AGENDA AND NOTICE OF THE MEETING OF THE
SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS GOVERNING BOARD

THURSDAY, JUNE 18, 2020 - 4:00 P.M.*

Teleconference Meeting

Livestream Available at: https://youtu.be/qfTSvuHSiGo

SGVCOG Officers

President
Cynthia Sternquist

1st Vice President
Margaret Clark

2nd Vice President
Becky Shevlin

3rd Vice President
Tim Hepburn

Members
Alhambra
Arcadia
Azusa
Baldwin Park
Bradbury
Claremont
Covina
Diamond Bar
Duarte
El Monte
Glendora
Industry
Irwindale
La Cañada Flintridge
La Puente
La Verne
Monrovia
Montebello
Monterey Park
Pomona
Rosemead
San Dimas
San Gabriel
San Marino
Sierra Madre
South El Monte
South Pasadena
Temple City
Walnut
West Covina
First District, LA County Unincorporated Communities
Fourth District, LA County Unincorporated Communities
Fifth District, LA County Unincorporated Communities
SGV Water Districts

Thank you for participating in tonight's meeting. The Governing Board encourages public participation and invites you to share your views on agenda items.

MEETINGS: ***Regular Meetings of the Governing Board are held on the third Thursday of each month at 4:00 PM at the Foothill Transit Office (100 South Vincent Avenue, West Covina, CA 91790).*** The Governing Board agenda packet is available at the San Gabriel Valley Council of Government's (SGVCOG) Office, 1000 South Fremont Avenue, Suite 10210, Alhambra, CA, and on the website, www.sgvcog.org. Copies are available via email upon request (sgv@sgvcog.org). Documents distributed to a majority of the Board after the posting will be available for review in the SGVCOG office and on the SGVCOG website. Your attendance at this public meeting may result in the recording of your voice.

PUBLIC PARTICIPATION: Your participation is welcomed and invited at all Governing Board meetings. Time is reserved at each regular meeting for those who wish to address the Board. SGVCOG requests that persons addressing the meeting refrain from making personal, slanderous, profane or disruptive remarks.

TO ADDRESS THE GOVERNING BOARD: At a regular meeting, the public may comment on any matter within the jurisdiction of the Board during the public comment period and may also comment on any agenda item at the time it is discussed. At a special meeting, the public may only comment on items that are on the agenda. Members of the public wishing to speak are asked to complete a comment card or simply rise to be recognized when the Chair asks for public comments to speak. We ask that members of the public state their name for the record and keep their remarks brief. There is a three-minute limit on all public comments. Proxies are not permitted, and individuals may not cede their comment time to other members of the public. **The Governing Board may not discuss or vote on items not on the agenda.**

AGENDA ITEMS: The Agenda contains the regular order of business of the Governing Board. Items on the Agenda have generally been reviewed and investigated by the staff in advance of the meeting so that the Governing Board can be fully informed about a matter before making its decision.

CONSENT CALENDAR: Items listed on the Consent Calendar are considered to be routine and will be acted upon by one motion. There will be no separate discussion on these items unless a Board member or citizen so requests. In this event, the item will be removed from the Consent Calendar and considered after the Consent Calendar. If you would like an item on the Consent Calendar discussed, simply tell Staff or a member of the Governing Board.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SGVCOG office at (626) 457-1800. Notification 48 hours prior to the meeting will enable the SGVCOG to make reasonable arrangement to ensure accessibility to this meeting.

***MEETING MODIFICATIONS DUE TO THE STATE AND LOCAL STATE OF EMERGENCY RESULTING FROM THE THREAT OF COVID-19**: On March 17, 2020, Governor Gavin Newsom issued Executive Order N-29-20 authorizing a local legislative body to hold public meetings via teleconferencing and allows for members of the public to observe and address the meeting telephonically or electronically to promote social distancing due to the state and local State of Emergency resulting from the threat of the Novel Coronavirus (COVID-19).

To follow the new Order issued by the Governor and ensure the safety of Board Members and staff for the purpose of limiting the risk of COVID-19, in-person public participation at the Governing Board meeting scheduled for June 18, 2020 at 4:00 p.m. will be not be allowed. Members of the public may view the meeting live on the SGVCOG's website. To access the meeting video, log onto www.sgvcog.org, click on the Governing Board Agenda text on the right-hand side of the homepage, then follow prompts to watch the meeting live.

Public comments can be submitted electronically by emailing kward@sgvcog.org at least 1 hour prior to the scheduled meeting time. Emailed public comments will be read into the record and should be limited to 150 words max. If you wish to comment on a specific agenda item, please identify the item in your email. General public comments will be addressed during the general public comment item on the agenda

Any member of the public requiring a reasonable accommodation to participate in this meeting should contact Katie Ward at least 48 hours prior to the meeting at (626) 457-1800 or at kward@sgvcog.org.

PRELIMINARY BUSINESS **5 MINUTES**

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Public Comment *(If necessary, the President may place reasonable time limits on all comments)*
5. Changes to Agenda Order: Identify emergency items arising after agenda posting and requiring action prior to next regular meeting

PRESENTATIONS **15 MINUTES**

6. FY 2018-2019 Financial Audit – Page 1
   Recommended Action: Receive and file.

LIAISON REPORTS

7. Gold Line Foothill Extension Construction Authority
8. Foothill Transit – Page 69
9. Los Angeles County Metropolitan Transportation Authority
10. San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy
11. San Gabriel Valley Mosquito & Vector Control District
12. Southern California Association of Governments – Page 71
13. League of California Cities – Page 75
14. San Gabriel Valley Economic Partnership
15. South Coast Air Quality Management District – Page 79

PRESIDENT'S REPORT **5 MINUTES**

EXECUTIVE DIRECTOR'S REPORT **10 MINUTES**

GENERAL COUNSEL'S REPORT **5 MINUTES**

COMMITTEE REPORTS **10 MINUTES**

16. Transportation Committee – Page 81
17. Homelessness Committee – Page 83
18. Energy, Environment and Natural Resources Committee – Page 85
19. Water Committee – Page 87
20. Capital Projects and Construction Committee – Page 89

CONSENT CALENDAR **5 MINUTES**

(It is anticipated that the SGVCOG Governing Board may take action on the following matters)

21. Governing Board Meeting Minutes – Page 91
    Recommended Action: Adopt Governing Board minutes.
22. Monthly Cash Disbursements/Balances/Transfers – Page 101
    Recommended Action: Approve Monthly Cash Disbursements/Balances/Transfers.
23. Committee/TAC/Governing Board Attendance – Page 105
    Recommended Action: Receive and file.
24. 2nd Quarter Financial and Treasurer Reports – Page 115
    Recommended Action: Receive and file.
25. Contract with the San Gabriel Valley Regional Housing Trust – Page 139
    Recommended Action: Approve agreement with the San Gabriel Valley Regional Housing Trust (SGVRHT) to provide core staffing for the SGVRHT.
26. Amendment to Executive Director Employment Agreement – Page 151
    Recommended Action: Authorize the President to execute a Third Amendment to the Agreement for Executive Director services with Marisa Creter.

27. Committee/TAC/Partnership Agency Appointments – Page 155
Recommended Action: Appoint members to the following standing SGVCOG Policy Committees, Technical Advisory Committees, and other partnership agency appointments:
- *SCAG CEHD Committee: Jed Leano (Claremont), Tony Wu (West Covina)*
- *Capital Projects and Construction Committee FY 20-21 Appointments:*
  - *Southeast: Nancy Lyons (Diamond Bar) – Delegate*
  - *Northeast: Tim Hepburn (La Verne) – Delegate; Ed Reece (Claremont) – Alternate*
  - *Central: Jerry Velasco (El Monte) – Delegate*
  - *Southwest: Diana Mahmud (South Pasadena) – Delegate*
  - *Northwest: Becky Shevlin (Monrovia) – Delegate*
  - *LA County Supervisors: Hilda Solis (District #1) – Delegate; Kathryn Barger (District #5) – Alternate*
  - *SGVCOG President: Cynthia Sternquist (Temple City)*
  - *(3) ACE Project Seats: Jack Hadjianian (Montebello); Cory Moss (Industry); Tim Sandoval (Pomona)*

28. Award of Funding for Pilot Programs (Homeless Services and Activities) – Page 157
Recommended Actions:
(1) Fund the following pilot programs that address homelessness:

City	Project	Not-to-Exceed Award Amount
Arcadia	Pop-up Homeless Services Center	$150,000
Claremont	Roommate Matching Program	$50,000
Covina	Mobile Hygiene Program	$60,000
La Verne (Baldwin Park, Duarte, Irwindale, West Covina)	Transition Age Youth (TAY) Workforce Development Program	$200,000
Monrovia	Emergency COVID Housing Impact Program ("eCHIP")	$150,000

(2) Re-allocate up to $310,000 from the Master Leasing Program to the Pilot Programs Program; and
(3) Re-allocate the remaining funding from the Master Leasing Program to the Regional Coordination Program.

29. Financial Accounts for the Safekeeping of Property and Official Signatures – Page 161
Recommended Action: Adopt Resolution No. 20-12 updating authorized official signatures on financial accounts at commercial bank institutes for the safekeeping of property.

30. Cancel July 16 Governing Board Meeting – Page 165
Recommendation Actions: Adopt Resolution 20-13, taking the following actions: 1) Cancel the SGVCOG July 16, 2020 Governing Board meeting and 2) Authorize the President, in consultation with the Executive Committee, to act on the Governing Board's behalf by undertaking all actions that are necessary for the proper administration and operation of the SGVCOG and that cannot be delayed until the next Regular Meeting of the Governing Board

31. H.R. 535 (Dingell) – PFAS Action Act Of 2019 – Page 169
Recommendation Actions: Adopt Resolution 20-14 to support H.R. 535 (Dingell) with recommendations for the bill to include additional details on cleaning up landfills that are contaminated with PFAS chemicals.

ADJOURN

REPORT

DATE: June 18, 2020

TO: Executive Committee
Governing Board

FROM: Marisa Creter, Executive Director

RE: FY 2018-2019 FINANCIAL AUDIT

RECCOMENDED ACTION

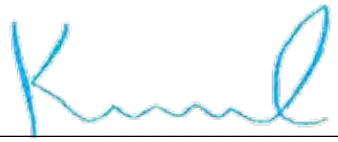
Receive and file.

BACKGROUND

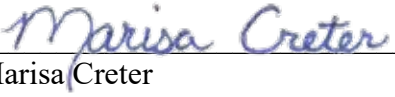
The SGVCOG's auditors Vasquez & Company LLP completed a comprehensive audit of the financial statements for the SGVCOG for fiscal year ending June 30, 2019. The following attachments outline the auditor's full report

- Attachment A – FY 2018-19 Financial Statement (Primary Government/SGVCOG)
- Attachment B – FY 2018-19 Financial Statement (ACE)

Representatives from Vasquez & Company LLP will present the audit report to the Governing Board.

Prepared by: 

Katie Ward
Senior Management Analyst

Approved by: 

Marisa Creter
Executive Director

ATTACHMENTS

Attachment A – FY 2018-19 Financial Statement (Primary Government/SGVCOG)
Attachment B – FY 2018-19 Financial Statement (ACE)

SGVCOG
San Gabriel Valley Council of Governments

Audited Financial Statements
(Primary Government)
As of and for the Year Ended June 30, 2019
with Report of Independent Auditors

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Vasquez & Company LLP
Certified Public Accountants and Business Consultants

San Gabriel Valley Council of Governments
Audited Financial Statements
(Primary Government)
As of and for the Year Ended June 30, 2019
with Report of Independent Auditors

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Report of Independent Auditors

Members of the Governing Board
San Gabriel Valley Council of Governments

Report on the Financial Statements

We have audited the accompanying financial statements of the primary government of San Gabriel Valley Council of Governments (SGVCOG), which comprise the statement of net position as of June 30, 2019, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise SGVCOG's basic financial statements.

Management's Responsibility on the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating that appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the primary government of San Gabriel Valley Council of Governments as of June 30, 2019, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements referred to above include only the primary government of the San Gabriel Valley Council of Governments, which consists of all funds and departments that comprise San Gabriel Valley Council of Governments' legal entity. These primary government financial statements do not include financial data for the San Gabriel Valley Council of Governments' component unit, the Alameda Corridor - East Project, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the SGVCOG's primary government. As a result, the primary government's financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of the San Gabriel Valley Council of Governments as of June 30, 2019, the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

We have audited in accordance with auditing standards generally accepted in the United States of America, the financial statements of the reporting entity of San Gabriel Valley Council of Governments as of and for the year ended June 30, 2019, and our report thereon, dated May 28, 2020, expressed an unmodified opinion on those financial statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 and the required supplementary information on pages 24 through 25 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Vasquez & Company LLP

Glendale, California
May 28, 2020

Our discussion and analysis of the San Gabriel Valley Council of Governments (the "SGVCOG") financial performance presents an overview of the SGVCOG's financial activities during the fiscal year ended June 30, 2019. We encourage readers to consider information presented here in conjunction with the financial statements (beginning on page 7). The financial statements, notes and this discussion and analysis were prepared by management and are the responsibility of management.

Background

The SGVCOG was created on March 17, 1994 by a Joint Powers Agreement (JPA) among various member San Gabriel Valley Cities to promote cooperation, exchange ideas, coordinate regional government programs and to provide recommendations and solutions to common problems and to general concern of member governments.

In 1998, the SGVCOG created the Alameda Corridor - East Construction Authority (ACE) to mitigate the effects of increasing Union Pacific Railroad (UPRR) train traffic in the San Gabriel Valley (Valley). There were 55 “at-grade” crossings in the Valley where vehicular and pedestrian traffic cross directly over railroad tracks and must stop while trains pass by. This creates congestion, degrades the local environment, and compromises safety. The ACE Project will separate 20 crossings at the busiest intersections – by either raising or lowering the railroad or the intersecting street – along the 35-mile freight rail corridor from East Los Angeles to Pomona.

Overview of Financial Statements

In FY 2019, operating revenues increased by 16% from the previous year. The increase was mainly attributable to the new Bike Share and Stormwater grant revenues earned in 2019.

The financial statements present the financial picture of the SGVCOG from the economic resources measurement focus using the accrual basis of accounting. These statements include all recordable position of the SGVCOG as well as all liabilities. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid. The statement of cash flows provides information about the SGVCOG’s cash receipts, cash payments, and net changes in cash resulting from operating, capital and related investing activities during the reporting period.

The statement of net position and the statement of revenues, expenses and changes in net position report the SGVCOG’s net position and related changes. Net position is the difference between the recorded assets and deferred outflows of resources and liabilities and deferred inflows of resources. The recorded activities include all revenues from dues and operating expenses related to the operation of the SGVCOG. In addition, all of the SGVCOG’s revenues and expenses related to its other programs and services are reflected in the statements.

Various disclosures accompany the financial statements in order to provide a full picture of the SGVCOG's finances. The notes to the financial statements are on pages 10-23.

Financial Analysis

Statements of Net Position

The following table summarizes the assets and deferred outflows of resources, liabilities and deferred inflows of resources and net position of the SGVCOG as of June 30, 2019 and 2018:

	June 30		Variance	
	2019	2018	Amount	%
Assets	**$ 2,990,009**	$ 1,729,391	$ 1,260,618	73%
Deferred outflows of resources	**133,634**	226,431	(92,797)	-41%
Total assets and deferred outflows of resources	**3,123,643**	1,955,822	1,167,821	60%
Liabilities	**1,722,720**	823,220	899,500	109%
Deferred inflows of resources	**38,618**	72,904	(34,286)	-47%
Total liabilities and deferred inflows of resources	**1,761,338**	896,124	865,214	97%
Net position				
Restricted	**110,578**	110,469	109	0%
Unrestricted	**1,251,727**	949,229	302,498	32%
Total net position	**$ 1,362,305**	$ 1,059,698	$ 302,607	29%

Assets increased this year by $1,260,618 or 73%, and liabilities increased by $899,500 or 109%. Increase in assets was largely due to higher cash and cash equivalents and grants receivable balances in 2019. The increase in assets was offset by the higher balance in liabilities from the new Bike Share program whose payment was advanced by SGVCOG's component unit ACE.

As previously discussed, net position can serve as an indicator of financial health. The SGVCOG's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $1,362,305 and $1,059,698 as of June 30, 2019 and 2018, respectively.

Statements of Revenues, Expenses and Changes in Net Position

The following table presents the SGVCOG's revenues, expenses and changes in net position for the years ended June 30, 2019 and 2018:

	Years ended June 30,		Variance	
	2019	2018	Amount	%
Operating revenues				
Dues:				
General Fund	**$ 443,814**	$ 414,757	$ 29,057	7%
Transportation	**310,193**	346,041	(35,848)	-10%
	754,007	760,798	(6,791)	-1%
Sponsorships	**35,075**	56,676	(21,601)	-38%
Grants and matches from other governments:				
Los Angeles County Metropolitan Transportation Authority	**97,549**	93,569	3,980	4%
Southern California Edison - Energywise	**68,989**	132,566	(63,577)	-48%
California Energy Eficiency Strategic Plan Implementation	**54,897**	26,272	28,625	109%
Southern California Gas - Energywise	**50,361**	131,206	(80,845)	-62%
Bike Share Program	**1,265,014**	-	1,265,014	100%
Homelessness Program	**158,000**	644,400	(486,400)	-75%
MTA Open Street Program	**-**	548,705	(548,705)	-100%
Stormwater Program	**224,150**	-	224,150	100%
Cost Comparison / Joint Study Program	**94,500**	-	94,500	100%
Others	**36,244**	55,895	(19,651)	-35%
Total operating revenues	**2,838,786**	2,450,087	388,699	16%
Operating expenses				
Administrative	**761,890**	811,104	(49,214)	-6%
Energywise	**50,663**	101,407	(50,744)	-50%
Transportation	**131,040**	122,947	8,093	7%
California Energy Efficiency Strategic Plan Implementation	**21,523**	9,755	11,768	121%
Bike Share Program	**1,265,014**	-	1,265,014	100%
Homelessness Program	**132,635**	573,823	(441,188)	-77%
MTA Open Street Program	**4,991**	548,705	(543,714)	-99%
Stormwater Program	**124,868**	-	124,868	100%
Cost Comparison / Joint Study Program	**18,173**	-	18,173	100%
Others	**31,185**	41,730	(10,545)	-25%
Total operating expenses	**2,541,982**	2,209,471	332,511	15%
Operating income	**296,804**	240,616	56,188	23%
Nonoperating income				
Interest income	**5,803**	3,402	2,401	71%
Total nonoperating income	**5,803**	3,402	2,401	71%
Change in net position	**302,607**	244,018	58,589	24%
Net position, beginning of year	**1,059,698**	815,680	244,018	30%
Net position, end of year	**$ 1,362,305**	$ 1,059,698	$ 302,607	29%

During fiscal year 2019, total operating revenues increased by 16% from the previous year. The increase was mainly attributable to the new Bike Share and Stormwater grant revenues earned in 2019.

Revenues for SGVCOG consist primarily of dues from 30 member cities, three Los Angeles County supervisorial districts, and a Joint Power Authority of the water agencies, which represents three municipal water districts, cost reimbursable grants from the Bike Share program, Stormwater program, Homelessness program, Southern California Edison (SCE), a local utility, grant matching funds from Los Angeles County MTA, and fees on the aggregate cost for the bonds issued to fund installation of renewable energy efficiency improvements from the Home Energy Renovation Opportunity (HERO) program. Grants and matches from other governments and Sponsorships were $2,084,779 in FY2019 compared to $1,689,289 in FY2018, an increase of $395,490 or 23%. The increase was mostly due to the new Bike Share and Stormwater grant revenues earned in FY2019.

Operating expenses were $2,541,982 in FY2019 compared to $2,209,471 in FY 2018, an increase of $332,511 or 15%. The increase is primarily attributable to program expenses from the new Bike Share and Stormwater programs.

Next Year's Budget

The budget for fiscal year 2020 assumes that the on-hand net position as of June 30, 2019 will be required and available to fulfill the program and administrative expense requirements.

Further Information

This report has been designed to provide a general overview, to the stakeholders, of the SGVCOG's financial condition and related issues. Inquiries should be directed to Maritza Ramos, Director of Finance, 4900 Rivergrade Road, Suite A120 Irwindale, CA 91706.
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ASSETS		
Current assets		
Cash and cash equivalents	$	1,471,827
Grants receivable		1,342,618
Other receivables		104,056
Prepaid expenses		12,022
Total current assets		2,930,523
Noncurrent assets		
Net pension asset		59,486
Total noncurrent assets		59,486
Total assets		2,990,009
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pension		133,634
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses		68,536
Unearned revenues		395,160
Due to ACE		1,224,048
Total current liabilities		1,687,744
Noncurrent liabilities		
Compensated absences		34,976
Total noncurrent liabilities		34,976
Total liabilities		1,722,720
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pension		38,618
NET POSITION		
Restricted for :		
Water Quality Improvement		55,673
MS4-National Pollutant Discharge Elimination System		54,905
Unrestricted		1,251,727
Net position	$	1,362,305

See notes to financial statements.

Operating revenues		
Dues:		
General Fund	$	443,814
Transportation		310,193
		754,007
Sponsorships		35,075
Grants and matches from other governments:		
Los Angeles County Metropolitan Transportation Authority		97,549
Southern California Edison - Energywise		68,989
California Energy Efficiency Strategic Plan Implementation		54,897
Southern California Gas - Energywise		50,361
Homelessness Program		158,000
Western Riverside Council of Governments - California HERO		5,059
Measure M Program		31,185
Bike Share Program		1,265,014
Stormwater Program		224,150
Cost Comparison / Joint Study		94,500
Total operating revenues		2,838,786
Operating expenses		
Administrative		761,890
Energywise		50,663
Transportation		131,040
California Energy Efficiency Strategic Plan Implementation		21,523
Homelessness Program		132,635
MTA Open Street Program		4,991
Measure M Program		31,185
Bike Share Program		1,265,014
Stormwater Program		124,868
Cost Comparison / Joint Study Program		18,173
Total operating expenses		2,541,982
Operating income		296,804
Nonoperating income		
Interest income		5,803
Total nonoperating income		5,803
Change in net position		302,607
Net position, beginning of year		1,059,698
Net position, end of year	$	1,362,305

See notes to financial statements.

Cash flows from operating activities		
Cash receipts from cities	$	1,072,637
Cash receipts from all other services		1,009,386
Cash paid for operating expenses		(2,887,676)
Cash paid for employee compensation and related costs		(298,964)
Net cash used in operating activities		(1,104,617)
Cash flows from noncapital financing activities		
Advances from ACE		1,222,824
Cash provided by noncapital financing activitites		1,222,824
Cash flows from investing activities		
Interest received		5,229
Cash provided by investing activitites		5,229
Change in cash and cash equivalents		123,436
Cash and cash equivalents - beginning of year		1,348,391
Cash and cash equivalents - end of year	$	1,471,827
Reconciliation of operating income to net cash used in operating activities:		
Operating income	$	296,804
Adjustment to reconcile operating income to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Other receivables		(89,671)
Grants receivable		(985,722)
Prepaid expenses		(1,729)
Deferred outflows of resources		92,797
Accounts payable and accrued expenses		(610,623)
Unearned revenues		318,630
Compensated absences		7,602
Net pension liability (asset)		(98,419)
Deferred inflows of resources		(34,286)
Net cash used in operating activities	$	(1,104,617)

See notes to financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT POLICIES

Organization and Activities

The San Gabriel Valley Council of Governments (the "SGVCOG") was created effective March 17, 1994 by a Joint Powers Agreement (JPA) among various San Gabriel Valley Cities to promote cooperation, exchange ideas, coordinate regional government programs and to provide recommendations and solutions to common problems and to general concern of member governments. It is the immediate successor to the San Gabriel Valley Association of Cities, an unincorporated association. Its members organized the SGVCOG because they recognized a need for a more permanent and formalized structure.

The SGVCOG is supported by contributions from its members and also receives grant funds to conduct regional studies on Transportation, Air Quality, Environmental Matters, as a sub-grantee of other governmental entities. The SGVCOG is a non-profit California Public Agency and it is tax exempt.

The Reporting Entity

The accompanying financial statements do not include the financial statements of a component unit, the Alameda Corridor - East Project (ACE) and do not purport to, and do not, present the financial position of the reporting entity of San Gabriel Valley Council of Governments as of June 30, 2019, the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

On August 17, 2017, the SGVCOG governing board approved the integration of ACE into SGVCOG to accomplish the following objectives:

- Restructure ACE so it will be an ongoing operation as a division of SGVCOG, and not expire at the end of its mission (currently estimated to be in fiscal year 2022-23).
- Expand the jurisdiction of ACE as a construction and projects entity that can serve all of the San Gabriel Valley.
- Restructure the ACE Board so that it has representation from the entire San Gabriel Valley and revise its role so it is no longer a separate Board with management control over ACE but instead will be a standing committee advisory to the Governing Board regarding the ACE operation.
- Integrate SGVCOG and ACE staff under a single personnel system reporting to the Executive Director of SGVCOG.

Full integration of ACE into SGVCOG was completed during the fiscal year ended June 30, 2019.

NOTE 1 SUMMARY OF SIGNIFICANT POLICIES (CONTINUED)

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

The following are SGVCOG's major revenue components:

California Energy Efficiency Strategic Plan Implementation - Funds for the implementation of certain energy efficiency programs under the Decision 09-09-47 and 12-11-015 of the California Public Utilities Commission including the Energy Leader Partnership Program.

Energywise - Funds to implement a program to reduce energy usage in the region by providing enhanced rebates for installing energy efficiency measures in municipal facilities, technical assistance, and various training and educational opportunities.

Homelessness – Funds to provide coordination services among the San Gabriel Valley cities, homeless providers, and community stakeholders relative to the implementation of the Homeless Initiative and the delivery of homeless services within the San Gabriel Valley.

MTA Open Streets – Funded by the Los Angeles County Metropolitan Transportation Authority (MTA) to provide a series of regional car-free events. It aims to provide: (a) opportunities for riding transit, walking, and riding a bike possibly for the first time; (b) encourage future mode shift to more sustainable transportation modes; and, (c) for civic engagement to foster the development of multi-modal policies and infrastructure at the city/community level. In September 2018, MTA approved funding for SGVCOG to host two open streets events, including an event in the cities of El Monte and South El Monte on October 26, 2019 and another event in the cities of San Dimas, La Verne and Pomona on April 19, 2020 (postponed to 2021 due to COVID-19). This funding will cover planning, event production, public safety, traffic controls and other support services related to these events. This funding will be used as the local match requirement for the Bike Share Program by hosting bike share launch events in conjunction with the open streets events.

Bike Share Program – The Bike Share Program is an effort by the SGVCOG to bring cost effective transportation alternatives to the region. In partnership with 15 member agencies, the SGVCOG has entered into an agreement for the purchase and implementation of pedal-assist bicycles. The program is being funded through a Statewide Active Transportation Program (ATP) grant.

NOTE 1 SUMMARY OF SIGNIFICANT POLICIES (CONTINUED)

Basis of Accounting (Continued)

Stormwater Project/ULAR Project – The Los Angeles Regional Water Quality Control Board (Regional Board) established a Coordinated Integrated Monitoring Program (CIMP) to monitor the Upper Los Angeles River (ULAR) Enhanced Watershed Management Program (EWMP) progress toward meeting clean water goals. In 2015, all ULAR permittees voluntarily entered into a Memorandum of Agreement (MOA) with the City of Los Angeles to perform CIMP functions on behalf of the EWMP. The City of Los Angeles and all eleven SGVCOG cities in the ULAR have tasked the SGVCOG to take over the billing portion of the MOA. As a component of the ULAR CIMP management, the SGVCOG anticipates executing contracts with 3rd party consultants, as needed, to support special studies and other identified tasks. All staff costs associated with managing this project are also covered by the administration fee.

Cash and Cash Equivalents

The SGVCOG considers money market funds and all equivalent liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Grants Receivable

Grants receivable relate to expense reimbursement from governmental and other agencies and are expected to be fully collectible. Accordingly, an allowance for doubtful accounts is not provided.

Office Equipment

Office equipment is carried at historical cost. Depreciation is provided using the straight-line method over the individual assets' estimated useful life, usually five years for computers, copiers and other electronic equipment, ten years for cabinets, desks and furniture. As of June 30, 2019, the cost of the office equipment has been fully depreciated.

Pension

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of SGVCOG's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1 SUMMARY OF SIGNIFICANT POLICIES (CONTINUED)

Use of Estimates
The presentation of financial statements in conformity with generally accepted accounting principles (GAAP) requires the use of estimates in many areas. Estimates used in these financial statements relate primarily to fixing estimated useful lives to depreciable assets. Based upon the preceding information, estimates do not have a material effect on these financial statements.

Implementation of New Accounting Pronouncements
During the fiscal year ended June 30, 2019, SGVCOG adopted the following new Statement of the Governmental Accounting Standards Board (GASB):

GASB statement No. 83
In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, *"Certain Asset Retirement Obligations."* This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement is effective for financial statements for the fiscal year beginning after June 15, 2018, and did not impact SGVCOG.

GASB statement No. 88
In March 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88*, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*." The Statement's objective is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement is effective for financial statements for the fiscal year beginning after June 15, 2018, and did not impact SGVCOG.

NOTE 2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2019 consist of the following:

Deposits with financial institution	$ 1,233,916
Short-term investments	237,911
Total cash and cash equivalents	$ 1,471,827

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

Investments Authorized by the California Government Code and San Gabriel Valley Council of Governments' Investment Policy

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Notes	5 years	100%	None
Treasury Notes of the State of California	5 years	25%	None
Indebtness of Any Local Agency within CA	5 years	25%	None
U.S. Government Agencies	5 years	50%	15%
Banker's Acceptances	180 days	40%	10%
Commercial Paper	270 days	10%	10%
Negotiable Certificates of Deposit	5 years	30%	10%
Repurchase Agreements	90 days	20%	None
Medium-Term Notes	5 years	30%	10%
Shares of Beneficial Interest Issued by Diversified Companies Registered with the SCE	None	20%	10%
State of CA Local Agency Investment Fund (LAIF)	None	None	None
Mortgage-backed Securities	5 years	15%	None

Disclosures Relating to Interest Rate Risk

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

Information about the sensitivity of the fair values of SGVCOG's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the SGVCOG's investments by maturity.

Investment Type		Total	12 Months or less
LAIF	$	237,911	$ 237,911
	Total $	237,911	$ 237,911

Investment with Fair Values Highly Sensitive to Interest Rate Fluctuations

The SGVCOG has no investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, SGVCOG's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Rating as of Year End Not Rated
LAIF	$ 237,911	N/A	$ 237,911
Total	$ 237,911		$ 237,911

Concentrations of Credit Risk

The investment policy of the SGVCOG contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2019, the SGVCOG had no investments in any one issuer (other than U.S. external investment pools) that represent 5% or more of total SGVCOG investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code and SGVCOG's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure local government units' deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2019, the SGVCOG's cash in bank balance of $1,243,141 exceeded the $250,000 deposit insurance of the Federal Depository Insurance Corporation (FDIC) by $993,141.

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

Custodial Credit Risk (Continued)
The SGVCOG is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. At June 30, 2019, the total market value of LAIF, including accrued interest was approximately $106 billion. The fair value of the SGVCOG's investment in this pool is $237,911 at June 30, 2019 based upon the SGVCOG's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of the portfolio). LAIF's (and the SGVCOG's) exposure to risk (credit, market or legal) is not currently available.

Fair Value Measurement
GASB 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. SGVCOG categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices for identical assets or liabilities in active markets that government can access at the measurement date.
- Level 2 inputs are other than quoted prices included in Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

SGVCOG's investments in LAIF are not measured within the fair value hierarchy.

NOTE 3 EMPLOYEE BENEFIT PLAN

A. General Information about the Pension Plans

Plan Description
SGVCOG's employee benefit plan was assigned to its component unit, ACE. SGVCOG has employees enrolled under the Classic and PEPRA Plans. SGVCOG currently contributes about 4% to the Classic Plan and about 73% to the PEPRA Plan. All qualified permanent and probationary employees are eligible to participate in ACE's Miscellaneous Employee Pension Plan, a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and ACE resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

NOTE 3 EMPLOYEE BENEFIT PLAN (CONTINUED)

Plan Description (continued)

Classic participants (defined as eligible participants prior to January 1, 2013) are required to contribute 7% of their annual covered salary. New participants (defined as eligible employees brought into CalPERS membership for the first time on or after January 1, 2013 (PEPRA) contribute at least half the normal cost rate as determined by CalPERS. SGVCOG contributes the remaining amounts necessary to fund the benefits for its employees, using the actuarial basis adopted by the CalPERS Board of Administration.

Certain information presented in the accompanying financial statements and under this note disclosure represent amounts paid by and allocated to SGVCOG only.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2019 are summarized as follows:

	Miscellaneous Plan	
	Classic	PEPRA
Hire date	Prior to Jan. 1, 2013	On or after Jan. 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits , as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	6.90%	6.25%
Required employer contribution rates	8.89%	6.84%

NOTE 3 EMPLOYEE BENEFIT PLAN (CONTINUED)

Contributions
Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. SGVCOG is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2019, the contributions made to the Plan were as follows:

	Miscellaneous Plan
Contributions - employer	$ 35,496

B. Pension Liabilities (Assets), Pension Expenses and Deferred Outflows / Inflows of Resources Related to Pensions

As of June 30, 2019, SGVCOG reported net pension liabilities (assets) for its proportionate share of the net pension liabilities (assets) of the Plan as follows:

	Proportionate Share of Net Pension Liabilities (Assets)
Miscellaneous Plan	$ (59,486)
Total Net Pension Liabilities (Assets)	$ (59,486)

SGVCOG's net pension liabilities (assets) for the Plan is measured as the proportionate share of the net pension liability (asset). The net pension liabilities (assets) of the Plan are measured as of June 30, 2018, and the total pension liabilities (assets) for the Plan used to calculate the net pension liabilities (assets) were determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. SGVCOG's proportion of the net pension liabilities (assets) was based on a projection of the SGVCOG's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, which is actuarially determined.

NOTE 3 EMPLOYEE BENEFIT PLAN (CONTINUED)

B. Pension Liabilities (Assets), Pension Expenses and Deferred Outflows / Inflows of Resources Related to Pensions (continued)

Effective for measurement period 2015, CalPERS provides the GASB Statement No. 68 Accounting Valuation Report for the miscellaneous risk pool and allocation methodology to be used by participants in the risk pool. The schedules of employer allocation include allocation for the Total Pension Liability, Plan Fiduciary Net Position and all other pension amounts (e.g. deferred outflows/inflows of resources and pension expense). The Total Pension Liability and other pension amounts are allocated based on the Actuarial Accrued Liability from the most recent Actuarial Valuation Report as of June 30, 2017 used for funding purposes. The Plan Fiduciary Net Position is allocated based on the sum of the Plan's Market Value of Assets from the most recent Actuarial Valuation as of June 30, 2017 used for funding purposes plus supplemental payments made by employers during the current measurement period to reduce their unfunded actuarial accrued liabilities.

SGVCOG's proportionate share for pension items as provided by CalPERS are as follows:

	2019
Total pension liability and other pension amounts	0.0005967
Plan fiduciary net position	0.0008206

At June 30, 2019, SGVCOG reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 35,496	$ -
Differences between actual and expected experience	(2,282)	777
Changes in assumption	(6,782)	1,662
Changes in employer's proportion	-	(40,763)
Differences between the employer's contribution and the employer's proportionate share of contributions	107,202	-
Net differences between projected and actual earnings on pension plan investments	-	(294)
Total	$ 133,634	$ (38,618)

NOTE 3 EMPLOYEE BENEFIT PLAN (CONTINUED)

B. Pension Liabilities (Assets), Pension Expenses and Deferred Outflows / Inflows of Resources Related to Pensions (continued)

$35,496 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30		Amount
2020	$	20,975
2021		22,769
2022		15,241
2023		535

Actuarial Assumptions

The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Investment rate of return	7.15%
Inflation	2.50%
Salary Increases	(1)
Mortality (4)	(2)
Post-Retirement Benefit Increase	(3)

(1) Varies by entry age and service
(2) Derived using CalPERS' Membership Data for all funds
(3) Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.
(4) The mortality table used was developed based on CalPERS-specific data. The includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

NOTE 3 EMPLOYEE BENEFIT PLAN (CONTINUED)

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set to equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class can be found in CalPERS' Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 3 EMPLOYEE BENEFIT PLAN (CONTINUED)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents SGVCOG's proportionate share of the collective net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what SGVCOG's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

		Miscellaneous Plan
1% Decrease		6.15%
Net Pension Liability	$	58,169
Current Discount Rate		7.15%
Net Pension Liability (Asset)	$	(59,486)
1% Increase		8.15%
Net Pension Liability (Asset)	$	(156,608)

C. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

D. Payable to the Pension Plan

At June 30, 2019, SGVCOG did not have outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

NOTE 4 RELATED PARTY TRANSACTIONS

For the year ended June 30, 2019, SGVCOG paid ACE a total of $70,458 for transportation technical, administrative, and accounting support, and travel expenses. As of June 30, 2019, SGVCOG owed ACE $1,224,048.

NOTE 5 CONTINGENCIES

The SGVCOG is involved in claims arising from the normal course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material effect on the SGVCOG's financial position.

NOTE 6 COMMITMENTS

The SGVCOG has entered into an office space lease agreement covering the period from July 1, 2018 to April 30, 2021.

Future minimum rental payments including tenant improvements are as follows:

Year ending June 30		Amount
2020	$	69,780
2021		60,011
Total	$	129,791

NOTE 7 SUBSEQUENT EVENTS

SGVCOG has evaluated events or transactions that occurred subsequent to the balance sheet date through May 28, 2020, the date the accompanying financial statements were available to be issued, for potential recognition or disclosure in the financial statements and determined that, except as noted below, no other subsequent matters required disclosure or adjustment to the accompanying financial statements.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries.

To date, it is unknown how long these conditions will last and what the complete financial effect will be to businesses and other affected organizations, including local governmental entities. Management believes that financial impact, if any, will not materially affect the June 30, 2019 financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

San Gabriel Valley Council of Governments
(Primary Government)
Schedule of Proportionate Share of the Net Pension Liability
Last Ten Years*

Reporting Year	2019	2018	2017	2016	2015
	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan
Proportion of the net pension liability (asset)	-0.01829%	0.00874%	0.02803%	0.03744%	0.00001%
Proportionate share of the net pension liability (asset)**	$ (59,486)	$ 38,933	$ 85,698	$ (1,407)	$ 538
Covered - employee payroll [(1)]**	$ 294,201	$ 586,768	$ 358,859	$ 164,916	$ 155,191
Proportionate share of the net pension liability (asset) as percentage of covered-employee payroll**	-20.22%	6.64%	23.88%	-0.85%	0.35%
Plan's proportionate share of the fiduciary net position as a percentage of the plan's total pension liability	105.77%	96.11%	87.02%	87.61%	83.02%
Plan's proportionate share of aggregate employer contributions [(2)]**	$ 35,496	$ 27,794	$ 21,399	$ 15,076	$ 88

** Plan pertains to the Miscellaneous Plan of ACE and SGVCOG. Information presented in the financial statements represent amounts allocated to SGVCOG.

Notes to Schedule

Certain information presented above and in the financial statements represent amounts allocated to SGVCOG.

1 Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

2 The plan's proportionate share of aggregate employer contributions may not match the actual contributions made by the employer during the measurement period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of fiduciary net position shown on line 5 of the table above as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

* Fiscal year 2015 was the 1st year of implementation, therefore, only five years are shown.

San Gabriel Valley Council of Governments
(Primary Government)
Schedule of Pension Contributions
Last Ten Years*

Reporting Year	2019 Miscellaneous Plan	2018 Miscellaneous Plan	2017 Miscellaneous Plan	2016 Miscellaneous Plan	2015 Miscellaneous Plan
Actuarially determined contributions	$ 59,706	$ 58,845	$ 66,429	$ 8,824	$ 8,214
Contributions in relation to the actuarially determined contributions	(59,706)	(58,845)	(66,429)	(8,824)	(8,214)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered-Employee Payroll	$ 294,201	$ 586,768	$ 358,859	$ 164,916	$ 155,191
Contributions as a percentage of covered-employee payroll	20.29%	10.03%	18.51%	5.35%	5.29%

Notes to Schedule:

Valuation date	June 30, 2017
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry age normal
Amortization method / Period	Level percent of payroll
Remaining amortization period	15 years as of valuation date
Asset valuation method	5 year Smoothed Market
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.15%, net of pension plan investment expense
Retirement age	55 years
Mortality	Derived using CalPERS Membership Data for all funds

* Fiscal year 2015 was the first year of implementation, therefore only five years are shown.

See report of independent auditors.

Vasquez & Company LLP has 50 years of experience in performing audit, accounting & consulting services for all types of nonprofit organizations, for-profit companies, governmental entities and publicly traded companies. Vasquez is a member of the RSM US Alliance. RSM US Alliance provides its members with access to resources of RSM US LLP. RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International. Visit rsmus.com/about us for more information regarding RSM US LLP and RSM International. The RSM™ logo is used under license by RSM US LLP. RSM US Alliance products and services are proprietary to RSM US LLP.

Alameda Corridor – East Project
(A Component Unit of San Gabriel Valley Council of Governments)
Audited Financial Statements
As of and for the Year Ended June 30, 2019
with Report of Independent Auditors

Alameda Corridor – East Project
(A Component Unit of San Gabriel Valley Council of Governments)
Audited Financial Statements
As of and for the Year Ended June 30, 2019
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Report of Independent Auditors

The Honorable Members of the Board of Directors
Alameda Corridor – East Project

Report on the Financial Statements

We have audited the accompanying financial statements of Alameda Corridor - East Project (ACE), a component unit of San Gabriel Valley Council of Governments (SGVCOG), which comprise the statement of net position as of June 30, 2019, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise ACE's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alameda Corridor – East Project as of June 30, 2019, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1 to the financial statements, the financial statements present only the Alameda Corridor – East Project (ACE), a component unit of San Gabriel Valley Council of Governments (SGVCOG) and do not purport to, and do not, present fairly the financial position of the reporting entity of SGVCOG as of June 30, 2019, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–9 and the required supplementary information on pages 31–32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Vasquez & Company LLP

Glendale, California
May 28, 2020

The management's discussion and analysis (MD&A) of the financial performance and activity of the Alameda Corridor – East Project (ACE) provides an overview of ACE financial statements for the year ended June 30, 2019. This discussion was prepared by management and should be read in conjunction with the accompanying financial statements and notes, which follow this section.

Background

The San Gabriel Valley Council of Governments (SGVCOG) created ACE in 1998. ACE is a single purpose construction authority established to implement a construction program intended to mitigate the adverse impacts at rail-roadway crossings in the San Gabriel Valley of increasing rail traffic along the nationally significant Alameda Corridor East Trade Corridor. Train counts through the Valley are projected to nearly double by the year 2035 as increasing numbers of freight trains carry freight to and from the nation's busiest container ports in San Pedro Bay.

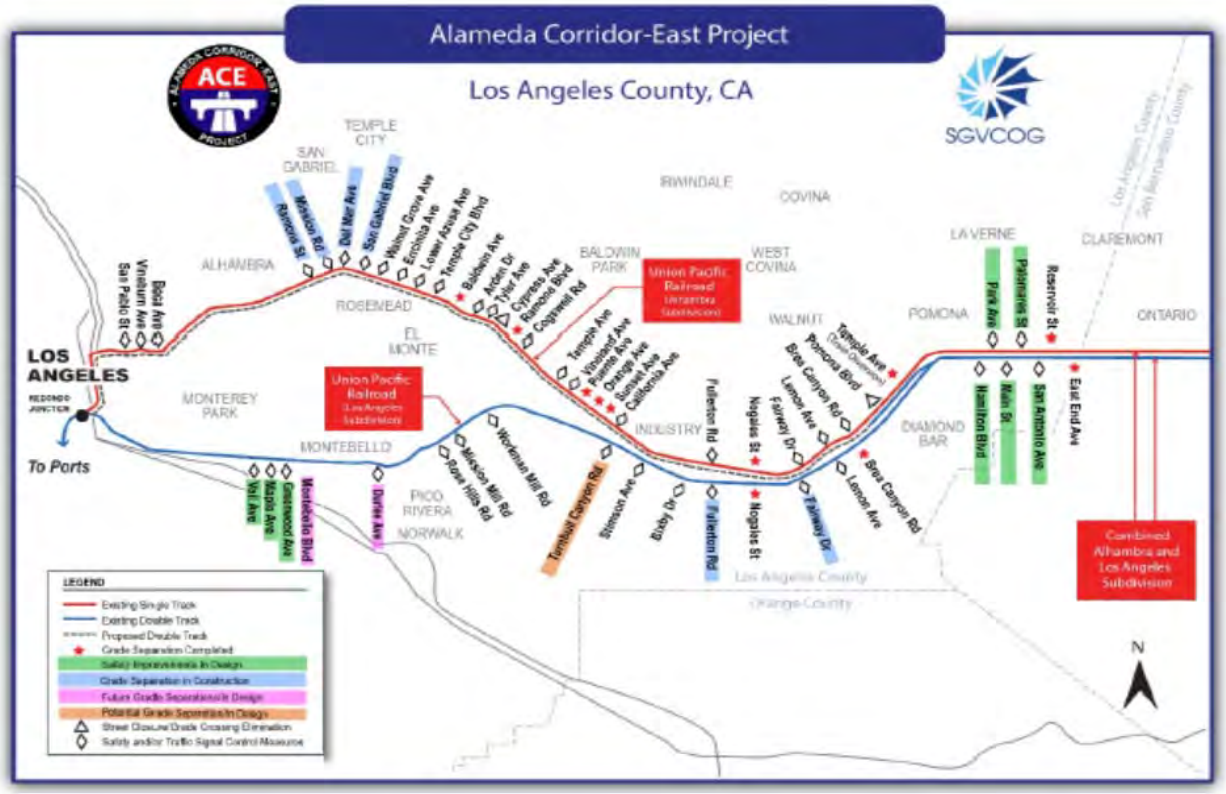
The ACE Project is a comprehensive program of constructing grade separations, where the road goes over or under the railroad, and safety and mobility upgrades at fifty-two crossings in the San Gabriel Valley. Construction has been completed on nine rail-roadway grade separations. Seven additional grade separations and a rail diversion project are under construction. Three grade separation projects are in design along with improved pedestrian and vehicle safety gate at another eight crossings. Safety improvements have been completed at 39 at-grade crossings.

The cost estimate as of June 30, 2019 for the completed safety improvements and 14 grade separations either completed or going into construction is $1.781 billion.

Projects under construction include the Fullerton Road, Fairway Drive, and Puente Avenue grade separations; the San Gabriel Trench; and the Temple Avenue rail diversion project. Going to construction in 2020 will be the Durfee Avenue grade separation project. Currently in design is the Rio Hondo Project, Montebello Corridor Project, the Turnbull Canyon Road Grade Separation Project, and the At-Grade Crossing Safety Improvements.

Project Progress During FY 2019

Project	06/18	09/18	12/18	03/19	06/19
Rio Hondo (220)	Design (25% complete)				
Maple Ave (214)	Design (35% complete)				
At-Grade Crossing (212)	Design (35% complete)				
Turnbull Canyon (210)	Design (65 complete)				
Montebello (209)	Design (65% complete) / ROW Acquisitions				
Durfee (208)	ROW Acquisitions / Construction				
Fairway Drive (204)	ROW Acquisitions / Construction				
Fullerton (207)	ROW Acquisitions / Construction				
Puente Avenue (202)	ROW Acquisitions / Construction				
Nogales - LA (250)	ROW Acquisitions / Construction				
S.G. Trench (201)	Construction Completed				
Temple/Pomona (119)	Construction Completed				



As of June 30, 2019, the following funding had been committed to the ACE project:

	ACE Funding Commitments ($ millions)	
Federal		
TEA-21 Earmark	$ 132.6	
Annual Appropriations (FY 2000-10)	21.5	
SAFETEA-LU Earmark	67.4	
Rail-Highway Crossing Program	10.0	
ISTEA (Nogales LA)	6.9	
CMAQ (Nogales LA)	6.3	
Total Federal		$ 244.7
State		
Trans. Imp. Program (FY 2000-04)	39.0	
PUC Grade Separation Fund	25.0	
Trans. Cong. Relief Prog. (TCRP)	130.3	
Trade Corr. Impr. Fund (TCIF)	422.2	
Hwy. Rail Crossing Safety Act (HRCSA)	46.6	
SB1	78.0	
Total State		741.1
L.A. County MTA		
17% - Match	269.9	
FY 2007 Call-for-projects	28.8	
Measure R	400.0	
Total L.A. County MTA		698.7
City/County Funds/MWD Funds		12.1
Railroad Contributions		36.4
City/Railroad/Betterments/Property Sales		57.5
Total ACE Project Funding		**$ 1,790.5**

The committed/pledged amounts may differ slightly from authorized funding due to budgetary holdbacks on multi-year grants, and reflect management's best estimate as to the amount that will be available. Railroad contributions reflect a regulatory ceiling of 5% of construction cost pro-rated over the construction phase of the various projects.

ACE manages its projects to avoid risk wherever possible. All projects are designed to be within the scope allowed by federal, state and local guidelines. The project host city is responsible for paying for any "betterments" not needed for the basic grade separation. In addition, the California Department of Transportation (CalTRANS) must approve each phase - design, right-of-way acquisition and utility relocation, and construction - for reimbursement in advance.

ACE must pay contractors and vendors first before invoicing grantors for reimbursement. Reimbursements are currently running between two to four weeks for CalTRANS (Federal and State funding) and the Los Angeles County Metropolitan Transportation Authority ("LACMTA") (local funding). Working capital therefore remains a major consideration. ACE and LACMTA entered into an agreement to provide ACE $45M subordinate Proposition C Sales Tax Revenue Revolving Obligation Construction Fund, which replaced the Grants Anticipation Notes as the primary bridge funding.

Financial Highlights

For the year ended June 30, 2019:

- Net position decreased by $361 thousand, a decrease of 2.4%.
- Construction in progress increased by $82.9 million, an increase of 10.4%.
- Total revenues decreased by $17.6 million, a decrease of 17.4%.
- Total project expenses decreased by $16.9 million, a decrease of 16.7%.

Overview of Basic Financial Statements

The financial statements present the financial picture of ACE from the economic resources measurement focus using the accrual basis of accounting. These statements include all recordable position of ACE as well as all liabilities. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The statement of cash flows provides information about ACE's cash receipts, cash payments, and net changes in cash resulting from operating, capital and related investing activities during the reporting period.

The statement of net position and the statement of revenues, expenses and changes in net position report ACE's net position and related changes. Net position is the difference between the recorded assets and deferred outflows of resources and liabilities and deferred inflows of resources. The recorded activities include all revenues and operating expenses related to the construction activities of ACE.

Various disclosures accompany the financial statements in order to provide a full picture of ACE's finances. The notes to the financial statements are on pages 13-30.

Condensed Statements of Net Position

The following table shows the condensed statements of net position for the past two years:

	June 30		Variance	
	2019	2018	Amount	%
Current and other assets	**$ 118,096,596**	$ 120,419,495	$ (2,322,899)	-1.9%
Capital assets	**15,456**	21,667	(6,211)	-28.7%
Construction in progress	**879,874,869**	796,965,084	82,909,785	10.4%
Less due to member cities and Union Pacific Railroad	**(879,874,869)**	(796,965,084)	(82,909,785)	-10.4%
Total assets	**118,112,052**	120,441,162	(2,329,110)	-1.9%
Deferred outflows of resources	**1,414,919**	2,591,612	(1,176,693)	-45.4%
Liabilities	**(104,340,139)**	(107,321,766)	2,981,627	2.8%
Deferred inflows of resources	**(408,883)**	(572,427)	163,544	28.6%
Net position	**$ 14,777,949**	$ 15,138,581	$ (360,632)	-2.4%

All organizations are normally required to report construction in progress (that is, the sum of prior and current year's construction expense) on the statement of net position as an asset. This would normally be done by treating each year's construction as a capital expense, which would be excluded from the statement of revenues, expenses and changes in net position. However, the grant reimbursements generated by construction would be included in the statement of revenues, expenses and changes in net position as revenue. ACE is obligated to transfer components of completed projects to the Union Pacific Railroad (UPRR) and the cities so that they can be included in their financial statements. The resulting reduction in assets would flow through the statement of revenues, expenses and changes in net position as a loss. The net effect would be to produce widely fluctuating net position depending on whether ACE was constructing (surplus) or transferring assets to member cities (deficit).

Therefore, ACE elected to treat construction in progress as an asset and recognize a liability to member cities and UPRR. This shows the total cost of ACE's projects and the resulting liability to transfer the assets upon completion while not unduly affecting the statement of revenues, expenses and changes in net position.

Total assets decreased by 1.9% to $118.1 million, mainly due to a sale of one of the surplus properties held for sale and consequent use of the proceeds to reduce liabilities.

Construction in progress increased by 10.4% to $879.9 million, primarily because of increased construction activity on San Gabriel Trench, Montebello, Fairway Drive, and Fullerton Road projects.

Unearned revenue decreased by 2.2% to $41.9 million, mainly because of recognition to revenue of some surplus assets from the Fullerton Road and Fairway Drive projects.

Unbilled receivables decreased 46% to $15.6 million due to lower revenues as a result of near completion of some projects.

Condensed Statements of Revenues, Expenses and Changes in Net Position

The following table shows the condensed statements of revenues, expenses and changes in net position for the years ended June 30, 2019 and 2018.

Total net position decreased by $361 thousand or 2.4% for the year ended June 30, 2019. The decrease was due to change in reimbursement claim of certain pension contributions made in the fiscal years 2015 through 2019 to reduce unfunded pension liabilities from one-time claim to use of amortization period to recover the total pension payments resulting in lower reimbursement claim of indirect costs.

	Years ended June 30		Variance	
	2019	2018	Amount	%
Project expenses				
Direct (Construction)	$ **82,090,370**	$ 97,781,428	$ (15,691,058)	-16.0%
Indirect expenses charged to operations	**1,951,846**	3,145,443	(1,193,597)	-37.9%
Total project expenses	**84,042,216**	100,926,871	(16,884,655)	-16.7%
Operating revenues				
Grant reimbursements	**83,138,616**	99,591,251	(16,452,635)	-16.5%
Other operating revenues	**499,443**	1,627,977	(1,128,534)	-69.3%
Total revenues	**83,638,059**	101,219,228	(17,581,169)	-17.4%
Income (loss) from operations	**(404,157)**	292,357	(696,514)	-238.2%
Nonoperating income (expense)				
Other income	**1,286,186**	1,488,456	(202,270)	-13.6%
Financing expense	**(1,242,661)**	(1,472,588)	229,927	-15.6%
Net nonoperating income	**43,525**	15,868	27,657	174.3%
Change in net position	**(360,632)**	308,225	(668,857)	-217.0%
Net position at beginning of year	**15,138,581**	14,830,356	308,225	2.1%
Net position at end of year	$ **14,777,949**	$ 15,138,581	$ (360,632)	-2.4%

Capital Assets

ACE had $15,456 invested in capital assets, net of depreciation, as of June 30, 2019.

Economic Factors and New Year's Budget

Budget expenses in fiscal year 2020 decreased 5% over 2019, as decreases in construction were offset by increases in right-of-way acquisitions. Based on 2020 first quarter expenditures, it is anticipated the 2020 budget will be within 5% of budgeted expenditures.

Requests for Information:

These financial statements are designed to provide citizens, taxpayers, customers, and creditors with a general overview of ACE's finances and to demonstrate accountability for the money it receives. If there are any questions about this report or a need for additional information, please contact ACE, 4900 Rivergrade Road, Suite A120, Irwindale, CA 91706, or call (626) 962-9292.

ASSETS		
Current assets		
Cash and investments	$	54,952,161
Grants receivable		29,454,572
Unbilled receivable		15,578,889
Notes receivable		150,000
Interest receivable		10,537
Retention receivable		2,007,845
Other receivables		542,593
Due from SGVCOG		1,224,048
Prepaid expenses		243,874
Property held for sale		11,092,243
Under-recovery of indirect cost		2,209,997
Total current assets		117,466,759
Noncurrent assets		
Capital assets - Leasehold improvement and equipment		15,456
Construction in progress		879,874,869
Less due to member cities and Union Pacific Railroad		(879,874,869)
Net pension asset		629,837
Total noncurrent assets		645,293
Total assets		118,112,052
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions		1,414,919
Total deferred outflows of resources		1,414,919
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses		15,444,050
Accrued retention payable		1,894,846
Unearned revenue		41,866,818
Total current liabilities		59,205,714
Noncurrent liabilities		
Compensated absences		134,425
MTA promissory note payable		45,000,000
Total noncurrent liabilities		45,134,425
Total liabilities		104,340,139
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions		408,883
Total deferred outflows of resources		408,883
NET POSITION		
Net position		
Net investment in capital assets		15,456
Unrestricted		14,762,493
Total net position	$	14,777,949

See notes to financial statements.

Project expenses		
Direct (Construction)	$	82,090,370
Indirect expenses charged to operations		1,951,846
	Total project expenses	84,042,216
Operating revenues		
Grant reimbursements		83,138,616
Other operating revenues		499,443
	Total revenues	83,638,059
	Loss from operations	(404,157)
Nonoperating income (expense)		
Other income		1,286,186
Financing expense		(1,242,661)
	Net nonoperating income	43,525
Change in net position		(360,632)
Net position at beginning of year		15,138,581
Net position at end of year	$	14,777,949

See notes to financial statements.

Cash flows from operating activities		
Cash receipts from construction activities	$	100,004,733
Cash paid for operating expenses		(82,564,157)
Cash paid for employee compensation and related costs		(3,112,180)
Net cash provided by operating activities		14,328,396
Cash flows from noncapital financing activities		
Advances to SGVCOG		(1,222,824)
Interest paid on MTA promissory note payable		(1,242,661)
Cash used in noncapital financing activitites		(2,465,485)
Cash flows from investing activities		
Interest received		1,283,300
Cash provided by investing activitites		1,283,300
Change in cash and investments		13,146,211
Cash and investments - beginning of year		41,805,950
Cash and investments - end of year	$	54,952,161
Reconciliation of operating income to net cash provided by operating activities:		
Operating loss	$	(404,157)
Adjustment to reconcile operating income to net cash provided by operating activities:		
Depreciation		6,211
Changes in operating assets and liabilities:		
Grants receivable		(11,223,435)
Unbilled receivable		13,288,265
Retention receivable		(635,688)
Other receivables		484,467
Prepaid expenses		24,592
Property held for sale		16,175,148
Under-recovery of indirect cost		(788,692)
Deferred outflows of resources related to pensions		1,176,693
Accounts payable and accrued expenses		(2,163,889)
Accrued retention payable		461,056
Unearned revenue		(933,391)
Compensated absences		(39,708)
Net pension liability (asset)		(935,532)
Deferred inflows of resources related to pensions		(163,544)
Net cash provided by operating activities	$	14,328,396

See notes to financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity

The accompanying financial statements present only the Alameda Corridor - East Project (ACE) which is a component unit of the San Gabriel Valley Council of Governments (SGVCOG).

SGVCOG created ACE in 1998. ACE is a single purpose construction authority established to implement a construction program intended to mitigate the adverse impacts at rail-roadway crossings in the San Gabriel Valley of increasing rail traffic along the nationally significant Alameda Corridor East Trade Corridor. The ACE Project is a comprehensive program of constructing grade separations, where the road goes over or under the railroad, and safety and mobility upgrades at fifty-two crossings in the San Gabriel Valley.

On August 17, 2017, the SGVCOG governing board approved the integration of ACE into SGVCOG to accomplish the following objectives:

- Restructure ACE so it will be an ongoing operation as a division of SGVCOG, and not expire at the end of its mission (currently estimated to be in fiscal year 2022-23).
- Expand the jurisdiction of ACE as a construction and projects entity that can serve all of the San Gabriel Valley.
- Restructure the ACE Board so that it has representation from the entire San Gabriel Valley and revise its role so it is no longer a separate Board with management control over ACE but instead will be a standing committee advisory to the Governing Board regarding the ACE operation.
- Integrate SGVCOG and ACE staff under a single personnel system reporting to the Executive Director of SGVCOG.

Full integration of ACE into SGVCOG was completed during the fiscal year ended June 30, 2019.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

ACE's financial statements are presented in accordance with the provisions of GASB Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* as amended by GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and *Audits of State and Local Governmental Units* issued by the Governmental Accounting Standards Board. Statement No. 34 established standards for external financial reporting for all state and local governmental entities. Statement No. 63 requires the classification of net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

- Net investment in capital assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

- Restricted – This component of net position consists of constraints placed on resources through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- Unrestricted – This component of net position consists of resources that do not meet the definition of “restricted” or “net investment in capital assets.”

Budgetary Reporting

It is ACE's policy not to start any phase of a project (i.e., design, right-of-way acquisition, or construction), unless there are sufficient funds to complete that phase. All project related expenses are reimbursable from existing grants and, as such, revenues are not budgeted separately, but derived from budgeted expenditures.

Cash Equivalents

Cash equivalents are those short-term investments readily converted into cash. Deposits with the State of California’s Local Agency Investment Fund (LAIF) Operating Fund and the investments portfolio managed by financial institutions are considered cash equivalents.

Grant Revenues and Expenditures

All grant agreements are between the SGVCOG and the granting authorities. ACE has been given authority to obtain and administer funding in the name of SGVCOG. The Los Angeles County Metropolitan Transportation Authority (LACMTA) grant was in existence when ACE was created and all subsequent grants are therefore administered by ACE.

Historically, all grants with the exception of the Union Pacific Railroad (UPRR) contributions are, and are anticipated to be in the future, cost reimbursable. That is, ACE must first incur the expenditure and then bill for reimbursement from the grantors.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital assets - Leasehold Improvements and Equipment
The threshold for capitalization is $5,000 in accordance with federal guidelines. Items that meet the capitalization threshold are recorded as capital assets and are depreciated based upon their estimated useful lives on a straight-line basis. Useful lives of capital assets are as follows:

Leasehold improvements	10 years
Office furniture	10 years
Computer and telephone equipment	5 years

Construction in Progress
Under GASB Statement No. 34, construction in progress is reported on the statement of net position as an asset. Therefore, construction costs would normally be capitalized and excluded from the statement of revenues, expenses and changes in net position. However, the grant reimbursements generated by construction would be included in the statement of revenues, expenses and changes in net position as program revenue. ACE is obligated to transfer components of completed projects to the UPRR and the member cities so that they can be included in their financial statements. The resulting reduction in assets would flow through the statement of revenues, expenses and changes in net position as a loss. The net effect would be to produce widely fluctuating net position depending on whether ACE was constructing (surplus) or transferring assets to member cities (deficit). Therefore, ACE elected to treat construction in progress as an asset and recognize a liability to member cities and UPRR. This shows the total cost of ACE's projects and the resulting liability to transfer the assets upon completion while not unduly impacting the statement of revenues, expenses and changes in net position.

Use of Estimates
The process of presenting financial information requires the use of estimates and assumptions regarding certain assets and liabilities and their related income and expense items. Grant revenues and construction costs are especially vulnerable to such assumptions and accordingly actual results may differ from estimated amounts.

Property Held for Sale
The property held for sale is recorded at the lower of acquisition cost or estimated net realizable value. At June 30, 2019, property held for resale was $11,092,243.

Pensions
For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Agency's California Public Employees' Retirement System (CalPERS) plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Implementation of New Accounting Pronouncements
During the fiscal year ended June 30, 2019, SGVCOG adopted the following new Statement of the Governmental Accounting Standards Board (GASB):

GASB statement No. 83
In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, *"Certain Asset Retirement Obligations."* This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement is effective for financial statements for the fiscal year beginning after June 15, 2018, and did not impact ACE.

GASB statement No. 88
In March 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88*, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*." The Statement's objective is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement is effective for financial statements for the fiscal year beginning after June 15, 2018, and did not impact ACE.

NOTE 2 CAPITAL ASSETS

Capital assets are recorded at cost and consist of the following:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Cost:				
Leasehold improvements	$ 19,762	$ -	-	$ 19,762
Computer equipment	349,816	-	-	349,816
Telephone equipment	12,086	-	-	12,086
Office furniture	31,972	-	-	31,972
Total cost	413,636	-	-	413,636
Less accumulated depreciation for:				
Leasehold improvements	19,762	-	-	19,762
Computer equipment	328,149	6,211	-	334,360
Telephone equipment	12,086	-	-	12,086
Office furniture	31,972	-	-	31,972
Total accumulated depreciation	391,969	6,211	-	398,180
Capital assets, net	$ 21,667	$ (6,211)	$ -	$ 15,456

Depreciation expense included in indirect expenses for the year ended June 30, 2019 amounted to $6,211.

NOTE 3 CASH AND INVESTMENTS

Cash and investments at June 30, 2019 consist of the following:

Cash in bank	$	602,007
Pooled funds		1,648,902
Money market funds		25,883,959
Investments		26,817,293
Total cash and investments	$	54,952,161

Investments Authorized by the California Government Code and ACE's Investment Policy

The table below identifies the investment types that are authorized for ACE by the California Government Code ("Code") or ACE's investment policy ("Policy"), which is more restrictive. The table also identifies certain provisions of the Code (or the Policy) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements, rather than the general provisions of the Code or the Policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Notes	5 years	100%	None
Treasury Notes of the State of California	5 years	25%	None
Indebtness of Any Local Agency within CA	5 years	25%	None
U.S. Government Agencies	5 years	50%	15%
Banker's Acceptances	180 days	40%	10%
Commercial Paper	270 days	10%	10%
Negotiable Certificates of Deposit	5 years	30%	10%
Repurchase Agreements	90 days	20%	None
Medium-Term Notes	5 years	30%	10%
Shares of Beneficial Interest Issued by Diversified Companies Registered with the SCE	None	20%	10%
State's Local Agency Investment Fund	None	None	None
Mortgage-backed Securities	5 years	15%	None

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that ACE manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity over time as necessary to provide the cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of ACE's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of ACE's investments by maturity:

		Remaining Maturity (in Months)		
Investment Type	Total	12 Months Or Less	13 to 24 Months	25-60 Months
LAIF	$ 1,648,902	$ 1,648,902	$ -	$ -
Money Market Funds	25,883,959	25,883,959	-	-
Fidelity Government Portfolio	1,544,795	1,544,795	-	-
Government Agencies	14,256,015	649,425	3,629,212	9,977,378
Certificates of Deposit	3,164,307	1,280,163	1,391,302	492,842
Corporate Bonds	7,500,001	1,350,948	989,541	5,159,512
Municipals	352,175	100,486	101,561	150,128
Total	$ 54,350,154	$ 32,458,678	$ 6,111,616	$ 15,779,860

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

ACE has no investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Code and the Policy and the actual rating at the end of the year for each investment type.

Investment Type	Total	Minimum Legal Rating	Rating As of June 30, 2019 AAA	AA	A	Not Rated
LAIF	$ 1,648,902	N/A	$ -	$ -	$ -	$ 1,648,902
Money Market Funds	25,883,959	A	25,883,959	-	-	-
Fidelity Government Portfolio	1,544,795	N/A	-	-	-	1,544,795
Government Agencies	14,256,015	A	-	11,894,300	-	2,361,715
Certificates of Deposit	3,164,307	N/A	-	-	903,679	2,260,628
Corporate Bonds	7,500,001	A	-	874,980	6,625,021	-
Municipals	352,175	A	-	352,175	-	-
Total	$ 54,350,154		$ 25,883,959	$ 13,121,455	$ 7,528,700	$ 7,816,040

Concentration of Credit Risk

ACE's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the Code. As of June 30, 2019, ACE had no investments in any one issuer (other than money market funds and external investment pools) that represent 5% or more of ACE's total investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk (Continued)

The Code and the Policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2019, ACE's deposit of $3,000,000 with financial institutions is in excess of federal depository insurance limits but are held in collateralized accounts.

As of June 30, 2019, the following investment types were held by the same broker-dealer (counterparty) that was used by ACE to buy the securities:

Investment Type		Reported Amount
Money market funds	$	25,883,959

Investments in State Investment Pool

ACE is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the Code under the oversight of the Treasurer of the State of California. At June 30, 2019, the total fair value of LAIF, including accrued interest was approximately $106 billion. The fair value of ACE’s investment in this pool is $1,648,902 at June 30, 2019 based upon ACE’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of the portfolio). LAIF’s (and ACE’s) exposure to risk (credit, market or legal) is not currently available.

Fair Value Measurement

GASB 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. ACE categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurement (Continued)

- Level 1 inputs are quoted prices for identical assets or liabilities in active markets that government can access at the measurement date.
- Level 2 inputs are other than quoted prices included in Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The following table presents the ACE's fair value hierarchy for its financial assets measured at fair value on a recurring basis:

Investment Type	Investments That Are Not Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
LAIF	$ 1,648,902	$ -	$ -	$ -	$ 1,648,902
Money Market Funds	-	-	25,883,959	-	25,883,959
Fidelity Government Portfolio	-	-	1,544,795	-	1,544,795
Government Agencies	-	-	14,256,015	-	14,256,015
Certificates of Deposit	-	-	3,164,307	-	3,164,307
Corporate Bonds	-	-	7,500,001	-	7,500,001
Municipals	-	-	352,175	-	352,175
Total	$ 1,648,902	$ -	$ 52,701,252	$ -	$ 54,350,154

NOTE 4 LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (LACMTA) PROMISSORY NOTE PAYABLE

In June 2013, ACE entered into a promissory note to borrow up to $45,000,000, in variable rate, from the LACMTA to be used as working capital. The note payable balance outstanding at June 30, 2019 amounted to $45,000,000. Interest rates vary according to market conditions and have ranged from 1.77% to 3.05%.

The proceeds of the loan is used as working capital pursuant to the terms of the *Alameda Corridor East Phase II Grade Separations Master Funding Agreement* ("Master Agreement"), dated June 14, 2013. Except as otherwise provided in the Master Agreement and the promissory note, including, but not limited to, LACMTA's right to set off against the Measure R and/or Proposition C funds reimbursement due borrower, the entire unpaid balance of the working capital loan, all accrued and outstanding Commercial Paper costs and any fees are unsecured and due on September 9, 2023, ten years after the first drawdown date.

NOTE 5 GRANTS RECEIVABLE

During the year ended June 30, 2019, ACE was the recipient, primarily from the U.S. Department of Transportation through California Department of Transportation (CalTRANS), of cost reimbursement type grants. Local matching share funds are also received from LACMTA. These grants are expenditure driven; funds must be expended before reimbursement is received. Certain amounts have been held back by the grantor agency pending completion of certain phases of contracted work and certain costs incurred may be subject to disallowance. Grants receivable and unbilled grants receivable at June 30, 2019 are shown net of disallowed costs. CalTRANS approved, under Uniform Guidance section 2 CFR 200.516, an indirect overhead allocation formula of 151.4% of total direct salaries and fringe benefit costs. Indirect costs incurred charged to grants for the year ended June 30, 2019 were $1,951,846.

In June 2019, CalTRANS auditors did not allow one-time payments for the unfunded pension liability for the fiscal years 2015 through 2019 totaling $3,039,392 because the payments were not supported by CalPERS billing. The CalTRANS auditors allowed ACE to deduct these payments using a 20-year amortization schedule. With this disallowance, previously approved indirect cost rates for fiscal years 2017-2018 and 2018-2019 were reduced from 184.6% to 132.2% and from 282.2% to 151.4%, respectively.

NOTE 6 EMPLOYEE BENEFIT PLANS

A. General Information about the Pension Plans

Plan Description

All qualified permanent and probationary employees of ACE (as a component unit of SGVCOG), are eligible to participate in SGVCOG's Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and ACE resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Classic participants (defined as eligible participants prior to January 1, 2013) are required to contribute about 7% of their annual covered salary. New participants (defined as eligible employees brought into CalPERS membership for the first time on or after January 1, 2013 PEPRA) contribute at least half the normal cost rate as determined by CalPERS. ACE contributes the remaining amounts necessary to fund the benefits for its employees, using the actuarial basis adopted by the CalPERS Board of Administration.

NOTE 6 EMPLOYEE BENEFIT PLAN (CONTINUED)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Miscellaneous Plan	
	Classic	PEPRA
Hire date	Prior to Jan. 1, 2013	On or after Jan. 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits , as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	6.90%	6.25%
Required employer contribution rates	8.89%	6.84%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. ACE is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2019, the contributions made by ACE to the Plan were as follows:

	Miscellaneous Plan
Contributions - employer	$ 375,831

NOTE 6 EMPLOYEE BENEFIT PLAN (CONTINUED)

B. Pension Liabilities (Assets), Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As a component unit of SGVCOG, ACE was allocated pension liabilities (assets), pension expense and deferred inflows and outflows of resources based on ACE's share of the pension contribution during the fiscal year 2019.

As of June 30, 2019, ACE reported net pension liabilities (assets) for its proportionate shares of the net pension liabilities (assets) of the Plan as follows:

	Miscellaneous Plan
Net Pension Liabilities (Assets)	$ (629,837)

ACE's net pension liabilities (assets) for the Plan are measured as the proportionate share of the net pension liability (asset). The net pension liabilities (assets) of the Plan are measured as of June 30, 2018, and the total pension liabilities (assets) for the Plan used to calculate the net pension liabilities (assets) were determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. ACE's proportion of the net pension liabilities (assets) was based on a projection of the ACE's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, which is actuarially determined.

Effective for measurement period 2015, CalPERS provides the GASB Statement No. 68 Accounting Valuation Report for the miscellaneous risk pool and allocation methodology to be used by participants in the risk pool. The schedules of employer allocation include allocation for the Total Pension Liability, Plan Fiduciary Net Position and all other pension amounts (e.g. deferred outflows/inflows of resources and pension expense). The Total Pension Liability and other pension amounts are allocated based on the Actuarial Accrued Liability from the most recent Actuarial Valuation Report as of June 30, 2017 used for funding purposes. The Plan Fiduciary Net Position is allocated based on the sum of the Plan's Market Value of Assets from the most recent Actuarial Valuation as of June 30, 2017 used for funding purposes plus supplemental payments made by employers during the current measurement period to reduce their unfunded actuarial accrued liabilities.

SGVCOG's proportionate share for pension items as provided by CalPERS are as follows:

	2019
Total pension liability and other pension amounts	0.0005967
Plan fiduciary net position	0.0008206

NOTE 6 EMPLOYEE BENEFIT PLAN (CONTINUED)

At June 30, 2019, ACE reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 375,831	$ -
Differences between actual and expected experience	(24,166)	8,223
Changes in assumption	(71,803)	17,598
Changes in employer's proportion	-	(431,590)
Differences between the employer's contribution and the employer's proportionate share of contributions	1,135,057	-
Net differences between projected and actual earnings on pension plan investments	-	(3,114)
Total	$ 1,414,919	$ (408,883)

$375,831 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30	Amount
2020	$ 222,085
2021	241,080
2022	161,375
2023	5,665

NOTE 6 EMPLOYEE BENEFIT PLAN (CONTINUED)

Actuarial Assumptions

The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Investment rate of return	7.15%
Inflation	2.50%
Salary Increases	(1)
Mortality (4)	(2)
Post-Retirement Benefit Increase	(3)

(1) Varies by entry age and service
(2) Derived using CalPERS' Membership Data for all funds
(3) Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.
(4) The mortality table used was developed based on CalPERS-specific data. The includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set to equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

NOTE 6 EMPLOYEE BENEFIT PLAN (CONTINUED)

Long-term Expected Rate of Return (Continued)
The expected real rates of return by asset class can be found in CalPERS' Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018.

Discount Rate
The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate
The following presents ACE's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what ACE's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

		Miscellaneous Plan
1% Decrease		6.15%
Net Pension Liability	$	615,899
Current Discount Rate		7.15%
Net Pension Liability (Asset)	$	(629,837)
1% Increase		8.15%
Net Pension Liability (Asset)	$	(1,658,173)

C. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

D. Payable to the Pension Plan

At June 30, 2019, ACE did not have outstanding balance for contributions to the pension plan required for the year ended June 30, 2019.

NOTE 6 EMPLOYEE BENEFIT PLAN (CONTINUED)

E. Deferred Compensation Plan

ACE has entered into a salary reduction deferred compensation plan for its employees. The plan allows employees to defer a portion of their current income from state and federal taxation. Employees may withdraw their participation at any time by giving written notice at least a week in advance prior to the effective date of the withdrawal. At June 30, 2019, plan assets with a total fair value of $1,834,939 were held by independent trustees. Accordingly, such amounts are not reflected in the accompanying basic financial statements.

All amounts of compensation deferred under the plans are solely the property and rights of each beneficiary (pursuant to legislative changes effective 1998 to the Internal Revenue Code Section 457, this includes all property and rights purchased and income attributable to these amounts until paid or made available to the employee or other beneficiary).

NOTE 7 COMMITMENTS AND CONTINGENCIES

As discussed in Note 5, ACE receives reimbursement type grants from federal, state and local sources. Certain expenditures are not subject to reimbursement. Also, there may be disallowed costs. Management's experience in this regard indicates disallowances, if any, will not be material.

In the ordinary course of operations, ACE is the subject of claims and litigations from outside parties. In the opinion of management, there is no pending litigation or unasserted claims, the outcome of which would materially affect ACE's financial position.

Lease

ACE occupies its office from Metropolitan Life Insurance Company subject to a lease expiring April 30, 2021. The monthly base rent and the unused lease commitment, as defined in the lease agreement, follows:

Period from / to	Monthly Rent	Annual Amount
July 1, 2019 to April 30, 2020	$ 22,056	$ 220,557
May 1, 2020 to April 30, 2021	22,717	272,608
Total lease commitments		$ 493,165

NOTE 7 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Escrow Agreements for Contract Retention

Pursuant to contracts entered into between ACE and several of its contractors, funds are deposited with an Escrow Agent. The Escrow Agent holds the funds for the benefit of the contractors until the escrow is terminated. The Escrow Agent, contractor or ACE may terminate this Escrow Agreement, with or without cause, by providing 30 days prior written notice to the other parties. In the event of termination of this Escrow Agreement, all the funds on deposit shall be paid to ACE and any accrued interest less escrow fees shall be paid to the contractor. ACE has recognized expenses related to contract retention payments totaling $523,424 for fiscal year ended June 30, 2019. Funds are deposited in several escrow accounts until release to the contractor is authorized.

NOTE 8 CONSTRUCTION IN PROGRESS AND TRANSFER OF COMPLETED PROJECTS

Except for minor acquisitions that may be sold by ACE when no longer needed, all of the construction projects, when completed, will be deeded and transferred to the UPRR and the cities in which they are located at no cost to the acquirer. At June 30, 2019, $879,874,869 of costs was accumulated on projects in process and $463,758,906 had been transferred to UPRR and impacted cities.

Under the full accrual basis of accounting, project expenses would be reported under the construction in progress account (i.e., treated as a cash flow expense and not a current year expense). This would substantially overstate income while reporting the disposal and expensing the accumulated costs would distort the cost of operations at the time of transfer of the completed projects to the member cities. In this case, net position would greatly fluctuate, depending on the timing of construction and transfer of the completed projects.

To alleviate this situation, management has elected to record a liability (same amount as the construction in progress) to UPRR and governments likely to be the eventual owner of the improvements/grade separations upon project completion. This approach will minimize the effects both the acquisition of property for construction and the accumulation of construction costs and their eventual disposal.

NOTE 9 SUBSEQUENT EVENTS

ACE has evaluated events or transactions that occurred subsequent to the balance sheet date through May 28, 2020, the date the accompanying financial statements were available to be issued, for potential recognition or disclosure in the financial statements and determined that, except as noted below, no other subsequent matters required disclosure or adjustment to the accompanying financial statements.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries.

To date, it is unknown how long these conditions will last and what the complete financial effect will be to businesses and other affected organizations, including local governmental entities. Management believes that financial impact, if any, will not materially affect the June 30, 2019 financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Alameda Corridor - East Project
(A Component Unit of San Gabriel Valley Council of Governments)
Schedule of Proportionate Share of the Net Pension Liability
Last Ten Years*

Reporting Year	2019	2018	2017	2016	2015	
	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	
					Classic	PEPRA
Proportion of the net pension liability (asset)	-0.01829%	0.00874%	0.02803%	0.03744%	0.01668%	0.00001%
Proportionate share of the net pension liability (asset)**	$ (629,837)	$ 344,628	$ 973,847	$ 835,047	$ 1,038,037	$ 664
Covered - employee payroll [1]**	$ 3,115,011	$ 3,464,229	$ 3,422,438	$ 2,824,589	$ 2,764,711	$ 176,748
Proportionate share of the net pension liability (asset) as percentage of covered-employee payroll**	-20.22%	9.95%	28.45%	29.56%	37.55%	0.38%
Plan's proportionate share of the fiduciary net position as a percentage of the plan's total pension liability	105.77%	96.11%	87.02%	87.61%	83.03%	83.02%
Plan's proportionate share of aggregate employer contributions [2]**	$ 375,831	$ 305,695	$ 888,148	$ 834,578	$ 1,038,037	$ 126

** Plan pertains to the Miscellaneous Plan of ACE and SGVCOG. Information presented in the financial statements represent amounts allocated to ACE.

Notes to Schedule

1 Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB Statement No. 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

2 The plan's proportionate share of aggregate employer contributions may not match the actual contributions made by the employer during the measurement period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of fiduciary net position shown on line 5 of the table above as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

* Fiscal year 2015 was the first year of implementation, therefore only five years are shown.

Alameda Corridor - East Project
(A Component Unit of San Gabriel Valley Council of Governments)
Schedule of Pension Contributions
Last Ten Years*

Reporting Year	2019	2018	2017	2016	2015	
	Miscellaneous Plan**	Miscellaneous Plan**	Miscellaneous Plan**	Miscellaneous Plan**	Miscellaneous Plan Classic**	Miscellaneous Plan PEPRA**
Actuarially determined contributions	$ 363,686	$ 450,749	$ 527,296	$ 318,540	$ 286,167	$ 10,141
Contributions in relation to the actuarially determined contributions	(363,686)	(450,749)	(527,296)	(318,540)	(286,167)	(10,141)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Covered-Employee Payroll	$ 3,115,011	$ 3,464,229	$ 3,422,438	$ 2,824,589	$ 2,764,711	$ 176,748
Contributions as a percentage of covered-employee payroll	11.68%	13.01%	15.41%	11.28%	10.35%	5.74%

** Plan pertains to the Miscellaneous Plan of ACE and SGVCOG

Notes to Schedule:

Valuation date	June 30, 2017
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry age normal
Amortization method / Period	Level percent of payroll
Remaining amortization period	15 years as of valuation date
Asset valuation method	5 year Smoothed Market
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.15%, net of pension plan investment expense
Retirement age	55 years
Mortality	Derived using CalPERS Membership Data for all funds

*Fiscal year 2015 was the first fiscal year of implementation, therefore, only five years are shown.

See report of independent auditors.

Vasquez & Company LLP has 50 years of experience in performing audit, accounting & consulting services for all types of nonprofit organizations, for-profit companies, governmental entities and publicly traded companies. Vasquez is a member of the RSM US Alliance. RSM US Alliance provides its members with access to resources of RSM US LLP. RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International. Visit rsmus.com/about us for more information regarding RSM US LLP and RSM International. The RSM™ logo is used under license by RSM US LLP. RSM US Alliance products and services are proprietary to RSM US LLP.

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Foothill Transit

To: San Gabriel Valley Council of Governments Governing Board

Date: June 8, 2020

Re: June 2020 Foothill Transit Liaison Report

COVID-19 UPDATE

Safety remains Foothill Transit's number one priority as service begins to be restored for lines serving downtown Los Angeles. With the County of Los Angeles slowly lifting restrictions throughout the region and providing clear guidelines on how offices and other local business are to re-open, the Puente Hills Mall Transit Center, Puente Hills Transit Store, Commuter Express Lines (490, 493, 495, 498, 499, and 699), and Line 690 resumed service on June 8. To ensure public health safety at Transit Stores, countertop sneeze guards and six-foot markers promoting social distancing have been installed inside the West Covina, Puente Hills, and Pomona Transit Stores.

All public health safety and social distancing practices are still in effect in buses, at bus stops, and Transit Stores. Load limits, limiting the number of customers on board, have been in effect beginning May 26 to promote social distancing. This was done after much consultation with our sister transit agencies and operations partners. Customers are asked to stagger seating on board, with the exception of families traveling together and care attendants traveling with someone they assist. Signs on board mark which seats to avoid in observance of social distancing, and placards are placed above ADA seats reserved for customers utilizing wheelchairs or mobility devices. These restrictions will not apply to Personal Care Assistants and/or immediate family members who accompany a customer using the mobility device. Target customer loads are at 10, 15, and 20 customers for 35-foot, 40-foot, and 60-foot buses, respectively, plus ADA customers. When customer loads reach the target amount for the size of the bus, the "SORRY, BUS FULL" or "DISCHARGE ONLY" headsign will be displayed. For buses in service running at target load, the operator will make external announcements at bus stops over the microphone without opening doors to courteously inform customers waiting at those bus stops that the bus is full. We are monitoring this very closely with safety and courtesy in mind, as this practice has never been observed before. Ridership has been steadily increasing, and we will continue closely monitoring ridership loads to ensure appropriate service levels to maintain physical distancing on board.

We continue to monitor the developments surrounding COVID-19 and work in partnership with the Los Angeles County Department of Public Health and our sister transit agencies in the region to respond quickly according to public health guidelines, which change daily. As the year goes on we may need to make necessary service adjustments as the public health situation shifts. Updates are available as they occur on foothilltransit.org and our social media channels where appropriate.

SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS
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Energy & Environment
Linda Parks, Ventura County

Transportation
Cheryl Viegas-Walker, El Centro

Subject: June 2020 Report

From: Sarah Patterson- SCAG Los Angeles County Regional Affairs Officer

213-236-1904, patterson@scag.ca.gov

GENERAL ASSEMBLY EDITION

HIGHLIGHTS FROM THE MEETING

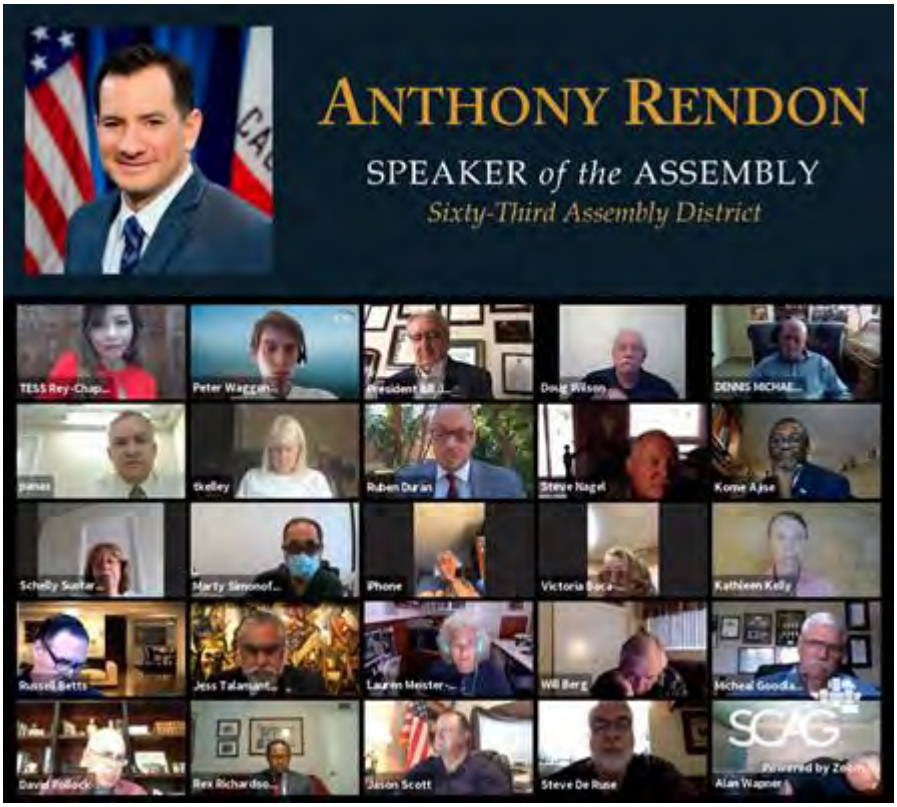

Image: Anthony Rendon, Speaker of the Assembly. Sixty-Third Assembly District. General Assembly met via videoconference.

California State Assembly Speaker Anthony Rendon (D-Lakewood) provided remarks via videoconference to open up the 55th Annual General Assembly.

ACTION

GENERAL ASSEMBLY ELECTS 2020-2021 BOARD OFFICERS

The General Assembly approved the nominations for the SCAG 2020-2021 Board Officers as recommended by the Regional Council. Congratulations to Hon. Rex Richardson (City of Long Beach), who will serve as the new SCAG President; Hon. Clint Lorimore (City of Eastvale), who will serve as First Vice President; and Hon. Jan Harnik (Riverside County Transportation Commission), who will serve as Second Vice President. Leadership also took time to recognize Hon. Bill Jahn, who served as President for 2019-2020 and will continue on as a board officer in the role of Immediate Past President.

ACTION

FY2020-2021 BUDGET, MEMBERSHIP ASSESSMENT SCHEDULE APPROVED

The General Assembly adopted the General Fund Budget and Membership Assessment Schedule for FY2020-2021. The General Fund is the designated financial resources for the operating budget of the Regional Council and supports SCAG activities that are not funded by, or are not allowable charges to, federal or state grant funds. With much of the region facing economic difficulties due to the novel coronavirus (COVID-19) pandemic, member jurisdictions will have the option to utilize a 20 percent waiver on their FY2020-2021 membership dues if needed. Funds for the implmentation of the 6th Cycle Regional Housing Needs Assessment (RHNA) are not factored into the FY2020-2021 budget as the agency was awarded Regional Early Action Planning (REAP) Grant Program funds in April 2020.

NEWS FROM THE EXECUTIVE DIRECTOR

UPDATE ON REGIONAL COUNCIL'S 120-DAY DIRECTIVE FOR CONNECT SOCAL

On May 7, 2020, SCAG's Regional Council approved Connect SoCal, the 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy, for federal transportation conformity purposes while approval for all other purposes was postponed for up to 120 days. This delay was intended to allow more time for SCAG to consider the short- and long-term implications of the COVID-19 pandemic on the plan. Additionally, in response to Regional Council direction, SCAG staff will provide additional analysis, and work with local authorities to address stakeholder's questions and concerns related to the neighborhood-level Growth Forecast utilized for modeling purposes for the Sustainable Communities Strategy. As part of this process, SCAG reached out to all jurisdictions on May 27, 2020, to outline the next steps SCAG staff are taking as we consider refinements related to the neighborhood-level Growth Forecast on the issues of entitlements and locally planned growth capacities. Local jurisdictions will have the opportunity to review the data and provide feedback to SCAG by June 9, 2020. SCAG will continue to conduct further targeted outreach with jurisdictions and other stakeholders over the 120-day period. For updates on Connect SoCal, please visit connectsocal.org.

DEMOGRAPHIC WORKSHOP WEBINARS EXPLORE COVID-19 IMPACT

SCAG and the University of Southern California's Sol Price School of Public Policy will be hosting the 31st Annual Demographic Workshop over two sessions – one on Thursday, June 11, 2020, and the other on Thursday, June 18, 2020 – virtually via videoconference. The theme of this year's program, "Accelerating Planning to Catch Up to 21st Century Demographics," is focused on responding to demographic changes across the region and the economic impacts of the COVID-19 pandemic.

Part 1: The Changing Demographic Outlook and Housing Trends will provide an update on the latest in demographic trends including migration, fertility and aging, and their implications on regional planning as we begin a new decade.

Part 2: Impact of COVID-19 on Housing and Economy will include a panel on the impacts of the COVID-19 pandemic, as well as an update on the progress and challenges of Census 2020.

Both of the Demographic Workshop sessions will feature a panel of experts and applied roundtable discussions. The cost of this year's workshop is free to all individuals that register on the event webpage. For additional details about the event, please contact John Cho at choj@scag.ca.gov.

WHITE PAPER ASSESSES POTENTIAL REGIONAL ECONOMIC IMPACTS OF COVID-19

On May 14, 2020, SCAG released a white paper that provides an initial assessment of potential employment and taxable sales implications of the COVID-19 pandemic in the region as of the end of April 2020. The white paper, "Potential Economic Impacts of COVID-19 in the SCAG Region," assumes a low-point in the regional economy occurring around June 1, 2020, with a resumption of some economic activity thereafter, but a long, slow recovery extending through the end of 2021. Additionally, numerous assumptions are made about the decline and potential recovery trajectory in individual industry sectors. As the pandemic unfolds and additional data become available, these assumptions, modeling strategies and outputs can be revised. The white paper is available on the SCAG website.

UPCOMING MEETINGS

June

11th 31st Annual Demographic Workshop: Part 1

16th Legislative/Communications & Membership Committee

18th 31st Annual Demographic Workshop: Part 2

18th Technical Working Group

18th Joint Meeting of the Public Health, Sustainable Communities and Climate Adaptation Working Groups

22nd Toolbox Training

23rd Transportation Conformity Working Group

24th Connect SoCal Virtual Townhall

July

2nd Regional Council & Policy Committees

16th Technical Working Group

21st Legislative/Communications & Membership Committee

22nd Modeling Task Force

28th Transportation Conformity Working Group

June 8, 2020

To: Governing Board, San Gabriel Valley Council of Governments
From: Jennifer Quan, League of California Cities
Re: Liaison Report

Events and Programs

New Mayors & Council Members Governance Workshop Webinar Series: June 4, June 11, June 18, 3:00 - 4:00 p.m. The *virtual* webinar series will cover the basic, practical and legal frameworks in which city officials operate. The three-part webinar series will provide a comprehensive overview on important, fundamental topics for local government officials taught by subject matter experts and seasoned city officials. Register at http://www.lacities.org

Mayors & Council Members Executive Forum *Virtual* Conference: June 18, June 25, July 2, 9:00 a.m. - 4:30 p.m. Taking place over three consecutive Thursdays, this innovative conference will touch on current topics of importance to Mayors and Council Members, including leadership in an emergency, effective action planning, cyber security, by-district elections, utility-initiated power shutdowns, and more. Virtual networking opportunities will be provided as well. Register at https://events.cacities.org/register.aspx

Please note that the League is closely monitoring the Coronavirus/COVID-19 pandemic, and the safety of our members, employees, and partners are the top priority. The League will continue to monitor the situation, and will keep you updated on any future schedule changes or cancellations. We appreciate your patience and flexibility as we take the time needed to make these decisions in a thoughtful and responsible way that protects everyone and ensures we can continue to serve as a high-quality resource for our members and partners.

COVID-19 Resources for City Officials

The League has continued to send frequent updates to city officials and have created www.CACities.org/coronavirus as a resource for information of particular interest to local governments.

2020-2021 State Budget

The Senate and Assembly announced an agreement on the State Budget. Collective efforts by the League, cities and other partners resulted in a proposal by the Legislature that would provide additional financial resources for cities to pay for COVID-19-related expenses. The Legislature's proposal includes $225 million to seven cities with a population 300,000 - 500,000 on a per capita basis and $275 million to cities with a population under 300,000 on a per capita basis with a $50,000 minimum allocation.

Additional items to note in the Legislature's proposal include:

- $550 million for acquisition and rehabilitations of motels, hotels, hostels; acquisition of other sites and assets; conversion of units from nonresidential to residential in a structure with a certificate of occupancy as a motel, hotel, or hostel; and purchase of affordability covenants and restrictions for units; and
- An additional $350 million would be available for homelessness subject to legislation through the Department of Housing and Community Development.

The Legislature has until June 15 to pass a budget. Fiscal year begins on July 1.

Senate Housing Production Package

The Senate released a Housing Production Legislative Package of five bills and one budget proposal:

SB 902 (Wiener) Planning and zoning: housing development: density. Would allow a local government to pass an ordinance to zone any parcel for up to 10 units of residential density per parcel, at a height specified by the local government in the ordinance, and not be subject to CEQA.

SB 995 (Atkins) Environmental quality: Jobs and Economic Improvement Through Environmental Leadership Act of 2011: housing projects. Provides California Environmental Quality Act (CEQA) relief by expanding the existing AB 900 process for Environmental Leadership Development Projects for housing projects, particularly affordable housing.

SB 1085 (Skinner) Density Bonus Law: qualifications for incentives or concessions: student housing for lower income students: moderate-income persons and families: local government constraints. Require a city or county to grant one incentive or concession for a project that will contain a specified percentage of units for lower income students in a student housing development.

SB 1120 (Atkins) Subdivisions: tentative maps. Builds off state Accessory Dwelling Unit (ADU) law that allows for at least three units per parcel to further encourage development in single-family neighborhoods by creating a ministerial approval process for duplexes and lot splits that meet local zoning, environmental and tenant displacement standards.

SB 1385 (Caballero) Local planning: housing: commercial zones. Creates the Neighborhood Homes Act, which establishes a housing development project as an authorized use on a neighborhood lot, defined as a lot zoned for office or retail commercial use under a local agency zoning code or general plan.

Budget Proposal **Renter/Landlord Stabilization Program.** Would enable agreements between renters, landlords, and the state to resolve unpaid rents over a limited period, as well as make available short-term tax-credits that provide immediate value to landlords at risk of foreclosure.

Legislation and Advocacy

Below is a list of bills that may be of interest to cities, though it is not yet clear which bills will move forward this year:

AB 953 (Ting/Bloom) Land use: accessory dwelling units (as amended 1/6/20). Permits an application to build an ADU or a junior accessory dwelling unit to be approved if the local agency has not acted upon the completed application within 60 days. The bill also expands those provisions to charter cities.

AB 1672 (Bloom) Solid waste: nonwoven disposable products (as amended 1/23/20). Requires labels indicating that a product should not be flushed on specified nonwoven disposable products.

AB 2122 (Rubio) Unlawful Cannabis Activity, Enforcement. Would impose a civil penalty on persons aiding and abetting unlicensed commercial cannabis activity of up to $30,000 for each violation, require civil penalties collected by the Attorney General in an action brought against a person pursuant to MAUCRSA on behalf of the people, a licensing authority, or a participating agency to be first used to reimburse the Attorney General and the licensing authority or participating agency for the costs of investigating and prosecuting the action brought for civil penalties, with the remainder collected, if any, to be deposited into the General Fund.

AB 2364 (Rubio) Municipal separate storm sewer systems: financial capability analysis (as amended 3/10/20). Requires the State Water Resources Control Board, by July 1, 2020, to establish financial capability assessment guidelines for municipal separate storm sewer system permittees that are adequate and consistent when considering the costs to local jurisdictions. The bill would require the state board and the regional boards to continue using available regulatory tools and other approaches to foster collaboration with permittees to implement permit requirements in light of the costs of implementation.

SB 54 (Allen) / AB 1080 (Gonzalez) California Circular Economy and Plastic Pollution Act (as amended 9/9/19). Directs CalRecycle to establish a comprehensive framework to address plastic pollution by requiring producers of single-use plastic products and packages to achieve a 75% reduction of waste generated from single-use packaging and products in California by 2030.

SB 266 (Leyva) Public Employees' Retirement System: disallowed compensation benefit adjustments. Requires public agencies to directly pay retirees and/or their beneficiaries disallowed retirement benefits using general fund dollars.

SB 773 (Skinner) Land use: accessory dwelling units (as amended 1/8/20). Permits an application to build an ADU or a junior accessory dwelling unit to be approved if the local agency has not acted upon the completed application within 60 days, seeks to clarify that both an ADU and JADU can be magisterially approved on each lot. The bill also expands those provisions to charter cities.

SB 795 (Beall/Portantino/McGuire) Building Affordable and Inclusive Communities. Would commit up to $2 billion in ongoing state funding for local governments to collaborate on state-approved redevelopment plans, which would be funded by reducing their contributions to local Education Revenue Augmentation Funds (ERAFs). Funding can be used for the following five purposes: (1) affordable housing, (2) transit-oriented development, (3) infill development, (4) revitalizing and restoring neighborhoods, and (5) planning for projects that mitigate the effects of climate change. The bill will ensure schools are held harmless to meet the Prop 98 guarantee.

SB 902 (Wiener) Planning and zoning: neighborhood multifamily project: use by right: density. Requires that a neighborhood multifamily project (up to fourplexes, based on population) is a use by right in zones where residential uses are permitted if the project is not located in a very high fire severity zone, does not demolish sound rental housing or housing that has been placed on a national or state historic register, and follows specified local objective criteria. This measure would also allow a local government to pass an ordinance, notwithstanding any local restrictions on adopting zoning ordinances enacted by the jurisdiction, including restrictions enacted by a local voter initiative, that limit the legislative body's ability to adopt zoning ordinances, to zone any parcel for up to 10 units of residential density per parcel, at a height specified by the local government in the ordinance, and not be subject to CEQA.

SB 1179 (Archuleta) Property tax revenue allocations: County of Los Angeles: residential infill development. Creates a pilot program to financially incentivize cities in the Gateway Council of Governments that choose to rezone underperforming office, industrial and commercial sites into new housing developments. To ensure the program has a minimal financial impact on other taxing entities, there is a 2% cap on the total number of newly formed parcels authorized to participate in the program during any given housing element planning period.

SB 1299 (Portantino) Housing development: incentives: rezoning of idle retail sites. Would enable cities that rezone, build, and certify new occupancy of big box retail sites or commercial shopping centers into workforce multi-family housing to receive the average of the annual amount of sales tax revenue generated by that site for the last seven years.

For additional information on these items, please contact Jennifer Quan at 626-786-5142 or jquan@cacities.org

REPORT

DATE: June 18, 2020

TO: Governing Board Delegates and Alternates

FROM: South Coast Air Quality Management District

RE: **MONTHLY LIAISON REPORT**

JUNE GOVERNING BOARD LIAISON REPORT

Due to public health concerns regarding COVID-19 and as part of efforts to minimize potential risk and exposure, the Small Business Assistance (SBA) Office is only providing assistance via telephone or email at this time. For assistance, please call 1-800-388-2121 or email smallbizassistance@aqmd.gov.

The South Coast AQMD SBA Office helps small business owners comply with South Coast AQMD rules and regulations, permit conditions, and recordkeeping through a variety of services. Just give the SBA Office a call and they will respond to your request ASAP.

The South Coast SBA team of engineers and inspectors is specifically designated to help small businesses (100 or fewer employees or with annual gross revenues up to $5 million) understand and comply with air quality rules and regulations. The team provides free assistance to small businesses dealing with air quality permit requirements, including:

- Permit applications;
- Technical consultations;
- No-fault inspections;
- Recordkeeping;
- Variance applications;
- Dry cleaning grants;
- Air Quality Permit Checklist;
- Expired outreach program -- Assists small businesses in avoiding financial hardships that can result from a failure to properly maintain their permit(s). After a year, an expired permit becomes void and the facility will have to file for new permits. Filing for new permits may be costly especially when dealing with outdated equipment or processes.
- Fee Review Program -- Helps businesses resolve fee disputes thru South Coast AQMD's Fee Review Committee; and provides remedies in accordance with specific requirements.

The following are resources related to the coronavirus (COVID-19) outbreak for businesses and employees:

- U.S. Small Business Administration
- The Governor's Office of Business and Economic Development
- Employment Development Department, State of California

REPORT

DATE: June 18, 2020

TO: Governing Board Delegates and Alternates

FROM: John Fasana, Chair, Transportation Committee

RE: **MONTHLY REPORT**

JUNE MEETING RECAP

On Thursday, June 18, 2020, the SGVCOG Transportation Committee held a Zoom teleconference for its June meeting. The committee received presentations from the Los Angeles County Metropolitan Transportation Authority (Metro) on the San Gabriel Valley Transit Feasibility Study. Additionally, Metro staff provided a brief update on Metro's proposed FY 2020-2021 budget.

In February 2020, the Metro Board of Directors approved staff recommendations to withdraw the SR-60 and Combined Alternatives from the Eastside Transit Corridor Phase 2 Project and directed staff to prepare an independent feasibility study that evaluates options to serve the mobility needs of the San Gabriel Valley. The Board subsequently approved a motion to direct staff to return to the Board in May 2020 with a plan for a feasibility study. The Board has identified $635.5 million of Measure R funding for improvements to be identified in the San Gabriel Valley Transit Feasibility Study and to be consistent with the funding years in the Measure R Expenditure Plan.

As a result, Metro staff has initiated the development of the technical and outreach scope of services for the San Gabriel Valley Transit Feasibility Study. The Study is anticipated to commence in FY 2021 with the goal of identifying short-term and long-term solutions that serve the mobility needs in the San Gabriel Valley. It is expected that the Study will be completed in 18 months.

DATE: June 18, 2020

TO: Governing Board Delegates and Alternates

FROM: Becky Shevlin, Chair, Homeless Committee

RE: **MONTHLY REPORT**

MAY MEETING RECAP

On Wednesday, June 3, 2020, the Homeless Committee met via teleconference in compliance with public health orders. The Committee received a report on the recent Pilot Programs Program and several accompanying actions, which are as follows:

(1) Recommend Governing Board fund the following pilot programs: Arcadia, Claremont, Covina, La Verne, and Monrovia; and
(2) Recommended Governing Board re-allocate up to $310,000 from the Master Leasing Program to the Pilot Programs Program; and
(3) Recommend Governing Board re-allocate the remaining funding from the Master Leasing Program to the Regional Coordination Program.

The programs recommended for funding are as follows:

City	Co-Applicants	Not-to-Exceed Award Amount	Program Description
Arcadia	None	$150,000	Development of a pop-up services center for people experiencing homelessness
Claremont	None	$50,000	Development of a roommate matching program
Covina	None	$60,000	Implementation of a mobile hygiene program
La Verne	Baldwin Park, Duarte, Irwindale, West Covina	$200,000	Creation and implementation of a TAY-focused employment program focused on Energy Auditing
Monrovia	None	$150,000	A Prevention & Diversion program called the Emergency COVID Housing Impact Program (“eCHIP”)
	TOTAL	$610,000	

After receiving the report, of which an updated version is included in the materials for this meeting, the Homeless Committee approved referring the recommendations to the Governing Board for approval.

Following the discussion on the Pilot Programs, the Committee heard a presentation on the Pasadena Outreach Response Team (PORT), which is a cross-functional team from the City of Pasadena who work with people experiencing homelessness. PORT's goal is to identify individuals impacted by chronic homelessness and, through supportive services and case management, assist them in moving off the streets into permanent housing.

To close the meeting, the Committee received several written liaison reports from the San Gabriel Valley Consortium on Homelessness, United Way's EveryoneIn Campaign, and from the Los Angeles Homeless Services Authority. A key note in the LAHSA liaison report was that the Point in Time (PIT) Count results are expected to be released in the middle of June and available for public review.

REPORT

DATE: June 18, 2020

TO: Governing Board Delegates and Alternates

FROM: Denis Bertone, Chair, EENR Committee

RE: **MONTHLY REPORT**

JUNE MEETING RECAP

On Wednesday, June 17, 2020, the SGVCOG Energy, Environment, and Natural Resources (EENR) Committee held a Zoom teleconference for its June meeting. The committee received a presentation Southern California Regional Energy Network (SoCalREN) and discussed Southern California Edison's (SCE) proposed rate increases. Additionally, the committee received updates from the U.S. Forest Service regarding Angeles National Forest's wildfire prevention measures.

The Energy Coalition (TEC) representatives provided a presentation on the SoCalREN Public Agency Programs. Administered by the County of Los Angeles, the SoCalREN utilizes comprehensive and customized methods to support the unique needs of public agencies and assist agencies to save energy. In April 2020, the SGVCOG officially partnered with the SoCalREN with the goal of leading San Gabriel Valley cities toward a safe, secure, resilient, affordable, and sustainable clean energy future. SoCalREN Public Agency Programs were designed to provide municipalities with tailored project delivery approaches, funding recommendations, and procurement pathways to support the implementation of energy efficiency projects.

The committee also discussed SCE's proposed rate increase request to the California Public Utilities Commission (CPUC). This rate increase request, known as a general rate case (GRC), is typically submitted to the CPUC by large electric utilities every three years. GRCs are proceedings used to address the costs of operating and maintaining the utility system and the allocation of those costs among customer classes. For 2021, SCE proposed to increase residential rates by 14.4%, lighting (small and medium power) by 11.0%, large power by 8.9%, agricultural by 10.2%, street lighting by 2.7%, and standby by 11.7%. The CPUC is currently in the process of reviewing SCE's rate increase proposal. The CPUC will also be holding public forums to discuss the rate increase proposal before voting to approve or reject SCE's request. The public forums are scheduled for June 30, 2020 and July 1, 2020 at 2:00pm and 6:00pm. Interested attendees can join the public forums by visiting www.adminmonitor.com/ca/cpuc and dial (800) 857-1917 with the password "167-3482."

The upcoming regular meeting for the EENR Committee is scheduled for Wednesday, July 15, 2020 at 1:00pm.

REPORT

DATE: June 18, 2020

TO: Governing Board Members & Alternates

FROM: Water Policy Committee/Water TAC

RE: MONTHLY REPORT

JUNE MEETING RECAP

On Tuesday, June 9, the Water Policy Committee and Water TAC convened its monthly meeting via Zoom teleconference. The meeting featured a presentation by Ken Manning, Executive Director, Water Quality Association and Tony Zampiello, Executive Officer, Main San Gabriel Basin Watermaster on PFAS contamination and how it affects the San Gabriel Valley. The Committee discussed H.R. 535, the PFAS Action Act of 2019, and voted to recommend the Governing Board support the Bill.

There was a discussion on the implementation of Measure W, the Safe Clean Water (SCW) Program, and SB 205 (Hertzberg), legislation that requires business licenses for stormwater discharge compliance.

SAFE CLEAN WATER PROGRAM UPDATE

The Upper Los Angeles River Watershed Area Steering Committee (WASC), Rio Hondo WASC, and the Upper San Gabriel River WASC all approved their Stormwater Investment Plans (SIPs) in May. The Regional Oversight Committee will review these SIPs at its meeting on June 18.

On June 9, the Los Angeles County Board of Supervisors considered the Transfer Agreement templates, both for the Municipal Program (to be executed between Cities and LACFCD) and the Regional Program (to be executed between approved project developers and LACFCD). The District shall disburse the Municipality's SCW Program Payment for the 2020-21 Fiscal Year within 45-days of receipt of the signed executed Agreement or within 14-days of the District's receipt of the Annual Plan for 2020-21 Fiscal Year in compliance with Transfer Agreement Exhibit A, whichever comes later.

The Program will be onboarding Watershed Coordinators to assist each WASC. The Request for Statement of Qualifications (RFSQ) was released on May 26 and proposals are due by July 20, 2020 at 5:30 p.m. The RFSQ may be obtained by accessing the link at http://pw.lacounty.gov/brcd/servicecontracts or by emailing Samantha Matthews at smatthews@sgvcog.org. Each contract has been designed to have a potential maximum contract term of 4 years, consisting of an initial 1-year term and potential 1-year option renewals. The WASCs will review potential candidates in August with Board approval in September.

The deadline to submit Fiscal Year 2021-22 Regional Program project applications was extended from July 31, 2020 to October 15, 2020.

REPORT

DATE: June 18, 2020

TO: Governing Board Members & Alternates

FROM: Capital Projects and Construction Committee

RE: MONTHLY REPORT

MONTHLY REPORT

On Monday June 1, the SGVCOG Capital Projects Committee convened for its monthly meeting. The Committee approved support services tasks and the amendments necessary for the SGVCOG's capital projects to continue to move forward. Services included community outreach, property acquisition, contracts legal support, state representation, and risk management support. The funds for these services were included in the recently approved FY 2020-21 SGVCOG Budget.

SGVCOG Governing Board Unapproved Minutes
Date: May 21, 2020
Time: 4:00 PM
Location: Zoom Virtual Meeting

PRELIMINARY BUSINESS

1. Call to Order
SGVCOG President Cynthia Sternquist called the meeting to order at 4:03pm.

2. Pledge of Allegiance
A. Verlato led the Governing Board in the Pledge of Allegiance.

3. Roll Call
A quorum was in attendance.

Governing Board Members Present		**Absent**
Alhambra	Adele Andrade-Stadler	Baldwin Park
Arcadia	April Verlato	Bradbury
Azusa	Robert Gonzales	La Cañada Flintridge
Claremont	Ed Reece	
Covina	Patricia Cortez	**SGVCOG Staff**
Diamond Bar	Nancy Lyons	M. Creter, Exec. Director
Duarte	John Fasana	P. Hubler, Staff
El Monte	Jerry Velasco	R. Alimoren, Staff
Glendora	Michael Allawos	C. Sims, Staff
Industry	Cory Moss	K. Ward, Staff
Irwindale	Albert Ambriz	T. Kirkconnell, Staff
La Puente	Dan Holloway	A. Fung, Staff
La Verne	Tim Hepburn	S. Matthews, Staff
Monrovia	Becky Shevlin	N. Romo, Staff
Montebello	Jack Hadjinian	S. Hernandez, Staff
Monterey Park	Peter Chan	
Pomona	Tim Sandoval	
Rosemead	Margaret Clark	
San Dimas	Denis Bertone	
San Gabriel	Jason Pu	
San Marino	Susan Jakubowski	
Sierra Madre	John Capoccia	
South El Monte	Gloria Olmos	
South Pasadena	Diana Mahmud	
Temple City	Cynthia Sternquist	
Walnut	Allen Wu	
West Covina	Tony Wu	
L.A. County District #1	Florencio Briones	
L.A. County District #4	Lauren Yokomizo	

L.A. County District #5	Sandra Maravilla
SGV Water Districts	Steven Placido

4. Public Comment
There were no public comments at this meeting.

5. Changes to Agenda Order
There was a request to change the agenda order to hear Item 28 under Item 15, as well as a change in recommended actions for Item 28, SGVCOG Approval of Letters Supporting Federal Funding for San Gabriel Valley Cities for Coronavirus Relief. The recommended actions for this item have been revised as follows:

1. Letter of the San Gabriel Valley House of Representatives delegation in support of $945 million in proposed Federal funding for San Gabriel Valley cities for COVID-19 pandemic relief – Staff is recommending that this letter also be sent to our two US Senators since the legislation will be sent to the Senate.
2. Letter of the Los Angeles County Board of Supervisors supporting the apportionment to San Gabriel Valley cities of up to $350 million from the County's existing $1 billion share of Federal COVID-19 funding.
3. Additional letter to the SGV State delegation and Governor Newsom in support of the proposed May revise budget allocation of $450 million in CARES Act funding to cities that did not receive a direct allocation.

LIAISON REPORTS

6. Gold Line Foothill Extension Construction Authority
A written report was provided.

7. Foothill Transit
A written report was provided.

8. Los Angeles County Metropolitan Transportation Authority
No report was given.

9. San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy (RMC)
A written report was provided.

10. San Gabriel Valley Mosquito & Vector Control District (SGVMVCD)
No report was given.

11. Southern California Association of Governments
A written report was provided.

12. League of California Cities
A written report was provided.

13. San Gabriel Valley Economic Partnership (SGVEP)

No report was given.

14. South Coast Air Quality Management District (AQMD)
A written report was provided.

PRESIDENT'S REPORT

SGVCOG President, Cynthia Sternquist, encouraged Governing Board Members to share best practices in re-opening municipal facilities and buildings.

EXECUTIVE DIRECTOR'S REPORT

SGVCOG Executive Director, Marisa Creter, introduced Rey Alimoren as SGVCOG's Acting Director of Finance.

15. Fiscal Impacts of COVID-19 on Local Agencies and Potential State / Federal Support
SGVCOG staff provided a presentation on this item.

Key Discussions/Questions:

- A Governing Board member inquired about possible COVID-19 relief funds that were allocated to the County of Los Angeles on a per capita basis. SGVCOG staff responded that the formula only allowed cities with populations of over 500,000 residents to be eligible to receive funds separately from the County of Los Angeles. The County of Los Angeles omitted the City of Los Angeles in the allocation process given that the City of Los Angeles is eligible to receive direct relief funds.
- Another Governing Board member inquired about relief programs and funds in the proposed HEROES Act, including possible relief efforts for several specific industries that should not be included. SGVCOG staff responded that some individuals criticized the proposed legislation for including relief programs for certain industries; however, it is important to support the provisions in the legislation that benefit the cities.
- A Governing Board member requested SGVCOG staff to verify that the County of Los Angeles received relief funds from the CARES Act. SGVCOG staff responded that the County did qualify for CARES Act relief funds.
- A Governing Board member inquired about the funding distribution timeline for the HEROES Act if the legislation is passed. SGVCOG staff responded that the HEROES Act funds should be available immediately after the legislation passes.
- Another Governing Board member inquired about possible coordination efforts with other COGs to attend the Los Angeles County Board of Supervisors meeting and request relief funds and support from the County of Los Angeles. SGVCOG Executive Director, Marisa Creter, responded that the SGVCOG has been coordinating with the Gateway Cities COG and the South Bay Cities COG on this matter.

16. City Best Practices Sharing on COVID-19 Response
Governing Board Members shared best practices in re-opening municipal facilities and buildings.

Key Discussions/Questions:

- The City of Alhambra mentioned that City Hall has been open part-time starting May 18th and that most departments are accepting appointments from residents. The City also has a testing site outside of City Hall until the end of May.
- The City of Arcadia shared that City Hall has been re-opened since May 18th and that services are by appointment only. City staff that are working in City facilities are separated at least 6 feet apart and they were also given the option to telework. The City's Fire Department has been responding to calls while wearing protective equipment.
- The City of Claremont approved CDBG funds to establish renter assistance and small business support programs. Tenants can apply for funds that cover up to two months of rent costs and small businesses can apply for funds that cover up to two months of payroll and utilities.
- The City of Covina anticipates City Hall to open on June 16th with established protocols for each department. The City's Parks and Recreation Department is expected to resume some level of programming starting June 8th.
- The City of Duarte shared that City Hall has been opened by appointment only since the pandemic began. Some City staff are currently teleworking from home.
- The City of La Verne reported that City Hall will re-open on June 1st and CDBG funds were used to create small business grants of up to $2,500 each to support local businesses. The City is currently working with the Downtown Business District to re-open businesses safely.
- The City of Pomona used CDBG to provide relief funds for local businesses and convened an action committee of 50+ community leaders to raise funding for local businesses.
- The City of San Dimas reported that City facilities are currently closed.
- The City of San Marino shared that City Hall is not currently open.
- The City of South El Monte shared that the City Hall is placing "please keep 6 feet apart" stickers around the building and residents are required to wear masks in order to enter City facilities. Residents are also required to schedule appointments with the City and shields are placed between City staff and visitors. Once an appointment is completed, City staff are required to disinfect themselves before meeting with another resident. All City staff are required to wear masks and gloves. The City Hall has been reopened since May 18th. The City also rearranged desks and cubicles to ensure that City staff can work 6 feet apart from one another.
- The City of Temple City shared that City Hall is not currently open yet; however, the City Manager is working with the City Council and other departments to develop a plan to re-open facilities.
- The City of West Covina reported that the City Hall re-opened on May 18th. Masks and gloves are required for City staff and visitors to enter the building.

The City is also working with code enforcement officers to ensure that residents are complying with the County's Health Orders. Additionally, the City received donations from charities and private sectors to provide protective gears for residents.

- Supervisor Hilda Solis' Office reported that the Supervisor dispersed $100,000 in discretionary funds to support local nonprofits and partnered with community organizations to organize food distributions to residents impacted by COVID-19.
- Supervisor Janice Hahn's Office reported that face coverings were purchased from small local vendors and distributed to essential workers, homeless shelters, and low-income housing residents.
- Supervisor Kathryn Barger's Office reported that the Supervisor have similar programs and initiatives as other Supervisors to support the community during this pandemic.
- During this discussion, the following cities have expressed that their City Hall and/or other City facilities will be operational by June 15th:
    - Alhambra
    - Arcadia
    - Azusa
    - Covina
    - Duarte
    - Industry
    - La Verne
    - San Gabriel
    - Sierra Madre
    - South El Monte
    - Walnut
    - West Covina

GENERAL COUNSEL'S REPORT

No report was given.

COMMITTEE REPORTS

17. Transportation Committee
A written report was provided.

18. Homelessness Committee
A written report was provided.

19. Energy, Environment and Natural Resources Committee
A written report was provided.

20. Water Committee
A written report was provided.

21. Capital Projects and Construction Committee
A written report was provided.

CONSENT CALENDAR

22. Governing Board Meeting Minutes
Recommended Action: Adopt Governing Board minutes.

23. Monthly Cash Disbursements/Balances/Transfers
Recommended Action: Approve Monthly Cash Disbursements/Balances/Transfers.

24. Committee/TAC/Governing Board Attendance
Recommended Action: Receive and file.

25. Los Angeles County Homeless Initiative Response to Questions on Project Roomkey
Recommended Action: Receive and file.

26. SGVCOG Committee and Partner Agency Appointments
Recommended Action: Adopt Resolution 20-07 to appoint members to standing SGVCOG Policy Committees, Technical Advisory Committees and other partner agency appointments.

27. FY 2020-2021 SGVCOG Election Update
Recommended Action: Delay the 2020-2021 SGVCOG Board Officer Elections until September 2020 due to the limitations of conducting in-person meetings during the COVID-19 pandemic.

28. SGVCOG Approval of Letters Supporting Federal Funding for San Gabriel Valley Cities for Coronavirus Relief
Recommended Actions: Approve letters from the San Gabriel Valley Council of Governments to: (1) the San Gabriel Valley House of Representatives delegation in support of $945 million in proposed Federal funding for San Gabriel Valley cities for COVID-19 pandemic relief, and, (2) Los Angeles County Supervisors supporting the apportionment to San Gabriel Valley cities of up to $350 million from the County's existing $1 billion share of Federal COVID-19 funding.

29. FY 2020-2021 SGVCOG Budget
Recommended Action: Adopt Resolution 20-08 approving the FY 2020-2021 SGVCOG budget.

30. Governing Board & Committee Meeting Times
Recommended Action: Adopt Resolution 20-09 updating the Governing Board and committee meeting times and locations.

31. SB 1191 (Dahle) – Organic Waste: Reduction Goals
Recommended Action: Adopt Resolution 20-10 supporting SB 1191 (Dahle).

32. Office Lease Update
Recommended Action: Authorize the Executive Director to execute an extension of the Alhambra and Irwindale office lease through October 2022.

33. San Gabriel Valley Regional Housing Trust Staffing
Recommended Action: Authorize Executive Director to execute Memorandum of Agreement with the San Gabriel Valley Regional Housing Trust for staffing.

34. Award of Contract for Landlord Outreach, Education and Incentive Program
Recommended Action: Authorize Executive Director to execute the agreements with entities for the Homeless Landlord Outreach, Education and Incentive Program:
- *Union Station Homeless Services (USHS) for an amount not-to-exceed $322,300 and*
- *S. Groner Associates (SGA) for an amount-to-exceed $77,700.*

35. Los Angeles County Homeless Initiative Contract Amendment for Homeless Services
Recommended Actions: 1) Authorize Executive Director to execute an amendment to the Homeless Services Contract with Los Angeles County Homeless Initiative to accept $113,320 in additional funds for activities and expenses that support expansion of homelessness hygiene services to prevent spread of COVID-19 and 2) Authorize Executive Director to execute Memorandums of Agreement (MOAs) with participating cities to access these hygiene funds.

36. SGVCOG Revised/Updated Audit Charter
Recommended Action: Adopt Resolution 20-11 approving the revised/updated SGVCOG Audit Charter.

There was a motion to approve consent calendar items 22-27 and 29-36. (M/S: F/ Briones/N. Lyons)

[Motion Passed]

AYES:	Alhambra, Arcadia, Azusa, Claremont, Covina, Diamond Bar, Duarte, El Monte, Glendora, Industry, Irwindale, La Puente, La Verne, Monrovia, Montebello, Monterey Park, Pomona, Rosemead, San Dimas, San Gabriel, San Marino, Sierra Madre, South El Monte, South Pasadena, Temple City, Walnut, West Covina, L.A. County District #1, L.A. County District #4, L.A. County District #5, San Gabriel Valley Water Districts
NOES:	
ABSTAIN:	
ABSENT:	Baldwin Park, Bradbury, La Cañada Flintridge

Discussions on Item 28: SGVCOG Approval of Letters Supporting Federal Funding for San Gabriel Valley Cities for Coronavirus Relief
- A Governing Board requested to vote on each of these recommended actions for this item individually.

There was a motion to approve a letter to the San Gabriel Valley House of Representatives delegation in support of $945 million in proposed Federal funding for San Gabriel Valley cities for COVID-19 pandemic relief and another letter to the San Gabriel Valley State delegation and Governor Newsom in support of the proposed May revise budget allocation of $450 million in CARES Act funding to cities that did not receive a direct allocation. (M/S: E. Reece/F. Briones)

[Motion Passed]

AYES:	Alhambra, Arcadia, Azusa, Claremont, Covina, Diamond Bar, Duarte, El Monte, Glendora, Industry, Irwindale, La Puente, La Verne, Monrovia, Montebello, Monterey Park, Pomona, Rosemead, San Dimas, San Gabriel, San Marino, Sierra Madre, South El Monte, South Pasadena, Temple City, Walnut, West Covina, L.A. County District #1, L.A. County District #4, L.A. County District #5, San Gabriel Valley Water Districts
NOES:	
ABSTAIN:	
ABSENT:	Baldwin Park, Bradbury, La Cañada Flintridge

There was another motion to approve a letter to the Los Angeles County Board of Supervisors supporting the apportionment to San Gabriel Valley cities of up to $350 million from the County's existing $1 billion share of Federal COVID-19 funding. (M/S: E. Reece/A. Andrade-Stadler)

[Motion Passed]

AYES:	Alhambra, Arcadia, Azusa, Claremont, Covina, Diamond Bar, Duarte, El Monte, Glendora, Industry, Irwindale, La Puente, La Verne, Monrovia, Montebello, Monterey Park, Pomona, Rosemead, San Dimas, San Gabriel, San Marino, Sierra Madre, South El Monte, South Pasadena, Temple City, Walnut, West Covina, San Gabriel Valley Water Districts
NOES:	
ABSTAIN:	L.A. County District #1, L.A. County District #4, L.A. County District #5,
ABSENT:	Baldwin Park, Bradbury, La Cañada Flintridge

PRESENTATION

37. Update on Los Angeles County Homeless Initiative Activities
Los Angeles County Homeless Initiative, Phil Ansell, provided a presentation on this item.

Key Questions/Discussions:

- A Governing Board member inquired about the "exit plan" of Project Roomkey. Mr. Ansell responded that the County of Los Angeles is working with partners to identify existing permanent housing subsidies that are available in the homelessness system and additional rental subsidies. The County strives to ensure that participants of Project Roomkey exits to interim or permanent housing.

CLOSED SESSION

38. Closed Session Pursuant to California Government Code Section 54957(B)(1) – Performance Evaluation. Position: Executive Director

ADJOURN

SGVCOG President Cynthia Sternquist adjourned the Governing Board meeting at 6:19pm.

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS
Selected Asset Account Balances
As of May 31, 2020

Account Number	Description	Balance 4/30/2020	Increase	Decrease	Net Change	Balance 5/31/20
000-000-000-1010	CBB - 242-118-669 Checking	$ 1,457,516	$ 105,986	$ 108,813	$ (2,827)	$ 1,454,689
000-000-000-1020	CBB- 242-034-325 CD	$ 55,715	$ -	$ -	$ -	$ 55,715
000-000-000-1030	CBB - 2766 Savings	$ 1,592	$ -	$ -	$ -	$ 1,592
000-000-000-1040	CBB -242-034-953 CD	$ 54,948	$ -	$ -	$ -	$ 54,948
000-000-000-1052	CBB-242-300-597 MM (Homelessness Trust)	$ 5,635,287	$ 1,343	$ -	$ 1,343	$ 5,636,630
000-000-000-1090	Petty Cash	$ 400	$ -	$ -	$ -	$ 400
000-000-000-1100	LAIF 40-19-038	$ 243,421	$ -	$ -	$ -	$ 243,421
000-000-000-1101	LAIF Maket Value	$ 86	$ -	$ -	$ -	$ 86
000-000-000-1210	Member Receivable	$ 52,780	$ -	$ -	$ -	$ 52,780
000-000-000-1220	Grants/Contracts Receivable	$ 942,460	$ 338,928	$ 105,986	$ 232,942	$ 1,175,401
000-000-000-1225	Sponsorships Receivable	$ -	$ -	$ -	$ -	$ -
000-000-000-1232	Rental Deposits Receivable	$ 5,489	$ -	$ -	$ -	$ 5,489
000-000-000-1291	Receivables - Other	$ 807	$ -	$ -	$ -	$ 807
		$ 8,450,501	**$ 446,257**	**$ 214,799**	**$ 231,458**	**$ 8,681,959**

ACE CONSTRUCTION AUTHORITY
Selected Asset Account Balances
As of May 31, 2020

Account Number	Description	Balance 4/30/2020	Increase	Decrease	Net Change	Balance 5/31/20
000-000-000-1111	Checking (CBB)	$ 2,561,791	$ 13,309,197	$ 13,202,979	$ 106,218	$ 2,668,009
000-000-000-1112	Sweep (CBB - Mutual Fund)	$ 36,223,478	$ 601,389	$ 12,696,900	$ (12,095,512)	$ 24,127,966
000-000-000-1114	MTA Loan Interest Reimb	$ 1,721,993	$ 410	$ -	$ 410	$ 1,722,403
000-000-000-1118	UPPR Contribution Funds	$ 1,768,739	$ 422	$ -	$ 422	$ 1,769,161
000-000-000-1121	LAIF Operating (40 19 044)	$ 344,752	$ -	$ -	$ -	$ 344,752
000-000-000-1122	LAIF - Debt (11 19 031)	$ 1,342,951	$ -	$ -	$ -	$ 1,342,951
000-000-000-1131	Grants Receivable	$ 490,829	$ -	$ -	$ -	$ 490,829
000-000-000-1135	Retention Receivable - MTA	$ 2,582,393	$ -	$ -	$ -	$ 2,582,393
		$ 47,036,925	**$ 13,911,418**	**$ 25,899,879**	**$ (11,988,461)**	**$ 35,048,464**

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

Disbursements Report

MAY 2020

Transaction Date	Number/ Reference	Vendor Name	Description	Amount
5/8/2020	EFT	Paychex	Payroll Ending PE 05.08.20	25,390.65
5/11/2020	CITIPYMT-MAY-20	Citi Card	Citi Card Payment	7,135.50
5/11/2020	DEBIT-ICMA PE050820	ICMA-RC	Employee ICMA-457 Contribution PE 05.08.20	532.56
5/15/2020	EFT	Paychex	Payroll Processing Fee	107.00
5/22/2020	EFT	Paychex	Payroll Ending PE 05.22.20	24,984.85
5/22/2020	DEBIT-ICMA PE052220	ICMA-RC	Employee ICMA-457 Contribution PE 05.22.20	532.56
5/26/2020	10121	Moore Ruddell LLP Client Trust	CONFIDENTIAL	50,000.00
5/28/2020	EFT	Spectrum Business	Internet Provider	130.00
			Total MAY 2020 Disbursements	$ 108,813.12

ACE CONSTRUCTION AUTHORITY
Disbursements Report
May 2020

Transaction Date	Check Number	Vendor Name	Description	Amount
5/1/2020	ACH-SCE DURFEE	Southern California Edison	7590298909	$872.39
5/1/2020	ACH-VASQUE FY1	Vasquez & Company LLP	2200297-IN(2)FY19	$8,000.00
5/1/2020	ACH-SCE INTERN	Edison Carrier Solutions	58906	$996.00
5/1/2020	ACH-CBRE_RENT-	CB Richard Ellis, Inc	05_2020	$26,408.97
5/1/2020	ACH-RAILPROS#S	RailPros Field Services Inc	SGV2004	$13,750.00
5/7/2020	EFT-CALPERS PE	CALPERS	1827_PE 05.08.20	$16,668.48
5/8/2020	DEBIT-ICMA PE	ICMA Retirement Trust - 457	ICMA_PE 05.08.20	$5,042.53
5/14/2020	21198	Montebello Land & Water Compan	APN209AA_WATER	$32.00
5/14/2020	21202	Montebello Land & Water Compan	APN209U_WATER	$32.00
5/14/2020	21201	AllyHealth	20200501-086093	$10.00
5/14/2020	21199	David Lang & Associates	G-207170(MAR)RETN	$235.88
5/14/2020	21200	Paragon Partners Ltd.	0019591(MAR)RETN	$707.30
5/14/2020	21200	Paragon Partners Ltd.	0019592(MAR)RETN	$126.56
5/14/2020	21200	Paragon Partners Ltd.	0019593(MAR)RETN	$19.95
5/14/2020	21200	Paragon Partners Ltd.	0019594(MAR)RETN	$568.55
5/14/2020	21200	Paragon Partners Ltd.	0019595(MAR)RETN	$183.60
5/14/2020	21200	Paragon Partners Ltd.	0019596(MAR)RETN	$115.43
5/14/2020	21200	Paragon Partners Ltd.	0019637(MAR)RETN	$146.38
5/14/2020	21196	SWRCB	SW-0912340	$988.00
5/14/2020	21195	South Montebello Irrigation Di	561800.02_APR20	$56.65
5/14/2020	21197	Majestic Realty Co.	EASEMENT_XTENSION	$54,392.80
5/15/2020	ACH-AECOM#56 FEBMAR	AECOM - Technical Services, In	2000350549(56)FEBMAR	$2,632.03
5/15/2020	ACH-L.ANDREWS#140	Lee Andrews Group, Inc.	2020079(140)MAR20	$36,434.35
5/15/2020	ACH-L.ANDREWS#140	Lee Andrews Group, Inc.	2020079(MAR)RETN	$1,917.60
5/15/2020	ACH-D.LANG#141	David Lang & Associates	G-207-170(141)MAR	$4,481.74
5/15/2020	ACH-LSA#26TURN	LSA Associates, Inc.	169785(25)DEC19	$1,453.91
5/15/2020	ACH-LSA#26TURN	LSA Associates, Inc.	169786(26)DEC19	$241.98
5/15/2020	ACH-LUBKA#162-	LUBKA & WHITE LLP	13871(162)JAN-FEB	$511.60
5/15/2020	ACH-LUBKA#162-	LUBKA & WHITE LLP	13872(163)JANFEB	$127.50
5/15/2020	ACH-LUBKA#162-	LUBKA & WHITE LLP	13949(164)MAR'20	$255.00
5/15/2020	ACH-LUBKA#162-	LUBKA & WHITE LLP	13950(165)MAR20	$425.00
5/15/2020	ACH-LACMTA APR	LACMTA - Metropolitan Transpor	800077401	$47,387.08
5/15/2020	ACH-MOFFATT MAR	Moffatt & Nichol	749907(82)MAR29	$202,350.00
5/15/2020	ACH-MOFFATT MAR	Moffatt & Nichol	749909(22)MAR20	$41,868.40
5/15/2020	ACH-MOFFATT MAR	Moffatt & Nichol	749912(72)MAR29	$1,931.38
5/15/2020	ACH-MN-PUENTE#	Moffatt & Nichol	749912(MAR)RETN	$101.65
5/15/2020	ACH-MN-MONTE(RETN)	Moffatt & Nichol	749907(MAR)RETN	$10,650.00
5/15/2020	ACH-MN-MONTE(RETN)	Moffatt & Nichol	749909(MAR)RETN	$2,203.60
5/15/2020	ACH-STANTEC#134-135	Stantec (FKA MWH Americas Inc	1644404(134)FEB20/#135(MAR20)	$58,960.81
5/15/2020	ACH-WSP#62(RETN)	WSP USA Inc. (FKA Parsons Brin	946771/772(FEB)RETN	$7,873.90
5/15/2020	ACH-WSP#62_FEB	WSP USA Inc. (FKA Parsons Brin	946771/772(62)FEB	$149,604.11
5/15/2020	ACH-PARAGON-MAR	Paragon Partners Ltd.	0019591(143)MAR20	$13,438.73
5/15/2020	ACH-PARAGON-MAR	Paragon Partners Ltd.	0019592-IN(81)MAR	$2,404.71
5/15/2020	ACH-PARAGON-MAR	Paragon Partners Ltd.	0019593-IN(39)MAR	$378.95
5/15/2020	ACH-PARAGON-MAR	Paragon Partners Ltd.	0019594-IN(84)MAR	$10,802.38
5/15/2020	ACH-PARAGON-MAR	Paragon Partners Ltd.	0019595-IN(83)MAR	$3,488.31
5/15/2020	ACH-PARAGON-MAR	Paragon Partners Ltd.	0019596-IN(79)MAR	$2,193.17
5/15/2020	ACH-PARAGON-MAR	Paragon Partners Ltd.	0019637-IN(1)MAR	$2,781.15
5/15/2020	ACH-P.GLOBAL#108	Prince Global Solutions, LLC	A-145(108)APR20	$14,500.00
5/15/2020	ACH-ROWLAND#46	Rowland Water District	E-4102020-46(46)MAR	$110,368.38
5/15/2020	ACH-JACOBS#105	Jacobs Project Management Comp	W9X15202-089(105)MA	$5,831.79
5/15/2020	ACH-UPRR_4/7/20	Union Pacific Railroad Company	90095172_WO17756	$5,989.67
5/15/2020	ACH-UPRR_4/7/20	Union Pacific Railroad Company	90095173_WO31791	$2,213.16
5/15/2020	ACH-VASQUEZ#3	Vasquez & Company LLP	2200350-IN(3)	$10,000.00
5/15/2020	ACH-J.JOHNSON_IT	Jason Johnson	12_MAY20	$888.75
5/15/2020	ACH-EPIC#126 M	Epic Land Solution, Inc	0320-00228(126)MAR	$794.98
5/15/2020	ACH-CAP REP#11	Capital Representation Group	19-029(110)APR20	$3,950.00
5/15/2020	ACH-OHL#60 MAR	OHL USA, Inc.	60_MAR20	$876,354.36
5/15/2020	ACH-OHL#60(RETN) MAR	OHL USA, Inc.	60_MAR20(RETN)	$96,771.39
5/15/2020	ACH-HPC#27620	HPC Computer Inc.	27620	$83.17
5/15/2020	ACH-HDR-TURN/M	HDR Engineering, Inc.	1200260652(41)MAR	$39,836.92
5/15/2020	ACH-HDR-TURN/M	HDR Engineering, Inc.	1200260655(21)JANMA	$39,125.82
5/15/2020	ACH-HNTB#24/#1	HNTB Corporation	1865194DS002(18)MAR	$122,092.53
5/15/2020	ACH-HNTB#24/#1	HNTB Corporation	2465194DS001(24)DEC	$17,538.90
5/15/2020	ACH-VALASSIS_A	Valassis Direct Mail Inc.	3271945	$1,280.57
5/15/2020	ACH-VALASSIS_A	Valassis Direct Mail Inc.	3274281	$1,881.18
5/18/2020	EFT-SCE_APR29@215 PUENTE	Southern California Edison	2412668360_APR29	$17.65
5/18/2020	EFT-SCE_APR29@217 PUENTE	Southern California Edison	2412668592_APR29	$17.47
5/18/2020	ACH-POWERPLUS	PowerPlus	281802P0420	$55.00
5/18/2020	ACH-JUSTIFACTS	Justifacts Credential Verifica	316016	$109.50

Transaction Date	Check Number	Vendor Name	Description	Amount
5/18/2020	ACH-TBS_207F-FURNITURE	TBS Foods, Inc.	APN207F-FIXTURES	$171,354.00
5/18/2020	EFT-CALPERS_PONCE	CALPERS	1827_ADJ_PONCE	$330.17
5/20/2020	WIRE-COMMON_MEDINA	Commonwealth Land Title Compan	APN210N-MEDINA	$3,598.00
5/20/2020	WIRE-COMMON_ALVAREZ	Commonwealth Land Title Compan	APN209JJ_ALVAREZ	$46,782.00
5/20/2020	EFT-CHOICEBUILDER	Choice Builder	592659	$2,840.75
5/22/2020	EFT-CALPERS ME	CALPERS	1800_HEALTH_JUN20	$30,257.36
5/22/2020	EFT-CALPERS UA	CALPERS	100000016026969	$226.57
5/22/2020	EFT-CALPERS PE	CALPERS	1827_PE 05.22.20	$17,078.81
5/22/2020	DEBIT-ICMA PE0	ICMA Retirement Trust - 457	ICMA_PE05.22.20	$5,042.53
5/26/2020	21203	Zarina Mapes	VCH#1585	$71.20
5/26/2020	21207	AIG	80000230926	$2,397.00
5/26/2020	21205	Southern California Edison	2410465520_MAY20	$185.07
5/26/2020	21206	SWRCB	SW-0192179	$1,996.00
5/26/2020	21208	Dell Business Credit	DELL_MAY20	$786.46
5/26/2020	21204	Federal Express	7-006-68383	$37.42
5/27/2020	WIRE-ABILA_APR	Abila, Inc.	1050-1000053021	$794.85
5/28/2020	ACH-ALGA FY20-21	ALGA	300000439	$210.00
5/28/2020	EFT-STANDARD_JUN	Standard Insurance Company	165466JUN20	$1,572.29
5/28/2020	ACH-EDISON-MAY	Edison Carrier Solutions	59390	$996.00
5/28/2020	ACH-PROFORMA_NAMETAGS	Proforma	735021365	$202.02
			Total May 2020 Disbursements	$2,372,712.20

Governing Board Attendance

	2019						2020					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Alhambra		D	D								A	
Arcadia	D	A	D	D	D		D	D		D	D	
Azusa	D	A	D				D	D		D	D	
Baldwin Park		D										
Bradbury												
Claremont	D	D	D	D	D		D	D		D	D	
Covina	D	A	D		D			D		D	D	
Diamond Bar	D	D	D	D	D		A	D		D	D	
Duarte	D	D	D	D	D		D			D	D	
El Monte	D	D	D				D	D		D	D	
Glendora	D	D	D	D	D		D	D		D	D	
Industry		D	D	D			D				D	
Irwindale		D		D	D		D	D			D	
La Cañada Flintridge												
La Puente	D	A	D					D		D	D	
La Verne	D	D	D		D		D			D	D	
Monrovia	D	D	D	D	D		D	D		D	D	
Montebello				D						D	D	
Monterey Park	D	D	D	D	D		D	D		D	D	
Pomona	D	D	D	D	D		D	D			D	
Rosemead	A		D	D	D		D	D		D	D	
San Dimas	D	D	D	D	D		D	D		D	D	
San Gabriel	D		D	D	D		D	D		D	D	
San Marino	A		A	A	A			D		D	D	
Sierra Madre	D	A	D	D	D		D	D		D	D	
South El Monte	D		D	D			D	D		D	D	
South Pasadena	A	A	D	D	D		D	D		D	D	
Temple City	D	D	D	D	D			D		D	D	
Walnut	D	D	D		D		D	D		D	D	
West Covina	D	D	D	D	D		D	D		D	D	
LA County District 1	D	D	D	D	A		A	D		D	D	
LA County District 4	D	D	D	D	D		D			D	D	
LA County District 5	D	A		D	D		D	D		D	D	
SGV Water Agencies		D					D	D		D	D	

Major Action Items and Presentations

July

Coyote Management Framework and Implementation Plan
Contract for Legal Services
Updated Salary Resolution
3rd Quarter Financial and Treasurer Reports

August (Special Meeting)

Allocation of $126 Million in Measure M Subregional Equity Program Funds to the Gold Line Foothill Extension Project Phase 1 Alignment to Pomona

September

Legislative Update: Senator Susan Rubio
Contract City Services Representative (Metro)
SoCalREN Public Agency Programs Contract
Amendment to Executive Director Employment Agreement

October

Enhancing Network, Transit Oriented Development, and Interregional Connectivity
Measure H Homelessness Funding Contract
I-605 Corridor Aesthetic Master Plan
Regionwide Swimming Pool Ordinance

November

Update on Stormwater Litigation
2019 State & Federal Legislative Accomplishments
State Homeless Funding and Measure H Innovation Funding Programming
Contract with SoCalGas

December (Dark)

January

Pomona Hope for Home Services Center Presentation
SGVCOG State and Federal Legislative Agenda

February

FY 19-20 Q1 Financial Report
Letter of Support for Regional Bacteria Study
SGVGT Appointment Process
State Homeless Funding and Measure H Innovation Funding Programming Updates

March (Dark)

April

FY 2020-2021 Draft Budget
San Gabiel Valley Regional Housing Trust (SGVRHT) Board of Director Appointments
Update on LAHSA Activities

May

FY 2020-2021 SGVCOG Budget
Approval of Letters Supporting Federal Funding for SGV Cities for Coronavirus Relief
San Gabriel Valley Regional Housing Trust Staffing
Update on Los Angeles County Homeless Initiative Activities

Capital Projects and Construction

	2019						2020					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Central District (El Monte)	✓									✓		
COG President			✓			✓	✓			✓		
Industry	✓		✓	✓		✓	✓			✓		
LA County	✓		✓	✓			✓			✓		
Montebello	✓		✓	✓			✓	✓		✓		
Northeast District (La Verne)	✓		✓	✓		✓	✓	✓		✓		
Northwest District (Monrovia)	✓		✓	✓		✓	✓	✓		✓		
Pomona	✓		✓	✓		✓	✓			✓		
San Gabriel				✓								
Southeast District (Diamond Bar)	✓		✓	✓		✓	✓	✓		✓		
Southwest District (South Pasadena)			✓			✓				✓		

Agenda Topics

July

Receive and File Presentation on Public Outreach and Business Retention Efforts

Approval to Receive and File Quarterly Project Progress Reports

Environmental Mitigation Monitoring Reports

August (Dark)

September

Election of Officers

Approval of Selection and Award of On-Call Public Outreach Services Contracts

Approval of Agreement with City of La Verne for Design of Proposed Gold Line Pedestrian Bridge

October

Approval of Selection of Construction Management Consultant for the At-Grade Safety Improvement Projects in Pomona and Montebello

Approval of Selection and Award of Contract for As Needed Right of Way Support Services

November (Dark)

December

Approval of Sole Source Contract to Railpros for Construction Observation Services

Approval of 2020 Transportation and Capital Projects Legislative Priorities

January

Approval of Amendment No. 4 to the Waterline Relocation Agreement with Rowland Water District for the Fullerton

Approval of Selection of Anser Advisory for Construction Management Services for the Turnbull Canyon Road Grade

February

Chief Engineer's Monthly Report

March

Approval of Construction Management Services Contract with Ghirardelli Associates, Inc

Approval of the Selection of AECOM for Construction Management Services for the Montebello Blvd. Grade Separation and Maple

	2019						2020					
	Jul	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**
Claremont	✓		✓	✓		✓	✓	✓	✓		✓	
Glendora			✓	✓		✓	✓	✓	✓		✓	✓
Monrovia	✓		✓	✓		✓	✓	✓	✓		✓	✓
Rosemead	✓		✓	✓		✓	✓	✓			✓	✓
Sierra Madre	✓		✓			✓		✓			✓	
South Pasadena	✓		✓	✓		✓	✓	✓	✓		✓	✓
LAC #1	✓		✓									

Agenda Topics

July (Joint Meeting with Water TAC)

San Gabriel Valley Greenway Network

Safe, Clean Water Program

September (Joint Meeting with Water TAC)

Proposed Bacteria Scientific Study

Safe, Clean Water Program

Prop 1 Stormwater Grant Program Guidelines

October (Joint Meeting with Water TAC)

Water Contaminant Litigation

December (Joint Meeting with Water TAC)

SB 205 Implmentation

2020 Legislative Priorities

January (Joint Meeting with Water TAC)

Upper Los Angeles River (ULAR) Watershed Management Group: Pre-Stormwater Investment Plan and Load Reduction Strategy

Scientific Study to Support Protection of Human Health through Targeted Reduction of Bacteriological Pollution

February (Joint Meeting with Water TAC)

Working Proposal of the Regional Phase 1 Municipal Separate Storm Sewer System (MS4) NPDES Permit

State Water Resources Control Board Draft Order

March (Joint Meeting with Water TAC)

Safe Clean Water Program County-City Transfer Agreement

Safe Clean Water Program Management and Scoring Criteria

April (Dark)

May (Joint Meeting with Water TAC)

Safe Clean Water Program Implementation

COVID-19 Stimulus Funding

June (Joint Meeting with Water TAC)

PFAS Contamination and How it Affects the San Gabriel Valley Presentation

HR 535 (Dingell) – PFAS Action Act of 2019

Safe Clean Water Program Updates

Transportation Committee Attendance

	2019						2020					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Alhambra												
Claremont	✓		✓	✓			✓	✓				
Diamond Bar	✓		✓	✓	✓		✓	✓				
Duarte	✓		✓	✓	✓		✓	✓				
Glendora			✓	✓	✓		✓					
Industry				✓			✓					
L.A. County District 1	✓		✓	✓	✓			✓				
L.A. County District 5	✓		✓		✓			✓				
Monterey Park			✓	✓	✓		✓	✓				
Pomona				✓								
San Gabriel	✓		✓	✓	✓		✓	✓				
South El Monte				✓								
South Pasadena												
Temple City			✓				✓	✓				
Walnut												

Agenda Topics

July

SGV Bikeshare Program

Metro Gold Line Funding

August (Dark)

September

Ontario Airport

October

SB 743 Implementation

I-605 Corridor Aesthetics Master Plan

November

2020 Transportation Committee Legislative Priorities

San Gabriel Valley Greenway Network Implementation Plan

December (Dark)

January

Metro Automated Bus Lane Enforcement Pilot Program

East-Side Route 60 Gold Line Extension Updates

February

Review of Metro's Recommendation on East Side Route 60 Gold Line Extension

March (Dark)

EENR Committee Attendance

	2019						2020					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Covina			✓	✓								
Claremont	✓		✓		✓		✓	✓		✓	✓	
Duarte			✓	✓	✓		✓	✓		✓	✓	
L.A. County District 1												
Rosemead			✓				✓			✓	✓	
San Dimas	✓		✓	✓	✓		✓	✓		✓	✓	
San Gabriel	✓						✓	✓		✓	✓	
Sierra Madre			✓				✓				✓	
Temple City (Ex-officio)			✓				✓	✓		✓	✓	
West Covina					✓		✓			✓	✓	

Agenda Topics

July

Athens Services' American Organics Recycling Facility Tour

August (Dark)

September

Election of FY 2019-2020 Committee Chair and Vice Chair
Southern California Edison EV-Ready Communities Paper
Claremont Locally Grown Power
Recommendation of SGVCOG Representative to San Gabriel Mountains Community Collaborative

October

Beverage Recycling Updates
Solid Waste Legislative Review and Updates

November

Wildfire Prevention Strategies
Southern California Edison Wildfire Mitigation, Safety, and Grid Resiliency
2019-2020 EENR Legislative Priorities

December (Dark)

January

2019-2020 EENR Legislative Priorities
AQMD Contingency Measure Plan for 1997 8-Hour Ozone Standard

February

Tour of the SoCalGas Energy Resource Center

March (Dark)

April

Claremont Wildlands Conservancy's Efforts to Protect San Gabriel Mountains Foothills
Coronavirus Situation in Los Angeles County
2020 Nature for All Programs

May

2020 San Gabriel Valley Energy Wise Partnership Programs
H.R. 535 (Dingell) - PFAS Action Act of 2019

Homelessness Committee Attendance

	2019						2020					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Arcadia												✓
Baldwin Park	✓		✓	✓				✓	✓	✓	✓	✓
Claremont	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
Duarte		✓						✓			✓	✓
Glendora	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
Irwindale		✓						✓	✓			
Monrovia	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
Pomona	✓	✓	✓	✓	✓				✓	✓	✓	✓
Rosemead	✓			✓	✓	✓		✓	✓	✓	✓	✓
West Covina		✓		✓		✓		✓	✓		✓	
LA County Dist 1		✓	✓	✓	✓	✓		✓	✓		✓	✓

Agenda Topics

July

SB 1045 (Weiner, Stern)
Veteran Homelessness and Solutions
AB 1275 (Santiago)
RHTF Working Group

August

Continuum of Care Administration of State Funds
Homelessness Prevention Strategies
RHTF Working Group

September

Hope for Home
San Gabriel Valley Winter Shelter
RHTF Next Steps

October

Pasadena's TPO
Claremont's Collaboratin Shower Program for Unsheltered Residents
RHTF Kick-off meeting
Executive Order N-06-19

November

Monrovia Housing Displacement Response Plan
State and County Funding Allocations
Fighting Homelessness Through Services and Housing Act (S. 923)

December

County of Orange Homeless Litigation

January (Dark)

February

State/County Homelessness Funding Program Recommendations
San Gabriel Valley Regional Housing Trust Board of Directors Appointment Process

March

TempLA - LA County's program for hiring formerly homeless people
SB 1212 (Rubio) - Clean-up Legislation for the Regional Housing Trust

April

Union Station COVID-19 protocols

May

Project Roomkey
SGVCOG Hygiene Program

June

Pasadena Outreach Response Team (PORT)

Water TAC Attendance

	2019						2020					
	Jul	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**
Alhambra	✓		✓			✓	✓	✓	✓		✓	✓
Arcadia												
Bradbury			✓	✓					✓			✓
Covina	✓		✓					✓	✓		✓	✓
Duarte	✓						✓	✓			✓	✓
Glendora												✓
Monrovia						✓	✓	✓	✓		✓	✓
Pomona	✓		✓			✓			✓			✓
Sierra Madre	✓		✓	✓			✓	✓	✓		✓	
LA County DPW	✓			✓		✓	✓	✓	✓		✓	✓
San Gabriel Valley Municipal Water District			✓									✓
Upper San Gabriel Valley Municipal Water District	✓		✓			✓	✓	✓	✓		✓	✓
Ex-Officio												
LA County Sanitation Districts	✓										✓	✓
Main San Gabriel Basin Watermaster	✓		✓	✓		✓	✓	✓	✓		✓	✓

Agenda Topics

July (Joint Meeting with Water Committee)

San Gabriel Valley Greenway Network

Safe, Clean Water Program

September (Joint Meeting with Water Committee)

Proposed Bacteria Scientific Study

Safe, Clean Water Program

Prop 1 Stormwater Grant Program Guidelines

October (Joint Meeting with Water Committee)

Water Contaminant Litigation

December (Joint Meeting with Water Committee)

SB 205 Implmentation

2020 Legislative Priorities

January (Joint Meeting with Water Committee)

Upper Los Angeles River (ULAR) Watershed Management Group: Pre-Stormwater Investment Plan and Load Reduction Strategy

Scientific Study to Support Protection of Human Health through Targeted Reduction of Bacteriological Pollution

February (Joint Meeting with Water Comitteee)

Working Proposal of the Regional Phase 1 Municipal Separate Storm Sewer System (MS4) NPDES Permit

State Water Resources Control Board Draft Order

March (Joint Meeting with Water TAC)

Safe Clean Water Program Fund Transfer Agreements

Safe Clean Water Program Management and Scoring Criteria

April (Dark)

May (Joint Meeting with Water TAC)

Safe Clean Water Program Implementation

COVID-19 Stimulus Funding

June (Joint Meeting with Water TAC)

PFAS Contamination and How it Affects the SGV

HR 535 (Dingell) – PFAS Action Act of 2019

Safe Clean Water Program Updates

	2019						2020					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Arcadia		✓	✓	✓	✓		✓					
Alhambra		✓	✓	✓	✓	✓						
Azusa		✓	✓	✓	✓	✓	✓					
Baldwin Park		✓	✓	✓	✓	✓	✓					
Covina		✓	✓	✓								
Diamond Bar							✓					
Duarte		✓	✓									
El Monte		✓		✓								
Glendora		✓		✓		✓						
La Canada Flintridge		✓			✓	✓	✓					
La Verne		✓	✓	✓	✓	✓	✓					
Monrovia		✓										
Monterey Park		✓	✓		✓							
Pomona		✓	✓	✓		✓						
Rosemead				✓	✓							
San Marino		✓	✓	✓	✓	✓						
Temple City		✓	✓		✓	✓						

Agenda Topics

August

Gold Line Funding Allocation

Homelessness Discussion Supervisor Barger

September

Metro Commuter Ordinance

SGV Regional Housing Trust

October

Process Study Recap

Vector Control Regionwide Pool Ordinance

November

State Homeless Funding and Measure H Innovation Fund Allocations

Regional Housing Trust Fund Setup

December

Regional Housing Trust Fund Setup

January

Regional Housing Trust Fund Joint Powers Agreement and Board Selection Process

February (Dark)

March (Dark)

April (Dark)

May (Dark)

June (Dark)

	2019						2020					
	Jul	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**
Alhambra		✓	✓	✓		✓	✓			✓	✓	
Arcadia		✓				✓		✓		✓		
Azusa			✓			✓	✓			✓	✓	
Baldwin Park		✓	✓	✓		✓	✓	✓		✓	✓	
Claremont			✓	✓		✓	✓	✓		✓	✓	
Covina		✓	✓	✓						✓	✓	
Diamond Bar		✓		✓		✓				✓	✓	
Duarte		✓	✓	✓		✓	✓	✓		✓	✓	
El Monte		✓		✓		✓	✓			✓	✓	
Glendora		✓	✓	✓		✓	✓	✓		✓	✓	
Irwindale			✓	✓			✓	✓		✓	✓	
La Verne		✓		✓			✓	✓		✓		
Monrovia		✓		✓		✓	✓			✓	✓	
Montebello												
Monterey Park						✓				✓	✓	
Rosemead		✓				✓		✓		✓	✓	
San Dimas		✓	✓	✓		✓	✓	✓		✓	✓	
San Gabriel		✓	✓			✓	✓			✓	✓	
Sierra Madre		✓	✓	✓		✓	✓			✓	✓	
South El Monte		✓		✓		✓		✓		✓	✓	
South Pasadena										✓		
Temple City		✓	✓	✓		✓		✓		✓	✓	
West Covina		✓	✓			✓	✓			✓		
L.A. County DRP		✓	✓	✓		✓	✓	✓		✓	✓	

Agenda Topics

July (Dark)

August

Executive Order N-06-19 (Affordable Housing Development)

Proposed RHNA Allocation Methodologies

September

Gold Line Phase 2B First/Last Mile Briefing

East San Gabriel Valley Active Transportation Plan

October

Arrow Highway Specific Plan

SB 2 Planning Grants Overview and Discussion

November (Dark)

December

2019 Housing Legislative Updates

SB 743 Implementation & San Gabriel Valley Regional Transportation Analysis Model

January

Metro Countywide Traffic Reduction Study

February

Tour of the Pomona Hope for Home Services Center

March (Dark)

April

Legislative Updates on SB 899 (Wiener) & SB 902 (Wiener)

San Gabriel Valley Subregional Arterial Performance Baseline Conditions Analysis

Climate Resolve & SCE Grant Writing Assistance Program for Los Angeles County

May

San Gabriel Valley Regional VMT Analysis Model

Finalized East San Gabriel Valley Active Transportation Plan

Public Works TAC Attendance

	2019						2020					
	Jul	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**
Arcadia				✓	✓		✓			✓		
Azusa	✓		✓	✓	✓		✓			✓	✓	
Baldwin Park					✓					✓	✓	
Claremont					✓							
Diamond Bar	✓		✓	✓	✓		✓	✓		✓	✓	
El Monte	✓				✓		✓			✓	✓	
Glendora										✓		
Industry			✓	✓	✓		✓	✓		✓	✓	
Irwindale	✓		✓	✓	✓		✓			✓	✓	
La Verne	✓		✓	✓	✓		✓				✓	
Monrovia	✓										✓	
Monterey Park			✓	✓			✓			✓	✓	
Pomona	✓			✓	✓					✓	✓	
Rosemead										✓	✓	
San Dimas	✓		✓	✓	✓		✓			✓		
San Gabriel				✓			✓					
San Marino										✓	✓	
South El Monte			✓	✓	✓					✓	✓	
South Pasadena				✓			✓				✓	
Temple City			✓	✓	✓		✓	✓		✓	✓	
West Covina												
LA County DPW	✓		✓	✓	✓		✓	✓		✓	✓	

Agenda Topics

July

Southern California Edison's EV-Ready Communities Paper

Regionwide Swimming Pool Ordinance

August (Dark)

September

San Gabriel Valley Regional Bikeshare Program

Statewide Energy Efficiency Collaborative Resources for Local Governments

I-605 Corridor Aesthetics Master Plan

October

Appointment of Representatives to Metro TAC

SB 901 Utility Wildfire Mitigation Plan

Safe Clean Water Program Overview and Updates

November

Solid Waste Legislation Review and Updates

Job Order Contracting

SB 743 Implementation & San Gabriel Vlaley Regional Transportation Analysis Modal

December (Dark)

January

South Bay Fiber Network

Effective Public Outreach Strategies for Public Works Projects

February

ACE Construction Site Tours

March (Dark)

April

San Gabriel Valley Greenway Network Implementation Plan

Smart Cities Initiative Overview

May

Infrastructure LA

Southern California Regional Energy Network Public Agency Programs

REPORT

DATE: June 18, 2020

TO: Executive Committee
Governing Board

FROM: Marisa Creter, Executive Director

RE: 2ND QUARTER FINANCIAL REPORT / TREASURER'S REPORT

RECCOMENDED ACTION

Receive and file.

BACKGROUND

Staff is recommending to receive and file the Treasurer's report. The full 2nd Quarter Financial Reports for the SGVCOG and the ACE Project are included as attachments to the Treasurer's report. The Treasurer's report was prepared by the SGVCOG's Treasurer, CliftonLarsonAllen LLP. Renee Graves from CliftonLarsonAllen will presented this report to the SGVCOG Executive Committee on June 1.

Prepared by: _____
Katie Ward
Senior Management Analyst

Approved by: _____
Marisa Creter
Executive Director

ATTACHMENTS

Attachment A – 2nd Quarter Treasurer's Report

Attachment A

San Gabriel Valley Council of Governments and Alameda Corridor – East Construction Authority

Quarterly Report Ended December 31, 2019

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I. Executive Summary

Background and Objective

CliftonLarsonAllen LLP (CLA) was retained by the San Gabriel Valley Council of Governments (SGVCOG) to perform consulting services related to the San Gabriel Valley Council of Governments (COG) and the Alameda Corridor-East Construction Authority (ACE). The objective is for CLA to read and assess SGVCOG's quarterly reports, perform selective ratio analysis, and report to the Executive Committee accordingly. Throughout the consulting engagement, CLA maintained contact with Marisa Creter, Executive Director/ Chief Executive Officer and Rey Alimoren, Audits Manager.

Professional Standards

CLA performed this engagement in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Consulting Services. In consulting engagements, the nature and scope of work is determined solely by the agreement between the practitioner (CLA) and the client. The analysis and report does not constitute an audit, compilation, review, agreed-upon procedures or examination in accordance with Standards of the AICPA, the objective of which would be the expression of an opinion on any specified elements, accounts, or items. Accordingly, CLA does not express any such assurance.

Scope of Engagement

General

CLA reviewed the bank reconciliations, trial balance, and quarterly reports regarding financial position for the quarter ended December 31, 2019. CLA created or obtained various electronic files in order to prepare this report to the Executive Committee; the electronic files are available upon request.

Dollar values included in this report have been rounded; therefore the numbers included here may differ slightly when comparing the values included in this report to the underlying detail.

Results of Procedures Performed

This section summarizes our findings from the analyses and procedures performed. The applicable sections of the report include a more detailed discussion of each area, specific observations, and recommendations, if applicable.

Review of ACE Investments and Cash Balances

CLA was provided with a Fixed Income Investments Portfolio Summary report dated December 31, 2019. The report included the current book value and market values for ACE's: Government Securities, Certificates of Deposit, Corporate Bonds, Government Mortgages, Municipals, and Cash and Cash Equivalents. The portfolio's total market value of $33,801,282 does not include an unrealized loss of $33,862. The amount on the *Fixed Income Investments Portfolio* report was verified against the Citizens Trust investment book value balance of $33,835,144 for the period ending December 31, 2019. The book value and market value of the Local Agency Investment Fund (LAIF) was substantiated through review of the LAIF balance confirmation as of December 2019. The amounts reported as current book value and market value on the December 31, 2019 Fixed Income Investments Portfolio report were reconciled.

ACE's bank account reconciliations and coordinating bank statements were reviewed and corroborated with the trial balance for the quarter ended December 31, 2019.

Review of ACE 2nd Quarter 2020 Reports

Expenditures vs. Reimbursements (Exhibit V): Approximately 97% of ACE's Income-to-Date (ITD) Expenditures have been reimbursed, a decrease of 2% from the 99% reimbursement rate at the prior quarter ended September 30, 2019.

The remaining receivables total $40,896,045 of which $33,526,339 or 82%, was to be billed after the December 31 balance sheet date. Ratio analysis showed expenditures and reimbursements to be consistent with the prior quarter ended September 2019. Cash decreased by 46.5%. The decrease can be attributed to the net increase in receivables and decrease in investments from the prior quarter.

Other receivables, surplus property and deferred costs remained relatively flat; the 2020 Q2 balance is $16.376m while the 2020 Q1 balance was $17.124m.

Treasury/Banking Investments (Exhibit VII): Report amounts were agreed to the trial balance. Below is a summary of changes between the 2020 Q2 balance and the 2020 Q1 balance.

		Q2 12.31.2019	Q1 9.30.2019	Increase/ (Decrease)
Cash		$13,139,746	$24,554,249	-46.5%
Investments		$35,504,805	$45,287,302	-21.6%
Receivables		$40,896,045	$19,875,473	105.8%
Other Receivables, Surplus Property and Deferred Costs		$16,376,127	$17,124,415	-4.4%
Liabilities		$92,802,733	$93,459,146	-0.7%
Fund Balance before PERS Liability		$13,113,990	$13,382,293	-2.0%

Review of COG Cash Balances, including LAIF

CLA was provided a Comparative Summary Balance Sheet for 2020 Q2 and 2020 Q1. Cash balances and Local Agency Investment Fund (LAIF) were verified with the Citizens Business Bank account statements for the period ended December 31, 2019 and the LAIF statement as of December 2019.

Overall, COG's cash and cash equivalents increased 125% since prior quarter (2020 Q1) from $3,451,888 to $7,779,277 for the period ended December 31, 2019. During Q2, $5,625,000 was received for the Housing/Homeless project creating an increase in cash and liabilities (unearned revenue).

		Q2 12.31.2019	Q1 9.30.2019	Increase/ (Decrease)
Cash		$7,779,277	$3,451,888	125.4%
Receivables		$1,119,435	$799,646	40.0%
Prepaids and Deferrals		$156,261	$153,769	1.6%
Liabilities		$7,554,248	$3,169,586	138.3%
Net Position, End of Period		$1,500,725	$1,235,717	21.4%

COG's bank account reconciliations and coordinating bank statements were reviewed and corroborated with the trial balance for the quarter ended December 31, 2019.

Review of COG 2nd Quarter 2020 Reports

All balances on the Comparative Summary Balance Sheet as of December 31, 2019 were verified against the period trial balance as of December 31, 2019. The Grants Receivable Aging Detail report as of December 2019 was also verified to the trial balance.

Coronavirus Disease (COVID-19)

The World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic in March 2020. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities. During the period beginning in March 2020, both domestic and international equity markets experienced significant declines. Any losses are not reflected in this quarterly report as these events occurred subsequent to December 31, 2019.

Management believes SGVCOG is taking appropriate actions to mitigate any negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events continue to develop.

Conclusion

As discussed herein, no instances that would cause concern that the quarterly reports prepared by ACE and COG are inaccurate or inadequate to meet the governance needs of the Executive Committee and the Board of Directors were noted, specifically related to the sections of the Joint Powers Agreement effective March 12, 2007 included herein.

- Section 4. Purpose and Powers of the Council. The Council shall have, and may exercise the powers to:
  - Subsection b(4) utilize member resources or presently existing single purpose public and public/private groups to carry out its programs and projects;
  - Subsection b(8) serve as a mechanism for obtaining state, federal and regional grants to assist in financing the expenditures of the Council;
  - Subsection b(9) make and enter into contracts, including contracts for the services of engineers, consultants, planners, attorneys and single purpose public/private groups;
  - Subsection b(11) apply for, receive and administer a grant or grants under any federal, state, or regional programs;
  - Subsection b(12) receive gifts, contributions and donations of property, funds, services and other forms of financial assistance from persons, firms, corporations and any governmental entity;
- Section 6. Use of Public Funds and Property. The Council shall be empowered to utilize for its purposes, public and/or private funds, property and other resources received from the Members and/or from other sources.
- Section 17. Control and Investment of Council Funds. The Governing Board shall adopt a policy for the control and investment of its funds and shall require strict compliance with such policy. The policy shall comply, in all respects, with all provisions of applicable law.

Renee S. Graves, CPA, CGFM
Principal
CliftonLarsonAllen LLP

II. Background and Scope of Engagement

A. Engagement Background and Objectives

CliftonLarsonAllen LLP (CLA), was retained by the San Gabriel Valley Council of Governments. Throughout the engagement, CLA maintained regular contact with the Marisa Creter, Executive Director/ Chief Executive Officer and Rey Alimoren, Audits Manager.

B. Professional Standards

CLA performed this engagement in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Consulting Services. In consulting engagements, the nature and scope of work is determined solely by the agreement between the practitioner (CLA) and the client. The analysis and report does not constitute an audit, compilation, review, agreed-upon procedures or examination in accordance with Standards of the AICPA, the objective of which would be the expression of an opinion on any specified elements, accounts, or items. Accordingly, CLA does not express any assurance.

C. Scope of Engagement

Attachment A to our agreement includes possible consulting procedures to be performed on a monthly basis. Correspondence between Renee Graves of CLA and SGVCOG's Marisa Creter, Executive Director/ Chief Executive Officer and Rey Alimoren, Audits Manager, occurred to clarify the scope of the engagement for the quarter ending December 31, 2019. The following areas were agreed to regarding 2nd Quarter 2020 Reports prepared as of December 31, 2019.

<u>ACE</u>

1. Investments and Cash Balances
2. Review the 2nd Quarter 2020 Report as of December 31, 2019
2. Information reported in the Quarterly Report reconciles to the general ledger

<u>COG</u>

1. Cash Balances, including LAIF
2. Review the 2nd Quarter 2020 Report as of December 31, 2019
3. Information reported in the Quarterly Report reconciles to the general ledger

D. General Disclosures

CLA created or obtained various electronic files in order to prepare this report to the Executive Committee; the electronic files are available upon request.

Dollar values included in this report have been rounded; therefore the numbers included here may differ slightly when comparing the values included in this report to the underlying detail.

E. Background Information

San Gabriel Valley Council of Governments (COG)

The San Gabriel Valley Council of Governments (SGVCOG) is a joint powers authority made up of representatives from 30 cities, three Los Angeles County Supervisorial Districts, and the three Municipal Water Districts located in the San Gabriel Valley. The SGVCOG serves as a regional voice for its member agencies and works to improve the quality of life for the more than two million residents living in the San Gabriel Valley. The SGVCOG works on issues of importance to its member agencies, including transportation, housing, economic development, the environment, and water, and seeks to address these regionally.

The SGVCOG is a sub-regional government that serves as a unified voice to maximize resources and advocate for regional and member interests to improve the quality of life in the San Gabriel Valley.

The vision of SGVCOG is that by 2021, the SGVCOG will serve as a model subregional agency in Southern California by continuing its existing support of member agency goals and priorities while leveraging the new opportunities provided by the extension and expansion of ACE.

Alameda Corridor-East Construction Authority (ACE)

The Alameda Corridor-East (ACE) Construction Authority was established in 1998 by the San Gabriel Valley Council of Governments (SGVCOG) as a single-purpose construction authority to implement a construction program intended to mitigate the vehicle delays and collisions at rail-roadway crossings resulting from growing freight rail traffic in the San Gabriel Valley. The ACE Trade Corridor rail mainlines through Southern California carry 16 percent of all oceangoing containers in the United States and have been designated by Congress as a Project of National and Regional Significance. With trade volumes through the Ports of Los Angeles and Long Beach projected to grow, train counts through the Valley are expected to increase by 150% by 2042, resulting in additional adverse crossing impacts. In 2017, the

SGVCOG was restructured and established the SGVCOG Capital Projects and Construction Committee, as a successor to the ACE Construction Authority with full responsibility for implementing the ACE Project.

The ACE Project is a comprehensive program of constructing grade separations, where the road goes over or under the railroad, at 19 crossings (resulting in the elimination of 23 at-grade crossings) and safety and mobility upgrades at 53 crossings. Construction has been completed on fourteen rail-roadway grade separations. Three grade separations are under construction with another two grade separations and eight crossing safety projects in the design phase. Jump Start safety improvements have been completed at 40 at-grade crossings.

F. Acronyms Used

ACE - Alameda Corridor-East Construction Authority
CM – Construction Management
COG – San Gabriel Valley Council of Governments
LAIF – Local Agency Investment Fund
MTA – Metropolitan Transit Authority
PERS – Public Employee's Retirement System
ROW – Right of Way

III. Review of identified areas for ACE

A. Review of Investments and Cash Balances

The December 31, 2019 Fixed Income Investments Portfolio report was verified with the Citizens Trust statement for the period of December 1, 2019 through December 31, 2019 and the LAIF statements as of December 31, 2019. The amounts reported as the market value and the current book value on the December 31, 2019 Fixed Income Investments Portfolio report were reconciled. The allocation of investments within the pool by the type of investment is consistent with the current Investment Policy.

Due to the daily volatility of investments, the balance is reported on a cost basis during the fiscal year and adjusted to fair value during the year end closing process. The applicable balances for the quarter ending December 31, 2019 are:

- Trial balance amount of $33,801,282 is offset by a "change in market value" balance of $33,862 for a reported balance of $33,835,144.
- Book value and market value per Citizens Trust Investment Statement is $33,835,144 and $33,801,282, respectively. An unrealized loss of $33,862 is not reflected in the 2020 Q2 reports.
- Exhibit VII Treasury/ Banking Investments Report amount of $33,835,144.

B. Review of Information Provided by ACE

Exhibit V ACE Expenditures vs. Reimbursements and Exhibit VII Treasury/ Banking Investments reports as of December 31, 2019 were obtained and verified against the preliminary trial balance as of December 31, 2019.

Exhibit V ACE Expenditures vs. Reimbursements Report

Amounts shown under the reimbursement status for the categories of 1) *Current/ 30 days or less* of $5.274m*;* 2) *Aged Receivable* with no balance; 3) *To be billed* of $33.526m*;* and 4) *MTA retention* of $2.096m were verified against the accounts listed on the trial balance. The *Current/ 30 days or less* and *MTA retention* balances are each in a separate general ledger account. The *To be billed* amount is the aggregate balance of approximately 28 accounts for each individual project by various phases (CM, ROW, Design, Construction, Construction Management and Betterment). These amounts were verified with the accounts listed on the trial balance.

Exhibit VII Treasury/ Banking Investments Report

Each of the accounts listed on Exhibit VII were verified with the trial balance. Consistent with the previous quarterly report, Exhibit VII presents *other receivables, prepaids, surplus property and deferred costs* at the gross aggregate amount of $16.376m from approximately 13 separate accounts, the most significant accounts being Surplus Property of $11.1m. The applicable balances for the quarter ending December 31, 2019 are as shown herein.

Other receivables	$ (8,065)
Notes receivable	150,000
Unbilled receivables	2,259,605
Prepaid expenses	165,727
Surplus property	11,098,771
Due from COG	245,765
Deferred costs - indirect	2,498,186
Unrealized change in investments	(33,862)
	$ 16,376,127

The PERS unfunded termination liability of $6.347m was obtained from the December 31, 2016 CalPERS Actuarial Valuation Report. This liability is not reflected on the trial balance, but is shown on Exhibit VII to reflect the payout that could occur should ACE cease to exist. The actuarially determined PERS net pension liability, including the related deferred outflows and deferred inflows would be reported in the annual audited financial statements in accordance with applicable GASB standards.

IV. Review of identified areas for COG

A. Review of Cash Balances, including LAIF

The December 31, 2019 Bank and LAIF balances reported on the Comparative Summary Balance Sheet were verified against each Citizens Business Bank statement and LAIF statement as of December 31, 2019.

B. Review of Second Quarter 2020 Reports

As of December 31, 2019, the Comparative Summary Balance Sheet report was verified to the trial balance. Individual balances on the trial balance were verified to reconciled bank statements and to the LAIF statement at December 31, 2019. All amounts reported were verified to the trial balance. The allocation of investments within the pool by the type of investment is consistent with the current Investment Policy.

Grants Receivable Aging Detail Report

The Grants Receivable Aging Detail report was reconciled to the trial balance. As of December 31, the receivable balance was $402,490. As reported by ACE's Finance Department, $67,588 was collected subsequent to the December 31 quarter end. The most significant receivable is $240,782 (aged 0-30 days) for December 2019 activity for MTA – Open Streets. Management believes that all amounts are reasonably expected to be collected. The aged receivable balance is as shown herein.

Aged 30 days	$ 265,785	66.0%
Aged 31-60 days	35,885	8.9%
Aged 61-90 days	2,561	0.6%
Aged 91+ days	98,259	24.4%
	$ 402,490	

The balance of the remaining receivables of $334,902 as of the date of this report is a decrease compared to the amount of remaining receivables in the 2020 Q1 report of $384,664.

Credit Card Charges

Purchases for the period of July 2019 to December 2019 totaled $10,635. Purchases compared to the prior year quarter and prior year-to-date is shown herein.

	Q2 12.31.2019	Q2 12.31.2018	Increase/ (Decrease)
Total Credit Card Expenditures - Current Quarter	$ 10,635	$ 8,474	25.5%
	YTD 12.31.2019	YTD 12.31.2018	Increase/ (Decrease)
Total Credit Card Expenditures - Year-to-Date	$ 28,694	$ 24,192	18.6%

During the quarter, $3,997 was expended on meetings and travel, a 3% increase from last year's Q2 meetings and travel spending of $3,891. Year-to-date expenses for meetings and travel is $9,256, a 15% increase from last year's YTD spending of $8,034.

	Q2 12.31.2019	Q2 12.31.2018	YTD 12.31.2019	YTD 12.31.2018
Bike Share	$ -	$ -	$ 109	$ -
Coyote Program	199	-	199	
Dues & Subscriptions	-	-	16	
Energy Wise - Gas Co	260	108	427	691
Energy Wise - SCE	340	162	589	1,036
Equipment & Software	114	-	114	-
General Assembly Event	-	200	-	2,200
Homelessness Program	-	-	300	2,710
Interco due from ACE	1,377	-	8,939	
Meetings/Travel	2,925	2,945	6,704	6,095
Meetings/Travel - Board	1,072	946	2,552	1,939
Office Supplies	259	560	717	1,669
Open Streets - El Monte	2,022	-	3,692	-
Postage	-	40	55	185
Postage - Board	37	34	103	101
Prepaid expenses	783	1,385	1,730	2,173
Recruitment	-	525	-	525
Staff Training	49	-	49	1,733
Utilities	876	918	1,737	1,893
Webpage/ Software Services	322	651	662	1,242
	$ 10,635	$ 8,474	$ 28,694	$ 24,192

Purchases by credit card are utilized for efficiencies in procurement of goods and services.

Budget to Actual Comparison Report

Budget v. Actual

Member Dues comprise approximately 88% (actual and budget) of operating revenue through 2020 Q2. As of December 31, 50% of total Member Dues revenue budgeted for the 2020 fiscal year has been recognized. COG had actual year-to-date expenses totaling 39% of the 2020 fiscal budget, ending the quarter with net income of $279,598.

A comparison of the quarterly budget, fiscal budget and percent of fiscal budget is presented herein.

	Q2 Actual 2019-20 (Operating)	FY 2019 Revised Budget 2019-20	Year-To-Date % of Budget 2019-20	Q2 Actual 2019-20 (Non-Capital Projects)	FY 2019 Revised Budget 2019-20	Year-To-Date % of Budget 2019-20
Membership Dues	$ 393,155	$ 779,898	50%	-	-	0%
Hero Program	653	3,200	20%	-	-	0%
Transportation Administration (Local)	50,725	101,569		-	-	0%
Interest	4,737	1,000	474%	-	-	0%
Grants & Special Projects	-	-	0%	811,100	1,644,789	49%
Total Revenue	$ 449,270	$ 885,667	51%	$ 811,100	$1,644,789	49%
Personnel	$ 8,895	$ 395,946	2%	-	131,982	0%
Committee & Employee Expenses	23,553	61,060	39%	-	11,140	0%
Professional Services	110,386	285,656	39%	-	20,617	0%
Other Expenses	63,039	96,499	65%	-	35,801	0%
Total Indirect Expenses	$ 205,873	$ 839,161	25%	$ -	$ 199,540	0%
Personnel	$ -	$ -	0%	325,133	227,460	143%
Program Management	-	-	0%	449,766	1,217,789	37%
Total Direct Expenses	$ -	$ -	0%	774,899	1,445,249	54%
Total Expenditures	205,873	839,161	25%	774,899	1,644,789	47%
Net Income (Loss)	$ 243,397	$ 46,506	N/A	36,201	-	N/A

V. List of Exhibits

ACE – Exhibit V – Expenditures vs. Reimbursements as of December 31, 2019
ACE – Exhibit VII – Treasury/ Banking Investments, Investments Portfolio and Summary as of December 31, 2019
COG –2020 2nd Quarter Reports as of December 31, 2019 – Comparative Summary Balance Sheet, Grants Receivable Aging Detail, CitiCard Charges and Budget Report

		Reimbursement Status ($ 000)				
Projects	**ITD Expenditures**	**Received**	**Current / 30 Days or less**	**Aged Receivable**	**To Be Billed**	**MTA Retention**
At Grade Crossing	3,995.63	$ 3,704	$ -	$ -	$ 286	$ 6
Durfee	42,126.89	36,622	-	-	5,158	347
Fairway Drive	134,665.66	117,667	-	-	16,823	176
Fairway-Lemon Betterment	21,895.10	19,000	5,274	-	(2,378)	-
Fullerton	80,132.99	76,926	-	-	2,722	484
Montebello	24,487.44	18,965	-	-	5,472	51
Maple Ave.	603.43	575	-	-	25	3
Montebello At Grade	237.01	192	-	-	45	0
Nogales (LA)	119,622.02	116,510	-	-	2,652	460
Puente Ave.	88,352.11	87,909	-	-	350	94
SG Trench	293,387.30	292,768	-	-	574	46
Temple	94,722.34	94,503	-	-	-	219
Turnbull Cyn.	6,858.35	4,852	-	-	1,798	209
Baldwin	70,365.10	70,363	-	-	-	2
Brea Canyon	73,458.64	73,459	-	-	-	-
Crossing Safety / IRRIS	34,342.54	34,343	-	-	-	-
EE/Reservoir	78,959.76	78,960	-	-	-	-
Hamilton	1,789.07	1,789	-	-	-	-
Nogales (AH)	49,796.80	49,797	-	-	-	-
Ramona	53,090.77	53,091	-	-	-	-
Sunset	93,793.78	93,794	-	-	-	-
Sub-total Projects	$ 1,366,687	$ 1,325,791	5,274	-	33,526	2,096
Project Administration	9,110	8,901	-	-	209	-
Total ACE	1,375,797	1,334,692	5,274	-	33,735	2,096
Non-Grade Separation						
Rio Hondo	236	226	-	-	10	-
57/60 Project	152	-	-	-	152	-
	1,376,185	1,334,918	5,274	-	33,897	2,096

	12.31.2019		Change	09.30.2019
Cash on hand				
Operating Account	**$ 2,928,596**		$ 406,798	$ 2,521,798
Money Market Account (2)	**8,444,938**		(5,827,632)	14,272,570
Money Market (UPRR Contributions)	**1,766,212**		(5,993,669)	7,759,881
Total cash on hand	**13,139,746**		(11,414,503)	24,554,249
Investments				
LAIF	**1,669,660**		10,222	1,659,439
CBT - Fixed Income at cost	**33,835,144**		(9,792,719)	43,627,863
Total investments	**35,504,805**		(9,782,497)	45,287,302
Current - 30 days or less	**5,273,500**		-	-
Aged Receivable	**-**		-	-
To Be Billed	**33,526,339**		15,758,720	17,767,619
MTA Retention	**2,096,206**		93,361	2,002,845
Total Exhibit V	**40,896,045**		15,852,081	19,770,465
Other receivables, unsold surplus properties, and deferred costs	**16,376,127**		(853,296)	17,229,423
Total Cash, Cash Equivalents & Receivables	**105,916,723**		(6,198,216)	**106,841,438**
Liabilities				
Payables & other Accruals	**3,229,655**		(646,472)	3,876,127
Unearned revenues	**44,573,079**	(a.)	(9,940)	44,583,019
MTA Working Capital Loan	**45,000,000**		-	45,000,000
Total liabilities	**92,802,733**		(656,412)	93,459,146
Fund balance				
Resources net of actual liabilities	**13,113,989**		(268,304)	13,382,293
Less estimated:				
CalPERS - Hypothetical termination liability	**6,347,036**	(b.)	-	6,347,036
Resources net of estimated liabilities	**$ 6,766,953**	(c.)	$ (268,304)	**$ 7,035,257**

a.) Represents surplus property appraised value, net proceeds from sale of ROW surplus properties, advanced UPRR funding, disallowed retention, and Betterment funds billed in advance to City of Industry for Fairway Drive and Fullerton projects. as well as Rio Hondo payments from cities.

b.) Updated based on CalPERS's annual valuation report as of June 30, 2017.

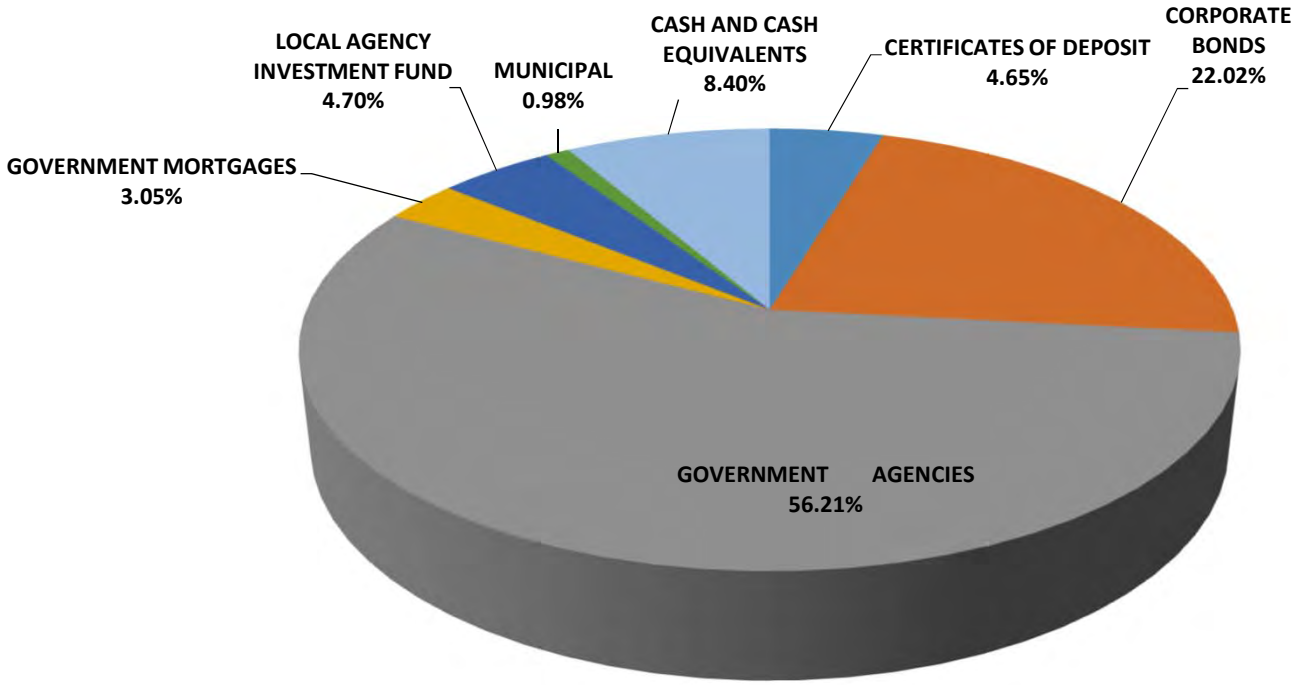
c.) Decrease represents increase in 06/30/2018 hypotherical termination liability and effect of prior year's deficiency of expenses over revenues

Deposit/ Investment Amount 12.31.19	% of Invest-ments	Bank Deposits	Maximum Maturity	Maximum Percent of Portfolio	Maximum Investment in One Issuer
		Ace deposits are held by Citizens Business Bank (CBB) under a deposit agreement in amounts not to exceed $50 million. Under the agreement, CBB maintains collateral deposits of at least 110% of the value of all ACE deposits at Bank of New York Mellon in eligible securities. The CBB deposits accounts are:			
$ 2,928,596		Checking Account			
10,211,150		Money Market Accounts (3) *			
13,139,746		Total Deposits			
		Permitted Investments **			
19,955,664	56.21%	Government Securities (1.00 - 5.01 years)	5 years	50%	15%<=
7,816,610	22.02%	Corporate Bonds (1.30 - 4.99 years)	5 years	30%	10%<=
1,084,086	3.05%	Gov't Mortgages (4.13 - 4.80 years)	5 years	15%	None stated
347,843	0.98%	Municipals (1.94 - 4.27 years)	None stated	None stated	None stated
1,650,310	4.65%	CDs (3.50 - 5.00 years)	5 years	30%	10%<=
2,980,631	8.40%	Cash and Cash Equivalents	None stated	None stated	None stated
33,835,144	95.30%	Subtotal Investments - Book value *			
1,669,660	4.70%	State's Local Agency Investment Fund	None stated	None stated	None stated
35,504,805	100.00%	Total Investments			
$ 48,644,551		Total			

Alameda Corridor - East Construction Project
Office of ACE Construction Authority Finance Director/Treasurer

ASSET ALLOCATION

Assets (Dollars)	Current Par Value	Current Book Value	Market Value	Mkt/Book
CERTIFICATES OF DEPOSIT	1,650,000	1,650,310	1,650,683	100.02%
CORPORATE BONDS	7,808,000	7,816,610	7,867,240	100.65%
GOVERNMENT AGENCIES	19,889,432	19,955,664	19,950,465	99.97%
GOVERNMENT MORTGAGES	982,688	1,084,086	999,928	92.24%
LOCAL AGENCY INVESTMENT FUND	1,669,660	1,669,660	1,669,660	100.00%
MUNICIPALS	350,000	347,843	352,335	101.29%
CASH AND CASH EQUIVALENTS	2,980,631	2,980,631	2,980,631	100.00%
Totals (Dollars)	**35,330,411**	**35,504,805**	**35,470,942**	**99.90%**



Fixed Income Composition by Book Value

Par Value: Or face value is the amount of money redeemed to the bondholder once the bonds matures
Book Value : Is the par value or face value plus any unamortized premiums or less any unamortized discounts.
Market Value: Is the current price at which the bond is trading
Mkt/Book: Measures the market value over the book value of a bond.

Cusip	Name	Coupon	Yield to Maturity	Purchase Date	Maturity Date	Current Price	Par Value	Market Value	Current Book Value
3130A8EN9	Federal Home Loan Bank	1.64	1.659	6/14/2016	6/14/2021	99.907	100,000	99,907	100,000
3130A8NT6	Federal Home Loan Bank	1.48	1.552	7/28/2016	7/13/2021	99.657	200,000	199,314	200,000
3130A9GS4	Federal Home Loan Bank	1.70	1.724	10/12/2016	10/12/2021	99.887	600,000	599,322	600,000
3130AA2S6	Federal Home Loan Bank	1.80	1.842	11/30/2016	11/26/2021	99.802	300,000	299,406	299,727
3137FEU99	Federal Home Loan Bank	3.45	2.782	12/27/2019	9/25/2024	102.963	76,554	78,822	78,694
3130AHPM9	Federal Home Loan Bank	2.05	2.078	12/16/2019	12/16/2024	99.868	1,000,000	998,680	1,000,000
3130ADMJ8	Federal Home Loan Bank	2.38	1.712	12/16/2019	2/8/2021	100.752	130,000	130,978	131,079
3133EGEX9	Federal Farm Credit Bank	1.67	1.763	12/13/2019	6/14/2021	99.863	200,000	199,726	199,820
3133EFZ91	Federal Farm Credit Bank	1.62	1.730	4/12/2016	4/12/2021	99.474	500,000	497,370	499,545
3133EJ2R9	Federal Farm Credit Bank	2.75	2.139	12/14/2018	12/14/2020	101.192	200,000	202,384	199,724
3134G93Q8	Freddie Mac	1.68	1.726	8/25/2016	8/25/2021	99.779	400,000	399,116	400,000
3134G95L7	Freddie Mac	1.60	1.713	8/25/2016	8/25/2021	99.462	700,000	696,234	700,000
3134GAEE0	Freddie Mac	1.50	1.581	9/30/2016	3/30/2021	99.648	1,000,000	996,480	999,480
3134GAHK3	Freddie Mac	1.60	1.631	9/30/2016	9/30/2021	99.851	800,000	798,808	799,480
3134GUZX1	Freddie Mac T	2.07	2.069	12/23/2019	12/23/2024	100.006	1,000,000	1,000,060	1,000,000
3134GUWX4	Freddie Mac	1.90	1.902	12/5/2019	9/5/2023	99.992	1,000,000	999,920	1,000,000
3134GUGV6	Freddie Mac	2.00	2.022	10/15/2019	10/15/2021	99.957	500,000	499,785	500,000
3134GUFS4	Freddie Mac	2.05	2.051	10/7/2019	10/7/2021	99.998	400,000	399,992	400,000
3134GUXG0	Freddie Mac	1.75	1.750	12/3/2019	12/3/2020	100.000	3,150,000	3,150,000	3,149,985
3134GUUC2	Freddie Mac	1.75	1.747	11/26/2019	11/26/2021	100.005	500,000	500,025	500,000
3134GUYW4	Freddie Mac	2.13	2.159	12/30/2019	12/30/2024	99.838	700,000	698,866	700,000
3134GARB2	Freddie Mac	1.60	1.656	10/27/2016	10/27/2021	99.732	300,000	299,196	300,000
3137B04Y7	FHLMC Series KSMC Class	2.62	2.276	9/19/2018	1/25/2023	101.397	680,000	689,496	664,063
31381SVN9	Fannie Mae Pool FN 469621	3.65	2.416	10/30/2019	11/1/2021	102.405	197,596	202,348	203,833
3138L4N58	Fannie Mae Pool AM4011	3.67	2.124	12/9/2019	7/1/2023	105.275	475,000	500,056	499,883
3138L7GY6	Fannie Mae Pool AM6514	3.26	2.259	9/10/2019	9/1/2024	104.690	311,987	326,620	330,024
3138EJNY0	Fannie Mae Pool AL2206	3.73	2.652	9/18/2019	7/1/2022	102.872	300,447	309,075	307,488
3134GTNB5	Freddie Mac	2.70	2.637	5/28/2019	5/28/2024	100.293	100,000	100,293	99,950
3136AHAG5	Fannie Mae	3.33	2.148	11/12/2019	10/25/2023	104.452	167,848	175,320	174,666
3135G0N66	Fannie Mae	1.40	1.477	8/25/2016	8/25/2021	99.631	400,000	398,524	400,000
3136G1C98	Fannie Mae	1.42	1.425	5/11/2016	2/5/2020	99.982	150,000	149,973	150,227
3136G35G6	Fannie Mae	1.55	1.602	9/23/2016	9/23/2021	99.749	1,000,000	997,490	999,720
3136G37G4	Fannie Mae	1.60	1.638	9/30/2016	9/30/2021	99.817	900,000	898,353	899,487
3136G4GF4	Fannie Mae	1.55	1.605	10/31/2016	10/28/2021	99.735	200,000	199,470	200,000
3136G3XZ3	Fannie Mae	1.50	1.569	7/28/2016	7/28/2021	99.670	300,000	299,010	300,000
3136G4EV1	Fannie Mae	1.63	1.672	10/28/2016	10/28/2021	99.777	250,000	249,443	249,898
3136G3C78	Fannie Mae	1.55	1.603	7/28/2016	7/28/2021	99.744	200,000	199,488	200,000
880591EL2	Tenn Valley Authority DTD	3.88	3.329	9/19/2016	2/15/2021	102.223	500,000	511,115	518,892
56.21%	**Government Securities (1.00 - 5.01 years)**						**19,889,432**	**19,950,465**	**19,955,664**
87164YML5	Synchrony Bank DTD	1.55	1.576	6/29/2016	6/29/2021	99.873	250,000	249,683	249,463
05580ACZ5	BMW Bk North. America DTD	2.20	2.105	10/8/2015	9/30/2020	100.446	250,000	251,115	249,950
140420YS3	Capital One Bank Medium	1.60	1.594	5/4/2016	5/4/2021	100.029	250,000	250,073	250,178
619165GX5	Morton Community Bank	1.60	1.608	12/16/2016	6/16/2020	99.973	200,000	199,946	200,000
254672W20	Discover Bank DTD	1.85	1.803	12/14/2016	12/14/2020	100.182	200,000	200,364	200,000
9497485W3	Wells Fargo Bank CD	1.75	1.775	6/17/2016	6/17/2021	99.879	250,000	249,698	250,720
949763AZ9	Wells Fargo Bank	1.65	1.666	9/14/2016	9/14/2021	99.922	250,000	249,805	250,000
4.65%	**CDs (3.50 - 5.00 years)**						**1,650,000**	**1,650,683**	**1,650,310**
94988J5L7	Wells Fargo Bank NA	2.40	2.388	9/28/2018	1/15/2020	100.015	250,000	250,038	249,253
291011BC7	Emerson Electric Co	4.25	3.285	9/28/2018	11/15/2020	101.973	280,000	285,524	282,958
911312AMB	United Parcel Service DTD	3.13	2.846	6/10/2016	1/15/2021	101.194	185,000	187,209	189,237
440452AE0	Hormel Foods Corp	4.13	3.535	1/31/2017	4/15/2021	102.287	500,000	511,435	512,906
14912L6U0	Caterpillar Financial Serv Corp	1.70	1.731	9/9/2016	8/9/2021	99.856	1,746,000	1,743,486	1,738,545
02665WBG5	American Honda Finance	1.70	1.733	9/15/2016	9/9/2021	99.842	1,400,000	1,397,788	1,392,034
06406RAA5	Bank of NY Mellon Corp	2.60	2.228	10/18/2017	2/7/2022	101.521	1,011,000	1,026,377	1,018,079
166764AT7	Chevron	2.41	2.109	7/26/2017	3/3/2022	101.321	370,000	374,888	372,072
244199BE4	Deere & Co	2.60	2.191	7/26/2017	6/8/2022	101.881	150,000	152,822	151,545
037833DC1	Apple Inc	2.10	1.835	9/25/2018	9/12/2022	101.008	500,000	505,040	484,252
69371RN93	PACCAR Financial Corp	2.80	1.982	9/12/2019	3/1/2021	101.178	300,000	303,534	303,483
05531FBJ1	BB&T Corporation	2.20	2.003	9/16/2019	3/16/2023	100.664	1,000,000	1,006,640	999,260
68389XAU9	Oracle Corporation DTD	3.40	2.179	9/10/2019	7/8/2024	105.569	116,000	122,460	122,987
22.02%	**Corporate Bonds (1.30 - 4.99 years)**					100.759	**7,808,000**	**7,867,240**	**7,816,610**
31407RTU8	Fannie Mae Pool #838563	5.00	4.174	4/29/2016	10/1/2020	103.308	12,003	12,400	12,746
3137A6B27	Freddie Mac	4.33	4.035	9/7/2016	10/25/2020	101.125	153,077	154,799	169,102
3137A8PP7	Freddie Mac	4.19	3.783	9/7/2016	12/25/2020	101.588	321,608	326,714	355,226
3137ABFH9	Freddie Mac	3.99	3.528	9/7/2016	6/25/2021	102.019	496,000	506,015	547,013
3.05%	**Gov't Mortgages (4.13 - 4.80 years)**					101.754	**982,688**	**999,928**	**1,084,086**
13066YTZ2	California State Dept of Water Resources PW	2.00	1.867	1/22/2018	5/1/2022	100.545	150,000	150,818	147,804
13063DFZ6	California State Dept of Water Resources PW	2.60	2.482	4/25/2018	4/1/2020	100.221	100,000	100,221	100,037
13063DGA0	California State Dept of Water Resources PW	2.80	2.341	4/25/2018	4/1/2021	101.296	100,000	101,296	100,002
0.98%	**Municipals (1.94 - 4.27 years)**					100.667	**350,000**	**352,335**	**347,843**
31607A208	Fidelity Prime Mon Mar-Ins	1.00		10/7/2015		100.000	2,980,631	2,980,631	2,980,631
8.40%	**Cash and Cash Equivalents**						**2,980,631**	**2,980,631**	**2,980,631**
	TOTAL (Dollars)						**$ 33,660,751**	**$ 33,801,282**	**$ 33,835,744**

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

Comparative Summary Balance Sheet

As of December 31, 2019

	12.31.2019	Change	09.30.19
CBB - Checking	**$ 1,797,540**	$ (1,302,319)	$ 3,099,859
CBB- 242-034-325 CD	**55,702**	14	55,688
CBB - 2766 Savings	**1,592**	1	1,591
CBB -242-034-953 CD	**54,934**	14	54,920
CBB - 242-300-597 Money Market	**5,628,206**	5,628,206	-
Petty Cash	**400**	-	400
LAIF	**240,819**	1,474	239,345
LAIF Maket Value	**86**	-	86
Cash and equivalents	**7,779,277**	4,327,389	3,451,889
Member Receivable	**52,780**	(28,296)	81,076
Grants/Contracts Receivable	**402,490**	(26,279)	428,769
Sponsorships Receivable	**-**	-	-
Rental Deposit Receivable	**5,489**	-	5,489
Unbilled Grant Receivable	**444,887**	323,421	121,466
Receivables - other	**213,789**	50,943	162,846
Receivables	**1,119,435**	319,788	799,646
Prepaids and deferrals	**156,261**	2,492	153,769
Total assets	**9,054,973**	4,649,669	4,405,304
Accounts Payable	**117,733**	117,733	-
Citi Bank Card	**1,852**	(3,105)	4,957
Payroll Payable	**(7)**	(3)	(4)
Accrued Vacation	**34,928**	2,469	32,459
Unearned Revenues - Member Cities Dues	**439,524**	(196,577)	636,101
Unearned Revenues - Housing/Homelessness	**5,625,000**	5,625,000	-
Accruals, deferrals and other payables	**1,335,216**	(1,160,856)	2,496,072
Total liabilities	**7,554,247**	4,384,662	3,169,585
Net Position, beginning of period **	**1,221,127**	(0)	1,221,127
Change in net position	**279,599**	265,009	14,590
Net Position, end of period	**$ 1,500,725**	$ 265,009	$ 1,235,717

SGVCOG

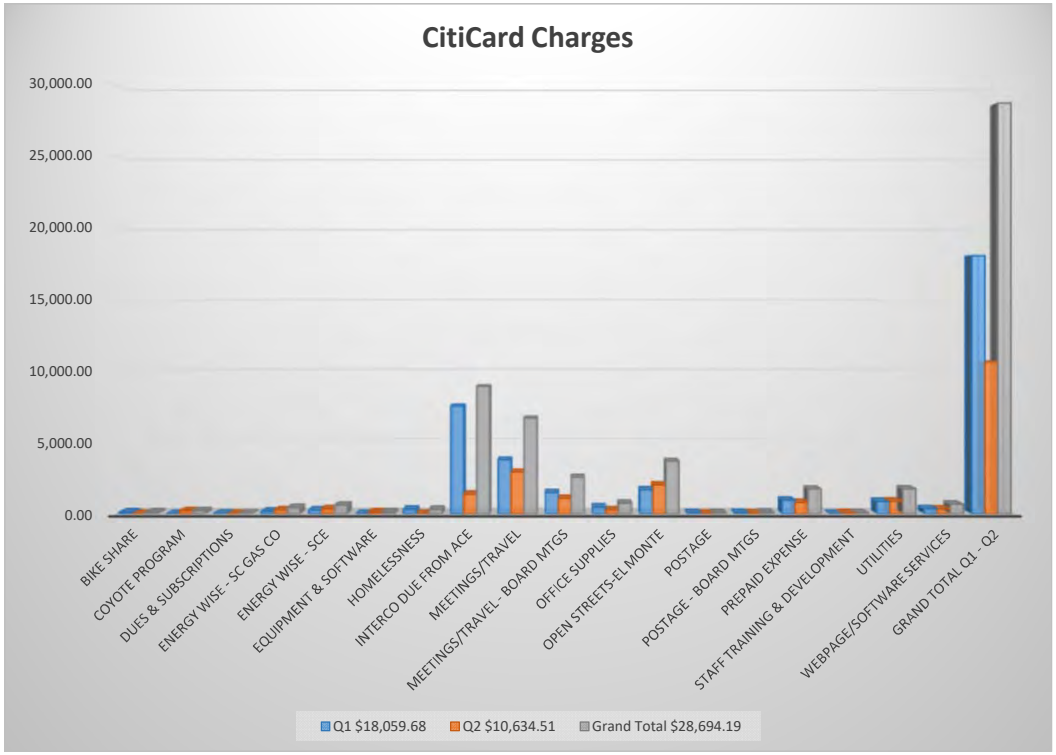
San Gabriel Valley Council of Governments
Grants Receivable Aging Summary
As of December 31, 2019

Month	SC Edison - Energy Wise	SC Gas - Energy Wise	SC Gas - EAP	LA County - Homelessness Planing Grant	Various Cities - CIMP & EWMP	Various Cities - Service Delivery Cost Study	Various Cities - Coyote Mgmt Implementation Plan	MTA - Open Streets	Totals	Notes
Apr-19	-	-	1,421	-	-	-			1,421	
May-19	-	-	-	13,167	-	-			13,167	
Jun-19	-	-	-	13,167	-	29,025			42,192	Service Delivery rcv'd 2/11/20 $7,875
Jul-19	-	-	-	13,167	-				13,167	
Aug-19	-	-	-	13,167					13,167	
Sep-19	-	1,979	-	13,167					15,146	SC Gas rcv'd 2/4/20 $1,979
Oct-19	-	2,561	-	*					2,561	SC Gas rcv'd 2/4/20 $2,561
Nov-19	3,275	2,610	-	*			30,000		35,885	SC Gas rcv'd 2/4/20 $2,610 Coyote rcv'd 2/11/20 & 2/25/20 $30k
Dec-19	2,440	2,563	-	*			20,000	240,782	265,785	SC Gas rcv'd 2/4/20 $2,563 Coyote rcv'd 1/22/20 & 2/11/20 $20k
	$ 5,715	**$ 9,713**	**$ 1,421**	**$ 65,833**	**$ -**	**$ 29,025**	**$ 50,000**	**$ 240,782**	**$ 402,490**	

*pending new agreement

San Gabriel Valley Council of Governments
Credit Charges July 1, 2019 - December 31, 2019

Category	Q1	Q2	Grand Total
Bike Share	109.48	0.00	109.48
Coyote Program	0.00	198.62	198.62
Dues & Subscriptions	15.99	0.00	15.99
Energy Wise - SC Gas Co	166.35	260.36	426.71
Energy Wise - SCE	249.52	339.54	589.06
Equipment & Software	0.00	113.88	113.88
Homelessness	299.68	0.00	299.68
Interco Due from ACE	7,562.13	1,376.94	8,939.07
Meetings/Travel	3,780.06	2,924.58	6,704.64
Meetings/Travel - Board Mtgs	1,479.59	1,072.03	2,551.62
Office Supplies	458.22	259.08	717.30
Open Streets-El Monte	1,670.00	2,021.79	3,691.79
Postage	55.00	0.00	55.00
Postage - Board Mtgs	66.15	36.75	102.90
Prepaid Expense	946.72	783.70	1,730.42
Staff Training & Development	0.00	49.00	49.00
Utilities	861.13	876.06	1,737.19
Webpage/Software Services	339.66	322.18	661.84
Grand Total Q1 - Q2	**18,059.68**	**10,634.51**	**28,694.19**



SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS
Consolidated Budget to Actual
FY 2020 First Quarter Report
As of December 31, 2019

		Jul 19 - Dec 19 Actual (Operating)	FY 2020 Budget	% of Budget	Jul 19 - Dec 19 Actual (Non-Capital Projects)	FY 2020 Budget	% of Budget
1	**Revenue**						
2	**Operating**						
3	Member Dues	$ 393,155	**$ 779,898**	**50%**			
4	Hero Program	653	**3,200**	**20%**			
5	Transportation Administration (Local)	50,725	**101,569**	**50%**			
6	Interest	4,737	**1,000**	**474%**			
7	*Subtotal Operating Revenue*	$ 449,271	**$ 885,667**	**51%**			
8							
9	**Non-Capital Projects**						
10	Local (Homelessness, Energy, Measr M, Transportation, Stormwater) **				811,100	**1,644,789**	**49%**
11	*Subtotal Revenue*	$ -	**$ -**	**0%**	$ 811,100	**1,644,789**	**0%**
12	**Total Revenue**	$ 449,271	**$ 885,667**	**0%**	$ 811,100	**$ 1,644,789**	**49%**
13							
14	**Expenditure**						
15	**Indirect Expenses**						
16	Personnel	8,895	**395,946**	**2%**		**131,982**	**0%**
17	Committee & Employee Expenses (Meetings/Travel, Dues & Subscription)	23,553	**61,060**	**39%**	-	**11,140**	**0%**
18	Professional Services (Audit, Legal, Conslt, MTA Supp)	110,386	**285,656**	**39%**	-	**20,617**	**0%**
19	Other Expenses	63,039	**96,499**	**65%**	-	**35,801**	**0%**
20	*Total Indirect Expenses*	$ 205,873	**$ 839,161**	**25%**	$ -	**$ 199,540**	**0%**
21							
22	**Direct Expenses**						
23	Personnel/Construction Direct Labor			**0%**	325,133	**227,460**	**143%**
24	Program Management **			**0%**	449,766	**1,217,789**	**37%**
25	*Total Direct Expenses*	$ -	**$ -**	**0%**	$ 774,899	**$ 1,445,249**	**54%**
26	**Total Expenditures**	**$ 205,873**	**$ 839,161**	**25%**	**$ 774,899**	**$ 1,644,789**	**47%**
27	**Net income (Loss)**	**$ 243,398**	**$ 46,506**	**N/A**	**$ 36,201**	**$ -**	**N/A**

**** Includes Bike Share**

REPORT

DATE: June 18, 2020

TO: Governing Board Delegates and Alternates

FROM: Marisa Creter, Executive Director

RE: **CONTRACT WITH THE SAN GABRIEL VALLEY REGIONAL HOUSING TRUST**

RECOMMENDED ACTION

Approve agreement with the San Gabriel Valley Regional Housing Trust (SGVRHT) to provide core staffing for the SGVRHT.

BACKGROUND

In February 2020, the San Gabriel Valley Regional Housing Trust (SGVRHT) was formed as a joint-powers authority (JPA) to receive public and private financing and funds to support the planning and construction of housing for the homeless and persons of extremely low, very low, and low-income within the San Gabriel Valley. At this time, 15 cities have joined the SGVRHT:

- Alhambra
- Arcadia
- Baldwin Park
- Claremont
- Covina
- Diamond Bar
- Duarte
- El Monte
- Glendora
- La Verne
- Monrovia
- Pomona
- South El Monte
- South Pasadena
- West Covina

Prior to its formation in February 2020, in the fall and winter of 2019, staff from the San Gabriel Valley Council of Governments (SGVCOG) facilitated meetings with staff from 17 cities that were interested in joining the SGVRHT. This informal working group negotiated the SGVRHT joint powers agreement and discussed potential options for the organization, funding, and staffing of the SGVRHT. There was significant concern from the cities about the potential pension and other liabilities associated with the staffing of the SGVRHT.

To that end, the City Managers Steering Committee and Executive Committee discussed several staffing alternatives to provide "core staff" to the SGVRHT. Ultimately, the City Managers Steering Committee recommended that, upon formation, the SGVRHT contract with the SGVCOG for core staffing.

This recommendation was considered by the SGVRHT Board of Directors at its initial meeting on May 6, 2020. At the meeting, the SGVRHT Board of Directors recommended that the SGVRHT negotiate an Agreement with the SGVCOG for core staffing. SGVCOG General Counsel drafted

an Agreement, which was reviewed and approved by the City Attorney for the City of Claremont. The Agreement (Attachment 1) was approved by the SGVRHT Board of Directors at its June 3, 2020, meeting.

The proposed Agreement is a three-year agreement under which the SGVCOG would provide the following services:

- Developing, distributing, and posting agendas and related staff reports for regular meetings of the San Gabriel Valley Regional Housing Trust Board of Directors;
- Managing communications with Board of Directors, member agencies, and all other stakeholders;
- Manage consultant contracts executed by the SGVRHT Board of Directors. Contracted services could include planning and start-up activities, fund development, and administration of the initial funding award;
- Developing and maintaining website for the SGVRHT;
- Developing and presenting an annual SGVRHT Budget and Workplan for approval by the SGVRHT Board of Directors;
- Completing the Annual SGVRHT Workplan as adopted by the SGVRHT Board of Directors and overseeing the SGVRHT Annual Budget;
- Ensuring compliance with the SGVRHT joint powers agreement, SGVRHT by-laws, and other relevant local, State, and Federal laws;
- Pursuing opportunities for funding – including grant applications and private fundraising – for the SGVRHT;
- Providing Executive Director services;
- Managing funding received by the SGVRHT.

To provide these services, the SGVCOG would hire an additional staff person (1.0 FTE at the Principal Management Analyst level) entirely assigned to the SGVRHT. This would ensure that there is no impact on the SGVCOG's ability to complete its existing workplan. That recruitment is currently underway, and it is anticipated that the individual would start on July 1, 2020.

The scope of work also includes legal services, and administrative and fiscal support services, including the financial management, oversight, and reporting necessary for compliance with the SGVRHT's enabling legislation (SB 751), completion of an annual audit and annual financial report, treasurer services, procurement and contracting support, human resources and payroll, and information technology (IT) support. As a part of the Agreement – under which the SGVCOG would provide Executive Director services – the SGVRHT also appointed Marisa Creter as its Executive Director.

The SGVCOG's estimated costs for these services can be found below:

FY 2020-21 Estimated Costs	
	Total
Personnel	
1.0 FTE (PMA)	140,000
0.1 FTE (Upper Management)	24,000
Subtotal	154,000

Contracted Services	
Legal Support	50,000
Subtotal	50,000
Admin. & Fiscal Costs	
Office Space/Equipment	24,000
Finance / Admin Support	80,000
Subtotal	104,000
TOTAL	**318,000**

To that end, the proposed agreement has the following annual costs:

- **FY 2020-2021:** $318,000
- **FY 2021-2022:** $250,000 + Grant/Funding Administrative Fees
- **FY 2022-2023:** $250,000 + Grant/Funding Administrative Fees

The Agreement could be extended by mutual written agreement by both parties.

In fiscal years (FY) 2021-22 and 2022-23, SGVCOG staff anticipates that the cost for providing these core staffing services would be reduced. Should the SGVRHT receive any additional grants in FY 2021-22 and 2022-23, the administrative fees for those grants would also be paid to the SGVCOG.

The SGVRHT will be receiving annual administrative fees, as well as grant funding through Measure H and the Homeless Initiative (HI) Innovation Funds, that would cover the annual costs.

Prepared by: _____
Caitlin Sims
Principal Management Analyst

Approved by: Marisa Creter _____
Marisa Creter
Executive Director

ATTACHMENTS

Attachment A – Agreement

AGREEMENT BETWEEN THE SAN GABRIEL VALLEY REGIONAL HOUSING TRUST AND THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS FOR CONTRACT STAFFING

This Agreement for Contract Staffing ("Agreement") is by and between the San Gabriel Valley Regional Housing Trust, a joint powers agency (Trust), and the San Gabriel Valley Council of Governments, a joint powers agency (SGVCOG), to be effective as of the date signed by both Parties below.

RECITALS

A. The Trust was established in February 2020 with the stated purpose of funding the planning and construction of housing for the homeless population and persons and families of extremely low, very low, and low income within the San Gabriel Valley, by receiving public and private financing and funds, authorizing and issuing bonds and other debt instruments; and
B. The Trust is in need of staffing to carry out the Trust's powers; and
C. The Joint Exercise of Powers Agreement of the Trust (the "JPA") provides that the Trust may contract with SGVCOG to provide for officers and staff as the Trust's Board of Directors deem necessary to carry-out the Trust's powers; and
D. The Trust desires to contract with the SGVCOG to provide such officers and staff; and
E. The SGVCOG has the regional experience and expertise to provide such staffing and is willing to do so; and
F. The Trust's member agencies are also member agencies of the SGVCOG and have a shared desire to regionally collaborate to bring additional affordable housing resources to the San Gabriel Valley; and
G. The Trust and the SGVCOG desire to set forth the terms of the contract staffing by way of this Agreement.

NOW, THEREFORE, the Parties agree to the following:

I. SGVCOG SERVICES.

Subject to the terms and conditions set forth in this Agreement, SGVCOG shall provide to the reasonable satisfaction of the Trust, contract staffing for the services set forth in the attached Exhibit "A", which is incorporated herein by this reference. Such services shall be provided in accordance with all applicable laws, regulations, the JPA, any By-Laws that may be adopted by the Board of Directors, and this Agreement.

II. TERM.

The term of this Agreement shall commence on July 1, 2020 and shall continue up to and including June 30, 2023. The term of this Agreement may be extended by mutual agreement of the Parties by way of an amendment to this Agreement. The Parties shall endeavor to meet at least 180 days prior to the end of the term to determine whether they have a mutual desire to extend the term.

III. COMPENSATION.

The Trust agrees to compensate the SGVCOG in a total not to exceed amount fixed at Three Hundred Twenty-Eight Thousand Dollars ($328,000) for fiscal year 2020-21 (June 30 – July 1). The above amount shall include all costs incurred by SGVCOG, including, but not limited to, all staffing costs, overhead, telephone, travel and all other related expenses. The total annual not to exceed compensation in future fiscal years shall increase by an amount equal to the U.S. Bureau of Labor Statistics consumer price index for the Los Angeles-Long Beach-Anaheim area for the preceding 12-month period or 5%, whichever is less.

IV. PAYMENT.

At the end of each quarter of the fiscal year, the SGVCOG shall furnish to the Trust an invoice for one-quarter of the annual fixed cost for services rendered during the preceding quarter. The Trust shall pay the invoice within 30 days of receipt thereof. Payment shall constitute payment in full for all services, costs and work of whatever nature performed by SGVCOG under this Agreement.

V. NOTICES

All notices required or permitted under this Agreement shall be sent by first-class mail, postage pre-paid, and addressed as follows:

To Trust: Chairperson of the Board of Directors
San Gabriel Valley Regional Housing Trust
1000 S. Fremont Avenue
Suite 10-210
Alhambra, CA 91803

To SGVCOG: Marisa Creter, Executive Director
San Gabriel Valley Council of Governments
1000 S. Fremont Avenue
Suite 10-210
Alhambra, CA 91803

Either Party may change from time to time the person and address for written notices by delivery of a change thereto by written notice to the other Party. All notices shall be deemed delivered following deposit in the United States mail in accordance herewith.

VI. INDEPENDENT CONTRACTOR.

A. SGVCOG is and shall at all times under this Agreement, remain as to the Trust and its members, a wholly independent contractor. SGVCOG shall have no power to incur any debt, obligation, or liability on behalf of Trust or otherwise act on behalf of Trust as an agent, except as specifically provided herein.

B. SGVCOG agrees to withhold and pay all required taxes of any of its employees performing work under this Agreement, and to indemnify and hold the Trust Indemnitees (as

defined below) harmless from any and all taxes, assessments, penalties, and interest asserted against the Trust Indemnitees by reason of the independent contractor relationship created by this Agreement.

C. SGVCOG shall fully comply with Workers' Compensation laws regarding SGVCOG and SGVCOG's employees. SGVCOG further agrees to indemnify and hold the Trust Indemnitees harmless from any failure of SGVCOG to comply with applicable Worker's Compensation laws.

D. Any retirement liabilities of SGVCOG under the Public Employee Retirement System or any other system, shall not constitute a liability of the Trust Indemnitees.

VII. INSURANCE.

SGVCOG shall ensure that all insurance it carries as required by its Board of Directors applies with equal force to the performance of its duties under this Agreement. Evidence of such coverage shall be provided to the Chairperson of the Board of Directors within 30 days of execution of this Agreement.

VIII. TERMINATION.

A. Notwithstanding the term of this Agreement as provided in Section II above, either Party may terminate this Agreement upon at least 90 days written notice to the other Party.

B. This Agreement may be terminated for cause as provided herein, in the event one of the Party's materially defaults in performing its duties under this Agreement. The non-defaulting Party shall give notice of the default to the defaulting Party and the right to cure such default within 30 days of the notice or such longer time as may be provided in the notice. In the event the defaulting Party fails to cure such default to the reasonable satisfaction of the non-defaulting Party, this Agreement shall terminate upon delivery of notice by the non-defaulting Party that the default was not cured within the time provided. Upon such termination, the Parties shall have no further obligations to each other unless otherwise provided herein.

IX. INDEMNITY.

A. SGVCOG shall indemnify, defend and hold the Trust, the Trust member agencies, and their respective legislative bodies, officers, agents and employees ("Trust Indemnitees") harmless from and against any liability, claims, losses, actions, and expenses, including without limitation, defense costs, any costs or liability on account of bodily injury, death or personal injury of any person or for damage to or loss of use of property, any legal fees and any claims for damages of any nature whatsoever arising out of or resulting from the SGVCOG's obligations under this Agreement, unless caused by the acts or omissions of the Trust Indemnitees.

B. The Trust shall indemnify, defend and hold SGVCOG, its Board of Directors, member agencies, officers, agents and employees ("SGVCOG Indemnitees") harmless from and against any liability, claims, losses, actions, and expenses, including without limitation, defense costs, any costs or liability on account of bodily injury, death or personal injury of any person or for damage to or loss of use of property, any legal fees and any claims for damages of any nature

whatsoever arising out of or resulting from the Trust's obligations under this Agreement or performance of the JPA, unless caused by the acts or omissions of the SGVCOG Indemnitees.

B. The duty of SGVCOG to indemnify, defend and the Trust Indemnitees harmless shall include, but not be limited to, any and all claims under the Workers' Compensation Act and the California Public Employees Retirement System and other employee benefit acts arising out SGVCOG's performance of this Agreement.

C. SGVCOG's and the Trust's obligation under this Section IX shall survive termination of this Agreement.

X. GENERAL TERMS AND CONDITIONS.

A. This Agreement constitutes the entire understanding between the Parties, with respect to the subject matter herein and shall not be amended except in writing signed by the Parties.

B. Neither Party hereto shall be considered in default in the performance of its obligations hereunder to the extent that the performance of any such obligation is prevented or delayed by unforeseen causes including acts of God, floods, earthquake, fires, acts of a public enemy, pandemic, and government acts beyond the control and without fault or negligence of the affected Party. Each Party hereto shall give notice promptly to the other of the nature and extent of any such circumstances claimed to delay, hinder, or prevent performance of any obligations under this Agreement.

C. Neither Party shall assign this Agreement, or any part thereof, without the prior written consent of the other Party. Any such attempted assignment without such written consent shall be void and unenforceable.

D. This Agreement is made in the State of California and shall be governed by California law and any applicable federal law. The venue for any action brought under this Agreement shall be in Los Angeles County.

E. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

F. The terms of this Agreement shall inure to the benefit of, and shall be binding upon, each of the Parties and their respective approved successors and assigns.

G. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Agreement.

In witness whereof, the Parties enter into this Agreement on the date of last execution by the Parties.

FOR THE SAN GABRIEL VALLEY REGIONAL HOUSING TRUST

By: _____ Dated: June __, 2020
JED LEANO
CHAIR, BOARD OF DIRECTORS

FOR THE SAN GABRIEL VALLEY
COUNCIL OF GOVERNMENTS

By: _____ Dated: June __, 2020
Marisa Creter
Executive Director

APPROVED AS TO FORM:

_____
David DeBerry
General Counsel

Dated: June __, 2020

EXHIBIT A

Scope of Work

Task 1

SGVCOG shall provide staffing for all activities related to the operation of the San Gabriel Valley Regional Housing Trust (SGVRHT).

Specific activities shall include but are not limited to the following:

- Developing, distributing, and posting agendas and related staff reports for regular meetings of the San Gabriel Valley Regional Housing Trust Board of Directors;
- Managing communications with Board of Directors, member agencies, and all other stakeholders;
- Manage consultant contracts executed by the SGVRHT Board of Directors. Contracted services could include planning and start-up activities, fund development, and administration of the initial funding award;
- Developing and maintaining website for the SGVRHT;
- Developing and presenting an annual SGVRHT Budget and Workplan for approval by the SGVRHT Board of Directors;
- Completing the Annual SGVRHT Workplan as adopted by the SGVRHT Board of Directors and overseeing the SGVRHT Annual Budget;
- Ensuring compliance with the SGVRHT joint powers agreement, SGVRHT by-laws, and other relevant local, State, and Federal laws;
- Pursuing opportunities for funding – including grant applications and private fundraising – for the SGVRHT;
- Providing Executive Director services;
- Managing funding received by the SGVRHT.

The SGVCOG will also provide legal services. In Year 1, the SGVCOG proposes expanding its agreement with its existing legal counsel – Woodruff, Spradlin, and Smart – to provide legal services to the SGVRHT as well. Legal services will be provided via a monthly retainer.

SGVCOG staff may also recommend the hiring of consultants to the SGVRHT Board of Directors to support some of these efforts, including pursuing opportunities for funding for the SGVRHT and managing funding received by the SGVRHT, to ensure that the appropriate levels of expertise are provided to the SGVRHT. SGVCOG staff will be responsible for overseeing these consultants.

The SGVCOG will provide the following staffing levels to complete these activities and fulfill the staffing requirements of the SGVRHT:

- 1.0 FTE Principal Management Analyst
- 0.1 FTE Upper Management

Task 2

SGVCOG shall provide administrative and fiscal support services to the SGVRHT, including the following:

- Office space (including utilities and equipment) for staff dedicated to the SGVRHT;

- Financial management, including establishing and maintaining funds and accounts in accordance with good government accounting practices as required by the Trust joint powers agreement, reviewing invoices and disbursing invoice payments, and required financial and grant reporting;
- Completion of the annual independent audit of the accounts and records of the Trust, in compliance with the requirements of the Trust joint powers agreement.
- Completion of an Annual Financial Report, in compliance with the requirements of the Trust joint powers agreement;
- Services of a treasurer and auditor to perform those designated responsibilities outlined in the Trust joint powers agreement to ensure strict accountability of all funds and reporting of receipts and disbursements of the Trust;
- Procurement and contracting support (including issuance of procurements; negotiation and execution of agreements);
- Administrative support (including human resources and payroll);
- Information Technology (IT) support (including website management).

EXHIBIT B

FY 2020-21 Annual Cost

	Cost
Personnel	
1.0 FTE Principal Management Analyst (PMA)	$140,000
0.1 FTE (Upper Management)	$24,000
Subtotal	$164,000
Contracted Services	
Legal Support	$50,000
Subtotal	$50,000
Administrative & Fiscal Sponsor Costs	
Office Space / Utilities / Equipment	$24,000
Finance / Administrative Support	$80,000
Subtotal	$104,000
TOTAL	**$318,000**

In FY 2021-22 and FY 2022-23, the annual cost will be $250,000 plus the administrative funding received for grant programs.

The annual cost will increase by an amount equal to the U.S. Bureau of Labor Statistics consumer price index for the Los Angeles-Long Beach-Anaheim area for the preceding 12-month period or by 5%, whichever is less.

Payment Schedule

The SGVRHT will remit 4 equal payments to the SGVCOG at the end of each quarter, by the following dates each year: September 30, December 31, March 31, and June 30.

In Year 1, the quarterly payment is $79,500.

REPORT

DATE: June 18, 2020

TO: Governing Board

FROM: General Counsel

RE: AMENDMENT TO EXECUTIVE DIRECTOR EMPLOYMENT AGREEMENT

RECOMMENDED ACTION

Authorize the President to execute a Third Amendment to the Agreement for Executive Director services with Marisa Creter.

BACKGROUND

The Governing Board appointed Marisa Creter as Executive Director at its meeting on March 15, 2018 and approved her Employment Agreement which extends to March 15, 2021. The Governing Board met in closed session and directed amendments to Ms. Creter's contract be placed on this agenda for the Board's consideration. Those amendments are to extend Ms. Creter's contract to June 30, 2023, and to provide an opportunity for the Executive Committee to consider approving a one-time bonus for Ms. Creter toward the end of this calendar year.

DISCUSSION

The attached draft Third Amendment to the Employment Agreement provides that Ms. Creter's contract is to be extended to June 30, 2023, and authorizes the Executive Committee to consider a bonus for Ms. Creter at its meeting in December of 2020, or such later time as the Executive Committee deems appropriate. All other terms of the Employment Agreement, including salary, will remain the same.

Prepared by: David A. DeBerry
David DeBerry
General Counsel

ATTACHMENTS

Attachment A – Draft Third Amendment to Employment Agreement

Attachment A

SAN GABRIEL COUNCIL OF GOVERNMENTS

THIRD AMENDMENT TO EMPLOYMENT AGREEMENT

(Executive Director)

This Third Amendment ("Third Amendment") to Employment Agreement dated March 15, 2018 ("Agreement") by and between the San Gabriel Valley Council of Governments ("SGVCOG") and Executive Director Marisa Creter ("Executive Director") is entered into to be effective as of June 30, 2020.

Recitals

A. The term of the Agreement is from March 16, 2018 to March 15, 2021. The parties to the Agreement desire to extend the term of the Agreement up to and including June 30, 2023.

B. The Agreement has been amended by a First Amendment to Employment Agreement dated November 15, 2018 ("First Amendment"), and a Second Amendment to Employment Agreement effective July 19, 2019 ("Second Amendment"), which First Amendment and Second Amendment are incorporated herein by reference.

1. Term.

Section 1 of the Agreement is deleted in its entirety and replaced with the following:

"The term of the Agreement shall be extended from March 15, 2021, up to and including June 30, 2023, unless otherwise terminated as forth in Section 10 of this Agreement."

2. Bonus Consideration.

Section 2 of the Agreement is amended to add a second paragraph as follows:

"At its meeting in December of 2020, or such other time as the Executive Committee deems appropriate, the Executive Committee may consider and authorize payment of a one-time bonus to the Executive Director for exemplary service during the 2020 calendar year. Should such a bonus be granted, the Executive Committee shall report it to the Governing Board.

3. Integration.

This Third Amendment amends, as set forth herein, the Agreement as amended by the First Amendment and Second Amendment, and except as specifically amended herein, the Agreement, as amended by the First Amendment and Second Amendment, shall remain in full force and effect. This Third Amendment integrates all of the terms and conditions referenced herein, and supersedes all negotiations with respect thereto.

[*Signatures on following page*]

In witness hereof, the parties enter into this Third Amendment to be effective as of the date first above written.

Executive Director

Marisa Creter

SGVCOG

Cynthia Sternquist, President

Approved as to form:

David DeBerry, General Counsel

REPORT

DATE: June 18, 2020

TO: Governing Board Delegates and Alternates

FROM: Marisa Creter, Executive Director

RE: **COMMITTEE/TAC/PARTNERSHIP AGENCY APPOINTMENTS**

RECOMMENDED ACTION

Appoint members to the following standing SGVCOG Policy Committees, Technical Advisory Committees, and other partnership agency appointments:

- *SCAG CEHD Committee: Jed Leano (Claremont), Tony Wu (West Covina)*
- *Capital Projects and Construction Committee FY 20-21 Appointments:*
  - *Southeast: Nancy Lyons (Diamond Bar) – Delegate*
  - *Northeast: Tim Hepburn (La Verne) – Delegate; Ed Reece (Claremont) – Alternate*
  - *Central: Jerry Velasco (El Monte) – Delegate*
  - *Southwest: Diana Mahmud (South Pasadena) – Delegate*
  - *Northwest: Becky Shevlin (Monrovia) – Delegate*
  - *LA County Supervisors: Hilda Solis (District #1) – Delegate; Kathryn Barger (District #5) – Alternate*
  - *SGVCOG President: Cynthia Sternquist (Temple City)*
  - *(3) ACE Project Seats: Jack Hadjianian (Montebello); Cory Moss (Industry); Tim Sandoval (Pomona)*

BACKGROUND

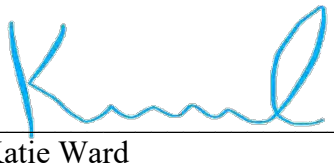
The SGVCOG Bylaws provide for the creation of technical advisory committees (TACs) and policy committees to provide technical support and policy recommendations to the Governing Board. There are currently 5 policy committees (Transportation; Energy, Environment, and Natural Resources (EENR); Water; Homelessness and Capital Projects and Construction) and 4 TACs: the City Managers' TAC, the Planning TAC, the Transportation TAC and the Public Works TAC. The Bylaws also provide for the creation of a City Managers' Steering Committee, to aid and support to the full City Managers' TAC, the Governing Board, and/or the Executive Committee. The SGVCOG Bylaws allow for the creation of additional TACs and policy committees as needed. Additionally, the SGVCOG approves various appointments at partner agencies.

APPOINTMENTS

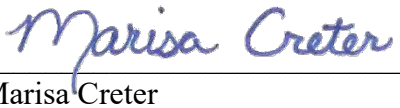
In May, two individuals expressed interest in serving on the SCAG's Community, Economic and Human Development (CEHD) Committee, Jed Leano (Claremont), Tony Wu (West Covina). Also, a call for nominations was held in May for the Capital Projects and Construction Committee for FY 20-21. A summary of the appointments is outlined on Table 1.

SGVCOG Appointments to External Agencies	
SCAG Community, Economic and Human Development (CEHD) Committee	• Jed Leano (Claremont) • Tony Wu (West Covina)
SGVCOG Committees and TACs	
Capital Projects and Construction Committee	• Southeast: Nancy Lyons (Diamond Bar) – Delegate • Northeast: Tim Hepburn (La Verne) – Delegate; Ed Reece (Claremont) – Alternate • Central: Jerry Velasco (El Monte) – Delegate • Southwest: Diana Mahmud (South Pasadena) – Delegate • Northwest: Becky Shevlin (Monrovia) – Delegate • LA County Supervisors: Hilda Solis (District #1) – Delegate; Kathryn Barger (District #5) – Alternate • SGVCOG President: Cynthia Sternquist (Temple City) • (3) ACE Project Seats: Jack Hadjianian (Montebello); Cory Moss (Industry); Tim Sandoval (Pomona)

Table 1. SGVCOG Appointments

Prepared by: 

Katie Ward
Senior Management Analyst

Approved by: 

Marisa Creter
Executive Director

DATE: June 18, 2020

TO: Governing Board Delegates and Alternates

FROM: Marisa Creter, Executive Director

RE: AWARD OF FUNDING FOR PILOT PROGRAMS (HOMELESS SERVICES AND ACTIVITIES)

RECOMMENDED ACTION

Recommended Actions:

(1) Fund the following pilot programs that address homelessness:

City	Project	Not-to-Exceed Award Amount
Arcadia	Pop-up Homeless Services Center	$150,000
Claremont	Roommate Matching Program	$50,000
Covina	Mobile Hygiene Program	$60,000
La Verne (Baldwin Park, Duarte, Irwindale, West Covina)	Transition Age Youth (TAY) Workforce Development Program	$200,000
Monrovia	Emergency COVID Housing Impact Program ("eCHIP")	$150,000

(2) Re-allocate up to $310,000 from the Master Leasing Program to the Pilot Programs Program; and
(3) Re-allocate the remaining funding from the Master Leasing Program to the Regional Coordination Program.

BACKGROUND

On June 27, 2019, Governor Newsom signed the 2019 Budget Trailer bill which contained $5,625,000 in funding for homeless programs for the San Gabriel Valley to be administered by the SGVCOG. This funding was included at the request of Senator Rubio. On September 10, 2019, the County Board of Supervisors (BOS) approved a motion by Supervisors Barger and Solis directing the LA County Chief Executive Officer (CEO) to provide a framework for the allocation and administration of $6,000,000 in carry-over Measure H funding for the County's Councils of Governments. The SGVCOG received an allotment of $1,541,876 to the SGVCOG. That funding may be used for two Priority Areas: 1) increase supply of interim and permanent housing for people experiencing homelessness and 2) enhance County service systems for those experiencing or at-risk of homelessness.

SGVCOG staff worked with Senator Rubio and her staff and with cities to collect input on the potential uses of these funds. In November 2019, the Governing Board approved the use of these

State Homeless Funds and Measure H Innovation Funds across several programming categories, and these recommendations were updated in February 2020.

Category	State Funds	Innovation Funds	TOTAL
Regional Housing Trust (Capital)	$1,000,000	$350,000	**$1,350,000**
Regional Housing Trust (Operations)	-	$200,000	**$200,000**
Cities' Homeless Plans (Implementation)	$3,300,000	-	**$3,300,000**
Cities' Homeless Plans (Development)[1]	$100,000	-	**$100,000**
Landlord Education/Outreach and Incentive Program	$400,000	-	**$400,000**
Other Regional Work	$350,000	-	**$350,000**
Homelessness prevention and diversion programs	$50,000	$400,000	**$450,000**
Pilot Programs	$35,000	$265,000	**$300,000**
Master Leasing	$100,000	$250,000	**$350,000**
Administration	$290,000	$76,876	**$366,876**
TOTAL	**$5,625,000**	**$1,541,876**	**$7,166,876**

Included within the approved programs was $300,000 for a Pilot Programs program. This funding is intended to allow cities that have completed homeless plans to test innovative direct homeless solutions that were identified as innovative potential projects or programs.

The application period closed on April 30, 2020, and an outside review panel reviewed the applications and made its recommendations. The review panel recommended the following awards for pilot programs. A brief overview of the projects is found below:

City	Co-Applicants	Not-to-Exceed Award Amount	Program Description
Arcadia	None	$150,000	Development of a pop-up services center for people experiencing homelessness
Claremont	None	$50,000	Development of a roommate matching program
Covina	None	$60,000	Implementation of a mobile hygiene program[2]

[1] The Governing Board allocated reallocating $50,000 from the "Other Regional Work" program to the Cities' Homeless Plans (Development) program based on level of interest in participating in plan development.
[2] The City of Covina intends to leverage other funding for which it applied for through LAHSA's Shower Program. The award of Covina's funding is dependent on that funding announcement, which is expected in June 2020.

La Verne	Baldwin Park, Duarte, Irwindale, West Covina	$200,000	Creation and implementation of a TAY-focused employment program focused on Energy Auditing
Monrovia	None	$150,000	A Prevention & Diversion program called the Emergency COVID Housing Impact Program ("eCHIP")
	TOTAL	$610,000	

Before executing memorandums of agreement (MOAs) with each awarded city, SGVCOG staff will work with each city/cohort to finalize each project budget.

An additional application was also submitted by the City of Baldwin Park that sought to develop a more collaborative approach to data for a tri-city cohort, including the cities of Baldwin Park, El Monte, and South El Monte. This proposed project is similar to a recommendation that is being considered as a "Regional Coordination" project for a region-wide data effort. SGVCOG staff will work with staff from the participating cities to incorporate the relevant elements of the project into the regional data effort.

The demand exceeded the initial pilot program allocation of $300,000. With the high-quality of projects submitted, SGVCOG staff is recommending that additional funding be allocated to support additional submitted projects.

The Governing Board's February 2020 action also included an allocation of $350,000 for a Master Leasing Program. The implementation of Project Roomkey, the State and County joint hotel/shelter program, and the significant County, State, and Federal resources being committed to that Program are significantly increasing the room costs for these sites. In this climate, the SGVCOG has doubts about the value of its relatively limited funds to support a Master Leasing Program for the San Gabriel Valley. As such, staff recommends that up to $310,000 from the Master Leasing Program be allocated to the Pilot Programs Program. Staff recommends that the remaining funding be allocated to Regional Coordination Program to support a regional data effort.

On June 3, 2020, the Homeless Committee approved the request to recommend to the Governing Board that it approve the recommendations presented in this report.

Prepared by: _____
Timothy Kirkconnell
Senior Management Analyst

Approved by: Marisa Creter
Marisa Creter
Executive Director

REPORT

DATE: June 18, 2020

TO: Governing Board Delegates and Alternates

FROM: Marisa Creter, Executive Director

RE: **FINANCIAL ACCOUNTS FOR THE SAFEKEEPING OF PROPERTY AND OFFICIAL SIGNATURES**

RECOMMENDED ACTION

Adopt Resolution No. 20-12 updating authorized official signatures on financial accounts at commercial bank institutes for the safekeeping of property.

BACKGROUND

SGVCOG funds are presently held at the Citizens Business Bank at the San Gabriel, California, branch pursuant to the authority of the Governing Board. On March 21, 2013, The Governing Board adopted Resolution No. 13-03 reaffirming the establishment of financial accounts at commercial banking institutions for the safekeeping of property and authorizing the officers, or their successors in office, as signatories on the account. Annually, or as changes in officers/staff occur, SGVCOG staff notifies the bank to update the bank account authorization

Resolution 20-12 updates the signature authority to add Acting Finance Director (Rey Alimoren) and the SGVCOG Chief Engineer (Mark Christoffels).

Prepared by: _____
Katie Ward
Senior Management Analyst

Approved by: _____
Marisa Creter
Executive Director

ATTACHMENTS

Attachment A – Resolution 20-12

RESOLUTION NO. 20-12

RESOLUTION OF THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS (SGVCOG) REAFFIRMING THE ESTABLISHMENT OF FINANCIAL ACCOUNTS FOR THE SAFEKEEPING OF PROPERTY AND AUTHORIZING OFFICIAL SIGNATURES

WHEREAS, the San Gabriel Valley Council of Governments (SGVCOG) Governing Board has determined that the deposit and withdrawal and investment of money in commercial banking institutions in accordance with the provisions of law ensures the safekeeping of property and serves the best interests of the SGVCOG; and,

WHEREAS, the Governing Board established a financial account at Citizens Business Bank at the San Gabriel, California, branch for the safekeeping of its financial assets; and,

WHEREAS, on March 21, 2013, the Governing Board adopted Resolution No. 13-03 reaffirming the establishment of financial accounts at commercial banking institutions for the safekeeping of property and authorizing the officers, or their successors in office, as signatories on the account.

NOW, THEREFORE, BE IT RESOLVED that the Governing Board does hereby authorize the following officers to serve as official signatures on all banking and credit card accounts held by the SGVCOG: SGVCOG President, SGVCOG 1st Vice President, SGVCOG Executive Director, SGVCOG Chief Engineer, and SGVCOG Acting Finance Director.

BE IT FURTHER RESOLVED that the Secretary shall forward certified copies of this Resolution to the commercial banking institution handling SGVCOG accounts.

This Resolution shall remain in full force and effect until said commercial banking institution is given written notice to the contrary at the office where said property is held for safekeeping.

PASSED AND ADOPTED by the Governing Board of San Gabriel Valley Council of Governments, in the County of Los Angeles, State of California, on the 18th day of June 2020.

San Gabriel Valley Council of Governments

_____

Cynthia Sternquist, President

Attest:

I, Marisa Creter, Executive Director and Secretary of the Board of Directors of the San Gabriel Valley Council of Governments, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the Governing Board held on the 18th day of June 2020, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

_____
Marisa Creter, Secretary

REPORT

DATE: June 18, 2020

TO: Governing Board

FROM: Marisa Creter, Executive Director

RE: CANCEL JULY 16 GOVERNING BOARD MEETING

RECCOMENDED ACTIONS

Adopt Resolution 20-13, taking the following actions: 1) Cancel the SGVCOG July 16, 2020 Governing Board meeting and 2) Authorize the President, in consultation with the Executive Committee, to act on the Governing Board's behalf by undertaking all actions that are necessary for the proper administration and operation of the SGVCOG and that cannot be delayed until the next Regular Meeting of the Governing Board

BACKGROUND

Between the regular Governing Board meetings, there may be actions that must be undertaken on behalf of the SGVCOG. In prior years, the Governing Board has authorized the President to undertake such actions as may be necessary, and which cannot be delayed until the next regularly scheduled meeting, after consulting with the Executive Committee. Additionally, the President retains the discretion to call a Special Meeting of the Governing Board as identified in Article III, Section B of the Bylaws.

Prepared by: _____
Katie Ward
Senior Management Analyst

Approved by: _____
Marisa Creter
Executive Director

ATTACHMENTS

Attachment A – Resolution 20-13

RESOLUTION NO. 20-13

RESOLUTION OF THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS CANCELLING THE REGULAR JULY 2020 GOVERNING BOARD MEETING AND AUTHORIZING THE PRESIDENT TO UNDERTAKE NECESSARY ACTIONS

WHEREAS, the San Gabriel Valley Council of Governments holds regular meetings to evaluate matters of importance to the SGVCOG and the San Gabriel Valley; and

WHEREAS, Governing Board Representatives and Alternate Governing Board Representatives perform essential duties for the SGVCOG by their attendance at the regular scheduled meetings of the Governing Board; and

WHEREAS, regular meetings of the Governing Board are held on the third Thursday of every month at 4:00 PM at the Foothill Transit Office (100 South Vincent Avenue, West Covina, CA 91790); and

WHEREAS, it is anticipated that the Governing Board will not need to reconvene until August due to a lack of business unless otherwise determined.

NOW, THEREFORE, BE IT RESOLVED that the Governing Board hereby takes the following actions:

1. Cancels July 16, 2020 SGVCOG Governing Board meeting.
2. Authorizes the President, in consultation with the Executive Committee, to act on the Governing Board's behalf by undertaking all actions that are necessary for the proper administration and operation of the SGVCOG and that cannot be delayed until the next Regular Meeting of the Governing Board.

PASSED AND ADOPTED by the Governing Board of San Gabriel Valley Council of Governments, in the County of Los Angeles, State of California, on the 18th day of June 2020.

San Gabriel Valley Council of Governments

_____
Cynthia Sternquist, President

Attest:

I, Marisa Creter, Executive Director and Secretary of the Board of Directors of the San Gabriel Valley Council of Governments, do hereby certify that Resolution 20-13 was adopted at a regular meeting of the Governing Board held on the 18th day of June 2020 by the following vote:

AYES:	
NOES:	
ABSTAIN:	
ABSENT:	

_____
Marisa Creter, Secretary

DATE: June 18, 2020

TO: Governing Board Delegates and Alternates

FROM: Marisa Creter, Executive Director

RE: H.R. 535 (DINGELL) – PFAS ACTION ACT OF 2019

RECOMMENDED ACTION

Adopt Resolution 20-14 to support H.R. 535 (Dingell) with recommendations for the bill to include additional details on cleaning up landfills that are contaminated with PFAS chemicals.

BACKGROUND

On January 14, 2019, Congresswoman Debbie Dingell (D-Michigan-12) introduced H.R. 535, known as the PFAS Action Act of 2019, to address perfluoroalkyl substances (PFAS) contamination across the United States. PFAS are a group of unnatural chemicals that include perfluorooctanoic acid (PFOA), perfluorooctanesulfonic acid (PFOS), GenX, and other chemicals. PFAS have been manufactured and utilized in a variety of industries since the 1940s and these chemicals are today found in a wide range of consumer products, such as non-stick cookware and weather-proof clothing. Several studies have shown that PFAS chemicals are persistent in the environment and do not break down in the human body. The U.S. Environmental Protection Agency (EPA) has concluded that exposure to PFAS can lead to adverse human health effects, such as low infant birth weights, cancer (caused by PFOA), thyroid hormone disruption (caused by PFOS), and negative effects on the immune system.

H.R. 535 would require the EPA to publish a maximum contaminant level goal for PFAS and establish national drinking water safeguards for PFAS chemicals. The bill would also require the EPA to stem the flow of PFAS contamination into the environment by requiring cleanup of sites that are contaminated with PFOA and PFOS, setting air emission limits, prohibiting unsafe incineration of PFAS, and limiting the introduction of new PFAS chemicals into commerce.

Additionally, the EPA would identify health risks by requiring comprehensive health testing for all PFAS, reporting of PFAS releases, and monitoring for PFAS in drinking water. The legislation also creates a voluntary level for cookware that is PFAS-free, issues guidance for first responders to limit their exposures, and provides grants to impacted water systems.

H.R. 535 was passed by the House of Representatives by 247-159-24 on January 10, 2020 and it has now been referred to the Senate Committee on Environment and Public Works. At the SGVCOG Energy, Environment, and Natural Resources (EENR) Committee meeting on May 20, 2020, committee members reviewed the bill language and expressed recommendations for the bill to include additional protocols and details on removing PFAS contamination from landfills. After a thorough discussion, the EENR Committee unanimously voted to recommend the Governing Board to support H.R. 535 with recommendations for the bill to include additional details on

cleaning up landfills that are contaminated with PFAS chemicals.

On June 9, 2020, the SGVCOG Water Committee and Water Technical Advisory Committee also held a joint meeting to review and discuss PFAS contamination and H.R. 535. After a thorough discussion, the Water Committee voted to recommend the Governing Board to support H.R. 535 and the Water Technical Advisory Committee abstained from the vote.

Prepared by: _____
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ATTACHMENTS
Attachment A – H.R. 535 Bill Language
Attachment B – H.R. 535 Bill Summary
Attachment C – Resolution 20-14

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116TH CONGRESS
2D SESSION

H. R. 535

IN THE SENATE OF THE UNITED STATES

JANUARY 13, 2020

Received; read twice and referred to the Committee on Environment and Public Works

AN ACT

To require the Administrator of the Environmental Protection Agency to designate per- and polyfluoroalkyl substances as hazardous substances under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''PFAS Action Act of 2019''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Designation as hazardous substances.
Sec. 3. Testing of perfluoroalkyl and polyfluoroalkyl substances.
Sec. 4. Manufacturing and processing notices for perfluoroalkyl and polyfluoroalkyl substances.
Sec. 5. National primary drinking water regulations for PFAS.
Sec. 6. Enforcement.
Sec. 7. Establishment of PFAS infrastructure grant program.
Sec. 8. Listing of perfluoroalkyl and polyfluoroalkyl substances as hazardous air pollutants.
Sec. 9. Prohibition on unsafe waste incineration of PFAS.
Sec. 10. Label for PFAS-free products.
Sec. 11. Guidance on minimizing the use of firefighting foam and other related equipment containing any PFAS.
Sec. 12. Investigation of prevention of contamination by GenX.
Sec. 13. Disclosure of introductions of PFAS.
Sec. 14. Household well water testing website.
Sec. 15. Risk-communication strategy.
Sec. 16. Assistance to Territories for addressing emerging contaminants, with a focus on perfluoroalkyl and polyfluoroalkyl substances.
Sec. 17. Clean Water Act effluent standards, pretreatment standards, and water quality criteria for PFAS.

SEC. 2. DESIGNATION AS HAZARDOUS SUBSTANCES.

(a) DESIGNATION.—Not later than 1 year after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall designate perfluorooctanoic acid and its salts, and perfluoroactanesulfonic acid and its salts, as hazardous substances under section 102(a) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9602(a)).

(b) DEADLINE FOR ADDITIONAL DETERMINATIONS.—Not later than 5 years after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall determine whether to designate all perfluoroalkyl and polyfluoroalkyl substances, other than those perfluoroalkyl and polyfluoroalkyl substances designated pursuant to subsection (a), as hazardous substances under section 102(a) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9602(a)) individually or in groups.

(c) AIRPORT SPONSORS.—

(1) IN GENERAL.—No sponsor, including a sponsor of the civilian portion of a joint-use airport or a shared-use airport (as such terms are defined in section 139.5 of title 14, Code of Federal Regulations (or a successor regulation)), shall be liable under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) for the costs of responding to, or damages resulting from, a release to the environment of a perfluoroalkyl or polyfluoroalkyl substance designated as a hazardous substance under section 102(a) of such Act that resulted from the use of aqueous film forming foam agent, if such use was—

(A) required by the Federal Aviation Administration for compliance with part 139 of title 14, Code of Federal Regulations; and

(B) carried out in accordance with Federal Aviation Administration standards and guidance on the use of such substance.

(2) SPONSOR DEFINED.—In this subsection, the term ''sponsor'' has the meaning given such term in section 47102 of title 49, United States Code.

(d) PUBLIC AVAILABILITY.—Not later than 60 days after making a determination under subsection (b), the Administrator of the Environmental Protection Agency shall make the results of such determination publicly available on the website of the Environmental Protection Agency.

(e) REVIEW.—

(1) IN GENERAL.—Not later than 5 years after the date of the enactment of this Act, the Administrator of the Environmental Protection Agency shall submit to the appropriate congressional committees a report containing a review of actions by the Environmental Protection Agency to clean up contamination of the substances designated pursuant to subsection (a).

(2) MATTERS INCLUDED.—The report under paragraph (1) shall include an assessment of cleanup progress and effectiveness, including the following:

(A) The number of sites where the Environmental Protection Agency has acted to remediate contamination of the substances designated pursuant to subsection (a).

(B) Which types of chemicals relating to such substances were present at each site and the extent to which each site was contaminated.

(C) An analysis of discrepancies in cleanup between Federal and non-Federal contamination sites.

(D) Any other elements the Administrator may determine necessary.

(3) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this subsection, the term ''appropriate congressional committees'' means the following:

(A) The Committee on Energy and Commerce of the House of Representatives.

(B) The Committee on the Environment and Public Works of the Senate.

SEC. 3. TESTING OF PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES.

(a) TESTING REQUIREMENTS.—Section 4(a) of the Toxic Substances Control Act (15 U.S.C. 2603(a)) is amended by adding at the end the following:

"(5) PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES RULE.—

"(A) RULE.—Notwithstanding paragraphs (1) through (3), the Administrator shall, by rule, require that comprehensive toxicity testing be conducted on all chemical substances that are perfluoroalkyl or polyfluoroalkyl substances.

"(B) REQUIREMENTS.—In issuing a rule under subparagraph (A), the Administrator—

"(i) may establish categories of perfluoroalkyl and polyfluoroalkyl substances based on hazard characteristics or chemical properties;

"(ii) shall require the development of information relating to perfluoroalkyl and polyfluoroalkyl substances that the Administrator determines is likely to be useful in evaluating the hazard and risk posed by such substances in land, air, and water (including drinking water), as well as in products; and

"(iii) may allow for varied or tiered testing requirements based on hazard characteristics or chemical properties of perfluoroalkyl and polyfluoroalkyl substances or categories of perfluoroalkyl and polyfluoroalkyl substances.

"(C) DEADLINES.—The Administrator shall issue—

"(i) a proposed rule under subparagraph (A) not later than 6 months after the date of enactment of this paragraph; and

"(ii) a final rule under subparagraph (A) not later than 2 years after the date of enactment of this paragraph.".

(b) PERSONS SUBJECT TO RULE.—Section 4(b)(3) of the Toxic Substances Control Act (15 U.S.C. 2603(b)(3)) is amended—

(1) in subparagraph (A), by striking "subparagraph (B) or (C)" and inserting "subparagraph (B), (C), or (D)"; and

(2) by adding at the end the following:

"(D) A rule under subsection (a)(5) shall require the development of information by any person who manufactures or processes, or intends to manufacture or process,

a chemical substance that is a perfluoroalkyl or polyfluoroalkyl substance.''.

(c) PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES.—Section 4 of the Toxic Substances Control Act (15 U.S.C. 2603) is amended by adding at the end the following:

''(i) PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES.—

''(1) TESTING REQUIREMENT RULE.—

''(A) PROTOCOLS AND METHODOLOGIES.—In determining the protocols and methodologies to be included pursuant to subsection (b)(1) in a rule under subsection (a)(5), the Administrator shall allow for protocols and methodologies that test chemical substances that are perfluoroalkyl and polyfluoroalkyl substances as a class.

''(B) PERIOD.—In determining the period to be included pursuant to subsection (b)(1) in a rule under subsection (a)(5), the Administrator shall ensure that the period is as short as possible while allowing for completion of the required testing.

''(2) EXEMPTIONS.—In carrying out subsection (c) with respect to a chemical substance that is a

perfluoroalkyl or polyfluoroalkyl substance, the Administrator—

"(A) may only determine under subsection (c)(2) that information would be duplicative if the chemical substance with respect to which the application for exemption is submitted is in the same category, as established under subsection (a)(5)(B)(i), as a chemical substance for which information has been submitted to the Administrator in accordance with a rule, order, or consent agreement under subsection (a) or for which information is being developed pursuant to such a rule, order, or consent agreement; and

"(B) shall publish a list of all such chemical substances for which an exemption under subsection (c) is granted.".

SEC. 4. MANUFACTURING AND PROCESSING NOTICES FOR PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES.

Section 5 of the Toxic Substances Control Act (15 U.S.C. 2604) is amended—

(1) in subsection (h), by adding at the end the following:

"(7) This subsection does not apply to any chemical substance that is a perfluoroalkyl or polyfluoroalkyl substance."; and

(2) by adding at the end the following:

"(j) PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES.—

"(1) DETERMINATION.—For a period of 5 years beginning on the date of enactment of this subsection, any chemical substance that is a perfluoroalkyl or polyfluoroalkyl substance for which a notice is submitted under subsection (a) shall be deemed to have been determined by the Administrator to present an unreasonable risk of injury to health or the environment under paragraph (3)(A) of such subsection.

"(2) ORDER.—Notwithstanding subsection (a)(3)(A), for a chemical substance described in paragraph (1) of this subsection, the Administrator shall issue an order under subsection (f)(3) to prohibit the manufacture, processing, and distribution in commerce of such chemical substance.".

SEC. 5. NATIONAL PRIMARY DRINKING WATER REGULATIONS FOR PFAS.

Section 1412(b) of the Safe Drinking Water Act (42 U.S.C. 300g–1(b)) is amended by adding at the end the following:

"(16) PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES.—

"(A) IN GENERAL.—Not later than 2 years after the date of enactment of this paragraph, the Administrator shall, after notice and opportunity for public comment, promulgate a national primary drinking water regulation for perfluoroalkyl and polyfluoroalkyl substances, which shall, at a minimum, include standards for—

"(i) perfluorooctanoic acid (commonly referred to as 'PFOA'); and

"(ii) perfluorooctane sulfonic acid (commonly referred to as 'PFOS').

"(B) ALTERNATIVE PROCEDURES.—

"(i) IN GENERAL.—Not later than 1 year after the validation by the Administrator of an equally effective quality control and testing procedure to ensure compliance with the national primary drinking water regulation promulgated under sub-

paragraph (A) to measure the levels described in clause (ii) or other methods to detect and monitor perfluoroalkyl and polyfluoroalkyl substances in drinking water, the Administrator shall add the procedure or method as an alternative to the quality control and testing procedure described in such national primary drinking water regulation by publishing the procedure or method in the Federal Register in accordance with section 1401(1)(D).

"(ii) LEVELS DESCRIBED.—The levels referred to in clause (i) are—

"(I) the level of a perfluoroalkyl or polyfluoroalkyl substance;

"(II) the total levels of perfluoroalkyl and polyfluoroalkyl substances; and

"(III) the total levels of organic fluorine.

"(C) INCLUSIONS.—The Administrator may include a perfluoroalkyl or polyfluoroalkyl substance or class of perfluoroalkyl or polyfluoroalkyl substances on—

"(i) the list of contaminants for consideration of regulation under paragraph (1)(B)(i), in accordance with such paragraph; and

"(ii) the list of unregulated contaminants to be monitored under section 1445(a)(2)(B)(i), in accordance with such section.

"(D) MONITORING.—When establishing monitoring requirements for public water systems as part of a national primary drinking water regulation under subparagraph (A) or subparagraph (G)(ii), the Administrator shall tailor the monitoring requirements for public water systems that do not detect or are reliably and consistently below the maximum contaminant level (as defined in section 1418(b)(2)(B)) for the perfluoroalkyl or polyfluoroalkyl substance or class of perfluoroalkyl or polyfluoroalkyl substances subject to the national primary drinking water regulation.

"(E) HEALTH PROTECTION.—The national primary drinking water regulation promulgated under subparagraph (A) shall be protective of

the health of subpopulations at greater risk, as described in section 1458.

"(F) HEALTH RISK REDUCTION AND COST ANALYSIS.—In meeting the requirements of paragraph (3)(C), the Administrator may rely on information available to the Administrator with respect to one or more specific perfluoroalkyl or polyfluoroalkyl substances to extrapolate reasoned conclusions regarding the health risks and effects of a class of perfluoroalkyl or polyfluoroalkyl substances of which the specific perfluoroalkyl or polyfluoroalkyl substances are a part.

"(G) REGULATION OF ADDITIONAL SUBSTANCES.—

"(i) DETERMINATION.—The Administrator shall make a determination under paragraph (1)(A), using the criteria described in clauses (i) through (iii) of that paragraph, whether to include a perfluoroalkyl or polyfluoroalkyl substance or class of perfluoroalkyl or polyfluoroalkyl substances in the national primary drinking water regulation under subparagraph

(A) not later than 18 months after the later of—

"(I) the date on which the perfluoroalkyl or polyfluoroalkyl substance or class of perfluoroalkyl or polyfluoroalkyl substances is listed on the list of contaminants for consideration of regulation under paragraph (1)(B)(i); and

"(II) the date on which—

"(aa) the Administrator has received the results of monitoring under section 1445(a)(2)(B) for the perfluoroalkyl or polyfluoroalkyl substance or class of perfluoroalkyl or polyfluoroalkyl substances; or

"(bb) the Administrator has received reliable water data or water monitoring surveys for the perfluoroalkyl or polyfluoroalkyl substance or class of perfluoroalkyl or polyfluoroalkyl substances from a Federal or State agency that the Adminis-

trator determines to be of a quality sufficient to make a determination under paragraph (1)(A).

"(ii) PRIMARY DRINKING WATER REGULATIONS.—

"(I) IN GENERAL.—For each perfluoroalkyl or polyfluoroalkyl substance or class of perfluoroalkyl or polyfluoroalkyl substances that the Administrator determines to regulate under clause (i), the Administrator—

"(aa) not later than 18 months after the date on which the Administrator makes the determination, shall propose a national primary drinking water regulation for the perfluoroalkyl or polyfluoroalkyl substance or class of perfluoroalkyl or polyfluoroalkyl substances; and

"(bb) may publish the proposed national primary drinking water regulation described in item (aa) concurrently with the

publication of the determination to regulate the perfluoroalkyl or polyfluoroalkyl substance or class of perfluoroalkyl or polyfluoroalkyl substances.

"(II) DEADLINE.—

"(aa) IN GENERAL.—Not later than 1 year after the date on which the Administrator publishes a proposed national primary drinking water regulation under clause (i)(I) and subject to item (bb), the Administrator shall take final action on the proposed national primary drinking water regulation.

"(bb) EXTENSION.—The Administrator, on publication of notice in the Federal Register, may extend the deadline under item (aa) by not more than 6 months.

"(H) HEALTH ADVISORY.—

"(i) IN GENERAL.—Subject to clause (ii), the Administrator shall publish a

health advisory under paragraph (1)(F) for a perfluoroalkyl or polyfluoroalkyl substance or class of perfluoroalkyl or polyfluoroalkyl substances not subject to a national primary drinking water regulation not later than 1 year after the later of—

"(I) the date on which the Administrator finalizes a toxicity value for the perfluoroalkyl or polyfluoroalkyl substance or class of perfluoroalkyl or polyfluoroalkyl substances; and

"(II) the date on which the Administrator validates an effective quality control and testing procedure for the perfluoroalkyl or polyfluoroalkyl substance or class of perfluoroalkyl or polyfluoroalkyl substances.

"(ii) WAIVER.—The Administrator may waive the requirements of clause (i) with respect to a perfluoroalkyl or polyfluoroalkyl substance or class of perfluoroalkyl and polyfluoroalkyl substances if the Administrator determines that there is a substantial likelihood that

the perfluoroalkyl or polyfluoroalkyl substance or class of perfluoroalkyl or polyfluoroalkyl substances will not occur in drinking water with sufficient frequency to justify the publication of a health advisory, and publishes such determination, including the information and analysis used, and basis for, such determination, in the Federal Register.''.

SEC. 6. ENFORCEMENT.

Notwithstanding any other provision of law, the Administrator of the Environmental Protection Agency may not impose financial penalties for the violation of a national primary drinking water regulation (as defined in section 1401 of the Safe Drinking Water Act (42 U.S.C. 300f)) with respect to a perfluoroalkyl or polyfluoroalkyl substance or class of perfluoroalkyl or polyfluoroalkyl substances for which a national primary drinking water regulation has been promulgated under section 1412(b)(16) of the Safe Drinking Water Act earlier than the date that is 5 years after the date on which the Administrator promulgates the national primary drinking water regulation.

SEC. 7. ESTABLISHMENT OF PFAS INFRASTRUCTURE GRANT PROGRAM.

Part E of the Safe Drinking Water Act (42 U.S.C. 300j et seq.) is amended by adding at the end the following new section:

"SEC. 1459E. ASSISTANCE FOR COMMUNITY WATER SYSTEMS AFFECTED BY PFAS.

"(a) ESTABLISHMENT.—Not later than 180 days after the date of enactment of this section, the Administrator shall establish a program to award grants to affected community water systems to pay for capital costs associated with the implementation of eligible treatment technologies.

"(b) APPLICATIONS.—

"(1) GUIDANCE.—Not later than 12 months after the date of enactment of this section, the Administrator shall publish guidance describing the form and timing for community water systems to apply for grants under this section.

"(2) REQUIRED INFORMATION.—The Administrator shall require a community water system applying for a grant under this section to submit—

"(A) information showing the presence of PFAS in water of the community water system; and

"(B) a certification that the treatment technology in use by the community water system at the time of application is not sufficient to remove all detectable amounts of PFAS.

"(c) LIST OF ELIGIBLE TREATMENT TECHNOLOGIES.—Not later than 150 days after the date of enactment of this section, and every 2 years thereafter, the Administrator shall publish a list of treatment technologies that the Administrator, after providing an opportunity for public comment, determines are effective at removing all detectable amounts of PFAS from drinking water.

"(d) PRIORITY FOR FUNDING.—In awarding grants under this section, the Administrator shall prioritize affected community water systems that—

"(1) serve a disadvantaged community or a disproportionately exposed community;

"(2) will provide at least a 10-percent cost share for the cost of implementing an eligible treatment technology; or

"(3) demonstrate the capacity to maintain the eligible treatment technology to be implemented using the grant.

"(e) NO INCREASED BONDING AUTHORITY.—Amounts awarded to affected community water systems

under this section may not be used as a source of payment of, or security for (directly or indirectly), in whole or in part, any obligation the interest on which is exempt from the tax imposed under chapter 1 of the Internal Revenue Code of 1986.

"(f) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There is authorized to be appropriated to carry out this section not more than—

"(A) $125,000,000 for each of fiscal years 2020 and 2021; and

"(B) $100,000,000 for each of fiscal years 2022 through 2024.

"(2) SPECIAL RULE.—Of the amounts authorized to be appropriated by paragraph (1), $25,000,000 are authorized to be appropriated for each of fiscal years 2020 and 2021 for grants under subsection (a) to pay for capital costs associated with the implementation of eligible treatment technologies during the period beginning on October 1, 2014, and ending on the date of enactment of this section.

"(g) DEFINITIONS.—In this section:

"(1) AFFECTED COMMUNITY WATER SYSTEM.—The term 'affected community water system' means

a community water system that is affected by the presence of PFAS in the water in the community water system.

''(2) DISADVANTAGED COMMUNITY.—The term 'disadvantaged community' has the meaning given that term in section 1452.

''(3) DISPROPORTIONATELY EXPOSED COMMUNITY.—The term 'disproportionately exposed community' means a community in which climate change, pollution, or environmental destruction have exacerbated systemic racial, regional, social, environmental, and economic injustices by disproportionately affecting indigenous peoples, communities of color, migrant communities, deindustrialized communities, depopulated rural communities, the poor, low-income workers, women, the elderly, the unhoused, people with disabilities, or youth.

''(4) ELIGIBLE TREATMENT TECHNOLOGY.—The term 'eligible treatment technology' means a treatment technology included on the list published under subsection (c).

''(5) PFAS.—The term 'PFAS' means a perfluoroalkyl or polyfluoroalkyl substance with at least one fully fluorinated carbon atom, including the chemical GenX.''.

SEC. 8. LISTING OF PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES AS HAZARDOUS AIR POLLUTANTS.

(a) LISTING.—

(1) INITIAL LISTING.—Not later than 180 days after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall issue a final rule adding perfluorooctanoic acid and its salts, and perfluoroactanesulfonic acid and its salts, to the list of hazardous air pollutants under section 112(b) of the Clean Air Act (42 U.S.C. 7412(b)).

(2) ADDITIONAL LISTINGS.—Not later than 5 years after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall determine whether to issue, in accordance with section 112 of the Clean Air Act (42 U.S.C. 7412), any final rules adding perfluoroalkyl and polyfluoroalkyl substances, other than those perfluoroalkyl and polyfluoroalkyl substances listed pursuant to paragraph (1), to the list of hazardous air pollutants under section 112(b) of such Act.

(b) SOURCES CATEGORIES.—Not later than 365 days after any final rule is issued pursuant to subsection (a), the Administrator of the Environmental Protection Agency shall revise the list under section 112(c)(1) of the Clean

Air Act (42 U.S.C. 7412(c)(1)) to include categories and subcategories of major sources and area sources of perfluoroalkyl and polyfluoroalkyl substances listed pursuant to such final rule.

SEC. 9. PROHIBITION ON UNSAFE WASTE INCINERATION OF PFAS.

Section 3004 of the Solid Waste Disposal Act (42 U.S.C. 6924) is amended by adding at the end the following new subsection:

''(z) PFAS WASTES.—

''(1) FIREFIGHTING FOAM.—Not later than 6 months after the date of enactment of this subsection, the Administrator shall promulgate regulations requiring that when materials containing perfluoroalkyl and polyfluoroalkyl substances or aqueous film forming foam are disposed—

''(A) all incineration is conducted in a manner that eliminates perfluoroalkyl and polyfluoroalkyl substances while also minimizing perfluoroalkyl and polyfluoroalkyl substances emitted into the air to the extent feasible;

''(B) all incineration is conducted in accordance with the requirements of the Clean Air Act, including controlling hydrogen fluoride;

"(C) any materials containing perfluoroalkyl and polyfluoroalkyl substances that are designated for disposal are stored in accordance with the requirement under part 264 of title 40, Code of Federal Regulations; and

"(D) all incineration is conducted at a facility that has been permitted to receive waste regulated under this subtitle.

"(2) PENALTIES.—For purposes of section 3008(d), a waste subject to a prohibition under this subsection shall be considered a hazardous waste identified or listed under this subtitle.".

SEC. 10. LABEL FOR PFAS-FREE PRODUCTS.

(a) LABEL FOR PFAS-FREE PRODUCTS.—Not later than 1 year after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall—

(1) revise the Safer Choice Standard of the Safer Choice Program to identify the requirements for a pot, pan, cooking utensil, carpet, or rug, clothing, or upholstered furniture, or a stain resistant, water resistant, or grease resistant coating not subject to requirements under section 409 of the Federal Food, Drug, and Cosmetic Act to meet in order

to be labeled with a Safer Choice label, including a requirement that any such pot, pan, cooking utensil, carpet, rug, clothing, or upholstered furniture, or stain resistant, water resistant, or grease resistant coating does not contain any PFAS; or

(2) establish a voluntary label that is available to be used by any manufacturer of any pot, pan, cooking utensil, carpet, rug, clothing, or upholstered furniture, or stain resistant, water resistant, or grease resistant coating not subject to requirements under section 409 of the Federal Food, Drug, and Cosmetic Act that the Administrator has reviewed and found does not contain any PFAS.

(b) DEFINITION.—In this section, the term ''PFAS'' means a perfluoroalkyl or polyfluoroalkyl substance with at least one fully fluorinated carbon atom.

SEC. 11. GUIDANCE ON MINIMIZING THE USE OF FIRE-FIGHTING FOAM AND OTHER RELATED EQUIPMENT CONTAINING ANY PFAS.

(a) GUIDANCE.—Not later than 1 year after the date of enactment of this Act, the Administrator of the Environmental Protection Agency, in consultation with the head of the U.S. Fire Administration, Federal Aviation Administration, and other relevant Federal departments or agencies and representatives of State and local building

and fire code enforcement jurisdictions, shall issue guidance on minimizing the use of, or contact with, firefighting foam and other related equipment containing any PFAS by firefighters, police officers, paramedics, emergency medical technicians, and other first responders, in order to minimize the risk to such firefighters, police officers, paramedics, emergency medical technicians, and other first responders, and the environment, without jeopardizing firefighting efforts.

(b) ANNUAL REPORT.—Not later than 2 years after the date of the enactment of this Act, and annually thereafter, the Administrator, in consultation with the head of the U.S. Fire Administration, shall submit to Congress a report on the effectiveness of the guidance issued under subsection (a). Such report shall include recommendations for congressional actions that the Administrator determines appropriate to assist efforts to reduce exposure to PFAS by firefighters and the other persons described in subsection (a).

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Administrator of the Environmental Protection Agency, in consultation with the head of the U.S. Fire Administration and other relevant Federal departments or agencies, shall report to Congress on the efforts of the Environmental Protection Agency and

other relevant Federal departments and agencies to identify viable alternatives to firefighting foam and other related equipment containing any PFAS.

(d) DEFINITION.—In this section, the term ''PFAS'' means perfluorooctanoic acid, perfluorooctanesulfonic acid, and any other perfluoroalkyl or polyfluoroalkyl substance with at least one fully fluorinated carbon atom that the Administrator of the Environmental Protection Agency determines is used in firefighting foam and other related equipment.

SEC. 12. INVESTIGATION OF PREVENTION OF CONTAMINATION BY GENX.

The Administrator of the Environmental Protection Agency shall investigate methods and means to prevent contamination by GenX of surface waters, including source waters used for drinking water purposes.

SEC. 13. DISCLOSURE OF INTRODUCTIONS OF PFAS.

(a) IN GENERAL.—The introduction of any perfluoroalkyl or polyfluoroalkyl substance by the owner or operator of an industrial source shall be unlawful unless such owner or operator first notifies the owner or operator of the applicable treatment works of—

(1) the identity and quantity of such substance;

(2) whether such substance is susceptible to treatment by such treatment works; and

(3) whether such substance would interfere with the operation of the treatment works.

(b) VIOLATIONS.—A violation of this section shall be treated in the same manner as a violation of a regulation promulgated under subsection 307(b) of the Federal Water Pollution Control Act (33 U.S.C. 1317(b)).

(c) DEFINITIONS.—In this section:

(1) INTRODUCTION.—The term ''introduction'' means the introduction of pollutants into treatment works, as described in section 307(b) of the Federal Water Pollution Control Act (33 U.S.C. 1317).

(2) TREATMENT WORKS.—The term ''treatment works'' has the meaning given that term in section 212 of the Federal Water Pollution Control Act (33 U.S.C. 1292).

SEC. 14. HOUSEHOLD WELL WATER TESTING WEBSITE.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall establish a website containing information relating to the testing of household well water.

(b) CONTENTS.—The Administrator shall include on the website established under subsection (a) the following:

(1) Information on how to get groundwater that is the source for a household water well tested by a

well inspector who is certified by a qualified third party.

(2) A list of laboratories that analyze water samples and are certified by a State or the Administrator.

(3) State-specific information, developed in coordination with each State, on naturally occurring and human-induced contaminants.

(4) Information that, using accepted risk communication techniques, clearly communicates whether a test result value exceeds a level determined by the Administrator or the State to pose a health risk.

(5) Information on treatment options, including information relating to water treatment systems certified by the National Science Foundation or the American National Standards Institute, and people who are qualified to install such systems.

(6) A directory of whom to contact to report a test result value that exceeds a level determined by the Administrator or the State to pose a health risk.

(7) Information on financial assistance that is available for homeowners to support water treatment, including grants under section 306E of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926e) and State resources.

(8) Any other information the Administrator considers appropriate.

(c) COORDINATION.—The Administrator shall coordinate with the Secretary of Health and Human Services, the Secretary of Agriculture, and appropriate State agencies in carrying out this section.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $1,000,000 for fiscal year 2021.

SEC. 15. RISK-COMMUNICATION STRATEGY.

The Administrator of the Environmental Protection Agency shall develop a risk-communication strategy to inform the public about the hazards or potential hazards of perfluoroalkyl and polyfluoroalkyl substances, or categories of perfluoroalkyl and polyfluoroalkyl substances, by—

(1) disseminating information about the risks or potential risks posed by such substances or categories in land, air, water (including drinking water), and products;

(2) notifying the public about exposure pathways and mitigation measures through outreach and educational resources; and

(3) consulting with States that have demonstrated effective risk-communication strategies for

best practices in developing a national risk-communication strategy.

SEC. 16. ASSISTANCE TO TERRITORIES FOR ADDRESSING EMERGING CONTAMINANTS, WITH A FOCUS ON PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES.

Section 1452(t) of the Safe Drinking Water Act (42 U.S.C. 300j–12) is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following new paragraph:

''(2) ASSISTANCE TO TERRITORIES.—Of the amounts made available under this subsection, the Administrator may use funds to provide grants to the Virgin Islands, the Commonwealth of the Northern Mariana Islands, American Samoa, and Guam for the purpose of addressing emerging contaminants, with a focus on perfluoroalkyl and polyfluoroalkyl substances.''.

SEC. 17. CLEAN WATER ACT EFFLUENT STANDARDS, PRETREATMENT STANDARDS, AND WATER QUALITY CRITERIA FOR PFAS.

(a) REVIEW AND REGULATION OF SUBSTANCES AND SOURCES.—

(1) REVIEW.—

(A) IN GENERAL.—As soon as practicable, but not later than September 30, 2021, and biennially thereafter, the Administrator shall publish in the Federal Register a plan under subsection (m) of section 304 of the Federal Water Pollution Control Act (33 U.S.C. 1314) that contains the results of a review, conducted in accordance with such section, of the introduction or discharge of perfluoroalkyl and polyfluoroalkyl substances from classes and categories of point sources (other than publicly owned treatment works).

(B) INCLUSIONS.—The Administrator shall include in each plan published pursuant to subparagraph (A)—

(i) information on potential introduction or discharges of perfluoroalkyl and polyfluoroalkyl substances;

(ii) any information gaps on such introduction or discharges and the process by which the Administrator will address such gaps;

(iii) for each measurable perfluoroalkyl and polyfluoroalkyl sub-

stance that is not on the list of toxic pollutants described in section 307(a) of the Federal Water Pollution Control Act, a determination, in accordance with the requirements of such section, whether or not to add the substance to such list; and

(iv) a determination, in accordance with the requirements of the Federal Water Pollution Control Act, whether or not to establish effluent limitations and pretreatment standards for the introduction or discharge of each substance described in clause (iii) that the Administrator determines under such clause not to add to such list and for which the Administrator has not developed such limitations or standards.

(2) REGULATION.—Based on the results of each review conducted under paragraph (1) and in accordance with the requirements of the Federal Water Pollution Control Act, the Administrator shall—

(A) in accordance with the plan published under paragraph (1), as soon as practicable—

(i) for each measurable perfluoroalkyl and polyfluoroalkyl substance that the Administrator determines under paragraph (1)(B)(iii) to add to the list of toxic pollutants described in section 307(a) of such Act, initiate the process for adding the substance to such list; and

(ii) for each measurable perfluoroalkyl and polyfluoroalkyl substance that the Administrator determines under paragraph (1)(B)(iv) to establish effluent limitations and pretreatment standards, establish such effluent limitations and pretreatment standards (which limitations and standards may be established by substance or by class or category of substances); and

(B) not later than 2 years after the date on which each plan is published under paragraph (1), publish human health water quality criteria for measurable perfluoroalkyl and polyfluoroalkyl substances and classes and categories of perfluoroalkyl and polyfluoroalkyl substances for which the Administrator has not published such criteria.

(b) DEADLINES FOR COVERED PERFLUOROALKYL SUBSTANCES.—

(1) WATER QUALITY CRITERIA.—Not later than 2 years after the date of enactment of this section, the Administrator shall publish in the Federal Register human health water quality criteria for each covered perfluoroalkyl substance.

(2) EFFLUENT LIMITATIONS AND PRETREATMENT STANDARDS FOR PRIORITY INDUSTRY CATEGORIES.—As soon as practicable, but not later than 4 years after the date of enactment of this section, the Administrator shall publish in the Federal Register a final rule establishing, for each priority industry category, effluent limitations and pretreatment standards for the introduction or discharge of each covered perfluoroalkyl substance.

(c) NOTIFICATION.—The Administrator shall notify the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate of each publication made under this section.

(d) IMPLEMENTATION ASSISTANCE FOR PUBLICLY OWNED TREATMENT WORKS.—

(1) IN GENERAL.—The Administrator shall award grants, in amounts not to exceed $100,000,

to owners and operators of publicly owned treatment works, to be used for the implementation of a pretreatment standard developed by the Administrator for a perfluoroalkyl or polyfluoroalkyl substance.

(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Administrator to carry out this subsection $100,000,000 for each of fiscal years 2021 through 2025, to remain available until expended.

(e) DEFINITIONS.—In this section:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Environmental Protection Agency.

(2) COVERED PERFLUOROALKYL SUBSTANCE.—The term ''covered perfluoroalkyl substance'' means perfluorooctanoic acid, perfluorooctane sulfonic acid, or a salt associated with perfluorooctanoic acid or perfluorooctane sulfonic acid.

(3) EFFLUENT LIMITATION.—The term ''effluent limitation'' means an effluent limitation under section 301(b) of the Federal Water Pollution Control Act (33 U.S.C. 1311).

(4) INTRODUCTION.—The term ''introduction'' means the introduction of pollutants into treatment

works, as described in section 307(b) of the Federal Water Pollution Control Act (33 U.S.C. 1317).

(5) MEASURABLE.—The term ''measurable'' means, with respect to a chemical substance or class or category of chemical substances, capable of being measured using—

(A) test procedures established under section 304(h) of the Federal Water Pollution Control Act (33 U.S.C. 1314);

(B) applicable protocols and methodologies required pursuant to section 4(a) of the Toxic Substances Control Act (15 U.S.C. 2603); or

(C) any other analytical method developed by the Administrator for detecting pollutants, as such term is defined in section 502 of the Federal Water Pollution Control Act (33 U.S.C. 1362).

(6) PRETREATMENT STANDARD.—The term ''pretreatment standard'' means a pretreatment standard under section 307(b) of the Federal Water Pollution Control Act (33 U.S.C. 1317).

(7) PRIORITY INDUSTRY CATEGORY.—The term ''priority industry category'' means the following point source categories:

(A) Organic chemicals, plastics, and synthetic fibers, as identified in part 414 of title 40, Code of Federal Regulations.

(B) Pulp, paper, and paperboard, as identified in part 430 of title 40, Code of Federal Regulations.

(C) Textile mills, as identified in part 410 of title 40, Code of Federal Regulations.

(8) TREATMENT WORKS.—The term ''treatment works'' has the meaning given that term in section 212 of the Federal Water Pollution Control Act (33 U.S.C. 1292).

(9) WATER QUALITY CRITERIA.—The term ''water quality criteria'' means criteria for water quality under section 304(a)(1) of the Federal Water Pollution Control Act (33 U.S.C. 1314).

Passed the House of Representatives January 10, 2020.

Attest: CHERYL L. JOHNSON,

Clerk.

Attachment B

January 2020

Section by Section Summary
H.R. 535, the PFAS Action Act of 2019

COMMITTEE ON ENERGY & COMMERCE

SEC. 1. Short Title; Table of Contents.
Section 1(a) designates this Act may be cited as the "PFAS Action Act of 2019". Section 1(b) provides the table of contents.

SEC. 2. Designation as hazardous substances.
Section 2 would require the listing of certain perfluoroalkyl and polyfluoroalkyl substances as hazardous substances under CERCLA within one year. It would also set a deadline for EPA to decide within five years whether or not to list the remaining PFAS under CERCLA, individually or in groups.

SEC. 3. Testing of perfluoroalkyl and polyfluoroalkyl substances.
This section incorporates H.R. 2608, sponsored by Rep. Sean Patrick Maloney (D-NY), to require EPA to promulgate a test rule requiring health effects testing for all PFAS. The section allows the Administrator to divide PFAS into subclasses through the rulemaking process.

SEC. 4. Manufacturing and processing notices for perfluoroalkyl and polyfluoroalkyl substances.
This section incorporates H.R. 2596, sponsored by Rep. Ann McLane Kuster (D-NH), with amendment. Under the amended text, there will be a moratorium under the Toxic Substances Control Act (TSCA) on the approval of new PFAS for five years, as well as a permanent bar on the introduction of new PFAS into commerce under low volume exemptions.

SEC. 5. National primary drinking water regulation for PFAS.
The section incorporates H.R. 2377, sponsored by Representatives Brendan Boyle (D-PA) and Brian Fitzpatrick (R-PA), with amendment, to ensure the adoption of a drinking water standard under the Safe DrinkingWater Act (SDWA) for certain PFAS that protects the health of vulnerable subpopulations, including pregnant women, infants, and children.

SEC. 6. Monitoring and detection.
Struck by the manager's amendment because of prior enactment.

SEC. 7. Enforcement.
This section provides a five-year delay in enforcement for the drinking water standard for PFAS, to allow drinking water utilities to implement improvements in their treatment techniques.

SEC. 8. Drinking water state revolving funds.
Struck by the manager's amendment because of prior enactment.

SEC. 9. Additions to Toxics Release Inventory.
Struck by the manager's amendment because of prior enactment.

SEC. 10. PFAS Data Call.
Struck by the manager's amendment because of prior enactment.

SEC. 11. Significant New Use Rule for long chain PFAS.
Struck by the manager's amendment because of prior enactment.

SEC. 12. Destruction and disposal guidance.
Struck by the manager's amendment because of prior enactment.

SEC. 13. Establishment of PFAS infrastructure grant program.
This section of the AINS incorporates H.R. 2533, sponsored by Rep. Pallone, with amendment, to provide financial assistance under SDWA to water utilities that must install new treatment technology to remove PFAS from the water they provide.

SEC. 14. Cooperative agreements with States for removal and remedial actions to address drinking, surface, and groundwater and soil contamination from PFAS.
Struck by the manager's amendment because of prior enactment.

SEC. 15. Listing of perfluoroalkyl and polyfluoroalkyl substances as hazardous air pollutants.
This section incorporates H.R. 2605, sponsored by Rep. Haley Stevens (D-MI), without change, to require the listing of PFAS chemicals as hazardous air pollutants under the Clean Air Act.

SEC. 16. Prohibition on waste incineration of PFAS.
This section incorporates H.R. 2591, sponsored by Rep. Ro Khanna (D-CA), with amendment. As currently structured, the section amends the Solid Waste Disposal Act (SWDA) to allow for incineration of PFAS containing wastes so long as that incineration is done at an approved hazardous waste incinerator and meets emissions standards (including those for Hydrogen Fluoride), while minimizing PFAS air emissions to the extent feasible.

SEC. 17. Label for pots, pans, and cooking utensils.
This section incorporates H.R. 2566, sponsored by Rep. Darren Soto (D-FL), to require the EPA Administrator to establish a voluntary label to be available to the manufacturers of pots, pans, and cooking utensils that do not contain PFAS.

SEC. 18. Guidance on minimizing the use of firefighting foam and other related equipment containing PFAS.
This section incorporates H.R. 2638, sponsored by Rep. Lizzie Fletcher (D-TX), to direct the Administrator of the Environmental Protection Agency to issue guidance for firefighters and other first responders to minimize the use of foam and other firefighting materials containing PFAS and to minimize their health risk from PFAS exposure. As amended, this section requires EPA to consult with the head of the U.S. Fire Administration and other relevant Federal Agencies in developing the guidance.

RESOLUTION NO. 20-14

RESOLUTION OF THE SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS (SGVCOG) SUPPORTING H.R. 535 (DINGELL)

WHEREAS, Congresswoman Debbie Dingell introduced H.R. 535 to address perfluoroalkyl substances (PFAS) contamination across the United States; and,

WHEREAS, PFAS chemicals are commonly found in consumer goods such as carpet, leather, textiles, packaging materials, coatings, rubbers, and plastics; and,

WHEREAS, consistent findings show that heavy exposure to PFAS chemicals can increase cholesterol levels and cause other adverse health effects; and,

WHEREAS, H.R. 535 requires the U.S. Environmental Protection Agency (EPA) to publish a maximum contaminant level goal for PFAS and establish national drinking water safeguards for PFAS chemicals; and,

WHEREAS, H.R. 535 requires the EPA to stem the flow of PFAS contamination into the environment by mandating cleanup of sites that are contaminated with PFAS chemicals, setting air emission limits, prohibiting unsafe incineration of PFAS, and limiting the introduction of new PFAS chemicals into commerce; and,

WHEREAS, H.R. 535 issues guidance for first responders to limit their exposures to PFAS and provides grants to clean up impacted water systems; and,

WHEREAS, H.R. 535 does not include specific protocols on removing PFAS contamination from landfills; and,

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of the SGVCOG supports H.R. 535 (Dingell) with recommendations for the bill to include additional details on cleaning up landfills that are contaminated with PFAS chemicals.

PASSED AND ADOPTED by the Governing Board of San Gabriel Valley Council of Governments, in the County of Los Angeles, State of California, on the 18th day of June 2020.

San Gabriel Valley Council of Governments

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Cynthia Sternquist, President

Attest:

I, Marisa Creter, Executive Director and Secretary of the Board of Directors of the San Gabriel Valley Council of Governments, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the Governing Board held on the 18th day of June 2020, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

_____
Marisa Creter, Secretary