

**LA HABRA HEIGHTS COUNTY
WATER DISTRICT**

BOARD MEETING

NOVEMBER 12, 2024

**AGENDA FOR REGULAR MEETING
BOARD OF DIRECTORS
LA HABRA HEIGHTS COUNTY WATER DISTRICT
November 12, 2024 @ 4:00PM**

- 1. Roll call of Directors by Secretary**
- 2. Notation of staff members and others present**
- 3. Public Communications** (Comments will be limited to 3 minutes)
- 4. Directors Report – Individual, Subcommittees and/or Attended Events**
- 5. Consent Items:** It is recommended these items be acted upon simultaneously unless separate discussion or action is requested by a member of the public or a Director.
 - a. Minutes of Regular Board meeting for October 22, 2024 (approve)
 - b. Financial Reports – August and September 2024 (approve)
 - c. Status of Investments – September 2024
- 6. Approval of warrants and authorize signatures per warrant list**
- 7. Report of Superintendent**
- 8. Report and recommendations of General Manager:**
 - a. Discuss and Action – Investing in Wells Fargo money market account
 - b. Discuss and Approve – Resolution 24-12 amending the District's Employee Policies and Procedures Manual section I. Disciplinary Action
 - c. Discuss and Approve - Memorandum of Understanding by and between La Habra Heights County Water District and the Water Replenishment District of Southern California regarding funding under the United States Environmental Protection Agency Community Grants Program

9. Closed Session

a. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

In re: Aqueous Film-Forming Foams Products Liability. Case No. 2:18-mn-2873-RMG, pending in the United States District Court for the District of South Carolina, Charleston Division. Discussion of existing litigation pursuant to Government Code section 54956.9, paragraph (1) of subdivision (d).

10. Adjournment

Any documents that are provided to the Board of Directors regarding items on this agenda less than 72 hours prior to this meeting will be available for public inspection at the front counter of the District office located at 1271 N. Hacienda Road, La Habra Heights, California 90631

MINUTES

MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS
LA HABRA HEIGHTS COUNTY WATER DISTRICT
October 22, 2024

A regular meeting of the Board of Directors of La Habra Heights County Water District was held on October 22, 2024, at 4:08 p.m., at the office of the District, located at 1271 North Hacienda Road, La Habra Heights.

Item 1. Roll call of Directors by Secretary/General Manager, Joe Matthews (by telecommunication).

PRESENT: Directors Cooke, Crabb, McVicar, and Perumean

ABSENT: Director Baroldi

Director Perumean brought a matter to the board's attention that arose after the posting of the agenda, that required immediate attention, and that qualified for closed session. A motion was made by Director Perumean and seconded by Director Baroldi to hold a closed session. The vote was as follows:

AYES: Directors Cooke, Crabb, McVicar, and Perumean

NOES: None

ABSENT: Director Baroldi

Item 2. Staff members and others present. Staff: Joe Matthews, Secretary/General Manager (by telecommunication), Ivan Ramirez, Superintendent. Others present. Michael Silander, Attorney at Law, Dennis Acevedo, Orchard Dale Water District.

Item 3. Public Communications –

Director Acevedo from Orchard Dale Water District discussed his District's use of a FEMA grant to replace a reservoir and expressed that Orchard Dale Water District desires to continue our relationship together in our ongoing effort to address PFAS.

Item 4. Directors Report – Individual, Subcommittees, and/or Attended Events. –

Director McVicar discussed the need to know the account balance in LAIF each month and told us she will not be in town for the regularly scheduled Board meeting in May 2025.

Items 5.a. Minutes of Regular Meeting for August 27, 2024. After discussion, there was a motion by Director McVicar and seconded by Director Crabb to approve minutes. The vote was as follows:

AYES: Directors Cooke, Crabb, McVicar, and Perumean

NOES: None

ABSENT: Director Baroldi

Item 6. Approval of warrants and authorized signatures per warrant list. After discussion, there was a motion made by Director McVicar and seconded by Director Crabb that warrant numbers 47206 through 47329 in the amount of \$1,479,222.34 and EFT transfers in the amount of \$23,926.81 be approved and signatures be authorized. The vote was as follows:

AYES: Directors Cooke, Crabb, McVicar, and Perumean

NOES: None

ABSENT: Director Baroldi

Item 7. Report of Superintendent. Ivan Ramirez informed that six service leaks were repaired. TPX replaced Plant 1 and the well wireless connection in our SCADA system with secure internet landline. Gualtieri Plant is our last wireless connection that needed replacement. Rehabilitation of 10A is complete and tank is back in service.

Item 8.a. Discuss and Adopt – Resolution 24-11 amendment to District's Employee Policies and Procedures Manual Section 5E pertaining to compassionate leave. After discussion, there was a motion by Director McVicar and seconded by Director Perumean to adopt Resolution 24-11. The vote was as follows:

AYES: Directors Cooke, Crabb, McVicar, and Perumean

NOES: None

ABSENT: Director Baroldi

Item 8.b. Discuss and Action – AWIA updates, LHMP updates, and ERP updates. After discussion, there was a motion by Director McVicar and seconded by Director Crabb to authorize signing the Restated Memorandum of Understanding regarding PWAG Emergency Preparedness Coordinator position and joining PWAG's Emergency Preparedness Program. The vote was as follows:

AYES: Directors Cooke, Crabb, McVicar, and Perumean

NOES: None

ABSENT: Director Baroldi

Item 8.c. Discuss and approve – Consultant agreement for professional services between La Habra Heights County Water District and Michael Gualtieri. After discussion, there was a motion by Director McVicar and seconded by Director Crabb to revise and approve a consultant agreement with MG Consulting and waive insurance requirements, effective November 3, 2024. The vote was as follows:

AYES: Directors Cooke, Crabb, McVicar, and Perumean

NOES: None

ABSENT: Director Baroldi

(The closed session began at 5:18 p.m. and ended at 5:41 p.m.)

Item 9. Public Employee Discipline/Dismissal Release
(§ 54957) No reportable action was taken.

Item 10. There being no further business to come before the Board, a motion was made by Director Cooke and seconded by Director McVicar that the meeting be adjourned at 5:56 p.m. The vote was as follows:

AYES: Directors Cooke, Crabb, McVicar, and Perumean

NOES: None

ABSENT: Director Baroldi

Dated: November 12, 2024

Brad Cooke, President

(SEAL)

Joe Matthews, Secretary

FINANCIAL REPORT

LA HABRA HEIGHTS COUNTY WATER DISTRICT

STATEMENTS OF NET POSITION

August 31, 2023 and August 31, 2024

	2023	2024
<u>ASSETS:</u>		
<u>Current Assets:</u>		
CASH-PETTY	300.00	300.00
CASH-CHECKING	703,746.72	1,709,695.00
CASH-SWEEP	-	409.71
INVESTMENT-LAIF	5,442,811.51	3,962,910.71
INVESTMENT-TREASURY BILLS	-	1,026,170.36
ACCOUNTS RECEIVABLE-WATER	517,875.92	522,912.57
ACCOUNTS RECEIVABLE-OTHER	282,579.59	296,971.33
TAXES RECEIVABLE	35,975.00	-
LEASE RECEIVABLE	-	127,183.86
ACCRUED INTEREST RECEIVABLE	27,642.00	38,894.00
INVENTORY	201,691.34	239,528.45
PREPAID EXPENSES	61,993.42	73,175.15
Total Current Assets	7,274,615.50	7,998,151.14
<u>Noncurrent Assets:</u>		
<u>Capital Assets:</u>		
LAND	532,743.65	532,743.65
WATER RIGHTS	1,640,490.80	1,640,490.80
SOURCE OF SUPPLY	2,271,079.60	2,278,699.92
PUMPING PLANT	1,637,877.77	1,668,932.77
TRANSMISSION & DISTRIBUTION	26,531,206.99	26,552,921.13
GENERAL PLANT	1,648,500.03	1,656,631.36
CONSTRUCTION IN PROGRESS	134,080.52	1,292,736.79
Total Capital Assets	34,395,979.36	35,623,156.42
Accumulated Depreciation	(19,338,158.86)	(19,883,616.83)
Net Capital Assets	15,057,820.50	15,739,539.59
<u>Other Noncurrent Assets:</u>		
CONSTRUCTION ADVANCE RECEIVABLE	9,960.19	-
INVESTMENTS-CAL DOMESTIC WATER CO	591.00	591.00
LEASE RECEIVABLE	2,417,887.41	2,167,668.03
Total Other Noncurrent Assets	2,428,438.60	2,168,259.03
Total Assets	24,760,874.60	25,905,949.76
DEFERRED OUTFLOWS OF RESOURCES- Deferred amount from pension plan	771,900.00	853,967.00
DEFERRED OUTFLOWS OF RESOURCES- Deferred amount from OPEB	225,139.00	185,895.00
Total Deferred Outflows of Resources	997,039.00	1,039,862.00

LA HABRA HEIGHTS COUNTY WATER DISTRICT

STATEMENTS OF NET POSITION

August 31, 2023 and August 31, 2024

	2023	2024
LIABILITIES		
Current Liabilities:		
ACCOUNTS PAYABLE	446,116.30	994,245.67
CURR PORTION-LONG TERM DEBT	61,359.75	-
ACCRUED INTEREST-CONTRACT PAYABLE-D/G	244.90	-
DEPOSITS-CUSTOMERS	2,667.50	2,600.00
DEPOSITS-CONSTRUCTION	9,000.00	18,500.00
ACCRUED PROPERTY TAXES	-	-
ACCRUED PAYROLL	-	-
ACCRUED EMPLOYEE BENEFITS	157,407.33	121,805.03
DEFERRED RENTAL INCOME	401.21	-
ACCRUED RETIREMENT CONTRIBUTIONS	-	-
NET OPEB OBLIGATION	1,038,484.00	1,076,358.00
NET PENSION LIABILITY	1,248,389.00	1,431,442.00
Total Current Liabilities	2,964,069.99	3,644,950.70
Total Liabilities	2,964,069.99	3,644,950.70
 DEFERRED INFLOWS OF RESOURCES- Deferred amounts from pension plan	25,928.00	176,276.00
DEFERRED INFLOWS OF RESOURCES- Deferred amounts from OPEB	1,014,037.00	914,390.00
DEFERRED INFLOWS OF RESOURCES- Deferred amounts from Leases	2,396,916.81	2,275,056.33
Total Deferred Inflows of Resources	3,436,881.81	3,365,722.33
 Net Position:		
INVESTED IN CAPITAL ASSETS, NET RELATED DEBT	14,996,460.75	15,739,539.59
UNRESTRICTED	4,350,540.86	4,195,599.14
RESTRICTED	9,960.19	-
Total Net Position	19,356,961.80	19,935,138.73

LA HABRA HEIGHTS COUNTY WATER DISTRICT
STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
For Two Months Ending August 31, 2023 and August 31, 2024

	Last Year Current Month Actual 8/31/2023	Current Month Actual 8/31/2024	Last Year YTD Actual 8/31/2023	Current YTD Actual 8/31/2024	Current Budget 2024/25	Actual 8/31/2024 % of budget 2024/25
Operating Revenue:	530,042.61	548,589.59	1,013,300.32	1,095,604.27	5,871,412.00	19%
Operating Expenses:						
Source of Supply	203,938.15	238,769.06	386,292.73	440,057.95	2,145,853.00	21%
Pumping	11,619.01	10,577.20	13,537.64	16,497.68	133,523.00	12%
Treatment	4,933.27	7,520.49	9,360.71	13,867.25	77,146.00	18%
Transmission & Distribution	84,926.93	55,091.10	186,786.95	69,436.40	723,007.00	10%
Customer Accounts	9,953.90	29,569.21	15,164.59	36,369.03	199,040.00	18%
Administrative and General	170,240.63	165,222.28	347,987.77	379,721.54	1,851,365.00	21%
Capital Improvements	126,340.58	154,511.75	252,681.16	309,023.50	1,854,141.00	17%
Other	10,975.55	11,254.40	18,460.42	18,666.02	94,089.00	20%
TOTAL OPERATING EXPENSES	622,928.02	672,515.49	1,230,271.97	1,283,639.37	7,078,164.00	18%
OPERATING INCOME (LOSS)	(92,885.41)	(123,925.90)	(216,971.65)	(188,035.10)	(1,206,752.00)	16%
Non-Operating Revenues	65,498.99	69,178.90	92,153.62	100,592.40	1,351,095.00	7%
Non-Operating Expenses	1,122.45	500.00	1,244.90	500.00	14,424.00	4%
NET NON-OPERATING REVENUES (EXPENSES)	64,376.54	68,678.90	90,908.72	100,092.40	1,336,671.00	8%
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(28,508.87)	(55,247.00)	(126,062.93)	(87,942.70)	129,919.00	-68%
SYSTEM BUY IN FEE			12,055.00	36,166.00		
CAPITAL CONTRIBUTIONS			-	-		
NET INCOME (LOSS) IN NET POSITION			(114,007.93)	(51,776.70)		
NET POSITION-BEGINNING OF YEAR			19,470,969.73	19,986,915.43		
NET POSITION-END OF PERIOD			19,356,961.80	19,935,138.73		

LA HABRA HEIGHTS COUNTY WATER DISTRICT

STATEMENTS OF REVENUE AND EXPENSES

For Two Months Ending August 31, 2023 and August 31, 2024

	Last Year Current Month Actual 8/31/2023	Current Month Actual 8/31/2024	Last Year YTD Actual 8/31/2023	Current YTD Actual 8/31/2024	Current Budget 2024/25	Actual 8/31/2024 % of budget 2024/25 17%
OPERATING REVENUES						
SALES-WATER	324,028.82	328,024.73	602,483.20	655,102.25	3,238,075.00	20%
SALES-READINESS TO SERVE	202,390.63	216,030.67	404,560.39	431,192.72	2,564,254.00	17%
SALES-MISCELLANEOUS	3,623.16	4,534.19	6,256.73	9,309.30	34,462.00	27%
LEASE-WATER RIGHTS	-	-	-	-	34,621.00	0%
TOTAL OPERATING REVENUES	530,042.61	548,589.59	1,013,300.32	1,095,604.27	5,871,412.00	19%
OPERATING EXPENSES						
PURCHASED WATER	5,168.85	5,369.44	9,133.20	9,510.44	273,803.00	4%
GROUND WATER REPLENISHMENT ASSMT	102,873.60	124,212.88	224,697.60	246,537.92	1,105,821.00	22%
POWER	95,895.70	109,186.74	152,461.93	184,009.59	766,229.00	24%
TOTAL SOURCE OF SUPPLY	203,938.15	238,769.06	386,292.73	440,057.95	2,145,853.00	21%
LABOR-PUMPING	7,133.98	7,345.20	9,004.37	9,902.21	63,706.00	16%
MAINTENANCE-PUMPING	4,485.03	3,232.00	4,533.27	6,595.47	69,817.00	9%
TOTAL PUMPING	11,619.01	10,577.20	13,537.64	16,497.68	133,523.00	12%
MAINT & LABOR-TREATMENT	4,933.27	7,520.49	9,360.71	13,867.25	77,146.00	18%
TOTAL TREATMENT	4,933.27	7,520.49	9,360.71	13,867.25	77,146.00	18%
LABOR-TRANS & DISTRIBUTION	39,791.76	29,492.95	52,166.80	36,928.65	254,222.00	15%
MAINT-TRANS & DISTRIBUTION	41,130.56	3,712.52	101,058.62	15,034.79	270,102.00	6%
JOINT FACILITIES-WELL,LM CONDUIT&RES	27,325.38	28,777.65	72,395.96	40,197.74	403,284.00	10%
ORCHARD DALE PORTION	(23,320.77)	(6,892.02)	(38,834.43)	(22,724.78)	(204,601.00)	11%
TOTAL TRANSMISSION&DISTRIBUTION	84,926.93	55,091.10	186,786.95	69,436.40	723,007.00	10%
LABOR&MAINT-CUSTOMER ACCOUNTS	9,953.90	29,569.21	15,164.59	36,369.03	195,103.00	19%
UNCOLLECTIBLE ACCOUNTS	-	-	-	-	3,937.00	0%
TOTAL CUSTOMER ACCOUNTS	9,953.90	29,569.21	15,164.59	36,369.03	199,040.00	18%
TOTAL OTHER OPERATING EXPENSES	111,433.11	102,758.00	224,849.89	136,170.36	1,132,716.00	12%
TOTAL SOURCE OF SUPPLY & OPERATING EXPENSES	315,371.26	341,527.06	611,142.62	576,228.31	3,278,569.00	18%
ADMINISTRATIVE & GENERAL EXPENSES						
LABOR-FIELD-SICK,VAC,HOLIDAY	2,740.76	5,167.87	7,620.79	8,961.89	75,125.00	12%
WAGES-MANAGEMENT	20,016.81	20,682.70	25,816.07	26,661.47	158,194.00	17%
WAGES-OFFICE	35,760.63	34,806.86	46,771.30	46,479.71	296,395.00	16%
WAGES-MGMT&OFFICE-SICK,VAC,HOLIDAY	5,703.14	5,164.09	10,085.42	7,299.00	98,527.00	7%
OFFICE SUPPLIES	3,531.95	2,078.11	4,695.89	4,753.04	45,080.00	11%
AUTO SERVICE	3,528.74	6,238.77	7,161.74	11,163.59	52,853.00	21%
BANK SERVICE CHARGE	-	103.15	26.70	217.00	10,527.00	2%
DUES & SUBCRIPTIONS	-	599.00	3,211.98	5,507.39	29,953.00	18%
BUILDING SERVICE	806.63	3,209.37	5,320.68	4,485.11	22,671.00	20%
OFFICE EQUIPMENT MAINT	934.27	1,611.24	5,754.68	4,791.03	39,519.00	12%
PROFESSIONAL SERVICES	27,136.61	5,989.00	35,621.51	17,367.00	114,604.00	15%
EDUCATION & MEETINGS	(197.04)	2,123.22	3,473.10	2,850.22	17,495.00	16%

LA HABRA HEIGHTS COUNTY WATER DISTRICT

STATEMENTS OF REVENUE AND EXPENSES

For Two Months Ending August 31, 2023 and August 31, 2024

	Last Year Current Month Actual 8/31/2023	Current Month Actual 8/31/2024	Last Year YTD Actual 8/31/2023	Current YTD Actual 8/31/2024	Current Budget 2024/25	Actual 8/31/2024 % of budget 2024/25 17%
LEGAL	2,500.00	7,262.50	7,712.50	8,137.50	61,594.00	13%
UTILITIES	3,118.14	9,062.27	6,271.95	17,721.39	43,622.00	41%
ENGINEERING	648.00	1,780.00	1,152.00	2,040.00	37,995.00	5%
INSUR-AUTO, LIABILITY & PROPERTY	8,433.21	9,670.29	15,450.42	20,880.17	115,065.00	18%
INSUR-GROUP HEALTH & LIFE	15,210.48	17,023.95	30,433.71	33,890.18	223,968.00	15%
EMPLOYEE WORKERS COMPENSATION	104.48	96.20	261.20	644.44	31,273.00	2%
DENTAL	592.00	4,671.20	2,388.00	5,244.32	10,180.00	52%
RETIREMENT-CALPERS	11,985.12	17,721.15	15,346.89	22,690.70	160,053.00	14%
RETIREMENT-DEFERRED COMP	1,667.14	1,513.04	3,304.15	3,972.05	22,088.00	18%
RETIREMENT-CALPERS UNFUND ACCR LIAB	-	-	80,813.00	108,463.00	112,090.00	97%
MAINTENANCE-GENERAL PLANT	26,019.56	8,648.30	29,294.09	15,501.34	72,494.00	21%
CAPITAL IMPROVEMENTS	126,340.58	154,511.75	252,681.16	309,023.50	1,854,141.00	17%
PROPERTY TAXES	444.07	993.13	888.14	1,437.87	5,547.00	26%
PAYROLL TAXES	10,531.48	10,261.27	17,572.28	17,228.15	88,542.00	20%
TOTAL ADMIN & GENERAL EXP	307,556.76	330,988.43	619,129.35	707,411.06	3,799,595.00	19%
TOTAL OPERATING EXPENSES	622,928.02	672,515.49	1,230,271.97	1,283,639.37	7,078,164.00	18%
OPERATING INCOME (LOSS)	(92,885.41)	(123,925.90)	(216,971.65)	(188,035.10)	(1,206,752.00)	16%
NONOPERATING REVENUES						
INTEREST INCOME	13,821.00	20,291.27	27,642.00	40,312.32	202,727.00	20%
PROPERTY TAX INCOME	35,975.43	37,558.01	35,975.43	37,558.01	1,004,509.00	4%
RENT INCOME	10,902.34	10,155.04	22,205.66	20,711.96	126,683.00	16%
OIL ROYALTIES	913.00	1,174.58	1,893.31	2,010.11	12,982.00	16%
MISCELLANEOUS INCOME	3,887.22	-	4,437.22	-	4,194.00	0%
GAIN ON ASSET SOLD	-	-	-	-	-	0%
TOTAL NONOPERATING REVENUES	65,498.99	69,178.90	92,153.62	100,592.40	1,351,095.00	7%
NONOPERATING EXPENSES						
INTEREST EXPENSE-D/G LOAN	122.45	-	244.90	-	-	
LOSS ON INVESTMENT	-	-	-	-	-	0%
DIRECTORS FEES	1,000.00	500.00	1,000.00	500.00	9,900.00	5%
DIRECTORS EXPENSES	-	-	-	-	4,524.00	0%
ELECTION	-	-	-	-	-	0%
TOTAL NONOPERATING EXPENSES	1,122.45	500.00	1,244.90	500.00	14,424.00	4%
NET NONOPER REVENUES(EXPENSES)	64,376.54	68,678.90	90,908.72	100,092.40	1,336,671.00	8%
NET INCOME (LOSS) IN NET POSTION	(28,508.87)	(55,247.00)	(126,062.93)	(87,942.70)	129,919.00	-68%

LA HABRA HEIGHTS COUNTY WATER DISTRICT

STATEMENTS OF NET POSITION

September 30, 2023 and September 30, 2024

	2023	2024
<u>ASSETS:</u>		
<u>Current Assets:</u>		
CASH-PETTY	300.00	300.00
CASH-CHECKING	744,104.49	1,416,979.46
CASH-SWEEP	-	668.12
INVESTMENT-LAIF	5,442,811.51	3,962,910.71
INVESTMENT-TREASURY BILLS	-	1,040,023.43
ACCOUNTS RECEIVABLE-WATER	436,489.11	545,793.08
ACCOUNTS RECEIVABLE-OTHER	272,315.85	295,077.89
TAXES RECEIVABLE	35,975.00	-
LEASE RECEIVABLE	-	127,183.86
ACCRUED INTEREST RECEIVABLE	42,422.00	54,073.15
INVENTORY	187,854.28	226,648.69
PREPAID EXPENSES	54,464.73	45,813.17
Total Current Assets	7,216,736.97	7,715,471.56
<u>Noncurrent Assets:</u>		
<u>Capital Assets:</u>		
LAND	532,743.65	532,743.65
WATER RIGHTS	1,640,490.80	1,640,490.80
SOURCE OF SUPPLY	2,271,079.60	2,278,699.92
PUMPING PLANT	1,637,877.77	1,668,932.77
TRANSMISSION & DISTRIBUTION	26,531,206.99	26,552,921.13
GENERAL PLANT	1,648,500.03	1,656,631.36
CONSTRUCTION IN PROGRESS	181,768.98	1,681,109.16
Total Capital Assets	34,443,667.82	36,011,528.79
Accumulated Depreciation	(19,464,499.44)	(20,038,128.58)
Net Capital Assets	14,979,168.38	15,973,400.21
<u>Other Noncurrent Assets:</u>		
CONSTRUCTION ADVANCE RECEIVABLE	9,960.19	-
INVESTMENTS-CAL DOMESTIC WATER CO	591.00	591.00
LEASE RECEIVABLE	2,418,634.94	2,168,377.52
Total Other Noncurrent Assets	2,429,186.13	2,168,968.52
Total Assets	24,625,091.48	25,857,840.29
DEFERRED OUTFLOWS OF RESOURCES- Deferred amount from pension plan	771,900.00	853,967.00
DEFERRED OUTFLOWS OF RESOURCES- Deferred amount from OPEB	225,139.00	185,895.00
Total Deferred Outflows of Resources	997,039.00	1,039,862.00

LA HABRA HEIGHTS COUNTY WATER DISTRICT

STATEMENTS OF NET POSITION

September 30, 2023 and September 30, 2024

	2023	2024
LIABILITIES		
Current Liabilities:		
ACCOUNTS PAYABLE	360,509.06	906,941.23
CURR PORTION-LONG TERM DEBT	61,359.75	-
ACCRUED INTEREST-CONTRACT PAYABLE-D/G	367.35	-
DEPOSITS-CUSTOMERS	4,700.00	4,100.00
DEPOSITS-CONSTRUCTION	13,500.00	23,000.00
ACCRUED PROPERTY TAXES	-	-
ACCRUED PAYROLL	-	-
ACCRUED EMPLOYEE BENEFITS	157,407.33	121,805.03
DEFERRED RENTAL INCOME	401.21	-
ACCRUED RETIREMENT CONTRIBUTIONS	-	-
NET OPEB OBLIGATION	1,038,484.00	1,076,358.00
NET PENSION LIABILITY	1,248,389.00	1,431,442.00
Total Current Liabilities	2,885,117.70	3,563,646.26
Total Liabilities	2,885,117.70	3,563,646.26
 DEFERRED INFLOWS OF RESOURCES- Deferred amounts from pension plan	25,928.00	176,276.00
DEFERRED INFLOWS OF RESOURCES- Deferred amounts from OPEB	1,014,037.00	914,390.00
DEFERRED INFLOWS OF RESOURCES- Deferred amounts from Leases	2,386,761.77	2,264,901.29
Total Deferred Inflows of Resources	3,426,726.77	3,355,567.29
 Net Position:		
INVESTED IN CAPITAL ASSETS,NET RELATED DEBT	14,917,808.63	15,973,400.21
UNRESTRICTED	4,382,517.19	4,005,088.53
RESTRICTED	9,960.19	-
Total Net Position	19,310,286.01	19,978,488.74

LA HABRA HEIGHTS COUNTY WATER DISTRICT
STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
For Three Months Ending September 30, 2023 and September 30, 2024

	Last Year Current Month Actual	Current Month Actual	Last Year YTD Actual	Current YTD Actual	Current Budget	Actual 9/30/2024 % of budget 2024/25
Operating Revenue:	449,022.68	572,620.54	1,462,323.00	1,668,224.81	5,871,412.00	28%
Operating Expenses:						
Source of Supply	169,981.63	226,442.58	556,274.36	666,500.53	2,145,853.00	31%
Pumping	6,660.71	8,190.16	20,198.35	24,687.84	133,523.00	19%
Treatment	4,629.83	5,596.29	13,990.54	19,463.54	77,146.00	25%
Transmission & Distribution	41,312.21	15,794.38	228,099.16	85,230.78	723,007.00	12%
Customer Accounts	36,488.39	23,040.53	51,652.98	59,409.56	199,040.00	30%
Administrative and General	139,958.73	131,038.24	487,946.50	510,759.78	1,851,365.00	28%
Capital Improvements	126,340.58	154,511.75	379,021.74	463,535.25	1,854,141.00	25%
Other	7,371.60	6,168.17	25,832.02	24,834.19	94,089.00	26%
TOTAL OPERATING EXPENSES	532,743.68	570,782.10	1,763,015.65	1,854,421.47	7,078,164.00	26%
OPERATING INCOME (LOSS)	(83,721.00)	1,838.44	(300,692.65)	(186,196.66)	(1,206,752.00)	15%
Non-Operating Revenues	25,112.66	42,111.57	117,266.28	142,703.97	1,351,095.00	11%
Non-Operating Expenses	122.45	600.00	1,367.35	1,100.00	14,424.00	8%
NET NON-OPERATING REVENUES (EXPENSES)	24,990.21	41,511.57	115,898.93	141,603.97	1,336,671.00	11%
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(58,730.79)	43,350.01	(184,793.72)	(44,592.69)	129,919.00	-34%
SYSTEM BUY IN FEE			24,110.00	36,166.00		
CAPITAL CONTRIBUTIONS			-	-		
NET INCOME (LOSS) IN NET POSITION			(160,683.72)	(8,426.69)		
NET POSITION-BEGINNING OF YEAR			19,470,969.73	19,986,915.43		
NET POSITION-END OF PERIOD			19,310,286.01	19,978,488.74		

LA HABRA HEIGHTS COUNTY WATER DISTRICT

STATEMENTS OF REVENUE AND EXPENSES

For Three Months Ending September 30, 2023 and September 30, 2024

	Last Year Current Month Actual 9/30/2023	Current Month Actual 9/30/2024	Last Year YTD Actual 9/30/2023	Current YTD Actual 9/30/2024	Current Budget 2024/25	Actual 9/30/2024 % of budget 2024/25 25%
OPERATING REVENUES						
SALES-WATER	241,999.22	351,524.62	844,482.42	1,006,626.87	3,238,075.00	31%
SALES-READINESS TO SERVE	203,079.00	214,826.51	607,639.39	646,019.23	2,564,254.00	25%
SALES-MISCELLANEOUS	3,944.46	6,269.41	10,201.19	15,578.71	34,462.00	45%
LEASE-WATER RIGHTS	-	-	-	-	34,621.00	0%
TOTAL OPERATING REVENUES	449,022.68	572,620.54	1,462,323.00	1,668,224.81	5,871,412.00	28%
OPERATING EXPENSES						
PURCHASED WATER	11,308.25	4,375.80	20,441.45	13,886.24	273,803.00	5%
GROUND WATER REPLENISHMENT ASSMT	85,991.67	115,765.67	310,689.27	362,303.59	1,105,821.00	33%
POWER	72,681.71	106,301.11	225,143.64	290,310.70	766,229.00	38%
TOTAL SOURCE OF SUPPLY	169,981.63	226,442.58	556,274.36	666,500.53	2,145,853.00	31%
LABOR-PUMPING	4,220.11	4,730.24	13,224.48	14,632.45	63,706.00	23%
MAINTENANCE-PUMPING	2,440.60	3,459.92	6,973.87	10,055.39	69,817.00	14%
TOTAL PUMPING	6,660.71	8,190.16	20,198.35	24,687.84	133,523.00	19%
MAINT & LABOR-TREATMENT	4,629.83	5,596.29	13,990.54	19,463.54	77,146.00	25%
TOTAL TREATMENT	4,629.83	5,596.29	13,990.54	19,463.54	77,146.00	25%
LABOR-TRANS & DISTRIBUTION	16,826.82	17,112.41	68,993.62	54,041.06	254,222.00	21%
MAINT-TRANS & DISTRIBUTION	3,337.32	4,124.45	104,395.94	19,159.24	270,102.00	7%
JOINT FACILITIES-WELL,LM CONDUIT&RES	31,980.77	1,240.57	104,376.73	41,438.31	403,284.00	10%
ORCHARD DALE PORTION	(10,832.70)	(6,683.05)	(49,667.13)	(29,407.83)	(204,601.00)	14%
TOTAL TRANSMISSION&DISTRIBUTION	41,312.21	15,794.38	228,099.16	85,230.78	723,007.00	12%
LABOR&MAINT-CUSTOMER ACCOUNTS	36,109.11	23,040.53	51,273.70	59,409.56	195,103.00	31%
UNCOLLECTIBLE ACCOUNTS	379.28	-	379.28	-	3,937.00	0%
TOTAL CUSTOMER ACCOUNTS	36,488.39	23,040.53	51,652.98	59,409.56	199,040.00	30%
TOTAL OTHER OPERATING EXPENSES	89,091.14	52,621.36	313,941.03	188,791.72	1,132,716.00	17%
TOTAL SOURCE OF SUPPLY & OPERATING EXPENSES	259,072.77	279,063.94	870,215.39	855,292.25	3,278,569.00	26%
ADMINISTRATIVE & GENERAL EXPENSES						
LABOR-FIELD-SICK,VAC,HOLIDAY	7,819.59	6,137.85	15,440.38	15,099.74	75,125.00	20%
WAGES-MANAGEMENT	14,124.01	10,603.80	39,940.08	37,265.27	158,194.00	24%
WAGES-OFFICE	21,793.74	11,048.64	68,565.04	57,528.35	296,395.00	19%
WAGES-MGMT&OFFICE-SICK,VAC,HOLIDAY	4,661.80	6,372.98	14,747.22	13,671.98	98,527.00	14%
OFFICE SUPPLIES	2,186.53	2,434.89	6,882.42	7,187.93	45,080.00	16%
AUTO SERVICE	4,995.38	3,767.64	12,157.12	14,931.23	52,853.00	28%
BANK SERVICE CHARGE	795.49	1,006.70	822.19	1,223.70	10,527.00	12%
DUES & SUBSCRIPTIONS	14,240.00	16,209.00	17,451.98	21,716.39	29,953.00	73%
BUILDING SERVICE	85.00	2,030.26	5,405.68	6,515.37	22,671.00	29%
OFFICE EQUIPMENT MAINT	1,946.76	717.29	7,701.44	5,508.32	39,519.00	14%
PROFESSIONAL SERVICES	4,692.45	7,287.50	40,313.96	24,654.50	114,604.00	22%
EDUCATION & MEETINGS	-	435.89	3,473.10	3,286.11	17,495.00	19%

LA HABRA HEIGHTS COUNTY WATER DISTRICT

STATEMENTS OF REVENUE AND EXPENSES

For Three Months Ending September 30, 2023 and September 30, 2024

	Last Year Current Month Actual 9/30/2023	Current Month Actual 9/30/2024	Last Year YTD Actual 9/30/2023	Current YTD Actual 9/30/2024	Current Budget 2024/25	Actual 9/30/2024 % of budget 2024/25 25%
LEGAL	2,787.50	5,400.00	10,500.00	13,537.50	61,594.00	22%
UTILITIES	3,184.67	7,622.95	9,456.62	25,344.34	43,622.00	58%
ENGINEERING	4,910.50	2,125.00	6,062.50	4,165.00	37,995.00	11%
INSUR-AUTO, LIABILITY & PROPERTY	7,017.21	9,670.31	22,467.63	30,550.48	115,065.00	27%
INSUR-GROUP HEALTH & LIFE	15,277.58	17,041.04	45,711.29	50,931.22	223,968.00	23%
EMPLOYEE WORKERS COMPENSATION	8,206.44	7,512.39	8,467.64	8,156.83	31,273.00	26%
DENTAL	836.80	664.00	3,224.80	5,908.32	10,180.00	58%
RETIREMENT-CALPERS	12,431.47	3,987.02	27,778.36	26,677.72	160,053.00	17%
RETIREMENT-DEFERRED COMP	1,611.78	1,360.82	4,915.93	5,332.87	22,088.00	24%
RETIREMENT-CALPERS UNFUND ACCR LIAB	-	-	80,813.00	108,463.00	112,090.00	97%
MAINTENANCE-GENERAL PLANT	6,354.03	7,602.27	35,648.12	23,103.61	72,494.00	32%
CAPITAL IMPROVEMENTS	126,340.58	154,511.75	379,021.74	463,535.25	1,854,141.00	25%
PROPERTY TAXES	444.07	444.74	1,332.21	1,882.61	5,547.00	34%
PAYROLL TAXES	6,927.53	5,723.43	24,499.81	22,951.58	88,542.00	26%
TOTAL ADMIN & GENERAL EXP	273,670.91	291,718.16	892,800.26	999,129.22	3,799,595.00	26%
TOTAL OPERATING EXPENSES	532,743.68	570,782.10	1,763,015.65	1,854,421.47	7,078,164.00	26%
OPERATING INCOME (LOSS)	(83,721.00)	1,838.44	(300,692.65)	(186,196.66)	(1,206,752.00)	15%
NONOPERATING REVENUES						
INTEREST INCOME	14,780.00	22,442.62	42,422.00	62,754.94	202,727.00	31%
PROPERTY TAX INCOME	-	-	35,975.43	37,558.01	1,004,509.00	4%
RENT INCOME	10,902.57	11,057.42	33,108.23	31,769.38	126,683.00	25%
OIL ROYALTIES	1,080.09	1,054.03	2,973.40	3,064.14	12,982.00	24%
MISCELLANEOUS INCOME	(1,650.00)	-	2,787.22	-	4,194.00	0%
GAIN ON ASSET SOLD	-	7,557.50	-	7,557.50	-	0%
TOTAL NONOPERATING REVENUES	25,112.66	42,111.57	117,266.28	142,703.97	1,351,095.00	11%
NONOPERATING EXPENSES						
INTEREST EXPENSE-D/G LOAN	122.45	-	367.35	-	-	
LOSS ON INVESTMENT	-	-	-	-	-	0%
DIRECTORS FEES	-	600.00	1,000.00	1,100.00	9,900.00	11%
DIRECTORS EXPENSES	-	-	-	-	4,524.00	0%
ELECTION	-	-	-	-	-	0%
TOTAL NONOPERATING EXPENSES	122.45	600.00	1,367.35	1,100.00	14,424.00	8%
NET NONOPER REVENUES(EXPENSES)	24,990.21	41,511.57	115,898.93	141,603.97	1,336,671.00	11%
NET INCOME (LOSS) IN NET POSTION	(58,730.79)	43,350.01	(184,793.72)	(44,592.69)	129,919.00	-34%

STATUS OF INVESTMENTS

LA HABRA HEIGHTS COUNTY WATER DISTRICT

REPORT OF INVESTMENTS

FOR QUARTER ENDED SEPTEMBER 30, 2024

TYPE OF INVESTMENT	ISSUER	PURCHASE DATE	DAYS TO MATURITY	YIELD	AGENT/ BROKER	SOURCE OF VALUATION	BEGINNING BALANCE	ACTIVITY	ENDING BALANCE	MARKET VALUE	% ENDING BALANCE TO TOTAL PORTFOLIO
Pooled fund	Local Agency Investment Fund (LAIF)	NA	1	4.575	California State Treasurer	California State Treasurer	5,074,350	-1,092,746 a	3,981,604	3,962,910 b	79.3%
United States Treasury Bill	United States Treasury	3/31/2024	0	5.312	Charles Schwab	Charles Schwab Statement	512,446	-512,446 d	0	0	0.0%
United States Treasury Bill	United States Treasury	6/27/2024	182	5.353	Charles Schwab	Charles Schwab Statement	513,724	7,611 c	521,335	521,335	10.4%
United States Treasury Bill	United States Treasury	9/30/2024	164	4.400	Charles Schwab	Charles Schwab Statement	0	518,689	518,689	518,689	10.3%
TOTAL							6,100,520	-1,078,892	5,021,628	5,002,934	100.0%

- a- Deposited on 7/15/24, \$57,253.76 interest earned from April-June 2024: withdrew \$1,150,000 on 8/15/24
- b- LAIF ending balance was adjusted on financial statement by \$46,401 in June 2022 to market value
- b- LAIF ending balance was adjusted on financial statement by \$29,142 in June 2023 to market value
- b- LAIF ending balance was increased on financial statement by \$56,849 in June 2024 to market value
- c- Unrealized gain as of 9/30/24
- d- United States Treasury Bill matured on September 26, 2024; \$519,000 maturity, gain \$6,554, net \$512,446
- e- United States Treasury Bill purchased \$518,742, unrealized loss of \$53

All current investments and transactions during the month comply with the investment policy adopted by Resolution 23-02 adopted February 28, 2023

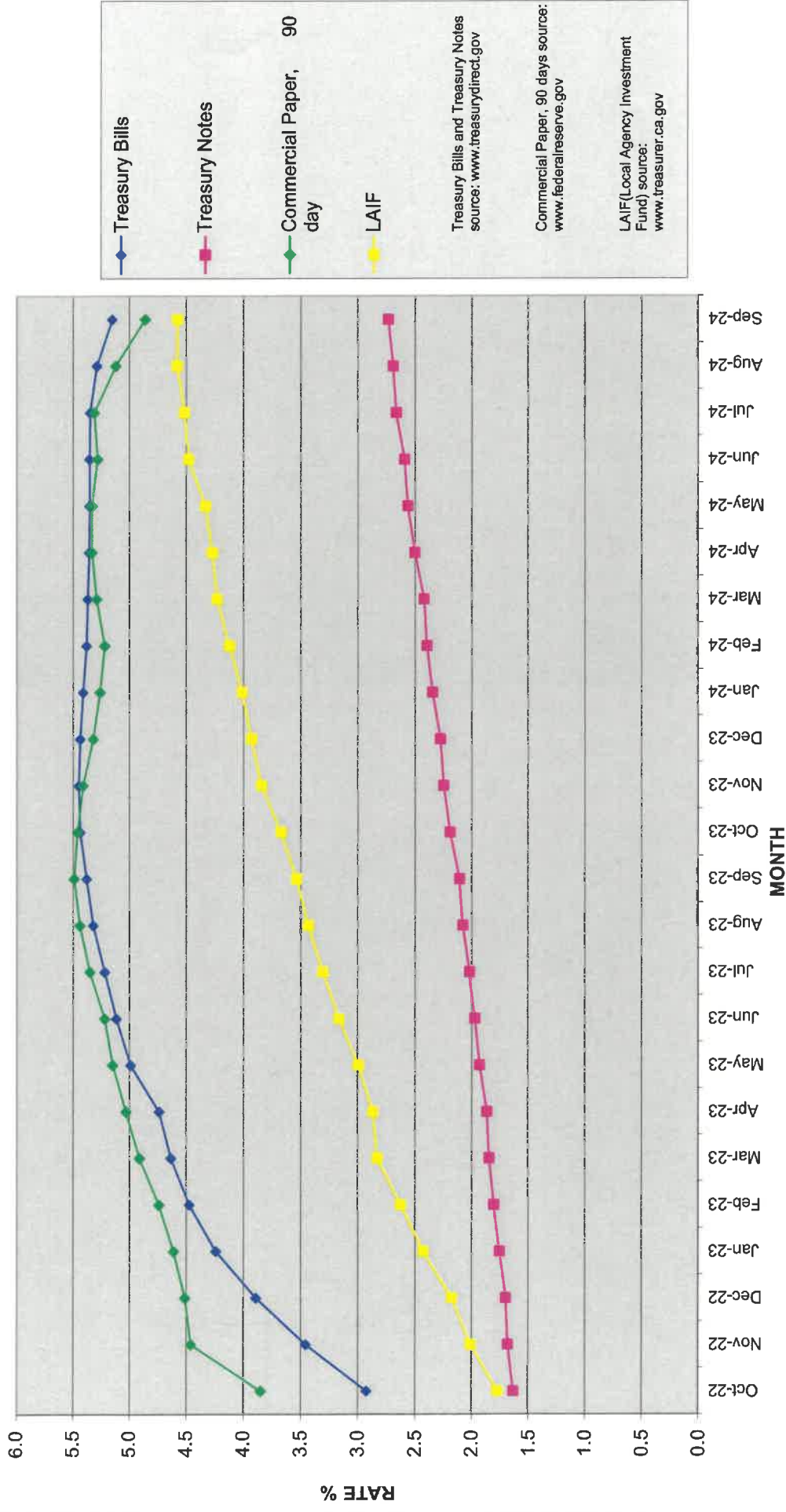
Pending any future action of Board of Directors or any unforeseen catastrophe, I certify that sufficient investment liquidity and anticipated revenue are available to meet the next six months of estimated expenditures.


 Tammy S. Wagstaff, Treasurer

October 21, 2024
 Date

LA HABRA HEIGHTS COUNTY WATER DISTRICT

Historical Interest Rates



WARRANTS

La Habra Heights County Water District

AP Check Register (Current by Bank)

Check No.	Date	Status*	Vendor ID	Payee Name	Amount
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BANK ID: 13100 - EFT TRANSFERS

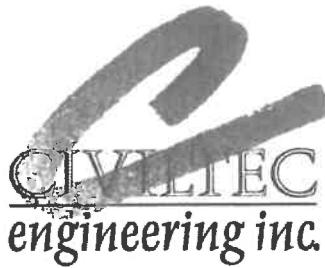
1002762363	10/23/24	M	0130	CALPERS	\$3,872.06
1002762364	10/23/24	M	0130	CALPERS	\$1,908.86
**1002764375	10/28/24	M	0130	CALPERS	\$1,638.62
BANK 13100 REGISTER TOTAL:					\$7,419.54

BANK ID: 13110 - CHECKING- WELLS FARGO

47330	10/29/24	P	0116	ACWA-JPIA	\$17,229.26
47331	10/29/24	P	0354	BEST LAWNMOWER, INC	\$150.95
47332	10/29/24	P	0013	CANNINGS HARDWARE	\$68.04
47333	10/29/24	P	0014	CENTRAL BASIN MWD	\$4,374.86
47334	10/29/24	P	0441	CINTAS CORPORATION	\$78.32
47335	10/29/24	P	0145	CIVILTEC ENGINEERING INC	\$57,590.00
47336	10/29/24	P	0518	CLIFTON LARSON ALLEN LLP	\$22,312.50
47337	10/29/24	P	0283	CONTINENTAL UTILITY SOLUTIONS	\$27.30
47338	10/29/24	P	0036	EPM POWER & WATER SOLUTIONS	\$11,707.05
47339	10/29/24	P	0389	FRONTIER COMMUNICATIONS	\$838.95
47340	10/29/24	P	0522	FULLERTON FORD	\$197.36
47341	10/29/24	P	0099	GRAINGER INC	\$644.42
47342	10/29/24	P	0033	J A SALAZAR CONSTRUCTION	\$3,659.16
47343	10/29/24	P	0205	JOE MATTHEWS	\$50.00
47344	10/29/24	P	0550	KAIZEN COLLISION CENTER	\$7,725.00
47345	10/29/24	P	0133	KONICA MINOLTA	\$132.73
47346	10/29/24	P	0001	LESLIE J. CONTRERAS	\$157.19
47347	10/29/24	P	0051	LINCOLN FINANCIAL GROUP	\$2,431.11
47348	10/29/24	P	0174	MICHELLE PEREZ	\$307.20
47349	10/29/24	P	0503	MICHELLE SAVAGE	\$187.20
47350	10/29/24	P	0534	ODP BUSINESS SOLUTIONS, LLC.	\$68.66
47351	10/29/24	P	0578	PETER VOCELKA	\$2,103.13
47352	10/29/24	P	0258	S&J SUPPLY CO, INC	\$184.31
47353	10/29/24	P	0185	S.C.W.U.A.	\$80.00
47354	10/29/24	P	0147	SAN GABRIEL VALLEY WATER CO	\$140.52
47355	10/29/24	P	0567	SOL CONSTRUCTION, INC.	\$23,943.80
47356	10/29/24	P	0229	SOUTH COAST AQMD	\$707.00
47357	10/29/24	P	0068	SOUTHERN CALIF EDISON CO	\$20,638.20
47358	10/29/24	P	0037	SWRCB	\$2,673.00
47359	10/29/24	P	0486	TAMMY WAGSTAFF	\$205.67
47360	10/29/24	P	0386	VERIZON WIRELESS	\$731.84
47361	10/29/24	P	0094	WECK LABORATORIES, INC	\$1,925.00
BANK 13110 REGISTER TOTAL:					\$183,269.73
GRAND TOTAL :					\$190,689.27

* Check Status Types: "P" - Printed ; "M" - Manual ; "V" - Void (Void Date); "A" - Application; "E" - EFT** Denotes broken check sequence.





Civil, Water, Wastewater, Drainage and Transportation Engineering
Construction Management • Surveying
California • Arizona

October 14, 2024

La Habra Heights County Water District
1271 North Hacienda Road
La Habra Heights, CA 90631

Attention: Joe Matthews, General Manager

Subject: Engineering Activities for the Month of **September 2024**
Invoice Backup Support - Billing Period through September 27, 2024

Dear Mr. Matthews:

The La Habra Heights County Water District requires Engineering Support from **CIVILTEC engineering, inc. (Civiltec)** at times on various projects. This work is provided on a time and materials basis when requested and directed by LHHCWD management. Following is an explanation of time spent to back up the **September 2024** invoicing. The numbering system is the **Civiltec** project number and tracking system.

2024140.00 – General Engineering Support FY24-25. This project has been established to aid the District in general engineering inquiries, participate in meetings, hydraulic modeling and calibration and overall engineering support. The total budget for General Engineering Support has been established at \$25,000.00 for each Fiscal Year. Below is an accounting of expenditures under this **Civiltec** job number for FY 2024-25.

There were expenditures of \$1,860.00 in September 2024 for work on the District Wall Map. Gretel and Zoie spent 11.50 hours researching and making updates to the Map in AutoCAD – the Map has not been updated since 2015. There are about seven pipeline CIPs to add to the Map. This work is complete, and plots were provided to LHHCWD on September 26, 2024. The remaining budget is \$22,025.00.

2024141.00 – Engineering Fireflow Modeling FY24-25. This project has been established to aid the District with computer model simulations for fireflow requests by LHHCWD customers. Below is an accounting of expenditures under this **Civiltec** job number for FY 2024-25.

There were expenditures in the month of September 2024 totaling \$2,850.00. We have set up new project numbers per fire flow simulation. We are using this main number 2024141 and have put extensions starting with .01 for the first request.

2024151.06 Fire Flow Modeling for 1825 El Travesia Drive	\$520.00
2024141.07 Fire Flow Modeling for 713 West Road	\$600.00

605 East Huntington Drive, Suite 205, Monrovia, CA 91016 | P 626.357.0588





2024141.08 Fire Flow Modeling for 962 Reposaso Drive	\$600.00
2024141.09 Fire Flow Modeling for 405 Reposaso Drive	\$565.00
2024141.10 Fire Flow Modeling for 1778 Kashlan Road	\$565.00

2022169.00 – Well No. 12 Well Siting Study. LHHWCWD plans to drill a new well in the Judson Well Field. The overall budget for the project is \$157,770.00. There were no expenditures in September 2024. The District is currently considering the destruction of Well No. 9 and civil improvements to the Well No. 9 discharge pit. The remaining budget is \$27,946.50.

2023149.00 – Reservoir 10A Rehabilitation. The Reservoir 10A project is near complete. The contractor completed sandblasting and coating the interior. PRT and CSE completed the installation of the tank appurtenances. J Colon has completed the exterior coating work, minus one final coat on the roof. *Civiltec* is providing part time observation work and issuing weekly reports and photos. We shifted to part time observation work in September to match the work effort. The overall budget is \$140,430.00. There were expenditures in the month of September 2024 totaling \$16,126.25. The remaining budget is \$2,982.50. The Reservoir has been filled and water quality samples taken. It is anticipated the Reservoir will be placed into service the first week of October.

2024807.00 – PFAS Grant Application. LHHWCWD is working with WRD to secure grant funding for a new PFAS Treatment Plant. Grace Kast is preparing the grant funding applications to WRD and assisting with the EPA grant. *Civiltec* staff is supporting Ms. Kast with as needed cost estimating and preparing exhibits. The budget established for the *Civiltec* effort is \$15,915.00. There were expenditures in the month of September 2024 totaling \$2,650.00. The remaining budget is \$1,331.25.

2024814.00 – PFAS Treatment Plant Design. LHHWCWD and *Civiltec* have executed a professional services agreement for the design of the new PFAS Treatment Plant. The kickoff meeting has been conducted. The design team is currently working in Phase 2 – Preliminary Engineering and Site Survey and Phase 3 – Prepurchase Equipment RFP. The site has been surveyed, photo documented and the topographic map has been created. Preliminary piping layouts and site planning is underway. The budget established for the *Civiltec* effort is \$421,360.00. There were expenditures in the month of September 2024 totaling \$34,103.75. The remaining budget is \$370,013.75.

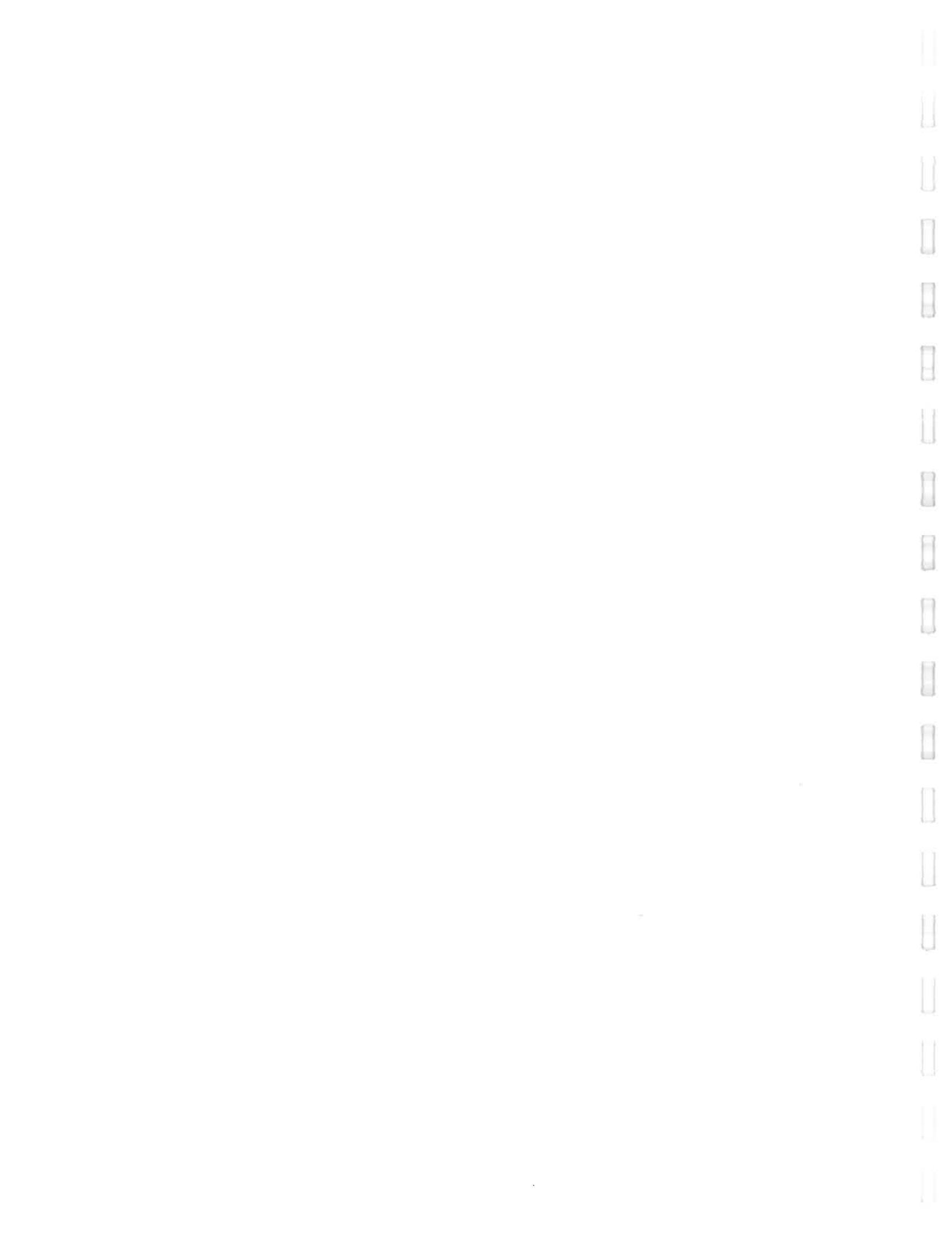
I hope this information helps with your processing of the project invoices. Please let me know if you have any questions.

Very truly yours,

CIVILTEC engineering, inc.

A handwritten signature in blue ink, appearing to read 'W. David Byrum'.

W. David Byrum, P.E.
President, Principal Engineer



REPORT OF SUPERINTENDENT

LA HABRA HEIGHTS COUNTY WATER DISTRICT

MEMORANDUM

DATE: 11/6/24
TO: JOE MATTHEWS, GENERAL MANAGER
& BOARD OF DIRECTORS
FROM: IVAN RAMIREZ, SUPERINTENDENT
SUBJECT: SUPERINTENDENT'S REPORT FOR OCTOBER 2024

System and Scada Equipment Maintenance

- Repaired six service leaks and two main leaks. We are working with Mike Silander on one of the main leaks, due to damages from a contractor not properly marking for their USA ticket.
- Gualtieri Plant is the last wireless line that needs to be replaced. TPX is waiting on permits to complete the switch over for this Plant to a secure landline for SCADA.
- Cabinetry in office has been received and awaiting installation from the contractor.

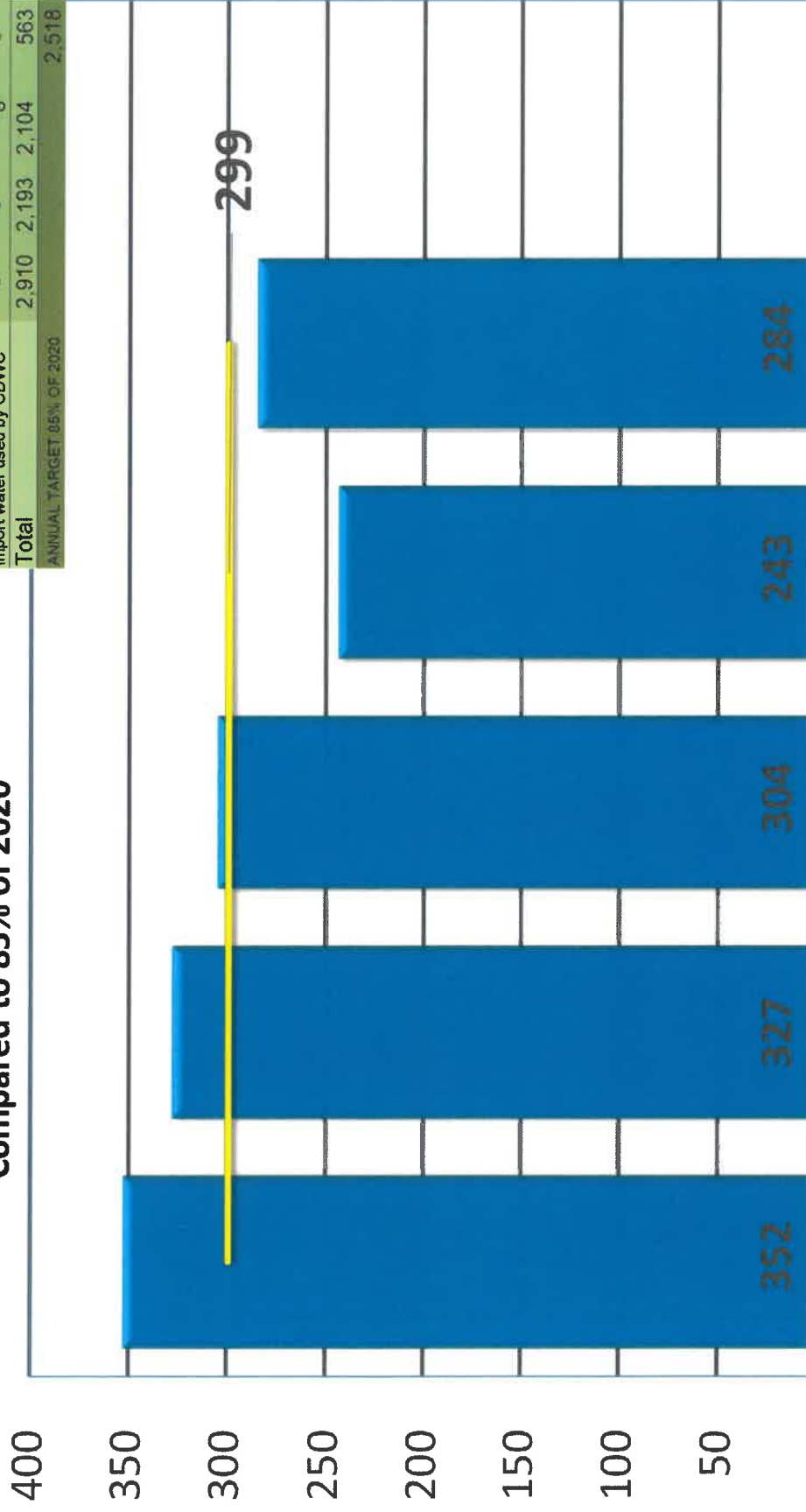
Rehabilitation of 10A

- 10A Reservoir asphalt around the tank was repaired and slurry sealed completing this project.

LA HABRA HEIGHTS COUNTY WATER DISTRICT

Production in acre feet for **AUGUST**

Compared to 85% of 2020



2020 21/22 22/23 23/24 24/25

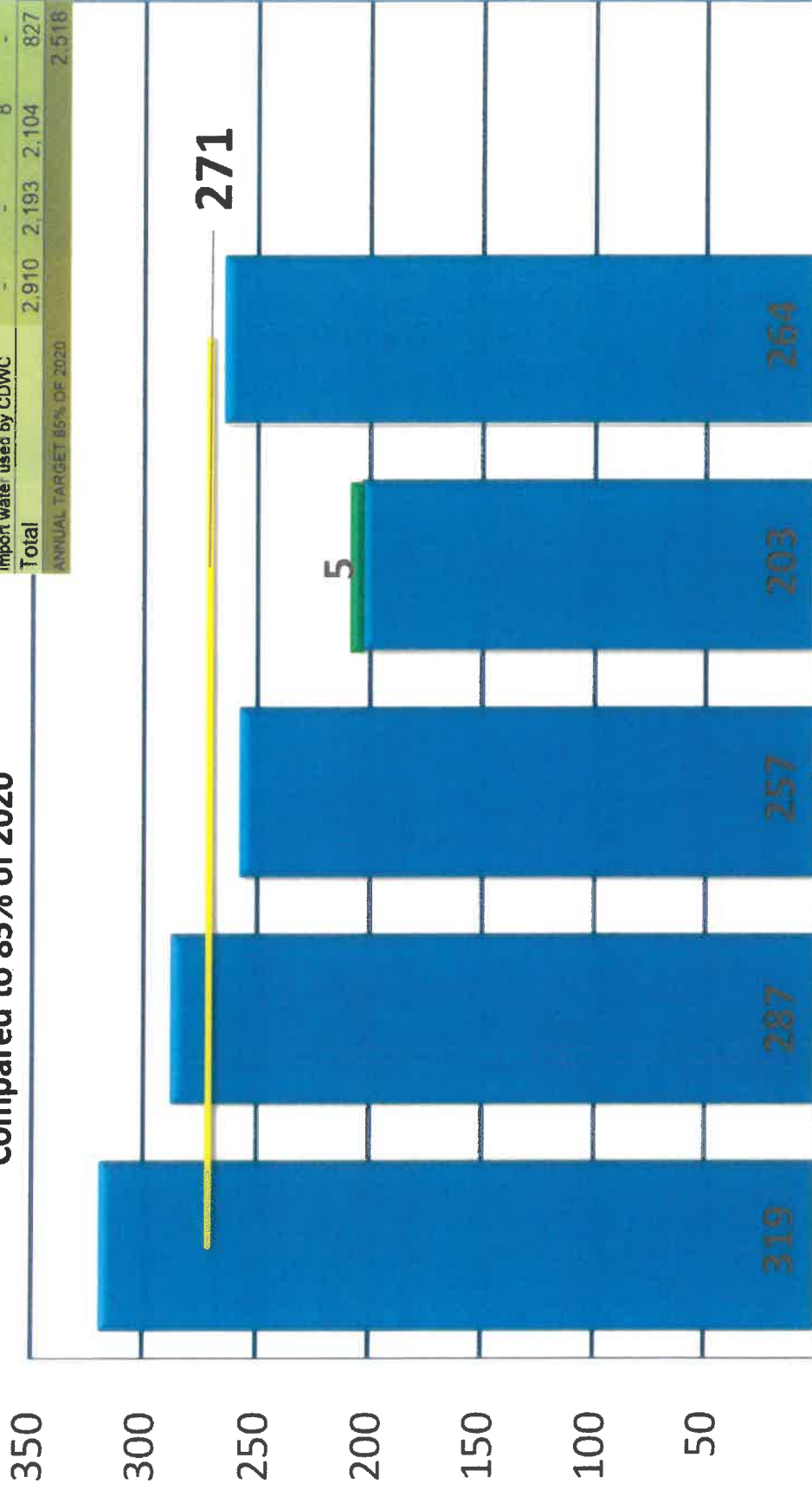
Import
Import water used by California Domestic Water Company from District's Central Basin Municipal Water District connection
Groundwater
85% of 2020 Month Target

ANNUAL WATER USAGE				
Water Source	2021/2022	2022/2023	2023/2024	2024/25 THRU AUG
Groundwater	2,910	2,193	2,083	563
Import	-	-	13	-
Import water used by CDWC	-	-	8	-
Total	2,910	2,193	2,104	563
ANNUAL TARGET 85% OF 2020				
	2,518			

LA HABRA HEIGHTS COUNTY WATER DISTRICT

Production in acre feet for **SEPTEMBER**

Compared to 85% of 2020



2020 21/22 22/23 23/24 24/25

- Import
- Import water used by California Domestic Water Company from District's Central Basin Municipal Water District connection
- Groundwater
- 85% of 2020 Month Target

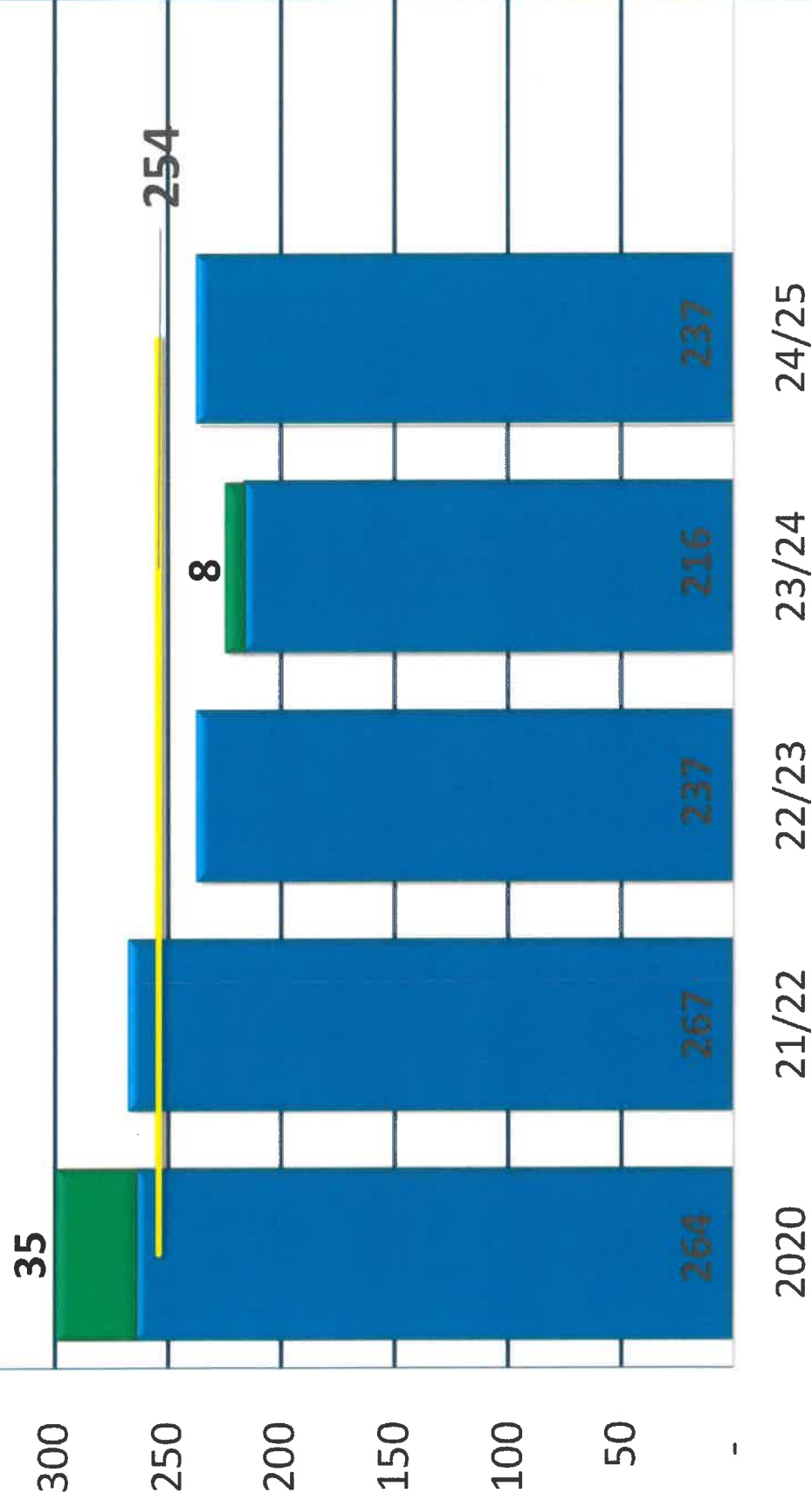
ANNUAL WATER USAGE					
Water Source	2021/2022	2022/2023	2023/2024	2024/25 THRU SEPT	
Groundwater	2,910	2,193	2,083	827	
Import	-	-	13	-	
Import water used by CDWC	-	-	8	-	
Total	2,910	2,193	2,104	827	
ANNUAL TARGET 85% OF 2020					
	2,518				

LA HABRA HEIGHTS COUNTY WATER DISTRICT

Production in acre feet for **OCTOBER**

Compared to 85% of 2020

ANNUAL WATER USAGE					
Water Source	2021/2022	2022/2023	2023/2024	2024/25 THRU OCT	
Groundwater	2,910	2,193	2,083	1,064	
Import	-	-	13	-	
Import water used by CDWC	-	-	8	-	
Total	2,910	2,193	2,104	1,064	
ANNUAL TARGET 85% OF 2020					2,518



- Import
- Import water used by California Domestic Water Company from District's Central Basin Municipal Water District connection
- Groundwater
- 85% of 2020 Month Target

**DISCUSS AND ACTION INVESTING IN
WELLS FARGO MONEY MARKET
ACCOUNT**

LA HABRA HEIGHTS COUNTY WATER DISTRICT

MEMORANDUM

DATE: NOVEMBER 12 , 2024

TO: BOARD OF DIRECTORS

FROM: JOE MATTHEWS, SECRETARY/GENERAL MANAGER

SUBJECT: INVESTING IN WELLS FARGO MONEY MARKET ACCOUNT

Director McVicar requested to agendize investing in a money market account with Wells Fargo Bank for discussion at the meeting.

RESOLUTION 24-12

A RESOLUTION BY THE BOARD OF DIRECTORS OF LA HABRA HEIGHTS COUNTY WATER DISTRICT TO AMEND ITS EMPLOYEE POLICIES AND PROCEDURES MANUAL AS TO DISCIPLINARY ACTION; DISCIPLINARY APPEALS AND TERMINATION

1. RECITALS

WHEREAS La Habra Heights County Water District ("LHHCWD") amended its Employee Policies and Procedures Manual ("Manual") on November 12, 2024, by adopting Resolution 24-12;

WHEREAS Section 4- Employment, I.5. and J of the former Manual required to be amended to update the process of disciplinary action, appeals and termination; and

WHEREAS LHHCWD wants to update the process for disciplinary action.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF LHHCWD AS FOLLOWS:

2. RESOLUTION

LHHCWD's Board of Directors hereby amends Section 4-Employment, I.5. and J of the Manual as attached in Exhibit A.

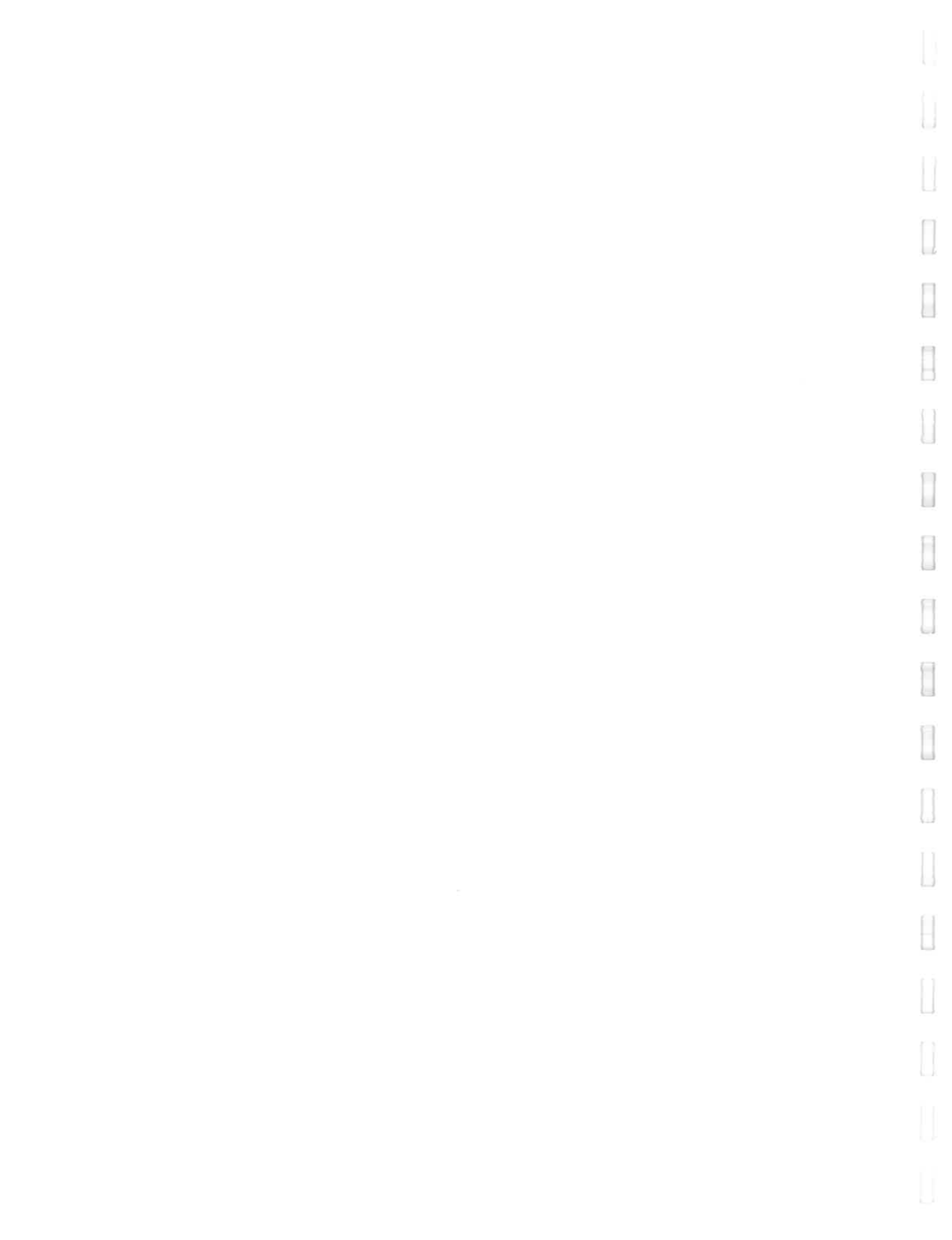
ADOPTED, SIGNED, AND APPROVED this 12th day of November 2024.

Brad Cooke, President
Board of Directors of
La Habra Heights County Water District

ATTEST:

Joe Matthews, Secretary, La Habra Heights
County Water District

(SEAL)



I, JOE MATTHEWS, Secretary of the Board of Directors of the La Habra Heights County Water District, do hereby certify that the foregoing Resolution was introduced at a regular meeting of the Board of Directors of said District, held on the 12th day of November 2024, and was adopted at that meeting by the following vote:

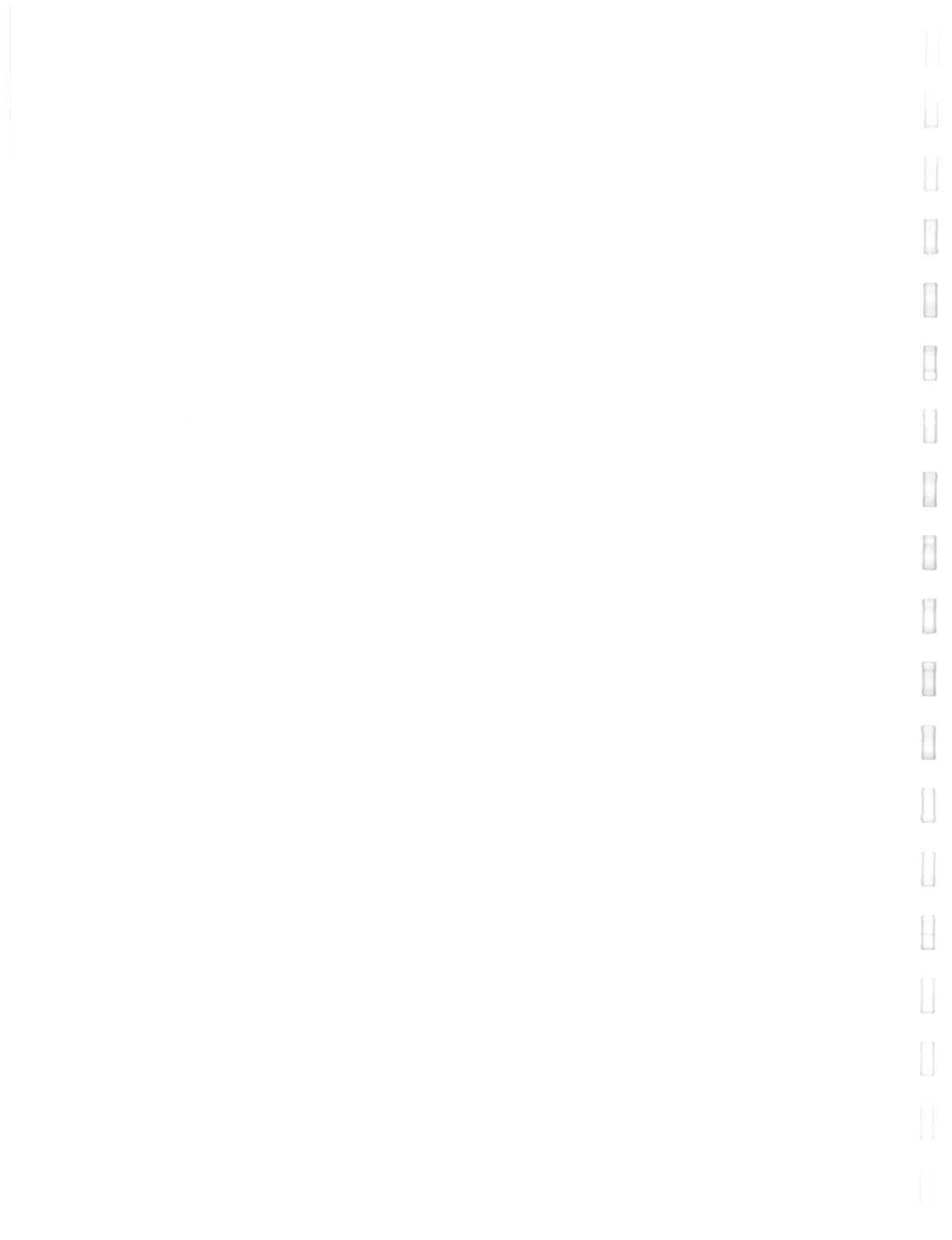
AYES:

NOES:

ABSTAIN:

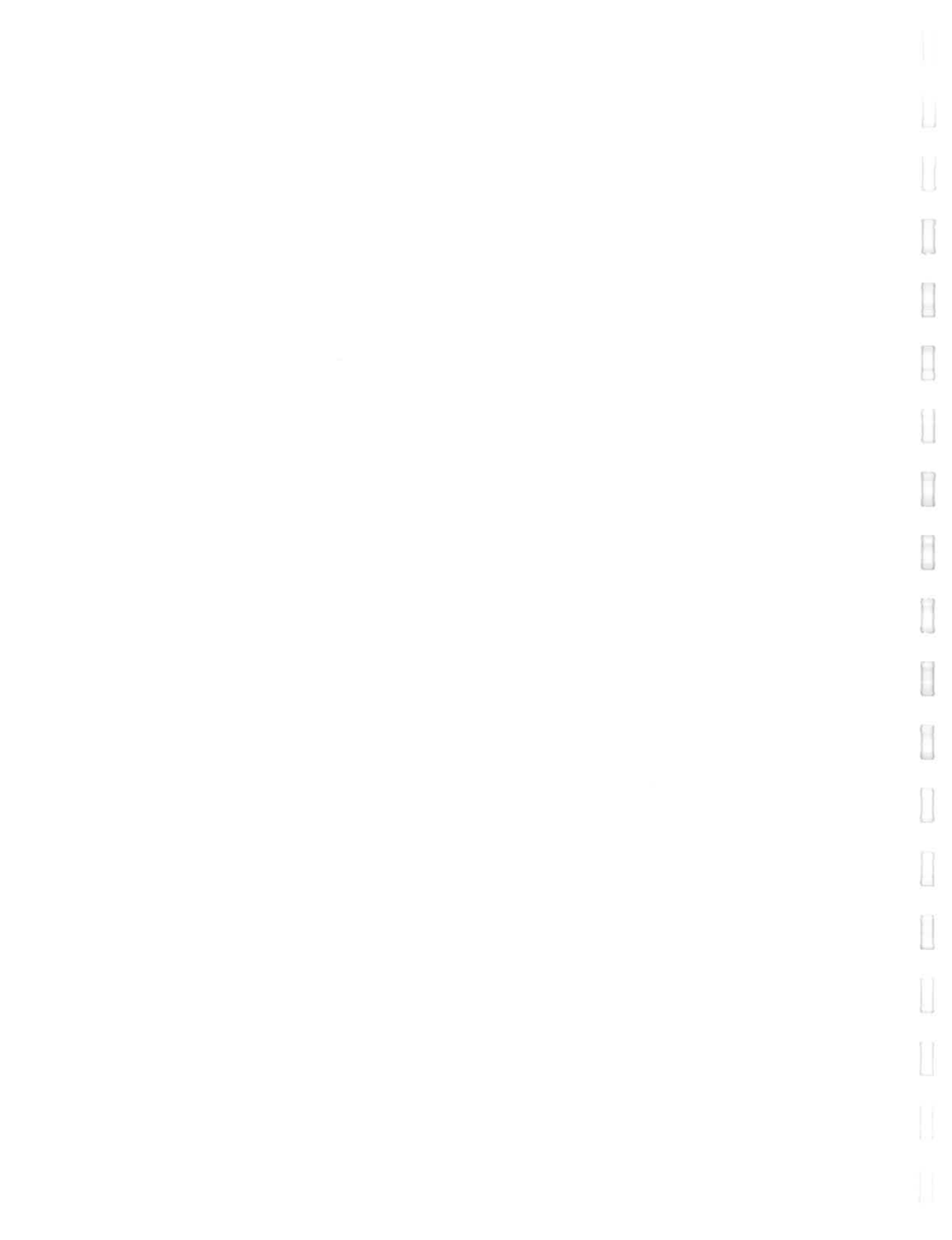
ABSENT:

Joe Matthews, Secretary
Board of Directors of the
La Habra Heights County Water District



4. Pre-disciplinary Procedures for Suspension, Demotion, Reduction or Discharge.

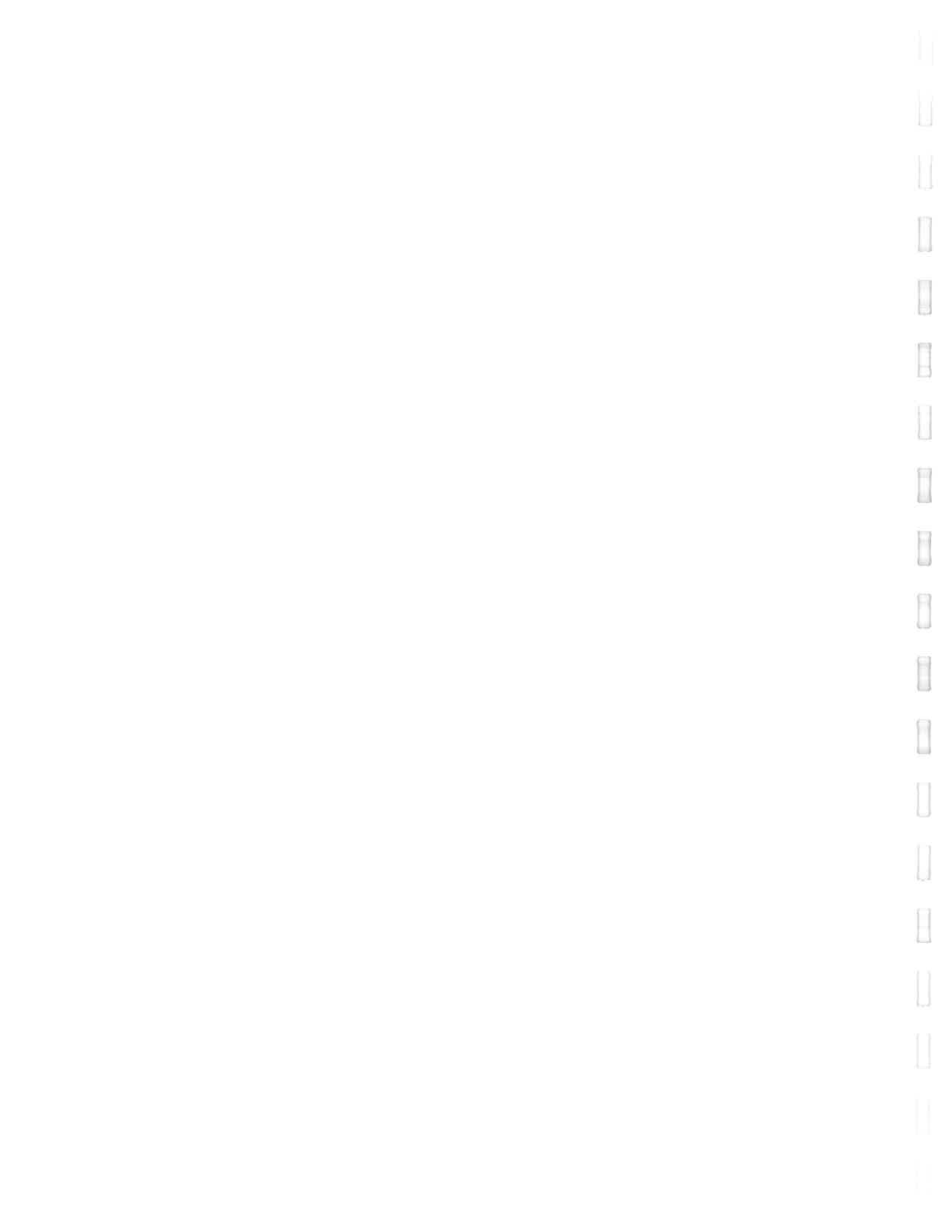
- a. Prior to suspending for six (6) or more days, demoting, or reducing or discharging an employee, a written notice of such proposed disciplinary action shall be served on the employee at least five (5) business days prior to the effective date of the proposed action. Such written notice shall contain:
 - (1) a description of the proposed action and its effective date(s);
 - (2) a statement of the reasons for such proposed action, including the acts or omissions on which the proposed action is based;
 - (3) copies of material on which the proposed action is based;
 - (4) a statement of the employee's right to respond, either orally or in writing, prior to the effective date of such proposed action;
 - (5) a statement of the employee's right to representation;
 - (6) a statement of the employee's right to appeal should such proposed action become final.
- b. Prior to the effective date of such suspension, demotion, reduction or discharge, an employee will be given an opportunity to respond either orally or in writing, at the employee's option, to his or her Division Head.
- c. If the employee exercises the rights provided under Subsection (b), above, the Division Head shall issue a written notice either sustaining, modifying or canceling the proposed disciplinary action, at which time that action becomes final and effective. If the employee does not exercise the right to respond to the Division head under Subsection (b), above, the action becomes final at the effective date set forth under Subsection (a), above.
- d. Should a proposed suspension, demotion, reduction, or discharge become final, an employee shall have the right to appeal such action pursuant to this Subsection. Notwithstanding this right to appeal, the decision to suspend, demote, reduce, or discharge becomes final and effective as of the date the written notice in Subsection (c), above, is issued.
- e. An employee shall be given reasonable time off without loss of pay to attend a pre-disciplinary meeting with his or her Division Head and any disciplinary appeal hearing pursuant to this Subsection.



- f. An employee may represent himself or herself or may be represented at a pre-disciplinary meeting with his or her Division Head and any disciplinary appeal hearing pursuant to Subsection 5.

5. Disciplinary Appeals

- a. An appeal of a suspension, demotion, reduction or discharge may be appealed to the General Manager. The appeal shall be presented to the General Manager within ten (10) calendar days following the employee's receipt of the Division Head's written notice of discipline. All disciplinary appeals shall be in writing and shall be signed by the employee.
- b. The General Manager may hear the appeal personally or may refer the appeal to a Hearing Officer for hearing and an advisory recommendation. The appeal shall be conducted as soon as practicable following the General Manager's receipt of the appeal.
- c. The issue in all disciplinary appeals shall be: Was employee suspended, demoted, reduced, discharged for just cause?
- d. The General Manager may sustain, modify, or rescind an appealed disciplinary action, at the General Manager's sole discretion. If an action to suspend, demote, reduce, or discharge is modified, or rescinded, the General Manager shall, in his sole discretion, determine the suitable remedies as they apply to the appealing employee's future employment with District.
- e. At the hearing, both the appealing employee and the District shall have the right to be heard and to present evidence. The following rules shall apply:
 - (1) Oral evidence shall be taken only on oath or affirmation.
 - (2) Each party shall have these rights: to call and examine witnesses, to introduce exhibits, to cross-examine opposing witnesses on any matter relevant to the issues even though that matter was not covered in the direct examination, to impeach any witness regardless of which party first called the witness to testify and to rebut the evidence against the witness.
- f. The hearing need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might have made improper the admission of such



evidence over objection in civil actions. Hearsay evidence may be used for the purpose of supplementing or explaining any direct evidence but shall not be sufficient in itself to support a finding unless it would be admissible over objection in civil actions. The rules of privilege shall be effective to the same extent that they are now or hereafter may be recognized in civil actions and irrelevant and unduly repetitious evidence shall be excluded.

- g. The decision of the General Manager shall be final and binding on all parties.

J. Termination

Upon termination, the employee shall be given the option to attend an exit interview. During this interview, the employee will be given a check for all monies due as computed to termination date, with exception to employees participating in automatic direct deposit of pay. This review will also include a discussion of all benefits, including accrued sick leave, accrued vacation, the District's retirement plan, health insurance, life insurance, dental benefits and disability insurance. If the employee declines to participate in an exit interview, the final check for all monies due will be provided to the employee within the timeframe provided for by California law.

All District-owned equipment should be returned to the District at the time of termination. District-owned equipment includes, but is not limited to the following:

- a. District-owned vehicles and all keys to the vehicle in employee's possession
- b. Other keys to District property and facilities
- c. Uniforms, jackets, and District-issued PPE
- d. District owned cell phones, lap top computers and iPads
- e. Any other District owned equipment in employee's possession



RESOLUTION NO. 24-12

**A RESOLUTION OF THE BOARD OF
DIRECTORS OF LA HABRA HEIGHTS
COUNTY WATER DISTRICT
("DISTRICT") AMENDING DISTRICT'S
EMPLOYEE POLICIES AND
PROCEDURES MANUAL ("MANUAL")**

LA HABRA HEIGHTS COUNTY WATER DISTRICT

MEMORANDUM

DATE: NOVEMBER 12, 2024
TO: BOARD OF DIRECTORS
FROM: JOE MATTHEWS, SECRETARY/GENERAL MANAGER
**SUBJECT: RESOLUTION 24-12 EMPLOYEE POLICIES AND PROCEDURES
MANUAL REVISION**

Unfortunately, we found another needed revision for our Employee Policies and Procedures Manual. An employee recently resigned to avoid a disciplinary action of discharge of employment for cause. Throughout the process, we found the District has little power to discharge employment for cause without giving employees an excessive amount of time before final action can be taken. The proposed changes will make disciplinary actions, up to and including discharge of employment, less difficult for the District and less confusing for employees. Please see the attached marked up section of Disciplinary Actions, along with Resolution 24-12 for your approval.

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4. Pre-disciplinary Procedures for Suspension, Demotion, Reduction or Discharge.

- a. Prior to suspending for six (6) or more days, demoting, or reducing or discharging an employee, a written notice of such proposed disciplinary action shall be served on the employee ~~personally, or by certified mail,~~ at least ~~fifteen (15)~~ five (5) calendar ~~business~~ days prior to the effective date of the proposed action. Such written notice shall contain:
 - (1) a description of the proposed action and its effective date(s);
 - (2) a statement of the reasons for such proposed action, including the acts or omissions on which the proposed action is based;
 - (3) copies of material on which the proposed action is based;
 - (4) a statement of the employee's right to respond, either orally or in writing, prior to the effective date of such proposed action;
 - (5) a statement of the employee's right to representation;
 - (6) a statement of the employee's right to appeal should such proposed action become final.
- b. Prior to the effective date of such suspension, demotion, reduction or discharge, an employee will be given an opportunity to respond either orally or in writing, at the employee's option, to his or her Division Head.
- c. If the employee exercises the rights provided under Subsection (b), above, the Division Head shall issue a written notice either sustaining, modifying or canceling the proposed disciplinary action, at which time that action becomes final and effective. prior to the effective date of such action. If the employee does not exercise the right to respond to the Division head under Subsection (b), above, the action becomes final at the effective date set forth under Subsection (a), above.
- d. Should a proposed suspension, demotion, reduction, or discharge become final, an employee shall have the right to appeal such action pursuant to this Subsection. Notwithstanding this right to appeal, the decision to suspend, demote, reduce, or discharge becomes final and effective as of the date the written notice in Subsection (c), above, is issued.



- e. An employee shall be given reasonable time off without loss of pay to attend a pre-disciplinary meeting with his or her Division Head and any disciplinary appeal hearing pursuant to this Subsection.
- f. An employee may represent himself or herself or may be represented at a pre-disciplinary meeting with his or her Division Head and any disciplinary appeal hearing pursuant to Subsection 5.

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- a. An appeal of a suspension, demotion, reduction or discharge may be appealed to the General Manager. The appeal shall be presented to the General Manager within ten (10) calendar days following the employee's receipt of the Division Head's written notice of discipline. All disciplinary appeals shall be in writing and shall be signed by the employee.
- b. The General Manager may hear the appeal personally or may refer the appeal to a Hearing Officer ²²² for hearing and an advisory recommendation. The appeal shall be conducted as soon as practicable following the General Manager's receipt of the appeal.
- c. The issue in all disciplinary appeals shall be: Was (employee's name) suspended, demoted, reduced, ~~discharged~~ ^{for discharged} for just cause?
- d. The General Manager may sustain, ~~reduce, modify,~~ or rescind an appealed disciplinary action, at the General Manager's sole discretion. ~~If an action to suspend, demote, or reduce, or discharge in pay is reduced is modified, or rescinded, the General Manager shall, in his sole discretion, determine the suitable remedies as they apply to the appealing employee's future employment with District. the appellant shall be entitled to restoration of pay and/or benefits in a manner consistent with the General Manager's decision. If an action to discharge is reduced, the appellant shall be restored to a position in his or her former class subject to forfeiture of pay and benefits for all or a portion of the period of time the appellant was removed from duty as determined by the General Manager. If an action to discharge is rescinded, the appellant shall be reinstated in a position in his or her former class and shall receive pay and benefits for all of the period of time he or she was removed from duty.~~
- e. At the hearing, both the appealing employee and the District shall have the right to be heard and to present evidence. The following rules shall apply:

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- (1) Oral evidence shall be taken only on oath or affirmation.
 - (2) Each party shall have these rights: to call and examine witnesses, to introduce exhibits, to cross-examine opposing witnesses on any matter relevant to the issues even though that matter was not covered in the direct examination, to impeach any witness regardless of which party first called the witness to testify and to rebut the evidence against the witness.
- f. The hearing need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might have made improper the admission of such evidence over objection in civil actions. Hearsay evidence may be used for the purpose of supplementing or explaining any direct evidence but shall not be sufficient in itself to support a finding unless it would be admissible over objection in civil actions. The rules of privilege shall be effective to the same extent that they are now or hereafter may be recognized in civil actions and irrelevant and unduly repetitious evidence shall be excluded.
- g. The decision of the General Manager shall be final and binding on all parties.

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All District-owned equipment should be returned to the District at the time of termination. District-owned equipment includes, but is not limited to the following:

- a. District-owned vehicles and all keys to the vehicle in employee's possession
- a. Other keys to District property and facilities
- b. Other keys to District property and facilities
- c. Uniforms, jackets, and District-issued PPE

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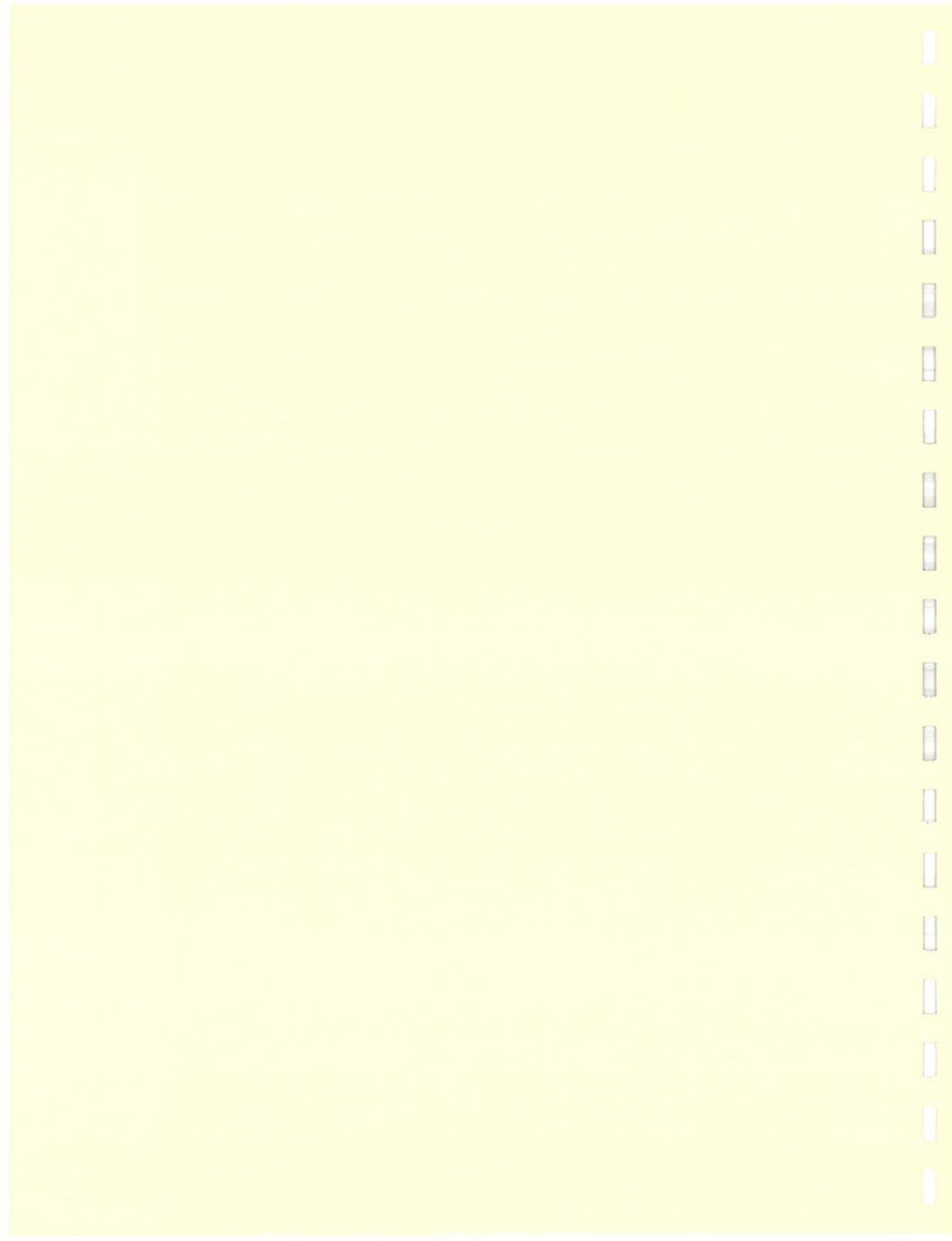
d. District owned cell phones, lap top computers and iPads

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e. Any other District owned equipment in employee's possession

**DISCUSS AND APPROVE
MEMORANDUM OF
UNDERSTANDING BY AND BETWEEN
LA HABRA HEIGHTS COUNTY
WATER DISTRICT AND THE WATER
REPLENISHMENT DISTRICT OF
SOUTHERN CALIFORNIA
REGARDING FUNDING UNDER THE
UNITED STATES ENVIRONMENTAL
PROTECTION AGENCY COMMUNITY
GRANTS PROGRAM**



LA HABRA HEIGHTS COUNTY WATER DISTRICT

MEMORANDUM

DATE: NOVEMBER 12, 2024
TO: BOARD OF DIRECTORS
FROM: JOE MATTHEWS, SECRETARY/GENERAL MANAGER
**SUBJECT: APPROVAL OF MOU BETWEEN WATER REPLENISHMENT
DISTRICT AND LA HABRA HEIGHTS COUNTY WATER
DISTRICT REGARDING EPA GRANT FOR PFAS TREATMENT**

Water Replenishment District (WRD) sent a Memorandum of Understanding (MOU) between La Habra Heights County Water District (District) and WRD regarding Environmental Protection Agency grant funding. We will discuss the District's position of WRD's proposed MOU at the meeting.

**MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN LA HABRA HEIGHTS COUNTY WATER DISTRICT AND
THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
REGARDING FUNDING UNDER THE UNITED STATES ENVIRONMENTAL
PROTECTION AGENCY COMMUNITY GRANTS PROGRAM**

This Memorandum of Understanding, hereinafter ("MOU"), is made and entered by and between the La Habra Heights County Water District ("Participant"), and the Water Replenishment District of Southern California ("WRD") or together as ("Parties").

RECITALS

WHEREAS, in fiscal year 2023, the United States Environmental Protection Agency ("EPA"), through its Community Grants Program awarded through WRD to an eligible pumper a two million five hundred-thousand-dollar grant ("Grant"); and

WHEREAS, WRD in administering the Grant identified Participant as good candidate for the Grant, notifying Participant of the opportunity on July 27, 2023; and

WHEREAS, On July 8, 2024, Participant signed and returned the attached Letter of Intent ("LOI") attached hereto as Exhibit "A" to this MOU; and

WHEREAS, WRD was selected by the EPA for this Grant to assist the Participant by performing grant administrative tasks, including but not limited to submitting progress reports for the Participant's eligible project reimbursements under the Grant; and

WHEREAS, once WRD receives the funds from the EPA, WRD will reimburse the Participant for approved eligible costs under the Grant not to exceed a total of \$2,500,000.00; and

WHEREAS, the Grant is for the reimbursement of equipment purchases only, consistent with the Workplan attached hereto as Exhibit "C"; and

WHEREAS, Participant acknowledges that it is its sole responsibility to comply with any and all applicable funding requirements, identified in the attached EPA Subaward Policy, Grants Policy Issuance (GPI) 16-01 Subaward Policy and requirements under the Community Grants Program implementation guidance document, all attached hereto as Exhibit "B" to this MOU; and

WHEREAS, Participant acknowledges that the Grant program participation and compliance is a labor-intensive process and agrees to comply with the documents attached hereto outlining the requirements, along with any additional requirements imposed under the Grant, including but not limited to information required and or

requested under the Grant, all necessary data and information required prior to, during and post construction for funding and Grant reporting, complete all required federal and state environmental compliance (including, but not limited to, the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA)), meeting the requirements of EPA's Competitive Procurement Policy, EPA's Disadvantaged Business Enterprise Program, Davis Bacon Act, and Build America, Buy American (BABA) along with all EPA and Federal cross-cutter requirements as outlined in the most recent Final Implementation Guidance for the Community Grants Program; and

WHEREAS, WRD agrees to provide identified services to aid the Participant provided Participant agrees to the terms of this MOU; and

WHEREAS, Participant agrees to complete all construction within 5 years of the date of award.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING, IT IS UNDERSTOOD AND AGREED BETWEEN THE PARTIES:

Section 1: The above recitals and the attached exhibits are incorporated herein as provisions of this MOU.

Section 2: Participant hereby requests the assistance of WRD as set forth herein and accepts the conditions of assistance for the Program, acknowledging that upon award WRD will submit progress reports and invoices to the EPA on behalf of the Participant for reimbursement. Participant acknowledges that all reimbursement decisions will be made by the EPA and WRD shall have no liability to Participant for funding under this MOU or the Grant.

Section 3: Participant agrees to be bound by the terms of this MOU in consideration of the services and assistance of WRD and funding by the EPA. Participant also agrees to comply with all requirements under the Grant set forth in the attachments to this MOU, which are incorporated herein by this Reference.

Section 4: Participant hereby agrees to provide WRD with the required information for the Progress Reports including within 30 days of request.

Section 5: Participant hereby acknowledges that the EPA may require additional information and compliance with additional requirements not set forth in this MOU and Participant hereby agrees to comply with the same for funding under the Grant.

Section 6: Upon thirty (30) days written notice, Parties hereto and the EPA may examine, inspect, copy, review and audit any documents or records within the custody or control of the Parties to this MOU relating to any and all aspects of services and/or charges or credits incurred or received in relation to this MOU. The Participant further agrees to maintain records related to the Grant and its expenses in compliance with Grant requirements.

Section 7: This MOU only applies to the terms contained herein and is an integrated agreement inclusive of the attached LOI, Exhibits and the referenced materials contained therein. Any amendment as to the terms of this MOU requires the written agreement of the Parties in an amendment to this MOU.

Section 8: Notices Any and all notices related to this MOU shall be made in writing and may be given by personal delivery, by mail, or by facsimile. Such notices sent by mail should be sent of the designated contact person for each Party and addressed as follows:

Participant

La Habra Heights County Water District
Joe Matthews, General Manager
1271 N. Hacienda Road
La Habra Heights, CA 90631

WRD

Water Replenishment District of Southern California
Esther Rojas, Manager of Watermaster and Water Resources
4040 Paramount Boulevard
Lakewood, CA 90712

Section 9: Authority Each of the Parties hereto represents and warrants to the other that it has full power and authority and has obtained all approvals required by its governing board or governing body necessary to enter into, and perform its obligations under this MOU and that the individual executing this MOU on its behalf has the legal power, rights, and authority to bind such party.

Section 10: Counterparts This MOU may be executed in two or more counterparts, each of which shall be deemed an original and all of which shall, taken together, be considered one and the same agreement.

Section 11: Governing Law This MOU shall be construed and enforced in accordance with the laws of the State of California, without giving effect to rules governing the conflict of laws.

Section 12: No Assignment Neither party shall assign or otherwise transfer this MOU or its right or interest or any part thereof to any third party, without the prior written consent of the other party.

Section 13: Indemnity Participant agrees to release, indemnify, defend and hold WRD harmless from and against any and all loss, damage, claims, expenses or liabilities of any kind (including but not limited to attorneys' fees and costs, and other expenses related thereto) arising out of any act or omission by Participant in implementing the project set forth in the LOI and this MOU.

Section 14: Attorneys' Fees If any legal suit, action, or proceeding (collectively, and

together with all appeals thereof, each a "Legal Proceeding") is commenced under this MOU or to enforce this MOU, in addition to any other relief to which the successful or prevailing party or parties are entitled, the successful or prevailing party or parties shall be entitled to recover, and the non-prevailing party or parties shall pay (a) reasonable attorneys' fees and expenses of the successful or prevailing party or parties, (b) court costs, and (c) other out-of-pocket expenses incurred by the successful or prevailing party or parties in such Legal Proceeding.

Section 15: Reimbursement If Participant fails to meet any of the requirements set forth in this MOU or as required by the Grant, Participant agrees to reimburse WRD/or/EPA for any associated funds received, inclusive of any costs imposed. Participant also agrees to reimburse WRD for the costs of any required consultants, including but not limited to required consultants for NEPA/CEQA compliance.

IN WITNESS WHEREOF, the parties thereto have executed this Memorandum of Understanding to be executed by their duly authorized representatives.

PARTICIPANT

Date: _____ By: _____

WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA

Date: _____ By: _____
Joy Langford, President
Board of Directors

Date: _____ By: _____
Vera Robles DeWitt, Secretary
Board of Directors

Date: _____ By: _____
Leal Trejo APC, District Counsel

EXHIBIT A



LA HABRA HEIGHTS COUNTY WATER DISTRICT

(562) 697-6769 • www.lhhcwd.com

1271 North Hacienda Road La
Habra Heights, California 90631

Post Office Box 628 La
Habra, California 90633-0628

July 8, 2024

Stephan Tucker, PE
General Manager
Water Replenishment District of Southern California
4040 Paramount Blvd
Lakewood, CA 90712

**RE: Letter of Intent to Participate in the FY 2023 EPA Community Grants Program for the Construction of
La Habra Heights County Water District's PFAS Treatment System**

Dear Mr. Tucker:

La Habra Heights County Water District (LHHCWD) prepared this letter to formally confirm our participation and coordination with the Water Replenishment District of Southern California (WRD) in the FY 2023 U.S. Environmental Protection Agency (EPA) Community Grants Program. In FY 21-22, Congresswoman Linda Sanchez secured \$2.5 million under this grant program for WRD to award to an eligible pumper to design and construct a PFAS treatment system for impacted drinking water wells within the Congresswoman's service area. WRD initially identified LHHCWD as a good candidate for this grant, so LHHCWD was notified by WRD on July 27, 2023, of this grant opportunity.

WRD, LHHCWD, and Orchard Dale Water District met on August 22, 2023, to review the details of the grant opportunity, and LHHCWD agreed to accept this grant and meet all the grant requirements. LHHCWD understands that participation in this grant program will be a labor-intensive process and, in good faith, agrees to meet all grant requirements, including but not limited to:

- Provide necessary data and information to complete the grant application in a timely manner to meet any and all application deadlines;
- Provide any and all necessary data and information during construction to meet grant reporting requirements and deadlines set by EPA;
- Complete and comply with all applicable environmental regulations, including but not limited to the National Environmental Policy Act (NEPA) process for the project;
- Meet all applicable requirements for EPA's competitive procurement policy, EPA's Disadvantaged Business Enterprise (DBE) Program, Davis Bacon Act (DBA), and Build America, Buy America (BABA);



LA HABRA HEIGHTS COUNTY WATER DISTRICT

(562) 697-6769 • www.lhhcwd.com

1271 North Hacienda Road La
Habra Heights, California 90631

Post Office Box 628 La
Habra, California 90633-0628

-
- Meet any and all applicable EPA federal cross-cutter requirements, an example of potential requirements are outlined in the FY 2023 Final Implementation Guidance for the Community Grants Program; and
 - Attempt to complete construction by September 30, 2026, if reasonably possible.

LHHCWD appreciates this grant opportunity and looks forward to working with WRD in the FY 2023 EPA Community Grants Program to complete our PFAS remediation project.

Sincerely,

Joe Matthews
General Manager

cc: Ed Castaneda, Orchard Dale Water District

EXHIBIT B

Please see [RAIN-2018-G04-R1](#) for details regarding changes to this GPI effective September 28, 2021.

Please see [RAIN-2018-G03-R](#) for details regarding changes to this GPI effective November 12, 2020.

Amended Grants Policy Issuance (GPI) 16-01 EPA Subaward Policy

1.0 Purpose

(a) This policy establishes the requirements and procedures for Grants Management Offices and Program Offices in making determinations regarding subrecipient eligibility, overseeing pass-through entity monitoring and management of subawards, and authorizing fixed amount subawards under 2 CFR 200.331, 200.332, and 200.333 (“the applicable regulations”). This policy supersedes [EPA’s previous Subaward Policy contained in Part 2, Section 01 of EPA’s Assistance Administration Manual](#).

(b) In order to effectively implement the EPA Subaward Policy, it is important at the outset for EPA personnel as well as pass-through entities to understand the difference between subawards and procurement contracts since the rules for these two types of transactions are different.

(1) Pass-through entities make subawards to other organizations to carry out a portion of the Federal award under terms that establish a financial assistance relationship to accomplish a public purpose that is authorized under a Federal program. Subrecipients only receive reimbursement for their actual direct or approved indirect costs such that they do not “profit” from the transaction and subrecipients are subject to the same Federal requirements as the pass-through entity. There is no requirement in the applicable regulations for pass-through entities to compete subawards.

(2) In contrast, procurement contractors (including individual consultants) typically provide goods and services on commercial terms, operate in a competitive environment and a reasonable profit is allowable. Additional guidance is available in Section 7.0 and [Appendix A: Distinctions Between Subrecipients and Contractors](#) of this policy. The [Procurement Standards of 2 CFR Part 200](#) include competition requirements.

(c) A pass-through entity may use the term ‘contract’ to characterize a subaward arrangement. Therefore, it is important to examine the substance of the agreement using the characteristics discussed in 2 CFR 200.331 and [Appendix A: Distinctions Between Subrecipients and Contractors](#) of this policy to determine if the transaction is a subaward or a procurement contract.

2.0 Applicability and Effective Date

EPA’s Subaward Policy applies to financial assistance agreements and incremental or supplemental funding amendments awarded to pass-through entities on or after March 29, 2016. The revision effective November 12, 2020, supersedes all prior versions of the Subaward Policy.

The Subaward Policy does not apply to collaborative relationships, including those documented in a written agreement, between recipients and third parties that do not involve the transfer of assistance funds or property purchased with assistance funds.

The Subaward Policy does not apply to financial assistance agreements for the capitalization of revolving loan funds (RLF). Requirements for RLF recipients and borrowers are addressed in more detail in [2 CFR Part 1500](#), national program guidance for EPA RLF programs or the terms and conditions of RLF assistance agreements. The Agency may apply the Subaward Policy, or selected provisions of it, to other financial assistance agreements with the consent of the pass-through entity.

3.0 Definitions

For purposes of this Subaward Policy, the following terms are defined at [2 CFR 200.1](#):

Contractor
Federal Award
Federal Financial Assistance
Fixed Amount Awards
Indian Tribe
Institutions of Higher Education
Local Government
Modified Total Direct Costs
Non-Federal Entity
Nonprofit Organization
Obligations
State

Contract. Defined at 2 CFR 200.1. A contract does not include a Federal award or subaward.

Individual: A natural person.

Pass-through entity: This term is defined at [2 CFR 200.1](#) and refers to a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

Recipient: This term is defined at [2 CFR 200.1](#) and does not include subrecipients. For the purposes of this Subaward Policy the term “Recipient” also includes individuals who receive awards under EPA statutes authorizing direct Federal financial assistance to individuals other than fellowship recipients under [40 CFR Part 46](#).

Simplified Acquisition Threshold: This term is defined at [2 CFR 200.1](#).

As of the date of the issuance of the Subaward Policy the Simplified Acquisition Threshold is \$250,000. This amount is periodically adjusted for inflation and the revised threshold is published in the Federal Acquisition Regulation at [48 CFR 2.1](#) (Definitions).

Subaward: This term is defined at [2 CFR 200.1](#).

Subawards do not include payments to contractors (including consultants) or to program beneficiaries such as trainees, interns, fellows and subsidy or rebate program participants. Subawards may include loans, loan guarantees, interest subsidies and principal forgiveness, purchases of insurance or similar transactions entered into with borrowers by recipients of RLF capitalization agreements. Requirements for RLF pass-through entities and borrowers for complying with the Uniform Grant Guidance (UGG)

provisions relating to subawards are described in [2 CFR Part 1500](#), national program guidance for EPA RLF programs or the terms and conditions of the RLF agreements rather than this Subaward Policy.

Subrecipient: This term is defined at [2 CFR 200.1](#).

For the purpose of this Subaward Policy “subrecipient” includes both Federal and non-Federal entities and individuals (who are not program beneficiaries) who are eligible for subawards to the extent consistent with the authorizing statutes and regulations, [2 CFR Part 180, Office of Management and Budget \(OMB\) Guidance to Agencies on Governmentwide Debarment and Suspension \(Nonprocurement\)](#) and [2 CFR Part 1532](#), EPA’s Nonprocurement Suspension and Debarment regulation.

4.0 Background

EPA’s Subaward Policy implements regulatory requirements and addresses recommendations from Office of Inspector General (OIG) audits of assistance agreements containing subawards.

- (a) The Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Grant Guidance or UGG) codifies standards for distinguishing between subawards and contracts at [2 CFR 200.331](#) and this Subaward Policy provides additional guidance consistent with that regulation.
- (b) Under [2 CFR 200.332](#), pass-through entities must include a number of provisions in subaward agreements and implement effective systems to monitor and guide subrecipient performance; this Subaward Policy provides guidance on how EPA will oversee compliance with those requirements.
- (c) The OIG has recommended that EPA enhance its oversight of pass-through entities to ensure that subawards are used in appropriate circumstances, costs are reasonable and that pass-through entities effectively monitor subrecipient performance. This Subaward Policy includes provisions that respond to the OIG’s recommendations.

5.0 General Principles

It is EPA policy that subawards under Agency assistance agreements be properly awarded, managed and monitored in compliance with the applicable regulations and in a manner that promotes accountability while minimizing burdens on pass-through entities and EPA staff. The Agency will appropriately oversee pass-through entities on a pre-award and post-award basis. This includes ensuring that:

- (a) Agency personnel identify pass-through entities during pre-award cost reviews or post-award requests to make subawards under [2 CFR 200.308\(c\)\(1\)\(vi\)](#) and advise pass-through entities to have adequate systems in place to comply with [2 CFR 200.331](#), [2 CFR 200.332](#) and section 9.0 of this Subaward Policy during post-award monitoring.
- (b) Pass-through entities effectively monitor the performance of subrecipients.
- (c) Pass-through entities do not use subawards to transfer or delegate their responsibility for successful completion of their EPA assistance agreement.
- (d) Financial assistance awards to pass-through entities do not circumvent the requirements of [EPA](#)

[Order 5700.5A1, Policy for Competition of Assistance Agreements](#) (02/06/2014) (“EPA’s Competition Policy”).

(e) EPA personnel do not direct, recommend or suggest that pass-through entities make subawards to particular organization(s) except to the extent allowed under section 10.0(b) of this Subaward Policy.

6.0. National Term and Condition.

EPA has established a [National Term and Condition for Subawards](#) for all assistance agreements, which is located in [Appendix B](#) of this policy.

7.0 Eligibility for Subawards.

(a) Generally, unless prohibited or limited by statute, a non-Federal entity or individual is eligible to receive a subaward even if it is not eligible to receive an assistance agreement from EPA directly as long as the subaward is consistent with applicable regulations, policies, and EPA guidance. Federally Funded Research and Development Centers are eligible subrecipients provided the substance of the transaction is consistent with the guidance at 2 CFR 200.331 and [Appendix A: Distinctions Between Subrecipients and Contractors](#).

(b) As provided in [2 CFR Part 25, Appendix A](#), Federal agencies are subrecipients for the purposes of the System for Award Management and Universal Identifier Requirements when they receive “subawards” from pass-through entities. Federal agencies may also be subrecipients for the purposes of 2 CFR Part 200 as indicated in the definition of *Subrecipient* in [2 CFR 200.1](#). Nonetheless, Federal agencies must have statutory authority to provide services to non-Federal entities on a reimbursable basis or otherwise receive and use funds from non-Federal entities under subawards. Examples of statutes available to all Federal agencies for receipt and use of EPA financial assistance funds are the Intergovernmental Cooperation Act for services to state and local governments, the Federal Technology Transfer Act for Cooperative Research and Development and Agreements, and the Omnibus Territories Act for reimbursable services agreements with U.S. Territories.

(c) For-profit organizations and individual consultants, with very few exceptions, are contractors rather than subrecipients under the standards in 2 CFR 200.331 and EPA’s guidance; they are typically ineligible for subawards from pass-through entities. As provided in the [National Term and Condition for Subawards](#), EPA’s Award Official must approve subawards to these entities on the basis of either precise descriptions of the subawards in the EPA approved budget and work plan or on a transaction by transaction basis. See [Appendix A: Distinctions Between Subrecipients and Contractors](#) for additional guidance.

(d) Nonprofit organizations exempt from taxation under section [501\(c\)\(4\) of the Internal Revenue Code](#) that engage in lobbying activities are ineligible for EPA subawards based on the Agency’s policy for interpreting the [Lobbying Disclosure Act, 2 U.S.C. 1611](#).

(e) EPA program office staff should ensure that pass-through entities are aware of limitations on subrecipient eligibility contained in statutes or regulations. EPA program offices may communicate

applicable limitations to potential pass-through entities in announcements for competitive awards, program guidance for continuing environmental program grants or other noncompetitive awards, and programmatic terms and conditions.

(f) In consultation with OGD's National Policy, Training and Compliance Division and the Office of General Counsel or Office of Regional Counsel, as appropriate, Program offices may establish policies limiting eligibility for subawards to the extent permitted by statute or regulation. EPA program offices must communicate applicable policies to potential pass-through entities in announcements for competitive awards, program guidance for continuing environmental program grants or other noncompetitive awards, and programmatic terms and conditions.

8.0 Internal Controls for EPA Oversight of Pass-Through Entity Compliance with the Applicable Regulations and EPA Subaward Policy.

This section identifies policies and procedures designed to provide internal controls that promote pass-through entity compliance with applicable regulations and this Subaward Policy.

(a) EPA policy is to require that pass-through entities include the aggregate amount for subawards in the "Other" budget category of their Standard Form (SF) 424A, "Budget Information for Non-Construction Programs" or equivalent forms for construction agreements unless OMB revises the budget categories in the SF-424A to include one for subawards.

1. Pass-through entities may erroneously place costs for subawards under the "Contractual" budget category based on practices at other agencies. As part of their pre-award cost reviews, Project Officers (PO) and Grant Specialists (GS) must review budget justifications and amounts recipients budget for "Contractual" to ensure that subaward costs are classified as "Other".

2. The amount of funding a pass-through entity estimates that it will use for subawards costs must be documented in a separate line item in the budget justification for the "Other" budget category or another provision of the work plan.

(b) If necessary, POs should work with the pass-through entity to obtain approval for international subawards as provided in section 11.0 (a) of this Subaward Policy.

(c) During pre-award review, GS must check for compliance with the \$25,000 limitation at in *Modified Total Direct Costs* as defined in [2 CFR 200.1](#) on including subaward costs in Modified Total Direct Cost for the purposes of distributing indirect costs.

(d) Award Officials are responsible for ensuring that all awards (including those in which the recipient has not identified subawards) contain the [National Term and Condition for Subawards](#). Additionally, the Award Officials may highlight this term and condition in the cover letter in the Notice of Award using either the following template or similar language:

If your work plan and budget includes subawards of financial assistance (as defined in *Subawards* at [2 CFR 200.1](#) and 2 CFR 200.331), please pay particular attention to EPA's [National Term and Condition for Subawards](#) which is found in the programmatic terms and conditions for this award. By accepting this assistance agreement, your organization is certifying that it either has

systems in place to comply with the regulatory or EPA policy requirements specified in the [National Term and Condition for Subawards](#) or that it will refrain from making subawards with funding EPA provides under this agreement until the systems are designed and implemented. Also note that should your organization decide to make a subaward(s) that was not described in the work plan and budgeted for under this agreement you must obtain prior written approval from EPA's Award Official for the subaward as provided at [2 CFR 200.308\(c\)\(1\)\(vi\)](#).

(e) POs must include the [Model Programmatic Subaward Reporting Requirement](#) contained in [Appendix C](#), or a customized version of the model in the performance reporting terms and conditions for assistance agreements with pass-through entities. The reporting frequency must be the same as that for other performance reports.

1. Project Officers may customize the [Model Programmatic Subaward Reporting Requirement](#) based on programmatic information needs provided they do not create a form for the collection of identical data from 10 or more pass-through entities. Doing so may trigger the [Office of Management and Budget's Information Collection Request regulations](#). Project Officers should consult with OGC or ORC as appropriate if there are questions regarding whether an ICR is required.
2. In situations in which a recipient advises EPA after award that it intends to make subawards, the PO must request that the Award Official amend the assistance agreement to add the [Model Programmatic Subaward Reporting Requirement](#) or a customized subaward reporting term and condition when granting approval under [2 CFR 200.308\(c\)\(1\)\(vi\)](#) for the subawards.

(e) POs must review pass-through entity performance reports describing subrecipient progress towards achieving program objectives. If the pass-through entity's performance reports raise questions regarding whether a subrecipient is making adequate progress, POs should ensure that the pass-through entity considers measures such as those set forth at 2 CFR 200.332 (d)(2), (e)(1) and (2) or (h) to address the situation.

(f) POs are responsible for ensuring that, as appropriate, awards to pass-through entities include program-specific terms and conditions relating to subawards. Additionally, under cooperative agreements with pass-through entities, Program Offices may be substantially involved in subaward related activities under the terms and conditions of the agreement and POs may exercise EPA's approval rights under these T&Cs. Consistent with EPA Order 5700.1, examples of EPA substantial involvement include, but are not limited to:

1. EPA approval of or consultation on proposed subrecipients' eligibility provided the Agency does not direct, recommend, or suggest that the pass-through entity provide a subaward to a particular organization.
2. If not described in the approved work plan, EPA approval of competitive or noncompetitive procedures the pass-through entity will use to select subrecipients prior to the award of any subawards.
3. EPA participation in panels for subaward competitions to the extent permitted in section 10.0 (b) of the Subaward Policy.

4. EPA approval of the substantive terms of subawards.

(g) In situations in which EPA determines that a pass-through entity has not adequately monitored subrecipient performance, POs may participate in the pass-through entities' subaward monitoring activities if a specific award condition is added to the award pursuant to 2 CFR 200.208.

(h) As a component of post-award oversight, POs and GSs are responsible for inquiring whether pass-through entities have adequate systems in place for complying with:

1. 2 CFR 200.331, the subrecipient eligibility provisions of EPA's [National Term and Condition for Subawards](#), and any program specific restrictions on subrecipient eligibility.
2. 2 CFR 200.332, *Requirements for pass-through entities*, as described in EPA's [National Term and Condition for Subawards](#). A template for a subaward agreement that meets the requirements of 2 CFR 200.332(a) (a) is available at [Appendix D](#) of this Subaward Policy and may be provided to the pass-through entity subject to the limitations in Section 12 of this Subaward Policy.

The level of inquiry should be based on the PO's or GS's assessment of the pass-through entities' history of managing subaward programs as reflected in programmatic baseline and advanced monitoring reports, audit reports, and other information that has come to the POs attention. Inquiries may be made as part of programmatic or administrative base line monitoring, advance monitoring, desk reviews, discussions of progress reports with pass-through entities, or otherwise, as appropriate. Program offices may, in consultation with EPA's Office of Grants and Debarment, the Office of General Counsel and, if appropriate, Office of Regional Counsel develop program specific guidance for pass-through entities and their subrecipients on compliance with this Subaward Policy. OGD may also issue Agency-wide supplemental guidance as necessary.

9.0 Fixed Amount Subawards

(a) Under 2 CFR 200.333, EPA may allow pass-through entities to award subawards up to the simplified acquisition threshold on a fixed amount or "lump sum" basis such that the subrecipient does not account for actual costs. OGD will consider approving the use of fixed amount subawards on a pilot basis at the request of a Program Office. After completion of the pilot, OGD and the Program Office will consider whether fixed amount subawards will be a permanent feature of the grant program. Fixed amount subawards must meet the standards of [2 CFR 200.201\(b\)](#).

Examples of potential fixed amount subaward pilot projects include:

1. Conference support for units of government, Institutions of Higher Education (IHE) and nonprofit organizations including general "sponsorships" in amounts up to \$25,000 provided the recipient obtains in accordance with [2 CFR 200.201\(b\)\(1\)](#) written assurance that the conference organizer will refund the entire amount of the subaward if the conference does not take place.
2. Studies or research projects that produce written reports funded on a milestone achievement or project completion basis provided the subrecipient is a unit of government, an IHE, a

nonprofit organization, or a student or post-doctoral fellow at an IHE.

3. Training classes funded on a milestone completion (e.g., preparation of curricula, rental of facility, course delivery, and submission of evaluation report) or a unit price basis upon project completion provided the subrecipient is a unit of government, an IHE or a nonprofit organization.

4. Community meetings funded on a milestone completion (e.g., outreach, preparation of agenda, rental of facility, meeting, and submission of attendee roster/meeting summary) or on a unit price basis upon project completion provided the subrecipient is a unit of government, an IHE or a nonprofit organization.

10.0 Subaward Competitions.

Unlike contracts subject to the Procurement Standards of [2 CFR Part 200](#), the applicable regulations do not require that pass-through entities select subrecipients competitively. Program Offices, however, may require that pass-through entities conduct competitions for subawards unless otherwise prohibited by statute, regulation or official EPA policy. Similarly, pass-through entities may choose to select subrecipients competitively provided this practice is consistent with applicable statutes, regulations and the terms of their EPA financial assistance agreement.

(a) EPA Required Subaward Competitions

1. Under some EPA assistance programs, pass-through entities may be legally required to conduct subaward competitions. Program Offices and Regions must ensure pass-through entities conduct these competitions consistent with any applicable legal requirements and provisions of this Subaward Policy.

2. Under both competitive and non-competitive EPA assistance agreement awards, if Program Offices require the pass-through entity to conduct a competition for subawards, they must determine that the subaward competition is necessary for the effective and efficient implementation of the assistance program. This determination must be in writing and placed in the official program office assistance agreement file.

a. Non-Competitive EPA Assistance Agreements - When a Program Office requires the pass-through entity to conduct a subaward competition under a non-competitive EPA assistance agreement, the award must include a programmatic term and condition requiring the recipient to conduct the subaward competition consistent with the negotiated work plan and the provisions of this Subaward Policy.

b. Competitive EPA Assistance Agreements - When a Program Office requires the pass-through entity to conduct a subaward competition under a competitive EPA assistance agreement, the Agency's competitive funding announcement must include ranking factors for evaluating the applicants' proposed procedure for conducting the subaward competition. In addition, the award must include a programmatic term and condition requiring the pass-through entity to conduct the subaward competition consistent with the subaward competitive process described in the approved work plan and the provisions of this Subaward Policy.

(b) EPA Participation in Subaward Competitions.

1. General. Pass-through entities are responsible for selecting their subrecipients and conducting their subaward competitions. In addition, EPA personnel may not direct pass-through entities to make subawards to particular organizations, suggest the use of specific subrecipients, interfere with the recipient's subaward selection decisions, or use subawards to circumvent EPA policies for competition of assistance agreements. For example, a Program Office may want to award a non-competitive grant to Organization A but is not authorized to do so because of restrictions under [EPA's Assistance Agreement Competition Policy](#). EPA may not circumvent these restrictions by awarding a non-competitive grant to Organization B with the understanding that Organization B will then subaward all of the work to Organization A.
2. Participation as Technical Advisors. EPA personnel may serve as technical advisors to a pass-through entity's subaward evaluation panel as part of EPA's substantial involvement in a cooperative agreement provided that they do not unduly influence the panel or selection decisions and are free of any conflicts of interest, and actual or apparent violations ethical standards (e.g., Office of Government Ethics (OGE) Standards of Ethical Conduct for Employees of the Executive Branch), with respect to any competing subrecipients.
3. Participation on Evaluation Panels. For subaward competitions conducted by pass-through entities under cooperative agreements, EPA personnel may serve as members of the recipient's subaward evaluation panel provided:
 - a. The pass-through entity uses objective, transparent criteria to rank and select subrecipients.
 - b. EPA and other federal agency personnel do not unduly influence the panel or selection decisions (e.g., federal employees must comprise substantially less than a majority of the panel).
 - c. EPA employees are free of conflicts of interest, or actual or apparent violations of ethical standards (e.g., OGE Standards of Ethical Conduct for Employees of the Executive Branch), with respect to any competing subrecipients.

11.0 Special Considerations for Specific Types of Subawards.

- (a) In accordance with EPA Order 4540.1, EPA's Office of International and Tribal Affairs (OITA), must consent to proposed EPA financial assistance agreements, prior to award, where work will be performed by any recipient or subrecipient in whole or in part in a foreign country, or where work will be performed in the United States by a foreign government recipient and its subrecipient or an international organization recipient and its subrecipient. OITA must consent to any work by a subrecipient that meets these criteria either prior to award of the EPA assistance agreement to the pass-through entity or prior the pass-through entity's award of the subaward.
- (b) EPA's [National Subaward Term and Condition](#) requires Agency approval for subawards to individuals. Although individuals are eligible for subawards under this Subaward Policy on the basis of several EPA statutes (e.g., section 103 of the Clean Air Act, section 104 of the Clean Water Act,

section 8001 of the Solid Waste Disposal Act) EPA Program Offices and GMOs must ensure that subawards are not made to individuals who are considered program beneficiaries (e.g., interns, fellows, trainees, community members attending conferences). The definition of *Subrecipient* at [2 CFR 200.1](#) program beneficiaries are excluded from the definition of *Subrecipient*. Stipends and other payments to program beneficiaries are properly characterized as *Participant Support Costs* under [2 CFR 200.1](#) and [2 CFR 200.456](#) and included as line items in the “Other” budget category.

(c) Program Offices and GMOs must carefully review situations in which a pass-through entity intends to make a subaward(s) for 100% of funds EPA will award under a financial assistance agreement. Competitive proposals with 100% pass through should be discussed with the Grant Competition Advocate’s staff. If not adequately addressed in the work plan, the PO should request that the pass- through entity explain, in writing:

1. The reasons for subawards for 100% of the funds out to another organization(s) and;
2. How the pass-through entity will provide adequate resources to manage the award, including providing required financial and programmatic reports to EPA, and for monitoring subrecipients as required by [2 CFR 200.332](#).

This information must be reviewed by the Award Official or designee prior to awarding funds to the pass-through entity.

12.0 Template for Subaward Agreements.

Program Offices may provide the subaward template contained in [Appendix D](#) of the Subaward Policy to recipients of EPA financial assistance that are “*Pass-through entities*” as defined by [2 CFR 200.1](#) to assist them in complying with the “subaward content” requirements in 2 CFR 332(a). EPA does not mandate the use of this template. With OGD, OGC, and if appropriate ORC approval, Program Offices may use program specific subaward templates that are consistent 2 CFR 200.332(a). Pass- through entities may also use their own form of subaward agreements provided the requirements of 2 CFR 200.332(a) are met.

13.0 Evaluation

OGD, in coordination with the EPA grants management community, will periodically review this policy to assess its effectiveness.

14.0 Waivers

In response to a written request from the appropriate Senior Resource Official, or designee, the Director of OGD, or designee, may approve waivers to this Subaward Policy on a case-by-case or class basis in circumstances of compelling urgency or unique programmatic consideration or where a waiver would be in the public interest provided the waiver is consistent with statutes, the applicable regulations and Executive Orders. The Director of OGD, or designee, may also make exceptions to any regulatory requirements of mentioned in this policy on case-by-case basis as authorized by [2 CFR 200.102](#) and 2 CFR 1500.4(a). Exceptions will be granted only in extraordinary circumstances and when consistent with statutes and Executive Orders.

15.0 Roles and Responsibilities

A. Office of Grants and Debarment(OGD)

OGD is responsible for:

1. Posting the [National Subaward Term and Condition](#) described in Section 6.0 of this policy.
2. Developing cost review guidance to facilitate implementation of Section 8.0 of this policy.
3. Overseeing Agency compliance with this policy and providing necessary implementing guidance including approval of Program specific subaward guidance and subaward templates.
4. Consulting with Program Offices on their proposed policies to limit subaward eligibility under Section 7.0(e) of this policy.
5. Approving or disapproving pilots for fixed amount subawards under Section 9.0.
6. Evaluating the effectiveness of this policy under Section 13.0 of this policy including conducting periodic reviews of pass-through entity compliance with the requirements.
7. Approving or disapproving waiver requests under Section 14.0 of this policy and posting waiver decisions on the OGD Intranet page.
8. Developing training, responses to frequently asked questions, and, as necessary, Agency wide supplemental guidance on implementing this Subaward Policy.

B. Headquarters and Regional Program Offices

Program Offices are responsible for:

1. Adhering to the subaward eligibility provisions and consulting with OGD and OGC/ORC on program- specific eligibility restrictions as described in Section 7.0 of this policy.
2. Complying with applicable pre-award and post-award oversight requirements described in Sections 8.0, 10.0 and 11.0 of this policy including providing EPA approvals specified in substantial involvement terms and conditions for cooperative agreements.
3. Including (and modifying, if applicable) the [Model Programmatic Subaward Reporting Requirement](#) contained in [Appendix C](#), in the performance reporting terms and conditions for assistance agreements with pass-through entities as described in Section 8.0.
4. Complying with subaward competition requirements as described in Section 10.0 of this policy.
5. Obtaining OITA consent for subaward work in a foreign country or subaward work performed in the U.S. by a foreign government or a foreign government subrecipient as described in Section 11.0(a) of this policy.

6. Working with GMOs to ensure that subawards are not approved to individuals who are considered program beneficiaries as described in Section 11.0(b) of this policy.
7. Reviewing proposals for 100% pass-through sub-awards as described in Sections 11.0(c) of this policy.
8. Requesting OGD approval for pilots offixed amount subawards.
9. Providing pass-through entities with the template for subaward agreement in [Appendix D](#) or an OGD approved program specific template when requested to do so by the pass-through entities.
10. Subject to OGD approval, developing as appropriate program specific guidance and subaward templates for pass-through entities and their subrecipients to promote compliance with this Subaward Policy.

C. Office of General Counsel (OGC)/Office of Regional Counsel (ORC)

OGC/ORC is responsible for providing legal advice to ensure compliance with applicable statutes, executive orders, ethical standards, and OMB/EPA regulations.

D. Grants Management Offices (GMOs)

GMOs are responsible for:

1. Including the [National Term and Condition for Subawards](#) described in Section 6.0 and [Appendix B](#) of this policy in all assistance agreements, providing EPA approvals as specified in the T&C, and providing the notification described at 8.0(d).
2. Complying with applicable pre-award and post-award requirements described in Sections 8.0 and 11.0 of this policy.
3. Working with Program Offices to ensure that subawards are not approved to individuals who are considered program beneficiaries as described in Section 11.0 of this policy.
4. Working with Program Offices to prevent improper 100% pass-through sub-awards as described in Sections 11.0 of this policy.

E. Office of International and Tribal Affairs (OITA)

OITA is responsible for acting on requests for EPA consent for subawards involving any work to be performed in a foreign country or any work to be performed in the U.S. by a foreign recipient or international organization as provided in section 11.0 of this policy.

EPA Subaward Policy Appendix A: Distinctions Between Subrecipients and Contractors

This Appendix uses 2 CFR 200.331 as the basis for distinguishing between subrecipients and contractors.

Pass-through entities make subawards to other organizations to carry out a portion of the Federal award under terms that establish a financial assistance relationship to accomplish a public purpose that is authorized under a Federal program. Subrecipients only receive reimbursement for their actual direct or approved indirect costs such that they do not “profit” from the transaction and subrecipients are subject to the same Federal requirements as the pass-through entity. In contrast, consistent with [2 CFR 200.331](#), procurement contractors (including individual consultants) typically provide goods and services on commercial terms, operate in a competitive environment and a reasonable profit is allowable.

The regulations require that non-Federal entities award contracts following full and open competition with the exception of transactions in amounts below the micro-purchase level or when a sole source contract is properly justified; [2 CFR 200.319](#); [2 CFR 200.320](#). Pass-through entities may enter into subawards without competition unless a statute, regulation, or the terms of the EPA award provide otherwise. This distinction makes accurate determinations regarding whether a transaction is with a subrecipient or a contractor particularly important.

A subaward may be provided by any form of legal agreement that complies with [2 CFR 200.332\(a\)\(1\)](#). A pass-through entity may use the term ‘contract’ to characterize a subaward arrangement. It is, therefore, important to examine the substance of the agreement using this appendix to determine if the transaction is a subaward or a procurement contract.

The legal status of an organization as a governmental unit, non-profit organization, institute of higher education, or for-profit organization while not necessarily determinative of whether the transaction at issue is a subaward or procurement contract is an important factor to consider. As provided in 2 CFR 200.331 recipients must exercise sound judgment in deciding whether a transaction is a procurement contract or subaward subject to this EPA guidance. Based on the standards at [2 CFR 200.331\(a\) and \(b\)](#) EPA has determined that transactions:

1. Between legally distinct units of government (e.g. a state providing funds to a local government) will in almost all cases be either subawards or intergovernmental agreements under [2 CFR 200.318\(e\)](#) rather than procurement contracts since governmental units do not provide services on commercial terms.
2. Between institutions of higher education (IHE), or between IHEs and units of government or nonprofit organizations, are typically subawards particularly when the transactions relate to joint research, training (including technical assistance and public education) or demonstration projects.
3. Between nonprofit organizations for collaborative projects that further the missions of both organizations are typically subawards although situations in which one nonprofit provides ancillary services that are widely available in the competitive market such as accounting or information technology for operations (e.g., payroll) to another nonprofit are characteristic of a procurement contract.

4. Between any recipient and a for-profit firm or individual consultant, in almost all cases, would be a procurement contract subject to the competitive requirements of [2 CFR 200.319](#) and [2 CFR 200.320](#). For-profit firms and individual consultants operate in a competitive environment and provide goods and services on commercial terms to many different purchasers rather than carrying out a program for public purposes under the statute authorizing EPA to award financial assistance.

EPA's [National Term and Condition for Subawards](#) requires EPA Award Official approval for subawards to for-profits and individual consultants. Examples of situations in which a for-profit firm may be an eligible subrecipient would be an EPA financial assistance program that provides funding for pollution control projects at a company's production facilities and the firm will receive reimbursement for personnel and contractor costs. The for-profit firm in that case would not be providing goods and services to the pass-through entity.

As provided in [2 CFR 1500.1](#), EPA considers rebates and similar subsidies for the purchase of commercially available "off the shelf" pollution control equipment or to encourage participation in environmental stewardship programs by companies and individuals to be participant support costs. These payments to program beneficiaries are not subawards. EPA's [Guidance on Participant Support Costs](#) provides additional information on the distinction between participant support costs and subawards.

EPA Subaward Policy Appendix B: National Term and Condition for Subawards

If the recipient chooses to pass funds from this assistance agreement to other entities, the recipient must comply with applicable provisions of [2 CFR Part 200](#) and the EPA Subaward Policy, which may be found at https://www.epa.gov/sites/production/files/2016-02/documents/grants_policy_issuance_gpi_16_01.pdf.

As a pass-through entity, the recipient agrees to:

1. Be responsible for selecting subrecipients and as appropriate conducting subaward competitions using a system for properly differentiating between subrecipients and procurement contractors under the standards at [2 CFR 200.331](#) and EPA's supplemental guidance in [Appendix A of the EPA Subaward Policy](#).
 - (a) For-profit organizations and individual consultants, in almost all cases, are not eligible subrecipients under EPA financial assistance programs and the pass-through entity must obtain prior written approval from EPA's Award Official for subawards to these entities unless the EPA-approved budget and work plan for this agreement contain a precise description of such subawards.
 - (b) Stipends and travel assistance for trainees (including interns) and similar individuals who are not are not employees of the pass-through entity must be classified as participant support costs rather than subawards as provided in [2 CFR 200.1 Participant support costs](#), [2 CFR 200.1 Subaward](#), and EPA's [Guidance on Participant Support Costs](#).
 - (c) Subsidies, rebates and similar payments to participants in EPA funded programs to encourage environmental stewardship are also classified as *Participant support costs* as provided in [2 CFR 1500.1](#) and EPA's [Guidance on Participant Support Costs](#).
2. Establish and follow a system that ensures all subaward agreements are in writing and contain all of the elements required by [2 CFR 200.332\(a\)](#). EPA has developed a template for subaward agreements that is available in [Appendix D of the EPA Subaward Policy](#).
3. Prior to making subawards, ensure that each subrecipient has a "Unique Entity Identifier" (UEI). The UEI is required by [2 CFR Part 25](#) and [2 CFR 200.332\(a\)\(1\)](#). Subrecipients are not required to complete full [System for Award Management \(SAM\)](#) registration to obtain a UEI. Information regarding obtaining a UEI is available at the SAM Internet site: <https://www.sam.gov/SAM/> and in the General Condition of the pass-through entity's agreement with EPA entitled "**System for Award Management and Universal Identifier Requirements**" T&C of the pass-through entity's agreement with the EPA.
4. Ensure that subrecipients are aware that they are subject to the same requirements as those that apply to the pass-through entity's EPA award as required by [2 CFR 200.332\(a\)\(2\)](#). These requirements include, among others:
 - (a) Title VI of the Civil Rights Act and other Federal statutes and regulations prohibiting discrimination in Federal financial assistance programs, as applicable.

(b) Reporting Subawards and Executive Compensation under Federal Funding Accountability and Transparency Act (FFATA) set forth in the General Condition pass-through entity's agreement with EPA entitled "**Reporting Subawards and Executive Compensation.**"

(c) Limitations on individual consultant fees as set forth in 2 CFR 1500.10 and the General Condition of the pass-through entity's agreement with EPA entitled "**Consultant Fee Cap.**"

(d) EPA's prohibition on paying management fees as set forth in General Condition of the pass-through entity's agreement with EPA entitled "**Management Fees.**"

(e) The Procurement Standards in [2 CFR Part 200](#) including those requiring competition when the subrecipient acquires goods and services from contractors (including consultants) and Domestic preferences for procurements at [2 CFR 200.322](#).

Other statutes, regulations and Executive Orders that may apply to subawards are described at [Information on Requirements that Pass-Through Entities must "Flow Down" to Subrecipients](#). Many Federal requirements are agreement or program specific and EPA encourages pass-through entities to review the terms of their assistance agreement carefully and consult with their EPA Project Officer for advice if necessary.

5. Ensure, for states and other public recipients, that subawards are not conditioned in a manner that would disadvantage applicants for subawards based on their religious character.

6. Establish and follow a system for evaluating subrecipient risks of noncompliance with Federal statutes, regulations and the terms and conditions of the subaward as required by [2 CFR 200.332\(b\)](#) and document the evaluation. Risk factors may include:

Prior experience with same or similar subawards;

(a) Results of previous audits;

(b) Whether new or substantially changed personnel or systems, and;

(c) Extent and results of Federal awarding agency or the pass-through entity's monitoring.

7. Establish and follow a process for deciding whether to impose additional requirements on subrecipients based on risk factors as required by [2 CFR 200.332\(c\)](#). Examples of additional requirements authorized by [2 CFR 200.208](#) include:

(a) Requiring payments as reimbursements rather than advance payments;

(b) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance;

(c) Requiring additional, more detailed financial reports;

(d) Requiring additional project monitoring;

(e) Requiring the non-Federal entity to obtain technical or management assistance, and

(f) Establishing additional prior approvals.

8. Establish and follow a system for monitoring subrecipient performance that includes the elements required by [2 CFR 200.331\(d\)](#) and report the results of the monitoring in performance reports as provided in the reporting terms and conditions of this agreement.

9. Establish and maintain an accounting system which ensures compliance with the \$25,000 limitation at [2 CFR 200.1](#), *Modified Total Direct Costs*, if applicable, on including subaward costs in *Modified Total Direct Costs* for the purposes of distributing indirect costs. Recipients with Federally approved indirect cost rates that use a different basis for distributing indirect costs to subawards must comply with their Indirect Cost Rate Agreement.

10. Work with EPA's Project Officer to obtain the written consent of EPA's Office of International and Tribal Affairs (OITA), prior to awarding a subaward to a foreign or international organization, or a subaward to be performed in a foreign country even if that subaward is described in a proposed scope of work.

11. Obtain written approval from EPA's Award Official for any subawards that are not described in the approved work plan in accordance with [2 CFR 200.308](#).

12. Obtain the written approval of EPA's Award Official prior to awarding a subaward to an individual if the EPA-approved scope of work does not include a description of subawards to individuals.

13. Establish and follow written procedures under [2 CFR 200.302\(b\)\(7\)](#) for determining that subaward costs are allowable in accordance with [2 CFR Part 200, Subpart E](#) and the terms and conditions of this award. These procedures may provide for allowability determinations on a pre-award basis, through ongoing monitoring of costs that subrecipients incur, or a combination of both approaches provided the pass-through entity documents its determinations.

14. Establish and maintain a system under [2 CFR 200.332\(d\)\(3\)](#) and [2 CFR 200.521](#) for issuing management decisions for audits of subrecipients that relate to Federal awards. However, the recipient remains accountable to EPA for ensuring that unallowable subaward costs initially paid by EPA are reimbursed or mitigated through offset with allowable costs whether the recipient recovers those costs from the subrecipient or not.

15. As provided in [2 CFR 200.333](#), pass-through entities must obtain EPA approval to make fixed amount subawards. EPA is restricting the use of fixed amount subawards to a limited number of situations that are authorized in official EPA pilot projects. Recipients should consult with their EPA Project Officer regarding the status of these pilot projects.

By accepting this award, the recipient is certifying that it either has systems in place to comply with the requirements described in Items 1 through 14 above or will refrain from making subawards until the systems are designed and implemented.

EPA Subaward Policy Appendix C: Model Programmatic Subaward Reporting Requirement

The recipient must report on its subaward monitoring activities under 2 CFR 200.332(d). Examples of items that must be reported if the pass-through entity has the information available are:

1. Summaries of results of reviews of financial and programmatic reports.
2. Summaries of findings from site visits and/or desk reviews to ensure effective subrecipient performance.
3. Environmental results the subrecipient achieved.
4. Summaries of audit findings and related pass-through entity management decisions.
5. Actions the pass-through entity has taken to correct deficiencies such as those specified at 2 CFR 200.331(e), 2 CFR 200.208 and the 2 CFR Part 200.339 Remedies for Noncompliance.

Note: EPA Project Officers may customize this reporting requirement based on programmatic information needs.

EPA Subaward Policy Appendix D: Subaward Agreement Template

OVERVIEW: Program Offices may provide this subaward template to recipients of EPA financial assistance that are *Pass-through entity* as defined by [2 CFR 200.1](#) to assist them in complying with the “subaward content” requirements in 2 CFR 200.332(a). EPA does not mandate the use of this template. Pass-through entities may use their own form of subaward agreements provided the requirements of [2 CFR 200.332\(a\)](#) are met. Any changes to the data elements that are required under [2 CFR 200.332\(a\)](#) must be reflected in subsequent modifications to subawards. If any of the information required by [2 CFR 200.332\(a\)](#) is not available, pass-through entities must provide the best information that is available to describe the Federal award and subaward.

Section I. [Title and Description of Subaward including whether the Subaward is for Research and Development]

Section II. Federal Requirements.

A. Federal Award Identification.

1. Subrecipient name--which must match registered name in the System for Award Management (SAM). If the subrecipient is not yet registered in SAM, then information about registration procedures may be found at the SAM Internet site (currently at <http://www.sam.gov>).

2. The subrecipient’s “unique entity identifier” in SAM. This identifier is required for registering in SAM and by 2 CFR Part 25 and 2 CFR 200.332(a)(1).

Note: Additional information on registering in SAM is available at the SAM Internet site: <https://www.sam.gov/SAM/> and in the “General Term and Conditions” (T&Cs), under the “System for Award Management and Universal Identifier Requirements” T&C, of the pass-through entity’s agreement with EPA.

3. Federal Award Identification Number (FAIN) The FAIN corresponds with the “Assistance ID No.” on the EPA Notice of Award.

4. EPA Award Date. This is the date the EPA Award Official signs the assistance agreement with the pass-through entity and may be found on page 1 of the EPA Notice of Award.

5. Subaward Period of Performance Start and End Date;

6. Amount of EPA Funds Obligated under the initial subaward. Subsequent funding actions may be documented by amendments to the subaward.

7. Total or cumulative amount of EPA Funds Obligated to the subrecipient under the initial subaward plus any subsequent funded amendments. These amounts may be documented in sequential amendments to the subaward.

8. Total Amount of the EPA funds committed to the subrecipient by the pass-through entity. This is typically the “ceiling” amount for the subaward that may not be exceeded in funded amendments.

9. Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA). This information may be found in the "Project Title and Description" box on page 1 of the EPA Notice of Award.

10. Information identifying EPA as the Federal awarding agency, your organization as the pass-through entity, and contact information for your awarding official for the subaward.

11. Assistance Listing Number and Name for each EPA award used to support the subaward. Assistance Listing information for the pass-through entities' EPA award may be found on page 2 of EPA's Notice of Award form in the second chart under "EPA Award Information". (Note the Uniform Grant Guidance requires at [2 CFR 200.332\(a\)\(1\)\(xii\)](#) that the Pass-through entities identify the dollar amount under each Federal award and the CFDA number at the time of disbursement of Federal funds to the subrecipient so it is important for pass-through entities to maintain accounting records to meet this requirement.

12. Indirect cost rate for the pass-through entity's Federal award. This rate may be found on page 3 of the pass-through entity's EPA Award in Table A, Object Class Category and may be the 10% de-minimis indirect cost rate described at [2 CFR 200.414\(f\)](#).

B. All "flow down" requirements imposed on the subrecipient by the pass-through entity to ensure that the EPA award is used in accordance with Federal statutes, regulations and the terms of the EPA award. The subrecipient is accountable to the pass-through entity for compliance with Federal requirements. In turn, the pass-through entity is responsible to EPA for ensuring that subrecipients comply with Federal requirements.

These requirements include, among others:

1. Title VI of the Civil Rights Act and other Federal statutes and regulations prohibiting discrimination in Federal financial assistance programs, as applicable.

2. Reporting Subawards and Executive Compensation under Federal Funding Accountability and Transparency Act (FFATA) set forth in General Condition of the pass-through entity's agreement with EPA entitled "**Reporting Subawards and Executive Compensation.**"

3. Limitations on individual consultant fees as set forth in General Condition [2 CFR 1500.10](#) and the General Condition of the pass-through entity's agreement with EPA entitled "**Consultant Fee Cap.**"

4. EPA's prohibition on paying management fees as set forth in General Condition of the pass-through entity's agreement with EPA entitled "**Management Fees.**"

5. The Procurement Standards in [2 CFR Part 200](#) including those requiring competition when the subrecipient acquires goods and services from contractors (including consultants) and Domestic preferences for procurements at [2 CFR 200.322](#).

6. For states and other public recipients, a provision ensuring that subawards are not conditioned in a manner that would disadvantage applicants for subawards based on their religious character.

Other statutes, regulations and Executive Orders that may apply to subawards are described at [Information on Requirements that Pass-Through Entities must "Flow Down" to Subrecipients](#). Many Federal requirements are agreement or program specific and EPA encourages pass-through entities to review the terms of their assistance agreement carefully and consult with their EPA Project Officer for advice, if necessary.

C. Any additional requirements such as financial and performance reports the pass-through entity imposes on the subrecipient to ensure that the pass-through entity meets its own responsibilities to the Federal awarding agency.

D. Subrecipient's Indirect Cost Rate. The indirect cost rate may be a rate negotiated and approved by the subrecipient's cognizant Federal agency. If the subrecipient does not have a Federal indirect cost rate, the pass-through entity may negotiate an indirect cost rate with the subrecipient that complies with [2 CFR Part 200, Subpart E](#) or use the 10% de-minimis indirect cost rate described at [2 CFR 200.414\(f\)](#).

E. Requirements for the subrecipient to provide access to subaward records so that the pass-through entity and Federal auditors may verify compliance with 2 CFR 200.332 as well as [2 CFR Part 200, Subpart D, Post Federal Award Requirements](#) for Financial and Program Management, and [2 CFR Part 200, Subpart F, Audit Requirements](#). Examples of records include:

1. Subrecipient financial statements and reports;
2. Programmatic reports including information on environmental results
3. Audit findings

F. Additional Requirements imposed by the pass-through entity under 2 CFR 200.208 that reflect the pass-through entity's assessment of the subrecipient's risk of noncompliance with Federal statutes, regulations and the terms and conditions of the subaward based on the factors described at 2 CFR 200.332(b).

1. Risk factors may include:

- (a) Prior experience with same or similar subawards;
- (b) Results of previous audits;
- (c) Whether new or substantially changed personnel or systems, and;
- (d) Extent and results of Federal awarding agency or the pass-through entity's monitoring.

2. Examples of additional requirements authorized by [2 CFR 200.208](#) include:

- (a) Requiring payments as reimbursements rather than advance payments;
- (b) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance;
- (c) Requiring additional, more detailed financial reports;
- (d) Requiring additional project monitoring;
- (e) Requiring the non-Federal entity to obtain technical or management assistance, and;
- (f) Establishing additional prior approvals.

G. Terms and conditions concerning the close out of the subaward.

III. Other requirements based on the pass-through entity's own laws, regulations, and policies to the extent that they do not conflict with applicable Federal laws, statutes, regulations and policies.

EXHIBIT C

Community Grants Program - Workplan

Funding Opportunity No. EPA-CEP-01

Clean Drinking Water and Groundwater Cleanup Project



Water Replenishment District of Southern California

Project Manager:

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Submitted Electronically Via Grants.gov To:
U.S. Environmental Protection Agency

10/3/2024

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ACRONYMS & ABBREVIATIONS

AF	Acre Feet
AFY	Acre Feet per Year
ASAP	Automated Standard Application for Payment
CEQA	California Environmental Quality Act
CFR	Code of Federal Regulations
DAC	Disadvantaged Community
EPA	US Environmental Protection Agency
IX	Ion-Exchange
LHHCWD	La Habra Heights County Water District
MCL	Maximum Contaminant Level
MHI	Median Household Income
NEPA	National Environmental Policy Act
ODWD	Orchard Dale Water District
PFAS	Per-and Polyfluoroalkyl Substances
PFOA	Perfluorooctanoic Acid
PFOS	Perfluorooctane Sulfonate
RL	Response Level
SDAC	Severely Disadvantaged Community
WRD	Water Replenishment District of Southern California

This funding application Workplan for the Groundwater Well Projects (Project) prepared by the Water Replenishment District of Southern California, is submitted to the United States Environmental Protection Agency (EPA) under the Fiscal Year 2023 Community Grants Program, Funding Opportunity Number EPA-CEP-01.

Applicant: Water Replenishment District of Southern California – UEI J62QURN6MQX8

Project Title: Water Replenishment District of Southern California Groundwater Well Projects

1.0 Executive Summary

The Water Replenishment District of Southern California (WRD) manages and protects local groundwater resources for four million residents in a service area that covers a 420-square-mile region of southern Los Angeles County. An essential part of WRD's commitment to protecting groundwater in the Central Basin and West Coast Basin is WRD's per-and polyfluoroalkyl substances (PFAS) Remediation Program. The PFAS Remediation Program awards grant funding and/or technical assistance to water purveyors within its service area to help treat PFAS-impacted drinking water wells. The purpose of the program is to ensure remediation projects can be implemented immediately to prevent unnecessary closures of wells and ensure continued access to low-cost, high-quality groundwater by preventing the spread of PFAS contamination. To support WRD's efforts to fund and assist local water purveyors, WRD pursued and received appropriations of \$2.5 million under the Fiscal Year 2023 Community Grants Program. WRD intends to use these funds specifically to assist La Habra Heights County Water District (LHHCWD) procure equipment needed to construct a PFAS remediation and treatment system. As grant Recipient, WRD will establish a Subaward with LHHCWD and awarded funds will be passed through to support project costs.

LHHCWD is located in WRD's service area and pumps groundwater from three active wells (Well 8, 10, and 11) at their Judson Wellfield. Recent water quality sampling showed that two of LHHCWD's wells were producing water above the State's response level for PFAS contaminant. LHHCWD's proposed project would construct a treatment facility and upgrade wells to maximize production of groundwater and serve high quality, reliable water over the long-term. LHHCWD plans to construct a 6,000 gpm ion-exchange (IX) treatment facility within the Judson Wellfield at the Wells 10 and 11 site. The new facility will be connected to LHHCWD's three active wells and will consist of sand separators followed by new pretreatment cartridge filters and three pairs of IX pressure vessels to remove the contaminants from the raw groundwater. On-site piping will be reconfigured to direct the raw groundwater to the new treatment system. Community Grant Program funding would only be used to help purchase project equipment ("Funded Project"). The Funded Project includes the purchase of 1) three Ion Exchange vessel pairs and media; 2) sand separators; 3) a pre-treatment system; and 4) new well pump and motor upgrades for two of the existing wells. The Total LHHCWD Project cost is approximately \$6.2 million. Of that total, the estimated Funded Project cost is \$4,222,000. If \$2.5 million is awarded to the Project by EPA, then a cost share of approximately 41% will be funded by local sources and will exceed the minimum required cost share of 20%.

2.0 Project Objective(s) and Need

Water Replenishment District of Southern California

The Water Replenishment District of Southern California (WRD) is the largest groundwater agency by population in the State of California, managing and protecting local groundwater resources for four million residents. WRD's service area covers a 420-square-mile region of southern Los Angeles County, the most populated county in the United States. The 43 cities in WRD's service area, including a portion of the City of Los Angeles, and other unincorporated parts of Los Angeles County use about 220,000 acre-feet (72 billion gallons) of groundwater annually which accounts for nearly half of the region's water supply needs. WRD is committed to managing and protecting the Central Basin and West Coast Basin, two of the most utilized urban groundwater basins in the nation.

Many potential groundwater contamination sources exist within WRD's service area due to a large and diverse industrial and commercial presence. One such group of contaminants are per- and polyfluoroalkyl substances (PFAS), which have affected groundwater sources. PFAS are bioaccumulatory, meaning they can build up in the environment and human body and become toxic. Perfluorooctanoic Acid (PFOA) and Perfluorooctane Sulfonate (PFOS) are two of the most used chemicals in the PFAS group. In 2021, the California State Water Resources Control Board Division of Drinking Water announced the response level (RL) of 10 parts per trillion for PFOA and 40 parts per trillion for PFOS based on a running four-quarter average. On April 10, 2024, EPA announced the Maximum Contaminant Level (MCL) limits for five of the most commonly used PFAS. It is estimated that 102 wells in WRD's service area exceed the MCLs (Figure 1).

WRD established the PFAS Remediation Program in August 2020. The PFAS Remediation Program is one of the first of its kind in California to award grant funding to treat PFAS-impacted drinking water wells. With a current program budget of over \$60 million that was funded by local water purveyors in the Central Basin and West Coast Basin, WRD's PFAS Remediation Program provides either grants for pumpers to install their own treatment systems, or for WRD to design and construct treatment systems on their behalf. The purpose of the Program is to ensure remediation projects can be implemented immediately to prevent unnecessary closures of wells and ensure continued access to low-cost, high-quality groundwater by preventing the spread of PFAS contamination. However, a \$60 million budget is not sufficient to cover the costs of the 102 wells impacted by PFAS in WRD's service area. As such, WRD assists groundwater pumpers with applications for grant funding from the State and other sources for their PFAS remediation projects to meet funding shortfalls.

Agreement of 1957” with the Orchard Dale Water District (ODWD), which is also a public agency. This legal agreement requires that LHCWD supply water to ODWD. It is important to note that this is the only contractual arrangement of its kind in the Central Basin and surrounding basins where a single facility must serve two separate and distinct communities. With more than 25,000 people and 4,346 service connections and one imported water connection for emergency/backup purposes, ODWD is reliant on LHCWD’s ability to serve water to ODWD. LHCWD’s sole source of groundwater supply comes from pumping at the Judson Wellfield which is located within unincorporated Los Angeles County adjacent to the San Gabriel River in the vicinity of West Whittier. In total, the Judson Wellfield provides water and fire protection to a population of more than 25,600 within most of the La Habra Heights city boundaries and portions of Whittier and unincorporated Los Angeles County. As with ODWD, LHCWD also has a single imported water connection for emergency/backup purposes. Both ODWD and LHCWD’s imported water connections are from a plant owned and operated by the Metropolitan Water District of Southern California. The cost, reliability and chemistry of the imported water makes it difficult and cost prohibitive to utilize other than in extreme circumstances.

Currently, there are four wells (3 active and one inactive) owned and operated by LHCWD that pump from the Central Basin at the Judson Wellfield. The four wells included as part of the Judson Wellfield are named Wells 8, 9 (inactive), 10 and 11. When all 3 active wells are pumping at the same time, the total pumping capacity on average is 5,896 gallons per minute. However, due to age and needed upgrades, pumping rates have decreased over time. As stated previously, the Judson Wellfield supplies water to both LHCWD and ODWD of which a portion of the production is distributed to ODWD via a 4.5 mile gravity flow conveyance system to the Gualtieri reservoir. The remaining production is pumped an additional 3 miles to LHCWD. The Judson Wellfield currently supplies approximately 4,800 acre feet (AF) of water per year for both districts. Recent test results from some of LHCWD’s groundwater production wells showed contamination levels above EPA MCLs. The proposed LHCWD Project would construct a treatment facility and upgrade wells to maximize production of groundwater and serve high quality, reliable water over the long-term. Figure 2 illustrates the LHCWD Project Location.

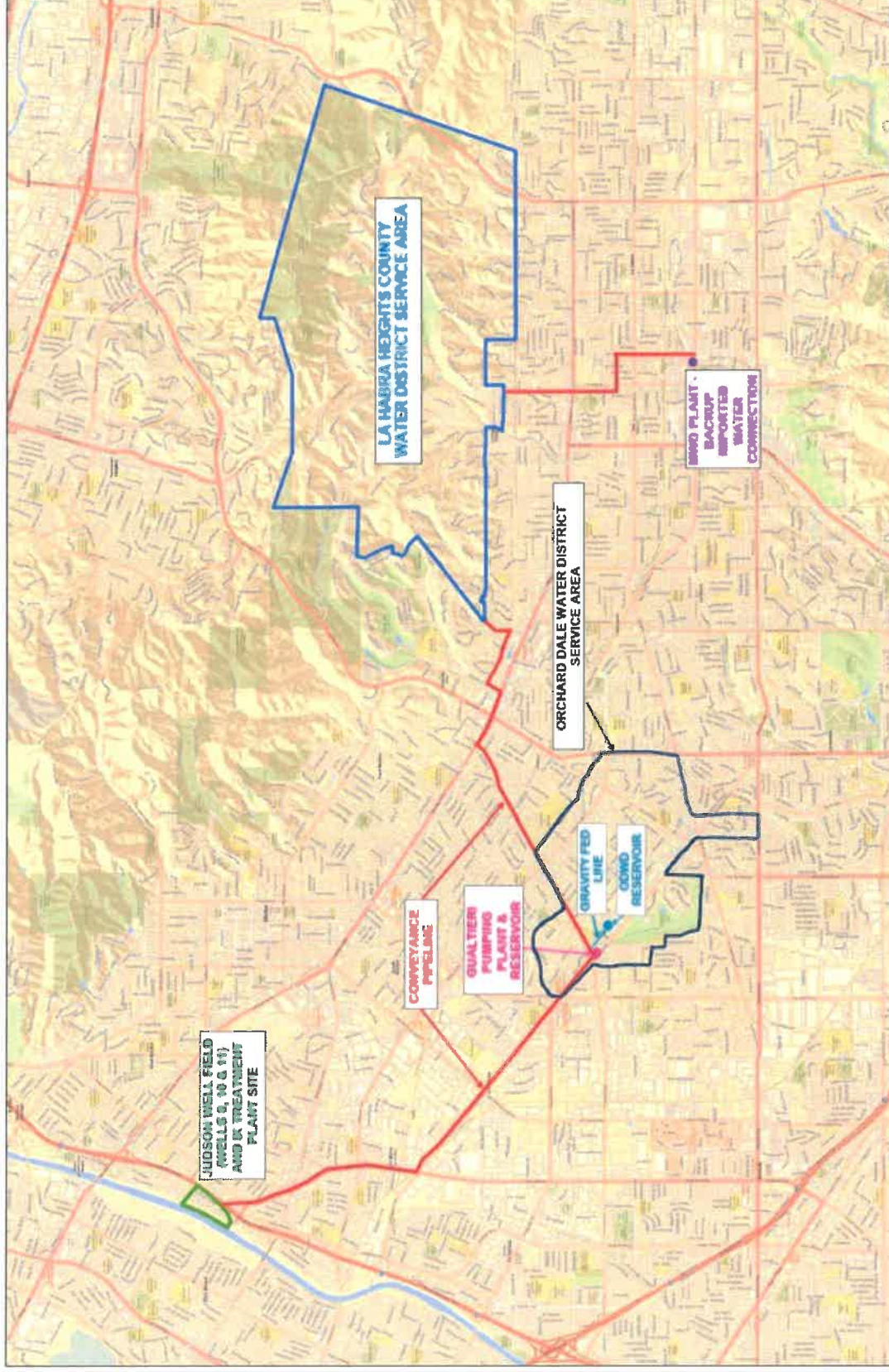


Figure 2. LHHWCWD Project Location

LHHCWD took a pro-active approach and ordered a technical study to evaluate options for addressing increasing levels of PFAS at LHHCWD's Judson Wellfield and changing regulations. The study analyzed PFAS levels, flow rates, available footprint, treatment options and treatment costs, and alternative sources of supply. Initially conducted in 2021, the study determined that a plume just west of the wellfield was expected to continue to expand and migrate, further impacting the wellfield. And as expected, more recently, on April 9, 2024, water samples showed PFOA levels of 11.50 parts per trillion (ppt) at Well #10, and 11.25 ppt at Well #11. Both levels are above the State of California's response level of 10ppt (Figure 3 and Figure 4). The recommended solution from the technical study was to utilize industry-accepted technology that fits the small available footprint by constructing an Ion Exchange treatment system at the wellfield and also upgrade Well Nos. 10 and 11 with new pumps and motors to meet current and future water supply needs of both districts. The study also recommended connecting Wells 8, 10 and 11 to the proposed treatment project, and eventually destroying Well 9. Construction of an additional well (Well 12) was also recommended in the future which would also be connected to the treatment facility. With regulatory requirements and compliance for PFAS looming and with the migrating groundwater plume, LHHCWD is taking action to address its water quality and water supply needs for the long term.

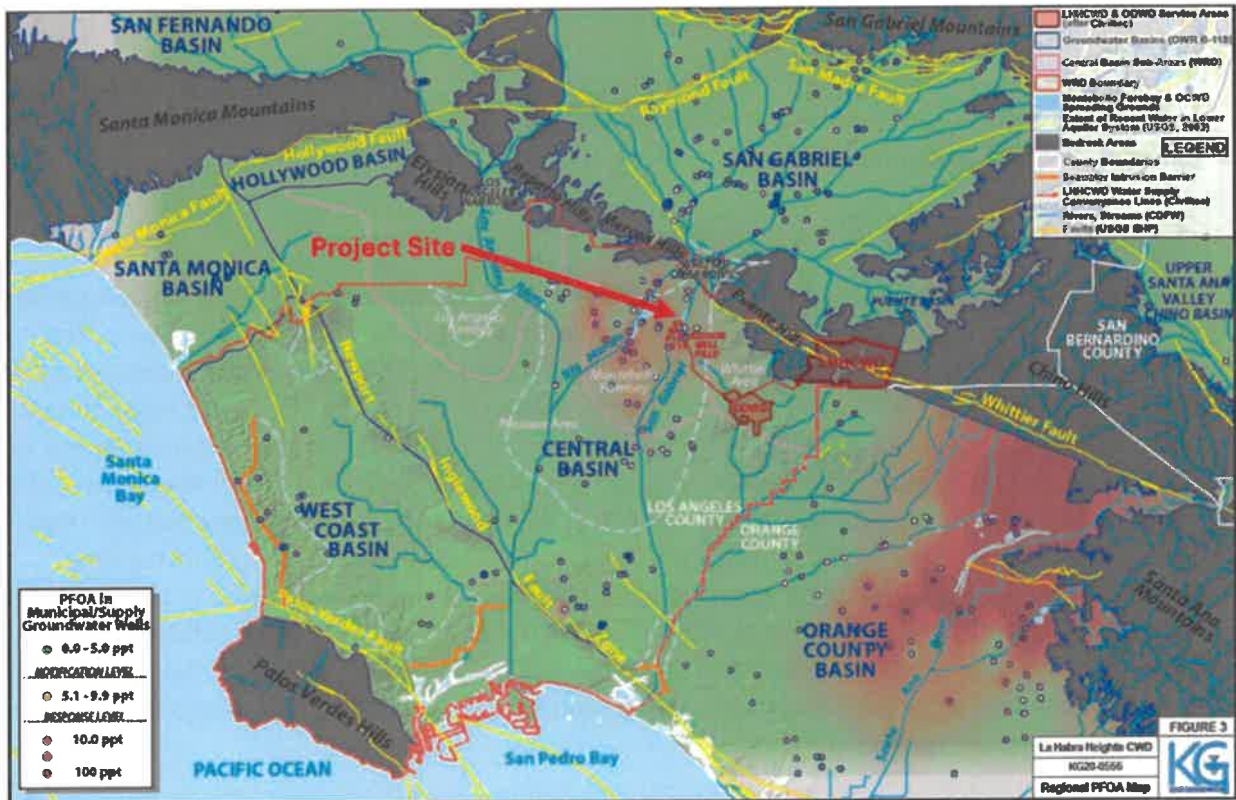


Figure 3. PFOA Contamination Plume

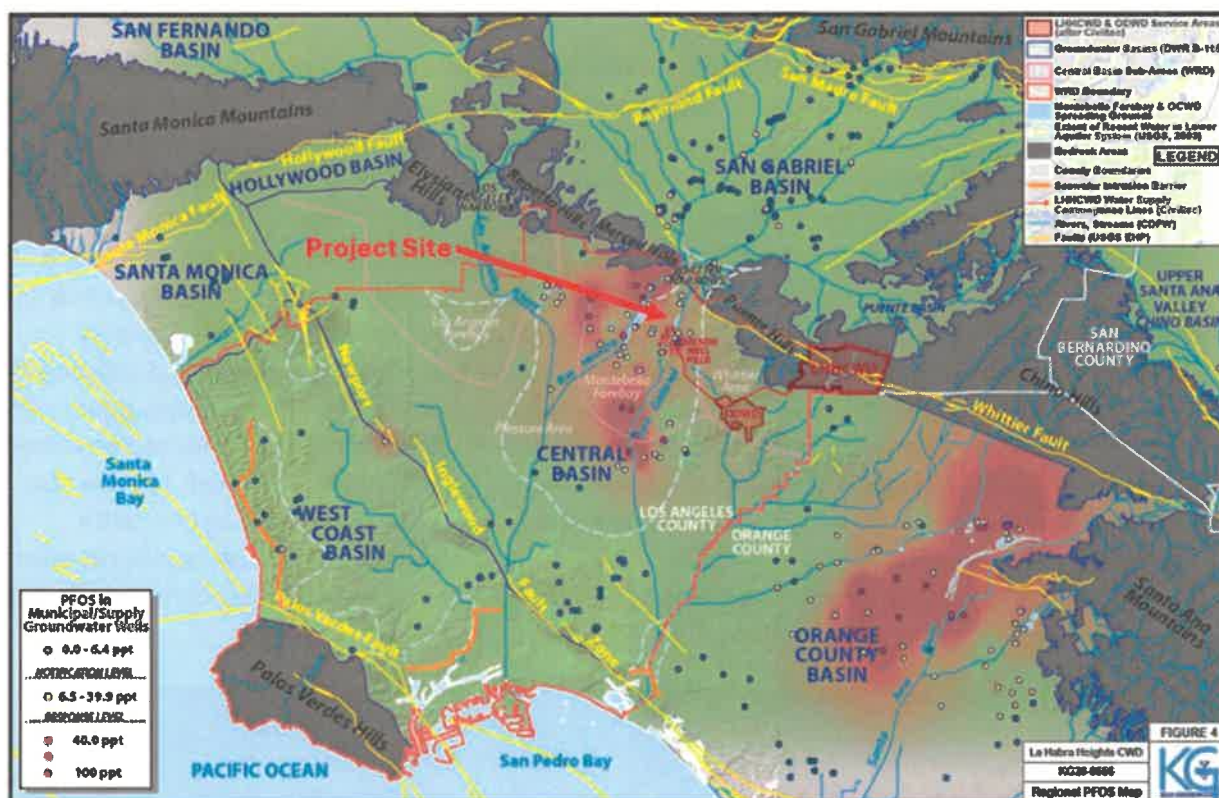


Figure 4. PFOS Contamination Plume

3.0 Project Description

To treat the PFAS from the currently impacted wells, LHHCWD plans to construct a 6,000 gallon per minute ion-exchange (IX) treatment facility at the Judson Wellfield, Wells 10 and 11 site. The new facility will be connected to Wells 8, 10 and 11 and will consist of sand separators followed by new pretreatment cartridge filters and three pairs of IX pressure vessels to remove the contaminants from the raw groundwater. On-site piping will be reconfigured to direct the raw groundwater to the new treatment system. As noted previously, Well 9 remains inactive after it was taken out of service on March 15, 2022 for mechanical reasons. Wells 10 and 11 will be upgraded with new pumps and motors to maximize capacity. Piping modifications include a new 18-inch piping segment from the existing 30-inch pipe currently transferring water from Well 8 to the Gualtieri reservoir to redirect that raw water to the Well 10 and Well 11 site for PFAS treatment. The existing 28-inch piping from Wells 10 and 11 to the Gualtieri reservoir will be utilized to transfer the combined treated water from the wells to the Gualtieri reservoir. Figure 5 provides the site layout for the IX treatment system.

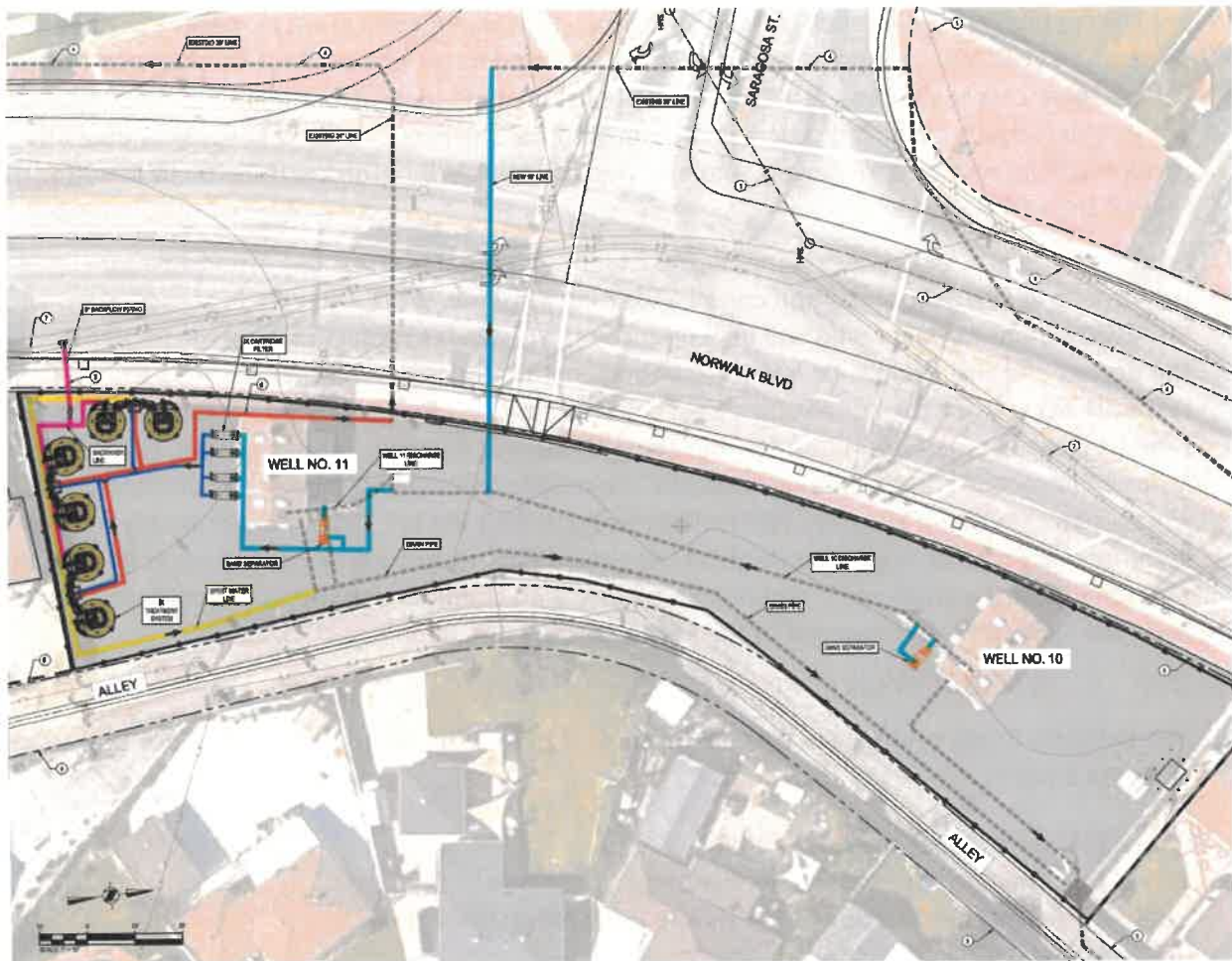


Figure 5. Ion-Exchange Treatment System Site Layout

For purposes of this grant, funding is only being requested to help with the purchase of equipment. Equipment procurement alone makes up the Funded Project and it does not include design, professional services, construction, installation, nor labor costs. The following key components were selected to be included in the Funded Project: 1) three IX vessel pairs and media; 2) sand separators with required concrete pads; 3) a pre-treatment system; and 4) new well pump and motor upgrades for Wells 10 and 11. The Total LHCWD Project cost is approximately \$6.2 million. Of that total, the estimated Funded Project cost is \$4,222,000. If \$2.5 million is awarded to the Project by EPA then a cost share of approximately 41% will be funded by local sources and will exceed the minimum required cost share of 20%. LHCWD will construct the entire project using a combination of funds from EPA, local funding programs (WRD PFAS Remediation Program), and funding from its own budget. Separating out equipment procurement for purposes of this grant will help streamline administration of the grant.

While the costs for all professional services are not included in the Funded Project, it is important to note the level of expertise on this project. LHCWD has approved retaining the services of an engineering firm, Civiltect Engineering Inc., to do the technical review, pre-design, design, and

equipment bidding. Additionally, an outside project manager and a grant manager have been retained by LHCWD to support and manage the entire project and grant. The objective of their services is to ensure the project will meet all applicable federal, environmental, permitting, and grant requirements. Detailed progress reports, photos, and proper record-keeping of data and receipts will be collected, reviewed, and approved by LHCWD before submission to WRD for their review and submission to EPA.

As grant Recipient, WRD will administer the Grant Agreement and will be responsible for responding to EPA's reporting and compliance requirements. WRD will work in coordination with LHCWD's grant manager who will be working with LHCWD's project manager in implementing the project and also submitting invoice reimbursement requests. While WRD will be the responsible party for the administration of the grant and will be directly submitting reimbursement requests through the Automated Standard Application for Payment (ASAP) system, LHCWD's grant manager will coordinate and reconcile the proper collection of invoice documentation before submission to WRD. In addition, WRD will coordinate with the LHCWD grant manager to prepare Semi-Annual Progress Reports, a Project Completion Report, and a Grant Completion Report. WRD will administer the grant and maintain compliance with conditions of the agreement separately from the Funded Project detailed in the Scope of Work and Budget sections.

3.1 Scope of Work

The LHCWD Project consists of six phases as listed below. The Funded Project is included as part of Phase 3 which is Task 1 of the Grant.

Phase 1: Project Management

Phase 2: Preliminary Engineering Services and Site Survey

Phase 3: Pre-purchased Equipment RFPs and Equipment Procurement

Phase 4: Design Documents Development

Phase 5: Bid Phase Services

Phase 6: Permitting

The Funded Project consists solely of procuring equipment needed to construct and fully operate LHCWD's PFAS remediation and treatment system. However, LHCWD is responsible for implementing all elements of the project in their entirety. LHCWD will ensure that all equipment and components of the project regardless of being a part of the Funded Project or not, will be made in America as required by federal law.

Costs incurred for all Civiltec Engineering, Inc. services are not included in the Funded Project. However, it is important to note that they will be developing the specifications and request for proposals (RFPs) written specifically to solicit bids from vendors for the pre-purchase of equipment components for the Funded Project. Civiltec Engineering, Inc. will also assist LHCWD with evaluations of received equipment proposals and answer vendor questions throughout the bid period.

Depending on the equipment component, the RFPs will include the following requirements: 1) Vendors must be willing to coordinate with the general contractor to be selected by LHCWD at a

later point in time; 2) Vendors will be required to provide a written warranty on treating the groundwater to non-detect levels; 3) Vendors must fabricate and deliver the equipment within the desired project schedule; 4) Vendors must inspect equipment after installation by the general contractor and provide written confirmation that installation meets all warranty requirements.

It is anticipated that after development of the California Environmental Quality Act (CEQA) initial study and an environmental memorandum, the project will fall under a Class-1 Categorical Exemption. The documentation will then be presented to WRD for submission to EPA for National Environmental Policy Act (NEPA) compliance.

GRANT TASK 1: Equipment Procurement (LHHCWD Project Phase 3 - Component)

The Funded Project is a component of LHHCWD Project Phase 3 and consists only of purchasing equipment. The following equipment will be purchased as part of the Funded Project scope of work.

- 1) Three IX vessel pairs and media
- 2) Sand separators
- 3) Pre-treatment system
- 4) New well pump and motor upgrades for Wells 10 and 11

3.2 Project Budget

The project budget focuses only on the Funded Project associated with the Grant Task 1 scope of work. Grant administration, planning, design, and construction costs needed to complete LHHCWD's Project that are outside of the Funded Project will be paid for with outside funding that is not associated with the grant.

The Funded Project budget was prepared based on the *Interim General Budget Development Guidance for Applicants and Recipients of EPA Financial Assistance* document. Cost categories included in the guidance document were considered; however, they are not applicable for the Funded Project. No costs are included in the Funded Project for Personnel, Fringe Benefits, Travel, Equipment, Supplies, Contractual, Construction, or indirect costs.

Table 1. Subrecipient Funded Project Costs

Description	Estimated Cost ¹
Three IX Vessels and Media	\$2,824,000
Sand Separators	\$96,000
New Cartridge Filter Pretreatment System, Housings, Filters, One Redundant Housing	\$213,000
Existing Well 10 and 11 Site Electrical/Instrumentation, MCC, Transformer, and SCADA upgrades	\$107,000
Existing Well 10 and 11 Site Well Pump Motor and Additional Bowls Upgrades	\$431,000
Contingency	\$551,000
Total Funded Project²	\$4,222,000

1) Estimated costs are rounded.

2) Total Funded Project includes 15% Contingency due to unknown inflation and unknown shipping costs.

It is anticipated that equipment lead times may be long, so LHCWD will pre-purchase the equipment components using its own funds initially. Project invoices and supporting documentation for the LHCWD Funded Project expenses will be submitted to WRD for review. WRD will submit requests for reimbursement to EPA through the ASAP system and funds will be distributed to LHCWD upon receipt from EPA.

Total Cost

The total estimated cost of the Funded Project is \$4,222,000. Table 2 summarizes the proportion of Non-Federal Funding and the total Funded Project costs.

Table 2. Summary of Non-Federal and Federal Funding Sources

Funding Sources	Amount	% of Funded Project
Non-Federal Funding		
La Habra Heights County Water District	\$1,722,000	41%
REQUESTED Federal Funding	\$2,500,000	59%
Total Funded Project Cost	\$4,222,000	100%

4.0 Milestone Schedule

The LHCWD Project started preliminary design efforts in August 2024, and it is estimated that the project will end in March 2027 with the completion of construction. Due to expected long lead times for certain equipment, the Funded Project portion of the schedule is estimated to start in October 2024 with the preparation of pre-purchase documents. Key milestones for the Funded Project are provided in Table 3, and completion of the Funded Project activities is anticipated in November 2026.

Table 3. Funded Project Milestone Schedule

Task / Milestone	Planned Start Date	Planned Completion Date
Prepare Prepurchase Documentation	10/8/2024	11/8/2024
Agency of Prepurchase Documentation	11/11/2024	12/3/2024
Finalize Prepurchase Documentation	12/4/2024	1/1/2025
Advertise Prepurchase Documentation	1/2/2025	3/5/2025
Prepurchase Equipment Evaluation and Selection	3/6/2025	4/3/2025
Contract Execution and NTP for Equipment	4/4/2025	6/26/2025
Equipment Submittal Procurement & Approval	6/27/2024	10/30/2025
Longest Lead Equipment Fabrication and Delivery	10/31/2025	11/5/2026

5.0 Environmental Results/Benefits

LHCWD's groundwater wells are located in the northeast portion of the Central Basin, specifically the areas near and in the Montebello Forebay. PFAS have been detected at concentrations slightly greater than MCLs for drinking water wells. The Montebello Forebay is critical to WRD's groundwater replenishment operations because it is a region where surface and recycled water infiltrate into the subsurface to directly recharge multiple unconfined drinking water aquifers. Contaminants in groundwater within this region can spread easily and quickly both laterally and vertically due to the nature of the underlying geology. Implementation of LHCWD's Project will directly assist with WRD's efforts to remove PFAS from the Central Basin and keep the contaminants from further impacting water supplies within the region. Implementation of Phase 3 of the overall project (equipment purchase) aligns with EPA's Strategic Plan Goal 5: Ensure Clean

and Safe Water for All Communities, and Objective 5.1: Ensure Safe Drinking Water and Reliable Water Infrastructure.

By supporting water purveyors with their remediation of PFAS-impacted wells, WRD not only provides safe drinking water, but also prevents unwanted substances from spreading throughout the vital drinking water aquifers, helping to ensure an uninterrupted supply of high-quality groundwater at affordable rates. EPA funding for this project will help ensure clean and safe drinking water within the Central Basin which is managed by WRD. Funding will also directly benefit the potable water supply of a Disadvantaged Community (DAC) and Severely Disadvantaged Community (SDAC) that is not responsible for the PFAS contamination and that is faced with an undue burden. To ensure continued operations at the LHCWD wellfield, the capture, treatment and removal of PFOS is needed to protect current and future water supply needs in the region.

5.1 Environmental Outputs

An evaluation of options was conducted to address LHCWD's current and future water supply demands. Moreover, the environmental damage caused by man-made materials has had a major impact on the environment including groundwater supplies. As a result, many groundwater suppliers have been impacted without having caused damage in the first place. Regardless of this, water suppliers such as LHCWD are now focused on addressing water quality related to PFAS in the environment. LHCWD explored several options including shutting down groundwater well operations and purchasing imported treated water. Blending was also considered but quickly eliminated due to logistical and physical barriers which prevent this as a viable option. LHCWD also recognizes that shutting down well production and/or blending does not address the overall need to remove PFAS. Treatment at the site will remove PFAS contaminants from the groundwater supplies to non-detect levels. It will be pumped, treated and delivered which will supply potable water directly to customers and assist in the long-term viability of the Central Basin as a sustainable and reliable water supply overall. Since the Funded Project consists only of purchasing equipment, outputs will not be measurable during the funding period.

5.2 Environmental Outcomes

The result of constructing treatment at the Judson Wellfield will be long-term, reliable clean water while also removing PFAS from the environment, helping the groundwater basin overall. It is estimated that as the plume migrates and spreads, LHCWD's treatment facility will serve as the only location removing PFAS in that region of the Central Basin. Even with regulations potentially changing, LHCWD will have pro-actively prepared for treatment ahead of time. Some of the area served by this well field are disadvantaged and are often more burdened by environmental damage than other areas. LHCWD's treatment facility will facilitate a cleaner environment for the region. Upon completion of the LHCWD Project, treated water will be produced from the Judson Wellfield Well 8, 10 and 11 and pumped to supply a total of approximately 4,800 AFY of water to LHCWD and ODWD.

6.0 Requirements for Identifying Contractors

WRD will be the pass-through entity for grant funding awarded by EPA to fund LHCWD's implementation of the well treatment project as described above. The Funded Project components

requesting reimbursement as part of this scope of work only includes the purchase of equipment. Thus, procurement for professional engineering services and construction contractors are not included in this scope of work. Procurement of the equipment will be conducted in a manner that promotes fair and open competition from an adequate number of qualified sources. Contractual selection will comply with competitive Procurement and Standards set forth in 2 CFR 200.317 – 2 CFR 200.327 and will also align with EPA’s requirements outlined in EPA’s Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements. Federal requirements will be included in the subaward agreement between WRD and LHHWCD. WRD will review LHHWCD’s procurement process to confirm alignment with Grant Agreement requirements.

7.0 Requirements for Identifying Subrecipients

LHHWCD was selected by WRD to receive funding assistance through WRD’s PFAS Remediation Program application process. WRD’s selection of LHHWCD as a non-Federal subaward for EPA grant funding was a non-competitive process and complies with the regulatory standards identified in EPA’s Subaward Policy and 2 CFR Subtitle A, Chapter II, Part 200. As a pass-through entity, WRD intends to make a subaward to LHHWCD and LHHWCD will only receive reimbursement from the EPA grant for actual direct costs for the Funded Project elements described in this Workplan such that they do not profit from the transaction. LHHWCD is subject to the same Federal requirements as WRD, and all requirements will be included in the Memorandum of Understanding between WRD and LHHWCD.

Mandatory Federal Forms

The following mandatory Federal forms were submitted via grants.gov.

1. SF-424: Application for Federal Assistance
2. SF-424A: Budget Information for Non-Construction Programs
3. EPA Form 5700-4: EPA Key Contacts
4. EPA Form 4700-4: Pre-Award Compliance Review Report
5. EPA Form 660-06: Certification Regarding Lobbying
6. SF-LLL: Disclosure of Lobbying Activities