

**LAS VIRGENES TRIUNFO JOINT POWERS AUTHORITY**  
**Las Virgenes Municipal Water District Board Room, 4232 Las Virgenes Road,**  
**Calabasas, CA 91302**

**Pursuant to Government Code Section 54953(b), Director Len Polan will be participating via teleconference from 31755 Bedfordhurst Court, Westlake Village, CA 91361**

**AGENDA**  
**JOINT POWERS AUTHORITY - REGULAR MEETING**  
**MONDAY, NOVEMBER 4, 2024 – 5:00 PM**

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**PUBLIC PARTICIPATION:** The public may join this meeting virtually or attend in person in the Board Room. Teleconference participants will be muted until recognized at the appropriate time by the Chair. To join via teleconference, please use the following Webinar ID:

Webinar ID: <https://us06web.zoom.us/j/84688826148>

To join by telephone, please dial (669) 900-6833 or (346) 248-7799 and enter Webinar ID:

846 8882 6148

For members of the public wishing to address the Board during Public Comment or during a specific agenda item, please press "Raise Hand" if you are joining via computer; or press \*9 if you are joining via phone; or inform the Executive Assistant/Clerk of the Board if attending in person.

Members of the public can also access and request to speak at meetings live on-line, with audio and limited video, at [www.lvmwd.com/livestream](http://www.lvmwd.com/livestream). To ensure distribution of the agenda, please submit comments 24 hours prior to the day of the meeting. Those comments, as well as any comments received during the meeting, will be distributed to the members of the Board of Directors and will be made part of the official public record of the meeting. Contact Josie Guzman, Executive Assistance/Clerk of the Board, at (818) 251-2123 or [jguzman@lvmwd.com](mailto:jguzman@lvmwd.com) with any questions.

**ACCESSIBILITY:** If requested, the agenda and backup materials will be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in the implementation thereof. Any person who requires a disability-related modification or accommodation, in order to attend or participate in a meeting, including auxiliary aids or services, may request such reasonable modification or accommodation by contacting the Executive Assistant/Clerk of the Board by telephone at (818) 251-2123 or via email to [jguzman@lvmwd.com](mailto:jguzman@lvmwd.com) at least 48 hours prior to the meeting.

Members of the public wishing to address the Board of Directors are advised that a statement of Public Comment Protocols is available from the Clerk of the Board. Prior to speaking, each speaker is asked to review these protocols, complete a speakers' card, and hand it to the Clerk of the Board. Speakers will be recognized in the order the cards are received. A live webcast of the meeting will be available at LVMWD.com. Also, a web-based version of the speaker card is available for those who would like to submit written comments electronically or request to make public comment by telephone during the meeting.

## PLEDGE OF ALLEGIANCE

1. CALL TO ORDER AND ROLL CALL
2. APPROVAL OF AGENDA
3. PUBLIC COMMENTS

*Members of the public may now address the Board of Directors **ON MATTERS NOT APPEARING ON THE AGENDA**, but within the jurisdiction of the Board. No action shall be taken on any matter not appearing on the agenda unless authorized by Subdivision (b) of Government Code Section 54954.2*

4. CONSENT CALENDAR

*Matters listed under the Consent Calendar are considered to be routine, non-controversial and normally approved with one motion. If discussion is requested by a member of the Board on any Consent Calendar item, or if a member of the public wishes to comment on an item, that item will be removed from the Consent Calendar for separate action.*

- 4.A **Minutes: Regular Meeting of October 7, 2024 (Pg. 4)**  
Approve.

5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION OF AGENDA ITEMS

- 5.A **State and Federal Legislative Update (Pg. 9)**
- 5.B **Pure Water Project Las Virgenes-Triunfo: Update (Pg. 23)**

6. ACTION ITEMS

- 6.A **Proposed 2025 JPA Board Meeting Calendar (Pg. 27)**  
Review the proposed 2025 JPA Board Meeting Calendar and make any scheduling changes.
- 6.B **Fiscal Year 2023-24 Annual Financial Statements and Independent Auditor's Report (Pg. 30)**  
Receive and file the Fiscal Year 2023-24 Annual Financial Statements and Independent Auditor's Report.

6.C **Tapia Aluminum Sulfate Tank Replacement Project: Construction Award (Pg. 83)**

Award a construction contract to Cushman Contracting Corporation, in the amount of \$570,500, and reject all remaining bids upon receipt of the duly executed contract documents for the Tapia Aluminum Sulfate Tank Replacement Project.

7. **BOARD COMMENTS**

8. **ADMINISTERING AGENT/GENERAL MANAGER REPORT**

9. **FUTURE AGENDA ITEMS**

10. **INFORMATION ITEMS**

10.A **Pure Water Project Las Virgenes-Triunfo: Amendment No. 1 to Progressive Design-Build Contract (Pg. 86)**

11. **PUBLIC COMMENTS**

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12. **ADJOURNMENT**

*Pursuant to Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and applicable federal rules and regulations, requests for a disability-related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting, should be made to the Executive Assistant/Clerk of the Board in advance of the meeting to ensure availability of the requested service or accommodation. Notices, agendas, and public documents related to the Board meetings can be made available in appropriate alternative format upon request.*

**LAS VIRGENES – TRIUNFO  
JOINT POWERS AUTHORITY  
MINUTES  
REGULAR MEETING**

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5:00 PM

October 7, 2024

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance to the Flag was led earlier in the evening by James Wall during the Las Virgenes-Triunfo Public Financing Authority Meeting.

**1. CALL TO ORDER AND ROLL CALL**

The meeting was called to order at **5:00 p.m.** by Vice Chair James Wall in the Board Room at Triunfo Water & Sanitation District headquarters at 370 N. Westlake Boulevard, Westlake Village, California, 91362. Josie Guzman, Clerk of the Board, conducted the roll call.

Present: Directors Burns, Caspary, Coradeschi, Jarecky, Nye, Polan,  
Shapiro, Tjulander and Wall  
Absent: Director Lewitt

**2. APPROVAL OF AGENDA**

Director Polan moved to approve the agenda. Motion seconded by Director Nye. Motion carried 9-0 by the following roll call vote:

AYES: Burns, Caspary, Coradeschi, Jarecky, Nye, Polan, Shapiro, Tjulander, Wall  
NOES: None  
ABSTAIN: None  
ABSENT: Lewitt

**3. PUBLIC COMMENTS**

None.

**4. CONSENT CALENDAR**

**A Minutes: Regular Meeting of September 3, 2024: Approve**

Director Caspary moved to approve the Consent Calendar. Motion seconded by Director Jarecky. Motion carried 9-0 by the following vote:

AYES: Burns, Caspary, Coradeschi, Jarecky, Nye, Polan, Shapiro, Tjulander, Wall

NOES: None

ABSTAIN: None

ABSENT: Lewitt

## **5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS**

### **A State and Federal Legislative Update**

Syrus Devers, state lobbyist for the JPA with Syrus Devers Advocacy LLC, reported that Governor Gavin Newsom vetoed SB 366 (Caballero), The California Water Plan, Long-Term Supply Targets, due to concerns with cost. He also reported that SB 1255 (Durazo), Public Water Systems, Needs Analysis, Water Rate Assistance Program, related to low-income rate assistance, was not moving forward due to concerns with implementation; however, it was likely that this subject would return in 2025. He noted that three bills related to Proposition 218 reform were signed by Governor Newsom.

Lowry Crook, federal lobbyist for the JPA with Best Best & Krieger LLP (BBK), accompanied by Chris Keosian, reported that BBK staff assisted with the letters of support for the U.S. Bureau of Reclamation Title XVI Program grant application. He stated that BBK would continue to advocate for Title XVI funding. He also reported that Congress had approved a continuing resolution to fund the federal government through mid-December. He noted that Congress needed to finalize the Water Resources Development Act (WRDA), which authorizes Army Corps of Engineers projects, and fund Federal Emergency Management Agency (FEMA) programs. He stated that there were discussions regarding a potential public lands package for land transfers, public land protection, monuments, etc., and reauthorizing the National Defense Authorization Act and the Farm Bill. He responded to a question regarding the bills listed in the matrix showing a large number of sponsors and whether these bills would likely pass by stating that BBK staff reviews whether the bills have bipartisan support or if the bills were referred to committees for action. He also responded to a question regarding H.R. 7634, Plastic Pellet Free Waters Act, by stating that this bill was not likely to pass; however, the bill might be reintroduced in the next Congress. He also responded to a question regarding the status of Colorado River Conservation Agreements and its funding from the Inflation Reduction Act.

### **B Pure Water Project Las Virgenes-Triunfo: Update**

Oliver Slosser, Engineering Program Manager, presented the report. He noted that a tour of the 14-mile stretch for the reverse osmosis concentrate (ROC) pipeline was provided to Directors Lewitt and Coradeschi on September 13th. He also

noted that the Walsh Team developed Basis of Design Reports for the Advanced Water Purification Facility and for the ROC pipeline, which were under review by staff and Jacobs Engineering. He also reported that contract amendments were needed to Walsh's contract to fast track the 1.5-mile section in Hillcrest Drive in Thousand Oaks to avoid conflicts with a city project, and for the addition of the purified pipeline to Las Virgenes Reservoir, source water line from the recycled water system to the Advanced Water Purification Facility, and the residuals pipeline. He stated that an information item regarding these contract amendments would be provided on the next agenda. He also reported that the second application for the Title XVI grant program was submitted for \$19.65 million in construction funding. He stated that key documents were submitted for the State Revolving Loan application to maximize the point score. He noted that he would provide a presentation to the City of Westlake Village City Council on October 9th regarding the Pure Water Project Las Virgenes-Triunfo and other projects. He also noted that the architectural review packet was submitted to the City of Agoura Hills, which would be forwarded to the Architectural Review Board. He responded to a question regarding the agreement for the service connection to Calleguas Municipal Water District's Salinity Management Pipeline by stating that the agreement was executed following the JPA Board's authorization, which included the JPA's commitment to fund the construction of the outfall facility.

A discussion ensued regarding the tour of the 14-mile stretch for the ROC pipeline, and increasing public outreach.

**6. BOARD COMMENTS**

None.

**7. ADMINISTERING AGENT/GENERAL MANAGER REPORT**

Administering Agent/General Manager David Pedersen reported that the Rancho Las Virgenes Compositing Facility (Rancho) was offline due to the replacement of Conveyor No. 4, which was nearing completion. He also reported that work on the hot water loop replacement was underway, and there would be cost savings with the installation of fiberglass insulation. He stated that it was anticipated that Rancho would be back in service in two weeks. He also reported that the new siphon was installed for the Malibu Lake Siphon Replacement Project. He also reported that the flow in Malibu Creek measured 4.15 cubic feet per second (CFS), and there was no need for fish flow augmentation at this time. He reminded the Board that a Pure Beer Tasting event would be held on October 10th at Tavern Tomoko/Ladyface Brewery.

**8. FUTURE AGENDA ITEMS**

None.

**9. INFORMATION ITEMS**

**A Assessment of Runoff from Fire Damaged Lands Amended with Biosolids**

Veronica Hurtado, Water Reclamation Manager, responded to a question regarding whether the assessment included moisture conservation as a part of the measurements by stating that no quantitative measurements were used to test the moisture content of the soil or vegetation, and the primary goal of the study was to determine if there was any transport of nutrients and metals that might have come from the biosolids application through the runoff. She shared photographs of sample control plots. She also responded to a question regarding whether application of Class A biosolids would make a difference in burn areas by stating that there was not enough biosolids produced at the Rancho Las Virgenes Composting Facility to cover burn areas; however, biosolids could be applied near facilities and in high-risk areas. She also responded to a question regarding commercial compost sales as a revenue source for revegetation in burn areas by stating that there were other compost producers that market and sell compost, and the JPA was committed to providing free compost to customers. She also responded to questions regarding the California Association of Sanitation Agencies (CASA) plans for seeking a location to conduct a larger study and outreach efforts to customers regarding free compost.

**11. PUBLIC COMMENTS**

None.

**12. ADJOURNMENT**

Seeing no further business to come before the Board, the meeting was duly adjourned at **5:54 p.m.**

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Jay Lewitt, Chair

ATTEST:

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James Wall, Vice Chair



## Las Virgenes-Triunfo Joint Powers Authority

October 23, 2024

Ana Schwab, Lowry Crook, Chris Keosian, Madeline Voitier, and Alex Dunn

### Congress

The 2024 Presidential Election is officially underway, as early voting opens across the country, absentee ballots begin to be returned, and voters focus their attention on the election season, lawmakers and candidates have barnstormed the nation hoping to earn their constituents trust, campaign contributions, and votes. The results of the election will of course shape the legislative and regulatory landscape for years to come in Washington, D.C. Yet, while lawmakers have been out of town campaigning for the entire month of October, official Congressional activity has been understandably nominal.

A daunting to-do list awaits Congress when they return to Washington, D.C. to begin the Congressional transition and for their “lame duck” session. While the dynamics surrounding all “must-pass” legislation will surely be shaped by the elections results, Congress must still do the following before the end of 2024:

- Pass all twelve annual appropriations bills, or an omnibus government funding package—including millions of dollars in Community Project funding—before the December 20, 2024, deadline
- Pass the annual National Defense Authorization Act
- Pass the once-every-five-year Farm Bill, which expired and was already temporarily extended last year
- Pass the biannual Water Resources Development Act
- Address a disaster relief supplemental appropriations package to replenish FEMA’s disaster relief accounts following devastating two devastating hurricanes in the Gulf and up the East Coast, wildfires in Maui and across the west, and the collapse of the Key Bridge in Baltimore
  - Some lawmakers called for Congress to return during the campaign recess to take up a disaster relief bill in response to Hurricanes Helene and Milton. However, Speaker Mike Johnson indicated little appetite to do so, citing recent funding to FEMA in last month’s Continuing Resolution
- Raise or suspend the federal debt ceiling limit, which expires on January 1, 2025

In addition, Congress will undertake a myriad of traditional transition season business, such as new member orientation, House and Senate leadership elections, and typical end of session legislation, such as a federal lands package or tax bill. This will all occur against the backdrop of lawmakers impending need to certify the 2024 Presidential Election, and prepare for a Presidential Inauguration, both of which will happen early in the new Congress—the 119<sup>th</sup> Congress of the United States.

### **Natural Resources Committee Ranking Member Raúl Grijalva Announces Retirement**

Rep. Raúl Grijalva (D-AZ-03), the Ranking Member and former Chairman of the U.S. House Committee on Natural Resources, announced this month that he will not seek reelection in 2026. A notable retirement, the Arizona Congressman has led the committee’s Democrats since 2015. The announcement comes following a recent battle with cancer, although the Rep. Grijalva, who has been in Congress since 2003, still wishes to serve one more term.

Subsequently, the retirement will create a vacancy in the committee’s leadership, paving the way for Rep. Jared Huffman (D-CA-02), who has already expressed interest in the position, to make a bid for the committee gavel.

### **California Wildfire Funding Becomes National Campaign Sticking Point**

On October 14, 2024, the California Professional Firefighters union leadership voted to endorse Vice President Kamala Harris in the presidential election, diverging from the national firefighters union, which recently chose not to endorse any presidential candidate. Brian Rice, the President of the California union, emphasized the need for a leader who won’t withhold wildfire aid based on political differences, referencing several recent comments former President Donald Trump has made regarding setting conditions for California to receive wildfire funding, tied to philosophical differences between the former President and the Newsom Administration. In his comments, Mr. Rice expressed confidence that Vice President Harris would support firefighting and condemned the politicization of disaster relief aid.

The endorsement comes amid a national struggle within many labor unions reflecting diverging political opinions between union leadership and many union members. The California union represents 35,000 firefighters.

## Administration/Regulatory

### U.S. EPA Renews Call for U.S. Water Systems to Bolster Cybersecurity

Amid ongoing cyberattacks on water systems nationally, the U.S. Environmental Protection Agency (EPA), is providing renewed support for owners and operators of drinking water and wastewater systems (WWSs) to enhance their cybersecurity practices. A [guidance document](#) released on September 18, 2024, outlines the risks these systems face and emphasizes the importance of bolstering defenses against potential threats, particularly those that could disrupt the supply of clean water.

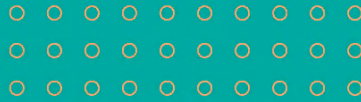
Offerings include technical assistance programs where operators can ask questions or seek consultations on cybersecurity issues, as well as vulnerability assessments through the Cybersecurity & Infrastructure Security Agency (CISA). The guidance also suggests that WWSs participate in CISA's free vulnerability scanning program to identify exploitable weaknesses.

Despite previous attempts to mandate cybersecurity evaluations under the Safe Drinking Water Act (SDWA), which faced legal challenges, the EPA is now focused on encouraging voluntary participation in its programs. This includes tools like the Water Cybersecurity Assessment Tool and training resources.

The document advocates for comprehensive risk assessments and the creation of risk mitigation plans to address cybersecurity gaps. Additionally, it introduces the "EPA Cybersecurity Checklist" to help WWSs identify vulnerabilities and implement recommended practices. The guidance underscores collaboration between the EPA, CISA, and the FBI in strengthening the cybersecurity of critical water infrastructure.

### USBR and California Temporarily Wave Delta Fish Protections

On October 1, 2024, the U.S. Bureau of Reclamation (USBR) and California Department of Water Resources (DWR)—who jointly operate the State Water Project (SWP) and Central Valley Project (CVP)—agreed to increase water deliveries to cities and farmers instead of maintaining flows in the Sacramento-San Joaquin River Delta (Delta) to protect the endangered delta smelt. This decision follows pressure from water users, such as the State Water Contractors, and research indicating that high fall flows have not significantly benefited smelt populations.



The decision involves waiving the "Fall X2" requirement, which mandates additional water releases in September and October to support smelt habitat. This year, after adhering to the requirement in September, the managers chose to waive it in October based on modeling from the U.S. Fish and Wildlife Service that deemed the extra environmental flows of water non-essential for smelt survival. This shift could therefore make available for delivery up to 150,000 extra acre-feet of water, according to the USBR.

While water contractors praised the decision for potentially improving water supply reliability, environmentalists criticized it, arguing that such changes undermine fish protection efforts. The Newsom and Biden administrations are in the process of renegotiating long-term operational plans for these water projects, facing criticism for not adequately safeguarding fish populations.

### Post-2026 Colorado River Management Plan Remains Elusive

In an [op-ed](#) published in the *Arizona Republic* on October 14, 2024, U.S. Secretary of the Interior Deb Haaland and U.S. Bureau of Reclamation Commissioner Camille Touton highlighted the Colorado River's crucial role in supplying water to over 40 million people, supporting agriculture, ecosystems, and tribal nations. They noted the significant challenges posed by prolonged drought, which has severely impacted reservoirs like Lake Mead and Lake Powell, complicating negotiations for post-2026 river operations.

Despite recent agreements conserving at least 3 million acre-feet of water, a long-term solution between Upper and Lower Basin states remains elusive. The U.S. Bureau of Reclamation (USBR) has received nine proposals for potential water cuts from various stakeholders but has yet to commit to a plan. The USBR aims to finalize its preferred alternative by December to ensure an agreement by summer 2026.

Ongoing negotiations have thus far yielded a stalemate, with the Upper Basin advocating for cuts primarily affecting the Lower Basin, which relies heavily on federal reservoirs. Meanwhile, Upper Basin states, facing population growth, are increasingly dependent on the dwindling Colorado River supply and show little interest in the Lower Basin's proposal for more equitable cuts across all states.

## President Biden Approves New Marine Sanctuary Near Central California Coast

On October 11, 2024, the Biden administration designated the Chumash Heritage National Marine Sanctuary, a 4,543-square-mile area off the central coast, marking the first sanctuary proposed by Native Americans and the third-largest in the U.S. This designation aims to protect diverse marine ecosystems, including kelp forests and habitats for endangered species, while acknowledging the cultural heritage of the Chumash people among these waters.

The sanctuary stretches from Morro Bay in San Luis Obispo County to Gaviota in Santa Barbara County; safeguarding 116 miles of coastline and historically significant Indigenous lands. Notably, the final boundaries exclude areas designated for future offshore wind developments, a compromise made between Native American leaders and energy developers. The National Oceanic and Atmospheric Administration (NOAA) plans to consider expanding the sanctuary's boundaries in the future as these wind projects advance.

In the announcement, NOAA officials and Chumash leaders expressed pride in the Sanctuary's establishment, emphasizing its significance for conservation and Indigenous communities. Moreover, the designation supports the Biden Administration's broader initiative to protect 30% of U.S. lands and waters by 2030.

## FEMA Struggling to Combat Misinformation

The Federal Emergency Management Agency (FEMA) is currently working to assess damage from Hurricanes Helene and Milton, and register victims for disaster assistance, all while countering misinformation spread online by some Republican lawmakers and conservative media platforms. A prevalent false claim alleges that FEMA is running out of disaster relief funds due to a diversion of money to assist undocumented migrants. FEMA officials have refuted this, stating that their disaster funds are intact and not used for migrant services. Secretary of Homeland Security Alejandro Mayorkas confirmed that FEMA has over \$20 billion available for disaster relief following Congress' passage of a Continuing Resolution last month, although new funding specifically for disaster relief may be needed later this year following several severe storms and wildfires.

The perpetuation of misinformation has been characterized by some as part of a broader political strategy by bad faith actors to criticize the Biden administration ahead of the upcoming elections.

## Community Groups Press DOD For Town-Hall On PFAS Policy

The Department of Defense (DOD) is facing pressure to host a virtual town hall regarding its recently released policy for prioritizing responses to PFAS contamination in private drinking water wells. The push for the town hall comes from community and environmental groups impacted by PFAS contamination tied to military facilities.

More specifically, the guidance details DOD's plans to incorporate EPA's PFAS drinking water limits for six PFAS into its ongoing cleanups. The guidance directs the military to prioritize interim cleanup actions at impacted private drinking water wells where PFAS levels are three times higher than EPA's limits.

On September 24, 2024, 80 community groups and advocates sent a letter to the top Pentagon environment official voicing their concerns with DOD's policy and asking for a town hall on the topic. Proponents argue the briefing would help clarify DOD's policy and help the agency improve its communication on new policy by incorporating stakeholder input and community briefings prior to decision-making. DOD has expressed interest in exploring how to engage further with community advocates moving forward.

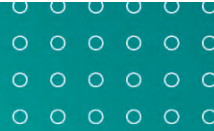
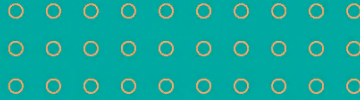
## EPA Finalizes Aquatic Life Water Quality Criteria and Benchmarks For Certain PFAS

In early October, the U.S. Environmental Protection Agency (EPA) released its final fresh and saltwater water quality criteria and "benchmarks" for PFOA and PFOS as well as freshwater aquatic life benchmarks for eight additional PFAS. These criteria and benchmarks are not regulatory. States and Tribes use them to adopt their own water quality standards and discharge limits under the Clean Water Act (CWA). State's water quality standards must incorporate water quality criteria that protect the designated uses of their water bodies.

The criteria and benchmarks estimate the highest concentrations of a pollutant to which organisms can be exposed for a period of time without causing an unacceptable adverse effect. The final PFAS criteria are more stringent than what EPA proposed in 2022, which was strongly criticized by state regulators as lacking sufficient data. State regulators charge problems stem from EPA's focus on drinking water rather than clean water issues.

## Stakeholder Ire Prompts EPA to Reopen POTW PFAS Data Collection Comment Period

In response to urging from stakeholders, the U.S. Environmental Protection Agency (EPA) will reopen the public comment period on its effort to collect industrial PFAS discharge data from hundreds of publicly owned treatment works (POTWs). EPA states that the



proposal is “intended to gather essential data to identify and quantify sources of [PFAS] discharges, prioritize industrial categories for potential regulation, and establish a current national data set of sewage sludge characteristics.” However, wastewater utilities, environmental groups, and some states question the necessity of this data collection effort and instead urge EPA to allow POTWs to submit existing PFAS monitoring data. For example, the National Association of Clean Water Agencies (NACWA) pointed to extensive state-level testing programs in Michigan, California, and Maine that provide a wealth of knowledge identifying sources of PFAS in its previous comments on this proposal.

EPA originally released the proposed information collection request (ICR) in March 2024 and sought feedback on PFAS discharges from upstream industrial facilities nationwide as well as on the presence of PFAS in POTW influent, effluent, and sewage sludge. EPA plans to use this data to develop technology-based effluent limitations guidelines (ELGs) and inform other PFAS-related regulatory efforts including the National Sewage Sludge Survey (NSSS).

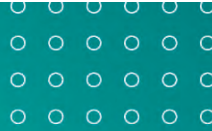
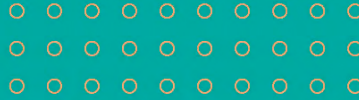
The ICR would require approximately 400 POTWS nationwide to complete an electronic questionnaire and collect and analyze wastewater and sewage sludge samples. However, only POTWS with a daily design flow rate greater or equal to 10 million gallons per day and a service population of 50,000 people or greater will be required to complete the questionnaire. Based on the information gathered from the questionnaire, EPA will then select a subset of 200 to 300 POTWS to collect wastewater and sewage sludge sampling and partake in EPA’s POTW Influent PFAS Study and NSSS programs.

The proposal is estimated to have a one-time cost of over \$5 million, which includes over \$3 million in capital or operation and maintenance costs. NACWA and its members are concerned about the required sampling and laboratory analysis costs for utilities. Additionally, NACWA raised concerns with EPA sampling biosolids for PFAS as part of this proposed data collection. NACWA is urging EPA to first complete a pending risk assessment of PFOA and PFOS in biosolids. The draft risk assessment for these two PFAS is anticipated to be released this summer, and finalized before 2026.

The re-opened comment period will provide an additional 30 days for public input on the proposal with a new comment deadline of November 12, 2024.

### **Recent Study Finds Mixtures More Toxic Than Individual PFAS**

A first-of-its-kind study found that mixtures of PFAS are more toxic than individual compounds. The study published last month in *Environmental Science & Technology* evaluated the cytotoxicity, neurotoxicity, and mitochondrial toxicity of up to 12 PFAS in the environment (e.g. wastewater and biosolids) and in the human body.



One goal of the study was to evaluate whether PFAS act synergistically—when two or more chemicals’ combined effect is greater than the that of the individual chemical. However, the study indicates that the effect of PFAS is concentration-additive. This means that an established mixture toxicity predication model can predict the combined effect of mixtures.

The study’s authors believe these findings could lead to PFAS being regulated as mixtures moving forward and could help assess the effectiveness of PFAS remediation efforts. In particular, PFAS remediation could be aided since measuring the toxicity of a sample post treatment may be the only way to determine whether a remediation technology is effective.

### EPA Proposes to Add Numerous PFAS to Industry Reporting Requirements

The U.S. Environmental Protection Agency (EPA) is proposing to add 16 individual PFAS and 15 PFAS categories to the Toxics Release Inventory (TRI) in a proposal published October 8, 2024. The TRI is the public reporting database that tracks certain toxic chemicals that may pose a threat to human health and the environment. Impacted industries must report how much of each chemicals they release into the environment annually.

More specifically, EPA is proposing to designate these PFAS as “chemicals of special concern” – a designation that prevents the use of the *de minimis* exemption from applying to such chemicals. TRI’s *de minimis* exemption allows impacted facilities to disregard minimal concentrations of chemicals in mixtures or trade name products in reporting releases.

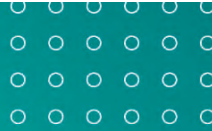
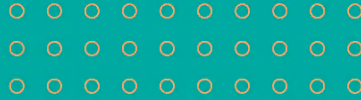
Environmental and community groups pushed for the special concern designation for these chemicals, arguing that allowing for a *de minimis* exemptions of PFAS would significantly limit the amount of PFAS reported to the TRI. Impacted industry sectors, however, are likely to push back against the proposal.

The deadline to submit comments on this proposal is December 9, 2024.

### Water Systems Required to Replace Lead Service Lines in 10 Years Under EPA Rule

On October 8, 2024, the U.S. Environmental Protection Agency (EPA) released its final Lead and Copper Rule Improvements (LCRI) to reduce lead contamination in drinking water. The final rule requires drinking water systems to identify and replace lead pipes under their control within 10 years, strengthens tap sampling requirements, and lowers the lead action level to 10 parts per billion (ppb) – formerly 15 ppb.





In tandem with the rule, EPA announced \$2.6 billion in drinking water infrastructure funding through the Bipartisan Infrastructure Law to support lead pipe replacement projects. EPA also announced the availability of \$35 million in competitive grant funding for reducing lead in drinking water.

According to the American Water Works Association, compliance costs for removing all lead pipes could total \$90 billion. Water systems are concerned with the high compliance costs in light of competing priorities like PFAS, cybersecurity, and crucial infrastructure investments. EPA, however, asserts that the benefits of the LCRI exceed the annual costs by “more than ten-fold.”

The final rule will become effective 60 days after it is published in the Federal Register. Water systems will have three years to begin complying with the rule, with limited extensions. This rule builds upon the 2021 Lead and Copper Rule Revisions (LCRR) which mandated water systems create an initial inventory their lead service lines, among other requirements.

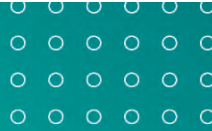
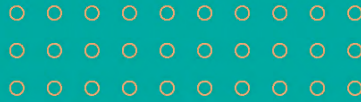
EPA will be conducting informational webinars for the public in October and webinars tailored to the drinking water sector in November. Dates have yet to be finalized.

### Judicial/Courts

#### Several Environmental Challenges Teed Up for U.S. Supreme Court Docket

Several environmental cases are on the U.S. Supreme Court docket for the October term. The Justices will hear cases dealing the Clean Water Act (CWA) as well as National Environmental Policy Act (NEPA). These cases include a challenge to EPA’s CWA permit authority and a dispute over the scope of federal agency review under NEPA. The outcome of both cases will be decided in the wake of the *Chevron* Doctrine’s demise in June 2024. *Chevron* deference was a longstanding legal doctrine that directed courts to defer to an agency’s reasonable interpretation of a statute that is ambiguous or silent on an issue.

In *City and County of San Francisco, et al. v. EPA*, the petitioners are challenging whether the CWA allows EPA to impose general narrative prohibitions in the National Pollutant Discharge Elimination System permits that subject permit-holders to penalties for violating water quality standards without identifying specific discharge limits in those permits. The U.S. Court of Appeals for the 9<sup>th</sup> Circuit found EPA has the authority to require San



Francisco to update its long-term control plan for its combined sewer overflows (CSO) and impose general narrative prohibitions on violating water quality standards (WQS). San Francisco appealed and argues that the CWA does not authorize the agency to condition a permit holder's compliance on the quality of receiving waters.

In *Seven County Infrastructure Coalition v. Eagle County, Colorado*, the challenge arose from a dispute over the NEPA environmental impact analysis of a planned oil railway in Utah. The D.C. Circuit court ruled that the Surface Transportation Board had violated NEPA because the issued permit for the project failed to account for the indirect environmental impacts of building the railway. Proponents of the project argue that federal agencies are only required to study project impacts over which the agency has regulatory authority and seeks backing from the Supreme Court on this position.

The outcome of these cases will significantly impact the implementation of environmental laws moving forward.

### Courts Struggle to Implement *Loper Bright* Amid Doubts On New Deference Standard

Federal courts are struggling to implement the Supreme Court's historic ruling in *Loper Bright* which overturned the longstanding law doctrine known as *Chevron* deference. *Chevron* deference, which stemmed from a 1984 Supreme Court ruling, directed courts to defer to an agency's reasonable interpretation of a statute that is ambiguous or silent on an issue. The *Loper Bright* ruling significantly reshaped the federal regulatory landscape and created ambiguity as the Justices did not endorse a specific legal standard to replace *Chevron*.

The majority opinion in *Loper Bright* left *Skidmore* deference in place, which requires courts to get a "respectful consideration" to agency interpretation, but did not mandate its use moving forward. As such, lower courts are uncertain as to which standard to apply and how much deference to give to agency interpretations. Until more clarity is provided by the Supreme Court, it is likely that the lower courts will work on a case-by-case basis to determine the applicable deference standard.

## Federal Funding Opportunities

### DHS Fiscal Year 2024 State and Local Cybersecurity Grant Program (SLCGP)

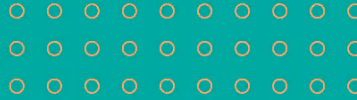
The Department of Homeland Security (DHS) has opened their FY24 State and Local Cybersecurity Grant Program (SLCGP), with \$279 million in available funding to assist state and local governments with managing and reducing systemic cyber risk. California received \$11,845,702 in state specific funding. Applicants are required to submit applications that address at least one of the following program objectives in their applications:

- Objective 1: Create and set up governance structures by developing or updating Cybersecurity Plans to enhance response capabilities for incidents and maintain ongoing operations.
- Objective 2: Assess their current cybersecurity status and identify areas for improvement through ongoing testing, evaluation, and structured assessments.
- Objective 3: Implement security protections commensurate with risk.
- Objective 4: Ensure organization personnel are appropriately trained in cybersecurity, commensurate with responsibility.

Eligible entities must provide a 30% cost share, or 20% for multi-entity projects. DHS expects to distribute 56 total awards. Applications are due by **December 3, 2024**. More information can be found [here](#).

### EPA Reducing Lead in Drinking Water Grant Program

The Environmental Protection Agency (EPA) has reopened their Reducing Lead in Drinking Water Grant Program, aiming to fund projects that reduce lead in drinking water, including the replacement of lead service lines and corrosion control activities. A total of \$35 million is available, with a maximum award of \$10 million and a minimum of \$5 million. Eligible applicants include public water systems, tribal water systems, qualified nonprofits, and local, state, or municipal governments. No cost share is required. Applications are due by **December 30, 2024**. More information can be found [here](#).



FY25 Small Surface Water and Groundwater Storage Projects

The Bureau of Reclamation (BoR) has launched their FY25 Small Surface Water and Groundwater Storage Projects Program, which will fund the planning, design, and construction of small water storage facilities. Eligible projects must have a capacity between 200 and 30,000 acre-feet and require a completed feasibility study submitted to Reclamation. Applicants need to contribute at least 75% of the total project cost. Approximately \$43.5 million is available, with awards up to \$30 million, and 3 to 7 awards expected per application period, depending on funding. There are two application periods: the first closes on **December 12, 2024**, and the second on **July 15, 2025**. Applications received after the first deadline will not be considered. More information can be found [here](#).



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*\*Not admitted to the practice of law*



To:	Las Virgenes - Triunfo JPA
From:	Syrus Devers
Date:	November 4th, 2024
Re:	State Legislative Report

## 2024 Election

This report will be brief given that the Legislature is in recess and there is an election around the corner. The report will focus on exactly why this election is unlike most others.

12-year term limits took effect in 2012, which means the bill has come due for the first legislative class to be elected under the new rules. A record setting 30% of the seats are open, which means there is no incumbent running for reelection in that district. Fortunately for the residents of this area, there will be no significant changes until 2026 when Assemblymember Jaqui Irwin and Senator Ben Allen reach their term limits. Senator Henry Stern is on the ballot for his last term which ends in 2028. (Assemblymembers Gabriel and Shiavo have many years left to serve.)

Here are the notable departures that will have an impact on the issues important to the JPA:

**Assemblymember Eduardo Garcia:** as the former Chair of Water Parks, & Wildlife, and a champion for the interests of the Salton Sea, water-related interests are losing an experienced voice in the Legislature with his departure.

**Senator Bill Dodd:** love him or hate him, he authored some of the most consequential water policy legislation of the last decade, not the least of which was the prohibition on shut-offs for nonpayment. He will always be fondly remembered here for being the author of our sponsored bill on emergency generator testing.

**Former Senate Pro-Tem Toni Atkins:** she rarely used her leadership position to weigh in on water policy issues, which we liked, but when she did it was in support of her hometown of San Diego. The important part was that she was never hostile to Southern California water interests. Her successor, Senator Mike McGuire, is from about as far north as you can get in California, but so far he has not shown an interest in water policy. If that were to change, the Pro-Tem of the Senate is easily the second most powerful politician in the state and he could do significant harm to our issues if he wished.

**Senator Dave Min:** Senator Min is leaving to run for the House of Representatives. This leaves a vacancy in the Chair of the Natural Resources and Water Committee. Having a policy committee chair from Southern California is like having a legislative safety net. Fingers crossed that we do not end up with both the Pro-Tem's office and the policy committee in the hands of northerners.

# Syrus Devers Advocacy

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And these are just the departing members that are important to water interests. Former Assembly Speaker Anthony Rendon is leaving, having served 7 years as Speaker from 2016 until 2023, he is the second longest serving Assembly Speaker. Speaker Robert Rivas will have to hold on to the speakership until the last possible moment until he is termed out in 2030 to serve that long, which is unlikely.

Beyond these familiar names are several others that will leave a lasting impression on the legislature, but are largely unknown outside of Sacramento. In short, Sacramento will be a different kind of place next year.

## Administration

**Delta Conveyance**—Perhaps the most critical issue related to the Delta Conveyance is the request (petition) by the Department of Water Resources to change and extend the water rights to accommodate the new intakes on the Sacramento River. Besides CEQA, this will be the most contentious and litigious aspect of the project.

Opponents of the Delta Conveyance argue that the rights are so old that they have expired, which would require a new water rights petition, which would be the subject of new CEQA litigation. Proponents argue that the rights can be extended for prolonged periods despite the fact that the water has not been put to beneficial use in the time originally allotted. Given that the state has been prevented from perfecting the water rights by political delays beyond their control, they have a strong argument. A pre conference hearing on October 17th kicked off the process in advance of a public hearing set for January 25th.

**Bay-Delta Plan Update**— The nearly final draft Water Quality Control Plan for the north Delta was released on October 25th. A bit of history for context, the last time the Bay-Delta Plan Update was comprehensively updated was almost 30 years ago. This fact was used by multiple opponents of the Delta Conveyance, including several legislators, to argue that progress on the tunnels must stop until the plan to address the myriad water quality issues in the Delta were addressed. Several legislative bills to this effect have been defeated over the years.

The plan for the south part of the Delta was adopted in 2018 after a long and contentious process. The two updates together would form the long-overdue update for the entire Delta. At issue was the push by environmentalists for “unimpaired flows,” which translates to an inflexible regulatory control program. Water users, specifically the State Water Contractors, and the administration support the Voluntary Agreements process, or “VA’s”, which provides a dynamic and flexible approach to balancing water quality, water supply, and water for fish and wildlife. The Board may recall that this issue was the flashpoint between Governor-Elect Newsom and then SWRCB Chair Felicia Marcus.

The revised draft sets up a marathon process by describing the VA’s as an alternative to be discussed in public workshops beginning in December. The sections on the VA’s will come up in January.

**DATE:** November 4, 2024  
**TO:** JPA Board of Directors  
**FROM:** External Affairs

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**SUBJECT: Pure Water Project Las Virgenes-Triunfo: Update**

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**SUMMARY:**

On August 1, 2016, the JPA Board selected Scenario No. 4, use of Las Virgenes Reservoir for indirect potable reuse, as the preferred alternative for the Recycled Water Seasonal Storage Basis of Design Report. The selected alternative was subsequently renamed the Pure Water Project Las Virgenes-Triunfo (PWP). Staff was also directed to report back to the Board on the next steps for implementation of the project.

Staff released a request for proposals (RFP) for Owner's Advisor/Program Manager services for the (PWP) on May 8, 2020. The selection of an Owner's Advisor/Program Manager to support the effort was an important next step to begin implementation of the Pure Water Program. Utilization of an Owner's Advisor/Program Manager is consistent with the approach taken by other public agencies pursuing potable reuse projects of similar scope and complexity. Among the critical elements of the proposed scope were completion of the preliminary design and environmental documentation, procurement of a progressive design-build (PDB) firm, and regulatory support.

On September 8, 2020, the JPA Board accepted a proposal from Jacobs Engineering Group, Inc., and authorized the Administering Agent/General Manager to execute a professional services agreement for Owner's Advisor/Program Manager services for the PWP.

On March 4, 2024, the JPA authorized Amendment No. 2 for Jacobs to provide Owner's Advisor/Program Manager services, which defined the next phase of their support for the program during the 60 percent design of the Advanced Water Purification Facility. The JPA further accepted a proposal from the Walsh Team as the PDB firm for the AWPf and ROC Pipeline. This important next step brings the PWP program into the full design phase with commissioning of the full-scale facility slated for 2027.

This report serves to provide a summary of the progress to-date on the work performed by Jacobs Engineering Group, Inc., including major monthly milestones, key program accomplishments, key considerations and a look-ahead of upcoming activities.

**GOALS:**

Lead in Sanitation and Recycled Water Services Focusing on Maximum Reuse

Prepared by: Oliver Slosser, Engineering Program Manager

**ATTACHMENTS:**

[Monthly Report on Pure Water Project Las Virgenes-Triunfo](#)



To: Las Virgenes-Triunfo JPA Board of Directors  
From: Oliver Slosser, Las Virgenes Municipal Water District  
Date: October 28, 2024  
Re: Pure Water Project JPA Board Monthly Update

## Pure Water Project Overview

The Pure Water Project (PWP) is an opportunity to proactively address three major challenges facing the Las Virgenes-Triunfo JPA:

- comply with more stringent regulatory requirements for discharging to Malibu Creek,
- balance seasonal variation of recycled water demand, and
- create a valuable resource to supplement the region's water supplies, enabled by California's reservoir water augmentation requirements.

By 2030, the plan is to have an operational advanced water purification facility (AWPF) to treat tertiary effluent from the Tapia Water Reclamation Facility for indirect potable reuse, and convey the product water to the Las Virgenes Reservoir, where it will be blended with Metropolitan Water District of Southern California (Metropolitan) supply.

## Monthly Major Milestones

The PWP achieved the following in October:

- On October 9, presented to Westlake City Council on Pure Water Project and impacts to the City.
- Concluded review of the Advanced Water Purification Facility and Reverse Osmosis Pipeline Basis of Design Reports
- Reviewed change order for ancillary pipelines
- On October 22, held the National Water Research Institute (NWRI) Independent Advisory Panel (IAP) meeting for the Las Virgenes Reservoir Tracer Study.
- On October 23, met with the Agoura Hills Architectural Review Panel to present the conceptual renderings for the AWPF.
- Held meetings with Los Angeles County Fire Department and Southern California Edison to introduce the project, discuss design elements and review the coordination process.
- Received updated architectural concepts for review

## Look Ahead

The PWP is focused on the following activities for November:

- The PWP and the Walsh team will continue to coordinate with other agencies on the project, including City of Agoura Hills, City of Thousand Oaks, City of Westlake Village, and Calleguas MWD.
- The PWP and the Walsh team will hold additional introductory project meetings with Los Angeles County Flood Control District, Ventura County Flood Control District and SoCal Gas.
- The Walsh team is progressing the 30% design for the AWPf and reverse osmosis concentrate (ROC) pipeline and will perform geotechnical investigation.

**DATE:** November 4, 2024  
**TO:** JPA Board of Directors  
**FROM:** General Manager

---

**SUBJECT: Proposed 2025 JPA Board Meeting Calendar**

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**SUMMARY:**

The JPA Board regularly meets on the first Monday of each month. Attached for reference is the proposed 2025 JPA Board Meeting Calendar.

**RECOMMENDATION(S):**

Review the proposed 2025 JPA Board Meeting Calendar and make any scheduling changes.

**ITEM BUDGETED:**

Yes

**DISCUSSION:**

The JPA Board regularly meets on the first Monday of each month. Attached for reference is the proposed 2025 JPA Board Meeting Calendar.

There are two conflicts with the Shavuot holiday on June 2, 2025; and the ACWA Fall Conference scheduled from December 2 to 4, 2025. The Board may want to consider cancelling the June 2, 2025 meeting and scheduling a special meeting on June 9, 2025; and cancelling the December 1, 2025 regular meeting and scheduling a special meeting on December 8, 2025.

Prepared by: Josie Guzman, Executive Assistant/Clerk of the Board

**ATTACHMENTS:**

[2025 Draft JPA Board Meeting Calendar](#)

## 2025 – DRAFT

JANUARY						
S	M	T	W	T	F	S
			1	2	3	4
5	6 JPA	7 LV	8	9	10	11
12	13	14	15	16	17	18
19	20	21 LV	22	23	24	25
26	27	28	29	30	31	

CASA Winter Conf. 01/29 – 01/31, Palm Springs

FEBRUARY						
S	M	T	W	T	F	S
						1
2	3 JPA	4 LV	5	6	7	8
9	10	11	12	13	14	15
16	17	18 LV	19	20	21	22
23	24	25	26	27	28	

CASA Washington DC Policy Forum 02/24 – 02/25  
ACWA Washington DC 02/25 – 02/27

MARCH						
S	M	T	W	T	F	S
						1
2	3 JPA	4 LV	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

WaterReuse Symposium 03/16 – 03/19, Tampa FL  
03/18 LV Canceled  
03/24 LV Spc. Mtg. (tentative)  
ACWA Legislative Symposium TBD

APRIL						
S	M	T	W	T	F	S
		1 LV	2	3	4	5
6	7 JPA	8	9	10	11	12
13	14	15 LV	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

Passover 04/13 – 04/14 (begins sundown day before)  
Passover 04/19 – 04/20 (begins sundown day before)

MAY						
S	M	T	W	T	F	S
				1	2	3
4	5 JPA	6 LV	7	8	9	10
11	12	13	14	15	16	17
18	19	20 LV	21	22	23	24
25	26	27	28	29	30	31

ACWA Spring 05/13 – 05/15, Monterey  
TWSD Meeting – TBD

JUNE						
S	M	T	W	T	F	S
1	2 JPA	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17 LV	18	19	20	21
22	23	24	25	26	27	28
29	30					

Shavuot 06/01 (begins at sundown)– 6/03 (ends nightfall)  
06/03 LV Canceled

	LV Meeting
	JPA Meeting
	District Holiday
	TWSD Meeting

2025 – DRAFT

JULY						
S	M	T	W	T	F	S
		1 LV	2	3	4	5
6	7 JPA	8	9	10	11	12
13	14	15 LV	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

AUGUST						
S	M	T	W	T	F	S
					1	2
3	4 JPA	5 LV	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	17	28	29	30
31						

CASA Annual Conference, 08/13 – 08/15, San Diego  
 08/19 LV Canceled  
 CSDA Annual Conference, 08/25 – 08/28, Monterey

SEPTEMBER						
S	M	T	W	T	F	S
	1	2 L J	3	4	5	6
7	8	9	10	11	12	13
14	15	16 LV	17	18	19	20
21	22	23	24	25	26	27
28	29	30 LV				

OCTOBER						
S	M	T	W	T	F	S
			1	2	3	4
5	6 JPA	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21 LV	22	23	24	25
26	27	28	29	30	31	

WateReuse CA, TBD  
 Rosh Hashanah 09/22 – 09/24 (begins sundown day before)  
 09/30 LV Spc. Mtg.

Yom Kippur 10/01 – 10/02  
 10/07 LV Canceled  
 Sukkot 10/07 – 10/08 (begins sundown day before)  
 Shemini Atzeret & Simchat Torah 10/13 – 10/15 (begins sundown day before)

NOVEMBER						
S	M	T	W	T	F	S
						1
2	3 JPA	4 LV	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19 LV	20	21	22
23	24	25	26	27	28	29
30						

DECEMBER						
S	M	T	W	T	F	S
	1 JPA	2	3	4	5	6
7	8	9	10 LV	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Spc. Dist. Leadership Academy, TBD  
 11/18 LV Canceled  
 11/19 LV Spc. Mtg.

12/02 LV Canceled  
 ACWA Fall Conf. 12/2 – 12/04, San Diego  
 12/10 LV Spc. Mtg.  
 12/16 LV Canceled  
 CRWUA Conf. 12/16 – 12/18, Las Vegas  
 TWSD Meeting – TBD

	LV Meeting
	JPA Meeting
	District Holiday
	TWSD Meeting



**DATE:** November 4, 2024  
**TO:** JPA Board of Directors  
**FROM:** Finance and Administration

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**SUBJECT: Fiscal Year 2023-24 Annual Financial Statements and Independent Auditor's Report**

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**SUMMARY:**

Rogers, Anderson, Malody & Scott, LLP (RAMS) completed the annual audit of the Las Virgenes-Triunfo Joint Powers Authority (JPA) financial statements and issued an opinion that they fairly present the financial position of the JPA as of June 30, 2024.

**RECOMMENDATION(S):**

Receive and file the Fiscal Year 2023-24 Annual Financial Statements and Independent Auditor's Report.

**DISCUSSION:**

On June 30, 2024, the JPA's net position (excess of assets over liabilities) was \$105.8 million. The entirety of the net position consisted of the JPA's investment in capital assets by participants in the amounts of \$69.8 million for Las Virgenes Municipal Water District (LVMWD) and \$36.0 million for Triunfo Water & Sanitation District (TWSD).

The JPA's Fiscal Year 2023-24 net position increased by \$5.5 million, compared to a decrease of \$0.8 million in Fiscal Year 2022-23. Net position will increase or decrease from year-to-year based on capital assets contributed by its participants within the year less any depreciation recorded.

Total operating revenues in Fiscal Year 2023-24 were \$2.4 million, down \$0.6 million (or 20.4 percent) versus prior year revenues of \$3.0 million. The decrease in revenues as compared to the prior year was due to lower wholesale recycled water sales to the JPA's customers LVMWD and TWSD. Deliveries of recycled water to its customers by the JPA were down 21.6 percent year-over-year, driving the overall sales decrease.

Total operating expenses in Fiscal Year 2023-24 were \$30.0 million, \$0.4 million (or 1.4 percent) above the prior year's expenses of \$29.6 million. The overall increase in operating expenses as compared to the prior year was due primarily to increased general and

administrative expenses (G&A), up \$1.0 million (or 8.3 percent) versus Fiscal Year 2022-23. Additionally, expenses of \$5.4 million at the Tapia Water Reclamation Facility were \$0.4 million (or 8.1 percent) above prior year expenses of \$5.0 million. The increase was driven mainly by higher costs for the purchase of sodium hypochlorite in the current fiscal year versus the prior year.

Recycled water transmission and distribution costs of \$2.2 million were down \$0.5 million versus the prior year's expenses of \$2.7 million. Though energy rates increased year-over-year, the JPA experienced lower deliveries to its customers in Fiscal Year 2023-24 versus the prior year, resulting in lower transmission and distribution energy costs.

Expenses of \$3.2 million in Fiscal Year 2023-24 at the Rancho Las Virgenes Composting Facility were down \$0.4 million versus the prior year's expenses of \$3.6 million. The decrease was driven mainly by a one-time cost of \$110,000 for the purchase and replacement of biofilter media in the prior year along with less outside service repair costs incurred during Fiscal Year 2023-24 versus the prior year.

The change in net position for the JPA in Fiscal Year 2023-24 is summarized below (in thousands).

Recycled water sales	\$2,342
Other operating revenue	55
<b>Total Operating Revenue</b>	<b>2,397</b>
Depreciation expense	5,579
Other operating expenses	24,400
<b>Total Operating Expenses</b>	<b>29,979</b>
<b>Operating Loss Before Billings to Participants</b>	<b>(27,582)</b>
Billings to participants	21,175
Non-operating revenues/expenses	827
<b>Net Loss Before Participants' Capital Contributions</b>	<b>(5,579)</b>
Participant capital contributions	11,057
<b>Change in Net Position</b>	<b>5,478</b>
Net Position - Beginning of Year	100,333
<b>Net Position - End of Year</b>	<b>\$105,811</b>

#### **GOALS:**

Ensure Effective Utilization of the Public's Assets and Money

Prepared by: Brian Richie, Finance Manager

**ATTACHMENTS:**

Independent Auditors Letter

Report on Internal Controls

Fiscal Year 2023-24 Annual Financial Statements

JPA Financials Presentation





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October 21, 2024

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To the Honorable Board of Directors  
Las Virgenes Triunfo Joint Powers Authority  
Calabasas, California

We have audited the financial statements of the Las Virgenes Triunfo Joint Powers Authority (the entity) as of and for the year ended June 30, 2024, and have issued our report thereon dated October 21, 2024. Professional standards require that we advise you of the following matters relating to our audit.

**MANAGERS / STAFF**

Seong-Hyea Lee, CPA, MBA  
Evelyn Morentin-Barcena, CPA  
Veronica Hernandez, CPA  
Laura Arvizu, CPA  
John Maldonado, CPA, MSA  
Julia Rodriguez Fuentes, CPA, MSA  
Demi Hite, CPA  
Jeffrey McKennan, CPA  
Monica Wysocki, CPA

**Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated May 7, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the entity solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

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## **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

We have evaluated whether certain nonattest services performed by our firm during the audit have created a significant threat to our independence in relation to the entity. We have identified a threat to our independence (preparation of the entity's financial statements, creating a self-review threat) that if not reduced to an acceptable level, would impair our independence. In order to reduce the threat to an acceptable level, we have applied the following safeguard:

Prior to the issuance of the entity's financial statements, another partner or manager, independent of the engagement, will review the financial statements.

## **Significant Risks Identified**

We have identified the possibility of the following significant risks:

*Management's override of internal controls over financial reporting* – Management override of internal controls is the intervention by management in handling financial information and making decisions contrary to internal control policy.

*Revenue recognition* – Revenue recognition is a generally accepted accounting principle that refers to the conditions under which an entity can recognize a transaction as revenue. Auditing standards indicate that recognizing revenue is a presumed fraud risk and usually classified as a significant risk in most audits.

These significant risks are presumptive in most audits and merit attention by the auditors due to the direct impact over financial reporting and internal control processes. Although identified as significant risks, we noted no matters of management override of controls or deviations from generally accepted accounting principles which caused us to modify our audit procedures or any related matters which are required to be communicated to those charged with governance due to these identified risks.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the entity is included in Note 1 to the financial statements. There have been no initial selection of accounting policies or their application during 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates and Related Disclosures*

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The entity had no sensitive accounting estimates affecting the entity's financial statements.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users.

The most sensitive disclosures affecting the entity's financial statements relate to:

The disclosure of fair value of investments in the basic financial statements represents amounts susceptible to market fluctuations.

The disclosure of capital assets (and related accumulated depreciation) in the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements noted.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion unit.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the entity's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

## **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated October 21, 2024.

## **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

## **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the entity, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the entity's auditors.

## **Other Information Included in Annual Reports**

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the entity's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have:

Read the Management's Discussion and Analysis and considered whether a material inconsistency existed between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Board of Directors and management of the entity and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Rogers, Anderson, Malody & Scott, LLP.*



**Las Virgenes – Triunfo Joint Powers Authority**  
4232 Las Virgenes Road, Calabasas, CA 91302  
818.251.2100



October 21, 2024

Rogers, Anderson, Malody & Scott, LLP

This representation letter is provided in connection with your audit of the basic financial statements of Las Virgenes Triunfo Joint Powers Authority (the entity) as of June 30, 2024 and 2023, and for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the entity in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of October 21, 2024:

**Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 7, 2024, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- The methods, data and significant assumptions used by us in making accounting estimates and their related disclosures, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of the applicable financial reporting framework.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

**Jay Lewitt**  
Chair, Las Virgenes-Triunfo  
Joint Powers Authority  
President, Las Virgenes Municipal Water District  
Board of Directors

**James Wall**  
Vice Chair, Las Virgenes-Triunfo  
Joint Powers Authority  
Chair, Triunfo Water & Sanitation District  
Board of Directors

- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, if any, are included and other joint ventures and related organizations are properly disclosed.
- All components of net position are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available is appropriately disclosed and net position is properly recognized under the policy.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- We have evaluated all of our lease and subscription agreements and have given you our assessment as to whether each agreement is subject to GASB Statement No. 87, Leases and GASB Statement No. 96, Subscription Based Information Technology Arrangements.
- With regard to investments and other instruments reported at fair value:
  - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With respect to preparation of the financial statements, we have performed the following:
  - Made all management decisions and performed all management functions;
  - Assigned a competent individual to oversee the services;
  - Evaluated the adequacy of the services performed;
  - Evaluated and accepted responsibility for the result of the service performed; and
  - Established and maintained internal controls, a process to monitor the system of internal controls.

**Information Provided**

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.
- All information provided in electronic form are true representations of the original documents.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and we believe that our use of the going concern basis of accounting is appropriate.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.

- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The entity has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the entity is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
  - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

### Cybersecurity

- There have been no cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements.


### Supplementary Information in Relation to the Financial Statements as a Whole

With respect to supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
- We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
- We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

DocuSigned by:  
  
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David Pedersen, General Manager

DS  
  
DS





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**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

**PARTNERS**

Scott W. Manno, CPA, CGMA  
Leena Shanbhag, CPA, MST, CGMA  
Bradferd A. Welebir, CPA, MBA, CGMA  
Jenny W. Liu, CPA, MST  
Gardenya Duran, CPA, CGMA  
Brianna Schultz, CPA, CGMA  
Brenda L. Odle, CPA, MST (Partner Emeritus)  
Terry P. Shea, CPA (Partner Emeritus)

*Independent Auditor's Report*

To the Honorable Board of Directors  
Las Virgenes Triunfo Joint Powers Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Las Virgenes Triunfo Joint Powers Authority (the entity) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements, and have issued our report thereon dated October 21, 2024.

**MANAGERS / STAFF**

Seong-Hyea Lee, CPA, MBA  
Evelyn Morentin-Barcena, CPA  
Veronica Hernandez, CPA  
Laura Arvizu, CPA  
John Maldonado, CPA, MSA  
Julia Rodriguez Fuentes, CPA, MSA  
Demi Hite, CPA  
Jeffrey McKennan, CPA  
Monica Wysocki, CPA

***Report on Internal Control over Financial Reporting***

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

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

**MEMBERS**

American Institute of  
Certified Public Accountants

*PCPS The AICPA Alliance  
for CPA Firms*

*Governmental Audit  
Quality Center*

California Society of  
Certified Public Accountants



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

### ***Report on Compliance and Other Matters***

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

### ***Purpose of this Report***

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

*Rogers, Anderson, Malody & Scott, LLP.*

San Bernardino, California  
October 21, 2024

**Las Virgenes-Triunfo  
Joint Powers Authority**

**Financial Statements and  
Independent Auditor's Reports**

*For the Years Ended June 30, 2024 and 2023*

*Las Virgenes-Triunfo Joint Powers Authority*

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ROGERS, ANDERSON, MALODY & SCOTT, LLP  
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*Independent Auditor's Report*

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California Society of  
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To the Board of Directors  
Las Virgenes-Triunfo Joint Powers Authority  
Calabasas, California

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the financial statements of the Las Virgenes-Triunfo Joint Powers Authority (the entity), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the entity, as of June 30, 2024 and 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America and State Controller's *Minimum Audit Requirements for California Special Districts*.

***Basis for Opinion***

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



## ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the entity's basic financial statements. The accompanying Schedule of Changes in Participants' Advance Accounts is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2024 on our consideration of entity's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering entity's internal control over financial reporting and compliance.

*Rogers, Anderson, Malody & Scott, LLP.*

San Bernardino California  
October 21, 2024

**Management's Discussion and Analysis  
June 30, 2024**

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This section of the Joint Powers Authority (JPA) annual financial report presents analysis of the JPA's financial performance during the Fiscal Years that ended on June 30, 2024 and June 30, 2023. Please read it in conjunction with the Financial Statements, which follow this section.

**FINANCIAL HIGHLIGHTS**

- On June 30, 2024, the JPA's net position (excess of assets over liabilities) was \$105.8 million. The entirety of the net position consisted of the JPA's investment in capital assets by participants in the amounts of \$69.8 million for Las Virgenes Municipal Water District (LVMWD) and \$36.0 million for Triunfo Water & Sanitation District (TWSD).
- The JPA's Fiscal Year 2023-24 net position increased by \$5.5 million, compared to a decrease of \$0.8 million in Fiscal Year 2022-23. Net position will increase or decrease from year to year in the JPA based on capital assets contributed by its participants within the year less any depreciation recorded.
- Total operating revenues in Fiscal Year 2023-24 were \$2.4 million, down \$0.6 million (or 20.4%) versus prior year revenues of \$3.0 million. The decrease in revenues as compared to the prior year was due to lower wholesale recycled water sales to the JPA's customers LVMWD and TWSD.
- Total operating revenues in Fiscal Year 2022-23 were \$3.0 million, up \$0.4 million (or 13.9%) versus Fiscal Year 2021-22 revenues of \$2.6 million. The increase in revenues as compared to the prior year was due to higher wholesale recycled water sales to the JPA's customers LVMWD and TWSD.
- Total operating expenses in Fiscal Year 2023-24 were \$30.0 million, \$0.4 million (or 1.4%) above the prior year's expenses of \$29.6 million. The overall increase in operating expenses as compared to the prior year was due primarily to increased general and administrative expenses (G&A), up \$1.0 million (or 8.5%) versus Fiscal Year 2022-23. Additionally, expenses of \$5.4 million at the Tapia Water Reclamation Facility were \$0.4 million (or 8.1 %) above prior year expenses of \$5.0 million. The increase was driven mainly by higher costs for the purchase of sodium hypochlorite in the current fiscal year versus the prior year. Recycled water transmission and distribution costs of \$2.2 million were down \$0.5 million versus the prior year's expenses of \$2.7 million. Though energy rates increased year-over-year, the JPA experienced lower deliveries to its customers in Fiscal Year 2023-24 versus the prior year, resulting in lower transmission and distribution energy costs. Expenses of \$3.2 million in Fiscal Year 2023-24 at the Rancho Las Virgenes Composting Facility were down \$0.4 million versus the prior year's expenses of \$3.6 million. The decrease was driven mainly by a one-time cost of \$110,000 for the purchase and replacement of biofilter media in the prior year along with less outside service repair costs incurred during Fiscal Year 2023-24 versus the prior year.



**Management's Discussion and Analysis**

**June 30, 2024**

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- Total operating expenses in Fiscal Year 2022-23 were \$29.6 million, \$2.9 million (or 10.9%) above the Fiscal Year 2021-22 expenses of \$26.7 million. The increase in operating expenses as compared to the prior year was due primarily from increased G&A expenses, up \$1.4 million (or 13.1%). Additionally, expenses of \$3.6 million at the Rancho Las Virgenes Composting Facility for Fiscal Year 2022-23 were up \$0.7 million year-over-year. The increase was driven mainly by deferred maintenance and building repairs initiated during the fiscal year, along with a one-time cost of \$110,000 for the purchase and replacement of biofilter media. Expenses of \$5.0 million at the Tapia Water Reclamation Facility were up 15.4 percent versus Fiscal Year 2021-22 expenses of \$4.3 million. Much of the increase was due to escalating chemical costs including sodium hypochlorite and sodium bisulfite as compared to the prior year. Recycled water transmission and distribution costs of \$2.7 million in Fiscal Year 2022-23 were up 11.0% versus Fiscal Year 2021-22 expenses of \$2.5 million due mainly to increased electricity costs year over year.

**BASIC FINANCIAL STATEMENTS**

The Financial Statements of the JPA report information about the JPA using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Comparative Statements of Net Position (CSNP) includes all of the JPA's assets and liabilities and provides information about the nature and amount of investments in resources (assets) and the obligations to JPA creditors (liabilities). The CSNP also provides the basis for evaluating the capital structure of the JPA.

All of the current year's revenues and expenses are accounted for in the Comparative Statements of Revenues, Expenses and Changes in Net Position. These statements reflect the result of the JPA's operations over the past year.

The concluding Financial Statements are the Comparative Statements of Cash Flows. The primary purpose of this statement is to provide information about the JPA's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations and investments. It also provides answers to such questions as where cash came from, what was cash used for, and what was the change in cash balance during the reporting period.

**FINANCIAL ANALYSIS OF THE JOINT POWERS AUTHORITY**

The Financial Statements provide information on whether the JPA is in a stronger or weaker financial position compared to the prior year. The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position provide a means to measure the JPA's financial health or financial position. Over time, increases or decreases in the JPA's net position are one indicator of whether its financial health is improving or deteriorating. Considering other non-financial factors such as changes in economic conditions, population growth, weather, and new or changed government legislation is also vital. It is important to note that the JPA's goal is to have sufficient revenue to cover operating and capital expenses while maintaining affordable rates for its customers.

**Management's Discussion and Analysis  
June 30, 2024**

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The Fiscal Year 2023-24 recycled water sales and sanitation reflect a long-term trend of reduced water usage that began during record setting drought periods in the prior decade and continues through the current time. Customer behaviors that changed during the drought, and the JPA's messaging promoting water use efficiency as a way of life, have contributed to lower than historical averages of water use seen in the recent fiscal years. In Fiscal Year 2023-24 the JPA delivered 4,073 acre-feet of recycled water to its customers LVMWD and TWSD. This is 21.6% below deliveries in Fiscal Year 2022-23 of 5,198 acre-feet and lower than deliveries in Fiscal Year 2021-22 of 5,203 acre-feet. The JPA has continued its efforts to maximize its use of recycled water, reduce charges to Malibu Creek, achieve long-term compliance with environmental regulations, and renew aging infrastructure.

Actions by the JPA during Fiscal Year 2023-24 and proceeding years continue to reflect the change in focus which began in Fiscal Year 2017-18 when the JPA Board approved the Basis of Design Report for indirect potable reuse using Las Virgenes Reservoir. During that time, the JPA Board also took action to minimize the number of new recycled water connections and focused efforts on the efficient use of recycled water. These efforts ultimately contribute in providing the resources necessary to support the indirect potable reuse project, now known as Pure Water Project Las Virgenes-Triunfo (Pure Water Project). The Pure Water Project represents a unique opportunity to proactively address three major challenges facing the JPA:

- 1) Comply with more stringent regulatory requirements for discharge to Malibu Creek.
- 2) Balance seasonal variation in recycled water demand.
- 3) Create a valuable resource to supplement the region's water supplies, supported by California's reservoir water augmentation regulations.

The fundamental plan is to build an Advanced Water Purification Facility (AWPF) to treat tertiary effluent from the Tapia Water Reclamation Facility (Tapia WRF) for indirect potable reuse, and convey the purified water to the Las Virgenes Reservoir, where it will be blended with Metropolitan Water District of Southern California (Metropolitan) supply. Water from the Las Virgenes Reservoir will continue to be subsequently treated at the Westlake Filtration Plant (WFP) prior to distribution. Additionally, four pipelines will be constructed to convey source water, purified water, reverse osmosis concentrate (ROC), and residuals.

The JPA will continue to own and operate the Tapia Water Reclamation Facility and will own and operate the new Advanced Water Purification Facility. Las Virgenes Municipal Water District will continue to own and operate Las Virgenes Reservoir and the Westlake Filtration Plant.

During Fiscal Year 2021-22, the JPA began developing the design criteria for the Pure Water Project and engaged in public outreach activities to help progress the project.

In Fiscal Year 2022-23, the JPA prepared and submitted applications to federal, state, and local funding sources to provide financing for the Pure Water Project. Included in these funding sources was an invitation to the JPA to apply for Water Infrastructure Finance and Innovation Act (WIFIA) funding up to 49% of the estimated project cost.

**Management’s Discussion and Analysis  
June 30, 2024**

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During Fiscal Year 2023-24, the JPA began negotiating terms with the Environmental Protection Agency to close the WIFIA loan by an anticipated date of January 2025, and with the State Water Resource Control Board to close loans and grants for the Clean Water State Revolving Fund (SRF) loan by an anticipated date of March 2025. These actions will significantly contribute to the funds needed to complete the Pure Water Project which is currently estimated to cost \$466 million. The remainder of calendar-year 2024 will include completing the preliminary design of the project and preparing to begin construction of the Advanced Water Purification Facility. It is anticipated that the final design of the facility will continue into Fiscal Year 2025-26 with the goal to start construction in calendar 2026. The JPA continues to be well-positioned financially and will continue to deliver high-quality, reliable services to its customers for years to come.

**NET POSITION**

As shown below in Table 1, net position increased by \$5.5 million to \$105.8 million in Fiscal Year 2023-24, compared to a decrease in net position of \$0.8 million in Fiscal Year 2022- 23.

**TABLE 1**  
**Condensed Statements of Net Position**  
**as of June 30,**  
**(in thousands of dollars)**

	<u>FY 2024</u>	<u>FY 2023</u>	<u>FY 2022</u>
Current assets	\$ 10,931	\$ 12,476	\$ 12,737
Capital assets	105,811	100,333	101,134
<b>Total Assets</b>	<u>116,742</u>	<u>112,809</u>	<u>113,871</u>
Due to participants	7,454	11,198	10,843
Other liabilities	3,477	1,278	1,895
<b>Total Liabilities</b>	<u>10,931</u>	<u>12,476</u>	<u>12,737</u>
<b>Total Net Position</b>	<u>\$ 105,811</u>	<u>\$ 100,333</u>	<u>\$ 101,134</u>

The increase in net position in Fiscal Year 2023-24 was due to participants' capital contributions of \$11.1 million outpacing depreciation expense of \$5.6 million within the fiscal year. Net Position represents the cumulative investments in capital assets of the JPA by its participants LVMWD and TWSD reduced by accumulated depreciation over time.

**Management's Discussion and Analysis  
June 30, 2024**

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While the Statement of Net Position shows the change in financial position, the Statement of Revenues, Expenses and Changes in Net Position provides answers as to the nature and source of these changes.

**TABLE 2**  
**Condensed Statements Revenues,**  
**Expenses and Changes in Net Position**  
**For the Year Ended June 30,**  
**(in thousands of dollars)**

	<u>FY 2024</u>	<u>FY 2023</u>	<u>FY 2022</u>
Recycled water sales	\$ 2,342	\$ 2,944	\$ 2,534
Other operating revenue	55	53	97
<b>Total Operating Revenue</b>	<u>2,397</u>	<u>2,996</u>	<u>2,631</u>
Depreciation expense	5,579	5,703	5,825
Other operating expenses	24,400	23,863	20,845
<b>Total Operating Expenses</b>	<u>29,979</u>	<u>29,566</u>	<u>26,670</u>
<b>Operating Loss Before</b>			
<b>Billings to Participants</b>	(27,582)	(26,570)	(24,039)
Billings to participants	21,175	19,952	15,367
Non-operating revenues/expenses	<u>827</u>	<u>915</u>	<u>2,848</u>
<b>Net Loss Before Participants'</b>			
<b>Capital Contributions</b>	(5,579)	(5,703)	(5,824)
Participant capital contributions	<u>11,057</u>	<u>4,903</u>	<u>8,596</u>
Change in Net Position	5,478	(800)	2,772
Net Position, beginning of year	100,334	101,134	98,362
<b>Net Position, end of year</b>	<u>\$ 105,812</u>	<u>\$ 100,334</u>	<u>\$ 101,134</u>

As reflected in Table 2, Fiscal Year 2023-24 revenue from recycled water sales decreased by \$0.6 million (or 20.4%) compared to the prior fiscal year due to a 23.5% decrease in recycled water sales generated from purchases from TWSD (\$0.5 million in Fiscal Year 2023-24 versus \$0.7 million in Fiscal Year 2022-23), along with a 19.5% decrease in recycled water sales from LVMWD (\$1.8 million in Fiscal Year 2023-24 versus \$2.3 million in Fiscal Year 2022-23). Deliveries of recycled water to its customers by the JPA was down 21.6% year over year, driving the overall sales decrease. Total Operating Expenses increased 1.4% in Fiscal Year 2023-24 versus Fiscal Year 2022-23 primarily from increased general and administrative costs by 8.3%, offset by decreases in recycled water transmission and distribution costs (down 18.5%) and Rancho Composting Facility costs (down 11.3%) year over year.

**Management’s Discussion and Analysis  
June 30, 2024**

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**CAPITAL ASSETS AND DEBT ADMINISTRATION**

At the end of Fiscal Year 2023-24, the JPA had net capital assets of \$105.8 million compared to \$100.3 million for Fiscal Year 2022-23 as shown in Table 3. See Note 4 for further information about capital assets.

**TABLE 3  
Capital Assets  
(in thousands of dollars)**

	<u>FY 2024</u>	<u>FY 2023</u>	<u>FY 2022</u>
Land and land rights	\$ 14,368	\$ 14,368	\$ 14,368
Sewer and treatment plant	134,465	131,176	130,696
Compost plant	85,444	83,690	83,892
Recycled water system	36,005	36,005	35,512
Construction in progress	21,166	15,152	11,020
Advanced water system	4,421	4,421	4,421
<b>Subtotal</b>	<u>295,869</u>	<u>284,812</u>	<u>279,909</u>
Accumulated depreciation	<u>190,058</u>	<u>184,479</u>	<u>178,776</u>
<b>Total Capital Assets</b>	<u>\$ 105,811</u>	<u>\$ 100,333</u>	<u>\$ 101,134</u>

Table 4 below is a summary of some of the major improvements to the system during Fiscal Year 2023-24, Fiscal Year 2022-23, and Fiscal Year 2021-22.

**TABLE 4  
Major Capital Improvement Projects  
(in thousands of dollars)**

	<u>2024</u>
Pure Water Project	\$ 4,641
Malibou Siphon Lake	2,731
Rancho Supervisory Control and Data Acquisition Improvements	1,028
Replace Rancho Agitators	961
<b>Total major projects FY 2024</b>	<u>\$ 9,361</u>
	<u>2023</u>
Pure Water Project	\$ 2,381
Summer Season Total Maximum Daily Load Compliance	1,180
Replace Rancho Agitators	411
Tapia Heating, Ventilation, and Air Conditioning Replacement	393
<b>Total major projects FY 2023</b>	<u>\$ 4,365</u>
	<u>2022</u>
Pure Water Project	\$ 3,486
Summer Season Total Maximum Daily Load Compliance	2,261
Woolsey Fire Repair Rancho	1,237
Tapia Programmable Logic Controller Upgrade	1,039
<b>Total major projects FY 2022</b>	<u>\$ 8,023</u>

**LONG TERM DEBT**

As of June 30, 2024, The JPA has no long-term debt and all funding has been provided by the participating agencies LVMWD and TWSD. However, the JPA Board has approved several actions to support applications for outside funding required to finance the Pure Water Project. On August 7, 2023 the JPA Board authorized the formation of the Las Virgenes – Triunfo Public Financing Authority (PFA) to serve as the financing authority for the Pure Water Project. The PFA has been granted authority by the JPA Board to execute necessary agreements to finance the Pure Water Project including financing documents to close anticipated WIFIA and SRF loans in early calendar year 2025.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGER**

This financial report is designed to provide our residents, customers and creditors with a general overview of the JPA's finances and to demonstrate the JPA's accountability for the money it receives. The responsibility for the JPA's accounting and financial reporting rests with the staff of the Las Virgenes Municipal Water District. If you have questions about this report or need additional financial information, contact the Las Virgenes Municipal Water District, Department of Finance and Administration by email at [finance@lvmwd.com](mailto:finance@lvmwd.com), by phone at 818-251-2134, or by mail to 4232 Las Virgenes Road, Calabasas, California, 91302.

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**Las Virgenes-Triunfo Joint Powers Authority**

**Statements of Net Position  
June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash investments	\$ 9,058,046	\$ 9,791,972
Accounts receivable	1,367,751	2,242,069
Interest receivable	15,831	15,180
Prepaid items	489,611	427,015
<b>Total current assets</b>	<u>10,931,239</u>	<u>12,476,236</u>
<b>Noncurrent assets:</b>		
Capital assets, not being depreciated	35,534,371	29,519,704
Capital assets, being depreciated, net	70,276,656	70,813,394
Total capital assets	<u>105,811,027</u>	<u>100,333,098</u>
<b>Total noncurrent assets</b>	<u>105,811,027</u>	<u>100,333,098</u>
<b>Total assets</b>	<u>116,742,266</u>	<u>112,809,334</u>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts and contracts payable and accrued expenses	3,477,338	1,277,984
Due to participants	7,453,901	11,198,252
<b>Total current liabilities</b>	<u>10,931,239</u>	<u>12,476,236</u>
<b>Total liabilities</b>	<u>10,931,239</u>	<u>12,476,236</u>
<b>NET POSITION</b>		
<b>Investments in capital assets by participants:</b>		
Las Virgenes Municipal Water District	69,845,438	67,075,514
Triunfo Water & Sanitation District	35,965,589	33,257,584
<b>Investments in capital assets by participants</b>	<u>105,811,027</u>	<u>100,333,098</u>
Unrestricted	-	-
<b>Total net position</b>	<u>\$ 105,811,027</u>	<u>\$ 100,333,098</u>

The accompanying notes are an integral part of these statements.



**Las Virgenes-Triunfo Joint Powers Authority**

**Statements of Revenues, Expenses, and Changes in Net Position  
For the Years Ended June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Operating revenues:</b>		
Wholesale recycled water sales	\$ 2,342,051	\$ 2,943,715
Other income	55,124	52,714
<b>Total operating revenues</b>	<u>2,397,175</u>	<u>2,996,429</u>
<b>Operating expenses:</b>		
Treatment plant	5,411,042	5,004,065
Recycled water transmission and distribution	2,223,429	2,748,048
Compost plant	3,210,927	3,621,656
Sewer	306,569	240,295
Depreciation	5,579,368	5,703,196
General and administrative	12,907,231	11,890,640
Other operating expenses	340,435	358,312
<b>Total operating expenses</b>	<u>29,979,001</u>	<u>29,566,212</u>
<b>Operating loss before billings to participants</b>	(27,581,826)	(26,569,783)
Billings to participants	<u>21,175,232</u>	<u>19,951,744</u>
<b>Operating loss</b>	<u>(6,406,594)</u>	<u>(6,618,039)</u>
<b>Nonoperating revenues (expenses):</b>		
Interest income	742,168	324,925
Other revenues	85,058	589,918
<b>Total nonoperating revenues (expenses)</b>	<u>827,226</u>	<u>914,843</u>
<b>Net loss before participants' capital contributions</b>	(5,579,368)	(5,703,196)
Participants' capital contributions	<u>11,057,297</u>	<u>4,902,783</u>
<b>Change in net position</b>	5,477,929	(800,413)
<b>Net position:</b>		
Beginning of year	100,333,098	101,133,511
End of year	<u>\$ 105,811,027</u>	<u>\$ 100,333,098</u>

The accompanying notes are an integral part of these statements.

**Las Virgenes-Triunfo Joint Powers Authority**

**Statements of Cash Flows  
For the Years Ended June 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Cash received from participants	\$ 24,446,725	\$ 25,905,435
Cash paid to suppliers for operations	(21,922,440)	(24,327,044)
Other revenue (expenses)	(340,435)	(358,312)
<b>Net cash provided by operating activities</b>	<b>2,183,850</b>	<b>1,220,079</b>
<b>Cash flows from noncapital financing activities:</b>		
Other revenues	85,058	589,918
<b>Net cash provided by noncapital financing activities</b>	<b>85,058</b>	<b>589,918</b>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets	(11,057,297)	(4,902,783)
Capital contributions	11,057,297	4,902,783
Net cash received from (paid to) participants	(3,744,351)	355,565
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(3,744,351)</b>	<b>355,565</b>
<b>Cash flows from investing activities:</b>		
Interest received	741,517	313,493
<b>Net cash provided by investing activities</b>	<b>741,517</b>	<b>313,493</b>
<b>Net change in cash and cash equivalents</b>	<b>(733,926)</b>	<b>2,479,055</b>
<b>Cash and cash equivalents:</b>		
Beginning of year	9,791,972	7,312,917
End of year	<u>\$ 9,058,046</u>	<u>\$ 9,791,972</u>
<b>Noncash investing activities:</b>		
Change in fair value of investments	<u>\$ 359,025</u>	<u>\$ 366,915</u>
<b>Reconciliation of net operating (loss) to net cash provided by (used in) operating activities:</b>		
Operating (loss)	\$ (6,406,594)	\$ (6,618,039)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:		
Depreciation	5,579,368	5,703,196
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	874,318	2,957,262
(Increase) decrease in prepaid items	(62,596)	(205,608)
Increase (decrease) in accounts and contracts payable and accrued liabilities	2,199,354	(616,732)
<b>Net cash provided by operating activities</b>	<b>\$ 2,183,850</b>	<b>\$ 1,220,079</b>

The accompanying notes are an integral part of these statements.

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## ***Las Virgenes-Triunfo Joint Powers Authority***

### **Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023**

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#### **Note 1 – Reporting Entity**

On October 12, 1964, Las Virgenes Municipal Water District (“LVMWD”) and Triunfo Water & Sanitation District (“TWSD”) established Las Virgenes-Triunfo Joint Powers Authority (“JPA”) to construct, operate, maintain and provide for the replacement of a joint sewerage system to serve the Malibu Creek drainage area. The equity of each member is equal to the member’s pro-rata share of capital assets, net of depreciation. LVMWD has been the designated administering agent.

#### **Note 2 – Summary of Significant Accounting Policies**

##### ***Basis of Presentation***

Financial statement presentation follows the recommendations promulgated by the Governmental Accounting Standards Board (“GASB”) commonly referred to as accounting principles generally accepted in the United States of America (“U.S. GAAP”). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

##### ***Measurement Focus, Basis of Accounting and Financial Statements Presentation***

The Financial Statements (i.e., the statement of net position, the statement of revenues, expenses and changes in net position, and statement of cash flows) report information on all of the activities of the JPA.

The Financial Statements are reported using the “economic resources” measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period.

Operating revenues are those revenues that are generated from the primary operations of the JPA. The JPA reports a measure of operations by presenting the change in net position from operations as "operating income" in the statement of revenues, expenses, and changes in net position. Operating activities are defined by the JPA as all activities other than financing and investing activities (interest expense and investment income), and other infrequently occurring transaction of a non-operating nature. Operating expenses are those expenses that are essential to the primary operations of the JPA. All other expenses are reported as non-operating expenses.

**Notes to the Basic Financial Statements  
For the Years Ended June 30, 2024 and 2023**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Cash, Cash Equivalents and Investments***

Cash and cash equivalents include all highly liquid investments with original maturities of 90 days or less and are carried at cost, which approximates fair value.

The JPA participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF), which has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and assets-backed securities are subject to market risk and to change in interest rates. The reported value of the pool is based on net asset value.

The JPA is also a voluntary participant in CAMP, a Joint Powers Authority established in 1989, to provide California public agencies with professional investment services. The CAMP pool is a permitted investment for all local agencies under California Government Code Section 601(p). CAMP is directed by a Board of Trustees, which is made up of experienced local government finance directors and treasurers. There are no withdrawal limitations or restrictions.

Certain disclosure requirements, if applicable for deposit and investment risk, are specified for the following areas:

- Interest rate risk
- Credit risk
  - Overall
  - Custodial credit risk
  - Concentration of credit risk
- Foreign currency risk

***Fair Value Measurements***

In accordance with U.S. GAAP, investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

- Level 1 – Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.
- Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability through corroboration with market data at the measurement date.
- Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

**Notes to the Basic Financial Statements  
For the Years Ended June 30, 2024 and 2023**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Accounts Receivable***

Customer accounts receivable consist of amounts owed by private individuals and organizations for services rendered in the regular course of business operations. Receivables are shown net of allowances for doubtful accounts, if any. The JPA also accrues an estimated amount for services that have been provided, but not yet billed. Management has evaluated the accounts and believes they are all collectible.

***Prepaid items***

Payments made to vendors for services that will benefit periods beyond the fiscal year ended are recorded as prepaid items.

***Capital Assets***

Capital assets are valued at historical cost, or estimated historical cost, if actual historical cost was not available. Donated capital assets are valued at acquisition value on the date donated. The JPA policy has set the capitalization threshold for reporting capital assets at \$5,000, all of which must have an estimated useful life in excess of one year. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets, which range from 3 to 100 years.

Plant	10-100 years
Machinery and equipment	3-25 years

Capital assets are shared in accordance with each participant's capacity rights reserved in each component of the joint system. The allocation of costs for projects in process is based upon engineering estimates of the capacity rights and could increase or decrease when the final capacity rights are determined.

***Net Position***

Net position represents the difference between all other elements in the statement of net position and may be displayed in the following three components:

**Investment in Capital Assets** – This component of net position consists of capital assets, net of accumulated depreciation.

**Restricted** – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

**Unrestricted** – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

*Las Virgenes-Triunfo Joint Powers Authority*

**Notes to the Basic Financial Statements  
For the Years Ended June 30, 2024 and 2023**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Use of Restricted/Unrestricted Net Position***

When both restricted and unrestricted resources are available for use, it is the JPA's policy to use restricted resources first, then unrestricted resources as they are needed.

***Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosure. Accordingly, actual results could differ from those estimates.

**Note 3 – Cash and Investments**

At June 30, 2024 and 2023, cash and investments are reported in the accompanying statements of net position as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 151,696	\$ 127,998
Investments	8,906,350	9,663,974
<b>Total Cash and Investments</b>	<u>\$ 9,058,046</u>	<u>\$ 9,791,972</u>

At June 30, 2024 and 2023, cash and investments consisted of the followings:

	<u>2024</u>	<u>2023</u>
<b>Deposits:</b>		
Pooled with Las Virgenes Municipal Water District	\$ 151,696	\$ 127,998
<b>Investments:</b>		
US Treasuries	373,680	-
Municipal bonds	978,798	-
US Government sponsored agency securities	4,076,900	7,062,710
Certificates of deposit	752,697	-
California Asset Management Program	2,234,640	2,124,160
California Local Agency Investment Fund	483,360	477,104
Money market mutual funds	6,275	-
<b>Total Cash and Investments</b>	<u>\$ 9,058,046</u>	<u>\$ 9,791,972</u>

***Demand Deposits***

At June 30, 2024 and 2023, the carrying amounts of cash deposits were \$151,696 and \$127,998 respectively, which were fully insured and/or collateralized with securities held by the pledging financial institutions in the LVMWD's name as discussed below.

**Notes to the Basic Financial Statements  
For the Years Ended June 30, 2024 and 2023**

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**Note 3 – Cash and Investments (Continued)**

***Demand Deposits (Continued)***

The California Government Code requires California banks and savings and loan associations to secure the LVMWD's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the LVMWD's name.

The fair value of pledged securities must equal at least 110% of the LVMWD's cash deposits. California law also allows institutions to secure the LVMWD's deposits by pledging first trust deed mortgage notes having a value of 150% of the LVMWD's total cash deposits. LVMWD may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. LVMWD, however, has not waived the collateralization requirements.

***Local Agency Investment Fund***

The JPA's investments with Local Agency Investment Fund (LAIF) include a portion of the pool funds invested in structured notes and asset-backed securities. These investments include the following:

**Structured Notes** - debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

**Asset-Backed Securities** - the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO's) or credit card receivables.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute.

As of June 30, 2024, the JPA had \$483,360 invested in LAIF, which had invested 1.40% of the pool investment funds in Structured Notes and Asset-Backed Securities compared to \$477,107 and 1.46% at June 30, 2023.

***California Asset Management Program (CAMP)***

The JPA is also a voluntary participant in CAMP, a Joint Powers Authority established in 1989 to provide California public agencies with professional investment services. The CAMP pool is a permitted investment for all local agencies under California Government Code Section 53601(p). CAMP is directed by a Board of Trustees, which is made up of experienced local government finance directors and treasurers. There are no withdrawal limitations or restrictions.



**Las Virgenes-Triunfo Joint Powers Authority**

**Notes to the Basic Financial Statements  
For the Years Ended June 30, 2024 and 2023**

**Note 3 – Cash and Investments (Continued)**

**Investments Authorized by the California Government Code and the JPA’s Investment Policy**

The JPA follows LVMWD’s investment policy. The table below identifies the investment types that are authorized for the JPA by the California Government Code (or the LVMWD’s investment policy, where more restrictive). The table also identifies certain provisions of the California Code (or the LVMWD’s investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

<b>Authorized Investment Type</b>	<b>Maximum Maturity</b>	<b>Percentage of Portfolio</b>	<b>Maximum Investment in One Issuer</b>
United States treasury bills, bonds and notes	5 years	None	None
United States government sponsored agency securities	5 years	None	None
Time deposits	1 year	25%	None
Repurchase agreements/reverse repurchase agreement	30 days	25%/10%	None
California Asset Management Program (CAMP)	None	25%	None
California Local Agency Investment Fund (LAIF)	None	None	\$75,000,000
Bonds issue by local agencies or states	5 years	None	None
Certificates of deposits	5 years	25%	\$250,000
Money market mutual funds	None	20%	10%

**Disclosures Relating to Fair Value Measurement**

Information about the fair value measurement of the JPA’s investments is as follows:

	2024			2023		
	Significant Other Observable Input (Level 2)	Uncategorized	Total	Significant Other Observable Input (Level 2)	Uncategorized	Total
US Treasuries	\$ 373,680	\$ -	\$ 373,680	\$ -	\$ -	\$ -
Municipal bonds	978,798	-	978,798	-	-	-
US Government sponsored agency securities	4,076,900	-	4,076,900	7,062,710	-	7,062,710
Certificates of deposit	752,697	-	752,697	-	-	-
California Asset Management Program	-	2,234,640	2,234,640	-	2,124,160	2,124,160
California Local Agency Investment Fund	-	483,360	483,360	-	477,104	477,104
Money market mutual funds	-	6,275	6,275	-	-	-
<b>Total Investments</b>	<b>\$ 6,182,075</b>	<b>\$ 2,724,275</b>	<b>\$ 8,906,350</b>	<b>\$ 7,062,710</b>	<b>\$ 2,601,264</b>	<b>\$ 9,663,974</b>

Investments securities classified in Level 2 of the fair value hierarchy are valued using prices determined by the use of matrix pricing techniques maintained by the pricing vendors for these securities. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

**Notes to the Basic Financial Statements  
For the Years Ended June 30, 2024 and 2023**

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**Note 3 – Cash and Investments (Continued)**

***Disclosures Relating to Interest Rate Risk***

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

***Disclosures Relating to Interest Rate Risk (Continued)***

The JPA's investments of \$8,906,350 and \$9,663,974 at June 30, 2024 and 2023, respectively, made up of investments in LAIF, CAMP, and U.S. Government Sponsored Agency Securities at June 30, 2024 and 2023. Investments in LAIF and CAMP are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest. The investment in U.S. Government Sponsored Agency Securities matures in the year ending June 30, 2024.

***Disclosures Relating to Credit Risk***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investments in US Treasuries, municipal bonds, and certificates of deposit totaling \$2,105,175 as of June 30, 2024, are at least AA-. Investments in LAIF in the amounts of \$483,360 and \$477,104 as of June 30, 2024 and 2023, respectively, are unrated. Investment in U.S. Government Sponsored Agency Securities in the amount of \$4,076,900 and \$7,062,710 as of June 30, 2024 and 2023, respectively, are unrated. Investments in California Asset Management Program (CAMP) in the amounts of \$2,234,640 and \$2,124,160 as of June 30, 2024 and 2023, are AAA+. Investments in money market mutual funds as of June 30, 2024, totaling \$6,275 are unrated.

***Concentration of Credit Risk***

Concentration of credit risk is the risk of loss attributed to the magnitude of the JPA'S investment in a single investment. As of June 30, 2024 and 2023, the JPA had no investments exceed this limit.

**Notes to the Basic Financial Statements  
For the Years Ended June 30, 2024 and 2023**

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**Note 3 – Cash and Investments (Continued)**

***Custodial Credit Risk***

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the JPA's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure JPA deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2024, the JPA's deposits with financial institutions are interest bearing, and have a limited insurance coverage with the federal deposit insurance corporation up to \$250,000. Any amounts in excess of \$250,000 per institution are collateralized by the bank with pledged securities.

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## Las Virgenes-Triunfo Joint Powers Authority

### Notes to the Basic Financial Statements For the Years Ended June 30, 2024 and 2023

#### Note 4 – Capital Assets

A summary of changes in capital assets for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Reclassification	Balance June 30, 2024
<b>Capital assets, not being depreciated</b>					
Land and land rights	\$ 14,368,150	\$ -	\$ -	\$ -	\$ 14,368,150
Construction in progress	15,151,554	11,057,297	-	(5,042,630)	21,166,221
<b>Total capital assets, not being depreciated</b>	<u>29,519,704</u>	<u>11,057,297</u>	<u>-</u>	<u>(5,042,630)</u>	<u>35,534,371</u>
<b>Capital assets, being depreciated</b>					
Sewer and treatment plant	131,176,425	-	-	3,288,614	134,465,039
Compost plant and farm	83,689,683	-	-	1,754,016	85,443,699
Recycled water system	36,005,381	-	-	-	36,005,381
Advanced water system	4,420,623	-	-	-	4,420,623
<b>Total capital assets, being depreciated</b>	<u>255,292,112</u>	<u>-</u>	<u>-</u>	<u>5,042,630</u>	<u>260,334,742</u>
<b>Less accumulated depreciation</b>					
Sewer and treatment plant	(99,877,807)	(3,297,738)	-	-	(103,175,545)
Compost plant and farm	(58,480,471)	(1,781,211)	-	-	(60,261,682)
Recycled water system	(25,863,082)	(412,007)	-	-	(26,275,089)
Advanced water system	(257,358)	(88,412)	-	-	(345,770)
<b>Total accumulated depreciation</b>	<u>(184,478,718)</u>	<u>(5,579,368)</u>	<u>-</u>	<u>-</u>	<u>(190,058,086)</u>
<b>Total capital assets, being depreciated, net</b>	<u>70,813,394</u>	<u>(5,579,368)</u>	<u>-</u>	<u>5,042,630</u>	<u>70,276,656</u>
<b>Total capital assets, net</b>	<u>\$ 100,333,098</u>	<u>\$ 5,477,929</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,811,027</u>

A summary of changes in capital assets for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Additions	Deletions	Reclassification	Balance June 30, 2023
<b>Capital assets, not being depreciated</b>					
Land and land rights	\$ 14,368,150	\$ -	\$ -	\$ -	\$ 14,368,150
Construction in progress	11,020,442	4,902,783	-	(771,671)	15,151,554
<b>Total capital assets, not being depreciated</b>	<u>25,388,592</u>	<u>4,902,783</u>	<u>-</u>	<u>(771,671)</u>	<u>29,519,704</u>
<b>Capital assets, being depreciated</b>					
Sewer and treatment plant	130,696,258	-	-	480,167	131,176,425
Compost plant and farm	83,891,943	-	-	(202,260)	83,689,683
Recycled water system	35,511,617	-	-	493,764	36,005,381
Advanced water system	4,420,623	-	-	-	4,420,623
<b>Total capital assets, being depreciated</b>	<u>254,520,441</u>	<u>-</u>	<u>-</u>	<u>771,671</u>	<u>255,292,112</u>
<b>Less accumulated depreciation</b>					
Sewer and treatment plant	(96,834,778)	(3,043,029)	-	-	(99,877,807)
Compost plant and farm	(56,827,414)	(1,653,057)	-	-	(58,480,471)
Recycled water system	(24,944,384)	(918,698)	-	-	(25,863,082)
Advanced water system	(168,946)	(88,412)	-	-	(257,358)
<b>Total accumulated depreciation</b>	<u>(178,775,522)</u>	<u>(5,703,196)</u>	<u>-</u>	<u>-</u>	<u>(184,478,718)</u>
<b>Total capital assets, being depreciated, net</b>	<u>75,744,919</u>	<u>(5,703,196)</u>	<u>-</u>	<u>771,671</u>	<u>70,813,394</u>
<b>Total capital assets, net</b>	<u>\$ 101,133,511</u>	<u>\$ (800,413)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,333,098</u>

#### Note 5 – Due to Participants

During the years ended June 30, 2024 and 2023, additional advances received from the participants were in the amount of \$21,750,637 and \$26,128,803, respectively (see supplementary information). The advances received from the participants are used to pay for the operating, capital, and administrative cost of the JPA. At June 30, 2024 and 2023, due to participants were in the amount of \$7,453,901 and \$11,198,252, respectively.

**Las Virgenes-Triunfo Joint Powers Authority**

**Notes to the Basic Financial Statements  
For the Years Ended June 30, 2024 and 2023**

**Note 6 – Participant Contributions**

Cost of the JPA is shared by the participants based on the following methodology. Variable operation and maintenance cost are prorated between the participants based on the average sewage flow contributed to the joint system. Fixed operating and maintenance cost are prorated between the participants based on the participants' respective capacity rights in the facility. Capital costs are prorated between the participants based on the participants' respective capacity rights in the facility. Annual audit costs are shared equally. General and administrative costs are based on the actual cost of labor. Lastly, land acquisition costs are shared based on the capacity rights in the project for which the land is acquired. As of January 1, 2005, the joint system, except for the sewer collection system, is allocated by 70.6% to LVMWD and 29.4% to TWSD.

The following is the summary of the contributions made by the participants for the years ended June 30, 2024 and 2023:

<b>2024</b>				
	<b>Operating Contribution</b>	<b>Percentage</b>	<b>Capital Contribution</b>	<b>Percentage</b>
LVMWD	\$ 14,187,405	67.0%	\$ 6,667,550	60.3%
TWSD	6,987,827	33.0%	4,389,747	39.7%
Total	<u>\$ 21,175,232</u>	<u>100.0%</u>	<u>\$ 11,057,297</u>	<u>100.0%</u>
<b>2023</b>				
	<b>Operating Contribution</b>	<b>Percentage</b>	<b>Capital Contribution</b>	<b>Percentage</b>
LVMWD	\$ 13,367,659	67.0%	\$ 3,324,285	67.8%
TWSD	6,584,085	33.0%	1,578,498	32.2%
Total	<u>\$ 19,951,744</u>	<u>100.0%</u>	<u>\$ 4,902,783</u>	<u>100.0%</u>

**Note 7 – Risk Management**

The JPA is covered under the LVMWD's insurance policies. LVMWD has contracted with Allied World Assurance Company/Joint Powers Risk Management Authority (JPRIMA) as its primary insurance provider for general liability, property, inverse condemnation, auto, and physical damage. The coverage for the general liability provides \$11 million per occurrence and \$61 million in the aggregate with a \$100,000 self-insured retention per occurrence. During the past three fiscal years, none of the above programs of protection have had settlement or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability cover from coverage in the prior year.

**Las Virgenes-Triunfo Joint Powers Authority**

**Notes to the Basic Financial Statements  
For the Years Ended June 30, 2024 and 2023**

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**Note 8 – Commitment and Contingencies**

**Lawsuits**

The JPA is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the JPA's legal counsel and the JPA's management that resolution of these matters will not have a material adverse effect on the financial condition of the JPA.

**Commitments**

As of June 30, 2024, the JPA had material construction commitments evidenced by contractual commitments with contractors in the amount of \$31,296,105.

<u>Project Name</u>	<u>Contractual Commitment</u>
Pure Water Project	\$ 27,474,125
Malibou Siphon Lake	1,571,064
Various construction projects	2,250,916
Total	<u>\$ 31,296,105</u>

As of June 30, 2023, the JPA had material construction commitments evidenced by contractual commitments with contractors in the amount of \$4,272,460.

<u>Project Name</u>	<u>Commitment</u>
Rancho Scada Improvements	\$ 1,092,050
Rancho Agitators Replacement	961,191
Pure Water Project	876,382
Various construction projects	1,342,837
Total	<u>\$ 4,272,460</u>

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## **SUPPLEMENTARY INFORMATION**



**Las Virgenes-Triunfo Joint Powers Authority**

**Schedule of Changes in Participants' Advance Accounts  
For the Years Ended June 30, 2024 and 2023**

	Construction Funds		Operating Funds	
	Tapia Plant and Trunk Sewers		Operations and Maintenance	
	Las Virgenes Municipal Water District	Triunfo Sanitation District	Las Virgenes Municipal Water District	Triunfo Sanitation District
Due to (from) participants - July 1, 2023	\$ 122,370	\$ 87,640	\$ 2,641,308	\$ 875,588
Advance from participants	-	-	15,199,494	7,150,165
Construction costs allocated	(22,092)	(9,200)	-	-
Change in fair market value of LAIF	8,273	3,445	(25,485)	(10,613)
Change in fair market value of LAIF - prior year	-	-	-	-
Grant income	-	-	-	-
Woolsey fire settlement	-	-	-	-
Billings to participants for operating expenses	-	-	(15,199,494)	(6,624,614)
Billings to participants from replacement fund interest income	-	-	-	-
Recycled water billings to Triunfo Sanitation District	-	-	-	(525,550)
Due to (from) participants - June 30, 2024	<u>\$ 108,551</u>	<u>\$ 81,885</u>	<u>\$ 2,615,823</u>	<u>\$ 864,976</u>

(continued)

	Construction Funds		Operating Funds	
	Tapia Plant and Trunk Sewers		Operations and Maintenance	
	Las Virgenes Municipal Water District	Triunfo Sanitation District	Las Virgenes Municipal Water District	Triunfo Sanitation District
Due to (from) participants - July 1, 2022	\$ (26,752)	\$ (104,725)	\$ 2,941,415	\$ 2,177,989
Advance from participants	264,261	240,312	14,018,578	5,848,731
Construction costs allocated	(208,327)	(86,754)	-	-
Change in fair market value of LAIF	93,188	38,807	(43,541)	(18,132)
Change in fair market value of LAIF - prior year	-	-	-	-
Other miscellaneous income	-	-	-	-
Billings to participants for operating expenses	-	-	(14,275,144)	(6,446,089)
Billings to participants from replacement fund interest income	-	-	-	-
Interest income from (to) participants	-	-	-	-
Recycled water billings to Triunfo Sanitation District	-	-	-	(686,911)
Due to (from) participants - June 30, 2023	<u>\$ 122,370</u>	<u>\$ 87,640</u>	<u>\$ 2,641,308</u>	<u>\$ 875,588</u>

(continued)

# Las Virgenes-Triunfo Joint Powers Authority

## Schedule of Changes in Participants' Advance Accounts (Continued) For the Years Ended June 30, 2024 and 2023

	Operating Funds		Total	
	Replacement of			
	Las Virgenes	Triunfo	2024	2023
	Municipal	Sanitation		
	Water District	District		
Due to (from) participants - July 1, 2023	\$ 3,548,719	\$ 3,922,627	\$ 11,198,252	\$ 10,842,687
Advance from participants	(291,363)	(307,386)	21,750,910	26,128,803
Construction costs allocated	(6,645,335)	(4,380,670)	(11,057,297)	(4,902,783)
Change in fair market value of LAIF	(69,418)	(28,908)	(122,706)	70,322
Change in fair market value of LAIF - prior year	-	-	-	(269,449)
Grant income	1,607,538	669,428	2,276,966	-
Woolsey fire settlement	3,636,875	1,514,506	5,151,381	-
Billings to participants for operating expenses	-	-	(21,824,108)	(20,721,233)
Billings to participants from replacement fund interest income	291,363	314,690	606,053	736,816
Recycled water billings to Triunfo Sanitation District	-	-	(525,550)	(686,911)
Due to (from) participants - June 30, 2024	<u>\$ 2,078,379</u>	<u>\$ 1,704,287</u>	<u>\$ 7,453,901</u>	<u>\$ 11,198,252</u>

(concluded)

	Operating Funds		Total	
	Replacement of			
	Las Virgenes	Triunfo	2023	2022
	Municipal	Sanitation		
	Water District	District		
Due to (from) participants - July 1, 2022	\$ 2,326,212	\$ 3,528,548	\$ 10,842,687	\$ 5,416,999
Advance from participants	4,017,920	1,739,001	26,128,803	26,518,547
Construction costs allocated	(3,115,957)	(1,491,745)	(4,902,783)	(8,595,865)
Change in fair market value of LAIF	-	-	70,322	(247,331)
Change in fair market value of LAIF - prior year	(190,231)	(79,218)	(269,449)	-
Other miscellaneous income	-	-	-	10,938
Billings to participants for operating expenses	-	-	(20,721,233)	(11,807,765)
Billings to participants from replacement fund interest income	510,775	226,041	736,816	116,738
Interest income from (to) participants	-	-	-	1,000
Recycled water billings to Triunfo Sanitation District	-	-	(686,911)	(570,574)
Due to (from) participants - June 30, 2023	<u>\$ 3,548,719</u>	<u>\$ 3,922,627</u>	<u>\$ 11,198,252</u>	<u>\$ 10,842,687</u>

(concluded)



ROGERS, ANDERSON, MALODY & SCOTT, LLP  
 CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
 REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
 BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
 PERFORMED IN ACCORDANCE WITH  
 GOVERNMENT AUDITING STANDARDS**

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*Independent Auditor's Report*

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*Governmental Audit  
 Quality Center*

California Society of  
 Certified Public Accountants

To the Board of Directors  
 Las Virgenes-Triunfo Joint Powers Authority  
 Calabasas, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Las Virgenes-Triunfo Joint Power Authority (the entity), which comprise the statements of net position as of June 30, 2024 and 2023, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the basic financial statements and have issued our report thereon dated October 21, 2024.

**Report on Internal Control Over Financial Reporting**

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

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



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

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Rogers, Anderson, Malody & Scott, LLP.*

San Bernardino, California  
October 21, 2024

# FISCAL YEAR 2023-24 ANNUAL FINANCIAL STATEMENTS

*AS OF JUNE 30, 2024*

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Las Virgenes-Triunfo Joint Powers Authority



# Agenda

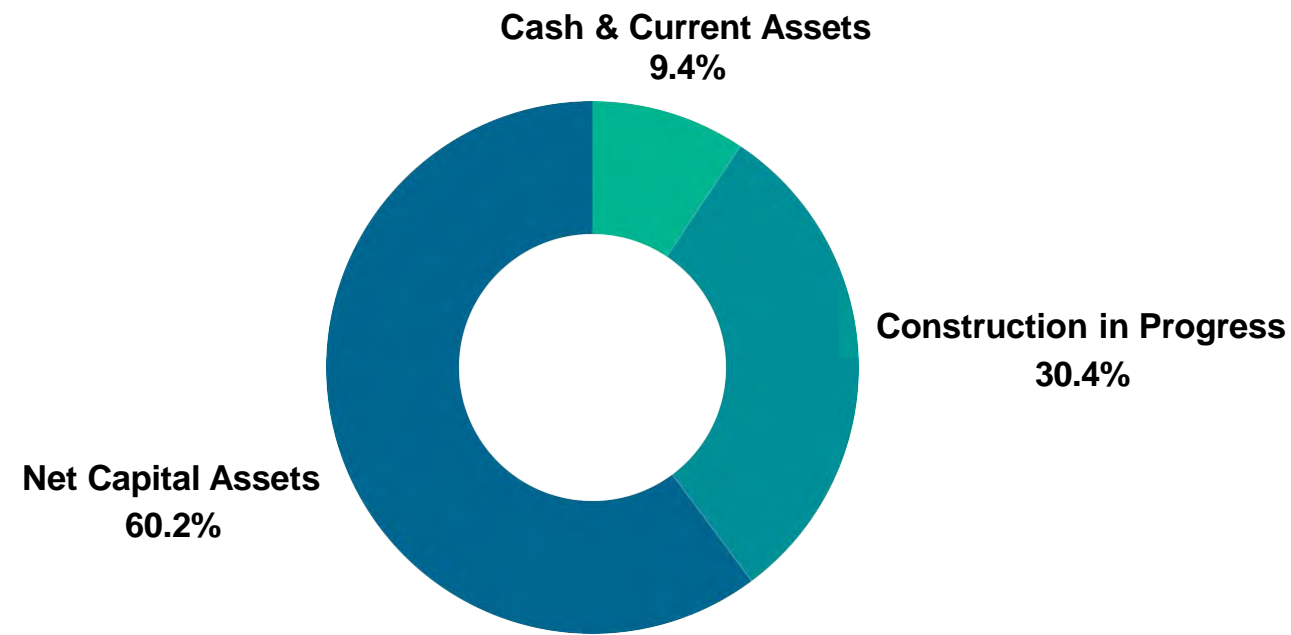
## **What this report covers**

- Net Position as of June 30, 2024
- Revenues & Expenses for Fiscal Years 2024 & 2023
- Ongoing Contractual Commitments
- Key Events

# Statement of Net Position

(in thousands)

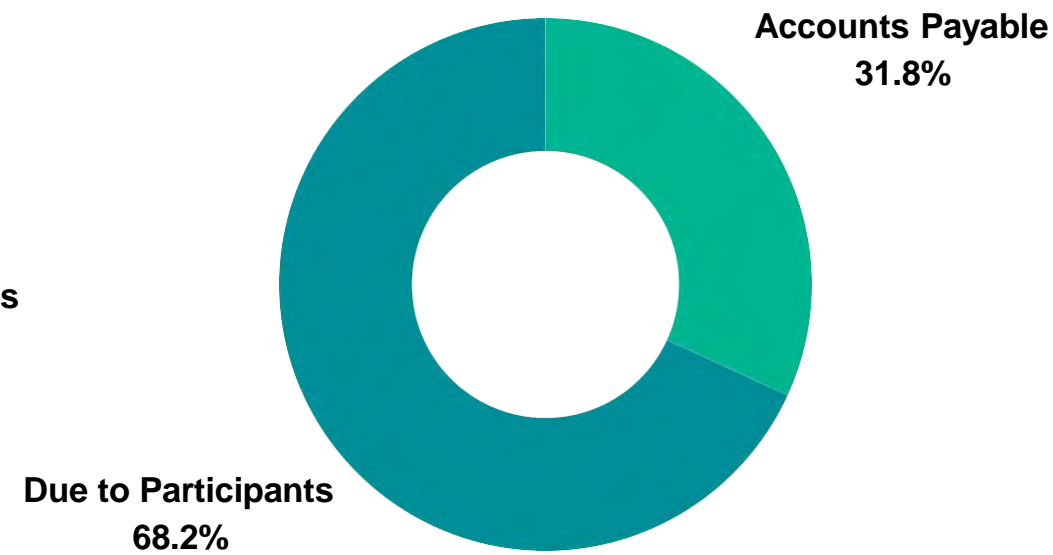
As of June 30, 2024



**\$116,742**

**Assets**

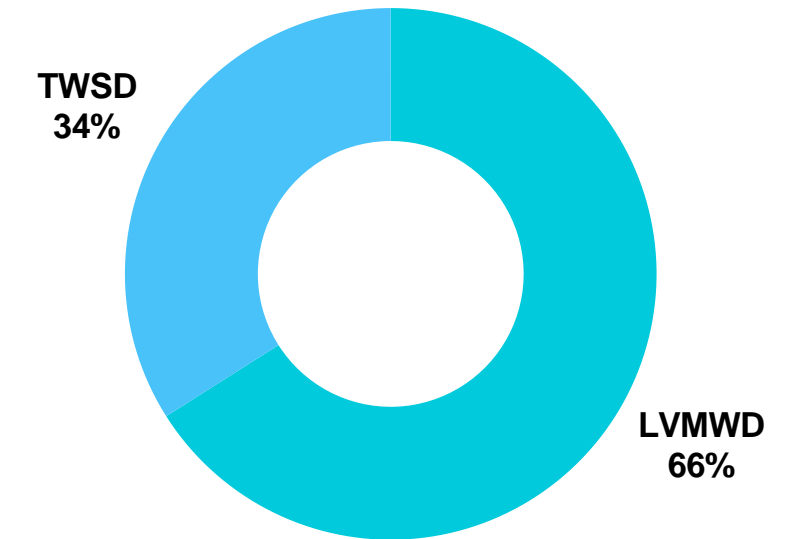
(+\$3.9m from prior year)



**\$(10,931)**

**Liabilities**

(-\$1.6m from prior year)



**\$105,811**

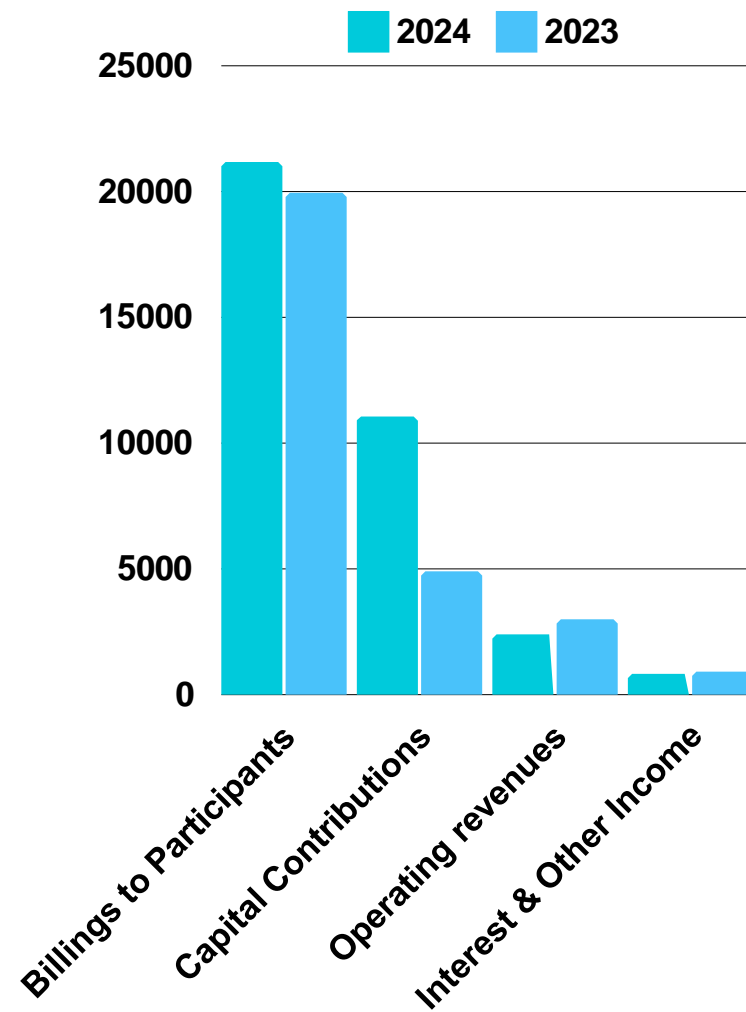
**Net Position**

(+\$5.5m from prior year)

# Statement of Revenues, Expenses, and Changes in Net Position

(in thousands)

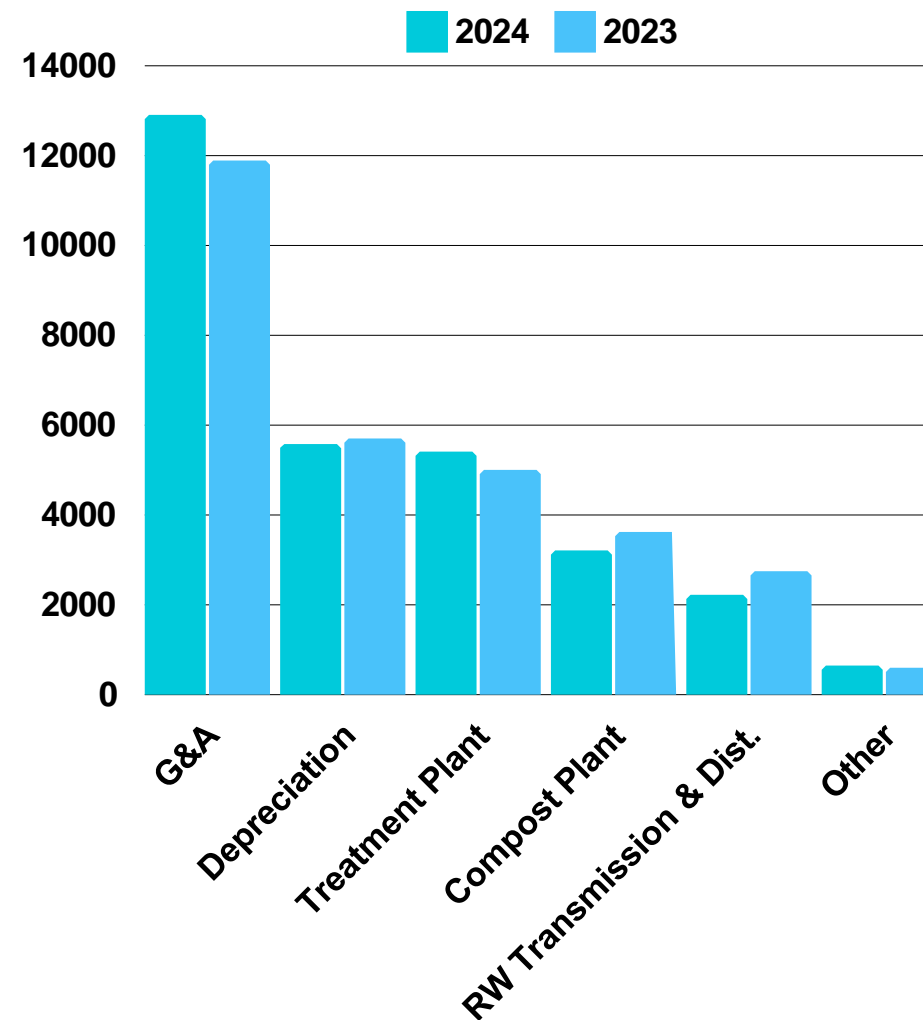
For the Years Ended June 30, 2024 and 2023



**\$35,457**

**Revenues**

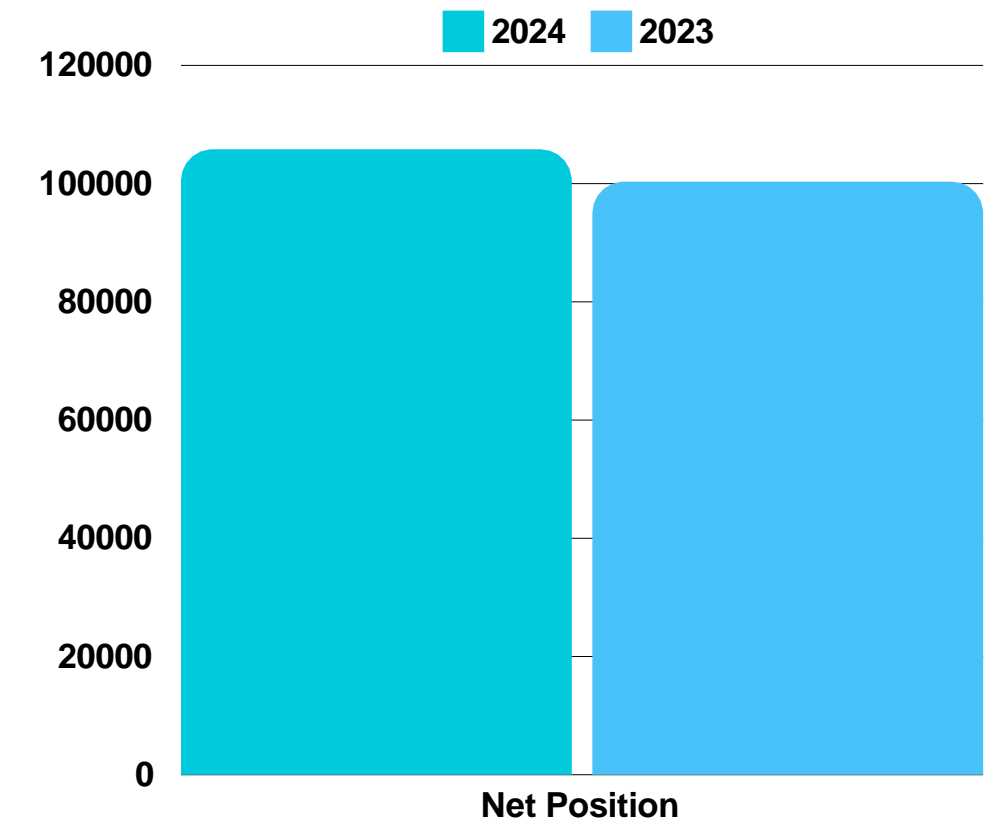
(+\$5.9m from prior year)



**\$(29,979)**

**Expenses**

(+\$0.4m from prior year)



**\$5,478**

**Change in net position**

(+\$5.5m from prior year)



# Ongoing Contractual Commitments

**Commitments**

As of June 30, 2024, the JPA had material construction commitments evidenced by contractual commitments with contractors in the amount of \$31,296,105.

<u>Project Name</u>	<u>Contractual Commitment</u>
Pure Water Project	\$ 27,474,125
Malibou Siphon Lake	1,571,064
Various construction projects	2,250,916
Total	<u>\$ 31,296,105</u>

As of June 30, 2023, the JPA had material construction commitments evidenced by contractual commitments with contractors in the amount of \$4,272,460.

<u>Project Name</u>	<u>Commitment</u>
Rancho Scada Improvements	\$ 1,092,050
Rancho Agitators Replacement	961,191
Pure Water Project	876,382
Various construction projects	1,342,837
Total	<u>\$ 4,272,460</u>

# Key JPA Finance events of Fiscal Year 2023-24

## Q1

JPA Board  
Approved  
formation of  
Public  
Financing  
Authority

## Q2

JPA Board  
Approved  
Submittal of  
Water  
Infrastructure  
Finance and  
Innovation Act  
(WIFIA)  
Application &  
Fee

## Q3

JPA approved  
for funding  
through Clean  
Water State  
Revolving Fund  
(SRF) and  
WIFIA loan

## Q4

JPA Board  
Approved  
Fiscal Years  
2024-26  
Budget

## Next Up

Finance staff  
working to  
close WIFIA  
and SRF loans  
(2025)  
LVMWD and  
TWSD staff to  
complete  
Water and  
Wastewater  
Rate studies

**DATE:** November 4, 2024  
**TO:** JPA Board of Directors  
**FROM:** Engineering and Facilities

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**SUBJECT: Tapia Aluminum Sulfate Tank Replacement Project: Construction Award**

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**SUMMARY:**

On August 5, 2024, the JPA Board authorized the issuance of a call for bids for the Tapia Aluminum Sulfate Tank Replacement Project. The project consists of replacing the liquid aluminum sulfate tank, associated piping, chemical feed pumps and associated parts that have all exceeded their useful life. The call for bids was publicly advertised from August 8, 2024, through September 12, 2024. Two bids for the project were received and publicly opened on September 12, 2024. Staff evaluated the bids and determined that the lowest responsive bid was submitted by Cushman Contracting Corporation, in the amount of \$570,500, which is 38 percent above the Engineer’s Estimate of \$412,126. Staff recommends awarding a construction contract to Cushman Contracting Corporation, in the amount of \$570,500, for the Tapia Aluminum Sulfate Tank Replacement Project.

**RECOMMENDATION(S):**

Award a construction contract to Cushman Contracting Corporation, in the amount of \$570,500, and reject all remaining bids upon receipt of the duly executed contract documents for the Tapia Aluminum Sulfate Tank Replacement Project.

**FISCAL IMPACT:**

Yes

**ITEM BUDGETED:**

Yes

**FINANCIAL IMPACT:**

Sufficient funds are available in the adopted JPA Fiscal Year 2024-25 Budget. The total cost for this project will be \$690,305, which consists of the construction cost, a 10 percent contingency and administrative costs for the project.

**DISCUSSION:**

In 1979, aluminum sulfate (alum) was introduced to the wastewater treatment process at the Tapia Water Reclamation Facility (Tapia) as a coagulant for tertiary filtration process. The

existing liquid alum tank has a 7,500-gallon capacity and is constructed of steel with a PVC lining. The original tank has reached the end of its useful life and needs to be replaced. Due to failing components, including a leaking and obsolete peristaltic pump, staff decommissioned the existing alum tank in 2021 and are currently dosing alum from a 250-gallon tote.

On December 13, 2022, the JPA Board authorized the execution of a professional services agreement with Pacific Advanced Civil Engineering, Inc. (PACE) to provide design and construction support services. The final design was completed in April 2024.

On August 5, 2024, the JPA Board authorized the issuance of a call for bids for the Tapia Aluminum Sulfate Tank Replacement Project. The call for bids was publicly advertised from August 8, 2024, through September 12, 2024. Staff held a mandatory pre-bid meeting on August 28, 2024, which was attended by a total of four contractors. Two responsive bids were received, both from well-qualified contractors who have successfully completed projects for the JPA, with Cushman Contracting Corporation submitting the lowest total bid. Cushman Contracting Corporation is familiar with the Tapia facility, having completed the sodium hypochlorite tank and piping replacement at Tapia in 2021. After thorough review of the submitted bids, staff recommends awarding the construction contract for the Tapia Aluminum Sulfate Tank Replacement Project to Cushman Contracting Corporation, in the amount of \$570,500, which is 38 percent higher than the Engineer’s Estimate of \$412,126. Although the lowest responsible bid is higher than the Engineer's Estimate, staff believes the bid amount is competitive and reflects current market conditions.

The following table summarizes the bid results:

<b>Bidder</b>	<b>Bid Total</b>	<b>Percentage below/above engineer's estimate of \$412,126</b>
Cushman Contracting Corp.	\$570,500	38% above
Pacific Hydrotech Corporation	\$644,500	56% above

The following table summarizes the anticipated total construction cost:

<b>Description</b>	<b>Cost</b>
<u>Construction:</u>	
Construction Award	\$570,500.00
Construction Contingency (10%)	\$57,050.00
<u>Administrative:</u>	
District Labor	\$22,820.00
G&A (7%)	\$39,935.00
<b>Total Construction Cost</b>	<b>\$690,305.00</b>
Existing Appropriation	\$741,554.00

Schedule:

Construction is anticipated to start in January 2025 and will be completed October 2025.

Environmental Documentation:

On August 5, 2024, the Board determined that the Aluminum Sulfate Tank Replacement Project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15302(c) of the CEQA Guidelines because the replacement tank will be in the same location with no expansion of capacity. A Notice of Exemption has been completed and filed with the Los Angeles County Clerk.

**GOALS:**

Construct, Manage and Maintain all Facilities and Provide Services to Assure System Reliability and Environmental Compatibility

Prepared by: John Soderberg, Assistant Engineer

**DATE:** November 4, 2024  
**TO:** JPA Board of Directors  
**FROM:** Engineering and Facilities

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**SUBJECT: Pure Water Project Las Virgenes-Triunfo: Amendment No. 1 to Progressive Design-Build Contract**

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**SUMMARY:**

The Pure Water Project Las Virgenes-Triunfo (Pure Water Project) is a multi-year program that represents a unique opportunity to proactively address the challenges facing the Las Virgenes-Triunfo Joint Powers Authority (JPA) through an indirect potable reuse program utilizing surface water (reservoir) augmentation. On March 4, 2024, the JPA Board accepted the proposal from Walsh Construction, Brown and Caldwell, and Carollo (The Walsh team), and authorized the Administering Agent/General Manager to execute a progressive design-build (PDB) contract for the Advanced Water Purification Facility (AWPF) and Reverse Osmosis Concentrate (ROC) pipeline.

The Walsh Team has submitted a contract amendment for full design of 1.5 miles of the ROC pipeline along Hillcrest Drive to expedite the project and avoid conflict with a planned City project in the area. The contract amendment, in the amount of \$325,469, covers the additional design work needed to get from 60 percent to 100 percent design of this segment of the ROC pipeline. The contract amendment amount falls within the approval authority of the Administering Agent/General Manager, so the item is presented as an information only item. The cost of the work has been budgeted as part of the Pure Water Project CIP No. 10635, and no further appropriation is needed at this time.

**FISCAL IMPACT:**

Yes

**ITEM BUDGETED:**

Yes

**FINANCIAL IMPACT:**

Sufficient funds are available in the adopted Fiscal Year JPA 2024-25 Budget. No additional appropriation is required. The project is funded from CIP Job No. 10635, which is allocated 70.6 percent to LVMWD and 29.4 percent to Triunfo Water & Sanitation District (TWSD).

**DISCUSSION:**

The Pure Water Project Las Virgenes-Triunfo (Pure Water Project) is a multi-year program that represents a unique opportunity to proactively address the challenges facing the Las Virgenes-Triunfo Joint Powers Authority (JPA) through an indirect potable reuse program utilizing surface water (reservoir) augmentation. Initiated in 2016 through a multi-year stakeholder engagement process, the program has developed over the last seven years of pre-planning to a state where the main elements of the program are ready for final design and construction. Over the last several years, the JPA and its Owner's Advisor have progressed numerous studies, planning documents, initiated regulatory meetings, environmental documentation, funding and financing applications, and other foundational work to inform the execution of the Pure Water Project.

In preparation of entering the final design and construction phases of the program, staff engaged in a formal procurement process to contract with a progressive design-build (PDB) firm to deliver two of the main elements of the program: the Advanced Water Purification Facility (AWPF) and Reverse Osmosis Concentrate (ROC) pipeline. On March 4, 2024, the JPA Board accepted the proposal from the Walsh team and authorized the Administering Agent/General Manager to execute a PDB contract, in the amount of \$21,430,215, for Phase 1 Design-Build services.

In their proposal, the Walsh team provided mark-ups to the scope of work delineated in the RFP, as shown in the attachment. Their mark-ups provided additional clarification and assumptions for the tasks shown and identified additional scope items that were suggested to meet the project goals more effectively. Generally, the scope of work for Phase 1 includes:

- Task 1 - Project Management
- Task 2 - Alternative Analyses and Technical Workshops
- Task 3 - Permitting and Approvals
- Task 4 - Survey and Field Investigations
- Task 5 - Engineering Design Development
- Task 6 - Preconstruction Services
- Task 7 - Phase 2 Price Proposal Development

The Walsh team has progressed the design to the Basis of Design Report stage and is contracted to complete 60 percent design of the AWPF and ROC pipeline by the end of 2025. While coordinating with staff from the cities where the ROC pipeline will be constructed, the team has identified projects planned in those areas that may impact the timing of the ROC pipeline construction. One such project being planned by the City of Thousand Oaks involves improvement of roughly 1.5 miles of road on Hillcrest Drive, from Moorpark Road to Lynn Road, which includes the creation of a new bike lane, a change to lanes and paving. This is a grant funded project that must be completed by a certain date and cannot be postponed. With the current construction schedule for the ROC pipeline, this stretch would not be completed in time for the City's project and would need to be constructed afterwards at additional cost due to the need to repair and repave the new elements of the road that are part of the City's project.

The Walsh team has identified the need to accelerate the design of the 1.5 miles of the ROC pipeline alignment along Hillcrest Drive to be able to construct this section prior to the City's project. This will ultimately save the JPA money by decreasing the cost of construction at this location and complete the work prior to the City's project. This contract amendment also has the ancillary benefit of providing insight into current market costs for pipeline construction at

an earlier stage of the project, thereby allowing the Walsh team to further refine their overall Pure Water Project cost estimate prior to submission of a Guaranteed Maximum Price.

Walsh has submitted a contract amendment that includes designing the 1.5 miles of the ROC alignment along Hillcrest Drive to the 100 percent design phase during their Phase 1 contract (by the end of 2025). Staff worked with the Walsh team to refine their scope and to ensure credit was being given for the elements of the design already authorized in their Phase 1 contract. This contract amendment, in the amount of \$325,469, covers the additional design work needed to get from 60 percent to 100 percent design, including all the additional permitting, project management, preconstruction services, and other associated tasks to support the complete design. The contract amendment amount falls within the approval authority of the Administering Agent/General Manager, so the item is presented as an information only item. The cost of the work has been budgeted as part of the Pure Water Project CIP No. 10635, and no further appropriation is needed at this time.

**GOALS:**

Ensure Effective Utilization of the Public's Assets and Money

Prepared by: Oliver Slosser, Engineering Program Manager

**ATTACHMENTS:**

[Proposal for Amendment No. 1 to Progressive Design-Build Contract](#)





September 5, 2024

Serial Letter: 224037 – F001R1

Mr. Oliver Slosser, P.E.  
Engineering Program Manager, LVWD  
4232 Las Virgenes Road  
Calabasas, CA 91302

Re: LV-T JPA Pure Water Project - Phase 1  
Subject: Notice of Design-Builder Proposed Change Order (PCO)  
PCO-001- ROC Pipeline Reach 2 Early Work Package Design – Rev. 01

Dear Mr. Slosser,

Walsh Construction hereby submits pricing of \$325,469.00 for PCO-001- ROC (ROC) Pipeline Reach 2 Early Work Package Design (Reach 2 EWP).

This PCO is submitted in response to the JPA's directive to provide a proposal for creation of a standalone design package for the portion of the Reach 2 ROC pipeline alignment that overlaps with the City of Thousand Oaks' (CoTO) Hillcrest Drive Bike Lane and Pedestrian Improvements project, with the intent that this standalone design package (i.e. Reach 2 EWP) would be designed – and ultimately constructed – under an accelerated timeline to facilitate construction completion for this portion of the ROC pipeline by August 2026, as requested by CoTO to avoid construction interference with their project which is anticipated to begin construction in Fall 2026.

Construction Completion of the Reach 2 EWP by August 2026 is based on the PCO proposed design schedule (attached), with an assumed NTP1 (Design) on 9/13/2024, NTP2 (Construction) on 6/26/2025 (five weeks after Reach 2 EWP GMP submission), and an estimated overall construction duration (inclusive of permitting, submittals/procurement, closeout, etc.) of 13 approximately months.

Scope assumptions, clarifications, and exclusions for this PCO are listed below:

- 1) Design Assumptions:
  - a) Reach 2 EWP consists of the portion of the Reach 2 ROC pipeline between Moorpark Rd. to Lynn Rd. along Hillcrest Drive that overlaps with the CoTO Hillcrest Drive Bike Lane and Pedestrian Improvements project. The Reach 2 EWP alignment is approximately 1.2 miles long.
  - b) ROC pipeline is 12-inch HDPE DR9 pipe material.
  - c) ROC pipeline is a fully pressurized system.
  - d) Pressure Sustaining Valve (PSV) vaults will be strategically located such that no PSV vaults are placed within the extents of Reach 2 EWP.
  - e) Air release/air vacuum valve facility locations will be identified after the overall surge analysis for the ROC pipeline is completed.



- f) HDPE conduit and pulling boxes are included in the EWP scope of work for later installation of Fiber Optic (FO) cable (in the event that FO communication is deemed necessary).
  - g) Brown and Caldwell's (BC) base technical specifications will be utilized as basis for the specification package.
  - h) A four (4) hour in-person design workshop for the draft 60-percent design package has been included.
  - i) Traffic control performance specification is included. Traffic control plans will be developed by the selected pipeline contractor as part of the encroachment permitting process during Phase 2 and costs for this effort will be included as part of the Phase 2 GMP Price Proposal.
- 2) The following Reach 2 EWP deliverable packages are included for electronic (PDF) submission as part of this PCO:
- a) 60% Draft Design Package (Draft Reach 2 EWP GMP)
    - i) Draft 60% Drawings
    - ii) Draft 60% Specifications
    - iii) Draft 60% Design-Build Cost Model (Draft Phase 2 Price Proposal for Reach 2 EWP)
    - iv) Draft 60% Design-Build Schedule
    - v) Draft 60% Design-Build Risk Register
  - b) 60% Revised Design Package (Final Reach 2 EWP GMP)
    - i) Comment-Response Matrix
    - ii) Revised 60% Drawings
    - iii) Revised 60% Specifications
    - iv) Final 60% Design-Build Cost Model (Phase 2 Price Proposal for Reach 2 EWP)
    - v) Final 60% Design-Build Schedule
    - vi) Final 60% Design-Build Risk Register
  - c) 100% For Construction Package
    - i) 100% Drawings
    - ii) 100% Specifications
- 3) Potholing activities are not captured herein. Potholing will be covered separately via the Potholing Allowance once a pothole plan and pothole quantities are established.
- 4) As detailed in the attached Table A10-1, a credit has been applied for the reduction in the baseline Reach 2 scope corresponding to the portion of the baseline Reach 2 design that is proposed to be transferred to the Reach 2 EWP.
- 5) While the Reach 2 EWP consists entirely of a portion of ROC Pipeline that was already in the baseline scope, the additional costs captured in this PCO cover the following additive items:
- a) Additional design staff required to facilitate the accelerated design schedule of the standalone design packages.
  - b) Additional effort associated with development of the 100% For Construction package, which is not in the base Phase 1 design services scope.
  - c) Development of separate cost models, GMP package (Phase 2 Price Proposal), and schedule for the Reach 2 EWP.
  - d) Additional collaborative review workshop for Reach 2 EWP Phase 2 price proposal.
  - e) Management of the additional deliverables.
  - f) Separate / early mobilization of drill rig (including encroachment permit, traffic control plans, etc.) for geotechnical investigation activities, as well as the development of a separate / accelerated geotechnical report for the Reach 2 EWP.
    - i) Note that actual geotechnical boring costs will be covered separately under Task 8.
- 6) This PCO proposal is a Phase 1 Design amendment only.
- 7) Additional deliverables, meetings, and workshops other than those listed above will be added at extra time and materials.



The following reference documentation is attached to this PCO:

- Detailed pricing breakdown via Table A10-1 - Pricing Information Form.
- Proposed Design Schedule for the Reach 2 EWP.
- Proposal documentation supplied by Brown and Caldwell, Carollo, and Converse Consultants.

If you have any questions, please do not hesitate to contact me at (623) 606-4963 or via email at [bgoodman@walshgroup.com](mailto:bgoodman@walshgroup.com).

Regards,

A handwritten signature in black ink, appearing to read "Blayne Goodman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Blayne Goodman  
Project Manager  
Walsh Construction Company II, LLC



Table A10-1: Attachment 10 - Pricing Information Form

Phase 1 Services Proposal

Change Order Request - Reach 2 (Hillcrest Dr) Early Work Package

Proposer: Walsh Construction Company II, LLC

Date: 9/5/2024

Key Personnel/Additional Staff Role	PM	CM	Preconstruction Manager	Operations Support	General Superintendent	Project Manager	Scheduler	Project Controls	Assistant Project Manager	Project Engineer	Lead Estimator	ROC Pipeline Preconstruction Lead	Estimator	Project Engineer	LABOR	SUBCONTRACTOR	SUBCONTRACTOR	SUBCONTRACTOR	SUBCONTRACTOR	SUBCONTRACTOR	EXPENSES				
Name	Blayne Goodman	Matt Maltby	Arie Harel	Ronne Pacilla	Phil Graff	Jeremy Stockschlaeder	Jason Betts	Clay Gunderson	Octavio Ramos	Omar Ponce	Ken Hudson	Jason Kelly	Thomas Shea	Dylan Condra		Brown and Caldwell	Taft Electric	Converse Consultants	AirX Utility Engineers	Socal Stormwater Runoff Solutions					
Billing Rate (\$)	\$ 353.52	\$ 275.11	\$ 249.88	\$ 236.14	\$ 279.07	\$ 221.34	\$ 234.92	\$ 278.08	\$ 175.49	\$ 156.71	\$ 216.61	\$ 233.43	\$ 173.99	\$ 133.13											
Project Tasks	Hours														Subtotal - Labor	Sub A	Sub B	Sub C	Sub D	Sub E	Expense	Subtotal - Expenses	Total		
Task 1 - Project Management	0	0	14	0	0	28	0	0	0	0	0	0	0	0	\$ 9,696	\$ 18,444	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,140
Credit - Task 1 - Project Management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Task 2 - Alternative Analyses and Technical Workshops	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Credit - Task 2 - Alternative Analyses and Technical Workshops	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Task 3 - Permitting and Approvals (AWPF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$ -	\$ 16,951	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,951
Credit - Task 3 - Permitting and Approvals (AWPF)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Task 4 - Survey and Field Investigations	0	0	4	0	0	10	0	0	0	16	0	0	0	24	\$ 8,915	\$ -	\$ -	\$ 49,870	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,785	
Credit - Task 4 - Survey and Field Investigations	0	0	0	0	0	0	0	0	0	0	0	0	0	-24	\$ (3,195)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,195)	
Task 5 - Engineering Design Development	2	2	9	0	0	17.5	0	0	0	17.5	0	0	0	0	\$ 10,122	\$ 160,016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 170,138	
Credit - Task 5 - Engineering Design Development	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Task 6 - Preconstruction Services	4	8	8	0	0	16	0	16	0	0	0	0	40	0	\$ 20,564	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,564	
Credit - Task 6 - Preconstruction Services	0	0	0	0	0	0	0	0	0	0	0	0	-40	0	\$ (5,704)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,704)	
Task 7 - Phase 2 Price Proposal Development	10	2	12	0	0	16	0	16	0	8	0	0	0	0	\$ 16,328	\$ 3,554	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,882	
Credit - Task 7 - Phase 2 Price Proposal Development	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
8% Subcontractor Markup															\$ -	\$ 15,917	\$ -	\$ 3,990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,907	
<b>SUBTOTAL WITHOUT ALLOWANCES OR OPTIONAL TASK 8</b>															<b>\$ 56,727</b>	<b>\$ 214,882</b>	<b>\$ -</b>	<b>\$ 53,860</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 268,742</b>	<b>\$ 325,469</b>
<b>Total Hours</b>	<b>16</b>	<b>12</b>	<b>47</b>	<b>0</b>	<b>0</b>	<b>87.5</b>	<b>0</b>	<b>24</b>	<b>0</b>	<b>41.5</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>0</b>									<b>248.0</b>		
<b>Total Fee</b>	<b>\$ 5,656</b>	<b>\$ 3,301</b>	<b>\$ 11,744</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,368</b>	<b>\$ -</b>	<b>\$ 6,674</b>	<b>\$ -</b>	<b>\$ 6,504</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,480</b>	<b>\$ -</b>									<b>\$ 268,742</b>	<b>\$ 325,469</b>	
																							<b>Total Not to Exceed - Phase 1</b>	<b>\$ 325,469</b>	

Activity ID	Activity Name	Original Duration	Start	Finish	Total Float	2025											
						Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
<b>LV-T JPA Pure Water Project Phase 1 Schedule - 07-31-24 Update Reach 2 EWP</b>																	
<b>Project Milestones</b>																	
<b>Project Management</b>																	
<b>Permitting and Approvals Plan</b>																	
<b>Coordination with Other Projects</b>																	
<b>Preliminary Cost Model and Schedule</b>																	
<b>Advanced Water Purification Facility</b>																	
<b>Reverse Osmosis Concentrate Pipeline</b>																	
<b>Phase 2 Price Proposal</b>																	
<b>Fragnet - ROCP Reach 2 EWP</b>																	
<b>Project Milestones</b>																	
R2EWP1000	Reach 2 Early Work Package NTP	0	13-Sep-24*		54	◆ Reach 2 Early Work Package NTP											
R2EWP1010	ROC Pipeline Reach 2 Early Work Package 60% Draft Design Submission	0		19-Mar-25	173	◆ ROC Pipeline Reach 2 Early Work Package 60% Draft Design Submission											
R2EWP1020	GMP Submission - ROC Reach 2 EWP	0		21-May-25	128	◆ GMP Submission - ROC Reach 2 EWP											
R2EWP1030	Construction Phase - ROC Early Work Package NTP	0		26-Jun-25	103	◆ Construction Phase - ROC Early Work Package NTP											
R2EWP1040	ROC Pipeline Reach 2 EWP 100% Design Submission	0		25-Jul-25	83	◆ ROC Pipeline Reach 2 EWP 100% Design Submission											
<b>Reverse Osmosis Concentrate Pipeline</b>																	
<b>Design &amp; Preconstruction Services for ROC Pipeline</b>																	
<b>ROC Pipeline Reach 2 EWP</b>																	
<b>Geotechnical Investigation for ROC Pipeline</b>																	
R2EWP1001	Prepare Traffic Control Plan Submittal for Geotechnical Investigation Work in City of Thousand Oaks for Reach 2 EWP	10	13-Sep-24	26-Sep-24	54	■ Prepare Traffic Control Plan Submittal for Geotechnical Investigation Work in City of Thousand Oaks for Reach 2 EWP											
R2EWP1002	City of Thousand Oaks Review and Approve Traffic Control Plan Submittal for Geotechnical Investigation for Reach 2 EWP	10	27-Sep-24	10-Oct-24	54	■ City of Thousand Oaks Review and Approve Traffic Control Plan Submittal for Geotechnical Investigation for Reach 2 EWP											
R2EWP1003	Mobilize and Perform Geotechnical Investigations along ROC Pipeline Alignment	5	11-Oct-24	17-Oct-24	54	■ Mobilize and Perform Geotechnical Investigations along ROC Pipeline Alignment											
R2EWP1004	Prepare Draft Geotechnical Report for ROC Pipeline Alignment Reach 2 EWP	15	18-Oct-24	07-Nov-24	54	■ Prepare Draft Geotechnical Report for ROC Pipeline Alignment Reach 2 EWP											
R2EWP1005	Internal Review and Submit Draft Geotechnical Report for ROC Pipeline Alignment Reach 2 EWP	5	08-Nov-24	14-Nov-24	54	■ Internal Review and Submit Draft Geotechnical Report for ROC Pipeline Alignment Reach 2 EWP											
R2EWP1006	Review and Provide Comments on Draft Geotechnical Report for ROC Pipeline Alignment Reach 2 EWP	15	15-Nov-24	06-Dec-24	54	■ Review and Provide Comments on Draft Geotechnical Report for ROC Pipeline Alignment Reach 2 EWP											
R2EWP1007	Prepare Final Geotechnical Report for ROC Pipeline Alignment Reach 2 EWP	5	09-Dec-24	13-Dec-24	54	■ Prepare Final Geotechnical Report for ROC Pipeline Alignment Reach 2 EWP											
R2EWP1008	Internal Review and Submit Final Geotechnical Report for ROC Pipeline Alignment Reach 2 EWP	5	16-Dec-24	20-Dec-24	54	■ Internal Review and Submit Final Geotechnical Report for ROC Pipeline Alignment Reach 2 EWP											
R2EWP1009	Review and Approve Final Geotechnical Report for ROC Pipeline Alignment Reach 2 EWP	15	23-Dec-24	14-Jan-25	54	■ Review and Approve Final Geotechnical Report for ROC Pipeline Alignment Reach 2 EWP											
<b>Site Utility Exploration for Reach 2 EWP ROC Pipeline</b>																	
R2EWP1010	Finalize Horizontal Alignment and Establish Vault Locations for ROC Pipeline Reach 2 EWP	5	28-Oct-24	01-Nov-24	33	■ Finalize Horizontal Alignment and Establish Vault Locations for ROC Pipeline Reach 2 EWP											
R2EWP1011	Prepare Draft Potholing Plan for ROC Pipeline Reach 2 EWP	5	04-Nov-24	08-Nov-24	33	■ Prepare Draft Potholing Plan for ROC Pipeline Reach 2 EWP											
R2EWP1012	Internal Review and Submit Draft Potholing Plan for ROC Pipeline Reach 2 EWP	5	11-Nov-24	15-Nov-24	33	■ Internal Review and Submit Draft Potholing Plan for ROC Pipeline Reach 2 EWP											
R2EWP1013	Review and Provide Comments on Draft Potholing Plan for ROC Pipeline Reach 2 EWP	15	18-Nov-24	09-Dec-24	33	■ Review and Provide Comments on Draft Potholing Plan for ROC Pipeline Reach 2 EWP											
R2EWP1014	Prepare Traffic Control Plan Submittal for Potholing Work in City of Thousand Oaks ROW	15	18-Nov-24	09-Dec-24	48	■ Prepare Traffic Control Plan Submittal for Potholing Work in City of Thousand Oaks ROW											
R2EWP1015	Prepare Final Potholing Plan for ROC Pipeline Reach 2 EWP	5	10-Dec-24	16-Dec-24	33	■ Prepare Final Potholing Plan for ROC Pipeline Reach 2 EWP											
R2EWP1016	City of Thousand Oaks Review and Approve Traffic Control Plan Submittal for Potholing Work	10	10-Dec-24	23-Dec-24	48	■ City of Thousand Oaks Review and Approve Traffic Control Plan Submittal for Potholing Work											
R2EWP1017	Internal Review and Submit Final Potholing Plan for ROC Pipeline Reach 2 EWP	5	17-Dec-24	23-Dec-24	33	■ Internal Review and Submit Final Potholing Plan for ROC Pipeline Reach 2 EWP											
R2EWP1018	Review and Approve Final Potholing Plan for ROC Pipeline Reach 2 EWP	15	24-Dec-24	15-Jan-25	33	■ Review and Approve Final Potholing Plan for ROC Pipeline Reach 2 EWP											
R2EWP1019	Mobilize and Perform Potholing along ROC Pipeline Alignment Reach 2 EWP	10	16-Jan-25	29-Jan-25	33	■ Mobilize and Perform Potholing along ROC Pipeline Alignment Reach 2 EWP											
R2EWP1020	Prepare Potholing Report with Findings along ROC Pipeline Alignment Reach 2 EWP	10	30-Jan-25	12-Feb-25	33	■ Prepare Potholing Report with Findings along ROC Pipeline Alignment Reach 2 EWP											
<b>60% Design Package for ROC Pipeline Reach 2 EWP</b>																	
R2EWP1021	Early Start 60% Design Package for ROC Pipeline Reach 2 EWP	106	13-Sep-24	12-Feb-25	33	■ Early Start 60% Design Package for ROC Pipeline Reach 2 EWP											
R2EWP1022	Finalize Draft 60% Design Package for ROC Pipeline Reach 2 EWP	15	13-Feb-25	05-Mar-25	33	■ Finalize Draft 60% Design Package for ROC Pipeline Reach 2 EWP											
R2EWP1023	Internal Review, QA/QC, Revise, and Submit Draft 60% Design Package for ROC Pipeline Reach 2 EWP	10	06-Mar-25	19-Mar-25	33	■ Internal Review, QA/QC, Revise, and Submit Draft 60% Design Package for ROC Pipeline Reach 2 EWP											
R2EWP1024	Conduct Review Workshop for Draft 60% Design Package for ROC Pipeline Reach 2 EWP	1	20-Mar-25	20-Mar-25	42	■ Conduct Review Workshop for Draft 60% Design Package for ROC Pipeline Reach 2 EWP											
R2EWP1025	JPA Review 60% EWP Submittal	10	20-Mar-25	02-Apr-25	33	■ JPA Review 60% EWP Submittal											
R2EWP1026	CoTO Review 60% EWP Submittal	10	20-Mar-25	02-Apr-25	33	■ CoTO Review 60% EWP Submittal											

LV-T JPA Pure Water Project Phase 1 Schedule - 07-31-24 Update Reach 2 EWP				*Walsh Standard WBS Layout				05-Sep-24 19:25																		
Activity ID	Activity Name	Original Duration	Start	Finish	Total Float	2025																				
						Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov					
R2EWP60%1060	Revise and Prepare Final 60% Design Package for ROC Pipeline Reach 2 EWP	10	03-Apr-25	16-Apr-25	33																					
R2EWP60%1070	Internal Review, QA/QC, Revise, and Submit Final 60% Design Package for ROC Pipeline Reach 2 EWP	10	17-Apr-25	30-Apr-25	33																					
R2EWP60%1080	Review and Approve Final 60% Design Package for ROC Pipeline Reach 2 EWP	15	01-May-25	21-May-25	33																					
<b>100% Design Package for ROC Pipeline Reach 2 EWP</b>		<b>95</b>	<b>22-May-25</b>	<b>06-Oct-25</b>	<b>33</b>																					
R2EWP100%1000	Prepare and Submit Draft ROC Pipeline Reach 2 EWP 100% Design Submittal	30	22-May-25	03-Jul-25	33																					
R2EWP100%1010	Internal Review, QA/QC, Revise, and Submit Draft ROC Pipeline Reach 2 EWP 100% Design Submittal	15	07-Jul-25	25-Jul-25	33																					
R2EWP100%1020	Review and Provide Comments on Draft ROC Pipeline Reach 2 EWP 100% Design Submittal	15	28-Jul-25	15-Aug-25	33																					
R2EWP100%1030	Conduct Review Workshop for 100% EWP Design	1	28-Jul-25	28-Jul-25	57																					
R2EWP100%1040	Prepare Final ROC Pipeline Reach 2 EWP 100% Design Submittal	10	18-Aug-25	29-Aug-25	33																					
R2EWP100%1050	Internal Review, QA/QC, Revise, and Submit Final 100% Design Package for ROC Pipeline Reach 2 EWP	10	02-Sep-25	15-Sep-25	33																					
R2EWP100%1060	Review and Approve Final 100% Design Package for ROC Pipeline Reach 2 EWP	15	16-Sep-25	06-Oct-25	33																					
<b>Construction Phase - ROC Reach 2 EWP Proposal</b>		<b>80</b>	<b>06-Mar-25</b>	<b>26-Jun-25</b>	<b>103</b>																					
R2EWP100%1000	Prepare and Submit Draft Phase 2 - ROC Reach 2 EWP Price Proposal (Draft GMP)	15	06-Mar-25	26-Mar-25	108																					
R2EWP100%1010	Review and Provide Comments on Draft Phase 2 - ROC Reach 2 EWP Price Proposal (Draft GMP)	15	27-Mar-25	16-Apr-25	108																					
R2EWP100%1020	Conduct Review Workshop for ROC Reach 2 EWP Price Proposal (Draft GMP)	1	03-Apr-25	03-Apr-25	117																					
R2EWP100%1030	Negotiation of Draft ROC Pipeline Reach 2 EWP Price Proposal (Draft GMP)	5	17-Apr-25	23-Apr-25	108																					
R2EWP100%1040	Revise and Resubmit Final ROC Pipeline Reach 2 EWP Price Proposal	15	01-May-25	21-May-25	103																					
R2EWP100%1050	Review and Recommend Final ROC Pipeline Reach 2 EWP Price Proposal for Board Approval	15	22-May-25	12-Jun-25	103																					
R2EWP100%1060	Board Approval and Issuance of ROC Pipeline Reach 2 EWP Contract Amendment	10	13-Jun-25	26-Jun-25	103																					



Table A10-1: Attachment 10 - Pricing Information Form

Phase 1 Services Proposal - Change Order No. 2

Proposer: **Brown and Caldwell**

Key Personnel/Additional Staff Role	ENGINEERING MANAGER	DESIGN MANAGER	PERMITTING, LEAD/ OPERATIONS LIAISON	All Disciplines	Civil (AWPF)	Civil (Pipelines)	All Disciplines except Civil	All Disciplines except Civil	All Disciplines	All Discipline	All Disciplines	All Disciplines	Safety	Project Controls	All Disciplines	LABOR	SUBCONTRACTOR	SUBCONTRACTOR	SUBCONTRACTOR	SUBCONTRACTOR	SUBCONTRACTOR	SUBCONTRACTOR	SUBCONTRACTOR	SUBCONTRACTOR	EXPENSES					
Name	Adam Zachels	Vincent Roquebert	Sandy Scott-Robert	SME, QA, QC, PIC	Lead Engineer	Lead Engineer	Lead Engineer	Senior Engineer, BIM Personnel	Engineer	Junior Engineer	Senior Designer	Designer	Safety Personnel	Project Controls	Administrative Staff		Carollo	KDM	DRP	Consulting West	Urban Water Group	Collings	V&A Consulting	Rincon Consultants						
Billing Rate (\$)	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 295.75	\$ 253.50	\$ 230.75	\$ 191.75	\$ 221.00	\$ 182.00	\$ 195.00	\$ 162.50	\$ 156.00															
Project Tasks	Hours															Subtotal - Labor	Sub A	Sub B	Sub C	Sub D	Sub E	Sub F	Sub G	Sub H	Expense	Subtotal - Expenses	Total			
Task 1 - Project Management						12										\$ 4,200	\$13,860	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 964	\$ 14,244	\$ 18,444		
Task 2 - Alternative Analyses and Technical Workshops (BODR)						4				4						\$ 3,567	\$ 13,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84	\$ 13,384	\$ 16,951
Task 4 - Survey and Field Investigations			4													\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Task 5 - Engineering Design Development (30%, 60% submittals)				8		8			8	16	8	8		2	\$ 14,050	\$ 145,550	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 406	\$ 145,956	\$ 160,016	
Task 6 - Preconstruction Services															\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Task 7 - Phase 2 Price Proposal Development						2									\$ 700	\$2,840	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14	\$ 2,854	\$ 3,554
Task 8 - Optional Services (Recommendations from Proposer)															\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Permitting and Approvals Allowance															\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Prothling Allowance (Surveying and Mapping of Pothole Locations)															\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Value Engineering Allowance															\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total Hours</b>	0	0	4	8	0	26	0	0	8	20	8	8	0	0	2														84	
<b>Total Fee</b>	\$ -	\$ -	\$ 1,400	\$ 2,800	\$ -	\$ 9,100	\$ -	\$ -	\$ 1,846	\$ 3,835	\$ 1,768	\$ 1,456	\$ -	\$ -	\$ 312	\$ 22,517	\$ 175,360	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,088	\$ 176,448	\$ 198,965	



ROC Pipeline Segment 2 - Early Work Package No. 01

Proposer: **Carollo Engineers, Inc.**

Key Personnel/Additional Staff Role	Design Manager (SP)	Project Manager (SP)	DC Manager (SP)	Project Engineer (PP)	Lead Project Professional (Structural) (SP)	Lead Project Professional (Modeling)	Lead Project Professional (Trenchless)	Project Professional (P)	Sr. CAD/D Tech	CAD Tech	Specialist	LABOR	FLOW MONITORING	SUBCONTRACTOR	SUBCONTRACTOR	SUBCONTRACTOR	EXPENSES			
																				Name
Billing Rate (\$ (Average 2024/2025))	\$ 350.00	\$ 350.00	\$ 350.00	\$ 290.00	\$ 350.00	\$ 350.00	\$ 310.00	\$ 245.00	\$ 255.00	\$ 195.00	\$ 195.00									
Project Tasks	Hours																			
<b>Task 1 - Project Management</b>	<b>Task 1 - Project Management</b>																			
1.01 Project Administration (20 months) - Included in ROC pipeline	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
1.02 Internal Design Management	4	16	4	16	0	0	0	0	0	0	4	13,650.00								
1.03 Internal Kickoff Meeting - Included in ROC pipeline Estimate	0	0	0	0	0	0	0	0	0	0	0									
1.04 Internal Project Status Meetings - Included in ROC pipeline Estimate	0	0	0	0	0	0	0	0	0	0	0									
1.05 Implement QC Program - Included in ROC pipeline Estimate	0	0	0	0	0	0	0	0	0	0	0									
<b>Task 2 - Alternative Analyses and Technical Workshops</b>	<b>Task 2 - Alternative Analyses and Technical Workshops</b>																			
2.01 BODR Assistance	0	0	0	0	0	0	0	0	0	0	0									
2.02A 30% Plans - Purified Water Pipeline	0	0	0	0	0	0	0	0	0	0	0									
2.02B 30% Plans - Source Water Pipeline	0	0	0	0	0	0	0	0	0	0	0									
2.02C 30% Plans - Residual Pipeline	0	0	0	0	0	0	0	0	0	0	0									
<b>Task 3 - Permitting and Approvals</b>	<b>Task 3 - Permitting and Approvals</b>																			
3.01 Initial Regulatory Agency Outreach Assistance	0	0	0	0	0	0	0	0	0	0	0									
3.02 City of Thousand Oaks Encroachment Permit Assistance	2	8	0	24	0	0	0	0	0	12	4	13,300.00								
3.03 City of Agoura Hills Encroachment Permit Assistance	0	0	0	0	0	0	0	0	0	0	0									
3.04 City of Westlake Village Encroachment Permit Assistance	0	0	0	0	0	0	0	0	0	0	0									
3.05 County of Ventura Encroachment Permit Assistance	0	0	0	0	0	0	0	0	0	0	0									
3.06 County of Los Angeles Encroachment Permit Assistance	0	0	0	0	0	0	0	0	0	0	0									
3.07 County of Ventura Watershed Protection Encroachment Permit Assistance	0	0	0	0	0	0	0	0	0	0	0									
3.08 CalTrans Encroachment Permit Assistance	0	0	0	0	0	0	0	0	0	0	0									
3.09 ROC Connection to SMP Coordination Assistance	0	0	0	0	0	0	0	0	0	0	0									
3.10 Private Stakeholder Coordination Assistance	0	0	0	0	0	0	0	0	0	0	0									
3.11 Tuxedo Creek Park Coordination Assistance	0	0	0	0	0	0	0	0	0	0	0									
<b>Task 4 - Survey and Field Investigations</b>	<b>Task 4 - Survey and Field Investigations</b>																			
4.01 Topographic Survey Coordination Assistance	0	0	0	0	0	0	0	0	0	0	0									
4.02 Geotechnical Investigation Coordination Assistance	0	0	0	0	0	0	0	0	0	0	0									
4.03 Pinching Plan Coordination Assistance	0	0	0	0	0	0	0	0	0	0	0									
4.04 Existing Utility Coordination Assistance	0	0	0	0	0	0	0	0	0	0	0									
<b>Task 5 - Engineering Design Development</b>	<b>Task 5 - Engineering Design Development</b>																			
5.01A Develop 60% PS&E Submittal Package - Purified Water Pipeline	0	0	0	0	0	0	0	0	0	0	0									
5.01B Develop 60% PS&E Submittal Package - Source Water Pipeline	0	0	0	0	0	0	0	0	0	0	0									
5.01C Develop 60% PS&E Submittal Package - Residual Pipeline	0	0	0	0	0	0	0	0	0	0	0									
5.02 Conduct 60% Design Review Workshop - Included in ROC pipeline	0	0	0	0	0	0	0	0	0	0	0									
5.03A Develop 90% PS&E Submittal Package - Purified Water Pipeline	0	0	0	0	0	0	0	0	0	0	0									
5.03B Develop 90% PS&E Submittal Package - Source Water Pipeline	0	0	0	0	0	0	0	0	0	0	0									
5.03C Develop 90% PS&E Submittal Package - Residual Pipeline	0	0	0	0	0	0	0	0	0	0	0									
5.04 Conduct 90% Design Review Workshop - Included in ROC pipeline	0	0	0	0	0	0	0	0	0	0	0									
5.05A Develop FINAL BID PS&E Package - Purified Water Pipeline	0	0	0	0	0	0	0	0	0	0	0									
5.05B Develop FINAL BID PS&E Package - Source Water Pipeline	0	0	0	0	0	0	0	0	0	0	0									
5.05C Develop FINAL BID PS&E Package - Residual Pipeline	0	0	0	0	0	0	0	0	0	0	0									
5.06 ROC Pipeline Reach 2 (Moorpark Rd. to Lynn Rd.) Early Work Package (EWP)	16	48	8	48	24	0	0	0	0	0	0	1,102,000.00								
5.06A Develop Final Review Scope for 60% Design of ROC Pipeline Reach 2 (Moorpark Rd to Lynn Rd)	16	48	8	48	24	0	0	0	0	0	0	102,000.00								
5.06B Add for 60% Design of ROC Pipeline Reach 2 (Moorpark Rd to Lynn Rd) EWP Package	0	0	0	0	0	0	0	0	0	0	0	100,000.00								
5.06C Deduct for ROC Pipeline Design Elements to Reuse on Remaining Design	0	0	0	0	0	0	0	0	0	0	0	(14,000.00)								
5.06D Develop ROC Pipeline Reach 2 (Moorpark Rd to Lynn Rd) EWP DRAFT 60% Design Package	16	48	8	48	24	0	0	0	0	0	0	63,160.00								
5.06E Conduct ROC Pipeline Reach 2 (Moorpark Rd to Lynn Rd) EWP 60% Workshop	0	0	0	0	0	0	0	0	0	0	0	8,660.00					3,000.00	3,000.00		
5.06F Develop ROC Pipeline Reach 2 (Moorpark Rd. to Lynn Rd.) EWP FINAL 60% Design Package	0	0	0	0	0	0	0	0	0	0	0	13,760.00								
5.06G Develop ROC Pipeline Reach 2 (Moorpark Rd. to Lynn Rd.) EWP 100% Design Package	16	48	12	48	16	0	0	0	0	0	0	71,800.00								
<b>Task 6 - Preconstruction Services</b>	<b>Task 6 - Preconstruction Services</b>																			
6.01 Phase 2 Price Proposal Development	2	4	0	0	0	0	0	0	0	0	0	2,840.00								
<b>Task 8 - Optional Services (Recommendations from Proposer)</b>	<b>Task 8 - Optional Services (Recommendations from Proposer)</b>																			
Total Hours	48	98	28	138	42	0	0	0	84	136	60	80							656	
Total Fee \$	\$ 16,100.00	\$ 34,300.00	\$ 8,100.00	\$ 40,020.00	\$ 14,700.00	\$ -	\$ -	\$ -	\$ 20,580.00	\$ 25,160.00	\$ 12,400.00	\$ 172,360.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00	\$ 175,360.00
Total Not to Exceed - Early Work Package No. 01																				



## Reach 2 Early Work Package List of Drawings

SHEET No.	Drawing Title	Total No. of Drawings
<b>EARLY DELIVERY PACKAGE</b>		
G001	COVER SHEET	1
G002	SHEET INDEX, ABBREVIATIONS, AND LEGEND	1
G003	KEY MAP	1
G004	GENERAL NOTES - SHEET 1	1
G005	GENERAL NOTES - SHEET 2	1
C201	PLAN AND PROFILE 1 (1"=20')	1
C202	PLAN AND PROFILE 2 (1"=20')	1
C203	PLAN AND PROFILE 3 (1"=20')	1
C204	PLAN AND PROFILE 4 (1"=20')	1
C205	PLAN AND PROFILE 5 (1"=20')	1
C206	PLAN AND PROFILE 6 (1"=20')	1
C207	PLAN AND PROFILE 7 (1"=20')	1
C208	PLAN AND PROFILE 8 (1"=20')	1
C209	PLAN AND PROFILE 9 (1"=20')	1
C210	PLAN AND PROFILE 10 (1"=20')	1
C211	PLAN AND PROFILE 11 (1"=20')	1
C212	PLAN AND PROFILE 12 (1"=20')	1
C213	PLAN AND PROFILE 13 (1"=20')	1
C214	PLAN AND PROFILE 14 (1"=20')	1
C215	TYPICAL DETAILS - 1	1
C216	TYPICAL DETAILS - 2	1
C217	TYPICAL DETAILS - 3	1
C501	TRENCHLESS PIPE INSTALLATION DETAILS - 1	1
C502	TRENCHLESS PIPE INSTALLATION DETAILS - 2	1
C503	TRENCHLESS PIPE INSTALLATION DETAILS - 3	1
S001	STRUCTURAL GENERAL NOTES AND ABBREVIATIONS	1
S002	SPECIAL INSPECTIONS	1
S003	CLEANING STATIONS TYPICAL PLANS	1
S004	CLEANING STATIONS TYPICAL SECTIONS	1
S007	TYPICAL STRUCTURAL DETAILS - 1	1
S008	TYPICAL STRUCTURAL DETAILS - 2	1
IC101	FIBER OPTIC CABLE TYPICAL DETAILS 1	1
IC102	FIBER OPTIC CABLE TYPICAL DETAILS 2	1
<b>TOTAL NUMBER OF DRAWINGS</b>		<b>33</b>



# Converse Consultants

Geotechnical Engineering, Environmental & Groundwater Science, Inspection & Testing Services

August 23, 2024

Mr. Arie Harel, PE, PMP, Assoc. DBIA, ENV SP  
Director of Business Development – SoCal  
Walsh Construction  
12100 Wilshire Boulevard, Suite 370  
Los Angeles, California 90025

Subject: **ADDITIONAL BUDGET REQUEST FOR EARLY WORK SCOPE**  
**Hillcrest Drive from Moorpark Road to Lynn Road**  
**Reverse Osmosis Concentrate (ROC)**  
**Progressive Design-Build Procurement**  
ROC Pipeline Alignment through Thousand Oaks, California  
Converse Project No. 23-31-142-00 (01)

Dear Mr. Harel:

Converse Consultants (Converse) has prepared this request for an additional budget to perform a geotechnical investigation for the referenced project. Our purpose is to conduct a geotechnical investigation and generate a report for the ROC pipeline alignment from Moorpark Road to Lynn Road in the city of Thousand Oaks. The additional costs for the expedited scope of work are associated with additional mobilization costs for the drillers and traffic control personnel, as well as additional consulting services to perform the field investigations and preparation of a separate report. We prepared the proposal based on review of the information provided to us by email on August 5, 2024, and August 22, as well as additional discussion during our meeting on August 22, 2024.

Based on the estimation, at this time, Converse would like to request an additional **\$49,870.00**. A breakdown of the estimated additional costs is provided in the following table:

### ADDITIONAL COST ESTIMATE FOR THE EARLY WORK SCOPE

TASK	COST
Expedited Laboratory Testing and Transportation Fees	\$3,000.00
Engineering Analyses and Report Preparation	\$11,120.00
Traffic Control Mobilization	\$2,000.00
Traffic Control Plans and Permitting	\$9,950.00
Mobilization, OPE 12 Registration, Field Coordination Fees for Drillers	\$23,800.00
<b>TOTAL</b>	<b>\$49,870.00</b>

\*See the attached cost estimate provided by Pitcher Services dated August 23, 2024. **Rates are good until January 1, 2025, after which rates are subject to escalation fee.**

If you have any questions or wish to discuss this letter in greater detail, please feel free to call me at (626) 930-1275. The opportunity to be of continued service is appreciated.

Sincerely,

**CONVERSE CONSULTANTS**



Siva K. Sivathasan, PhD, PE, GE, DGE, QSD, F. ASCE  
Senior Vice President / Principal Engineer

Dist: 1 to Addressee via Email (PDF)  
Encl: Fee Breakdown

SKS/BA:jjl



**ADDITIONAL BUDGET REQUEST FOR EARLY WORK SCOPE**  
**Hillcrest Drive from Moorpark Road to Lynn Road**  
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ROC Pipeline Alignment through Thousand Oaks, California  
Converse Project No. 23-31-142-00 (01)

**ACCEPTANCE OF AGREEMENT AND AUTHORIZATION TO PROCEED**

Firm Name: \_\_\_\_\_ (Client)<sup>1</sup>

By: \_\_\_\_\_ (Print Name)

Signature: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

Telephone No. (            ) \_\_\_\_\_

Fax No. (            ) \_\_\_\_\_

Email: \_\_\_\_\_

P.O. No./Billing Instructions<sup>2,3</sup>: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_

1 Invoices will be sent to the Client, who shall be responsible for payment thereof, unless notified otherwise. The Client is represented by a person with authority to financially commit to the scope of work herein and acknowledges that the person signing has read and understands the enclosed General Conditions.

2 Billing requirements, including backup documentation, should be mutually agreed upon and indicated here. Subsequent additions or changes should likewise be mutually agreed upon and submitted in writing with appropriate authorization.

3 We understand that only the driller's work and traffic control work are subject to prevailing wage during the investigation phase of the project as determined by California Labor Code Sections 1770-1780.





# PITCHER SERVICES, LLC

Geotechnical Drilling & Marine Site Investigation Services

218 Demeter Street, East Palo Alto, CA 94303 Ph.: (650)328-8910 Fax: (650)328-3621

Client:	Converse Consultants	Date:	August 23, 2024
Contact:	Babak Abbasi	E-mail:	<a href="mailto:BAbbasi@ConverseConsultants.com">BAbbasi@ConverseConsultants.com</a>
Phone:	(626) 807-3401	Address:	717 S. Myrtle Ave.
Project:	<b>Expedited Fees</b> ROC Pipeline Reach 2 Early Package LA County, CA		Monrovia, CA 91016 Proposal: 724-0315

**Task 1 : Expedited Exploration-Hollow Stem Auger Geotechnical Borings**

- HSA Truck 7 HSA borings to 15' in depth, estimated 105' total.
- The Truck Hollow Stem Auger Borings to 15' will be SPT or Modified California sampled every 5' to BOH or refusal, no rock coring or instrument installations included. Borings backfilled with Portland cement grout.
- Drill spoils will be contained in 55-Gallon drums, Pitcher will supply 55-Gallon drums. Others are responsible for drill spoils disposal.
- Drill equipment & spoils (drums) will be staged at staging area, others to provide secure staging area.
- Any drill time traveling between boring locations or to/from Staging area will be billed at rig rate
- Any time spent on site specific safety training will be billed at rig rate.

Item	Description of Services	Unit Cost	Units	Qty.	Total
1	Site meetings, submittals or deliveries	\$150.00	Hour	8	\$1,200.00
2	Mob/demob Truck drill & Support equipment	\$15,000.00	Each	1	\$15,000.00
3	OPE12 registration and sign in fees	\$800.00	Each	3	\$2,400.00
7	Latrine Rental (each month, 28 days)	\$1,260.00	Each	0.5	\$630.00
8	Pick up Rental	\$250.00	Day	3	\$750.00
10	Weekend Travel (per Technician)	\$1,400.00	Each	0	\$0.00
11	Overtime Surcharge (Drill Rig & 3 man crew)	\$1,000.00	Hour	0	\$0.00
12	Saturday Surcharge (3-man crew)	\$2,200.00	Each	0	\$0.00

Sales Tax 7.75%

**We Estimate 3 Shift(s) On-site Total: \$19,980.00**

**Note:**

Federal Projects – Pitcher is a **Small Disadvantaged Business**  
 California Public Utilities Commission (CPUC) – Pitcher is a **Minority Business Enterprise (MBE)**  
 California Unified Certification Program (CUCP) – Pitcher is a **Disadvantaged Business Enterprise (DBE)**  
**Pitcher is an Alaska Native Corporation (ANC) owned business**  
 Pitcher is also a Small Business for various local entities in the State of California

**Assumptions:**

- Level D safety protection, Site accessible for equipment, Site is secure-No security required
- Truck Drill Overtime Rate is \$840/hr. (2-man crew), any hours over 10.
- Additional Field Technician OT is billed at \$210.00/hr. Any hours over 10.
- Borings will be cleared by hand auger to 5' BGS as per USA requirements, Anticipate 15 minutes per event.
- No third party billing
- Work hours are not restricted, Work hours are from 7:00 AM to 5:00 PM.
- Others responsible for adequate water supply.
- Drill locations accessible to Truck or Track drill Equipment, Others responsible for Staging areas for Equipment.
- Others responsible for drilling or encroachment permits, inspections and traffic control (if required).
- Work will be performed by members in good standing with OPE12. Prevailing Wage or Certified Payroll is included.
- Any drill time travel between boring locations or to/from Staging area will be billed at rig rate
- **A \$10,000.00 cancellation fee will be charged if a project is cancelled less than 2 business days before scheduled start date.**

**The project will be billed at the unit rates presented in this proposal multiplied by the actual number of units required to complete the work.** Client will be responsible for obtaining all permits necessary to complete the work, providing access to the drill site and for manifesting and disposal of all investigation derived waste. The above prices are valid for 90 days of date herein; after 90 days all process are subject to review/modification.

**Utilities:**

Each client by the act of retaining Pitcher Services, LLC to provide drilling services also accepts the responsibility for locating and marking all drilling locations and for contacting Underground Service Alert/DIG ALERT and opening a DIG ALERT TICKET a minimum of 3 and a maximum of 14 days prior to drilling. This number shall be submitted to Pitcher Services, LLC in order for Pitcher to obtain a ticket a minimum of 72 hours prior to work commencement. Pitcher Services, LLC shall not be held liable for any damage to underground utilities.

**Payment terms:**

The preceding costs represent our best estimate for the tasks as we understand them. Client will be invoiced following completion of the work; all bills are due and payable in full within 30 days of the date of the invoice. Invoices not paid within 30 days will be subject to a 1.5% per month finance charge. For clients with existing Master Service Agreements (MSA) payment terms will be in accordance with the MSA. Please note Pitcher Services, LLC will not accept "Pay When Paid" payment terms. Please sign and return a copy of this proposal with attached Work Agreement to indicate acceptance of the proposal and conditions. Please do not hesitate to call if you have any questions or need any additional information.

**Pitcher Services, LLC**

**Converse Consultants**

Signature: \_\_\_\_\_

Terry Shewchuk

Name/Title: \_\_\_\_\_