water flow or runoff onto an adjoining sidewalk, driveway, street, alley, gutter, or ditch is prohibited.
 5. **No Washing Down Hard or Paved Surfaces:** Washing down hard or paved surfaces, including but not limited to sidewalks, walkways, driveways, parking areas, tennis courts, patios, or alleys, is prohibited except when necessary to alleviate safety or sanitary hazards, and then only by use of a hand-held bucket or similar container, a hand-held hose equipped with a positive self-closing water shut-off device, a low-volume, high-pressure cleaning machine equipped to recycle any water used, or a low-volume high-pressure water broom.
 6. **Obligation to Fix Leaks, Breaks, or Malfunctions:** Excessive use, loss, or escape of water through breaks, leaks, or other malfunctions in the water user's plumbing or distribution system for any period of time after such escape of water should have reasonably been discovered and corrected and in no event more than seven days after receiving written notice from the District is prohibited.
 7. **Limits on Washing Vehicles:** Using water to wash or clean a vehicle, including but not limited to any automobile, truck, van, bus, motorcycle, boat, or trailer, whether motorized or not, is prohibited, except by use of a hand-held bucket or similar container or a hand-held hose equipped with a positive self-closing water shut-off nozzle or device. This does not apply to any commercial car washing facility.
 8. **Re-circulating Water Required for Water Fountains and Decorative Water Features:** Operating a water fountain or other decorative water feature that does not use re-circulated water is prohibited.
 9. **No Installation of Single Pass Cooling Systems Water System:** Installation of single pass cooling systems is prohibited in buildings requesting new water service.
 10. **No Installation of Non-re-circulating in Commercial Car Wash and Laundry Systems:** Installation of non-re-circulating water systems is prohibited in new commercial conveyor car wash and new commercial laundry systems
 11. **No Irrigating Ornamental Turf on Public Street Medians:** Irrigating ornamental turf on Public Street Medians with potable water is prohibited.
 12. **Negligent Waste of Water:** At the discretion of the General Manager, the District reserves the right to determine negligent waste or misuse of water supplies. Such water use

constitutes an unauthorized waste of water and is subject to the imposition penalties outlined in Section 14.

- B Voluntary Conservation: In addition to the prohibited uses of water identified above, District customers are encouraged to voluntarily conserve water at all times. District customers are therefore requested to voluntarily implement the mandatory water use restrictions set forth in Stages 1, 2, 3, 4, 5 and 6, to the extent feasible during times when those mandatory restrictions may not be in effect.

Section 6: Stage 1 Water Supply Shortage - (Up to 10% Reduction of Water Use)

- A. A Stage 1 Water Supply Shortage exists when the District, through its Board of Directors, determines that due to drought, a water supply shortage or a threatened water shortage exists, and customer allocations are necessary to make more efficient use of water and appropriately respond to existing water conditions and a reduction of water use of up to 10 percent will be required to lower overall water demand.
- B. **Additional Water Conservation Measures:** In addition to the prohibited uses of water identified above, the following water conservation requirements apply during a declared Stage 1 Water Supply Shortage:
 - 1. **Limits on Watering Days:** Watering or irrigating of lawn, landscape, or other vegetated area with potable water will be limited a maximum number of days per week, to be determined by the District's Board of Directors, or as modified by the General Manager, based on the District's then existing water supply conditions. The irrigation day limitation and schedule will be as posted by the District. This does not apply to landscape irrigation zones that exclusively use very low-flow drip type irrigation systems when no emitter produces more than two gallons of water per hour. This also does not apply to watering or irrigating by use of a hand-held bucket or similar container, or a hand-held hose equipped with a positive self-closing water shut-off nozzle or device, or for very short periods of time for the express purpose of adjusting or repairing an irrigation system. The District reserves the right to amend the watering day limits within each prescribed stage as determined by conservation necessity.
 - 2. **Obligation to Fix Leaks, Breaks, or Malfunctions:** All leaks, breaks, or other malfunctions in the water user's plumbing or distribution system must be repaired within five days after written notification by the District unless other arrangements are made with the District.

Section 7: Stage 2 Water Supply Shortage - (Up to 20% Reduction of Water Use)

- A. A Stage 2 Water Supply Shortage exists when the District, through its Board of Directors, determines that due to drought, a water supply shortage or a threatened water shortage exists, and customer allocations are necessary to make more efficient use of water and appropriately respond to existing water conditions and a reduction of water use of up to 20 percent will be required to lower overall water demand.
- B. **Additional Conservation Measures:** In addition to the prohibited uses of water identified in Section 4 and 5, the following additional water conservation requirements apply during a declared Stage 2 Water Supply Shortage:
 - 1. **Limits on Watering Days:** Watering or irrigating of lawn, landscape, or other vegetated area with potable water will be limited to a maximum of three days per week on a schedule established and posted by the District. This does not apply to landscape irrigation zones that exclusively use very low-flow drip type irrigation systems when no emitter produces more than two gallons of water per hour. This also does not apply to watering or irrigating by use of a hand-held bucket or similar container, or a hand-held hose equipped with a positive self-closing water shut-off nozzle or device, or for very short periods of time for the express purpose of adjusting or repairing an irrigation system. The District reserves the right to amend the watering day limits within each prescribed stage as determined by conservation necessity.
 - 2. **Obligation to Fix Leaks, Breaks, or Malfunctions:** All leaks, breaks, or other malfunctions in the water user's plumbing or distribution system must be repaired within 72hours after written notification by the District unless other arrangements are made with the District.
 - 3. **Limits on Filling Residential Swimming Pools & Spas:** Re-filling of water constituting more than one foot of depth and initial filling of residential swimming pools or outdoor spas with potable water is prohibited.

Section 8: Stage 3 Water Supply Shortage - Emergency Condition (Up to 30% Reduction of Water Use)

- A. A Stage 3 Water Supply Shortage exists when the District, through its Board of Directors, determines that due to drought, a water supply shortage or a threatened water shortage exists,

and customer allocations are necessary to make more efficient use of water and appropriately respond to existing water conditions and a reduction of water use of up to 30 percent will be required to lower overall water demand.

B. **Additional Conservation Measures:** In addition to the prohibited uses of water identified in Sections 4, 5, and 6, the following water conservation requirements apply during a declared Stage 3 Water Supply Shortage:

1. **Limits on Watering Days:** Watering or irrigating of lawn, landscape, or other vegetated area with potable water will be limited to a maximum of two days per week on a schedule established and posted by the District. This does not apply to landscape irrigation zones that exclusively use very low-flow drip type irrigation systems when no emitter produces more than two gallons of water per hour. This also does not apply to watering or irrigating by use of a hand-held bucket or similar container, or a hand-held hose equipped with a positive self-closing water shut-off nozzle or device, or for very short periods of time for the express purpose of adjusting or repairing an irrigation system. The District reserves the right to amend the watering day limits within each prescribed stage as determined by conservation necessity.
2. **Obligation to Fix Leaks, Breaks or Malfunctions:** All leaks, breaks, or other malfunctions in the water user's plumbing or distribution system must be repaired within 48 hours after written notification by the District unless other arrangements are made with the District

Limits on Filling Ornamental Lakes or Ponds: Filling or re-filling ornamental lakes or ponds is prohibited, except to the extent needed to sustain aquatic life, provided that such animals are of significant value and have been actively managed within the water feature prior to declaration of a supply shortage level under Ordinance No. 01-18-22.

Section 9: Stage 4 Water Supply Shortage - Emergency Conditions (Up to 40% Reduction of Water Use)

- A. A Stage 4 Water Supply Shortage exists when the District, through its Board of Directors, determines that due to drought, a water supply shortage or a threatened water shortage exists, and customer allocations are necessary to make more efficient use of water and appropriately respond to existing water conditions and a reduction of water use of up to 40 percent will be required to lower overall water demand.
- B. In addition to the prohibited uses of water identified above, the following water conservation requirements apply during a declared Stage 4 Water Supply Shortage:

1. Limits on Watering Days:

Watering or irrigating of lawn, landscape, or other vegetated area with potable water will be limited to a maximum of two days per week on a schedule established and posted by the District. This does not apply to landscape irrigation zones that exclusively use very low-flow drip type irrigation systems when no emitter produces more than two gallons of water per hour. This also does not apply to watering or irrigating by use of a hand-held bucket or similar container, or a hand-held hose equipped with a positive self-closing water shut-off nozzle or device, or for very short periods of time for the express purpose of adjusting or repairing an irrigation system. The District reserves the right to amend the watering day limits within each prescribed stage as determined by conservation necessity.

2. **Obligation to Fix Leaks, Breaks, or Malfunctions:** All leaks, breaks, or other malfunctions in the water user's plumbing or distribution system must be repaired within 48 hours after written notification by the District unless other arrangements are made by the District.

3. **Limits on Filling Ornamental Lakes or Ponds:** Filling or re-filling ornamental lakes or ponds is prohibited, except to the extent needed to sustain aquatic life, provided that such animals are of significant value and have been actively managed within the water feature prior to declaration of a supply shortage level under Ordinance No. 07-16-09.

Section 10: Stage 5 Water Supply Shortage Level (Up to 50% Reduction of Water Use)

- A. A Stage 5 Water Supply Shortage exists when the District, through its Board of Directors, determines that due to drought, a water supply shortage or a threatened water shortage exists, and customer allocations are necessary to make more efficient use of water and appropriately respond to existing water conditions and a reduction of water use of up to 50 percent will be required to lower overall water demand.

B. In addition to the prohibited uses of water identified above, the following water conservation requirements apply during a declared Stage 5 Water Supply Shortage:

1. **Limits on Watering Days:** Watering or irrigating of lawn, landscape, or other vegetated area with potable water is limited to a maximum of one day per week on a schedule established and posted by the District. This does not apply to landscape irrigation zones that exclusively use

very low-flow drip type irrigation systems when no emitter produces more than two gallons of water per hour. This also does not apply to watering or irrigating by use of a hand-held bucket or similar container, or a hand-held hose equipped with a positive self-closing water shut-off nozzle or device, or for very short periods of time for the express purpose of adjusting or repairing an irrigation system. This restriction does not apply to the following categories of use:

- i. Maintenance of vegetation, including trees and shrubs, that are watered using a hand-held bucket or similar container, hand-held hose equipped with a positive self-closing water shut-off nozzle or device
- ii. Maintenance of existing landscape necessary for fire protection
- iii. Maintenance of existing landscape for soil erosion control
- iv. Maintenance of plant materials identified to be rare or essential to the well-being of protected species
- v. Maintenance of landscape within active public parks and playing fields, daycare centers, golf course greens, and school grounds, provided that such irrigation does not exceed two days per week according to the schedule established in Section 6(8)(1) and time restrictions in Section 5(8)(1) of Ordinance No, 07-16-09
- vi. Actively irrigated environmental mitigation projects

Section 11: Stage 6 Water Supply Shortage Level (More than 50% Water Use Reduction)

- A. Stage 6, also referred to as an “Emergency” condition, exists when the District, through its Board of Directors, declares a water shortage emergency and notifies its residents and businesses that more than 50 percent reduction of water use is necessary to maintain sufficient water supplies for public health and safety.
- B. In addition to the prohibited uses of water identified above, the following water conservation requirements apply during a declared Stage 6 Water Supply Shortage:
 1. **Limits on Watering Days:** Watering or irrigating of lawn, landscape, or other vegetated area with potable water is prohibited. This does not apply to landscape irrigation zones that exclusively use very low-flow drip type irrigation systems when no emitter produces more than two gallons of water per hour. This also does not apply to watering or irrigating by use of a hand-held bucket or similar container, or a hand-held hose equipped with a positive self-closing water shut-off nozzle or device, or for very short periods of time for the express purpose of adjusting or repairing an irrigation system. This restriction does not apply to the following categories of use:
 - i. Maintenance of vegetation, including trees and shrubs, that are watered using a hand-held bucket or similar container, hand-held hose equipped with a positive self-closing water shut-off nozzle or device
 - ii. Maintenance of existing landscape necessary for fire protection
 - iii. Maintenance of existing landscape for soil erosion control
 - iv. Maintenance of plant materials identified to be rare or essential to the well-being of protected species
 - v. Maintenance of landscape within active public parks and playing fields, daycare centers, golf course greens, and school grounds, provided that such irrigation does not exceed two days per week according to the schedule established in Section 6(8)(1) and time restrictions in Section 5(8)(1) of Ordinance No. 01-18-22
 - vi. Actively irrigated environmental mitigation projects

Section 12: Procedures for Determination /Notification of Water Supply Shortage

- A. **Declaration and Notification of Water Supply Shortage:** The existence of Stage 1, Stage 2, Stage 3, Stage 4, Stage 5, or Stage 6 Water Supply Shortage conditions may be declared by resolution and adopted at a regular or special Board meeting held by the District in accordance with State law. The mandatory conservation requirements applicable to Stage 1, Stage 2, Stage 3, Stage 4, Stage 5, or Stage 6 conditions will take effect on the tenth day after the date the Stage level is declared. Within five days following the declaration of the shortage level, the District must publish a copy of the resolution in a newspaper used for publication of official notices.

Section 13: Hardship Waiver

- A. **Undue and Disproportionate Hardship:** If, due to unique circumstances, a specific requirement of this Ordinance would result in undue hardship to a District customer, the customer may apply for a waiver to the requirements as provided in this section.
- B. **Written Finding:** The waiver may be granted or conditionally granted only upon a written finding of the existence of facts demonstrating an undue hardship to a customer.
- C. **Application:** Application for a waiver must be on a form prescribed by the District.
- D. **Supporting Documentation:** The application must be accompanied by photographs, maps, drawings, and other information, including a written statement of the applicant.

- E. **Required Findings for Waiver:** An application for a waiver will be denied unless the District's Board of Directors finds, based on the information provided in the application, supporting documents, or such additional information as may be requested, that because of special circumstances applicable to the property or its use, the strict application of this chapter would have a disproportionate impact on the property or use that exceeds the impacts to residents or businesses.
- F. **Approval Authority:** The applicant requesting the waiver must be promptly notified in writing of any action taken. Unless specified otherwise at the time a waiver is approved, the waiver will apply to the subject property during the period of the mandatory water supply shortage condition.

Section 14: Penalties and Violations

- A. **Violations:** Violations of this ordinance may be considered an unauthorized use of water and subject to penalties established in the District's Rules and Regulations, Article 4.05.02.03 and/or Article 4.03.07.06.
- B. **Penalties:** Penalties for failure to comply with any provisions of the ordinance are as follows:
 - 1. **First Violation:** The District will issue a written notice of non-compliance and deliver a copy of this ordinance by certified mail.
 - 2. **Second Violation:** For a second violation within the preceding 12 calendar months, the District will issue a final written notice of non-compliance.
 - 3. **Third and Subsequent Violations:** A third violation, and any subsequent violation, within the preceding 12 calendar months may be considered an unauthorized use of water and subject to penalties established in Article 4.05.02.03 and/or Article 4.03.07.06 of the District's Rules and Regulations
 - 4. **Water Flow Restrictor:** In addition to any fines, the District may install a water flow restrictor device of approximately one gallon per minute capacity for services up to one and one-half inches in size and comparatively sized restrictors for larger services after providing written notice to the customer of intent to install a flow restrictor for a minimum of 48 hours prior to such installation.
- C. **Cost of Flow Restrictor and Disconnecting Service:** A person or entity that violates this ordinance is responsible for payment of the District's charges for installing and/or removing any flow restricting device and for disconnecting and/or reconnecting service per the District's schedule of charges then in effect. The charge for installing and/or removing any flow restricting device and disconnection service must be paid to the District before water supply is returned. Nonpayment will be subject to the same remedies as nonpayment of basic water rate established in the District's Rules and Regulations.
- D. **Separate Offenses:** Each day that a violation of this ordinance occurs is a separate offense.
- E. **Notice and Hearing:** The District will issue a Notice of Violation by certified mail or personal delivery at least 10 days before taking enforcement action. Such notice must describe the violation and the date by which corrective action must be taken. A customer may appeal the Notice of Violation by filing a written notice of appeal with the District no later than the close of business on the day before the date scheduled for enforcement action. Any Notice of Violation not timely appealed will be final. Upon receipt of a timely appeal, a hearing on the appeal will be scheduled, and the District will send by certified mail a written notice of the hearing date to the customer at least 10 days before the date of the hearing. Pending receipt of a written appeal or pending a hearing pursuant to an appeal, the District may take appropriate steps to prevent the unauthorized use of water as appropriate to the nature and extent of the violations and the current declared water Level condition.
- F. **Reporting Mechanism - Hotline:** The District has established a water waste hotline (909) 348-8228 and an online report form on the District's website (www.wvwd.com) for customers to report water waste violations detailed in this Ordinance.

Section 15: Severability: If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional or invalid by a court of competent jurisdiction, such decision shall not affect the remaining portions of this Ordinance and those shall remain in full force and effect.

Section 16: Effective Date:

- A. This Ordinance shall become effective as of the date of adoption and the entire Ordinance shall be published once in a newspaper of general circulation in Walnut Valley Water District within 10 days of passage, pursuant to Water Code Section 376 and Government Code Section 606.1.

Ayes:

Noes:
Abstain:
Absent:

Jerry Tang
President, Board of Directors

ATTEST:

Erik Hitchman
Secretary, Board of Directors

RESOLUTION NO. 01-22-690

**RESOLUTION OF THE WALNUT VALLEY WATER DISTRICT BOARD OF DIRECTORS
DECLARING A STAGE 2 WATER SUPPLY SHORTAGE PURSUANT TO
DISTRICT ORDINANCE NO. 01-18-22**

WHEREAS, the State of California is experiencing drought conditions, and

WHEREAS, the Walnut Valley Water District is dependent upon imported water supplies and committed to providing a reliable water supply to its customers, and

WHEREAS, Governor Gavin Newsom and the State Water Resources Control Board have asked all Californians to continue to conserve our precious water supplies, and

WHEREAS, the Walnut Valley Water District's Board of Directors has continued to support water conservation efforts and has adopted Ordinance No. 01-18-22 to amend and restate Ordinance No. 07-16-19 to establish water use efficiency requirements and water supply shortage stages, and

WHEREAS, the District's customers, whether during dry and wet periods, have been conserving water for many years, particularly since the last declared drought, and

WHEREAS, water conservation is an important safeguard in ensuring a reliable water supply now and into the future, and

WHEREAS, while the District's service area and other areas of the state recently received rain and snow, the drought is not over and District staff believes an increase in water use efficiency is required,

NOW, THEREFORE, BE IT RESOLVED that the Walnut Valley Water District's Board of Directors declares a Stage 2 Water Supply Shortage, as defined in District Ordinance No. 01-18-22, An Ordinance of Walnut Valley Water District Amending and Restating Ordinance No. 07-16-09 to Establish Water Use Efficiency Requirements and Water Supply Shortages Stages, requiring up to a 20% reduction in overall water use; and requiring implementation of the water conservation measures specified in Section 7 of that ordinance.

PASSED AND ADOPTED by the Board of Directors of Walnut Valley Water District held this 18th day of January, 2022, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Jerry Tang
President, Board of Directors

ATTEST:

Erik Hitchman
Secretary, Board of Directors

Walnut Valley Water District - Water Shortage Contingency Plan

Shortage Stage	Permanent Water Use Efficiency Requirements	Stage 1 – Mandatory Up to 10% Water Use Reduction	Stage 2 – Mandatory Up to 20% Water Use Reduction	Stage 3 - Mandatory Up to 30 % Water Use Reduction	Stage 4 – Mandatory Up to 40% Water Use Reduction	Stage 5 – Mandatory Up to 50% Water Use Reduction	Stage 6 – Mandatory More than 50% Water Use Reduction
Stage Criteria	As a part of the District’s ongoing commitment to consistent water use efficiency, the following water use efficiency requirements are effective at all times and are permanent requirements set forth by the District’s Rules and Regulations, Section 4.07.01.	A Stage 1 Water Supply Shortage exists when the District, through its Board of Directors, determines that due to drought, a water supply shortage or a threatened water shortage exists, and customer allocations are necessary to make more efficient use of water and appropriately respond to existing water conditions and a reduction of water use of up to 10% will be required to lower overall water demand.	A Stage 2 Water Supply Shortage exists when the District, through its Board of Directors, determines that due to drought, a water supply shortage or a threatened water shortage exists, and customer allocations are necessary to make more efficient use of water and appropriately respond to existing water conditions and a reduction of water use of up to 20% will be required to lower overall water demand.	A Stage 3 Water Supply Shortage exists when the District, through its Board of Directors, determines that due to drought, a water supply shortage or a threatened water shortage exists, and customer allocations are necessary to make more efficient use of water and appropriately respond to existing water conditions and a reduction of water use of up to 30% will be required to lower overall water demand.	A Stage 4 Water Supply Shortage exists when the District, through its Board of Directors, determines that due to drought, a water supply shortage or a threatened water shortage exists, and customer allocations are necessary to make more efficient use of water and appropriately respond to existing water conditions and a reduction of water use of up to 40% will be required to lower overall water demand.	A Stage 5 Water Supply Shortage exists when the District, through its Board of Directors, determines that due to drought, a water supply shortage or a threatened water shortage exists, and customer allocations are necessary to make more efficient use of water and appropriately respond to existing water conditions and a reduction of water use of up to 50% will be required to lower overall water demand.	Stage 6, also referred to as an “Emergency” condition, exists when the District, through its Board of Directors, declares a water shortage emergency and notifies its residents and businesses that more than 50 percent reduction of water use is necessary to maintain sufficient water supplies for public health and safety.
Customer Actions	<ul style="list-style-type: none"> • Limit on Water Duration: Watering or irrigating of lawn, landscape, or other vegetated area with potable water using a landscape irrigation system or a watering device that is not continuously attended is limited to no more than 15 minutes watering per day per station. This does not apply to landscape irrigation systems that exclusively use very low-flow drip type irrigation systems when no emitter produces more than two gallons of water per hour and weather-based controllers or stream rotor sprinkles that meet the 70 percent efficiency standard. • Limits on Watering Hours: Watering or irrigation of lawn, landscape, or other vegetated area with potable water is prohibited between the hours of 8:00 a.m. and 5:00 p.m. on any day, except by use of a hand-held bucket or similar container, a hand-held house equipped with a positive self-closing water shut-off nozzle or device, or for short periods of time for the express purpose of adjusting or repairing an irrigation system. • Limits on Watering Following Precipitation/Rainfall: Watering or irrigating of lawn, landscape, or other vegetated area with potable water within 48 hours following measurable precipitation is prohibited. • No Excessive Water Flow or Runoff: Watering or irrigating of any lawn, landscape, or other vegetated area in a manner that causes or allows excessive water flow or runoff onto an adjoining sidewalk, driveway, street, alley, gutter, or ditch is prohibited. • No Washing Down Hard or Paved Surfaces: Washing down hard or paved surfaces, including but not limited to sidewalks, walkways, driveways, parking areas, tennis courts, patios, or alleys, is prohibited except when necessary to alleviate safety or sanitary hazards, and then only by use of a hand-held bucket or similar container, a hand-held hose equipped with a positive self-closing water shut-off device, a low-volume, high-pressure cleaning machine equipped to recycle any water used, or a low-volume, high-pressure water broom. • Obligation to Fix Leaks, Breaks, or Malfunctions: Excessive use, loss, or escape of water through breaks, leaks, or other malfunctions in the water user’s plumbing or distribution system for any period of time after such escape of water should have reasonably been discovered and corrected and in no event more than seven days after receiving written notice from the District is prohibited. • Limits on Washing Vehicles: Using water to wash or clean a vehicle, including but not limited to any automobile, truck, van, bus, motorcycle, boat, or trailer, whether motorized or not, is prohibited, except by use of a hand-held bucket or similar container or a hand-held hose equipped with a positive self-closing water shut-off nozzle or device. This does not apply to any commercial car washing facility. • Re-circulating Water Required for Water Fountains and Decorative Water Features: Operating a water fountain or other decorative water feature that does not use re-circulated water is prohibited. • No Installation of Single Pass Cooling Systems Water System: Installation of single pass cooling systems is prohibited in buildings requesting new water service. • No Installation of Non-re-circulating in Commercial Car Wash and Laundry Systems: Installation of non-re-circulating water systems is prohibited in new commercial conveyor car wash and new commercial laundry systems. • No Irrigating Ornamental Turf on Public Street Medians: Irrigating ornamental turf on Public Street Medians with potable water is prohibited. • Negligent Waste of Water: At the discretion of the General Manager, the District reserves the right to determine negligent waste or misuse of water supplies. Such water use constitutes an unauthorized waste of water and is subject to the imposition penalties outlined in Section 12 of Ordinance No.01-18-22. 	<ul style="list-style-type: none"> • Limits on Watering Days: Watering or irrigating of lawn, landscape, or other vegetated area with potable water will be limited to a maximum number of days per week, to be determined by the District’s Board of Directors, or as modified by the General Manager, based on the District’s then existing water supply conditions. The irrigation day limitation and schedule will be as posted by the District. This does not apply to landscape irrigation zones that exclusively use very low-flow drip type irrigation systems when no emitter produces more than two gallons of water per hour. This also does not apply to watering or irrigating by use of a hand-held bucket or similar container, or a hand-held hose equipped with a positive self-closing water shut-off nozzle or device, or for very short periods of time for the express purpose of adjusting or repairing an irrigation system. The District reserves the right to amend the watering day limits within each prescribed stage as determined by conservation necessity. • Obligation to Fix Leaks, Breaks, or Malfunctions: All leaks, breaks, or other malfunctions in the water user’s plumbing or distribution system must be repaired within 72 hours after written notification by the District unless other arrangements are made by the District. • Limits on Filling Residential Swimming Pools and Spas: Re-filling of water constituting more than one foot of depth and initial filling of residential swimming pools or outdoor spas with potable water is prohibited. 	<ul style="list-style-type: none"> • Limits on Watering Days: Watering or irrigating of lawn, landscape, or other vegetated area with potable water will be limited to a maximum of three days per week on a schedule established and posted by the District. This does not apply to landscape irrigation zones that exclusively use very low-flow drip type irrigation systems when no emitter produces more than two gallons of water per hour. This also does not apply to watering or irrigating by use of a hand-held bucket or similar container, or a hand-held hose equipped with a positive self-closing water shut-off nozzle or device, or for very short periods of time for the express purpose of adjusting or repairing an irrigation system. The District reserves the right to amend the watering day limits within each prescribed stage as determined by conservation necessity. • Obligation to Fix Leaks, Breaks, or Malfunctions: All leaks, breaks, or other malfunctions in the water user’s plumbing or distribution system must be repaired within 48 hours after written notification by the District unless other arrangements are made by the District. • Limits on Filling Ornamental Lakes or Ponds: Filling or re-filling ornamental lakes or ponds is prohibited, except to the extent needed to sustain aquatic life, provided that such animals are of significant value and have been actively managed within the water feature prior to declaration of a supply shortage level under Ordinance No. 01-18-22. 	<ul style="list-style-type: none"> • Limits on Watering Days: Watering or irrigating of lawn, landscape, or other vegetated area with potable water will be limited to a maximum of two days per week on a schedule established and posted by the District. This does not apply to landscape irrigation zones that exclusively use very low-flow drip type irrigation systems when no emitter produces more than two gallons of water per hour. This also does not apply to watering or irrigating by use of a hand-held bucket or similar container, or a hand-held hose equipped with a positive self-closing water shut-off nozzle or device, or for very short periods of time for the express purpose of adjusting or repairing an irrigation system. The District reserves the right to amend the watering day limits within each prescribed stage as determined by conservation necessity. • Obligation to Fix Leaks, Breaks, or Malfunctions: All leaks, breaks, or other malfunctions in the water user’s plumbing or distribution system must be repaired within 48 hours after written notification by the District unless other arrangements are made by the District. • Limits on Filling Ornamental Lakes or Ponds: Filling or re-filling ornamental lakes or ponds is prohibited, except to the extent needed to sustain aquatic life, provided that such animals are of significant value and have been actively managed within the water feature prior to declaration of a supply shortage level under Ordinance No. 01-18-22. 	<ul style="list-style-type: none"> • Limits on Watering Days: Watering or irrigating of lawn, landscape, or other vegetated area with potable water will be limited to a maximum of two days per week on a schedule established and posted by the District. This does not apply to landscape irrigation zones that exclusively use very low-flow drip type irrigation systems when no emitter produces more than two gallons of water per hour. This also does not apply to watering or irrigating by use of a hand-held bucket or similar container, or a hand-held hose equipped with a positive self-closing water shut-off nozzle or device, or for very short periods of time for the express purpose of adjusting or repairing an irrigation system. The District reserves the right to amend the watering day limits within each prescribed stage as determined by conservation necessity. • Obligation to Fix Leaks, Breaks, or Malfunctions: All leaks, breaks, or other malfunctions in the water user’s plumbing or distribution system must be repaired within 48 hours after written notification by the District unless other arrangements are made by the District. • Limits on Filling Ornamental Lakes or Ponds: Filling or re-filling ornamental lakes or ponds is prohibited, except to the extent needed to sustain aquatic life, provided that such animals are of significant value and have been actively managed within the water feature prior to declaration of a supply shortage level under Ordinance No. 01-18-22. 	<ul style="list-style-type: none"> • Limits on Watering Days: Watering or irrigating of lawn, landscape, or other vegetated area with potable water is limited to a maximum of one day per week on a schedule established and posted by the District. This does not apply to landscape irrigation zones that exclusively use very low-flow drip type irrigation systems when no emitter produces more than two gallons of water per hour. This also does not apply to watering or irrigating by use of a hand-held bucket or similar container, or a hand-held hose equipped with a positive self-closing water shut-off nozzle or device, or for very short periods of time for the express purpose of adjusting or repairing an irrigation system. This restriction does not apply to the following categories of use: <ul style="list-style-type: none"> • i. Maintenance of vegetation, including trees and shrubs, that are watered using a hand-held bucket or similar container, hand-held hose equipped with a positive self-closing water shut-off nozzle or device • ii. Maintenance of existing landscape necessary for fire protection • iii. Maintenance of existing landscape for soil erosion control • iv. Maintenance of plant materials identified to be rare or essential to the well-being of protected species • v. Maintenance of landscape within active public parks and playing fields, daycare centers, golf course greens, and school grounds, provided that such irrigation does not exceed two days per week according to the schedule established in Section 6(8)(1) and time restrictions in Section 5(8)(1) of Ordinance No, 01-18-22 • vi. Actively irrigated environmental mitigation projects 	<ul style="list-style-type: none"> • Limits on Watering Days: Watering or irrigating of lawn, landscape, or other vegetated area with potable water prohibited. This does not apply to landscape irrigation zones that exclusively use very low-flow drip type irrigation systems when no emitter produces more than two gallons of water per hour. This also does not apply to watering or irrigating by use of a hand-held bucket or similar container, or a hand-held hose equipped with a positive self-closing water shut-off nozzle or device, or for very short periods of time for the express purpose of adjusting or repairing an irrigation system. This restriction does not apply to the following categories of use: <ul style="list-style-type: none"> • i. Maintenance of vegetation, including trees and shrubs, that are watered using a hand-held bucket or similar container, hand-held hose equipped with a positive self-closing water shut-off nozzle or device • ii. Maintenance of existing landscape necessary for fire protection • iii. Maintenance of existing landscape for soil erosion control • iv. Maintenance of plant materials identified to be rare or essential to the well-being of protected species • v. Maintenance of landscape within active public parks and playing fields, daycare centers, golf course greens, and school grounds, provided that such irrigation does not exceed two days per week according to the schedule established in Section 6(8)(1) and time restrictions in Section 5(8)(1) of Ordinance No, 01-18-22 • vi. Actively irrigated environmental mitigation projects

Violations	Violations of Ordinance No. 01-18-22 may be considered an unauthorized use of water and subject to penalties established in the District’s Rules and Regulations, Article 4.05.02.03 and/or Article 4.03.07.06. Each day that a violation of this ordinance occurs is considered a separate offense by the District.	Violations of Ordinance No. 01-18-22 may be considered an unauthorized use of water and subject to penalties established in the District’s Rules and Regulations, Article 4.05.02.03 and/or Article 4.03.07.06. Each day that a violation of this ordinance occurs is considered a separate offense by the District.	Violations of Ordinance No. 01-18-22 may be considered an unauthorized use of water and subject to penalties established in the District’s Rules and Regulations, Article 4.05.02.03 and/or Article 4.03.07.06. Each day that a violation of this ordinance occurs is considered a separate offense by the District.	Violations of Ordinance No. 01-18-22 may be considered an unauthorized use of water and subject to penalties established in the District’s Rules and Regulations, Article 4.05.02.03 and/or Article 4.03.07.06. Each day that a violation of this ordinance occurs is considered a separate offense by the District.	Violations of Ordinance No. 01-18-22 may be considered an unauthorized use of water and subject to penalties established in the District’s Rules and Regulations, Article 4.05.02.03 and/or Article 4.03.07.06. Each day that a violation of this ordinance occurs is considered a separate offense by the District.	Violations of Ordinance No. 01-18-22 may be considered an unauthorized use of water and subject to penalties established in the District’s Rules and Regulations, Article 4.05.02.03 and/or Article 4.03.07.06. Each day that a violation of this ordinance occurs is considered a separate offense by the District.	Violations of Ordinance No. 01-18-22 may be considered an unauthorized use of water and subject to penalties established in the District’s Rules and Regulations, Article 4.05.02.03 and/or Article 4.03.07.06. Each day that a violation of this ordinance occurs is considered a separate offense by the District.
District Actions	<ul style="list-style-type: none"> • Consistent public outreach, water education, and communication programs • Implementation of more stringent water use restrictions under the standard water shortage levels • Implementation of stricter enforcement actions and penalties • Improvements to the water supply augmentation responses as well as any associated operational changes which may be required • Incorporation of additional actions recommended by District staff and other interested parties 	<ul style="list-style-type: none"> • Adopt resolution to declare Stage 1 • Implementation of additional public outreach, education, and communication programs • Implementation of more stringent water use restrictions under the standard water shortage levels • Implementation of stricter enforcement actions and penalties • Improvements to the water supply augmentation responses as well as any associated operational changes which may be required • Incorporation of additional actions recommended by the District staff or other interested parties 	<ul style="list-style-type: none"> • Adopt resolution to declare Stage 2 • Implementation of additional public outreach, education, and communication programs • Implementation of more stringent water use restrictions under the standard water shortage levels • Implementation of stricter enforcement actions and penalties • Improvements to the water supply augmentation responses as well as any associated operational changes which may be required • Progressive customer outreach to provide notice of detected leaks and methods to better manage water usage • Expand water conservation programs and conservation messaging through advertising and other digital/print mediums • Incorporation of additional actions recommended by the District staff or other interested parties 	<ul style="list-style-type: none"> • Adopt resolution to declare Stage 3 • Implementation of additional public outreach, education, and communication programs • Implementation of more stringent water use restrictions under the standard water shortage levels • Implementation of stricter enforcement actions and penalties • Improvements to the water supply augmentation responses as well as any associated operational changes which may be required • Progressive customer outreach to provide notice of detected leaks and methods to better manage water usage • Expand water conservation programs and conservation messaging through advertising and other digital/print mediums • Warn customers of penalties for unauthorized water use • Incorporation of additional actions recommended by the District staff or other interested parties 	<ul style="list-style-type: none"> • Adopt resolution to declare Stage 4 • Implementation of additional public outreach, education, and communication programs • Implementation of more stringent water use restrictions under the standard water shortage levels • Implementation of stricter enforcement actions and penalties • Improvements to the water supply augmentation responses as well as any associated operational changes which may be required • Progressive customer outreach to provide notice of detected leaks and methods to better manage water usage • Expand water conservation programs and conservation messaging through advertising and other digital/print mediums • Warn customers of penalties for unauthorized water use • Incorporation of additional actions recommended by the District staff or other interested parties 	<ul style="list-style-type: none"> • Adopt resolution to declare Stage 5 • Implementation of additional public outreach, education, and communication programs • Implementation of more stringent water use restrictions under the standard water shortage levels • Implementation of stricter enforcement actions and penalties • Improvements to the water supply augmentation responses as well as any associated operational changes which may be required • Progressive customer outreach to provide notice of detected leaks and methods to better manage water usage • Expand water conservation programs and conservation messaging through advertising and other digital/print mediums • Warn customers of penalties for unauthorized water use • Incorporation of additional actions recommended by the District staff or other interested parties 	<ul style="list-style-type: none"> • Adopt resolution to declare Stage 6 • Implementation of additional public outreach, education, and communication programs • Implementation of more stringent water use restrictions under the standard water shortage levels • Implementation of stricter enforcement actions and penalties • Improvements to the water supply augmentation responses as well as any associated operational changes which may be required • Warn customers of penalties for unauthorized water use • Hire help for enforcement • Progressive customer outreach to provide notice of detected leaks and methods to better manage water usage • Expand water conservation programs and conservation messaging through advertising and other digital/print mediums • Incorporation of additional actions recommended by the District staff or other interested parties

**MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
WALNUT VALLEY WATER DISTRICT**

**December 13, 2021
MEETING CONDUCTED VIA WEBEX
AT:**

<https://walnutvalley.webex.com/meet/bmeeting>

DIRECTORS PRESENT:

Kevin Hayakawa
Edwin Hilden
Scarlett Kwong
Theresa Lee
Jerry Tang

DIRECTORS ABSENT:

None

STAFF PRESENT:

Erik Hitchman, General Manager/Chief Engineer
Josh Byerrum, Director of Finance
Alanna Diaz, Director of Administrative Services
Lily Lopez, Director of External Affairs
Sherry Shaw, Director of Engineering & Planning
Tom Monk, Director of Operations
Melanie Trevino, Executive Assistant
James Ciampa, Legal Counsel

The meeting was called to order at 5:00 p.m. with President Kwong presiding. All Board meeting participants and guests joined the meeting via the Webex link:

<https://walnutvalley.webex.com/meet/bmeeting>

Guests and others in attendance: Three Valleys Municipal Water District (TVMWD) Director Mike Ti. Also, in attendance was Mr. Christopher J. Brown of Fedak & Brown; WVWD employees, Carmen Fleming, and Tai Diep.

Item 3: Public Comment

- ◆ There was no public comment. (Item 3)

Item 4: Additions to the Agenda

- ◆ There were no requests for additions to the agenda. (Item 4)

Item 5: Reorder of the Agenda

- ◆ There were no requests for reorder of the agenda. (Item 5)

Item 6: Consider Approval of Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, consisting of the minutes of the Regular Board meeting held November 15, 2021, minutes of the Special Board meeting held November 18, 2021, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Items 6-1, 2, 3, 4, 5)

Motion No. 21-12-1727: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Lee, and unanimously carried (5-0) by the roll call vote noted below, to approve the Consent Calendar, consisting of the minutes of the Regular Board meeting held November 15, 2021, minutes of the Special Board meeting held November 18, 2021, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Items 6-1, 2, 3, 4, 5)

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang
Noes: None
Absent: None

Abstain: None

President Kwong indicated Motion No. 21-12-1727, approving the consent calendar was approved by a (5-0) roll call vote

Item 7: Director Expense Reports

- ◆ The Board was asked to receive, approve, and file the Board member expense reports indicating per diem requests for meeting attendance and individual reports of additional expenses incurred by the District on behalf of each Director for events occurring during the month of November 2021. (Item 7)

Motion No. 21-12-1728: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Lee and unanimously carried (5-0) by the roll call vote noted below, to receive, approve, and file the Board member expense reports for meeting attendance and additional expenses incurred by the District on behalf of each Director for events occurring during the month of November 2021. (Item 7)

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang
Noes: None
Absent: None
Abstain: None

President Kwong indicated Motion No. 21-12-1728 was approved by a (5-0) roll call vote

Item 8: Treasurer's Report

- ◆ Mr. Byerrum presented the Financial Dashboard as of October 31, 2021, the District Statement of Revenue, Expenses, and Change in Net Positions as of October 31, 2021, the District Statement of Net Positions as of October 31, 2021, and Summary of Cash and Investments as of October 31, 2021. (Items 8-A, B, C, D)

Motion No. 21-12-1729: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Lee and unanimously carried (5-0) by the roll call vote noted below, to receive, approve, and file the Financial Dashboard as of October 31, 2021, the District Statement of Revenue, Expenses, and Change in Net Positions as of October 31, 2021, the District Statement of Net Positions as of October 31, 2021, and Summary of Cash and Investments as of October 31, 2021. (Items 8-A, B, C, D)

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang
Noes: None
Absent: None
Abstain: None

President Kwong indicated Motion No. 21-12-1729 was approved by a (5-0) roll call vote

Committee Chair Reports

Item 9: Engineering Committee – Director Kwong

- ◆ The Board was asked to authorize the General Manager to execute Utility Agreement No. 07279121 with Los Angeles Metropolitan Transportation Authority (Metro). (Item 9-A)

Motion No. 21-12-1730: Upon consideration thereof, it was moved by Director Hayakawa, seconded by Director Hilden and unanimously carried (5-0) by the roll call vote noted below, to authorize the General Manager to execute Utility Agreement No. 07279121 with Los Angeles Metropolitan Transportation Authority (Metro). (Item 9-A)

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang
Noes: None
Absent: None

Abstain: None

President Kwong indicated Motion No. 21-12-1730 was approved by a (5-0) roll call vote

- ◆ Mr. Monk reviewed the Operations Report included in the Board Packet. No action was taken by the Board. (Item 9-B)

Item 10: Personnel Committee – Director Tang

- ◆ The Board was asked to adopt the Walnut Valley Water District Telecommuting Policy as drafted by District staff and reviewed by labor counsel. (Item 10-A)

Motion No. 21-12-1731: Upon consideration thereof, it was moved by Director Tang, seconded by Director Hilden and unanimously carried (5-0) by the roll call vote noted below, to adopt the Walnut Valley Water District Telecommuting Policy as drafted by District staff and reviewed by labor counsel. (Item 10-A)

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang
Noes: None
Absent: None
Abstain: None

President Kwong indicated Motion No. 21-12-1731 was approved by a (5-0) roll call vote

- ◆ The Board was asked to review the proposed amendments, which have been reviewed by Legal Counsel, to the District's Records Retention Schedule and adopt any proposed amendments. (Item 10-B)

Motion No. 21-12-1732: Upon consideration thereof, it was moved by Director Tang, seconded by Director Hilden and unanimously carried (5-0) by the roll call vote noted below, to adopt the Walnut Valley Water District Records Retention Schedule. (Item 10-B)

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang
Noes: None
Absent: None
Abstain: None

President Kwong indicated Motion No. 21-12-1732 was approved by a (5-0) roll call vote

Item 11: Finance Committee – Director Lee

- ◆ The Board was asked to receive, approve, and file the Comprehensive Annual Financial Report for the Fiscal Year ended June 30, 2021. In preparation for and during the audit, District staff prepared materials and worked directly with the auditing team, Fedak & Brown, LLP. Mr. Chris Brown of the auditing team noted that Fedak & Brown, LLP, found the District's financial reporting to comply with generally accepted accounting principles (GAAP), and as such, issued an Unqualified Opinion, the highest level opinion an entity can receive. Additionally, the Report on Internal Controls noted that the District had no significant deficiencies or material weaknesses in internal controls. Further, the auditor noted no transactions that were both significant and unusual, and no misstatements were identified during the audit. (Item 11-A)

Motion No. 21-12-1733: Upon consideration thereof, it was moved by Director Lee seconded by Director Tang and unanimously carried (5-0) by the roll call vote noted below, to receive, approve, and file Comprehensive Annual Financial Report for the Fiscal Year-ended June 30, 2021. (Item 12-A)

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang
Noes: None
Absent: None

Abstain: None

President Kwong indicated Motion No. 21-12-1733 was approved by a (5-0) roll call vote

- ◆ The Board was asked to approve adjustments to the District's Wholesale Potable Water Rates for Suburban Water Systems and Golden State Water Company, effective January 1, 2022. (Item 11-B)

Motion No. 21-12-1734: Upon consideration thereof, it was moved by Director Lee, seconded by Director Tang and unanimously carried (5-0) by the roll call noted below, to approve adjustments to the District's Wholesale Potable Water Rates, effective January 1, 2022, as follows:

Suburban Water Systems (Badillo Grand Line):

Monthly Base Rate: \$13,996.00
Commodity Rate: Tier I - \$1,145.00
Tier II - \$1,187.00

Golden State Water Company (Grand Avenue Connection):

Monthly Base Rate: \$1,609.00
Commodity Rate: Tier I - \$1,263.00
Tier II - \$1,305.00

(Item 11-B)

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang
Noes: None
Absent: None
Abstain: None

President Kwong indicated Motion No. 21-12-1734 was approved by a (5-0) roll call vote

- ◆ Mr. Byerrum reviewed the District's investment activities for the period ending November 30, 2021. The Board was then asked to receive and file the investment report. (Item 11-C)

Motion No. 21-12-1735: Upon consideration thereof, it was moved by Director Lee, seconded by Director Hiyakawa and unanimously carried (5-0) by the roll call vote noted below, to receive and file the District's investment report for the period ending November 30, 2021. (Item 11-C)

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang
Noes: None
Absent: None
Abstain: None

President Kwong indicated Motion No. 21-12-1735 was approved by a (5-0) roll call vote

- ◆ As a matter of information only, the Board received a Revenue Bond Funds Held in East West Bank report. (Item 11-D)

Item 12: Public Information/Community Relations/Legislative Action Committee – Director Hilden

- ◆ As a matter of information only, the Board received a report of the District's Demography Study and Redistricting. (Item 12-A)

Item 13: TVMWD/MWD

- ◆ There was no TVMWD meeting to report on. (Item 13)

Item 14: The P-W-R Joint Water Line Commission

- ◆ Mr. Monk reported on the P-W-R Joint Water Line Commission water use report for the month of October 2021 included in the Board packet. (Item 14)

Item 15: Puente Basin Water Agency (PBWA)

- ◆ Director Lee reported on the December 2, 2021, PBWA Commission meeting. The next PBWA meeting is scheduled for February 3, 2022. (Item 15)

Item 16: Spadra Basin Groundwater Sustainability Agency

- ◆ Director Tang reported on the December 15, 2021 Spadra Basin GSA Advisory Committee meeting. (Item 16)

Item 17: General Manager's Report

- ◆ The Board received the District's activities calendars for January, February, and March 2022. (Item 17-A)
- ◆ The Board recognized District Ms. Ginger Han for her recent completion of ACWA/JPIA Professional Development Human Resources Certification Program (Item 17-B)

Item 18: Water Supply and Conservation

- ◆ The Board received reports and graphs of the following items: District potable and recycled water use, Calendar Year 2021 purchased water estimate, conservation goal summary, climate summary, and 2021 monthly water consumption versus the 2013 and 2020 baseline years. The report noted that the District's water usage for November 2021 was 8% lower than usage in November 2020 and 20% lower than usage in November 2013. (Item 18-A)
- ◆ The Board viewed reports on California's water supply and reservoir conditions as of December 8, 2021. (Item 18-B)

Item 19: Directors' Oral Reports

(NOTE: Board meeting minutes provide written reports of Board meeting activities and committee meeting reports are given during the course of regular Board meeting activities. Directors include reports of their participation in non-expense/per diem paid community events as a matter of information.) (Item 19)

- ◆ Director Hayakawa reported that during the month of November he attended the District's regular and Special Board meetings, all District committee meetings, and TVMWD Board meeting.
- ◆ Director Hilden reported his participation in the District's Regular and Special Board meetings in addition to the committee meetings previously reported on, the SCCAEP 30th Anniversary Event, both TVMWD Board meetings, and City of Diamond Bar's Veteran's Recognition Event.
- ◆ In addition to the District Board and committee meetings previously reported on, Director Lee reported her participation in Spadra Basin GSA Executive and Advisory Committee meetings.
- ◆ Director Tang reported on his participation in District Board and committee meetings, the Spadra Basin GSA Executive and Advisory Committee meetings, he also participated in the WaterNow Alliance interview, and the District's Soup and Succulent Workshop.
- ◆ Director Kwong advised that she attended District Board and committee meetings in addition to participating in the WaterNow Alliance interview, Presidential document signing, and the SCCAEP 30th Anniversary Event.

Item 20: Legal Reports

- ◆ Mr. Ciampa did not have a legal report. (Item 20)

Item 21: Items for Future Discussion

- ◆ There were no requests for future discussion items. (Item 21)

Item 22: Board of Directors Business

- ◆ The Board was asked to consider approval of the fourth amendment to the General Manager's Employment Contract reflective of a 3% salary adjustment and a 2.5% Cost-of-Living Adjustment

provided to all District employees in the Terms and Conditions of Employment for 2020-2023. (Item 22-A)

Motion No. 21-12-1736: *Upon consideration thereof, it was moved by Director Lee, seconded by Director Tang and unanimously carried (5-0) by the roll call vote noted below, to approve the Third Amendment to the General Manager’s Employment Contract reflective of a 3% merit increase and a 2.5% Cost-of-Living adjustment, effective January 1, 2022. (Item 22-A)*

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang
Noes: None
Absent: None
Abstain: None

President Kwong indicated Motion No. 21-12-1736 was approved by a (5-0) roll call vote

- ◆ The Board approved the 2022 WVWD Board meeting and workshop schedule, noting that subsequent adjustments may be made by the Board in accordance with the Brown Act (Item 22-B)

Motion No. 21-12-1737: *Upon consideration thereof, it was moved by Director Tang, seconded by Director Hilden and unanimously carried (5-0) by roll call vote, to approve the CY 2022 Board and workshop meeting schedule as presented. (Item 22-B)*

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang
Noes: None
Absent: None
Abstain: None

President Kwong indicated Motion No. 21-12-1737 was approved by a (5-0) roll call vote

- ◆ Officers were rotated in accordance with the “Board Reorganization Rotation Policy.” (Item 22-C)
Jerry Tang, President
Edwin Hilden, First Vice President
Kevin Hayakawa, Second Vice President
Theresa Lee, Assistant Treasurer
Scarlett P. Kwong, Director
(Item 22-C)

Ms. Kwong continued the duty of chairing the remainder of the meeting.

Motion No. 21-12-1738: *Upon consideration thereof, it was moved by Director Lee, seconded by Director Hayakawa and unanimously carried (5-0) by the roll call vote noted below, to approve the Rotation of Officers as noted above. (Item 22-C)*

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang
Noes: None
Absent: None
Abstain: None

Director Kwong indicated Motion No. 21-12-1738 was approved by a (5-0) roll call vote

- ◆ It was determined that Board appointments to the offices of Secretary, Assistant Secretary, Treasurer and Second Assistant Treasurer would be as follows: Mr. Erik Hitchman, Secretary; and Mr. Joshua Byerrum, Treasurer, with the other positions to remain vacant pending the filling of various employment positions. (Item 22-C)

Motion No. 21-12-1739: Upon consideration thereof, it was moved by Director Lee, seconded by Director Tang and unanimously carried (5-0) by the roll call vote noted below, to appoint Erik Hitchman as District Secretary and Joshua Byerrum as District Treasurer. (Item 22-C)

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang

Noes: None

Absent: None

Abstain: None

Director Kwong indicated Motion No. 21-12-1739 was approved by a (5-0) roll call vote

- ◆ Standing Committee positions were selected on a “chain of command” basis in accordance with the Standing Committee Selection Process, with the first choice going to the Board President, second choice to the First Vice President, third choice to the Second Vice President, and so on down the line, repeating in the same order, until all positions were filled as follows:

Committee	Chair	Member	Alternate
Engineering	Director Hayakawa	Director Lee	Director Tang
Finance	Director Lee	Director Hilden	Director Kwong
Personnel	Director Kwong	Director Tang	Director Hilden
Public Info/Legislative	Director Tang	Director Hilden	Director Hayakawa

(Item 22-C)

- ◆ A schedule of 2022 key conferences/events was provided to the Board as a matter of information only. (Item 22-D)
- ◆ The Board was asked to adopt the District’s Flexible Spending Account (FSA) Plan Amendments to comply with the requirements of the Coronavirus, Aid, Relief and Economic Security (CARES) Act. Both the Amendment and the statutory provisions will supersede any inconsistent Plan provisions.

Amendments to the Plan are as follows:

- The Plan will carry over unused Health FSA balances at the end of the 2020 and 2021 Plan Year.
- Health FSA allows for prospective election changes without regard to any change of status requirement for the 2021 Plan Year.
- Effective for expenses incurred on or after 01/01/2020, prescriptions are no longer required for over-the-counter medicines.

(Item 22-E)

Motion No. 21-12-1740: Upon consideration thereof, it was moved by Director Tang, seconded by Director Hilden and unanimously carried (5-0) by the roll call vote noted below, to adopt the Walnut Valley Water District Flexible Benefits Plan Amendment, as noted. (Item 22-E)

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang

Noes: None

Absent: None

Abstain: None

Director Kwong indicated Motion No. 21-12-1740 was approved by a (5-0) roll call vote

- ◆ The Board was asked to adopt WVWD Resolution No. 12-21-689, authorizing remote teleconference meetings for the period December 17, 2021 to January 16, 2022. (Item 22-F)

Motion No. 21-12-1741: Upon consideration thereof, it was moved by Director Lee, seconded by Director Hayakawa and unanimously carried (5-0) by the roll call vote noted below, to adopt

WVWD Resolution No. 12-21-689, authorizing remote teleconference meetings for the period December 17, 2021 to January 16, 2022. (Item 22-B)

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang
Noes: None
Absent: None
Abstain: None

President Kwong indicated Motion No. 21-12-1741, adopting Resolution No. 12-21-689, was approved by a (5-0) roll call vote

Item 23: Public Comment on Closed Session

- ◆ There were no requests to comment on closed session items. (Item 23)

Item 24: Adjourn to Closed Session – 6:13 p.m.

Item 25: Closed Session – 6:14 p.m.

- A. The Board met in closed session in accordance with Government Code [§54956.9(a)] to discuss existing litigation in the case titled Bonnie Kessner, et al. vs. City of Santa Clara, et al. (Santa Clara County Superior Court Case No. 20CV364054). (Item 25-A)
- B. No closed session was held with respect to Item 25(B) - Government Code [§54956.9(d)(2)] to discuss initiation of litigation with Legal Counsel – One Potential Case, as that item was inadvertently included in the agenda. (Item 25-B) (Item 24)

Item 24: Reconvene in Open Session/Report of Action Taken in Closed Session – 6:19 p.m.

- A. The Board met in closed session in accordance with Government Code [§54956.9(a)] to discuss existing litigation in the case titled Bonnie Kessner, et al. vs. City of Santa Clara, et al. (Santa Clara County Superior Court Case No. 20CV364054). The Board was briefed on the status of that case and no reportable action under the Brown Act was taken.

Adjournment at 6:21 p.m.

RESOLUTION NO. 12-21-689 (SUBSEQUENT)

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WALNUT VALLEY WATER DISTRICT PROCLAIMING A STATE OF EMERGENCY PERSISTS, RE-RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR GAVIN NEWSOM, AND RE-AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE BOARD OF DIRECTORS OF WALNUT VALLEY WATER DISTRICT FOR THE PERIOD DECEMBER 17, 2021 TO JANUARY 16, 2022 PURSUANT TO BROWN ACT PROVISIONS.

WHEREAS, the Walnut Valley Water District (the "District") is committed to preserving and nurturing public access and participation in meetings of its Board of Directors; and

WHEREAS, all meetings of the District's Board of Directors and its standing committees are open and public, as required by the Ralph M. Brown Act (California Government Code Sections 54950 – 54963), so that any member of the public may attend, participate, and watch those bodies conduct their business; and

WHEREAS, the Brown Act, in Government Code Section 54953(e), makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code Section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition for application of Section 54953(e) is that a state of emergency is 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 District'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, the Board of Directors previously adopted a Resolution, Resolution No. 10-21-686 on October 18, 2021 finding that the requisite conditions exist for the District's Board of Directors and standing committees to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of Section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in Section 54953(e), the Board of Directors must reconsider the circumstances of the state of emergency that exists in the District, and the Board of Directors has done so; and

WHEREAS, emergency conditions persist in the District, specifically, COVID-19, and its Delta variant, remain highly contagious and, therefore, a threat to the health, safety and well-being of the District's employees, directors, vendors, contractors, customers and residents; and

WHEREAS, orders from the Los Angeles County Department of Public Health and regulations from the State of California impose limitations on gatherings and provide guidance on best practices with respect to actions to reduce the spread of COVID-19; and

WHEREAS, the District's Board of Directors does hereby find that a state of emergency continues to exist within the District's service area as a result of the continuing presence of COVID-19 and resulting local, state and federal orders and guidance, which has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District, and the Board of Directors desires to affirm a local emergency exists and re-ratify the proclamation of state of emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the local emergency persisting, the Board of Directors does hereby find that the District's Board of Directors and all standing committees shall continue to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code Section 54953, as authorized by subdivision (e) of Section 54953, and that such legislative bodies shall continue to comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of Section 54953; and

WHEREAS, the District will continue to provide proper notice to the public regarding all District of Board of Directors' and standing committee meetings, in accordance with Government Code Section 54953(e)(2)(A) and shall provide notice to the public of how they may access any such meeting via call-in number and/or internet link.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF WALNUT VALLEY WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Affirmation that Local Emergency Persists. The Board of Directors hereby considers the conditions of the state of emergency in the District and proclaims that a local emergency persists throughout the District, and that conducting District Board of Directors and standing committee meetings virtually will minimize the possible spread COVID-19 and any variant thereof.

Section 3. Re-ratification of Governor's Proclamation of a State of Emergency. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency regarding COVID-19, dated March 4, 2020.

Section 4. Remote Teleconference Meetings. The District's General Manager, or his or her delegee, and the Board of Directors and standing committees of the District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) the expiration of thirty (30) days from the date this Resolution was adopted, as set forth below, or (ii) such time as the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the Board of Directors and standing committees of the District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED AND ADOPTED by the Board of Directors of Walnut Valley Water District this 13th day of December 2021, by the following vote:

AYES: Hayakawa, Hilden, Kwong, Lee, Tang
NOES: None
ABSENT: None
ABSTAIN: None


Scarlett Kwong
President Board of Directors

ATTEST:


Erik Hitchman
Secretary, Board of Directors

Walnut Valley Water District
Check Register For the Month of December 2021

CHECK NUMBER	DATE	PAYEE	AMOUNT
6118	12/2/2021	Hach Company	\$ 2,910.10
6119	12/2/2021	IDEXX Laboratories Inc.	\$ 5,682.30
6120	12/2/2021	Industrial Shoeworks	\$ 327.41
6121	12/2/2021	Liebert, Cassidy, & Whitmore	\$ 477.00
6122	12/2/2021	McMaster-Carr Supply Company	\$ 40.43
6123	12/2/2021	Quinn Company	\$ 2,780.25
6124	12/2/2021	Vulcan Materials Company	\$ 1,229.58
6125	12/2/2021	Jack's Lock & Key	\$ 258.30
6126	12/2/2021	Ewing Irrigation Products Inc.	\$ 2,578.73
6127	12/2/2021	Applied Technology Group, Inc.	\$ 195.00
6128	12/2/2021	D & H Water Systems, Inc.	\$ 467.72
6129	12/2/2021	Phenix Truck Bodies & Equipment	\$ 6,688.45
6130	12/2/2021	State Water Resources Ctrl Bd - Cert Rnw	\$ 105.00
6131	12/2/2021	Frontier Communications	\$ 359.54
6132	12/2/2021	ConvergeOne, Inc.	\$ 1,410.00
6133	12/2/2021	4Imprint, Inc.	\$ 578.18
6134	12/2/2021	HASA, Inc.	\$ 3,134.33
6135	12/2/2021	A & J Tree Care, Inc.	\$ 2,300.00
6136	12/2/2021	ALS Group USA, Corp.	\$ 1,482.00
6137	12/2/2021	Verizon Wireless	\$ 665.00
6138	12/2/2021	Inland Internet Solutions Corp	\$ 950.80
6139	12/2/2021	Autonovation Mobile Auto Repair	\$ 594.25
6140	12/2/2021	Interstate Battery System of Inland Valley	\$ 438.87
6141	12/2/2021	Association of Women in Water, Energy and Environment	\$ 125.00
6142	12/2/2021	Frank, Samantha	\$ 350.00
6143	12/3/2021	Industry Public Utility Commission	\$ 1,654.92
6144	12/8/2021	HDR Engineering, Inc.	\$ 2,087.50
6145	12/8/2021	Industry Business Council	\$ 250.00
6146	12/8/2021	McMaster-Carr Supply Company	\$ 197.54
6147	12/8/2021	Quinn Company	\$ 2,039.34
6148	12/8/2021	Southern California Edison Company	\$ 162,829.34
6149	12/8/2021	Underground Service Alert	\$ 349.90
6150	12/8/2021	Western Water Works	\$ 17,479.72
6151	12/8/2021	Home Depot Credit Services	\$ 926.09
6152	12/8/2021	Cintas Corporation #150	\$ 244.31
6153	12/8/2021	Rowland Water District	\$ 321.12
6154	12/8/2021	Chandler Asset Management, Inc.	\$ 3,039.98
6155	12/8/2021	Genesis Computer Systems, Inc.	\$ 186.16
6156	12/8/2021	Ferguson Waterworks - Santa Ana	\$ 7,528.41

Walnut Valley Water District
Check Register For the Month of December 2021

CHECK NUMBER	DATE	PAYEE	AMOUNT
6157	12/8/2021	Online Information Services, Inc.	\$ 378.22
6158	12/8/2021	SpryPoint Services, Inc.	\$ 2,917.22
6159	12/8/2021	Harrington Industrial Plastics, LLC	\$ 435.59
6160	12/8/2021	Fleming, Carmen	\$ 51.52
6161	12/8/2021	Cintas First Aid & Safety LOC#168	\$ 216.81
6162	12/8/2021	Azusa Land Reclamation, Inc.	\$ 3,112.97
6163	12/8/2021	Veritiv Operating Company	\$ 1,230.70
6164	12/8/2021	TelePacific Corp.	\$ 893.46
6165	12/8/2021	Hill Brothers Chemical Company	\$ 2,564.88
6166	12/8/2021	United Abacus Arithmetic Association	\$ 600.00
6167	12/8/2021	Star Brite Building Maintenance, Inc.	\$ 1,881.16
6168	12/8/2021	Premier Family Medicine Associates, Inc.	\$ 200.00
6169	12/8/2021	Spadra Basin Groundwater Sustainability Agency	\$ 2,214.85
6170	12/8/2021	IB Consulting, LLC	\$ 780.00
6171	12/8/2021	Fedak & Brown LLP	\$ 850.00
6172	12/8/2021	Altec Products, Inc.	\$ 6,958.35
6173	12/8/2021	Central Communications	\$ 642.27
6174	12/8/2021	FMT Consultants, LLC	\$ 760.00
6175	12/8/2021	Amazon Capital Services, Inc.	\$ 1,718.11
6176	12/15/2021	California-Nevada Section American Water Works Assoc.	\$ 285.00
6177	12/15/2021	City of Walnut	\$ 2,310.00
6178	12/15/2021	Cyber Security Source	\$ 731.42
6179	12/15/2021	Dangelo Co, Inc.	\$ 1,705.62
6180	12/15/2021	Hach Company	\$ 2,672.83
6181	12/15/2021	Ken's Ace Hardware	\$ 10.84
6182	12/15/2021	Los Angeles County Recorder	\$ 20.00
6183	12/15/2021	McMaster-Carr Supply Company	\$ 751.63
6184	12/15/2021	Pomona City Clerk	\$ 1,953.74
6185	12/15/2021	Pool & Electrical Products, Inc.	\$ 914.48
6186	12/15/2021	Quinn Company	\$ 1,174.07
6187	12/15/2021	Southern California Edison Company	\$ 60.88
6188	12/15/2021	Verizon Wireless	\$ 920.99
6189	12/15/2021	Water Education Foundation	\$ 1,000.00
6190	12/15/2021	Western Water Works	\$ 7,377.01
6191	12/15/2021	Cintas Corporation #150	\$ 517.91
6192	12/15/2021	Paso Robles Tank, Inc.	\$ 228,843.91
6193	12/15/2021	Lehigh Outfitters, LLC	\$ 191.20
6194	12/15/2021	InfoSend, Inc.	\$ 14,576.39
6195	12/15/2021	Linkture Corporation	\$ 5,127.77

Walnut Valley Water District
Check Register For the Month of December 2021

CHECK NUMBER	DATE	PAYEE	AMOUNT
6196	12/15/2021	Ferguson Waterworks - Santa Ana	\$ 2,504.77
6197	12/15/2021	East West Bank - Visa	\$ 7,532.81
6198	12/15/2021	Dealership Doctors, Inc.	\$ 745.00
6199	12/15/2021	Office Solutions Business Prod. & Svcs,LLC	\$ 142.24
6200	12/15/2021	Pres-Tech Manufacturer's Representatives, Inc.	\$ 623.53
6201	12/15/2021	State Water Resources Ctrl Bd - Cert Rnw	\$ 90.00
6202	12/15/2021	Veritiv Operating Company	\$ 104.27
6203	12/15/2021	Tri County Pump Company	\$ 13,057.68
6204	12/15/2021	Everbrite West LLC	\$ 939.73
6205	12/15/2021	ConvergeOne, Inc.	\$ 4,532.94
6206	12/15/2021	HASA, Inc.	\$ 1,498.63
6207	12/15/2021	Canon Solutions America, Inc.	\$ 2,090.82
6208	12/15/2021	GNA - Brook Fire Protection, Inc.	\$ 103.00
6209	12/15/2021	Autonovation Mobile Auto Repair	\$ 415.00
6210	12/15/2021	Quadient, Inc.	\$ 191.38
6211	12/15/2021	Lagerlof, LLP	\$ 2,860.00
6212	12/15/2021	Aqua Backflow, Inc	\$ 2,128.00
6213	12/15/2021	West Yost & Associates, Inc.	\$ 52,803.25
6214	12/15/2021	Canon Solutions America, Inc.	\$ 88.83
6215	12/15/2021	Safeguard Data Solutions	\$ 864.49
6216	12/15/2021	California Association of Public Information Officials	\$ 25.00
6217	12/15/2021	Fill Good LLC	\$ 1,200.00
6218	12/15/2021	Salisbury Online	\$ 398.02
6219	12/15/2021	Allied Electronics & Automation	\$ 661.06
6220	12/17/2021	Lias, David	\$ 1,129.46
6221	12/22/2021	ACWA Services Corporation	\$ 140,621.87
6222	12/22/2021	AT&T Mobility II, LLC	\$ 643.84
6223	12/22/2021	Azteca Landscape	\$ 14,250.00
6224	12/22/2021	Garcia, Cielito	\$ 184.10
6225	12/22/2021	Government Finance Officers Association	\$ 460.00
6226	12/22/2021	Liebert, Cassidy, & Whitmore	\$ 1,060.00
6227	12/22/2021	McMaster-Carr Supply Company	\$ 70.67
6228	12/22/2021	Pomona City Clerk	\$ 4.99
6229	12/22/2021	Southern Calif Gas Company	\$ 848.44
6230	12/22/2021	Vulcan Materials Company	\$ 1,291.39
6231	12/22/2021	Cintas Corporation #150	\$ 454.57
6232	12/22/2021	Fuel Pros, Inc.	\$ 175.00
6233	12/22/2021	InForm Decisions	\$ 199.29
6234	12/22/2021	BearCom	\$ 357.95

Walnut Valley Water District
Check Register For the Month of December 2021

CHECK NUMBER	DATE	PAYEE	AMOUNT
6235	12/22/2021	Rowland High School	\$ 624.73
6236	12/22/2021	Genesis Computer Systems, Inc.	\$ 2,039.63
6237	12/22/2021	Industry Public Utility Commission	\$ 1,750.01
6238	12/22/2021	Ferguson Waterworks - Santa Ana	\$ 2,039.95
6239	12/22/2021	Sheakley Pension Administration, Inc.	\$ 168.30
6240	12/22/2021	SpryPoint Services, Inc.	\$ 1,600.00
6241	12/22/2021	State Water Resources Ctrl Bd - Cert Rnw	\$ 60.00
6242	12/22/2021	Lift Safety	\$ 237.62
6243	12/22/2021	Frontier Communications	\$ 1,060.98
6244	12/22/2021	Managed Mobile, Inc.	\$ 1,732.80
6245	12/22/2021	OPARC, Inc.	\$ 4,053.02
6246	12/22/2021	A & J Tree Care, Inc.	\$ 1,700.00
6247	12/22/2021	Spadra Basin Groundwater Sustainability Agency	\$ 1,348.75
6248	12/22/2021	Bay Alarm Company	\$ 825.00
6249	12/22/2021	Banzil, Alyssa	\$ 207.70
6250	12/22/2021	Healthequity, Inc.	\$ 11.80
6251	12/22/2021	Public Water Agencies Group	\$ 1,927.42
6252	12/22/2021	Right of Way, Inc.	\$ 1,334.16
6253	12/22/2021	Backgrounds Online	\$ 173.95
6254	12/22/2021	Roque, Alejandro	\$ 197.00
EFT00000000533	12/3/2021	Puente Basin Water Agency	\$ 300.00
EFT00000000534	12/7/2021	Puente Basin Water Agency	\$ 852,701.14
EFT00000000535	12/7/2021	Pomona-Walnut-Rowland JWL Commission	\$ 905,178.90
EFT00000000536	12/9/2021	Puente Basin Water Agency	\$ 38,506.71
EFT00000000537	12/16/2021	Doty Bros Equipment Co, Inc.	\$ 17,723.88
EFT00000000538	12/23/2021	Puente Basin Water Agency	\$ 13,415.99
EFT00000000539	12/30/2021	Public Agency Retirement Services	\$ 375,000.00
EFT00000000540	12/30/2021	Reliance Standard Life Insurance Co.	\$ 6,536.95
XFR000006734	12/8/2021	PAYROLL	\$ 262,890.40
XFR000006743	12/16/2021	PAYROLL	\$ 395,528.53
XFR000006745	12/21/2021	WATER REFUND	\$ 9,495.80
		TOTAL	\$ 3,692,537.51

Reviewed by:

Josh Boyer

Director of Finance

01/12/2022

Date

Reviewed by:

Edie Hummer

General Manager

Jan 13, 2022

Date

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
SUBMITTED BY: Director of External Affairs
DATE: January 18, 2022
SUBJECT: Community Outreach Update

Action/Discussion Fiscal Impact Resolution Information Only

RECOMMENDATION

For information only.

BACKGROUND INFORMATION:

Conservation and Education Outreach Updates

1. January Bill Insert
District customers received the 2 bill inserts noted below (front/back) with their monthly bill statement.

Insert #1 - FRONT

Scan the QR code
to view calender of events





NEW YEAR, NEW VIRTUAL WORKSHOPS

- Garden Design
- Turf Removal
- Deciphering Your Irrigation Controller
- Drip Irrigation: Maintenance & Troubleshooting
- CA Friendly Native Plant Landscape
- Rainwater Harvesting
- Sustainable Landscape Design
- Irrigation & Water Use Efficiency
- Easy Steps to Lawn Conversion
- Residential Leak Detection

FEB 2ND - Easy Steps to Lawn Conversion (Mandarin)

FEB 9TH - Easy Steps to Lawn Conversion (English)

REGISTER AT WWW.WVWD.COM/EVENTS

SAVE THE DATE!

IN-PERSON SUCCULENT WORKSHOP FEBRUARY 8TH & 10TH

**Registration coming soon. Visit our website at
www.wvwd.com for updates.**

WALNUT VALLEY WATER DISTRICT
271 S Brea Canyon Rd., Walnut, CA 91789
(909) 595-1268 | outreach@wvwd.com
www.wvwd.com



Insert #1 - BACK



High-Efficiency Device Rebates Available For You!



Flume Smart Home Water Monitor

Get \$100 back after rebate from SoCal WaterSmart! Protect your property, take control of your water use, and save money on your next water bill.

Get offer at:
www.flumewater.com/partners/wvwd



Weather Based Irrigation Controller (WBIC)

Rebates start at \$80 per controller & \$35 per station. WBICs are a great tool for more accurate and customized irrigation.

For more info, visit:
www.socalwatersmart.com


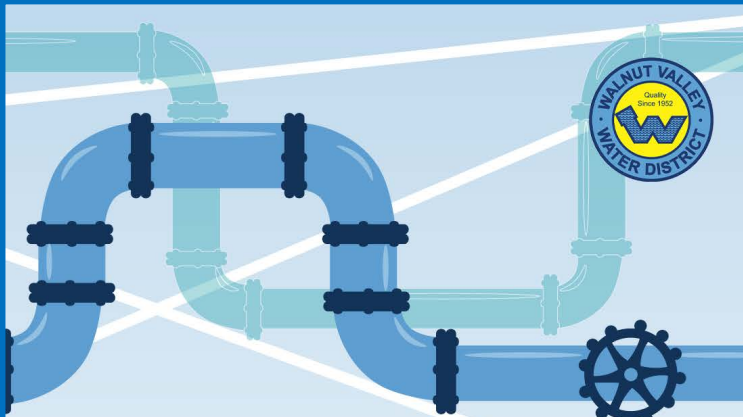


Premium High-Efficiency Toilets (PHET)

Rebates of \$40 per toilet are available for PHET using 1.1 gallons per flush or less. PHETs use almost 20% less water than the WaterSense standard and flush the same amount of waste just as, if not more effectively.

For more info, visit:
www.socalwatersmart.com

For assistance in completing a residential rebate application or for more information, please contact Donna Dilaura at ddilaura@wvwd.com or (909) 595-7554 ext. 327.




Upcoming Changes to Your Water Rates

WVWD rate increases are effective January 1, 2022. Changes to your monthly water bill will be reflected in your February 2022 statement.

The Board of Directors approved a Rate Study in January 2020. Since then, WVWD has worked to mitigate costs while meeting necessary investment in the pipes, pumps, and plants that keep clean water flowing to your home.

See reverse side to read about the 2022 Rate Change Bill Comparison and see how it affects WVWD customers.



WALNUT VALLEY WATER DISTRICT
271 S Brea Canyon Rd.
Walnut, CA 91789
(909) 595-1268 | www.wvwd.com

Insert #2 - BACK



Walnut Valley Water District 2022 Rate Increase Bill Comparison



CUSTOMER SCENARIO #1:

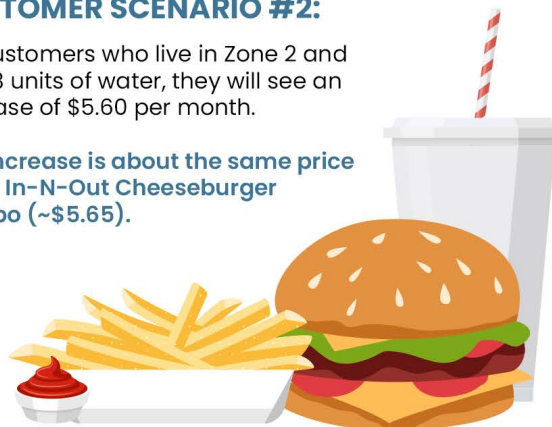
The average customer uses 18 units of water on a monthly basis. The new rate for 18 units of water will be \$90.26 compared to \$85.02; an increase of \$5.24.

The increase is about the same price as a venti Mocha Frappuccino from Starbucks (~\$5.65).

CUSTOMER SCENARIO #2:

For customers who live in Zone 2 and use 18 units of water, they will see an increase of \$5.60 per month.

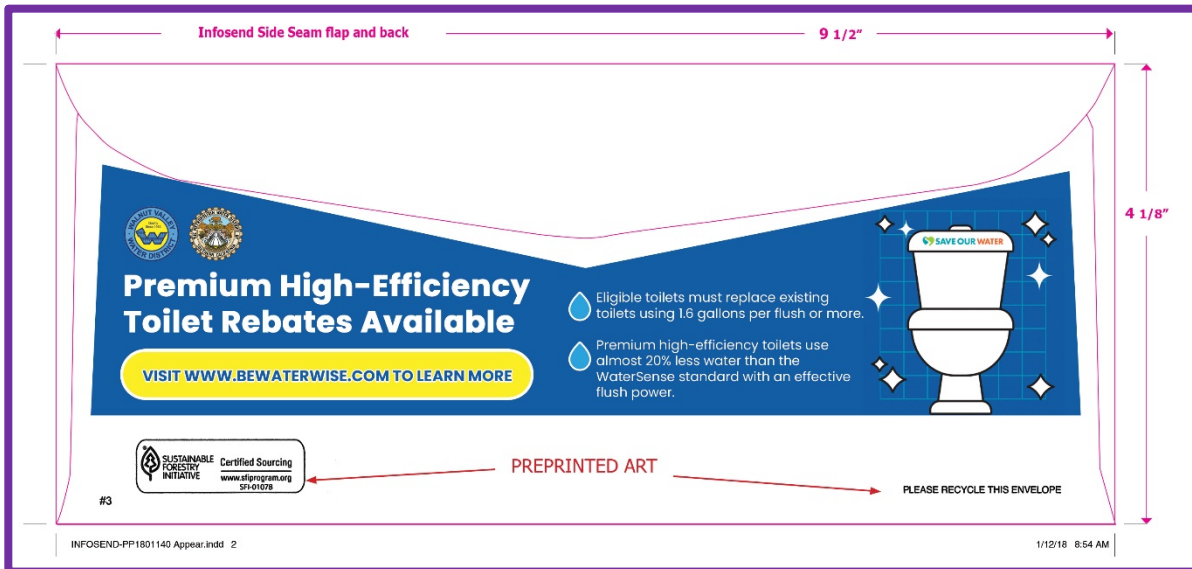
The increase is about the same price as an In-N-Out Cheeseburger Combo (~\$5.65).



Scan the QR code or visit www.wwd.com/rate-schedules to learn more about Walnut Valley Water District's water rates.

2. January Bill Snipe

District customers received the bill snipe design noted below (front/back) with their monthly bill statement.

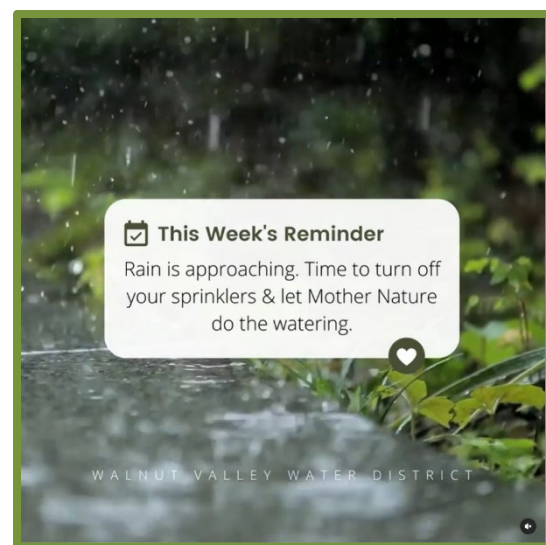


3. Facebook, Twitter, Instagram, and YouTube

The District regularly posts updates and promotions of external affairs activities, conservation tips, and education materials to Facebook, Twitter, Instagram, and YouTube.

During the month of December, the District shared the following:

- Premium High-Efficiency Toilet Rebate
- We Are Hiring – Executive Secretary
- Rain is approaching – water reminder
- MWD 2022 “Water Is Life” Art Calendar Winners
- Phone lines temporarily down
- Christmas holiday office closure
- New Years Day holiday office closure
- And more



4. December E-Newsletter

The December E-Newsletter is available here: <https://conta.cc/3Jk3AQy>

The District shared information about student winners for MWD's "Water Is Life" Art Calendar, available rebates, "Ask WWD" monthly Q&A, upcoming virtual workshops, and more.

External Affairs Activities (Upcoming & Current)

1. Poster & Media Contest

The District is kicking off the student poster and media contest on January 10th. The poster contest theme is "Water Is Life," students are given the opportunity to demonstrate their artistic abilities while learning about the importance of water in our lives. This year's theme for the HS Broadcast Media & Digital Art Contest is "Beat the Drought"; students are given the opportunity to create their own media campaign for a chance to win a cash prize. Students have until April 4, 2022, to submit their entry.

2. MWD "Water Is Life" Calendar Student Winners Virtual Awards Ceremony

MWD selected 3 student winners who participated in the District's Annual Poster Art Contest to have their artworks featured in their 2022 "Water Is Life" Calendar. A virtual awards ceremony was held on Monday, December 6th via Zoom to celebrate the contest winners.

3. Holiday Soups & Succulents Workshop

The District hosted a Holiday Soups & Succulents workshop on December 7th at the District's Commerce Point building. Customers learned how to create a water-efficient holiday wreath. In addition, customers brought in canned goods to support the District's holiday canned food drive that was donated to a local food bank in Rowland Heights.

4. Free Virtual Indoor and Outdoor Water Survey Program

The District has launched a Free Virtual Indoor and Outdoor Water Survey Program for residential customers. The survey includes:

- **Water Meter Check**
- **Indoor Survey:** A leak detection survey of toilets, showers, sinks, washing machines, reverse osmosis, water softeners, water heaters, and dishwashers
- **Outdoor Survey:** A review of active irrigation programs and recommendations to enhance efficiency (start times, station run times, and days per week).
- **Personalized Report:** Identification of areas of concerns and recommendations to increase water savings which may result in lower monthly bills

Customers can schedule a survey by calling 1-888-987-9473 or emailing info@waterwise-consulting.com.

Upcoming Community Events

1. Virtual Landscape Workshops

The District will be offering virtual landscape workshops to District customers in English and Mandarin. Classes being offered include:

- CA Friendly & Native Plant Landscaping
- Turf Removal
- Garden Design
- Sustainable Landscape Design
- Drip Irrigation: Maintenance & Troubleshooting
- Deciphering Your Irrigation Controller
- Rainwater Harvesting
- Composting For A Healthy Garden
- Irrigation & Water Use Efficiency
- Easy Steps to Lawn Conversion

District customers can visit www.wvwd.com/events/ to view class dates and to register.

2. MWD Landscape Online Classes

The Metropolitan Water District of Southern California (MWD) provides free landscape classes online for residents within our service area. District customers can visit www.wvwd.com/events/ to view class dates and to register.

3. Waterwise Community Center Online Workshops

The Chino Basin Water Conservation District provides free online workshops for residents within our service area. Topics include Irrigation and Water Basics, Drip Irrigation System Design and Installation, Retrofitting Lawn Sprinklers, Rainwater Harvesting, and more. District customers can visit www.wvwd.com/events/ to view class dates and to register.

Local Sponsorships (New & Ongoing)

1. United Abacus Arithmetic Association (UAAA) Global Cup

The District is a sponsor of the 2022 UAAA Global Cup Abacus and Mental Arithmetic competition. The event will take place on January 15th. Sponsorship includes a full-page color ad in the annual journal. A sponsorship letter on behalf of the District's Board of Directors was also provided.

2. Girls In Future Tech (GIFT) Sponsorship

The District sponsored the Southern California Chapter of the Women of AT&T (WOA) event, GIFT Day (Girls In Future Technologies). GIFT Day is dedicated to introducing young girls to the possibilities of pursuing STEM careers. The event was held on December 9th at Suzanne Middle School. The District also donated conservation giveaway items to include in the GIFT Day goodie bags.

3. AWWEE Mentoring Program Supporter Sponsorship

The District sponsored the Association of Women in Water, Energy, & Environment (AWWEE)'s mentoring program.

4. Diamond Bar Evergreen Club Sponsorship

The District is sponsoring the Diamond Bar Evergreen Club, which includes a full-page color ad that will run quarterly. The ad running from November-February contains information regarding the District's Mandarin Landscape Workshops.

5. CIE-SoCal Future City Competition Sponsorship

The District sponsored CIE-SoCal's Future City Competition at the "Silver" level. The sponsorship included the District's logo on the event program, website, and awards ceremony.

DIRECTOR EXPENSE FORM



NAME: Kevin Hayakawa

DATE: December 2021

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	12/1/2021	ACWA Presidential Election	<input checked="" type="checkbox"/>				\$ -
2	12/6/2021	MWD "Water is Life" Poster Recognition Event	<input type="checkbox"/>				\$ -
3	12/6/2021	Public Information Committee Meeting	<input checked="" type="checkbox"/>				\$ -
4	12/6/2021	Finance Committee Meeting	<input type="checkbox"/>				\$ -
5	12/7/2021	Engineering Committee Meeting	<input checked="" type="checkbox"/>				\$ -
6	12/7/2021	Personnel Committee Meeting	<input type="checkbox"/>				\$ -
7	12/13/2021	WVWD Regular Board Meeting	<input checked="" type="checkbox"/>				\$ -
8	12/15/2021	TVMWD Regular Board Meeting	<input checked="" type="checkbox"/>				\$ -
9			<input type="checkbox"/>				\$ -
10			<input type="checkbox"/>				\$ -
11			<input type="checkbox"/>				\$ -
12			<input type="checkbox"/>				\$ -
13			<input type="checkbox"/>				\$ -

Total Number of Miles: 0 X \$0.56	\$ -
Total Reimbursable Expenses	\$ -
Total Meeting Compensation 5 X \$150.00 per day	\$ 750.00
TOTAL	\$ 750.00

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

Signature

Date

* Mileage is reimbursed at IRS Standard Business Mileage Rate \$0.560

**Directors are eligible for seven meeting days per month at \$150 per day.

DIRECTOR EXPENSE FORM



NAME: Edwin Hilden

DATE: December 2021

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	12/6/2021	Public Info Committee	<input checked="" type="checkbox"/>				\$ -
2	12/6/2021	Finance Committee	<input type="checkbox"/>				\$ -
3	12/13/2021	WVWD Board Meeting	<input checked="" type="checkbox"/>				\$ -
4	12/15/2021	TVMWD Board Meeting	<input checked="" type="checkbox"/>				\$ -
5	12/20/2021	Telephonic Interview with Water Now Alliance	<input checked="" type="checkbox"/>				\$ -
6			<input type="checkbox"/>				\$ -
7			<input type="checkbox"/>				\$ -
8			<input type="checkbox"/>				\$ -
9			<input type="checkbox"/>				\$ -
10			<input type="checkbox"/>				\$ -
11			<input type="checkbox"/>				\$ -
12			<input type="checkbox"/>				\$ -
13			<input type="checkbox"/>				\$ -

Total Number of Miles: 0 X \$0.56 \$ -

Total Reimbursable Expenses \$ -

Total Meeting Compensation 4 X \$150.00 per day \$ 600.00

TOTAL \$ 600.00

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

Signature

Date 1-7-2021

* Mileage is reimbursed at IRS Standard Business Mileage Rate \$0.560

**Directors are eligible for seven meeting days per month at \$150 per day.

DIRECTOR EXPENSE FORM



NAME: Kwong

DATE: December 2021

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	12/6/2022	Water is Life Calendar Online Recognition Event	<input checked="" type="checkbox"/>				\$ -
2	12/7/2022	Engineering Committee	<input checked="" type="checkbox"/>				\$ -
3	12/7/2022	Personnel Committee	<input type="checkbox"/>				\$ -
4	12/7/2022	Succulent Weath Class	<input type="checkbox"/>				\$ -
5	12/9/2022	Governor Appointment Workshop by Senator Newman	<input checked="" type="checkbox"/>				\$ -
6	12/11/2022	Chinese-American Elected Official Association Holiday Social	<input checked="" type="checkbox"/>				\$ -
7	12/13/2022	Board meeting	<input checked="" type="checkbox"/>				\$ -
8	12/15/2022	President's Duty	<input checked="" type="checkbox"/>				\$ -
9	12/16/2022	Diamond Bar Evergreen Club Quarterly Celebration	<input checked="" type="checkbox"/>				\$ -
10			<input type="checkbox"/>				\$ -
11			<input type="checkbox"/>				\$ -
12			<input type="checkbox"/>				\$ -
13			<input type="checkbox"/>				\$ -

Total Number of Miles: 0 X \$0.56 \$ -

Total Reimbursable Expenses \$ -

Total Meeting Compensation 7 X \$150.00 per day \$ 1,050.00

TOTAL \$ 1,050.00

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

Signature

Date

* Mileage is reimbursed at IRS Standard Business Mileage Rate \$0.560

**Directors are eligible for seven meeting days per month at \$150 per day.

DIRECTOR EXPENSE FORM



NAME: Theresa Lee

DATE: Dec. 2021

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	12/2/2021	PBWA Board Meeting	<input checked="" type="checkbox"/>				\$ -
2	12/5/2021	Heart of Hope 10th Anniversary Christmas Party	<input checked="" type="checkbox"/>				\$ -
3	12/6/2021	MWD "Water is Life" Calendar Online Recognition	<input type="checkbox"/>				\$ -
4	12/6/2021	WVWD Finance Committee Meeting	<input checked="" type="checkbox"/>				\$ -
5	12/7/2021	WVWD Engineering Committee Meeting	<input checked="" type="checkbox"/>				\$ -
6	12/13/2021	WVWD Board Meeting via Webex	<input checked="" type="checkbox"/>				\$ -
7			<input type="checkbox"/>				\$ -
8			<input type="checkbox"/>				\$ -
9			<input type="checkbox"/>				\$ -
10			<input type="checkbox"/>				\$ -
11			<input type="checkbox"/>				\$ -
12			<input type="checkbox"/>				\$ -
13			<input type="checkbox"/>				\$ -

Total Number of Miles: 0 X \$0.56 \$ -

Total Reimbursable Expenses \$ -

Total Meeting Compensation 5 X \$150.00 per day \$ 750.00

TOTAL \$ 750.00

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

Signature

Date

* Mileage is reimbursed at IRS Standard Business Mileage Rate \$0.560

**Directors are eligible for seven meeting days per month at \$150 per day.

DIRECTOR EXPENSE FORM



NAME: Jerry C. Tang

DATE: December 2021

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	12/1/2021	JPIA/ACWA Conference	<input checked="" type="checkbox"/>				\$ -
2	12/2/2021	JPIA/ACWA Conference	<input type="checkbox"/>				\$ -
3	12/2/2021	Puente Basin Water Agency Board of Commissioners Meeting and Signing Documents	<input checked="" type="checkbox"/>				\$ -
4	12/5/2021	Heart of Hope Virtual Christmas Party	<input checked="" type="checkbox"/>				\$ -
5	12/6/2021	MWD "Water is Life" Calendar Online Recognition	<input type="checkbox"/>				\$ -
6	12/6/2021	WVWD Public Information and Legislative Committee Meeting	<input checked="" type="checkbox"/>				\$ -
7	12/6/2021	WVWD Finance Committee Mmeeting	<input type="checkbox"/>				\$ -
8	12/7/2021	WVWD Engineering Committee Meeting	<input type="checkbox"/>				\$ -
9	12/7/2021	WVWD Personnel Committee Meeting	<input checked="" type="checkbox"/>				\$ -
10	12/8/2021	Garden Design Workshop in Mandarin	<input checked="" type="checkbox"/>				\$ -
11	12/13/2021	WVWD Board Meeting	<input checked="" type="checkbox"/>				\$ -
12			<input type="checkbox"/>				\$ -
13			<input type="checkbox"/>				\$ -

Total Number of Miles: 0 X \$0.56 \$ -

Total Reimbursable Expenses \$ -

Total Meeting Compensation 7 X \$150.00 per day \$ 1,050.00

TOTAL \$ 1,050.00

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

Signature _____

Date _____

* Mileage is reimbursed at IRS Standard Business Mileage Rate \$0.560

**Directors are eligible for seven meeting days per month at \$150 per day.

Monthly Board Expense Detail
 Kevin Hayakawa
 December 31, 2021

Payment Date/Charge Date	Type	Description	Conference/Meeting	Payment Type	Check Number	Payment	Reimbursed By Director	District Expense	GL Acct.
		No Activity						-	
								-	
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								-	
Total Districts Charges						-	-	0.00	

Kevin Hayakawa _____ Date
Christina Florig _____ Date
 Executive Assistant _____ *JAN 13, 2022*

Josh Byler _____ Date *JAN 12, 2022*
 Director of Finance _____
John H. Horman _____ Date *JAN 13, 2022*
 General Manager _____

Monthly Board Expense Detail
Edwin Hilden
December 31, 2021

Payment Date/Charge Date	Type	Description	Conference/Meeting	Payment Type	Check Number	Payment	Reimbursed By Director	District Expense	GL Acct.	
		No Activity						-		
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Total Districts Charges							-	-	0.00	

Edwin M. Hilden _____ Date

Corinna Floring _____ *JAN 03, 2022*
Executive Assistant Date

Jack By... _____ *JAN 12, 2022*
Director of Finance Date

Edwin Hilden _____ *JAN 13, 2022*
General Manager Date

Monthly Board Expense Detail
 Scarlett Kwong
 December 31, 2021

Payment Date/Charge Date	Type	Description	Conference/Meeting	Payment Type	Check Number	Payment	Reimbursed By Director	District Expense	GL Acct.
		No Activity						-	
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Total Districts Charges						-	-	0.00	

Scarlett Kwong _____ Date
Carrie Kwong _____ Jan 13, 2022
 Executive Assistant Date

Josh Boyce _____ JAN 12, 2022
 Director of Finance Date
John Hamm _____ JAN 13, 2022
 General Manager Date

Monthly Board Expense Detail
 Theresa Lee
 December 31, 2021

Payment Date/Charge Date	Type	Description	Conference/Meeting	Payment Type	Check Number	Payment	Reimbursed By Director	District Expense	GL Acct.
		No Activity						-	
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Total Districts Charges						-	-	0.00	

Theresa Lee _____ Date _____

Committee _____ Date JAN 13, 2022
 Executive Assistant

Josh Boyce _____ Date JAN 12, 2022
 Director of Finance

Kyle Hutchinson _____ Date JAN 13, 2022
 General Manager

Monthly Board Expense Detail
 Jerry Tang
 December 31, 2021

Payment Date/Charge Date	Type	Description	Conference/Meeting	Payment Type	Check Number	Payment	Reimbursed By Director	District Expense	GL Acct.
		No Activity						-	
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Total Districts Charges							-	-	0.00

 Jerry Tang Date

Cameron King
 Executive Assistant Date JAN 13, 2022

Josh Byler
 Director of Finance Date JAN 12, 2022

Keith H. H. H.
 General Manager Date Jan 13, 2022

**WALNUT VALLEY WATER DISTRICT
TREASURER'S REPORT
January 18, 2022**



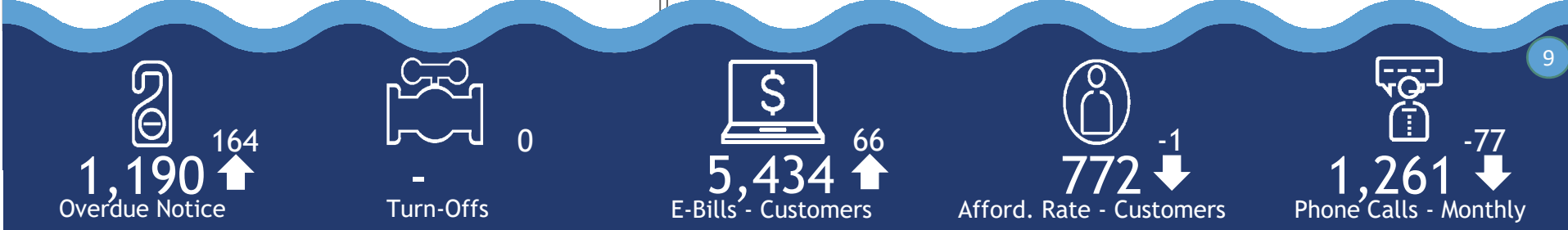
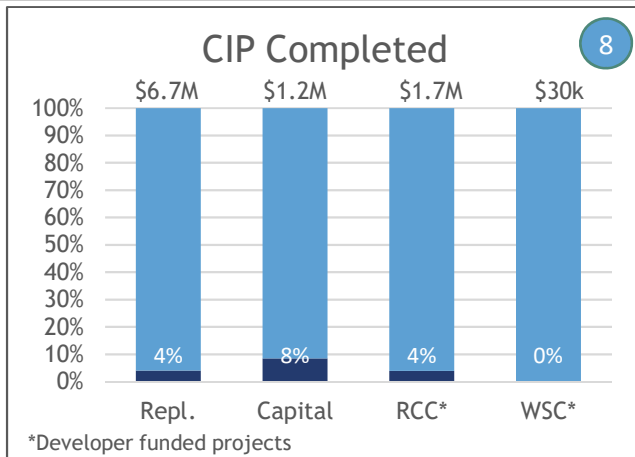
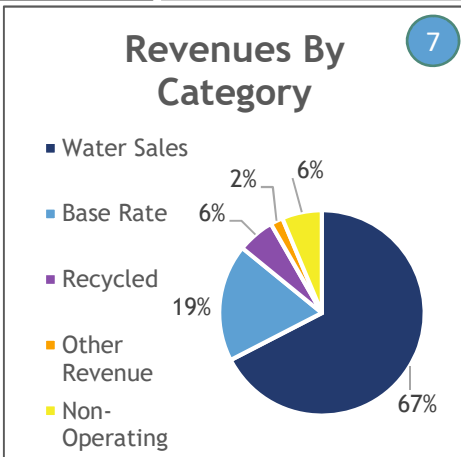
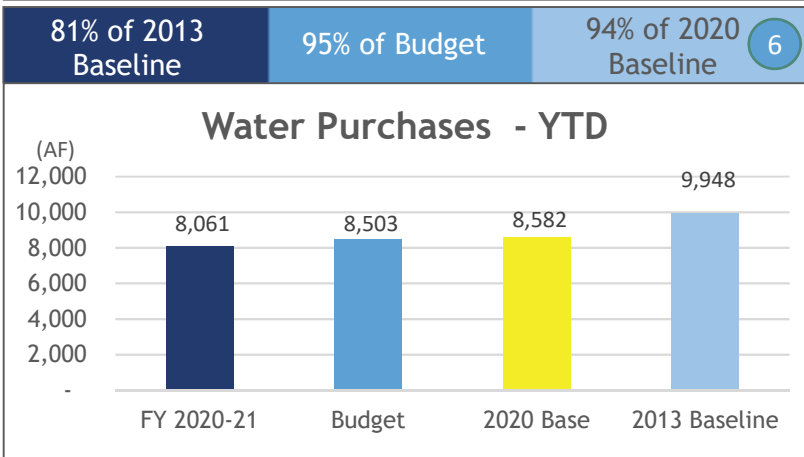
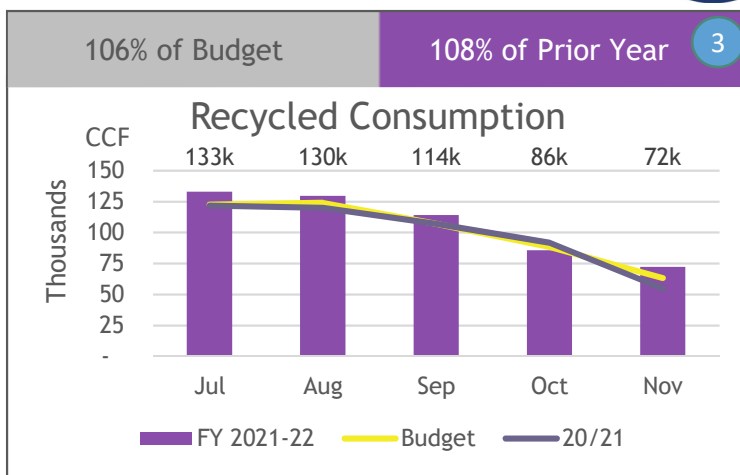
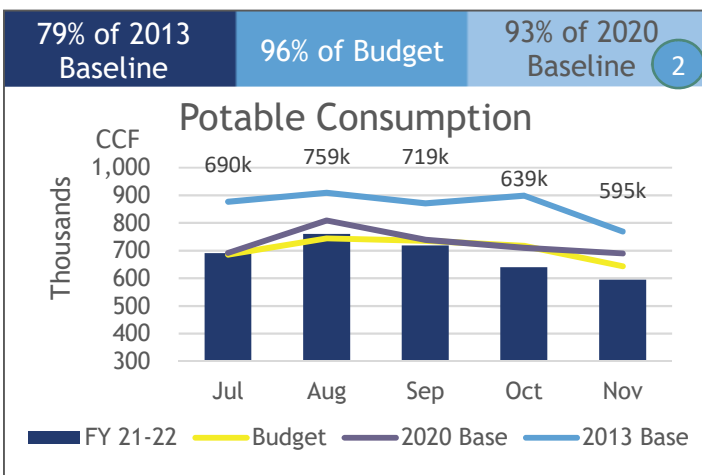
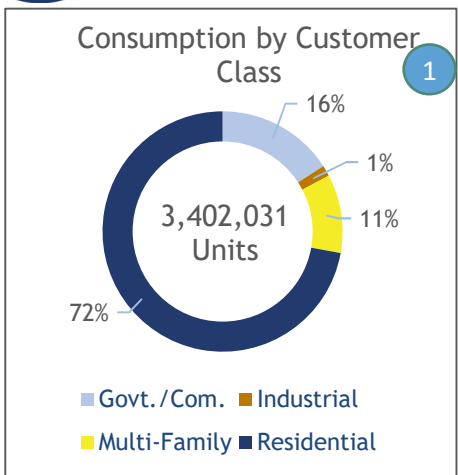
- 1) Financial Dashboard as of November 30, 2021
- 2) District Statement of Revenues, Expenses, and Change in Net Position as of November 30, 2021
- 3) District Statement of Net Position as of November 30, 2021
- 4) Summary of Cash Investments as of November 30, 2021



Walnut Valley Water District Financial Dashboard



November 30, 2021



* Consumption revenue and expense data excludes wholesale water

Walnut Valley Water District
Statement of Revenues, Expenses & Changes in Net Position
Summary by Division
For the Five Months Ending Tuesday, November 30, 2021

	November			YTD		
	Actual	Budget	% of Budget	Actual	Budget	Annual % of Budget
Operating Revenues						
Water Sales	\$3,019,744.35	\$3,224,056.00	93.66%	\$16,921,882.91	\$36,756,761.00	46.04%
Wholesale Sales	347,805.60	0.00	0.00%	2,777,642.04	0.00	0.00%
Water Sales - Recycled	159,892.14	151,798.00	105.33%	1,131,936.10	2,083,217.00	54.34%
Hydroelectric Sales	2,464.15	3,333.00	73.93%	20,724.76	40,000.00	51.81%
Stand-by Charges	37,786.36	5,566.00	678.88%	56,542.25	825,000.00	6.85%
Total Operating Revenues	3,567,692.60	3,384,753.00	105.40%	20,908,728.06	39,704,978.00	52.66%
Operating Expenses						
Operations	505,229.63	475,610.00	106.23%	2,502,398.15	6,356,202.00	39.37%
Engineering	100,633.86	110,414.00	91.14%	554,267.22	1,462,560.00	37.90%
Finance	162,415.69	174,229.00	93.22%	848,029.52	2,267,618.00	37.40%
Board of Directors/GM Office	70,063.27	115,633.00	60.59%	531,847.15	1,554,796.00	34.21%
Administrative Services	177,691.51	211,533.00	84.00%	966,396.39	2,812,636.00	34.36%
General Administration	105,439.79	95,937.00	109.91%	568,445.54	1,258,250.00	45.18%
Total Operating Expenses	1,121,473.75	1,183,356.00	94.77%	5,971,383.97	15,712,062.00	38.01%
Purchased Water & Related	1,916,259.99	1,526,903.00	125.50%	12,078,290.05	20,700,922.00	58.35%
Total Expenses	3,037,733.74	2,710,259.00	112.08%	18,049,674.02	36,412,984.00	49.57%
Income (Loss) From Operations	529,958.86	674,494.00	78.57%	2,859,054.04	3,291,994.00	86.85%
Nonoperating Revenues/(Expenses)	(35,475.11)	(248,440.00)	14.28%	1,137,878.20	1,195,920.00	95.15%
Income (Loss) Before Res. Rev & Deprec.	494,483.75	426,054.00	116.06%	3,996,932.24	4,487,914.00	89.06%
Restricted/Desig Rev & Other Exp.	29,366.71	0.00	0.00%	10,532.55	0.00	0.00%
Income (Loss) Before Depreciation	523,850.46	426,054.00	122.95%	4,007,464.79	4,487,914.00	89.29%
Depreciation & Amortization	457,006.43	0.00	0.00%	2,288,637.80	0.00	0.00%
Income Before Capital Contributions	66,844.03	426,054.00	15.69%	1,718,826.99	4,487,914.00	38.30%
Capital Contributions	310,062.71	0.00	0.00%	1,638,761.03	0.00	0.00%
Net Increase (Decrease) in Net Position	376,906.74	426,054.00	88.46%	3,357,588.02	4,487,914.00	74.81%

Walnut Valley Water District
Statement of Net Position
Tuesday, November 30, 2021

ASSETS

CURRENT ASSETS:

Cash & Investments - Unrestricted	\$33,713,088.60	
Accounts Receivable:		
Water	4,200,130.09	
Taxes	55,910.91	
Accrued Interest	170,800.19	
Other	1,176,676.28	
Standby Charges	77,010.61	
Materials Inventory	916,656.95	
Prepaid Expenses	357,307.02	
TOTAL CURRENT ASSETS		40,667,580.65

RESTRICTED ASSETS

Cash & Investments - Restricted	14,279,849.76	
Interest Receivable	1,017.67	
Investment in Joint Venture	20,836,282.66	
TOTAL RESTRICTED ASSETS		35,117,150.09

OTHER ASSETS

CAPITAL ASSETS

Capital Assets	228,414,083.20	
Construction in Progress	5,008,989.60	
Less: Accumulated Depreciation	(122,155,642.84)	
NET CAPITAL ASSETS		111,267,429.96
TOTAL ASSETS		187,052,160.70

Walnut Valley Water District
Statement of Net Position
Tuesday, November 30, 2021

DEFERRED OUTFLOW OF RESOURCES

Deferred Pension Contributions		1,623,306.00
Deferred Outflow - Actuarial		1,589,293.00
Deferred Outflow - OPEB		3,705,955.00
TOTAL DEFERRED OUTFLOW OF RESOURCES		<u>6,918,554.00</u>

LIABILITIES & FUND EQUITY

CURRENT LIABILITIES

Accounts Payable	(4,253,813.05)	
Other Current Liabilities	190,661.47	
TOTAL CURRENT LIABILITIES	<u></u>	(4,063,151.58)

RESTRICTED LIABILITIES

Accounts Payable	(16,769.32)	
Deposits	(2,071,154.31)	
Construction Advances	(4,772,863.08)	
TOTAL RESTRICTED LIABILITIES	<u></u>	(6,860,786.71)

LONG TERM DEBT & RELATED

Deferred Bond Premium	(15,380,000.00)	
Net Pension Liability	(15,420,693.00)	
Other Long-term Debt	(6,053,222.30)	
TOTAL LONG TERM DEBT & RELATED	<u></u>	(36,853,915.30)
TOTAL LIABILITIES		<u>(47,777,853.59)</u>

DEFERRED INFLOW OF RESOURCES

Deferred Inflow of Resources - Actuarial		(656,849.00)
TOTAL DEFERRED INFLOW OF RESOURCES		<u>(656,849.00)</u>

Walnut Valley Water District
Statement of Net Position
Tuesday, November 30, 2021

NET POSITION

Invested in Capital Assets, Net of Related Debt	111,267,429.96	
Restricted	12,876,363.38	
Unrestricted	21,392,218.77	
TOTAL NET POSITION	<u>145,536,012.11</u>	
TOTAL NET POSITION		<u><u>145,536,012.11</u></u>

Walnut Valley Water District
Summary of Cash and Investments
11/30/2021

CASH & CASH EQUIVALENTS

Cash on Hand		\$3,200.00	
<u>Cash in Bank</u>			
East West Bank - General	\$3,139,774.77		
East West Bank - Payroll	449,524.57		
East West Bank - Water Refund	25,504.20		
East West Bank - Revolving	25,251.97		
East West Bank - Credit Card	1,548,839.54		
East West Bank - Badillo Grand	300,596.28		
East West Bank - Payroll Reimbursement	20,027.53		
Total Cash in Bank		<u>5,509,518.86</u>	
TOTAL CASH			<u>\$5,512,718.86</u>

INVESTMENTS

Certificates of Deposit		991,000.00	
Corporate Notes		8,000,000.00	
Supranational		2,100,000.00	
Local Agency Investment Fund (LAIF)		5,057,863.77	
BNY Mellon - Money Market (Sweep)		0.00	
US Agency		11,775,000.00	
US Treasury		11,465,000.00	
TOTAL INVESTMENTS		<u>39,388,863.77</u>	
TOTAL CASH & INVESTMENTS			<u><u>\$44,901,582.63</u></u>

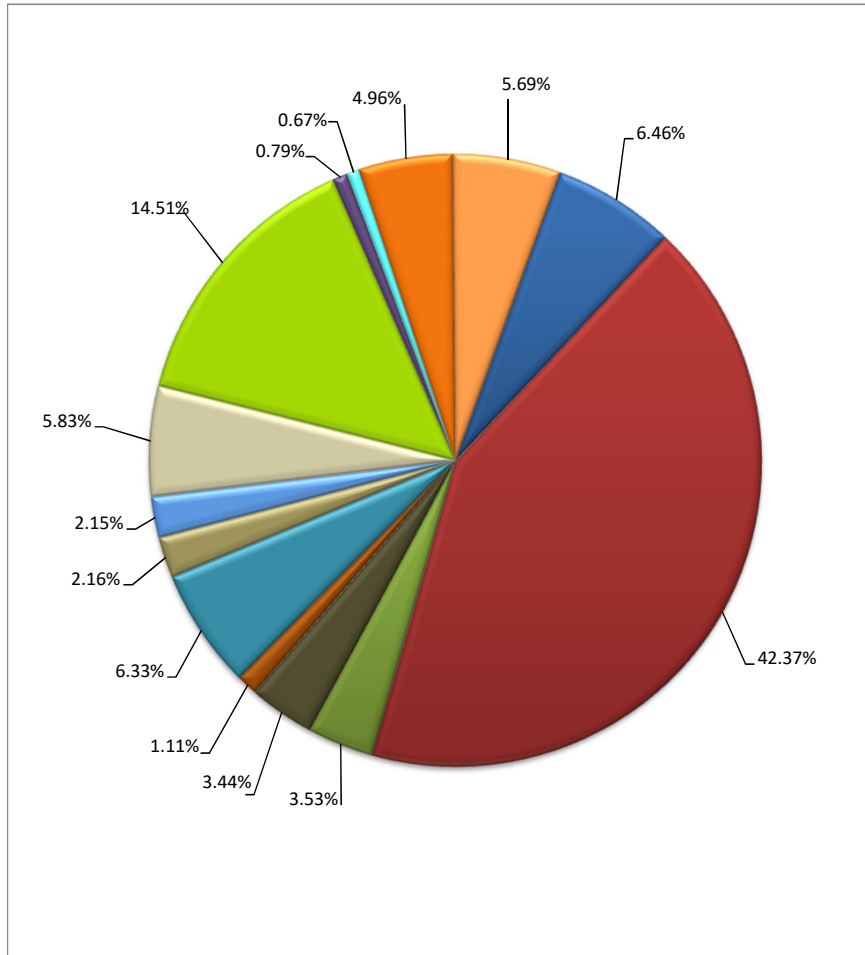
I certify that this report accurately reflects all investments of the Walnut Valley Water District and that all investments are in full compliance with State law and District's Investment Policy.



Josh Byertum, CPA

Director of Finance

Walnut Valley Water District Summary of Cash and Investments by Reserve Fund November 30, 2021



ALLOCATION OF CASH AND INVESTMENTS			
Unrestricted			
Category 1			
General Account	\$	2,900,311.76	6.46%
	\$	<u>2,900,311.76</u>	<u>6.46%</u>
Designated			
Category 2			
Operating Reserve	\$	2,618,700.00	5.83%
Replacement	\$	19,022,756.07	42.37%
Capital Improvement	\$	1,584,930.83	3.53%
Rate Stabilization	\$	1,543,125.39	3.44%
B/G Catastrophic Ins	\$	500,000.00	1.11%
Employee Liabilities	\$	2,843,168.78	6.33%
Stored Water	\$	971,600.00	2.16%
Project Reserve	\$	967,231.99	2.15%
	\$	<u>30,051,513.06</u>	<u>66.92%</u>

Restricted Reserves			
Category 3			
Customer/Developer Deposits	\$	6,515,789.70	14.51%
	\$	<u>6,515,789.70</u>	<u>14.51%</u>
Category 4			
ASC	\$	352,809.39	0.79%
Badillo/Grand-Maintenance	\$	300,596.28	0.67%
RCC	\$	2,225,273.95	4.96%
WSC	\$	2,555,288.49	5.69%
	\$	<u>5,433,968.11</u>	<u>12.11%</u>

Total \$ 44,901,582.63 100.00%

Category 1 - These are funds that accumulate from day-to-day operations and represent the net equity in the District's General Fund. All interest earned is retained in the General Fund.

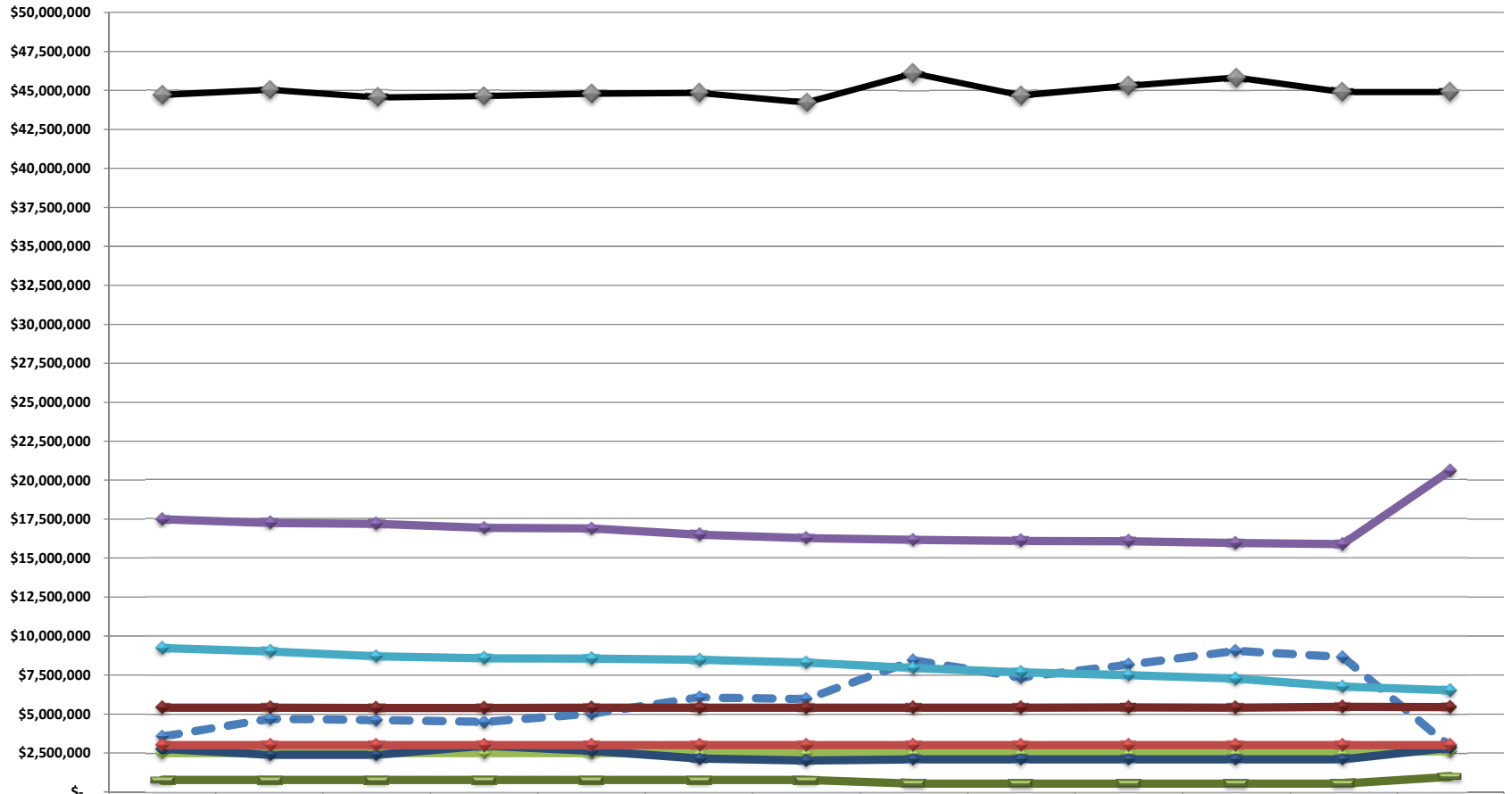
Category 2 - These funds, although not legally or externally restricted, have been reserved pursuant to the Board's desire to provide a stable and equitable rate structure. All interest earned related to these funds is retained by each designated fund.

Category 3 - These funds have legal or external restrictions. These Restricted Funds can only be used for the specific purposes established for the fund. All interest earned is retained in the General Fund.

Category 4 - These funds have legal or external restrictions. All interest earned must be retained by each Restricted Fund and can only be used for the specific purposes established for the fund.

Note: Effective 6/30/12, the Badillo Grand Catastrophic Insurance Fund was reclassified from a Restricted Fund to a Designated Fund.

Walnut Valley Water District Cash Balances November 2020 - November 2021



	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sept 2021	Oct 2021	Nov 2021
General Account	\$3,550,917	\$4,690,309	\$4,609,897	\$4,494,340	\$5,026,165	\$6,060,641	\$5,955,437	\$8,431,791	\$7,358,144	\$8,156,438	\$9,049,042	\$8,653,174	\$2,900,312
Operating Reserve	\$2,496,760	\$2,496,760	\$2,496,760	\$2,496,760	\$2,496,760	\$2,496,760	\$2,496,760	\$2,496,760	\$2,496,760	\$2,496,760	\$2,496,760	\$2,496,760	\$2,618,700
Capital/Replacement Reserve	\$17,491,653	\$17,263,472	\$17,199,376	\$16,937,144	\$16,900,826	\$16,501,199	\$16,276,067	\$16,168,467	\$16,107,257	\$16,082,306	\$15,964,505	\$15,904,634	\$20,607,687
Employee Liabilities Reserve	\$2,762,024	\$2,387,024	\$2,387,786	\$2,969,077	\$2,644,946	\$2,146,936	\$2,012,024	\$2,093,169	\$2,093,169	\$2,093,169	\$2,093,169	\$2,093,169	\$2,843,169
Stored Water Reserve	\$763,900	\$763,900	\$763,900	\$763,900	\$763,900	\$763,900	\$763,900	\$530,200	\$530,200	\$530,200	\$530,200	\$530,200	\$971,600
Other Designated Reserves	\$3,010,357	\$3,010,357	\$3,010,357	\$3,010,357	\$3,010,357	\$3,010,357	\$3,010,357	\$3,010,357	\$3,010,357	\$3,010,357	\$3,010,357	\$3,010,357	\$3,010,357
Customer/Dev. Deposits	\$9,232,054	\$9,013,020	\$8,704,499	\$8,578,958	\$8,551,608	\$8,466,643	\$8,305,311	\$7,952,119	\$7,679,924	\$7,502,112	\$7,273,227	\$6,755,488	\$6,515,790
Developer & Other Restricted	\$5,412,154	\$5,414,058	\$5,386,467	\$5,391,462	\$5,398,205	\$5,397,870	\$5,403,917	\$5,414,322	\$5,416,402	\$5,428,986	\$5,409,073	\$5,454,406	\$5,433,968
Grand Total	\$44,719,819	\$45,038,900	\$44,559,042	\$44,641,998	\$44,792,767	\$44,844,307	\$44,223,773	\$46,097,185	\$44,692,214	\$45,300,327	\$45,826,333	\$44,898,187	\$44,901,583

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
SUBMITTED BY: Director of Engineering
DATE: January 18, 2022
SUBJECT: Consider Award of Contract with ESRI for GIS Mapping Software

Action/Discussion Fiscal Impact Resolution Information Only

Recommendation

Request the Board of Directors authorize the General Manager to execute a 3-year contract with Environmental Systems Research Institute, Inc. (ESRI) at a cost of \$75,000.00.

Background Information

Currently Nobel Systems (Nobel) hosts the District's GIS (Geographic Information System), mapping software of District facilities that allows field and office personnel to view and obtain information to make informed decisions. Over the years, the District has relied on Nobel to host, maintain, and update this information.

Access to the cloud-based data has always been a concern for District staff. In the event of an emergency, we are unable to assume we can rely on the Internet to retrieve information. Consequently, the District decided for a change in direction and look into hosting this information in-house to reduce this risk.

In discussions with ESRI regarding the needs of the District, ArcGIS was introduced as the most suitable solution. Since July, staff has been running and testing ArcGIS concurrently with Nobel Systems and has determined ArcGIS met the needs of the District. Therefore, staff would like to implement ArcGIS District-wide.

ESRI is proposing a 3-year contract at an annual cost of \$25,000 per year, or a total contract price of \$75,000. The contract provides a license Agreement for the software and support services for the District. Staff believes by hosting the GIS in-house, it decreases the possibility of being unable to retrieve vital information during an emergency situation, as well as, eliminate the dependence on outside entities to update the District's data.

Staff recommends that the Board of Directors authorize the General Manager to execute a 3-year contract with ESRI at a total cost of \$75,000.

Funds for the annual software license (\$25,000) were included in the approved District Budget FY 2021-2022.

OPERATIONS DEPARTMENT REPORT
December, Monthly Report

PROJECT NO.	PROJECT DESCRIPTION	STATUS
N/A	Watermain and water service repair	<u>Repair Water Service Leaks:</u> 1424 Delamere Drive, 19442 Baelen Street, Rowland Heights. 1654 Fox Glen Drive, Diamond Bar. 19905 Valley Blvd, 679 Brea Canyon Road (Shea Center), 671 & 675 Brea Canyon Road (Shea Center- Replaced existing iron saddles) Walnut. <u>Replaced Copper Setters:</u> 20603 Deloraine Drive, 433 Wrangler Way, Walnut. <u>Replaced Angle Meter Stops:</u> None for December. <u>Water Main Break:</u> Grand Ave south of Stonybrook Drive, Walnut. (Recycled 8") PVC Main 900 zone. 1000 Milkyway Place, Diamond Bar-4" ACP. <u>Water System/Miscellaneous Work:</u> Oparc completed Fire Hydrant Routes: 10-01, 10-02, 10-03 Spoils Hauled to Azusa Dump- 11 loads Get Reads: R1/3, M1/23, W1/1, W2/259, W3/163, W4/17 Tailgate Meeting/ RCS System at Armitos Reservoir
N/A	Repair of sheared blowoffs, fire hydrants and air-vac assemblies	1. 20153 Paseo Del Prado, Walnut. Hit fire Hydrant. 2. 1555 Fairway Drive, Walnut. Hit Fire Hydrant. 3. 19850 Colima Road, Rowland Heights. Hit Fire Hydrant.
21-3699	Fire Hydrant Replacement Project	Project started and ongoing.
19-3608	Analyzers, Active Mixing systems	Hillrise A and B, Eldertree A and B installation, Ongoing.
N/A	Production Facility Maintenance	<u>Pump and Motor Maintenance:</u> Tri County Pump re-installed Diamond Bar 1050 Zone No. 3, Bourdet 900 No. 1 and Fernhollow No. 1 motors and picked up Pathfinder 1200 Zone No. 1 motor. <u>Pump Station Maintenance :</u> IBC recycled pump station, check/meg ohm motors. Diamond Bar Pump station 1200 Zone pressure transmitter replaced. <u>Facility/Miscellaneous Work:</u> Caterpillar replaced battery and serviced charging system on Snowcreek XQ35 Generator. CLAVAl installed closing Hytrol valve on 36" CLAVAl at Bypass No.2. BGTM Meter calibrations were completed. Parker Canyon Reservoir, D&H Mixer integration with PAX controller completed, ans BGTM Monthly inspection completed. Nogales Mag Meter installation completed. JWL monthly inspection completed.
N/A	Total trihalomethanes (TTHMs) Graph	Water quality meets all state and federal standards.

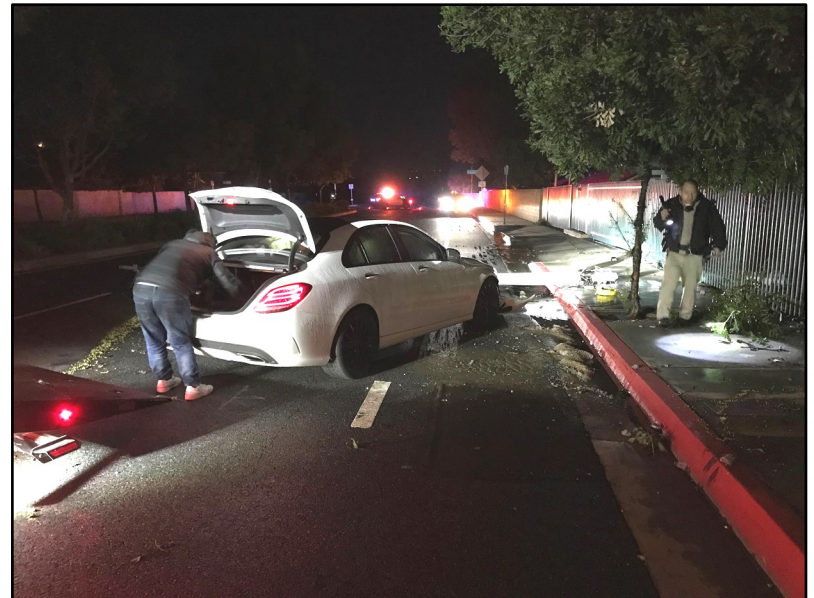
Recycled Mainbreak

Grand Avenue at Stonybrook, City of Walnut



Hit Fire Hydrant

1555 Fairway Drive, City of Walnut



WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
SUBMITTED BY: Director of Administrative Services
DATE: January 18, 2022
SUBJECT: Disability and Life Insurance Renewal

Action/Discussion Fiscal Impact Resolution Information Only

Recommendation

That the Board of Directors accept the District's employee disability and life insurance coverage renewal from Reliance Standard that includes the following:

1. 0% premium increase for the District's life insurance and long-term disability coverage with a corresponding one-year rate guarantee effective March 1, 2022 through February 28, 2023; and
2. 0% premium increase for the District's short-term disability coverage with a corresponding one-year rate guarantee, effective March 1, 2022 through February 28, 2023.

Background

The District has historically provided disability and life insurance coverage for its employees. Reliance Standard, an A+ rated company specializing in life and disability insurance, has been the District's carrier for these coverages since March 1, 2015. Since that time, Reliance Standard has not increased the District's life insurance or long-term disability premiums. In 2017, the short-term disability plan premium increased from \$.39 to \$.44 of \$10 of coverage justifiably due to increased employee utilization which resulted in a loss ratio of 110% compared to a desired loss ratio of 67%. It should be noted that the short-term disability premium remains nearly 39% lower than the premiums paid for the same coverage dating back to 2003.

Attachment

Reliance Standard Renewal Letter

RELIANCE STANDARD
LIFE INSURANCE COMPANY
A MEMBER OF THE TOKIO MARINE GROUP

25909 Pala Place, Suite 250
Mission Viejo, Ca 92691
(800) 762-3059 x 5969

December 7, 2021

Alanna Diaz
Walnut Valley Water District
271 S. Brea Canyon Rd.
Walnut, CA 91789

Re: Policy GL 153789, G 163980, LTD 125975

Dear Ms. Diaz,

Thank you for allowing Reliance Standard the opportunity to provide Life, AD&D, Voluntary Life and Disability insurance to your employee's over the years.

At Reliance Standard, our goal is to provide you with a benefits plan that will enhance your ability to attract the employees you want, retain them, and provide for their security in times of need. Our commitment to you is:

- A customized benefits plan that meets your goals and objectives;
- Quick, effective handling of all administrative, claims and underwriting matters;
- Cooperative and efficient service for you and your employees

We continually review plan design and characteristics of our customer base in order to determine appropriate pricing. Contributing pricing factors include, but are not limited to nature of your business, geographic location, and employer contribution level(s).

Based upon these factors, we are pleased to report Walnut Valley Water Districts current rates will hold until 3/1/2023. Current & Renewal rates listed below by product line:

<u>Line of Coverage</u>	<u>Current Rates</u>	<u>Renewal Rate</u>
Basic Life: GL 153789	\$0.14 per \$1,000	\$0.14 per \$1,000
Basic AD&D: GL 153789	\$0.02 per \$1,000	\$0.02 per \$1,000
Vol Life: GL 153789	Age Banded	Age Banded
STD: G 163980	\$0.44 per \$10	\$0.44 per \$10
LTD: LTD 125975	\$0.304 per \$100	\$0.304 per \$100

Thank you again for choosing Reliance Standard. We value your business and look forward to continuing our relationship into the future.

Sincerely,

Shawn Braun

Shawn T. Braun, MBA
Regional Sales Director
Direct Line: 949.309.5965

cc: Phil Ruland, Brown & Brown Insurance Services



Walnut Valley Water District Consolidated - Account #10076

MONTHLY ACCOUNT STATEMENT

DECEMBER 1, 2021 THROUGH DECEMBER 31, 2021

Chandler Team:

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

Custodian

Bank of New York Mellon Trust Company
Amy Kung
(213) 630-6374

CHANDLER ASSET MANAGEMENT
chandlerasset.com

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures.



PORTFOLIO CHARACTERISTICS

Average Modified Duration	1.92
Average Coupon	1.29%
Average Purchase YTM	1.28%
Average Market YTM	0.70%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	1.98 yrs
Average Life	1.92 yrs

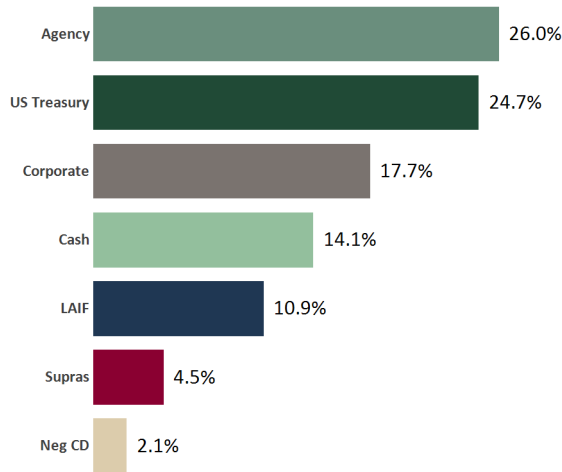
ACCOUNT SUMMARY

	Beg. Values as of 11/30/21	End Values as of 12/31/21
Market Value	45,240,460	46,187,907
Accrued Interest	170,800	153,735
Total Market Value	45,411,260	46,341,642
Income Earned	49,669	49,774
Cont/WD		
Par	44,901,583	45,966,185
Book Value	44,912,052	45,964,829
Cost Value	44,913,952	45,964,071

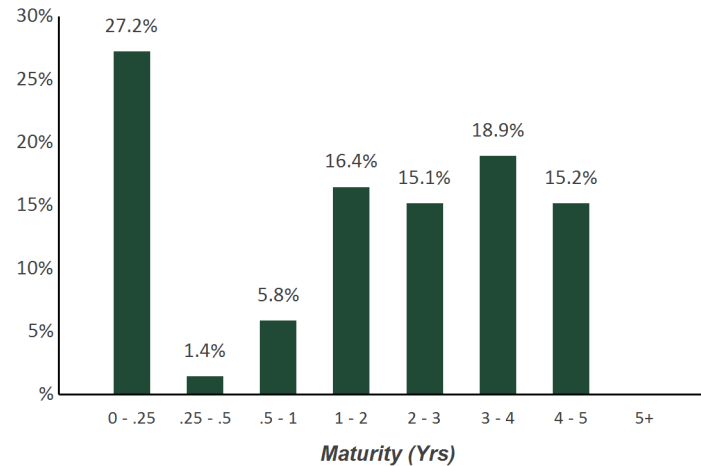
TOP ISSUERS

Government of United States	24.7%
Bank Cash Account	14.1%
Federal Home Loan Bank	12.2%
Local Agency Investment Fund	10.9%
Federal National Mortgage Assoc	8.5%
Federal Home Loan Mortgage Corp	3.6%
Intl Bank Recon and Development	2.4%
Inter-American Dev Bank	2.2%
Total	78.5%

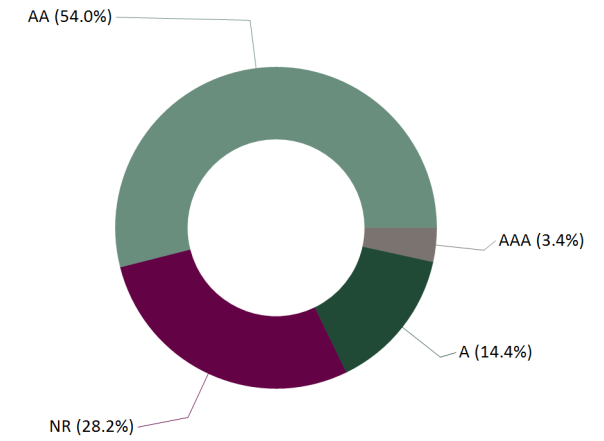
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)





PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.54
Average Coupon	1.70%
Average Purchase YTM	1.70%
Average Market YTM	0.89%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.63 yrs
Average Life	2.60 yrs

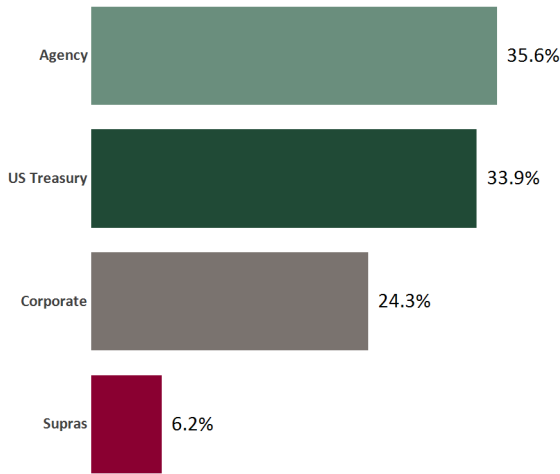
ACCOUNT SUMMARY

	Beg. Values as of 11/30/21	End Values as of 12/31/21
Market Value	33,680,450	33,614,064
Accrued Interest	166,655	147,587
Total Market Value	33,847,105	33,761,651
Income Earned	47,760	47,772
Cont/WD		-28,666
Par	33,340,000	33,390,000
Book Value	33,350,469	33,388,643
Cost Value	33,352,370	33,387,885

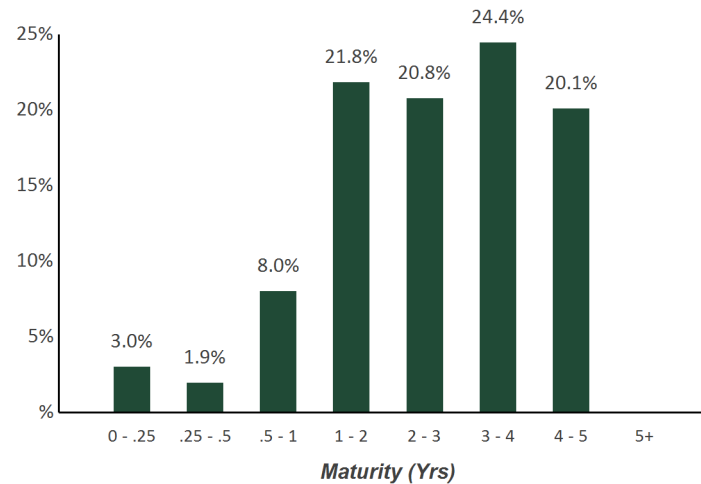
TOP ISSUERS

Government of United States	33.9%
Federal Home Loan Bank	16.7%
Federal National Mortgage Assoc	11.6%
Federal Home Loan Mortgage Corp	5.0%
Intl Bank Recon and Development	3.2%
Inter-American Dev Bank	3.0%
Federal Farm Credit Bank	2.3%
US Bancorp	1.6%
Total	77.3%

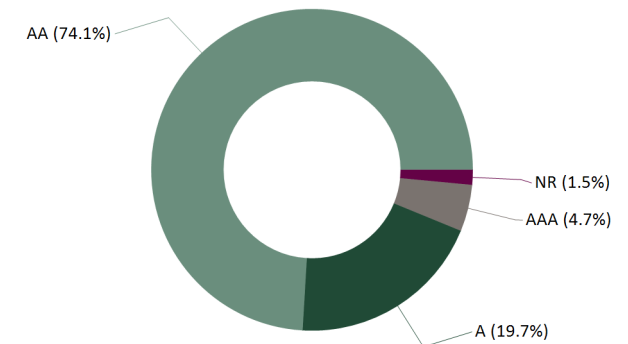
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	Annualized									
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	7/31/2009	
Walnut Valley Water District	-0.17%	-0.65%	-0.94%	-0.94%	1.63%	2.60%	2.06%	1.55%	1.76%	
ICE BofA 1-5 Yr US Treasury & Agency Index*	-0.27%	-0.68%	-1.09%	-1.09%	1.53%	2.41%	1.88%	1.35%	1.56%	

*ICE BofA 1-3 Yr US Treasury Index to 8/31/10



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3135G0T94	FNMA Note 2.375% Due 1/19/2023	500,000.00	04/11/2018 2.70%	492,845.00 498,427.79	102.05 0.41%	510,269.50 5,343.75	1.11% 11,841.71	Aaa / AA+ AAA	1.05 1.03
313382AX1	FHLB Note 2.125% Due 3/10/2023	450,000.00	04/11/2018 2.66%	439,069.50 447,360.34	101.94 0.49%	458,721.45 2,948.44	1.00% 11,361.11	Aaa / AA+ AAA	1.19 1.17
313383YJ4	FHLB Note 3.375% Due 9/8/2023	625,000.00	09/28/2018 3.05%	634,237.50 628,152.64	104.57 0.65%	653,558.75 6,621.09	1.42% 25,406.11	Aaa / AA+ NR	1.69 1.63
3135G0U43	FNMA Note 2.875% Due 9/12/2023	750,000.00	10/30/2018 3.04%	744,405.00 748,051.04	103.70 0.68%	777,733.50 6,528.65	1.69% 29,682.46	Aaa / AA+ AAA	1.70 1.65
3130A0F70	FHLB Note 3.375% Due 12/8/2023	750,000.00	12/13/2018 2.93%	765,270.00 755,923.42	105.07 0.73%	788,050.50 1,617.19	1.70% 32,127.08	Aaa / AA+ AAA	1.94 1.88
3135G0V34	FNMA Note 2.5% Due 2/5/2024	575,000.00	03/06/2019 2.60%	572,263.00 573,833.53	103.56 0.78%	595,458.50 5,829.86	1.30% 21,624.97	Aaa / AA+ AAA	2.10 2.03
3130AFW94	FHLB Note 2.5% Due 2/13/2024	500,000.00	02/28/2019 2.61%	497,510.00 498,936.59	103.61 0.78%	518,054.50 4,791.67	1.13% 19,117.91	Aaa / AA+ AAA	2.12 2.05
3130AB3H7	FHLB Note 2.375% Due 3/8/2024	600,000.00	05/01/2019 2.35%	600,600.00 600,269.86	103.34 0.83%	620,059.20 4,472.92	1.35% 19,789.34	Aaa / AA+ NR	2.19 2.12
3133EKNX0	FFCB Note 2.16% Due 6/3/2024	750,000.00	07/02/2019 1.88%	759,847.50 754,844.29	103.63 0.65%	777,187.50 1,260.00	1.68% 22,343.21	Aaa / AA+ AAA	2.42 2.36
3130A1XJ2	FHLB Note 2.875% Due 6/14/2024	650,000.00	06/26/2019 1.85%	681,427.50 665,505.85	104.87 0.87%	681,632.90 882.47	1.47% 16,127.05	Aaa / AA+ NR	2.45 2.37
3130A3GE8	FHLB Note 2.75% Due 12/13/2024	700,000.00	12/23/2019 1.77%	732,445.00 719,241.89	105.17 0.97%	736,196.30 962.50	1.59% 16,954.41	Aaa / AA+ NR	2.95 2.84
3135G0X24	FNMA Note 1.625% Due 1/7/2025	600,000.00	02/14/2020 1.48%	604,074.00 602,515.15	101.83 1.01%	610,964.40 4,712.50	1.33% 8,449.25	Aaa / AA+ AAA	3.02 2.92
3137EAEP0	FHLMC Note 1.5% Due 2/12/2025	600,000.00	02/14/2020 1.48%	600,486.00 600,303.72	101.46 1.02%	608,785.20 3,475.00	1.32% 8,481.48	Aaa / AA+ AAA	3.12 3.02
3135G03U5	FNMA Note 0.625% Due 4/22/2025	800,000.00	Various 0.53%	803,537.00 802,400.08	98.64 1.04%	789,113.60 958.34	1.70% (13,286.48)	Aaa / AA+ AAA	3.31 3.26
3130AJKW8	FHLB Note 0.5% Due 6/13/2025	600,000.00	06/10/2020 0.54%	598,866.00 599,217.27	98.12 1.05%	588,748.80 150.00	1.27% (10,468.47)	Aaa / AA+ AAA	3.45 3.41
3137EAEU9	FHLMC Note 0.375% Due 7/21/2025	400,000.00	08/12/2020 0.45%	398,456.00 398,889.31	97.48 1.10%	389,918.00 666.67	0.84% (8,971.31)	Aaa / AA+ AAA	3.56 3.51



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3137EAEX3	FHLMC Note 0.375% Due 9/23/2025	700,000.00	10/07/2020 0.50%	695,758.00 696,812.06	97.32 1.11%	681,205.00 714.58	1.47% (15,607.06)	Aaa / AA+ AAA	3.73 3.68
3135G06G3	FNMA Note 0.5% Due 11/7/2025	625,000.00	11/18/2020 0.51%	624,775.00 624,825.61	97.59 1.14%	609,947.50 468.75	1.32% (14,878.11)	Aaa / AA+ AAA	3.85 3.79
3130AKFA9	FHLB Note 0.375% Due 12/12/2025	600,000.00	01/05/2021 0.42%	598,680.00 598,943.85	96.88 1.19%	581,304.60 118.75	1.25% (17,639.25)	Aaa / AA+ NR	3.95 3.90
Total Agency		11,775,000.00	1.75%	11,844,552.00 11,814,454.29	0.87%	11,976,909.70 52,523.13	25.96% 162,455.41	Aaa / AA+ AAA	2.62 2.56
CASH									
90CASH\$00	Cash Custodial Cash Account	6,527,321.59	Various 0.00%	6,527,321.59 6,527,321.59	1.00 0.00%	6,527,321.59 0.00	14.09% 0.00	NR / NR NR	0.00 0.00
Total Cash		6,527,321.59	N/A	6,527,321.59	0.00%	6,527,321.59 0.00	14.09% 0.00	NR / NR NR	0.00 0.00
CORPORATE									
06406RAA5	Bank of NY Mellon Corp Callable Note Cont 1/7/2022 2.6% Due 2/7/2022	500,000.00	06/20/2017 2.35%	505,305.00 500,019.19	100.04 0.29%	500,188.00 5,200.00	1.09% 168.81	A1 / A AA-	0.10 0.02
69353RFE3	PNC Bank Callable Note Cont 6/28/2022 2.45% Due 7/28/2022	500,000.00	07/26/2017 2.42%	500,650.00 500,064.42	100.97 0.48%	504,832.50 5,206.25	1.10% 4,768.08	A2 / A A+	0.57 0.49
037833DC1	Apple Inc Callable Note Cont 8/12/2022 2.1% Due 9/12/2022	500,000.00	09/21/2017 2.29%	495,540.00 499,375.16	101.16 0.21%	505,777.00 3,179.17	1.10% 6,401.84	Aaa / AA+ NR	0.70 0.61
808513AT2	Charles Schwab Corp Callable Note Cont 12/25/2022 2.65% Due 1/25/2023	500,000.00	10/30/2018 3.51%	483,170.00 495,765.28	101.85 0.75%	509,274.50 5,741.67	1.11% 13,509.22	A2 / A A	1.07 0.97
46625HJH4	JP Morgan Chase Note 3.2% Due 1/25/2023	500,000.00	08/06/2019 2.18%	516,975.00 505,215.86	102.72 0.64%	513,593.50 6,933.33	1.12% 8,377.64	A2 / A- AA-	1.07 1.04
24422ERT8	John Deere Capital Corp Note 2.8% Due 1/27/2023	450,000.00	04/11/2018 3.17%	442,606.50 448,348.08	102.23 0.71%	460,027.80 5,390.00	1.00% 11,679.72	A2 / A A	1.07 1.05
084670BR8	Berkshire Hathaway Callable Note Cont 1/15/2023 2.75% Due 3/15/2023	500,000.00	Various 3.04%	493,706.00 498,369.46	102.11 0.71%	510,551.00 4,048.61	1.11% 12,181.54	Aa2 / AA A+	1.20 1.02



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
CORPORATE									
911312BK1	UPS Callable Note Cont 3/1/2023 2.5% Due 4/1/2023	450,000.00	04/11/2018 3.11%	437,413.50 446,842.97	102.00 0.78%	458,978.85 2,812.50	1.00% 12,135.88	A2 / A- NR	1.25 1.15
58933YAF2	Merck & Co Note 2.8% Due 5/18/2023	250,000.00	08/06/2019 1.89%	258,235.00 252,997.80	102.95 0.65%	257,374.50 836.11	0.56% 4,376.70	A1 / A+ A+	1.38 1.36
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.4% Due 6/26/2023	500,000.00	07/31/2018 3.26%	503,095.00 500,897.87	104.03 0.51%	520,168.00 236.11	1.12% 19,270.13	Aa2 / AA AA	1.48 1.38
02665WCJ8	American Honda Finance Note 3.45% Due 7/14/2023	400,000.00	07/31/2018 3.38%	401,336.00 400,413.29	104.09 0.76%	416,376.00 6,401.67	0.91% 15,962.71	A3 / A- NR	1.53 1.48
89236TFN0	Toyota Motor Credit Corp Note 3.45% Due 9/20/2023	450,000.00	01/16/2019 3.38%	451,318.50 450,484.58	104.51 0.80%	470,290.50 4,355.63	1.02% 19,805.92	A1 / A+ A+	1.72 1.66
91159HHV5	US Bancorp Callable Note Cont 1/5/2024 3.375% Due 2/5/2024	500,000.00	12/23/2019 2.11%	524,265.00 512,107.76	104.84 0.94%	524,212.50 6,843.75	1.15% 12,104.74	A2 / A+ A+	2.10 1.93
06051GHF9	Bank of America Corp Callable Note 1X 3/5/2023 3.55% Due 3/5/2024	450,000.00	05/30/2019 2.62%	458,955.00 454,093.42	102.98 1.00%	463,408.20 5,147.50	1.01% 9,314.78	A2 / A- AA-	2.18 1.15
14913R2L0	Caterpillar Financial Service Note 0.45% Due 5/17/2024	350,000.00	05/12/2021 0.51%	349,426.00 349,545.93	98.78 0.97%	345,730.35 192.50	0.75% (3,815.58)	A2 / A A	2.38 2.36
717081EX7	Pfizer Inc. Callable Note Cont 4/28/2025 0.8% Due 5/28/2025	400,000.00	05/26/2020 0.83%	399,376.00 399,575.23	98.80 1.16%	395,200.40 293.33	0.85% (4,374.83)	A2 / A+ A	3.41 3.35
78015K7H1	Royal Bank of Canada Note 1.15% Due 6/10/2025	400,000.00	05/20/2021 0.96%	403,072.00 402,610.58	99.18 1.39%	396,718.00 268.33	0.86% (5,892.58)	A2 / A AA-	3.44 3.36
89114TZD7	Toronto-Dominion Bank Note 1.2% Due 6/3/2026	400,000.00	08/11/2021 1.12%	401,416.00 401,302.24	98.38 1.58%	393,503.60 373.33	0.85% (7,798.64)	A1 / A AA-	4.42 4.28
Total Corporate		8,000,000.00	2.41%	8,025,860.50 8,018,029.12	0.77%	8,146,205.20 63,459.79	17.72% 128,176.08	A1 / A+ A+	1.65 1.51



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	5,057,863.77	Various 0.22%	5,057,863.77 5,057,863.77	1.00 0.22%	5,057,863.77 2,682.31	10.92% 0.00	NR / NR NR	0.00 0.00
Total LAIF		5,057,863.77	0.22%	5,057,863.77	0.22%	5,057,863.77 2,682.31	10.92% 0.00	NR / NR NR	0.00 0.00

NEGOTIABLE CD									
14042TBL0	Capital One Bank USA NA Negotiable CD 2.2% Due 8/7/2023	247,000.00	08/06/2019 2.20%	247,000.00 247,000.00	100.00 2.20%	247,000.00 2,188.49	0.54% 0.00	NR / NR NR	1.60 1.55
7954506L4	Sallie Mae Bank Negotiable CD 0.85% Due 5/27/2025	248,000.00	05/27/2020 0.85%	248,000.00 248,000.00	100.00 0.85%	248,000.00 202.14	0.54% 0.00	NR / NR NR	3.41 3.35
856285TQ4	STATE BANK OF INDIA Negotiable CD 1.1% Due 5/28/2025	248,000.00	05/28/2020 1.10%	248,000.00 248,000.00	100.00 1.10%	248,000.00 254.12	0.54% 0.00	NR / NR NR	3.41 3.33
38149MZJ5	Goldman Sachs Bank USA Negotiable CD 1.05% Due 9/8/2026	248,000.00	08/25/2021 1.05%	248,000.00 248,000.00	99.06 1.26%	245,657.64 820.44	0.53% (2,342.36)	NR / NR NR	4.69 4.55
Total Negotiable CD		991,000.00	1.30%	991,000.00	1.35%	988,657.64 3,465.19	2.14% (2,342.36)	NR / NR NR	3.27 3.19

SUPRANATIONAL									
459058FY4	Intl. Bank Recon & Development Note 2% Due 1/26/2022	500,000.00	09/21/2017 1.95%	501,010.00 500,015.94	100.10 0.54%	500,505.00 4,305.56	1.09% 489.06	Aaa / NR AAA	0.07 0.07
4581X0CZ9	Inter-American Dev Bank Note 1.75% Due 9/14/2022	500,000.00	08/14/2018 2.91%	477,871.50 496,198.06	100.95 0.40%	504,731.00 2,600.69	1.09% 8,532.94	Aaa / AAA AAA	0.70 0.70
459058JL8	Intl. Bank Recon & Development Note 0.5% Due 10/28/2025	600,000.00	12/14/2020 0.48%	600,516.00 600,405.37	97.46 1.18%	584,771.40 525.00	1.26% (15,633.97)	Aaa / AAA AAA	3.83 3.77



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
SUPRANATIONAL									
4581X0DV7	Inter-American Dev Bank Note 0.875% Due 4/20/2026	500,000.00	04/27/2021 0.94%	498,425.00 498,639.10	98.44 1.25%	492,176.50 862.85	1.06% (6,462.60)	Aaa / AAA AAA	4.30 4.20
Total Supranational		2,100,000.00	1.52%	2,077,822.50 2,095,258.47	0.85%	2,082,183.90 8,294.10	4.51% (13,074.57)	Aaa / AAA AAA	2.27 2.23
US TREASURY									
912828XW5	US Treasury Note 1.75% Due 6/30/2022	650,000.00	Various 1.81%	648,238.51 649,817.18	100.76 0.23%	654,925.70 31.42	1.41% 5,108.52	Aaa / AA+ AAA	0.50 0.50
9128283C2	US Treasury Note 2% Due 10/31/2022	400,000.00	02/27/2018 2.60%	389,468.75 398,128.46	101.35 0.37%	405,390.80 1,370.17	0.88% 7,262.34	Aaa / AA+ AAA	0.83 0.83
912828M80	US Treasury Note 2% Due 11/30/2022	750,000.00	10/30/2018 2.92%	723,515.63 744,084.98	101.45 0.41%	760,869.00 1,318.68	1.64% 16,784.02	Aaa / AA+ AAA	0.92 0.91
912828X70	US Treasury Note 2% Due 4/30/2024	400,000.00	07/02/2019 1.78%	404,125.00 401,988.80	102.73 0.82%	410,922.00 1,370.17	0.89% 8,933.20	Aaa / AA+ AAA	2.33 2.27
9128282U3	US Treasury Note 1.875% Due 8/31/2024	575,000.00	03/04/2020 0.72%	604,311.52 592,390.31	102.57 0.90%	589,756.80 3,663.24	1.28% (2,633.51)	Aaa / AA+ AAA	2.67 2.58
912828YV6	US Treasury Note 1.5% Due 11/30/2024	700,000.00	12/23/2019 1.72%	692,808.59 695,756.15	101.60 0.94%	711,183.90 923.08	1.54% 15,427.75	Aaa / AA+ AAA	2.92 2.85
912828Z52	US Treasury Note 1.375% Due 1/31/2025	575,000.00	03/04/2020 0.71%	593,328.13 586,510.02	101.17 0.99%	581,716.00 3,308.59	1.26% (4,794.02)	Aaa / AA+ AAA	3.09 3.00
912828ZF0	US Treasury Note 0.5% Due 3/31/2025	750,000.00	03/26/2020 0.50%	749,912.11 749,942.93	98.37 1.01%	737,783.25 958.10	1.59% (12,159.68)	Aaa / AA+ AAA	3.25 3.20
91282CAT8	US Treasury Note 0.25% Due 10/31/2025	700,000.00	02/16/2021 0.51%	691,605.47 693,156.21	96.69 1.13%	676,839.80 299.72	1.46% (16,316.41)	Aaa / AA+ AAA	3.84 3.79
91282CBC4	US Treasury Note 0.375% Due 12/31/2025	700,000.00	01/12/2021 0.52%	694,968.75 695,948.36	96.97 1.15%	678,808.90 7.25	1.46% (17,139.46)	Aaa / AA+ AAA	4.00 3.95
91282CBH3	US Treasury Note 0.375% Due 1/31/2026	550,000.00	03/22/2021 0.85%	537,625.00 539,599.14	96.79 1.18%	532,340.05 863.11	1.15% (7,259.09)	Aaa / AA+ AAA	4.09 4.03
91282CBQ3	US Treasury Note 0.5% Due 2/28/2026	650,000.00	03/09/2021 0.83%	639,589.84 641,282.78	97.21 1.19%	631,845.50 1,104.28	1.37% (9,437.28)	Aaa / AA+ AAA	4.16 4.09



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
91282CBT7	US Treasury Note 0.75% Due 3/31/2026	440,000.00	03/29/2021 0.88%	437,301.56 437,709.43	98.15 1.20%	431,870.12 843.13	0.93% (5,839.31)	Aaa / AA+ AAA	4.25 4.15
91282CCF6	US Treasury Note 0.75% Due 5/31/2026	850,000.00	06/28/2021 0.88%	844,820.31 845,356.44	98.00 1.22%	833,000.00 560.44	1.80% (12,356.44)	Aaa / AA+ AAA	4.42 4.32
91282CCP4	US Treasury Note 0.625% Due 7/31/2026	750,000.00	10/08/2021 1.02%	736,171.88 736,810.83	97.29 1.23%	729,697.50 1,961.62	1.58% (7,113.33)	Aaa / AA+ AAA	4.58 4.49
91282CCW9	US Treasury Note 0.75% Due 8/31/2026	850,000.00	09/28/2021 1.00%	839,939.45 840,465.71	97.82 1.23%	831,472.55 2,166.09	1.80% (8,993.16)	Aaa / AA+ AAA	4.67 4.55
91282CCZ2	US Treasury Note 0.875% Due 9/30/2026	650,000.00	12/29/2021 1.26%	638,447.27 638,453.93	98.28 1.25%	638,802.45 1,453.13	1.38% 348.52	Aaa / AA+ AAA	4.75 4.62
91282CDG3	US Treasury Note 1.125% Due 10/31/2026	575,000.00	11/29/2021 1.18%	573,472.66 573,499.87	99.40 1.25%	571,540.80 1,107.91	1.24% (1,959.07)	Aaa / AA+ AAA	4.84 4.68
Total US Treasury		11,515,000.00	1.17%	11,439,650.43 11,460,901.53	1.00%	11,408,765.12 23,310.13	24.67% (52,136.41)	Aaa / AA+ AAA	3.40 3.33
TOTAL PORTFOLIO		45,966,185.36	1.28%	45,964,070.79 45,964,828.77	0.70%	46,187,906.92 153,734.65	100.00% 223,078.15	Aa1 / AA AAA	1.98 1.92
TOTAL MARKET VALUE PLUS ACCRUED						46,341,641.57			



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	12/02/2021	60934N807	0.27	Federated Investors Govt Oblig Fund Inst.	1.000	0.03%	0.27	0.00	0.27	0.00
Purchase	12/03/2021	60934N807	10,500.00	Federated Investors Govt Oblig Fund Inst.	1.000	0.03%	10,500.00	0.00	10,500.00	0.00
Purchase	12/08/2021	60934N807	12,656.25	Federated Investors Govt Oblig Fund Inst.	1.000	0.03%	12,656.25	0.00	12,656.25	0.00
Purchase	12/10/2021	60934N807	2,300.00	Federated Investors Govt Oblig Fund Inst.	1.000	0.03%	2,300.00	0.00	2,300.00	0.00
Purchase	12/12/2021	60934N807	1,125.00	Federated Investors Govt Oblig Fund Inst.	1.000	0.03%	1,125.00	0.00	1,125.00	0.00
Purchase	12/13/2021	60934N807	11,125.00	Federated Investors Govt Oblig Fund Inst.	1.000	0.03%	11,125.00	0.00	11,125.00	0.00
Purchase	12/14/2021	60934N807	9,343.75	Federated Investors Govt Oblig Fund Inst.	1.000	0.03%	9,343.75	0.00	9,343.75	0.00
Purchase	12/26/2021	60934N807	8,500.00	Federated Investors Govt Oblig Fund Inst.	1.000	0.03%	8,500.00	0.00	8,500.00	0.00
Purchase	12/31/2021	60934N807	13,000.00	Federated Investors Govt Oblig Fund Inst.	1.000	0.03%	13,000.00	0.00	13,000.00	0.00
Purchase	12/31/2021	60934N807	600,000.00	Federated Investors Govt Oblig Fund Inst.	1.000	0.03%	600,000.00	0.00	600,000.00	0.00
Purchase	12/31/2021	91282CCZ2	650,000.00	US Treasury Note 0.875% Due 9/30/2026	98.223	1.26%	638,447.27	1,437.50	639,884.77	0.00
Subtotal			1,318,550.27				1,306,997.54	1,437.50	1,308,435.04	0.00
Security Contribution	12/31/2021	60934N807	39,884.77	Federated Investors Govt Oblig Fund Inst.	1.000		39,884.77	0.00	39,884.77	0.00
Security Contribution	12/31/2021	90CASH\$00	1,014,602.73	Cash Custodial Cash Account	1.000		1,014,602.73	0.00	1,014,602.73	0.00
Subtotal			1,054,487.50				1,054,487.50	0.00	1,054,487.50	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Short Sale	12/31/2021	60934N807	-639,884.77	Federated Investors Govt Oblig Fund Inst.	1.000		-639,884.77	0.00	-639,884.77	0.00
Subtotal			-639,884.77				-639,884.77	0.00	-639,884.77	0.00
TOTAL ACQUISITIONS			1,733,153.00				1,721,600.27	1,437.50	1,723,037.77	0.00
DISPOSITIONS										
Closing Purchase	12/31/2021	60934N807	-639,884.77	Federated Investors Govt Oblig Fund Inst.	1.000		-639,884.77	0.00	-639,884.77	0.00
Subtotal			-639,884.77				-639,884.77	0.00	-639,884.77	0.00
Sale	12/31/2021	60934N807	639,884.77	Federated Investors Govt Oblig Fund Inst.	1.000	0.03%	639,884.77	0.00	639,884.77	0.00
Subtotal			639,884.77				639,884.77	0.00	639,884.77	0.00
Maturity	12/31/2021	912828U81	600,000.00	US Treasury Note 2% Due 12/31/2021	100.000		600,000.00	0.00	600,000.00	0.00
Subtotal			600,000.00				600,000.00	0.00	600,000.00	0.00
Security Withdrawal	12/31/2021	60934N807	39,884.77	Federated Investors Govt Oblig Fund Inst.	1.000		39,884.77	0.00	39,884.77	0.00
Security Withdrawal	12/31/2021	60934N807	28,665.50	Federated Investors Govt Oblig Fund Inst.	1.000		28,665.50	0.00	28,665.50	0.00
Subtotal			68,550.27				68,550.27	0.00	68,550.27	0.00
TOTAL DISPOSITIONS			668,550.27				668,550.27	0.00	668,550.27	0.00
OTHER TRANSACTIONS										
Interest	12/03/2021	3133EKNX0	750,000.00	FFCB Note 2.16% Due 6/3/2024	0.000		8,100.00	0.00	8,100.00	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
OTHER TRANSACTIONS										
Interest	12/03/2021	89114TZD7	400,000.00	Toronto-Dominion Bank Note 1.2% Due 6/3/2026	0.000		2,400.00	0.00	2,400.00	0.00
Interest	12/08/2021	3130A0F70	750,000.00	FHLB Note 3.375% Due 12/8/2023	0.000		12,656.25	0.00	12,656.25	0.00
Interest	12/10/2021	78015K7H1	400,000.00	Royal Bank of Canada Note 1.15% Due 6/10/2025	0.000		2,300.00	0.00	2,300.00	0.00
Interest	12/12/2021	3130AKFA9	600,000.00	FHLB Note 0.375% Due 12/12/2025	0.000		1,125.00	0.00	1,125.00	0.00
Interest	12/13/2021	3130A3GE8	700,000.00	FHLB Note 2.75% Due 12/13/2024	0.000		9,625.00	0.00	9,625.00	0.00
Interest	12/13/2021	3130AJKW8	600,000.00	FHLB Note 0.5% Due 6/13/2025	0.000		1,500.00	0.00	1,500.00	0.00
Interest	12/14/2021	3130A1XJ2	650,000.00	FHLB Note 2.875% Due 6/14/2024	0.000		9,343.75	0.00	9,343.75	0.00
Interest	12/26/2021	931142EK5	500,000.00	Wal-Mart Stores Callable Note Cont 5/26/2023 3.4% Due 6/26/2023	0.000		8,500.00	0.00	8,500.00	0.00
Interest	12/31/2021	912828U81	600,000.00	US Treasury Note 2% Due 12/31/2021	0.000		6,000.00	0.00	6,000.00	0.00
Interest	12/31/2021	912828XW5	650,000.00	US Treasury Note 1.75% Due 6/30/2022	0.000		5,687.50	0.00	5,687.50	0.00
Interest	12/31/2021	91282CBC4	700,000.00	US Treasury Note 0.375% Due 12/31/2025	0.000		1,312.50	0.00	1,312.50	0.00
Subtotal			7,300,000.00				68,550.00	0.00	68,550.00	0.00
Dividend	12/02/2021	60934N807	0.00	Federated Investors Govt Oblig Fund Inst.	0.000		0.27	0.00	0.27	0.00
Subtotal			0.00				0.27	0.00	0.27	0.00
TOTAL OTHER TRANSACTIONS			7,300,000.00				68,550.27	0.00	68,550.27	0.00

Statement of Compliance

As of December 31, 2021



Walnut Valley Water District

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

Category	Standard	Comment
U.S. Treasuries	No Limitation; US Treasury Bills, Notes, and Bonds	Complies
Federal Agencies	30% max per Agency/GSE issuer; 20% max callable agency securities; Federal agencies or U.S. government-sponsored enterprise obligations, participations, or other instruments, including those issued or fully guaranteed as to principal and interest by federal agencies or U.S. government sponsored enterprises.	Complies
Supranational Obligations	"AA" rating category or higher by a NRSRO; 30% max; 10% max per issuer; USD denominated senior unsecured unsubordinated obligations; Issued or unconditionally guaranteed by IBRD, IFC, or IADB	Complies
Municipal Securities	No Limitation; Bonds issued by the District; Registered state warrants or treasury notes or bonds issued by the State of California; Bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state, or by a department, board, agency, or authority of any of the other 49 states, in addition to California; Bonds, notes, warrants or other debt issued by a local agency within the State of California, including pooled investment accounts sponsored by the State of California, County Treasurers, or other local agencies or joint powers agencies.	Complies
Corporate Medium Term Notes	"A" rating category or higher by a NRSRO; 30% max; 5% max per issuer; Issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S.	Complies
Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, Collateralized Mortgage Obligations	"AA" rating category or better by a NRSRO; 20% max combined; From issuers other than the U.S. Treasury or a U.S. Federal Agency/GSE	Complies
Negotiable Certificates of Deposit (NCD)	30% max; 5% max per issuer; Issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally-licensed or state-licensed branch of a foreign bank	Complies
Certificate of Deposit Placement Service (CDARS)	50% max; Placement service deposits, including certificates of deposit, at a commercial bank, savings and loan association or credit union that uses a private sector entity that assist in the placement of deposits	Complies
Banker's Acceptances	40% max; 5% max per issuer/commercial bank; 180 days max maturity	Complies
Commercial Paper	"Prime quality of the highest rating or "A-1" rated or better by a NRSRO; Issued by an entity that is either: a. (i) organized and operating within the U.S. as a general corporation with assets > \$500 million; (ii) "A" rating or better by a NRSRO, if issuer has debt obligations; b. (i) organized within the U.S. as a special purpose corporation, trust, or limited liability company; (ii) have program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond; (iii) rated "A-1" or better by a NRSRO; 25% max; 5% max per issuer; 270 days maturity; 10% maximum of the outstanding commercial paper of any single issuer	Complies
Mutual Funds and Money Market Mutual Funds	i) Highest rating by two NRSROs; or (ii) Retained an investment adviser registered or exempt from SEC registration with > 5 years experience managing money market mutual funds with AUM >\$500 million; 20% max combined Money Market Mutual Funds and Mutual Funds; 20% max per Money Market Mutual Fund ; 10% max per Mutual Fund; Mutual Fund maturity defined as the weighted average maturity; Money Market Mutual Funds must have an average maturity of 60 days or less	Complies
Local Agency Investment Fund (LAIF)	No Limit	Complies
Repurchase Agreements/ Reverse Repurchase Agreements	1 year max maturity; Subject to further limitation by California Government Code, which, if applicable, may limit to 92 days max maturity for Reverse repurchase agreements; 102% collateralized; Not used by Investment Adviser	Complies
Max Per Issuer	5% max per issuer, except the US Government, its Agencies and enterprises, LAIF, or unless otherwise specified in the investment policy	Complies
Maximum Maturity	5 years	Complies

Net of Fees Performance Report

December 31, 2021



	Porfolio	Index
Period	Net of 10.9 bps annual fee	*ICE BofA 1-5 Yr US Government
1 month	-0.18%	-0.27%
3 months	-0.67%	-0.68%
Year to Date	-1.05%	-1.09%
Last 12 Months	-1.05%	-1.09%
Inception Date	7/31/2009	7/31/2009
Since Inception	22.60%	21.18%
Annualized Since Inception	1.65%	1.56%

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
SUBMITTED BY: Director of Finance
DATE: January 18, 2022
SUBJECT: P-W-R Joint Water Line and Puente Basin Water Agency Audits for Fiscal Year Ending June 30, 2021

Action/Discussion Fiscal Impact Resolution Information Only

Recommendation

That the Board receive and file the attached:

- A. Pomona-Walnut-Rowland Joint Water Line Commission Audit Report for the Year-ended June 30, 2021; and the
- B. Puente Basin Water Agency Audit Report for the Year-ended June 30, 2021;

Background Information

The Walnut Valley Water District is a party to Pomona-Walnut-Rowland Joint Water Line Commission (PWR) and Puente Basin Water Agency (PBWA). Because each of these entities is an integral part of the District's operations, and is funded in part and also staffed by the District, the recommendation is that the audit report for these two entities be formally received and filed by the District's Board of Directors. It should be noted that each report was reviewed, and approved by each of the respective entities.

The PWR approved the audited financial statements on October 14, 2021.

The PBWA approved the audited financial statements on December 2, 2021.

Attachments as noted



**Pomona-Walnut-Rowland
Joint Water Line Commission**

Annual Financial Report

For the Fiscal Years Ended June 30, 2021 and 2020



**Pomona-Walnut-Rowland Joint Water Line Commission
Board of Commissioners as of June 30, 2021**

<u>Name</u>	<u>Title</u>	<u>Elected/ Appointed</u>
Scarlett Kwong	Commissioner	Appointed
Anthony J. Lima	Commissioner	Appointed
Victor Preciado	Commissioner	Appointed
Edwin Hilden	Alternate	Appointed
John Bellah	Alternate	Appointed
John Nolte	Alternate	Appointed

**Pomona-Walnut-Rowland Joint Water Line Commission
Brian Teuber, Administrative Officer
3021 Fullerton Road
Rowland Heights, California 91748
(562) 697-1726 – www.rowlandwater.com**

**Pomona-Walnut-Rowland
Joint Water Line Commission**

Annual Financial Report

For the Fiscal Years Ended June 30, 2021 and 2020

Pomona-Walnut-Rowland Joint Water Line Commission
Annual Financial Report
For the Fiscal Years Ended June 30, 2021 and 2020

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Financial Section



Charles Z. Fedak, CPA, MBA
Christopher J. Brown, CPA, CGMA
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Independent Auditor's Report

Board of Commissioners
Pomona-Walnut-Rowland Joint Water Line Commission
Rowland Heights, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Pomona-Walnut-Rowland Joint Water Line Commission (Commission), which comprises the statements of net position as of June 30, 2021 and 2020, and the related statements of revenues, expenses, and changes in net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Independent Auditor's Report, continued

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Pomona-Walnut-Rowland Joint Water Line Commission as of June 30, 2021 and 2020, and the respective changes in net position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The supplemental information schedules on pages 28 through 31 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Independent Auditor's Report, continued

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2021, on our consideration of the Commission'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 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 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 Commission's internal control over financial reporting and compliance. This report can be found on pages 32 and 33.

Fedak & Brown LLP

Fedak & Brown LLP
Cypress, California
October 14, 2021

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Pomona-Walnut-Rowland Joint Water Line Commission
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2021 and 2020

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Pomona-Walnut-Rowland Joint Water Line Commission (Commission) provides an introduction to the financial statements of the Commission for the fiscal years ended June 30, 2021 and 2020. We encourage readers to consider the information presented here with additional information that we have furnished in the accompanying basic financial statements and related notes, which follow this section.

Financial Highlights

- The Commission's net position increased 0.60% or \$18,683 to \$3,112,845. In 2020, the Commission's net position increased 1.75% or \$53,070 to \$3,094,162.
- The Commission's operating revenues increased 22.41% or \$4,115,617 to \$22,484,473. In 2020, the Commission's operating revenues increased 2.15% or \$386,871 to \$18,368,856.
- The Commission's non-operating revenues decreased 91.73% or \$28,687 to \$2,587. In 2020, the Commission's non-operating revenues decreased 11.51% or \$4,066 to \$31,274.
- The Commission's operating expenses increased 22.44% or \$4,121,283 to \$22,484,114. In 2020, the Commission's operating expenses increased 2.25% or \$404,147 to \$18,362,831.
- There were no changes in capital contributions for the fiscal years ended June 30, 2021 and 2020.

Required Financial Statements

This annual report consists of a series of financial statements. The Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows provide information about the activities and performance of the Commission using accounting methods similar to those used by private sector companies.

The Statements of Net Position include all of the Commission's investments in resources (assets), deferred outflows of resources, obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for evaluating the results of operations, evaluating the capital structure of the Commission, and assessing the liquidity and financial flexibility of the Commission. All of the current year's revenues and expenses are accounted for in the Statements of Revenues, Expenses, and Changes in Net Position. These statements measure the success of the Commission's operations over the past year and can be used to determine if the Commission has successfully recovered all of its costs through its water sales and other charges to its member agencies. In addition to tracking cost recovery performance, these statements can also be used to evaluate the results of operations and creditworthiness. The final required financial statements are the Statements of Cash Flows, which provide information about the Commission's cash receipts and cash payments during the reporting period. The Statements of Cash Flows report cash receipts, cash payments, and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities, and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Financial Analysis of the Commission

One of the most important questions asked about the Commission's finances is, "Is the Commission better off or worse off as a result of this year's activities?" The Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position report information about the Commission in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

Pomona-Walnut-Rowland Joint Water Line Commission
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2021 and 2020

Financial Analysis of the Commission, continued

These two statements report the Commission's *net position* and changes in them. You can think of the Commission's net position – the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources – as one way to measure the Commission's financial health, or *financial position*. Over time, *increases or decreases* in the Commission's net position are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning, and new or changed government legislation.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 14 through 27.

Statements of Net Position

	Condensed Statements of Net Position				
	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>2019</u>	<u>Change</u>
Assets:					
Current assets	\$ 4,905,237	4,826,925	78,312	4,218,263	608,662
Restricted assets	803,043	759,720	43,323	716,397	43,323
Capital assets, net	<u>1,475,731</u>	<u>1,409,192</u>	<u>66,539</u>	<u>1,436,744</u>	<u>(27,552)</u>
Total assets	<u>7,184,011</u>	<u>6,995,837</u>	<u>188,174</u>	<u>6,371,404</u>	<u>624,433</u>
Liabilities:					
Current liabilities	<u>4,071,166</u>	<u>3,901,675</u>	<u>169,491</u>	<u>3,330,312</u>	<u>571,363</u>
Total liabilities	<u>4,071,166</u>	<u>3,901,675</u>	<u>169,491</u>	<u>3,330,312</u>	<u>571,363</u>
Net position:					
Net investment in capital assets	1,475,731	1,409,192	66,539	1,436,744	(27,552)
Restricted for capital asset repairs and replacement	803,043	759,720	43,323	716,397	43,323
Unrestricted	<u>834,071</u>	<u>925,250</u>	<u>(91,179)</u>	<u>887,951</u>	<u>37,299</u>
Total net position	<u>\$ 3,112,845</u>	<u>3,094,162</u>	<u>18,683</u>	<u>3,041,092</u>	<u>53,070</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Commission, assets exceeded liabilities by \$3,112,845 and \$3,094,162, as of June 30, 2021 and 2020, respectively.

The Commission's total net position is made up of three components: (1) net investment in capital assets, (2) restricted net position and (2) unrestricted net position.

By far the largest portion of the Commission's net position (47% and 46% as of June 30, 2021 and 2020, respectively) reflects the Commission's net investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The Commission uses these capital assets to provide services to its member agencies; consequently, these assets are not available for future spending.

At the end of fiscal years 2021 and 2020, the Commission showed a positive balance in its unrestricted net position of \$834,071 and \$925,250, respectively, which may be utilized in future years.

Pomona-Walnut-Rowland Joint Water Line Commission
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2021 and 2020

Statements of Revenues, Expenses and Changes in Net Position

Condensed Statements of Revenues, Expenses and Changes in Net Position

	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>2019</u>	<u>Change</u>
Revenues:					
Operating revenues	\$ 22,484,473	18,368,856	4,115,617	17,981,985	386,871
Non-operating revenues	2,587	31,274	(28,687)	35,340	(4,066)
Total revenues	<u>22,487,060</u>	<u>18,400,130</u>	<u>4,086,930</u>	<u>18,017,325</u>	<u>382,805</u>
Expenses:					
Operating expenses	22,484,114	18,362,831	4,121,283	17,958,684	404,147
Depreciation	27,586	27,552	34	27,549	3
Total expenses	<u>22,511,700</u>	<u>18,390,383</u>	<u>4,121,317</u>	<u>17,986,233</u>	<u>404,150</u>
Net (loss) income before capital contributions	<u>(24,640)</u>	<u>9,747</u>	<u>(34,387)</u>	<u>31,092</u>	<u>(21,345)</u>
Capital contributions:					
Surcharges	43,323	43,323	-	43,323	-
Total capital contributions	<u>43,323</u>	<u>43,323</u>	<u>-</u>	<u>43,323</u>	<u>-</u>
Change in net position	18,683	53,070	(34,387)	74,415	(21,345)
Net position, beginning of period	<u>3,094,162</u>	<u>3,041,092</u>	<u>53,070</u>	<u>2,966,677</u>	<u>74,415</u>
Net position, end of period	<u>\$ 3,112,845</u>	<u>3,094,162</u>	<u>18,683</u>	<u>3,041,092</u>	<u>53,070</u>

The Statement of Revenues, Expenses, and Changes in Net Position show how the Commission's net position changed during the fiscal years. In 2021, net position increased 0.60% or \$18,683 to \$3,112,845, due to \$43,323 in capital contributions in the current year, which was offset by a decrease in net position of \$24,640 as a result of ongoing operations. In 2020, net position increased 1.75% or \$53,070 to \$3,094,162, due to the increase in net position of \$9,747 as a result of ongoing operations and \$43,323 in capital contributions in the prior year.

A closer examination of net position reveals that:

In 2021, total revenues increased 22.21% or \$4,086,930 to \$22,487,060. Operating revenues increased 22.41% or \$4,115,617, primarily due to an increase of \$4,113,052 in water sales to member agencies.

In 2020, total revenues increased 2.12% or \$382,805 to \$18,400,130. Operating revenues increased 2.11% or \$386,871, primarily due to an increase of \$400,631 in water sales to member agencies, which was offset by a decrease of \$13,889 in member agency assessments.

In 2021, non-operating revenues decreased 91.73% or \$28,687 to \$2,587, primarily due to a decrease of \$29,460 in investment income.

In 2020, non-operating revenues decreased 11.51% or \$4,066 to \$31,274, primarily due to a decrease of \$4,683 in investment income.

In 2021, total expenses increased 22.41% or \$4,121,317 to \$22,511,700. Operating expenses increased 22.44% or \$4,121,283 to \$22,484,114, primarily due to increases of \$4,113,052 in water purchases and \$6,706 in maintenance costs.

In 2020, total expenses increased 2.25% or \$404,150 to \$18,390,383. Operating expenses increased 2.25% or \$404,147 to \$18,362,831, primarily due to increases of \$400,631 in water purchases and \$2,404 in maintenance costs.

Pomona-Walnut-Rowland Joint Water Line Commission
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2021 and 2020

Statements of Revenues, Expenses and Changes in Net Position, continued

In 2021, depreciation expense increased 0.12% or \$34 to \$27,586 due to the maturation of existing depreciable assets.

In 2020, depreciation expense increased 0.01% or \$3 to \$27,552 due to the maturation of existing depreciable assets.

As of June 30, 2021 and 2020, total capital contributions were \$43,323, respectively.

Budget vs. Actual - 2021 and 2020

	<u>2021 Budget</u>	<u>2021 Actual</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenues:				
Operating revenues	\$ 20,054,782	22,484,473	2,429,691	12.12%
Non-operating revenues	12,750	2,587	(10,163)	-79.71%
Total revenues	<u>20,067,532</u>	<u>22,487,060</u>	<u>2,419,528</u>	<u>12.06%</u>
Expenses:				
Operating expenses	<u>20,504,782</u>	<u>22,511,700</u>	<u>2,006,918</u>	<u>-9.79%</u>
Total expenses	<u>20,504,782</u>	<u>22,511,700</u>	<u>2,006,918</u>	<u>-9.79%</u>
Net loss before capital contributions	<u>(437,250)</u>	<u>(24,640)</u>	<u>412,610</u>	<u>94.36%</u>
Capital contributions:				
Surcharges	<u>43,323</u>	<u>43,323</u>	<u>-</u>	<u>-</u>
Total capital contributions	<u>43,323</u>	<u>43,323</u>	<u>-</u>	<u>-</u>
Change in net position	<u>(393,927)</u>	<u>18,683</u>	<u>412,610</u>	<u>104.74%</u>
	<u>2020 Budget</u>	<u>2020 Actual</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenues:				
Operating revenues	\$ 20,474,007	18,368,856	(2,105,151)	-10.28%
Non-operating revenues	12,750	31,274	18,524	145.29%
Total revenues	<u>20,486,757</u>	<u>18,400,130</u>	<u>(2,086,627)</u>	<u>-10.19%</u>
Expenses:				
Operating expenses	<u>20,924,007</u>	<u>18,390,383</u>	<u>(2,533,624)</u>	<u>12.11%</u>
Total expenses	<u>20,924,007</u>	<u>18,390,383</u>	<u>(2,533,624)</u>	<u>12.11%</u>
Net (loss) income before capital contributions	<u>(437,250)</u>	<u>9,747</u>	<u>446,997</u>	<u>102.23%</u>
Capital contributions:				
Surcharges	<u>43,323</u>	<u>43,323</u>	<u>-</u>	<u>-</u>
Total capital contributions	<u>43,323</u>	<u>43,323</u>	<u>-</u>	<u>-</u>
Change in net position	<u>(393,927)</u>	<u>53,070</u>	<u>446,997</u>	<u>113.47%</u>

Pomona-Walnut-Rowland Joint Water Line Commission
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2021 and 2020

Statements of Revenues, Expenses and Changes in Net Position, continued

The majority of operating revenue is derived from water sales to member agencies. The Commission predicts water sales by using a three-year rolling average. This is calculated by estimating how many acre-feet of water will be purchased from the Three Valleys Municipal Water District at the prevailing Tier I and Tier II water rates. As in previous years, these assumptions do not include any special programs offered by the Commission in the efforts to promote water conservation.

In fiscal year 2020-2021, the Commission estimated 18,066 acre-feet of Tier I water purchases at an average rate of \$1,080 per acre-foot. The Commission actually purchased 20,368 acre-feet of Tier I water.

In fiscal year 2019-2020, the Commission estimated 18,998 acre-feet of Tier I water purchases at an average rate of \$1,052 per acre-foot. The Commission actually purchased 17,084 acre-feet of Tier I water.

Capital Asset Administration

Changes in capital assets for 2021, were as follows:

	Balance 2020	Additions	Deletions/ Transfers	Balance 2021
Capital assets:				
Depreciable assets	\$ 2,376,355	94,125	-	2,470,480
Accumulated depreciation	(967,163)	(27,586)	-	(994,749)
Total capital assets	<u>\$ 1,409,192</u>	<u>66,539</u>	<u>-</u>	<u>1,475,731</u>

Changes in capital assets for 2020, were as follows:

	Balance 2019	Additions	Deletions/ Transfers	Balance 2020
Capital assets:				
Depreciable assets	\$ 2,376,355	-	-	2,376,355
Accumulated depreciation	(939,611)	(27,552)	-	(967,163)
Total capital assets	<u>\$ 1,436,744</u>	<u>(27,552)</u>	<u>-</u>	<u>1,409,192</u>

At the end of fiscal year 2021 and 2020, the Commission's capital assets amounted to \$1,475,731 and \$1,409,192 (net of accumulated depreciation), respectively. These capital assets include pipelines and improvements, service connections, and telemetry systems. See note 3 to the basic financial statements for further detailed information on the Commission's capital assets.

Pomona-Walnut-Rowland Joint Water Line Commission
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2021 and 2020

Economic Factors and Next Year's Budget and Rates

Fiscal Year 2021 Actual vs. Fiscal Year 2022 Budget

	2021 Actual	2022 Budget	Dollar Change	Percent Change
Revenues:				
Operating revenues	\$ 22,484,473	20,622,307	(1,862,166)	-8.28%
Non-operating revenues	2,587	12,750	10,163	392.85%
Total revenues	22,487,060	20,635,057	(1,852,003)	-8.24%
Expenses:				
Operating expenses	22,511,700	21,072,307	1,439,393	6.39%
Total expenses	22,511,700	21,072,307	1,439,393	6.39%
Net loss before capital contributions	(24,640)	(437,250)	(412,610)	-1674.55%
Capital contributions:				
Surcharges	43,323	43,323	-	-
Total capital contributions	43,323	43,323	-	-
Change in net position	18,683	(393,927)	(412,610)	2208.48%
Net position, beginning of period	3,094,162	3,112,845	18,683	0.60%
Net position, end of period	\$ 3,112,845	2,718,918	(393,927)	-12.65%

Fiscal Year 2020 Actual vs. Fiscal Year 2021 Budget

	2020 Actual	2021 Budget	Dollar Change	Percent Change
Revenues:				
Operating revenues	\$ 18,368,856	20,054,782	1,685,926	9.18%
Non-operating revenues	31,274	12,750	(18,524)	-59.23%
Total revenues	18,400,130	20,067,532	1,667,402	9.06%
Expenses:				
Operating expenses	18,390,383	20,504,782	(2,114,399)	-11.50%
Total expenses	18,390,383	20,504,782	(2,114,399)	-11.50%
Net income (loss) before capital contributions	9,747	(437,250)	(446,997)	-4586.00%
Capital contributions:				
Surcharges	43,323	43,323	-	-
Total capital contributions	43,323	43,323	-	-
Change in net position	53,070	(393,927)	(446,997)	-842.28%
Net position, beginning of period	3,041,092	3,094,162	53,070	1.75%
Net position, end of period	\$ 3,094,162	2,700,235	(393,927)	-12.73%

Pomona-Walnut-Rowland Joint Water Line Commission
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2021 and 2020

Economic Factors and Next Year's Budget and Rates, continued

The Commission's Board of Commissioners and Administrative Officer consider several factors when setting the fiscal year budget. One factor is the water sales projection that each agency gives. This is taken into consideration along with historical water use numbers in setting future years operating revenues. As in previous years, the majority of operating revenues are directly offset by operating expenses. This is due to the correlation between water sales and purchased water costs.

In fiscal years 2020-2021 and 2019-2020, the Commission factored in actual costs when looking at administrative expenses. This was determined by looking at actual time and/or material cost in all matters directly relating to the Joint Water Line. As in previous years, the last factor is the funding of depreciation and replacement of the water line.

For fiscal year 2020-2021, an amount equal to \$43,323 of the \$18,683 change in ending net position, shown in the table above, is projected to be transferred to reserves for depreciation and replacement.

For fiscal year 2019-2020, an amount equal to \$43,323 of the \$53,070 change in ending net position, shown in the table above, is projected to be transferred to reserves for depreciation and replacement.

Conditions Affecting Current Financial Position

The COVID-19 pandemic in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on the Commission and the duration cannot be estimated at this time.

Management is unaware of any other conditions, which could have a significant impact on the Commission's current financial position, net position or operating results in terms of past, present and future.

Requests for Information

This financial report is designed to provide the Commission's present users, including funding sources, customers, stakeholders and other interested parties with a general overview of the Commission's finances and to demonstrate the Commission's accountability with an overview of the Commission's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact Myra Malner, Commission Treasurer, at Rowland Water District, 3021 Fullerton Road, Rowland Heights, California, 91748 or (562) 697-1726.

Basic Financial Statements

Pomona-Walnut-Rowland Joint Water Line Commission
Statements of Net Position
June 30, 2021 and 2020

	2021	2020
Current assets:		
Cash and cash equivalents (note 2)	\$ 911,999	1,344,209
Accrued interest receivable	1,207	5,348
Accounts receivable	3,990,123	3,475,460
Prepaid expenses	1,908	1,908
Total current assets	4,905,237	4,826,925
Restricted Assets		
Cash and cash equivalents (note 2)	792,212	748,889
Accounts receivable	10,831	10,831
Total restricted assets	803,043	759,720
Non-current assets:		
Capital assets – being depreciated, net (note 3)	1,475,731	1,409,192
Total non-current assets	1,475,731	1,409,192
Total assets	7,184,011	6,995,837
Current liabilities:		
Accounts payable	4,071,166	3,901,675
Total current liabilities	4,071,166	3,901,675
Total liabilities	4,071,166	3,901,675
Net position: (note 4)		
Net investment in capital assets	1,475,731	1,409,192
Restricted for capital asset repairs and replacement	803,043	759,720
Unrestricted	834,071	925,250
Total net position	\$ 3,112,845	3,094,162

See accompanying notes to the basic financial statements

Pomona-Walnut-Rowland Joint Water Line Commission
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2021 and 2020

	2021	2020
Operating revenues:		
Water sales to member agencies	\$ 22,384,673	18,271,621
Member agency assessments	99,800	96,800
Other	-	435
Total operating revenues	22,484,473	18,368,856
Operating expenses:		
Water purchases	22,384,673	18,271,621
Maintenance	20,686	13,980
General and administrative	64,200	64,200
Insurance expense	2,183	2,183
Legal fees	215	120
Auditing	6,912	5,700
Other	5,245	5,027
Total operating expenses	22,484,114	18,362,831
Operating income before depreciation	359	6,025
Depreciation	(27,586)	(27,552)
Operating loss	(27,227)	(21,527)
Non-operating revenue:		
Investment income	1,197	30,657
Other non-operating revenue	1,390	617
Total non-operating revenues	2,587	31,274
Net (loss) income before capital contributions	(24,640)	9,747
Capital contributions:		
Surcharges	43,323	43,323
Total capital contributions	43,323	43,323
Changes in net position	18,683	53,070
Net position, beginning of period	3,094,162	3,041,092
Net position, end of period	\$ 3,112,845	3,094,162

See accompanying notes to the basic financial statements

Pomona-Walnut-Rowland Joint Water Line Commission
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Cash received from member agencies	\$ 21,969,810	17,907,097
Cash received from JPIA RPA fund refund	-	435
Cash paid to vendors and suppliers for materials and services	(22,314,623)	(17,791,884)
Net cash (used in) provided by operating activities	(344,813)	115,648
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(94,125)	-
Capital surcharge	43,323	43,323
Net cash (used in) provided by capital and related financing activities	(50,802)	43,323
Cash flows from investing activities:		
Investment income	6,728	35,101
Net cash provided by investing activities	6,728	35,101
Net (decrease) increase in cash and cash equivalents	(388,887)	194,072
Cash and cash equivalents – beginning of year	2,093,098	1,899,026
Cash and cash equivalents – end of year	\$ 1,704,211	2,093,098
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (27,227)	(21,527)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	27,586	27,552
Change in assets and liabilities:		
Increase in assets:		
Accounts receivable	(514,663)	(461,324)
Prepaid expenses	-	(416)
Increase in liabilities:		
Accounts payable	169,491	571,363
Total adjustments	(317,586)	137,175
Net cash (used in) provided by operating activities	\$ (344,813)	115,648

See accompanying notes to the basic financial statements

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Pomona-Walnut-Rowland Joint Water Line Commission (Commission) was formed under the Joint Powers Agreement of 1956 between the City of Pomona, Walnut Valley Water District, and Rowland Water District (the Agreement) for the purpose of acquiring, constructing, maintaining, repairing, managing, operating, and controlling a water transmission pipeline for the benefit of the member agencies. The original agreement was for a term of fifty years and has resulted in substantial cost savings for each of its member agencies. On December 21, 2006, the Agreement was amended, restated, and renewed and will continue to be enforced for twenty years from this date, with three, ten-year extensions allowable upon written consent of each of the member agencies.

The Commission purchases water for resale to the member agencies at a price sufficient to provide reserve funds for emergencies. Member agencies are billed for the cost of maintenance and operations of the pipeline.

B. Basis of Accounting and Measurement Focus

The Commission reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Commission is that the cost of providing water to its member agencies on a continuing basis be financed or recovered primarily through water sales, capital contributions and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as water sales and water purchases, result from exchange transactions associated with the principal activity of the Commission. Exchange transactions are those in which each party receives and gives up essentially equal value. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses. Non-operating revenues and expenses, such as grant funding, investment income and interest expense, result from non-exchange transactions, in which the Commission gives (receives) value without directly (giving) value in exchange.

C. Financial Reporting

The Commission's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Commission solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the Commission's proprietary fund.

The Commission has adopted the following GASB pronouncements in the current year:

Governmental Accounting Standards Board Statement No. 84

In January 2017, the GASB issued Statement No. 84 – Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting, continued

Governmental Accounting Standards Board Statement No. 84, continued

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

Governmental Accounting Standards Board Statement No. 90

In August 2018, the GASB issued Statement No. 90 – *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2018; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position

1. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

2. Uncertainty

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on the Commission and the duration cannot be estimated at this time.

3. Cash and Cash Equivalents

Substantially all of the Commission's cash is invested in interest bearing accounts. The Commission considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

4. Investments and Investment Policy

The Commission's investment policy authorizes investments in certificates-of-deposit and the California Local Agency Investment Fund (LAIF). The Commission's investment policy does contain specific provisions intended to limit its exposure to interest rate risk, credit risk, custodial risk, and concentration of credit risk.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

5. Fair Value Measurements

The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The hierarchy is based on valuation inputs used to measure the fair value of the asset, as follows:

- **Level 1** – Valuation is based on quoted prices in active markets for identical assets.
- **Level 2** – Valuation is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.
- **Level 3** – Valuation is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity and other assumptions that are internally generated and cannot be observed in the market.

6. Restricted Assets

Restricted assets are financial resources generated for a specific purpose such as capital projects. These assets are for the benefit of a specified purpose and, as such, are legally or contractually restricted by an external third-party agreement.

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position

6. Restricted Assets, continued

The Commission's restricted assets are the accumulation of capital surcharges assessed to each member agency. These funds are restricted for major repairs and replacement of water.

7. Accounts Receivable and Allowance for Uncollectible Accounts

The Commission extends credit to customers in the normal course of operations. When management deems customer accounts uncollectible, the Commission uses the allowance method for the reservation and write-off of those accounts. As of June 30, 2021 and 2020, there is no allowance for uncollectible accounts as management believes all accounts will be collected.

8. Prepaid Expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

9. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. Commission policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at acquisition value at the date of the donation. Capital assets received in service concession arrangements are reported at acquisition value. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Pipelines and improvements – 150 years
- Service connections – 150 years
- Telemetry systems – 10 years
- Valve replacements – 50 years

10. Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation and amortization, and reduced by outstanding balances of any debt, or other long-term borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** – Consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments, or constraints imposed by law through enabling legislation.
- **Unrestricted** – Consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted components of net position.

11. Water Sales and Services

Water sales are billed on a monthly cyclical basis and recognize the respective revenues when they are earned.

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position

12. Capital Contributions

Capital contributions represent cash contributed to the Commission by member agencies for the cost of maintenance and operations of the pipeline.

13. Budgetary Policies

The Commission adopts an annual non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

(2) Cash and Cash Equivalents

Cash and cash equivalents as of June 30 are classified in the accompanying financial statements as follows:

	2021	2020
Cash and cash equivalents	\$ 911,999	1,344,209
Cash and cash equivalents – restricted	792,212	748,889
Total cash and cash equivalents	\$ 1,704,211	2,093,098

Cash and cash equivalents as of June 30 consist of the following:

	2021	2020
Deposits with financial institutions	\$ 226,132	620,357
Deposits in Local Agency Investment Fund (LAIF)	1,478,079	1,472,741
Total cash and cash equivalents	\$ 1,704,211	2,093,098

As of June 30, the Commission's authorized deposits had the following maturities:

	2021	2020
Deposits in Local Agency Investment Fund (LAIF)	291 days	191 days

Investments Authorized by the California Government Code and the Commission's Investment Policy

The table below identifies the investment types that are authorized by the Commission in accordance with the California Government Code (or the Commission's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Commission's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(2) Cash and Cash Equivalents, continued

Investments Authorized by the California Government Code and the Commission's Investment Policy, continued

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations - CA and Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Collateralize Bank Deposits	5 years	None	None
Corporate debt - Short and Long Term	5 years	None	None
Commercial Paper - Pooled Funds	270 days	40% of the District's	10%
Commercial Paper - Non-Pooled Funds	270 days	money	
Repurchase agreements	1 year	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

Investment in State Investment Pool

The Commission is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 and is under the management of the Treasurer of the State of California with oversight provided by the Local Agency Investment Advisory Board. The fair value of the Commission's investment in this pool is reported in the accompanying financial statements at amounts based upon the Commission'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. Bank balances are secured by the pledging of a pool of eligible securities to collateralize the Commission's deposits with the bank in accordance with the Code.

The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by GASB 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. LAIF does not have any legally binding guarantees of share values. LAIF does not impose liquidity fees or redemption gates on participant withdrawals.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Commission manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures, or comes close to maturity evenly over time, as necessary to provide requirements for cash flow and liquidity needed for operations.

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(2) Cash and Cash Equivalents, 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.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

The California Government Code and the Commission's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: 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% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Commission deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Commission's name.

Credit Risk

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

Concentration of Credit Risk

The Commission's investment policy contains various limitations on the amounts that can be invested in any one governmental agency or non-governmental issuer as stipulated by the California Government Code. The Commission's deposit portfolio with governmental agencies, LAIF, is 87% and 70% as of June 30, 2021 and 2020, respectively, of the Commission's total depository and investment portfolio. There were no investments in any one non-governmental issuer that represent 5% or more of the Commission's total investments.

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(3) Capital Assets

Changes in capital assets for the year ended June 30, 2021, were as follows:

	<u>Balance 2020</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2021</u>
Depreciable assets:				
Pipeline and improvements	\$ 2,187,078	94,125	-	2,281,203
Service connections	85,277	-	-	85,277
Telemetry system	104,000	-	-	104,000
Total depreciable assets	<u>2,376,355</u>	<u>94,125</u>	<u>-</u>	<u>2,470,480</u>
Accumulated depreciation:				
Pipeline and improvements	(876,366)	(16,617)	-	(892,983)
Service connections	(36,404)	(569)	-	(36,973)
Telemetry system	(54,393)	(10,400)	-	(64,793)
Total accumulated depreciation	<u>(967,163)</u>	<u>(27,586)</u>	<u>-</u>	<u>(994,749)</u>
Total capital assets, net	<u>\$ 1,409,192</u>	<u>66,539</u>	<u>-</u>	<u>1,475,731</u>

Changes in capital assets for the year ended June 30, 2020, were as follows:

	<u>Balance 2019</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2020</u>
Depreciable assets:				
Pipeline and improvements	\$ 2,187,078	-	-	2,187,078
Service connections	85,277	-	-	85,277
Telemetry system	104,000	-	-	104,000
Total depreciable assets	<u>2,376,355</u>	<u>-</u>	<u>-</u>	<u>2,376,355</u>
Accumulated depreciation:				
Pipeline and improvements	(859,781)	(16,585)	-	(876,366)
Service connections	(35,837)	(567)	-	(36,404)
Telemetry system	(43,993)	(10,400)	-	(54,393)
Total accumulated depreciation	<u>(939,611)</u>	<u>(27,552)</u>	<u>-</u>	<u>(967,163)</u>
Total capital assets, net	<u>\$ 1,436,744</u>	<u>(27,552)</u>	<u>-</u>	<u>1,409,192</u>

For the fiscal years ending June 30, 2021 and 2020, the Commission had \$94,125 and \$0 in capital asset additions, respectively.

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(4) Net Position

Calculation of net position as of June 30, were as follows:

	2021	2020
Net investment in capital assets:		
Capital assets, net	\$ 1,475,731	1,409,192
Restricted:		
Capital asset repairs and replacement	803,043	759,720
Unrestricted:	834,071	925,250
Total net position	\$ 3,112,845	3,094,162

(5) Risk Management

The Commission is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Commission is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the ACWA/JPIA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage.

On June 30, 2021, the Commission participated in the liability and property programs of the ACWA/JPIA as follows:

- General and auto liability, public officials and employees' errors and omissions: Total risk financing self-insurance limits of \$5,000,000, combined single limit at \$5,000,000 per occurrence. The JPIA purchases additional excess coverage layers up to \$60 million per occurrence total for general, auto and public officials liability, which increases the limits on the insurance coverage noted above.
- Cyber Liability coverage is included for all Agencies participating in the Liability Program. It protects the Commission from risks relating to information technology infrastructure and activities by first and third parties. The limit is \$3,000,000 per loss/\$5,000,000 program annual aggregate.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the Commission's insurance coverage during the fiscal years ended June 30, 2021, 2020 and 2019. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There was no IBNR claims payable as of June 30, 2021, 2020 and 2019.

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(6) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2021, that has effective dates that may impact future financial presentations.

The following pronouncement implementation dates have been delayed one year due to the COVID-19 pandemic.

Governmental Accounting Standards Board Statement No. 87

In June 2017, the GASB issued 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 requirements of this Statement were effective for reporting periods beginning after December 15, 2019; however, in light of the COVID-19 pandemic, the effective date has been postponed by 18 months. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 89

In June 2018, the GASB issued Statement No. 89 – *Accounting for Interest Cost incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(6) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 91

In May 2019, the GASB issued Statement No. 91 – *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 92

In January 2020, the GASB issued Statement No. 92 – *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

The requirements of this Statement were as follows: (1) The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance; (2) The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020; (3) The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020; and (4) The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged and is permitted by topic.

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(6) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 93

In March 2020, the GASB issued Statement No. 93 – *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by: (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument’s variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended; and (7) Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

The requirements of this Statement were effective as follows: (1) The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021; and (2) All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective dates have been postponed by one year. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 94

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(6) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 96

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 97

In June 2020, the GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 41 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement. The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(7) Commitments and Contingencies

Litigation

In the ordinary course of operations, the Commission is subject to claims and litigation from outside parties. After consultation with legal counsel, the Commission believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

COVID-19 Pandemic

In December 2019, a novel strain of coronavirus has spread around the world resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the Commission could potentially be adversely affected by this global pandemic. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. The Commission has not included any contingencies in the financial statements specific to this issue.

(8) Subsequent Events

Events occurring after June 30, 2021, have been evaluated for possible adjustment to the financial statements or disclosure as of October 14, 2021, which is the date the financial statements were available to be issued.

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Supplementary Information

Pomona-Walnut-Rowland Joint Water Line Commission
Schedule of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2021

	<u>Water Operations</u>	<u>General and Administrative</u>	<u>Total</u>
Operating revenues:			
Water sales to member agencies	\$ 22,384,673	-	22,384,673
Member agency assessments	-	99,800	99,800
Total operating revenues	<u>22,384,673</u>	<u>99,800</u>	<u>22,484,473</u>
Operating expenses:			
Water purchases	22,384,673	-	22,384,673
Maintenance	20,686	-	20,686
General and administrative	-	64,200	64,200
Insurance expense	-	2,183	2,183
Legal fees	-	215	215
Auditing	-	6,912	6,912
Other	-	5,245	5,245
Total operating expenses	<u>22,405,359</u>	<u>78,755</u>	<u>22,484,114</u>
Operating (loss) income before depreciation	(20,686)	21,045	359
Depreciation	(27,586)	-	(27,586)
Operating (loss) income	<u>(48,272)</u>	<u>21,045</u>	<u>(27,227)</u>
Non-operating revenue:			
Investment income	1,197	-	1,197
Other non-operating revenue	1,390	-	1,390
Total non-operating revenues	<u>2,587</u>	<u>-</u>	<u>2,587</u>
Net (loss) income before capital contributions	<u>(45,685)</u>	<u>21,045</u>	<u>(24,640)</u>
Capital contributions:			
Surcharges	43,323	-	43,323
Total capital contributions	<u>43,323</u>	<u>-</u>	<u>43,323</u>
Changes in net position	(2,362)	21,045	18,683
Net position, beginning of period	<u>2,919,475</u>	<u>174,687</u>	<u>3,094,162</u>
Net position, end of period	<u>\$ 2,917,113</u>	<u>195,732</u>	<u>3,112,845</u>

Pomona-Walnut-Rowland Joint Water Line Commission
Schedule of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2020

	<u>Water Operations</u>	<u>General and Administrative</u>	<u>Total</u>
Operating revenues:			
Water sales to member agencies	\$ 18,271,621	-	18,271,621
Member agency assessments	-	96,800	96,800
Other operating revenues	-	435	435
Total operating revenues	<u>18,271,621</u>	<u>97,235</u>	<u>18,368,856</u>
Operating expenses:			
Water purchases	18,271,621	-	18,271,621
Maintenance	13,980	-	13,980
General and administrative	-	64,200	64,200
Insurance expense	-	2,183	2,183
Legal fees	-	120	120
Auditing	-	5,700	5,700
Other	-	5,027	5,027
Total operating expenses	<u>18,285,601</u>	<u>77,230</u>	<u>18,362,831</u>
Operating (loss) income before depreciation	(13,980)	20,005	6,025
Depreciation	<u>(27,552)</u>	<u>-</u>	<u>(27,552)</u>
Operating (loss) income	<u>(41,532)</u>	<u>20,005</u>	<u>(21,527)</u>
Non-operating revenue:			
Investment income	30,657	-	30,657
Other non-operating revenue	617	-	617
Total non-operating revenues	<u>31,274</u>	<u>-</u>	<u>31,274</u>
Net (loss) income before capital contributions	<u>(10,258)</u>	<u>20,005</u>	<u>9,747</u>
Capital contributions:			
Surcharges	<u>43,323</u>	<u>-</u>	<u>43,323</u>
Total capital contributions	<u>43,323</u>	<u>-</u>	<u>43,323</u>
Changes in net position	33,065	20,005	53,070
Net position, beginning of period	<u>2,886,410</u>	<u>154,682</u>	<u>3,041,092</u>
Net position, end of period	<u>\$ 2,919,475</u>	<u>174,687</u>	<u>3,094,162</u>

Pomona-Walnut-Rowland Joint Water Line Commission
Schedule of Assets Invested in Capital Assets by Member Agency
For the Fiscal Year Ended June 30, 2021

	City of Pomona	Walnut Valley Water District	Rowland Water District	Total
Pipeline section A-B	\$ 276,438	151,474	106,031	533,943
Pipeline section B-D	188,719	150,958	94,359	434,036
Pipeline section D-F	-	621,096	386,002	1,007,098
Pipeline relocation	129,970	105,948	70,208	306,126
Telemetry system	-	60,320	43,680	104,000
Service connections	66,374	8,455	10,448	85,277
Total capital assets	<u>\$ 661,501</u>	<u>1,098,251</u>	<u>710,728</u>	<u>2,470,480</u>

* This schedule does not include accumulated depreciation

Pomona-Walnut-Rowland Joint Water Line Commission
Schedule of Assets Invested in Capital Assets by Member Agency
For the Fiscal Year Ended June 30, 2020

Category	City of Pomona	Walnut Valley Water District	Rowland Water District	Total
Pipeline section A-B	\$ 276,438	151,474	106,031	533,943
Pipeline section B-D	188,719	150,958	94,359	434,036
Pipeline section D-F	-	621,096	386,002	1,007,098
Pipeline relocation	81,239	79,246	51,516	212,001
Telemetry system	-	60,320	43,680	104,000
Service connections	66,374	8,455	10,448	85,277
Total capital assets	\$ <u>612,770</u>	<u>1,071,549</u>	<u>692,036</u>	<u>2,376,355</u>

Note: This schedule does not include accumulated depreciation

Report on Internal Controls and Compliance



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

Board of Commissioners
Pomona-Walnut-Rowland Joint Water Line Commission
Rowland Heights, 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 Pomona-Walnut-Rowland Joint Water Line Commission (Commission) as of and for the fiscal years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprises the Commission's basic financial statements, and have issued our report thereon dated October 14, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the 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 Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission'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 determination of financial statement amounts. 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*.

**Independent Auditor's Report on Internal Controls Over Financial Reporting
And on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*, (continued)**

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 Commission'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 Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fedak & Brown LLP

Fedak & Brown LLP
Cypress, California
October 14, 2021



Puente Basin Water Agency

Annual Financial Report

For the Fiscal Years Ended June 30, 2021 and 2020

Our Focus

“Achieving a sustainable and reliable local water supply through innovative planning and regionally-beneficial projects”

Puente Basin Water Agency

Board of Commissioners as of June 30, 2021

<u>Name</u>	<u>Title</u>	<u>Member Agency</u>	<u>Elected*/ Appointed</u>
Jerry Tang	Chair	Walnut Valley Water District	Appointed
Anthony J. Lima	Vice-Chair	Rowland Water District	Appointed
Theresa Lee	Commissioner	Walnut Valley Water District	Appointed
Robert W. Lewis	Commissioner	Rowland Water District	Appointed

* Members are elected based on member agency decisions.

**Puente Basin Water Agency
Erik Hitchman, Administrative Officer
271 S. Brea Canyon Road
Walnut, California 91789
(909) 595-1268 – www.puentebasin.com**



Puente Basin Water Agency

Annual Financial Report

For the Fiscal Years Ended June 30, 2021 and 2020

**Puente Basin Water Agency
Annual Financial Report
For the Fiscal Years Ended June 30, 2021 and 2020**

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Financial Section



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Independent Auditor's Report

Board of Commissioners
Puente Basin Water Agency
Walnut, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Puente Basin Water Agency (Agency), which comprises the statements of net position as of June 30, 2021 and 2020, and the related statements of revenues, expenses, and changes in net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Independent Auditor's Report, continued

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits 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 2, 2021, on our consideration of the Agency'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 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 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 Agency's internal control over financial reporting and compliance. This report can be found on pages 30 and 31.

Fedak & Brown LLP

Fedak & Brown LLP

Cypress, California

December 2, 2021

Puente Basin Water Agency
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2021 and 2020

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Puente Basin Water Agency (Agency) provides an introduction to the financial statements of the Agency for the fiscal years ended June 30, 2021 and 2020. We encourage readers to consider the information presented here with additional information that we have furnished in the accompanying basic financial statements and related notes, which follow this section.

Financial Highlights

Fiscal Year 2021

- The Agency's net position as of June 30, 2021, was \$41,474,180, an increase of \$7,512,930, or 22.12% over the prior year.
- Operating revenues totaled \$18,519,701 for the year, an increase of \$1,187,124 from the prior year.
- Beginning in July 2014, in order to account for the costs and benefits of water produced from the water reliability projects, which are funded jointly by the Walnut Valley Water District (WVWD) and the Rowland Water District (RWD), imported water purchased from Three Valleys Municipal Water District (TVMWD) was invoiced through the Agency. For fiscal year 2021, the total of these pass-through costs were reflected in both the revenues amounting to \$17,211,751 and expenses amounting to \$17,209,691 of the Agency.
- Operating expenses for the year totaled \$19,260,642 for the year, these costs include the pass-through water costs from TVMWD.
- The La Habra Heights water reliability project produced no water for the year. Although no water was produced, internal costs, in the amount of \$2,480, was incurred related to the maintenance and management of the project facilities.
- During the year, the Cal Domestic Project water reliability project produced 1,105 acre-feet of water. The costs related to the production of this water totaled \$1,432,682 for the year. These costs included the use of stored water in the amount of \$586,881, that was purchased and paid for in prior years.
- In 2021, the Agency recorded an additional \$668,594 and \$909,398 in construction costs related to the Pathfinder Intertie and Pomona Basin Project respectively, which are currently being constructed and are reflected in the Agency's construction-in-process account. The balance for these projects are \$705,330 and \$5,933,507, respectively.
- In 2018, the Agency entered a 20-year lease with the City of La Verne for land and a well site, which was recorded as a capital lease. The value of the lease liability is recorded at the value of the future minimum lease payments in the amount of \$1,711,257.

Fiscal Year 2020

- The Agency's net position as of June 30, 2020, was \$33,961,250, an increase of \$676,101, or 2.03% over the prior year.
- Operating revenues totaled \$17,332,577 for the year, an increase of \$840,804 from the prior year.

Puente Basin Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2021 and 2020

Financial Highlights, continued

Fiscal Year 2020, continued

- Beginning in July 2014, in order to account for the costs and benefits of water produced from the water reliability projects, funded jointly by the Walnut Valley Water District (WVWD) and the Rowland Water District (RWD), imported water purchased from Three Valleys Municipal Water District (TVMWD) was invoiced through the Agency. For fiscal year 2020, the total of these pass-through costs were reflected in both the revenues amounting to \$16,223,060 and expenses amounting to \$16,231,000 of the Agency.
- Operating expenses for the year totaled \$18,186,609 for the year, these costs include the pass-through water costs from TVMWD.
- The La Habra Heights water reliability project produced no water for the year. Although no water was produced, internal costs, in the amount of \$4,883, were incurred related to the maintenance and management of the project facilities.
- During the year, the Cal Domestic Project water reliability project produced 1,112 acre-feet of water. The costs related to the production of this water totaled \$1,348,636 for the year. These costs included the use of stored water in the amount of \$585,840, that was purchased and paid for in prior years.
- In 2020, the Agency recorded an additional \$284,947 and \$1,221,576 in construction costs related to the Pathfinder Project and Pomona Basin Project respectively, which are currently being constructed and are reflected in the Agency's construction-in-process account. The balances for these projects were \$36,736 and \$5,024,109, respectively.
- In 2018, the Agency entered a 20-year lease with the City of La Verne for land and a well site, which was recorded as a capital lease. The value of the lease liability is recorded at the value of the future minimum lease payments in the amount of \$1,747,797.

Required Financial Statements

The financial statements report information about the Agency using accounting methods similar to those used by private sector companies. The financial statements, comprised of the Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and the Statements of Cash Flows, offer short-term and long-term financial information about the Agency's activities. Each financial statement is identified and defined in this section and analyzed in subsequent sections of MD&A.

Statements of Net Position

The Statements of Net Position present the Agency's financial position (assets, deferred outflows of resources, liabilities, and deferred inflows of resources) as of June 30, 2021 and 2020. The Statements of Net Position include all the Agency's investments in resources (assets) and the obligations to creditors (liabilities). They also provide the basis for evaluating the capital structure of the Agency and assessing the liquidity and financial flexibility of the Agency. As of June 30, 2021 and 2020, assets plus deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$41,474,180 and \$33,961,250, respectively.

Puente Basin Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2021 and 2020

Required Financial Statements, continued

Statements of Revenues, Expenses & Changes in Net Position

All the current year's revenues and expenses are accounted for in the Statements of Revenues, Expenses and Changes in Net Position. These statements measure the success of the Agency's operations and can be used to determine whether the Agency has successfully recovered all of its costs through member assessments and other revenues. Revenues are recognized (recorded) when services are provided, and expenses are recognized when incurred. Operating revenues and expenses are related to the Agency's core activities. The changes in net position for the years ending June 30, 2021 and 2020, were \$7,512,930 and \$676,101, respectively.

Statements of Cash Flows

The final required financial statements are the Statements of Cash Flows. The primary purpose of these statements is to provide information about the Agency's cash receipts and cash payments during the fiscal years. The statements report cash receipts, cash payments, and net changes in cash and cash equivalents resulting from operations, investing, and financing activities and provides answers to such questions as where cash came from, what was cash used for, and what was the change in cash balance during the year.

As of June 30, 2021, cash and cash equivalents totaled \$1,583,486, a decrease of \$932,550 from the previous fiscal year. As of June 30, 2020, cash and cash equivalents totaled \$2,516,036, an increase of \$882,924 from the previous fiscal year.

Financial Analysis of the Agency

One of the most important questions to ask about the Agency's finances is, "Whether the Agency, as a whole, is better off or worse off as a result of the year's activities?" The Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position report information about the Agency's finances in a way that will help answer that question. Measuring the change in the Agency's *net position*, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources, is one way to measure financial health or financial position. Over time, increases or decreases in the Agency's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 14 through 29.

**Puente Basin Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2021 and 2020**

Statements of Net Position

Condensed Statements of Net Position

	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>2019</u>	<u>Change</u>
Assets:					
Cash & investments	\$ 1,583,486	2,516,036	(932,550)	1,633,112	882,924
Accrued interest receivable	141,188	145,688	(4,500)	154,637	(8,949)
Accounts receivable	5,110,644	4,170,761	939,883	3,837,490	333,271
Grant receivable	278,029	836,965	(558,936)	1,876,000	(1,039,035)
Prepaid expenses	-	6,000	(6,000)	-	6,000
Prepaid water/stored water	12,980,026	5,949,147	7,030,879	6,080,786	(131,639)
Installment purchase receivable	30,350,000	31,335,000	(985,000)	32,285,000	(950,000)
Capital assets, net	<u>28,351,651</u>	<u>27,188,627</u>	<u>1,163,024</u>	<u>26,059,054</u>	<u>1,129,573</u>
Total assets	<u>78,795,024</u>	<u>72,148,224</u>	<u>6,646,800</u>	<u>71,926,079</u>	<u>222,145</u>
Liabilities:					
Accounts payable	5,118,399	4,952,489	165,910	4,425,982	526,507
Unearned revenue	-	6,000	(6,000)	-	6,000
Accrued interest payable	141,188	145,688	(4,500)	150,029	(4,341)
Long-term debt	<u>32,061,257</u>	<u>33,082,797</u>	<u>(1,021,540)</u>	<u>34,064,919</u>	<u>(982,122)</u>
Total liabilities	<u>37,320,844</u>	<u>38,186,974</u>	<u>(866,130)</u>	<u>38,640,930</u>	<u>(453,956)</u>
Net position:					
Net investment in capital assets	26,640,394	25,440,830	1,199,564	24,279,135	1,161,695
Unrestricted	<u>14,833,786</u>	<u>8,520,420</u>	<u>6,313,366</u>	<u>9,006,014</u>	<u>(485,594)</u>
Total net position	<u>\$ 41,474,180</u>	<u>33,961,250</u>	<u>7,512,930</u>	<u>33,285,149</u>	<u>676,101</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As seen from the table above, the Agency's net position exceeded liabilities by \$41,474,180 and \$33,961,250 for the fiscal years ending June 30, 2021 and 2020, respectively.

By far, the largest component of net position is the Agency's net investment in capital assets. As of June 30, 2021 and 2020, net investment in capital assets increased by \$1,199,564 and \$1,161,695, from the prior year, respectively. These increases were due primarily to the recognition of capital costs, attributable to the water supply reliability projects. As of June 30, 2021 and 2020, the balance of construction-in-progress was \$6,638,837 and \$5,060,845, respectively.

In 2013, the Agency issued \$19,385,000 of 2012 Series A Water Revenue Bonds related to capital facilities of RWD. In addition, the Agency issued \$17,300,000 related to capital facilities of WVWD. In accordance with the separate installment purchase agreements, each District is obligated to pay the interest and principal payments related to the bonds. To account for the debt and installment purchase agreement, a liability and corresponding asset was recorded. As of June 30, 2021 and 2020, the balance of the installment purchase receivable and related liability was \$30,350,000 and \$31,335,000, respectively.

Puente Basin Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2021 and 2020

Statements of Revenues, Expenses and Changes in Net Position

Condensed Statements of Revenues, Expenses and Changes in Net Position

	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>2019</u>	<u>Change</u>
Operating revenues:					
Sale of water (TVMWD)	\$ 17,211,751	16,233,060	978,691	15,173,416	1,059,644
Sale of water (Project)	967,896	890,300	77,596	1,010,002	(119,702)
Member assessments	155,668	179,884	(24,216)	210,891	(31,007)
Other revenue	184,386	29,333	155,053	97,464	(68,131)
Total operating revenues	<u>18,519,701</u>	<u>17,332,577</u>	<u>1,187,124</u>	<u>16,491,773</u>	<u>840,804</u>
Non-operating revenues:					
Interest income	1,386,380	1,467,411	(81,031)	1,491,971	(24,560)
Total non-operating revenues	<u>1,386,380</u>	<u>1,467,411</u>	<u>(81,031)</u>	<u>1,491,971</u>	<u>(24,560)</u>
Total revenues	<u>19,906,081</u>	<u>18,799,988</u>	<u>1,106,093</u>	<u>17,983,744</u>	<u>816,244</u>
Operating expenses:					
Water supply (TVMWD)	17,209,691	16,231,000	978,691	15,171,357	1,059,643
Water supply (Project)	1,435,346	1,353,519	81,827	1,710,400	(356,881)
Engineering	1,460	1,396	64	1,543	(147)
Professional services	114,918	117,848	(2,930)	57,516	60,332
Legal	21,667	56,798	(35,131)	104,745	(47,947)
Administrative	54,858	40,008	14,850	42,774	(2,766)
Accounting	7,734	9,090	(1,356)	9,040	50
Depreciation	414,968	376,950	38,018	376,953	(3)
Total operating expenses	<u>19,260,642</u>	<u>18,186,609</u>	<u>1,074,033</u>	<u>17,474,328</u>	<u>712,281</u>
Non-operating expenses:					
Interest expense	1,457,960	1,505,936	(47,976)	1,546,758	(40,822)
Total non-operating expenses	<u>1,457,960</u>	<u>1,505,936</u>	<u>(47,976)</u>	<u>1,546,758</u>	<u>(40,822)</u>
Total expenses	<u>20,718,602</u>	<u>19,692,545</u>	<u>1,026,057</u>	<u>19,021,086</u>	<u>671,459</u>
Net loss before capital contributions	(812,521)	(892,557)	80,036	(1,037,342)	144,785
Capital contributions	<u>8,325,451</u>	<u>1,568,658</u>	<u>6,756,793</u>	<u>5,542,627</u>	<u>(3,973,969)</u>
Changes in net position	7,512,930	676,101	6,836,829	4,505,285	(3,829,184)
Net position, beginning of year	<u>33,961,250</u>	<u>33,285,149</u>	<u>676,101</u>	<u>28,779,864</u>	<u>4,505,285</u>
Net position, end of year	<u>\$ 41,474,180</u>	<u>33,961,250</u>	<u>7,512,930</u>	<u>33,285,149</u>	<u>676,101</u>

**Puente Basin Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2021 and 2020**

Statements of Revenues, Expenses and Changes in Net Position, continued

Fiscal Year 2021 – Revenues and Expenses

For fiscal year 2021, the Agency had total operating revenues of \$18,519,698, an increase of \$1,187,122 from the prior year. The largest source of revenue for the year is member payments for water purchased from TVMWD. Beginning in 2014, water purchased by the WVWD and RWD from TVMWD is invoiced through the Agency. For the year, revenues collected for water purchased from TVMWD totaled \$17,209,691, an increase of \$978,691 from the prior year. In addition, the Cal Domestic project produced 1,105 acre-feet of water during the year. A total of \$851,326 was collected from the Districts to cover the costs related to the production of this water, an increase of \$82,972 from prior year. Member assessments vary from year to year and represent payments received from the Districts to cover the other general and administrative costs incurred by the Agency. For the year, member assessments totaled \$155,668, a decrease of \$24,216 over the prior year. In addition, interest income and interest expense, related to the debt that was issued by the Agency and the corresponding installment purchase agreements, were recorded in the amount of \$1,457,960.

For fiscal year 2021, the Agency had total operating expenses of \$19,620,642, an increase of \$1,074,033 from the prior year. As discussed above, the most significant costs were attributable to the purchase and production of water, which totaled \$18,645,037 for the year, an increase of \$1,060,518 from the prior year.

Capital contributions for the year totaled \$8,325,451, an increase of \$6,756,793 from the prior year, which was primarily due to increases of \$7,163,560 in contributions sourcing from stored water from member agencies, \$244,187 in capital contributions from member agency assessments, which were offset by a decrease of \$650,954 in state capital contributions. Capital contributions included the money paid by each member agency and grant revenue for alternative water supply projects.

Fiscal Year 2020 – Revenues and Expenses

For fiscal year 2020, the Agency had total operating revenues of \$17,332,576, an increase of \$840,804 from the prior year. The largest source of revenue for the year is member payments for water purchased from TVMWD. Beginning in 2014, water purchased by the WVWD and RWD from TVMWD is invoiced through the Agency. For the year, revenues collected for water purchased from TVMWD totaled \$16,231,000, an increase of \$1,059,644 from the prior year. In addition, the Cal Domestic project produced 1,112 acre-feet of water during the year. A total of \$768,354 was collected from the Districts to cover the costs related to the production of this water, a decrease of \$123,789 from prior year. Member assessments vary from year to year and represent payments received from the Districts to cover the other general and administrative costs incurred by the Agency. For the year, member assessments totaled \$179,884, a decrease of \$31,007 over the prior year. In addition, interest income and interest expense, related to the debt that was issued by the Agency and the corresponding installment purchase agreements, were recorded in the amount of \$1,467,411.

For fiscal year 2020, the Agency had total operating expenses of \$18,186,609, an increase of \$712,281 from the prior year. As discussed above, the most significant costs were attributable to the purchase and production of water, which totaled \$17,584,519 for the year, an increase of \$702,762 from the prior year.

Capital contributions for the year totaled \$1,568,658, a decrease of \$3,973,969 from the prior year, which was primarily due to decreases of \$3,230,641 in capital contributions sourcing from member agency assessments, \$1,197,528 in state capital contributions, which were offset by an increase of \$454,200 in contributions from stored water from member agencies. Capital contributions included the money paid by each member agency and grant revenue for alternative water supply projects.

Puente Basin Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2021 and 2020

Capital Asset Administration

Changes in capital assets for 2021, were as follows:

	<u>Balance 2020</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2021</u>
Capital assets:				
Non-depreciable assets	\$ 15,463,799	1,577,992	-	17,041,791
Depreciable assets	12,995,610	-	-	12,995,610
Accumulated depreciation	<u>(1,270,782)</u>	<u>(414,968)</u>	-	<u>(1,685,750)</u>
Total capital assets, net	<u>\$ 27,188,627</u>	<u>1,163,024</u>	<u>-</u>	<u>28,351,651</u>

Changes in capital assets for 2020, were as follows:

	<u>Balance 2019</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2020</u>
Capital assets:				
Non-depreciable assets	\$ 16,238,348	1,506,523	(2,281,072)	15,463,799
Depreciable assets	10,714,538	2,281,072	-	12,995,610
Accumulated depreciation	<u>(893,832)</u>	<u>(376,950)</u>	-	<u>(1,270,782)</u>
Total capital assets, net	<u>\$ 26,059,054</u>	<u>3,410,645</u>	<u>(2,281,072)</u>	<u>27,188,627</u>

As of June 30, 2021 and 2020, the Agency had invested \$28,351,651 and \$27,188,627 in capital assets, a net increase from asset additions and deletions of \$1,163,024 and \$1,129,573 from the prior fiscal year, respectively. These assets were comprised of construction-in-process capital assets related to several alternative water supply projects.

Debt Administration

	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>2019</u>	<u>Change</u>
Long-term debt:					
2012 Series A Water Revenue Bonds (RWD Project)	\$ 16,460,000	16,935,000	(475,000)	17,395,000	(460,000)
2013 Series A Water Revenue Bonds (WVWD Project)	13,890,000	14,400,000	(510,000)	14,890,000	(490,000)
Capital lease payable	<u>1,711,257</u>	<u>1,747,797</u>	<u>(36,540)</u>	<u>1,779,919</u>	<u>(32,122)</u>
Total	<u>\$ 32,061,257</u>	<u>33,082,797</u>	<u>(1,021,540)</u>	<u>34,064,919</u>	<u>(982,122)</u>

As of June 30, 2021 and 2020, the Agency's long term debt amounted to \$32,061,257 and \$33,082,797, a decrease from debt service and lease payment of \$1,021,540 and \$982,122, from the prior fiscal year, respectively.

**Puente Basin Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2021 and 2020**

Economic Factors and Next Year's Budget

	<u>Budget 2022</u>	<u>Actual 2021</u>	<u>Change</u>	<u>Budget 2021</u>	<u>Actual 2020</u>	<u>Change</u>
Revenues:						
Sale of water (TVMWD)	\$ 11,536,290	17,211,751	(5,675,461)	13,712,790	16,233,060	(2,520,270)
Sale of water (Project)	2,793,170	967,896	1,825,274	1,202,620	890,300	312,320
Member assessments	251,375	155,668	95,707	251,375	179,884	71,491
Other	<u>100,500</u>	<u>184,386</u>	<u>(83,886)</u>	<u>42,000</u>	<u>50,399</u>	<u>(8,399)</u>
Total operating revenues	<u>14,681,335</u>	<u>18,519,701</u>	<u>(3,838,366)</u>	<u>15,208,785</u>	<u>17,353,643</u>	<u>(2,144,858)</u>
Use of stored water	<u>2,131,800</u>	<u>586,881</u>	<u>1,544,919</u>	<u>822,470</u>	<u>585,840</u>	<u>236,630</u>
Total revenues	<u>16,813,135</u>	<u>19,106,582</u>	<u>(2,293,447)</u>	<u>16,031,255</u>	<u>17,939,483</u>	<u>(1,908,228)</u>
Expenses:						
Water supply (TVMWD)	11,536,290	17,211,751	(5,675,461)	13,712,790	16,233,060	(2,520,270)
Water supply (Project)	4,908,920	1,435,346	3,473,574	2,017,590	1,456,719	560,871
Engineering	5,000	1,460	3,540	5,000	1,396	3,604
Professional service	125,000	114,918	10,082	125,000	117,848	7,152
Legal	100,000	21,667	78,333	100,000	56,798	43,202
Administrative expenses	45,000	54,858	(9,858)	45,000	37,948	7,052
Accounting	<u>8,375</u>	<u>7,734</u>	<u>641</u>	<u>8,375</u>	<u>9,090</u>	<u>(715)</u>
Total operating expenses	<u>16,728,585</u>	<u>18,847,734</u>	<u>(2,119,149)</u>	<u>16,013,755</u>	<u>17,912,859</u>	<u>(1,899,104)</u>
Net income	<u>\$ 84,550</u>	<u>258,848</u>	<u>(174,298)</u>	<u>17,500</u>	<u>26,624</u>	<u>(9,124)</u>

Conditions Affecting Current Financial Position

Management is unaware of any conditions, which could have a significant impact on the Agency's current financial position, net position or operating results in terms of past, present and future.

Requests for Information

This financial report is designed to provide the Agency's present users, including funding sources, customers, stakeholders and other interested parties with a general overview of the Agency's finances and to demonstrate the Agency's accountability with an overview of the Agency's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Agency's Treasurer, Josh Byerrum, 271 S. Brea Canyon Road, Walnut, California, 91789 or (909) 595-1268.

Basic Financial Statements

Puente Basin Water Agency
Statements of Net Position
June 30, 2021 and 2020

	2021	2020
Current assets:		
Cash and cash equivalents (note 2)	\$ 1,583,486	2,516,036
Accrued interest receivable	141,188	145,688
Accounts receivable	5,110,644	4,170,761
Grants receivable	278,029	836,965
Prepaid expenses	-	6,000
Water-in-storage inventory	12,980,026	5,949,147
Long-term assets – due in one year:		
Installment purchase receivable (note 3)	1,030,000	985,000
Total current assets	21,123,373	14,609,597
Non-current assets:		
Long-term assets – due after one year:		
Installment purchase receivable (note 3)	29,320,000	30,350,000
Capital assets – not being depreciated (note 4)	17,041,791	15,463,799
Capital assets – being depreciated, net (note 4)	11,309,860	11,724,828
Total non-current assets	57,671,651	57,538,627
Total assets	78,795,024	72,148,224
Current liabilities:		
Accounts payable and accrued expenses	5,118,399	4,952,489
Unearned revenue	-	6,000
Accrued interest payable	141,188	145,688
Long-term liabilities – due in one year:		
Bond payable (note 5)	1,030,000	985,000
Capital lease payable (note 5)	41,231	36,540
Total current liabilities	6,330,818	6,125,717
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Bond payable (note 5)	29,320,000	30,350,000
Capital lease payable (note 5)	1,670,026	1,711,257
Total non-current liabilities	30,990,026	32,061,257
Total liabilities	37,320,844	38,186,974
Net position: (note 6)		
Net investment in capital assets	26,640,394	25,440,830
Unrestricted	14,833,786	8,520,420
Total net position	\$ 41,474,180	33,961,250

See accompanying notes to the basic financial statements

Puente Basin Water Agency
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2021 and 2020

	2021	2020
Operating revenues:		
Sale of water to member agencies – TVMWD	\$ 17,211,751	16,233,060
Sale of water to member agencies – Project	967,896	890,300
Member assessments	155,668	179,884
Water leases	50,000	-
Other water service charges	134,383	29,332
Total operating revenues	18,519,698	17,332,576
Operating expenses:		
Water supply – TVMWD	17,209,691	16,231,000
Water supply – Project	1,435,344	1,353,518
Engineering	1,460	1,396
Professional services	114,918	117,848
Legal	21,667	56,798
Administrative	54,858	40,008
Accounting	7,734	9,090
Total operating expenses	18,845,672	17,809,658
Operating loss before depreciation expense	(325,974)	(477,082)
Depreciation expense	(414,968)	(376,950)
Operating loss	(740,942)	(854,032)
Non-operating revenue(expense):		
Investment income	1,386,381	1,467,411
Interest expense – long-term debt	(1,457,960)	(1,505,936)
Total non-operating revenue(expense), net	(71,579)	(38,525)
Net loss before capital contributions	(812,521)	(892,557)
Capital contributions:		
Capital contributions – state	-	650,954
Capital contributions – member agency assessments	707,691	463,504
Contributions – stored water purchases from member agencies	7,617,760	454,200
Total capital contributions	8,325,451	1,568,658
Changes in net position	7,512,930	676,101
Net position, beginning of the year	33,961,250	33,285,149
Net position, end of year	\$ 41,474,180	33,961,250

See accompanying notes to the basic financial statements

Puente Basin Water Agency
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Cash received for water sales and assessments	\$ 18,132,751	18,044,340
Cash paid to vendors and suppliers for materials and services	<u>(25,704,641)</u>	<u>(17,157,512)</u>
Net cash (used in) provided by operating activities	<u>(7,571,890)</u>	<u>886,828</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(1,577,992)	(1,506,523)
Capital contributions	8,325,451	917,704
Payments received for loans receivable	985,000	950,000
Proceeds from capital grants	-	650,954
Principal paid on debt service	(1,021,540)	(982,122)
Interest paid on debt	<u>(1,462,460)</u>	<u>(1,510,277)</u>
Net cash provided by (used in) capital and related financing activities	<u>5,248,459</u>	<u>(1,480,264)</u>
Cash flows from investing activities:		
Interest and investment earnings	<u>1,390,881</u>	<u>1,476,360</u>
Net cash provided by investing activities	<u>1,390,881</u>	<u>1,476,360</u>
Net (decrease) increase in cash and cash equivalents	(932,550)	882,924
Cash and cash equivalents, beginning of year	<u>2,516,036</u>	<u>1,633,112</u>
Cash and cash equivalents, end of year	<u>\$ 1,583,486</u>	<u>2,516,036</u>
Reconciliation of operating loss to net cash (used in) provided by operating activities:		
Operating loss	\$ <u>(740,942)</u>	<u>(854,032)</u>
Adjustments to reconcile operating loss to net cash (used in) provided by operating activities:		
Depreciation expense	414,968	376,950
(Increase)Decrease in assets:		
Accounts receivable	(939,883)	(333,271)
Grants receivable	558,936	1,039,035
Prepaid expenses and other deposits	6,000	(6,000)
Inventory – water	(7,030,879)	131,639
Increase in liabilities:		
Accounts payable and accrued expenses	165,910	526,507
Unearned revenue	<u>(6,000)</u>	<u>6,000</u>
Total adjustments	<u>(6,830,948)</u>	<u>1,740,860</u>
Net cash (used in) provided by operating activities	<u>\$ (7,571,890)</u>	<u>886,828</u>

See accompanying notes to the basic financial statements

Puente Basin Water Agency
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2021 and 2020

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Puente Basin Water Agency (the Agency) was created April 1, 1971, by the execution of a Joint Powers Agreement between Rowland Water District (RWD) and Walnut Valley Water District (WVWD). The Agreement was made pursuant to Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California. The Agency's purpose is to achieve a sustainable and reliable local water supply through innovative planning and the development of regionally-beneficial projects. The Agency was organized for the purpose of protection and utilization of the local, imported, and reclaimed water supply within the Puente Basin. The Agency is governed by an appointed Board of Commissioners consisting of four members.

B. Basis of Accounting and Measurement Focus

The Agency reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Agency is that the cost of providing water to its member agencies on a continuing basis be financed or recovered primarily through water sales, capital contributions and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as water sales and water purchases, result from exchange transactions associated with the principal activity of the Agency. Exchange transactions are those in which each party receives and gives up essentially equal value. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

C. Financial Reporting

The Agency's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Agency solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the Agency's proprietary fund.

The Agency has adopted the following GASB pronouncements in the current year:

Governmental Accounting Standards Board Statement No. 84

In January 2017, the GASB issued Statement No. 84 – *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting, continued

Governmental Accounting Standards Board Statement No. 90

In August 2018, the GASB issued Statement No. 90 – *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position

1. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

2. Uncertainty

The COVID-19 outbreak in the United States has caused business disruption through labor shortages and closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the disruption. However, the related financial impact on the Agency and the duration cannot be estimated at this time.

3. Cash and Cash Equivalents

Substantially all of the Agency’s cash is invested in interest bearing accounts. The Agency considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

4. Investments and Investment Policy

The Agency’s investment policy authorizes investments in certificates-of-deposit and the California Local Agency Investment Fund (LAIF). The Agency’s investment policy does contain specific provisions intended to limit its exposure to interest rate risk, credit risk, custodial risk, and concentration of credit risk.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position, continued

5. Accounts Receivable and Allowance for Uncollectible Accounts

The Agency extends credit to customers in the normal course of operations. When management deems customer accounts uncollectible, the Agency uses the allowance method for the reservation and write-off of those accounts. As of June 30, 2021 and 2020, the Agency had no allowance for uncollectible accounts as management believes all accounts will be collected.

6. Water-In-Storage Inventory

Water-in-storage inventory consists primarily of water purchased, contributed, and held in storage with the Main San Gabriel Basin Watermaster, the Agency's water wholesaler.

In 2021, the Agency received 6,000 acre-feet of water from Rowland Water District and Walnut Valley Water District and is held in storage with the Main San Gabriel Basin Watermaster. As of June 30, 2021, the Agency had a total of 21,661 acre-feet of water-in-storage valued using an average cost of \$599 per acre-foot.

In 2020, the Agency received 600 acre-feet of water through Three Valleys Municipal Water District. The water was purchased by Rowland Water District and Walnut Valley Water District and is held in storage with the Main San Gabriel Basin Watermaster. As of June 30, 2020, the Agency had a total of 10,166 acre-feet of water-in-storage valued using an average cost of \$585 per acre-foot.

7. Prepaid Expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

8. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. Agency policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at acquisition value at the date of the donation. Capital assets received in service concession arrangements are reported at acquisition value. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Water mains – 60 years
- Pipelines and improvements – 20 years

9. Unearned Revenue

Unearned revenue consists of cash received prior to services being performed. A liability will be recognized on the financial statements until the services are rendered and completed.

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position, continued

10. Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation and amortization, and reduced by outstanding balances of any debt, or other long-term borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** – Consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments, or constraints imposed by law through enabling legislation.
- **Unrestricted** – Consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted components of net position.

11. Water Sales and Services

Water sales are billed on a monthly cyclical basis and recognize the respective revenues when they are earned.

12. Capital Contributions

Capital contributions represent cash contributed to the Agency by member agencies and by the State.

13. Budgetary Policies

The Agency adopts an annual non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

(2) Cash and Cash Equivalents

Cash and cash equivalents as of June 30 consist of the following:

	2021	2020
Cash and investments		
Deposits with financial institutions	\$ 446,530	166,496
Deposits in Local Agency Investment Fund (LAIF)	1,136,956	2,349,540
Total cash and investments	\$ 1,583,486	2,516,036

As of June 30, the Agency's authorized deposits had the following maturities:

	2021	2020
Deposits in Local Agency Investment Fund (LAIF)	291 days	191 days

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(2) Cash and Cash Equivalents, continued

Investments Authorized by the California Government Code and the Agency's Investment Policy

The table below identifies the investment types that are authorized by the Agency in accordance with the California Government Code (or the Agency's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Agency's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations - CA and Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Collateralize Bank Deposits	5 years	None	None
Corporate debt – Short and Long Term	5 years	None	None
Commercial Paper – Pooled Funds	270 days	40% of the Agency's	10%
Commercial Paper – Non-Pooled Funds	270 days	money	
Repurchase agreements	1 year	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

Investment in State Investment Pool

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 and is under the management of the Treasurer of the State of California with oversight provided by the Local Agency Investment Advisory Board. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency'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. Bank balances are secured by the pledging of a pool of eligible securities to collateralize the Agency's deposits with the bank in accordance with the Code.

The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by GASB 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. LAIF does not have any legally binding guarantees of share values. LAIF does not impose liquidity fees or redemption gates on participant withdrawals.

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.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(2) Cash and Cash Equivalents, continued

Custodial Credit Risk, continued

The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: 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% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Agency's name.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Agency manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures, or comes close to maturity evenly over time, as necessary to provide requirements for cash flow and liquidity needed for operations.

Credit Risk

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

Concentration of Credit Risk

The Agency's investment policy contains various limitations on the amounts that can be invested in any one governmental agency or non-governmental issuer as stipulated by the California Government Code. As of June 30, 2021 and 2020, the Agency's deposit portfolio with a government-sponsored agency, LAIF, is 72% and 93%, respectively, of the Agency's total depository and investment portfolio. There were no investments in any one non-governmental issuer that represent 5% or more of the Agency's total investments.

(3) Installment Purchase Receivable

The Agency entered into an Installment Purchase Contracts with Rowland Water District (RWD) and Walnut Valley Water District (WVWD) related to the issuing of Bonds. RWD and WVWD received the proceeds of the Bonds and are required to make semi-annual installment purchase payments that are equal in amount and timing to the principal and interest payments that are paid on a semi-annual basis by the Agency to the holders of the Bonds. Of the total current portion of \$1,030,000, current amounts required to be paid by RWD and WVWD are \$495,000 and \$535,000, respectively, as of June 30, 2021. Of the total long term portion of \$29,320,000, total amounts required to be paid by RWD and WVWD are \$15,965,000 and \$13,355,000, respectively, as of June 30, 2021. As of June 30, 2020, the total current portion was \$985,000. Of this total amount, the amounts required to be paid by RWD and WVWD were \$475,000 and \$510,000, respectively. As of June 30, 2020, the total long term portion amounted to \$30,350,000. Of this total amount, the long term amounts required to be paid by RWD and WVWD were \$16,460,000 and \$13,890,000, respectively. Please also see note 5 for further detail.

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(4) Capital Assets

Changes in capital assets for the year ended June 30, 2021, are as follows:

	<u>Balance 2020</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2021</u>
Non-depreciable assets:				
Water rights	\$ 10,402,954	-	-	10,402,954
Construction-in-Process	<u>5,060,845</u>	<u>1,577,992</u>	<u>-</u>	<u>6,638,837</u>
Total non-depreciable assets	<u>15,463,799</u>	<u>1,577,992</u>	<u>-</u>	<u>17,041,791</u>
Depreciable assets:				
Old Baldy well	1,841,213	-	-	1,841,213
Pumping plant and equipment	<u>11,154,397</u>	<u>-</u>	<u>-</u>	<u>11,154,397</u>
Total depreciable assets	<u>12,995,610</u>	<u>-</u>	<u>-</u>	<u>12,995,610</u>
Accumulated depreciation:				
Old Baldy well	(206,215)	(88,378)	-	(294,593)
Pumping plant and equipment	<u>(1,064,567)</u>	<u>(326,590)</u>	<u>-</u>	<u>(1,391,157)</u>
Total accumulated depreciation	<u>(1,270,782)</u>	<u>(414,968)</u>	<u>-</u>	<u>(1,685,750)</u>
Total depreciable assets, net	<u>11,724,828</u>	<u>(414,968)</u>	<u>-</u>	<u>11,309,860</u>
Total capital assets, net	<u>\$ 27,188,627</u>	<u>1,163,024</u>	<u>-</u>	<u>28,351,651</u>

Changes in capital assets for the year ended June 30, 2020, are as follows:

	<u>Balance 2019</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2020</u>
Non-depreciable assets:				
Water rights	\$ 10,402,954	-	-	10,402,954
Construction-in-process	<u>5,835,394</u>	<u>1,506,523</u>	<u>(2,281,072)</u>	<u>5,060,845</u>
Total non-depreciable assets	<u>16,238,348</u>	<u>1,506,523</u>	<u>(2,281,072)</u>	<u>15,463,799</u>
Depreciable assets:				
Old Baldy well	1,841,213	-	-	1,841,213
Pumping plant and equipment	<u>8,873,325</u>	<u>2,281,072</u>	<u>-</u>	<u>11,154,397</u>
Total depreciable assets	<u>10,714,538</u>	<u>2,281,072</u>	<u>-</u>	<u>12,995,610</u>
Accumulated depreciation:				
Old Baldy well	(117,837)	(88,378)	-	(206,215)
Pumping plant and equipment	<u>(775,995)</u>	<u>(288,572)</u>	<u>-</u>	<u>(1,064,567)</u>
Total accumulated depreciation	<u>(893,832)</u>	<u>(376,950)</u>	<u>-</u>	<u>(1,270,782)</u>
Total depreciable assets, net	<u>9,820,706</u>	<u>1,904,122</u>	<u>-</u>	<u>11,724,828</u>
Total capital assets, net	<u>\$ 26,059,054</u>	<u>3,410,645</u>	<u>(2,281,072)</u>	<u>27,188,627</u>

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(4) Capital Assets, continued

For the fiscal year ending June 30, 2021, the Agency had additions of \$1,577,992 in construction-in-process. For the fiscal year ending June 30, 2020, the Agency transferred \$2,281,072 of construction-in-process to pumping plant and equipment.

Construction-in-Process

The Agency has been involved in various construction projects throughout the year. The projects that comprise the construction-in-process balances at June 30 are as follows:

	<u>2021</u>	<u>2020</u>
Pathfinder Intertie Project	\$ 705,330	36,736
Pomona Basin Project	<u>5,933,507</u>	<u>5,024,109</u>
Total construction-in-process	<u>\$ 6,638,837</u>	<u>5,060,845</u>

(5) Long-Term Debt

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

	<u>Balance 2020</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance 2021</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Bonds payable:						
2012 Series A Water Revenue Bonds:						
Rowland Water District	\$ 16,935,000	-	(475,000)	16,460,000	495,000	15,965,000
2013 Series A Water Revenue Bonds:						
West Valley Water District	<u>14,400,000</u>	<u>-</u>	<u>(510,000)</u>	<u>13,890,000</u>	<u>535,000</u>	<u>13,355,000</u>
Total bonds payable	31,335,000	-	(985,000)	30,350,000	1,030,000	29,320,000
Capital lease payable	<u>1,747,797</u>	<u>-</u>	<u>(36,540)</u>	<u>1,711,257</u>	<u>41,231</u>	<u>1,670,026</u>
Total	<u>\$ 33,082,797</u>	<u>-</u>	<u>(1,021,540)</u>	<u>32,061,257</u>	<u>1,071,231</u>	<u>30,990,026</u>

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

	<u>Balance 2019</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance 2020</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Bonds payable:						
2012 Series A Water Revenue Bonds:						
Rowland Water District	\$ 17,395,000	-	(460,000)	16,935,000	475,000	16,460,000
2013 Series A Water Revenue Bonds:						
West Valley Water District	<u>14,890,000</u>	<u>-</u>	<u>(490,000)</u>	<u>14,400,000</u>	<u>510,000</u>	<u>13,890,000</u>
Total bonds payable	32,285,000	-	(950,000)	31,335,000	985,000	30,350,000
Capital lease payable	<u>1,779,919</u>	<u>-</u>	<u>(32,122)</u>	<u>1,747,797</u>	<u>36,540</u>	<u>1,711,257</u>
Total	<u>\$ 34,064,919</u>	<u>-</u>	<u>(982,122)</u>	<u>33,082,797</u>	<u>1,021,540</u>	<u>32,061,257</u>

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(5) Long-Term Debt, continued

2012 Series A Water Revenue Bonds – Rowland Water District

On November 1, 2012, the Agency issued \$19,835,000 of 2012 Series A Water Revenue Bonds. The Bonds will be used to finance certain capital facilities of RWD, a member agency. RWD is obligated under terms of the Installment Purchase Contract associated with the Bonds, to make semiannual installment purchase payments that are equal in amount and timing to the principal and interest payments that are paid on a semiannual basis by the Agency to the holders of the Bonds. The Bonds were issued at a premium of \$1,570,182, which is being recorded and amortized over the life of the debt service by RWD, since RWD received the proceeds and premium. Interest and principal are payable on December 1st and June 1st of each year beginning June 1, 2013, with interest rates ranging from 1% to 5%. The Bonds are scheduled to mature on December 1, 2042. The rate covenants of the Bonds require that net revenues of RWD for each fiscal year be equal to at least 110% of the annual debt service payments required for that fiscal year.

Future annual debt service payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 495,000	666,500	1,161,500
2023	515,000	646,700	1,161,700
2024	540,000	626,100	1,166,100
2025	560,000	604,500	1,164,500
2026	580,000	582,100	1,162,100
2027-2031	3,205,000	2,607,900	5,812,900
2032-2036	3,750,000	2,081,625	5,831,625
2037-2041	4,620,000	1,265,000	5,885,000
2042-2043	<u>2,195,000</u>	<u>166,000</u>	<u>2,361,000</u>
Total	16,460,000	<u>9,246,425</u>	<u>25,706,425</u>
Current	<u>(495,000)</u>		
Non-current	\$ <u>15,965,000</u>		

2013 Series A Water Revenue Bonds – Walnut Valley Water District

On March 1, 2013, the Agency issued \$17,300,000 of 2013 Series A Water Revenue Bonds. The Bonds will be used to finance certain capital facilities of WVWD, a member agency. WVWD is obligated under terms of the Installment Purchase Contract associated with the Bonds, to make semiannual installment purchase payments that are equal in amount and timing to the principal and interest payments that are paid on a semiannual basis by the Agency to the holders of the Bonds. The Bonds were issued at a premium of \$2,695,738, which is being recorded and amortized over the life of the debt service by WVWD, since WVWD received the proceeds and premium. Interest is payable on June 1st and December 1st of each year beginning December 1, 2013, with interest rates ranging from 1% to 5%. Principal is due December 1st each year beginning December 1, 2013. The Bonds are scheduled to mature on December 1, 2037. The rate covenants of the Bonds require that net revenues of WVWD for each fiscal year be equal to at least 125% of the annual debt service payments required for that fiscal year.

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(5) Long-Term Debt, continued

2013 Series A Water Revenue Bonds – Walnut Valley Water District, continued

Future annual debt service payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 535,000	694,500	1,229,500
2023	565,000	667,750	1,232,750
2024	595,000	639,500	1,234,500
2025	620,000	609,750	1,229,750
2026	655,000	578,750	1,233,750
2027-2031	3,790,000	2,369,750	6,159,750
2032-2036	4,840,000	1,322,250	6,162,250
2037-2038	<u>2,290,000</u>	<u>173,250</u>	<u>2,463,250</u>
Total	13,890,000	<u>7,055,500</u>	<u>20,945,500</u>
Current	<u>(535,000)</u>		
Non-current	\$ <u>13,355,000</u>		

Capital Lease

On January 24, 2018, the Agency entered into a lease agreement for the use of a well. This lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the value of the future minimum lease payments as of the inception date in the amount of \$1,841,213. The lease is payable in semi-annual payments of \$50,000, adjusted every July 1 for the Consumer Price Index for All Urban Consumers for the Los Angeles-Riverside-Orange County, California Area published by the Bureau of Labor Statistics for the preceding year, through July 31, 2038, at an annual interest rate of 4%.

Future annual lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 41,231	68,042	109,273
2023	46,207	66,344	112,551
2024	51,484	64,443	115,927
2025	57,076	62,329	119,405
2026	63,001	59,986	122,987
2027-2031	416,660	255,885	672,545
2032-2036	624,924	154,740	779,664
2037-2039	<u>410,674</u>	<u>25,227</u>	<u>435,901</u>
Total	1,711,257	<u>756,996</u>	<u>2,468,253</u>
Current	<u>(41,231)</u>		
Non-current	\$ <u>1,670,026</u>		

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(6) Net Position

Calculation of net position as of June 30, were as follows:

	2021	2020
Net investment in capital assets:		
Capital assets, net	\$ 28,351,651	27,188,627
Capital lease, current	(41,231)	(33,122)
Capital lease, non-current	(1,670,026)	(1,714,675)
Total investment in capital assets	26,640,394	25,440,830
Unrestricted net position	14,833,786	8,520,420
Total net position	\$ 41,474,180	33,961,250

(7) Risk Management

The Agency is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the ACWA/JPIA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage.

On June 30, 2021, the Agency participated in the ACWA/JPIA pooled programs for liability, property, programs as follows:

- General and auto liability, public officials and employees' errors and omissions: The ACWA/JPIAs total risk financing self-insurance limits of \$5,000,000 per occurrence. The ACWA/JPIA purchased additional excess coverage layers: \$55 million for general, auto and public officials' liability, which increases the limits on the insurance coverage noted above.
- Property loss is paid at the replacement cost for property on file, if replaced within two years after the loss, otherwise paid on an actual cash value basis, to a combined total of \$500 million per loss, subject to a \$1,000 deductible per loss.
- Boiler and machinery coverage for the replacement cost up to \$100 million per occurrence, subject to various deductibles depending on the type of equipment, on file.
- Crime coverage up to \$100,000 per loss includes public employee dishonesty, depositor's forgery or alteration, theft, computer, and funds transfer fraud coverages. subject to \$1,000 deductible per loss.

In addition, the Agency also has the following insurance coverage:

- Cyber liability including cyber security up to \$5,000,000 per occurrence and \$5,000,000 aggregate limit. Cyber liability deductible varies from \$10,000 to \$50,000 depending on Agency scheduled total values.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the Agency's insurance coverage during the fiscal years ended June 30, 2021, 2020 and 2019. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There was no IBNR claims payable as of June 30, 2021, 2020 and 2019.

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(8) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2021, that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 87

In June 2017, the GASB issued 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 requirements of this Statement were effective for reporting periods beginning after December 15, 2019; however, in light of the COVID-19 pandemic, the effective date has been postponed by 18 months. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 89

In June 2018, the GASB issued Statement No. 89 – *Accounting for Interest Cost incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2019; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

Governmental Accounting Standards Board Statement No. 91

In May 2019, the GASB issued Statement No. 91 – *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(8) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 91, continued

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 92

In January 2020, the GASB issued Statement No. 92 – *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

The requirements of this Statement were as follows: (1) The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance; (2) The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020; (3) The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020; and (4) The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged and is permitted by topic.

Governmental Accounting Standards Board Statement No. 93

In March 2020, the GASB issued Statement No. 93 – *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR.

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(8) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 93, continued

This Statement achieves that objective by: (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended; and (7) Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

The requirements of this Statement were effective as follows: (1) The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021; and (2) All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective dates have been postponed by one year. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 94

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(8) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 96

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 97

In June 2020, the GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 41 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement. The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2021 and 2020

(9) Commitments and Contingencies

Grant Awards

Grant funds received by the Agency are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the Agency believes that such disallowances, if any, would not be significant.

Construction Contracts

The Agency has a variety of agreements with private parties relating to the installation, improvement or modification of water and wastewater facilities and distribution systems within its service area. The financing of such construction contracts is being provided primarily from the Agency's member capital contributions.

Litigation

In the ordinary course of operations, the Agency is subject to claims and litigation from outside parties. After consultation with legal counsel, the Agency believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

(10) Subsequent Events

Events occurring after June 30, 2021, have been evaluated for possible adjustment to the financial statements or disclosure as of December 2, 2021, which is the date the financial statements were available to be issued.

Report on Internal Controls and Compliance



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Christopher J. Brown, CPA, CGMA
Andy Beck, CPA

Fedak & Brown LLP

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

Board of Commissioners
Puente Basin Water Agency
Walnut, 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 Puente Basin Water Agency (Agency) as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprises the Agency's basic financial statements, and have issued our report thereon dated December 2, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) to determine the 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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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 determination of financial statement amounts. 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*.

**Independent Auditor's Report on Internal Controls Over Financial Reporting
And on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*, (continued)**

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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Fedak & Brown LLP". The signature is written in a cursive, slightly slanted style.

Fedak & Brown LLP

Cypress, California

December 2, 2021

**Walnut Valley Water District
Preliminary Budget Meeting Schedule**



FISCAL YEAR 2022-23

Tentative Date	Item
April 2022 Special Budget Workshop	Review of Budget Process and Methodology Preliminary Review of Budget: Expenses Revenues Capital Projects
May 2022 Special Budget Workshop	Final Review of Budget: Expenses Revenues Capital Projects
June 2022 Budget Workshop	Consideration of Adoption: Final Budget

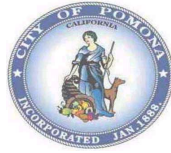
Walnut Valley Water District
Revenue Bond - East West Bank
Life to Date
December 31, 2021

Bond Proceeds		\$	19,940,487.80
Disbursements:			
<u>Cost of Issuance</u>			
Fieldmann, Rolapp & Associates (Financial Advisors)	\$	(26,270.57)	
Hawkins, Delafield & Wood, LLP. (Bond Counsel)		(45,000.00)	
Union Bank, N.A. (Trustee)		(3,708.00)	
Standard & Poor's Rating Services (Credit Rating)		(17,000.00)	
Image Master (Official Statement)		(3,158.31)	
Hawkins Delafield & Wood (Bond Counsel)		(1,743.31)	
			(96,880.19)
<u>Projects</u>			
Puente Basin Water Agency - Pomona Basin ¹		(2,052,008.87)	
Puente Basin Water Agency - LHCWD Project ¹		(350,566.00)	
Puente Basin Water Agency - CDWC Project ¹		(4,090,549.30)	
Puente Basin Water Agency - Pathfinder Project ⁴		-	
Administration Headquarters ¹		(6,927,819.59)	
Water Rights - Central Basin		(3,630,907.50)	
			(17,051,851.26)
<u>Substitute Projects</u>			
Ace Nogales Grade Separation (P#03-2820) ²		(706,545.61)	
Ridgeline Pump Station Modifications (P#12-3267) ³		(221,195.68)	
30 kw Diesel Portable Generator (P#13-3290) ³		(39,490.70)	
			(967,231.99)
Interest Income			505,656.65
Ending Balance of Bond Funds		\$	2,330,181.01

* Transferred funds from US Bank to East West Bank 8/23/2021

Walnut Valley Water District
Revenue Bond - East West Bank
December 31, 2021

Beginning Balance of Bonds	\$	2,330,091.95
Receipts:		
Interest Income		89.06
Disbursements:		
PBWA - Pomona Basin Project	-	
PBWA - Cal Domestic Project	-	
PBWA - Pathfinder Project	-	
Administration Headquarters		
	\$	-
Ending Balance of Bond Funds	\$	<u>2,330,181.01</u>



POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

WATER USE DISTRIBUTION & BILLING

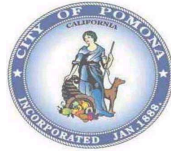
NOVEMBER 2021

CONSUMPTION PER AGENCY (Per PWR Meter Reads)		
	Water Consumption (Acre-feet)	Allocation %
Pomona	439.233	27.604%
Walnut	728.084	45.756%
Rowland	423.905	26.640%
LaVerne	-	0.000%
TOTAL	1,591.222	100.000%

WATER PRODUCTION (ACTUAL)		
	Water Consumption (Acre-feet)	Allocation %
MWD	773.20	48.401%
TVMWD	824.30	51.599%
LaVerne	-	0.000%
Total	1,597.500	100.000%
PWR	1,591.222	
Difference	6.278	

CALCULATION OF AGENCY WATER CONSUMPTION (Water consumption billed to each agency based on amount of water purchased from MWD & TVMWD)							
Connection / Description	Billing Difference Allocation (Acre-feet)	Adj. Agency Consumption (Acre-Feet)	Adj. Agency Consumption for Billing (Rounded)	Water Purchased - MWD	Water Purchased - TVMWD	Water Purchased - LaVERNE WELL	Total Water Purchased (Acre-feet)
				48.401%	51.599%	0.000%	100.000%
Pomona	439.233	1.733	440.966	441.0	213.4	227.5	441.0
Walnut	728.084	2.873	730.957	731.0	353.8	377.2	731.0
Rowland	423.905	1.672	425.577	425.6	206.0	219.6	425.6
LaVerne	-	-	-	-	-	-	-
TOTAL	1,591.222	6.278	1,597.500	1,597.5	773.2	824.3	1,597.5

BILLING CHARGES PER AGENCY											
		MWD PM-15	TVMWD PM-21	MWD Capacity Reservation	TVMWD Connected Capacity	TVMWD Water Use Charge	Depreciation	Replacement	Admin Budget Assessment	MWD LRP Rebate Program	Billing Total
City of Pomona	Cons. (AF)	213.4	227.5								
	Allocation %			35.85%	52.00%	26.12%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,098.00	\$ 1,098.00	\$ 26,876.46	\$ 6,150.27	\$ 6,077.02				\$ (100.00)	
	Total	\$ 234,346.45	\$ 249,834.16	\$ 9,635.21	\$ 3,198.14	\$ 1,587.32	\$ -	\$ -	\$ -	\$ -	\$ -
Walnut Valley Water District	Cons. (AF)	353.8	377.2								
	Allocation %			41.51%	28.00%	46.79%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,098.00	\$ 1,098.00	\$ 26,876.46	\$ 6,150.27	\$ 6,077.02			\$ -	\$ (100.00)	
	Total	\$ 388,458.74	\$ 414,131.58	\$ 11,156.42	\$ 1,722.08	\$ 2,843.44	\$ -	\$ -	\$ -	\$ -	\$ -
Rowland Water District	Cons. (AF)	206.0	219.6								
	Allocation %			22.64%	20.00%	27.09%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,098.00	\$ 1,098.00	\$ 26,876.46	\$ 6,150.27	\$ 6,077.02			\$ -	\$ (100.00)	
	Total	\$ 226,168.42	\$ 241,115.65	\$ 6,084.83	\$ 1,230.05	\$ 1,646.26	\$ -	\$ -	\$ -	\$ -	\$ -
City of LaVerne	Cons. (AF)	-	-								
	Allocation %			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
	Billing Rate	\$ 1,098.00	\$ 1,098.00	\$ 26,876.46	\$ 6,150.27	\$ 6,077.02	\$ -	\$ -	\$ -	\$ (100.00)	
	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total (A.F.)		773.2	824.3								1,597.5
Total (\$)		\$ 848,973.61	\$ 905,081.39	\$ 26,876.46	\$ 6,150.27	\$ 6,077.02	\$ -	\$ -	\$ -	\$ -	\$ 1,793,158.75



POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

WATER USE DISTRIBUTION & BILLING

DECEMBER 2021

CONSUMPTION PER AGENCY (Per PWR Meter Reads)		
	Water Consumption (Acre-feet)	Allocation %
Pomona	291.208	24.633%
Walnut	609.193	51.532%
Rowland	281.765	23.835%
LaVerne	-	0.000%
TOTAL	1,182.166	100.000%

WATER PRODUCTION (ACTUAL)		
	Water Consumption (Acre-feet)	Allocation %
MWD	614.80	52.071%
TVMWD	565.90	47.929%
LaVerne	-	0.000%
Total	1,180.700	100.000%
PWR	1,182.166	
Difference	(1.466)	

CALCULATION OF AGENCY WATER CONSUMPTION (Water consumption billed to each agency based on amount of water purchased from MWD & TVMWD)							
Connection / Description	Billing Difference Allocation (Acre-feet)	Adj. Agency Consumption (Acre-Feet)	Adj. Agency Consumption for Billing (Rounded)	Water Purchased - MWD	Water Purchased - TVMWD	Water Purchased - LaVERNE WELL	Total Water Purchased (Acre-feet)
				52.071%	47.929%	0.000%	100.000%
Pomona	291.208	(0.361)	290.847	290.8	151.4	139.4	290.8
Walnut	609.193	(0.755)	608.438	608.4	316.8	291.6	608.4
Rowland	281.765	(0.349)	281.416	281.4	146.5	134.9	281.4
LaVerne	-	-	-	-	-	-	-
TOTAL	1,182.166	(1.466)	1,180.700	1,180.7	614.8	565.9	1,180.7

BILLING CHARGES PER AGENCY											
		MWD PM-15	TVMWD PM-21	MWD Capacity Reservation	TVMWD Connected Capacity	TVMWD Water Use Charge	Depreciation	Replacement	Admin Budget Assessment	MWD LRP Rebate Program	Billing Total
City of Pomona	Cons. (AF)	151.4	139.4							85.4	
	Allocation %			35.85%	52.00%	26.12%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,098.00	\$ 1,098.00	\$ 26,876.46	\$ 6,150.27	\$ 6,077.02	\$ 5,699.00	\$ 4,592.00	\$ 24,950.00	\$ (100.00)	
	Total	\$ 166,288.05	\$ 153,061.82	\$ 9,635.21	\$ 3,198.14	\$ 1,587.32	\$ 1,424.75	\$ 1,148.00	\$ 8,316.67	\$ (8,540.00)	\$ 336,119.96
Walnut Valley Water District	Cons. (AF)	316.8	291.6							-	
	Allocation %			41.51%	28.00%	46.79%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,098.00	\$ 1,098.00	\$ 26,876.46	\$ 6,150.27	\$ 6,077.02	\$ 7,734.00	\$ 12,102.00	\$ 24,950.00	\$ (100.00)	
	Total	\$ 347,866.52	\$ 320,197.90	\$ 11,156.42	\$ 1,722.08	\$ 2,843.44	\$ 1,933.50	\$ 3,025.50	\$ 8,316.67	\$ -	\$ 697,062.03
Rowland Water District	Cons. (AF)	146.5	134.9							-	
	Allocation %			22.64%	20.00%	27.09%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,098.00	\$ 1,098.00	\$ 26,876.46	\$ 6,150.27	\$ 6,077.02	\$ 5,556.00	\$ 7,640.00	\$ 24,950.00	\$ (100.00)	
	Total	\$ 160,895.83	\$ 148,098.48	\$ 6,084.83	\$ 1,230.05	\$ 1,646.26	\$ 1,389.00	\$ 1,910.00	\$ 8,316.67	\$ -	\$ 329,571.12
City of LaVerne	Cons. (AF)	-	-							-	
	Allocation %			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
	Billing Rate	\$ 1,098.00	\$ 1,098.00	\$ 26,876.46	\$ 6,150.27	\$ 6,077.02	\$ -	\$ -	\$ -	\$ (100.00)	
	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total (A.F.)		614.8	565.9								1,180.7
Total (\$)		\$ 675,050.40	\$ 621,358.20	\$ 26,876.46	\$ 6,150.27	\$ 6,077.02	\$ 4,747.25	\$ 6,083.50	\$ 24,950.00	\$ (8,540.00)	\$ 1,362,753.10

February 2022

Monthly Planner

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2	3	4	5
		6:30 PM Diamond Bar City Council Meeting	8:00 AM TVMWD Board Meeting	7:00 AM PBWA Meeting		
			6:00 PM Easy Steps to Lawn Conservation Virtual Workshop in Mandarin			
6	7	8	9	10	11	12
		11:00 AM Valentine's theme Succulent Arrangement Workshop	7:00 PM Walnut City Council Meeting	2:00 PM Kid's & Parents DIY Valentine's Succulent Arrangement Workshop		
			7:00 PM Easy Steps to lawn Conservation Virtual Workshop	4:00 PM P-W-R JWL Meeting		
13	14	15	16	17	18	19
	4:00 PM Public Info Committee	4:00 PM Engineering Committee	8:00 AM TVMWD Board Meeting			
	4:30 PM Finance Committee	4:30 PM Personnel Committee				
		6:30 PM Diamond Bar City Council Meeting				
20	21	22	23	24	25	26
	District Office will be CLOSED in observance of Presidents' Day	5:00 PM WVWD Board Meeting	7:00 PM Walnut City Council Meeting	4:00 PM WVWD Board Workshop		
27	28					

Note: Meeting dates and times are subject to change

March 2022

Monthly Planner

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2	3	4	5
		6:30 PM Diamond Bar City Council Meeting	8:00 AM TVMWD Board Meeting			
6	7	8	9	10	11	12
			7:00 PM Walnut City Council Meeting			11:00 AM Residential Leak Detection Virtual Workshop in Mandarin
			7:00 PM Residential Leak Detection Virtual Workshop			
13	14	15	16	17	18	19
	4:00 PM Public Info Committee	4:00 PM Engineering Committee	8:00 AM TVMWD Board Meeting			11:00 AM Residential Leak Detection Workshop
	4:30 PM Finance Committee	4:30 PM Personnel Committee	7:00 PM Residential Leak Detection Virtual Workshop in Mandarin			
20	21	22	23	24	25	26
	5:00 PM WVWD Board Meeting		7:00 PM Walnut City Council Meeting	4:00 PM WVWD Board Workshop		
27	28	29	30	31		

Note: Meeting dates and times are subject to change

April 2022

Monthly Planner

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2
3	4	5	6	7	8	9
		6:30 PM Diamond Bar City Council Meeting	8:00 AM TVMWD Board Meeting	7:00 AM PBWA Meeting		
			1:00 PM Virtual Greywater 101 Workshop			
10	11	12	13	14	15	16
	4:00 PM Public Info Committee	4:00 PM Engineering Committee	7:00 PM Walnut City Council Meeting			
	4:30 PM Finance Committee	4:30 PM Personnel Committee	1:00 PM Virtual Greywater Design Workshop			
17	18	19	20	21	22	23
	5:00 PM WVWD Board Meeting		8:00 AM TVMWD Board Meeting	4:00 PM WVWD Board Workshop		
24	25	26	27	28	29	30
			7:00 PM Walnut City Council Meeting			

Note: Meeting dates and times are subject to change



YOUR BEST PROTECTION

ACWA JPIA

P. O. Box 619082
Roseville, CA 95661-9082

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916.786.5742
800.231.5742

www.acwajpia.com

President

E.G. "Jerry" Gladbach

Vice President

Tom Cuquet

Chief Executive Officer

Walter "Andy" Sells

Executive Committee

Fred Bockmiller

Tom Cuquet

David Drake

E.G. "Jerry" Gladbach

Brent Hastey

Melody A. McDonald

Randall Reed

J. Bruce Rupp

Pamela Tobin

Core Values

- People
- Service
- Integrity
- Innovation

November 03, 2021

Walnut Valley Water District (W001)
271 S. Brea Canyon Rd
Walnut, CA 91789-3049

General Manager:

Each year at Fall Conference, the JPIA recognizes members that have a Loss Ratio of 20% or less in either of the Liability, Property, or Workers' Compensation programs (loss ratio = total losses / total premiums).

The members with this distinction receive the "**President's Special Recognition Award**" certificate for each Program that they qualify in.

The JPIA is extremely pleased to present Walnut Valley Water District (W001) with this special recognition and commends the District on the hard work in reducing claims.

Congratulations to you, your staff, Board, and District. Keep up the good work!

The JPIA wishes you the best in 2022.

Sincerely,

E.G. "Jerry" Gladbach
President

Enclosure: President's Special Recognition Award(s)

President's Special Recognition Award

*The President of the
ACWA JPIA
hereby gives Special Recognition to*

Walnut Valley Water District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Liability Program for the period 10/01/2017 - 09/30/2020
announced at the Board of Directors' Meeting in Pasadena.*

E. G. "Jerry" Gladbach

E. G. "Jerry" Gladbach, President



December 15, 2021

President's Special Recognition Award

*The President of the
ACWA JPIA
hereby gives Special Recognition to*

Walnut Valley Water District

*for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums"
in the Property Program for the period 04/01/2017 - 06/30/2020
announced at the Board of Directors' Meeting in Pasadena.*

E. G. "Jerry" Gladbach

E. G. "Jerry" Gladbach, President



December 15, 2021

**WALNUT VALLEY WATER DISTRICT
WATER SUPPLY AND CONSERVATION UPDATE
January 18, 2022**

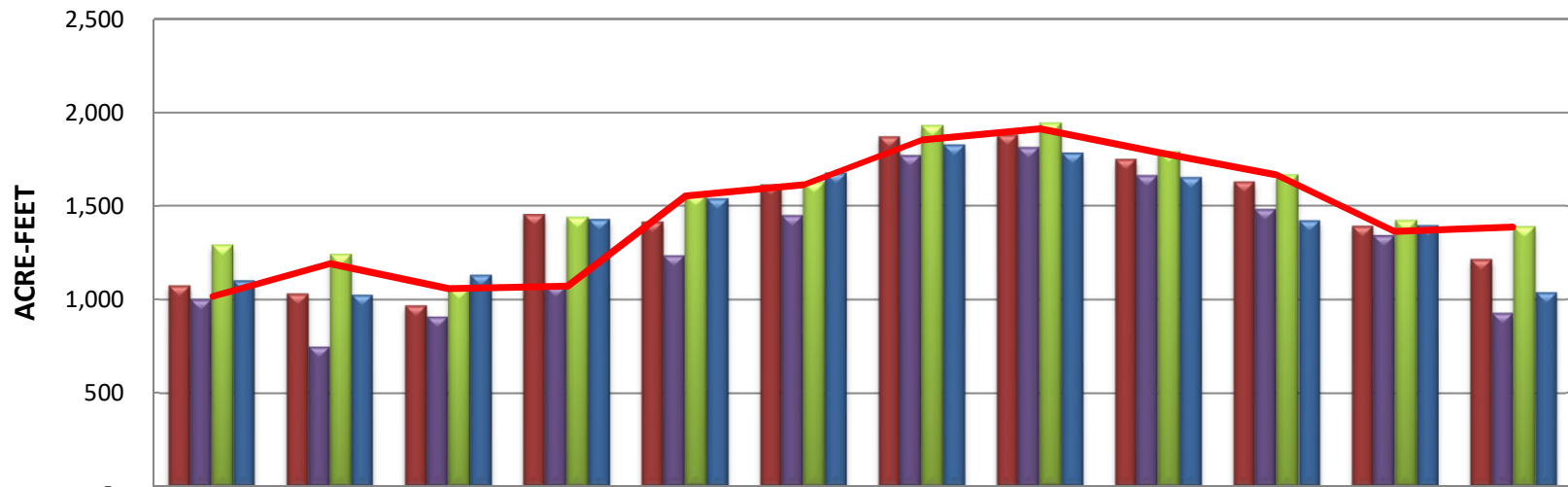


<p>A</p> <p>B</p> <p>C</p>	<p><u>Water Use</u> – Water usage for December 2021 was 1,037 acre feet, a decrease of 25% compared to December 2020 and a decrease of 26% from December 2013. The average inflow into the system during the month was approximately 16.9 cfs (7,585 gallons per minute).</p> <p><u>Recycled Water Use</u> – During the month of December the recycled water system delivered 799,853 G.P.D., a decrease of 46.33% compared to the use in December 2020. Of the recycled water delivered, 2.39% was from the District wells and no water was transferred from potable Make-up water.</p> <p><u>Production Report</u> – attached are:</p> <ul style="list-style-type: none"> ▪ Purchased Water Projections (Two total) ▪ Climate Summary ▪ Monthly Consumption Versus the 2013 and 2020 Baseline Years (Two total) 	<p>Exhibits</p>
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WALNUT VALLEY WATER DISTRICT
Calendar Year 2021 Purchased Water Estimate

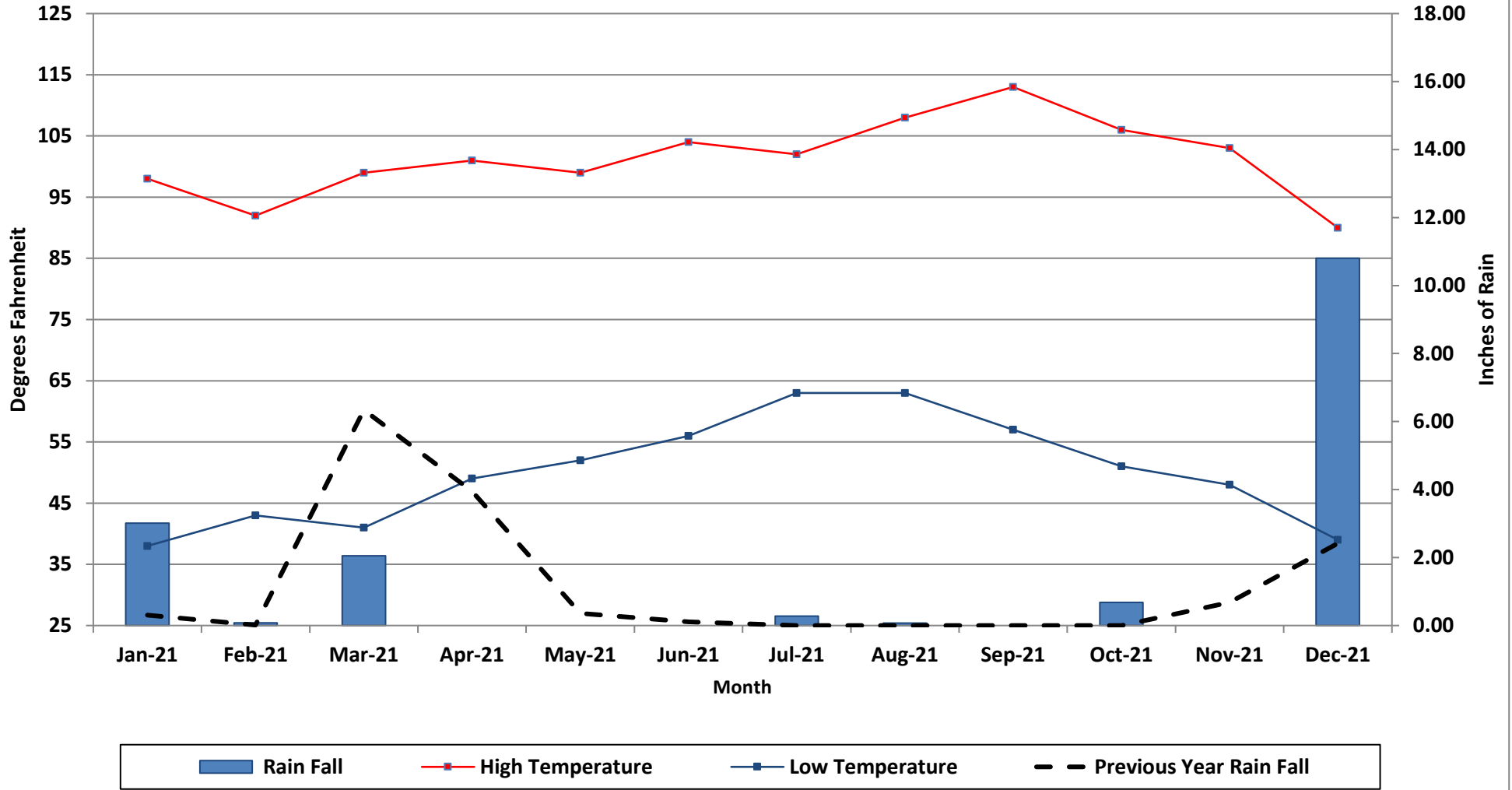
Actual Purchases (AF)		Projected Purchases (AF)				Baseline Year Purchases	
Month	Total	Budget	Low	High	Average	2013	2020
January	1,098	1,071	998	1,290	1,101	1,156	1,015
February	1,023	1,029	746	1,240	1,058	1,123	1,188
March	1,129	965	907	1,056	980	1,496	1,056
April	1,426	1,452	1,070	1,436	1,278	1,700	1,070
May	1,536	1,411	1,233	1,554	1,429	1,904	1,554
June	1,673	1,610	1,446	1,624	1,560	2,082	1,611
July	1,821	1,866	1,765	1,927	1,849	2,149	1,854
August	1,778	1,875	1,808	1,941	1,887	2,309	1,912
September	1,649	1,746	1,658	1,787	1,733	2,064	1,787
October	1,420	1,627	1,480	1,665	1,595	1,858	1,665
November	1,394	1,390	1,341	1,419	1,375	1,569	1,364
December	1,037	1,211	926	1,387	1,136	1,401	1,387
Total	16,984	17,253	15,377	18,325	16,980	20,810	17,461
Remaining Projected Purchases		-	-	-	-		
Total Projected Purchases		16,984	16,984	16,984	16,984		

Calendar Year 2021 Purchased Water



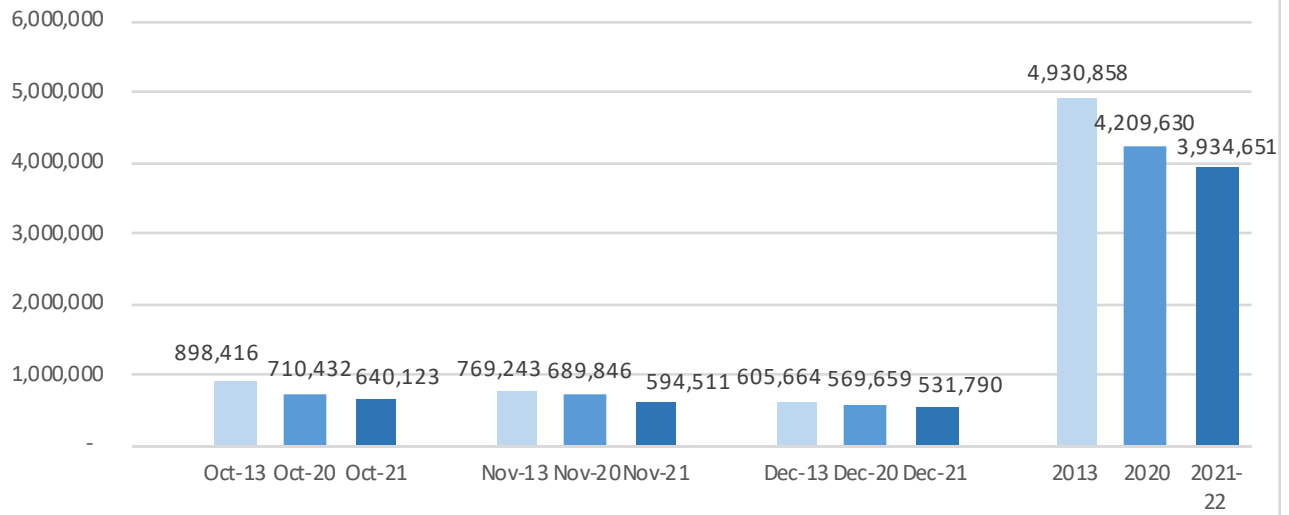
	January	February	March	April	May	June	July	August	September	October	November	December
Budget	1,071	1,029	965	1,452	1,411	1,610	1,866	1,875	1,746	1,627	1,390	1,211
Low	998	746	907	1,070	1,233	1,446	1,765	1,808	1,658	1,480	1,341	926
High	1,290	1,240	1,056	1,436	1,554	1,624	1,927	1,941	1,787	1,665	1,419	1,387
CY 2021	1,098	1,023	1,129	1,426	1,536	1,673	1,821	1,778	1,649	1,420	1,394	1,037
2020	1,015	1,188	1,056	1,070	1,554	1,611	1,854	1,912	1,787	1,665	1,364	1,387

Walnut Valley Water District Climate Summary

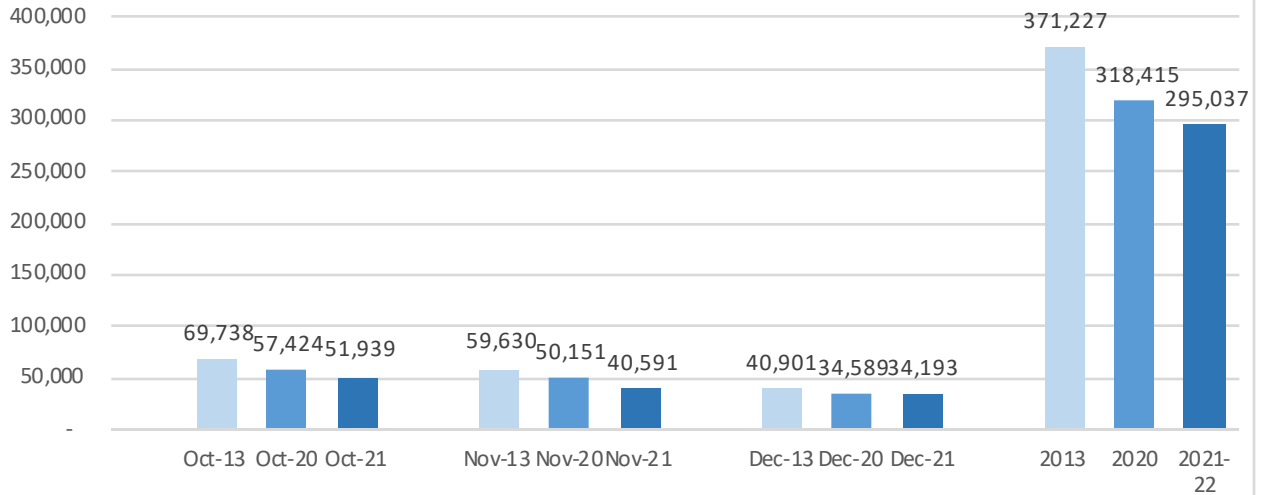


**WALNUT VALLEY WATER DISTRICT
CONSUMPTION DATA - CURRENT YEAR VERSUS 2013 & 2020 BASELINE**

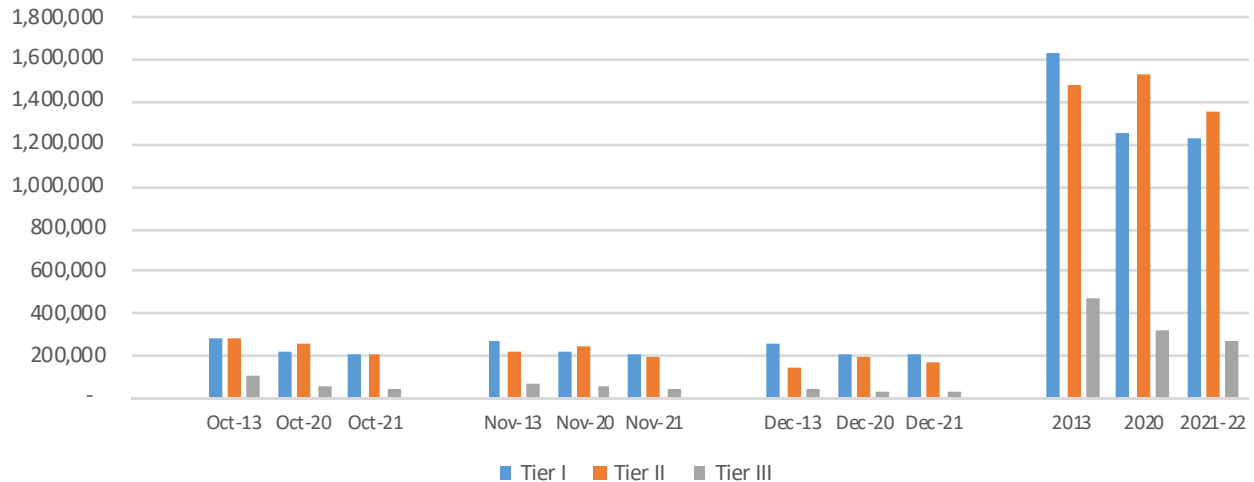
YTD Consumption Versus 2013 & 2020 Baseline



Irrigation Consumption Versus 2013 & 2020 Baseline



Residential Tiers Versus 2013 & 2020 Baseline



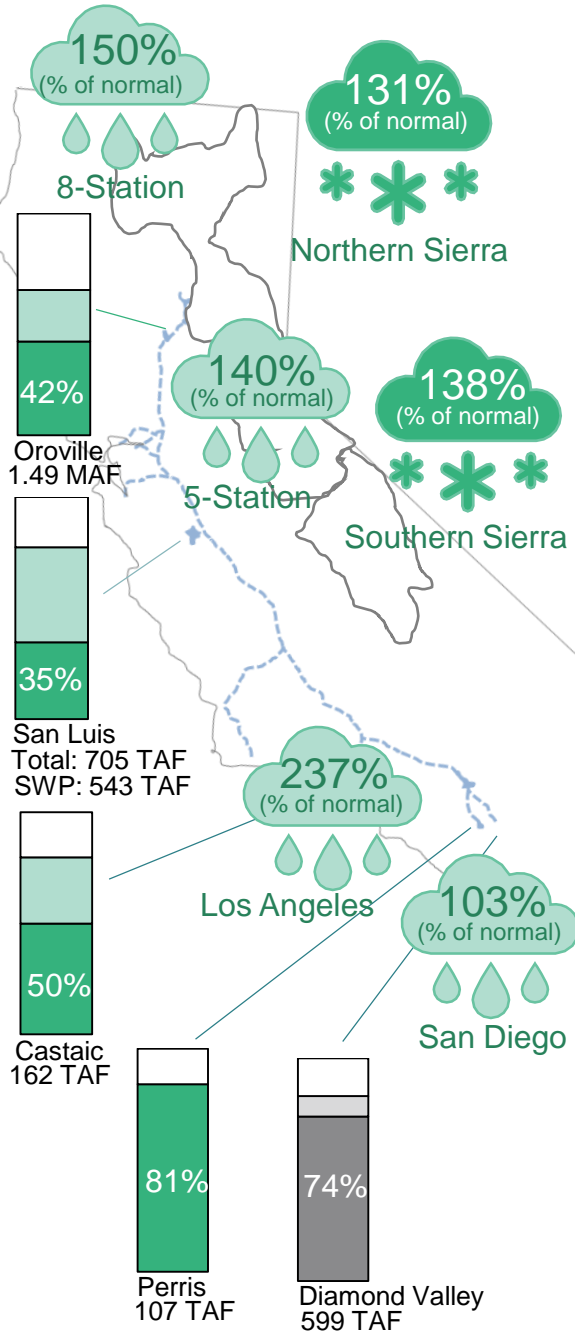
Walnut Valley Water District
 Monthly Consumption Versus 2013 Baseline Year

Consumption/Water Sales																				
October						November					December					YTD (FY 21-22)				
User Class	Oct-13	Oct-20	Oct-21	Change	% Change	Nov-13	Nov-20	Nov-21	Change	% Change	Dec-13	Dec-20	Dec-21	Change	% Change	2013 YTD	2020 YTD	FY 21-22	% Change 2013	% Change 2020
COG	54,851	40,245	35,646	(19,205)	-35%	45,006	30,560	27,710	(17,296)	-38%	33,742	20,445	21,551	(12,191)	-36%	287,285	207,975	198,509	-31%	-5%
COM	95,658	71,070	72,171	(23,487)	-25%	89,223	70,581	63,443	(25,780)	-29%	69,595	57,748	58,318	(11,277)	-16%	539,798	408,122	419,464	-22%	3%
IND	13,214	11,587	10,542	(2,672)	-20%	13,714	10,071	9,898	(3,816)	-28%	12,022	8,446	8,758	(3,264)	-27%	77,590	60,118	59,546	-23%	-1%
MUL	80,692	74,198	71,665	(9,027)	-11%	75,248	73,966	65,897	(9,351)	-12%	61,002	62,178	61,018	16	0%	456,871	435,981	420,483	-8%	-4%
RES	654,001	513,332	450,099	(203,902)	-31%	546,052	504,668	427,563	(118,489)	-22%	429,303	420,842	382,145	(47,158)	-11%	3,569,314	3,097,434	2,836,649	-21%	-8%
	898,416	710,432	640,123	(258,293)	-29%	769,243	689,846	594,511	(174,732)	-23%	605,664	569,659	531,790	(73,874)	-12%	4,930,858	4,209,630	3,934,651	-20%	-7%
IRRIGATION						IRRIGATION					IRRIGATION					YTD IRRIGATION				
User Class	Oct-13	Oct-20	Oct-21	Change	% Change	Nov-13	Nov-20	Nov-21	Change	% Change	Dec-13	Dec-20	Dec-21	Change	% Change	2013 YTD	2020 YTD	FY 21-22	% Change 2013	% Change 2020
COG	33,685	28,134	24,604	(9,081)	-27%	28,767	21,607	18,854	(9,913)	-34%	20,529	14,125	13,946	(6,583)	-32%	184,548	149,244	136,072	-26%	-9%
COM	33,660	28,832	25,681	(7,979)	-24%	28,388	27,214	20,372	(8,016)	-28%	18,794	19,517	18,852	58	0%	172,898	161,013	148,742	-14%	-8%
IND	2,072	242	1,464	(608)	-29%	2,204	1,245	1,260	(944)	-43%	1,320	837	1,212	(108)	-8%	12,004	7,258	9,062	-25%	25%
RES	321	216	190	(131)	-41%	271	85	105	(166)	-61%	258	110	183	(75)	-29%	1,777	900	1,161	-35%	29%
	69,738	57,424	51,939	(17,799)	-26%	59,630	50,151	40,591	(19,039)	-32%	40,901	34,589	34,193	(6,708)	-16%	371,227	318,415	295,037	-21%	-7%
RESIDENTIAL					RESIDENTIAL					RESIDENTIAL					YTD RESIDENTIAL					
Residential	Tier I	Tier II	Tier III	Total	Tier I	Tier II	Tier III	Total	Tier I	Tier II	Tier III	Total	Tier I	Tier II	Tier III	Total	Tier I	Tier II	Tier III	Total
2013	277,665	277,554	98,782	654,001	267,823	216,199	62,030	546,052	250,744	142,104	36,455	429,303	1,629,171	1,470,206	469,937	3,569,314				
2020	208,520	252,498	52,314	513,332	208,727	244,479	51,462	504,668	202,118	187,874	30,850	420,842	1,251,395	1,526,787	319,252	3,097,434				
FY 20-21	202,315	208,367	39,417	450,099	200,720	192,873	33,970	427,563	196,273	158,330	27,542	382,145	1,223,998	1,345,396	267,255	2,836,649				
% Change 2013	-27%	-25%	-60%	-31%	-25%	-11%	-45%	-22%	-22%	11%	-24%	-11%	-25%	-8%	-43%	-21%				
% Change 2020	-3%	-17%	-25%	-12%	-4%	-21%	-34%	-15%	-3%	-16%	-11%	-9%	-2%	-12%	-16%	-8%				

Water Purchases							
	July	August	September	October	November	December	Total
2013	2,148.67	2,308.73	2,063.59	1,858.07	1,569.13	1,401.17	11,349.36
2020	1,853.69	1,912.15	1,786.74	1,665.24	1,363.83	1,386.99	9,968.65
FY 21-22	1,820.81	1,777.79	1,648.54	1,420.37	1,393.69	1,037.27	9,098.47
% Change 2013	-15%	-23%	-20%	-24%	-11%	-26%	-20%
% Change 2020	-2%	-7%	-8%	-15%	2%	-25%	-9%



SWP Table A – 0% (Human Health and Safety)

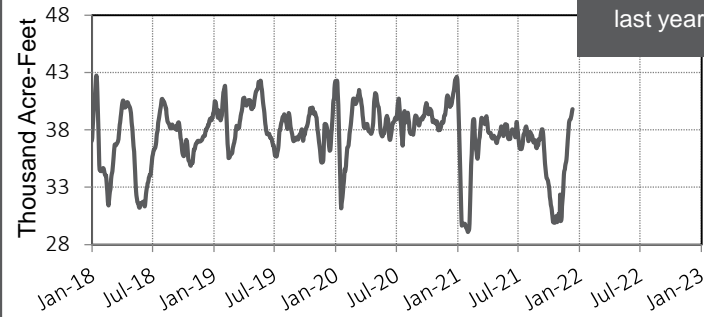


Metropolitan Resources

Lake Skinner Storage

Capacity: 43.8 TAF

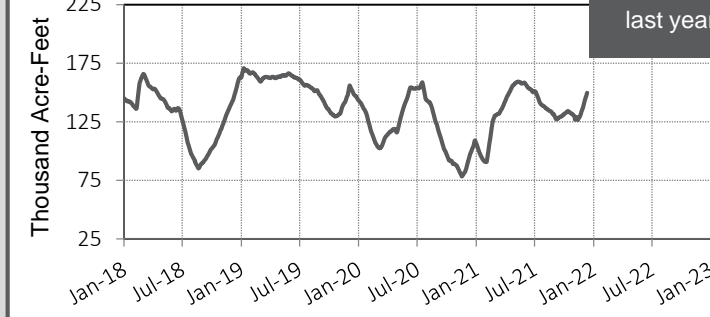
400 AF
less than
last year



Lake Mathews Storage

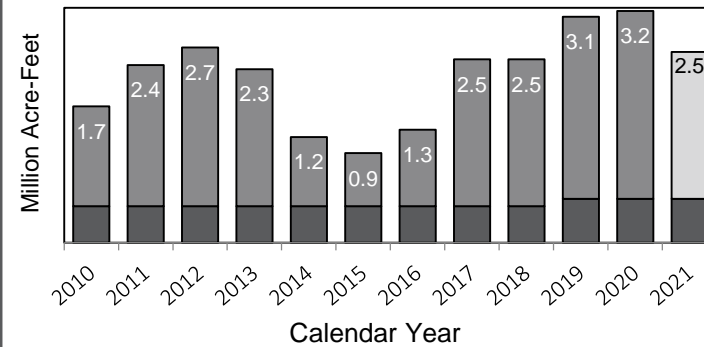
Capacity: 182 TAF

54 TAF
more than
last year



MWD Storage Reserve Levels

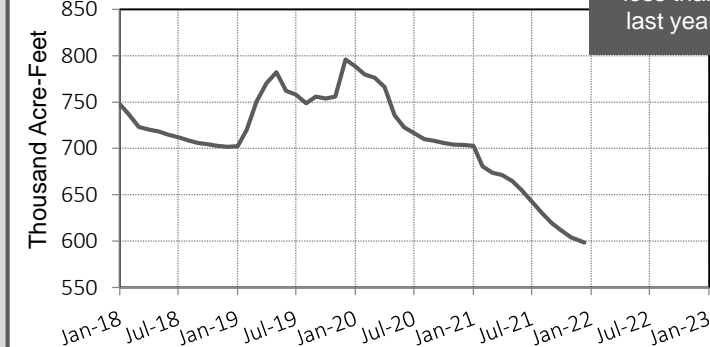
Estimated Balance Storage Balance Emergency Storage



Diamond Valley Lake Storage

Capacity: 810 TAF

104 TAF
less than
last year



Highlights

- Sacramento River runoff forecast updated to 113% of normal or 19.9 MAF
- Hyatt powerplant returned to service on January 4, 2022 after being offline since August 5, 2021 due to the extreme low lake levels in Lake Oroville.
- Powell unregulated inflow forecast updated to 91% of normal



This report is produced by the Water Resource Management Group and contains information from various federal, state, and local agencies. The Metropolitan Water District of Southern California cannot guarantee the accuracy or completeness of this information. Readers should refer to the relevant state, federal, and local agencies for additional or for the most up to date water supply information. Reservoirs, lakes, aqueducts, maps, watersheds, and all other visual representations on this report are not drawn to scale. Questions? Email mferreira@mwdh2o.com

Projected CRA Diversions – 1,159,000 AF

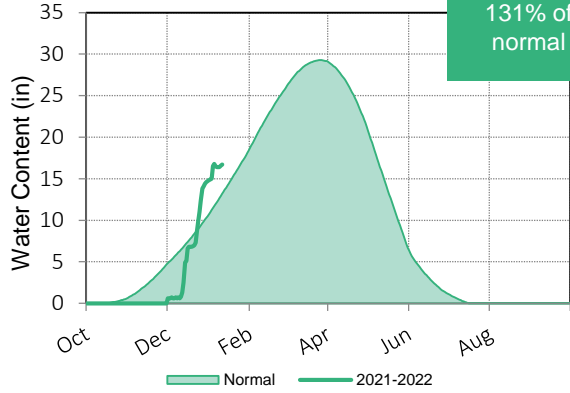


State Water Project Resources

As of: 01/10/2022

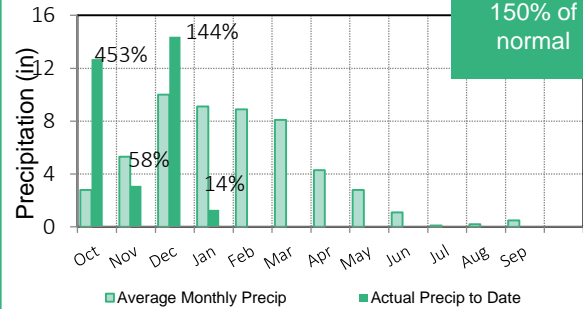
Northern Sierra Snowpack

16.6 in
131% of normal



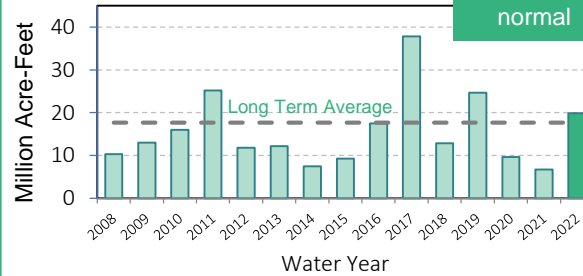
8 Station Index Precipitation

31.5 in
150% of normal



Sacramento River Runoff

Forecast:
113% of normal



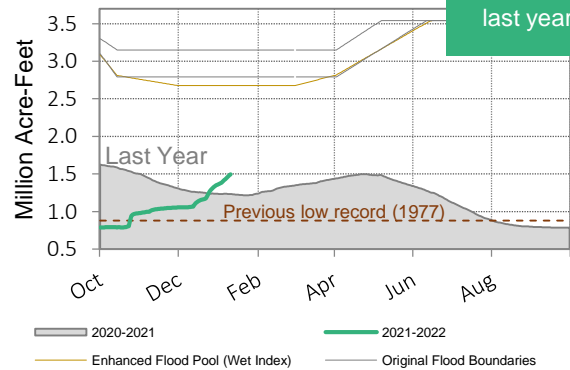
Other SWP Supplies Calendar Year 2022

Carryover 36,000 AF (Est.)
Transfer TBD

Oroville Reservoir Storage

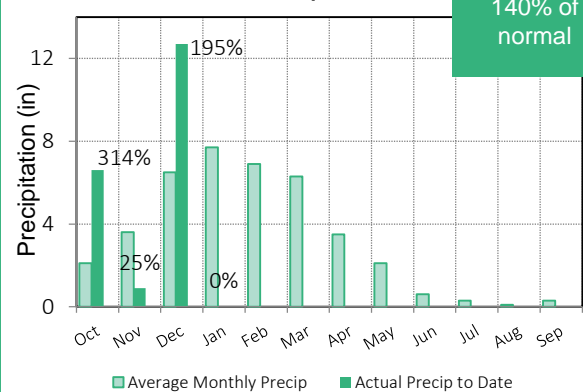
Capacity: 3.54 MAF

261 TAF
more than last year



5 Station Index Precipitation

20.2 in
140% of normal

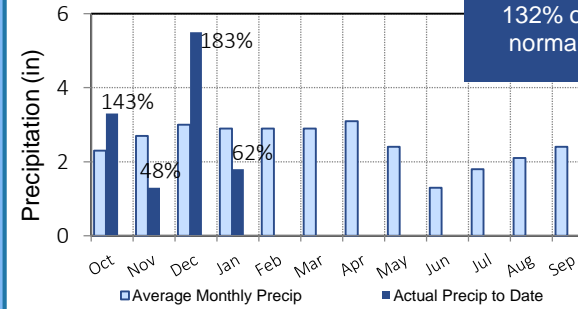


Colorado River Resources

As of: 01/10/2022

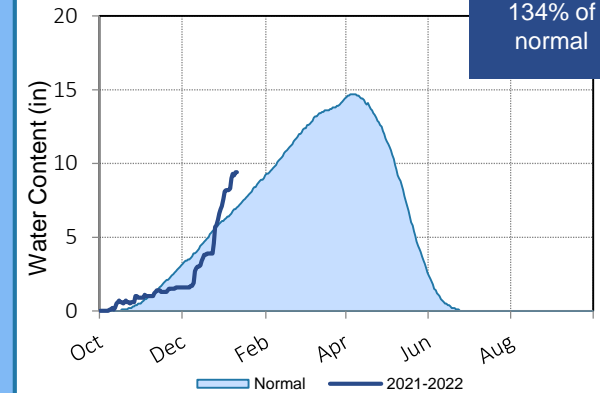
Upper Colorado Precipitation

11.9 in
132% of normal



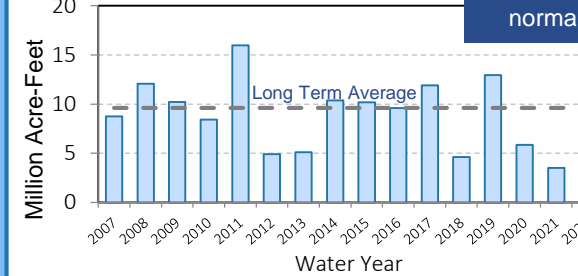
Upper Colorado Snowpack

9.4 in
134% of normal



Powell Unregulated Inflow

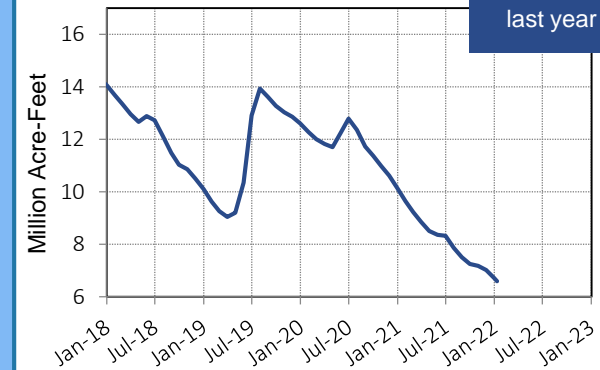
Forecast:
91% of normal



Lake Powell Storage

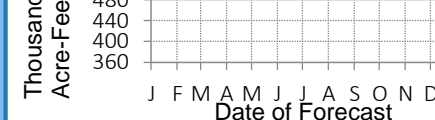
Capacity: 24.3 MAF

3.39 MAF
less than last year



PVID/Yuma Agricultural Use

Annual Forecasted for 2022

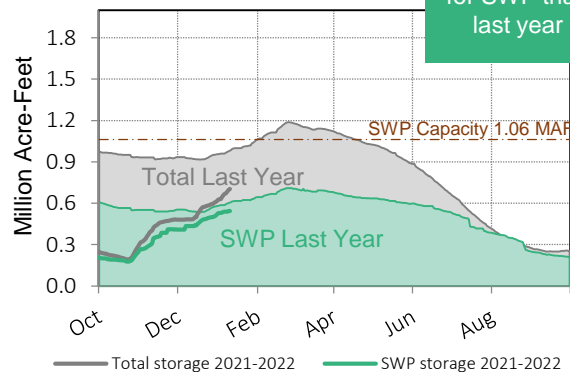


Current Annual Forecast: TBD

San Luis Reservoir Storage

Capacity: 2.04 MAF

61 TAF less for SWP than last year



Projected Lake Mead ICS

Calendar Year 2022

Put (+) / Take (-)
-261,000 AF

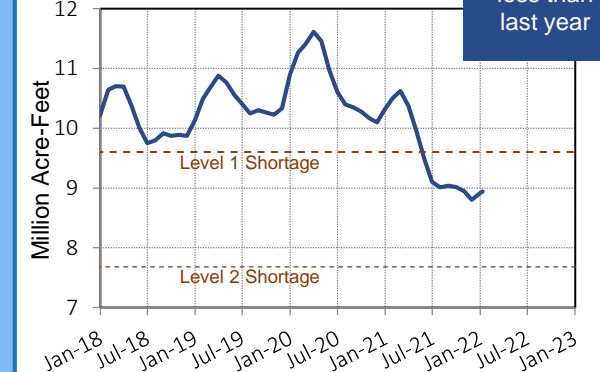
Lake Mead Surplus/Shortage Outlook

Updated table is expected in February 2022

Lake Mead Storage

Capacity: 26.1 MAF

1.45 MAF
less than last year

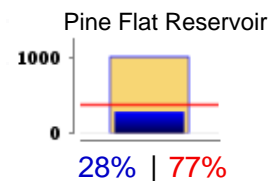
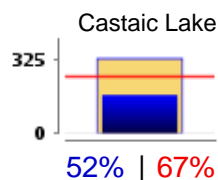
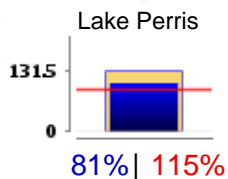
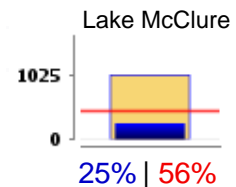
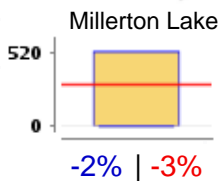
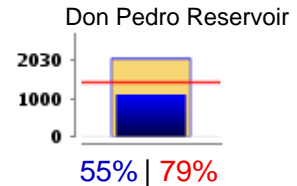
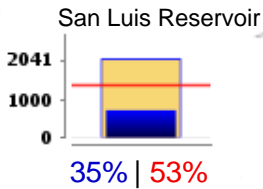
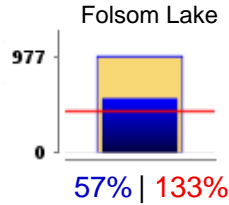
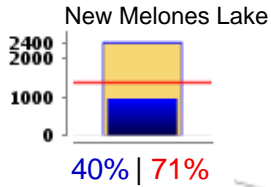
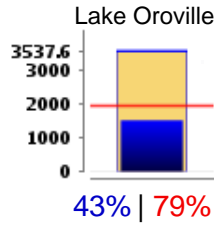
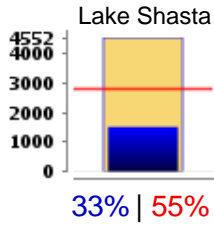
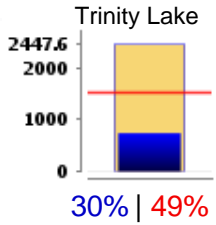
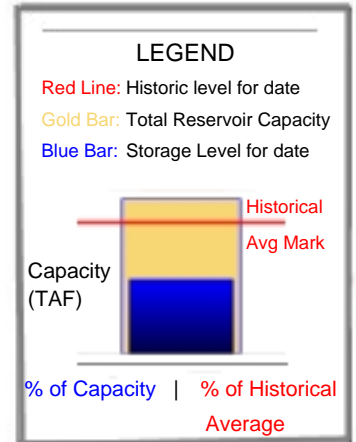




CURRENT RESERVOIR CONDITIONS

SELECTED WATER SUPPLY RESERVOIRS

Midnight: January 12, 2022



WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
DATE: January 18, 2022
SUBJECT: Consideration of Annual Board Commission and Agency Assignment Selections for Calendar Year 2022

Action/Discussion Fiscal Impact Resolution Information Only

Recommendation

That President Tang appoint District representatives to commission and agency assignments for calendar year 2022.

Background Information

At the December 13, 2021 Board meeting, the Board approved the 2022 Standing Committee assignments and deferred approval of the commission/agency assignments to the January 18, 2022 Board meeting. The Board was therefore asked to advise Director Tang of their interest in serving as District representatives on the commissions and agencies listed on the attached list.

The roster of 2021 composition of Commission/Agency assignments is attached for President Tang's consideration.

Attachments as noted



Commission/Agency Assignments

Position	2021
Joint Water Line Commissioner*	Scarlett P. Kwong
Joint Water Line Commissioner – Alternate*	Edwin Hilden
Puente Basin Water Agency Representative*	Theresa Lee
Puente Basin Water Agency Representative*	Jerry Tang
Puente Basin Water Agency Representative – Alternate*	Scarlett P. Kwong
TVMWD Representative	Edwin Hilden
TVMWD Representative – Alternate	Kevin Hayakawa
JPIA Board Member	Theresa Lee
JPIA Board Member – Alternate	Edwin Hilden
JPIA Property Program Committee Member	Theresa Lee
ACWA Voting Delegate	Edwin Hilden
ACWA Voting Delegate – Alternate	Kevin Hayakawa
ACWA Region 8 Delegate	Theresa Lee
ACWA Region 8 Delegate – Alternate	Kevin Hayakawa
Regional Chamber Representative	Scarlett Kwong
Regional Chamber Representative – Alternate	Edwin Hilden
Spadra Basin Executive Committee Member*	Jerry Tang
Spadra Basin Executive Committee Member—Alternate*	Theresa Lee

* *Approved by resolution*

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
DATE: January 18, 2022
SUBJECT: Adoption of Resolutions No. 01-22-691 Appointing Representatives to the Pomona-Walnut-Rowland Joint Water Line Commission, 01-22-692 Appointing Representatives to the Puente Basin Water Agency, and 01-22-693 Appointing Representatives to the Spadra Basin Groundwater Sustainability Agency Executive Committee

Action/Discussion Fiscal Impact Resolution Information Only

Recommendation

That the Board of Directors:

- A. Approve Resolution No. 01-22-691, appointing representatives to the Pomona-Walnut-Rowland (P-W-R) Joint Water Line Commission;
- B. Approve Resolution No. 01-22-692, appointing representatives to the Puente Basin Water Agency (PBWA); and
- C. Approve Resolution No. 01-22-693, appointing representatives to the Spadra Basin Groundwater Sustainability Agency (GSA) Executive Committee.

Background Information

To comply with the P-W-R Joint Water Line Commission, PBWA, and Spadra Basin GSA Joint Powers Agreement and bylaws, it is necessary to appoint representatives by resolution. Draft resolutions for that purpose are attached for review.

Agency	Position
Puente Basin Water Agency Commission	Two Representatives / One Alternate
P-W-R Joint Water Line Commission	One Representative / One Alternate
Spadra Basin GSA Executive Committee	One Representative / One Alternate

Following adoption, staff will prepare the resolutions for signature by President Tang, and provide copies of the signed resolutions to the respective agencies.

Attachments as noted

RESOLUTION NO. 01-21-672

**RESOLUTION OF THE WALNUT VALLEY WATER DISTRICT
BOARD OF DIRECTORS
APPOINTING REPRESENTATIVES TO THE P-W-R JOINT WATER LINE COMMISSION**

WHEREAS, the Walnut Valley Water District is a contracting public agency with a vested interest in the POMONA-WALNUT-ROWLAND (P-W-R) JOINT WATER LINE; and

WHEREAS, the P-W-R Joint Waterline Commission Bylaws provide that the P-W-R JOINT WATER LINE shall be governed by a Commission consisting of three commissioners, and that the governing body of each of the contracting agencies shall annually appoint one representatives to the Commission and one alternate to serve in the absence of the appointed representative; and,

WHEREAS, each contracting public agency must file with the P-W-R JOINT WATER LINE COMMISSION a certified copy of the resolution appointing the Commissioner and Alternate(s);

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Walnut Valley Water District:

1. That _____, who is a member of the Board of Directors of the Walnut Valley Water District, shall be appointed as representative of the Walnut Valley Water District to serve on the P-W-R JOINT WATER LINE COMMISSION.
2. That _____, who is a member of the Board of Directors of the Walnut Valley Water District, shall be appointed as an alternate representative of the Walnut Valley Water District to serve on the P-W-R JOINT WATER LINE COMMISSION in the absence of the appointed representative.
4. That the representative and the alternate appointed herein shall serve for a term of one year unless removed and replaced at the pleasure of the Board of Directors, or unless such representative or alternate resigns or becomes incapacitated.
5. That a certified copy of this Resolution be provided to the P-W-R JOINT WATER LINE COMMISSION.

**ADOPTED AT A REGULAR MEETING OF THE WALNUT VALLEY WATER DISTRICT HELD
JANUARY 19, 2021**

AYES:
NOES:
ABSENT:
ABSTAIN:

President
Board of Directors

ATTEST:

Secretary

RESOLUTION NO. 01-21-673

**RESOLUTION OF THE WALNUT VALLEY WATER DISTRICT
BOARD OF DIRECTORS
APPOINTING REPRESENTATIVES TO THE PUENTE BASIN WATER AGENCY**

WHEREAS, the Walnut Valley Water District entered into an Amended Restated and Renewed Joint Powers Agreement creating the PUENTE BASIN WATER AGENCY, dated October 28, 2009, with Rowland Water District, (the PBWA Agreement); and,

WHEREAS, the PBWA Agreement provides that the PUENTE BASIN WATER AGENCY shall be governed by a Commission consisting of four commissioners, and that the governing body of each of the members shall annually appoint two representatives to the Commission and one alternate to serve in the absence of either of the appointed representatives; and,

WHEREAS, the PBWA Agreement further provides that at least one of the appointed representatives of each member shall be a director on the governing board of the appointing member; and,

WHEREAS, each Commissioner must file with the PUENTE BASIN WATER AGENCY a certified copy of the resolution of the member appointing him or her,

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Walnut Valley Water District:

1. That _____, who is a member of the Board of Directors of the Walnut Valley Water District, shall be appointed as a representative of the Walnut Valley Water District to serve on the Commission of the PUENTE BASIN WATER AGENCY.
2. That _____, who is a member of the Board of Directors of the Walnut Valley Water District, shall be appointed as a representative of the Walnut Valley Water District to serve on the Commission of the PUENTE BASIN WATER AGENCY.
3. That _____, who is a member of the Board of Directors of the Walnut Valley Water District, shall be appointed as an alternate representative of the Walnut Valley Water District to serve on the Commission of the PUENTE BASIN WATER AGENCY in the absence of either of the appointed representatives.
4. That each of the representatives and alternate appointed herein shall serve for a term of one year unless removed and replaced at the pleasure of the Board of Directors, or unless such representative or alternate resigns or becomes incapacitated.
5. That a certified copy of this Resolution be provided to the PUENTE BASIN WATER AGENCY.

**ADOPTED AT A REGULAR MEETING OF THE WALNUT VALLEY WATER DISTRICT
HELD JANAUARY 19, 2021**

AYES:
NOES:
ABSENT:
ABSTAIN:

President
Board of Directors

ATTEST:

Secretary

RESOLUTION NO. 01-21-674

**RESOLUTION OF THE WALNUT VALLEY WATER DISTRICT
BOARD OF DIRECTORS
APPOINTING DISTRICT REPRESENTATION ON THE EXECUTIVE COMMITTEE OF THE
SPADRA BASIN GROUNDWATER SUSTAINABILITY AGENCY**

WHEREAS, the Walnut Valley Water District entered into a multiagency agency agreement with the city of Pomona to establish the SPADRA BASIN GROUNDWATER SUSTAINABILITY AGENCY (the "Agency"), through execution of a Memorandum of Agreement dated January 2017, with the city of Pomona (the "Agreement"); and,

WHEREAS, the Agreement provides that the SPADRA BASIN GROUNDWATER SUSTAINABILITY AGENCY shall be governed by a two member Executive Committee, and that the governing body of each of the members shall annually appoint one representative to the Executive Committee, and the Agency's operating rules will provide for one alternate to be appointed to serve in the absence of the appointed representative; and,

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Walnut Valley Water District:

1. That _____, Director, who is of the Walnut Valley Water District Board of Directors, shall be appointed as a representative of the Walnut Valley Water District to serve on the Executive Committee of the SPADRA BASIN GROUNDWATER SUSTAINABILITY AGENCY.
2. That _____, who is of the Walnut Valley Water District Board of Directors, shall be appointed as a representative of the Walnut Valley Water District to serve as an Alternate Representative to the Executive Committee of the SPADRA BASIN GROUNDWATER SUSTAINABILITY AGENCY.
3. That each of the representative and alternate appointed herein shall serve for a term of one year unless removed and replaced at the pleasure of the Board of Directors, or unless such representative or alternate resigns or becomes incapacitated.
4. That a certified copy of this Resolution shall be provided to the Spadra Basin Groundwater Sustainability Agency.

**ADOPTED AT A REGULAR MEETING OF THE WALNUT VALLEY WATER DISTRICT
HELD JANUARY 19, 2021.**

AYES:
NOES:
ABSENT:
ABSTAIN:

President
Board of Directors

ATTEST:

Secretary



MEMORANDUM

To: Los Angeles County Independent Special Districts

From: William F. Kruse, Special Counsel

Date: December 6, 2021

Subject: Nomination of Candidates for Special District Voting Member and Special District Alternate Member

As you know, since 1994 special districts in Los Angeles County have been represented by two voting members and one alternate member of the Local Agency Formation Commission. On May 2, 2022, the four-year terms for Special District Voting Member Jerry Gladbach and Special District Alternate Voting Member Mel Matthews will conclude. On behalf of the special districts of Los Angeles County, LAFCO has appointed us to assist in conducting the elections to fill these vacancies.

By law, independent special district seats on LAFCO are filled by the Special District Selection Committee. That Committee is made up of the presiding officers of each independent special district in Los Angeles County.

In order to expedite the process of electing the voting member and the alternate member, I have included a form to be used to nominate candidates for consideration for each of the positions. After nominations are received, each district will receive a complete package of nominee resumes, together with a ballot for consideration by the presiding officer of your board. Voting will be conducted by mailed ballot.

Nominations for the Committee's consideration are welcome. Please provide as much relevant information about the candidates as reasonably possible. Any biographical information and/or candidate statement should be **limited to one page**. Please remember that, to be eligible, the nominee must be an elected official or appointed to your board for a fixed term. Nominations must be received in the office of Lagerlof, LLP, **ATTN: WILLIAM F. KRUSE**, no later than **5:00 p.m. on February 18, 2022**.

Please feel free to contact me directly with any questions.
Voice: (626) 793-9400
Fax: (626) 793-5900

G:\LAFCO 2022\WFK Memo to LAFCO Special Districts re 2022 Nominations.docx

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

To: Independent Special District Selection Committee

From: _____

Date: _____

Name of Candidate: _____

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

Elective office: _____

Agency: _____

Type of Agency: _____

Term Expires: _____

Residence Address: _____

Telephone: _____

PLEASE ATTACH RESUME OR CANDIDATE STATEMENT (limit one page)

(Name of Agency)

By: _____

Its: _____

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

To: Independent Special District Selection Committee

From: _____

Date: _____

Name of Candidate: _____

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

Elective office: _____

Agency: _____

Type of Agency: _____

Term Expires: _____

Residence Address: _____

Telephone: _____

PLEASE ATTACH RESUME OR CANDIDATE STATEMENT (limit one page)

(Name of Agency)

By: _____

Its: _____

RESOLUTION NO. 01-22-694 (SUBSEQUENT)

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WALNUT VALLEY WATER DISTRICT PROCLAIMING A STATE OF EMERGENCY PERSISTS, RE-RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR GAVIN NEWSOM, AND RE-AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE BOARD OF DIRECTORS OF WALNUT VALLEY WATER DISTRICT FOR THE PERIOD JANUARY 18, 2022 TO FEBRUARY 17, 2022 PURSUANT TO BROWN ACT PROVISIONS.

WHEREAS, the Walnut Valley Water District (the "District") is committed to preserving and nurturing public access and participation in meetings of its Board of Directors; and

WHEREAS, all meetings of the District's Board of Directors and its standing committees are open and public, as required by the Ralph M. Brown Act (California Government Code Sections 54950 – 54963), so that any member of the public may attend, participate, and watch those bodies conduct their business; and

WHEREAS, the Brown Act, in Government Code Section 54953(e), makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code Section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition for application of Section 54953(e) is that a state of emergency is 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 District'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, the Board of Directors previously adopted a Resolution, Resolution No. 10-21-686 on October 18, 2021, and subsequent resolutions, finding that the requisite conditions exist for the District's Board of Directors and standing committees to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of Section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in Section 54953(e), the Board of Directors must reconsider the circumstances of the state of emergency that exists in the District, and the Board of Directors has done so; and

WHEREAS, emergency conditions persist in the District, specifically, COVID-19, and its Delta variant, remain highly contagious and, therefore, a threat to the health, safety and well-being of the District's employees, directors, vendors, contractors, customers and residents; and

WHEREAS, orders from the Los Angeles County Department of Public Health and regulations from the State of California impose limitations on gatherings and provide guidance on best practices with respect to actions to reduce the spread of COVID-19; and

WHEREAS, the District's Board of Directors does hereby find that a state of emergency continues to exist within the District's service area as a result of the continuing presence of COVID-19 and resulting local, state and federal orders and guidance, which has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District, and the Board of Directors desires to affirm a local emergency exists and re-ratify the proclamation of state of emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the local emergency persisting, the Board of Directors does hereby find that the District's Board of Directors and all standing committees shall continue to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code Section 54953, as authorized by subdivision (e) of Section 54953, and that such legislative bodies shall continue to comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of Section 54953; and

WHEREAS, the District will continue to provide proper notice to the public regarding all District of Board of Directors' and standing committee meetings, in accordance with Government Code Section 54953(e)(2)(A) and shall provide notice to the public of how they may access any such meeting via call-in number and/or internet link.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF WALNUT VALLEY WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Affirmation that Local Emergency Persists. The Board of Directors hereby considers the conditions of the state of emergency in the District and proclaims that a local emergency persists throughout the District, and that conducting District Board of Directors and standing committee meetings virtually will minimize the possible spread COVID-19 and any variant thereof.

Section 3. Re-ratification of Governor's Proclamation of a State of Emergency. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency regarding COVID-19, dated March 4, 2020.

Section 4. Remote Teleconference Meetings. The District's General Manager, or his or her delegee, and the Board of Directors and standing committees of the District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) the expiration of thirty (30) days from the date this Resolution was adopted, as set forth below, or (ii) such time as the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the Board of Directors and standing committees of the District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED AND ADOPTED by the Board of Directors of Walnut Valley Water District this 18th day of January 18, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jerry Tang
President Board of Directors

ATTEST:

Erik Hitchman
Secretary, Board of Directors