



BOARD OF DIRECTORS REGULAR MEETING

DATE :
JUNE 5, 2024

TIME:
8:00 A.M.

-  1021 E. Miramar Avenue | Claremont, CA 91711
-  www.threevalleys.com
-  909.621.5568

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



THREE VALLEYS MUNICIPAL WATER DISTRICT REGULAR BOARD MEETING AGENDA

1021 E. Miramar Avenue, Claremont, CA 91711
June 5, 2024 – 8:00 AM

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

NOTICE OF VIDEOCONFERENCE/TELECONFERENCE ACCESSIBILITY

Three Valleys MWD will hold this meeting of its Board of Directors on the date and time, and at the location set forth above. The public may participate in the meeting by physical attendance at the meeting or by videoconference or teleconference utilizing the following links:

Link to join webinar: <https://tvmwd.zoom.us/j/84171927162>

OR

Dial in: (669) 900-9128, Webinar ID: 841 7192 7162

Any member of the public wishing to participate in public comment may do so in any of the following manners: (1) by using the "Raise Hand" feature on the Zoom platform and when prompted by the Board President during the public comment period, (2) by filling out the electronic speaker's card at the following link <https://arcg.is/0z5GqO> prior to the close of public comment, (3) by sending an email to PublicComment@tvmwd.com prior to the close of public comment, or (4) those attending the meeting in person may complete a speaker's card and provide it to the Executive Assistant prior to the close of public comment.

- | | |
|--|---------|
| 1. CALL TO ORDER | ROBERTO |
| 2. ROLL CALL | AGUIRRE |
| Jody Roberto, President Mike Ti, Vice President Carlos Goytia, Secretary/Treasurer David De Jesus, Director Jeff Hanlon, Director Bob Kuhn, Director Danielle Soto, Director | |
| 3. FLAG SALUTE | ROBERTO |

4. DIRECTOR REMOTE PARTICIPATION PURSUANT TO AB 2449 [Government Code Section 54953(f)] ROBERTO

A. NOTIFICATION DUE TO JUST CAUSE

B. REQUEST DUE TO EMERGENCY CIRCUMSTANCES

BOARD ACTION REQUIRED ITEM 4.B

Staff Recommendation: None

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

Additions to the agenda may be considered when two-thirds of the board members present determine a need for immediate action, and the need to act came to the attention of TVMWD after the agenda was posted; this exception requires a degree of urgency. If fewer than two-thirds of the board members are present, all must affirm the action to add an item to the agenda. The Board shall call for public comment prior to voting to add any item to the agenda after posting.

6. PUBLIC COMMENT (Government Code Section 54954.3) ROBERTO

Opportunity for members of the public to directly address the Board on items of public interest within its jurisdiction. The public may also address the Board on items being considered on this agenda. TVMWD requests that all public speakers complete a speaker's card and provide it to the Executive Assistant.

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

7. PRESENTATIONS

A. DR. MARTHA GARCIA, PRESIDENT/CEO OF MT. SAN ANTONIO COLLEGE GOYTIA

B. REVIEW OF DISTRICT INVESTMENT ACTIVITIES BY KARA HOOKS, REPRESENTATIVE OF CHANDLER ASSET MANAGEMENT VELASQUEZ

C. TVMWD TEAM ACHIEVEMENTS & MILESTONES LITCHFIELD

8. PUBLIC MEETING FY 2024/25 WATER STANDBY CHARGE

ROBERTO

The Board will convene a public meeting to consider any comments or testimony regarding the FY 2024/25 Water Standby Charge. A draft resolution regarding the imposition of the Water Standby Charge will be reviewed.

- a. Open public meeting
- b. Request staff report
- c. Public testimony
- d. Close public meeting

9. GENERAL MANAGER’S REPORT

LITCHFIELD

The Executive Leadership Team will provide brief updates on existing matters under their purview.

A. INVESTMENT POLICY REVIEW

VELASQUEZ

The Board will review any modifications made to the Investment Policy.

B. REVIEW OF FY 2024/25 GENERAL MANAGER’S WORK PLAN

LITCHFIELD

The Board will review the General Manager’s Work Plan for FY 2024/25.

10. ACTION AGENDA

LITCHFIELD

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

A. BIZFED INSTITUTE WATER RESILIENCY FORUM SPONSORSHIP

ROBERTO

The Board will consider approval of a sponsorship request for the BizFed Institute Water Resiliency Forum according to the Outreach Program Policy.

BOARD ACTION REQUIRED ITEM 10.A

Staff Recommendation: None

11. DIRECTORS'/GENERAL MANAGER'S ORAL REPORTS ROBERTO

Directors may report on activities for meetings to which they are assigned to serve as the representative or alternate of TVMWD and on other areas of interest.

- A. METROPOLITAN WATER DISTRICT DE JESUS
- B. CHINO BASIN WATERMASTER KUHN
- C. SAN GABRIEL BASIN WATER QUALITY AUTHORITY KUHN
- D. MAIN SAN GABRIEL BASIN WATERMASTER TI
- E. SIX BASINS WATERMASTER HANLON
- F. ADDITIONAL BOARD MEMBER REPORTS ALL
- G. GENERAL MANAGER'S COMMENTS LITCHFIELD

12. CLOSED SESSION ROBERTO

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

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

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

Name of Case: San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case No. CPF-14-514004 (Consolidated with Case Nos. CPF-16-515282 and CPF-18-516389)

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

Name of Case: Victor Asemota et al. v. City of Claremont, et al., Los Angeles County Superior Court Case No. 24STCV08598

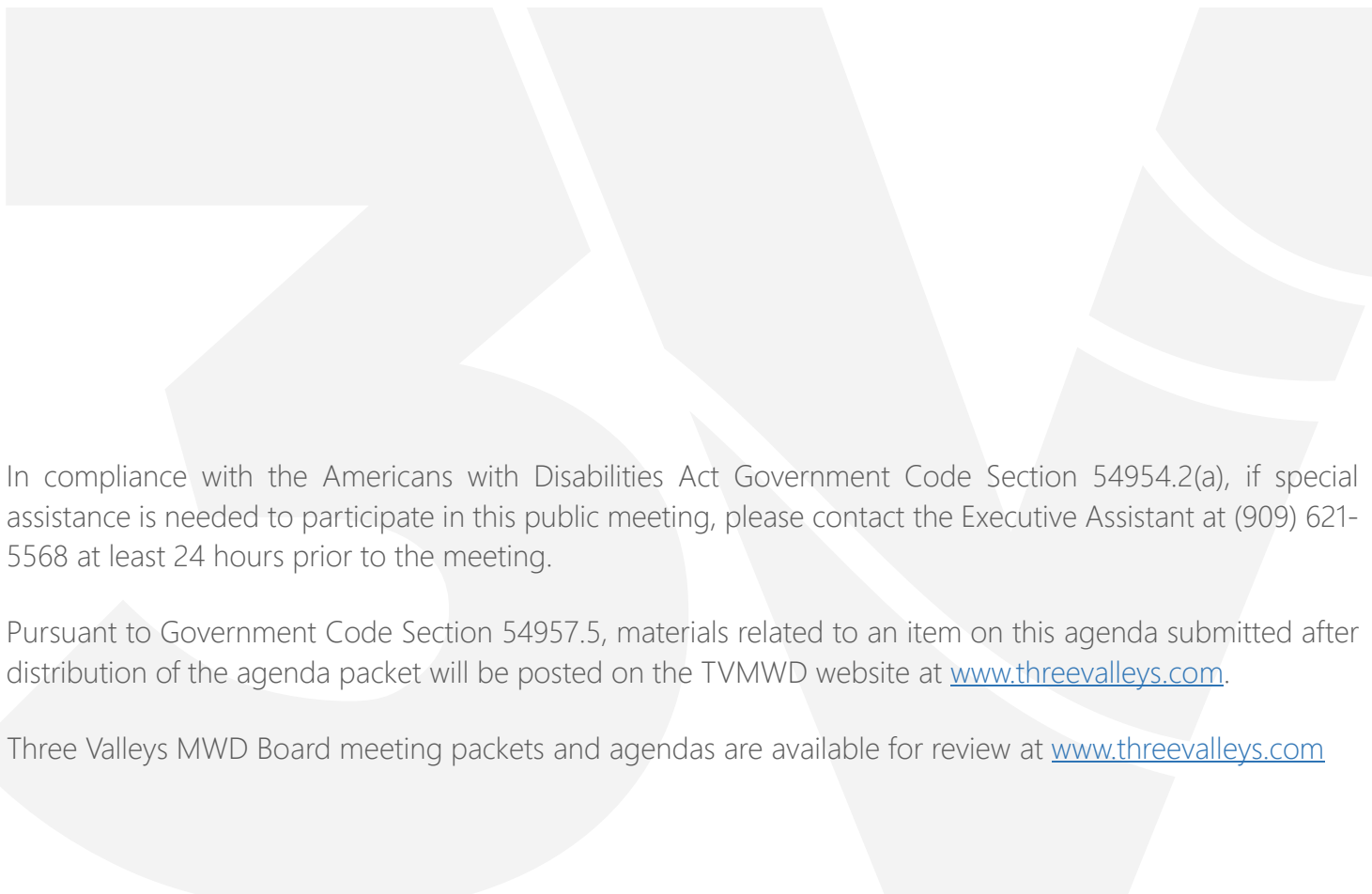
13. FUTURE AGENDA ITEMS

ROBERTO

14. ADJOURNMENT AND NEXT MEETING

ROBERTO

The Board will adjourn to a regular Board meeting on June 19, 2024.



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

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


Three Valleys MWD Board meeting packets and agendas are available for review at www.threevalleys.com



BOARD INFORMATION

BOARD OF DIRECTORS
STAFF REPORT

To: TVMWD Board of Directors

From: Matthew H. Litchfield, General Manager 

Date: June 5, 2024

Subject: Public Meeting Regarding the Imposition of a Water Standby Charge for FY 2024-25

Funds Budgeted: \$

Fiscal Impact: \$

Staff Recommendation

The Board will conduct a public meeting regarding the imposition of a water standby charge for FY 2024-25.

Discussion

TVMWD is to convene a public meeting regarding the imposition of a water standby charge prior to conducting a public hearing on possible adoption of the water standby charge scheduled for June 19, 2024. This public meeting required proper notice, which was done in the Inland Valley Daily Bulletin and the San Gabriel Valley Tribune on April 24, May 1, and 8, 2024.

Attached is the draft resolution that will be considered for approval at the Board meeting on June 19, 2024. The rate and methodology for the standby charge are described in the draft Engineer's Report, which is "Attachment A" of the resolution.

Environmental Impact

None

Strategic Plan Objective(s)

2.2 – Accountability

Attachment(s)

Exhibit A – Resolution No. 24-06-DRAFT Adopting Procedures to Fix, Adjust, Levy, and Collect a Water Standby Charge

Meeting History

Board of Director’s Meeting, April 17, 2024, FY 2024-25 Board Approval of Resolution No. 24-04-987 Initiating Procedures to Fix, Adjust, Levy and Collect a Water Standby Charge

Board of Director’s Meeting, April 3, 2024, Information Item Only

NA/BA



RESOLUTION NO. 24-06-DRAFT**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE THREE VALLEYS MUNICIPAL WATER DISTRICT
ADOPTING PROCEDURES TO FIX, ADJUST, LEVY, AND COLLECT
A WATER STANDBY CHARGE**

WHEREAS, the Three Valleys Municipal Water District ("the District") is a municipal water district organized and operating pursuant to Water Code Section 71000 et seq.

WHEREAS, under the Uniform Standby Charges Procedures Act, Government Code Section 54984 et seq. ("the Act"), the District is authorized to fix before August 10 of any given year a water standby charge on land within its jurisdiction to which water service is made available for any purpose by the District, whether the water services are actually used or not.

WHEREAS, under the Act the Board may establish schedules varying the charge according to land uses, benefit derived or to be derived from the use, availability of facilities to provide water service, the degree of availability or quantity of the use of the water to the affected lands, and may restrict the assessment to one or more improvement districts or zones of benefit established within the jurisdiction of the District, and may impose the charge on an area, frontage, or parcel basis, or a combination thereof.

WHEREAS, on July 10, 1996, the District's Board of Directors adopted Resolution No. 7-96-361 which established a standby charge under the Act that was designed to fund the Readiness-to-Serve ("RTS") charge imposed upon the District by the Metropolitan Water District of Southern California ("MWD") and related administrative costs incurred by the District in connection therewith.

WHEREAS, Resolution No. 7-96-361 expressly provided that the District's standby charge was based upon the report of a qualified engineer which fixed that amount of the standby charge for the 1996-97 fiscal year at \$5.92 per equivalent dwelling unit ("EDU") and provided for the adjustment of that standby charge during subsequent fiscal years according to the actual amount by which the RTS charge increased, and subject to a maximum assessment amount of \$29.41 per EDU.

WHEREAS, Water Code Section 71639(b) authorizes the District to adjust the amount of its standby charge if the adjustment is made in the same manner as provided for taxes, fees, and charges in Government Code Section 53750(h)(2), which provides that a tax, fee, or charge is not deemed to be increased by an agency action that does either or both of the following: (A) adjusts the amount thereof in accordance with a schedule of

adjustments adopted by the agency prior to November 6, 1996; or (B) implements or collects a previously approved tax, fee, or charge, so long as the rate is not increased beyond the level previously approved by the agency, and the methodology previously approved is not revised by the agency.

WHEREAS, Water Code Section 71639(c) further authorizes the District to adjust the amount of its standby charge if all of the following conditions are met: (1) the amount of the assessment does not exceed \$29.41 per EDU; (2) the revenue raised by the assessment, including its annual adjustments, is used exclusively to fund the RTS charge, or equivalent charge, imposed upon the District by MWD, and related administrative costs; and (3) The District adjusts its water rates to its retail agencies by an amount necessary to prevent surplus funding of the RTS charge imposed upon the District by MWD.

WHEREAS, Water Code Section 71639(c) further provides that in order for the District to fix a standby charge pursuant to the Act, the District's Board of Directors must adopt a resolution to initiate such proceedings, cause notice of intent to adopt the assessment to be published in accordance with Government Code Section 6066 prior to the date set for adoption thereof, and, at the time and place set forth in said notice, conduct a hearing on the assessment and hear and consider any and all objections thereto.

WHEREAS, on April 17, 2024, the District's Board of Directors adopted Resolution No. 24-04-987 initiating proceedings to fix, adjust, levy, and collect a water standby charge in accordance with Water Code Section 71639 and scheduling of a public meeting on June 5, 2024, and a public hearing on June 19, 2024.

WHEREAS, beginning on April 24, 2024, the District published a joint notice of the public meeting and the public hearing by placing a display advertisement of at least 1/8 page in a newspaper of general circulation within the District at least three times and five days apart.

WHEREAS, on June 5, 2024, at 8:00 a.m., at the District offices located at 1021 East Miramar Avenue, Claremont, California, the Board of Directors of the District held a public meeting regarding the imposition of the charge.

WHEREAS, beginning on or about June 5, 2024, the District published a Notice of Public Hearing and Intent to Adopt a Water Standby Charge in a newspaper of general circulation within the District once a week for two successive weeks pursuant to Water Code Section 71639(c) and Government Code Section 6066.

WHEREAS, on June 19, 2024, at 8:00 a.m., at the District offices located at 1021 East Miramar Avenue, Claremont, California, the Board of Directors of the District held a public hearing to hear and consider any and all objections or protests regarding the imposition of the charge, which hearing was duly conducted in the manner set forth in the Act.

NOW, THEREFORE, the Board of Directors of the District does hereby find, resolve, determine, and order as follows:

1. The public interest and necessity requires the Board of Directors of the District to adopt this Resolution hereby fixing, adjusting, levying, and collecting standby charges pursuant to The Act and Water Code Section 71639 in order to meet the RTS financial obligations imposed upon the District by MWD and all administrative costs related thereto.

2. The written protests received by the District's Board of Directors which were not withdrawn at the time of its determination represented less than fifteen percent (15%) of the parcels subject to the charges set forth herein.

3. The standby charge hereby levied by the Board of Directors of the District is based upon the report of a qualified engineer, Harris & Associates, which is attached hereto as Attachment A ("the Engineer's Report"). The content and findings of the Engineer's Report are hereby adopted in full by the Board of Directors of the District and are incorporated herein in full by this reference, including, but not limited to, any and all statements and determinations specifically relating to each of the following:

- a. A description of the charge and the method by which it is to be imposed;
- b. A compilation of the amount of the charge for each parcel subject to the charge;
- c. A statement of the methodology and rationale followed in determining the degree of benefit conferred by the service for which the charge is made;
- d. The District's legal ability to fix and adjust a standby charge, the amount of the charge, and the properties affected thereby;
- e. A description of the lands upon which the charge is to be imposed; and
- f. The amount of the charge for each of the lands so described.

4. All adjustments in the amount of the standby charge set forth in the attached Engineer's Report are in compliance with the requirements of Water Code Section 71639(b) since the adjustments are made in the same manner as provided for taxes, fees, and charges

in Government Code Section 53750(h)(2), which provides that a tax, fee, or charge is not deemed to be increased by an agency action that does either or both of the following: (A) adjusts the amount thereof in accordance with a schedule of adjustments adopted by the agency prior to November 6, 1996; or (B) implements or collects a previously approved tax, fee, or charge, so long as the rate is not increased beyond the level previously approved by the agency, and the methodology previously approved is not revised by the agency.

5. Additionally, all adjustments in the amount of the standby charge set forth in the attached Engineer's Report are in compliance with the requirements of Water Code Section 71639(c) since (a) the amount of the assessment does not exceed \$29.41 per EDU, (b) the revenue raised by the assessment, including its annual adjustments, is used exclusively to fund the RTS charge, or equivalent charge, imposed upon the District by MWD, and related administrative costs, and (c) the water rates adopted by the District and levied upon its retail agencies have been calculated so as to prevent any surplus funding of the RTS charge imposed upon the District by MWD.

6. The District's General Manager is hereby authorized to take any and all actions necessary to carry out the intent of the District's Board of Directors as is stated herein, and to cause the standby charge hereby adopted to be collected at the same time, and in the same manner, as the levying of property taxes by the County of Los Angeles and/or as is otherwise available under the Act and applicable law.

7. If any charge hereby adopted becomes delinquent, the amount of the delinquency, together with any interest and penalties thereon, shall constitute a lien on the affected property upon the filing of a certificate in the Office of the Los Angeles County Recorder, which lien shall have the same force, effect, and priority as a judgment lien.

ADOPTED and **PASSED** at a meeting of the Three Valleys Municipal Water District's Board of Directors on this 19th day of June 2024, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Jody Roberto
President, Board of Directors

ATTEST:

Carlos Goytia
Secretary, Board of Directors

SEAL:

DRAFT



THREE VALLEYS MUNICIPAL WATER DISTRICT WATER STANDBY CHARGE ASSESSMENT

2024/2025 ENGINEER'S ANNUAL LEVY REPORT

INTENT MEETING: APRIL 17, 2024

PUBLIC HEARING: JUNE 19, 2024

March 2024

PREPARED BY



Harris & Associates

101 Progress, Suite 250

Irvine, CA 92618

www.weareharris.com



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ENGINEER'S CERTIFICATION

AGENCY: THREE VALLEYS MUNICIPAL WATER DISTRICT
PROJECT: WATER STANDBY CHARGE ASSESSMENTS
TO: BOARD OF DIRECTORS OF THREE VALLEYS MUNICIPAL WATER DISTRICT

ENGINEER'S REPORT

Pursuant to the provisions of Section 54984 et seq. of the Government Code of the State of California, being Chapter 12.4, "Uniform Standby Charge Procedures Act" (the "Act"), and in accordance with Resolution No. 7-96-361 of the Board of Directors (the "Board") of the Three Valleys Municipal Water District (the "District"), adopted on July 10, 1996 establishing a Water Standby Charge Assessment, I, Alison Bouley, P.E., duly authorized representative of Harris & Associates Inc., consultant to the District, submit this Engineer's Report for Fiscal Year 2024/2025 consisting of the following parts and exhibits:

Part I

A description of each parcel of property and the boundaries of the area proposed to be subject to the levy of the uniform standby charge assessment.

Part II

An estimate of the costs of water services to be financed from the proceeds of the uniform standby charge assessment.

Part III

A description of the uniform standby charge assessment including:

- A description of each lot or parcel of property proposed to be subject to the assessment.
- The amount of the assessment for each lot or parcel.
- The assessment methodology describing the basis of the assessment.
- A description specifying the requirements for written and oral protests and the protest thresholds necessary for requiring a vote on, or abandonment of, the proposed assessment.

DATED this ____ day of _____ 2024



Alison M. Bouley P.E., Assessment Engineer
 R.C.E. No. C61383
 Engineer of Work
 County of Riverside
 State of California

EXECUTIVE SUMMARY

A. Introduction

Harris & Associates submits this Report, consisting of (3) parts, for the Water Standby Charge Assessment adopted on July 10, 1996 by the Board of Directors of Three Valleys Municipal Water District in accordance with Resolution No. 7-96-361 under the Uniform Standby charges Procedures Act, Government Code Section 54984 et seq. ("the Act"). The Act gives the District the authority to fix in any given year a water standby charge on land within its jurisdiction to which water service is made available for any purpose by the District, whether the water services are used or not. The District established the standby charge in 1996 to fund the Readiness-to-Serve ("RTS") charge imposed upon the District by the Metropolitan Water District of Southern California and related administrative costs related to the standby charge. The report provides the information in the following parts:

Part I

Description of the Proposed Parcels and Assessment Boundaries.

Part II

The estimate of costs including the administration of the assessments and the Readiness-to-Serve charge imposed by the Metropolitan Water District of Southern California for the fiscal year 2024/2025.

Part III

The description of assessments includes the methodology developed to establish the basis of assessment for apportioning the cost of providing water services, and the facilities needed to provide water services.

PART I – DESCRIPTION OF THE PROPOSED PARCELS AND ASSESSMENT BOUNDARIES

The proposed uniform standby charge assessment is entitled:

THREE VALLEYS MUNICIPAL WATER DISTRICT WATER STANDBY CHARGE ASSESSMENT

The boundaries of the area proposed to be subject to the levy of the Water Standby Charge Assessment are contiguous with the boundaries of the District. The lines and dimensions of each lot or parcel within the District Boundaries are those lines and dimensions shown on the maps of the Assessor of the County of Los Angeles for the year when this report was prepared and are incorporated herein by reference and made part of this Engineer's Report.

All future annexations to the District shall be included in the Water Standby Charge Assessment. In future years, if any new parcels are created as a result of the division or consolidation of land, re-computation of the assessments will be conducted and the new parcels will be included within the area of assessment.



PART II – ESTIMATE OF COSTS

The Water Standby Charge Assessment revenue will be used for the purpose of meeting the Readiness-to-Serve (“RTS”) charge imposed by the Metropolitan Water District of Southern California (“MWD”), and for related administrative costs.

The following table lists the projections for the RTS Charge, Administration Cost for the Administration of the Assessment program, the Estimated Maximum Total Assessment that would be collected if the maximum assessment rate of \$29.41 is used, and the resulting surplus or deficit, if any. Any deficits shown will be funded by other revenue sources.

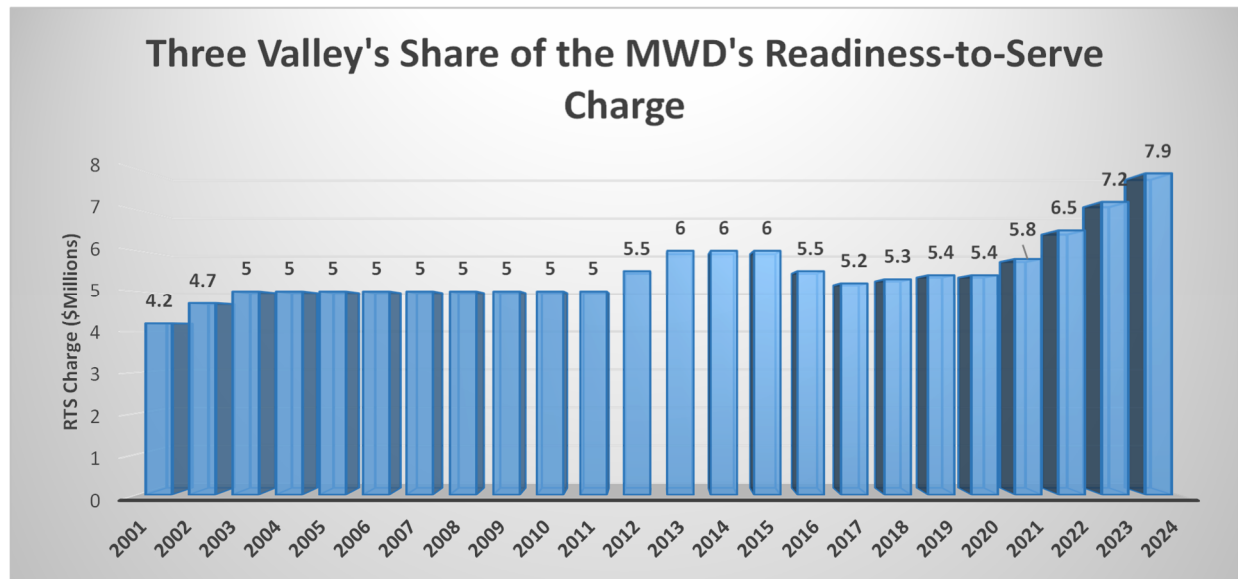
| | FY 2012/2013 | FY 2013/2014 | FY 2014/2015 | FY 2015/2016 | FY 2016/2017 | FY 2017/2018 | FY 2018/2019 | FY 2019/2020 |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| RTS Charge | \$5,541,364 | \$6,022,555 | \$6,371,116 | \$6,074,192 | \$5,537,230 | \$5,233,954 | \$5,274,931 | \$5,363,969 |
| Assessment Administration | \$49,832 | \$50,332 | \$51,056 | \$51,675 | \$52,057 | \$52,709 | \$53,383 | \$52,074 |
| Est. Maximum Assessment | \$5,379,146 | \$5,374,162 | \$5,375,222 | \$5,441,758 | \$5,445,359 | \$5,443,845 | \$5,425,678 | \$5,431,833 |
| Surplus/(Deficit) ¹ | (\$212,050) | (\$698,725) | (\$1,046,950) | (\$684,109) | (\$143,928) | \$157,182 | \$97,364 | \$15,790 |

| | FY 2020/2021 | FY 2021/2022 | FY 2022/2023 | FY 2023/2024 | FY 2024/2025 |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| RTS Charge | \$5,494,518 | \$5,872,377 | \$6,589,633 | \$7,248,266 | \$7,936,510 |
| Assessment Administration | \$51,635 | \$64,024 | \$71,259 | \$71,724 | \$72,191 |
| Est. Maximum Assessment | \$5,450,397 | \$5,867,266 | \$5,840,120 | \$5,645,133 | \$5,665,565 |
| Surplus/(Deficit) ¹ | (\$95,756) | (\$69,135) | (\$820,772) | (\$1,674,857) | (\$2,343,136) |

¹ Deficit will be funded by other revenue sources.

Share of Readiness-to-Serve Charge

The estimated RTS charge through the year 2002 was based on the schedule provided by MWD shown in the chart below. Years 2003 through 2011 were based on the projected RTS charge of \$5 million. The 2012 through 2024 RTS charges are based on the amount approved by the Southern California Metropolitan Water District Board for each year.



The Metropolitan Water District (MWD) RTS charge will be \$7,936,510. With the anticipated MWD collections of \$1,822,063 and the Three Valleys MWD administrative charges of \$72,191, the Three Valleys MWD requirement is equal to \$6,186,637. However, based on the maximum assessment rate permitted, the Three Valleys MWD assessment to be generated for FY 2024/2025 will be \$5,665,565, as calculated in Section III.

Administration of the assessment is performed annually. This administration includes updating the annual assessment roll to ensure consistency with the assessment methodology detailed in this Engineer's Report. The administration also includes an analysis of the revenues and expenditures from the previous Fiscal Year and preparation of an annual report for submittal to the Board of Directors for approval of the proposed Fiscal Year's assessments and expenditures. The table below provides a comparison of the assessment between fiscal years.

Three Valleys MWD
2024/2025 Engineer's Report
Water Standby Charge Assessment



Harris & Associates

| | FY 2023/2024 ⁽¹⁾ | FY 2024/2025 | Difference | Percentage Difference |
|-------------------------|-----------------------------|----------------|--------------|-----------------------|
| Parcels ⁽²⁾ | 136,519 | 137,124 | 605 | 0.44% |
| EDU's ⁽³⁾ | 191,898 | 192,646 | 748 | 0.39% |
| Rate/EDU ⁽⁴⁾ | \$28.44 | \$29.41 | \$0.97 | 3.41% |
| Est. Revenue | \$5,457,570.83 | \$5,665,565.08 | \$207,994.25 | 3.81% |

(1) Totals for FY 2023/2024 are based on the final applied levy by the Los Angeles County Auditor-Controller's Office, including post levy adjustments.

(2) Increase in Parcels due to development primarily of Single-Family Residential.

(3) Increase in EDUs primarily from development activity and reclassification of parcels with land use code of Single-Family Residential with Accessory Dwelling Unit to Multi-Family Residential.

(4) In FY 24-25, Rate/EDU increased to maximum assessment rate/EDU to fund budgetary requirement.

(5) For FY 24-25, Est. Revenue is subject to rounding.



PART III – DESCRIPTION OF ASSESSMENTS

This section of the report describes the methodology developed to establish the basis of assessment for apportioning the cost of providing water services, and the facilities needed to provide water services, to each lot or parcel based upon the type of use or potential use of each property. The basis of assessment was developed by Berryman & Henigar based upon information provided by the District, standard and member agency design criteria, and the requirements of Section 54984.2 of the Uniform Standby Charge Procedures Act. The following sections review the requirements of the California Government Code and describe the recommended assessment methodology.

A. LEGAL REQUIREMENTS

Chapter 12.4 "Uniform Standby Charge Procedures Act" of the California Government Code states that any local agency that provides water services may, by resolution adopted after notice and hearing, determine and levy an assessment for water services pursuant to this chapter.

The California Government Code further requires that the agency establish a methodology, which is related to the benefit received from the water services for calculating the assessment to be levied on each parcel. Section 54984.2 provides that:

"...The governing body of the agency which fixes the charge may establish schedules varying the charge according to land uses, benefit derived or to be derived from the use or availability of facilities to provide water, sewer, or water and sewer service, or the degree of availability or quantity of the use of the water, sewer, or water and sewer services to the affected lands, and may restrict the assessment to one or more improvement districts or zones of benefit established within the jurisdiction of the agency. The charge may be imposed on an area, frontage, or parcel basis, or a combination thereof."

All assessments described in this Report and approved by the Board are prepared in accordance with the Act and are in compliance with the provisions of the *California Constitution Article XIID* (enacted by the passage of Proposition 218 in November 1996).

Pursuant to the *California Constitution Article XIID Section 5*, certain assessments that were existing on July 1, 1997, the effective date of *Article XIID*, are exempt from the substantive and procedural requirements of *Article XIID Section 4* and property owner balloting for the assessments is not required until such time that the assessments are increased. Exempt are any assessments imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems, or vector control.



In May of 2005, Senate Bill 376, was enacted to add Article 2.7 (commencing with Section 71639) to Chapter 2 of Part 5 of Division 20 of the Water Code, relating to water. This bill authorizes the agency to adopt the standby charge rate with a schedule of annual adjustments, and to adjust the standby charge rate in relation to the change of the MWD imposed RTS charge, subject to the maximum assessment amount of twenty-nine dollars and forty-one cents (\$29.41) per Equivalent Dwelling Unit (“EDU”).

B. ASSESSABLE PARCELS

The table below summarizes the number of parcels and the total acreage by land use type. This information is based on the records of the Assessor of the County of Los Angeles.

| Land Use Category | Number of Parcels | Dwelling Units (DU's) | Acres |
|--|-------------------|-----------------------|----------|
| Single-Family Residential (SFR) | 108,449 | 108,449 | N/A |
| Multi-Family Residential (including Condominiums) ⁽¹⁾ | 19,016 | 44,600 | N/A |
| Mobile Homes | 90 | 8,474 | N/A |
| Commercial | 3,789 | N/A | 4,957.06 |
| Churches | 255 | N/A | 475.4 |
| Industrial | 2,108 | N/A | 4,706.09 |
| Recreational Camping Facilities | 2 | N/A | 8.13 |
| Vacant Residential | 2,527 | N/A | 7,104.67 |
| Vacant Non-Residential | 888 | N/A | 1,555.00 |
| Exempt | 0 | N/A | 0.00 |
| Total | 137,124 | | |

⁽¹⁾ Multi-Family Residential includes SFR with Accessory Dwelling Units.

The land use classifications are defined as follows:

Single-Family Residential - parcels designated as single-family residential per the Los Angeles County Assessor's Roll.

Multi-Family Residential (including Condominiums) - parcels designated as multi-family residential, which includes duplexes, apartments, condominiums or other dwelling units with common party walls, and single-family residential with an accessory dwelling unit per the Los Angeles County Assessor's Roll.



Mobile Homes - parcels designated as mobile homes per the Los Angeles County Assessor's Roll.

Commercial - parcels designated as commercial, institutional or recreational per the Los Angeles County Assessor's Roll.

Churches – parcels operated by a religious organization for worship or the promotion of religious activities and accessory uses on the same site per the Los Angeles County Assessor's Roll.

Industrial - parcels designated as industrial, utility or other miscellaneous uses, per the Los Angeles County Assessor's Roll.

Recreational Camping Facilities - parcels designated as camps per the Los Angeles County Assessor's Roll.

Vacant - parcels designated as vacant residential that have no dwelling units, or parcels designated as vacant commercial/industrial that have no commercial/industrial structures on them, per the Los Angeles County Assessor's Roll.

Exempt - Exempted from the assessment would be any parcel owned by a public agency or within the area of public streets and other public properties, utility easements, right-of-way, public schools, public parks, and common areas or un-developable parcels of land.

C. EQUIVALENT DWELLING UNITS

To determine the benefit to the individual parcels with their varying land uses, an equivalent dwelling unit system was established. Each parcel is assigned equivalent dwelling units (EDUs) in proportion to the estimated benefit the parcel receives from the availability of water services. The total number of EDUs is then divided into the annual revenue requirement to determine the cost per EDU. The assessment for each parcel is then determined by multiplying the number of EDUs for each parcel by the cost per EDU.

Since the assessment is based upon the use of the property and the potential water usage of the property, the assessment methodology has been developed based on land use. The assessment methodology developed determines the number of EDUs to be assigned to each parcel. In determining the number of EDUs assigned, three factors are considered: parcel size, land use (intent of development), and the water use design factor of the land use of the property.

Equivalent Dwelling Unit (EDU) factors have been established to indicate the estimated benefit received by each parcel within the District. This method of assessment has established the single-family residential parcel as the basic unit for calculation of the assessment and is defined as one EDU. All



other parcels within the District are assigned a proportional EDU based on a formula that equates the property's specific development status (land use) and size to that of the single-family parcel.

The assignment of EDUs to each of the different land uses is as follows:

Single-Family Residential (SFR). The single-family parcel has been defined as being 1.0 EDU.

Multi-Family Residential. Multi-family or condominium parcels are converted to EDUs based on the number of dwelling units on each parcel. Due to population density and size of structure relative to the typical single-family residence, each dwelling unit defined as multi-family residential, including condominiums is **0.75 EDU**. Water availability benefit does not increase proportionately as the number of units increase on a multi-family parcel. By decreasing the equivalency as the number of units increase, a reasonable benefit assessment is achieved. Therefore, the equivalency is reduced to **0.5 EDU** per dwelling unit, on the 5th unit or above for apartment buildings with 5 units or more. Parcels with 5 or more units are considered "high density" as opposed to the "medium density" of duplexes, triplexes and four-plexes, and the Los Angeles County Assessor's land use codes segregate these parcels out. Parcels classified by the Los Angeles County Assessor as single family residential with an accessory dwelling unit, for purposes of assessment of the RTS Charge, shall be classified as multi-family residential and assigned .75 EDU per dwelling unit.

Mobile Homes. Mobile home parks, and mobile homes located within mobile home parks, are converted to EDUs based on the population density and size of structure relative to a single-family residence. Therefore, mobile home parks and mobile homes located in mobile home parks are assessed **0.5 EDU** per mobile home. No decrease is applied to this factor, as mobile homes are all separate dwellings with no common walls.

Studies have consistently shown that the average apartment unit impacts infrastructure approximately 75% as much as a single-family residence, and the average mobile home unit impacts infrastructure approximately 50%, (Sources: Institute of Transportation Engineers Informational Report [Trip Generation](#), Fifth Edition, 1991; Metcalf and Eddy, [Wastewater Engineering Treatment, Disposal, Reuse](#), Third Edition, 1991). Trip generation and wastewater usage are functions of population density. It is concluded that other infrastructure will be similarly impacted at a reduced level. The smaller average unit size of multiple residential and mobile homes and their reduced impact on water use result in a lesser benefit per unit to property.

Commercial/Industrial. Commercial and industrial parcels are converted to EDUs based on the lot size of each parcel of land. The number of equivalent dwelling units per acre for commercial/industrial property has been equated to the average single-family residential lot size of approximately 8,700 square feet, or 5 lots per acre. All properties that are developed for commercial/ industrial uses are



therefore assigned **5.0 EDU's** per acre for the first five acres, with a minimum of 1 EDU per parcel. Based upon a review of large non-residential parcels within the District, as the parcel size increases above five acres, the development density on the parcel generally decreases due to requirements to provide on-site circulation, allow for the storage of materials or equipment, provide buffers to adjacent land uses and other factors associated with the types of development which require larger parcels. Therefore, after the first 5 acres, each additional acre will be charged as vacant land as further described below; 25% of 5.0 EDU's, or 1.25 EDU's per acre.

Additionally, a water use factor is applied to both the commercial and industrial parcels as follows, based on relative average water usage as compared to single-family residential developments:

- Commercial Water Use Factor = 1.4
- Industrial Water Use Factor = 1.1

Recreational Camping Facilities. Recreational camping facilities typically have large land areas comprised of mostly park-like open space and only a few buildings. Therefore, to more accurately assign EDUs to these parcels, a "theoretical area" will be calculated for each of them. The typical developed commercial parcel has 1/3 of its lot area covered by improvements. Using this standard, the "theoretical area" is computed by multiplying the improvement area of each camping parcel by 3. This "theoretical area" is then converted to acreage, and the Equivalent Dwelling Unit factor of 5 EDU per acre is applied.

Vacant. Vacant property receives a benefit from water services availability. Water availability allows the parcel to develop to its maximum use in the future. Based upon the opinions of professional appraisers who appraise current market property values for real estate in Southern California, the land value portion of a property typically ranges from 20 to 30 percent; in the Three Valleys Municipal Water District, the average is about 25 percent. Additionally, the utilization of vacant property is significantly less than improved property. Consequently, vacant property shall be assessed at the rate of 25% of improved property. Therefore, vacant single-family residential parcels are assessed 25% of a developed SFR parcel, or **0.25 EDU** per parcel, and vacant non-SFR parcels are assessed at the rate of 25% of the developed commercial/industrial properties, or **1.25 EDUs** per acre or any portion thereof, up to a maximum of 5 acres per parcel.



A summary of Equivalent Dwelling Units and Benefit Factors is shown on the following table:

| EQUIVALENT DWELLING UNITS | | | | | | |
|---|-----------------------|---|------------|---|------------|---|
| LAND USE | BASIC UNIT | | EDU FACTOR | | USE FACTOR | EDU RATES |
| Single-Family Res. (SFR) | 1 DU | x | 1 | x | 1 | = 1.0 EDU/DU |
| Multi-Family Res. and Condominiums ⁽¹⁾ | 1 DU | x | 0.75 | x | 1 | 0.75 EDU/DU for the first 4 DU's |
| | 1 DU | x | 0.5 | x | 1 | = 0.5 EDU/DU after the 4 th DU |
| Mobile Homes | 1 DU | x | 0.5 | x | 1 | = 0.5 EDU/DU |
| Commercial and Churches | 1 acre | x | 5 | x | 1.4 | = 7.0 EDU/acre for the first 5 acres (min. 1 EDU/parcel) |
| | 1 acre | x | 1.25 | x | 1.4 | = 1.75 EDU/acre after the 5th acre |
| Industrial | 1 acre | x | 5 | x | 1.1 | = 5.5 EDU/acre for the first 5 acres (min. 1 EDU/parcel) |
| | 1 acre | x | 1.25 | x | 1.1 | = 1.375 EDU/acre after the 5th acre |
| Recreational Camping Facilities | 1 acre ⁽²⁾ | x | 5 | x | 1 | = 5.0 EDU/acre |
| Vacant SFR | 1 parcel | x | 0.25 | x | 1 | = 0.25 EDU/parcel |
| Vacant Non-SFR | 1 acre | x | 1.25 | x | 1 | = 1.25 EDU/acre (min. 0.25 EDU/parcel; max of 5 acres/parcel) |

⁽¹⁾ Multi-Family Residential includes SFR with Accessory Dwelling Units.

⁽²⁾ Acre is for theoretical area as described above in Part III - section C.



D. ASSESSMENT RATES

The total number of Equivalent Dwelling Units (EDUs) has been calculated for the District based upon current land use data as shown on the latest assessor's roll for Los Angeles County and the methodology described above. The number of EDUs by land use type is shown in the table below:

| Land-Use Type | Equivalent Dwelling Units |
|---------------------------------|---------------------------|
| SFR | 108,449.00 |
| MFR and Condominium | 29,127.25 |
| Mobile Home Parks | 4,237.00 |
| Commercial | 27,216.27 |
| Churches | 3,108.79 |
| Industrial | 18,978.57 |
| Recreational Camping Facilities | 0.86 |
| Vacant SFR | 631.75 |
| Vacant Non-SFR | 896.70 |
| Total: | 192,646.19 |

Based upon the Three Valleys MWD requirement of \$6,186,637.00 as shown in Section II of this report, the Budgeted Assessment Rate for FY 2024/2025 per Equivalent Dwelling Unit (EDU) is **\$32.11/EDU**. However, the Maximum Assessment Rate per EDU is **\$29.41/EDU**, resulting in FY 2024/2025 Revenue of \$5,665,565.08, as shown below.

| FY 2024/2025 Budget | Total Equivalent Dwelling Units | Budget Assessment Rate/EDU | Maximum Assessment Rate/EDU | FY 2024/2025 Revenue |
|---------------------|---------------------------------|----------------------------|-----------------------------|----------------------|
| \$6,186,637.00 | 192,646.19 | \$32.11 | \$29.41 | \$5,665,565 |

Note: Assessment Revenue subject to rounding for each individual parcel.



The following table, Summary of Assessment Rates, provides the proposed Maximum Assessment and Applied Assessment Rates for the ten-year period beginning with FY 2012/2013. The Board may continue to levy the Assessment in future years (i.e. beyond FY 2024/2025) so long as MWD continues to impose the RTS charge upon the District. However, the maximum Assessment Rate per EDU shall never be greater than \$29.41, nor shall the total amount assessed be greater than the sum of the RTS charge and administrative costs.

SUMMARY OF MAXIMUM AND APPLIED ASSESSMENT RATES

| Fiscal Year | 2012/2013 | 2013/2014 | 2014/2015 | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 | 2019/2020 |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Maximum Assessments Rate/EDU | \$29.41 | \$29.41 | \$29.41 | \$29.41 | \$29.41 | \$29.41 | \$29.41 | \$29.41 |
| Applied Assessments Rate/EDU | \$20.46 | \$23.22 | \$25.02 | \$23.09 | \$20.16 | \$18.51 | \$18.79 | \$19.23 |

| Fiscal Year | 2020/2021 | 2021/2022 | 2022/2023 | 2023/2024 | 2024/2025 |
|------------------------------|-----------|-----------|-----------|-----------|-----------|
| Maximum Assessments Rate/EDU | \$29.41 | \$29.41 | \$29.41 | \$29.41 | \$29.41 |
| Applied Assessments Rate/EDU | \$19.90 | \$20.43 | \$24.18 | \$28.44 | \$29.41 |

E. AMOUNT OF ASSESSMENT

The amount of the proposed assessment for FY 2024/2025, based on EDUs as apportioned to each parcel shown on the latest roll of the Los Angeles County Assessor, is contained in the Assessment Roll on file in the office of the Secretary of the Three Valleys Municipal Water District. The description of each parcel is part of the records of the County Assessor and these records are, by reference, made a part of this Engineers Report.

F. ACCURACY OF DATA

The data utilized in developing the assessment rate calculations has been taken directly from the Los Angeles County Assessor's Roll.

Some parcels that are partially improved often will appear on the Assessor's roll as improved. These parcels that are brought to the attention of the District, and are found to be so classified after field review, will have their assessment revised per this report: for that portion of the property which is



improved, the developed land use benefit formula will apply; for that portion of the property which is unimproved, the vacant land use benefit formula will apply.

Should a property owner find a discrepancy regarding a parcel, it is recommended that the owner notify the Three Valleys Municipal Water District by contacting the Secretary of the Three Valleys Municipal Water District. If warranted, the District will assist the owner in processing a correction with the County Assessor's Office. The District will be responsible for revisions to the Water Standby Charge Assessment for the property for the current Fiscal Year if the change in amount is greater than five percent (5%). If the change is less than or equal to five percent, then the adjustment for the following year will be made at the time that the annual assessments are determined for the next Fiscal Year, and no refund will be made for the previous year's assessment.



EXHIBIT A

SAMPLE CALCULATIONS FOR VARIOUS LAND USES

| Land Use | Benefit Calculation (EDU) | x | (Use Factor) | = | Total Assessment EDUs | \$29.41/EDU |
|-----------------------------------|--|---|--------------|---|-----------------------|-------------|
| Single Family Res. | (1 DU x 1 EDU/DU) | x | 1 | = | 1 | \$29.41 |
| Triplex | (3 DU x 0.75 EDU/DU) | x | 1 | = | 2.25 | \$66.17 |
| 10-Unit Apartment | [(4 DU x 0.75 EDU/DU) + (6 DU x 0.5EDU/DU)] | x | 1 | = | 6 | \$176.46 |
| 90-Unit Apartment | [(4 DU x 0.75 EDU/DU) + (86 DU x 0.5EDU/DU)] | x | 1 | = | 46 | \$1,352.86 |
| Store ¼ acre parcel | (¼ acre x 5.0 EDU/acre) | x | 1.4 | = | 1.75 | \$51.47 |
| Bank/Office Bldg. ½ acre parcel | (½ acre x 5.0 EDU/acre) | x | 1.4 | = | 3.5 | \$102.94 |
| Office Building 2 acre parcel | (2 acre x 5.0 EDU/acre) | x | 1.4 | = | 14 | \$411.74 |
| Service Station ⅓ acre parcel | (⅓ acre x 5.0 EDU/acre) | x | 1.4 | = | 2.33 | \$68.62 |
| Light Manufacturing ¼ acre parcel | (¼ acre x 5.0 EDU/acre) | x | 1.1 | = | 1.38 | \$40.44 |
| Heavy Manufacturing 7 acre parcel | [(5 ac x 5.0 EDU/ac) + (2 ac x 1.25 EDU/ac)] | x | 1.1 | = | 30.25 | \$889.65 |
| Recreational Camping Facility | [(2,500 sf x 3) ÷ 43,560 sf/ac] x 5.0 EDU/ac | x | 1 | = | 0.86 | \$25.32 |
| Vacant SFR | (1 parcel x 0.25 EDU/parcel) | x | 1 | = | 0.25 | \$7.35 |
| Vacant Non-SFR 1 acre parcel | (1 acre x 1.25 EDU/acre) | x | 1 | = | 1.25 | \$36.76 |
| Vacant Non-SFR 5+ acre parcel | (5 acre x 1.25 EDU/acre) | x | 1 | = | 6.25 | \$183.81 |

Note: Total Assessment EDU may not calculate exactly due to rounding.




EXHIBIT B

ASSESSMENT ROLL FOR FISCAL YEAR 2024/2025

Each Assessor Parcel Number and its assessment to be levied for FY 2024/2025 is shown on the Assessment Roll on file in the office of the Secretary of the Three Valleys Municipal Water District and is incorporated herein by reference. Reference is made to the Los Angeles County Assessor's office for further description of the parcels in the District.

**BOARD INFORMATION****BOARD OF DIRECTORS
STAFF REPORT**

To: TVMWD Board of Directors

From: Matthew H. Litchfield, General Manager 

Date: June 5, 2024

Subject: Investment Policy Review

Funds Budgeted: \$

Fiscal Impact: \$

Staff Recommendation

No Action Necessary – Informational Item Only

Background

Board policy dictates that an annual review of TVMWD's investment policy takes place. This stems from Government Code section 53646 requiring agencies to develop an investment policy and implement periodic changes that may occur in reporting requirements. If changes to the existing policy are recommended, a new resolution is issued with the Board approved recommendations.

Discussion

Attached for Board review is the most recently adopted (June 21, 2023) TVMWD investment policy. Chandler Asset Management performed their annual review of our policy and provided the following suggested changes based on updates to either the California Government Code (CGC) or industry best practices related to the investment of public funds.

- Authorized and Suitable Investments:
 - Updated language around ratings to similar wording of "or its equivalent or better".
 - Included 10% limit on outstanding commercial paper of any single issuer.
 - Specified the maximum maturities for repurchase and reverse repurchase agreements.
- Prohibited Investment and Practices:

- Incorporated the prohibition on purchasing securities with forward settlement dates exceeding 45 days from the time of investment per Senate Bill 1489.
- Safekeeping and Custody:
 - Expanded the section to include safekeeping requirements and what authorized investments are exceptions to the requirement.
- Reporting:
 - Removed the amount of days following month end as no such days are stipulated in CGC. The 45 days that was added in the prior review is for quarterly reports if it is stated they are to be provided (per SB 1489).
- Performance Evaluation:
 - Stated the benchmark for the District may change over time as market condition of cash requirements change.
- Glossary:
 - Adjusted terms to include the definitions of fiduciary and paydown and, per SB 1489, clarify the date to use to measure maturity in the maturity definition.

This item will be brought back for consideration of adoption at the June 19, 2024, board meeting.

Environmental Impact

None

Strategic Plan Objective(s)

2.1 – Financial Stability
2.2 – Accountability

Attachment(s)

Exhibit A – Resolution No. 24-06-DRAFT Investment Policy

Meeting History

None

NA/JV

RESOLUTION NO. 24-06-DRAFT

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THREE VALLEYS MUNICIPAL WATER DISTRICT
ESTABLISHING AN INVESTMENT POLICY**

1.0 POLICY

WHEREAS; the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern; and

WHEREAS; the legislative body of a local agency may invest monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 5922 and 53601 et seq.; and

WHEREAS; the General Manager of the Three Valleys Municipal Water District ("TVMWD") shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the Board of Directors at a public meeting;

NOW THEREFORE, it shall be the policy of TVMWD to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of TVMWD and conforming to all statutes governing the investment of TVMWD funds.

2.0 SCOPE

This investment policy applies to all financial assets of TVMWD except bond funds and funds held in trust for pension and OPEB liabilities. All funds are accounted for in the annual audit.

3.0 PRUDENCE

When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of TVMWD, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of TVMWD. The standard of prudence to be used by investment officials shall be the

"prudent investor standard" California Government Code 53600.3 and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0 OBJECTIVES

When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

1. Safety: Safety of principal is the foremost objective of the investment program. Investments of TVMWD shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
2. Liquidity: The investment portfolio will remain sufficiently liquid to enable TVMWD to meet all operating requirements which might be reasonably anticipated.
3. Return on Investments: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

5.0 DELEGATION OF AUTHORITY

Authority to manage the investment program is derived from California Government Code 53607, et seq. By annually adopting this investment policy, responsibility for the investment program is hereby delegated by the Board to the General Manager who shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, PSA repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts, as appropriate. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the General Manager. The General Manager shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Under the provisions of California Government Code 53600.3, the General Manager is a trustee and a fiduciary subject to

the prudent investor standard.

TVMWD may engage the services of one or more external investment managers to assist in the management of the TVMWD's investment portfolio in a manner consistent with the TVMWD's objectives. Such external managers may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy. Such managers must be registered under the Investment Advisers Act of 1940.

TVMWD's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. TVMWD recognizes that in a diversified portfolio, occasional measured losses may be inevitable and must be considered within the context of the overall portfolio's return and the cash flow requirements of TVMWD.

6.0 ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Employees and investment officials shall disclose to the General Manager any material interests in financial institutions with which they conduct business, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of TVMWD.

7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The General Manager will maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience and minimal capitalization authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.

For brokers/dealers of government securities and other investments, TVMWD shall select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the General Manager

shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for TVMWD's account with that firm has reviewed TVMWD's Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to TVMWD that are appropriate under the terms and conditions of the Investment Policy. An annual review of the financial condition and registrations of qualified bidders will be conducted by the General Manager. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which TVMWD invests.

All financial institutions and broker/dealers who desire to conduct investment transactions with TVMWD must supply the General Manager with the following: audited financial statements, proof of FINRA certification, trading resolution, proof of State of California registration, completed broker/dealer questionnaire, certification of having read the TVMWD's investment policy and depository contracts.

Selection of broker/dealers used by an external investment adviser retained by TVMWD will be at the sole discretion of the investment adviser. Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing new issue securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

TVMWD is empowered by California Government Code 53601 et seq. to invest in the following:

- a. Municipal Securities include obligations of TVMWD, the State of California and any local agency within the State of California. These municipal securities must be rated in a rating category of "A" or its equivalent of better by at least one nationally recognized statistical rating organization ("NRSRO"). No more than 30% of TVMWD's portfolio may be invested in municipal securities.
- b. Municipal Securities 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. These municipal securities must be rated in a rating category of "A" or its equivalent of better by at least one NRSRO. No more

than 30% of TVMWD's portfolio may be invested in municipal securities.

- c. United States Treasury Bills, Notes and Bonds.
- d. Federal agency or United States government-sponsored enterprise (GSE) obligations, participations, or other instruments, including those issued by, or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. No more than 30% of TVMWD's portfolio may be invested in any single agency/GSE issuer and the maximum percentage of callable agency securities in the portfolio will be 20%.
- e. Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances may not exceed 180 days maturity or 40% of the TVMWD's money that may be invested pursuant to this policy. However, no more than 30% of TVMWD's moneys may be invested in the bankers' acceptances of any one commercial bank pursuant to this policy. They are issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better, by at least one NRSRO; or long-term debt obligations which are rated in the "A" category or its equivalent or better, by at least one NRSRO.
- f. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided by a NRSRO. Eligible commercial paper shall have a maximum maturity of 270 days. TVMWD shall invest no more than 25% of its money in eligible commercial paper. TVMWD may purchase no more than 5% of the outstanding commercial paper of any single issuer. TVMWD may purchase no more than 10% of the outstanding commercial paper of any single issuer. The entity that issues the commercial paper shall meet all the following conditions in either paragraph 1 or 2:
 1. The entity meets the following criteria:
 - a. Is organized and operating in the US as a general corporation.
 - b. Has total assets in excess of \$500,000,000
 - c. Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or better by an NRSRO.
 - d. Has commercial paper that is rated "A-1" or its equivalent or better, by at least one NRSRO.
 2. The entity meets the following criteria:
 - a. Is organized within the US as a special purpose corporation, trust,

- or limited liability company.
 - b. Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.
 - c. Has commercial paper that is rated "A-1" or its equivalent or better, by an NRSRO.
- g. Negotiable certificates of deposit (NCDs) issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. The amount of the NCD insured up to the FDIC limit does not require any credit ratings. Any amount above the FDIC insured limit must be issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO. Purchases of negotiable certificates of deposit may not exceed 30% of TVMWD's total portfolio which may be invested pursuant to this policy.
- h. Repurchase/Reverse Repurchase Agreements of any securities authorized by Section 53601. Securities purchased under these agreements shall be no less than 102% of market value and are subject to the special limits in California Government Code 53601(i). Repurchase Agreements are subject to a Master Repurchase Agreement between TVMWD and the provider of the repurchase agreement, and are to have a maximum maturity that does not exceed one year. The Master Repurchase Agreement will be substantially in the form developed by the Securities Industry and Financial Markets Association (SIFMA). The total of all reverse repurchase agreement and securities lending agreements on investments owned by TVMWD may not exceed 20% of the base value of the portfolio and have a maximum maturity that does not exceed 92 days.
- i. Medium term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in the "A" category or its equivalent or better by a NRSRO. Purchases of medium-term notes shall not include other instruments authorized by this policy and may not exceed 30% of TVMWD's money which may be invested pursuant to this policy.

j. Mutual funds and money market mutual funds that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940, provided that:

1. Mutual Funds that invest in the securities and obligations as authorized under California Government Code, Section 53601 (a) to (k) and (m) to (q) inclusive and that meet either of the following criteria:

- a. Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs; or
- b. Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code, Section 53601 and with assets under management in excess of \$500 million.
- c. No more than 10% may be invested in the shares of any one mutual fund.

2. Money Market Mutual Funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and issued by diversified management companies and meet either of the following criteria:

- a. Have attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs; or
- b. Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500 million.
- c. No more than 20% of the portfolio may be invested in Money Market Mutual Funds.

3. No more than 20% of the portfolio may be invested in these securities.

k. Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency

providing for the issuance.

- l. Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by California Government Code Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by California Government Code Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.
- m. Any asset-backed, mortgage pass-through security, collateralized mortgage obligation, or mortgage-backed bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond from issuers not defined in sections "c" and "d" of the authorized investment sections of this policy with a maximum of five years maturity. Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by at least one NRSRO. Purchase of securities authorized by this subdivision may not exceed 20% of TVMWD's money that may be invested pursuant to this policy.
- n. Supranationals, provided that issues are US dollar denominated, senior unsecured, unsubordinated, obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. Securities eligible under this subdivision will be rated in the "AA" category or its equivalent or better, by a NRSRO. No more than 30% of the total portfolio may be invested in these securities. No more than 10% of the portfolio may be invested in any single issuer.
- o. Any other investment security authorized under the provisions of California Government Code 5922 and 53601.

9.0 INVESTMENT POOLS / MUTUAL FUNDS

TVMWD shall conduct a thorough investigation of any pool or mutual fund prior to

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making an investment, and on a continual basis thereafter. The General Manager shall develop a questionnaire which will answer the following general questions:

1. A description of eligible investment securities, and a written statement of investment policy and objectives.
2. A description of interest calculations and how it is distributed, and how gains and losses are treated.
3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
5. A schedule for receiving statements and portfolio listings.
6. Are reserves, retained earnings, etc. utilized by the pool/fund?
7. A fee schedule, and when and how is it assessed.
8. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

10.0 MAXIMUM MATURITIES

Such investments shall be limited to securities that at the time of the investment have a term remaining to maturity of five years or less, or as provided above. To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities.

11.0 PROHIBITED INVESTMENTS AND PRACTICES

TVMWD shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools, options and futures, or any investment that may result in a zero interest accrual if held to maturity. Under a provision sunseting on January 1, 2026, securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted. Also prohibited is trading securities for the sole purpose of speculating on the future direction of interest rates, purchasing or selling securities on margin, securities lending or any form of borrowing or leverage, and the purchase of foreign currency denominated securities. The purchase of a security with a forward settlement date exceeding 45 days from the time of the investment is also prohibited.

12.0 REVIEW OF INVESTMENT PORTFOLIO

The General Manager shall periodically, but no less than quarterly, review the portfolio to identify investments that do not comply with this investment policy and establish

protocols for reporting major and critical incidences of noncompliance to TVMWD.

13.0 RISK MANAGEMENT IN THE PORTFOLIO

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. TVMWD shall mitigate credit risk by adopting the following strategies:

- a. TVMWD may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to the market conditions or TVMWD's risk preferences; and.
- b. If securities owned by the TVMWD are downgraded to a level below the credit quality required by this Investment Policy, it shall be the TVMWD's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio. If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported quarterly to the governing board.
- c. No more than 5% of the total portfolio may be invested in securities of any single issuers, except where the issuer is the US Government, its Agencies and GSEs, an authorized Supranational issuer, or where the security is a Money Market Mutual Fund, Local Agency Investment Fund (LAIF), or other Local Government Investment Pool, or where otherwise specified in this investment policy.

Market risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. TVMWD recognizes that, over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. TVMWD will mitigate market risk by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes.

TVMWD further recognizes that certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. TVMWD, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

- a) TVMWD will maintain a minimum of six months of budgeted operating expenditures in short term investments to provide sufficient liquidity for

expected disbursements.

- b) The maximum stated final maturity of individual securities in the portfolio will be five (5) years, except as otherwise stated in this policy.
- c) The duration of the portfolio will generally be approximately equal to the duration (typically, plus or minus 20%) of a Market Benchmark, an index selected by TVMWD based on investment objectives, constraints and risk tolerances.

14.0 COLLATERALIZATION

All certificates of deposit must be collateralized by United States Treasury Obligations. Collateral must be held by a third-party trustee and valued on a monthly basis. The percentage of collateralizations on repurchase and reverse agreements will adhere to the amount required under California Government Code 53601(i)(2).

Certificates of Deposit (CDs). TVMWD shall require any commercial bank or savings and loan association to deposit eligible securities with an agency of a depository approved by the State Banking Department to secure any uninsured portion of a Non-Negotiable Certificate of Deposit. The value of eligible securities as defined pursuant to California Government Code, Section 53651, pledged against a Certificate of Deposit shall be equal to 150% of the face value of the CD if the securities are classified as mortgages and 110% of the face value of the CD for all other classes of security.

Collateralization of Bank Deposits. This is the process by which a bank or financial institution pledges securities, or other deposits for the purpose of securing repayment of deposited funds. TVMWD shall require any bank or financial institution to comply with the collateralization criteria defined in California Government Code, Section 53651.

Repurchase Agreements. TVMWD requires that Repurchase Agreements be collateralized only by securities authorized in accordance with California Government Code:

- The securities which collateralize the repurchase agreement shall be priced at Market Value, including any Accrued Interest plus a margin. The Market Value of the securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities.
- Financial institutions shall mark the value of the collateral to market at least monthly and increase or decrease the collateral to satisfy the ratio requirement described above.

- TVMWD shall receive monthly statements of collateral.

15.0 SAFEKEEPING AND CUSTODY

All security transactions entered into by TVMWD shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be held by a third-party custodian designated by the General Manager and evidenced by safekeeping receipts. All investment transactions will require a safekeeping receipt or acknowledgment generated from the trade. A monthly report will be received by TVMWD from the custodian listing all securities held in safekeeping with current market data and other information.

The only exceptions to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, and, (iii) mutual funds and money market mutual funds, since these securities are not deliverable.

16.0 DIVERSIFICATION

TVMWD will diversify its investments by security type and institution. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. No more than 5% of the total portfolio may be invested in securities of any single issuer, except where the issuer is the US Government, its Agencies and GSEs, an authorized Supranational issuer or where the security is a Money Market Mutual Fund, Local Agency Investment Fund (LAIF) or other Local Government Investment Pool, unless otherwise specified in this investment policy. Diversification strategies shall be reviewed and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- a. Maturities selected shall provide for stability of income and liquidity.
- b. Disbursement and payroll dates shall be covered through maturities of investments, marketable United States Treasury bills or other cash equivalent instruments such as money market mutual funds.

17.0 INTERNAL CONTROLS

The General Manager shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

18.0 REPORTING

The General Manager shall submit to each member of the Board of Directors an investment report monthly in accordance with California Government Code Section 53607. These reports will disclose, at minimum, the following information about the characteristics of the portfolio:

1. An asset listing showing par value, cost and independent third-party fair market value of each security as of the date of the report, the source of the valuation, type of investment, issuer, maturity date and interest rate.
2. Transactions for the period.
3. A one-page summary report that shows:
 - a. Average maturity of the portfolio and modified duration of the portfolio;
 - b. Maturity distribution of the portfolio;
 - c. Average portfolio credit quality; and,
 - d. Time-weighted total rate of return for the portfolio for the prior one month, three months, twelve months and since inception compared to TVMWD's market benchmark returns for the same periods;
4. A statement of compliance with investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, including a justification for their presence in the portfolio and a timetable for resolution.
5. A statement that TVMWD has adequate funds to meet its cash flow requirements for the next six months.

A comprehensive annual report will be presented. This report will include comparisons of the portfolio's return to the benchmark return, suggest policies and improvements that might enhance the investment program, and will include an investment plan for the coming year.

19.0 INVESTMENT POLICY ADOPTION

The Investment Policy shall be adopted by resolution of TVMWD. Moreover, the Policy shall be reviewed on an annual basis, and modifications must be approved by the Board

of Directors.

The General Manager shall establish written investment policy procedures for the operation of the investment program consistent with this policy. The procedures should include reference to: safekeeping, master repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the TVMWD.

20.0 PERFORMANCE EVALUATION

The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account TVMWD's risk constraints, the cash flow characteristics of the portfolio, state and local laws and ordinances or resolutions that restrict investments.

The General Manager shall monitor and evaluate the portfolio's performance relative to market benchmark, which will be included in the General Manager's quarterly report. The General Manager shall select an appropriate, readily available index to use as a market benchmark. Benchmarks may change over time based on changes in market conditions or cash flow requirements.

21.0 REVIEW OF INVESTMENT PORTFOLIO

The General Manager shall periodically, but no less than quarterly, review the portfolio to identify investments that do not comply with this investment policy and establish protocols for reporting major and critical incidences of noncompliance to the Board.

22.0 GLOSSARY

Agencies. Shorthand market terminology for any obligation issued by a government-sponsored entity (GSE), or a federally related institution. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

FFCB. The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

FHLB. The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

FHLMC. Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called "Freddie Mac" issues discount notes, bonds and mortgage pass-through securities.

FNMA. Like FHLB and Freddie Mac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as "Fannie Mae," issues discount notes, bonds and mortgage pass-through securities.

GNMA. The Government National Mortgage Association, known as "Ginnie Mae," issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.

PEFCO. The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.

TVA. The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

Asked. The price at which a seller offers to sell a security.

Asset Backed Securities. Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

Average Life. In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

Banker's Acceptance. A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which "accepts" the obligation to pay the investor.

Benchmark. A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

Bid. The price at which a buyer offers to buy a security.

Broker. A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

Callable. A callable security gives the issuer the option to call it from the investor prior to

its maturity. The main cause of a call is a decline in interest rates. If interest rates decline since an issuer issues securities, it will likely call its current securities and reissue them at a lower rate of interest. Callable securities have reinvestment risk as the investor may receive its principal back when interest rates are lower than when the investment was initially made.

Certificate of Deposit (CD). A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs may be marketable.

Collateral. Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

Collateralized Mortgage Obligations (CMO). Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

Commercial Paper. The short-term unsecured debt of corporations.

Cost Yield. The annual income from an investment divided by the purchase cost. Because it does not give effect to premiums and discounts which may have been included in the purchase cost, it is an incomplete measure of return.

Coupon. The rate of return at which interest is paid on a bond.

Credit Risk. The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

Current Yield. The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

Dealer. A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

Debenture. A bond secured only by the general credit of the issuer.

Delivery vs. Payment (DVP). A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

Derivative. Any security that has principal and/or interest payments which are subject to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.

Discount. The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par, and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

Diversification. Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

Duration. The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates. (See modified duration).

Federal Funds Rate. The rate of interest charged by banks for short-term loans to other banks. The Federal Reserve Bank through open-market operations establishes it.

Federal Open Market Committee. A committee of the Federal Reserve Board that establishes monetary policy and executes it through temporary and permanent changes to the supply of bank reserves.

Fiduciary. A person or organization that acts on behalf of another person(s) or organization that puts their clients' interest ahead of their own as they are bound both legally and ethically to act in the other's best interest.

Haircut. The margin or difference between the actual market value of a security and the value assessed by the lending side of a transaction (i.e. a repo).

Leverage. Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

Liquidity. The speed and ease with which an asset can be converted to cash.

Make Whole Call. A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

Margin. The difference between the market value of a security and the loan a broker makes using that security as collateral.

Market Risk. The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

Market Value. The price at which a security can be traded.

Marking to Market. The process of posting current market values for securities in a portfolio.

Maturity. The final date upon which the principal of a security becomes due and payable. The investment's term or remaining maturity is measured from the settlement date to final maturity.

Medium Term Notes. Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

Modified Duration. The percent change in price for a 100 basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

Money Market. The market in which short-term debt instruments (T-bills, discount notes,

commercial paper, and banker's acceptances) are issued and traded.

Mortgage Pass-Through Securities. A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

Municipal Securities. Securities issued by state and local agencies to finance capital and operating expenses.

Mutual Fund. An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

Nationally Recognized Statistical Rating Organization (NRSRO). A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating agencies to provide them with ratings. The three most prominent NRSROs are Moody's, S&P and Fitch.

Paydown. A reduction in the principal amount owed on a bond, loan or other debt.

Premium. The difference between the par value of a bond and the cost of the bond, when the cost is above par.

Prepayment Speed. A measure of how quickly principal is repaid to investors in mortgage securities.

Prepayment Window. The time period over which principal repayments will be received on mortgage securities at a specified prepayment speed.

Primary Dealer. A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

Prudent Investor (Prudent Person) Rule. A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

Realized Yield. The change in value of the portfolio due to interest received and interest earned and realized gains and losses. It does not give effect to changes in market value on securities, which have not been sold from the portfolio.

Regional Dealer. A financial intermediary that buys and sells securities for the benefit of its customers without maintaining substantial inventories of securities and that is not a primary dealer.

Repurchase Agreement. Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

Safekeeping. A service to bank customers whereby securities are held by the bank in the customer's name.

Structured Note. A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

Total Rate of Return. A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

U.S. Treasury Obligations. Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk, and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

Treasury Bills. All securities issued with initial maturities of one year or less are issued as discounted instruments, and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth out cash flows.

Treasury Notes. All securities issued with initial maturities of two to ten years are called Treasury notes, and pay interest semi-annually.

Treasury Bonds. All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

Volatility. The rate at which security prices change with changes in general economic conditions or the general level of interest rates.

Yield to Maturity. The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.

ADOPTED and **PASSED** at a meeting of the Three Valleys Municipal Water District's Board of Directors, on this 19th day of June 2024 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Jody Roberto
President, Board of Directors

Carlos Goytia
Secretary, Board of Directors


SEAL:



BOARD INFORMATION

BOARD OF DIRECTORS
STAFF REPORT

To: TVMWD Board of Directors

From: Matthew H. Litchfield, General Manager 

Date: June 5, 2024

Subject: Review General Manager FY 2024-25 Work Plan

Funds Budgeted: \$

Fiscal Impact: \$

Staff Recommendation

No Action Necessary – Informational Item Only

Background

The Board recently adopted a long-term 5-year strategic plan (2024-29) that lays out strategic priorities for TVMWD. Each year, the General Manager and Executive Staff prepare the General Manager Work Plan (“Work Plan”) that lays out the specific projects or initiatives to meet the overall goals in support of the TVMWD mission outlined in the Strategic Plan.

Discussion

The FY 2024-25 Work Plan outlines specific projects, initiatives and activities that are measurable with specific performance objectives. A copy of the proposed Work Plan is attached as **Exhibit A** with a summary-level schedule and status report attached as **Exhibit B**. All the activities outlined in the Work Plan are designed to further the mission of TVMWD and each activity listed is referenced back to each specific strategic goal outlined in the FY 2023-24 Strategic Plan. The Work Plan has a new look compared to previous versions approved by the Board in an effort to clearly articulate the individual goals and objectives.

Environmental Impact

None

Strategic Plan Objective(s)

2.2 – Accountability

Attachment(s)

Exhibit A – General Manager’s Work Plan, Fiscal Year 2024-25

Exhibit B – General Manager’s Summary-Level Schedule and Status Report

Meeting History

None

NA/ML

OBJECTIVES

1 RELIABLE WATER SUPPLY

1.1 WATER QUALITY

Maintain 100% compliance with water quality standards.

1.2 DIVERSE PORTFOLIO

Maintain diverse sources of water supplies and storage to meet projected demands.

1.3 INFRASTRUCTURE RELIABILITY

Maintain water infrastructure to strive for 100% reliability during regular, unplanned and catastrophic events.

1.4 OPERATIONAL EFFICIENCY

Operate all District facilities with expertise and creativity, delivering water dependably and maximizing operational flexibility to meet the needs of our retail partners.

1.5 ADVOCACY

Engage and advocate for the region through focused involvement and awareness of all aspects of water resources management.

1 RELIABLE WATER SUPPLY

**Three Valleys
aims to provide an
adequate, reliable
and high-quality
water supply
through five
objectives**

OBJECTIVES

2 FISCAL RESPONSIBILITY

2.1 FINANCIAL STABILITY

Develop and update policies to maintain Three Valleys' financial health.

2.2 ACCOUNTABILITY

Implement the policies and programs, monitor and evaluate their progress and make adjustments to deliver the intended results.

2.3 PUBLIC ENGAGEMENT

Maintain stakeholder relationships to effectively communicate the value of the services provided.

2.4 LEGISLATION

Be informed of the legislative process to identify proposals that may affect Three Valleys' operations and advocate for the benefit of its service area.

2.5 OPERATIONAL STRATEGIES

Implement cost effective operation and maintenance strategies for all aspects of the business.



OBJECTIVES

3 ORGANIZATIONAL CULTURE

3.1 DIVERSITY

Foster a culture that organically promotes respectful staff that embody excellence in character valuing individuality and equity. Continuously improve business practices to attract and retain the best fit and talent.

3.2 WORKFORCE EXCELLENCE

Identify and develop the skillsets required to meet the demands of today and tomorrow; Prepare for transition to the next generation of water professionals.

3.3 EMERGING TECHNOLOGY

Identify, progress, and promote emerging technologies and business practices with the potential to transform organizational capabilities.

3.4 OPERATIONAL INTEGRITY

Improve security, safety, resiliency, and controls of operations and services.

3.5 DATA QUALITY

Improve the quality, completeness, and availability of data that is practical providing insights for the public and policy decisions.

3 ORGANIZATIONAL CULTURE

**Three Valleys
aims to provide a
fair, fun and
value-driven
environment to
support its
business ethos
through five
objectives**



General Manager's Work Plan
FY 2024-2025

| Task No. | Name | Strategic Goal | % Complete | Checklist Items | Goal |
|----------|-------------------------------|-------------------------|------------|--|---------|
| 1 | District Culture Enhancements | 3.1, 3.2, 3.3 | 25% | New furniture procurement; Replacement of the generic pictures throughout the District; Staff events | 24-25 |
| 2 | Employee Development | 3.1, 3.2, 3.3, 3.5 | 0% | Develop staff training and mentoring; SOP development - water use efficiency; SOP development - MWD trips; Coaching supervisory skills | 24-25 |
| 3 | Succession Planning | 3.1, 3.2, 3.3 | 0% | Develop robust succession plan with executive management staff and subordinate staff to properly prepare for inevitable retirements | Ongoing |
| 4 | Emergency Response | 1.3, 3.4 | 0% | Work with IT Manager on EOC trailer upgrades; Plan and participate in Great Shake Out Drill; Continue participation in PWAG programs; One live "surprise" response training | 24-25 |
| 5 | Records Management | 2.2, 3.4, 3.5 | 0% | Demonstrate to staff the flexibility of utilizing the software to search for records; Continue to utilize temporary staff to scan the back logged items/records into the database | 24-25 |
| 6 | Outreach | 1.5, 2.3, 2.4 | 0% | Assist member agencies' legislative priorities; Submit for ACWA outreach awards; Tours for newly elected legislators; Advocate for SB 366 | 24-25 |
| 7 | GIS Implementation | 1.3, 1.4, 2.5, 3.3, 3.5 | 25% | Support asset management; Support work orders; Implement DigAlerts; Complete field verification of assets; GIS System Redesign; Complete Assessment | Ongoing |
| 8 | IT Master Plan | 1.3, 2.5, 3.3, 3.5 | 50% | Improve records management with an Enterprise Content Management system; Modernize boardroom audio/visual system to support a variety of meeting types and improve meeting; Maintain a consistent hardware refresh cycle by replacing end-of-life hardware | Ongoing |
| 9 | Cyber Master Plan | 1.3, 3.4 | 0% | Stay ahead of cybersecurity trends; Continue implementation of IT Master Plan tasks that identified; Develop Cyber Master Plan and incorporate Artificial Intelligence and its impact on the District | 24-25 |



General Manager's Work Plan
FY 2024-2025

| Task No. | Name | Strategic Goal | % Complete | Checklist Items | Goal |
|----------|--|------------------------------|------------|--|---------|
| 10 | Water Supply Portfolio | 1.2, 1.3, 1.4, 2.5 | 25% | Develop additional Metropolitan Programs; Pursue Regional Concepts; Well optimization and operating plan; Develop storage in all basins; WRMP + DCP Completion; WRMP + DCP development | Ongoing |
| 11 | Water Use Efficiency | 1.2, 1.5, 2.5, 3.3, 3.5 | 25% | Develop Regional UWMP by June 2026; Participate in new CET group; Support Member Agency Conservation group; Promote MWD WUE Program funding + rebates; Develop the WUE Dashboard; Pursue funding for WUE dashboard metrics | Ongoing |
| 12 | External Funding | 1.5, 2.1, 2.5 | 50% | Seek external funding for the region | Ongoing |
| 13 | Padua Ave Well Site Acquisition | 1.2, 1.3, 2.5 | 75% | Negotiate and execute a purchase agreement with Caltrans and assume ownership; Execute Decertification Agreement with Caltrans | Ongoing |
| 14 | Groundwater Reliability Partnership | 1.1, 1.2, 1.3, 1.4, 2.2, 2.5 | 33% | Build on existing partnerships to increase member agency participation; Make a go/no-go decision; Complete Pilot Scale Study for Treatment; Review existing studies and finalize an updated feasibility study | Ongoing |
| 15 | Miramar Building and Site Improvements | 1.3, 1.4, 2.2, 3.2, 3.4 | 10% | Complete design and develop cost estimates for the improvements; Begin planning for Miramar Admin Building roof replacement; Install additional security at remote sites | Ongoing |
| 16 | Electrical Upgrades | 1.3, 1.4, 2.5 | 90% | Complete the Miramar Treatment Plant Electrical Panel Upgrade project; Complete the Emergency Generator Connections project | Ongoing |
| 17 | MWD Pure Water Southern California | 1.2, 1.3, 2.5 | 25% | Monitor/comment on direct potable reuse draft regulations development by the SWRCB; Pursue agreement with PBWA for capacity in the Project; Continue working with MWD and all stakeholders to fast-track this project | Ongoing |




General Manager's Work Plan
FY 2024-2025

| Task No. | Name | Strategic Goal | % Complete | Checklist Items | Goal |
|----------|---|--------------------|------------|--|---------|
| 18 | MWD Climate Adaptation Master Plan (CAMP4W) | 1.2, 1.3, 2.2 | 25% | Advocate for rate changes that align with rate refinement principles developed in 2021 by the MWD; Support TVMWD MWD Director on policy decisions; Participate in all workshops and committee meetings | Ongoing |
| 19 | Emergency Response FY 23-24 | 1.3, 3.4 | 100% | Utilize training and tools for staff development and implementation of ICS procedures; Continue PWAG program participation; Train staff on specific roles in ICS; Participate in Great Shakeout/Tabletop Exercises; EOC hands-on drill as a "surprise" exercise | 23-24 |
| 20 | Legislation Support FY 23-24 | 1.5, 2.3, 2.4 | 100% | Action taken on several other bills; Assembly Bill 1330 - Conservation as a CA Way of Life (Support); Assembly Bill 1337 - SWRCB Water Diversion Curtailment (Oppose); Assembly Bill 460 - SWRCB Water Rights and Usage Interim Relief (Oppose); Assembly Bill 279 - San Gabriel Basin Water Quality Authority Pumping Right Assessment (Support); Senate Bill 366 - Ca Water For All for increased statewide storage/conveyance (Support) | 23-24 |
| 21 | Operational Efficiencies | 1.1, 1.4, 2.5 | 0% | Repair sediment pond; Develop sludge dewatering improvements; Develop well optimization/operating plan; Improve operational efficiency; Maximize energy production; Maximize Miramar water sales | 24-25 |
| 22 | MWD Miramar Pumpback | 1.3, 1.4, 2.5 | 10% | Develop agreement with Metropolitan; Develop agreement modifications with PBWA; Ensure design doubling current pumpback capacity | 24-25 |
| 23 | Financial Software | 2.1, 2.2, 3.3, 3.5 | 0% | Provide staff training; Transition from Tyler system to Caselle | 24-25 |
| 24 | Third Party Financial Advisor | 2.1, 2.2, 2.5 | 0% | Recommend a firm to assist/guide TVMWD in revising and developing financial policies | 24-25 |
| 25 | OPEB Cost Analysis | 2.1, 2.2, 2.5 | 0% | Work with an Actuary firm/HR Manager to review & enhance the Districts OPEB benefits | 24-25 |

GM Workplan

| Name | Assigned to | Start | Finish | % Complete | Apr 2023 | Oct 2023 | Mar 2024 | Sep 2024 | Feb 2025 | Aug 2025 | Jan 2026 | Jul 2026 | Dec 2026 | Jun 2027 |
|--|--------------------|------------|------------|------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 1 District Culture Enhancements | Nadia Aguirre | 7/3/2023 | 6/30/2025 | 25 | | | | | | | | | | |
| 2 Employee Development | SL VR JV | 7/3/2023 | 6/30/2025 | 0 | | | | | | | | | | |
| 3 Succession Planning | Viviana Robles | 7/3/2023 | 6/30/2025 | 0 | | | | | | | | | | |
| 4 Emergency Response | KH SL | | | 0 | | | | | | | | | | |
| 5 Records Management | Nadia Aguirre | | | 0 | | | | | | | | | | |
| 6 Outreach | Kirk Howie | 7/3/2023 | 6/28/2024 | 0 | | | | | | | | | | |
| 7 GIS Implementation | KH RP | 11/14/2023 | 6/30/2025 | 25 | | | | | | | | | | |
| 8 IT Master Plan | KH RP | 7/10/2023 | 6/28/2024 | 50 | | | | | | | | | | |
| 9 Cyber Master Plan | Kirk Howie | | | 0 | | | | | | | | | | |
| 10 Water Supply Portfolio | Sylvie Lee | 7/3/2023 | 6/30/2026 | 25 | | | | | | | | | | |
| 11 Water Use Efficiency | SL KH | 7/3/2023 | 6/30/2026 | 25 | | | | | | | | | | |
| 12 External Funding | Sylvie Lee | 7/3/2023 | 12/24/2026 | 50 | | | | | | | | | | |
| 13 Padua Ave Well Site Acquisition | Sylvie Lee | 7/1/2021 | 4/30/2025 | 75 | | | | | | | | | | |
| 14 Groundwater Reliability Partnership | Sylvie Lee | 6/2/2022 | 12/4/2025 | 33 | | | | | | | | | | |
| 15 Miramar Building and Site Improvements | Sylvie Lee | 1/8/2024 | 6/30/2025 | 10 | | | | | | | | | | |
| 16 Electrical Upgrades | Sylvie Lee | 10/3/2022 | 6/28/2024 | 90 | | | | | | | | | | |
| 17 MWD Pure Water Southern California | Matthew Litchfield | 7/3/2023 | 7/3/2023 | 25 | | | | | | | | | | |
| 18 MWD Climate Adaptation Master Plan (CAMP4W) | SL ML | 7/3/2023 | 6/30/2026 | 25 | | | | | | | | | | |
| 19 Emergency Response FY 23-24 | SL KH | 7/3/2023 | 6/24/2024 | 100 | | | | | | | | | | |
| 20 Legislation Support FY 23-24 | Kirk Howie | 7/3/2023 | 6/28/2024 | 100 | | | | | | | | | | |
| 21 Operational Efficiencies | Steve Lang | | | 0 | | | | | | | | | | |
| 22 MWD Miramar Pumpback | SL SL | 7/3/2023 | 6/30/2027 | 10 | | | | | | | | | | |
| 23 Financial Software | Jose Velasquez | 7/3/2023 | 3/29/2024 | 0 | | | | | | | | | | |
| 24 Third Party Financial Advisor | Jose Velasquez | | | 0 | | | | | | | | | | |
| 25 OPEB Cost Analysis | Jose Velasquez | | | 0 | | | | | | | | | | |

**BOARD ACTION****BOARD OF DIRECTORS
STAFF REPORT**

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: June 5, 2024
Subject: BizFed Institute Water Resiliency Forum Sponsorship

Funds Budgeted: \$

Fiscal Impact: \$

Staff Recommendation

The Board will consider approval of a sponsorship request from BizFed Institute.

Discussion

The BizFed Institute will hold its 3rd Annual Water Resiliency Forum on June 26, 2024, at the Metropolitan Water District Headquarters. This year they will delve into water as an economic engine and focus on the important collaborations and partnerships that will help to make it happen. Dr. Chris Thornberg, Founder and CEO of Beacon Economics will set the stage as the featured speaker discussing water as an economic engine and the Keynote speaker will be Karla Nemeth, Director of the State Water Control Board.

Three Valleys has been asked to consider a Grassroots sponsorship of \$2,500. The sponsorship includes written logo placement on sponsor video logo, placement on promotional materials, and 1 free ticket.

According to the current Three Valleys Outreach Program Policy, the event must align with the Three Valleys Strategic Plan and provide a direct nexus to water. Requests for more than \$1,000 per event must be brought to the full board for input and approval.

Environmental Impact

None

Strategic Plan Objective(s)

1.5 – Advocacy

2.3 – Public Engagement

Attachment(s)

Exhibit A – BizFed Institute Water Forum Flyer and Sponsorship Levels

Meeting History

None

NA/ML

➤ REGISTER NOW

BizFedInstitute

Defining the Voice of Business

3rd Annual Water Resiliency Forum: Water As An Economic Engine

June 26th

Metropolitan Water District

700 Alameda St, Los Angeles, CA 90012

8:30 AM - 12 PM

Thank you To Our Sponsors!!

Title

Deluxe

Community



**CORDOBA
CORPORATION**



Grassroots



For More Information Contact:

blaine.bacher@bizfedinstitute.org

kevin.harbour@bizfedinstitute.org

Dr. Chris Thornberg • Founder, Beacon Economics**FEATURED SPEAKER**

Dr. Thornberg founded Beacon Economics LLC in 2006. Under his leadership the firm has become one of the most respected research organizations in California serving public and private sector clients across the US. Dr. Thornberg also served as Director of the UC Riverside School of Business Center for Economic Forecasting and Development and was an Adjunct Professor at the School from 2015-2023.

He became nationally known for forecasting the subprime mortgage market crash that began in 2007 and was one of the few economists on record to predict the global economic recession that followed. Amidst the 2020 Covid- 19 shock, Dr Thornberg correctly predicted the rapid "V" shaped economic recovery, the inflation that resulted from excessive government stimulus, as well as the sharp hikes in interest and mortgage rates currently impacting U.S. markets.

Karla Nemeth • Director, California Department of Water Resources**KEYNOTE SPEAKER**

Karla Nemeth was appointed Director of the California Department of Water Resources by Governor Edmund G. Brown Jr. on January 10, 2018 and was reappointed by Governor Gavin Newsom on June 28, 2019. DWR operates and maintains the CA State Water Project, manages floodwaters, monitors dam safety, conducts habitat restoration, and provides technical assistance and funding for projects for local water needs. Nemeth oversees the Department and its mission to manage and protect California's water resources, working with other agencies in order to benefit the State's people and to protect, restore and enhance the natural and human environments.

Nemeth worked at the CA Natural Resources Agency as Governor Brown's deputy secretary and senior advisor for water policy since 2014. She was Bay Delta Conservation Plan project manager from 2009 to 2014.



Clint Olivier • CEO, BizFed Central Valley

MODERATOR: Panel 1 - Expanding Urban & Agricultural Partnerships



Former Fresno City Council Member Clint Olivier was first elected in 2010 by an overwhelming majority to serve a district of more than 70,000 people in California's fifth-largest city. Olivier represented the Seventh District for two terms, making hundreds of decisions concerning Fresno's billion-dollar-plus budget while advocating passionately for issues important to both his neighbors as well as the business community. During his time in office, Olivier used his extensive knowledge of public and media relations to lead the charge on numerous local and statewide issues.

Nina Hawk • Chief, Bay-Delta Resources

PANELIST: Panel 1 - Expanding Urban & Agricultural Partnerships

Nina Hawk is Bay-Delta Initiatives group manager /chief of Bay-Delta resources for the Metropolitan Water District of Southern California. In this role, she is responsible for managing the development and implementation of Metropolitan's Bay-Delta strategy, including the Bay-Delta Initiatives Program. Hawk joined Metropolitan in 2020 as the Bay-Delta Initiatives policy manager to provide strategic oversight on Bay-Delta programs and projects, including Metropolitan's Bay-Delta Science Program. She also has represented Metropolitan's interests on issues such as the Delta Conveyance program, voluntary agreements, Sites Reservoir, and major statewide/Bay-Delta policy forums.



William Bourdeau • Executive VP, Harris Farming

PANELIST: Panel 1 - Expanding Urban & Agricultural Partnerships

William Bourdeau is executive vice president of Harris Farms, owner of Bourdeau Farms, director of the Westlands Water District, director of American Pistachio Growers, and chairman of the Valley Future Foundation. He has been around farming his entire life and currently works for Harris Farms overseeing over 20,000 acres of diversified crops. He has become involved in many local organizations and currently serves as the Vice Chair of the San Luis & Delta-Mendota Water Authority, Chair of the CA Water Alliance, Chair of San Joaquin Valley Sun, Director at the Westland Water District and a Board member of the Fresno State Agricultural Foundation.



Mike Wade • Executive Director, CA Farm Water Coalition

PANELIST: Panel 1 - Expanding Urban & Agricultural Partnerships

Wade currently serves as the executive director of the California Farm Water Coalition (CFWC) where he has devoted over 20 years to advocating for the needs of farmers and advancing CA agriculture. His extensive background in policy, communications and management has been a great support to farmers. Prior to his role at CFWC, Wade served as executive director of the Merced County Farm Bureau for 11 years and program director of the California Farm Bureau Federation for two and a half years.



Scott Houston • Director, West Basin MWD MODERATOR: Panel 2 - Keeping Water Safe, Reliable and Affordable

Scott Houston is an elected member of the Board of Directors of West Basin Municipal Water District. First elected in 2014, Director Houston represents the Division IV cities of Culver City, El Segundo, Malibu, West Hollywood and a portion of Hawthorne, and the unincorporated Los Angeles County communities of Del Aire, Marina del Rey, Topanga, and Wiseburn. He is Immediate Past President of the board, Chair of the Finance and Administration Committee, and Member of the Public Information and Education Committee and Ethics Committee. Houston has served as board president in 2019 and 2023.



Maria Mehranian • Managing Partner, Cordoba Corp., PANELIST: Panel 2 - Keeping Water Safe, Reliable and Affordable

Maria Mehranian is Managing Partner of Cordoba Corp., CA based full-service engineering, construction management and program management firm specializing in the delivery of infrastructure projects in the transportation, water, energy, and education sectors with offices throughout CA. Cordoba is ranked by ENR as a Top 50 Program Management Firm and a Top 100 Construction Management-for-Fee Firm in the nation, as well as a Top 100 Design firm in CA. For nearly 40 years, Maria has dedicated her career to building Cordoba Corporation into one of the nation's top specialty services firms with its staff of engineers, designers, environmental specialists, and construction professionals from all over the world.



Robert Sausedo • President & CEO, Community Build

PANELIST: Panel 2 - Keeping Water Safe, Reliable and Affordable



Robert Sausedo is the President and CEO of Community Build Inc., a 27-year-old legacy organization in South Los Angeles. A native Angeleno, Sausedo has been engaged and involved with civic matters that impact youth, economic development, social justice and literacy for over 30 years. He, along with several of his colleagues, led a post-1992 Civil Unrest effort to rebuild and expand the Jefferson – Vassie D. Wright Memorial Branch Library in the Jefferson Park community of Los Angeles. Prior to joining CBI, Mr. Sausedo served as Deputy for Agency and Review for LA County Board of Supervisor Mark Ridley-Thomas. His responsibilities included a broad portfolio covering economic development, community engagement, commission appointments and development.

NextUp Forums Sponsorship Level Overview

Title Sponsor - \$25,000

Seat on Planning Committee
Exclusive Logo Placement on Sponsor Video/Board
3 minute sponsorship video
Custom social media strategy
(3-5) minute speaking role
2 Free Tickets

Presenting Sponsor - \$15,000

Seat on Planning Committee
Premium Logo Placement on Sponsor Video/Board
No more than 2 minute sponsorship video
Custom social media strategy
2 Free Tickets

Deluxe Sponsor - \$10,000

Seat on Planning Committee
Prominent Logo Placement
No more than 1 minute sponsorship video
4 social media posts
2 Free Tickets

Impact Sponsor - \$7,500

Featured Logo Placement on Sponsor Video
Logo Placement on Promotional Materials
3 dedicated social media post
2 Free Tickets

Community Sponsor - \$5,000

Logo Placement on Sponsor Video
Logo Placement on Promotional Materials
1 dedicated social media post
1 Free Ticket

Grassroots Sponsor - \$2,500

Written Logo Placement on Sponsor Video Logo
Placement on Promotional Materials
1 Free Ticket