



FINANCE AND ADMINISTRATION COMMITTEE MEETING

Monday, July 18, 2022
Meeting Begins at 5:30 PM

Members of the public may attend by the following options:

In Person

SCV Water
Rio Vista Water Treatment Plant
Board Room
27234 Bouquet Canyon Road
Santa Clarita, CA 91350

By Phone

Toll Free:
1-(833)-568-8864
Webinar ID: 161 963 0630

Remotely

Please join the meeting from your
computer, tablet or smartphone:

<https://scvwa.zoomgov.com/j/1619630630>

Have a Public Comment?

Members of the public unable to attend this meeting may submit comments either in writing to edill@scvwa.org or by mail to Erika Dill, Management Analyst II, Santa Clarita Valley Water Agency, 27234 Bouquet Canyon Road, Santa Clarita, CA 91350. All written comments received before 4:00 PM the day of the meeting will be distributed to the Committee members and posted on the Santa Clarita Valley Water Agency website prior to the start of the meeting. Anything received after 4:00 PM the day of the meeting will be made available at the meeting, if practicable, and will be posted on the SCV Water website the following day. All correspondence with comments, including letters or emails, will be posted in their entirety. (Public comments take place during Item 2 of the Agenda and before each Item is considered. Please see the Agenda for details.)

This meeting will be recorded and the audio recording for all Committee meetings will be posted to yourscvwater.com within 3 business days from the date of the Committee meeting.


Disclaimer: Attendees should be aware that while the Agency is following all applicable requirements and guidelines regarding COVID-19, the Agency cannot ensure the health of anyone attending a Board meeting. Attendees should therefore use their own judgment with respect to protecting themselves from exposure to COVID-19.

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Date: July 11, 2022

To: **Finance and Administration Committee**
R.J. Kelly, Chair
Beth Braunstein
Ed Colley
Jerry Gladbach
Gary R. Martin

From: Eric Campbell 
Chief Financial and Administrative Officer

The **Finance and Administration Committee** is scheduled for **Monday, July 18, 2022** at **5:30 PM** at **27234 Bouquet Canyon Road, Santa Clarita, CA 91350** in the **Board Room**. Members of the public may attend in person or virtually. To attend this meeting virtually, please see below.

IMPORTANT NOTICES

This meeting will be conducted in person at the address listed above. As a convenience to the public, members of the public may also participate virtually by using the **Agency's Call-In Number 1-(833)-568-8864, Webinar ID: 161 963 0630 or Zoom Webinar by clicking on the link <https://scvwa.zoomgov.com/j/1619630630>**. Any member of the public may listen to the meeting or make comments to the Committee using the call-in number or Zoom Webinar link above. However, in the event there is a disruption of service which prevents the Agency from broadcasting the meeting to members of the public using either the call-in option or internet-based service, this meeting will not be postponed or rescheduled but will continue without remote participation. The remote participation option is being provided as a convenience to the public and is not required. Members of the public are welcome to attend the meeting in person.

Attendees should be aware that while the Agency is following all applicable requirements and guidelines regarding COVID-19, the Agency cannot ensure the health of anyone attending a Committee meeting. Attendees should therefore use their own judgment with respect to protecting themselves from exposure to COVID-19.

Members of the public unable to attend this meeting may submit comments either in writing to edill@scvwa.org or by mail to Erika Dill, Management Analyst II, SCV Water, 27234 Bouquet Canyon Road, Santa Clarita, CA 91350. All written comments received before 4:00 PM the day of the meeting will be distributed to the Committee members and posted on the SCV Water website prior to the start of the meeting. Anything received after 4:00 PM the day of the meeting will be made available at the meeting, if practical, and will be posted on the SCV Water website the following day. All correspondence with comments, including letters or emails, will be posted in their entirety.

MEETING AGENDA

<u>ITEM</u>		<u>PAGE</u>
1.	<u>PLEDGE OF ALLEGIANCE</u>	
2.	<u>PUBLIC COMMENTS</u> – Members of the public may comment as to items within the subject matter jurisdiction of the Agency that are not on the Agenda at this time. Members of the public wishing to comment on items covered in this Agenda may do so at the time each item is considered. (Comments may, at the discretion of the Committee Chair, be limited to three minutes for each speaker.)	
3.	* Recommend Approval of FY 2022/23 Water Supply Contract Payments	7
4.	* Recommend Approval of a Contract Amendment with Robert D. Niehaus, Inc. for Ratepayer Advocate Services	13
5.	* Recommend Approval of a Contract with Chandler Asset Management, Inc. for As-Needed Investment Advisory Services	23
6.	* Recommend Receiving and Filing of May 2022 Financial Report	71
	May 2022 Check Registers Link: https://yourscvwater.com/wp-content/uploads/2022/07/Check-Register-May-2022.pdf	
7.	* Committee Planning Calendar	101
8.	General Report on Finance and Administration Activities	
9.	Adjournment	
	* Indicates attachments	
	◆ To be distributed	

NOTICES:

Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning **Erika Dill, Management Analyst II** at (661) 297-1600, or writing to SCV Water at 27234 Bouquet Canyon Road, Santa Clarita, CA 91350. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that Agency staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the Agency to provide the requested accommodation.

July 11, 2022
Page 3 of 3

Pursuant to Government Code Section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Committee less than seventy-two (72) hours prior to the meeting will be available for public inspection at SCV Water, located at 27234 Bouquet Canyon Road, Santa Clarita, California 91350, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Website, accessible at <http://www.yourscvwater.com>.

Posted on July 12, 2022.

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COMMITTEE MEMORANDUM

DATE: July 11, 2022

TO: Finance & Administration Committee

FROM: Rochelle Patterson *[Signature]*
Director of Finance and Administration

SUBJECT: Recommend Approval of a Resolution Authorizing FY 2022/23 Water Supply Contract Payments

SUMMARY AND DISCUSSION

The Agency has received the Department of Water Resources (DWR) 2023 Statement of Charges. This invoice has been combined with the 2022 Statement of Charges to develop the attached resolution authorizing contract payments during FY 2022/23. The fixed charges total \$24,827,586, as shown in the attachment. The variable charges depend on the water deliveries during the course of the year, but are estimated not to exceed \$9,000,000.

Due to the timing of the DWR statement of charges, which usually becomes available annually in July, the attached resolution authorizes the July 2023 payment in June 2023.

FINANCIAL CONSIDERATIONS

DWR payments are fully funded by Agency-set property tax revenues received from Los Angeles and Ventura Counties.

RECOMMENDATION

That the Finance and Administration Committee recommends the Board of Directors adopt the attached resolution authorizing the General Manager to disburse funds from the State Water Contract Fund, subject to adjustments, in a timely manner to meet the Water Supply Contract and Devil Canyon-Castaic Contract payment obligations due during FY 2022/23.

RP/ed

Attachments

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RESOLUTION NO. SCV-___

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY
AUTHORIZING WATER SUPPLY CONTRACT PAYMENTS
FOR FISCAL YEAR 2022/23**

WHEREAS, the Castaic Lake Water Agency on April 30, 1963 contracted with the State of California through the Department of Water Resources for a water supply pursuant to the California Water Resources Development Bond Act; and

WHEREAS, the Castaic Lake Water Agency on June 23, 1972 joined in the Devil Canyon-Castaic Contract, which amended payment terms of the State Water Contract to require Agency payment for debt service on bonds issued under the contract and operation and maintenance of certain facilities; and

WHEREAS, pursuant to SB 634, the Santa Clarita Valley Water Agency (SVC Water) was created on January 1, 2018 and is the successor entity to the Castaic Lake Water Agency (CLWA) and the Newhall County Water District (NCWD); and

WHEREAS, the Santa Clarita Valley Water Agency is currently entitled under the Water Supply Contract, as amended, to a total Annual Table A amount of 95,200 acre-feet; and

WHEREAS, the Water Supply Contract, as amended, requires the Santa Clarita Valley Water Agency to make payments to the Department of Water Resources for water service on account of (1) a Delta Water Charge, (2) a Transportation Charge, (3) a Devil Canyon-Castaic Contract Charge, (4) an Off-Aqueduct Power Facilities Charge as an addition to the Transportation Charge, and (5) a Water System Revenue Bond Surcharge; and

WHEREAS, pursuant to Article 29 of the Water Supply Contract and Articles 17 and 22 of the Devil Canyon-Castaic Contract, the Santa Clarita Valley Water Agency has received statements of charges embracing and detailing payments for FY 2022/23; and

WHEREAS, a summary of the charges contained in the statements is attached to this resolution and the total of the invoiced FY 2022/23 Water Supply Contract charges is \$24,827,586, plus Variable Operation, Maintenance, Power and Replacement Charges.

WHEREAS, this action also approves payment of the July 2023 Water Supply Contract charges, including Variable Operation, Maintenance, Power and Replacements Charges, in June 2023, which is required by the Water Supply Contract.

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the Santa Clarita Valley Water Agency authorizes the General Manager to disburse funds from the State Water Contract Fund, subject to adjustments, in a timely manner to meet the Water Supply Contract and Devil Canyon-Castaic Contract payment obligations due for FY 2022/23.

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FY 2022/23 Water Supply Contract Payments

	Delta Water Charge	Transportation Charge	Devil Canyon Castaic Charge	Off-Aqueduct Power Charge	Water System Revenue Bond Surcharge	Total
August 2022	461,961	852,872	15,698	4,770	-	1,335,301
September	461,960	852,872	15,698	68,610	-	1,399,140
October	461,960	852,872	15,698	4,770	-	1,335,300
November	461,960	852,872	15,698	4,770	-	1,335,300
December	461,960	852,872	15,698	4,769	-	1,335,299
January 2023	2,216,551	1,856,768	-	8,518	1,214,727	5,296,564
February	421,019	1,056,553	-	8,518	-	1,486,090
March	421,019	1,056,553	-	72,188	-	1,549,760
April	421,019	1,056,553	-	8,518	-	1,486,090
May	421,019	1,056,553	-	8,518	-	1,486,090
June	421,019	1,056,553	-	8,518	-	1,486,090
July	<u>2,216,551</u>	<u>1,856,768</u>	<u>-</u>	<u>8,518</u>	<u>1,214,725</u>	<u>5,296,562</u>
Total	\$ 8,847,998	\$ 13,260,661	\$ 78,490	\$ 210,985	\$ 2,429,452	\$ 24,827,586

DMS #29217

Reflects Invoice 23-005-T, dated June 30, 2022

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COMMITTEE MEMORANDUM

DATE: July 11, 2022

TO: Finance and Administration Committee

FROM: Rochelle Patterson 
Director of Finance and Administration

SUBJECT: Recommend Approval of a Contract Amendment with Robert D. Niehaus, Inc. for Ratepayer Advocate Services

SUMMARY

On August 6, 2019, the Agency entered into a three-year contract with Robert D. Niehaus, Inc. (RDN) to serve as the Agency's Ratepayer Advocate (RPA). Staff is seeking a one-year extension of the RDN contract, as well as an increase to the compensation in the amount of (not to exceed) \$25,200, in order for the consultant to participate as the RPA in the Valencia retail capacity fee study.

DISCUSSION

In November 2018, the Agency developed a rate-setting process that included an independent RPA function consistent with the Agency Act, (Section 14(b)–14(d)). The purpose of the RPA is to provide independent third-party peer review to the Board of Directors and to the public in the SCV Water rate-setting processes, which includes retail rates, wholesale rates, facility capacity fees, and retail capacity/connection fees. The Board of Directors shall not eliminate the RPA role before January 1, 2023. On and after January 1, 2023, the Board of Directors may eliminate the RPA role with an affirmative vote of four-fifths of its membership.

Over the past three years, Agency staff and RDN presented, and the Board adopted, facility capacity fees (effective July 1, 2020), retail water rates (effective July 1, 2021) and wholesale water rates (effective April 1, 2022).

In order for RDN to continue as the RPA and work with the Agency on the Valencia retail capacity fees, as well as any updates to existing fees, a contract amendment will need to be executed.

FINANCIAL CONSIDERATIONS

The scope of work under the existing contract has been completed. A proposal has been received in the amount of \$25,200 (not to exceed) for RPA services related to the Valencia retail capacity fees, and will be additional compensation added to the contract amendment. Funds for the contract amendment (attached) are included in the FY 2022/23 Finance and Administration Department Budget (101-1501-53236-000).

RECOMMENDATION

That the Finance and Administration Committee recommend the Board of Directors approve the attached contract amendment, extending the RDN contract for RPA services for one-year, and adding \$25,200 (not to exceed) to the contract in order to review the Valencia capacity fee study.

RP

Attachment

M65

**CONTRACT AGREEMENT AMENDMENT
AMENDMENT NO. 2**

**Santa Clarita Valley Water Agency
27234 Bouquet Canyon Road
Santa Clarita, CA 91350
Telephone (661) 297-1600 FAX (661) 297-1611**

AND

Legal Entity Name:	Robert D. Niehaus, Inc.
Address Line 1:	140 E. Carrillo St.
Address Line 2:	Santa Barbara, CA 93101
Telephone Number:	805-962-0611
Contact Person:	Robert D. Niehaus

This is Amendment No. 2 to Contract Agreement number A1920-003-16229 between Santa Clarita Valley Water Agency, ("SCV Water"), and Robert D. Niehaus, Inc. (RDN) dated August 7, 2019.

Amendment No. 2 Increases the Agreement amount by \$25,200 (from \$98,415 to \$123,615) and extends the term of the Agreement through August 6, 2023.

NOW, THEREFORE, the parties agree that Contract Agreement shall be amended to read as follows:

Section 1. SCOPE OF WORK

1.1 Addition of SCV Water Capacity Fee review - attached

Section 2. COMPENSATION

2.1 Amount – increases by \$25,200 not to exceed \$123,615 ("Maximum Amount").

Section 8. TERM OF THE AGREEMENT

8.1 Period of Services – The Term of the Agreement shall be extended through August 6, 2023

All other terms and conditions of the Agreement shall remain the same.

Accepted:

Santa Clarita Valley Water Agency

Robert D. Niehaus, Inc. (RDN)

By: _____
Name: Matthew G. Stone
Title: General Manager
Date: _____

By: _____
Name: Robert D. Niehaus, Ph.D., (RDN)
Title: Managing Director/Principal Economist
Date: _____

Agreement Number:	A1920-003-16229
Amendment Number:	2
Budget Code:	1501
Account Number:	53236
Project Code:	N/A

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May 16, 2022

Santa Clarita Valley Water Agency

Attn: Eric Campbell, Chief Financial Officer
24631 Avenue Rockefeller, Valencia, CA 91355
P: 661.294.0828
E: ecampbell@scvwa.org

Robert D. Niehaus, Inc.

Robert Niehaus, Managing Director
140 E Carrillo Street, Santa Barbara, CA 93101
P: 805.962.0611

SUBJECT: RDN Quote for SCV Water Capacity Fee Review

Dear Mr. Campbell,

Robert D. Niehaus, Inc. (RDN) is pleased to submit our quote to provide a review of independently calculated capacity fees for the Valencia service area. Since September 2019, RDN has supported SCV Water with independent review to the Board of Directors and customers when regional facility capacity fees and retailed water rates were being established. We added a layer of transparency for Board consideration and provided our expertise as a rate consultant to Agency staff throughout the process. For this project, Ms. Ichiko Kido will transition to the role of Senior Technical Advisor and Mr. Anthony Elowsky will be the primary point of contact for the agency. Ms. Kido will continue to support the agency as a sub-consultant to RDN. Mr. Elowsky has trained under Ms. Kido and we are confident he will provide SCV Water with the same level of accuracy, rigor, and attention.

In line with State Legislature (SB 634) requirements, we understand that SCV Water seeks Ratepayer Advocate support to provide a technical review to validate new capacity fees to ensure compliance with the Mitigation Fee Act (AB 1600).

The enclosed proposal details our proposed approach and costs for this task. Should you have any questions regarding our quote, please do not hesitate to reach out. Thank you for your consideration.

Respectfully submitted,

A handwritten signature in blue ink that reads "Robert D. Niehaus".

Robert D. Niehaus, Ph.D.
Managing Director



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Capacity Fee Review Technical Approach

RDN will review the independent capacity fee development process and validate that the cost of new development equitably bears the cost of additional demand on the Agency's systems. RDN will serve as a representative of Agency ratepayers to ensure that the new capacity fees are equitable and compliant. We propose to work iteratively with the selected capacity fee consultant throughout the study, to ensure that each step of the process appropriately serves Agency customers. These iterative assessments will ensure that the correct methodology is used to develop capacity fees and will ensure that Agency's recommended fees comply with the Mitigation Fee Act (AB 1600). Key factors in reviewing and supporting the development of the capacity fees include:

- Ensure the valuation methodology used by consultant is most applicable to the Agency's projected growth and financial goals
- Assess the Agency's current facility capacity and its value, to ensure arcuate "buy-in" portion of the fee
- Evaluate scheduled capital projects and verify that costs are proportionally allocated to future customers
- Project customer growth and demand using proven econometric techniques

The following tasks further detail key components of our review.

Task 1. Review Asset Valuation Methodology

We will review the calculation of SCV Water's system asset value to ensure that new customers are allocated proportional costs to reimburse existing customers for their advanced investment in maintaining the Agency's system extra capacity. We will evaluate the selected valuation method (original cost, replacement cost, or replacement cost less depreciation) is appropriate for the Valencia Division considering its current needs and growth projection. We will independently assess possible deductions and additions, such as assets funded by grants and developer's fees, and capital reserves built by current customers, to ensure the proposed fees accurately reflect a fair reimbursement by new customers.

Task 2. Review Capital Projects Included in Fee Calculation

RDN will work with the selected consultant to ensure future capital projects included in the fee calculation reflect only the expansion and upgrades of the system capacity to accommodate future customers. We will ensure the proposed fees align with the Agency's master plan and capital improvement plan.

Task 3. Review Customer Capacity Demand

We will review the estimated future customer demand is reasonable and appropriate. If Equivalent Dwelling Unit (EDU) count is used in the fee calculation, RDN will evaluate the assumptions of future EDU counts using our economic and financial expertise. Future EDU counts should be based on sound and defensible methodologies, which may include linear regressions, Monte Carlo simulations, and/or deterministic models. RDN will ensure that the proposed solution that is best able to meet capacity fee objectives while considering impacts on developers and ratepayers.

Task 4. Project Management/Meetings

We will attend regular virtual progress meetings with the capacity fee consultant and agency to ensure that a thorough review of new capacity fees is completed in a timely manner. Our proposal assumes attendance at all meetings will be virtual. RDN is add in-person in-person to the scope of work if desired by the Agency.

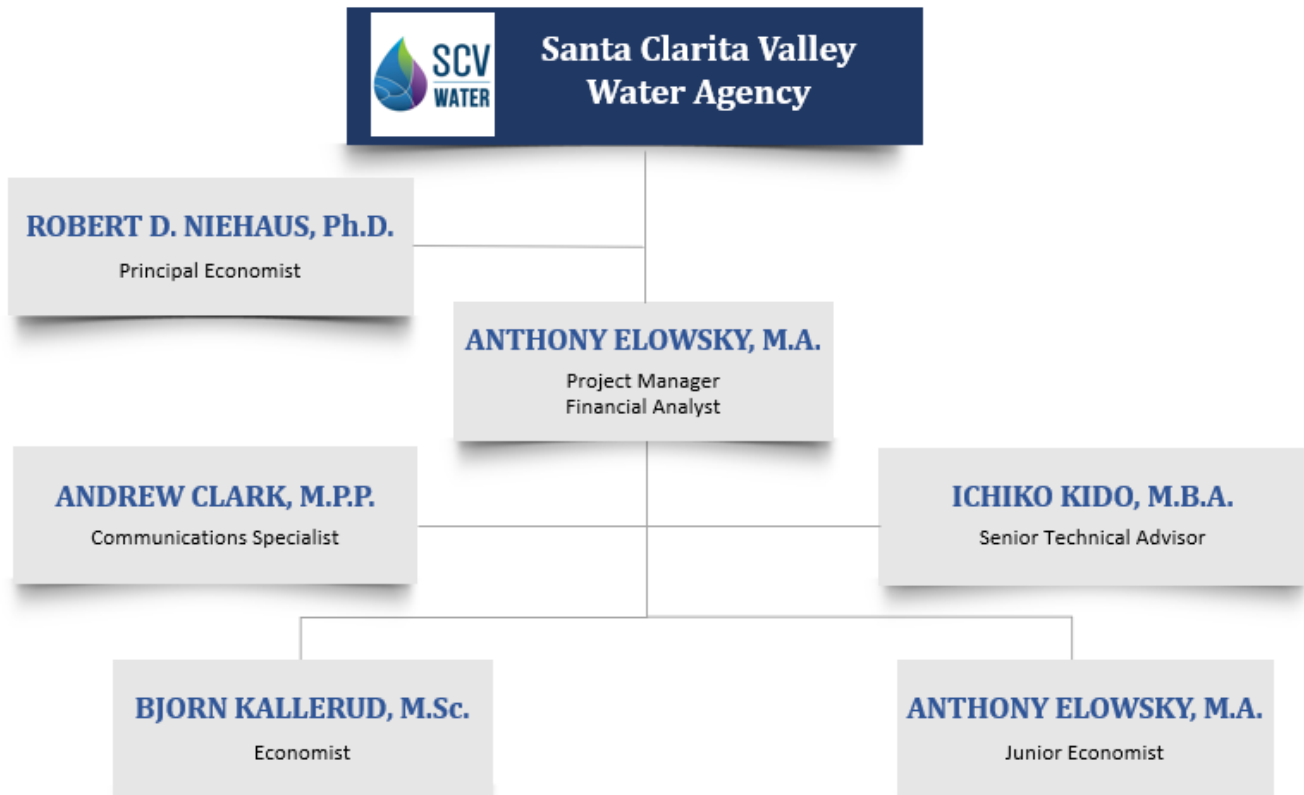
Task 5. Draft and Final Reports

RDN will prepare a draft report detailing the analyses involved in our review and provide any necessary recommendations. We will incorporate any Agency feedback into the final report.

Team Qualifications

RDN’s proposed project team is led by our principal economist, Dr. Robert Niehaus, and project manager, Anthony Elowsky, and Ms. Ichiko Kido as a senior technical advisor. Mr. Elowsky will serve as the Agency’s main point of contact. Full resumes for key staff are appended to this proposal.

Figure 1. Team RDN Project Organization, Key Personnel



Cost Proposal

The table below presents our not-to-exceed cost proposal to provide a capacity fee review. Our not-to-exceed proposal for the capacity fee review is \$25,200.

Figure 2. Not-to-Exceed Cost Proposal

Tasks	Robert D. Niehaus, Inc.				Total Hours	Total Cost
	Principal	Senior Advisor	Project Manager	Associate Analyst		
Task 1. Review Asset Valuation Methodology	2	4	16	6	28	\$4,920
Task 2. Review Capital Projects Included in Fee Calculation	2	6	16	6	30	\$5,300
Task 3. Review Customer Capacity Demand	2	6	12	6	26	\$4,600
Task 4. Project Management / Meetings	2	6	8	6	22	\$3,900
Task 5. Draft and Final Reports	2	4	16	18	40	\$6,480
Total Hours	10	26	68	42	146	
Hourly Rate	\$290	\$190	\$175	\$130		
Total Project Costs	\$2,900	\$4,940	\$11,900	\$5,460		\$25,200

Figure 3. RDN Labor Rates

Analyst	Labor Category	Hourly Rate
Robert Niehaus, Ph.D.	Principal	\$290
Ichiko Kido, M.B.A	Senior Analyst	\$190
Anthony Elowsky, M.A.	Associate Analyst	\$175
Andrew Clark, M.P.P.	Associate Analyst	\$130
Zachary VanDinther, B.S.	Associate Analyst	\$130
Bjorn Kallerud, M.Sc.	Associate Analyst	\$130

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COMMITTEE MEMORANDUM

DATE: July 11, 2022

TO: Finance and Administration Committee

FROM: Rochelle Patterson *[Signature]*
Director of Finance and Administration

SUBJECT: Recommend Approval of a Professional Services Agreement with Chandler Asset Management, Inc. for As-Needed Investment Advisory Services

SUMMARY AND DISCUSSION

In June 2022, the Agency issued a Request for Proposal (RFP) for investment advisory services. There were five (5) responses to the RFP, and based on the results of the scoring matrix, Chandler Asset Management, Inc. (Chandler) was selected as the firm that will best meet the Agency’s needs.

The duties of the investment advisor are:

- Confirm that the Agency’s investment policy complies with California Government Code (Code), encompasses the latest industry best practices, and meets the Agency’s preferences for ensuring safety and liquidity while optimizing investment return; and
- Work with Agency staff to analyze cash requirements in order to optimize the allocation between funds needed for liquidity and near-term capital projects, and funds that can be invested in longer term investment strategies designed to optimize return and meet long-term capital project requirements; and
- Seek to enhance the diversification of the Agency’s portfolio by safely expanding the investment options permitted by California Government Code, subject to the Agency’s comfort level; and
- Develop a comprehensive investment strategy that supports the Agency’s financial goals, current budgetary objectives, and long-term general plan. The strategy will seek to increase interest income as well as protect and enhance portfolio market value by actively diversifying sectors, issuers, maturities, and possibly portfolio duration.

The submissions were individually scored based on the responses to the required minimum qualifications and evaluation criteria as specified in the RFP. Minimum qualifications consisted of the firm’s number of years in business, portfolio managers registered with the Security and Exchange Commission, and total funds under management. The evaluation criteria included the firm’s communication practices; firm’s experience; qualification and success in providing services to agencies similar to SCV Water; quality of the proposal; the qualification of the firm’s personnel; and the firm’s references from agencies comparable to SCV Water. Cost was a factor in the overall ranking, but was not included in the scoring matrix, as fee schedules were not consistent between firms.

	CHANDLER	PFMAM	PUBLIC TRUST
EVALUATION CRITERIA SCORING	187	182	170
RANKING	1	2	3

FINANCIAL CONSIDERATIONS

Annual costs were compared for the top three scoring proposals.

Staff expects that the Agency can increase the amount of funds being invested and types of investments to offset some, if not all, the annual fees. Of the Agency's approximately \$300 million in cash and investments (May 2022), staff is estimating that approximately \$150 million can be placed under management. Total assets under management does not include liquid investments, such as LAIF, and is not included in the annual fee.

Fees - Assets Under Management (AUM)	CHANDLER	PFMAM	PUBLIC TRUST
First \$150 million	6bps (0.06%)		
Next \$150 million	4bps (0.04%)		
Assets \$300 million	3bps (0.03%)		
First \$100 million		8bps (0.08%)	
Next \$100 million		6bps (0.06%)	
Next \$100 million		5bps (0.05%)	
Above \$300 million		4bps (0.04%)	
First \$100 million			6bps (0.06%)
Next \$100 million			5bps (0.05%)
Assets \$200 million			4bps (0.04%)
Estimated Annual Fees (\$150 million AUM)	\$ 90,000	\$ 110,000	\$ 85,000

Investment advisory annual costs are included in the FY 2022/23 adopted budget (101-1501-53236-000).

RECOMMENDATION

That the Finance and Administration Committee recommend the Board of Directors authorize the General Manager to enter into a Professional Services Agreement with Chandler Asset Management, Inc. for as-needed investment advisory services.

RP

M65

Request for Proposal (2223-IAS-28313)
for:

**SANTA CLARITA VALLEY
WATER AGENCY**

INVESTMENT ADVISORY SERVICES

CHANDLER ASSET MANAGEMENT, INC.

6225 Lusk Boulevard

San Diego, California 92121

Direct: 858-546-3737, Toll free: 800-317-4747

info@chandlerasset.com | chandlerasset.com



June 10, 2022

Santa Clarita Valley Water Agency
27234 Bouquet Canyon Road
Santa Clarita, California 91350

Sent electronically: rpatterson@scvwa.org

RE: Request for Qualifications 2223-IAS-28313, Investment Advisory Services

Dear Mrs. Rochelle Patterson and the Department of Finance and Administration,

On behalf of *Chandler Asset Management, Inc.* (“Chandler”), we thank you for the opportunity to submit our firm’s proposal and present our qualifications to provide investment advisory services for **Santa Clarita Valley Water Agency (“Agency”)**. Chandler is an independent, 100% employee-owned, SEC-registered investment adviser founded on the tenets of public agency investing. Chandler proudly adheres to the CFA Institute Code of Ethics and Standards of Professional Conduct. Our firm provides comprehensive investment solutions for local governments comparable to the Agency’s desired Scope of Services in our home state of California for 34 years. We share your fiduciary duty and are guided by the objectives of safety, liquidity, and return. As of March 31, 2022, Chandler manages over **\$26 billion in firm-wide assets**, including ***\$3.8 billion in assets for water, wastewater, and utility districts nationwide.***

Since 1988, Chandler has assisted public agencies in fulfilling their fiduciary duty to their constituents by providing high-quality fixed income portfolios in a prudent investment framework. We utilize investment strategies that conform to all applicable federal laws and California Government Codes regarding qualified investments for public entities. The Agency will benefit from direct access to their assigned team members that are fully committed to not only meeting but exceeding your expectations for the investment management of the Agency’s funds as a fiduciary as well as for client service and reporting during the engagement. We will be proactive in our communication with you and your staff and look forward to attending frequent, in-person, and virtual meetings with the Director of Finance and Administration, Finance Committee, Board of Directors, and finance staff.

We have reviewed the Agency’s request for proposal, investment policy, and current portfolio and believe that we can add significant value to your investment program through the strategies summarized below, and explained in greater detail in our proposal:

- Confirm that the Agency’s investment policy complies with California Government Code (“Code”), encompasses the latest industry best practices, and meets the Agency’s preferences for ensuring safety and liquidity while optimizing investment return;
- Work with Agency staff to analyze cash requirements in order to optimize the allocation between funds needed for liquidity and near-term capital projects and funds that can be invested in longer-term investment strategies designed to optimize return and meet long-term capital project requirements;
- Seek to enhance the diversification of the Agency’s portfolio by safely expanding the investment options permitted by California Government Code, subject to the Agency’s comfort level and;

- Develop a comprehensive investment strategy that supports the Agency’s financial goals, current budgetary objectives, and long-term general plan. The strategy will seek to increase interest income as well as protect and enhance portfolio market value by actively diversifying sectors, issuers, maturities, and possibly portfolio duration.

Our commitment to providing personalized client service is equal to our commitment to meeting your investment objectives, and is reflected in the following:

We understand your investment perspective. Since its inception, Chandler’s foundations have been rooted in the public sector. The firm’s founder and Chief Executive Officer served as investment officers of large California public agencies with the same objectives for their investment programs that guide our firm today. We understand that the investment program must support the Agency’s financial goals while enhancing safety and liquidity within a framework of legal conformity. Chandler’s significant expertise in safeguarding our clients’ funds while generating compelling risk-adjusted returns over many market cycles highly qualifies us to meet the needs of this engagement.

We are experts in California public agency investing. Chandler’s investment professionals are experts in all applicable federal laws and California Statutes regarding qualified investments for public funds. The Agency’s assigned key investment and client service contacts, **Jayson Schmitt, CFA, Alayne Sampson, and Mia Corral Brown** have decades of public sector investment experience and are active in organizations relevant to public fund investment best practices, including the Government Finance Officers Association (GFOA), the Association of California Water Agencies (ACWA), the California Society of Municipal Finance Officers (CSMFO), the California Debt and Investment Advisory Commission (CDIAC), and the California Municipal Treasurers Association (CMTA). Our staff members are highly regarded industry experts and frequent participants, speakers, and sponsors at industry conferences and events across California as well as nationwide.

We are committed to client success. We are dedicated to our role as fiduciaries to our clients and understand the public role that your investment staff has in the stewardship of taxpayer funds. The firm invests in best-in-class technology and resources that assist our investment professionals to develop both long-term and short-term strategies that are significant to the overall financial program. Our consolidated reports provide transparency of the entire investment program, and we commit the full resources of the firm to ensure your success. We are immensely proud of our client retention record, which we attribute to our belief that *“if we do what is right for our clients, our own success will follow.”*

As the firm’s CEO, I am authorized to bind the firm and to act in this capacity. I have reviewed the Sample Professional Services Contract and respectfully request that the Agency amends section 1.2 to allow Chandler to act as their agent when transacting on the Agency’s behalf. I certify that all the information provided in our proposal is accurate, firm, and irrevocable, and shall be valid for 120 days, from June 10, 2022. Furthermore, we confirm that we have reviewed the Agency’s responses to proposers’ questions as well as all referenced attachments.

If you have any questions during the proposal evaluation period, please do not hesitate to contact **Mia Corral Brown, Senior Relationship Manager** directly at (619) 459-5021 or via email at mcorral@chandlerasset.com. Thank you.

Sincerely,

CHANDLER ASSET MANAGEMENT, INC.



Martin Cassell, CFA
CEO

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CHANDLER APPENDICES

<i>Form ADV, Parts 1 and 2</i>	<i>Appendix A</i>
<i>Professional Biographies</i>	<i>Appendix B</i>
<i>ACORD Certificate of Liability Insurance</i>	<i>Appendix C</i>
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<i>Important Disclosures</i>	<i>Appendix E</i>
<i>Sample Client Monthly Account Statement, Quarterly Investment Report, and GASB 40 and 72 Reports</i>	<i>Appendix F</i>
<i>Proposed Additional Terms</i>	<i>Appendix G</i>
<i>Correlation Matrix</i>	<i>Appendix H</i>

1. COMPANY INFORMATION

1.1. Year Organized.

Chandler was founded in 1988 by Kay Chandler as a result of her experience serving as an Investment Officer for the County of San Diego for eight years, and the City of San Diego for another two years. With many responsibilities for treasury management and finance functions within these departments, Ms. Chandler recognized that public entities with limited time and resources could benefit from external professional expertise and technological resources to help manage their investment programs. In 1991, Martin Cassell, Ms. Chandler's successor on the investment staff of the City of San Diego, joined the firm. Mr. Cassell now serves as Chandler's CEO.

Over the years, Ms. Chandler and Mr. Cassell carefully assembled a team of professionals with the specialized professional expertise and technical skills necessary to structure highly effective fixed income cash and core investment programs for cities, counties, and other local government entities. The firm manages \$26 billion as of March 31, 2022, including \$21.3 billion in separately managed accounts for 180 public agencies. All of the firm's Portfolio Managers are CFA charter holders and are committed to strengthening and sharing their knowledge of prudent standards of investment management for public funds. The comprehensive services we offer including portfolio management, regulatory guidance, and increased transparency through comprehensive reporting are designed to meet the specific needs of public agencies.

Chandler remains committed to our principles of conservative fixed income management as the firm continues to evolve in response to our client's needs and the public investment climate. As a result of our significant growth and in support of our objectives, we serve our clients from six other offices besides our San Diego headquarters, located in Denver, Colorado; Orlando, Florida; Ventura, California; Oakland, California; Marin County, California; and Seattle, Washington. The firm's professional staff currently totals thirty-eight (38) individuals and includes thirteen (13) investment team members.

1.2. Number of Clients.

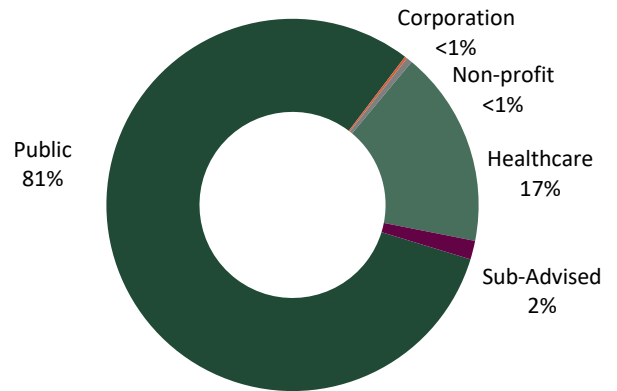
As of March 31, 2022, Chandler's firm-wide assets under management total \$26.0 billion. Public agency funds total \$21.3 billion and comprise 81% of the firm's assets. Our public sector clients include **180 public agencies**, comprised of cities, counties, special districts, and States.

Chandler Client Types and Total Firm Assets Under Management

As of March 31, 2022

Client Type	# of Accounts	AUM (\$MM)*
Public Sector	362	\$21,298
Corporate	12	\$45
Healthcare	34	\$4,147
Non-profit	30	\$142
Sub-Advised	305	\$203
Other	11	\$15
Total	754	\$26,039

*Other includes DC Plan, Church, and Higher Education assets. Chandler assets under management as of 3/31/2022.



Chandler manages portfolios that are comprised of asset classes in the U.S. fixed income universe that align with our clients' objectives of **safety¹**, **liquidity**, and **return**. In California, these are assets that are permitted by California Government Code 53601 and 53635. The composition of Chandler's portfolios includes high-quality, short-term investment-grade, U.S. dollar-denominated securities including but not limited to *U.S. Treasuries, Federal Agencies, municipal bonds, negotiable CDs, Corporate notes, Supranational securities, asset-backed securities, mortgage-backed securities, and commercial paper.*

1.3. Type of clientele (defined by industry and size of portfolio).

Chandler's focus is on the management of high-quality fixed income securities in strategies that span the yield curve for public entities and other risk-conscious institutions. Our clients share common objectives for their investment programs that prioritize *safety¹ of principal, appropriate liquidity, and risk-adjusted total return over a market cycle* and comply with federal laws and state legal requirements. All of Chandler's public agency clients' funds are structured as separately managed accounts. We customize portfolios to comply with individual clients' investment directives for operating funds, debt service, capital improvement, and any other funds that may have specific constraints. Our clients include cities, counties, water and wastewater districts, transportation authorities, school districts, higher education, healthcare districts, insurance funds, foundations/endowments, not-for-profit organizations, and corporations. Our minimum portfolio size for discretionary institutional investment management is \$20 million. We provide complete investment services and treasury management support for a public entity investment program, including:

- Investment Management
- General Revenue Funds
- Bond Proceeds
- Capital Project Funds
- Debt Service Funds
- Reserve Funds
- Post-Employment Benefit Trusts/OPEB
- Portfolio Review
- Investment Policy Development and Review
- Portfolio Accounting
- Compliance Monitoring and Reporting
- Fixed Income Education and Training

¹ While our conservative investment approach promotes safety, investing in securities carries varying degrees of risk and we cannot guarantee safety of principal.

1.4. Number of staff (i.e., investment-related staff only).

We currently have 13 staff members on Chandler’s investment team.

Chandler Investment Professionals by Classification

Classification	Number of Professionals
CEO	1
Co-Chief Investment Officers	3
Portfolio Managers/Analysts	3
Portfolio Strategists	4
Assistant Portfolio Managers	1
Associate Portfolio Managers	1
Total:	13

As of March 31, 2022, the firm’s six CFA-level investment team members and four portfolio strategists manage 201 institutional client relationships totaling \$26.0 billion, for an average of under 30 relationships per investment professional.

1.5. Assets under management.

As of March 31, 2022, Chandler manages a total of \$26 billion. Please see question #1.2 for a detailed asset under management breakdown.

1.6. Number of offices.

Chandler maintains seven (7) offices. We serve our clients from six other offices besides our San Diego headquarters, located in Oakland, California; Marin County, California; Ventura, California; Denver, Colorado; Orlando, Florida; and Seattle, Washington.

1.7. Location of corporate headquarters.

Our corporate headquarters is in San Diego, CA. The firm’s executive administration, portfolio management, operations, and compliance teams will serve your staff from the firm’s corporate headquarters in San Diego, and all portfolio management activities will be performed in the same time zone as the Santa Clarita Valley Water Agency.

Chandler Asset Management, Inc.
Corporate Headquarters
 6225 Lusk Boulevard
 San Diego, California 92121
 Main: 858.546.3737 | Toll free: 800.317.4747
 Fax: 858.546-3741
www.chandlerasset.com

1.8. Related organizations.

Chandler is a fully independent, 100% employee-owned California corporation with no subsidiary relationships, affiliations, or relationships with other financial institutions. In 2017, Chandler’s key shareholders and Executive Management Team introduced an Employee Stock Ownership Plan (“ESOP”) that aligns with the firm’s values and culture of shared success. Every employee is an owner through the ESOP Trust, which owns 68% of the firm and is the primary shareholder. We believe that this structure contributes to our ability to attract and retain the highest quality investment professionals as well as to sustain growth, promote accountability, and best serve current and prospective clients well into the future. There have not been any material changes to the firm’s control structure, organization, or management in the past three years, and none are expected during the contract term for the Agency’s engagement.

1.9. Discussion of past or present litigation or regulatory actions involving the firm.

None. Neither Chandler nor any of its officers or employees has ever been subject to any regulatory censure or litigation by the SEC, NASD, or other regulatory agencies concerning the investment management and advisory services it provides.

1.10. Name of custodian.

As part of our services, we can assist you in reviewing custodial and safekeeping arrangements. Our Operations Team will review your current custodial arrangement, including contractual arrangement, services provided, your satisfaction with the services, and their cost. If necessary, we can make recommendations for revisions in your existing relationship or assist you in selecting a new custodian that best meets your needs.

- If the Agency currently has a satisfactory third-party custodian, we will provide a sample letter for you to send to the custodian which describes the relationship between Chandler and the Agency, and which permits us to settle trades with your custodian on your behalf, or;
- If the Agency would like to review custodian relationships, Chandler can recommend several that can provide high-quality custody services and/or participate with the Agency in an RFP process.

2. HISTORICAL PERFORMANCE

2.1. Return of total accounts of the investment advisor for the last 3mos, one, three, five, and ten years.

Based on our investment team’s preliminary review of your investment policy, we believe that the below Chandler strategies are best suited for your investment needs.

To ensure that we provide all our clients with accurate data, we complete an annual GIPS review on the core composite performance. Please refer to question #2.2 for the GIPS compliant composite performance data.

2.2. Return of comparable composite accounts of the investment advisor for the last 3mos, one, three, five, and ten years.

Included below are composite performance and characteristics below since March 31, 2021, for Chandler’s **Limited Maturity Strategy**, a 1–3-year strategy, the **Short-Term Bond Strategy**, a 1–5-year strategy, and for the **Intermediate Strategy** Chandler’s Limited Maturity and Short-Term Bond strategy composites are comprised of individually managed accounts with an average modified duration equal to the modified duration of the *ICE B of A 1-3 Year US Treasury Index* and the *ICE B of A 1-5 Year US Treasury & Agency Index*², respectively, and a final stated maturity of individual securities of five years. These strategies constitute a segment of the methods we employ for our institutional clients, of which three (3) are listed below.

Chandler Composite Performance – Gross and Net of Fees

<i>As of March 31, 2022</i>	Three Months	One Year	Three Years	Five Years	Ten Years
Chandler Limited Maturity (gross) <i>(inception: 9/30/88)</i>	-2.20%	-2.56%	1.05%	1.31%	1.08%
Chandler Limited Maturity (net)	-2.21%	-2.61%	1.00%	1.26%	1.03%
<i>ICE BofA 1-3 Year US Treasury Index</i>	-2.34%	-2.84%	0.88%	1.08%	0.86%
Chandler Short Term Bond (gross) <i>(inception: 9/30/95)</i>	-3.23%	-3.72%	1.13%	1.42%	1.44%
Chandler Short Term Bond (net)	-3.28%	-3.67%	1.08%	1.37%	1.39%
<i>ICE BofA 1-5 Year US Treasury & Agency Index</i>	-3.40%	-3.89%	1.01%	1.28%	1.21%
Chandler Intermediate Bond (gross) <i>(inception: 10/95)</i>	-4.00 %	-3.96 %	1.29 %	1.61%	1.61 %
Chandler Intermediate Bond (net)	-4.05%	-4.01%	1.24 %	1.56%	1.56%
<i>ICE BofA 1-10 Year Government Index</i>	-4.01%	-3.94%	1.06%	1.35%	1.31%

Based on Chandler’s Limited Maturity, and Short-Term Bond composites as of 3/31/2022. Performance results are presented gross and net of fees. Net returns are for a sample of 5.20 basis points (0.052 of 1%) proposed for a \$250 million account and are hypothetical and not based on an actual client’s account. The performance has been calculated using historical composite performance. Gross performance does not reflect payment of advisory fees and other expenses which will reduce performance. Past performance is not a guarantee of future results. All investment strategies have the potential for profit or loss. Market conditions or economic factors may alter the performance and results of a portfolio. Investment advisory fees are disclosed in the firm’s form ADV Part 2A. Performance for periods greater than one year is annualized. Please see GIPS Composite Reports and important disclosures in the Appendix. For one-on-one presentations only.

2.3. Correlation with the S&P 500, Barclays Bond Index, and other indexes.

Chandler has created a Correlation Matrix based on our preliminary assessment of the Agency’s investment policy and the permitted investments within the California code. Please see the *Correlation Matrix* in the **Appendix**.

2.4. Maximum drawdown in any one month in the last ten years.

Provided below are the maximum drawdown data in any one month in the last ten years for the proposed strategies:

Maximum Drawdown

Strategy	Maximum Drawdown
Chandler Limited Maturity Composite	0.43%
Chandler Short Term Bond Composite	0.80%
Chandler Intermediate Bond Composite	1.41%

The table above represents the average maximum draw-down within each applicable strategy. This data is compiled from GIPS compliant composites from 12/31/12 – 12/31/21. Performance for periods greater than one year is annualized. Market conditions or economic factors may alter the performance and results of a portfolio. Past performance is not indicative of future results. Please see important disclosures in the Appendix.

3. QUALIFICATIONS

3.1. Qualifications of principals and professional staff (Please specify those individuals who will be directly responsible for this account).

Listed below are the team members assigned to work on the Agency’s investment portfolio. A top priority of our firm is to provide superior service to our clients and function as an extension of their staff. Chandler’s investment management, client service, compliance, operations, and sales and marketing teams will coordinate their efforts to not only fulfill but also exceed the expectations you have for your investment manager. The Agency will have several teams dedicated to providing desired services, and systems and technology that support these services, as well as metrics implemented to ensure our desired level of service excellence, is maintained. The investment professionals manage an average of under 30 relationships per team member.

Chandler Asset Management Professionals for Santa Clarita Valley Water Agency

Contact Name and Title	Role in Engagement	Industry Tenure	Firm Tenure	Education
Investment Management				
Jayson Schmitt, CFA <i>Co-Chief Investment Officer</i>	<ul style="list-style-type: none"> • Co-Chief Investment Officer • Co-leads the investment team • Implements portfolio strategies • Research and Analysis • Co-Chair of <i>Quantitative Analysis Committee, Sector Committee, and Multi-Asset Class Committee</i> 	28 years	27 years	B.A. Economics, San Diego State University, Chartered Financial Analyst (CFA®)
Alaynè Marie Sampson <i>Senior Portfolio Strategist</i>	<ul style="list-style-type: none"> • Senior Portfolio Strategist • Monitors alignment with client objectives and policies • Member of <i>Sector Committee</i> 	16 years	1 year	B.A. Women’s Studies, Cornell University
Engagement Management & Client Service				
Mia Corral Brown <i>Senior Relationship Manager</i>	<ul style="list-style-type: none"> • Senior Relationship Manager • Primary client contact • Conducts onboarding process • Oversees client communication • Ensures and coordinates project deliverables 	25 years	18 years	B.A Speech Communications, San Diego State University
Stacey Alderson, CTP <i>Senior Client Service Manager</i>	<ul style="list-style-type: none"> • Client Service Contact • Reviews Investment Policy • Schedules training and educational presentations 	24 years	8 years	B.B.A. Accounting, University of Montevallo, Certified Treasury Professional (CTP®)

Compliance & Oversight				
Martin D. Cassell, CFA <i>CEO</i>	<ul style="list-style-type: none"> • Chief Executive Officer • Leads the firm’s vision, oversight, and strategy • CFA® designation 	<i>35 years</i>	<i>31 years</i>	B.S. Finance, California State University, Hayward, CFA® charter holder
Nicole Dragoo, JD, IACCP <i>President</i>	<ul style="list-style-type: none"> • Head of Firm Administration, Compliance, Operations, and Human Resources • Responsible for regulatory compliance and legal matters • Directly manages investment operations • Oversees firm’s administrative functions 	<i>22 years</i>	<i>21 years</i>	B.A. Business Economics, J.D. University of San Diego; Investment Adviser Certified Compliance Professional (IACCP) designation
Joseph Kolinsky <i>Chief Compliance Officer</i>	<ul style="list-style-type: none"> • Leads Firm Compliance • Oversees firm’s compliance program • Regulatory compliance, trade compliance, and Code of Ethics 	<i>30 years</i>	<i>2 years</i>	B.A. Economics, Iona College

Investment Management Professionals

Portfolio Managers. Drawing from their collective expertise, the Investment Management Team develops and implements strategies for the Agency based on a thorough, well-rounded analysis of investment ideas that are specific to the strategy and your investment objectives. **Jayson Schmitt (CFA), Co-Chief Investment Officer,** and his colleagues on the Investment Management Team employ our research-based methods to structure investment solutions that address the Agency’s dual needs for liquidity and return, implement the portfolios’ strategies in a customized manner, and conduct securities transactions in the accounts. Jayson serves as a member of the firm’s Executive Committee, is Co-Chair of the *Quantitative Analysis Committee, Sector Committee, and Multi-Asset Class Committee,* and provides daily oversight of the investment management process.

Alaynè Sampson, Senior Portfolio Strategist, will be the portfolio strategist for the Agency. Alaynè has key advisory responsibilities that include monitoring the investment strategies for alignment with client objectives, reviewing and revising investment policies, adequately addressing anticipated cash flow needs, and providing research and education on investments. As an investment team member with senior stature within the firm, Alaynè oversees investment management activities for many of the firm’s municipal clients as well as top client relationships in Southern California as measured by assets under management.

Relationship Management and Client Service

Mia Corral Brown, Senior Relationship Manager, will be the Agency’s engagement manager and day-to-day contact. Mia joined the firm in 2004 and has eighteen years of experience providing client service to public sector clients in Southern California. She is actively engaged with Chandler’s clients in Southern California and works side by side with them in onboarding their client relationship when they select Chandler as their external adviser. Mia will regularly attend meetings with the Agency and their investment contacts to ensure

client service and available resources to Agency’s staff. She is a regular participant at California public agency conferences and has served on several associations’ committees that determine the curriculum for these events each year. She is also a founding Board Member and Advisor for Women in Public Finance’s (**WPF**) San Diego chapter. Mia will coordinate the firm’s resources from all departments throughout the engagement to ensure all needs are met and will meet with your staff and investment team contacts in person.

Stacey Alderson, CTP, Client Service Manager, will support in serving the Agency and its staff. Stacey is in our Denver office and will be accessible as a resource for any calls or in-person visits. Your relationship managers will work closely with you – reviewing investment policies, assisting with custodial relationships, and providing investment training among other things. Chandler’s client service and marketing teams provide responsive service and follow-through to completion for any pressing or immediate needs of the Agency and its staff. Our client service personnel are adept at handling the non-investment needs of the engagement and will escalate any issues and route them through the correct channels, if necessary.

Oversight and Compliance

The firm’s **CEO, Martin Cassell (CFA)** provides oversight of all aspects of the firm and leads the investment team and implementation process of our proprietary quantitative models and strategy.

The firm’s **President, Nicole Drago, JD (IACCP)**, is responsible for the firm’s strategy and administration and oversees the compliance and operations departments. She also leads the onboarding process of new client accounts and heads a team that communicates effectively with accountants, custodians, and administrators during the transition period and for the duration of the relationship. **Joseph Kolinsky, Chief Compliance Officer**, leads the day-to-day compliance requirements, regulatory filings for the firm, and Code of Ethics implementation and training.

In addition to the firm’s SEC registration, the below members of Chandler’s Investment Management Team are registered representatives:

Chandler Registered Representatives

Investment Adviser Representative	CRD Number
Martin D. Cassell, CFA	4330905
Stephen Church	6878939
Daniel Delaney, CFA	7378402
William Dennehy II, CFA	2397527
Julie K. Hughes	5397196
Genevieve C. Lynkiewicz, CFA	4462193
Christopher McCarry, AIF	4472441
Carlos Oblites	5350645
Ted J. Piorkowski, CFA	1857510
Scott D. Prickett, CTP	1901448
Jayson Schmitt, CFA	4892847

For detailed résumés of all team members, please see the *Professional Biographies* in the **Appendix**.

3.2. Number of years of experience in investment management.

Managing fixed income portfolios for California local governments has been the core of our business since the firm's inception in 1988. Chandler's professionals are experts in fixed income investments as they relate to local governments. We structure our clients' assets to ensure that their funds are (1) invested prudently, (2) available when needed to meet capital obligations, (3) achieve competitive returns, and (4) rebalanced appropriately to maintain the desired profile. We work closely with our clients to address specific investment objectives and risk tolerances as they relate to overall sound financial management while maintaining the focus and discipline to help guide portfolios through challenging market cycles. Our clients select us as their investment manager because of our:

- Extensive experience serving public agencies. The combined experience of the firm's senior shareholders as investment officers within large public agencies shaped their perspectives in leading a firm with a focus on the management of public funds, and assisting a public entity's staff in fulfilling their fiduciary duty to their constituents;
- Investment and credit review processes custom-tailored for local governments and designed to ensure that our client's funds are safe;
- Expertise in California Government Codes that govern the investment of public funds;
- Track record in establishing and expanding investment programs that support the budgetary goals of our clients;
- Ability to manage fixed income portfolios through changes in the interest rate cycle to the benefit our clients;
- Comprehensive monthly reports that are accurate, timely, and add transparency to the investment program;
- Dedicated client service team to ensure proactive client communication, and;

We work with clients as a fiduciary on every aspect of the investment program ensuring that investments support the Agency's financial goals. We focus on the analysis of risk and return, investment policy development and review, maturity analysis, cash flow evaluation, and forecasting. The entire professional staff understands the challenges public agencies and their finance staff face due to their public role and responsibility in the stewardship of taxpayer funds. All the proprietary tools and processes the firm has developed are in response to public agencies' unique investment objectives, constraints, and requirements for adherence to state codes or statutes. Moreover, our portfolio management, market research, credit analysis process, accounting, and reporting resources are extensive, and scalable to meet additional needs. We also assist with models for accounting and journal entries and work with clients individually during onboarding and beyond to help them set up their internal accounting templates.

Fixed Income Investment Expertise Focused on California Public Agencies

Chandler has a long-standing commitment to the public sector, and we believe our history of helping public entities meet their financial goals highly qualifies our firm to assist the Agency with the range of investment services it seeks. As a California domiciled firm, we take enormous pride in the depth and strength of the relationships cultivated in our home state and manage over \$21 billion for institutional clients in California alone. Nationwide, we work with 201 public agencies and believe that our experience and focus on these entities have given us a unique perspective on helping local governments and other risk-conscious entities achieve their financial goals.

Experience Specific to Water and Wastewater Entities

We are acutely aware of the responsibility of a water district to ensure water quality, protect water supplies and reliability, and procure cost-effective services amongst evolving legislation and environmental regulations. Combined with California’s ever-present drought conditions, water-smart behavior and planning for future water usage is a prudent practice, requiring strategic resource planning and responses as well as investments of capital in equipment and infrastructure. We believe every revenue source the District maintains is of paramount importance, no matter how little it contributes to the bottom line. An investment approach involving disciplined, long-term strategies will provide the Agency with an investment program designed to control risks and provide competitive returns and support your vision, “To provide exemplary water management for a high quality of life in the Santa Clarita Valley.” and facilitate water availability to residents and businesses in Santa Clarita Valley. Chandler has deep expertise in the management of investment funds for local water districts and other rate-setting agencies and has a significant understanding of the cash flow requirements and capital funding needs that are unique to these entities. We currently manage \$3.8 billion for thirty-three (33) water, wastewater, and utilities districts nationwide, including the following clients:

Chandler’s Representative Water and Wastewater District Clients

Client	Managed Since	AUM (\$MM)	# of accounts
Orange County Sanitation District	2014	\$877	2
Coachella Valley Water District	2019	\$379	1
Reedy Creek Improvement District	2019	\$415	9
Rancho California Water District	1996	\$323	10
Western Municipal Water District	2001	\$215	1
Elsinore Valley Muni. Water District	2017	\$208	1
Alameda County Water District	2019	\$165	1
Tampa Bay Water	2016	\$163	3
San Diego County Water Authority	2014	\$124	2
Colorado Springs Utilities	2014	\$133	13
Moulton Niguel Water District	1995	\$128	5
Vallecitos Water District	2018	\$52	1

**Chandler’s water, wastewater, and utility district clients with assets over \$50 million are listed in descending order by assets under management. It is not known whether the listed clients approve or disapprove of Chandler Asset Management and the advisory services provided. Assets as of 3/31/2022. This list includes both discretionary and non-discretionary clients who have given us permission to list.*

The above accounts include operating cash and reserves, risk pool reserves, bond project accounts, bond reserves, capital project accounts, and other post-employment benefit funds, each separately managed to fulfill its specific objectives within its own risk profile. We propose to manage the Santa Clarita Valley Water Agency’s portfolio in a manner that is customized to meet your specific financial and investment goals and would provide the Agency’s staff with the same level of diligence, client service, and investment expertise that we provide to all our clients.

One of the firm's guiding principles is participation in the development of best practices in the management of public funds. Our investment and client service professionals serve as committee members and are active participants and sponsors of national and regional associations that develop recommended best practices and training curricula, including the Government Finance Officers Association (**GFOA**), the California Association of Joint Powers Authorities (**CAJPA**), the California Society of Municipal Finance Officers (**CSMFO**), the California Municipal Treasurers Association (**CMTA**), the California Debt and Investment Advisory Commission (**CDIAC**), and the **CFA Institute**. We are often involved in drafting investment legislation and recommending best practices on a state and national level and providing guidance on safe and effective practices for the management of public funds. In addition, Martin Cassell, *CEO*, was a member of the GFOA's Committee on Treasury and Investment Management for his full term, recently ending in 2021. This committee tracks new developments in cash management and develops best practices for government officials at all levels. Carlos Oblites is a member of the GFOA's Committee on Retirement and Benefits Administration (CORBA), which tracks new industry practices, regulatory and legislative developments, and issues best practices to assist public pension and personnel officers effectively manage state and local retirement funds and employee benefits.

3.3. Discussion of investment philosophy.

We believe that through effective risk management, we can enhance the potential for higher **total returns** for risk-conscious clients while maintaining their shared primary objectives of **safety**² and **liquidity**. Our approach utilizes investment processes and strategies we have developed over three decades, and focuses on:

- Safety² of principal;
- Appropriate levels of liquidity;
- Diversification of risk;
- Compliance with policies, legal requirements, and risk/return objectives; and
- Active management to generate investment income and total return.

We implement this philosophy by structuring investment portfolios to achieve performance that consistently exceeds the returns of a selected market benchmark over a market cycle, while always maintaining each client's tolerance for risk. We reduce exposure to market risk by diversifying the portfolio by issuer and security type, as well as by establishing and maintaining a target portfolio duration that is consistent with the investment objectives.

Chandler's singular focus stems from the investment philosophy of our clients that prioritizes safety² and liquidity above chasing returns that may put their principal at increased risk. As a result of this focus, we take a conservative approach regarding all aspects of the investment and portfolio management process. Our methods for developing the investment objectives and constraints for our clients are customized after an extensive review and thorough understanding of the investment policy, risk tolerances, as well as the current and expected mandates of the client's specially purposed funds.

² While our conservative investment approach promotes safety, investing in securities carries varying degrees of risk and we cannot guarantee safety of principal.

3.4. Discussion of your customer service philosophy.

Superior client service and needs-focused communication is a pillar of our corporate structure and extends from portfolio management down to all external correspondence. All methods of communication including email and telephone between Chandler and our clients shall be clear, informative, and timely. Answering the telephone is everyone's responsibility at the Firm, and clients can expect direct access to senior investment personnel and client service team members well versed in their portfolio during the hours of 8:00 am to 5:00 pm Monday through Friday. Chandler expects that emails and phone calls are to be returned promptly, aiming for within the hour, but not to exceed the end of the day.

To measure our success at achieving client objectives within the appropriate risk profile and client constraints, we report performance, compared to the client's selected benchmarks, each month. Chandler measures portfolio performance monthly and quarterly on a total return basis, providing a complete snapshot of the outcomes resulting from investment decisions since total return measures the percent change in the value of a portfolio over a defined historical period. The total return of the portfolio is compared to carefully selected benchmarks which have been selected in collaboration with clients as the appropriate metric for assessing performance relative to their risk tolerances and investment objectives.

The firm will employ a host of resources to ensure quality work and cost control for the engagement with the Santa Clarita Valley Water Agency. These include our:

- Dedicated compliance team that ensures our recommendations meet the requirements of the California Government Code and encompass industry best practices;
- Proven investment process and models, which will be utilized to identify opportunities and quantify risk;
- Operations team which controls the quality of client data; detailed accounting, and performance reports each month that have been checked for accuracy and quality by Chandler's operations staff. Reports are compared to external custodian's records, and Chandler provides a reconciliation of transactions and balances for congruency, and;
- Competitive execution practices based on the firm's expertise, industry contacts, and transparent shopping process which can incrementally add value through savings over time.

On a qualitative basis, we measure our performance by our client's satisfaction with our service. We encourage ongoing discussions with our clients to ensure that the investment strategy remains consistent with the understood goals and objectives yet remains flexible enough to propose creative solutions when your needs evolve. In the past, we have engaged independent third parties to survey our clients to gauge their satisfaction and to find ways to improve our service.

4. RELEVANT EXPERIENCE

4.1. Include a list of your public/government clients.

Provided below is a sample list of some of our public/government clients:

Cities		
Alameda, CA	Imperial Beach, CA	Pittsburg, CA
Agoura Hills, CA	Indio, CA	Pomona, CA
American Canyon, CA	La Habra, CA	Poulsbo, WA
Arcata, CA	Lakewood, CO	Riverside, CA
Brea, CA	La Mirada, CA	San Clemente, CA
Breckenridge, CO	Leesburg, FL	San Leandro, CA
Buena Park, CA	Longboat Key, FL	San Marcos, CA
Camarillo, CA	Long Beach, CA	San Mateo, CA
Corona, CA	Louisville, CO	So. San Francisco, CA
Costa Mesa, CA	Merced, CA	Sunnyvale, CA
Cupertino, CA	Milpitas, CA	Tacoma, WA
Danville, CA	Monterey, CA	Tracy, CA
Deltona, FL	Moreno Valley, CA	Truckee, CA
Dublin, CA	Mountain View, CA	Tustin, CA
Elk Grove, CA	Murrieta, CA	Vallejo, CA
Erie, CO	National City, CA	Westminster, CA
Fairfield, CA	Newport Beach, CA	Westminster, CO
Fountain Valley, CA	Palm Springs, CA	W. Sacramento, CA
Counties and States		
Alpine, CA	Gwinnett County, GA	San Benito County, CA
Amador, CA	Mendocino, CA	San Diego County, CA*
Buncombe County, NC	Modoc, CA	Santa Clara, CA
Calaveras County, CA	Lake County, CA	Sierra, CA
Dakota County, MN	State of Nevada	
State of Delaware	Pitkin County, CO	
City & County of Denver, CO	Routt, CO	
Special Districts and Other Government Entities		
Alameda Corridor Trans. Authority, CA	Palomar Health, CA	
Alameda County Water District, CA	PRISM, CA	
Authority for CA Cities Excess Liability, CA	Rancho California Water District, CA	
California Earthquake Authority	Redwood Empire Muni. Insurance Fund, CA	
California Insurance Pool Authority, CA	San Bernardino Municipal Water District, CA	
California Joint Powers RMA, CA	San Diego County Water Authority, CA	
Colorado Springs Utilities, CO	San Diego County Regional Airport, CA	
Eagle River Water & Sanitation District, CO	South Coast Water District, CA	
Elsinore Valley Municipal Water District, CA	Tampa Bay Water, FL	
E-470 Public Highway Authority, CO	Transportation Corridor Agencies, CA	
First 5 Alameda County, CA	Three Valleys Municipal Water District, CA	
Fontana POA Retiree Benefits Trust, CA	Vallecitos Water District, CA	

LA County Metro. Transportation Authority, CA Maricopa County Community College District, AZ Moulton Niguel Water District, CA Orange County Sanitation District, CA Orange County Transportation Authority, CA	Walnut Valley Water District, CA WestEd, CA Western Municipal Water District, CA Whittier Area Schools Ins. Authority, CA Yolo County Public Agency RMIA, CA
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**A sample listing of the firm’s public agency clients shown in alphabetical order. This list includes only clients that have given permission to be listed. Includes discretionary and non-discretionary relationships. It is not known whether the listed clients approve or disapprove of Chandler Asset Management, or the services provided. *Advised assets only.*

4.2. Include three references that we may contact. Recommended are clients most similar to SCV Water in type and size of business and similar services requested.

Chandler is pleased to provide the following Chandler is pleased to provide references for the Santa Clarita Valley Water Agency:

Chandler Current Client References

Client Name	Contact	AUM*	Client Since	Services Provided
Coachella Valley Water District 75515 Hovley Lane East Palm Desert, California 92211	Geoffrey Kiehl <i>Director of Finance</i> Ph: (760) 398-2661 gkiehl@cvwd.org	\$379 M	2019-present	Operating funds in a 1-3-year strategy
Elsinore Valley Water District 31315 Chaney Street Lake Elsinore, California 92530	Bob Hartwig <i>Assistant General Manager</i> Ph: (951) 894-8729 rhartwig@evmwd.net	\$208 M	2017-present	Operating funds in a 1-3-year strategy
Western Municipal Water District 14205 Meridian Parkway Riverside, California 92518	Kevin Mascaro <i>Director of Finance</i> Ph: (951) 571-7160 kmascaro@wmwd.com	\$234 M	2001-present	Operating funds in a 1-10-year strategy

** Chandler assets under management as of 3/31/2022. This list includes discretionary clients that have been permitted to be listed. It is not known whether the listed clients approve or disapprove of Chandler Asset Management or the services.*

5. REPORTING, PORTFOLIO EVALUATION AND REVIEW OF ACCOUNTS

5.1. Frequency of reporting to clients (e.g.: monthly, quarterly).

Chandler offers monthly and quarterly reporting to clients. The reports Chandler provides to the Agency will provide transparency to your portfolio and will assist your staff with their accounting duties, alleviating and even eliminating intermediary steps required to compile internal reports. We can provide comprehensive reporting that is tailored to meet the Agency's unique needs, as well as meet the competitive demand of the marketplace.

Online Client Portal: Chandler's *Client Portal* is the custom computer-based analytical tool that provides clients with secure access to a variety of digital files, including customized reports, trade tickets, and documents, as well as the ability to download daily transactions and holdings, historical monthly statements, and quarterly reports. The *Portal* offers online access and is also designed to be viewed on mobile devices. Reports can be downloaded in Excel format and easily mapped and integrated into your internal reporting requirements, aggregating your data for effective analysis, and improving your operational efficiencies. Access to the *Chandler Client Portal* is available to individual contacts selected by the client, and is accessible 24 hours a day, 7 days a week.

Monthly Statements: We provide monthly portfolio accounting and performance statements as part of our regular services. Each monthly statement begins with a one-page management summary of portfolio characteristics that provides a thorough overview of the portfolio, including performance relative to the selected benchmark(s), followed by a statement of compliance. A detailed asset listing, including cost, book, and market values, a transaction ledger, an earned interest report, and a cash flow report follow the summary page.

Monthly statements are accessible on the *Chandler Client Portal*. Clients receive an email notification stating that the statement is available for download no later than the third business day following month-end.

Quarterly Reports: We also provide quarterly investment reports in a format designed to facilitate discussion between Chandler investment professionals and the Agency's staff. The report presents portfolio characteristics, return, compliance, and a summary of accounts under management using graphs, charts, and illustrations in a format that is effective for management, elected officials, and interested members of the public. We provide this report for our regular meetings with the Agency.

Reports will be prepared by state law and the Governmental Accounting Standards Board (GASB) and are compiled to meet your specific needs. Chandler Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and prepares and presents its performance in compliance with these standards. Chandler is independently verified by ACA Performance Services for firm-wide GIPS® compliance.

Chandler provides monthly portfolio accounting and performance statements as well as mark-to-market fair value pricing for securities in accordance with GASB 31. We provide a GASB 40 report to all governmental clients, which provides the information needed to prepare the required fiscal year-end portfolio risk assessment, and we will be able to assist the Agency in drafting the narratives for GASB notes.

We have developed a GASB 72 report which is available by fiscal year-end. The GASB 72, Fair Value Measurement and Application, issued in February of 2015, requires government investments to be measured

at fair market value. It also requires disclosures regarding how fair value was measured, what hierarchy the investment fits into, and any special valuation processes used.

Chandler's investment and operations professionals remain dedicated to staying in front of all GASB pronouncements, interpretations, and implementation guidelines as they affect our government clients from a reporting and compliance perspective.

Please see Chandler's *Sample Monthly Statement and Quarterly Report* in the **Appendix**.

5.2. Form of your reports (please provide sample).

Chandler offers monthly statements, quarterly reports, and GASB 40 & 72 Annual Reporting. Chandler enables its clients to keep track of and download their records by accessing the *Client Portal*. The records we keep and the frequency in which we disseminate them are as follows:

Monthly Statements: Monthly statements include a summary of portfolio characteristics, performance, and full accounting details. Reports, as well as holdings, trade tickets, and historical data, are available to the Agency via Chandler's online reporting tool, the *Chandler Client Portal*. Monthly reports are available no later than the third business day following month-end.

Portfolio Reports

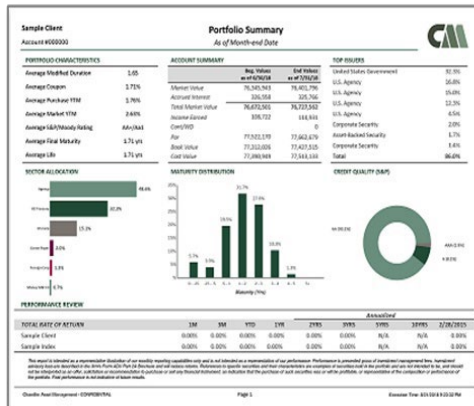
- *Portfolio characteristics*
- *Account Summary Detail*
- *Sector Allocation*
- *Maturity Distribution*
- *Credit Quality*
- *Total Rate of Return*

Accounting Reports

- *Security Holdings*
- *Transactions*
- *Amortization/Accretion*
- *Interest Income and Accruals*
- *Realized & Unrealized Gains and Losses*
- *GASB 40 & 72 Annual Reporting*

Chandler's monthly reports conform to reporting standards established by state legal requirements and statutes governing public investments and include full asset listings including the fair market value of investments, issuer, maturity date, interest rate, transactions for the period, and a description of the funds and investment programs. In addition, Chandler offers its clients transparency through a *Statement of Compliance* with state legal requirements and the investment policy, and a one-page summary with portfolio characteristics and total return for the various period compared to market benchmarks.

Monthly Portfolio Summary



This sample report is being provided for illustrative purposes to demonstrate Chandler’s reporting capabilities. References to specific securities and their characteristics are examples of securities held in a portfolio and are not intended to be, and should not be interpreted as an offer, solicitation, or recommendation to purchase or sell any financial instrument, an indication that the purchase of such securities was or will be profitable, or representative of the composition or performance of the portfolio.

that is effective for management, elected officials, and interested members of the public. We provide this report for our regular meetings with the Agency.

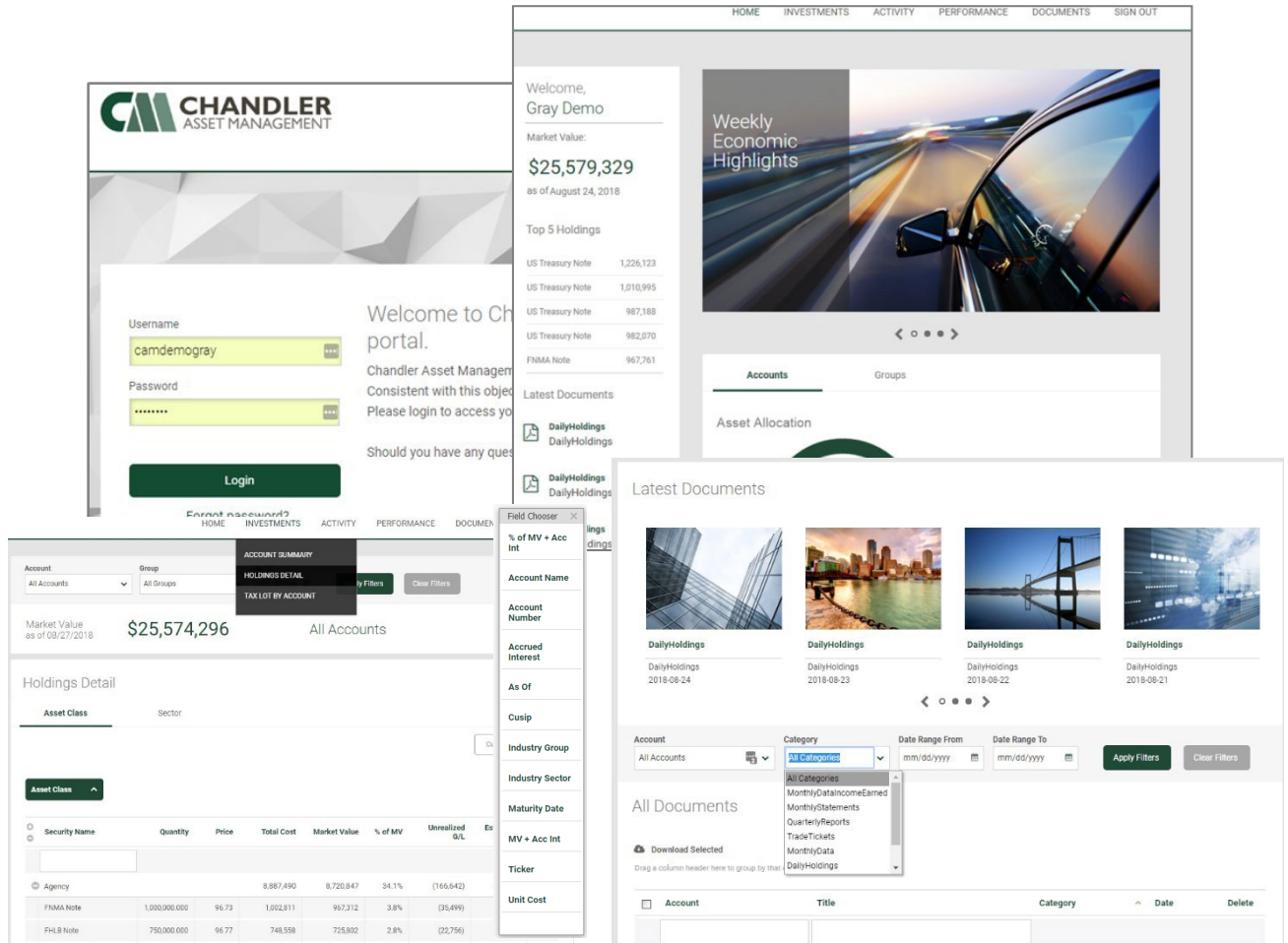
Online Client Portal: Chandler’s client reports, holdings, transactions, trade tickets, special reports, and other documents are available to the Agency on the *Chandler Client Portal*, a web-based reporting tool provided to clients as part of our comprehensive services. Reports can be downloaded in Excel format that can be mapped to your internal reporting requirements. There is no extra cost associated with the use of the portal. Chandler does not require the Agency to purchase any additional programs or software that would be required for services under this engagement, relieving the need to allocate capital to ensure portfolio optimization, policy compliance, financial reporting, and other crucial aspects of managing your funds.

In addition, Chandler’s reports will detail the following:

- A Holdings Report, showing security description, par value, cost, book value, market value, accrued interest, gain/loss, book yield, duration, maturity, Moody’s, Fitch, and S&P ratings, and percent of portfolio for each holding.
- A cash flow projection from upcoming investment maturities and interest payments.
- A Transaction Ledger that reports all acquisitions, dispositions, interest payments, cash contributions and withdrawals, and any other transactions for the period. An Earned Interest Report, displaying all interest earnings, including accrued and received interest, amortization, and accretion in a detailed form and summarized.

Quarterly Reports: We present quarterly investment reports in a format designed to facilitate discussion between Chandler investment professionals and the Agency’s staff. The report provides current economic data, portfolio characteristics, and returns on both an aggregate basis as well as for individual portfolios, compliance, and a summary of accounts under management using graphs, charts, and illustrations in a format

Chandler Client Portal



These sample reports are being provided for illustrative purposes to demonstrate Chandler’s reporting capabilities. References to specific securities are examples of securities held in a portfolio and are not intended to be, and should not be interpreted as an offer, solicitation, or recommendation to purchase or sell any financial instrument, an indication that the purchase of such securities was or will be profitable, or representative of the composition or performance of the portfolio.

The *Chandler Client Portal* can integrate seamlessly with treasury management solution software and enterprise resource planning (“ERP”) software to provide increased data aggregation and transparency. Clients who log into the portal can download financial information to integrate it with financial and investment management systems like Tyler-Munis and Sympro. It has been our experience that over time, many clients using our reporting package concurrently with treasury management software find that our reporting module is robust enough to provide all the data they will need to report on their investments. As a result, many of our clients end up achieving savings by removing the redundancy of a separate software solution.

Chandler’s *Client Portal* is accessible via Chandler’s website at clients.chandlerasset.com to anyone with an internet connection and login/password credentials. The system is compatible with Windows operating systems and allows for downloading of files in multiple formats. The *Chandler Client Portal* can be accessed 24 hours a day, 7 days a week.

We confirm that Chandler’s comprehensive reports and *Client Portal* will meet or exceed all of the

Agency's accounting and reporting requirements. At the Agency's request, we can participate in a demonstration of our portal and reporting capabilities, provide tips and tools to customize your preferred view, access account information, access historical documents, and export information into the Agency's internal programs. We assist with models for accounting and journal entries and work with clients individually during onboarding and beyond to help them set up their internal accounting templates.

We have provided our *Sample Client Monthly Account Statement, Quarterly Investment Report, and GASB 40 and 72 Reports* in the **Appendix**.

5.3. Frequency of portfolio evaluation.

We will develop a regular schedule of in-person client meetings that meets your preferences. Typically, our clients request them on a quarterly or semi-annual basis. We will prepare presentations for these meetings, which include market information, current and proposed investment strategies, portfolio characteristics, performance, and expectations for the coming quarter. This format is designed to promote discussion between our team and your staff. A senior member of the investment management team as well as your relationship manager will attend these meetings. Chandler's professionals excel at the type of communication required to provide full transparency of your investment portfolio, assisting with translating the details of the entire investment program efficiently and effectively to the board, committees, and the public at large.

Apart from regularly scheduled meetings, the Chandler team maintains the flexibility to attend any ad-hoc meetings with the Agency's staff or Board. Further, clients can expect direct access to senior investment personnel and relationship managers well-versed in their portfolio at any time during business hours via phone or email.

We recommend meeting at least quarterly to review the portfolio's progress and current market conditions. Sometimes, more frequent meetings are required when the Board of Directors requests additional presentations. We are committed to keeping you fully informed of local issues, investment strategies, market conditions and developments that are relevant to your investment program and that could potentially impact you from risk, opportunity, operational and statutory perspectives. Jayson Schmitt, Alayne Sampson, and additional individuals from the firm's investment management team will regularly meet with you to present the investment portfolio to the Agency's finance staff, Board of Directors, and additional stakeholders. Chandler's professionals excel at the type of communication required to provide full transparency of your investment portfolio, assisting with translating the details of the entire investment program efficiently and effectively.

In addition, we communicate regularly via email to our clients with updates which include:

- Weekly economic updates provide a concise summary of economic and market news of the current week, key economic indicators, as well as topics for the next week's economic data releases. The update is sent via email to clients and interested parties each Friday;
- Monthly newsletter that includes a market summary, treasury yield curve graph, and monthly percent changes, as well as economic data and statistics; and
- Ad hoc emails and communication such as Fed rate news, education pieces, white papers, technology, and product updates.

5.4. Compliance with California Government Code Sections 53601 et seq for investing and 53646 (b)(2) and (3) for reporting standards.

Chandler maintains strict compliance with California Code Sections 53601 et seq for investing and 53646 (b)(2) and (3) for reporting standards. Chandler uses robust order management (“OMS”) and portfolio compliance software from **Bloomberg AIM** for ensuring compliance with client objectives, policies, and legal requirements on a pre-trade, post-trade, and end-of-day basis. At the inception of an engagement, a compliance officer codes each element of the investment policy and guidelines into the Bloomberg system. Since each trade originates in the system, pre-trade compliance testing is generated each time a portfolio manager prepares to execute a transaction. The system prohibits the execution of the trade if it does not comply with your investment policy. If an “alert” is triggered for non-compliance, it cannot be overridden by an investment manager and is escalated for review by compliance professionals.

Oversight of portfolio compliance and trade order management is conducted by Chandler’s dedicated Compliance Department, headed by Chief Compliance Officer Joseph Kolinsky, and which functions separately from the portfolio management team under the appropriate segregation of duties. As a part of our regular process of policy and guideline monitoring, we provide clients with a monthly detailed Statement of Compliance, based on our complete review of our client’s investments. This report details adherence to requirements such as permitted investments, minimum credit quality, maximum maturities, and concentration limits. This Statement also serves as an effective means of reporting compliance to the governing body.

In the event of a compliance violation, the details and actions taken to correct the violation would be detailed in this report.

Further procedures to ensure compliance with state laws, your investment policy, objectives, and directives include:

- A daily reconciliation of transactions and cash balances with custodian information.
- A month-end review of the portfolio to confirm compliance with the Investment Policy.
- A comprehensive weekly process to ensure credit quality meets your policy standards as well as our strict quality requirements.
- A portfolio structure that satisfies liquidity objectives with short-maturity securities and return objectives with higher duration investments.
- Frequent communication between our team and yours to help us stay informed of any new developments that may modify your objectives.
- Meetings with your staff as frequently as you choose to provide additional opportunities to review portfolio composition and performance at a high level.

Through Bloomberg AIM’s integration, Chandler optimizes its workflow automation and improves synchronicity with our clients’ internal accounting and portfolio management systems for more centralized and efficient operations. The Bloomberg AIM system provides seamless data integration that improves trading and compliance, as well as post-trade automation such as trade and security master file (SMF) data automatically sent to our accounting system. Its compliance monitoring features calculate and monitor asset class exposure, as well as issuer size, and concentration limits, as well as compliance with the Agency’s investment guidelines and legal requirements.

5.5. Frequency of account review by the Consultant and willingness to meet with management to make recommendations and discuss performance.

We are available to provide a level of involvement that is appropriate for you. Chandler’s Client Service Team and your Portfolio Manager will work with you to establish an understanding of the information you need on a timely basis. Our outreach will include emails, telephone calls, and personal visits that will help us understand the information you need to assist you in communicating effectively with us. We will not overburden you with questions or requests.

Your team will be available to you every day. Typically, someone who knows your account will be able to speak with you immediately; if not, our callback will be no later than the close of business on the same day. Initially, we will be in contact often while the details of the account setup are finalized. For a non-discretionary relationship (the client would like to maintain control as to whether or not to purchase a certain security at a given time), one of our investment professionals will call to discuss our recommendations for your approval before making the trade. Daily, investment team members will compare the characteristics of each of your portfolios to its defined target structure, using our proprietary system. The system compiles account data and highlights how the portfolio differs from its target duration, term structure, and sector allocation. Our Portfolio Managers then review and analyze the differences. If the team decides that a change in portfolio structure would benefit the Agency, your Lead Portfolio Manager will call to discuss our recommendations. If you concur, team members will execute the necessary transactions.

5.6. Copy of the advisor’s most recent ADV.

Chandler Asset Management is registered with the U.S. Securities and Exchange Commission under the Investment Adviser’s Act of 1940. The firm acknowledges its fiduciary duty to its clients and makes investment recommendations as a “Prudent Expert”. We have provided our most recently filed *Form ADV Parts 1 and 2* in the **Appendix** as part of our submission.

<i>CRD Number</i>	<i>SEC Number</i>
107287	801-44378

Chandler is a California corporation in good standing. In addition, the firm qualifies as a Small Business in California through the Department of General Services, with certification ID 1747894, expiring September 30, 2023.

6. RECOMMENDED ASSET ALLOCATION

6.1. Recommended asset allocation

To recommend an asset allocation, an in-person meeting will be scheduled to “kick-off” the relationship, gain an understanding of your investment objectives and constraints, and encapsulate the goals for your overall program. We will conduct detailed reviews of the Investment Policy as well as the current portfolio to gain an understanding of cash flow needs, risk tolerances, permitted securities, credit profile, duration targets, and current maturity structure. We will confirm that the Investment Policy provides for the Agency’s primary objectives of safety³, liquidity, and return, incorporates all aspects of the California Government Code related to investing public funds, and may make recommendations to achieve these goals. We conduct a benchmark study that analyzes the risk/return characteristics of different investment approaches and their associated benchmarks for your consideration that align with the Agency’s investment goals. The result of these discussions will be a management directive governing the investment of funds as well as additional services that may be required to support staff and treasury management operations.

The Chandler team has designed the entire investment process, including portfolio construction and security selection, and the selection of benchmarks to promote the objectives of safety³, liquidity, and total return, or yield. Our approach to structuring the portfolio is designed to fulfill those requirements in a way that addresses the Agency’s specific investment needs in light of budgetary and financial realities. The steps would proceed as follows:

Review of the Investment Policy. To address safety³, liquidity, and/or return, we propose to conduct an in-depth review of the investment policy document governing the investment of funds to ensure alignment with the California Government Code as well as current industry best practices. Our review will take place in collaboration with your staff and will focus on:

- Confirming appropriate limitations of permitted investments to promote diversification and ensure safety³ of funds; and
- Ensuring that the language of the Investment Policy offers clarity to safely capture opportunities to enhance return.

We encourage ongoing discussions as needed to ensure that the investment strategy and allocation of funds to diversified fixed income sectors remain consistent with your understood goals and objectives. We will regularly consult with Agency staff on ways to expand investment guidelines with the intent to ensure they are exposed to the broadest opportunity set, while still focusing on the primary objectives of safety³ of principal and access to cash.

Development of Investment Strategies Specific to the Agency. To enhance return, we propose to develop a customized investment strategy that addresses your return requirements, balanced with your preferences for managing risk. Given the current size of the Agency’s investment portfolio, multiple strategies will be considered to meet the objectives for funds with a specific purpose. We will construct a disciplined investment approach that will serve the Agency through different market cycles and will allow for closely controlled risks while capturing market opportunities to enhance the performance of the portfolio. Our approach will include

³ While our conservative investment approach promotes safety, investing in securities carries varying degrees of risk and we cannot guarantee safety of principal.

a review of sectors, a discussion of various fixed income strategies, and a benchmark study that is appropriate for each segment of the Agency’s funds.

Implementation of Investment Strategies. We search diligently to add value at every stage in our process. Our approach is to purposefully segment the portfolio into two components—liquidity and long-term strategies. The liquidity portfolio is customized to provide funds for disbursements as needed, per the client’s direction to us. We manage the long-term portfolio, consisting of funds not currently needed for cash flow, to enhance expected earnings and long-term growth within the constraints of your risk profile and return objectives. We will work to execute the investment approach by performing daily analysis of market conditions to identify opportunities and risks, conducting in-depth credit analysis through our diligent credit review process to protect the Agency’s funds from downgrades and bankruptcies, and ensuring that we obtain the best execution for each transaction, seeking multiple price quotations on all purchases and sales to get the best price.

Structuring the Agency’s Portfolios. We propose to segment and diversify the Agency’s investments in portfolios that are carefully managed through their duration structure and maturity distribution. Through portfolios of individually owned securities, the Agency can manage the asset allocation and maturity distribution of its portfolios based on its specific needs, objectives, and risk tolerances.

While we know the Agency’s cash flow needs are of paramount importance to its investment program, we may wish to explore with the Agency the benefits of allocating funds to a duration target or a known cash flow date as a possible alternative to shorter-duration investments in LGIPs or bank balances. This structure will seek to provide liquidity from maturing securities as well as higher returns by utilizing a portfolio of securities managed to a slightly longer duration.

Segmented Investment Portfolio	
Liquidity Portfolios	Reserve Portfolio
<ul style="list-style-type: none"> • Matching maturities to known expenditures • The average maturity of the portfolio is typically <i>1 year or less</i> • LGIPs provide a liquidity “cushion” • Money market instruments offer diversification • May invest in: <ul style="list-style-type: none"> - Commercial Paper - Treasury Bills - Agency Discount Notes - Certificates of Deposit 	<ul style="list-style-type: none"> • Targeted generally to a higher duration to coincide with possible liabilities and enhance the potential to increase earnings • The portfolio includes securities that mature from between 0-5 years or longer, but may be concentrated from between 1-3, 1-5 years, or 1-10 years, specific to each client. • May invest in: <ul style="list-style-type: none"> - U.S. Treasury Securities - U.S. Agency Securities - High-Quality Credit Securities

For liquidity purposes, we will explore a solution that could include using investment pools, LGIPs, or segregation into a portfolio of short-duration securities where funds are invested to a short-duration target or a known cash flow date.

As financial conditions and the market environment changes as they have over the last few months, we adapt our portfolio strategy to reflect the opportunities available to meet our clients' return objectives. We structure our clients' portfolios to potentially achieve risk-adjusted returns over a market cycle and our processes are designed to filter the market noise and search for opportunities that will achieve the long-term goals of our clients. We are confident that our experienced team and time-tested processes would benefit the Agency's investment program through our partnership and add value to the investment program.

Chandler Investment Policy Review

We have conducted a preliminary review of the Agency's *Investment Policy, effective date February 2022*, and find that in general, it is a robust directive that includes many best practices and provides for the Agency's primary objectives of *safety⁴, liquidity, and return*. We have made some observations resulting from our review and have initial recommendations for prudent best practices that aim to align the investment policy more closely with California Government Code, add clarification and consistency, mitigate risk, and ultimately increase the potential for risk-adjusted returns over a market cycle. Chandler recommends the following:

- **Delegation of Authority:** Add language that allows engagement of external investment advisors, who are authorized to engage in transactions with broker-dealers on behalf of the Agency using a competitive bidding process;
- **Authorized and Suitable Inve:** Remove the issuer rating "A" rating limitation for mortgage pass-through security to align to the current code;
- **Diversification:** There is an inconsistency in the policy in that CP and Medium-Term Notes are allowed up to 10% per issuer, whereas the policy diversification limits corporate issuers to 5%;
- **Reporting:** Enhance the reporting requirement language to include quarterly transaction reporting.

Chandler Portfolio Holdings Review

We have reviewed SCV Water's *Agency-wide General Funds Invested* of March 31, 2022, and believe we could add value in several areas to improve the overall risk return profile of the portfolio.

Increase Diversification through Additional Security Types

The Agency's investment portfolio currently has large allocations to Federal agencies, cash equivalents and investment pools (approx. 60%), with lesser allocations to non-government securities. We believe the Agency's investment portfolio would benefit from exposure to additional investment types permitted by California law as well as increasing its allocation to asset classes already permitted by the Agency's Investment Policy which are not fully utilized in the portfolio. For example, the Agency's investment policy permits higher exposures in U.S. Treasuries, medium term corporate notes, commercial paper, and negotiable certificates of deposit, which not only may achieve higher earnings but also increase diversification by issuer, credit quality and maturity. Increasing the allocation to these securities can reduce the overall risk profile of the portfolio through diversification while maintaining compliance with the Agency's investment policy and California law.

Chandler's investment team closely follows trends in the new issue market to take advantage of the cyclical swings in issuance in order to obtain attractive spreads over the risk-free Treasury rate. The seasoned professionals at Chandler are also well versed in the technical differences between various issuers in the Agency's investment universe, and frequently adjust the underlying issuer and sector exposure to take advantage of market anomalies that investors with the specialized training, experience and tools can consistently identify. Should the Agency decide to expand its corporate exposure either within the terms of

⁴ While our conservative investment approach promotes safety, investing in securities carries varying degrees of risk and we cannot guarantee safety of principal.

its current policy or broaden the policy to permit additional exposure to corporate securities, Chandler's professionals can safely exploit the opportunities provided by investments in this sector adding to the earnings of the Agency's portfolio.

In addition, the portfolio does not currently have a direct exposure to U.S. Treasury securities, widely known to be the most liquid and risk-free investment type in the Agency's investible universe. To promote additional portfolio diversification as well as safety⁵ and transactional liquidity, we suggest having an exposure to this asset type.

Implement a Dynamic Term Structure of the Portfolio's Maturities

The current maturity structure of the Agency's portfolio are heavily allocated to overnight securities. The Agency's investments may benefit from a more dynamic term structure designed to capture inefficiencies in the yield relationships between different maturities. After ensuring the Agency has sufficient liquidity to meet cash needs, we would structure the portfolio's maturities based on the shape of the yield curve, the expected direction of interest rates, and the additional yield received for different maturity ranges. By implementing a dynamic yield curve strategy, the Agency will add an additional layer of diversification embedded in the structuring of its portfolio while looking for opportunities to enhance returns.

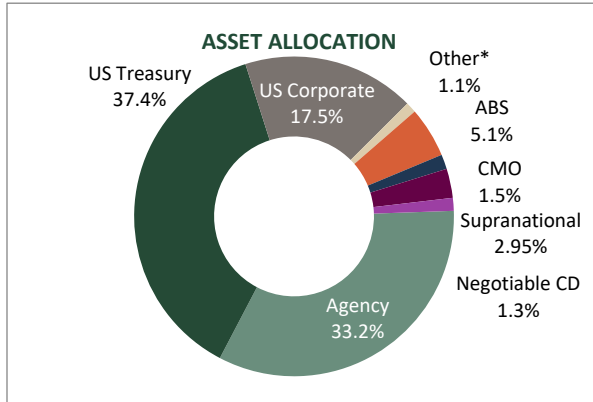
As financial conditions and financial markets change as they have over the last few months, we adapt our portfolio strategy to reflect the opportunities available to meet our clients' objectives. Our clients' portfolios are structured to achieve their long-term goals and our processes are designed to filter the market noise and search for opportunities that will achieve their long-term goals. We are confident that our experienced team and time-tested processes would benefit the Agency's investment program and add long-term value.

Chandler Sample Asset Allocations

Based on our evaluation of your investment policy and holdings, we have provided the asset allocation and top ten holdings for three of the strategies we believe might be of interest to the Agency.

⁵ While our conservative investment approach promotes safety, investing in securities carries varying degrees of risk and we cannot guarantee safety of principal.

Chandler Limited Maturity Asset Allocation



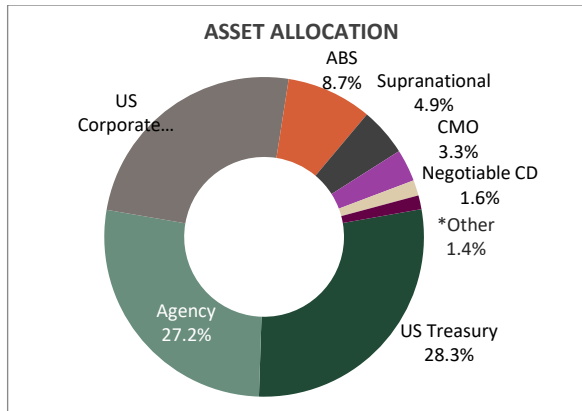
*Other includes Municipal Bonds, Cash, MBS and Commercial Paper

SAMPLE ISSUERS

- Deere & Company
- Federal Farm Credit Bank
- Federal Home Loan Bank
- Federal Home Loan Mortgage Corp
- Federal National Mortgage Association
- Inter-American Dev Bank
- Intl Bank Recon and Development
- JP Morgan Chase & Co
- Toyota Motor Corp
- United States Treasury

Chandler assets under management as of 03/31/22. Based on the ten largest issuers in the composite, listed alphabetically. Holdings subject to change and should not be considered as a recommendation to buy, sell or hold any security. Excludes cash and cash equivalents.

Chandler Short Term Bond Asset Allocation



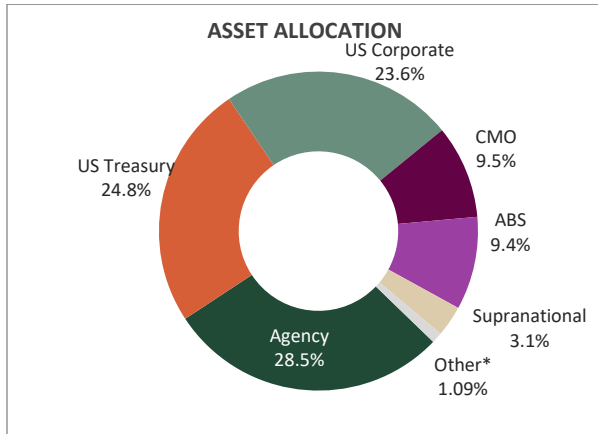
*Other includes Municipal Bonds, Cash, Commercial Paper and MBS

SAMPLE ISSUERS

- Bank of America Corp
- Federal Farm Credit Bank
- Federal Home Loan Bank
- Federal Home Loan Mortgage Corp
- Federal National Mortgage Association
- Honda ABS
- Inter-American Dev Bank
- Intl Bank Recon and Development
- JP Morgan Chase & Co
- United States Treasury

Chandler assets under management as of 03/31/22. Based on the ten largest issuers in the composite, listed alphabetically. Holdings subject to change and should not be considered as a recommendation to buy, sell or hold any security. Excludes cash and cash equivalents.

Chandler Intermediate Bond Asset Allocation



*Other includes Municipal Bonds and Cash

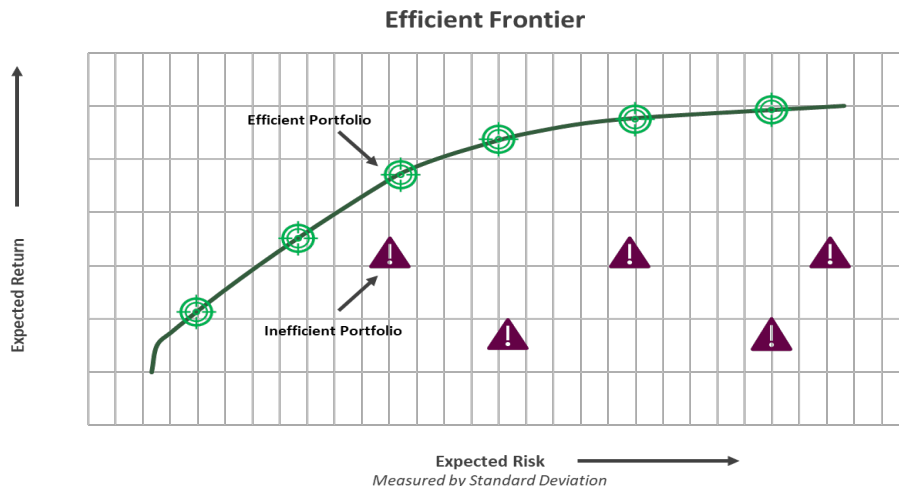
SAMPLE ISSUERS

- Bank of America Corp
-
- Berkshire Hathaway
-
- Federal Home Loan Bank
-
- Federal Home Loan Mortgage Corp
-
- Federal National Mortgage Association
-
- Hyundai Auto Receivables
-
- Inter-American Dev Bank
-
- Tennessee Valley Authority
-
- Toyota ABS
-
- United States Treasury

Chandler assets under management as of 03/31/22. Based on the ten largest issuers in the composite, listed alphabetically. Holdings subject to change and should not be considered as a recommendation to buy, sell or hold any security. Excludes cash and cash equivalents.

6.2. Include an analysis of the efficient frontier of the recommended asset allocation and a discussion of the risk/reward spectrum for your recommendations(s).

The efficient frontier is dependent on a broad set of asset classes beyond the fixed income securities permitted by the Agency’s investment policy. The expected and volatility of returns for each asset class are the primary inputs used to calculate and find portfolio with the highest expected return at the least risk level—the “Efficient Frontier.” In the graph below, the Efficient Frontier is depicted as a dark green curved line that spans a rate of return on the vertical axis while horizontal volatility on the axis that measures risk by the standard deviation of return. The optimal portfolio lies on the green line, depicting a portfolio that best compensates investors for their given risk tolerance. Without the inclusion of asset classes outside fixed income, the efficient frontier analysis is not the best tools for recommending incorporating asset classes into the portfolio and the expected risk/reward for the Agency. Rather our proprietary HAM model is a preferred to tool to help structure a portfolio incorporating the individual risk profile of our clients.



6.3. For the investments included in your recommended portfolio, please provide a current (as of December 31, 2022), one, three, five, and ten-year annual returns compared to relevant indexes (both before and after fees)

We have included performance and characteristics below through December 31, 2021, for Chandler’s **Limited Maturity Strategy**, a 1–3-year strategy, the **Short-Term Bond Strategy**, a 1–5-year strategy, and for the **Intermediate Strategy** Chandler’s Limited Maturity and Short-Term Bond strategy composites are comprised of individually managed accounts with an average modified duration equal to the modified duration of the *ICE B of A 1-3 Year US Treasury Index* and the *ICE B of A 1-5 Year US Treasury & Agency Index*⁶, respectively, and a final stated maturity of individual securities of five years. These strategies constitute a segment of the methods we employ for our institutional clients, of which three (3) are listed below.

Chandler Composite Performance – Gross and Net of Fees

<i>As of December 31, 2021</i>	One Year	Three Years	Five Years	Ten Years
Chandler Limited Maturity (gross) <i>(inception: 9/30/88)</i>	-0.48%	2.20%	1.83%	1.33%
Chandler Limited Maturity (net)	-0.53%	2.15%	1.78%	1.28%
<i>ICE BofA 1-3 Year US Treasury Index</i>	-0.55%	2.02%	1.61%	1.09%
Chandler Short Term Bond (gross) <i>(inception: 9/30/95)</i>	-0.93%	2.65%	2.11%	1.62%
Chandler Short Term Bond (net)	-0.98%	2.60%	2.06%	1.57%
<i>ICE BofA 1-5 Year US Treasury & Agency Index</i>	-1.09%	2.41%	1.89%	1.35%
Chandler Intermediate Bond (gross) <i>(inception: 10/95)</i>	-1.49 %	3.32 %	2.58%	2.05 %
Chandler Intermediate Bond (net)	-1.54%	3.27%	2.53%	1.00%
<i>ICE BofA 1-10 Year Government Index</i>	-1.63%	2.97%	2.29%	1.68%

Based on Chandler’s Limited Maturity, and Short-Term Bond composites as of 12/31/2021. Performance results are presented gross and net of fees. Net returns are for a sample of 5.20 basis points (0.052 of 1%) proposed for a \$250 million account and are hypothetical and not based on an actual client’s account. The performance has been calculated using historical composite performance. Gross performance does not reflect payment of advisory fees and other expenses which will reduce performance. Past performance is not a guarantee of future results. All investment strategies have the potential for profit or loss. Market conditions or economic factors may alter the performance and results of a portfolio. Investment advisory fees are disclosed in the firm’s form ADV Part 2A. Performance for periods greater than one year is annualized. Please see GIPS Composite Reports and important disclosures in the Appendix. For one-on-one presentations only.

Chandler develops and implements portfolio strategies tailored to meet the exact needs of each client. We group portfolios with similar characteristics into composites for the purpose of computing and reporting GIPS®-compliant performance results. GIPS® represents an industry-wide standard for performance calculation and reporting which facilitates comparison among investment firms. Chandler Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and prepares and presents its performance in compliance with these standards. Chandler is independently verified by ACA Performance Services for firm-wide GIPS® compliance. A copy of the firm’s most recent GIPS® Verification Letter is included in the **Appendix**.

⁶ Please see important disclosures in the Appendix.

7. RESEARCH AND INVESTMENT DECISIONS

7.1. Provide research methods and resources (external and internal)

Chandler devotes considerable resources to enhancing our own in-house capabilities and evaluating research from outside sources that we incorporate into our own proprietary processes. Aided by inputs from the different investment committees, decisions are made by the investment team regarding duration positioning, sector allocation, term structure, and issue selection within the firm's macro view of the economic environment and broad-based view on interest rates and leading economic indicators. The investment team then incorporates these decisions as they apply to each individual portfolio. As our primary focus is on the management of fixed income securities for public agencies, the firm's analytical rigor is dedicated to the investment types we purchase on behalf of our clients—US Treasuries, Federal Agencies, corporate bonds, commercial paper, negotiable CDs, asset-backed/mortgage-backed securities, as well as the value identified between sectors and individual issuers.

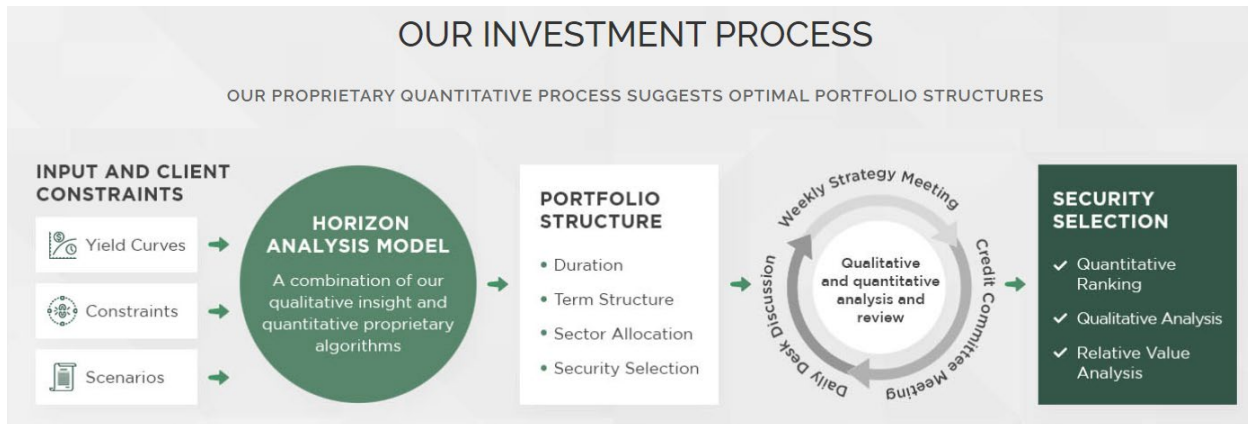
Chandler conducts 100% of its research in-house. Internally developed, proprietary tools such as our **Horizon Analysis Model ("HAM")** and **credit review/security selection** provide a quantitative foundation for Chandler's portfolio construction process. In addition, the investment management team subscribes to a variety of private research providers including BCA Research, Oxford Economics, Egan Jones, and CreditSights to augment the overall research efforts of the firm. The team keeps abreast of sell-side research from a broad group of domestic and international investment banks. These tools not only provide data for our investment processes but ensure that our clients have access to the most current and relevant market information. Chandler's professionals also conduct research projects on an ad hoc basis on issues concerning our industry and our clients, such as changes in the brokerage world, studies on how legislative changes impact our clients, and research on new sectors or investment structures as appropriate for our clients' portfolios.

Proprietary Tools and Best-in-Class Resources for Portfolio Constructions

Chandler's proprietary **Horizon Analysis Model** is the quantitative foundation for the portfolio construction process. The model enables our portfolio management team to integrate their research into the portfolio management process in a disciplined and repeatable way. Inputs to the model include:

- current yields on Treasury, agency, and corporate securities;
- specific client constraints, such as maturity restrictions and maximum sector exposure; and
- nine different probability-weighted forecasted interest rate scenarios that may occur at the six-month horizon date. Our analysis of current macroeconomic conditions is one of the factors we consider as we develop the nine scenarios that comprise the third input to the model.

Chandler's Investment Process



Through an iterative process, the model generates the “optimal portfolio structure” (duration, maturity distribution, and sector allocation), which we define as the portfolio that achieves a return greater than the benchmark in each of the nine scenarios. That is, the model generates a portfolio structure that we expect will outperform the portfolio’s benchmark over a wide range of possible future interest rate movements. The Investment Team then evaluates the optimal portfolio structure and using their expertise and judgment, may adjust as they begin the construction of the portfolio. This combination of a rigorous quantitative structure and experienced qualitative oversight is a hallmark of all of Chandler’s portfolio management activities.

Periodic Rebalancing – With the passage of time, portfolio characteristics tend to drift away from the desired structure. For that reason, the team reruns the *Horizon Analysis Model* monthly and reevaluates the optimal portfolio structure and rebalances to obtain the desired sector allocation and duration target as market conditions change. In addition, the benchmarks used by our clients for performance measurement are reconstituted monthly; therefore, we realign our portfolios with these benchmarks. As part of our active management approach, we will also rebalance when we find securities of superior value in terms of expected return or reduced risk or to adjust the credit quality of a holding for the portfolio.

Credit Analysis and Security Selection

Chandler conducts credit research in a team environment comprised of investment professionals as part of the firm’s *Credit Committee*. **William Dennehy, CFA, Co-CIO** is the chair of the *Credit Committee* which also includes additional members of the investment team. The firm’s proprietary credit research process identifies stable and improving credits to include in client portfolios. Although the Nationally Recognized Statistical Rating Organizations (“NRSROs”) typically determine the initial eligibility of a security, Chandler does not rely on these ratings to determine whether a security is suitable for a Chandler portfolio. Chandler’s *Credit Committee*, with input from the entire investment team further vets the suitability of an investment based on our own internal research and a thorough understanding of each client’s investment objectives and risk tolerances. This combination of qualitative and quantitative analysis enables the team to identify and invest in securities consistent with our clients’ objectives of safety⁷, liquidity, and return.

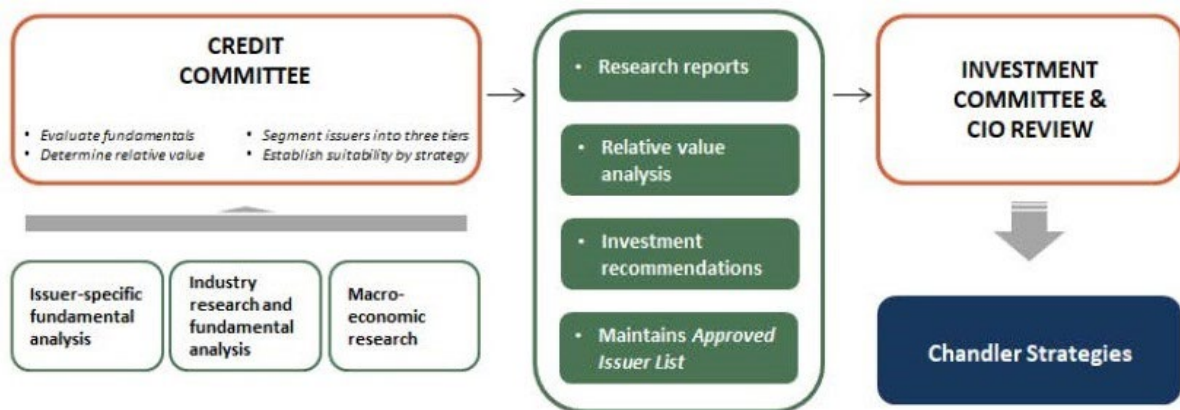
The dynamic nature of the process also provides the team with the ability to detect weak and deteriorating credits, which may be removed from client portfolios and Chandler’s *Approved Issuer List*. In determining the

⁷ While our conservative investment approach promotes safety, investing in securities carries varying degrees of risk and we cannot guarantee safety of principal.

suitability of a security, the *Credit Committee* analyzes company fundamentals with a focus on relative balance sheet strength and the overall earnings outlook of the issuer, paired with Chandler’s view of the forward-looking macro-economic environment. After the fundamental outlook of an issuer has been ascertained, the *Credit Committee* focuses on the relative value of current and historical spreads of both the issuer and its industry sector. Chandler’s internal credit process is designed to identify and evaluate changing fundamentals and the current relative value of issuers versus sector peers.

The *Credit Committee* meets weekly to rank corporate issuers into three tiers and categorizes those securities based on individual client risk tolerance and policy guidelines. Each sector and issuer is reviewed at a minimum of once per quarter or four times per year. The goal is to be proactive in identifying and investing in stable and improving credits, and in avoiding deteriorating credits.

Chandler’s Credit Review Process



In addition to the formal Credit Committee meetings, all credits are monitored on a continuous basis. The Credit Committee monitors the overall news flow on each issuer on our approved list (i.e., earnings, press releases, management presentations or conferences, rating changes, etc.). The gathered information is distributed to the entire investment management team daily. In the event the fundamentals of the underlying security change, the Credit Committee may act to add or remove the issuer from our approved credit list or move it within the appropriate tier.

External Systems

In addition to our internal research tools and capabilities, the following external systems and software support our trading, portfolio accounting, and client reporting:

- *PAM for Securities Accounting system (Princeton Financial Systems)*- Main source of record where all portfolio transactions are stored. Holdings information is based on the transactions entered. Also stores SMF records, pricing, ratings, performance calculations, and other supporting data.
- *SQL Database*- Stores enterprise operational data such as account information, reporting/configuration, credit/index information, etc. Also stores copies of PAM data. Main source of information for 95% of our reporting. Remaining information comes from PAM, Access, or Bloomberg AIM reports.
- *SQL Reporting/Report Manager*- Main application that creates, automates reports, and displays reports.
- *Bloomberg AIM - Order Management System*. Imports holdings information from PAM and sends trading transactions to PAM. Also gets trade ticketing information, allocations, OASYS, settlement instructions enrichment. Compliance system used for pre-trade, post-trade, and end-of-day compliance testing and

straight-through processing of investment transactions.

- *Bloomberg AIM - Investment Manager.* The Bloomberg AIM system provides seamless data integration that compliance, as well as post-trade automation such as trade and security master file (SMF) data automatically sent to our accounting system. Its compliance monitoring features will calculate and monitor asset class exposure, as well as issuer size and concentration limits, as well as compliance with the Agency's investment guidelines and legal requirements.
- *Effects of Security Purchases/Sales.* Bloomberg AIM also allows the portfolio manager to test the effects that new securities will have on an existing portfolio. For example, the team can propose a trade in Bloomberg AIM, and determine what impact the position will have on the portfolio's overall duration. In addition, we can perform an analysis on how a portfolio will be affected given a specified change in interest rates to ensure the portfolio will continue to meet the objectives of the portfolio. We also can see the impact of security transactions on the portfolio not only from a portfolio management standpoint but also the implications to the accounting such as the gain/loss of a security sale.
- *Electra Reconciliation System and Data Retrieval Services* – Custodian to PAM reconciliation system. Gathers and consolidates bank and manager data each night/morning, as it becomes available.
- *OASYS-* Product by OMGEO that communicates trade allocations to other participating OASYS brokers
- *Confirm/Affirm-* Product by OMGEO where the details of trades are communicated between the broker and Chandler to achieve settlement. This helps streamline settlements and notifies parties when trades details do not match.
- *Salesforce CRM* – Contact management, portfolio settings, report distribution settings.

The Agency is not required to purchase any additional programs or software that is utilized for services under this engagement, relieving the need for to allocate capital for portfolio optimization, policy compliance, financial reporting, and other crucial aspects of managing your funds.

7.2. Discussion of the investment decision-making process (committee, portfolio manager, external investment managers, etc.)

The firm employs a sub-committee system for effective analysis, decision-making, and communication. Individuals may generate and develop investment themes through their independent research to bring to the entire Investment Management Team or their committee meetings, or one of the committees may collectively source an idea or theme through discussion. Additionally, the entire Investment Committee participates in regular off-site meetings for short, intermediate, and long-range planning. These meetings provide a forum in which every member of the team has input on the formulation and implementation of our strategies.

Chandler’s Investment Management Committee

Investment Management Committee				
William Dennehy II, CFA Co-Chief Investment Officer		Scott Prickett, CTP Co-Chief Investment Officer		Jayson Schmitt, CFA Co-Chief Investment Officer
Martin Cassell, CFA Chief Executive Officer				Dan Delaney, CFA Senior Portfolio Manager
Genny Lynkiewicz, CFA Senior Portfolio Manager				Ted Piorkowski, CFA Senior Portfolio Manager
Julie Hughes Senior Portfolio Strategist				Christopher McCarry, AIF Senior Portfolio Strategist
Alaynè Marie Sampson Senior Portfolio Strategist				Carlos Oblites Senior Portfolio Strategist
Stephen Church Assistant Portfolio Manager				Charlotte Powell Associate Portfolio Manager
Economic and Market Analysis Committee	Credit Committee	Quantitative Analysis Committee	Sector Committee	Multi-Asset Class Committee
<ul style="list-style-type: none"> Economic Outlook Market Analysis Develops Interest Rate Scenario Inputs for Horizon Analysis Model (HAM) 	<ul style="list-style-type: none"> Fundamental Credit Analysis Security Relative Value Analysis Maintains Approved List 	<ul style="list-style-type: none"> Reviews Committee Data Produces HAM Analysis Improves Model Methodology 	<ul style="list-style-type: none"> Sector Valuation New Sector Analysis Develop Valuation Inputs 	<ul style="list-style-type: none"> Reviews Global Markets and outlook Sets Capital Market Expectations Reviews and Enhances Investment Vehicles

Members of the **Investment Management Committee** meet weekly to review the findings and recommendations of the committees, market conditions, and client portfolio characteristics to determine short-term strategies and any need for portfolio rebalancing. In addition, team members meet off-site on a semi-annual basis and discuss economic, market, and credit conditions using committee research to establish the firm’s investment outlook, portfolio target characteristics, and sector strategy for the ensuing six months. These meetings provide a forum in which every member of the team has input on the formulation and implementation of our strategies.

Chandler’s subcommittees contributing to the investment themes and strategies implemented on behalf of our clients include:

- The **Economic and Market Analysis Committee** focuses on the development of economic inputs and interest rate scenarios for the *Horizon Analysis Model (HAM)*, the proprietary tool we employ to assist in developing portfolio structure. It also sets the macro-economic tone and investment strategy for our fixed-income investments and structuring of client portfolios given the current market climate.
- The **Sector Committee** is tasked with sector valuation methodology, analysis of option-adjusted spreads, including opportunities both among sectors and between issuers, along with evaluation of new instruments and sectors for suitability.
- The **Credit Committee** is responsible for evaluating issuers for inclusion, monitoring, and possible removal from the firm’s *Approved Issuer List*. The entire Portfolio Management Team and *Chief Investment Officer* Martin Cassell will review the committee’s recommendations, including additions to and deletions from the firm’s *Approved List*. Ultimate approval of credits is the responsibility of Martin Cassell. The committee’s output ensures that the securities purchased for client portfolios are consistent with their risk profile.

-
- The **Quantitative Analysis Committee** develops and sets the structure for the *HAM* and evaluates the model's process for improved technology and methods. The results of the *HAM* output are used to develop general characteristics of the strategies.
 - **The Multi-Asset Class Committee** prepares the firm's Capital Market Assumptions, basing them on the firm's analysis of the global markets and our forward-looking outlook of the market environment. The Committee then develops the Efficient Frontier, and reviews and recommends initial and ongoing portfolio asset allocations and fund vehicles for our clients.

8. FEES

8.1. Indicate all fees involved for each of the services you are proposing to provide.

Chandler is pleased to provide comprehensive, full time discretionary investment advisory services to the Agency as described herein Chandler’s proposal and in the Agency’s *Scope of Work* in accordance with the following fee schedule:

Proposed Fee Schedule for the Santa Clarita Valley Water Agency

Assets Under Management	Annual Asset Management Fee
First \$150 million	0.06 of 1% (6 basis points)
Next \$150 million	0.04 of 1% (4 basis points)
Assets over \$00 million	0.03 of 1% (3 basis points)

Our proposed fee schedule is all-inclusive for the services that Chandler provides, including full-time investment advisory and portfolio management services, technological resources, onboarding and implementation, online access to the *Chandler Client Portal*, comprehensive reporting, meetings, personal visits, educational offerings for your staff, as well as the additional treasury support services described herein in Chandler’s proposal. Chandler does not charge fees on funds held in Local Government Investment Pools. Fees are firm for the entire initial contract term and the Agency will not be subject to any increases during this period.

Our fee schedule *does not* include charges that the Agency would incur for third-party custodial services, which, as an important control in the investment process, is not provided by Chandler.

8.2. Include a breakout of the initial and ongoing consulting fees and the custodial and management fees as a percentage of the dollar value of the assets.

Our proposed fee schedule is all-inclusive for the services that Chandler provides, including full-time investment advisory and portfolio management services, technological resources, onboarding and implementation, online access to the *Chandler Client Portal*, comprehensive reporting, meetings, personal visits, educational offerings for your staff, as well as the additional treasury support services described herein in Chandler’s proposal. Chandler does not charge fees on funds held in Local Government Investment Pools. Fees are firm for the entire initial contract term and the Agency will not be subject to any increases during this period.

Fees are based on the dollar amount of assets under management and are not based on transaction volume. Management fees will accrue as long as there are assets in the portfolio, even if there is no activity during the period. Fees are charged monthly in arrears and can be debited directly from your third-party custody account. Since the firm calculates fees based on the average balance of assets under our direct management (market value including accrued interest), they will fluctuate based on portfolio value.

Examples of the fees assessed to the Agency at different asset levels according to the above proposed tiered fee schedule are as follows:

<u>Total Assets Under Management</u>	<u>Annual Fee in Basis Points</u>	<u>Annual Fee in \$ dollars</u>
\$250 million	5.20 bps	\$130,000
\$300 million	5.00 bps	\$150,000
\$350 million	4.71 bps	\$165,000

8.3. Discuss the frequency in which such fees will be evaluated and the maximum amount of any increase to be expected.

The fees will not increase for the duration of the contract. Since the firm calculates fees based on the average balance of assets under our direct management (market value including accrued interest), they will fluctuate based on portfolio value.

9. OTHER SERVICES

9.1. Please address any alternative or additional services that you are capable of providing that may be of benefit to SCV Water.

Chandler can provide additional services that will add value to the Agency’s investment program including:

- Strategy development or customization of strategies suitable to the Agency’s investment program;
- Other Post-Employment Benefit (“OPEB”) Management. Chandler has been managing post-employee benefit accounts such as pension trusts and medical benefit trusts for clients since 2003. We use a multi-asset class strategy (Chandler’s “MAC” Strategy) to achieve the objectives and target return of the plan;
- Management of the Agency’s cash in strategies including short-term securities as an alternative to LGIPs/other overnight investment pools;
- Targeted educational sessions on fixed income and financial topics and issuance of Continuing Professional Education (CPE) credits;
- Management of bond reserves and/or bond proceeds;
- Custodial bank/safekeeping review and selection;
- Culture of compliance.

We look forward to discussing the full suite of service offerings Chandler can provide as investment adviser.

9.2. Discuss your experience in rendering such services.

Chandler is able to render such services because our deep experience with public agencies. Leveraging resources from across the firm, we provide advice and investment manager analysis while bringing clients a personalized and local perspective. We are an investment management firm founded by former investment officers of large public agencies, providing our clients with depth and context in our ability to understand your unique needs and how a successful investment program adds value to your entity’s bottom line.

Chandler manages high-quality fixed income securities and multi-asset class portfolios spanning the yield curve and for various duration mandates for public entities and other institutional clients. All of Chandler’s public agency clients’ funds are structured as separately managed accounts. We customize portfolios to comply with individual clients’ investment directives for operating funds, debt service, capital improvement, long-term OPEB and pension-like funds, and other funds that may have specific constraints. Our clients include municipalities, counties, special districts, foundations/endowments, not-for-profit organizations, healthcare districts, higher education, and corporations. We provide complete investment services and treasury management support for a public entity investment program, including:



Investment Management

- *Operating and Bond Funds*
- *General Revenue Funds*
- *Reserve Funds*
- *Multi-Asset Class strategies designed to meet a return target*
- *Post-Employment Benefit Trusts/ OPEB*
- *Separately managed portfolios of individual securities*

- *Capital Project Funds*
- *Debt Service Funds*

- *Customization of strategies for individual client needs*
- *Sharing fiduciary duty of our clients*



Treasury Management Support

- *Cash flow Analysis/Forecasting*
- *Investment policy development, review, and monitoring*
- *Investment policy certification*
- *Custodial selection and review*
- *Reconciliation and settlement with custodian*

- *Online Client Reporting Tool*
- *Accounting templates and set-up assistance*
- *Education webinars and training*
- *CPE credit issuance*
- *Ad hoc presentations to staff and stakeholders*



Service and Communication

- *Transparency through monthly statements and quarterly reports*
- *GASB 40 and 72 Reports*
- *Confirmation of compliance with investment policy*

- *Dedicated engagement manager to ensure satisfaction with services*
- *Frequent meetings to review portfolio*
- *Direct contact with investment professionals*

9.3. Describe your ability to make recommendations to SCV Water on its Investment Policy.

We understand that an investment policy is crucial to the development and maintenance of a public agency's investment program. We begin each relationship with a thorough review of each client's investment policy, during which we make recommendations and use it to formalize the investment mandate for each client's portfolio(s). Suggestions are meant to provide clarification, increase return potential, and improve risk management. We have written or revised investment policies for almost all of our government clients, and we customize each policy to mirror the client's specific objectives and tolerances.

We will customize your policy to reflect:

- California Government Codes
- The Agency's Investment Policy
- Specific Client Directives
- Chandler's Best Practices

With over three decades of experience serving California public agencies, we are well-versed in the California Government Code as it applies to public agency investing and are actively involved with associations that develop recommended best investment practices, including the California Society of Municipal Finance Officers (CSMFO), the California Municipal Treasurers Association (CMTA) and the Government Finance Officers Association (GFOA). In reviewing investment policies, we look for clearly defined portfolio objectives and constraints.

At the start of the engagement, we will consult with you to understand and quantify your investment objectives, risk profile, and expected outcomes. We will then document what we have learned. In that way,

our strategy and your policy complement each other. Once the investment policy is approved, it becomes the operating guideline for the portfolio. In addition, we will review your investment policy annually to ensure that your policy is updated as your objectives and cash flow requirements change over time. The policies we draft state in clear, unambiguous language the risks that are acceptable to a client and the investment strategies that we may undertake to achieve the client's goals.

Our policy review includes, at a minimum, the following areas:

- Scope of the policy that defines which funds are covered by the policy
- Investment objectives that clearly define how safety⁸, liquidity, and return will be attained
- Standard of care (Prudent Expert)
- Delegation of authority
- Ethics and conflicts of interest
- Authorized investments
- Management of market and credit risk
- Safekeeping and custody of securities
- Reporting requirements
- Performance standards

⁸ *While our conservative investment approach promotes safety, investing in securities carries varying degrees of risk and we cannot guarantee safety of principal.*

10. OTHER CONSIDERATIONS

- 10.1. SCV Water will select one advisor as the result of the RFP process. That advisor may or may not have a direct role in the investment of SCV Water funds. The advisor may direct funds to be invested with multiple managers including with firms and in investment opportunities other than those directly involving the advisor. The advisor will have overall responsibility for the SCV Water portfolio and will consult with SCV Water Finance and Administration Committee as required.**

We look forward to discussing the full suite of service offerings Chandler can provide as investment adviser.

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Monthly Financial Report

MAY 2022

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Statement of Revenues and Expenses

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SCV Water
Statement of Revenues and Expenses
For the 11th Period Ending 5.31.22

	(A)		(B)		(C)		(D)		(E)		(F)		(G)		(H)		
	Actual		Budget		Variance	Percent	Actual		Budget		Variance	Percent	Actual		Budget		
(1)	\$ 7,025,785	\$ 8,538,020	\$ (1,512,236)	(18%)	(a) Water Sales	(18%)	\$ 79,731,197	\$ 76,842,181	\$ 2,889,017	4%	(1)						
(2)	24,362	5,699	18,663	327%	Water Sales - WWR	327%	106,470	62,693	43,778	70%	(2)						
(3)	12,604	34,037	(21,433)	(63%)	(a) Water Sales - Recycled	(63%)	329,888	374,408	(44,520)	(12%)	(3)						
(4)	50,034	100,000	(49,966)	(50%)	(b) Misc Fees and Charges	(50%)	252,413	900,000	(647,587)	(72%)	(4)						
(5)	\$ 7,112,784	\$ 8,677,756	\$ (1,564,973)	(18%)	Total Operating Revenues	(18%)	\$ 80,419,969	\$ 78,179,281	\$ 2,240,688	3%	(5)						
					Operating Expenses												
(6)	\$ 170,491	\$ 353,695	\$ (183,204)	(52%)	(c) Management	(52%)	\$ 5,091,471	\$ 3,946,328	\$ 1,145,143	29%	(6)						
(7)	970,453	1,368,007	(397,554)	(29%)	(d) Finance, Admin & IT	(29%)	14,336,783	15,481,942	(1,145,159)	(7%)	(7)						
(8)	191,868	186,257	5,611	3%	Customer Care	3%	2,329,528	2,161,345	168,183	8%	(8)						
(9)	757,243	913,771	(156,528)	(17%)	(e) Trans & Distribution	(17%)	10,497,401	10,444,588	52,813	1%	(9)						
(10)	1,529,501	1,241,284	288,217	23%	(f) Pumping Wells & Storage	23%	10,974,970	12,408,251	(1,433,281)	(12%)	(10)						
(11)	339,007	783,490	(444,483)	(57%)	(g) Water Resources	(57%)	4,803,246	8,865,071	(4,061,825)	(46%)	(11)						
(12)	362,191	978,018	(615,827)	(63%)	(h) Source of Supply	(63%)	6,807,195	10,712,201	(3,905,006)	(36%)	(12)						
(13)	786,233	907,394	(121,161)	(13%)	(i) Water Quality, Treatment & Maintenance	(13%)	10,257,124	10,011,212	245,912	2%	(13)						
(14)	279,278	291,681	(12,403)	(4%)	Engineering Services	(4%)	3,569,537	3,369,338	200,198	6%	(14)						
(15)	\$ 5,386,264	\$ 7,023,597	\$ (1,637,333)	(23%)	Total Operating Expenses	(23%)	\$ 68,667,255	\$ 77,400,276	\$ (8,733,021)	(11%)	(15)						
(16)	\$ 1,726,520	\$ 1,654,160	\$ 72,360	4%	Net Operating Revenues (Expenses)	4%	\$ 11,752,714	\$ 779,005	\$ 10,973,709	1409%	(16)						
					Non-Operating Revenues and (Expenses)												
(17)	\$ 4,407,429	\$ 4,249,054	\$ 158,375	4%	Non-Operating Revenues ¹	4%	\$ 42,559,373	\$ 44,700,350	\$ (2,140,977)	(5%)	(17)						
(18)	(1,228,041)	(3,935,736)	2,707,695	(69%)	Capital Improvement Projects - Pay Go	(69%)	(15,990,158)	(43,293,099)	27,302,941	(63%)	(18)						
(19)	-	-	-	0%	Debt Service	0%	(32,912,555)	(32,960,792)	48,237	(0%)	(19)						
(20)	\$ 3,179,388	\$ 313,317	\$ 2,866,071	915%	Net Non-Operating Revenues and (Expenses)	915%	\$ (6,343,340)	\$ (31,553,541)	\$ 25,210,201	(80%)	(20)						
(21)	\$ 4,905,908	\$ 1,967,477	\$ 2,938,430	149%	Increase (Decrease) in Net Position	149%	\$ 5,409,374	\$ (30,774,535)	\$ 36,183,910	(118%)	(21)						

Monthly Changes of more than 10% and \$20,000

- (a) Budget projection based on a seasonal trend. Historical trend of water sales will be used in FY 2023. Year-to-date actual is still tracking higher than budget.
- (b) Fees coming in less than budget due to COVID-19 limitations.
- (c) Timing of Perchlorate Litigation expenses.
- (d) Less than expected Outside Services and Insurance expense.
- (e) Less than expected Outside Services.
- (f) Utility expense actuals higher, by approximately \$500K, than budgeted amount. SCE invoiced for billing corrections (unread meters). Year-to-date departmental expense still tracking below budget.
- (g) BMP implementation is under budget due to lower conservation program participation
- (h) Budget based on a level trend. Historical trend of water purchases, and updated information, will be used in FY 2023.
- (i) Less than expected materials and supplies expense (includes chemicals), consistent with lower water sales.
- (j) Pay-Go Capital Improvement Project actuals coming in less than budget.

¹ Non-Operating Revenues include: Grants & Reimbursements, 1% Property Tax, Cell Sites, FCF, Lab Revenues, Interest Income

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Debt & Cash Position

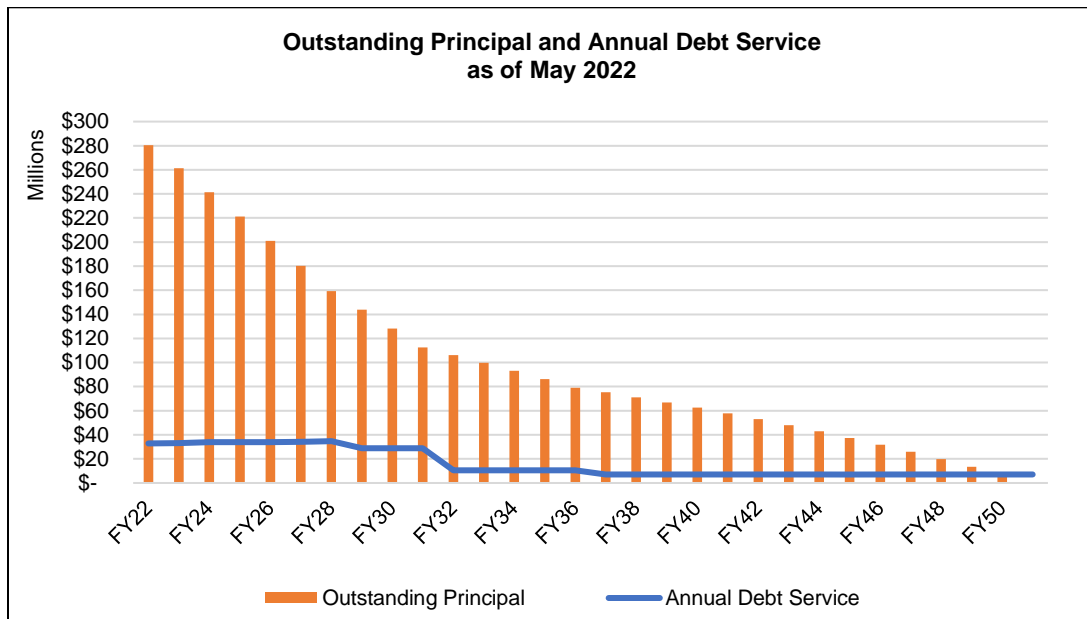
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This report reviews the Agency’s outstanding principal and debt service on an annual basis, cash balances of unrestricted, restricted, and reserve funds as of May 31, 2022, and the total current and non-current assets as of June 30, 2021.

DEBT SERVICE

The outstanding principal debt as of May 31, 2022, is \$280,289,218* with an annual debt service of \$32,917,555. The debt payments are due in August and February of each fiscal year.

The outstanding principal and annual debt service payments shown in the graph below consists of the current outstanding debt and associated payments. It does not include potential future debt which may be approved and issued to partially fund construction projects.

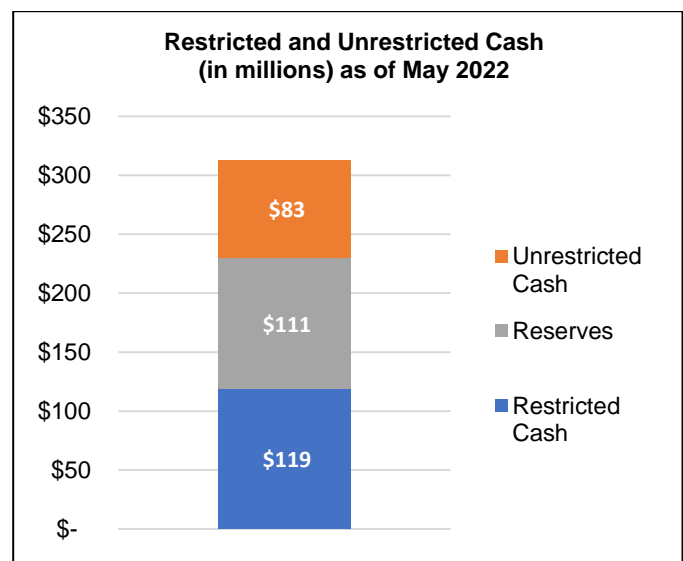


*The outstanding principal of VWD Acquisition Interfund Loan of \$63,411,661 is excluded from the outstanding principal balance.

CASH POSITION

As of May 31, 2022, the Agency has:

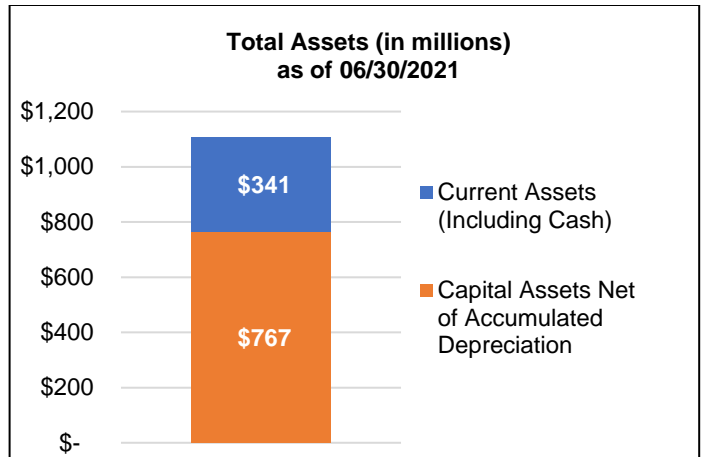
- Fully funded reserve balance of \$111,125,886 as per the agency policy, and
- Restricted cash of \$118,688,596 which includes the Facility/Retail Capacity Fee Funds, State Water Project Fund, and remaining Bond Proceeds, and
- Unrestricted cash of \$83,015,743 to meet the Agency’s payment obligations such as operating expenses (including debt service), payroll expenses, insurance, CIP Pay-Go, etc.



TOTAL ASSETS

As of June 30, 2021 (audited), the total assets consist of:

- Current Assets including cash with a balance of \$341,153,720, and
- Capital Assets Net of Accumulated Depreciation with a balance of \$766,983,482.



Ten Largest Disbursements Check Register

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SCV Water

Ten Largest Disbursements

May 1, 2022 to May 31, 2022

No.	Date	Supplier_Name	Invoice_Description	Method	Amount	Payment #
1	05-11-2022	Department of Water Resources	Monthly Variable - Mar 2022	CHECK	956,422.00	52440
	Department of Water Resources				956,422.00	
2	05-31-2022	So. California Edison Co.	Acct-2152 4/29/22 Statement	AUTO_DEBIT	529,824.38	12318
	So. California Edison Co.				529,824.38	
3	05-11-2022	Sites Project Joint Powers Authority	Sites Reservoir - Phase 2C Participation	CHECK	500,000.00	52458
	Sites Project Joint Powers Authority				500,000.00	
4	05-27-2022	Pacific Tank & Construction, Inc.	Cherry Willow Tanks Construction - Progress Payment #12	SCV_ACH	458,108.90	12154
	Pacific Tank & Construction, Inc.				458,108.90	
5	05-25-2022	Rosedale-Rio Bravo Water Storage District	Power Charge Adjustment - Jan & Feb 2022	CHECK	362,191.06	52644
	Rosedale-Rio Bravo Water Storage District				362,191.06	
6	05-31-2022	So. California Edison Co.	Acct-2152 5/6/22 Statement	AUTO_DEBIT	267,348.74	12321
	So. California Edison Co.				267,348.74	
7	05-25-2022	Core & Main LP	3/4X1/8 THK RUBBER MTR WASHER	SCV_ACH	438.00	12151
			Octave Programming Cable	SCV_ACH	642.19	
			4" Octave Meter CU FT	SCV_ACH	2,440.70	
			850 CL HYD 8HOLE 4X2-1/2 PLAST	SCV_ACH	28,711.79	
			850 CL HYD 6HOLE 4X2-1/2 PLAST	SCV_ACH	28,711.79	
			12X2 MJ TAPT CAP	SCV_ACH	470.82	
			1 COUPLING MIPXPJCTS	SCV_ACH	709.77	
			6 EBAA MEGALUG W/ACC	SCV_ACH	3,340.57	
			B3211-6 FLG BFV EXPY	SCV_ACH	2,703.72	
			1" ARI D040 Air Release Valve/ Ball Valve	SCV_ACH	1,669.92	
			1 CPLG MIPXPJ	SCV_ACH	2,261.94	
			MJXFL RW GV OL ON	SCV_ACH	4,471.67	
			1" ALLEGRO METER CF	SCV_ACH	157,511.04	
Core & Main LP				234,083.92		
8	05-11-2022	Rosedale-Rio Bravo Water Storage District	Power and O&M Charges - March 2022	CHECK	208,653.14	52464
	Rosedale-Rio Bravo Water Storage District				208,653.14	
9	05-18-2022	Woodard & Curran Inc.	Provide Final Design for the Southend Recycled Water Main Extension (Phase 2C)	SCV_ACH	191,943.78	12072
	Woodard & Curran Inc.				191,943.78	
10	05-25-2022	Pacific Tank & Construction, Inc.	Cherry Willow RW Tanks PP#11	SCV_ACH	185,238.84	12127
	Pacific Tank & Construction, Inc.				185,238.84	

SCV Water

Ten Largest Disbursements
May 1, 2022 to May 31, 2022

Total	3,893,814.76
Total-All Disbursements Issued During May 2022	7,764,701.10
Largest Ten Vendor Payments as Compared to Total	50%

Director Reimbursements

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CA Govt. Code Section 53065.5

List of Reimbursement for "Individual Charges" = \$100 or more

Annual Disclosure for Fiscal Year 21 **AP Transactions Updated as of: 05/31/2022**

DIRECTORS

P- Card (VISA) Transactions Updated as of: 5/31/22 *May PCard transactions affect June cash.

Date	Recipient of Reimbursement	Reason for Reimbursement	Amount
04/11/22	Cooper, William	ACWA Board Meetings, Sacramento, CA 3/24/22-3/25/22 Expenses (Lodging)	171.60
04/11/22	Cooper, William	ACWA Board Meetings Sacramento, CA 3/24/22-3/25/22- Travel Expense (Airfare, Mileage, Parking)	484.28
04/11/22	Cooper, William	ACWA Strategic Plan Workshop, Sacramento, CA 4/19/22 Expenses Travel Expense (Airfare, Mileage, Parking)	530.70
04/29/22	Armitage, Kathye	P-CARD (VISA) - Remote Room for Board Meeting, San Diego CA 4/5/22	263.27
04/29/22	Braunstein, Beth	P-CARD (VISA) - Remote Room for Board Meeting, San Diego CA 4/5/22	263.27
04/29/22	Ford, Jeff	P-CARD (VISA) - ACWA DC2022 Annual Washington, Washington D.C. 9/18/22-9/21/22 -Registration	630.00
04/29/22	Kelly, R.J.	P-CARD (VISA) - ACWA 2022 Spring Conference, Sacramento, CA 5/2/22-5/5/22 -Travel Expense (Airfare)	297.95
04/29/22	Kelly, R.J.	P-CARD (VISA) - ACWA DC2022 Annual Washington, Washington D.C. 7/12/22-7/14/22 -Registration	760.00
04/29/22	Martin, Gary	P-CARD (VISA) - KHTS Road Trip Sacramento, CA 6/1/22 -Travel Expense (Airfare)	128.98
04/29/22	Martin, Gary	P-CARD (VISA) - ACWA 2022 Spring Conference, Sacramento, CA 5/2/22-5/5/22 -Travel Expense (Airfare)	297.95
04/29/22	Martin, Gary	P-CARD (VISA) - KHTS 2022 DC Trip 9/18/22-9/21/22 - Registration	1,490.00
04/29/22	Martin, Gary	P-CARD (VISA) - UWI Annual Conference 8/24/22-8/26/22- Registration	525.00
05/04/22	Braunstein, Beth	SDLF Governance Conference, San Diego, CA 5/3/22-5/6/22 - Expense (Lodging)	611.97
05/04/22	Braunstein, Beth	SDLF Governance Conference, San Diego, CA 5/3/22-5/6/22 - Expense (Parking)	75.00
05/05/22	Armitage, Kathye	ACWA 2022 Spring Conference, Sacramento, CA 5/2/22-5/5/22 -Expense (Lodging)	504.74
05/05/22	Armitage, Kathye	ACWA 2022 Spring Conference, Sacramento, CA 5/2/22-5/5/22 -Travel Expense (Milage)	414.18
05/05/22	Atkins, BJ	ACWA 2022 Spring Conference, Sacramento, CA 5/2/22-5/5/22 -Expense (Lodging, Meals)	614.32
05/05/22	Atkins, BJ	ACWA 2022 Spring Conference, Sacramento, CA 5/2/22-5/5/22 -Expense (Parking, Milage)	484.18
05/05/22	Cooper, William	ACWA 2022 Spring Conference, Sacramento, CA 5/2/22-5/5/22 -Expense (Lodging, Meals)	882.94
05/05/22	Cooper, William	ACWA 2022 Spring Conference, Sacramento, CA 5/2/22-5/5/22 - Travel Expense (Parking, Milage, Airfare)	588.70
05/05/22	Kelly, R.J.	ACWA 2022 Spring Conference, Sacramento, CA 5/2/22-5/5/22 -Expense (Lodging, Meals)	830.11
05/05/22	Kelly, R.J.	ACWA 2022 Spring Conference, Sacramento, CA 5/2/22-5/5/22 -Travel Expense (Milage, Parking, Ground Transportation-Taxi)	122.42
05/05/22	Martin, Gary	ACWA 2022 Spring Conference, Sacramento, CA 5/2/22-5/5/22 -Expense (Lodging, Meals)	820.26
05/05/22	Martin, Gary	ACWA 2022 Spring Conference, Sacramento, CA 5/2/22-5/5/22 -Expense (Parking, Milage, Ground Transportation-Uber)	150.54
			11,942.36

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Director Stipends

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DIRECTORS STIPENDS PAID IN JUNE 2022
For the Month of May 2022

Director Kathye Armitage

Date	Meeting	Amount
05/03/22	ACWA 2022 Spring Conference	\$239.00
05/04/22	ACWA 2022 Spring Conference	\$239.00
05/05/22	ACWA 2022 Spring Conference	\$239.00
05/10/22	One-on-One Meeting with General Manager	\$239.00
05/12/22	Executive Committee Meeting of the Special Districts of North LA County	\$239.00
05/17/22	Regular Board Meeting	\$239.00
05/19/22	SCVEDC Elected Public Officials Night	\$0.00
05/24/22	Special Board Meeting	\$239.00
	Stipend Total	\$1,673.00
	Total Paid Days	7
	Total Meetings	8

Director Beth Braunstein

Date	Meeting	Amount
05/03/22	ACWA 2022 Spring Conference	\$239.00
05/04/22	ACWA 2022 Spring Conference	\$239.00
05/05/22	ACWA 2022 Spring Conference	\$239.00
05/19/22	SCVEDC Elected Public Officials Night	\$239.00
05/17/22	Regular Board Meeting	\$239.00
05/24/22	Special Board Meeting	\$239.00
	Stipend Total	\$1,434.00
	Total Paid Days	6
	Total Meetings	6

Director William Cooper

Date	Meeting	Amount
05/02/22	ACWA 2022 Spring Conference Committee Meetings	\$239.00
05/03/22	ACWA 2022 Spring Conference	\$239.00
05/04/22	ACWA 2022 Spring Conference	\$239.00
05/05/22	ACWA 2022 Spring Conference	\$239.00
05/11/22	Water Resources and Watershed Committee Meeting	\$239.00
05/12/22	Rescheduled Engineering and Operations Committee Meeting	\$239.00
05/17/22	Regular Board Meeting	\$239.00
05/18/22	ACWA Region 8 Meeting	\$239.00
05/23/22	Agenda Planning Meeting	\$239.00
05/24/22	Special Board Meeting	\$239.00
	Stipend Total	\$2,390.00
	Total Paid Days	10
	Total Meetings	10

Director B. J. Atkins

Date	Meeting	Amount
04/22/22	SCWC Quarterly Luncheon	\$239.00
05/02/22	Travel to ACWA 2022 Spring Conference	\$239.00
05/03/22	ACWA 2022 Spring Conference	\$239.00
05/04/22	Travel Home from ACWA 2022 Spring Conference	\$239.00
05/17/22	Regular Board Meeting	\$239.00
05/19/22	SCVEDC Elected Officials Night	\$239.00
05/24/22	Special Board Meeting	\$239.00
	Stipend Total	\$1,673.00
	Total Paid Days	7
	Total Meetings	7

Director Ed Colley

Date	Meeting	Amount
05/11/22	Water Resources and Watershed Committee Meeting	\$239.00
05/16/22	Finance and Administration Committee Meeting	\$239.00
05/17/22	Regular Board Meeting	\$239.00
05/24/22	Special Board Meeting	\$239.00
	Stipend Total	\$956.00
	Total Paid Days	4
	Total Meetings	4

Director Jeff Ford

Date	Meeting	Amount
05/11/22	Water Resources and Watershed Committee Meeting	\$239.00
05/12/22	Rescheduled Engineering and Operations Committee Meeting	\$239.00
05/17/22	Regular Board Meeting	\$239.00
05/24/22	Special Board Meeting	\$239.00
05/31/22	2022 KHTS Sacramento Bus Trip	\$239.00
	Stipend Total	\$1,195.00
	Total Paid Days	5
	Total Meetings	5

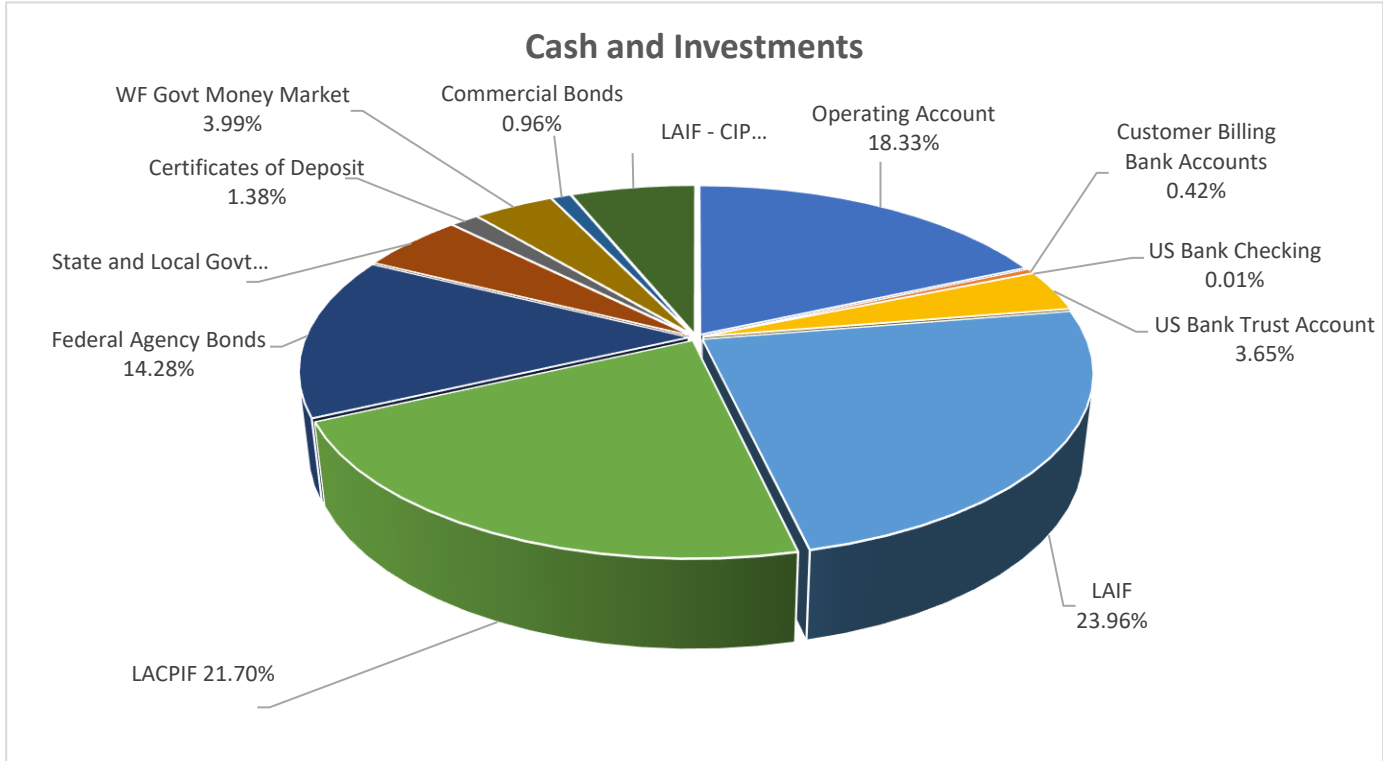
Investment Report

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Santa Clarita Valley Water Agency

Cash and Investment Summary

5/31/22



Operating Account-Incl FCF's, SWP & CIP	XXX-10101	\$	57,331,010	18.33%
Customer Billing Bank Accounts	101-10105		1,300,843	0.42%
US Bank Checking (1% Prop Tax)	101-10201		29,956	0.01%
US Bank Trust Account (1% Prop Tax)	101-10202		11,427,830	3.65%
LAIF - Operating	101-11061		74,937,057	23.96%
LAC Pooled Investment Fund	101-11062		67,896,529	21.70%
Federal Agency Bonds	101-11064		44,684,835	14.28%
State and Local Government Bonds	101-11065		16,148,995	5.16%
Certificates of Deposit	101-11066		4,323,760	1.38%
WF Government Money Mkt Fund	101-11067		12,476,740	3.99%
Commercial Bonds	101-11068		3,000,000	0.96%
LAIF - CIP	220-11002		19,272,668	6.16%
		\$	312,830,224	100.00%

Estimated Refundable Developer Deposits:

\$ 14,238,147 Included in totals

Portfolio-wide Investments:

Average Yield

1.325%

Rochelle Patterson
Treasurer/Director of Finance & Administration

Amy Aguer
Controller

All investment actions executed since the last report have been made in full compliance with the Investment Policy, and the Agency will meet its expenditure obligations for the next six months as required by Government Code Section 53646(b)(2) and (3), respectively.

SCV Water
Consolidated Cash & Investment Summary
5/31/2022

	<u>Note</u>	<u>Acct #</u>	<u>Balance</u>	<u>Total</u>	<u>% of Total</u>
<u>AGENCY FUNDS</u>					
Cash & Sweep Accounts					
Operating Account-Incl FCF's, SWP & CIP		XXX-10101	\$ 57,331,010		
Less: Restricted Cash (FCFs, SWP & CIP)	1	2XX-10101	(1,248,259)		
Customer Billing - enQuesta Account		101-10105	505,002		
Customer Billing - Northstar Account		101-10107	795,841		
US Bank Checking (1% Prop Tax)		101-10201	29,956		
US Bank Trust Account (1% Prop Tax)		101/204-10202	11,427,830		
Less: Restricted Cash US Bank Accts -SWP	1	204-10201/10202	-		
Subtotal - Cash & Sweep Accounts Unrestricted			<hr/>	\$ 68,841,381	22.01%
Investments - Unrestricted					
Local Agency Investment Fund		101-11061	\$ 74,937,057		
LAC Pooled Investment Fund		101-11062	67,896,529		
Federal Agency Bonds		101-11064	44,684,835		
State and Local Government Bonds		101-11065	16,148,995		
Certificates of Deposit		101-11066	4,323,760		
WF Government Money Mkt Fund		101-11067	12,476,740		
Commercial Bonds		101-11068	3,000,000		
Less: Restricted Investments - FCF	2	202-11002	(9,883,306)		
Less: Restricted Investments - SWP	3	204-11002	(88,284,363)		
Subtotal - Investments Unrestricted			<hr/>	\$ 125,300,248	40.05%
Cash and Investments - Restricted					
Facility Capacity Fee Fund - Cash	4	202-10101	\$ -		
Facility Capacity Fee Fund - Investments	5	202-11002	9,883,306		
State Water Project - Cash (WF & US Bank)	6	204-10XXX	2		
State Water Project - Investments	7	204-11002	88,284,363		
Subtotal - Investments Restricted			<hr/>	98,167,671	31.38%
TOTAL AGENCY CASH & INVESTMENTS			<hr/>	\$ 292,309,300	
<u>CAPITAL IMPROVEMENT PROJECT FUNDS</u>					
Cash & Sweep Accounts	8	220-10101	\$ 1,248,257		
Local Agency Investment Fund - Restricted		220-11002	19,272,668		
TOTAL CAPITAL IMPROVEMENT PROJECT FUNDS			<hr/>	\$ 20,520,925	6.56%
TOTAL CASH AND INVESTMENTS			<hr/>	\$ 312,830,225	100.00%

Notes

- 1 Less: Restricted Cash - FCF's, SWP & CIP
- 2 Less: Restricted Investments - FCF's Legacy SCWD
- 3 Less: Restricted Investments - State Water Project
- 4 Restricted Cash - FCF's (Regional Legacy)
- 5 Restricted Investments - FCF's (SCWD Legacy)
- 6 Restricted Cash - SWP (State Water Project)
- 7 Restricted Investments - SWP (State Water Project)
- 8 Restricted Cash - CIP 2020A Bond Proceeds

5/31/22

Agency-wide General Funds Invested:

Description	Cost	Rate	Yield	Purchase Date	Maturity Date	Life Days	Rem. Days	Average Interest
1 Local Agency Investment Fund (LAIF)	74,937,057	0.684%	0.684%	Various	Liquid	N/A	N/A	42,714
1 LA County Pooled Invest Fund (LACPIF)	67,896,529	0.800%	0.800%	Various	Liquid	N/A	N/A	45,264
1 Wells Fargo Gov't Money Market	12,476,740	0.540%	0.540%	Various	Liquid	N/A	N/A	5,615
3	<u>\$ 155,310,327</u>		<u>0.060%</u>					<u>93,593</u>

**State and Local Agency Investment Portfolio
Wells Fargo records these at Par value**

1 San Bernardino Com College Dist Bonds	1,050,078.70	1.964%	1.964%	03/22/22	08/01/23	497	427	20,624
1 State of California GO Bonds	1,946,780	2.250%	2.862%	01/25/19	10/01/23	1710	488	43,803
1 Semitropic Improvement District	1,302,045	2.262%	2.262%	10/30/19	12/01/23	1493	549	29,452
1 State of California GO Bonds	3,098,130	3.000%	3.000%	05/28/19	04/01/24	1770	671	92,944
1 San Diego Successor Agency	1,147,938	3.000%	2.052%	10/23/19	09/01/24	1775	824	34,438
1 L.A. Cnty MET Transp BA Bonds	3,159,800.00	5.130%	5.130%	12/29/21	06/01/25	1,250	1097	162,098
1 Univ of Cal Ca Revenues TxbI-Relief	1,270,703.25	3.063%	3.063%	12/29/21	07/01/25	1,280	1127	38,922
1 Cal St TxbI-Various Purpose-Bid group	3,173,520.00	2.650%	2.650%	12/29/21	04/01/26	1,554	1401	84,098
8	<u>\$ 16,148,995</u>		<u>3.142%</u>				<u>6,584</u>	<u>506,378</u>

Avg Remaining Life 823 Days

Certificates of Deposit

1 Comenity Capital Bank - WF CD	250,000	3.150%	3.150%	07/16/18	07/18/22	1463	48	7,875
1 Live Oak Bkg Co - WF CD	250,000	1.550%	1.550%	03/06/20	09/06/22	914	98	3,875
1 Goldman Sachs Bank - UBS CD	200,000	2.290%	2.290%	10/24/17	11/01/22	1834	154	4,580
1 UBS Bank USA Salt LA UT- UBS CD	200,000	0.150%	0.150%	11/13/20	11/21/22	738	174	300
1 WEBBANK - WF CD	250,000	0.100%	0.100%	12/28/20	12/28/22	730	211	250
1 SYNCHRONY Bank - UBS CD	200,000	1.280%	1.280%	04/13/20	04/17/23	1099	321	2,560
1 BMW Bank North AME - UBS CD	200,000	0.250%	0.250%	11/13/20	05/22/23	920	356	500
1 Beal Bank USA - WF CD	250,000	0.600%	0.600%	01/05/22	01/03/24	728	582	1,500
1 First State Bank/NE - WF CD	250,000	0.500%	0.500%	01/12/22	01/12/24	730	591	1,250
1 TIAA FSB Florida - UBS CD	200,000	0.400%	0.400%	03/31/21	04/09/24	1105	679	800
1 American National Bk - UBS CD	244,388	0.250%	0.250%	06/08/21	05/21/24	1078	721	611
1 New York Cmnty Bk - UBS CD	245,000	0.350%	0.350%	06/08/21	06/03/24	1091	734	858
1 Leader Bank NA MA - UBS CD	244,373	0.250%	0.250%	06/08/21	06/03/24	1091	734	611
1 Greenstate Credit AI US - UBS CD	245,000	0.450%	0.450%	06/08/21	06/17/24	1105	748	1,103
1 LUANA Savings Bank- WF CD	250,000	0.250%	0.250%	12/30/20	07/01/24	1279	762	625
1 Texas Exchange Bank - UBS CD	200,000	0.500%	0.500%	07/22/21	07/30/24	1104	791	1,000
1 UBS Bank - UBS CD	200,000	0.700%	0.700%	10/14/20	10/28/24	1475	881	1,400
1 Morgan Stanley PRI NY - UBS CD	245,000	1.640%	1.640%	04/01/20	03/05/25	1799	1009	4,018
1 Sallie Mae Bank - UBS CD	200,000	1.880%	1.880%	11/22/19	11/20/24	1825	904	3,760
19	<u>\$ 4,323,760</u>						<u>10498</u>	<u>37,475</u>

Weighted Avg Yield 0.867%

Avg Remaining Life 553 Days

**Federal Government Agency Investment Portfolio
Wells Fargo records these at Par value**

1	FFCB - WF	2,000,560	0.120%	0.120%	02/02/21	01/12/23	709	226	2,401
1	FFCB - WF	2,000,000	0.180%	0.180%	01/13/21	07/13/23	911	408	3,600
1	FHLB - UBS	3,000,000	1.125%	1.125%	04/12/22	10/12/23	548	499	33,750
1	FHLB - UBS	3,000,000	1.800%	1.800%	02/28/22	02/27/24	729	637	54,000
1	FHLB - WF	2,996,580	2.125%	2.125%	03/25/22	02/28/24	705	638	63,677
1	FHLB - UBS	2,000,000	1.875%	1.875%	03/14/22	03/14/24	731	653	37,500
1	FHLB - UBS	2,000,000	1.500%	1.500%	03/25/22	03/28/24	734	667	30,000
1	FFCB - WF	5,000,000	0.270%	0.270%	01/05/21	04/05/24	1186	675	13,500
1	FHLB - UBS	200,005	0.750%	0.750%	11/24/21	05/24/24	912	724	1,500
1	FHLB - UBS	235,000	1.350%	1.350%	02/24/22	05/24/24	820	724	3,173
1	FHLB - UBS	4,500,000	0.400%	0.400%	06/08/21	08/29/24	1178	821	18,000
1	FFCB - WF	1,997,700	0.875%	0.875%	11/18/21	11/18/24	1096	902	17,480
1	FHLB - WF	2,000,000	0.400%	0.400%	02/26/21	11/26/24	1369	910	8,000
1	FHLB - WF	996,470	3.063%	3.063%	01/03/22	01/13/25	1106	958	30,522
1	FHLB - WF	2,000,000	0.690%	0.690%	06/10/21	06/10/25	1461	1106	13,800
1	FNMA - WF	3,985,680	0.500%	0.500%	11/12/20	11/07/25	1821	1256	19,928
1	FNMA - WF	1,992,840	0.500%	0.500%	11/12/20	11/07/25	1821	1256	9,964
1	FHLB - UBS	280,000	0.500%	5.000%	04/15/21	04/29/26	1840	1429	1,400
1	FHLB - UBS	1,500,000	0.600%	0.600%	06/09/21	06/30/26	1847	1491	9,000
1	FHLB - UBS	3,000,000	0.500%	0.500%	06/08/21	06/30/26	1848	1491	15,000
20		<u>\$ 44,684,835</u>					<u>17471</u>	<u>386,195</u>	
		Weighted Avg Yield	<u>0.894%</u>			Avg Remaining Life	<u>874</u>	Days	

1	JP Morgan Chase Financial	3,000,000	3.125%	3.125%	05/13/22	05/13/24	731	713	93,750
1		<u>\$ 3,000,000</u>					<u>713</u>	<u>93,750</u>	
		Weighted Avg Yield	3.125%			Avg Remaining Life	<u>713</u>	Days	
		<u>Cost</u>							
		Weighted Avg Yield	<u>0.506%</u>						

Liquid Investments - LAIF, LACPIF, WF MM	155,310,327		
State and Local Agencies	<u>16,148,995</u>		
Certificates of Deposit	<u>4,323,760</u>		
Subtotals by Agency			
FED AGENCY-FHLMC	0	0%	
FED AGENCY-FNMA	5,978,520	13%	
FED AGENCY-FFCB	10,998,260	25%	
FED AGENCY-FHLB	<u>27,708,055</u>	<u>62%</u>	
	<u>44,684,835</u>	<u>100%</u>	
Commercial Bonds	3,000,000		

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**Finance and Administration Committee
Planning Calendar
FY 2022/23**

Item		July 5 Board	July 18 Comm	Aug 2 Board	Aug 15 Comm (Q4)	Sept 6 Board	Sept 19 Comm	Oct 4 Board	Oct 17 Comm	Nov 1 Board	Nov 21 Comm (Q1)	Dec 6 Board	Dec 19 Comm	Jan 3 Board	Jan 23 RESCHED Comm	Feb 7 Board	Feb 21 Board	Feb 27 RESCHED Comm (Q2)	Mar 7 Board	Mar 20 Comm	April 4 Board	April 17 Comm	May 2 Board	May 15 Comm (Q3)	June 6 Board	June 19 Comm
1	Recommend Approval of Resolution Authorizing July 2022 Water Supply Contract Payment (consent)	C																								
2	Recommend Approval of Resolutions Setting Santa Clarita Valley Water Agency Tax Rate for FY 2022/23 and Requesting Levy of Tax by Los Angeles County and Ventura County (consent)	C																								
3	Recommend Approval of Revised Agency Classification Plan and Position Control	C																								
4	Recommend Approval of Revised Capitalization Policy for Fixed Assets	C																								
5	Recommend Receiving and Filing of April 2022 Monthly Financial Report (consent)	C																								
6	Recommend Approval of FY 2022/23 Water Supply Contract Payments (consent)		P	P																						
7	Recommend Approval of a Contract Amendment with Robert D. Niehaus, Inc. for Ratepayer Advocate Services		P	P																						
8	Recommend Approval of a Contract with Chandler Asset Management, Inc. for As-Needed Investment Advisory Services		P	P																						
9	Recommend Receiving and Filing of May 2022 Monthly Financial Report (consent)		P	P																						
10	Technology Update				P																					
11	Recommend Receiving and Filing of June 2022 Monthly and FY 2021/22 Fourth Quarter Financial Report				P	P																				
12	Discuss Project Timelines and Assumptions for Rates and Fees - PPT						P																			
13	Recommend Receiving and Filing of July 2022 Monthly Financial Report (consent)							P																		

**ITEM NO.
7**

**Finance and Administration Committee
Planning Calendar
FY 2022/23**

Item	July 5 Board	July 18 Comm	Aug 2 Board	Aug 15 Comm (Q4)	Sept 6 Board	Sept 19 Comm	Oct 4 Board	Oct 17 Comm	Nov 1 Board	Nov 21 Comm (Q1)	Dec 6 Board	Dec 19 Comm	Jan 3 Board	Jan 23 RESCHED Comm	Feb 7 Board	Feb 21 Board	Feb 27 RESCHED Comm (Q2)	Mar 7 Board	Mar 20 Comm	April 4 Board	April 17 Comm	May 2 Board	May 15 Comm (Q3)	June 6 Board	June 19 Comm
14	Discuss Long-Term Financing for Capital Projects							P																	
15	Recommend Receiving and Filing of August 2022 Monthly Financial Report (consent)							P	P																
16	Technology Update									P	P														
17	Recommend Receiving and Filing of September 2022 Monthly and FY 2022/23 First Quarter Financial Report									P	P														
18	Recommend Receiving and Filing of SCV Water Annual Comprehensive Financial Report (ACFR) ended June 30, 2022 (consent)											P	P												
19	Recommend Receiving and Filing of October 2022 Monthly Financial Report (consent)											P	P												
20	Recommend Approval of a Resolution Adopting a Revised Investment Policy - (Annually adopted via reso) (consent)														P	P									
21	Recommend Receiving and Filing of November 2022 Monthly Financial Report (consent)													P	P										
22	Technology Update																P								
23	Recommend Receiving and Filing of December 2022 and FY 2022/23 Second Quarter Financial Report																	P							

**Finance and Administration Committee
Planning Calendar
FY 2022/23**

	Item	July 5 Board	July 18 Comm	Aug 2 Board	Aug 15 Comm (Q4)	Sept 6 Board	Sept 19 Comm	Oct 4 Board	Oct 17 Comm	Nov 1 Board	Nov 21 Comm (Q1)	Dec 6 Board	Dec 19 Comm	Jan 3 Board	Jan 23 RESCHED Comm	Feb 7 Board	Feb 21 Board	Feb 27 RESCHED Comm (Q2)	Mar 7 Board	Mar 20 Comm	April 4 Board	April 17 Comm	May 2 Board	May 15 Comm (Q3)	June 6 Board	June 19 Comm
24	Review Budget Calendar																			P						
25	Review Status of Operating FY 2022/23 Budget																			P						
26	Recommend Approval of a Proposed Employee Salary Adjustment (COLA) for FY 2023/24																			P	P					
27	Review Annual List of Professional Services Contracts (consent)																			P	P					
28	Technology Update																			P	P					
29	Recommend Receiving and Filing of January 2023 Monthly Financial Report (consent)																			P	P					
30	Recommend Approval of a Resolution Adopting the FY 2023/24 and FY 2024/25 Biennial Budget																					P	P			
31	Recommend Receiving and Filing of February 2023 Monthly Financial Report (consent)																					P	P			
32	Approve a Resolution Adopting the Appropriation of All As-Yet Unappropriated Funds for FY 2022/23 (consent)																							P	P	
33	Approve a Resolution Adopting the Appropriation Limit for FY 2023/24 (consent)																							P	P	
34	Technology Update																							P		
35	Recommend Receiving and Filing of March 2022 and FY 2022/23 Third Quarter Financial Report																							P	P	
36	Review and Recommend Approval of Budget for FY 2023/24 Water Supply Contract Payment (consent)																									P
37	Recommend Receiving and Filing of April 2022 Monthly Financial Report (consent)																									P

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