



WEST VALLEY WATER DISTRICT  
855 W. Base Line Road, Rialto, CA 92376  
PH: (909) 875-1804 FAX: (909) 875-1849

**“AMENDED” FINANCE COMMITTEE MEETING  
AGENDA**

**WEDNESDAY, APRIL 14, 2021 - 1:00 PM**

**NOTICE IS HEREBY GIVEN** that West Valley Water District has called a meeting of the Finance Committee to meet in the Administrative Conference Room, 855 W. Base Line Road, Rialto, CA 92376.

**Teleconference Notice:** In an effort to prevent the spread of COVID-19 (Coronavirus), and in accordance with the Governor’s Executive Order N-29-20 and the order of the County of San Bernardino dated March 17, 2020, there will be no public location for attending this Committee Meeting in person. Members of the public may listen and provide public comment via telephone by calling the following number and access code: Dial (888)475-4499, Access Code: 840-293-7790 or you may join the meeting using Zoom by clicking this link: <https://us02web.zoom.us/j/8402937790>. Public comment may also be submitted via email to [administration@wvwd.org](mailto:administration@wvwd.org). If you require additional assistance, please contact the Executive Assistant at [administration@wvwd.org](mailto:administration@wvwd.org).

**BOARD OF DIRECTORS**

Director, Dr. Clifford Young, Chair  
Director, Dr. Michael Taylor

- 1. CONVENE MEETING**
- 2. PUBLIC PARTICIPATION**

*The public may address the Board on matters within its jurisdiction. Speakers are requested to keep their comments to no more than three (3) minutes. However, the Board of Directors is prohibited by State Law to take action on items not included on the printed agenda.*

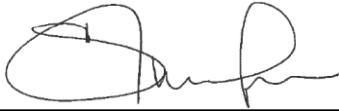
- 3. DISCUSSION ITEMS**
  - a. General Updates to Finance Committee
  - b. Chandler Presentation on Investment Performance
  - c. March Financial Reports

- d. Consider the Draft Development Impact Fee Study
- e. Investment Policy

**4. ADJOURN**

**DECLARATION OF POSTING:**

**I declare under penalty of perjury, that I am employed by the West Valley Water District and posted the foregoing Engineering, Operations and Planning Committee Agenda at the District Offices on April 9, 2021.**



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**Lizett Santoro, Executive Assistant**



**BOARD OF DIRECTORS  
FINANCE COMMITTEE  
STAFF REPORT**

**DATE:** April 14, 2021  
**TO:** Finance Committee  
**FROM:** Shamindra Manbahal, Interim General Manager  
**SUBJECT:** CASH DISBURSEMENTS REPORT - MARCH 2021

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**BACKGROUND:**

The Board of Directors requested the Monthly Cash Disbursements Report to be presented to the Finance Committee for review and discussion before presenting these reports to the Board of Directors. The reports are being produced from the District's Financial System (System of Records) and will be presented to the Finance Committee on a monthly basis.

**DISCUSSION:**

Each month, the Accounting Department provides a complete listing of all disbursements for the previous month in an effort to promote fiscal responsibility and accountability over the expenditure of public funds. This process includes providing the Finance Committee, Board of Directors and ratepayers the opportunity to review expenses for supplies, materials, services, and payroll Disbursements. Payroll is processed bi-weekly and accounts payable is processed weekly. Information to justify each payment is available through the Accounting Department. For reference, Customer Refunds are credits due as a result of closing a water account.

**FISCAL IMPACT:**

None.

**STAFF RECOMMENDATION:**

Staff recommends that this item be submitted for consideration, and that the Board of Directors approve this item and authorize the Interim General Manager to execute the necessary documents.

Respectfully Submitted,

*Shamindra Manbahal*

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Shamindra Manbahal, Interim General Manager

SM:jv

**ATTACHMENT(S):**

1. 2021 March Cash Disbursements Board Report
2. 2021 March Cash Disbursement Payroll Board Report

**MEETING HISTORY:**

04/14/21 Finance Committee REFERRED TO BOARD

**WEST VALLEY WATER DISTRICT**CASH DISBURSEMENT REPORT  
MARCH 2021

EFT/Check #	Vendor Name	Description	O & M Amount	CIP Amount
5211	ARROWHEAD UNITED WAY	Gina Bertoline	\$ 5.00	
5211	ARROWHEAD UNITED WAY	Gina Bertoline	\$ 5.00	
5212	BOOT BARN INC	SAFETY BOOTS-JOHN CARILLO	\$ 195.45	
5213	DIAMOND ENVIRONMENTAL SERVICES LLC	PORTABLE RESTROOM RENTAL-18451 VINEYARD-DEC 20	\$ 63.23	
5213	DIAMOND ENVIRONMENTAL SERVICES LLC	PORTABLE RESTROOM RENTAL-10272 CEDAR PL 2/15-3/	\$ 112.71	
5213	DIAMOND ENVIRONMENTAL SERVICES LLC	PORTABLE RESTROOM RENTAL-18451 VINEYARD 2/15-3/	\$ 112.71	
5214	EL-CO CONTRACTORS INC	FBR IX Discharge to Sewer Project	\$ 5,880.00	
5215	ENTERPRISE FLEET MANAGEMENT INC	Enterprise Lease Vehicles 02/03/21	\$ 1,034.79	
5215	ENTERPRISE FLEET MANAGEMENT INC	Enterprise Lease Vehicles 02/03/21	\$ 594.94	
5216	ERS INDUSTRIAL SERVICES INC.	FILTER SURVEILLANCE	\$ 10,130.00	
5217	FASTENAL COMPANY	MAINTENANCE SUPPLIES	\$ 133.33	
5217	FASTENAL COMPANY	VENDING MACHINE SUPPLIES	\$ 483.01	
5217	FASTENAL COMPANY	VENDING MACHINE SUPPLIES	\$ 105.69	
5217	FASTENAL COMPANY	VENDING MACHINE SUPPLIES	\$ 354.41	
5218	HASA INC.	BLF CHEMICALS	\$ 1,408.98	
5219	MCMASTER-CARR SUPPLY COMPANY	PRODUCTION SUPPLIES	\$ 118.39	
5219	MCMASTER-CARR SUPPLY COMPANY	PRODUCTION SUPPLIES	\$ 47.48	
5219	MCMASTER-CARR SUPPLY COMPANY	FBR SUPPLIES	\$ 233.00	
5219	MCMASTER-CARR SUPPLY COMPANY	WTP SUPPLIES	\$ 394.41	
5219	MCMASTER-CARR SUPPLY COMPANY	WTP SUPPLIES	\$ 494.27	
5219	MCMASTER-CARR SUPPLY COMPANY	WTP SUPPLIES	\$ 3,919.43	
5219	MCMASTER-CARR SUPPLY COMPANY	WTP SUPPLIES	\$ 108.85	
5219	MCMASTER-CARR SUPPLY COMPANY	WTP SUPPLIES	\$ 413.94	
5219	MCMASTER-CARR SUPPLY COMPANY	WTP SUPPLIES	\$ 42.85	
5219	MCMASTER-CARR SUPPLY COMPANY	METERS SUPPLIES	\$ 215.59	
5220	OFFICE SOLUTIONS BUSINESS PRODUCTS	OFFICE SUPPLIES	\$ 475.19	
5220	OFFICE SOLUTIONS BUSINESS PRODUCTS	OFFICE SUPPLIES	\$ 716.65	
5220	OFFICE SOLUTIONS BUSINESS PRODUCTS	OFFICE SUPPLIES	\$ (39.59)	
5221	RAMCO RECYCLED AGGREGATE MATERIALS	Disposal of Excavated Materials	\$ 250.00	
5222	SB VALLEY MUNICIPAL	HYDROELECTRIC STATION	\$ 331,100.00	
5222	SB VALLEY MUNICIPAL	HYDROELECTRIC STATION	\$ 34,252.79	
5223	ENGINEERING RESOURCES INC	Task Order 3 ERSC for Modifications Zone 8-3 Res.		\$ 8,837.50
5224	FAST SIGNS	HQ SIGNS	\$ 177.81	
5225	INLAND ROAD SERVICE & TIRE	UNIT 104 BLOWOUT	\$ 430.19	
5226	BOOT BARN INC	SAFETY BOOTS-CLIFF RAY	\$ 133.10	
5227	BRENTAG PACIFIC INC	Acetic Acid for FBR	\$ 12,853.80	
5228	CALIFORNIA LANDSCAPE & DESIGN INC.	Landscape Services for District	\$ 5,760.00	
5228	CALIFORNIA LANDSCAPE & DESIGN INC.	Landscape Services for District	\$ 1,540.00	
5229	CDW GOVERNMENT INC	Computer Supplies ENG Laptop HR laptop ,printers	\$ 887.60	
5229	CDW GOVERNMENT INC	Computer Supplies ENG Laptop HR laptop ,printers	\$ 1,381.82	
5229	CDW GOVERNMENT INC	Computer Supplies ENG Laptop HR laptop ,printers	\$ 324.28	
5229	CDW GOVERNMENT INC	Computer Supplies ENG Laptop HR laptop ,printers	\$ 171.94	
5229	CDW GOVERNMENT INC	Computer Supplies ENG Laptop HR laptop ,printers	\$ 1,912.11	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-BLF	\$ 13.50	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-BLF	\$ 31.50	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-BLF	\$ 13.50	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-WELLS	\$ 45.75	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-WELLS	\$ 20.75	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES	\$ 74.25	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES	\$ 15.75	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES	\$ 54.00	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES	\$ 182.25	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES	\$ 158.00	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES	\$ 257.75	

## WEST VALLEY WATER DISTRICT

CASH DISBURSEMENT REPORT  
MARCH 2021

EFT/Check #	Vendor Name	Description	O & M Amount	CIP Amount
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES	\$ 575.25	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-WELLS	\$ 42.50	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-WELLS	\$ 50.75	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES	\$ 291.00	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-WELLS	\$ 15.75	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES	\$ 128.25	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES	\$ 94.50	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-PECHLORATE	\$ 211.50	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-PECHLORATE	\$ 218.25	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-PECHLORATE	\$ 211.50	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-FBR	\$ 167.50	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-FBR	\$ 167.50	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-FBR	\$ 249.50	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-FBR	\$ 167.50	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-FBR	\$ 249.50	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-FBR	\$ 167.50	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-WELL# 6	\$ 165.75	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-WE #11	\$ 140.75	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-FBR	\$ 249.50	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-FBR	\$ 167.50	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-WTP	\$ 113.25	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-WTP	\$ 80.00	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-WTP	\$ 80.00	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-WTP	\$ 113.25	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-WTP	\$ 30.00	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-WTP	\$ 113.25	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-WTP	\$ 80.00	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-WTP	\$ 15.00	
5230	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-WTP	\$ 15.00	
5232	DC FROST ASSOCIATES INC	UV reactor parts	\$ 473.23	
5232	DC FROST ASSOCIATES INC	UV reactor parts	\$ 67.69	
5232	DC FROST ASSOCIATES INC	UV reactor parts	\$ 109.17	
5232	DC FROST ASSOCIATES INC	UV reactor parts	\$ 2,737.15	
5232	DC FROST ASSOCIATES INC	UV reactor parts	\$ 493.39	
5233	GARDEN INTERIORS	PLANTS MAINTENANCE-JANUARY 2021	\$ 424.00	
5233	GARDEN INTERIORS	PLANTS MAINTENANCE-FEBRUARY 2021	\$ 424.00	
5234	HILLTOP GEOTECHNICAL, INC.	Compaction Testing	\$ 4,400.00	
5235	JONATHAN BARFIELD	D2 CERTIFICATION	\$ 60.00	
5236	KRUEGER, WILLIAM E	SAFETY BOOTS	\$ 200.00	
5237	LIEBERT CASSIDY WHITMORE	LEGAL FEES JANUARY 2021	\$ 1,880.00	
5238	MAGNETROL INTERNATIONAL, INC.	Replace Latch on level control	\$ 258.61	
5239	MCMaster-CARR SUPPLY COMPANY	ROEMER SUPPLIES	\$ 493.38	
5239	MCMaster-CARR SUPPLY COMPANY	ROEMER SUPPLIES	\$ 236.51	
5239	MCMaster-CARR SUPPLY COMPANY	ROEMER SUPPLIES	\$ 107.34	
5239	MCMaster-CARR SUPPLY COMPANY	ROEMER SUPPLIES	\$ 184.95	
5239	MCMaster-CARR SUPPLY COMPANY	ROEMER SUPPLIES	\$ 477.75	
5239	MCMaster-CARR SUPPLY COMPANY	ROEMER SUPPLIES	\$ 50.38	
5239	MCMaster-CARR SUPPLY COMPANY	ROEMER SUPPLIES	\$ 316.47	
5239	MCMaster-CARR SUPPLY COMPANY	ROEMER SUPPLIES	\$ 62.31	
5239	MCMaster-CARR SUPPLY COMPANY	ROEMER SUPPLIES	\$ 247.78	
5239	MCMaster-CARR SUPPLY COMPANY	ROEMER SUPPLIES	\$ 98.41	
5239	MCMaster-CARR SUPPLY COMPANY	ROEMER SUPPLIES	\$ 384.99	
5239	MCMaster-CARR SUPPLY COMPANY	ROEMER SUPPLIES	\$ 497.94	
5240	NAVARRO, NOVITA TESSA	STALE DATED CK8704 REISSUE	\$ 3.99	

## WEST VALLEY WATER DISTRICT

CASH DISBURSEMENT REPORT  
MARCH 2021

EFT/Check #	Vendor Name	Description	O & M Amount	CIP Amount
5241	NAVARRO, RALPH	REISSUE STALE DATED CK#8725	\$ 50.00	
5242	RAMCO RECYCLED AGGREGATE MATERIALS	Type 2 Base for Backfill	\$ 123.74	
5242	RAMCO RECYCLED AGGREGATE MATERIALS	Type 2 Base for Backfill	\$ 35.34	
5242	RAMCO RECYCLED AGGREGATE MATERIALS	Disposal of Excavated Materials	\$ 375.00	
5242	RAMCO RECYCLED AGGREGATE MATERIALS	Disposal of Excavated Materials	\$ 125.00	
5243	RETROTEL INC	Cisco 8841 IP Phone- New	\$ 2,064.53	
5244	ROB KATHERMAN CONSULTING	Professional Consulting Services		\$ 3,655.00
5245	SAFETY COMPLIANCE COMPANY	FIELD SAFETY MTG 2/23/21	\$ 225.00	
5246	SAMBA HOLDINGS INC	DRIVER MONITORING-FEB 2021	\$ 99.45	
5247	SHARP EXTERMINATOR COMPANY	DISTRICT MAINTENANCE-FEB 2021	\$ 185.00	
5248	SUEZ WTS ANALYTICAL INSTRUMENTS INC	PM Contract for TOC Analytical Instrument at OPR	\$ 616.33	
5248	SUEZ WTS ANALYTICAL INSTRUMENTS INC	PM Contract for TOC Analytical Instrument at OPR	\$ 4,848.75	
5248	SUEZ WTS ANALYTICAL INSTRUMENTS INC	1st Year C+ Warranty/PM on TOC Meter	\$ 4,491.02	
5249	VULCAN MATERIALS COMPANY	Temporary Asphalt	\$ 744.85	
5249	VULCAN MATERIALS COMPANY	Temporary Asphalt	\$ 694.82	
5250	ABF PRINTS INC	LETTERHEAD	\$ 296.31	
5250	ABF PRINTS INC	OFFICE SUPPLIES	\$ 337.80	
5251	CARRILLO, JOHN	D3 CERTIFICATION	\$ 100.00	
5252	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-BLF	\$ 320.75	
5252	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-BLF	\$ 13.50	
5252	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-WELLS	\$ 20.75	
5252	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-WELLS	\$ 135.75	
5252	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-WELLS	\$ 93.25	
5252	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES	\$ 12.50	
5252	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-WELLS	\$ 105.75	
5252	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-WELLS	\$ 93.25	
5252	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-WELLS	\$ 75.75	
5252	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-WELLS	\$ 75.75	
5252	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES	\$ 47.25	
5252	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES	\$ 40.50	
5252	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES	\$ 182.25	
5252	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES	\$ 74.25	
5252	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES	\$ 54.00	
5252	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-PECHLORATE	\$ 75.75	
5252	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-FBR	\$ 249.50	
5252	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-FBR	\$ 167.50	
5252	CLINICAL LAB OF SAN BERNARDINO INC	LAB FEES-WTP	\$ 30.00	
5253	DIAMOND ENVIRONMENTAL SERVICES LLC	RESTROOM RENTAL-10272 CEDAR PL	\$ 117.24	
5253	DIAMOND ENVIRONMENTAL SERVICES LLC	RESTROOM RENTAL	\$ 117.24	
5254	ENGINEERING RESOURCES INC	Task Order 3 ERSC for Modifications Zone 8-3 Res.		\$ 7,882.00
5255	FASTENAL COMPANY	MAINTENANCE SUPPLIES	\$ 106.34	
5255	FASTENAL COMPANY	SHOP SUPPLIES	\$ 464.29	
5255	FASTENAL COMPANY	VEHICLE MAINTENANCE	\$ 79.42	
5256	HACH COMPANY	Roemer Alkalinity Analyser		\$ 22,285.67
5257	HASA INC.	CHEMICALS-WELL#1	\$ 288.84	
5257	HASA INC.	CHEMICALS-WELL#5	\$ 105.67	
5257	HASA INC.	CHEMICALS-WELL#24	\$ 147.94	
5257	HASA INC.	CHEMICALS-WELL#54	\$ 169.08	
5257	HASA INC.	CHEMICALS-WELL#24	\$ 77.49	
5257	HASA INC.	CHEMICALS-WELL#1	\$ 130.94	
5257	HASA INC.	CHEMICALS-WELL#30	\$ 119.76	
5257	HASA INC.	CHEMICALS-BLF	\$ 789.03	
5257	HASA INC.	CHEMICALS-WELL #42	\$ 253.62	
5257	HASA INC.	CHEMICALS-WTP	\$ 1,834.63	

**WEST VALLEY WATER DISTRICT**CASH DISBURSEMENT REPORT  
MARCH 2021

<b>EFT/Check #</b>	<b>Vendor Name</b>	<b>Description</b>	<b>O &amp; M Amount</b>	<b>CIP Amount</b>
5257	HASA INC.	CHEMICALS-WTP	\$ 3,945.14	
5258	INFOSEND INC	Blanket Order Printing for CS Bills and Notices	\$ 2,299.48	
5258	INFOSEND INC	Blanket Order Printing for CS Bills and Notices	\$ 2,095.45	
5258	INFOSEND INC	Blanket Order Printing for CS Bills and Notices	\$ 6,771.08	
5258	INFOSEND INC	Blanket Order Printing for CS Bills and Notices	\$ 6,178.26	
5259	LAW OFFICES OF GLENN WARD CALSADA	Professional Services - Legal	\$ 15,157.90	
5260	LOS ANGELES COUNTY PUBLIC SAFETY	COVID 19 MGMT CONSULTING SVCS-JUNE 2020	\$ 7,290.00	
5261	MCMASTER-CARR SUPPLY COMPANY	ROEMER SUPPLIES	\$ 308.92	
5261	MCMASTER-CARR SUPPLY COMPANY	ROEMER SUPPLIES	\$ 214.91	
5261	MCMASTER-CARR SUPPLY COMPANY	ROEMER SUPPLIES	\$ 420.45	
5262	OFFICE SOLUTIONS BUSINESS PRODUCTS	OFFICE SUPPLIES	\$ 499.74	
5263	Q AIR-CALIFORNIA	Air Compressor and Blower PM Contract for OPR	\$ 2,416.14	
5264	RAMCO RECYCLED AGGREGATE MATERIALS	Type 2 Base for Backfill	\$ 116.57	
5264	RAMCO RECYCLED AGGREGATE MATERIALS	Disposal of Excavated Materials	\$ 125.00	
79523	ACWA /JPIA	COBRA PAYMENTS	\$ 3,085.41	
79523	ACWA /JPIA	DELTACARE DENTAL PPO	\$ 431.54	
79523	ACWA /JPIA	HEALTH INSURANCE	\$ 7,933.86	
79523	ACWA /JPIA	VISION	\$ 86.05	
79523	ACWA /JPIA	DELTACARE DENTAL HMO	\$ 851.49	
79523	ACWA /JPIA	DELTACARE DENTAL PPO	\$ 6,084.76	
79523	ACWA /JPIA	EMPLOYEE ASSISTANCE PROGRAM	\$ 178.50	
79523	ACWA /JPIA	HEALTH INSURANCE	\$ 125,290.19	
79523	ACWA /JPIA	VISION	\$ 1,290.75	
79523	ACWA /JPIA	DELTACARE DENTAL PPO	\$ 128.10	
79523	ACWA /JPIA	EMPLOYEE ASSISTANCE PROGRAM	\$ 2.38	
79523	ACWA /JPIA	HEALTH INSURANCE	\$ 2,181.96	
79523	ACWA /JPIA	VISION	\$ 17.21	
79523	ACWA /JPIA	EE ADJUSTMENTS	\$ 6,279.89	
79523	ACWA /JPIA	RETIREE - HEALTH	\$ 25,673.09	
79523	ACWA /JPIA	RETIREE - DENTAL	\$ 1,544.47	
79523	ACWA /JPIA	RETIREE - VISION	\$ 516.30	
79523	ACWA /JPIA	EE ADJUSTMENTS	\$ 2.38	
79524	AMAZON.COM SALES INC	Computer Supplies Scanners admin	\$ 25.85	
79524	AMAZON.COM SALES INC	Computer Supplies Scanners admin	\$ 861.98	
79524	AMAZON.COM SALES INC	Computer Supplies Scanners admin	\$ 490.08	
79525	AT&T	CIRCUIT LINES-2/19/21-3/18/21	\$ 881.82	
79525	AT&T	CIRCUIT LINES-2/19/21-3/18/21	\$ 21.61	
79525	AT&T	OFFICE LINES	\$ 1,185.93	
79526	CINTAS CORPORATION	Vehicle/Bathroom/Office Elecstat Cleaning 02/11/21	\$ 1,501.70	
79526	CINTAS CORPORATION	Vehicle/Bathroom/Office Elecstat Cleaning 02/18/21	\$ 1,336.80	
79527	CITY OF RIALTO	UTILITY USER TAX FEB 2021	\$ 45,826.44	
79527	CITY OF RIALTO	UTILITY USER TAX FEB 2021	\$ (179.81)	
79528	CITY OF SAN BERNARDINO	BLF WATER 1/11/21-2/08/21	\$ 34.30	
79529	COLONIAL SUPPLEMENTAL INSURANCE	COLONIAL	\$ 786.67	
79529	COLONIAL SUPPLEMENTAL INSURANCE	COLONIAL	\$ 263.77	
79529	COLONIAL SUPPLEMENTAL INSURANCE	COLONIAL	\$ 786.56	
79529	COLONIAL SUPPLEMENTAL INSURANCE	COLONIAL	\$ 263.71	
79530	DIGITAL IMAGE SOLUTIONS, LLC	COPIER MAINT 1/14/21-2/13/21	\$ 2.10	
79531	FAST SERVICE	CUSTOMER SERVICES-FEB 2021	\$ 273.00	
79532	GARDA CL WEST INC	ARMORED TRANSPORT-JAN 2021	\$ 8.96	
79533	GOMEZ, LUIS	D3 EXAM FEES	\$ 100.00	
79534	GRAINGER INC	PRODUCTION SUPPLIES	\$ 114.95	
79535	INLAND DESERT SECURITY	ANSWERING SERVICE RM3424-JAN 2021	\$ 299.00	
79535	INLAND DESERT SECURITY	ANSWERING SERVICE RM3422-FEB 2021	\$ 555.90	



**WEST VALLEY WATER DISTRICT**CASH DISBURSEMENT REPORT  
MARCH 2021

<b>EFT/Check #</b>	<b>Vendor Name</b>	<b>Description</b>	<b>O &amp; M Amount</b>	<b>CIP Amount</b>
79535	INLAND DESERT SECURITY	ANSWERING SERVICE RM3424-FEB 2021	\$ 279.00	
79536	JOHNSON'S HARDWARE INC	PRODUCTION SUPPLIES	\$ 26.88	
79536	JOHNSON'S HARDWARE INC	PRODUCTION SUPPLIES	\$ 8.19	
79536	JOHNSON'S HARDWARE INC	PRODUCTION SUPPLIES	\$ 38.76	
79536	JOHNSON'S HARDWARE INC	PRODUCTION SUPPLIES	\$ 43.08	
79536	JOHNSON'S HARDWARE INC	PRODUCTION SUPPLIES	\$ 13.65	
79536	JOHNSON'S HARDWARE INC	MAINTENANCE SUPPLIES	\$ 63.71	
79536	JOHNSON'S HARDWARE INC	METERS SUPPLIES	\$ 64.79	
79536	JOHNSON'S HARDWARE INC	SHOP SUPPLIES	\$ 46.73	
79537	LEGAL SHIELD	LEGALSHIELD	\$ 291.51	
79537	LEGAL SHIELD	LEGALSHIELD	\$ 291.49	
79538	LOWES	WTP SUPPLIES	\$ 31.29	
79539	MUTUAL OF OMAHA INSURANCE COMPANY	AD&D	\$ 0.70	
79539	MUTUAL OF OMAHA INSURANCE COMPANY	DEPENDENT LIFE	\$ 4.80	
79539	MUTUAL OF OMAHA INSURANCE COMPANY	LIFE INSURANCE	\$ 13.95	
79539	MUTUAL OF OMAHA INSURANCE COMPANY	LONG TERM DISABILITY	\$ 21.27	
79539	MUTUAL OF OMAHA INSURANCE COMPANY	AD&D	\$ 88.53	
79539	MUTUAL OF OMAHA INSURANCE COMPANY	DEPENDENT LIFE	\$ 75.60	
79539	MUTUAL OF OMAHA INSURANCE COMPANY	LIFE INSURANCE	\$ 1,768.80	
79539	MUTUAL OF OMAHA INSURANCE COMPANY	LONG TERM DISABILITY	\$ 2,598.42	
79539	MUTUAL OF OMAHA INSURANCE COMPANY	EE ADJUSTMENTS	\$ (60.25)	
79539	MUTUAL OF OMAHA INSURANCE COMPANY	EMPLOYEE AFTER-TAX	\$ 1,081.30	
79539	MUTUAL OF OMAHA INSURANCE COMPANY	EMPLOYEE AFTER-TAX	\$ 684.00	
79540	NETWORK	Network Fleet Service 02/16/21	\$ 3,847.08	
79541	O'REILLY AUTO PARTS	FOR PRESSURE WASHER TRAILER	\$ 62.35	
79542	PACK N MAIL	CUSTOMER SERVICES-JAN 2021 BAL	\$ 1.00	
79542	PACK N MAIL	CUSTOMER SERVICES-FEB 2021	\$ 218.00	
79543	QUADIENT FINANCE USA INC	POSTAGE METER RENTAL	\$ 359.82	
79544	QUINN COMPANY	PRODUCTION SUPPLIES	\$ 402.31	
79545	RIALTO WATER SERVICES	HQ WATER 1/20/21-2/17/21	\$ 118.44	
79545	RIALTO WATER SERVICES	WTP SEWER-12/31/20-01/31/21	\$ 67.17	
79546	SIGNATURE PAINTING INC.	Painting of Office	\$ 820.00	
79547	SO CAL LOCKSMITH / MARY K DUNSMORE	SHOP SUPPLIES	\$ 67.71	
79548	SO CALIFORNIA EDISON	ELECTRICITY VARIOUS LOCATIONS	\$ 33,798.19	
79548	SO CALIFORNIA EDISON	ELECTRICITY VARIOUS LOCATIONS	\$ 40,590.28	
79548	SO CALIFORNIA EDISON	ELECTRICITY VARIOUS LOCATIONS	\$ 6,436.47	
79548	SO CALIFORNIA EDISON	SO END SHOP ELECTRIC	\$ 81.85	
79548	SO CALIFORNIA EDISON	WELL #22 ELECTRIC	\$ 13.23	
79548	SO CALIFORNIA EDISON	WELL#17 / COUNTRY CLUB ELECTRICITY	\$ 2,144.98	
79548	SO CALIFORNIA EDISON	ELECTRICITY VARIOUS LOCATIONS	\$ 3,641.33	
79548	SO CALIFORNIA EDISON	WELL#17 / COUNTRY CLUB ELECTRICITY	\$ 1,453.13	
79548	SO CALIFORNIA EDISON	ELECTRICITY VARIOUS LOCATIONS	\$ 3,885.12	
79548	SO CALIFORNIA EDISON	ELECTRICITY VARIOUS LOCATIONS	\$ 4,808.23	
79548	SO CALIFORNIA EDISON	WELL #11X ELECTRIC	\$ 49.96	
79548	SO CALIFORNIA EDISON	WELL #6 ELECTRIC	\$ 8,814.40	
79548	SO CALIFORNIA EDISON	ELECTRICITY VARIOUS LOCATIONS	\$ 2,171.13	
79548	SO CALIFORNIA EDISON	ELECTRICITY VARIOUS LOCATIONS	\$ 155.64	
79548	SO CALIFORNIA EDISON	ELECTRICITY VARIOUS LOCATIONS	\$ 2,607.30	
79550	THE GAS COMPANY	HQ GAS BILL	\$ 290.38	
79551	TIME WARNER CABLE	CABLE/INTERNET	\$ 303.55	
79552	TOTAL PLAN OF THE INLAND EMPIRE	Desk for Roemer's new office	\$ 716.54	
79552	TOTAL PLAN OF THE INLAND EMPIRE	LABOR COST FOR PO#21-0333	\$ 50.00	
79553	USA BLUEBOOK	PRODUCTION SUPPLIES	\$ 161.81	
79553	USA BLUEBOOK	WTR QLTY SUPPLIES	\$ 272.48	

**WEST VALLEY WATER DISTRICT**CASH DISBURSEMENT REPORT  
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<b>EFT/Check #</b>	<b>Vendor Name</b>	<b>Description</b>	<b>O &amp; M Amount</b>	<b>CIP Amount</b>
79553	USA BLUEBOOK	WTP SUPPLIES	\$ 477.78	
79553	USA BLUEBOOK	WTP SUPPLIES	\$ 507.07	
79553	USA BLUEBOOK	WTP SUPPLIES	\$ 415.12	
79553	USA BLUEBOOK	WTP SUPPLIES	\$ 518.87	
79554	VERIZON WIRELESS PHONES	CELL PHONES/IPADS/INTERNET	\$ 4,292.56	
79554	VERIZON WIRELESS PHONES	CELL PHONES	\$ 51.45	
79554	VERIZON WIRELESS PHONES	CELL PHONES/IPADS/INTERNET	\$ 1,310.55	
79555	YO FIRE	WTR QLTY SUPPLIES	\$ 413.76	
79555	YO FIRE	WTR QLTY SUPPLIES	\$ 206.88	
79556	ALL PRO ENTERPRISES INC.	Bathroom Paper Goods Blanket	\$ 283.48	
79557	AMAZON.COM SALES INC	Hydrant Diffuser	\$ 1,080.05	
79557	AMAZON.COM SALES INC	FBR-FURNITURE	\$ 416.72	
79557	AMAZON.COM SALES INC	METERS SHOP SUPPLIES	\$ 24.77	
79557	AMAZON.COM SALES INC	METERS SHOP SUPPLIES	\$ 354.50	
79557	AMAZON.COM SALES INC	SHOP SUPPLIES	\$ 41.39	
79557	AMAZON.COM SALES INC	OFFICE SUPPLIES	\$ 295.90	
79557	AMAZON.COM SALES INC	OFFICE SUPPLIES	\$ 95.98	
79557	AMAZON.COM SALES INC	OFFICE SUPPLIES	\$ 101.08	
79557	AMAZON.COM SALES INC	OFFICE SUPPLIES	\$ 107.96	
79557	AMAZON.COM SALES INC	OFFICE SUPPLIES	\$ 73.98	
79557	AMAZON.COM SALES INC	OFFICE SUPPLIES	\$ 148.90	
79557	AMAZON.COM SALES INC	OFFICE SUPPLIES	\$ 49.30	
79557	AMAZON.COM SALES INC	OFFICE SUPPLIES	\$ 445.07	
79557	AMAZON.COM SALES INC	DISTRICT MAINTENANCE	\$ 161.08	
79557	AMAZON.COM SALES INC	75 in Display system Administration	\$ 49.55	
79557	AMAZON.COM SALES INC	75 in Display system Administration	\$ 120.13	
79557	AMAZON.COM SALES INC	75 in Display system Administration	\$ 177.78	
79557	AMAZON.COM SALES INC	75 in Display system Administration	\$ 188.51	
79557	AMAZON.COM SALES INC	75 in Display system Administration	\$ 1,292.94	
79557	AMAZON.COM SALES INC	75 in Display system Administration	\$ 83.98	
79557	AMAZON.COM SALES INC	75 in Display system Administration	\$ 723.89	
79557	AMAZON.COM SALES INC	75 in Display system Administration	\$ 607.71	
79557	AMAZON.COM SALES INC	75 in Display system Administration	\$ 323.23	
79557	AMAZON.COM SALES INC	75 in Display system Administration	\$ 160.18	
79557	AMAZON.COM SALES INC	75 in Display system Administration	\$ 966.51	
79557	AMAZON.COM SALES INC	75 in Display system Administration	\$ 64.60	
79557	AMAZON.COM SALES INC	75 in Display system Administration	\$ 137.83	
79557	AMAZON.COM SALES INC	SAFETY SUPPLIES-COVID	\$ 117.91	
79557	AMAZON.COM SALES INC	SAFETY SUPPLIES	\$ 228.32	
79558	AQUA-METRIC SALES CO	MXUs for Inventory 02/02/21	\$ 24,874.25	
79558	AQUA-METRIC SALES CO	MXUs for Inventory 02/09/21	\$ 24,874.25	
79558	AQUA-METRIC SALES CO	MXUs for Inventory 02/03/21	\$ 24,874.25	
79559	AT&T	WTP TELEMETRY LINE	\$ 83.02	
79559	AT&T	WTP FIRE SVC-2/22/21-3/21/21	\$ 127.48	
79560	AT&T LONG DISTANCE	WTP LONG DISTANCE	\$ 24.14	
79561	AUTOMATED GATE SERVICES INC	DISTRICT MAINTENANCE	\$ 375.00	
79562	BURRTEC WASTE INDUSTRIES INC	WTP DISPOSAL FEES-FEB 2021	\$ 254.01	
79562	BURRTEC WASTE INDUSTRIES INC	DISPOSAL FEES-FEB 2021	\$ 693.19	
79563	CINTAS CORPORATION	JANITORIAL SERVICES	\$ 150.85	
79564	CLIFTON LARSON ALLEN	Profesional Services- Monthly Treasurer's Report	\$ 2,625.00	
79565	COLTON PUBLIC UTILITIES	WELL 18A ELECTRIC-01/26/21-02/24/21	\$ 339.70	
79566	CORE & MAIN LP	Inventory-Stock Order 02/01/21	\$ 23.71	
79566	CORE & MAIN LP	Inventory-Stock Order 02/01/21	\$ 3,195.13	
79566	CORE & MAIN LP	Inventory-Stock Order 02/01/21	\$ 1,338.40	

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79566	CORE & MAIN LP	Inventory-Stock Order 02/01/21	\$ 1,178.18	
79566	CORE & MAIN LP	Inventory-Stock Order 02/01/21	\$ 7,960.25	
79566	CORE & MAIN LP	Inventory-Stock Order 02/01/21	\$ 60.34	
79566	CORE & MAIN LP	Inventory-Stock Order 02/01/21	\$ 10,064.52	
79566	CORE & MAIN LP	Inventory-Stock Order 02/01/21	\$ 34.26	
79567	INLAND EMPIRE UTILITIES AGENCY	SERVICE 01/01/21-01/31/21	\$ 4,745.80	
79568	ISMAEL IBARRA	FRAME FOR VAN'S OFFICE	\$ 240.00	
79569	JOHNSON'S HARDWARE INC	MAINTENANCE SUPPLIES	\$ 103.70	
79570	LOWES	MAINTENANCE SUPPLIES	\$ 50.06	
79571	RIALTO WATER SERVICES	FBR-WELLHEAD TRTMT DISCHARGE	\$ 67.17	
79572	SO CAL LOCKSMITH / MARY K DUNSMORE	KEYS FOR VEHICLES	\$ 107.73	
79573	SO CALIFORNIA EDISON	ELECTRIC BILL VARIOUS LOCATIONS	\$ 38,823.55	
79573	SO CALIFORNIA EDISON	ELECTRIC BILL VARIOUS LOCATIONS	\$ 53,173.83	
79573	SO CALIFORNIA EDISON	ELECTRIC BILL VARIOUS LOCATIONS	\$ 4,302.69	
79573	SO CALIFORNIA EDISON	ELECTRIC BILL VARIOUS LOCATIONS	\$ 12,866.78	
79573	SO CALIFORNIA EDISON	ELECTRIC BILL VARIOUS LOCATIONS	\$ 8,872.81	
79573	SO CALIFORNIA EDISON	ELECTRIC BILL VARIOUS LOCATIONS	\$ 1,315.32	
79573	SO CALIFORNIA EDISON	ELECTRIC BILL VARIOUS LOCATIONS	\$ 151.99	
79573	SO CALIFORNIA EDISON	ELECTRIC BILL VARIOUS LOCATIONS	\$ 2,442.09	
79573	SO CALIFORNIA EDISON	ELECTRIC BILL VARIOUS LOCATIONS	\$ 2,810.96	
79574	ULINE	ADMIN OFFICE FURNITURE	\$ 520.48	
79601	ACWA /JPIA	COBRA PAYMENTS	\$ (3,392.07)	
79601	ACWA /JPIA	DELTACARE DENTAL PPO	\$ 431.54	
79601	ACWA /JPIA	HEALTH INSURANCE	\$ 7,933.86	
79601	ACWA /JPIA	VISION	\$ 86.05	
79601	ACWA /JPIA	DELTACARE DENTAL HMO	\$ 741.41	
79601	ACWA /JPIA	DELTACARE DENTAL PPO	\$ 6,270.24	
79601	ACWA /JPIA	EMPLOYEE ASSISTANCE PROGRAM	\$ 176.12	
79601	ACWA /JPIA	HEALTH INSURANCE	\$ 126,639.97	
79601	ACWA /JPIA	VISION	\$ 1,273.54	
79601	ACWA /JPIA	EE ADJUSTMENTS	\$ 1,443.79	
79601	ACWA /JPIA	HEALTH INSURANCE	\$ 697.92	
79601	ACWA /JPIA	DELTACARE PPO	\$ 35.36	
79601	ACWA /JPIA	VISION	\$ 17.21	
79601	ACWA /JPIA	EMPLOYEE ASSISTANCE PROGRAM	\$ 2.38	
79601	ACWA /JPIA	RETIREE - HEALTH	\$ 26,133.36	
79601	ACWA /JPIA	RETIREE - DENTAL	\$ 1,613.73	
79601	ACWA /JPIA	RETIREE - VISION	\$ 516.30	
79602	Andrews, Paul B	REISSUE STALE DATED CK#8533	\$ 50.00	
79603	AT&T	TELEMETRY LINE	\$ 67.70	
79604	AT&T INTERNET	INTERNET SVCS-3/7/21-4/6/21	\$ 100.94	
79605	AT&T MOBILITY	CELL PHONES-MAR 02-APRIL 01	\$ 23.64	
79606	AUTOMATED GATE SERVICES INC	HQ GATE REPAIR	\$ 258.50	
79607	CINTAS CORPORATION	JANITORIAL SERVICES	\$ 248.18	
79608	CITY OF SAN BERNARDINO	LYTLE CREEK STREAMFLOW-FEB 2021	\$ 21,016.15	
79609	DIGITAL IMAGE SOLUTIONS, LLC	COPIER MAINTENANCE-2/5/21-3/4/21	\$ 282.96	
79609	DIGITAL IMAGE SOLUTIONS, LLC	COPIER MAINTENANCE-2/14/21-3/13/21	\$ 0.53	
79610	FMB TRUCK OUTFITTERS, INC.	MAINTENANCE EQUIPMENT	\$ 430.95	
79610	FMB TRUCK OUTFITTERS, INC.	Light bar and Tool box for unit 243	\$ 3,658.90	
79611	FONTANA HERALD NEWS	ADVERTISING-PUBLIC AFFAIRS	\$ 1,560.00	
79612	GARDA CL WEST INC	ARMORED TRANSPORTATION-MARCH 2021	\$ 214.26	
79613	HARDY & HARPER	Concrete Repair Slab Work at Various Locations	\$ 4,830.00	
79614	IRS	95-6006490, September 30 2020, Form 941	\$ 14.48	
79615	JOHNSON'S HARDWARE INC	PRODUCTION SUPPLIES	\$ 34.45	

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79615	JOHNSON'S HARDWARE INC	WATER QUALITY SUPPLIES	\$ 50.24	
79615	JOHNSON'S HARDWARE INC	WATER QUALITY SUPPLIES	\$ 441.01	
79615	JOHNSON'S HARDWARE INC	WTR QUALITY SUPPLIES-RETURNS	\$ (2.14)	
79615	JOHNSON'S HARDWARE INC	WATER QUALITY SUPPLIES	\$ 23.67	
79615	JOHNSON'S HARDWARE INC	ROEMER SUPPLIES	\$ 13.93	
79615	JOHNSON'S HARDWARE INC	MAINTENANCE SUPPLIES	\$ 24.09	
79615	JOHNSON'S HARDWARE INC	VEHICLE MAINTENANCE SUPPLIES	\$ 27.96	
79616	KONICA MINOLTA BUSINESS SOLUTIONS USA INC	COPIER MAINTENANCE 1/29/21-2/25/21	\$ 426.10	
79617	LOWES	WATER QUALITY SUPPLIES	\$ 47.46	
79617	LOWES	ROEMER SUPPLIES	\$ 124.59	
79617	LOWES	MAINTENANCE SUPPLIES	\$ 261.01	
79618	MANSELL, CLARENCE	REISSUE STALE DATED CK#8705 2/13/20	\$ 274.05	
79619	MCCALLS METERS INC	Large Meter Testing	\$ 7,026.20	
79620	MUNITEMPS	OUTSIDE LABOR-PINON FINAL PMT	\$ 14,976.00	
79621	NED'S OIL SALES INC	PRODUCTION SUPPLIES	\$ 29.24	
79621	NED'S OIL SALES INC	WTR QLTY SUPPLIES	\$ 36.57	
79622	O'REILLY AUTO PARTS	VEHICLES MAINTENANCE	\$ 20.45	
79622	O'REILLY AUTO PARTS	VEHICLES MAINTENANCE	\$ 4.30	
79622	O'REILLY AUTO PARTS	VEHICLE MAINTENANCE	\$ 133.52	
79622	O'REILLY AUTO PARTS	VEHICLES MAINTENANCE	\$ 257.24	
79623	PG MECHANICAL	BACKHOE MAINTENANCE	\$ 440.00	
79624	RIALTO WATER SERVICES	WELL #16 WATER	\$ 30.42	
79625	SO CALIFORNIA EDISON	SOUTH END SHOP ELECTRICITY	\$ 77.43	
79625	SO CALIFORNIA EDISON	ROEMER ELECTRICITY-2/1/21-3/3/21	\$ 41,742.16	
79626	THE GAS COMPANY	ROEMER GAS 2/3/21-3/5/21	\$ 33.95	
79627	THERMO ELECTRON NORTH AMERICA LLC	Dionex cartidge	\$ 3,307.03	
79628	UNDERGROUND SERVICE ALERT	NEW TICKETS-USA FEES	\$ 483.55	
79628	UNDERGROUND SERVICE ALERT	USA FEES	\$ 233.11	
79629	UNION PACIFIC RAILROAD CO	APPLICATION FEE-WATERLINE PEPPER AVE		\$ 755.00
79630	UNITED STATES POSTAL SERVICE	ACCT#52900 POSTAGE	\$ 500.00	
79631	USA BLUEBOOK	Dechlorination diffuser	\$ 1,064.68	
79631	USA BLUEBOOK	ROEMER SUPPLIES	\$ 495.20	
79632	VERIZON CONNECT NWF INC	LICENSE MONTHLY SERVICE FEE-FEB2021	\$ 679.98	
79633	YO FIRE	Service Line Replacement Parts	\$ 1,088.28	
79633	YO FIRE	MAINTENANCE SUPPLIES	\$ 296.31	
79633	YO FIRE	SHOP SUPPLIES	\$ 31.40	
79634	COUNTY CLERK OF THE BOARD OF SUPERVISORS	NOTICE OF EXEMPTION FOR WELL 18A PIPE BLENDING	\$ 50.00	
79650	ALL PRO ENTERPRISES INC.	Monthly Janitorial Services FY 20-21	\$ 350.00	
79650	ALL PRO ENTERPRISES INC.	Monthly Janitorial Services FY 20-21	\$ 2,797.24	
79650	ALL PRO ENTERPRISES INC.	Monthly Janitorial Services FY 20-21	\$ 1,341.36	
79651	AMAZON.COM SALES INC	METERS SUPPLIES	\$ 354.50	
79651	AMAZON.COM SALES INC	OFFICE SUPPLIES	\$ 36.68	
79651	AMAZON.COM SALES INC	DISTRICT MAINTENANCE	\$ 365.75	
79651	AMAZON.COM SALES INC	VEHICLE MAINTENANCE SUPPLIES	\$ 282.35	
79652	AT&T	OFFICE LINES-3/13/21-4/12/21	\$ 588.81	
79652	AT&T	OFFICE LINES	\$ 1,126.99	
79653	CALIFORNIA SPECIAL DIST ASSOC	VIRTUAL WORKSHOP-2/6/21	\$ 1,500.00	
79654	CEMEX INC	Sand for Backfills	\$ 108.65	
79655	CHAMBERLAYNEPR	Professional Services Communications Consultant	\$ 7,500.00	
79656	ENTERPRISE FM TRUST	Buyout of Remaining Leased Vehicles	\$ 1,552.37	
79656	ENTERPRISE FM TRUST	Buyout of Remaining Leased Vehicles	\$ 400.04	
79656	ENTERPRISE FM TRUST	Buyout of Remaining Leased Vehicles	\$ 482.19	
79656	ENTERPRISE FM TRUST	Buyout of Remaining Leased Vehicles	\$ 408.83	
79656	ENTERPRISE FM TRUST	Buyout of Remaining Leased Vehicles	\$ 471.03	

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79656	ENTERPRISE FM TRUST	Buyout of Remaining Leased Vehicles	\$ 409.20	
79656	ENTERPRISE FM TRUST	Buyout of Remaining Leased Vehicles	\$ 476.23	
79656	ENTERPRISE FM TRUST	Buyout of Remaining Leased Vehicles	\$ 1,868.40	
79657	GRAINGER INC	ROEMER SUPPLIES	\$ 243.16	
79657	GRAINGER INC	ROEMER SUPPLIES	\$ 3.12	
79657	GRAINGER INC	ROEMER SUPPLIES	\$ 259.14	
79657	GRAINGER INC	ROEMER SUPPLIES	\$ 28.83	
79658	HYDRO TEK SYSTEMS INC	DIAGNOSTIC CHARGE-MAINTENANCE	\$ 450.00	
79658	HYDRO TEK SYSTEMS INC	MAINT SUPP-NOZZLE SPRAY	\$ 309.32	
79659	INLAND EMPIRE UTILITIES AGENCY	SERVICE 09/01/20-09/30/20	\$ 4,460.80	
79660	INTERSTATE BATTERY OF	PRODUCTION SUPPLIES	\$ 48.43	
79660	INTERSTATE BATTERY OF	PRODUCTION SUPPLIES	\$ (7.00)	
79660	INTERSTATE BATTERY OF	PRODUCTION SUPPLIES	\$ 48.43	
79660	INTERSTATE BATTERY OF	PRODUCTION SUPPLIES	\$ (7.00)	
79661	JOHNSON'S HARDWARE INC	WATER TRTMT SUPPLIES	\$ 12.92	
79661	JOHNSON'S HARDWARE INC	WATER QUALITY SUPPLIES	\$ 56.30	
79661	JOHNSON'S HARDWARE INC	WATER TRTMT SUPPLIES	\$ 76.46	
79661	JOHNSON'S HARDWARE INC	ROEMER SUPPLIES	\$ 17.20	
79662	LEAL TREJO ATTORNEYS AT LAW	LEGAL FEES-SEPTEMBER 2020	\$ 231.89	
79662	LEAL TREJO ATTORNEYS AT LAW	LEGAL FEES-OCTOBER	\$ 1,056.20	
79662	LEAL TREJO ATTORNEYS AT LAW	LEGAL FEES-NOVEMBER	\$ 12,087.50	
79662	LEAL TREJO ATTORNEYS AT LAW	LEGAL FEES-DECEMBER 2020	\$ 15,105.00	
79663	LOWES	ROEMER SUPPLIES	\$ 125.29	
79663	LOWES	MAINTENANCE SUPPLIES-RETURNS	\$ (99.86)	
79663	LOWES	MAINTENANCE SUPPLIES-RETURNS	\$ (51.84)	
79663	LOWES	MAINTENANCE SUPPLIES	\$ 151.69	
79663	LOWES	MAINTENANCE SUPPLIES	\$ 194.54	
79663	LOWES	MAINTENANCE SUPPLIES	\$ 206.51	
79663	LOWES	MAINTENANCE SUPPLIES	\$ 434.97	
79663	LOWES	MAINTENANCE SUPPLIES	\$ 488.97	
79663	LOWES	MAINTENANCE SUPPLIES	\$ 46.05	
79664	NED'S OIL SALES INC	METERS SUPPLIES	\$ 10.56	
79665	O'REILLY AUTO PARTS	FBR SUPPLIES	\$ 31.80	
79666	QUADIENT FINANCE USA INC	POSTAGE METER	\$ 44.68	
79667	ROBERT D NIEHAUS INC	DEVELOPMENT FEE STUDY	\$ 2,670.00	
79668	SO CALIFORNIA EDISON	BLF ELECTRIC-01/23/21-02/23/21	\$ 107.15	
79668	SO CALIFORNIA EDISON	WELL#22 ELECTRIC-02/12/21-03/16/21	\$ 15.76	
79668	SO CALIFORNIA EDISON	WELL#17/19920 COUNTRY CLUB-2/11/21-3/15/21	\$ 199.48	
79668	SO CALIFORNIA EDISON	WELL#17/19920 COUNTRY CLUB-2/11/21-3/15/21	\$ 303.62	
79668	SO CALIFORNIA EDISON	WELL 11X ELECTRIC-02/12/21-03/16/21	\$ 55.90	
79668	SO CALIFORNIA EDISON	WELL#6 ELECTRIC-02/11/21-03/15/21	\$ 16,250.93	
79669	STATE WATER RESOURCES CONTROL BOARD	T2/D3 CERTIFICATION-LUIS GOMEZ	\$ 150.00	
79670	TAFOYA LAW GROUP APC	LEGAL SERVICES-NOVEMBER 1-18 2020	\$ 15,349.78	
79671	TAFOYA LAW GROUP APC	LEGAL SERVICES-DECEMBER 2020	\$ 14,676.67	
79672	TAFOYA LAW GROUP APC	LEGAL SERVICES-OCTOBER 2020	\$ 24,243.10	
79673	TAFOYA LAW GROUP APC	LEGAL SERVICES-MAY 2020 REPLACEMENT	\$ 34,367.30	
79674	TAFOYA LAW GROUP APC	LEGAL SERVICES-NOVEMBER 2020	\$ 4,407.80	
79675	TAFOYA LAW GROUP APC	LEGAL SERVICES-APRIL 2020 REPLACEMENT	\$ 31,966.10	
79676	THE GAS COMPANY	HQ GAS BILL	\$ 235.99	
79677	USA BLUEBOOK	WATER TRTMT SUPPLIES	\$ 413.46	
79677	USA BLUEBOOK	FBR SUPPLIES	\$ 323.89	
79677	USA BLUEBOOK	ROEMER SUPPLIES	\$ 17.88	
79678	WOODLAND PALLETS CORP	CONTINGENCY/VALVE BOX REFUNDS		\$ 240.00
79678	WOODLAND PALLETS CORP	CONTINGENCY/VALVE BOX REFUNDS		\$ 5,198.70

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79679	YO FIRE	WATER QLTY SUPPLIES	\$ 269.38	
79680	DAVID A. DE LA CRUZ	Staff All Hands Meeting Catering 03/30/21	\$ 2,710.68	
DFT0001504	US BANK-CAL CARD ( PEGGY)	MEALS/OFFICE SUPPLIES/VEHICLE MAINTENANCE	\$ 357.31	
DFT0001504	US BANK-CAL CARD ( PEGGY)	MISCELLANEOUS OFFICE/VEHICLES MAINTENANCE	\$ 256.56	
DFT0001504	US BANK-CAL CARD ( PEGGY)	MEALS/OFFICE SUPPLIES/VEHICLE MAINTENANCE	\$ 160.68	
DFT0001504	US BANK-CAL CARD ( PEGGY)	MISCELLANEOUS OFFICE/VEHICLES MAINTENANCE	\$ 245.00	
DFT0001504	US BANK-CAL CARD ( PEGGY)	MEALS/OFFICE SUPPLIES/VEHICLE MAINTENANCE	\$ 220.00	
DFT0001505	US BANK-CAL CARD (AL)	TRAINING/MEMBERSHIPS/SUPPLIES	\$ 79.00	
DFT0001505	US BANK-CAL CARD (AL)	TRAINING/MEMBERSHIPS/SUPPLIES	\$ 79.00	
DFT0001505	US BANK-CAL CARD (AL)	TRAINING/MEMBERSHIPS/SUPPLIES	\$ 79.00	
DFT0001505	US BANK-CAL CARD (AL)	TRAINING/VEHICLES/OUTREACH PROG/OFFICE SUPPLIES	\$ 358.75	
DFT0001505	US BANK-CAL CARD (AL)	TRAINING/MEMBERSHIPS/SUPPLIES	\$ 359.85	
DFT0001505	US BANK-CAL CARD (AL)	TRAINING/MEMBERSHIPS/SUPPLIES	\$ 42.39	
DFT0001505	US BANK-CAL CARD (AL)	TRAINING/VEHICLES/OUTREACH PROG/OFFICE SUPPLIES	\$ 95.00	
DFT0001505	US BANK-CAL CARD (AL)	TRAINING/MEMBERSHIPS/SUPPLIES	\$ 1,016.98	
DFT0001505	US BANK-CAL CARD (AL)	TRAINING/MEMBERSHIPS/SUPPLIES	\$ 349.99	
DFT0001505	US BANK-CAL CARD (AL)	TRAINING/MEMBERSHIPS/SUPPLIES	\$ 50.00	
DFT0001505	US BANK-CAL CARD (AL)	TRAINING/VEHICLES/OUTREACH PROG/OFFICE SUPPLIES	\$ 95.00	
DFT0001505	US BANK-CAL CARD (AL)	TRAINING/MEMBERSHIPS/SUPPLIES	\$ 95.00	
DFT0001505	US BANK-CAL CARD (AL)	TRAINING/MEMBERSHIPS/SUPPLIES	\$ 100.00	
DFT0001505	US BANK-CAL CARD (AL)	TRAINING/MEMBERSHIPS/SUPPLIES	\$ (28.50)	
DFT0001505	US BANK-CAL CARD (AL)	TRAINING/VEHICLES/OUTREACH PROG/OFFICE SUPPLIES	\$ 517.21	
DFT0001505	US BANK-CAL CARD (AL)	TRAINING/MEMBERSHIPS/SUPPLIES	\$ 804.82	
DFT0001505	US BANK-CAL CARD (AL)	TRAINING/VEHICLES/OUTREACH PROG/OFFICE SUPPLIES	\$ 494.57	
DFT0001505	US BANK-CAL CARD (AL)	TRAINING/MEMBERSHIPS/SUPPLIES	\$ 277.82	
DFT0001505	US BANK-CAL CARD (AL)	ON SITE DESTRUCTION OF BOXES	\$ 426.00	
DFT0001505	US BANK-CAL CARD (AL)	ON SITE DESTRUCTION OF BOXES	\$ 392.00	
DFT0001505	US BANK-CAL CARD (AL)	TRAINING/VEHICLES/OUTREACH PROG/OFFICE SUPPLIES	\$ 775.83	
DFT0001505	US BANK-CAL CARD (AL)	TRAINING/VEHICLES/OUTREACH PROG/OFFICE SUPPLIES	\$ 49.88	
DFT0001505	US BANK-CAL CARD (AL)	TRAINING/VEHICLES/OUTREACH PROG/OFFICE SUPPLIES	\$ 465.52	
DFT0001505	US BANK-CAL CARD (AL)	TRAINING/MEMBERSHIPS/SUPPLIES	\$ 270.00	
DFT0001505	US BANK-CAL CARD (AL)	TRAINING/MEMBERSHIPS/SUPPLIES	\$ 150.00	
DFT0001505	US BANK-CAL CARD (AL)	TRAINING/MEMBERSHIPS/SUPPLIES	\$ 760.00	
DFT0001505	US BANK-CAL CARD (AL)	TRAINING/MEMBERSHIPS/SUPPLIES	\$ 130.00	
DFT0001505	US BANK-CAL CARD (AL)	TRAINING/VEHICLES/OUTREACH PROG/OFFICE SUPPLIES	\$ 1,260.11	
DFT0001506	US BANK-CAL CARD (RICKEY)	MEALS/OUTREACH PROG/TRAINING/SAFETY	\$ 595.00	
DFT0001506	US BANK-CAL CARD (RICKEY)	MEALS/TRAINING/COMPUTER SUPP/LICENSING/AUDITIN	\$ 397.29	
DFT0001506	US BANK-CAL CARD (RICKEY)	MEALS/OUTREACH PROG/TRAINING/SAFETY	\$ 1,445.25	
DFT0001506	US BANK-CAL CARD (RICKEY)	MEALS/TRAINING/COMPUTER SUPP/LICENSING/AUDITIN	\$ 3,132.52	
DFT0001506	US BANK-CAL CARD (RICKEY)	MEALS/TRAINING/COMPUTER SUPP/LICENSING/AUDITIN	\$ 2.00	
DFT0001506	US BANK-CAL CARD (RICKEY)	MEALS/TRAINING/COMPUTER SUPP/LICENSING/AUDITIN	\$ 460.00	
DFT0001506	US BANK-CAL CARD (RICKEY)	MEALS/TRAINING/COMPUTER SUPP/LICENSING/AUDITIN	\$ 109.49	
DFT0001506	US BANK-CAL CARD (RICKEY)	MEALS/OUTREACH PROG/TRAINING/SAFETY	\$ 44.99	
DFT0001506	US BANK-CAL CARD (RICKEY)	MEALS/OUTREACH PROG/TRAINING/SAFETY	\$ 364.98	
DFT0001506	US BANK-CAL CARD (RICKEY)	MEALS/TRAINING/COMPUTER SUPP/LICENSING/AUDITIN	\$ 860.20	
DFT0001506	US BANK-CAL CARD (RICKEY)	MEALS/TRAINING/COMPUTER SUPP/LICENSING/AUDITIN	\$ 89.98	
DFT0001506	US BANK-CAL CARD (RICKEY)	MEALS/OUTREACH PROG/TRAINING/SAFETY	\$ 150.00	
DFT0001506	US BANK-CAL CARD (RICKEY)	MEALS/OUTREACH PROG/TRAINING/SAFETY	\$ 225.00	
DFT0001506	US BANK-CAL CARD (RICKEY)	MEALS/TRAINING/COMPUTER SUPP/LICENSING/AUDITIN	\$ 450.00	
DFT0001507	US BANK-CAL CARD (YOLANDA)	MISC OFFICE SUPPLIES	\$ 160.44	
DFT0001507	US BANK-CAL CARD (YOLANDA)	TRAINING/SUBSCRIPTION/MISC OFFICE/WELLNESS	\$ 1,690.49	
DFT0001507	US BANK-CAL CARD (YOLANDA)	TRAINING/SUBSCRIPTION/MISC OFFICE/WELLNESS	\$ 595.00	
DFT0001507	US BANK-CAL CARD (YOLANDA)	TRAINING/SUBSCRIPTION/MISC OFFICE/WELLNESS	\$ 313.62	
DFT0001507	US BANK-CAL CARD (YOLANDA)	TRAINING/SUBSCRIPTION/MISC OFFICE/WELLNESS	\$ 117.19	

**WEST VALLEY WATER DISTRICT**

CASH DISBURSEMENT REPORT  
 MARCH 2021

<b>EFT/Check #</b>	<b>Vendor Name</b>	<b>Description</b>	<b>O &amp; M Amount</b>	<b>CIP Amount</b>
DFT0001507	US BANK-CAL CARD (YOLANDA)	TRAINING/SUBSCRIPTION/MISC OFFICE/WELLNESS	\$ 200.00	
DFT0001540	US BANK	INTERESTS DUE	\$ 441,400.00	
DFT0001540	US BANK	INTERESTS DUE	\$ (0.07)	
SUBTOTALS			2,071,521.52	48,853.87
<b>GRAND TOTAL</b>			<b>2,120,375.39</b>	

**WEST VALLEY WATER DISTRICT  
PAYROLL GROSS WAGES  
FISCAL YEAR 2020 - 2021**

<b>Report Month</b>	<b>Description</b>	<b>From</b>	<b>To</b>	<b>Gross Wages Paid</b>
July 2020	Pay Period #14	06/13/20	06/26/20	261,597.02
July 2020	Monthly Pay Period #7	06/01/19	06/30/19	7,810.34
July 2020	Manual Check	06/27/20	07/02/19	1,706.34
July 2020	Manual Check	06/27/19	07/06/19	832.04
July 2020	Pay Period #15	06/27/20	07/10/20	272,469.48
July 2020	Pay Period #16	07/11/20	07/24/20	270,538.64
Total for July 2020				814,953.86
August 2020	Monthly Pay Period #8	07/01/20	07/31/20	6,961.39
August 2020	Pay Period #17	07/25/20	08/07/20	271,635.85
August 2020	Manual Check	08/08/20	08/20/20	42,094.20
August 2020	Manual Check	08/08/20	08/20/20	3,081.90
August 2020	Pay Period #18	08/08/20	08/21/20	271,942.01
Total for August 2020				595,715.35
September 2020	Manual Check	08/22/20	09/02/20	585.60
September 2020	Monthly Pay Period #9	08/01/20	08/30/20	6,961.39
September 2020	Pay Period #19	08/22/20	09/04/20	267,659.14
September 2020	Pay Period #20	09/05/20	09/18/20	264,909.70
September 2020	Manual Check	09/19/20	09/24/20	43,096.15
Total for September 2020				583,211.98
October 2020	Monthly Pay Period #10	09/01/20	09/30/20	8,319.71
October 2020	Pay Period #21	09/19/20	10/02/20	305,686.46
October 2020	Manual Check	09/19/20	10/21/20	55,680.19
October 2020	Pay Period #22	10/03/20	10/16/20	256,813.65
Total for October 2020				618,180.30
November 2020	Pay Period #23	10/17/20	10/30/20	284,620.77
November 2020	Monthly Pay Period #11	10/01/20	10/31/20	7,131.18
November 2020	Manual Check	10/31/19	11/06/20	2,799.42
November 2020	Pay Period #24	10/31/20	11/13/20	326,367.63
Total for November 2020				620,919.00
December 2020	Pay Period #25	11/14/20	11/27/20	262,546.12
December 2020	Monthly Pay Period #12	11/01/20	11/30/20	6,112.44
December 2020	Manual Check	11/28/20	12/09/20	3,188.80
December 2020	Pay Period #26	11/28/20	12/11/20	279,413.49
December 2020	Pay Period #27	12/12/20	12/25/20	284,514.87
Total for December 2020				835,775.72



**WEST VALLEY WATER DISTRICT  
PAYROLL GROSS WAGES  
FISCAL YEAR 2020 - 2021**

<b>Report Month</b>	<b>Description</b>	<b>From</b>	<b>To</b>	<b>Gross Wages Paid</b>
January 2021	Pay Period #1	12/25/20	01/08/21	286,690.06
January 2021	Monthly Pay Period #1	12/01/20	12/31/20	5,772.86
January 2021	Pay Period #2	01/08/21	01/22/21	288,150.80
Total for January 2021				<u>580,613.72</u>
February 2021	Monthly Pay Period #2	01/01/21	01/31/21	6,791.60
February 2021	Pay Period #3	01/23/21	02/05/21	291,287.10
February 2021	Pay Period #4	02/06/21	02/19/21	276,198.70
February 2021	Manual Check	02/06/21	02/24/21	2,261.56
February 2021	Manual Check	02/20/21	02/25/21	4,692.90
Total for February 2021				<u>581,231.86</u>
March 2021	Monthly Pay Period #3	02/01/20	02/28/20	7,300.97
March 2021	Pay Period #5	02/19/21	03/05/21	270,514.22
March 2021	Pay Period #6	03/05/21	03/19/21	268,576.61
Total for March 2021				<u>546,391.80</u>

**WEST VALLEY WATER DISTRICT  
EFT AND PAYROLL ITEMS  
MARCH 2021**

Date	Item	Check No. or EFT	Amount
03/04/21	Monthly Pay Period #3	none	600.00
03/11/21	Pay Period #5	8830	1,880.23
03/25/21	Pay Period #6		1,850.20
	<b>Total Checks</b>		<b><u>4,330.43</u></b>
03/04/21	Monthly Pay Period #3 Direct Deposits	EFT	6,170.72
03/04/21	Federal Tax Withheld Social Security & Medicare	EFT	1,614.54
03/04/21	State Tax Withheld and State Disability Insurance	EFT	74.23
03/11/21	Pay Period #5 Direct Deposits	EFT	179,071.29
03/11/21	Federal Tax Withheld Social Security & Medicare	EFT	70,012.76
03/11/21	State Tax Withheld and State Disability Insurance	EFT	15,227.25
03/11/21	Lincoln Deferred Compensation Withheld	EFT	12,294.54
03/11/21	Lincoln - Employer Match Benefit	EFT	3,150.00
03/11/21	Nationwide Deferred Compensation Withheld	EFT	2,743.22
03/11/21	Nationwide - Employer Match Benefit	EFT	700.00
03/11/21	Nationwide - 401a Employer Match Benefit	EFT	400.00
03/11/21	CalPERS Retirement - Classic (EPMC and ER contribution)	EFT	25,867.00
03/11/21	CalPERS Retirement - 2nd Tier (EE and ER contribution)	EFT	16,157.91
03/11/21	California State Disbursement	EFT	638.31
03/11/21	EDD Unemployment Benefit Charge	EFT	10,319.41
03/25/21	Pay Period #6 Direct Deposits	EFT	177,375.10
03/25/21	Federal Tax Withheld Social Security & Medicare	EFT	69,566.18
03/25/21	State Tax Withheld and State Disability Insurance	EFT	15,142.08
03/25/21	Lincoln Deferred Compensation Withheld	EFT	12,466.98
03/25/21	Lincoln - Employer Match Benefit	EFT	3,150.00
03/25/21	Nationwide Deferred Compensation Withheld	EFT	2,743.22
03/25/21	Nationwide - Employer Match Benefit	EFT	700.00
03/25/21	Nationwide - 401a Employer Match Benefit	EFT	400.00
03/25/21	CalPERS Retirement - Classic (EPMC and ER contribution)	EFT	25,406.20
03/25/21	CalPERS Retirement - 2nd Tier (EE and ER contribution)	EFT	15,931.93
03/25/21	California State Disbursement	EFT	638.31
	<b>Total EFT</b>		<b><u>667,961.18</u></b>
	<b>Grand Total Payroll Cash</b>		<b><u>672,291.61</u></b>



**BOARD OF DIRECTORS  
FINANCE COMMITTEE  
STAFF REPORT**

**DATE:** April 14, 2021  
**TO:** Finance Committee  
**FROM:** Shamindra Manbahal, Interim General Manager  
**SUBJECT:** FUNDS TRANSFER - MARCH 2021

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**BACKGROUND:**

In February 2020, Resolution No. 2020-8 was adopted authorizing the General Manager, Board President/Directors, and Chief Accountant, as authorized signers to access LAIF. Due to the limited access the CFO is unable to transfer funds from the District's general J.P. Morgan Chase account to investment accounts. This limitation restricts the District to maximize interest earnings because the CFO cannot imitate these transfers without Board approval. To maximize interest earnings, the CFO should be authorized to transfer funds between accounts as needed.

At the August 20, 2020 Board of Directors meeting, WVWD Board of Directors approve and authorize the Chief Financial Officer to transfer funds in/out of the District's Chase account to/from the District's investment accounts to take advantage of potential interest earnings. At this meeting the WVWD Board also requested that the CFO provides a detailed report to the Board of all transfers on a monthly basis and include this report in the monthly financial reports presented to the Board.

**FISCAL IMPACT:**

Potential interest earnings on funds invested/transferred.

**STAFF RECOMMENDATION:**

Staff recommends that this item be submitted for consideration, and that the Board of Directors approve this item and authorize the Interim General Manager to execute the necessary documents.

Respectfully Submitted,

*Shamindra Manbahal*

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Shamindra Manbahal, Interim General Manager

SM:jv

**ATTACHMENT(S):**

1. 2021 March Funds Transfer Report

**MEETING HISTORY:**

04/14/21 Finance Committee REFERRED TO BOARD

**Fund Transfer Detail March 2021**

Date	Beginning Balances	Amount
3/11/201	Chase Gen Checking	3,837,241.44
3/11/201	Cal Trust Medium Term	10,940,353.79
3/12/2021	LAIF	10,345,807.85

Date	Transfers	Amount
3/11/2021	Cal Trust Medium Term → Chase Gen Checking	10,940,353.79
3/12/2021	Chase Gen Checking → LAIF	10,000,000.00

Date	**Ending Balances (After Transfers)	Amount
3/31/2021	Chase Gen Checking	4,372,375.29
3/31/2021	Cal Trust Medium Term	1,988.02
3/31/2021	LAIF	20,345,807.85

*\*\*Ending balances may include other credits/deposits besides transfer amounts.*



**BOARD OF DIRECTORS  
FINANCE COMMITTEE  
STAFF REPORT**

**DATE:** April 14, 2021  
**TO:** Finance Committee  
**FROM:** Shamindra Manbahal, Interim General Manager  
**SUBJECT:** TREASURER'S REPORT - MARCH 2021

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**DISCUSSION:**

West Valley Water District ("District") engaged the Clifton Larson Allen LLP to prepare West Valley Water District's (WVWD) Investment report on a monthly basis. The District's investment policy is in uniformity with the State of California's Local Agency Investment Guidelines (Government Code Section 53601(b)). Report for the Month of March 2021 is presented to the Finance Committee for discussion.

**FISCAL IMPACT:**

None. Monthly Cost of \$2,625 was included in the FY 20-21 annual budget.

**STAFF RECOMMENDATION:**

Staff recommends that this item be submitted for consideration, and that the Board of Directors approve this item and authorize the Interim General Manager to execute the necessary documents.

Respectfully Submitted,

*Shamindra Manbahal*

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Shamindra Manbahal, Interim General Manager

SM:jv

**ATTACHMENT(S):**

1. 2021 March Treasurer Report

**MEETING HISTORY:**

04/14/21 Finance Committee REFERRED TO BOARD

West Valley Water District  
Cash, Investment & Reserve Balances - March 31, 2021

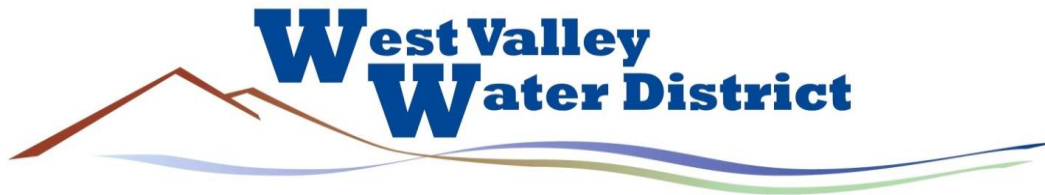
Institution/Investment Type	February 2021 Balance	March 2021 Balance	RESERVE ACCOUNT	Minimum Balance	Target Balance	Maximum Balance
<b>Funds Under Control of the District:</b>			<b>RESTRICTED FUNDS</b>			
District Cash Drawers	\$ 4,300.00	\$ 4,300.00	2016A Bond	\$ 441,400.28	\$ 441,400.28	\$ 441,400.28
	<b>\$ 4,300.00</b>	<b>\$ 4,300.00</b>	Customer Deposit Accounts	\$ 3,300,980.41	\$ 3,300,980.41	\$ 3,300,980.41
Checking and Savings:			Capacity Charge Acct Balance	\$ 14,565,717.60	\$ 14,565,717.60	\$ 14,565,717.60
Chase - General Government Checking	\$ 3,937,047.84	\$ 4,372,375.29	CIP account in LAIF for capital purposes	\$ 3,000,000.00	\$ 3,000,000.00	\$ 3,000,000.00
Chase - Special Rebate Checking	\$ -	\$ -				
Chase - UTC Routine Checking	\$ 5,000.56	\$ 5,000.56				
Chase - UTC Non-Routine Checking	\$ 48,636.50	\$ 48,636.50				
	<b>\$ 3,990,684.90</b>	<b>\$ 4,426,012.35</b>				
State of California, Local Agency Investment Fund	<b>\$ 10,345,807.85</b>	<b>\$ 20,345,807.85</b>	<b>CAPITAL RESERVE FUNDS</b>			
US Bank - Chandler Asset Mgmt	<b>\$ 24,454,445.44</b>	<b>\$ 24,433,595.02</b>	Capital Project Account - 100% FY 20-21	\$ 9,284,433.00	\$ 9,284,433.00	\$ 9,284,433.00
CalTrust Pooled Investment Fund - Short Term	<b>\$ 15,764,691.71</b>	<b>\$ 15,768,730.98</b>	Capital Project Account-80% FY 21-22	\$ 10,679,626.00	\$ 10,679,626.00	\$ 10,679,626.00
CalTrust Pooled Investment Fund - Medium Term	<b>\$ 10,951,016.91</b>	<b>\$ 1,988.02</b>	Administrative & General Account	\$ 1,269,847.73	\$ 1,269,847.73	\$ 1,269,847.73
U. S. Treasury Bills						
Government Agencies (Federal Home Loan Bank)	\$ -	\$ -				
<b>Total</b>	<b>\$ 65,510,946.81</b>	<b>\$ 64,980,434.22</b>	<b>LIQUIDITY FUNDS</b>			
Funds Under Control of Fiscal Agents:			Rate Stabilization Account	\$ 782,806.31	\$ 2,348,418.93	\$ 3,914,031.55
<b>US BANK</b>			Operating Reserve Account	\$ 4,232,825.77	\$ 8,465,651.54	\$ 12,698,477.31
2016A Bond - Principal & Payment Funds	\$ 0.28	\$ 0.21	Emergency Account	\$ 1,266,056.37	\$ 2,532,112.73	\$ 3,798,169.10
2016A Bond - Interest Fund	\$ 0.07	\$ 441,400.07	Water Banking Account	\$ 125,000.00	\$ 625,000.00	\$ 1,250,000.00
<b>Total</b>	<b>\$ 0.35</b>	<b>\$ 441,400.28</b>				
<b>Grand Total</b>	<b>\$ 65,510,947.16</b>	<b>\$ 65,421,834.50</b>				
			<b>OTHER RESERVES</b>			
			Self-Insurance Reserve	\$ 5,000,000.00	\$ 5,000,000.00	\$ 5,000,000.00
				<b>\$ 5,000,000.00</b>	<b>\$ 5,000,000.00</b>	<b>\$ 5,000,000.00</b>
			<b>OPERATING CASH</b>			
			Balance Available for Daily Operations	\$ 11,473,141.03	\$ 3,908,646.28	\$ (3,780,848.48)
				<b>\$ 11,473,141.03</b>	<b>\$ 3,908,646.28</b>	<b>\$ (3,780,848.48)</b>
			<b>Grand Total</b>	<b>\$ 65,421,834.50</b>	<b>\$ 65,421,834.50</b>	<b>\$ 65,421,834.50</b>
			<b>UNRESTRICTED RESERVES \$ 44,113,736.21</b>			

I hereby certify that the investment activity for this reporting period conforms with the investment policy adopted by the West Valley Water District Board of Directors and the California Government Code Section 53601

I also certify that there are adequate funds available to meet the District's Budget.

*Shamindra Manbahal*  
Acting General Manager/Chief Financial & Administrative Officer





**BOARD OF DIRECTORS  
FINANCE COMMITTEE  
STAFF REPORT**

**DATE:** April 14, 2021  
**TO:** Finance Committee  
**FROM:** Shamindra Manbahal, Interim General Manager  
**SUBJECT:** MONTHLY REVENUE & EXPENDITURES REPORT - MARCH 2021

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**BACKGROUND:**

The Board of Directors requested the Monthly Financial Status Report to be presented to the Finance Committee for review and discussion before presenting these reports to the Board of Directors. The reports are being produced from the District's Financial System (System of Records) and will be presented on a monthly basis.

**DISCUSSION:**

The Monthly Financial Status Reports summarizes the District's revenue categories as well as expenditures for all Departments. The original total budget includes the adopted budget. Current total budget includes the adopted budget plus any budget amendments or adjustments made during the year. Period activity column represents activity for the reporting periods. Fiscal activity column represents the year-to-date activity or transactions that have been recorded in the general ledger from the beginning of the fiscal year July 1 through March 31. The encumbrance column represents funds encumbered with a purchase order that's not spent but committed. The percent column represents the percentage of the current budget that has been received (Revenue) or utilized (Expenditure).

**FISCAL IMPACT:**

None.

**STAFF RECOMMENDATION:**

Staff recommends that this item be submitted for consideration, and that the Board of Directors approve this item and authorize the Interim General Manager to execute the necessary documents.

Respectfully Submitted,

*Shamindra Manbahal*

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Shamindra Manbahal, Interim General Manager

SM:jv

**ATTACHMENT(S):**

1. 2021 March Monthly Revenue & Expenditures Report
2. 2021 3rd Quarter Report

**MEETING HISTORY:**

04/14/21 Finance Committee REFERRED TO BOARD



West Valley Water District, CA

# Budget Report

## Group Summary

For Fiscal: 2020-2021 Period Ending: 03/31/2021

Departmen...	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Encumbrances	Variance Favorable (Unfavorable)	Percent Used
<b>Revenue</b>							
4000 - Water consumption sales	15,656,126.20	15,656,126.20	1,823,695.33	15,675,642.03	0.00	19,515.83	100.12 %
4010 - Water service charges	6,299,071.01	6,299,071.01	798,206.18	5,936,032.79	0.00	-363,038.22	94.24 %
4020 - Other operating revenue	3,043,643.97	3,043,643.97	462,269.69	2,311,518.53	0.00	-732,125.44	75.95 %
4030 - Property Taxes	1,773,000.00	1,773,000.00	31,641.08	1,613,963.29	0.00	-159,036.71	91.03 %
4040 - Interest & Investment Earnings	337,500.00	337,500.00	-25,050.53	-46,180.97	0.00	-383,680.97	13.68 %
4050 - Rental Revenue	30,000.00	30,000.00	2,988.48	26,625.44	0.00	-3,374.56	88.75 %
4060 - Grants and Reimbursements	0.00	0.00	3,234.09	21,218.66	0.00	21,218.66	0.00 %
4070 - Gain on Sale of Capital Assets	0.00	0.00	0.00	31,000.00	0.00	31,000.00	0.00 %
4080 - Other Non-Operating Revenue	10,820.00	10,820.00	3,043.03	15,703.73	0.00	4,883.73	145.14 %
<b>Revenue Total:</b>	<b>27,150,161.18</b>	<b>27,150,161.18</b>	<b>3,100,027.35</b>	<b>25,585,523.50</b>	<b>0.00</b>	<b>-1,564,637.68</b>	<b>94.24 %</b>

## Budget Report

For Fiscal: 2020-2021 Period Ending: 03/31/2021

Departmen...	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Encumbrances	Variance Favorable (Unfavorable)	Percent Used
<b>Expense</b>							
5110 - Source Of Supply	1,660,958.00	1,660,958.00	92,217.20	1,003,004.35	0.00	657,953.65	60.39 %
5210 - Production	3,293,040.00	3,453,040.00	401,042.33	2,721,330.05	68,389.75	663,320.20	80.79 %
5310 - Water Quality	689,330.00	689,330.00	55,841.19	356,730.20	6,536.89	326,062.91	52.70 %
5320 - Water Treatment - Perchlorate	272,500.00	272,500.00	19,446.98	143,532.07	977.32	127,990.61	53.03 %
5350 - Water Treatment - FBR/FXB	2,095,343.32	1,872,843.32	104,618.80	654,314.69	132,732.55	1,085,796.08	42.02 %
5390 - Water Treatment - Roemer/Arsenic	1,798,960.00	1,854,960.00	154,113.92	1,210,973.71	170,497.61	473,488.68	74.47 %
5410 - Maintenance - T & D	2,322,909.00	2,322,909.00	87,335.49	1,289,432.19	58,594.29	974,882.52	58.03 %
5510 - Customer Service	1,156,520.00	1,156,520.00	103,198.89	797,902.03	0.00	358,617.97	68.99 %
5520 - Meter Reading	991,555.00	991,555.00	63,641.52	537,914.97	10,335.74	443,304.29	55.29 %
5530 - Billing	507,950.00	507,950.00	34,613.81	258,957.81	79,494.81	169,497.38	66.63 %
5610 - Administration	1,980,910.00	2,060,590.00	181,166.47	1,181,010.10	20,689.50	858,890.40	58.32 %
5615 - General Operations	2,217,094.00	2,232,094.00	98,429.25	1,245,631.03	92,376.34	894,086.63	59.94 %
5620 - Accounting	828,088.00	828,088.00	62,509.22	572,907.03	1,500.00	253,680.97	69.37 %
5630 - Engineering	1,414,710.00	1,414,710.00	88,524.67	893,445.28	6,196.20	515,068.52	63.59 %
5640 - Business Systems	1,145,298.00	1,145,298.00	73,963.15	748,089.20	12,076.65	385,132.15	66.37 %
5645 - GIS	227,200.00	227,200.00	9,843.04	125,822.98	3,800.00	97,577.02	57.05 %
5650 - Board Of Directors	269,900.00	269,900.00	19,020.58	168,886.35	11,625.00	89,388.65	66.88 %
5660 - Human Resources/Risk Management	826,979.00	738,799.00	73,574.10	456,938.56	25,456.90	256,403.54	65.29 %
5680 - Purchasing	629,574.30	629,574.30	39,036.67	451,840.46	0.00	177,733.84	71.77 %
5710 - Public Affairs	1,027,136.00	1,027,136.00	51,962.81	456,196.52	195,274.82	375,664.66	63.43 %
5720 - Grants & Rebates	41,000.00	41,000.00	0.00	10,035.24	0.00	30,964.76	24.48 %
6200 - Interest Expense	978,450.00	978,450.00	475,652.72	675,132.66	0.00	303,317.34	69.00 %
6800 - Other Non-Operating Expense	0.00	0.00	0.00	700,000.00	0.00	-700,000.00	0.00 %
<b>Expense Total:</b>	<b>26,375,404.62</b>	<b>26,375,404.62</b>	<b>2,289,752.81</b>	<b>16,660,027.48</b>	<b>896,554.37</b>	<b>8,818,822.77</b>	<b>66.56 %</b>
<b>Report Surplus (Deficit):</b>	<b>774,756.56</b>	<b>774,756.56</b>	<b>810,274.54</b>	<b>8,925,496.02</b>	<b>-896,554.37</b>	<b>7,254,185.09</b>	<b>1,036.32 %</b>

Budget Report

For Fiscal: 2020-2021 Period Ending: 03/31/2021

Fund Summary

Fund	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Encumbrances	Variance Favorable (Unfavorable)
100 - Water Operations Fund	774,756.56	774,756.56	810,274.54	8,925,496.02	-896,554.37	7,254,185.09
Report Surplus (Deficit):	774,756.56	774,756.56	810,274.54	8,925,496.02	-896,554.37	7,254,185.09

**THIRD QUARTER FINANCIAL REPORT  
THREE MONTHS ENDED MARCH 31, 2021**

	3rd Quarter Actuals			
	FY19-20 3/31/2020	FY20-21 3/31/2021	Amount Change	% Change
<b>Operating revenues:</b>				
Water consumption sales	\$ 3,339,244	\$ 4,476,952	\$ 1,137,708	34.07%
Water service charges	1,965,195	2,123,415	\$ 158,219	8.05%
Other operating income	419,146	1,073,537	\$ 654,391	156.12%
Total operating revenues	<u>5,723,585</u>	<u>7,673,903</u>	<u>1,950,319</u>	<u>34.08%</u>
<b>Non-operating revenues:</b>				
Property taxes	1,268,069	716,742	\$ (551,327)	-43.48%
Grants and reimbursements	28,053	8,710	\$ (19,344)	-68.95%
Interest and investment earnings	642,499	(110,429)	\$ (752,927)	-117.19%
Rental income- cellular anntenas	9,925	8,898	\$ (1,028)	-10.35%
Gain/(loss) on sale/disposition of capital assets	-	-	\$ -	0.00%
Other non-operating revenues	3,051	5,573	\$ 2,522	82.65%
Total non-operating revenues	<u>1,951,598</u>	<u>629,494</u>	<u>(1,322,104)</u>	<u>-67.74%</u>
<b>Operating expenses:</b>				
Pubic affairs	404,826	167,631	\$ (237,195)	-58.59%
Grants	6,029	1,614	\$ (4,415)	-73.23%
Source of supply	730,950	721,470	\$ (9,480)	-1.30%
Pumping	779,902	1,016,631	\$ 236,729	30.35%
Water treatment	916,834	851,816	\$ (65,019)	-7.09%
Transmission and distribution	689,324	526,301	\$ (163,024)	-23.65%
Customer accounts	719,194	576,496	\$ (142,698)	-19.84%
General and administrative	4,016,536	2,624,253	\$ (1,392,283)	-34.66%
Total operating expenses	<u>8,263,596</u>	<u>6,486,211</u>	<u>(1,777,385)</u>	<u>-21.51%</u>
<b>Non-operating expenses:</b>				
Interest expense	447,625	475,933	\$ 28,308	6.32%
Litigation loss	-	450,000	\$ 450,000	100.00%
Total non-operating expenses	<u>447,625</u>	<u>925,933</u>	<u>478,308</u>	<u>106.85%</u>
<b>Capital contributions:</b>				
Developer contributions	-	21,914	\$ 21,914	100.00%
Capacity charges	1,457,195	187,569	\$ (1,269,626)	-87.13%
Total capital contributions	<u>1,457,195</u>	<u>209,483</u>	<u>(1,247,712)</u>	<u>-85.62%</u>
<b>Total revenues</b>	9,132,378	8,512,880	\$ (619,498)	-6.78%
<b>Total expenditures</b>	8,711,221	7,412,144	\$ (1,299,077)	-14.91%
<b>Net Change</b>	<u>421,157</u>	<u>1,100,737</u>	<u>679,580</u>	<u>161.36%</u>



**BOARD OF DIRECTORS  
FINANCE COMMITTEE  
STAFF REPORT**

**DATE:** April 14, 2021  
**TO:** Finance Committee  
**FROM:** Shamindra Manbahal, Interim General Manager  
**SUBJECT:** MARCH 2021 - PURCHASE ORDER REPORT

---

**BACKGROUND:**

The West Valley Water District (“District”) generated fifty-four (54) Purchase Orders (“PO”) in the month of March 2021 to various vendors that provide supplies and services to the District. The total amount issued to PO’s for the month of March 2021 was **\$315,682.59**. A table listing all PO’s for March 2021 is shown in **Exhibit A**.

**FISCAL IMPACT:**

There is no fiscal impact for producing the March 2021 Purchase Order Report.

**STAFF RECOMMENDATION:**

Receive and file the March 2021 Purchase Order Report.

Respectfully Submitted,

*Shamindra Manbahal*

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Shamindra Manbahal, Interim General Manager

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**ATTACHMENT(S):**

1. March 2021 Purchase Order Report

**MEETING HISTORY:**

04/07/21	Finance Committee	REFERRED TO COMMITTEE
04/14/21	Finance Committee	REFERRED TO BOARD



# Exhibit A



West Valley Water District, CA

# Purchase Order Summary Report

## Purchase Order Detail

Issued Date Range 03/01/2021 - 03/31/2021

PO Number	Description Vendor	Status Ship To	Issue Date Delivery Date	Trade Discount	Total
21-0372	Painting of Office 01551 - SIGNATURE PAINTING INC.	Completed West Valley Water District	3/1/2021 3/15/2021	0.00	820.00
21-0373	Vehicle/Bathroom/Office Elecstat Cleaning 02/11/21 00337 - CINTAS CORPORATION	Completed West Valley Water District	3/1/2021 3/15/2021	0.00	1,501.70
21-0374	Vehicle/Bathroom/Office Elecstat Cleaning 02/18/21 00337 - CINTAS CORPORATION	Completed West Valley Water District	3/1/2021 3/15/2021	0.00	1,336.80
21-0375	Network Fleet Service 02/16/21 01514 - NETWORK	Completed West Valley Water District	3/1/2021 3/15/2021	0.00	3,847.08
21-0376	Enterprise Lease Vehicles 02/03/21 00926 - ENTERPRISE FLEET MANAGEMENT INC	Completed West Valley Water District	3/1/2021 3/15/2021	0.00	1,629.73
21-0377	Service Contract for FBR Dionex 01221 - THERMO ELECTRON NORTH AMERICA LLC	Outstanding West Valley Water District	3/2/2021 3/16/2021	0.00	5,096.00
21-0378	UV reactor parts 00848 - DC FROST ASSOCIATES INC	Completed West Valley Water District	3/2/2021 3/16/2021	0.00	3,849.50
21-0379	Lytle creek booster station meters (3) 00492 - MCCALLS METERS INC	Outstanding West Valley Water District	3/2/2021 3/16/2021	0.00	9,980.93
21-0380	Roemer Eff. pump #4 01124 - GENERAL PUMP COMPANY INC	Outstanding West Valley Water District	3/2/2021 3/16/2021	0.00	19,846.91
21-0381	Rosemount anged magnetic flow meter 01472 - MICRO MOTION, INC.	Outstanding West Valley Water District	3/2/2021 3/16/2021	0.00	4,548.54
21-0382	SCADA Assessment at Roemer 02335 - SOUTH COAST AUTOMATION SYSTEMS INC	Outstanding Roemer Treatment Plant	3/2/2021 3/16/2021	0.00	1,472.00
21-0383	Dionex Filter componets 02334 - THERMO FISHER SCIENTIFIC (ASHVILLE) LLC	Outstanding West Valley Water District	3/2/2021 3/16/2021	0.00	1,558.73
21-0384	Light bar and Tool box for unit 243 01492 - FMB TRUCK OUTFITTERS, INC.	Completed West Valley Water District	3/2/2021 3/16/2021	0.00	3,649.92
21-0385	Concrete Repair Slab Work at Various Locations 01702 - HARDY & HARPER	Completed West Valley Water District	3/2/2021 3/16/2021	0.00	4,830.00
21-0386	Service Line Replacement Parts 00748 - YO FIRE	Completed West Valley Water District	3/2/2021 3/16/2021	0.00	1,088.28
21-0387	Pull & inspect Eff pump #3 Roemer 01124 - GENERAL PUMP COMPANY INC	Outstanding West Valley Water District	3/3/2021 3/17/2021	0.00	13,799.56
21-0388	GIS Field Applications Update 01328 - MILLER SPATIAL SERVICES LLC	Outstanding West Valley Water District	3/3/2021 3/17/2021	0.00	3,800.00
21-0389	FBR Diones Computer Diagnostices & Corrections 00097 - TESCO CONTROLS INC	Outstanding West Valley Water District	3/4/2021 3/18/2021	0.00	5,780.00

## Purchase Order Summary Report

Issued Date Range 03/01/2021 - 03/31/2021

PO Number	Description Vendor	Status Ship To	Issue Date Delivery Date	Trade Discount	Total
21-0390	SPCC Plan Re-Certification 02336 - ORANGE COAST PETROLEUM EQUIPMENT INC	Outstanding West Valley Water District	3/4/2021 3/18/2021	0.00	2,775.00
21-0391	DAF parts 00739 - EVOQUA WATER TECHNOLOGIES LLC	Outstanding West Valley Water District	3/5/2021 3/19/2021	0.00	460.20
21-0392	Dionex IC Pure Water System PM Contract 01221 - THERMO ELECTRON NORTH AMERICA LLC	Outstanding West Valley Water District	3/8/2021 3/22/2021	0.00	995.00
21-0393	ADMIN OFFICE FURNITURE 00411 - ULINE	Completed West Valley Water District	3/8/2021 3/22/2021	0.00	520.48
21-0394	Acetic Acid 00827 - BRENNTAG PACIFIC INC	Outstanding West Valley Water District	3/9/2021 3/23/2021	0.00	12,916.74
21-0395	Fire Hydrant Swivel Adapter 00748 - YO FIRE	Outstanding West Valley Water District	3/9/2021 3/23/2021	0.00	1,616.26
21-0396	Computer Supplies Public Affaires 01450 - AMAZON	Outstanding West Valley Water District	3/9/2021 3/23/2021	0.00	1,714.62
21-0397	Repair Ultra Sonic Meter 02338 - INSTRUMENT & VALVE SERVICES COMPANY	Outstanding West Valley Water District	3/11/2021 3/25/2021	0.00	1,964.23
21-0398	Chlorine for FBR 01641 - HASA INC.	Outstanding West Valley Water District	3/16/2021 3/30/2021	0.00	20,000.00
21-0399	Alkalinity On-line Analyzer Start up and PM 00114 - HACH COMPANY	Received West Valley Water District	3/16/2021 3/30/2021	0.00	3,781.00
21-0400	Repair 4" Rosemont Flow Meter FBR 01472 - MICRO MOTION, INC.	Outstanding West Valley Water District	3/16/2021 3/30/2021	0.00	1,896.00
21-0401	Meter Vault lids 00206 - MERLIN JOHNSON CONST INC.	Outstanding West Valley Water District	3/16/2021 3/30/2021	0.00	13,150.00
21-0402	Vault lid retrofits 01395 - KIRTLEY CONSTRUCTION INC	Outstanding West Valley Water District	3/16/2021 3/30/2021	0.00	24,724.00
21-0403	Buyout of Remaining Leased Vehicles 01149 - ENTERPRISE FM TRUST	Completed West Valley Water District	3/18/2021 4/1/2021	0.00	6,819.49
21-0404	Breakroom Insulation 02339 - APPLE VALLEY INSULATION A BDI COMPANY IN	Outstanding West Valley Water District	3/18/2021 4/1/2021	0.00	9,000.00
21-0405	Repair Tire on Backhoe B95C 02252 - INLAND ROAD SERVICE & TIRE	Received West Valley Water District	3/24/2021 4/7/2021	0.00	565.16
21-0406	Vehicle/Bathroom Elecstat Cleaning 03/04/21 00337 - CINTAS CORPORATION	Received West Valley Water District	3/24/2021 4/7/2021	0.00	514.66
21-0407	Vehicle/Bathroom Elecstat Cleaning 03/18/21 00337 - CINTAS CORPORATION	Received West Valley Water District	3/24/2021 4/7/2021	0.00	514.66
21-0408	Vehicle/Bathrooms/Office Elecstat Cleaning 02/25/21 00337 - CINTAS CORPORATION	Received West Valley Water District	3/24/2021 4/7/2021	0.00	1,336.80
21-0409	Network Fleet Service 03/16/21 01514 - NETWORK	Received West Valley Water District	3/24/2021 4/7/2021	0.00	3,408.68

## Purchase Order Summary Report

Issued Date Range 03/01/2021 - 03/31/2021

PO Number	Description Vendor	Status Ship To	Issue Date Delivery Date	Trade Discount	Total
21-0410	Gasoline Order 03/22/21 01783 - SC COMMERCIAL LLC	Received West Valley Water District	3/24/2021 4/7/2021	0.00	11,387.97
21-0411	Meters for Inventroy 03/23/21 00255 - AQUA-METRIC SALES CO	Outstanding West Valley Water District	3/24/2021 4/7/2021	0.00	23,991.40
21-0412	Large Meters for Inventory 03/23/21 01577 - IFLOW ENERGY SOLUTIONS INC	Outstanding West Valley Water District	3/24/2021 4/7/2021	0.00	19,926.75
21-0413	MXUs for Inventory 03/23/21 00255 - AQUA-METRIC SALES CO	Outstanding West Valley Water District	3/24/2021 4/7/2021	0.00	24,874.25
21-0414	Water Meter Union Nut Locks 00055 - WESTERN WATER WORKS SUPPLY CO INC	Outstanding West Valley Water District	3/24/2021 4/7/2021	0.00	1,002.08
21-0415	Ph Sensor 00114 - HACH COMPANY	Outstanding West Valley Water District	3/24/2021 4/7/2021	0.00	2,364.00
21-0416	Hydrant Meter Calibration 00492 - MCCALLS METERS INC	Outstanding West Valley Water District	3/25/2021 4/8/2021	0.00	3,290.00
21-0417	Final payment to LG Holdings 01674 - LG HOLDINGS, INC.	Outstanding West Valley Water District	3/25/2021 4/8/2021	0.00	22,260.00
21-0418	2021 Conservation Calendar - 20 corrections 01311 - MINUTEMAN PRESS OF RANCHO CUCAMONGA	Outstanding West Valley Water District	3/25/2021 4/8/2021	0.00	457.80
21-0419	Vehicle/Bathroom Elecstat Cleaning 03/25/21 00337 - CINTAS CORPORATION	Received West Valley Water District	3/29/2021 4/12/2021	0.00	514.66
21-0420	Staff All Hands Meeting Catering 03/30/21 02342 - DAVID A. DE LA CRUZ	Completed West Valley Water District	3/30/2021 4/13/2021	0.00	2,710.68
21-0421	Coffee Maker For Distribution Dept. 02268 - US BANK-CAL CARD (AL)	Outstanding West Valley Water District	3/25/2021 4/8/2021	0.00	759.99
21-0422	Repairs To Water Truck 137 00409 - WESTRUX INTERNATIONAL INC	Outstanding West Valley Water District	3/25/2021 4/8/2021	0.00	1,911.60
21-0423	Diffuser For Flushing 02268 - US BANK-CAL CARD (AL)	Outstanding West Valley Water District	3/25/2021 4/8/2021	0.00	1,096.90
21-0424	Underbody Box 01492 - FMB TRUCK OUTFITTERS, INC.	Outstanding West Valley Water District	3/25/2021 4/8/2021	0.00	517.15
21-0425	APT 155 Rock Drill 00332 - HUB CONSTRUCTION SPECIALTIES	Outstanding West Valley Water District	3/25/2021 4/8/2021	0.00	1,508.70

Purchase Order Count: (54)

Total Trade Discount: 0.00

Total: 315,682.59



**BOARD OF DIRECTORS  
ENGINEERING, OPERATIONS AND PLANNING COMMITTEE  
STAFF REPORT**

**DATE:** April 14, 2021  
**TO:** Engineering, Operations and Planning Committee  
**FROM:** Shamindra Manbahal, Interim General Manager  
**SUBJECT:** CONSIDER THE DRAFT DEVELOPMENT IMPACT FEE STUDY

---

**BACKGROUND:**

New development places additional demands upon existing facilities and often requires the construction of new or expanded facilities to maintain service standards. To ensure that West Valley Water District (District) collects sufficient funds to construct the master planned facilities, the District should periodically review and update its Development Impact Fees or Capacity Charges to adjust for the increased cost of construction and/or any material changes to the list of master planned facilities.

Government Code Section 66013(b)(3) defines a “Capacity Charge” to mean a “charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged.

The Capacity Charge is not paid by existing customers. In fact, it protects existing customers from costs existing customers should not be paying. The Capacity Charge is paid by development as a one-time charge in exchange for the benefit of connecting to a water system that others paid for. Capacity Charges imposed represent a proportionate share of the cost of facilities necessary to provide system capacity to a new development.

In August 2012, the Board of Directors of the District adopted by Resolution No. 2012-18 the 2012 Capacity Charge Study and adjusted the District’s Capacity Charge per equivalent dwelling unit (EDU). This study was based on the proposed Capital Improvement Program (CIP) identified in the 2012 Water Master Plan and no adjustments to these charges has been made since.

**DISCUSSION:**

In October 2021, Robert D. Niehaus, Inc. was contracted by the District to prepare a Development Impact Fee Study based on the newly adopted 2020 Water Facilities Master Plan (WFMP). The purpose of the WFMP is to determine the future water demands and supply requirements, and to identify the water facilities needed to produce, deliver, store and transport that supply to the District’s customers. Development Impact Fees are primarily intended to recover the funds needed to support the CIP costs for expansion. Attached as Exhibit A is the draft Development Impact

Fee Study prepared by Robert D. Niehaus, Inc. This study provides a summary of recommendations to recover sufficient revenues to accommodate necessary system capacity growth through 2046.

**FISCAL IMPACT:**

No fiscal Impact.

**STAFF RECOMMENDATION:**

Consider the 2021 Development Impact Fee Study recommendation of Option 2 and have this item considered by the full Board of Directors at a future meeting.

Respectfully Submitted,

*Shamindra Manbahal*

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Shamindra Manbahal, Interim General Manager

LJ:ls

**ATTACHMENT(S):**

1. Exhibit A - Development Impact Fee Study - Draft

**MEETING HISTORY:**

04/06/21 Engineering, Operations and Planning Committee REFERRED TO  
COMMITTEE

# EXHIBIT A

# **WEST VALLEY WATER DISTRICT**

## **2021 Development Impact Fee Study**

### **Draft Report**

**March 30th, 2021**





DRAFT

**WEST VALLEY WATER DISTRICT  
2021 DEVELOPMENT IMPACT FEE STUDY**

**DRAFT REPORT**

Prepared for:

West Valley Water District  
855 W. Base Line  
Rialto, CA 92377

Prepared by:

ROBERT D. NIEHAUS, INC.  
140 East Carrillo Street  
Santa Barbara, CA 93101  
(805) 962-0611

RDN Project Number 300

DRAFT



March 30, 2021  
Ms. Linda Jadeski  
Engineering Services Manager  
West Valley Water District  
855 W. Base Line  
Rialto, CA 92377

**Subject: 2021 Water Development Impact Fee Study**

Dear Ms. Linda Jadeski,

Robert D. Niehaus, Inc. (RDN) is pleased to provide this 2021 Development Impact Fee Study Report (Report) for the West Valley Water District (WVWD or District). This study includes an extensive review of the District's current fees, determination of applicable approach, development of fee calculation methodologies, and derivation of optional fees for the District's consideration. When the District makes its final decision between the three optional fees, please consider the following:

1. Do the fees equitably reimburse the current customers for their investment in oversizing the system to accommodate future growth
2. Do the fees unduly burden new customers or will they hinder development
3. Will the fees collected fully offset the costs of building for new development

Most of the information used in the fee calculation was taken from the 2020 Water Facilities Master Plan (2020 WFMP) created by AKEL Engineering Group in April, 2020.

The Report also includes a comprehensive revenue analysis, and rate comparison analysis. We hope that these additional analyses will help the District determine the most suitable fees.

It has been an absolute pleasure and honor to work with your District. We thank you and other District Staff as well as the Board of Directors for the support provided during this study.

Respectfully submitted,

A blue ink signature of Robert D. Niehaus, written in a cursive style.

Robert D. Niehaus, Ph.D.

Managing Director/Principal Economist

A blue ink signature of Ichiko Kido, written in a cursive style.

Ichiko Kido, MBA

Program Manager/Sr. Financial Analyst

DRAFT

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## EXECUTIVE SUMMARY

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### Purpose of Study

Robert D. Niehaus (RDN) was engaged by West Valley Water District (WVWD, District) to review and calculate Development Impact Fees that are fair and equitable to the District's existing and future customers. WVWD last updated its fees in 2012. The fees now require an update to accurately reflect the current asset value and costs of future expansion projects.

The primary goal of this study is to establish cost-based Development Impact Fees that achieve the District's goal to equitably fund the expansion related capital costs for the water system. The revenue generated from Development Impact Fees is a critical funding source for the expansion related capital projects. The established charges should also equitably reimburse existing customers for their investment in oversizing of infrastructure to accommodate future customers by minimizing the need for long-term debt and capital funding, which results in lower monthly rates.

RDN began the study by reviewing the District's current fees developed by Engineering Resources of Southern California (ERSC) and implemented by the District in 2012. RDN reviewed all methodologies used in the 2012 study and considered the following objectives to guide our approach and recommendations:

- Ensure compliance with state regulations regarding Development Impact Fees,
- Update the current Development Impact Fee or recommend new fees for new water connections based on increased capacity required to serve new development,
- Evaluate the current fire capacity charges and recommend new or updated charges for the new connections with fire requirements,
- Provide a revenue analysis of recommended Development Impact Fees and Fire Capacity Charges,
- Compare the District's fees with other local water agencies and cities in the region,
- Update miscellaneous charges; frontage charge, fire flow testing fee, plan check and investigation fee, overhead charge, and release of overlying right-of-way and easements fee.

### Current Development Impact Fee

The District's current Development Impact Fees were designed by ERSC in 2012 utilizing the information presented in the 2012 Water Master Plan. ERSC assessed the fees based on each Equivalent Dwelling Unit (EDU), which represented a customer account with a 3/4 inch or smaller water meter. The fee was developed by summing the total costs of the existing and future water facilities divided by the ultimate number of EDUs at buildout. ERSC included the major backbone of infrastructure in the fee calculation such as supply facilities, transmission system, storage, and operation facilities. Additionally, the cost of financing on interest and bonds are included in the valuation of the assets.

Table 1 shows the current Development Impact Fees and fire service capacity charges by meter size.



**Table 1. Current Development Impact Fees and Fire Service Capacity Charges**

Meter Size	Development Impact Fee	Fire Service Capacity Charge
5/8"	\$7,009	-
1"	\$11,915	\$510
1-1/2"	\$23,130	\$1,025
2"	\$37,150	\$1,625
3"	\$82,005	\$3,555
4"	\$140,180	\$6,105
6"	\$292,275	\$14,250
8"	\$420,540	\$24,410
10"	-	\$38,660
12"	-	\$50,870

## Summary of Recommendations

Development Impact Fees are primarily intended to recover both the District's proposed Capital Improvement Program (CIP) costs for expansion identified in the 2020 WFMP, and utility rate payers' prior investment in capital facilities that support land development by providing extra capacity for new connections; however, additional considerations need to be included when designing the fees. For example, excessively high fees could hinder new development from happening. After extensive review of the current fees, 2020 WFMP, District asset lists, and other data provided by the District, RDN created three optional fees for the District to consider. When the District makes its final decision between the three recommended fees, they should assess and balance these considerations:

1. Do the fees unduly burden new customers and will they hinder development?
2. Do the fees equitably reimburse the existing customers for their investment in oversizing the system to accommodate future growth?
3. Will the fees collected fully offset the CIP costs of expansion for new development?

WVWD expects significant customer growth over the next 25 years, with the number of EDUs projected to rise from 32,308 (current) to 49,736 by FY 2046. To accommodate such growth, the 2020 WFMP projects investment of over \$255 million in the expansion of local water system infrastructure. RDN predicts that the current fees will generate cumulative revenues of about \$130 million between FY 2021 and FY 2046, far below the amount needed to accommodate growth. To remedy this potential revenue shortfall and improve the overall fee design, RDN proposes the following adjustments:

- Include all CIP costs allocated to future customers identified in the 2020 WFMP,
- Escalate the system asset values to today's dollar value by using the Los Angeles Construction Cost Index (CCI) published by Engineering News Record (ENR),

- Identify the current system capacity and the buildout capacity by function to accurately compute fees for the Buy-in component and the Incremental Cost component of the Development Impact Fee,
- Use 670 gallons per day (gpd), the unit of service per Equivalent Dwelling Unit (EDU) identified in the 2020 WFMP where applicable,
- Increase customer equitability by offsetting charges with debt service principal payments, developer funded projects, and Development Impact Fee revenues,
- Develop Fire Capacity Charges by isolating the extra capacity in the system's infrastructure required for fire requirements.

The three optional fees included in this report were developed using industry standard methodologies espoused by American Water Works Association (AWWA) Principles of Water Rates, Fees, and Charges – Manual of Water Supply Practices (M1). The differences in the charges are due to the methodologies used for the system asset valuation. For Option 1, the current system assets are valued at present day replacement costs and depreciated by the remaining useful life of each asset (Replacement Cost Less Depreciation, RCLD). For Option 2, replacement costs are used to value the system assets without depreciating (Replacement Cost New, RCN). For the final option, all the assets other than pipelines are valued using the RCN method while the value of pipelines are computed separately based on the pipe replacement cost estimates included in the 2020 WFMP. In the third option only pipes of at least 14 inches in diameter were included. Separately calculated pipeline value was added to the other system values to compute Option 3 fees.

Fee calculations inherently have a certain amount of latitude so that fees can reflect local contingencies rather than be intractable in their application. The variations included here primarily represent differences in asset value calculation.

For all three options, RDN used the following formula to compute the base fee of 3/4 inch and smaller meter.

$$\left( \frac{(\text{Replacement Cost of Assets} \pm \text{Adjustments})}{\text{Current Capacity}} \times \frac{\text{gpd}}{\text{edu}} \right) + \left( \frac{\text{CIP Cost for Expansion}}{\text{Added Capacity}} \times \frac{\text{gpd}}{\text{edu}} \right)$$

This formula provides for adjustments such as exclusion of the principal on existing debt and revenues collected from Development Impact Fees, and inclusion of the capital reserve balance in the total Buy-in asset value calculation represented by the numerator. The adjusted asset value (allowable asset value) was divided by the current system capacity, resulting in a unit cost of the capacity. The unit cost was multiplied by 670 gpd defined as a per EDU demand in the 2020 WFMP for the base meter. The same calculation was repeated for the CIP cost component and the fees were summed together to compute a total Development Impact Fee per EDU. The following tables show the proposed Development Impact Fees for Options 1, 2, and 3 by meter size. The fees for larger meters were scaled up from the base fee using the AWWA capacity ratios.

Fire Capacity Charge is computed by assessing the extra capacity needed to serve customers in fire emergencies. The 2020 WFMP indicated that the fire requirements only apply to infrastructure associated with storage and pipes. RDN separated the fire service capacity from the total capacity of these systems and applied an applicable

unit of service to calculate the charges. Since the fire capacity is also a requirement of public hydrants, RDN reallocated the share of the public hydrants costs back to the Development Impact Fee calculation.

#### Option 1 Replacement Cost less Depreciation (RCLD)

In Option 1, the original costs of the District's system assets are escalated to current-day dollars. Accumulated replacement cost depreciation was then subtracted to reflect the remaining useful life of each asset. Fees computed using this methodology are the lowest among all three options. Estimated total cumulative revenue by 2046 under this option is \$204 million.

*Table 2. Option 1 Proposed Fee Schedule*

Meter Size	Development Impact Fee	Fire Service Capacity Charge
5/8"	\$11,076	-
1"	\$18,497	\$1,198
1-1/2"	\$36,883	\$2,397
2"	\$59,035	\$3,835
3"	\$110,759	\$7,191
4"	\$184,636	\$11,985
6"	\$369,161	\$23,969
8"	\$590,679	\$38,351
10"	-	\$55,130
12"	-	\$103,068

#### Option 2 Replacement Cost New (RCN)

Option 2 uses the Replacement Cost New (RCN) method to calculate the system asset value. The replacement costs are calculated with the same methodology used for Option 1 but no accumulated depreciation is subtracted from the asset value. This methodology fairly compensates the existing customers for carrying the costs of the excess capacity built into the system which is readily available for new customers to join. The total cumulative revenue by 2046 under this option is \$263 million.

*Table 3. Option 2 Proposed Fee Schedule*

Meter Size	Development Impact Fee	Fire Service Capacity Charge
5/8"	\$14,321	-
1"	\$23,916	\$1,410
1-1/2"	\$47,689	\$2,820
2"	\$76,331	\$4,513
3"	\$143,209	\$8,461
4"	\$238,730	\$14,102
6"	\$477,317	\$28,205
8"	\$763,736	\$45,128
10"	-	\$64,871
12"	-	\$121,281

Option 3 Replacement Cost New (RCN) plus Pipes

In Option 3, system pipelines were omitted from the asset value calculation and their replacement value was instead calculated using the cost estimate provided by the 2020 WFMP for replacing all pipelines with a diameter of at least 14". The WFMP estimated \$15.00 as the cost to replace a diameter inch per linear foot of pipeline. Using this method the pipeline replacement cost was estimated at \$154 million. Estimated total cumulative revenue by 2046 under this option is \$309 million.

*Table 4. Option 3 Proposed Fee Schedule*

Meter Size	Development Impact Fee	Fire Service Capacity Charge
5/8"	\$16,747	-
1"	\$27,968	\$1,774
1-1/2"	\$55,769	\$3,549
2"	\$89,264	\$5,678
3"	\$167,474	\$10,646
4"	\$279,179	\$17,744
6"	\$558,191	\$35,487
8"	\$893,139	\$56,780
10"	-	\$81,621
12"	-	\$152,596

The District currently charges single family dwellings constructed on lots of less than 10,000 sq.ft., which are required to install 1-inch meter to meet fire requirements, a Development Impact Fee of a ¾ inch meter plus a 1 inch meter Fire Capacity Charge instead of paying the fee for the 1 inch meter. RDN accepts this approach to be fair and equitable considering the service requirements for such dwelling units would never exceed those of ¾ inch meter.

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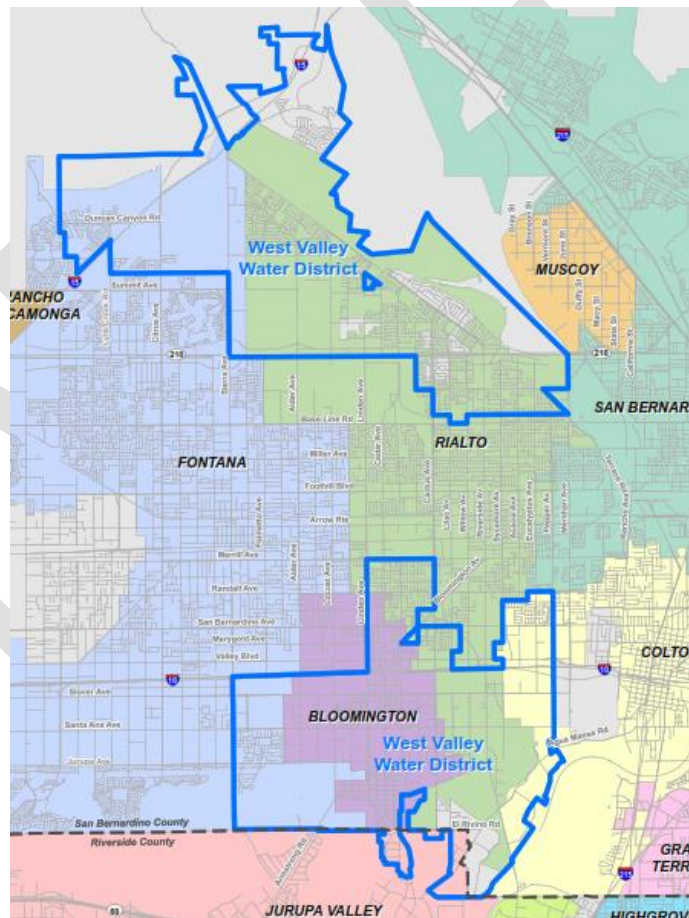
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# 1. INTRODUCTION

## District Overview

The West Valley Water District (WVWD or District) is a Special District governed by a five-member Board of Directors which provides water service to a population of 83,902 people through 22,033 connections in San Bernardino and Riverside Counties. The 32 square-mile service area encompasses parts of the Cities of Rialto, Bloomington, Colton, Fontana, Jurupa Valley, and some unincorporated areas in San Bernardino and Riverside Counties. Residential customers make up approximately 93 percent of the District's customers. District facilities include 21 groundwater wells with a pumping capacity of approximately 42,000-acre feet per year (AFY), over 375 miles of pipeline, 25 storage tanks with a total storage capacity of 72 million gallons (MG), and 3,204 fire hydrants. The District's water supply sources include groundwater basins such as Lytle Creek Basin, Bunker Hill Basin, and Rialto Colton Basin, and two sources of surface water including Lytle Creek and the State Water Project. The future water demand used for this study was based on the 2020 WFMP. Figure 1 shows WVWD's current service area.

*Figure 1. West Valley Water District Service Area*



According to the 2020 WFMP, residentially zoned lands are currently built to 59 percent of the proposed land use capacity, while non-residential zoned lands are developed to 75 percent, this equates to 66 percent of the District's entire service area being built out. WVWD currently levies Development Impact Fees on new or

expanded connections as a condition of development. This charge was established to recover the cost of capacity in District facilities benefitting new development.

“Development Impact Fee” is commonly used terminology to describe system development charges imposed on future customers. There are other names commonly used by utilities such as capacity charges, connection fees, and capital recovery fees. Though they all mean the same and are used for the same purpose, it often creates confusion. In this Report, RDN uses “Development Impact Fee” defining a system development charge, a one-time charge paid by a new water system customer for its system capacity.

## Legal Framework

This section of the report describes the legal framework that was considered in the development of the capacity fees to ensure that the calculated capacity fees provide a fair and equitable allocation of costs to current and future customers.

### [California Code 66001](#)

A fee shall not include the costs attributable to existing deficiencies in public facilities, but may include the costs attributable to the increased demand for public facilities reasonably related to the development project in order to (1) refurbish existing facilities to maintain the existing level of service or (2) achieve an adopted level of service that is consistent with the general plan.

### [California Code 66008](#)

A local agency shall expend a fee for public improvements, as accounted for pursuant to Section 66006, solely and exclusively for the purpose or purposes, as identified in subdivision (f) of Section 66006, for which the fee was collected. The fee shall not be levied, collected, or imposed for general revenue purposes.

### [California Code 66013](#)

(a) Notwithstanding any other provision of law, when a local agency imposes fees for water connections or sewer connections, or imposes Development Impact Fees, those fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount of the fee or charge imposed in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue.

“Development Impact Fee” means a charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights or entitlements, real property interests, and entitlements and other rights of the local agency involving capital expense relating to its use of existing or new public facilities. A “Development Impact Fee” does not include a commodity charge.

(c) A local agency receiving payment of a charge as specified in paragraph (3) of subdivision (b) shall deposit it in a separate capital facilities fund with other charges received, and account for the charges in a manner to avoid any commingling with other moneys of the local agency, except for investments, and shall expend those charges solely for the purposes for which the charges were collected. Any interest income earned from the investment of moneys in the capital facilities fund shall be deposited in that fund.

## Economic Framework

The simplest and most succinct economic justification for capacity fees is the idea that “growth-pays-for-growth” essentially, that customers who benefit from a service should be the ones who pay for that service. The AWWA Manual M26 states: “the purpose of designing customer-contributed [connection fees] is to prevent or reduce the inequity to existing customers that results when these customers must pay the increase in water rates that are needed to pay for added plant costs for new customers.” To effect fair distribution of the value of the system, Development Impact Fees should reflect a reasonable estimate of the cost of providing capacity to new users and not disproportionately burden existing users through a rate increase.

Additionally, according to Neslon<sup>1</sup>, “Local public officials are coming to accept that underpricing of facilities leads to their inefficient use. Development is less intense, more spread out, and more wasteful of facilities when it does not have to pay the full cost of the facilities to which it connects and uses.” By allowing new development to pay for its full share of the cost of providing new facilities, local officials use market principles to determine when new development is feasible.

Development Impact Fees should also meet rational nexus criteria to assure maximum reasonable acceptance by the development community, local government elected and administrative officials, and courts. At the heart of the rational nexus test is the concept of "proportionate share," which can be defined as that component of the cost of existing and future system improvements that is reasonably related to the demands of new development.

## Key Assumptions

Asset values used in this report are escalated to the District’s proposed Fee implementation date, thus capturing the system value at the start of fee collection. Growth projections and capacity estimates were calculated using data presented in the 2020 WFMP. Capital projects for expansion scheduled between FY 2018 and FY 2021 were moved to the current asset list upon District confirmation for their execution.

## Water Demand per Equivalent Dwelling Unit (EDU)

The water demand per EDU at 670 gallons per day (gpd) was used as a base demand of future customers in the 2020 WFMP, reflecting a decrease in consumption from the previous Water Master Plan, which used 750 gpd per EDU. This is based on the demand of 212 gallons per capita per day (gpcd) multiplied by a typical household size (3.16) in the region. This amount accounts for water losses and occupancy vacancies identified in the 2020 WFMP.

## EDU Growth

The projected EDU count for the build-out in the 2020 WFMP is 49,736, which yields an annual growth of 790 EDUs between FY 2020-21 and FY 2023-24 and 684 EDUs per year between FY 2024-25 and FY 2025-46. The current EDU count is estimated at 32,308.

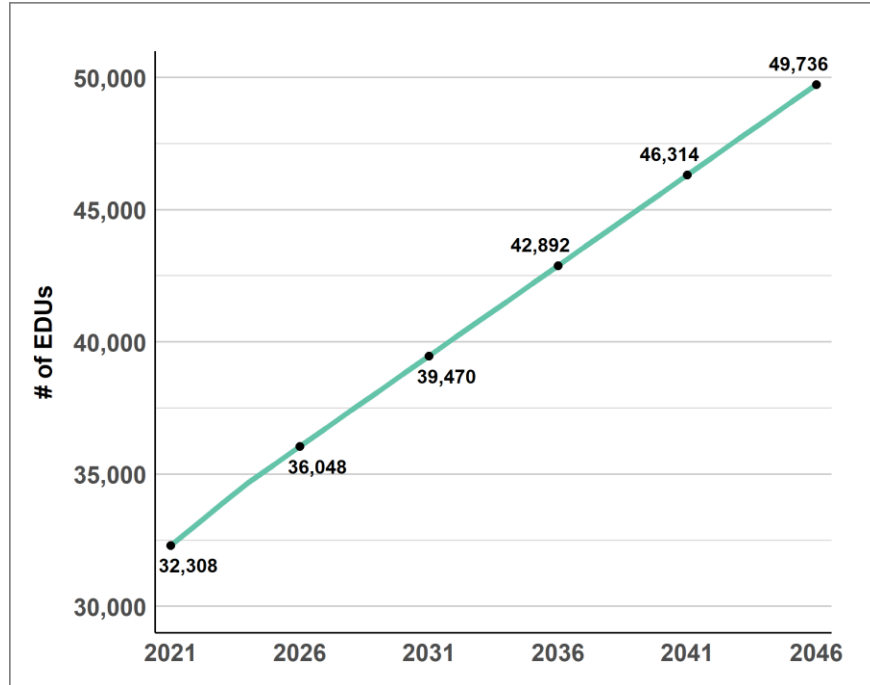
Figure 2 displays projected EDU growth between the current (2021) and buildout (2046).

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<sup>1</sup> Nelson, Arthur C. 1995. System development charges for water, wastewater and stormwater facilities. CRC Press.



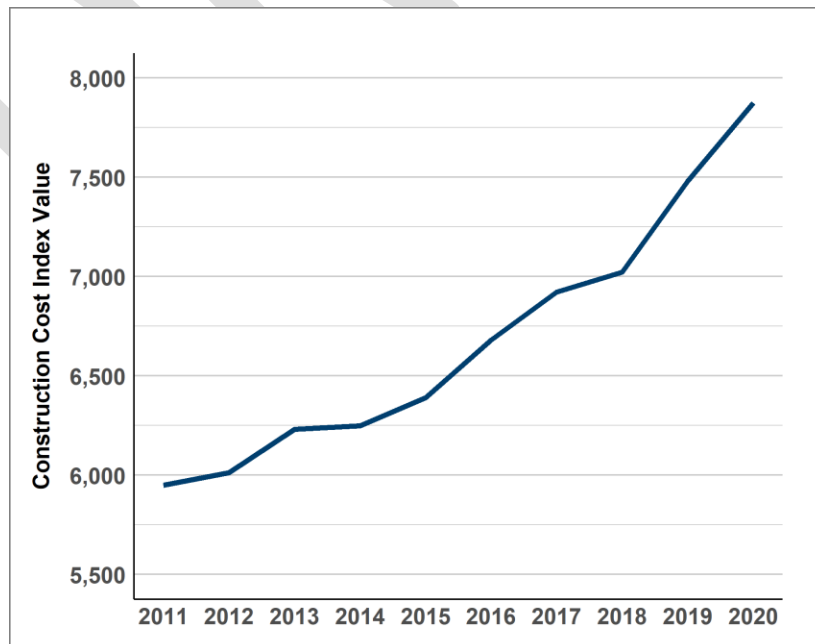
Figure 2. Projected EDU Growth, Current (2021) to Buildout (2046)



### Construction Cost Index

RDN escalated the costs of replacing existing system assets using the Los Angeles Construction Cost Index (CCI) published by Engineering News Record (ENR). The CCI is based on current costs for construction inputs such as labor, steel, cement and lumber in the Los Angeles area. System assets were escalated at a rate of 1.8% per year based on the 10-year average percent change in the Los Angeles CCI. Figure 3 shows the indexed change in construction costs between 2011 and the current (2021).

Figure 3. Historic Los Angeles Construction Cost Index



## Equivalent Meter Ratios

Capacity requirements placed on the water system can be measured by the size of installed meters which receive services from the system. The safe operating flow (or capacity) of a particular size of meter is essentially the limiting factor in terms of the demand that can be exerted on the water system through the meter. The ratio of the safe operating capacity of various sizes of meters relative to the capacity of a base meter may be used to determine appropriate charges for the larger meter sizes<sup>2</sup>. It is the District's policy to consider all meters that are 3/4-inch and smaller as a base meter (equal to one equivalent meter). The capacity ratio for larger meters is calculated using the meter capacity requirements provided in the AWWA M1.

*Table 5. AWWA Equivalent Meter Ratios*

Meter Size	Meter Capacity Ratio
5/8" & 3/4"	1.0
1"	1.7
1-1/2"	3.3
2"	5.3
3"	11.7
4"	20.0
6"	41.7
8"	60.0
10"	76.7
12"	143.3

<sup>2</sup> From "Principles of Water Rates, Fees, and Charges" by American Water Works Association, 2017, Seventh Edition, Appendix B, p. 385.

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## 2. METHODOLOGY

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The three optional Development Impact Fees were developed using guidelines set forth by the AWWA M1. The two primary methods outlined in the M1 used to calculate Development Impact Fees are the Buy-in and the Incremental Cost methods. The Buy-in method recovers the cost of capacity in those portions of the existing system in which there is still capacity available. The Incremental Cost method is a calculation of the Incremental Costs of additional system capacity needed to add to serve new development. There is also a hybrid approach in which these two methods are combined. The combined approach is most often used when the system has some capacity left to take on new customers but additional capacity is also needed to serve projected growth in the planning horizon. RDN determined that the combined approach is most appropriate for the WVWD's fee calculation. In this section each method is described in detail and the rationale is provided for selecting the combined approach for the District's Development Impact Fee calculation.

### Buy-in Method

Under the Buy-in method, new development purchases a share of capacity proportionate to the development's estimated demand. This method is typically used when the existing water system has the capacity to accommodate increased demand without large investment in capital projects. There are four generally accepted methods used to determine the existing system value:

- **Original Cost** – asset cost in the year of construction
- **Original Cost less Depreciation** – original cost subtracting the accumulated depreciation of system assets
- **Replacement Cost New (RCN)** – original cost escalated to current dollars using a construction cost index. This method reflects the cost of replicating the existing system.
- **Replacement Cost New less Depreciation (RCLD)** – replacement cost new of existing system subtracted by the accumulated depreciation. This method reflects the current costs of replacing system assets while adjusting the valuation to reflect the remaining life of current assets.

Figure 4 provides a visual representation of a situation where the Buy-in method best applies. In this example, the commuter bus (water system) has a capacity to seat 10 passengers (system capacity). Of the 10 total seats, eight are taken (existing customers), but there are two extra seats available ready for the new passengers (new customers). A new passenger, who wants to buy a seat on the bus, is expected to pay one tenth of the total value of the bus to secure his/her seat. This method rests on the premise that existing customers have been maintaining not only their share of the system capacity that they use but also for the extra capacity that is not currently being used. New customers therefore should reimburse existing customers for the additional contribution they have made to maintain the extra capacity.

The Buy-in method is used when there is sufficient capacity left in the existing system to accommodate new development over the planning period, and the goal of this method is to achieve capital equity between existing and new customers.

Figure 4. Buy-in Methodology



### Incremental Cost Method

While the Buy-in method is used when the system has sufficient capacity for additional development, the Incremental Cost method is most appropriate when current system capacity is not capable of serving new development without significant investment in new facilities. Under this methodology all of the costs of future system expansion are allocated to new customers. This method requires a detailed long-term capital improvement plan (CIP) that clearly identifies the proportion of project cost contributing to expansion of the system. As shown in Figure 5, using the same bus analogy, when the bus is full (at capacity), new passengers must purchase additional cargo for them to secure a seat so that existing customers would not be burdened by the Incremental Costs. This method rests on the premise “growth pays for growth.”

Figure 5. Incremental Cost Method



### Combined Approach

For systems that have the capacity to serve new development in the short-run but require investment in capacity-expanding facilities in the long-run, a combination of Buy-in and Incremental Cost methods is considered. Development Impact Fees developed under the combined method reflect the value of the existing system and expansion related CIPs. In Figure 6 the new passengers are expected to share the costs associated with the available seats in the original section of the bus and extension of the bus that is added to increase additional availability of seats.

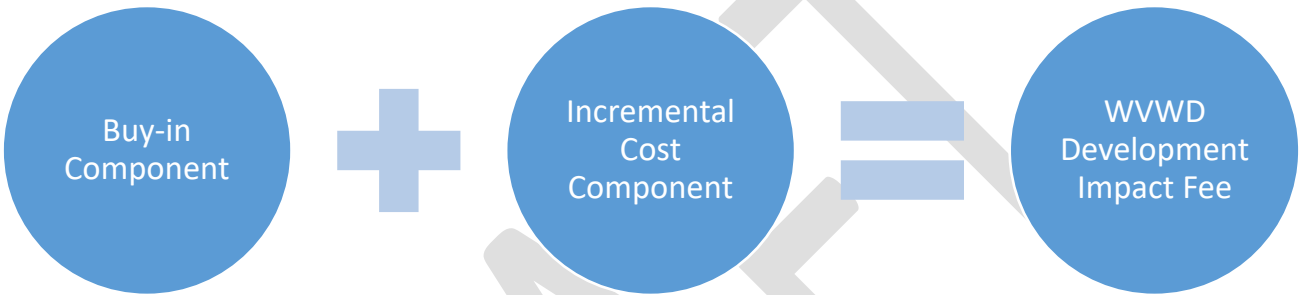
Figure 6. Combined Cost Method



### Proposed Approach

According to the 2020 WFMP, the current system holds some remaining capacity to accommodate new customers. Residentially zoned lands are currently built to 59 percent of the proposed land use capacity, while non-residential zoned lands are developed to 75 percent, this equates to only 66 percent of the District’s entire service area being built out. However, the District anticipates rapid expansion of roughly 17,000 additional EDUs over the 2021-2046 period. RDN recommends Development Impact Fees for the District be calculated based on the combined approach. This approach captures the significant investment made into the existing system by current customers and the cost of capital improvement projects scheduled for expansion. Figure 7 displays the summarized formula used to calculate the District’s fees under the combined approach.

*Figure 7. Combined Approach, Development Impact Fee Calculation Methodology for WVWD*



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## 3. FEE CALCULATION

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RDN first evaluated which assets are eligible for inclusion in the Development Impact Fee calculation. It is common fee setting practice to only include the asset value of the backbone infrastructure in the system. To calculate the Development Impact Fees, RDN allocated each asset between eight major service functions using the pertinent asset value and system capacity specific to each function. The functions include source of supply, treatment, storage, pumping, pipes, general plant, water rights, and land. Asset values under all three options were adjusted by taking out the assets funded by developers, grants, and other non-rate funding sources. Additionally, adjustments were to the system asset values to avoid double charging new customers for costs they will inherit in their rates once they joined the system. The capital reserve fund was then included in the asset list as a viable asset. The asset value after these adjustments is denoted as “allowable asset value” in this Report. The allowable asset value is divided by the corresponding system capacity, resulting in a unit cost of the capacity. The unit cost was multiplied by 670 gpd defined as per EDU demand in the 2020 WFMP, or other unit of services per EDU applicable to the specific function. The same calculation was repeated for the Incremental Cost component and the fees were summed together to compute a total Development Impact Fee per EDU. The following section describes each of these components in detail.

### System Value

#### Current System Asset Valuation (Buy-in Component)

The District provided RDN with a comprehensive fixed asset list containing nearly 2,000 items with acquisition dates between 1961 and 2020. The asset list included information such as asset number, system function, useful life, and original purchase date of each asset.

#### Optional Methodologies for System Asset Valuation

The three methods used to calculate asset value are referred as Replacement Cost less Depreciation (RCLD, Option 1), Replacement Cost New (RCN, Option 2), and Replacement Cost New with alternate cost evaluation for pipes (RCN+Pipes, Option 3). While each option results in a slightly different asset value, they are all accepted by the AWWA and general fee setting practice.

#### OPTION 1 (BUY-IN COMPONENT - RCLD)

The RCLD method accounts for the system assets in present value, while also accounting for proportional devaluation via depreciation. The asset value was depreciated by the remaining useful life of each asset as presented in the master asset list. This method provides an asset value reflective of the current state of the system and most accurately represents the present-day value of the system into which new customers are buying. The Buy-in component of allowable asset value under Option 1 amounts to approximately \$40 million.



Table 6. Replacement Cost less Depreciation Asset Value

Asset Function	RCLD	Capacity Revenue Adj.	Debt Service	Capital Reserves	Allowable Asset Value
<b>Source of Supply</b>	\$17,863,144	\$9,433,929	\$5,294,442	\$3,607,971	\$6,742,743
<b>Treatment</b>	\$10,000,651	\$5,281,570	\$2,964,085	\$2,019,916	\$3,774,913
<b>Storage</b>	\$15,750,219	\$8,318,046	\$4,668,194	\$3,181,205	\$5,945,184
<b>Pumping</b>	\$6,972,761	\$3,682,473	\$2,066,651	\$1,408,348	\$2,631,986
<b>Pipes</b>	\$39,437,936	\$20,828,064	\$11,688,977	\$7,965,614	\$14,886,510
<b>General Plant</b>	\$4,680,871	\$2,472,074	\$1,387,360	\$945,435	\$1,766,873
<b>Water Rights</b>	\$8,211,003	\$4,336,416	\$2,433,652	\$1,658,446	\$3,099,380
<b>Land</b>	\$2,212,968	\$1,168,718	\$655,900	\$446,972	\$835,322
<b>Total</b>	<b>\$105,129,554</b>	<b>\$55,521,289</b>	<b>\$31,159,261</b>	<b>\$21,233,907</b>	<b>\$39,682,911</b>

**OPTION 2 (REPLACEMENT COST NEW – RCN)**

Option 2 uses the RCN method to calculate system value. Under this methodology the allowable asset value reflects the cost of replacing the backbone system in today's dollars. Each asset's original cost is multiplied by the percent change in LA CCI between the asset's purchase date and the implementation date of the new fees. The RCN method does not account for accumulated depreciation of assets, meaning that even fully depreciated asset is valued at full replacement cost. Allowable asset value under Option 2 totals approximately \$175 million.

Table 7. Replacement Cost New Allowable Asset Value

Asset Function	RCN I	Capacity Revenue Adj.	Debt Service	Capital Reserves	Allowable Asset Value
<b>Source of Supply</b>	\$28,045,868	\$6,465,562	\$3,628,557	\$2,472,730	\$20,424,479
<b>Treatment</b>	\$50,278,562	\$11,590,983	\$6,505,009	\$4,432,928	\$36,615,498
<b>Storage</b>	\$39,062,352	\$9,005,251	\$5,053,863	\$3,444,024	\$28,447,262
<b>Pumping</b>	\$19,903,377	\$4,588,431	\$2,575,086	\$1,754,828	\$14,494,687
<b>Pipes</b>	\$71,587,072	\$16,503,347	\$9,261,890	\$6,311,643	\$52,133,477
<b>General Plant</b>	\$10,432,746	\$2,405,116	\$1,349,782	\$919,828	\$7,597,675
<b>Water Rights</b>	\$11,922,077	\$2,748,460	\$1,542,471	\$1,051,138	\$8,682,285
<b>Land</b>	\$9,604,338	\$2,214,139	\$1,242,603	\$846,789	\$6,994,385
<b>Total</b>	<b>\$240,836,391</b>	<b>\$55,521,289</b>	<b>\$31,159,261</b>	<b>\$21,233,907</b>	<b>\$175,389,748</b>

**OPTION 3 (REPLACEMENT COST NEW – RCN PLUS PIPE VALUATION)**

In Option 3, the replacement cost of pipelines was calculated separately using a different methodology from the RCN for the other functions. In Option 3, the replacement cost of pipes was calculated using the cost estimate per diameter inch of \$15.00 found in the 2020 WFMP. The District currently maintains approximately 482,000 feet of pipelines which are at least 14" in diameter. RDN included only the pipes which are 14" and larger in this calculation because they represent the backbone of water main infrastructure. Table 8 presents the size of pipes and their linear footages included in the replacement cost calculation.

Table 8. RCN II Alternate Water Main Valuation

Pipeline Diameter	Linear Feet	Unit Cost Per LF	Total Cost
14-in	2,746	\$210	\$576,576
16-in	132,898	\$240	\$31,895,424
18-in	59,136	\$270	\$15,966,720
20-in	69,062	\$300	\$20,718,720
22-in	42	\$330	\$13,939
24-in	141,662	\$360	\$50,998,464
30-in	55,968	\$450	\$25,185,600
36-in	2,534	\$540	\$1,368,576
Baseline Feeder	9,963	\$720	\$7,173,345
<b>Total</b>	<b>474,012</b>		<b>\$153,897,364</b>

The Base Line Feeder (BLF) is owned by several agencies and is broken down to four phases reflecting the time of project execution. WVWD owns 48.00% of Phase I & II and 33.33% of Phase III & IV. The total portion of the BLF owned by the District is thus 9,963 linear feet.

Following this alternate water main valuation and the three adjustments, the total allowable asset value under Option 3 is calculated at \$261 million.

Table 9. Replacement Cost New with Alternate Pipe Valuation Allowable Asset Value

Asset Function	RCN II	Capacity Revenue Adj.	Debt Service	Capital Reserves	Allowable Asset Value
Source of Supply	\$28,045,868	\$4,767,604	\$2,675,641	\$1,823,352	\$22,425,976
Treatment	\$50,278,562	\$8,547,008	\$4,796,691	\$3,268,771	\$40,203,634
Storage	\$39,062,352	\$6,640,330	\$3,726,639	\$2,539,569	\$31,234,952
Pumping	\$19,903,377	\$3,383,437	\$1,898,828	\$1,293,983	\$15,915,094
Pipes	\$153,897,364	\$26,161,489	\$14,682,164	\$10,005,362	\$123,059,074
General Plant	\$13,831,959	\$2,351,337	\$1,319,601	\$899,260	\$11,060,281
Water Rights	\$11,922,077	\$2,026,671	\$1,137,394	\$775,093	\$9,533,105
Land	\$9,667,526	\$1,643,413	\$922,304	\$628,517	\$7,730,326
<b>Total</b>	<b>\$326,609,084</b>	<b>\$55,521,289</b>	<b>\$31,159,261</b>	<b>\$21,233,907</b>	<b>\$261,162,441</b>

## Adjustments

### Outstanding Debt Principal

The first adjustment RDN made is crediting new customers for the outstanding debt principal amount that has not yet been paid by the existing customers. The District currently makes payments on three loans: water participation rights, debt service used to fund construction of WVWD's Hydroelectric Plant, and the Series 2016A bond. These three debts have a cumulative outstanding principal of \$31.2 million as of FY 2020-21. New customers will start making payments through their water rates once they join the system, thus it is necessary to subtract the amount

from the fee calculation to avoid new customers paying once with a new connection, and paying again on their water bill.

#### Revenues from Development Impact Fees

Previously collected Development Impact Fee revenue was subtracted from the District's total asset value because the revenue was not generated through existing customers' rates. These revenues should not be included in the asset value calculation because the fee a new customer pays is embedded into the property purchase price, which comes with the water service and related infrastructure. The value of this investment will continue to be included in the value of the house, thus the revenue generated from such fees should not be recoverable either through water rates nor future Development Impact Fees. When the customer sells the property, the value of the investment will be passed onto the next owner through the sale. The basic principle of Development Impact Fee calculation is that allowable system asset value should capture only the direct contributions made by the existing customers through rates. Development Impact Fee revenue represents a facet of property value rather than direct customer investment to the system. WVWD provided RDN with a comprehensive list of Development Impact Fee revenue between FY 1985 to FY 2020, totaling roughly **\$55.5 million**.

#### Capital Reserves

The third and final adjustment is the addition of the District's Capital Reserves to the asset value calculation. The reserves are treated as an asset because they were contributed by existing customers through rates and are available to pay for capital and operating costs of the water system, from which future customers will benefit. The District's current capital reserve balance is **\$21.2 million**. This amount was added to the calculation as an allowable system asset value.

#### **Capital Improvement Projects for Expansion (Incremental Cost Component)**

To calculate the Incremental Cost component, RDN utilized the extensive capital improvement plan in the 2020 WFMP for the planning period (FY2019 – FY2046). Similar to the method used for the Buy-in component, RDN first assigned the CIP projects to one of seven system functions including source of supply, treatment, pumping, valves, pipes, storage, and land. All scheduled CIPs in the 2020 WFMP were clearly classified as either existing or future (expansion) projects. RDN confirmed with the District that the future projects are all expansion related, thus should be included in the fee calculation. RDN also checked the status of the project execution. The fully executed projects scheduled between FY 2019 and FY 2021 in the 2020 WFMP were moved to the current asset list while the projects, which were scheduled but not yet executed, were kept in the future projects. The cost of expansion related capital improvement projects totaled \$255 million. Table 10 shows the total expansion costs for each system function included in the asset value calculation.

*Table 10. Capital Improvement Costs for Expansion by System Function*

Function	Total Expansion
Source of Supply	\$13,441,800
Treatment	\$82,966,400
Pumping	\$31,226,000
Valves	\$520,000
Pipes	\$69,048,473
Storage	\$55,631,000
Land	\$2,346,000
<b>Total</b>	<b>\$255,179,673</b>

## System Capacity

System capacity was measured individually for each function in order to compute a unit cost for system capacity. RDN assessed the current system capacity for the Buy-in component and the additional capacity expected to be produced by capital expansion for the Incremental Cost component. RDN also computed the capacity of the system required for the fire service in order to develop Fire Capacity Charges. A Fire Capacity Charge is computed by assessing the extra capacity needed to serve in times of fire emergencies. In the 2020 WFMP, it indicated that the fire requirements only apply to two functions, storage and pipes. The fire capacity serves the capacity demand placed by private fire protection service accounts and public hydrants. After the asset costs of the fire capacity was identified, RDN reallocated the costs of the public hydrants back to the Development Impact Fee calculation. The 2020 WFMP indicated that the storage fire capacity requirement for the current and future combined is 5.58 million gallons (mg). The District's storage capacity is currently 72.1 percent of the total capacity at the build-out. RDN applied this percentage to the total requirement of 5.58 mg to estimate the current fire capacity in the system. The remaining capacity was allocated to the Incremental Cost component as additional capacity produced by the CIPs for expansion. Fire capacity for pipes were computed by taking the difference in the water demand between Peak Hour Day (PHD) and Peak Day Demand (PDD). Based on this calculation RDN allocated approximately 60 percent of the total cost to the Development Impact Fee calculation and the remaining 40 percent to the Fire Capacity Charge calculation. RDN assumed that the current system pipes are sufficient to serve the District's existing customers and additional pipes scheduled to be installed will accommodate new development's required demand. Each of these costs are then divided by the current EDUs or the additional EDUs for the Buy-in and the Incremental Cost component, respectively. The capacity of other system functions such as general plant, water rights, and land are calculated using the current EDUs for the current capacity and the EDU growth between the current and the build-out for the Incremental Cost component.

## Unit of Service

Once the unit costs were calculated for the source of supply, treatment, and pumping functions, they were multiplied by the unit of service (670 mgd) to compute the base fee for each function. RDN computed gallons of water available for each EDU for the storage function at the current capacity by taking the current total capacity less the fire capacity and dividing it by the current EDUs. For the Incremental Cost component, RDN used the



Table 11, Table 12, and Table 13 present a summary of Development Impact Fee and Fire Capacity Charge calculation for the Buy-in components by option.

Buy-in Component

Table 11. Option 1 (RCLD) Fee Calculation – Buy-in

Asset Function	Allowable Asset Value	Current Capacity	Capacity for Fire Service	Unit Cost	Unit of Service	Fire Unit of Service	Unit	Development Impact Fee per EDU	Fire Capacity Charge per EDU	Reallocation of Public Fire Costs	Total Development Impact Fee
Source of Supply	\$6,742,743	41,500,000		\$0.16	670		GPD	\$108.86			
Treatment	\$3,774,913	43,000,000		\$0.09	670		GPD	\$58.82			
Storage	\$5,945,184	66,637,117	4,022,883	\$0.08	2,063	41	Gallons	\$173.54	\$3.49		
Pumping	\$2,631,986	45,402,240		\$0.06	670		GPD	\$38.84			
Pipes	\$14,886,510	33,900,000	23,730,000	\$271.04	1	46	EDU	\$271.04	\$45.51		
General Plant	\$1,766,873	32,308		\$54.69	1		EDU	\$54.69			
Water Rights	\$3,099,380	32,308		\$95.93	1		EDU	\$95.93			
Land	\$835,322	32,308		\$25.86	1		EDU	\$25.86			
<b>Total</b>	<b>\$39,682,911</b>							<b>\$827.57</b>	<b>\$49.00</b>	<b>\$176.78</b>	<b>\$1,004.36</b>

Table 12. Option 2 (RCN) Fee Calculation – Buy-in

Asset Function	Allowable Asset Value	Current Capacity	Capacity for Fire Service	Unit Cost	Unit of Service	Fire Unit of Service	Unit	Development Impact Fee per EDU	Fire Capacity Charge per EDU	Reallocation of Public Fire Costs	Total Development Impact Fee
Source of Supply	\$20,424,479	41,500,000		\$0.49	670		GPD	\$329.74			
Treatment	\$36,615,498	43,000,000		\$0.85	670		GPD	\$570.52			
Storage	\$28,447,262	66,637,117	4,022,883	\$0.40	2,063	41	Gallons	\$830.38	\$16.68		
Pumping	\$14,494,687	45,402,240		\$0.32	670		GPD	\$213.90			
Pipes	\$52,133,477	33,900,000	23,730,000	\$949.20	1	159	EDU	\$949.20	\$159.39		
General Plant	\$7,597,675	32,308		\$235.16	1		EDU	\$235.16			
Water Rights	\$8,682,285	32,308		\$268.74	1		EDU	\$268.74			
Land	\$6,994,385	32,308		\$216.49	1		EDU	\$216.49			
<b>Total</b>	<b>\$175,389,748</b>							<b>\$3,614.13</b>	<b>\$176.07</b>	<b>\$635.25</b>	<b>\$4,249.38</b>



Table 13. Option 3 (RCN plus Pipes) Fee Calculation – Buy-in

Asset Function	Allowable Asset Value	Current Capacity	Capacity for Fire Service	Unit Cost	Unit of Service	Fire Unit of Service	Unit	Development Impact Fee per EDU	Fire Capacity Charge per EDU	Reallocation of Public Fire Costs	Total Development Impact Fee
Source of Supply	\$22,425,976	41,500,000		\$0.54	670		GPD	\$362.06			
Treatment	\$40,203,634	43,000,000		\$0.93	670		GPD	\$626.43			
Storage	\$31,234,952	66,637,117	4,022,883	\$0.44	2,063	41	Gallons	\$911.75	\$18.31		
Pumping	\$15,915,094	45,402,240		\$0.35	670		GPD	\$234.86			
Pipes	\$123,059,074	33,900,000	23,730,000	\$2,240.56	1	376	EDU	\$2,240.56	\$376.23		
General Plant	\$11,060,281	32,308		\$342.34	1		EDU	\$342.34			
Water Rights	\$9,533,105	32,308		\$295.07	1		EDU	\$295.07			
Land	\$7,730,326	32,308		\$239.27	1		EDU	\$239.27			
<b>Total</b>	<b>\$261,162,441</b>							<b>\$5,252.33</b>	<b>\$394.54</b>	<b>\$1,423.50</b>	<b>\$6,675.83</b>

Table 14 shows the summary calculation for the Incremental Cost component.

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*Incremental Cost Component*

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Table 14. CIPs for Expansion (Incremental Cost)

System Function	Total Expansion	Current Capacity	Capacity for Fire Service	Unit Cost	Unit of Service	Fire Unit of Service	Unit	Development Impact Fee per EDU	Fire Capacity Charge per EDU	Reallocation of Public Fire Costs	Total Development Impact Fee
Source of Supply	\$13,441,800	35,100,000			GPD	\$0.38	670	\$256.58			
Treatment	\$82,966,400	35,100,000			GPD	\$2.36	670	\$1,583.69			
Pumping	\$31,226,000	62,553,600			GPD	\$0.50	670	\$334.46			
Valves	\$520,000	19,900,000	13,930,000	GPD	\$17.50	1	\$4.53	\$17.50	\$4.53	\$4.53	
Pipes	\$69,048,473	19,900,000	13,930,000	GPD	\$2,323.89	1	\$601.80	\$2,323.89	\$601.80	\$601.80	
Storage	\$55,631,000	27,350,000	1,557,117	Gallons	\$1.92	2,001	\$33.13	\$3,850.74	\$63.75	\$63.75	
Land	\$2,346,000	17,478			EDU	\$134.23	1	\$134.23			
<b>Total</b>	<b>\$255,179,673</b>							<b>\$8,501.09</b>	<b>\$670.08</b>	<b>\$1,570.48</b>	<b>\$10,071.57</b>

Figure 8 presents the optional fees by option. The Incremental Cost component is the same for all options but the Buy-in component varies depending on the methodology used to calculate system asset value. Option 1 used Replacement Cost less Depreciation (RCLD) for the Buy-in component of the fee calculation, the Option 2 fee is calculated using Replacement Cost New (RCN), and Option 3 fee used Replacement Cost New plus a separate valuation for the system main replacement costs. Figure 9 shows the proposed Fire Capacity Charge for each option.

Figure 8. Comparison of Development Impact Fees by Option

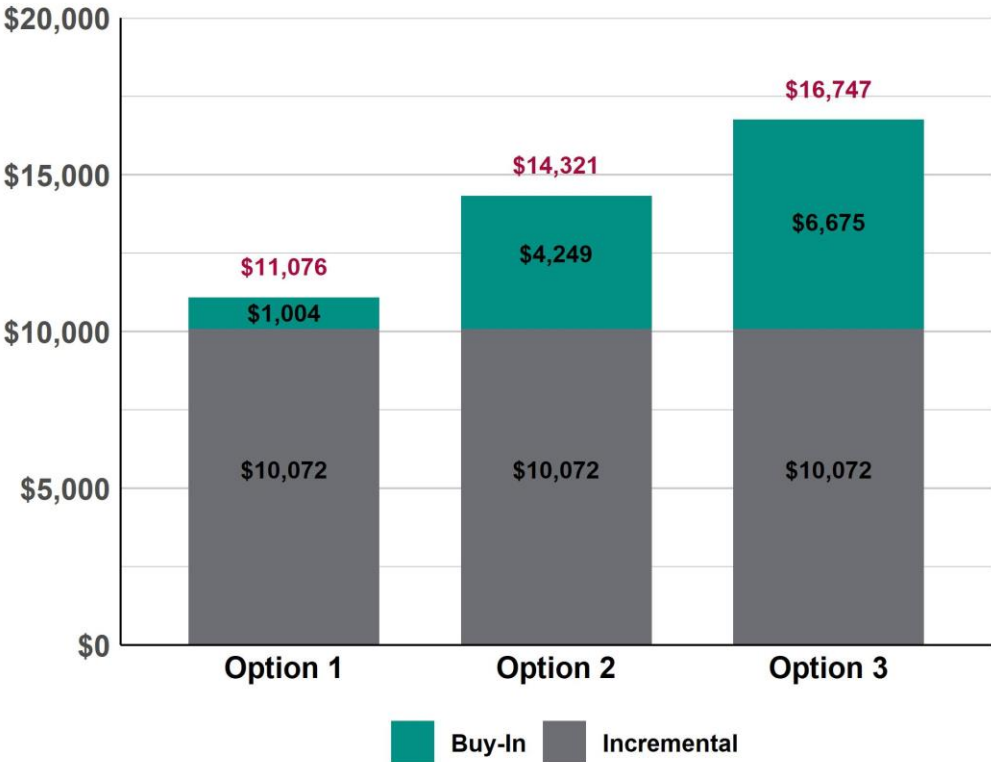




Figure 9. Comparison of Fire Capacity Charge by Option



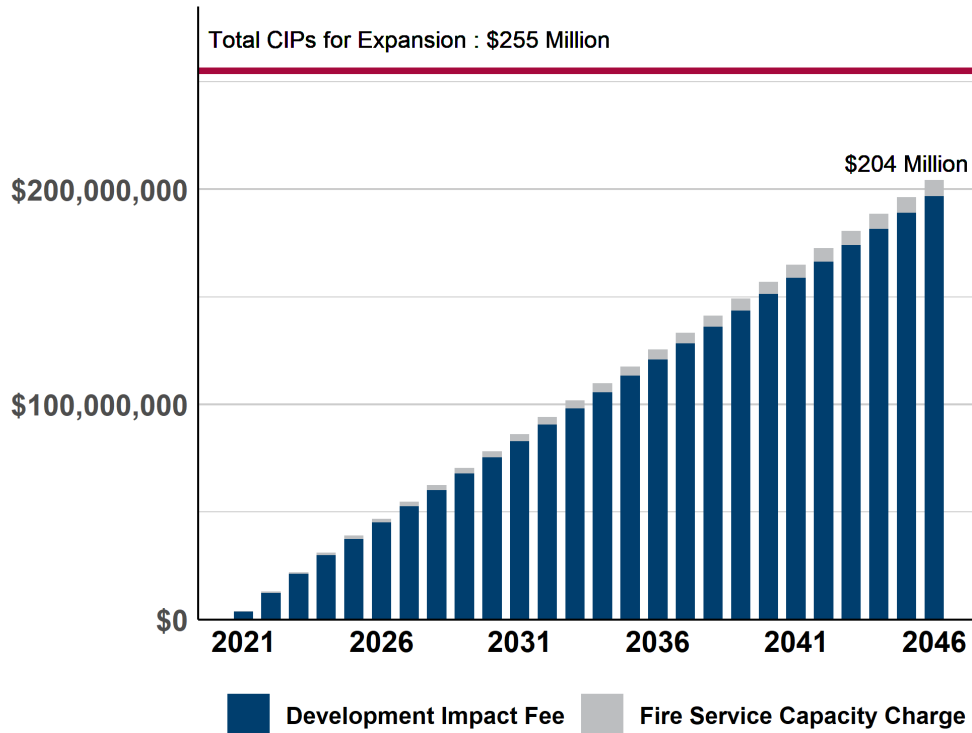
**Option 1 (RCLD)**

The Development Impact fee calculation under Option 1 for the base meter (3/4-inch and smaller) resulted in \$11,076. Larger meters are scaled upward using the AWWA capacity ratio. The smallest meter size for the Fire Capacity Charges is 1-inch. This option will generate approximately \$197 million cumulative revenues from Development Impact Fees and an additional \$7 million from Fire Capacity Charge revenues, totaling \$204 million by FY 2046.

Table 15. Option 1 Development Impact Fees and Fire Capacity Charges by Meter Size

Meter Size	Safe Maximum Operating Flow	System Demand Factor	Development Impact Fee	Fire Service Capacity Charge
5/8" & 3/4"	30 gpm	1.0	\$11,076	-
1"	50 gpm	1.7	\$18,497	\$1,198
1-1/2"	100 gpm	3.3	\$36,883	\$2,397
2"	160 gpm	5.3	\$59,035	\$3,835
3"	350 gpm	11.7	\$110,759	\$7,191
4"	600 gpm	20.0	\$184,636	\$11,985
6"	1250 gpm	41.7	\$369,161	\$23,969
8"	1800 gpm	60.0	\$590,679	\$38,351
10"	2300 gpm	76.7	-	\$55,130
12"	4300 gpm	143.3	-	\$103,068

Figure 10. Forecasted Revenues under Option 1 by Type



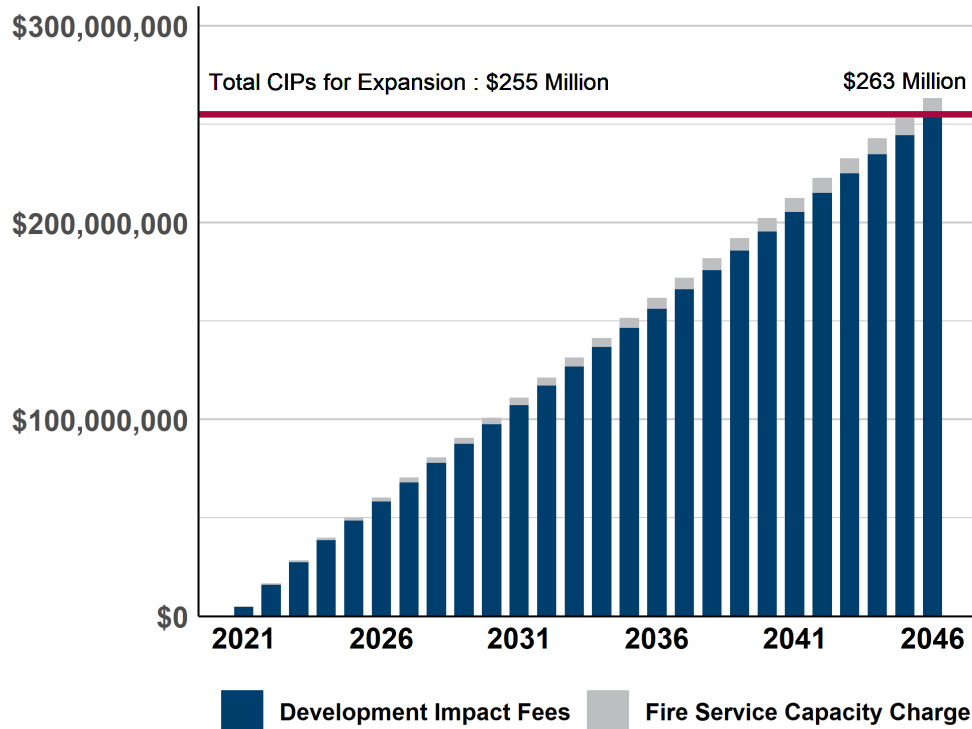
**Option 2 (RCN)**

The Development Impact fee calculation for the base meter (3/4-inch and smaller) under Option 2 resulted in \$14,321. This option will generate approximately \$254 million cumulative revenues from Development Impact Fees and an additional \$9 million from the Fire Service Capacity Charge revenues, totaling \$263 million by FY 2046.

Table 16. Option2 Development Impact Fees and Fire Capacity Charges by Meter Size

Meter Size	Safe Maximum Operating Flow	System Demand Factor	Development Impact Fee	Fire Service Capacity Charge
5/8" & 3/4"	30 gpm	1.0	\$14,321	-
1"	50 gpm	1.7	\$23,916	\$1,410
1-1/2"	100 gpm	3.3	\$47,689	\$2,820
2"	160 gpm	5.3	\$76,331	\$4,513
3"	350 gpm	11.7	\$143,209	\$8,461
4"	600 gpm	20.0	\$238,730	\$14,102
6"	1250 gpm	41.7	\$477,317	\$28,205
8"	1800 gpm	60.0	\$763,736	\$45,128
10"	2300 gpm	76.7	-	\$64,871
12"	4300 gpm	143.3	-	\$121,281

Figure 11. Forecasted Revenues under Option 2



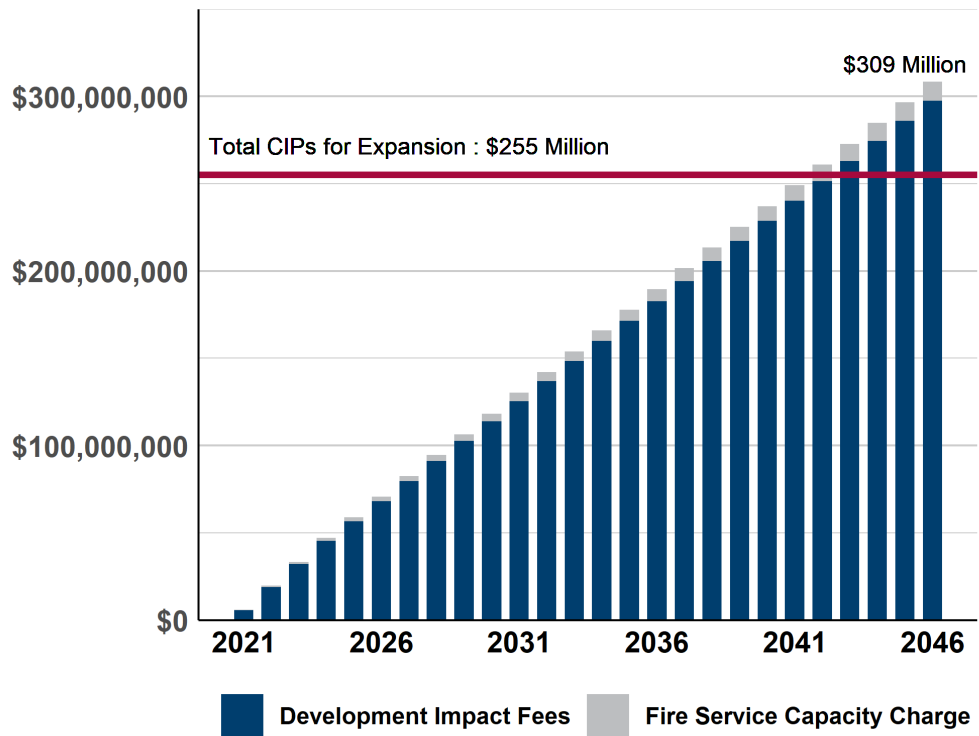
**Option 3 (RCN plus Pipes)**

Option 3 yields a Development Impact Fee of \$16,747 per EDU and a Fire Service Capacity Charge of \$1,774 per EDU. This option is expected to generate \$297 million from the Development Impact Fees and another \$11 million from Fire Service Capacity Charges, which totals \$309 million by FY 2046.

Table 17. Option 3 Development Impact Fees and Fire Capacity Charges by Meter Size

Meter Size	Safe Maximum Operating Flow	System Demand Factor	Development Impact Fee	Fire Service Capacity Charge
5/8" & 3/4"	30 gpm	1.0	\$16,747	-
1"	50 gpm	1.7	\$27,968	\$1,774
1-1/2"	100 gpm	3.3	\$55,769	\$3,549
2"	160 gpm	5.3	\$89,264	\$5,678
3"	350 gpm	11.7	\$167,474	\$10,646
4"	600 gpm	20.0	\$279,179	\$17,744
6"	1250 gpm	41.7	\$558,191	\$35,487
8"	1800 gpm	60.0	\$893,139	\$56,780
10"	2300 gpm	76.7	-	\$81,621
12"	4300 gpm	143.3	-	\$152,596

Figure 12. Option 3 Revenue Analysis



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## 4. FEE COMPARISON SURVEY

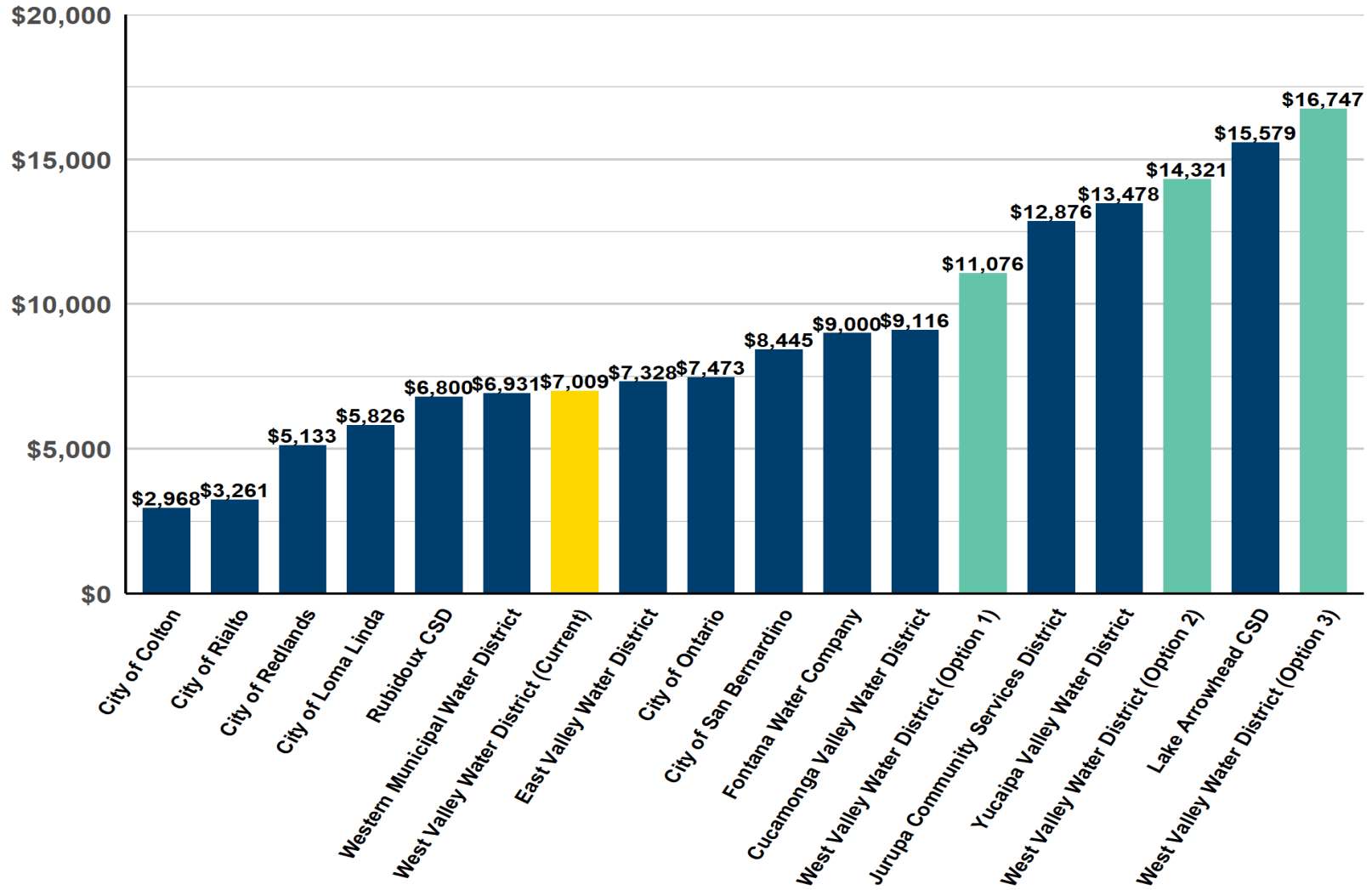
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There are significant differences in the Development Impact Fees among the neighboring communities of WVWD. Each agency has its own unique objectives and circumstances to consider and account for when setting this type of fee. For example, a system with sufficient capacity left to take on new customers for their planning period most likely will only use an approach which includes the Buy-in method when calculating the fee. The fees computed using this method is typically lower than the fees computed with the Incremental Cost method. Alternately, WVWD expects significant growth and needs to invest heavily in capital projects to accommodate its growing demand. Thus, it follows that the District must have a higher Development Impact Fee to offset the greater investment planned for future growth.

As presented in the Methodology section of this report there are many acceptable and defensible methods to compute the fee, which also contributes to the large variance among agencies. The following figure displays the current and proposed Development Impact Fees for the District compared to neighboring agencies' currently implemented fees.

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Figure 13. Fee Comparison



## 5. FINAL RECOMMENDATIONS

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The District's planned capital improvement project scheduled between FY 2021 and FY 2046 totals \$255 million. Development Impact Fee revenue is restricted and must be used strictly to fund most or all expansion-related capital costs. Without sufficient funding sourced from new development, funding the District's growth through water rates could place massive burden on the current ratepayers. At the District's request, RDN produced three optional fees ranging from \$11,076 to \$16,955 which all conform to State guidelines. All of the proposed fees will significantly increase Development Impact Fee revenues for the District compared to the current fee of \$7,009. In summary the three options presented in this report accomplish the outlined goals to varying degrees:

- Option 1:
  - Uses the replacement cost less depreciation (RCLD) methodology
  - **Accounts** for system depreciation and has the **lowest impact** on new development
  - **Does not** recover enough revenues to fund all of the expansion related CIPs, consequently current customers will need to fill the gap in revenues through rate increases
- Option 2:
  - Uses the replacement cost new (RCN) methodology which does not account for system depreciation
  - Recovers **sufficient** revenues to accommodate necessary system capacity growth through 2046
- Option 3:
  - Uses RCN method but additionally calculates the value of water pipes by using engineering estimates for total cost to replace the current mains of 14" and bigger
  - Recovers **sufficient** revenues to fund all necessary CIPs for expansion
  - Puts a **significant burden** on new development, which may hinder long-term growth

**RDN recommends the District implement Option 2.** This option results in a Development Impact Fee of \$14,321. This option is expected to generate sufficient revenue to cover the entire CIP cost estimated for expansion, and have some additional revenue to offset some of the CIP costs for the existing assets. Additionally, using a higher fee could hinder development, which could simply move to a different location if the cost to build significantly greater than neighboring agencies.

**RDN recommends that the District update the Development Impact Fee each year** to keep pace with construction cost inflation. The District can apply the annual increase (or decrease) in the ENR Los Angeles CCI. Additionally, we recommend that WVWD conduct a review the fee every four to five years or when there are significant changes in the physical system, planned capital projects, pace of new development, or other major changes.







**BOARD OF DIRECTORS  
POLICY REVIEW AND OVERSIGHT COMMITTEE  
STAFF REPORT**

**DATE:** April 14, 2021  
**TO:** Policy Review and Oversight Committee  
**FROM:** Shamindra Manbahal, Interim General Manager  
**SUBJECT:** WEST VALLEY WATER DISTRICT INVESTMENT POLICY

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**BACKGROUND:**

The West Valley Water District (“District”) Board of Directors (“Board”) voted to implement an Investment Policy on April 19, 2018. Amending the July 20, 2017 Resolution 2017-21. It is best practice to review and update the District’s Investment Policy on an annual basis to ensure compliance with the provisions of the California Government Code governing investment of public funds and make revisions as necessary to allow the District to leverage excess funds available for investment.

**DISCUSSION:**

The District’s Board authorized a contract with Chandler Asset Management on February 15, 2018. Chandler Asset Management has made a recommendation to change several aspects of the Investment Policy. The changes proposed after comparing the District’s Investment Policy to the California Government State Code (“CGC”), CMTA standards, and best practices are as follows:

**Section 3. Prudence** - We recommend updating this section to require the Prudent Investor Standard per CGC Section 53600.3. We also included the actual language from the Prudent Investor Standard to be consistent with CMTA best practices.

**Section 5. Delegation of Authority** – Added language that acknowledges that losses are possible when investing.

**Section 7. Ethics and Conflict of Interest** – Added that employees and officers shall refrain from conducting personal investment transactions with the same individual with whom business is conducted on behalf of the District to avoid any potential conflicts of interest.

**Section 9. Authorized Investments:**

- **9.8 Commercial Paper** – Updated language to be consistent with CGC 53601(h).

- **9.9 Repurchase Agreements** – Increased collateralization requirement from 100% to 102% to be consistent with CGC 53601(j).
- **9.11 Mutual Funds and Money Market Mutual Funds** – Added mutual funds to this section as an authorized investment to be consistent with CGC 53601(l). CGC permits up to 10% per qualified individual mutual fund, not to exceed 20% total combined money market mutual funds and mutual funds.
- **9.15 Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations from issuers not defined in sections 9.1 and 9.5 of the Authorized Investments of this policy** - We recommend adding structured products to the authorized investments section of the investment policy in accordance with CGC Section 53601(o). ABS and non-agency MBS must be rated at least “AA” or its equivalent at the time of purchase. These are high quality securities that will provide the District the ability to further diversify the portfolio among a broader universe of security types. Although these securities might have additional complexities compared to traditional bonds, Chandler has experience, knowledge and tools to help the District evaluate these securities. They also have the potential to provide additional earnings to the portfolio as yields on ABS are typically higher than comparable government securities.

**Section 11. Collateralization** – Increased CD collateralization requirement to 110% of market value to protect against fluctuations in the market value of the collateral.

**Section 13. Safekeeping of Securities** – Specified that monthly statements from the custodian are required. Included exceptions to the delivery-versus-payment (DVP) requirement for securities that are not deliverable, e.g., LGIPs, money market mutual funds, and bank time deposits.

**Section 14. Risk Management, Diversification and Maximum Maturities** - Clarified that US government securities, LAIF, CalTRUST, money market funds, mutual funds and supranationals are exempt from the 5% per issuer limitation.

- **14.1** – Added that the District will maintain a minimum of six months of budgeted operating expenses to mitigate market risk in the portfolio from having to liquidate securities prior to maturity.
- **14.3** – Included a procedure for handling securities that are downgraded below the credit quality required by the investment policy.

**Section 15. Review of Investment Portfolio** – Added this section per CMTA best practices.

**Section 19. Glossary** – Updated the glossary with additional investment terminology from the policy.

**FISCAL IMPACT:**

None.

**STAFF RECOMMENDATION:**

Staff recommends the authorization to bring the revised Investment Policy to the Finance Committee for review and subsequently the full Board for approval. The proposed Investment Policy does comply with all State Investment Policy statements and recommendations.

Respectfully Submitted,

*Shamindra Manbahal*

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Shamindra Manbahal, Interim General Manager

SM:jv

**ATTACHMENT(S):**

1. Exhibit A - Redlined Version Investment Policy
2. Exhibit B - Proposed Investment Policy

**MEETING HISTORY:**

03/23/21	Policy Review and Oversight Committee	REFERRED TO COMMITTEE
04/14/21	Finance Committee	

# EXHIBIT A

**RESOLUTION NO. ~~2021-518-8~~**  
**RESOLUTION OF THE BOARD OF DIRECTORS OF**  
**THE WEST VALLEY WATER DISTRICT**  
**ADOPTING THE ANNUAL INVESTMENT POLICY**  
**AMENDING RESOLUTIONS NO. ~~2018-82010-13 AND 2016-12~~**

**WHEREAS**, pursuant to State law, the Chief Financial Officer/or Treasurer of the West Valley Water District (“District”) shall annually prepare and submit a statement of investment policy and such policy and any changes thereto, shall be considered by the legislative body at a public meeting;

**NOW, THEREFORE**, the Board of Directors (“Board”) of the District does hereby resolve and determine as follows:

**Section 1. Policy** It is the policy of the District to invest public funds in a manner which will provide the highest investment return with the maximum security, while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds.

**Section 2. Scope** This investment policy applies to all financial assets of the District. These funds are accounted for in the District’s audited Comprehensive Annual Financial Report (CAFR) and include:

**2.1 Funds:**

- 2.1.1 General Fund
- 2.1.2 Any new fund created by the District, unless specifically exempted

**2.2 Funds Excluded From This Policy**

- 2.2.1 Public Employees Retirement Fund
- 2.2.2 Deferred Compensation
- 2.2.3 West Valley Water District Water Revenue Refunding Bonds, Series 2016A
- 2.2.4 Any Restricted Funds

**Section 3. Prudence** Pursuant to California Government Code, Section 53600.3, all persons authorized to make investment decisions on behalf of the Agency are trustees and therefore fiduciaries subject to the *Prudent Investor Standard*:

“...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. 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 the Agency, 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 the Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

~~Investments shall be made with judgment and care—under circumstances then prevailing—which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.~~

~~—The standard of prudence to be used by investment officials shall be the “prudent person” and/or “prudent investor” standard 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.~~

**Section 4. Investment Objectives** The primary objectives, in priority order, of the District’s investment activities shall be:

**4.1 Safety.** Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the District will diversify its investments by investing funds among independent financial institutions offering a variety of securities offering independent returns. Investments shall be made with the aim of avoiding capital losses due to issuer default, broker-dealer default or market value erosion.

**4.2 Liquidity.** The District’s investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements which are reasonably anticipated.

**4.3 Return on Investment.** The District’s investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, commensurate with the District’s investment risk constraints and the cash flow characteristics of the portfolio.

**Section 5. Delegation of Authority.** Authority to manage the District’s investment program is derived from California Government Code, Section 53607. Management responsibility for the investment program is hereby delegated to the General Manager and Chief Financial Officer/or Treasurer, who shall be responsible for all

transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials, and their procedures in their absence.

The Board of Directors, the General Manager, the Assistant General Manager, and the Chief Financial Officer/or Treasurer shall be signatories on all accounts, to access accounts for these and other authorized investments consistent with this investment policy.

The Chief Financial Officer/or Treasurer may retain the services of an outside investment advisor or manager as approved by the Board to assist with the District's investment program. Qualified outside managers will be either SEC Registered Investment Advisors or Bank Money Managers. The investment advisor shall make all investment decisions and transactions in strict accordance with State and Federal law, this Policy and such other written instructions as are provided. The performance and service levels of investment advisors and managers shall be reviewed annually.

The District's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The District 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 the District.

**5.1 Investment Procedures.** The Chief Financial Officer/or Treasurer shall establish written investment policy procedures for the operation of the investment program consistent with this policy. The procedures should include reference to: safekeeping, wire transfer agreements, banking service contracts and collateral/depository agreements, and cash flow forecasting. 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 Chief Financial Officer/or Treasurer.

**Section 6. Internal Controls.** The Chief Financial Officer/or Treasurer shall establish a system of internal controls designed to prevent losses due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, and/or imprudent actions by employees of the District. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes the (1) cost of control should not exceed the benefits likely to be derived and (2) the value of costs and benefits requires estimates and judgements by management. Compliance with this policy and internal controls shall be reviewed annually by the District's independent, external auditors as part of its normal audit procedures.

Any investment activity outside of the District's Financial Advisor's recommendation shall require approval by both the Chief Financial Officer and the General Manager.



Written operational and investment procedures consistent with this Policy shall be established and include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under this Policy and the established procedures.

**Section 7. Ethics and Conflicts of Interest** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with 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 Board any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the District. [Employees and officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the District.](#)

**Section 8. Authorized Broker-Dealer** the Chief Financial Officer/or Treasurer will maintain a list of financial institutions 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 services in the State of California. These may include “primary” dealers, or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by California laws. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Chief Financial Officer/or Treasurer with the following:

- 8.1 Must be in business for at least three (3) years
- 8.2 Proof of Financial Industry Regulatory Authority (FINRA) certification (not applicable to Certificate of Deposit counterparties)
- 8.3 Proof of national Association of Security Dealers certification.
- 8.4 Proof of California registration
- 8.5 Certification of having read and understood and agreeing to comply with the District’s investment policy and depository contracts.
- 8.6 Evidence of adequate insurance coverage.

An annual review of the financial condition and registrations of qualified bidders will be conducted by the Chief Financial Officer/or Treasurer. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the District invests. Broker/dealers utilized by an external investment adviser will be at the sole discretion of the adviser.

**Section 9. Authorized Investments** From the Board of Director’s perspective, special care must be taken to ensure that the list of instruments includes only those allowed by law and those that the District Chief Financial Officer/or Treasurer is trained

and competent to handle. Concentration and credit limits apply at the time the security is purchased.

The District is empowered by statute to invest in the following types of securities:

- 9.1 United States Treasury Issues.** United States Treasury notes, bonds, bills or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest (CGC §53601(b)) There's no limitation as to the percentage of the portfolio that may be invested in this category, however, maximum investment maturities are limited to up to five years;
- 9.2 State of California Local Agency Investment Fund (LAIF).** The District may invest in the Local Agency Investment Fund established by the State Treasurer for the benefit of local agencies (CGC §16429.1). The fund must have 24 hour liquidity. There is no limitation on the percentage of the District portfolio that may be invested in this category;
- 9.3 The Investment Trust of California (CalTRUST).** The Investment Trust of California (CalTRUST) is a local government investment pool organized as a joint powers authority pursuant to California Government Code Section 6509.7 Shares of beneficial interest issued by the Investment Trust of California (CalTRUST), which invests in securities and obligations eligible for direct investment by local agencies pursuant to California Government Code Section 53601. There are four different funds that are available. They are:
1. Government Money Market Fund
  2. Heritage Money Market Fund
  3. CalTRUST Short term fund
  4. CalTRUST Medium term fund
- ~~Both the Short term and the Medium term funds trade in a narrow range. During the 2016-2017 year they have traded between \$10.02 and \$10.04 Net Asset Value (NAV).~~
- Investment of District funds in CalTRUST shall be subject to investigation and due diligence prior to investing. No limit will be placed on the percentage total in this category
- 9.4 Negotiable Certificates of Deposit.** Negotiable Certificates of Deposit (NCDs) issued by a nationally or state chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases are limited to institutions that have a long-term debt rating of at least the "A" category or its

equivalent, by a Nationally Recognized Statistical Rating Organization (NRSRO); and/or have a short-term debt rating of at least “A-1”, or its equivalent, by NRSRO. NCDs for which the full amount of the principal and the interest that may be accrued during the maximum term of each certificate is insured by federal deposit insurance are exempt from rating requirements. A maximum of 30 percent of surplus funds can be invested in Certificates of Deposit (CGC §53601(h)).

**9.5 Federal Agency Obligations.** Federal agency or United States government-sponsored enterprise obligations, participations, mortgage backed securities or other instruments, including those issued by or fully guaranteed as to principal and interest by Federal agencies or United States government-sponsored enterprises (CGC §53601 (f)). There is no limitation as to percentage of the portfolio that may be invested in this category, however, purchases of callable Federal Agency obligations are limited to a maximum of 30 percent of portfolio.

**9.6 Municipal Securities.** Registered state warrants or treasury notes or bonds of this state or any of the other 49 states, 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 this state or any of the other 49 United States;

Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including the District’s bonds.

Securities must have a long-term debt rating of at least the “A” category, or its equivalent, by a NRSRO; and/or have a short term debt rating of at least “A-1”, or its equivalent, by a NRSRO. A maximum of 20 percent of the portfolio may be invested in this category.

**9.7 Bankers’ Acceptances.** Banker’s acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank; Purchases are limited to bankers’ acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System. Purchases of bankers’ acceptance may not exceed 180 days maturity. Eligible bankers’ acceptances are restricted to issuing financial institutions with a short-term debt rating of at least “A-1”, or its equivalent, by a NRSRO.

A maximum of 25 percent of the portfolio may be invested in this category.

- 9.8 Commercial Paper.** Commercial paper of “Prime” quality or the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2): \_\_\_\_\_
- (1) (i) is organized and operating in the United States as a general corporation, (ii) has total assets in excess of five hundred million dollars (\$500,000,000), and (iii) has debt other than commercial paper, if any, that is rated in at least the “A” category, or its equivalent, by a NRSRO. \_
- (2) The entity meets the following criteria: (i) is organized within the United States as a special purpose corporation, trust, or limited liability company, (ii) has programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond, (iii) has commercial paper that is rated “A-1” or the equivalent or higher by a NRSRO. \_\_\_\_\_

Eligible commercial paper shall have a maximum maturity of 270 days or less and not represent more than 10 percent of the outstanding paper of an issuing corporation. A maximum of 25 percent of the portfolio may be invested in this category.

- 9.9 Repurchase Agreements.** Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements are to be used as short-term investments not to exceed 90 days. Repurchase agreements shall be made with counterparties that are primary dealers of the Federal Reserve Bank of New York or a nationally or state-chartered bank that has or has had a significant banking relationship with District. Furthermore, the counter-party shall have the following qualifications: (i) a long-term debt rating of at least the “A” category, or its equivalent, by a NRSRO; (ii) a short-term credit rating of at least “A-1” or its equivalent, by a NRSRO; (iii) minimum assets and capital size of \$25 billion in assets and \$350 million in capital; (iv) five years of acceptable audited financial results; and (v) a strong reputation among market participants.

The District shall have a properly executed master repurchase agreement with each counter-party for which it enters into an agreement for repurchase agreements. Collateral of at least

1020 percent of market value of principal and accrued interest is required. For any repurchase agreement with a term of more than one day, the value of the underlying securities must be reviewed on an on-going basis according to market conditions. Market value must be calculated each time there is a substitution of collateral. Collateral is limited to obligations of the United States government and its agencies. Collateral must be delivered to the District's custodian bank or handled under a properly executed master repurchase agreement. The District, or its trustee, shall have a perfected first security interest in all collateral. A maximum of 10 percent of the portfolio may be invested in this category.

**9.10 Medium-Term notes.** 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 (CGC §53601 (k)). Purchases are limited to securities that have a long-term debt rating of at least the "A" category, or its equivalent, by a NRSRO. A maximum of 30 percent of the portfolio may be invested in this category.

**9.11 Mutual Funds and Money Market Mutual Funds.** ~~Shares of beneficial interest issued by diversified management companies~~ that are ~~money market funds~~ registered with the Securities and Exchange Commission under the Investment Company Act of 1940, provided that:~~(CGC 53601 (1)(2));~~

a. 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: 1) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs; or 2) 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.

A maximum of 10% of the total portfolio may be invested in the shares of any one mutual fund.

b. 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~~The company shall have met~~ either of the following criteria: 1) attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs or 2) retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years of experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

A maximum of 20 percent of the portfolio may be invested in the shares of any one Money Market Mutual Fund.~~this category~~

If the District has funds invested in a money market fund, a copy of the fund's information statement shall be maintained on file. In addition, the Chief Financial Officer/or Treasurer should review the fund's summary holdings on a quarterly basis.

c. No more than 20% of the total portfolio may be invested in these securities.  
~~Mutual Funds that are specifically designated for short term investments such as Floating Rate Funds are acceptable as long as they have a minimum of quarterly liquidity.~~

**9.12 Bank Deposits.** FDIC insured or fully collateralized bank deposits, including, but not limited to, demand deposit accounts, savings accounts, market rate accounts and time deposits issued by a state or national bank, savings and loan associations, or state or federal credit unions located in California (CGC §53630 et. Seq.) A written depository contract is required with all institutions that hold District deposits requiring that deposits be collateralized in accordance with CGC. The Chief Finance Officer/or Treasurer, at his/her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. Securities placed in a collateral pool must provide coverage for at least 100 percent of all deposits that are placed in that institution. Acceptable pooled coverage is governed by CGC §53651. Real estate mortgages are not considered acceptable collateral by the District, even though they are permitted in CGC §53651 (m). All financial institutions holding District deposits are required to provide the District with regular

statements of pooled collateral. The report will state they are meeting the 100 percent collateral rule, a listing of all collateral with location and market value, plus an accountability of the total amount of deposits secured by the pool. In accordance with CGC §53638, no deposit shall exceed the shareholder's equity of any depository bank, nor shall a deposit exceed the total net worth of any institution. No deposits shall be made at a state or federal credit union if a member of the Board or the General Manger or Chief Financial Officer/or Treasurer of the District services on the Board of Directors or a committee of the credit union. The maturity of time deposits (TCDs) may not exceed 4 years. There is no limit on the percentage of the portfolio that may be invested in bank deposits. However, a maximum of 20% of the portfolio may be invested in TCDs.

**9.13 Local Government Investment Pools (LGIP).** Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7. To be eligible for purchase, the pool shall meet all of the following conditions: (i) must meet the requirements of California Government Code Section 53601(p), (ii) the pool must seek to maintain a stable Net Asset Value (NAV), and (iii) the pool must be rated in at least the "AA" category, or its equivalent, by a NRSRO. A maximum of 50 percent of the portfolio may be invested in this category. Whenever the District has any funds invested in a LGIP, the Chief Financial Officer/or Treasurer shall maintain on file a copy of the pool's current information statement. In addition, the Chief Financial Officer/or Treasurer should review the pool's summary portfolio holdings on a quarterly basis.

**9.14 Supranationals.** US dollar-denominated senior unsecured unsubordinated obligations or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. The securities must be rated in the "AA" category or higher by a NRSRO. No more than 30% of the portfolio may be invested in these securities and no more than 10% per issuer. The maximum maturity is five years.

**9.149.15 Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations from issuers not defined in sections 9.1 and 9.5 of the Authorized Investments of this policy, provided that the securities are rated in a rating category of "AA" or its equivalent or higher**



by a NRSRO. No more than 20% of the total portfolio may be invested in these securities. No more than 5% of the portfolio may be invested in a single Asset-Backed or Commercial Mortgage Security Issuer. The maximum legal final maturity may not exceed five years.

**Section 10. Pooled Investment /Mutual Fund Information Requirements**

Insofar as this policy allows available funds to be deposited into pooled investment accounts, a thorough investigation of the pool is required prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

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

**Section 11. Collateralization** will be required on Certificates of Deposit, unless they are FDIC insured. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 1100% of market value of principal and accrued interest.

Collateral will always be held by an independent third party with whom the District has a current written custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the District and retained. The right of collateral substitution is granted.

**Section 12. Prohibited Investments** Under provisions of CGC §53601.6 and §53651.5, the District shall not invest any funds covered by this policy in equity securities, inverse floaters, range notes, interest-only strips that are derived from a pool of mortgages, or any investment that could result in zero interest earned if held to maturity.

The purchase of any investment permitted by the Government Code, but not listed as an authorized investment in this Policy is prohibited without prior approval of the Board.



**Section 13. Safekeeping of Securities** All security transactions entered into by the District shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third-party custodian designated by the Chief Financial Officer/or Treasurer and evidenced by safekeeping receipts. A monthly report will be received by the District 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; (iii) mutual funds and money market mutual funds, since these securities are not deliverable.

**Section 14. Risk Management, Diversification and Maximum Maturities** The District 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. Diversification shall be determined and revised periodically. Adequate diversification shall be applied to the individual issuers of debt, both within each class of investments and collectively. With the exception of U. S. Treasury securities, Federal Agency securities, LGIPFs, LAIF, CalTRUST securities, and authorized pools, no more than 50% of the District's total investment portfolio will be invested in a single security type or with a single financial institution. No more than 5% of the total portfolio may be invested in securities issued by any single issuer with the exception of US Treasuries, US Agencies, Supranationals, LAIF, CalTRUST, money market funds, mutual funds, LGIPs, or unless otherwise specified in this investment policy.

- 14.1** To the extent possible, the District will attempt to match its investments with anticipated cash flow requirements. The District will maintain a minimum of six months of budgeted operating expenditures in short-term investments to provide sufficient liquidity for expected disbursements. Unless matched to a specific cash flow, the District will not directly invest in securities maturing more than five years from the settlement date. Reserve funds may be invested in securities exceeding three years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.
- 14.2** The Chief Financial Officer/or Treasurer 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.
- 14.3** If a security owned by the District is downgraded to a level below the requirements of this policy, making the security ineligible for additional purchases, the following steps will be taken:

- Any actions taken related to the downgrade by the investment manager will communicated to the Chief Financial Officer/or Treasurer in a timely manner.
- If a decision is made to retain the security, the credit situation will be monitored and reported to the Finance Committee of the Board of Directors.

**Section 15. Review of Investment Portfolio** The Chief Financial Officer/or Treasurer 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 Finance Committee of the Board of Directors.

**Section 165. Performance Standards** The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and cash flow needs.

**Section 165.1.** The District's investment strategy is active. The District may sell a security prior to its maturity and record a capital gain or loss in order to manage the quality, liquidity, or yield of the portfolio in response to market conditions or the District's risk preferences. Given this strategy, the basis used by the Chief Financial Officer/or Treasurer to determine whether market yields are being achieved shall be to identify a comparable benchmark to District's portfolio investment duration.

**Section 176. Investment Reporting** The Chief Financial Officer/or Treasurer shall provide to the Finance Committee of the Board of Directors monthly investment reports that provide a clear picture of the status of the current investment portfolio. The Management Report should include comments on the fixed income markets and economic conditions, discussions regarding restrictions on percentage of investment by categories, possible changes in the portfolio structure going forward, and thoughts on investment strategies.

Schedules in the monthly report should include the following:

- A listing of individual securities held at the end of the reporting period by authorized investment category
- Average life and final maturity of all investments lists
- Coupon, discount, or earnings rate
- Par value, amortized book value and market value
- Percentage of the portfolio represented by each investment category
- Transactions for the period

|        **Section 187. Policy Adoption and Review** The District's investment policy shall be adopted by resolution of the District's Board. The policy shall be reviewed annually by the Board and any modifications made thereto must be approved by the Board.

|        **Section 198. Glossary.** See attached Glossary.

|        **Section 2019. Resolution.** This Resolution shall take effect immediately upon its adoption.

The foregoing Resolution was duly adopted at a Regular Meeting of the Board of Directors of West Valley Water District by motion made, seconded, and duly carried on

**ROLL CALL:**

<b>AYES:</b>	<b>DIRECTORS:</b>
<b>NOES:</b>	<b>DIRECTORS:</b>
<b>ABSENT:</b>	<b>DIRECTORS:</b>
<b>ABSTAIN:</b>	<b>DIRECTORS:</b>

**WEST VALLEY WATER DISTRICT**

Channing Hawkins~~Dr. Clifford O. Young,~~

Sr

President of the Board

**ATTEST:**

Peggy Asche~~Crystal L. Escalera, Interim~~ Board Secretary

## GLOSSARY

**AGENCIES.** Federal agency securities and/or Government-sponsored enterprises.

**ASKED.** The price at which securities are offered.

**ASSET-BACKED SECURITIES (ABS).** Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

**BANKERS' ACCEPTANCES.** A money market instrument created to facilitate international trade transactions. It is highly liquid and the risk of the trade transactions is transferred to the bank which "accepts" the obligation to pay the investor.

**BENCHMARK.** A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

**CERTIFICATE OF DEPOSIT (CD).** A time deposit with a specific maturity evidenced by a certificate. ~~Large denomination CD's are typically negotiable.~~

**COLLATERAL.** Securities, evidence of deposit, or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**COLLATERALIZED MORTGAGE OBLIGATION (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.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR).** An official annual report of a local government. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory materials, and detailed Statistical Section.

**COUPON.** (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

**DELIVERY VERSUS PAYMENT.** There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

**DISCOUNT.** The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**DISCOUNT SECURITIES.** Non-interest bearing money market instruments that are issued a discount and redeemed at maturity for full face value (U. S. Treasury Bills).

**DIVERSIFICATION.** Dividing investment funds among a variety of securities offering independent returns.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC).** A federal agency that insures bank deposits, currently up to \$250,000 per deposit.

**FEDERAL HOME LOAN BANKS (FHLB).** Government sponsored wholesale banks (currently 12 regional banks) that lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

**LOCAL GOVERNMENT INVESTMENT FUND (LAIF).** A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

**LOCAL GOVERNMENT INVESTMENT POOL.** Investment pools that range from LAIF to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

**LIQUIDITY.** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**LOCAL GOVERNMENT INVESTMENT POOL.** The aggregate of all funds from political subdivisions that are placed in the custody of the State Chief Financial Officer for investment and reinvestment.

**MARKET VALUE.** The price at which a security is trading and could presumably be purchased or sold.

**MATURITY.** The date upon which the principal of stated value of an investment becomes due and payable.

**MONEY MARKET.** The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

**MONEY MARKET MUTUAL FUND.** A mutual fund that invests exclusively in short-term securities that comply with SEC Rule 2a-7. Money market mutual funds attempt to keep their net asset values at \$1 per share.

**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 FUNDS.** Entities that pool the funds of investors and invest those funds in a set of securities which are 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.

**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.

**NEGOTIABLE CERTIFICATE OF DEPOSIT (NCD).** A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market.

**PORTFOLIO.** Collection of securities held by an investor.

**PRUDENT PERSON RULE.** An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state, the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

**RATE OF RETURN.** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current incomes return.

**REPURCHASE AGREEMENT.** Short-term purchases of securities with 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 customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**STRUCTURED NOTES.** Notes issued by Government Sponsored Enterprises (FHLB) and corporations that have imbedded options (call features, etc.) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

**SUPRANATIONAL.** A multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

**TREASURY BILLS.** A non-interest bearing discount security issued by the U. S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

**TREASURY BONDS.** Long-term coupon-bearing U. S. Treasury securities issued as direct obligations of the U. S. Government and having initial maturities of more than 10 years.

**TREASURY NOTES.** Medium-term coupon-bearing U. S. Treasury securities issued as direct obligations of the U. S. Government and having initial maturities from two to 10 years.

**YIELD.** The rate of annual income return on an investment, expressed as a percentage. (a) Income Yield is obtained by dividing the current dollar income by the current market price for the security, (b) Net Yield or Yield to maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.



# EXHIBIT B

**RESOLUTION NO. 2021-5  
RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE WEST VALLEY WATER DISTRICT  
ADOPTING THE ANNUAL INVESTMENT POLICY  
AMENDING RESOLUTION NO. 2018-8**

**WHEREAS**, pursuant to State law, the Chief Financial Officer/or Treasurer of the West Valley Water District (“District”) shall annually prepare and submit a statement of investment policy and such policy and any changes thereto, shall be considered by the legislative body at a public meeting;

**NOW, THEREFORE**, the Board of Directors (“Board”) of the District does hereby resolve and determine as follows:

**Section 1. Policy** It is the policy of the District to invest public funds in a manner which will provide the highest investment return with the maximum security, while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds.

**Section 2. Scope** This investment policy applies to all financial assets of the District. These funds are accounted for in the District’s audited Comprehensive Annual Financial Report (CAFR) and include:

**2.1 Funds:**

- 2.1.1 General Fund
- 2.1.2 Any new fund created by the District, unless specifically exempted

**2.2 Funds Excluded From This Policy**

- 2.2.1 Public Employees Retirement Fund
- 2.2.2 Deferred Compensation
- 2.2.3 West Valley Water District Water Revenue Refunding Bonds, Series 2016A
- 2.2.4 Any Restricted Funds

**Section 3. Prudence** Pursuant to California Government Code, Section 53600.3, all persons authorized to make investment decisions on behalf of the Agency are trustees and therefore fiduciaries subject to the *Prudent Investor Standard*:

“...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. 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 the Agency, 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 the Agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

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.

**Section 4. Investment Objectives** The primary objectives, in priority order, of the District’s investment activities shall be:

**4.1 Safety.** Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the District will diversify its investments by investing funds among independent financial institutions offering a variety of securities offering independent returns. Investments shall be made with the aim of avoiding capital losses due to issuer default, broker-dealer default or market value erosion.

**4.2 Liquidity.** The District’s investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements which are reasonably anticipated.

**4.3 Return on Investment.** The District’s investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, commensurate with the District’s investment risk constraints and the cash flow characteristics of the portfolio.

**Section 5. Delegation of Authority.** Authority to manage the District’s investment program is derived from California Government Code, Section 53607. Management responsibility for the investment program is hereby delegated to the General Manager and Chief Financial Officer/or Treasurer, who shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials, and their procedures in their absence.

The Board of Directors, the General Manager, the Assistant General Manager, and the Chief Financial Officer/or Treasurer shall be signatories on all accounts, to access accounts for these and other authorized investments consistent with this investment policy.

The Chief Financial Officer/or Treasurer may retain the services of an outside investment advisor or manager as approved by the Board to assist with the District's investment program. Qualified outside managers will be either SEC Registered Investment Advisors or Bank Money Managers. The investment advisor shall make all investment decisions and transactions in strict accordance with State and Federal law, this Policy and such other written instructions as are provided. The performance and service levels of investment advisors and managers shall be reviewed annually.

The District's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The District 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 the District.

**5.1 Investment Procedures.** The Chief Financial Officer/or Treasurer shall establish written investment policy procedures for the operation of the investment program consistent with this policy. The procedures should include reference to: safekeeping, wire transfer agreements, banking service contracts and collateral/depository agreements, and cash flow forecasting. 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 Chief Financial Officer/or Treasurer.

**Section 6. Internal Controls.** The Chief Financial Officer/or Treasurer shall establish a system of internal controls designed to prevent losses due to fraud, employee error, misrepresentation by third parties, unanticipated market changes, and/or imprudent actions by employees of the District. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes the (1) cost of control should not exceed the benefits likely to be derived and (2) the value of costs and benefits requires estimates and judgements by management. Compliance with this policy and internal controls shall be reviewed annually by the District's independent, external auditors as part of its normal audit procedures.

Any investment activity outside of the District's Financial Advisor's recommendation shall require approval by both the Chief Financial Officer and the General Manager.

Written operational and investment procedures consistent with this Policy shall be established and include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under this Policy and the established procedures.

**Section 7. Ethics and Conflicts of Interest** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with 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 Board any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the District. Employees and officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the District.

**Section 8. Authorized Broker-Dealer** the Chief Financial Officer/or Treasurer will maintain a list of financial institutions 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 services in the State of California. These may include “primary” dealers, or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by California laws. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Chief Financial Officer/or Treasurer with the following:

- 8.1 Must be in business for at least three (3) years
- 8.2 Proof of Financial Industry Regulatory Authority (FINRA) certification (not applicable to Certificate of Deposit counterparties)
- 8.3 Proof of national Association of Security Dealers certification.
- 8.4 Proof of California registration
- 8.5 Certification of having read and understood and agreeing to comply with the District’s investment policy and depository contracts.
- 8.6 Evidence of adequate insurance coverage.

An annual review of the financial condition and registrations of qualified bidders will be conducted by the Chief Financial Officer/or Treasurer. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which the District invests. Broker/dealers utilized by an external investment adviser will be at the sole discretion of the adviser.

**Section 9. Authorized Investments** From the Board of Director’s perspective, special care must be taken to ensure that the list of instruments includes only those allowed by law and those that the District Chief Financial Officer/or Treasurer is trained and competent to handle. Concentration and credit limits apply at the time the security is purchased.

The District is empowered by statute to invest in the following types of securities:

- 9.1 United States Treasury Issues.** United States Treasury notes, bonds, bills or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest (CGC §53601(b)) There's no limitation as to the percentage of the portfolio that may be invested in this category, however, maximum investment maturities are limited to up to five years;
- 9.2 State of California Local Agency Investment Fund (LAIF).** The District may invest in the Local Agency Investment Fund established by the State Treasurer for the benefit of local agencies (CGC §16429.1). The fund must have 24 hour liquidity. There is no limitation on the percentage of the District portfolio that may be invested in this category;
- 9.3 The Investment Trust of California (CalTRUST).** The Investment Trust of California (CalTRUST) is a local government investment pool organized as a joint powers authority pursuant to California Government Code Section 6509.7 Shares of beneficial interest issued by the Investment Trust of California (CalTRUST), which invests in securities and obligations eligible for direct investment by local agencies pursuant to California Government Code Section 53601. There are four different funds that are available. They are:
1. Government Money Market Fund
  2. Heritage Money Market Fund
  3. CalTRUST Short term fund
  4. CalTRUST Medium term fund
- Investment of District funds in CalTRUST shall be subject to investigation and due diligence prior to investing. No limit will be placed on the percentage total in this category
- 9.4 Negotiable Certificates of Deposit.** Negotiable Certificates of Deposit (NCDs) issued by a nationally or state chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases are limited to institutions that have a long-term debt rating of at least the "A" category or its equivalent, by a Nationally Recognized Statistical Rating Organization (NRSRO); and/or have a short-term debt rating of at least "A-1", or its equivalent, by NRSRO. NCDs for which the full amount of the principal and the interest that may be accrued during the maximum term of each certificate is insured by federal deposit insurance are exempt from rating requirements. A maximum of 30 percent of surplus funds can be invested in Certificates of Deposit (CGC §53601(h)).

**9.5 Federal Agency Obligations.** Federal agency or United States government-sponsored enterprise obligations, participations, mortgage backed securities or other instruments, including those issued by or fully guaranteed as to principal and interest by Federal agencies or United States government-sponsored enterprises (CGC §53601 (f)). There is no limitation as to percentage of the portfolio that may be invested in this category, however, purchases of callable Federal Agency obligations are limited to a maximum of 30 percent of portfolio.

**9.6 Municipal Securities.** Registered state warrants or treasury notes or bonds of this state or any of the other 49 states, 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 this state or any of the other 49 United States;

Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including the District's bonds.

Securities must have a long-term debt rating of at least the "A" category, or its equivalent, by a NRSRO; and/or have a short term debt rating of at least "A-1", or its equivalent, by a NRSRO. A maximum of 20 percent of the portfolio may be invested in this category.

**9.7 Bankers' Acceptances.** Banker's acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank; Purchases are limited to bankers' acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System. Purchases of bankers' acceptance may not exceed 180 days maturity. Eligible bankers' acceptances are restricted to issuing financial institutions with a short-term debt rating of at least "A-1", or its equivalent, by a NRSRO. A maximum of 25 percent of the portfolio may be invested in this category.

**9.8 Commercial Paper.** Commercial paper of "Prime" quality or the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):

(1) (i) is organized and operating in the United States as a general corporation, (ii) has total assets in excess of five hundred million dollars (\$500,000,000), and (iii) has debt other than commercial paper, if any, that is rated in at least the “A” category, or its equivalent, by a NRSRO.

(2) The entity meets the following criteria: (i) is organized within the United States as a special purpose corporation, trust, or limited liability company, (ii) has programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond, (iii) has commercial paper that is rated “A-1” or the equivalent or higher by a NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less and not represent more than 10 percent of the outstanding paper of an issuing corporation. A maximum of 25 percent of the portfolio may be invested in this category.

**9.9 Repurchase Agreements.** Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements are to be used as short-term investments not to exceed 90 days. Repurchase agreements shall be made with counterparties that are primary dealers of the Federal Reserve Bank of New York or a nationally or state-chartered bank that has or has had a significant banking relationship with District. Furthermore, the counter-party shall have the following qualifications: (i) a long-term debt rating of at least the “A” category, or its equivalent, by a NRSRO; (ii) a short-term credit rating of at least “A-1” or its equivalent, by a NRSRO; (iii) minimum assets and capital size of \$25 billion in assets and \$350 million in capital; (iv) five years of acceptable audited financial results; and (v) a strong reputation among market participants.

The District shall have a properly executed master repurchase agreement with each counter-party for which it enters into an agreement for repurchase agreements. Collateral of at least 102 percent of market value of principal and accrued interest is required. For any repurchase agreement with a term of more than one day, the value of the underlying securities must be reviewed on an on-going basis according to market conditions. Market value must be calculated each time there is a substitution of collateral. Collateral is limited to obligations of the United States government and its agencies. Collateral must be delivered to the District’s custodian bank or handled



under a properly executed master repurchase agreement. The District, or its trustee, shall have a perfected first security interest in all collateral. A maximum of 10 percent of the portfolio may be invested in this category.

**9.10 Medium-Term notes.** 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 (CGC §53601 (k)). Purchases are limited to securities that have a long-term debt rating of at least the “A” category, or its equivalent, by a NRSRO. A maximum of 30 percent of the portfolio may be invested in this category.

**9.11 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:

a. 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: 1) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs; or 2) 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.

A maximum of 10% of the total portfolio may be invested in the shares of any one mutual fund.

b. 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: 1) attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs or 2) retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years of experience managing money market mutual

funds with assets under management in excess of five hundred million dollars (\$500,000,000).

A maximum of 20 percent of the portfolio may be invested in the shares of any one Money Market Mutual Fund.

If the District has funds invested in a money market fund, a copy of the fund's information statement shall be maintained on file. In addition, the Chief Financial Officer/or Treasurer should review the fund's summary holdings on a quarterly basis.

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

**9.12 Bank Deposits.** FDIC insured or fully collateralized bank deposits, including, but not limited to, demand deposit accounts, savings accounts, market rate accounts and time deposits issued by a state or national bank, savings and loan associations, or state or federal credit unions located in California (CGC §53630 et. Seq.) A written depository contract is required with all institutions that hold District deposits requiring that deposits be collateralized in accordance with CGC. The Chief Finance Officer/or Treasurer, at his/her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. Securities placed in a collateral pool must provide coverage for at least 100 percent of all deposits that are placed in that institution. Acceptable pooled coverage is governed by CGC §53651. Real estate mortgages are not considered acceptable collateral by the District, even though they are permitted in CGC §53651 (m). All financial institutions holding District deposits are required to provide the District with regular statements of pooled collateral. The report will state they are meeting the 100 percent collateral rule, a listing of all collateral with location and market value, plus an accountability of the total amount of deposits secured by the pool. In accordance with CGC §53638, no deposit shall exceed the shareholder's equity of any depository bank, nor shall a deposit exceed the total net worth of any institution. No deposits shall be made at a state or federal credit union if a member of the Board or the General Manger or Chief Financial Officer/or Treasurer of the District services on the Board of Directors or a committee of the credit union. The maturity of time deposits (TCDs) may not exceed 4 years. There is no limit on the percentage of the portfolio that may be

invested in bank deposits. However, a maximum of 20% of the portfolio may be invested in TCDs.

- 9.13 Local Government Investment Pools (LGIP).** Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7. To be eligible for purchase, the pool shall meet all of the following conditions: (i) must meet the requirements of California Government Code Section 53601(p), (ii) the pool must seek to maintain a stable Net Asset Value (NAV), and (iii) the pool must be rated in at least the “AA” category, or its equivalent, by a NRSRO. A maximum of 50 percent of the portfolio may be invested in this category. Whenever the District has any funds invested in a LGIP, the Chief Financial Officer/or Treasurer shall maintain on file a copy of the pool’s current information statement. In addition, the Chief Financial Officer/or Treasurer should review the pool’s summary portfolio holdings on a quarterly basis.
- 9.14 Supranationals.** US dollar-denominated senior unsecured unsubordinated obligations or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. The securities must be rated in the “AA” category or higher by a NRSRO. No more than 30% of the portfolio may be invested in these securities and no more than 10% per issuer. The maximum maturity is five years.
- 9.15 Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations from issuers not defined in sections 9.1 and 9.5 of the Authorized Investments of this policy,** provided that the securities are rated in a rating category of “AA” or its equivalent or higher by a NRSRO. No more than 20% of the total portfolio may be invested in these securities. No more than 5% of the portfolio may be invested in a single Asset-Backed or Commercial Mortgage Security Issuer. The maximum legal final maturity may not exceed five years.

#### **Section 10. Pooled Investment /Mutual Fund Information Requirements**

Insofar as this policy allows available funds to be deposited into pooled investment accounts, a thorough investigation of the pool is required prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

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

**Section 11. Collateralization** will be required on Certificates of Deposit, unless they are FDIC insured. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of market value of principal and accrued interest.

Collateral will always be held by an independent third party with whom the District has a current written custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the District and retained. The right of collateral substitution is granted.

**Section 12. Prohibited Investments** Under provisions of CGC §53601.6 and §53651.5, the District shall not invest any funds covered by this policy in equity securities, inverse floaters, range notes, interest-only strips that are derived from a pool of mortgages, or any investment that could result in zero interest earned if held to maturity.

The purchase of any investment permitted by the Government Code, but not listed as an authorized investment in this Policy is prohibited without prior approval of the Board.

**Section 13. Safekeeping of Securities** All security transactions entered into by the District shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third-party custodian designated by the Chief Financial Officer/or Treasurer and evidenced by safekeeping receipts. A monthly report will be received by the District 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; (iii) mutual funds and money market mutual funds, since these securities are not deliverable.

**Section 14. Risk Management, Diversification and Maximum Maturities** The District 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. Diversification shall be determined and revised periodically. Adequate diversification shall be applied to the individual issuers of debt, both within each class of investments and collectively. With the exception of U. S. Treasury securities, Federal Agency securities, LGIPs, LAIF, CalTRUST securities, and authorized pools, no more than 50% of the District's total investment portfolio will be invested in a single security type or with a single financial institution. No more than 5% of the total portfolio may be invested in securities issued by any single issuer with the exception of US Treasuries, US Agencies, Supranationals, LAIF, CalTRUST, money market funds, mutual funds, LGIPs, or unless otherwise specified in this investment policy.

- 14.1** To the extent possible, the District will attempt to match its investments with anticipated cash flow requirements. The District will maintain a minimum of six months of budgeted operating expenditures in short-term investments to provide sufficient liquidity for expected disbursements. Unless matched to a specific cash flow, the District will not directly invest in securities maturing more than five years from the settlement date. Reserve funds may be invested in securities exceeding three years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.
- 14.2** The Chief Financial Officer/or Treasurer 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.
- 14.3 If a security owned by the District is downgraded to a level below the requirements of this policy, making the security ineligible for additional purchases, the following steps will be taken:
- Any actions taken related to the downgrade by the investment manager will be communicated to the Chief Financial Officer/or Treasurer in a timely manner.

If a decision is made to retain the security, the credit situation will be monitored and reported to the Finance Committee of the Board of Directors.

**Section 15. Review of Investment Portfolio** The Chief Financial Officer/or Treasurer 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 Finance Committee of the Board of Directors.

**Section 16. Performance Standards** The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and cash flow needs.

**Section 16.1.** The District's investment strategy is active. The District may sell a security prior to its maturity and record a capital gain or loss in order to manage the quality, liquidity, or yield of the portfolio in response to market conditions or the District's risk preferences. Given this strategy, the basis used by the Chief Financial Officer/or Treasurer to determine whether market yields are being achieved shall be to identify a comparable benchmark to District's portfolio investment duration.

**Section 17. Investment Reporting** The Chief Financial Officer/or Treasurer shall provide to the Finance Committee of the Board of Directors monthly investment reports that provide a clear picture of the status of the current investment portfolio. The Management Report should include comments on the fixed income markets and economic conditions, discussions regarding restrictions on percentage of investment by categories, possible changes in the portfolio structure going forward, and thoughts on investment strategies.

Schedules in the monthly report should include the following:

- A listing of individual securities held at the end of the reporting period by authorized investment category
- Average life and final maturity of all investments lists
- Coupon, discount, or earnings rate
- Par value, amortized book value and market value
- Percentage of the portfolio represented by each investment category
- Transactions for the period

**Section 18. Policy Adoption and Review** The District's investment policy shall be adopted by resolution of the District's Board. The policy shall be reviewed annually by the Board and any modifications made thereto must be approved by the Board.

**Section 19. Glossary.** See attached Glossary.

**Section 20. Resolution.** This Resolution shall take effect immediately upon its adoption.

The foregoing Resolution was duly adopted at a Regular Meeting of the Board of Directors of West Valley Water District by motion made, seconded, and duly carried on

**ROLL CALL:**

<b>AYES:</b>	<b>DIRECTORS:</b>
<b>NOES:</b>	<b>DIRECTORS:</b>
<b>ABSENT:</b>	<b>DIRECTORS:</b>
<b>ABSTAIN:</b>	<b>DIRECTORS:</b>

**WEST VALLEY WATER DISTRICT**

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Channing Hawkins  
President of the Board

**ATTEST:**

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Peggy Asche, Board Secretary

## GLOSSARY

**AGENCIES.** Federal agency securities and/or Government-sponsored enterprises.

**ASKED.** The price at which securities are offered.

**ASSET-BACKED SECURITIES (ABS).** Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

**BANKERS' ACCEPTANCES.** A money market instrument created to facilitate international trade transactions. It is highly liquid and the risk of the trade transactions is transferred to the bank which "accepts" the obligation to pay the investor.

**BENCHMARK.** A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

**CERTIFICATE OF DEPOSIT (CD).** A time deposit with a specific maturity evidenced by a certificate.

**COLLATERAL.** Securities, evidence of deposit, or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**COLLATERALIZED MORTGAGE OBLIGATION (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.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR).** An official annual report of a local government. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory materials, and detailed Statistical Section.

**COUPON.** (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

**DELIVERY VERSUS PAYMENT.** There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.



**DISCOUNT.** The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**DISCOUNT SECURITIES.** Non-interest bearing money market instruments that are issued a discount and redeemed at maturity for full face value (U. S. Treasury Bills).

**DIVERSIFICATION.** Dividing investment funds among a variety of securities offering independent returns.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC).** A federal agency that insures bank deposits, currently up to \$250,000 per deposit.

**FEDERAL HOME LOAN BANKS (FHLB).** Government sponsored wholesale banks (currently 12 regional banks) that lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

**LOCAL GOVERNMENT INVESTMENT FUND (LAIF).** A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

**LOCAL GOVERNMENT INVESTMENT POOL.** Investment pools that range from LAIF to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

**LIQUIDITY.** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**LOCAL GOVERNMENT INVESTMENT POOL.** The aggregate of all funds from political subdivisions that are placed in the custody of the State Chief Financial Officer for investment and reinvestment.

**MARKET VALUE.** The price at which a security is trading and could presumably be purchased or sold.

**MATURITY.** The date upon which the principal of stated value of an investment becomes due and payable.

**MONEY MARKET.** The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

**MONEY MARKET MUTUAL FUND.** A mutual fund that invests exclusively in short-term securities that comply with SEC Rule 2a-7. Money market mutual funds attempt to keep their net asset values at \$1 per share.

**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 FUNDS.** Entities that pool the funds of investors and invest those funds in a set of securities which are 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.

**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.

**NEGOTIABLE CERTIFICATE OF DEPOSIT (NCD).** A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market.

**PORTFOLIO.** Collection of securities held by an investor.

**PRUDENT PERSON RULE.** An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state, the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

**RATE OF RETURN.** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond the current incomes return.

**REPURCHASE AGREEMENT.** Short-term purchases of securities with 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 customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**STRUCTURED NOTES.** Notes issued by Government Sponsored Enterprises (FHLB) and corporations that have imbedded options (call features, etc.) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

**SUPRANATIONAL.** A multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

**TREASURY BILLS.** A non-interest bearing discount security issued by the U. S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

**TREASURY BONDS.** Long-term coupon-bearing U. S. Treasury securities issued as direct obligations of the U. S. Government and having initial maturities of more than 10 years.

**TREASURY NOTES.** Medium-term coupon-bearing U. S. Treasury securities issued as direct obligations of the U. S. Government and having initial maturities from two to 10 years.

**YIELD.** The rate of annual income return on an investment, expressed as a percentage. (a) Income Yield is obtained by dividing the current dollar income by the current market price for the security, (b) Net Yield or Yield to maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.