

WALNUT VALLEY WATER DISTRICT

271 South Brea Canyon Road • Walnut, CA 91789-3002
(909) 595-7554 • (626) 964-6551
www.wvwd.com • Fax: (909) 444-5521



REGULAR BOARD MEETING TUESDAY, JANUARY 17, 2023 5:00 P.M.

Pursuant to the provisions of Government Code Section 54953(e), as amended by AB 361, any Board member and any member of the public who desires to participate in the open session items of this meeting may do so by accessing the Webex link below without otherwise complying with the Brown Act's teleconference requirements:

<https://walnutvalley.webex.com/meet/bmeeting>
(Computer and Telephone Audio Accessible)

Any member of the public wishing to make any comments to the Board may do so by accessing the above-referenced link where they may select the option to join via webcam or teleconference. The meeting Chair will acknowledge such individual(s) at the appropriate time in the meeting prior to making his or her comment. **Members of the public will be disconnected from the meeting prior to the Closed Session.**

Each item on the agenda shall be deemed to include any appropriate motion, resolution, or ordinance, to take action on any item.

Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review during regular business hours at the District office, located at: 271 S. Brea Canyon Road, Walnut, CA.

1. Flag Salute
2. Roll Call: Mr. Hilden____ Ms. Kwong____ Ms. Lee____ Mr. Tang____
3. Public Comment President Hilden

The Presiding Officer of the Board of Directors may impose reasonable limitations on public comments to assure an orderly and timely meeting.

A. Agenda Items - Any person desiring to address the Board of Directors on any Agenda item may do so at the time the item is considered on the Agenda by requesting the privilege of doing so at this time and stating the Agenda item to be addressed. At the time the item is discussed, those requesting to speak will be called to do so.

B. Non-Agenda Items - At this time, the public shall have an opportunity to comment on any non-agenda item relevant to the jurisdiction of the District. Reasonable time limits on each topic and on each speaker are imposed in accordance with Board policy.

4. Agenda Changes/Addition President Hilden

In accordance with Section 54954.2 of the Government Code, additions to the agenda require a two-thirds vote of the legislative body, or if less than two-thirds of the members are present, a unanimous vote of those members present. It shall be determined that there is a need to take immediate action and that the need for action came to the attention of the local agency after the posting of the agenda.

- A. Discussion B. Action Taken

5. Reorder of Agenda President Hilden

- A. Discussion B. Action Taken

6. [Consider Adoption of Subsequent Resolution No. 01-23-716 Authorizing Remote Teleconference Meetings for the Period January 17, 2023 to February 16, 2023](#)

- A. Discussion B. Action Taken

7. Special Recognition President Hilden

- A. [Introduction of Mr. Darnell Meyers, Utility Service Worker, on the Occasion of Completing the Probationary Period for New Employees](#)
- B. [Introduction of Mr. Garrett Noble, Utility Service Worker, on the Occasion of Completing the Probationary Period for New Employees](#)
- C. [Introduction of Mr. Juan Gamboa, Utility Service Worker, on the Occasion of Completing the Probationary Period for New Employees](#)
- D. [Introduction of Mr. Steve Carcano, Utility Service Worker on the Occasion of Completing the Probationary Period for New Employees](#)

8. Consider Approval of Consent Calendar (Items A - D)

Consent Calendar Notice:
The items listed under the Consent Calendar are considered routine business and will be voted on together by one motion unless a Board Member, staff member, or member of the public requests separate action.

- A. [Minutes of the Regular Board Meeting held December 12, 2022](#)
- B. [Check Register](#)
- C. [Employee Expense Reimbursement Report](#)
- D. [Community Outreach Update \(Information Only\)](#)

9. [Consider Approval of Director Expense Reports](#)

Provided are Expense Reports disclosing per diem requests for Director meeting attendance and an itemization of expenses incurred by the District on behalf of each Director.

- (1) Discussion (2) Action Taken

10. Treasurer's Report

- A. [Financial Dashboard as of November 30, 2022](#)
 - B. [District Statement of Revenues, Expenses, and Change in Net Positions as of November 30, 2022](#)
 - C. [District Statement of Net Positions as of November 30, 2022](#)
 - D. [Summary of Cash and Investments as of November 30, 2022](#)
- (1) Discussion (2) Action Taken

COMMITTEE REPORTS

Standing Committee Reports (The Chair of each committee that has met will report to the full Board)

11. Public Information/Community Relations/Legislative Action Committee Director Tang
 - There are no items to come before the Board at this time

12. Finance Committee Director Lee
 - A. [Budget Meeting Schedule](#) (Information Only)
 - B. [P-W-R Joint Water Line, Puente Basin Water Agency, and Spadra Basin GSA Audits for Fiscal Year Ending June 30, 2022](#)
 - (1) Discussion
 - (2) Action Taken
 - C. [Receive, Approve, and File Investment Transactions Report for Month Ending December 31, 2022](#)
 - (1) Discussion
 - (2) Action Taken
 - D. [Review of Revenue Bonds Held in Trust – East West Bank](#) (Information Only)

13. Engineering and Special Projects Director Lee
 - A. [Acceptance of Work and Notice of Completion for ACE – Fairway Grade Separation \(P.N. 12-3262\)](#)
 - (1) Discussion
 - (2) Action Taken
 - B. [Operations Report](#) (Information Only)

14. Personnel Committee Director Kwong
 - There are no items to come before the Board at this time

OTHER ITEMS

15. TVMWD/MWD President Hilden

16. P-W-R Joint Water Line Commission Mr. Monk
 - A. [Receive, Approve, and File P-W-R JWL Report for Water Purchases for the Month of November and December 2022](#)
 - B. Other Items

17. Puente Basin Water Agency Director Lee

18. Spadra Basin Groundwater Sustainability Agency Director Tang

19. General Manager's Report Mr. Hitchman
 - A. [District Activities Calendars for February, March, April 2023](#)
 - B. [2023 ACWA Spring Conference scheduled for May 9 – 11, in Monterey, CA](#)
 - C. Other Items

20. Water Supply and Conservation Mr. Hitchman
 - A. [District Water Supply and Conservation Update](#)
 - B. [Statewide Water Supply Conditions](#)

- 21. Directors' Oral Reports All Directors

- 22. Legal Reports Mr. Ciampa
 - Report on matters of interest or affecting the District

- 23. Board members and staff will be given an opportunity to request and suggest subjects for discussion at a future meeting

- 24. Board of Directors Business President Hilden
 - A. [Consideration of Annual Board Commission and Agency Assignment Selections for Calendar Year 2023](#)
 - (1) Discussion (2) Action Taken
 - B. [Adoption of Resolution No. 01-23-717 Appointing Representatives to the Pomona-Walnut-Rowland Joint Water Line Commission](#)
 - (1) Discussion (2) Action Taken
 - C. [Adoption of Resolution No. 01-23-718 Appointing Representatives to the Puente Basin Water Agency](#)
 - (1) Discussion (2) Action Taken
 - D. [Adoption of Resolution No. 01-23-719 Appointing Representatives to the Spadra Basin Groundwater Sustainability Agency Executive Committee](#)
 - (1) Discussion (2) Action Taken

Adjournment

Pursuant to the Americans with Disabilities Act, persons with a disability who require a disability-related modification or accommodation to participate in a meeting may request such modification or accommodation from the District's General Manager's Office at (909) 595-1268 Ext. 201. Notification forty-eight (48) hours prior to the meeting will enable District staff to make reasonable arrangements to assure accessibility to the meeting.

I, Lucie Cazares, CMC, Walnut Valley Water District, do hereby certify, under penalty of perjury under the laws of the State of California that a full and correct copy of this agenda was posted pursuant to Government Code Section 54950 et. seq., at 271 S. Brea Canyon Road, Walnut, CA., and uploaded to the Walnut Valley Water District website www.wvwd.com/board-meetings.

Date Posted: January 13, 2023

Lucie Cazares, CMC, Executive Secretary

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
DATE: January 17, 2023
SUBJECT: Consider Adoption of Subsequent Resolution No. 01-23-716
Authorizing Remote Teleconference Meetings for the Period January 17, 2023 to February 16, 2023

Action/Discussion **Fiscal Impact** **Resolution** **Information Only**

Recommendation

That the Board of Directors adopt the resolution in the form provided making certain findings and determinations under AB 361 allowing the District’s legislative bodies to continue to hold virtual Brown Act meetings in consideration of the COVID-19 pandemic.

Background Information

The District’s Board of Directors find that a state of emergency continues to exist within the District’s service area as a result of the continuing presence of COVID-19 and resulting local, state and federal orders and guidance, which has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District. The Board of Directors desire to affirm a local emergency exists and re-ratify the proclamation of state of emergency by the Governor of the State of California, and as a consequence of the local emergency persisting, the Board of Directors find that the District’s Board of Directors and all standing committees shall continue to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code Section 54953, as authorized by subdivision (e) of Section 54953, and that such legislative bodies shall continue to comply with the requirements to provide the public with access to the meetings.

The District’s General Manager, or his or her delegee, and the Board of Directors and standing committees of the District are authorized and directed to take all actions necessary to carry out the intent and purpose of the resolution including, continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act. The resolution shall take effect immediately upon its adoption and shall be effective until the earlier of the expiration of thirty (30) days from the date the resolution is adopted.

Attachments
Resolution No. 01-23-716

RESOLUTION NO. 01-23-716

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WALNUT VALLEY WATER DISTRICT PROCLAIMING A STATE OF EMERGENCY PERSISTS, RE-RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR GAVIN NEWSOM, AND RE-AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE BOARD OF DIRECTORS OF WALNUT VALLEY WATER DISTRICT FOR THE PERIOD JANUARY 17, 2023 TO FEBRUARY 16, 2023 PURSUANT TO BROWN ACT PROVISIONS.

WHEREAS, the Walnut Valley Water District (the "District") is committed to preserving and nurturing public access and participation in meetings of its Board of Directors; and

WHEREAS, all meetings of the District's Board of Directors and its standing committees are open and public, as required by the Ralph M. Brown Act (California Government Code Sections 54950 – 54963), so that any member of the public may attend, participate, and watch those bodies conduct their business; and

WHEREAS, the Brown Act, in Government Code Section 54953(e), makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code Section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition for application of Section 54953(e) is that a state of emergency is declared by the Governor pursuant to Government Code Section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code Section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District's boundaries, caused by natural, technological or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, the Board of Directors previously adopted a Resolution, Resolution No. 10-21-686 on October 18, 2021, and subsequent resolutions, finding that the requisite conditions exist for the District's Board of Directors and standing committees to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of Section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in Section 54953(e), the Board of Directors must reconsider the circumstances of the state of emergency that exists in the District, and the Board of Directors has done so; and

WHEREAS, emergency conditions persist in the District, specifically, COVID-19, and its variants, remain highly contagious and, therefore, a threat to the health, safety and well-being of the District's employees, directors, vendors, contractors, customers and residents; and

WHEREAS, orders from the Los Angeles County Department of Public Health and regulations from the State of California impose limitations on gatherings and provide guidance on best practices with respect to actions to reduce the spread of COVID-19; and

WHEREAS, the District's Board of Directors does hereby find that a state of emergency continues to exist within the District's service area as a result of the continuing presence of COVID-19 and resulting local, state and federal orders and guidance, which has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District, and the Board of Directors desires to affirm a local emergency exists and re-ratify the proclamation of state of emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the local emergency persisting, the Board of Directors does hereby find that the District's Board of Directors and all standing committees shall continue to conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code Section 54953, as authorized by subdivision (e) of Section 54953, and that

such legislative bodies shall continue to comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of Section 54953; and

WHEREAS, the District will continue to provide proper notice to the public regarding all District of Board of Directors' and standing committee meetings, in accordance with Government Code Section 54953(e)(2)(A) and shall provide notice to the public of how they may access any such meeting via call-in number and/or internet link.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF WALNUT VALLEY WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Affirmation that Local Emergency Persists. The Board of Directors hereby considers the conditions of the state of emergency in the District and proclaims that a local emergency persists throughout the District, and that conducting District Board of Directors and standing committee meetings virtually will minimize the possible spread COVID-19 and any variant thereof.

Section 3. Re-ratification of Governor's Proclamation of a State of Emergency. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency regarding COVID-19, dated March 4, 2020.

Section 4. Remote Teleconference Meetings. The District's General Manager, or his or her delegee, and the Board of Directors and standing committees of the District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) the expiration of thirty (30) days from the date this Resolution was adopted, as set forth below, or (ii) such time as the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the Board of Directors and standing committees of the District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED AND ADOPTED by the Board of Directors of Walnut Valley Water District this 17TH day of JANUARY 2023, by the following vote:

AYES: None
NOES: None
ABSENT: None
ABSTAIN: None

Edwin Hilden
President, Board of Directors

ATTEST:

Erik Hitchman
Secretary, Board of Directors

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First Vice President
Election Division III

Scarlett P. Kwong
Second Vice President
Election Division V

Jerry Tang
Assistant Treasurer
Election Division I

STAFF

Erik Hitchman, P.E.
General Manager
Chief Engineer
Secretary

Jared Macias
Assistant General Manager

Sheryl L. Shaw, P.E.
Director of Engineering

Lily Lopez
Director of External Affairs

Joshua Byerrum
Director of Finance
Treasurer

Alanna Diaz
Director of Administrative
Services

Thomas M. Monk
Director of Operations

Lucie Cazares, MPA
Executive Secretary

LEGAL COUNSEL

James D. Ciampa

DARNELL MEYERS

UTILITY SERVICE WORKER I

Darnell joined the District on June 13, 2022, assuming the position of Utility Service Worker. He comes to the District from La Habra Heights County Water District where he served as a Water Worker.

Darnell has some schooling from Citrus College. He currently holds a Water Distribution II Certification and desires to sharpen his skills in the field and to become a great and dependable asset to the District.

When not at work, Darnell enjoys spending time with family and helping his community through church.

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Director of Operations

Lucie Cazares, MPA
Executive Secretary

LEGAL COUNSEL

James D. Ciampa

GARRETT NOBLE

UTILITY SERVICE WORKER I

Garrett joined the District on June 13, 2022, assuming the position of Utility Service Worker. He comes to the District from the Golden State Water Co. where he served as a Water Distribution Operator.

Garrett graduated from Opportunities for Learning in Baldwin Park. He currently holds a Water Distribution II Certification and Water Treatment II Certification. Garrett recently passed his Water Distribution III Certification and is waiting to receive the certificate.

When not at work, Garrett enjoys playing basketball.

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Director of Administrative
Services

Thomas M. Monk
Director of Operations

Lucie Cazares, MPA
Executive Secretary

LEGAL COUNSEL

James D. Ciampa

JUAN GAMBOA

UTILITY SERVICE WORKER I

Juan joined the District on July 11, 2022, assuming the position of Utility Service Worker. He comes to the District from Dedicated Roofing Inc. where he served as a Roof Technician.

Juan graduated from South Hills High School in West Covina. He currently holds a Water Distribution II and Drinking Water Treatment II Certification. Juan desires to learn the entire system forward and backwards.

When not at work, Juan enjoys listening to records, music, and concerts. He also enjoys theme parks, restaurants, and good old quality family time.

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Thomas M. Monk
Director of Operations

Lucie Cazares, MPA
Executive Secretary

LEGAL COUNSEL

James D. Ciampa

STEVEN CARCANO

UTILITY SERVICE WORKER I - DOT

Steven joined the District on June 27, 2022, assuming the position of Utility Service Worker. He comes to the District from the City of Fullerton where he served in the water department.

Steven graduated with a Bachelor of Science in Journalism with a minor in Geography from Cal State Long Beach. He also possess an Associate in Science from Santiago Canyon College for Water Technology. He currently holds a Water Distribution II Certification and desires to continue to grow and learn in the field.

When not at work, Steven enjoys cycling (road/mountain bikes), skateboarding, baseball (Angels), softball, and his pet bird.

**MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
WALNUT VALLEY WATER DISTRICT**

**December 12, 2022
MEETING CONDUCTED VIA WEBEX
AT:**

<https://walnutvalley.webex.com/meet/bmeeting>

DIRECTORS PRESENT:

Kevin Hayakawa
Theresa Lee
Jerry Tang
Edwin Hilden
Scarlett Kwong

DIRECTORS ABSENT:

None

STAFF PRESENT:

Erik Hitchman, General Manager/Chief Engineer
Jared Macias, Assistant General Manager
Josh Byerrum, Director of Finance
Lily Lopez, Director of External Affairs
Thomas Monk, Director of Operations
Sherry Shaw, Director of Engineering & Planning
Alanna Diaz, Director of Administrative Services
Lucie Cazares, Executive Secretary
Jim Ciampa, Legal Counsel
Fiona Tang, Information System Technician (Host)

The meeting was called to order at 5:00 p.m. with President Tang presiding. All Board meeting participants and guests joined the meeting via the Webex link:

<https://walnutvalley.webex.com/meet/bmeeting>.

Guests and others in attendance: Three Valleys Municipal Water District (TVMWD) Directors Mike Ti, Jody Roberto, Jeff Hanlon and General Manager Matt Litchfield. Also, in attendance was Mr. Christopher J. Brown of Fedak & Brown; a member of the public identified as Margaret.

Item 3: Public Comment

- ◆ There was no public comment. (Item 3)

Item 4: Additions to the Agenda

- ◆ There were no requests for additions to the agenda. (Item 4)

Item 5: Reorder of the Agenda

- ◆ There were no requests for reorder of the agenda. (Item 5)

Item 6: Consider Approval of Consent Calendar

- ◆ The Board was asked to approve the Consent Calendar, consisting of the minutes of the Regular Board meeting held November 14, 2022, the minutes of the Special Board meeting held November 17, 2022, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Item 6 – A, B, C, D, E)

Motion No. 22-12-1869: Upon consideration thereof, it was moved by Director Lee, seconded by Director Hilden, and unanimously carried (5-0) by the roll call vote noted below, to approve the Consent Calendar, consisting of the minutes of the Regular Board meeting held November 14, 2022, the minutes of the Special Board meeting held November 17, 2022, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Item 6 – A, B, C, D, E)

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang

Noes: None

Absent: None

Abstain: None

President Tang indicated Motion No. 22-12-1869 was approved by a (5-0) roll call vote

Item 7: Director Expense Reports

- ◆ The Board was asked to receive, approve, and file the Board member expense reports indicating per diem requests for meeting attendance and individual reports of additional expenses incurred by the District on behalf of each Director for events occurring during the month of November 2022. (Item 7)

Motion No. 22-12-1870: Upon consideration thereof, it was moved by Director Lee, seconded by Director Hilden, and unanimously carried (5-0) by the roll call vote noted below, to receive, approve, and file the Board member expense reports for meeting attendance and additional expenses incurred by the District on behalf of each Director for events occurring during the month of November 2022. (Item 7)

**Ayes: Hayakawa, Hilden, Kwong, Lee, Tang
Noes: None
Absent: None
Abstain: None**

President Tang indicated Motion No. 22-12-1870 was approved by a (5-0) roll call vote

Item 8: Treasurer’s Reports

- ◆ Mr. Byerrum presented the Financial Dashboard as of October 31, 2022, the District Statement of Revenue, Expenses, and Change in Net Position as of October 31, 2022, the District Statement of Net Position as of October 31, 2022, and Summary of Cash and Investments as of October 31, 2022. (Items 8-A, B, C, D)

Motion No. 22-12-1871: Upon consideration thereof, it was moved by Director Lee, seconded by Director Hayakawa, and unanimously carried (5-0) by the roll call vote noted below, to receive, approve, and file the Financial Dashboard as of October 31, 2022, the District Statement of Revenue, Expenses, and Change in Net Position as of October 31, 2022, the District Statement of Net Position as of October 31, 2022, and Summary of Cash and Investments as of October 31, 2022. (Items 8-A, B, C, D)

**Ayes: Hayakawa, Hilden, Kwong, Lee, Tang
Noes: None
Absent: None
Abstain: None**

President Tang indicated Motion No. 22-12-1871 approved by a (5-0) roll call vote

Committee Chair Reports

Item 9: Engineering Committee – Director Hayakawa

- ◆ The Board was asked to authorize the General Manager to purchase one Atlas Copco PAC H64 JD 275HP FT4 Emergency Booster Pump at a total cost of \$129,976.55. (Item 9-A)

Motion No. 22-12-1872: Upon consideration thereof, it was moved by Director Hayakawa, seconded by Director Lee, and unanimously carried (5-0) by the roll call vote noted below, to authorize the General Manager to purchase one Atlas Copco PAC H64 JD 275HP FT4 Emergency Booster Pump at a total cost of \$129,976.55. (Item 9-A)

**Ayes: Hayakawa, Hilden, Kwong, Lee, Tang
Noes: None
Absent: None
Abstain: None**

President Tang indicated Motion No. 22-12-1872, approved by a (5-0) roll call vote

- ◆ Mr. Monk reviewed the Operations Report included in the Board Packet. No action was taken by the Board. (Item 9-B)

Item 10: Personnel Committee – Director Kwong

- ◆ There were no Personnel Committee matters to come before the Board at this time. (Item 10)

Item 11: Finance Committee – Director Lee

- ◆ The Board was asked to receive, approve, and file the Annual Comprehensive Financial Report for Fiscal Year Ending June 30, 2022. In preparation for and during the audit, District staff prepared materials and worked directly with the auditing team, Fedak & Brown, LLP. Mr. Chris Brown of the auditing team noted that Fedak & Brown, LLP found the District's financial reporting to comply with generally accepted accounting principles (GAAP), and as such, issued an Unqualified Opinion, the highest-level opinion an entity can receive. Additionally, the Report on Internal Controls noted the District had no significant deficiencies or material weaknesses in internal controls. Further, the auditor noted no transactions that were both significant and unusual, and no misstatements were identified during the audit. (Item 11-A)

Motion No. 22-12-1873: Upon consideration thereof, it was moved by Director Lee, seconded by Director Hilden, and unanimously carried (5-0) by the roll call vote noted below, to receive, approve, and file the Annual Comprehensive Financial Report for Fiscal Year ending June 30, 2022. (Item 11-A)

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang
Noes: None
Absent: None
Abstain: None

President Tang indicated Motion No. 22-12-1873, approved by a (5-0) roll call vote

- ◆ The Board was asked to receive, approve, and file the District's Consolidated Investment Transactions Report month ending November 30, 2022. (Item 11-B)

Motion No. 22-12-1874: Upon consideration thereof, it was moved by Director Lee, seconded by Director Kwong, and unanimously carried (5-0) by the roll call vote noted below, to receive and file the District's Consolidated Investment Transactions Report for the month ending November 30, 2022. (Item 11-B)

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang
Noes: None
Absent: None
Abstain: None

President Tang indicated Motion No. 22-12-1874, approved by a (5-0) roll call vote

- ◆ As a matter of information only, the Board received a Revenue Bond Funds Held in Trust report. (Item 11-C)

Item 12: Public Information/Community Relations/Legislative Action Committee – Director Tang

- ◆ There were no Public Information/ Community Relations/ Legislative Action Committee matters to come before the Board at this time. (Item 12)

Item 13.: TVMWD/MWD

- ◆ Updates on TVMWD and MWD business matters were provided by TVMWD General Manager Matt Litchfield. (Item 13)

Item 14: The P-W-R Joint Water Line Commission

- ◆ Mr. Monk reported on the P-W-R Joint Water Line Commission water use report for the month of October 2022 (Item 14)

Item 15: Puente Basin Water Agency (PBWA)

- ◆ Director Lee reported on the December 8, 2022 Puente Basin Water Agency meeting. (Item 15)

Item 16: Spadra Basin Groundwater Sustainability Agency

- ◆ Director Tang reported there was no Spadra meeting. The next meeting is scheduled for January 3, 2023 (Item 16)

Item 17: General Manager's Report

- ◆ The Board received the District's activities calendars for January, February, and March 2023. (Item 17-A)
- ◆ The Board recognized Ms. Sherry Shaw and Mr. Joshua Byerrum for their recent completion of the ACWA/JPIA Leadership Essentials for the Water Industry Program. (17-B)

- ◆ The Board recognized the District for its recent ACWA/JPIA President's Special Recognition Award. (17-C)
- ◆ The Board recognized Mr. Nick Nazaroff, Mr. Alex Cabrera, Mr. David Lias, and Ms. Carmen Fleming for their achievement in the ACWA/JPIA H.R. LaBounty Safety Awards Program. (17-D)

Item 18: Water Supply and Conservation

- ◆ The Board received reports and graphs of the following items: District potable and recycled water use, Calendar Year 2022 purchased water estimate, conservation goal summary, climate summary, and 2022 monthly water consumption versus the 2013 and 2020 baseline years. The report noted the District's water usage for November 2022 was 21% lower than usage in November 2020 and 31% lower than usage in November 2013. (Item 18-A)
- ◆ The Board viewed reports on California's water supply and reservoir conditions as of December 1, 2022. (Item 18-B)

Item 19: Directors' Oral Reports

(NOTE: Board meeting minutes provide written reports of Board meeting activities and committee meeting reports are given during the course of regular Board meeting activities. Directors include reports of their participation in non-expense/per diem paid community events as a matter of information.) (Item 19)

- ◆ Director Hayakawa reported that during the month of November he attended the District's regular and special Board meetings, all District committee meetings, both TVMWD Regular Board meetings, and the SCCAEP A Convention.
- ◆ Director Hilden reported that during the month of November he attended the District's Regular and Special Board Meetings, Public Information Committee Meeting, Finance Committee Meeting, both TVMWD Regular Board Meetings, the Rowland Unified School District State of the School, and Diamond Bar Veterans Recognition Ceremony.
- ◆ Director Kwong reported the following for the month of November events/meetings: Personnel Committee, District's Board Meeting and Special Board workshop, and ACWA Conference. Director Kwong also included a revised report for the month of October.
- ◆ Director Lee reported on her participation in the District's Regular and Special Board Meetings, Finance Committee Meeting, Engineering Committee Meeting, Rowland Unified State of the School, and Spadra Basin Executive Committee Meeting.
- ◆ Director Tang advised that he attended the District's Regular and Special Board Meetings in addition to participating in all District Committee Meetings, Rowland Unified School District State of the School, Spadra Basin Executive Committee meeting, CAAW Board meeting, and ACWA Winter Conference.

Item 20: Legal Reports

- ◆ Mr. Ciampa briefly reported on the State Water Project. (Item 20)

Item 21: Items for Future Discussion

- ◆ Director Tang requested auditor training for the Board Members in February or March 2023. (Item 21)

Item 22: Board of Directors Business

- ◆ The Board was asked to consider approval of the fifth amendment to the General Manager's Employment Contract reflective of a 3% salary adjustment, as approved at the November 14 Board of Directors' meeting, and a 2.5% Cost-of-Living Adjustment provided to all District employees in the Terms and Conditions of Employment for 2020-2023. (Item 22-A)

Motion No. 22-12-1875: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Hayakawa, and unanimously carried (5-0) by the roll call vote noted below, to approve the fifth amendment to the General Manager's Employment Contract reflective of a previously approved 3% salary adjustment and a 2.5% Cost-of-Living Adjustment, effective January 1, 2023. (Item 22-A)

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang
Noes: None
Absent: None
Abstain: None

President Tang indicated Motion No. 22-12-1875, approved by a (5-0) roll call vote

- ◆ The Board approved the 2023 WVWD Board meeting and workshop schedule, noting that subsequent adjustments may be made by the Board in accordance with the Brown Act (Item 22-B)

Motion No. 22-12-1876: Upon consideration thereof, it was moved by Director Lee, seconded by Director Tang, and unanimously carried (5-0) by the roll call vote noted below, to approve the CY 2023 Board and workshop meeting schedule as presented. (Item 22-B)

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang
Noes: None
Absent: None
Abstain: None

President Tang indicated Motion No. 22-12-1876, approved by a (5-0) roll call vote

- ◆ The Board received Dr Hayakawa’s resignation and directed staff to move forward with the process to fill the vacancy. (Item 22-C)
- ◆ Officers were rotated in accordance with the “Board Reorganization Rotation Policy.”
Edwin Hilden, President
Theresa Lee, First Vice President
Scarlett P. Kwong, Second Vice President
Jerry Tang, Assistant Treasurer
Vacant, Director
(Item 22-D)

Motion No. 22-12-1877: Upon consideration thereof, it was moved by Director Lee, seconded by Director Kwong, and unanimously carried (5-0) by the roll call vote noted below, to approve the Rotation of Officers as noted above. (Item 22-D)

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang
Noes: None
Absent: None
Abstain: None

President Tang indicated Motion No. 22-12-1877, approved by a (5-0) roll call vote

- ◆ It was determined that Board appointments to the offices of Secretary, Assistant Secretary, Treasurer, and Second Assistant Treasurer would be as follows: Erik Hitchman, Secretary; Joshua Byerrum, Treasurer; Lucie Cazares, Assistant Secretary; Jared Macias, Second Assistant Treasurer
(Item 22-D)

Motion No. 22-12-1878: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Lee, and unanimously carried (5-0) by the roll call vote noted below, to approve the Board appointments as noted above. (Item 22-D)

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang
Noes: None
Absent: None
Abstain: None

President Tang indicated Motion No. 22-12-1878, approved by a (5-0) roll call vote

- ◆ Standing Committee positions were extended as follows:

Committee	Chair	Member	Alternate
Engineering	Director Lee	Director Tang	Vacant
Finance	Director Lee	Director Hilden	Director Kwong
Personnel	Director Kwong	Director Tang	Director Hilden
Public Info/Legislative	Director Tang	Director Hilden	Vacant

(Item 22-D)

Motion No. 22-12-1879: Upon consideration thereof, it was moved by Director Lee, seconded by Director Hayakawa, and unanimously carried (5-0) by the roll call vote noted below, to approve the Committee selections as noted above. (Item 22-D)

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang
Noes: None
Absent: None
Abstain: None

President Tang indicated Motion No. 22-12-1879, approved by a (5-0) roll call vote

- ◆ The Board was asked to adopt WVWD Resolution No. 12-22-715, authorizing remote teleconference meetings for the period December 12, 2022 to January 12, 2023. (Item 22-E)

Motion No. 22-12-1880: Upon consideration thereof, it was moved by Director Lee, seconded by Director Hayakawa, and carried (5-0) by the roll call vote noted below, to adopt WVWD Resolution No. 12-22-715 authorizing remote teleconference meetings for the period December 12, 2022 to January 12, 2023. (Item 22-E)

Ayes: Hayakawa, Hilden, Kwong, Lee, Tang
Noes: None
Absent: None
Abstain: None

President Tang indicated Motion No. 22-12-1880, adopting Resolution No. 12-22-715, was approved by a (5-0) roll call vote

- ◆ A schedule of 2022 key conferences/events was provided to the Board as a matter of information only.

Adjournment at 6:11 p.m.

Walnut Valley Water District
Check Register For the Month of December 2022

CHECK NUMBER	DATE	PAYEE	AMOUNT
7617	10/27/2022	VOID - Replaced with CK#7800	\$ (58.20)
7804	12/8/2022	IMS Commercial Ice Systems Refrigeration - VOIDED	--
7767	12/2/2022	AT&T Mobility II, LLC	\$ 643.84
7768	12/2/2022	Dangelo Co, Inc.	\$ 2,803.84
7769	12/2/2022	Graybar Electric Company, Inc.	\$ 41.71
7770	12/2/2022	Hach Company	\$ 1,889.55
7771	12/2/2022	McMaster-Carr Supply Company	\$ 567.31
7772	12/2/2022	Pomona City Clerk	\$ 56.24
7773	12/2/2022	Southern California Edison Company	\$ 453.03
7774	12/2/2022	Vulcan Materials Company	\$ 2,865.29
7775	12/2/2022	Western Water Works	\$ 36,409.73
7776	12/2/2022	Cintas Corporation #150	\$ 186.85
7777	12/2/2022	Fuel Pros, Inc.	\$ 1,640.61
7778	12/2/2022	Genesis Computer Systems, Inc.	\$ 114.00
7779	12/2/2022	Sheakley Pension Administration, Inc.	\$ 154.15
7780	12/2/2022	D & H Water Systems, Inc.	\$ 187,745.18
7781	12/2/2022	Cintas First Aid & Safety LOC#168	\$ 216.81
7782	12/2/2022	S & J Supply Company, Inc.	\$ 36,888.94
7783	12/2/2022	Veritiv Operating Company	\$ 13.50
7784	12/2/2022	Lift Safety	\$ 163.56
7785	12/2/2022	Hill Brothers Chemical Company	\$ 3,250.24
7786	12/2/2022	ConvergeOne, Inc.	\$ 1,645.00
7787	12/2/2022	HASA, Inc.	\$ 4,525.65
7788	12/2/2022	A & J Tree Care, Inc.	\$ 2,900.00
7789	12/2/2022	Flyers Energy, LLC	\$ 16,278.87
7790	12/2/2022	Martinez, Pablo	\$ 130.00
7791	12/2/2022	Bay Alarm Company	\$ 240.00
7792	12/2/2022	Iland Internet Solutions Corp	\$ 316.93
7793	12/2/2022	GNA - Brook Fire Protection, Inc.	\$ 200.00
7794	12/2/2022	Altec Products, Inc.	\$ 140.00
7795	12/2/2022	GovInvest, Inc.	\$ 9,333.33
7796	12/2/2022	La Canada Design Group, Inc.	\$ 13,071.57
7797	12/2/2022	Red Wave Comm, Inc.	\$ 1,280.00
7798	12/2/2022	Shotsbygoonie	\$ 900.00
7799	12/2/2022	Flume, Inc.	\$ 17,770.00
7800	12/8/2022	Office Solutions Business Prod. & Svcs, LLC	\$ 58.20

Walnut Valley Water District
Check Register For the Month of December 2022

CHECK NUMBER	DATE	PAYEE	AMOUNT
7801	12/8/2022	Badger Meter, Inc.	\$ 1,209.62
7802	12/8/2022	Dangelo Co, Inc.	\$ 4,827.34
7803	12/8/2022	HDR Engineering, Inc.	\$ 3,389.77
7805	12/8/2022	McMaster-Carr Supply Company	\$ 747.44
7806	12/8/2022	Pool & Electrical Products, Inc.	\$ 529.20
7807	12/8/2022	Rowland Water District	\$ 406.68
7808	12/8/2022	InForm Decisions	\$ 235.22
7809	12/8/2022	Applied Technology Group, Inc.	\$ 320.06
7810	12/8/2022	East West Bank - Visa	\$ 5,961.09
7811	12/8/2022	Western Exterminator Company	\$ 88.00
7812	12/8/2022	Rodpaz Bros., Inc.	\$ 5,300.00
7813	12/8/2022	Rite Aid Corporation	\$ 928.00
7814	12/8/2022	Fleming, Carmen	\$ 92.23
7815	12/8/2022	State Water Resources Ctrl Bd - Cert Rnw	\$ 90.00
7816	12/8/2022	Frontier Communications	\$ 387.19
7817	12/8/2022	TelePacific Corp.	\$ 952.99
7818	12/8/2022	ConvergeOne, Inc.	\$ 4,532.94
7819	12/8/2022	A & J Tree Care, Inc.	\$ 5,200.00
7820	12/8/2022	Verizon Wireless	\$ 646.00
7821	12/8/2022	Lagerlof, LLP	\$ 1,890.00
7822	12/8/2022	Central Communications	\$ 705.21
7823	12/8/2022	Canon Solutions America, Inc.	\$ 57.27
7824	12/8/2022	Elite Signs and Graphics	\$ 600.00
7825	12/8/2022	Safety Services Management, LLC	\$ 675.00
7826	12/8/2022	Concord Utility Services	\$ 60,020.00
7827	12/8/2022	Red Wave Comm, Inc.	\$ 18,655.00
7828	12/8/2022	Cintas First Aid & Safety LOC#168	\$ 216.81
7829	12/12/2022	ACWA Services Corporation	\$ 130,130.39
7830	12/12/2022	City of Walnut	\$ 210.00
7831	12/12/2022	Cogsdale Corporation	\$ 1,417.50
7832	12/12/2022	Graybar Electric Company, Inc.	\$ 20.22
7833	12/12/2022	McMaster-Carr Supply Company	\$ 87.68
7834	12/12/2022	Quinn Company	\$ 11,129.59
7835	12/12/2022	Ruvalcaba, Alvaro L.	\$ 589.97
7836	12/12/2022	Home Depot Credit Services	\$ 564.71
7837	12/12/2022	Cintas Corporation #150	\$ 782.78

Walnut Valley Water District
Check Register For the Month of December 2022

CHECK NUMBER	DATE	PAYEE	AMOUNT
7838	12/12/2022	Chandler Asset Management, Inc.	\$ 2,967.54
7839	12/12/2022	Online Information Services, Inc.	\$ 262.60
7840	12/12/2022	Shoeteria	\$ 200.00
7841	12/12/2022	HASA, Inc.	\$ 1,670.36
7842	12/12/2022	Flyers Energy, LLC	\$ 6,588.10
7843	12/12/2022	Healthequity, Inc.	\$ 8.85
7844	12/12/2022	Interstate Battery System of Inland Valley	\$ 435.76
7845	12/12/2022	Public Water Agencies Group	\$ 1,927.42
7846	12/12/2022	Environmental Contractors Transportation Inc.	\$ 2,094.50
7847	12/12/2022	Altec Products, Inc.	\$ 7,062.73
7848	12/12/2022	Pascal & Ludwig Constructors, Inc.	\$ 334,635.95
7849	12/14/2022	FMT Consultants, LLC	\$ 190.00
7850	12/20/2022	South Coast A.Q.M.D.	\$ 1,842.84
7851	12/20/2022	Verizon Wireless	\$ 954.72
7852	12/30/2022	Azteca Landscape	\$ 14,250.00
7853	12/30/2022	Foundation for Cross-Connection Control and Hydraulic Rese	\$ 1,000.00
7854	12/30/2022	Graybar Electric Company, Inc.	\$ 711.69
7855	12/30/2022	Quinn Company	\$ 3,520.56
7856	12/30/2022	Tnemec Company, Inc.	\$ 1,493.81
7857	12/30/2022	Underground Service Alert	\$ 347.75
7858	12/30/2022	Vulcan Materials Company	\$ 1,557.22
7859	12/30/2022	Water Education Foundation	\$ 1,000.00
7860	12/30/2022	Western Water Works	\$ 18,993.21
7861	12/30/2022	Lias, David	\$ 2,237.67
7862	12/30/2022	Kwong, Scarlett	\$ 777.57
7863	12/30/2022	InfoSend, Inc.	\$ 15,946.32
7864	12/30/2022	State Water Resources Control Board-NPDES Permit	\$ 3,274.00
7865	12/30/2022	OPARC, Inc.	\$ 5,072.08
7866	12/30/2022	Flyers Energy, LLC	\$ 7,758.87
7867	12/30/2022	Cal-OSHA Reporter	\$ 480.59
7868	12/30/2022	Tang, Chi-Li J.	\$ 906.44
7869	12/30/2022	Autonovation Mobile Auto Repair	\$ 1,000.06
7870	12/30/2022	Fedak & Brown LLP	\$ 1,758.00
7871	12/30/2022	Environmental Contractors Transportation Inc.	\$ 450.00
7872	12/30/2022	Aqua Backflow, Inc	\$ 1,672.00
7873	12/30/2022	Day & Nite Publishing	\$ 545.31

Walnut Valley Water District
Check Register For the Month of December 2022

CHECK NUMBER	DATE	PAYEE	AMOUNT
7874	12/30/2022	La Canada Design Group, Inc.	\$ 12,980.00
7875	12/30/2022	Leadership Development Network LLC	\$ 7,600.00
7876	12/30/2022	Pascal & Ludwig Constructors, Inc.	\$ 17,612.42
7877	12/30/2022	City of La Verne	\$ 100.00
7878	12/30/2022	Concord Utility Services	\$ 23,685.00
7879	12/30/2022	Appstructure LLC	\$ 1,600.00
7880	12/30/2022	Babashoff, Jason	\$ 197.00
EFT000000000723	12/5/2022	Reliance Standard Life Insurance Co.	\$ 6,753.97
EFT000000000724	12/5/2022	Amazon Capital Services, Inc.	\$ 2,997.39
EFT000000000725	12/5/2022	Quest Building Services	\$ 3,490.00
EFT000000000726	12/6/2022	Puente Basin Water Agency	\$ 1,026,370.02
EFT000000000727	12/6/2022	Pomona-Walnut-Rowland JWL Commission	\$ 708,819.56
EFT000000000728	12/9/2022	Green Shades Software, LLC	\$ 854.00
EFT000000000729	12/13/2022	Doty Bros Equipment Co, Inc.	\$ 9,975.00
XFR000007190	12/8/2022	PAYROLL	\$ 249,192.40
XFR000007191	12/6/2022	CUSTODIAL ACCT	\$ 800,000.00
XFR000007200	12/20/2022	PAYROLL	\$ 397,497.15
XFR000007201	12/20/2022	WATER REFUND	\$ 6,230.50
TOTAL			\$ 4,329,980.56

Reviewed by:



Director of Finance

1/11/2023

Date

Reviewed by:



General Manager

Jan 11, 2023

Date

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
SUBMITTED BY: Director of External Affairs, Sustainability & External Affairs Coordinator
DATE: January 17, 2023
SUBJECT: Community Outreach Update

Action/Discussion Fiscal Impact Resolution Information Only

RECOMMENDATION

For information only.

BACKGROUND INFORMATION:

Conservation and Education Outreach Update

1. January Bill Insert
District customers received the insert noted below (front/back) with their monthly bill statement.

Insert FRONT #1

WALNUT VALLEY WATER DISTRICT

UPCOMING EVENTS YOU DON'T WANT TO MISS!

Registrations Coming Soon

- February 15** Valentine's Day Succulent Workshop
- March 4** "Mulch Madness" Mulch Giveaway
- March 18** Leak Detection Workshop (Mandarin)
- March 25** Leak Detection Workshop
- April 12** Basic Edible Gardening & Seed-Starting Workshop
- April 19** Composting For Beginners Workshop
- April 22** Community Water Festival
- April 29** Fire Resistant Landscape Workshop

Check our website and follow us on social media for the latest news & updates.

 WWW.WVWD.COM    @WVWDH2O



Coffee With the WVWD Board of Directors

FRIDAY
FEBRUARY
24

WVWD BOARD ROOM
271 S Brea Canyon Rd.
Walnut, CA 91789
8:00 AM - 12:00 PM

Director Jerry Tang - Division I



Director Edwin Hilden - Division II



Director Theresa Lee - Division III



Director Scarlett Kwong - Division V



Customers are invited to stop by at any time during that time frame to join Board Members for a coffee and pastry. Questions regarding monthly bill statements and water usage will be answered by a customer service representative onsite.



Insert FRONT #2

座位有限

網上登記: [GARDENING1-31-23.EVENTBRITE.COM](https://www.eventbrite.com/e/gardening-31-23)

蔬菜種植和種子栽培 新手入門課。國語工作坊

1月31日 | **WVWD Workshop Gallery**
235 S Brea Canyon Rd., Walnut
晚上 6:00 - 晚上 8:00

IN PARTNERSHIP WITH
THE REAL HENS OF OC

免費課程現場互動

內容包括

- 規劃
- 土壤準備
- 植株選擇
- 栽種
- 澆水
- 種子栽培



WALNUT VALLEY WATER DISTRICT | (909) 595-7554 | www.wvwd.com | Follow us! [f](#) [i](#) [@WVWDH2O](#)

Insert BACK #2

座位有限

網上登記: [GARDENING1-31-23.EVENTBRITE.COM](https://www.eventbrite.com/e/gardening-31-23)

蔬菜種植和種子栽培 新手入門課。國語工作坊

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晚上 6:00 - 晚上 8:00

IN PARTNERSHIP WITH
THE REAL HENS OF OC

免費課程現場互動

內容包括

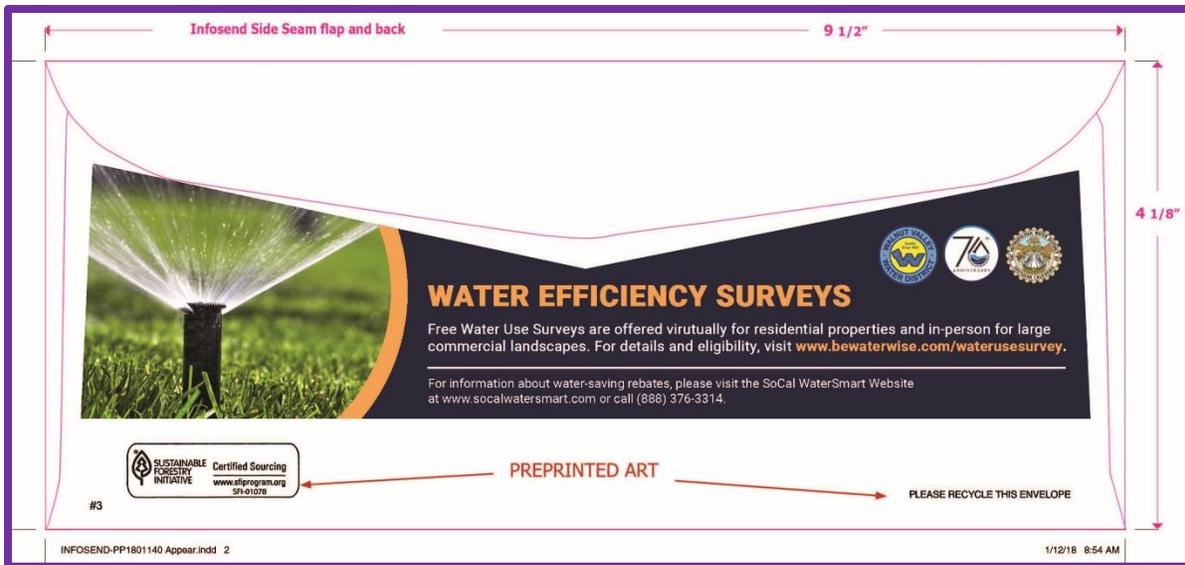
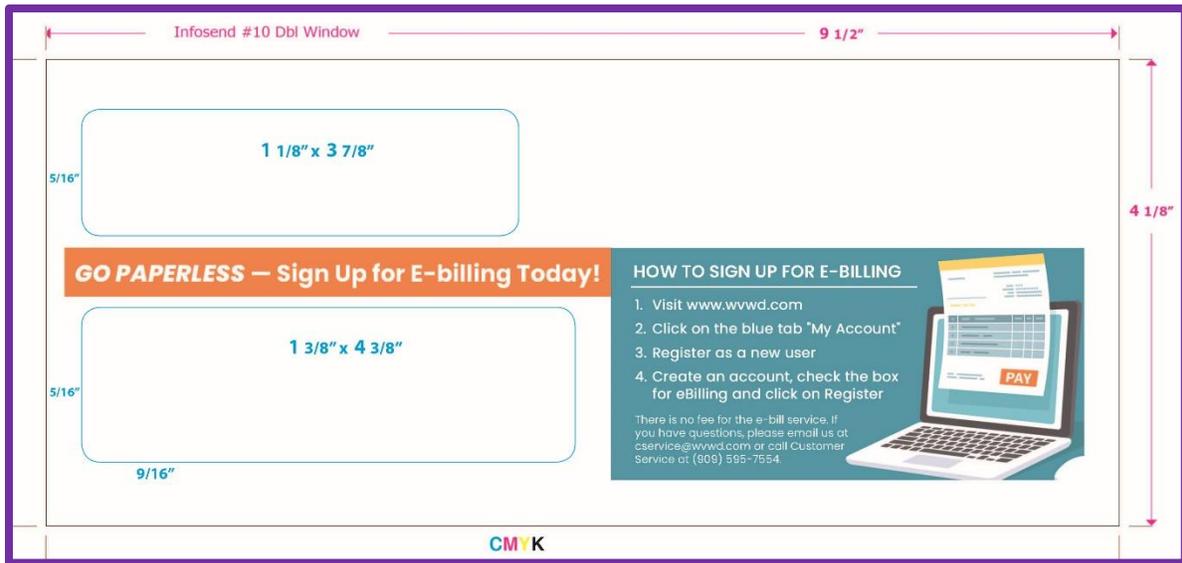
- 規劃
- 土壤準備
- 植株選擇
- 栽種
- 澆水
- 種子栽培



WALNUT VALLEY WATER DISTRICT | (909) 595-7554 | www.wvwd.com | Follow us! [f](#) [i](#) [@WVWDH2O](#)

2. January Bill Snipe

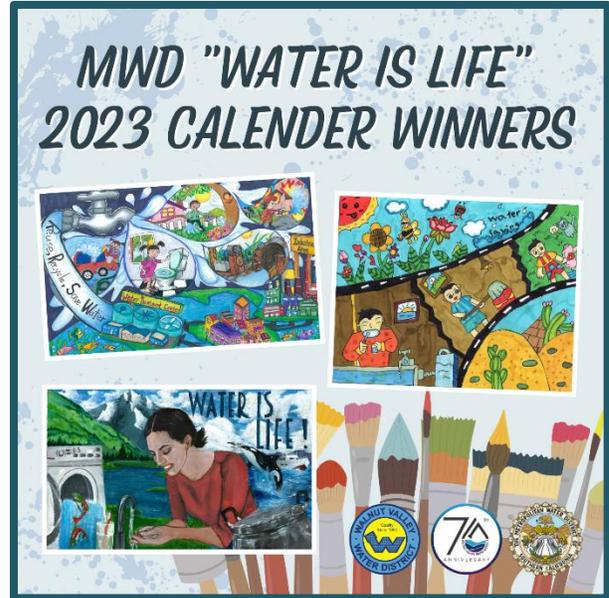
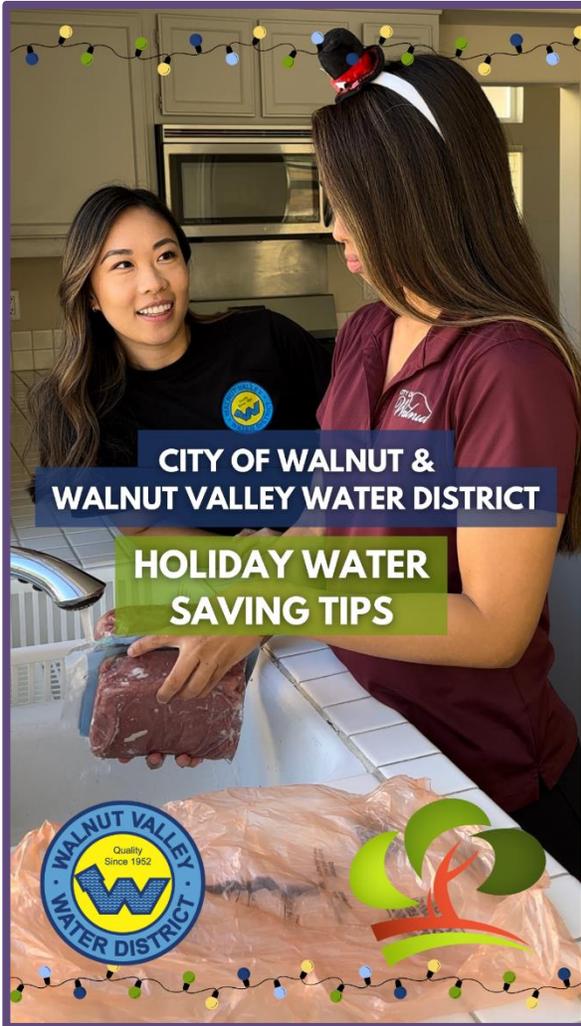
District customers received the bill snipe design noted below (front/back) with their monthly bill statement.



3. Facebook, Twitter, Instagram, and YouTube

The District regularly posts updates and promotions of external affairs/sustainability activities, conservation tips, and education materials on Facebook, Twitter, Instagram, and YouTube. During the month of December, the District shared the following:

- City of Walnut IG Reels Collaboration – “Water Reduction Tips for the Holiday Season”
- Conservation Update (October & November data)
- Edible Gardening & Seed Starting for Beginners Mandarin Workshop
- Composting for Beginners Mandarin Workshop
- MWD “Water is Life” Calendar Winners
- “Rain is Approaching” – no watering reminder
- And more



External Affairs & Sustainability Activities (Upcoming & Current)

1. Mandarin-speaking Gardening & Composting Workshops

In partnership with The Real Hens of Orange County, the District will be hosting two new Mandarin-speaking gardening workshops:

- Edible Gardening and Seed-Starting for Beginners workshop will be held on Tuesday, January 31st from 6-8 PM. This workshop will teach customers the basics of how to grow their own vegetable garden and start seeds with confidence. All materials are provided in the seed-starting activity and participants will be able to take home the seeds you sowed. To register, visit gardening1-31-23.eventbrite.com.
- Composting for Beginners workshop will be held on Wednesday, February 1st from 6:00 to 8:00 PM. This workshop will teach customers the basics of composting. All materials are provided in the activity. To register, visit composting2-1-23.eventbrite.com.

2. CA Native Mini Christmas Tree Decorating Workshop

The District hosted a holiday workshop where customers decorated their own CA Native mini Christmas tree on Wednesday, December 14th.

3. Walnut Senior Center Holiday Craft Workshop

The District sponsored a holiday craft workshop for seniors on Tuesday, December 20th at the Walnut Senior Center. This workshop was exclusive for seniors who regularly patron the Walnut Senior Center.

4. Walnut High School G.I.F.T Day

The District hosted a booth for the SoCal chapter of the Women of AT&T's GIFT Day (Girls in Future Technologies) on Wednesday, December 14th at Walnut High School. GIFT Day is an event dedicated to introducing young girls to the possibilities of pursuing STEM careers. In addition, our Director of Engineering, Sherry Shaw was a guest speaker at the event.

Upcoming Community Events

1. Virtual Landscape Workshops

In partnership with the Metropolitan Water District of Southern California (MWD), the District will be offering virtual landscape workshops to District customers in English and Mandarin. Classes offered include:

- CA Friendly & Native Plant Landscaping
- Turf Removal
- Garden Design
- Sustainable Landscape Design
- Drip Irrigation: Maintenance & Troubleshooting
- Deciphering Your Irrigation Controller
- Rainwater Harvesting
- Composting for A Healthy Garden
- Irrigation & Water Use Efficiency
- Easy Steps to Lawn Conversion

District customers can visit www.wvwd.com/events/ to view class dates and to register.

Local Sponsorships (New & Ongoing)

1. Suzanne Middle School Chinese American Parent Association (CAPA)

The District is launching its partnership with Suzanne CAPA known as Project Bright. This program will introduce students to water sustainability while they earn volunteer hours and promote the mission and vision of the District.

DIRECTOR EXPENSE FORM



NAME: Kevin Hayakawa

DATE: December 2022

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	12/5/2022	Public Information Committee Meeting	<input checked="" type="checkbox"/>				\$ -
2	12/5/2022	Finance Committee Meeting	<input type="checkbox"/>				\$ -
3	12/6/2022	Engineering Committee Meeting	<input checked="" type="checkbox"/>				\$ -
4	12/6/2022	Diamond Bar City Council Meeting	<input type="checkbox"/>				\$ -
5	12/7/2022	TVMWD Regular Board Meeting	<input checked="" type="checkbox"/>				\$ -
6	12/12/2022	WVWD Regular Board Meeting	<input checked="" type="checkbox"/>				\$ -
7			<input type="checkbox"/>				\$ -
8			<input type="checkbox"/>				\$ -
9			<input type="checkbox"/>				\$ -
10			<input type="checkbox"/>				\$ -
11			<input type="checkbox"/>				\$ -
12			<input type="checkbox"/>				\$ -
13			<input type="checkbox"/>				\$ -

Total Number of Miles: 0 X \$0.625 \$ -

Total Reimbursable Expenses \$ -

Total Meeting Compensation 4 X \$150.00 per day \$ 600.00

TOTAL \$ 600.00

I certify the above is correct and accurate to the best of my knowledge

Signature

Date

* Mileage is reimbursed at IRS Standard Business Mileage Rate \$0.625

**Directors are eligible for seven meeting days per month at \$150 per day.

DIRECTOR EXPENSE FORM



NAME: Edwin Hilden

DATE: December 2022

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	12/1/2022	Industry Business Council Holiday Luncheon	<input checked="" type="checkbox"/>				\$ -
2	12/5/2022	Public Info Committee	<input checked="" type="checkbox"/>				\$ -
3	12/5/2022	Finance Committee	<input type="checkbox"/>				\$ -
4	12/7/22	TVMWD Board Meeting	<input checked="" type="checkbox"/>				\$ -
5	12/12/2022	Oath of Office	<input type="checkbox"/>				\$ -
6	12/12/2022	WVWD Board Meeting	<input checked="" type="checkbox"/>				\$ -
7	12/15/2022	Diamond Bar Chinese Evergreen Seniors	<input checked="" type="checkbox"/>				\$ -
8	12/21/2022	TVMWD Board Meeting	<input checked="" type="checkbox"/>				\$ -
9	12/22/2022	Sign GM Contract	<input checked="" type="checkbox"/>				\$ -
10			<input type="checkbox"/>				\$ -
11			<input type="checkbox"/>				\$ -
12			<input type="checkbox"/>				\$ -
13			<input type="checkbox"/>				\$ -

Total Number of Miles: 0 X \$0.625 \$ -

Total Reimbursable Expenses \$ -

Total Meeting Compensation 7 X \$150.00 per day \$ 1,050.00

TOTAL \$ 1,050.00

I certify the above is correct and accurate to the best of my knowledge


Signature

12-21-2022
Date

* Mileage is reimbursed at IRS Standard Business Mileage Rate \$0.625

**Directors are eligible for seven meeting days per month at \$150 per day.

DIRECTOR EXPENSE FORM



NAME: Scarlett Kwong

DATE: December 2022

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	12/1/2022	ACWA conference	<input checked="" type="checkbox"/>				\$ -
2	12/4/2022	Hearts of Hope	<input checked="" type="checkbox"/>				\$ -
3	12/6/2022	DB City Council meeting/Nancy Lyons Retirement	<input checked="" type="checkbox"/>				\$ -
4	12/7/2022	MWD Calendar Art Recognition webinar	<input checked="" type="checkbox"/>				\$ -
5	12/8/2022	PBWA meeting	<input checked="" type="checkbox"/>				\$ -
6	12/12/2022	Board meeting	<input checked="" type="checkbox"/>				\$ -
7	12/15/2022	DB Evergreen Club Celebration	<input checked="" type="checkbox"/>				\$ -
8			<input type="checkbox"/>				\$ -
9			<input type="checkbox"/>				\$ -
10			<input type="checkbox"/>				\$ -
11			<input type="checkbox"/>				\$ -
12			<input type="checkbox"/>				\$ -
13			<input type="checkbox"/>				\$ -

Total Number of Miles: 0 X \$0.625 \$ -

Total Reimbursable Expenses \$ -

Total Meeting Compensation 7 X \$150.00 per day \$ 1,050.00

TOTAL \$ 1,050.00

I certify the above is correct and accurate to the best of my knowledge

Signature

Date

* Mileage is reimbursed at IRS Standard Business Mileage Rate \$0.625

**Directors are eligible for seven meeting days per month at \$150 per day.

DIRECTOR EXPENSE FORM



NAME: Theresa Lee

DATE: Dec. 2022

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	12/1/2022	City of Industry Holiday Executive Luncheon	<input checked="" type="checkbox"/>			-	\$ -
2	12/4/2022	Heart of Hope Christmas Event	<input checked="" type="checkbox"/>				\$ -
3	12/5/2022	WVWD Finance Committee Meeting	<input checked="" type="checkbox"/>				\$ -
4	12/6/2022	WVWD Engineering Committee Meeting	<input checked="" type="checkbox"/>				\$ -
5	12/7/2022	MWD Student Poster Contest	<input checked="" type="checkbox"/>				\$ -
6	12/8/2022	PBWA Board Meeting	<input checked="" type="checkbox"/>				\$ -
7	12/12/2022	WVWD Board Meeting	<input checked="" type="checkbox"/>				\$ -
8			<input type="checkbox"/>				\$ -
9			<input type="checkbox"/>				\$ -
10			<input type="checkbox"/>				\$ -
11			<input type="checkbox"/>				\$ -
12			<input type="checkbox"/>				\$ -
13			<input type="checkbox"/>				\$ -

Total Number of Miles: 0 X \$0.625 \$ -

Total Reimbursable Expenses \$ -

Total Meeting Compensation 7 X \$150.00 per day \$ 1,050.00

TOTAL \$ 1,050.00

I certify the above is correct and accurate to the best of my knowledge

Signature

Date

* Mileage is reimbursed at IRS Standard Business Mileage Rate \$0.625

**Directors are eligible for seven meeting days per month at \$150 per day.



**WALNUT VALLEY WATER DISTRICT
TREASURER'S REPORT
January 17, 2023**

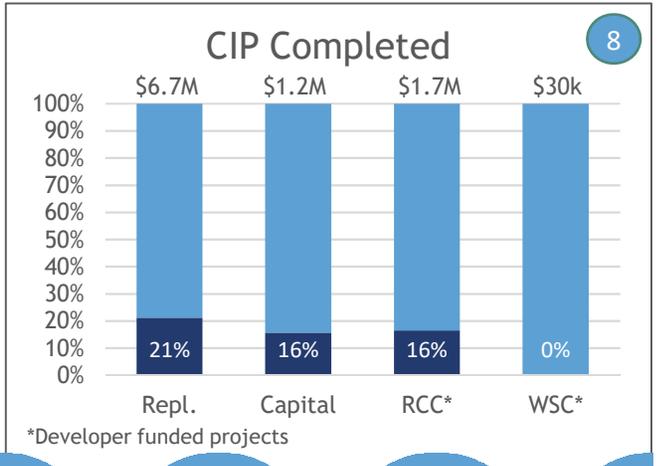
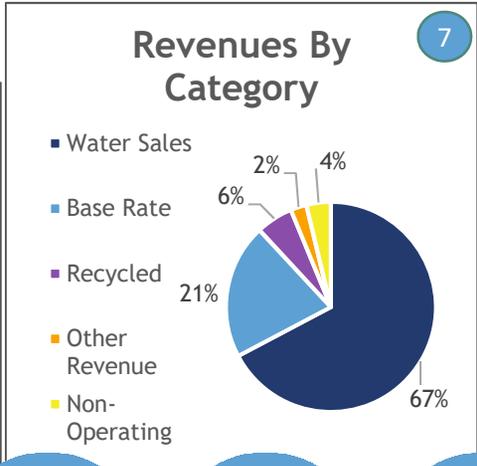
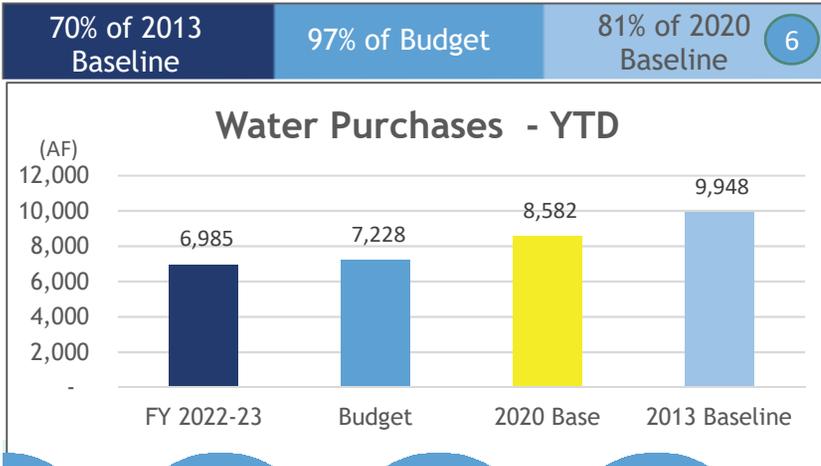
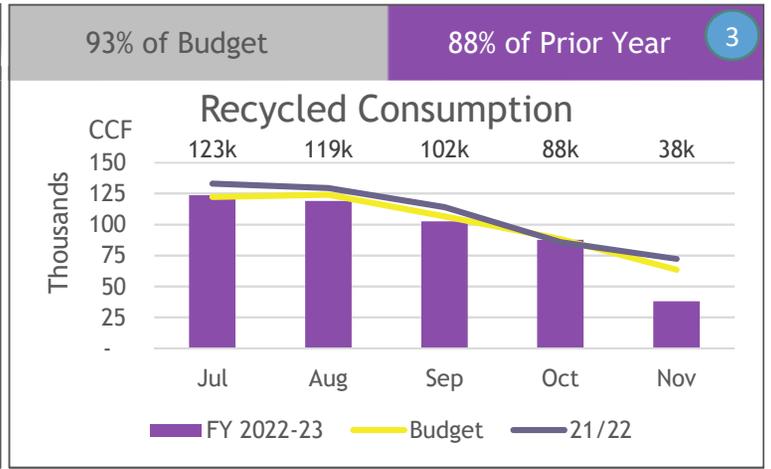
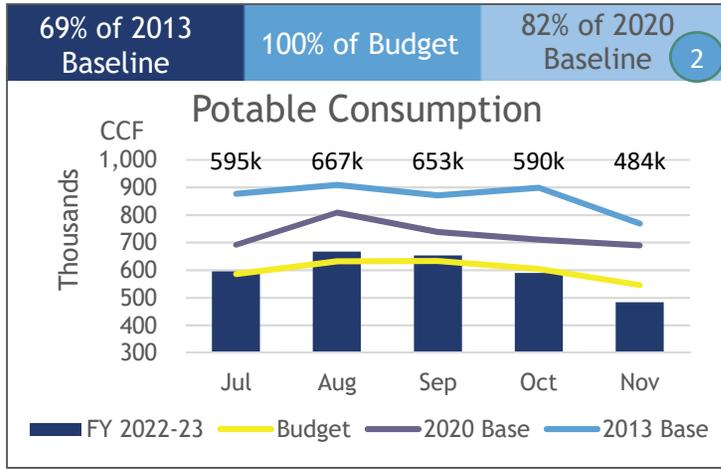
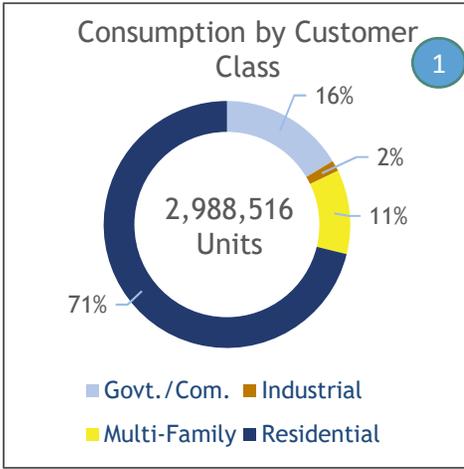
- 1) Financial Dashboard as of November 30, 2022
- 2) District Statement of Revenues, Expenses, and Change in Net Position as of November 30, 2022
- 3) District Statement of Net Position as of November 30, 2022
- 4) Summary of Cash Investments as of November 30, 2022



Walnut Valley Water District Financial Dashboard



November 30, 2022



995 -187
Overdue Notice

29 -15
Turn-Offs

6,278 +52
E-Bills - Customers

749 -5
Afford. Rate Customers

1,197 -219
Phone Calls Monthly

* Consumption revenue and expense data excludes wholesale water

Walnut Valley Water District
Statement of Revenues, Expenses & Changes in Net Position
Summary by Division
For the Five Months Ending Wednesday, November 30, 2022

	November			YTD		
	Actual	Budget	% of Budget	Actual	Budget	% of Budget
Operating Revenues						
Water Sales	\$2,844,325.01	\$3,026,100.00	93.99%	\$18,274,230.86	\$34,933,900.00	52.31%
Water Sales - Recycled	104,943.68	159,100.00	65.96%	1,044,072.53	2,205,400.00	47.34%
Hydroelectric Sales	1,990.29	3,300.00	60.31%	10,733.88	40,000.00	26.83%
Stand-by Charges	4,931.77	15,400.00	32.02%	44,334.22	825,000.00	5.37%
Total Operating Revenues	2,956,190.75	3,203,900.00	92.27%	19,373,371.49	38,004,300.00	50.98%
Operating Expenses						
Operations	580,168.59	500,800.00	115.85%	2,780,673.64	6,718,900.00	41.39%
Engineering	79,696.41	116,800.00	68.23%	556,128.02	1,604,600.00	34.66%
Finance	166,453.26	159,650.00	104.26%	804,299.27	2,120,100.00	37.94%
Board of Directors/GM Office	108,620.96	124,750.00	87.07%	559,499.35	1,706,000.00	32.80%
Administrative Services	217,197.47	258,600.00	83.99%	1,399,846.01	3,413,100.00	41.01%
General Administration	105,801.96	94,350.00	112.14%	558,043.72	1,242,000.00	44.93%
Total Operating Expenses	1,257,938.65	1,254,950.00	100.24%	6,658,490.01	16,804,700.00	39.62%
Purchased Water & Related	1,193,418.72	1,444,100.00	82.64%	10,334,304.99	18,458,200.00	55.99%
Total Expenses	2,451,357.37	2,699,050.00	90.82%	16,992,795.00	35,262,900.00	48.19%
Income (Loss) From Operations	504,833.38	504,850.00	100.00%	2,380,576.49	2,741,400.00	86.84%
Nonoperating Revenues/(Expenses)	121,162.81	(80,000.00)	251.45%	549,164.48	1,780,700.00	30.84%
Income (Loss) Before Res. Rev & Deprec.	625,996.19	424,850.00	147.35%	2,929,740.97	4,522,100.00	64.79%
Restricted/Desig Rev & Other Exp.	50,641.82	0.00	0.00%	452,442.37	0.00	0.00%
Income (Loss) Before Depreciation	676,638.01	424,850.00	159.27%	3,382,183.34	4,522,100.00	74.79%
Depreciation & Amortization	461,103.13	0.00	0.00%	2,313,433.91	0.00	0.00%
Income Before Capital Contributions	215,534.88	424,850.00	50.73%	1,068,749.43	4,522,100.00	23.63%
Capital Contributions	134,310.20	0.00	0.00%	911,808.73	0.00	0.00%
Net Increase (Decrease) in Net Position	349,845.08	424,850.00	82.35%	1,980,558.16	4,522,100.00	43.80%

Walnut Valley Water District
Statement of Net Position
Wednesday, November 30, 2022

ASSETS

CURRENT ASSETS:

Cash & Investments - Unrestricted	\$35,509,795.38	
Accounts Receivable:		
Water	3,802,824.60	
Taxes	60,472.48	
Accrued Interest	187,291.54	
Other	3,351,581.47	
Standby Charges	39,056.37	
Materials Inventory	826,936.73	
Prepaid Expenses	446,157.31	
TOTAL CURRENT ASSETS	44,224,115.88	

RESTRICTED ASSETS

Cash & Investments - Restricted	12,325,275.88	
Cash & Investments - Fiscal Agent	2,333,303.60	
Investment in Joint Venture	21,443,619.11	
TOTAL RESTRICTED ASSETS	36,102,198.59	

OTHER ASSETS

CAPITAL ASSETS

Capital Assets	229,834,943.20	
Construction in Progress	10,101,907.13	
Less: Accumulated Depreciation	(127,607,140.81)	
NET CAPITAL ASSETS	112,329,709.52	
TOTAL ASSETS	192,656,023.99	

Walnut Valley Water District
Statement of Net Position
Wednesday, November 30, 2022

DEFERRED OUTFLOW OF RESOURCES

Deferred Pension Contributions		1,719,115.00
Deferred Outflow - Actuarial		1,174,093.00
Deferred Outflow - OPEB		1,528,058.00
TOTAL DEFERRED OUTFLOW OF RESOURCES		<u>4,421,266.00</u>

LIABILITIES & FUND EQUITY

CURRENT LIABILITIES

Accounts Payable	(4,423,973.61)	
Other Current Liabilities	74,037.32	
Interest Payable	(23,116.99)	
TOTAL CURRENT LIABILITIES	<u></u>	(4,373,053.28)

RESTRICTED LIABILITIES

Accounts Payable	(6,375.38)	
Deposits	(3,810,425.42)	
Construction Advances	(5,961,271.22)	
TOTAL RESTRICTED LIABILITIES	<u></u>	(9,778,072.02)

LONG TERM DEBT & RELATED

Revenue Bonds	(15,380,000.00)	
Net Pension Liability	(9,390,716.00)	
Other Long-term Debt	(970,452.91)	
TOTAL LONG TERM DEBT & RELATED	<u></u>	(25,741,168.91)
TOTAL LIABILITIES		<u>(39,892,294.21)</u>

Walnut Valley Water District
Statement of Net Position
Wednesday, November 30, 2022

DEFERRED INFLOW OF RESOURCES

Deferred Inflow of Resources - Actuarial		(8,749,298.00)
Deferred Inflow of Resources - OPEB		(1,797,414.00)
TOTAL DEFERRED INFLOW OF RESOURCES		<u>(10,546,712.00)</u>

NET POSITION

Invested in Capital Assets, Net of Related Debt	112,329,709.52	
Restricted	10,944,126.57	
Unrestricted	23,364,447.69	
TOTAL NET POSITION	<u>146,638,283.78</u>	
TOTAL NET POSITION		<u>146,638,283.78</u>

Walnut Valley Water District
 Summary of Cash and Investments
 11/30/2022

CASH & CASH EQUIVALENTS

Cash on Hand	\$3,100.00	
<u>Cash in Bank</u>		
East West Bank - General	\$5,985,121.46	
East West Bank - Payroll	450,000.00	
East West Bank - Water Refund	28,769.50	
East West Bank - Revolving	28,631.51	
East West Bank - Credit Card	1,207,588.87	
East West Bank - Badillo Grand	301,013.12	
East West Bank - Payroll Reimbursement	24,419.98	
Total Cash in Bank	8,025,544.44	
TOTAL CASH	8,028,644.44	\$8,028,644.44

INVESTMENTS

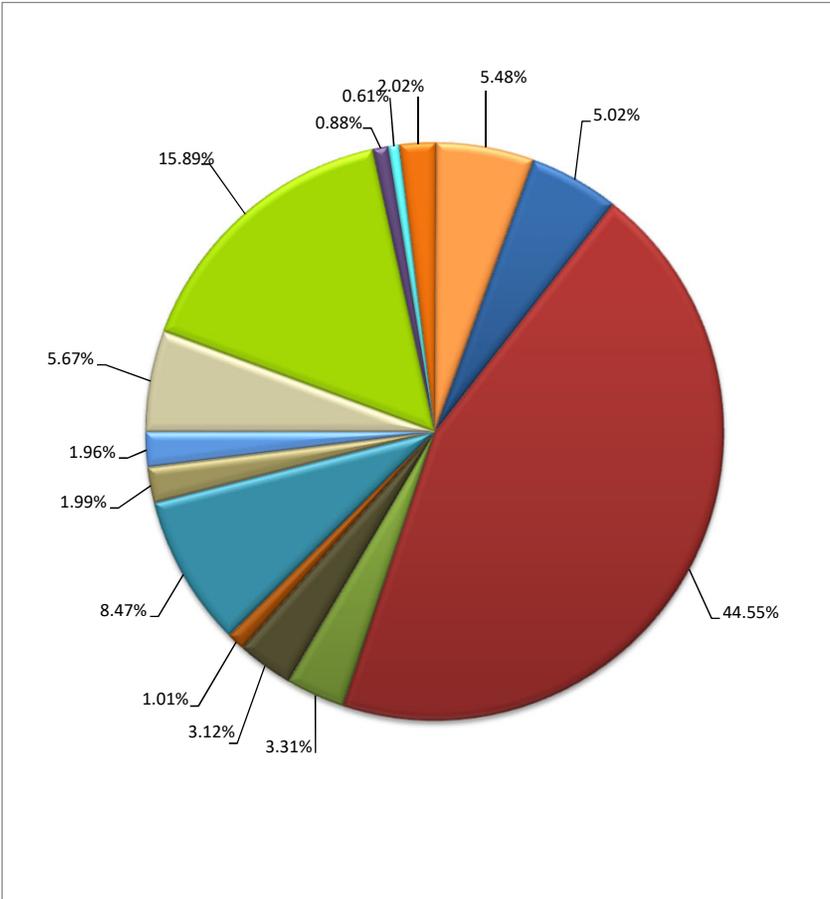
Certificates of Deposit	991,000.00	
Corporate Notes	9,550,000.00	
Supranational	1,100,000.00	
Local Agency Investment Fund (LAIF)	5,091,511.64	
BNY Mellon - Money Market (Sweep)	0.00	
US Agency	10,825,000.00	
US Treasury	13,840,000.00	
TOTAL INVESTMENTS	41,397,511.64	41,397,511.64
TOTAL CASH & INVESTMENTS	\$49,426,156.08	\$49,426,156.08

I certify that this report accurately reflects all investments of the Walnut Valley Water District and that all investments are in full compliance with State law and District's Investment Policy.



 Josh Byerrum
 Director of Finance

Walnut Valley Water District Summary of Cash and Investments by Reserve Fund November 30, 2022



ALLOCATION OF CASH AND INVESTMENTS		
Unrestricted		
Category 1		
General Account	\$ 2,489,116.13	5.02%
	\$ 2,489,116.13	5.02%
Designated		
Category 2		
Operating Reserve	\$ 2,797,300.00	5.66%
Replacement	\$ 21,997,956.13	44.52%
Capital Improvement	\$ 1,637,988.70	3.31%
Rate Stabilization	\$ 1,543,125.39	3.12%
B/G Catastrophic Ins	\$ 500,000.00	1.01%
Employee Liabilities	\$ 4,182,761.86	8.46%
Stored Water	\$ 985,400.00	1.99%
Project Reserve	\$ 967,231.99	1.96%
	\$ 34,611,764.07	70.03%

Restricted Reserves		
Category 3		
Customer/Developer Deposits	\$ 7,848,526.85	15.88%
	\$ 7,848,526.85	15.88%
Category 4		
ASC	\$ 434,432.58	0.88%
Badillo/Grand-Maintenance	\$ 301,013.12	0.61%
RCC	\$ 996,057.23	2.02%
WSC	\$ 2,707,141.84	5.48%
Capacity Charge	\$ 38,104.26	0.08%
	\$ 4,476,749.03	9.07%

Total \$ 49,426,156.08 100.00%

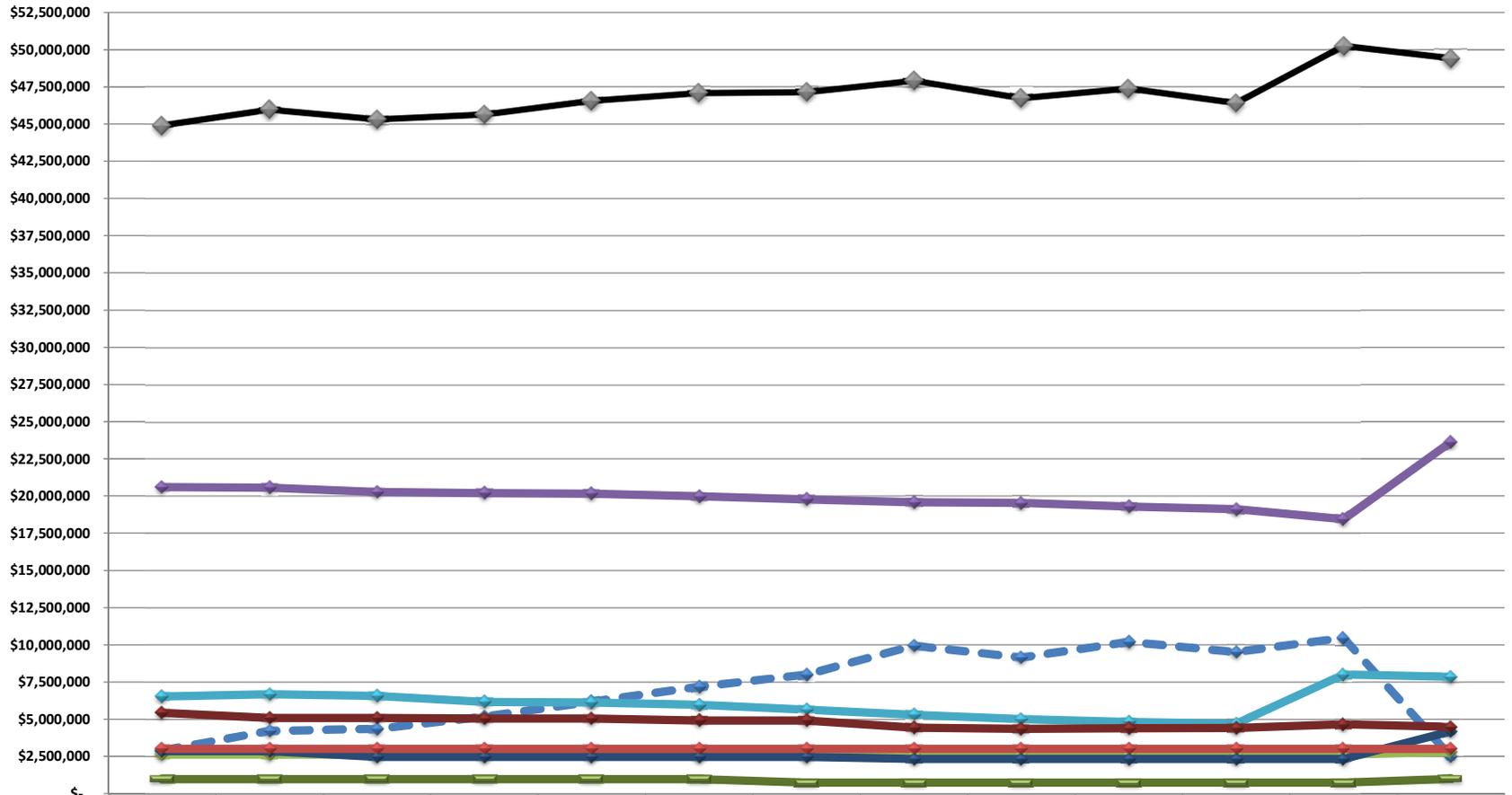
Category 1 - These are funds that accumulate from day-to-day operations and represent the net equity in the District's General Fund. All interest earned is retained in the General Fund.

Category 2 - These funds, although not legally or externally restricted, have been reserved pursuant to the Board's desire to provide a stable and equitable rate structure. All interest earned related to these funds is retained by each designated fund.

Category 3 - These funds have legal or external restrictions. These Restricted Funds can only be used for the specific purposes established for the fund. All interest earned is retained in the General Fund.

Category 4 - These funds have legal or external restrictions. All interest earned must be retained by each Restricted Fund and can only be used for the specific purposes established for the fund.

**Walnut Valley Water District
Cash Balances
November 2021 - November 2022**



	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	June 2022	Jul 2022	Aug 2022	Sept 2022	Oct 2022	Nov 2022
General Account	\$2,900,312	\$4,210,093	\$4,351,148	\$5,168,037	\$6,178,202	\$7,175,941	\$7,992,587	\$9,929,465	\$9,150,565	\$10,190,063	\$9,514,190	\$10,463,093	\$2,489,116
Operating Reserve	\$2,618,700	\$2,618,700	\$2,618,700	\$2,618,700	\$2,618,700	\$2,618,700	\$2,618,700	\$2,618,700	\$2,618,700	\$2,618,700	\$2,618,700	\$2,618,700	\$2,797,300
Capital/Replacement Reserve	\$20,607,687	\$20,560,764	\$20,269,208	\$20,196,557	\$20,161,545	\$19,973,745	\$19,772,174	\$19,577,862	\$19,535,487	\$19,293,159	\$19,117,544	\$18,437,176	\$23,635,945
Employee Liabilities Reserve	\$2,843,169	\$2,843,169	\$2,468,169	\$2,468,169	\$2,468,169	\$2,468,169	\$2,468,169	\$2,330,562	\$2,330,562	\$2,330,562	\$2,330,562	\$2,330,562	\$4,182,762
Stored Water Reserve	\$971,600	\$971,600	\$971,600	\$971,600	\$971,600	\$971,600	\$731,300	\$731,300	\$731,300	\$731,300	\$731,300	\$731,300	\$985,400
Other Designated Reserves	\$3,010,357	\$3,010,357	\$3,010,357	\$3,010,357	\$3,010,357	\$3,010,357	\$3,010,357	\$3,010,357	\$3,010,357	\$3,010,357	\$3,010,357	\$3,010,357	\$3,010,357
Customer/Dev. Deposits	\$6,515,790	\$6,671,462	\$6,553,810	\$6,165,991	\$6,122,263	\$5,953,116	\$5,638,379	\$5,295,959	\$4,997,950	\$4,814,620	\$4,693,661	\$7,995,008	\$7,848,527
Developer & Other Restricted	\$5,433,968	\$5,080,040	\$5,075,562	\$5,034,486	\$5,040,243	\$4,916,442	\$4,913,340	\$4,427,996	\$4,358,265	\$4,391,394	\$4,401,246	\$4,662,623	\$4,476,749
Grand Total	\$44,901,583	\$45,966,185	\$45,318,554	\$45,633,897	\$46,571,079	\$47,088,069	\$47,145,006	\$47,922,201	\$46,733,186	\$47,380,155	\$46,417,560	\$50,248,819	\$49,426,156

**Walnut Valley Water District
Preliminary Budget Meeting Schedule**



FISCAL YEAR 2023-24

Tentative Date	Item
<p>April 20, 2023 Special Budget Workshop</p>	<p>Review of Budget Process and Methodology</p> <p>Preliminary Review of Budget: Expenses Revenues Capital Projects</p>
<p>May 18, 2023 Special Budget Workshop</p>	<p>Final Review of Budget: Expenses Revenues Capital Projects</p>
<p>June 2023 Board Meeting/Special Workshop</p>	<p>Consideration of Adoption: Final Budget</p>



WVWD – Staff Report

TO: Board of Directors
FROM: General Manager
SUBMITTED BY: Director of Finance
DATE: January 17, 2023
SUBJECT: P-W-R Joint Water Line, Puente Basin Water Agency, and Spadra Basin Groundwater Sustainability Agency Audits for Fiscal Year Ending June 30, 2022

Action/Discussion Fiscal Impact Resolution Information Only

Recommendation

That the Board of Directors receive and file the attached:

- A. Pomona-Walnut-Rowland Joint Water Line Commission Audit Report for the Year-ended June 30, 2022;
- B. Puente Basin Water Agency Audit Report for the Year-ended June 30, 2022; and
- C. Spadra Basin Groundwater Sustainability Agency for the Year-ended June 30, 2022

Background Information

The Walnut Valley Water District (District) is a party to the Pomona-Walnut-Rowland Joint Water Line Commission (PWR), Puente Basin Water Agency (PBWA), and Spadra Basin Groundwater Sustainability Agency (Spadra). Because each of these entities is an integral part of the District's operations, and is funded in part and also staffed by the District, the recommendation is that the audit report for these three entities be formally received and filed by the District's Board of Directors. Each report was reviewed and approved by their respective entities:

- PWR approved the audited financial statements on October 13, 2022.
- PBWA approved the audited financial statements on December 8, 2022.
- Spadra approved the audited financial statements on January 3, 2023

Attachments as noted



**Pomona-Walnut-Rowland
Joint Water Line Commission**

Annual Financial Report

For the Fiscal Years Ended June 30, 2022 and 2021



Board of Commissioners as of June 30, 2022

Name	Title	Elected/ Appointed
Scarlett Kwong	Commissioner	Appointed
Anthony J. Lima	Commissioner	Appointed
Victor Preciado	Commissioner	Appointed
Edwin Hilden	Alternate	Appointed
John Bellah	Alternate	Appointed
John Nolte	Alternate	Appointed

Pomona-Walnut-Rowland Joint Water Line Commission
Tom Monk, Administrative Officer
3021 Fullerton Road
Rowland Heights, California 91748
(562) 697-1726 – www.rowlandwater.com

**Pomona-Walnut-Rowland
Joint Water Line Commission**

Annual Financial Report

For the Fiscal Years Ended June 30, 2022 and 2021

**Pomona-Walnut-Rowland Joint Water Line Commission
Annual Financial Report
For the Fiscal Years Ended June 30, 2022 and 2021**

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Financial Section



Christopher J. Brown, CPA, CGMA
Jonathan Abadesco, CPA
Andy Beck, CPA

Fedak & Brown LLP

Certified Public Accountants

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FAX (714) 527-9154

Riverside Office:
1945 Chicago Avenue, Suite C-1
Riverside, California 92507
(951) 783-9149

Independent Auditor's Report

Board of Commissioners
Pomona-Walnut-Rowland Joint Water Line Commission
Rowland Heights, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Pomona-Walnut-Rowland Joint Water Line Commission (Commission), as of and for the years ended June 30, 2022 and 2021, and the related statements of revenues, expenses, and changes in net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, as of June 30, 2022 and 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audits of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Project's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Project's ability to continue as a going concern for a reasonable period of time.

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

Independent Auditor's Report, continued

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 4 through 11 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The other supplemental information on pages 28 through 31 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2022, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Commission's internal control over financial reporting and compliance. This report can be found on pages 32 and 33.

Fedak & Brown LLP

Fedak & Brown LLP
Cypress, California
October 13, 2022

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Pomona-Walnut-Rowland Joint Water Line Commission
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2022 and 2021

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Pomona-Walnut-Rowland Joint Water Line Commission (Commission) provides an introduction to the financial statements of the Commission for the fiscal years ended June 30, 2022 and 2021. We encourage readers to consider the information presented here with additional information that we have furnished in the accompanying basic financial statements and related notes, which follow this section.

Financial Highlights

- The Commission's net position increased 0.36% or \$11,085 to \$3,123,930. In 2021, the Commission's net position increased 0.60% or \$18,683 to \$3,112,845.
- The Commission's operating revenues decreased 5.68% or \$1,278,056 to \$21,206,417. In 2021, the Commission's operating revenues increased 22.41% or \$4,115,617 to \$22,484,473.
- The Commission's non-operating revenues decreased 18.13% or \$469 to \$2,118. In 2021, the Commission's non-operating revenues decreased 91.73% or \$28,687 to \$2,587.
- The Commission's operating expenses decreased 5.72% or \$1,285,030 to \$21,199,084. In 2021, the Commission's operating expenses increased 22.44% or \$4,121,283 to \$22,484,114.
- The Commission's non-operating expenses increased to \$13,509. In 2021, there were no non-operating expenses.
- There were no changes in capital contributions for the fiscal years ended June 30, 2022 and 2021.

Required Financial Statements

This annual report consists of a series of financial statements. The Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows provide information about the activities and performance of the Commission using accounting methods similar to those used by private sector companies.

The Statements of Net Position include all of the Commission's investments in resources (assets), deferred outflows of resources, obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for evaluating the results of operations, evaluating the capital structure of the Commission, and assessing the liquidity and financial flexibility of the Commission. All of the current year's revenues and expenses are accounted for in the Statements of Revenues, Expenses, and Changes in Net Position. These statements measure the success of the Commission's operations over the past year and can be used to determine if the Commission has successfully recovered all of its costs through its water sales and other charges to its member agencies. In addition to tracking cost recovery performance, these statements can also be used to evaluate the results of operations and creditworthiness. The final required financial statements are the Statements of Cash Flows, which provide information about the Commission's cash receipts and cash payments during the reporting period. The Statements of Cash Flows report cash receipts, cash payments, and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities, and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Pomona-Walnut-Rowland Joint Water Line Commission
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Financial Analysis of the Commission

One of the most important questions asked about the Commission's finances is, "Is the Commission better off or worse off as a result of this year's activities?" The Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position report information about the Commission in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the Commission's *net position* and changes in them. You can think of the Commission's net position – the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources – as one way to measure the Commission's financial health, or *financial position*. Over time, *increases or decreases* in the Commission's net position are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning, and new or changed government legislation.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 15 through 27.

Statements of Net Position

	Condensed Statements of Net Position				
	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>2020</u>	<u>Change</u>
Assets:					
Current assets	\$ 4,221,592	4,905,237	(683,645)	4,826,925	78,312
Restricted assets	846,366	803,043	43,323	759,720	43,323
Capital assets, net	<u>1,447,551</u>	<u>1,475,731</u>	<u>(28,180)</u>	<u>1,409,192</u>	<u>66,539</u>
Total assets	<u>6,515,509</u>	<u>7,184,011</u>	<u>(668,502)</u>	<u>6,995,837</u>	<u>188,174</u>
Liabilities:					
Current liabilities	<u>3,391,579</u>	<u>4,071,166</u>	<u>(679,587)</u>	<u>3,901,675</u>	<u>169,491</u>
Total liabilities	<u>3,391,579</u>	<u>4,071,166</u>	<u>(679,587)</u>	<u>3,901,675</u>	<u>169,491</u>
Net position:					
Net investment in capital assets	1,447,551	1,475,731	(28,180)	1,409,192	66,539
Restricted for capital asset repairs and replacement	846,366	803,043	43,323	759,720	43,323
Unrestricted	<u>830,013</u>	<u>834,071</u>	<u>(4,058)</u>	<u>925,250</u>	<u>(91,179)</u>
Total net position	<u>\$ 3,123,930</u>	<u>3,112,845</u>	<u>11,085</u>	<u>3,094,162</u>	<u>18,683</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Commission, assets exceeded liabilities by \$3,123,930 and \$3,112,845, as of June 30, 2022 and 2021, respectively.

The Commission's total net position is made up of three components: (1) net investment in capital assets, (2) restricted net position and (2) unrestricted net position.

Pomona-Walnut-Rowland Joint Water Line Commission
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Statements of Net Position, continued

By far the largest portion of the Commission's net position (46% and 47% as of June 30, 2022 and 2021, respectively) reflects the Commission's net investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The Commission uses these capital assets to provide services to its member agencies; consequently, these assets are not available for future spending.

At the end of fiscal years 2022 and 2021, the Commission showed a positive balance in its unrestricted net position of \$830,013 and \$834,071, respectively, which may be utilized in future years.

Statements of Revenues, Expenses, and Changes in Net Position

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>2020</u>	<u>Change</u>
Revenues:					
Operating revenues	\$ 21,206,417	22,484,473	(1,278,056)	18,368,856	4,115,617
Non-operating revenue	2,118	2,587	(469)	31,274	(28,687)
Total revenues	<u>21,208,535</u>	<u>22,487,060</u>	<u>(1,278,525)</u>	<u>18,400,130</u>	<u>4,086,930</u>
Expenses:					
Operating expenses	21,199,084	22,484,114	(1,285,030)	18,362,831	4,121,283
Non-operating expense	13,509	-	13,509	-	-
Depreciation	28,180	27,586	594	27,552	34
Total expenses	<u>21,240,773</u>	<u>22,511,700</u>	<u>(1,270,927)</u>	<u>18,390,383</u>	<u>4,121,317</u>
Net (loss) income before capital contributions	<u>(32,238)</u>	<u>(24,640)</u>	<u>(7,598)</u>	<u>9,747</u>	<u>(34,387)</u>
Capital contributions:					
Surcharges	43,323	43,323	-	43,323	-
Total capital contributions	<u>43,323</u>	<u>43,323</u>	<u>-</u>	<u>43,323</u>	<u>-</u>
Change in net position	11,085	18,683	(7,598)	53,070	(34,387)
Net position, beginning of period	<u>3,112,845</u>	<u>3,094,162</u>	<u>18,683</u>	<u>3,041,092</u>	<u>53,070</u>
Net position, end of period	<u>\$ 3,123,930</u>	<u>3,112,845</u>	<u>11,085</u>	<u>3,094,162</u>	<u>18,683</u>

The Statement of Revenues, Expenses, and Changes in Net Position show how the Commission's net position changed during the fiscal years. In 2022, net position increased 0.36% or \$11,085 to \$3,123,930, due to \$43,323 in capital contributions in the current year, offset by a net loss of \$32,238 from ongoing operations. In 2021, net position increased 0.60% or \$18,683 to \$3,112,845, due to \$43,323 in capital contributions in the current year, offset by a net loss of \$24,640 from ongoing operations.

A closer examination of net position reveals that:

In 2022, total revenues decreased 5.69% or \$1,278,525 to \$21,208,535. Operating revenues decreased 5.68% or \$1,278,056 to \$21,206,417, due to a decrease of \$1,278,056 in water sales to member agencies.

In 2021, total revenues increased 22.21% or \$4,086,930 to \$22,487,060. Operating revenues increased 22.41% or \$4,115,617 to \$22,484,473, primarily due to an increase of \$4,113,052 in water sales to member agencies.

Pomona-Walnut-Rowland Joint Water Line Commission
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Statements of Revenues, Expenses and Changes in Net Position, continued

In 2022, non-operating revenues decreased 18.13% or \$469 to \$2,118, primarily due to a decrease of \$1,197 in investment income.

In 2021, non-operating revenues decreased 91.73% or \$28,687 to \$2,587, primarily due to a decrease of \$29,460 in investment income.

In 2022, total expenses decreased 5.65% or \$1,270,927 to \$21,240,773. Operating expenses decreased 5.72% or \$1,285,030 to \$21,199,084, primarily due to decreases of \$1,278,056 in water purchases and \$7,371 in maintenance costs.

In 2021, total expenses increased 22.41% or \$4,121,317 to \$22,511,700. Operating expenses increased 22.44% or \$4,121,283 to \$22,484,114, primarily due to increases of \$4,113,052 in water purchases and \$6,706 in maintenance costs.

In 2022, non-operating expenses increased 100.00% to \$13,509, due to an increase of \$13,509 in unrealized loss on investments, net of investment income due to the effect of fair market value adjustments at year-end.

In 2021, there were no non-operating expenses.

In 2022, depreciation expense increased 2.15% or \$594 to \$28,180 due to the maturation of existing depreciable assets.

In 2021, depreciation expense increased 0.12% or \$34 to \$27,586 due to the maturation of existing depreciable assets.

As of June 30, 2022 and 2021, total capital contributions were \$43,323, respectively.

Budget vs. Actual - 2022				
	2022	2022	Dollar	Percent
	Budget	Actual	Change	Change
Revenues:				
Operating revenues	\$ 20,622,307	21,206,417	584,110	2.83%
Non-operating revenues	12,750	2,118	(10,632)	-83.39%
Total revenues	20,635,057	21,208,535	573,478	2.78%
Expenses:				
Operating expenses (incl. depr.)	21,072,307	21,227,264	154,957	-0.74%
Non-operating expense	-	13,509	13,509	100.00%
Total expenses	21,072,307	21,240,773	168,466	-0.80%
Net loss before capital contributions	(437,250)	(32,238)	405,012	92.63%
Capital contributions:				
Surcharges	43,323	43,323	-	-
Total capital contributions	43,323	43,323	-	-
Change in net position	(393,927)	11,085	405,012	102.81%

Pomona-Walnut-Rowland Joint Water Line Commission
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Statements of Revenues, Expenses, and Changes in Net Position, continued

	Budget vs. Actual - 2021			
	<u>2021 Budget</u>	<u>2021 Actual</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenues:				
Operating revenues	\$ 20,054,782	22,484,473	2,429,691	12.12%
Non-operating revenues	<u>12,750</u>	<u>2,587</u>	<u>(10,163)</u>	<u>-79.71%</u>
Total revenues	<u>20,067,532</u>	<u>22,487,060</u>	<u>2,419,528</u>	<u>12.06%</u>
Expenses:				
Operating expenses (incl. depr.)	<u>20,504,782</u>	<u>22,511,700</u>	<u>2,006,918</u>	<u>-9.79%</u>
Total expenses	<u>20,504,782</u>	<u>22,511,700</u>	<u>2,006,918</u>	<u>-9.79%</u>
Net loss before capital contributions	<u>(437,250)</u>	<u>(24,640)</u>	<u>412,610</u>	<u>94.36%</u>
Capital contributions:				
Surcharges	<u>43,323</u>	<u>43,323</u>	<u>-</u>	<u>-</u>
Total capital contributions	<u>43,323</u>	<u>43,323</u>	<u>-</u>	<u>-</u>
Change in net position	<u>(393,927)</u>	<u>18,683</u>	<u>412,610</u>	<u>104.74%</u>

The majority of operating revenue is derived from water sales to member agencies. The Commission predicts water sales by using a three-year rolling average. This is calculated by estimating how many acre-feet of water will be purchased from the Three Valleys Municipal Water District at the prevailing Tier I and Tier II water rates. As in previous years, these assumptions do not include any special programs offered by the Commission in the efforts to promote water conservation.

In fiscal year 2021-2022, the Commission estimated 18,050 acre-feet of Tier I water purchases at an average rate of \$1,110 per acre-foot. The Commission actually purchased 18,658 acre-feet of Tier I water.

In fiscal year 2020-2021, the Commission estimated 18,066 acre-feet of Tier I water purchases at an average rate of \$1,080 per acre-foot. The Commission actually purchased 20,368 acre-feet of Tier I water.

Capital Asset Administration

Changes in capital assets for 2022, were as follows:

	<u>Balance 2021</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2022</u>
Capital assets:				
Depreciable assets	\$ 2,470,480	-	-	2,470,480
Accumulated depreciation	<u>(994,749)</u>	<u>(28,180)</u>	-	<u>(1,022,929)</u>
Total capital assets	<u>\$ 1,475,731</u>	<u>(28,180)</u>	<u>-</u>	<u>1,447,551</u>

Pomona-Walnut-Rowland Joint Water Line Commission
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Capital Asset Administration

Changes in capital assets for 2021, were as follows:

	<u>Balance 2020</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2021</u>
Capital assets:				
Depreciable assets	\$ 2,376,355	94,125	-	2,470,480
Accumulated depreciation	<u>(967,163)</u>	<u>(27,586)</u>	<u>-</u>	<u>(994,749)</u>
Total capital assets	<u>\$ 1,409,192</u>	<u>66,539</u>	<u>-</u>	<u>1,475,731</u>

At the end of fiscal year 2022 and 2021, the Commission's capital assets amounted to \$1,447,551 and \$1,475,731 (net of accumulated depreciation), respectively. These capital assets include pipelines and improvements, service connections, and telemetry systems. See note 3 to the basic financial statements for further detailed information on the Commission's capital assets.

Economic Factors and Next Year's Budget and Rates

Fiscal Year 2022 Actual vs. Fiscal Year 2023 Budget

	<u>2022 Actual</u>	<u>2023 Budget</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenues:				
Operating revenues	\$ 21,206,417	20,648,994	(557,423)	-2.63%
Non-operating revenues	<u>2,118</u>	<u>7,000</u>	<u>4,882</u>	<u>230.50%</u>
Total revenues	<u>21,208,535</u>	<u>20,655,994</u>	<u>(552,541)</u>	<u>-2.61%</u>
Expenses:				
Operating expenses (incl. depr.)	21,227,264	21,098,994	128,270	0.60%
Non-operating expense	<u>13,509</u>	<u>-</u>	<u>(13,509)</u>	<u>-100.00%</u>
Total expenses	<u>21,240,773</u>	<u>21,098,994</u>	<u>141,779</u>	<u>0.67%</u>
Net loss before capital contributions	<u>(32,238)</u>	<u>(443,000)</u>	<u>(410,762)</u>	<u>-1274.15%</u>
Capital contributions:				
Surcharges	<u>43,323</u>	<u>43,323</u>	<u>-</u>	<u>-</u>
Total capital contributions	<u>43,323</u>	<u>43,323</u>	<u>-</u>	<u>-</u>
Change in net position	11,085	(399,677)	(410,762)	3705.57%
Net position, beginning of period	<u>3,112,845</u>	<u>3,123,930</u>	<u>11,085</u>	<u>0.36%</u>
Net position, end of period	<u>\$ 3,123,930</u>	<u>2,724,253</u>	<u>(399,677)</u>	<u>-12.79%</u>

Pomona-Walnut-Rowland Joint Water Line Commission
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Economic Factors and Next Year's Budget and Rates, continued

Fiscal Year 2021 Actual vs. Fiscal Year 2022 Budget

	<u>2021 Actual</u>	<u>2022 Budget</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Revenues:				
Operating revenues	\$ 22,484,473	20,622,307	(1,862,166)	-8.28%
Non-operating revenues	2,587	12,750	10,163	392.85%
Total revenues	<u>22,487,060</u>	<u>20,635,057</u>	<u>(1,852,003)</u>	<u>-8.24%</u>
Expenses:				
Operating expenses (incl. depr.)	22,511,700	21,072,307	1,439,393	6.39%
Total expenses	<u>22,511,700</u>	<u>21,072,307</u>	<u>1,439,393</u>	<u>6.39%</u>
Net loss before capital contributions	<u>(24,640)</u>	<u>(437,250)</u>	<u>(412,610)</u>	<u>1674.55%</u>
Capital contributions:				
Surcharges	43,323	43,323	-	-
Total capital contributions	<u>43,323</u>	<u>43,323</u>	<u>-</u>	<u>-</u>
Change in net position	18,683	(393,927)	(412,610)	-2208.48%
Net position, beginning of period	<u>3,094,162</u>	<u>3,112,845</u>	<u>18,683</u>	<u>0.60%</u>
Net position, end of period	<u>\$ 3,112,845</u>	<u>2,718,918</u>	<u>(393,927)</u>	<u>-12.65%</u>

The Commission's Board of Commissioners and Administrative Officer consider several factors when setting the fiscal year budget. One factor is the water sales projection that each agency gives. This is taken into consideration along with historical water use numbers in setting future years operating revenues. As in previous years, the majority of operating revenues are directly offset by operating expenses. This is due to the correlation between water sales and purchased water costs.

In fiscal years 2021-2022 and 2020-2021, the Commission factored in actual costs when looking at administrative expenses. This was determined by looking at actual time and/or material cost in all matters directly relating to the Joint Water Line. As in previous years, the last factor is the funding of depreciation and replacement of the water line.

In fiscal years 2021-2022 and 2020-2021, an amount equal to \$43,323 of the \$18,683 change in ending net position, shown in the table above, is/was projected to be transferred to reserves for depreciation and replacement, respectively.

Conditions Affecting Current Financial Position

The COVID-19 pandemic in the United States has caused business disruption through labor shortages and business closings. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the disruption. Consequently, the related financial impact on the Commission and the duration cannot be estimated at this time.

Management is unaware of any other conditions, which could have a significant impact on the Commission's current financial position, net position, or operating results in terms of past, present, and future.

Pomona-Walnut-Rowland Joint Water Line Commission
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Requests for Information

This financial report is designed to provide the Commission's present users, including funding sources, customers, stakeholders, and other interested parties with a general overview of the Commission's finances and to demonstrate the Commission's accountability with an overview of the Commission's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact Myra Malner, Commission Treasurer, at Rowland Water District, 3021 Fullerton Road, Rowland Heights, California, 91748 or (562) 697-1726.

Basic Financial Statements

Pomona-Walnut-Rowland Joint Water Line Commission
Statements of Net Position
June 30, 2022 and 2021

	2022	2021
Current assets:		
Cash and cash equivalents (note 2)	\$ 820,191	911,999
Accrued interest receivable	2,775	1,207
Accounts receivable	3,397,168	3,990,124
Prepaid expenses	1,458	1,907
Total current assets	4,221,592	4,905,237
Restricted Assets		
Cash and cash equivalents (note 2)	835,535	792,212
Accounts receivable	10,831	10,831
Total restricted assets	846,366	803,043
Non-current assets:		
Capital assets – being depreciated, net (note 3)	1,447,551	1,475,731
Total non-current assets	1,447,551	1,475,731
Total assets	6,515,509	7,184,011
Current liabilities:		
Accounts payable	3,391,579	4,071,166
Total current liabilities	3,391,579	4,071,166
Total liabilities	3,391,579	4,071,166
Net position (note 4):		
Net investment in capital assets	1,447,551	1,475,731
Restricted for capital asset repairs and replacement	846,366	803,043
Unrestricted	830,013	834,071
Total net position	\$ 3,123,930	3,112,845

See accompanying notes to the basic financial statements

Pomona-Walnut-Rowland Joint Water Line Commission
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2022 and 2021

	2022	2021
Operating revenues:		
Water sales to member agencies	\$ 21,106,617	22,384,673
Member agency assessments	99,800	99,800
Total operating revenues	21,206,417	22,484,473
Operating expenses:		
Water purchases	21,106,617	22,384,673
Maintenance	13,315	20,686
General and administrative	64,200	64,200
Insurance expense	2,183	2,183
Legal fees	815	215
Auditing	7,154	6,912
Other	4,800	5,245
Total operating expenses	21,199,084	22,484,114
Operating income before depreciation	7,333	359
Depreciation	(28,180)	(27,586)
Operating loss	(20,847)	(27,227)
Non-operating revenue (expense), net:		
Investment income	-	1,197
Unrealized loss on investments, net	(13,509)	-
Other non-operating revenue	2,118	1,390
Total non-operating revenue (expense), net	(11,391)	2,587
Net loss before capital contributions	(32,238)	(24,640)
Capital contributions:		
Surcharges	43,323	43,323
Total capital contributions	43,323	43,323
Changes in net position	11,085	18,683
Net position, beginning of period	3,112,845	3,094,162
Net position, end of period	\$ 3,123,930	3,112,845

See accompanying notes to the basic financial statements

Pomona-Walnut-Rowland Joint Water Line Commission
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Cash received from member agencies	\$ 21,799,373	21,969,810
Cash paid to vendors and suppliers for materials and services	(21,878,222)	(22,314,623)
Net cash used in operating activities	(78,849)	(344,813)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	-	(94,125)
Capital surcharge	43,323	43,323
Net cash provided by (used in) capital and related financing activities	43,323	(50,802)
Cash flows from investing activities:		
Investment income	(12,959)	6,728
Net cash (used in) provided by investing activities	(12,959)	6,728
Net decrease in cash and cash equivalents	(48,485)	(388,887)
Cash and cash equivalents – beginning of year	1,704,211	2,093,098
Cash and cash equivalents – end of year	\$ 1,655,726	1,704,211
 Reconciliation of cash and cash equivalents to statement of financial position:		
Cash and cash equivalents	\$ 820,191	911,999
Cash and cash equivalents – restricted	835,535	792,212
Total cash and cash equivalents	\$ 1,655,726	1,704,211
 Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (20,847)	(27,227)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	28,180	27,586
Change in assets and liabilities:		
Increase in assets:		
Accounts receivable	592,956	(514,663)
Prepaid expenses	449	-
Increase in liabilities:		
Accounts payable	(679,587)	169,491
Total adjustments	(58,002)	(317,586)
Net cash used in operating activities	\$ (78,849)	(344,813)

See accompanying notes to the basic financial statements

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Pomona-Walnut-Rowland Joint Water Line Commission (Commission) was formed under the Joint Powers Agreement of 1956 between the City of Pomona, Walnut Valley Water District, and Rowland Water District (the Agreement) for the purpose of acquiring, constructing, maintaining, repairing, managing, operating, and controlling a water transmission pipeline for the benefit of the member agencies. The original agreement was for a term of fifty years and has resulted in substantial cost savings for each of its member agencies. On December 21, 2006, the Agreement was amended, restated, and renewed and will continue to be enforced for twenty years from this date, with three, ten-year extensions allowable upon written consent of each of the member agencies.

The Commission purchases water for resale to the member agencies at a price sufficient to provide reserve funds for emergencies. Member agencies are billed for the cost of maintenance and operations of the pipeline.

B. Basis of Accounting and Measurement Focus

The Commission reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Commission is that the cost of providing water to its member agencies on a continuing basis be financed or recovered primarily through water sales, capital contributions and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as water sales and water purchases, result from exchange transactions associated with the principal activity of the Commission. Exchange transactions are those in which each party receives and gives up essentially equal value. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses. Non-operating revenues and expenses, such as grant funding, investment income and interest expense, result from non-exchange transactions, in which the Commission gives (receives) value without directly (giving) value in exchange.

C. Financial Reporting

The Commission's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Commission solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the Commission's proprietary fund.

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

C. Financial Reporting, continued

The Commission has adopted the following GASB pronouncements in the current year:

Governmental Accounting Standards Board Statement No. 87

In June 2017, the GASB issued Statement No. 87 – *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2019; however, in light of the COVID-19 pandemic, the effective date has been postponed by 18 months. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 89

In June 2018, the GASB issued Statement No. 89 – *Accounting for Interest Cost incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

1. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

2. Uncertainty

The COVID-19 outbreak in the United States has caused business disruption through labor shortages and business closings. While the disruption is currently expected to be temporary, there is considerable uncertainty around its duration. Consequently, the related financial impact on the Commission and the duration cannot be estimated at this time.

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

3. Cash and Cash Equivalents

Substantially all of the Commission's cash is invested in interest bearing accounts. The Commission considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

4. Investments and Investment Policy

The Commission's investment policy authorizes investments in certificates-of-deposit and the California Local Agency Investment Fund (LAIF). The Commission's investment policy does contain specific provisions intended to limit its exposure to interest rate risk, credit risk, custodial risk, and concentration of credit risk.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

5. Fair Value Measurements

The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The hierarchy is based on valuation inputs used to measure the fair value of the asset, as follows:

- **Level 1** – Valuation level is based on quoted prices in active markets for identical assets.
- **Level 2** – Valuation level is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.
- **Level 3** – Valuation level is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity and other assumptions that are internally generated and cannot be observed in the market.

6. Restricted Assets

Restricted assets are financial resources generated for a specific purpose such as capital projects. These assets are for the benefit of a specified purpose and, as such, are legally or contractually restricted by an external third-party agreement.

The Commission's restricted assets are the accumulation of capital surcharges assessed to each member agency. These funds are restricted for major repairs and replacement of water.

7. Accounts Receivable and Allowance for Uncollectible Accounts

The Commission extends credit to customers in the normal course of operations. When management deems customer accounts uncollectible, the Commission uses the allowance method for the reservation and write-off of those accounts. As of June 30, 2022 and 2021, there is no allowance for uncollectible accounts as management believes all accounts will be collected.

8. Prepaid Expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

9. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. Commission policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at acquisition value at the date of the donation. Capital assets received in service concession arrangements are reported at acquisition value. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Pipelines and improvements – 150 years
- Service connections – 150 years
- Telemetry systems – 10 years
- Valve replacements – 50 years

10. Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation and amortization, and reduced by outstanding balances of any debt, or other long-term borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** – Consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments, or constraints imposed by law through enabling legislation.
- **Unrestricted** – Consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted components of net position.

11. Water Sales and Services

Water sales are billed on a monthly cyclical basis and recognize the respective revenues when they are earned.

12. Capital Contributions

Capital contributions represent cash contributed to the Commission by member agencies for the cost of maintenance and operations of the pipeline.

13. Budgetary Policies

The Commission adopts an annual non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(2) Cash and Cash Equivalents

Cash and cash equivalents as of June 30 are classified in the accompanying financial statements as follows:

	2022	2021
Cash and cash equivalents	\$ 820,191	911,999
Cash and cash equivalents – restricted	835,535	792,212
Total cash and cash equivalents	\$ 1,655,726	1,704,211

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

	2022	2021
Deposits with financial institutions	\$ 192,724	226,132
Deposits in		
Local Agency Investment Fund (LAIF)	1,463,002	1,478,079
Total cash and cash equivalents	\$ 1,655,726	1,704,211

As of June 30, the Commission’s authorized deposits had the following maturities:

	2022	2021
Deposits in		
Local Agency Investment Fund (LAIF)	311 days	291 days

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

The table below identifies the investment types that are authorized by the Commission in accordance with the California Government Code (or the Commission’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Commission’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
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations - CA and Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Collateralize Bank Deposits	5 years	None	None
Corporate debt - Short and Long Term	5 years	None	None
Commercial Paper - Pooled Funds	270 days	40% of the District's	10%
Commercial Paper - Non-Pooled Funds	270 days	money	
Repurchase agreements	1 year	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(2) Cash and Cash Equivalents, continued

Investment in State Investment Pool

The Commission is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 and is under the management of the Treasurer of the State of California with oversight provided by the Local Agency Investment Advisory Board. The fair value of the Commission's investment in this pool is reported in the accompanying financial statements at amounts based upon the Commission's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Bank balances are secured by the pledging of a pool of eligible securities to collateralize the Commission's deposits with the bank in accordance with the Code.

The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by GASB 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. LAIF does not have any legally binding guarantees of share values. LAIF does not impose liquidity fees or redemption gates on participant withdrawals.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. 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 Commission 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 matures, or comes close to maturity evenly over time, as necessary to provide requirements for cash flow and liquidity needed for operations.

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.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

The California Government Code and the Commission'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 Commission deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Commission's name.

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(2) Cash and Cash Equivalents, continued

Credit Risk

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.

Concentration of Credit Risk

The Commission's investment policy contains various limitations on the amounts that can be invested in any one governmental agency or non-governmental issuer as stipulated by the California Government Code. The Commission's deposit portfolio with governmental agencies, LAIF, is 88% and 87% as of June 30, 2022 and 2021, respectively, of the Commission's total depository and investment portfolio. There were no investments in any one non-governmental issuer that represent 5% or more of the Commission's total investments.

(3) Capital Assets

Changes in capital assets for the year ended June 30, 2022, were as follows:

	<u>Balance 2021</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2022</u>
Depreciable assets:				
Pipeline and improvements	\$ 2,281,203	-	-	2,281,203
Service connections	85,277	-	-	85,277
Telemetry system	104,000	-	-	104,000
Total depreciable assets	<u>2,470,480</u>	<u>-</u>	<u>-</u>	<u>2,470,480</u>
Accumulated depreciation:				
Pipeline and improvements	(892,983)	(17,211)	-	(910,194)
Service connections	(36,973)	(569)	-	(37,542)
Telemetry system	(64,793)	(10,400)	-	(75,193)
Total accumulated depreciation	<u>(994,749)</u>	<u>(28,180)</u>	<u>-</u>	<u>(1,022,929)</u>
Total depreciable assets, net	<u>\$ 1,475,731</u>	<u>(28,180)</u>	<u>-</u>	<u>1,447,551</u>

Changes in capital assets for the year ended June 30, 2021, were as follows:

	<u>Balance 2020</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2021</u>
Depreciable assets:				
Pipeline and improvements	\$ 2,187,078	94,125	-	2,281,203
Service connections	85,277	-	-	85,277
Telemetry system	104,000	-	-	104,000
Total depreciable assets	<u>2,376,355</u>	<u>94,125</u>	<u>-</u>	<u>2,470,480</u>
Accumulated depreciation:				
Pipeline and improvements	(876,366)	(16,617)	-	(892,983)
Service connections	(36,404)	(569)	-	(36,973)
Telemetry system	(54,393)	(10,400)	-	(64,793)
Total accumulated depreciation	<u>(967,163)</u>	<u>(27,586)</u>	<u>-</u>	<u>(994,749)</u>
Total depreciable assets, net	<u>\$ 1,409,192</u>	<u>66,539</u>	<u>-</u>	<u>1,475,731</u>

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(3) Capital Assets, continued

For the fiscal years ending June 30, 2022 and 2021, the Commission had \$0 and \$94,125 in capital asset additions, respectively.

(4) Net Position

Calculation of net position as of June 30, were as follows:

	2022	2021
Net investment in capital assets:		
Capital assets, net	\$ 1,447,551	1,475,731
Restricted:		
Capital asset repairs and replacement	846,366	803,043
Unrestricted:	830,013	834,071
Total net position	\$ 3,123,930	3,112,845

(5) Risk Management

The Commission is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Commission is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the ACWA/JPIA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage.

On June 30, 2022, the Commission participated in the liability and property programs of the ACWA/JPIA as follows:

- General and auto liability, public officials and employees’ errors and omissions: Total risk financing self-insurance limits of \$5,000,000, combined single limit at \$5,000,000 per occurrence. The JPIA purchases additional excess coverage layers up to \$55 million per occurrence total for general, auto and public officials’ liability, which increases the limits on the insurance coverage noted above.
- Cyber Liability coverage is included for all Agencies participating in the Liability Program. It protects the Commission from risks relating to information technology infrastructure and activities by first and third parties. The limit is \$3,000,000 per loss/\$5,000,000 program annual aggregate.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the Commission’s insurance coverage during the fiscal years ended June 30, 2022, 2021, and 2020. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There was no IBNR claims payable as of June 30, 2022, 2021, and 2020.

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(6) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2022, that has effective dates that may impact future financial presentations.

The following pronouncement implementation dates have been delayed one year due to the COVID-19 pandemic.

Governmental Accounting Standards Board Statement No. 91

In May 2019, the GASB issued Statement No. 91 – *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 92

In January 2020, the GASB issued Statement No. 92 – *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

The requirements of this Statement were as follows: (1) The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance; (2) The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020; (3) The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020; and (4) The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged and is permitted by topic.

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(6) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 93

In March 2020, the GASB issued Statement No. 93 – *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by: (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended; and (7) Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

The requirements of this Statement were effective as follows: (1) The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021; and (2) All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective dates have been postponed by one year. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 94

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(6) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 96

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 97

In June 2020, the GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 41 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement. The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(6) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 98

In October 2021, the GASB issued Statement No. 98 – *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement’s introduction of the new term is founded on a commitment to promoting inclusiveness.

The requirements of this Statement are effective for fiscal years ending after December 15, 2021. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 99

In April 2022, the GASB issued Statement No. 99 – *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 100

In June 2022, the GASB issued Statement No. 100 – *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

Pomona-Walnut-Rowland Joint Water Line Commission
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(6) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 100, continued

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 101

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

(7) Commitments and Contingencies

Litigation

In the ordinary course of operations, the Commission is subject to claims and litigation from outside parties. After consultation with legal counsel, the Commission believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

(8) Subsequent Events

Events occurring after June 30, 2022, have been evaluated for possible adjustment to the financial statements or disclosure as of October 13, 2022, which is the date the financial statements were available to be issued.

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Supplementary Information

Pomona-Walnut-Rowland Joint Water Line Commission
Combining Schedule of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2022

	<u>Water Operations</u>	<u>General and Administrative</u>	<u>Total</u>
Operating revenues:			
Water sales to member agencies	\$ 21,106,617	-	21,106,617
Member agency assessments	-	99,800	99,800
Total operating revenues	<u>21,106,617</u>	<u>99,800</u>	<u>21,206,417</u>
Operating expenses:			
Water purchases	21,106,617	-	21,106,617
Maintenance	13,315	-	13,315
General and administrative	-	64,200	64,200
Insurance expense	-	2,183	2,183
Legal fees	-	815	815
Auditing	-	7,154	7,154
Other	-	4,800	4,800
Total operating expenses	<u>21,119,932</u>	<u>79,152</u>	<u>21,199,084</u>
Operating (loss) income before depreciation	(13,315)	20,648	7,333
Depreciation	(28,180)	-	(28,180)
Operating (loss) income	<u>(41,495)</u>	<u>20,648</u>	<u>(20,847)</u>
Non-operating revenue (expense), net:			
Unrealized loss on investments, net	(13,509)	-	(13,509)
Other non-operating revenue	2,118	-	2,118
Total non-operating revenue (expense), net	<u>(11,391)</u>	<u>-</u>	<u>(11,391)</u>
Net (loss) income before capital contributions	<u>(52,886)</u>	<u>20,648</u>	<u>(32,238)</u>
Capital contributions:			
Surcharges	43,323	-	43,323
Total capital contributions	<u>43,323</u>	<u>-</u>	<u>43,323</u>
Changes in net position	(9,563)	20,648	11,085
Net position, beginning of period	<u>2,917,113</u>	<u>195,732</u>	<u>3,112,845</u>
Net position, end of period	<u>\$ 2,907,550</u>	<u>216,380</u>	<u>3,123,930</u>

Pomona-Walnut-Rowland Joint Water Line Commission
Combining Schedule of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2021

	<u>Water Operations</u>	<u>General and Administrative</u>	<u>Total</u>
Operating revenues:			
Water sales to member agencies	\$ 22,384,673	-	22,384,673
Member agency assessments	-	99,800	99,800
Total operating revenues	<u>22,384,673</u>	<u>99,800</u>	<u>22,484,473</u>
Operating expenses:			
Water purchases	22,384,673	-	22,384,673
Maintenance	20,686	-	20,686
General and administrative	-	64,200	64,200
Insurance expense	-	2,183	2,183
Legal fees	-	215	215
Auditing	-	6,912	6,912
Other	-	5,245	5,245
Total operating expenses	<u>22,405,359</u>	<u>78,755</u>	<u>22,484,114</u>
Operating (loss) income before depreciation	(20,686)	21,045	359
Depreciation	<u>(27,586)</u>	-	<u>(27,586)</u>
Operating (loss) income	<u>(48,272)</u>	<u>21,045</u>	<u>(27,227)</u>
Non-operating revenue:			
Investment income	1,197	-	1,197
Other non-operating revenue	1,390	-	1,390
Total non-operating revenues	<u>2,587</u>	<u>-</u>	<u>2,587</u>
Net (loss) income before capital contributions	<u>(45,685)</u>	<u>21,045</u>	<u>(24,640)</u>
Capital contributions:			
Surcharges	43,323	-	43,323
Total capital contributions	<u>43,323</u>	<u>-</u>	<u>43,323</u>
Changes in net position	(2,362)	21,045	18,683
Net position, beginning of period	<u>2,919,475</u>	<u>174,687</u>	<u>3,094,162</u>
Net position, end of period	<u>\$ 2,917,113</u>	<u>195,732</u>	<u>3,112,845</u>

Pomona-Walnut-Rowland Joint Water Line Commission
Schedule of Assets Invested in Capital Assets by Member Agency
For the Fiscal Year Ended June 30, 2022

	City of Pomona	Walnut Valley Water District	Rowland Water District	Total
Pipeline section A-B	\$ 276,438	151,474	106,031	533,943
Pipeline section B-D	188,719	150,958	94,359	434,036
Pipeline section D-F	-	621,096	386,002	1,007,098
Pipeline relocation	129,970	105,948	70,208	306,126
Telemetry system	-	60,320	43,680	104,000
Service connections	66,374	8,455	10,448	85,277
Total capital assets	\$ <u>661,501</u>	<u>1,098,251</u>	<u>710,728</u>	<u>2,470,480</u>

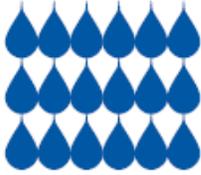
* This schedule does not include accumulated depreciation

Pomona-Walnut-Rowland Joint Water Line Commission
Schedule of Assets Invested in Capital Assets by Member Agency
For the Fiscal Year Ended June 30, 2021

	<u>City of Pomona</u>	<u>Walnut Valley Water District</u>	<u>Rowland Water District</u>	<u>Total</u>
Pipeline section A-B	\$ 276,438	151,474	106,031	533,943
Pipeline section B-D	188,719	150,958	94,359	434,036
Pipeline section D-F	-	621,096	386,002	1,007,098
Pipeline relocation	129,970	105,948	70,208	306,126
Telemetry system	-	60,320	43,680	104,000
Service connections	<u>66,374</u>	<u>8,455</u>	<u>10,448</u>	<u>85,277</u>
Total capital assets	<u>\$ 661,501</u>	<u>1,098,251</u>	<u>710,728</u>	<u>2,470,480</u>

* This schedule does not include accumulated depreciation

Report on Internal Controls and Compliance



Christopher J. Brown, CPA, CGMA
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Independent Auditor's Report on Internal Controls Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Commissioners
Pomona-Walnut-Rowland Joint Water Line Commission
Rowland Heights, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Pomona-Walnut-Rowland Joint Water Line Commission (Commission) as of and for the fiscal years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprises the Commission's basic financial statements, and have issued our report thereon dated October 13, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

**Independent Auditor's Report on Internal Controls Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*, (continued)**

Purpose of this Report

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

Fedak & Brown LLP

Fedak & Brown LLP

Cypress, California

October 13, 2022



Puente Basin Water Agency

Annual Financial Report

For the Fiscal Years Ended June 30, 2022 and 2021

Our Focus

“Achieving a sustainable and reliable local water supply through innovative planning and regionally-beneficial projects”

Puente Basin Water Agency

Board of Commissioners as of June 30, 2022

<u>Name</u>	<u>Title</u>	<u>Member Agency</u>	<u>Elected*/ Appointed</u>
Anthony J. Lima	Chair	Rowland Water District	Appointed
Theresa Lee	Vice-Chair	Walnut Valley Water District	Appointed
Robert W. Lewis	Commissioner	Rowland Water District	Appointed
Jerry Tang	Commissioner	Walnut Valley Water District	Appointed

* Members are elected based on member agency decisions.

**Puente Basin Water Agency
Erik Hitchman, Administrative Officer
271 S. Brea Canyon Road
Walnut, California 91789
(909) 595-1268 – www.puentebasin.com**



Puente Basin Water Agency

Annual Financial Report

For the Fiscal Years Ended June 30, 2022 and 2021

**Puente Basin Water Agency
Annual Financial Report
For the Fiscal Years Ended June 30, 2022 and 2021**

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Financial Section



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Independent Auditor's Report

Board of Commissioners
Puente Basin Water Agency
Walnut, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Puente Basin Water Agency (Agency), as of and for the years ended, June 30, 2022 and 2021, and the related statements of revenues, expenses, and changes in net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, as of June 30, 2022 and 2021, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audits of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

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

Independent Auditor's Report, continued

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 4 through 11 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 audits 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2022, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Agency's internal control over financial reporting and compliance. This report can be found on pages 32 and 33.

Fedak & Brown LLP

Fedak & Brown LLP
Cypress, California
December 8, 2022

**Puente Basin Water Agency
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2022 and 2021**

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Puente Basin Water Agency (Agency) provides an introduction to the financial statements of the Agency for the fiscal years ended June 30, 2022 and 2021. We encourage readers to consider the information presented here with additional information that we have furnished in the accompanying basic financial statements and related notes, which follow this section.

Financial Highlights

Fiscal Year 2022

- The Agency's net position as of June 30, 2022, was \$41,463,844, a decrease of \$10,336, or 0.02% from the prior year.
- Operating revenues totaled \$19,176,682 for the year, an increase of \$656,981 from the prior year.
- Beginning in July 2014, in order to account for the costs and benefits of water produced from the water reliability projects, which are funded jointly by the Walnut Valley Water District (WVWD) and the Rowland Water District (RWD), imported water purchased from Three Valleys Municipal Water District (TVMWD) was invoiced through the Agency. For fiscal year 2022, the total of these pass-through costs were reflected in both the revenues amounting to \$18,324,933 and expenses amounting to \$18,322,873 of the Agency.
- Operating expenses including depreciation for the year totaled \$19,752,966 for the year, these costs include the pass-through water costs from TVMWD.
- The La Habra Heights water reliability project produced no water for the year. Although no water was produced, internal costs of \$9,989, were incurred related to the maintenance and management of the project facilities.
- During the year, the Cal Domestic water reliability project produced 595 acre-feet of water. The costs related to the production of water totaled \$915,016 for the year. These costs included the use of stored water in the amount of \$332,909, that was purchased and paid for in prior years.
- In 2022, the Agency recorded an additional \$153,677 and \$918,758 in construction costs related to the Pathfinder Intertie and Pomona Basin projects respectively, which were completed and are currently being constructed, respectively. These construction costs are reflected in the Agency's construction-in-process account. As of June 30, 2022, the Pathfinder Intertie project was completed and capitalized. As of June 30, 2022, the ending balance of the Pomona Basin project totaled \$6,852,265.
- In 2018, the Agency entered a 20-year lease with the City of La Verne for land and a well site, which was recorded as a capital lease. As of June 30, 2022, the value of the lease liability is recorded at the value of the future minimum lease payments in the amount of \$1,670,026.

Fiscal Year 2021

- The Agency's net position as of June 30, 2021, was \$41,474,180, an increase of \$7,512,930, or 22.12% from the prior year.
- Operating revenues totaled \$18,519,701 for the year, an increase of \$1,187,124 from the prior year.

**Puente Basin Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021**

Financial Highlights, continued

Fiscal Year 2021, continued

- Beginning in July 2014, in order to account for the costs and benefits of water produced from the water reliability projects, which are funded jointly by the Walnut Valley Water District (WVWD) and the Rowland Water District (RWD), imported water purchased from Three Valleys Municipal Water District (TVMWD) was invoiced through the Agency. For fiscal year 2021, the total of these pass-through costs were reflected in both the revenues amounting to \$17,211,751 and expenses amounting to \$17,209,691 of the Agency.
- Operating expenses including depreciation for the year totaled \$19,260,642 for the year, these costs include the pass-through water costs from TVMWD.
- The La Habra Heights water reliability project produced no water for the year. Although no water was produced, internal costs of \$2,480, were incurred related to the maintenance and management of the project facilities.
- During the year, the Cal Domestic water reliability project produced 1,105 acre-feet of water. The costs related to the production of water totaled \$1,432,682 for the year. These costs included the use of stored water in the amount of \$586,881, that was purchased and paid for in prior years.
- In 2021, the Agency's construction cost addition's related to the Pathfinder Intertie and Pomona Basin projects were \$668,594 and \$909,398, respectively. These construction costs are reflected in the Agency's construction-in-process account. As of June 30, 2021, the ending balance of the Pathfinder Intertie and Pomona Basin projects totaled \$705,330 and \$5,933,507, respectively.
- In 2018, the Agency entered a 20-year lease with the City of La Verne for land and a well site, which was recorded as a capital lease. As of June 30, 2021, the value of the lease liability is recorded at the value of the future minimum lease payments in the amount of \$1,711,257.

Required Financial Statements

The financial statements report information about the Agency using accounting methods similar to those used by private sector companies. The financial statements, comprised of the Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and the Statements of Cash Flows, offer short-term and long-term financial information about the Agency's activities. Each financial statement is identified and defined in this section and analyzed in subsequent sections of MD&A.

Statements of Net Position

The Statements of Net Position present the Agency's financial position (assets, deferred outflows of resources, liabilities, and deferred inflows of resources) as of June 30, 2022 and 2021. The Statements of Net Position include all the Agency's investments in resources (assets) and the obligations to creditors (liabilities). They also provide the basis for evaluating the capital structure of the Agency and assessing the liquidity and financial flexibility of the Agency. As of June 30, 2022 and 2021, assets plus deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$41,463,844 and \$41,474,180, respectively.

**Puente Basin Water Agency
Management’s Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021**

Required Financial Statements, continued

Statements of Revenues, Expenses & Changes in Net Position

All the current year’s revenues and expenses are accounted for in the Statements of Revenues, Expenses and Changes in Net Position. These statements measure the success of the Agency’s operations and can be used to determine whether the Agency has successfully recovered all of its costs through member assessments and other revenues. Revenues are recognized (recorded) when services are provided, and expenses are recognized when incurred. Operating revenues and expenses are related to the Agency’s core activities. The changes in net position for the years ending June 30, 2022 and 2021, were \$10,336 and \$7,512,930, respectively.

Statements of Cash Flows

The final required financial statements are the Statements of Cash Flows. The primary purpose of these statements is to provide information about the Agency’s cash receipts and cash payments during the fiscal year. The statements report cash receipts, cash payments, and net changes in cash and cash equivalents resulting from operations, investing, and financing activities and provides answers to such questions as where cash came from, what was cash used for, and what was the change in cash balance during the year.

As of June 30, 2022, cash and cash equivalents totaled \$1,123,038, a decrease of \$460,448 from the previous fiscal year. As of June 30, 2021, cash and cash equivalents totaled \$1,583,486, a decrease of \$932,550 from the previous fiscal year.

Financial Analysis of the Agency

One of the most important questions to ask about the Agency’s finances is, “Whether the Agency, as a whole, is better off or worse off as a result of the year’s activities?” The Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position report information about the Agency’s finances in a way that will help answer that question. Measuring the change in the Agency’s *net position*, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources, is one way to measure financial health or financial position. Over time, increases or decreases in the Agency’s net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 15 through 31.

**Puente Basin Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021**

Statements of Net Position

Condensed Statements of Net Position

	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>2020</u>	<u>Change</u>
Assets:					
Cash & investments	\$ 1,123,038	1,583,486	(460,448)	2,516,036	(932,550)
Accrued interest receivable	1,292	141,188	(139,896)	145,688	(4,500)
Accounts receivable	3,855,973	5,110,644	(1,254,671)	4,170,761	939,883
Grants receivable	278,029	278,029	-	836,965	(558,936)
Prepaid expenses	-	-	-	6,000	(6,000)
Water-in-storage inventory	13,127,717	12,980,026	147,691	5,949,147	7,030,879
Installment purchase receivable	-	30,350,000	(30,350,000)	31,335,000	(985,000)
Capital assets, net	<u>29,009,117</u>	<u>28,351,651</u>	<u>657,466</u>	<u>27,188,627</u>	<u>1,163,024</u>
Total assets	<u>47,395,166</u>	<u>78,795,024</u>	<u>(31,399,858)</u>	<u>72,148,224</u>	<u>6,646,800</u>
Liabilities:					
Accounts payable	4,261,296	5,118,399	(857,103)	4,952,489	165,910
Unearned revenue	-	-	-	6,000	(6,000)
Accrued interest payable	-	141,188	(141,188)	145,688	(4,500)
Long-term debt	<u>1,670,026</u>	<u>32,061,257</u>	<u>(30,391,231)</u>	<u>33,082,797</u>	<u>(1,021,540)</u>
Total liabilities	<u>5,931,322</u>	<u>37,320,844</u>	<u>(31,389,522)</u>	<u>38,186,974</u>	<u>(866,130)</u>
Net position:					
Net investment in capital assets	27,339,091	26,640,394	698,697	25,440,830	1,199,564
Unrestricted	<u>14,124,753</u>	<u>14,833,786</u>	<u>(709,033)</u>	<u>8,520,420</u>	<u>6,313,366</u>
Total net position	<u>\$ 41,463,844</u>	<u>41,474,180</u>	<u>(10,336)</u>	<u>33,961,250</u>	<u>7,512,930</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As seen from the table above, the Agency's net position exceeded liabilities by \$41,463,844 and \$41,474,180 for the fiscal years ending June 30, 2022 and 2021, respectively.

By far, the largest component of net position is the Agency's net investment in capital assets. As of June 30, 2022 and 2021, net investment in capital assets increased by \$698,697 and \$1,199,564, from the prior year, respectively. These increases were due primarily to the recognition of capital costs, attributable to the water supply reliability projects. As of June 30, 2022 and 2021, the balance in construction-in-process amounted to \$6,852,265 and \$6,638,837, respectively.

In 2013, the Agency issued \$19,385,000 of 2012 Series A Water Revenue Bonds related to capital facilities of RWD. In addition, the Agency issued \$17,300,000 related to capital facilities of WVWD. In accordance with the separate installment purchase agreements, each District is obligated to pay the interest and principal payments related to the bonds. To account for the debt and installment purchase agreement, a liability and corresponding asset was recorded. As of June 30, 2022 and 2021, the balance of the installment purchase receivable and related liability was \$0 and \$30,350,000, respectively. In fiscal year 2022, RWD and WVWD refinanced (defeased) the 2012 and 2013 Series A Water Revenue Bonds, respectively, for the purpose of taking advantage of reduced interest rates. As part of the refinance, the refinanced bonds were issued in the name of each District. As a result, the Agency removed the bond debt, installment receivable, and related interest amounts. The 2012 and 2013 Series A Water Revenue Bond refinance (defeasance) is reported in the financial statements of Walnut Valley Water District and Rowland Water District, respectively.

Puente Basin Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Statements of Revenues, Expenses, and Changes in Net Position

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>2020</u>	<u>Change</u>
Operating revenues:					
Sale of water (TVMWD)	\$ 18,324,933	17,211,751	1,113,182	16,233,060	978,691
Sale of water (Project)	583,439	967,896	(384,457)	890,300	77,596
Member assessments	173,810	155,668	18,142	179,884	(24,216)
Other revenue	94,500	184,386	(89,886)	29,333	155,053
Total operating revenues	<u>19,176,682</u>	<u>18,519,701</u>	<u>656,981</u>	<u>17,332,577</u>	<u>1,187,124</u>
Non-operating revenues:					
Investment income, net of fair market value	-	1,386,381	(1,386,381)	1,467,411	(81,030)
Total non-operating revenues	<u>-</u>	<u>1,386,381</u>	<u>(1,386,381)</u>	<u>1,467,411</u>	<u>(81,030)</u>
Total revenues	<u>19,176,682</u>	<u>19,906,082</u>	<u>(729,400)</u>	<u>18,799,988</u>	<u>1,106,094</u>
Operating expenses:					
Water supply (TVMWD)	18,322,873	17,209,691	1,113,182	16,231,000	978,691
Water supply (Project)	807,255	1,435,346	(628,091)	1,353,519	81,827
Engineering	1,200	1,460	(260)	1,396	64
Professional services	122,600	114,918	7,682	117,848	(2,930)
Legal	5,553	21,667	(16,114)	56,798	(35,131)
Administrative	69,280	54,858	14,422	40,008	14,850
Accounting	9,237	7,735	1,502	9,090	(1,355)
Depreciation and amortization	414,968	414,968	-	376,950	38,018
Total operating expenses	<u>19,752,966</u>	<u>19,260,643</u>	<u>492,323</u>	<u>18,186,609</u>	<u>1,074,034</u>
Non-operating expenses:					
Investment expense, net of fair market value	3,440	-	3,440	-	-
Interest expense	64,859	1,457,960	(1,393,101)	1,505,936	(47,976)
Total non-operating expenses	<u>68,299</u>	<u>1,457,960</u>	<u>(1,389,661)</u>	<u>1,505,936</u>	<u>(47,976)</u>
Total expenses	<u>19,821,265</u>	<u>20,718,603</u>	<u>(897,338)</u>	<u>19,692,545</u>	<u>1,026,058</u>
Net loss before capital contributions	(644,583)	(812,521)	167,938	(892,557)	80,036
Capital contributions	634,247	8,325,451	(7,691,204)	1,568,658	6,756,793
Changes in net position	(10,336)	7,512,930	(7,523,266)	676,101	6,836,829
Net position, beginning of year	<u>41,474,180</u>	<u>33,961,250</u>	<u>7,512,930</u>	<u>33,285,149</u>	<u>676,101</u>
Net position, end of year	<u>\$ 41,463,844</u>	<u>41,474,180</u>	<u>(10,336)</u>	<u>33,961,250</u>	<u>7,512,930</u>

**Puente Basin Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021**

Statements of Revenues, Expenses, and Changes in Net Position, continued

Fiscal Year 2022 – Revenues and Expenses

For fiscal year 2022, the Agency had total operating revenues of \$19,176,682, an increase of \$656,981 from the prior year. The largest source of revenue for the year is member payments for water purchased from TVMWD. Beginning in 2014, water purchased by the WVWD and RWD from TVMWD is invoiced through the Agency. For the year, revenues collected for water purchased from TVMWD totaled \$18,324,933, an increase of \$1,113,182 from the prior year. In addition, the Cal Domestic project produced 595 acre-feet of water during the year. The total costs related to the production of this water source totaled \$915,016, a decrease of \$517,666 from prior year. Member assessments vary from year to year and represent payments received from the Districts to cover the other general and administrative costs incurred by the Agency. For the year, member assessments totaled \$173,810, an increase of \$18,142 over the prior year.

For fiscal year 2022, the Agency had total operating expenses of \$19,752,966, an increase of \$492,323 from the prior year. As discussed above, the most significant costs were attributable to the purchase and production of water, which totaled \$19,130,128 for the year, an increase of \$485,091 from the prior year.

Capital contributions for the year totaled \$634,247, a decrease of \$7,691,204 from the prior year, which was primarily due to decreases of \$7,137,160 in contributions sourcing from stored water from member agencies, \$554,044 in capital contributions from member agency assessments, which were offset by a decrease of \$650,954 in state capital contributions. Capital contributions included the money paid by each member agency and grant revenue for alternative water supply projects.

Fiscal Year 2021 – Revenues and Expenses

For fiscal year 2021, the Agency had total operating revenues of \$18,519,698, an increase of \$1,187,122 from the prior year. The largest source of revenue for the year is member payments for water purchased from TVMWD. Beginning in 2014, water purchased by the WVWD and RWD from TVMWD is invoiced through the Agency. For the year, revenues collected for water purchased from TVMWD totaled \$17,209,691, an increase of \$978,691 from the prior year. In addition, the Cal Domestic project produced 1,105 acre-feet of water during the year. The total costs related to the production of this water source totaled \$1,432,682, an increase of \$84,046 from prior year. Member assessments vary from year to year and represent payments received from the Districts to cover the other general and administrative costs incurred by the Agency. For the year, member assessments totaled \$155,668, a decrease of \$24,216 over the prior year. In addition, interest income and interest expense, related to the debt that was issued by the Agency and the corresponding installment purchase agreements, were recorded in the amount of \$1,457,960.

For fiscal year 2021, the Agency had total operating expenses of \$19,620,642, an increase of \$1,074,033 from the prior year. As discussed above, the most significant costs were attributable to the purchase and production of water, which totaled \$18,645,037 for the year, an increase of \$1,060,518 from the prior year.

Capital contributions for the year totaled \$8,325,451, an increase of \$6,756,793 from the prior year, which was primarily due to increases of \$7,163,560 in contributions sourcing from stored water from member agencies and \$244,187 in capital contributions from member agency assessments. Capital contributions included the money paid by each member agency and grant revenue for alternative water supply projects.

**Puente Basin Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021**

Capital Asset Administration

Changes in capital assets for 2022, were as follows:

	<u>Balance 2021</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2022</u>
Capital assets:				
Non-depreciable assets	\$ 17,041,791	1,072,434	(859,006)	17,255,219
Depreciable and amortizable assets	12,995,610	859,006	-	13,854,616
Accumulated depreciation and amortization	<u>(1,685,750)</u>	<u>(414,968)</u>	<u>-</u>	<u>(2,100,718)</u>
Total capital assets, net	<u>\$ 28,351,651</u>	<u>1,516,472</u>	<u>(859,006)</u>	<u>29,009,117</u>

Changes in capital assets for 2021, were as follows:

	<u>Balance 2020</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2021</u>
Capital assets:				
Non-depreciable assets	\$ 15,463,799	1,577,992	-	17,041,791
Depreciable and amortizable assets	12,995,610	-	-	12,995,610
Accumulated depreciation and amortization	<u>(1,270,782)</u>	<u>(414,968)</u>	<u>-</u>	<u>(1,685,750)</u>
Total capital assets, net	<u>\$ 27,188,627</u>	<u>1,163,024</u>	<u>-</u>	<u>28,351,651</u>

As of June 30, 2022 and 2021, the Agency had invested \$29,009,117 and \$28,351,651 in capital assets, a net increase from asset additions and deletions of \$657,466 and \$1,163,024 from the prior fiscal year, respectively. These assets were comprised of construction-in-process capital assets related to several alternative water supply projects.

Debt Administration

	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>2020</u>	<u>Change</u>
Long-term debt:					
2012 Series A Water Revenue Bonds (RWD Project)	\$ -	16,460,000	(16,460,000)	16,935,000	(475,000)
2013 Series A Water Revenue Bonds (WVWD Project)	-	13,890,000	(13,890,000)	14,400,000	(510,000)
Capital lease payable	<u>1,670,026</u>	<u>1,711,257</u>	<u>(41,231)</u>	<u>1,747,797</u>	<u>(36,540)</u>
Total	<u>\$ 1,670,026</u>	<u>32,061,257</u>	<u>(30,391,231)</u>	<u>33,082,797</u>	<u>(1,021,540)</u>

As of June 30, 2022, the Agency's long-term debt amounted to \$1,670,026, a decrease from debt defeasance and lease payment of \$30,391,231 from the prior fiscal year.

As of June 30, 2021, the Agency's long-term debt amounted to \$32,061,257, a decrease from debt service and lease payment of \$1,021,540, from the prior fiscal year.

**Puente Basin Water Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021**

Conditions Affecting Current Financial Position

Management is unaware of any conditions, which could have a significant impact on the Agency's current financial position, net position, or operating results in terms of past, present, and future.

Requests for Information

This financial report is designed to provide the Agency's present users, including funding sources, customers, stakeholders, and other interested parties with a general overview of the Agency's finances and to demonstrate the Agency's accountability with an overview of the Agency's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Agency's Assistant Treasurer, Myra Malner, 3021 Fullerton Road, Rowland Heights, California, 91748 or (562) 697-1726.

Basic Financial Statements

Puente Basin Water Agency
Statements of Net Position
June 30, 2022 and 2021

	2022	2021
Current assets:		
Cash and cash equivalents (note 2)	\$ 1,123,038	1,583,486
Accrued interest receivable	1,292	141,188
Accounts receivable	3,855,973	5,110,644
Grants receivable	278,029	278,029
Water-in-storage inventory	13,127,717	12,980,026
Long-term assets – due in one year:		
Installment purchase receivable (note 3)	-	1,030,000
Total current assets	18,386,049	21,123,373
Non-current assets:		
Long-term assets – due after one year:		
Installment purchase receivable (note 3)	-	29,320,000
Capital assets – not being depreciated and amortized (note 4)	17,255,219	17,041,791
Capital assets – being depreciated and amortized, net (note 4)	11,753,898	11,309,860
Total non-current assets	29,009,117	57,671,651
Total assets	47,395,166	78,795,024
Current liabilities:		
Accounts payable and accrued expenses	4,261,296	5,118,399
Accrued interest payable	-	141,188
Long-term liabilities – due in one year:		
Bond payable (note 5)	-	1,030,000
Capital lease payable (note 5)	46,207	41,231
Total current liabilities	4,307,503	6,330,818
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Bond payable (note 5)	-	29,320,000
Capital lease payable (note 5)	1,623,819	1,670,026
Total non-current liabilities	1,623,819	30,990,026
Total liabilities	5,931,322	37,320,844
Net position: (note 6)		
Net investment in capital assets	27,339,091	26,640,394
Unrestricted	14,124,753	14,833,786
Total net position	\$ 41,463,844	41,474,180

See accompanying notes to the basic financial statements

Puente Basin Water Agency
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2022 and 2021

	2022	2021
Operating revenues:		
Sale of water to member agencies – TVMWD	\$ 18,324,933	17,211,751
Sale of water to member agencies – Project	583,439	967,896
Member assessments	173,810	155,668
Water leases	62,500	50,000
Other water service charges	32,000	134,386
Total operating revenues	19,176,682	18,519,701
Operating expenses:		
Water supply – TVMWD	18,322,873	17,209,691
Water supply – Project	807,255	1,435,346
Engineering	1,200	1,460
Professional services	122,600	114,918
Legal	5,553	21,667
Administrative	69,280	54,858
Accounting	9,237	7,735
Total operating expenses	19,337,998	18,845,675
Operating loss before depreciation and amortization expense	(161,316)	(325,974)
Depreciation and amortization expense	(414,968)	(414,968)
Operating loss	(576,284)	(740,942)
Non-operating revenue(expense):		
Investment (expense) income, net of fair market value	(3,440)	1,386,381
Interest expense – long-term debt	(64,859)	(1,457,960)
Total non-operating revenue(expense), net	(68,299)	(71,579)
Net loss before capital contributions	(644,583)	(812,521)
Capital contributions:		
Capital contributions – member agency assessments	153,647	707,691
Contributions – stored water purchases from member agencies	480,600	7,617,760
Total capital contributions	634,247	8,325,451
Changes in net position	(10,336)	7,512,930
Net position, beginning of the year	41,474,180	33,961,250
Net position, end of year	\$ 41,463,844	41,474,180

See accompanying notes to the basic financial statements

Puente Basin Water Agency
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Cash received for water sales and assessments	\$ 20,431,353	18,132,754
Cash paid to vendors and suppliers for materials and services	(20,342,792)	(25,704,644)
Net cash provided by (used in) operating activities	88,561	(7,571,890)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(1,072,434)	(1,577,992)
Capital contributions	634,247	8,325,451
Payments received for loans receivable	30,350,000	985,000
Proceeds from capital grants	-	-
Principal paid on debt service	(30,391,231)	(1,021,540)
Interest paid on debt	(206,047)	(1,462,460)
Net cash (used in) provided by capital and related financing activities	(685,465)	5,248,459
Cash flows from investing activities:		
Interest and investment earnings	136,456	1,390,881
Net cash provided by investing activities	136,456	1,390,881
Net decrease in cash and cash equivalents	(460,448)	(932,550)
Cash and cash equivalents, beginning of year	1,583,486	2,516,036
Cash and cash equivalents, end of year	\$ 1,123,038	1,583,486
Reconciliation of operating loss to net cash (used in) provided by operating activities:		
Operating loss	\$ (576,284)	(740,942)
Adjustments to reconcile operating loss to net cash (used in) provided by operating activities:		
Depreciation and amortization expense	414,968	414,968
(Increase)Decrease in assets:		
Accounts receivable	1,254,671	(939,883)
Grants receivable	-	558,936
Prepaid expenses and other deposits	-	6,000
Inventory – water	(147,691)	(7,030,879)
Increase in liabilities:		
Accounts payable and accrued expenses	(857,103)	165,910
Unearned revenue	-	(6,000)
Total adjustments	664,845	(6,830,948)
Net cash (used in) provided by operating activities	\$ 88,561	(7,571,890)

See accompanying notes to the basic financial statements

Puente Basin Water Agency
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Puente Basin Water Agency (the Agency) was created April 1, 1971, by the execution of a Joint Powers Agreement between Rowland Water District (RWD) and Walnut Valley Water District (WVWD). The Agreement was made pursuant to Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California. The Agency's purpose is to achieve a sustainable and reliable local water supply through innovative planning and the development of regionally beneficial projects. The Agency was organized for the purpose of protection and utilization of the local, imported, and reclaimed water supply within the Puente Basin. The Agency is governed by an appointed Board of Commissioners consisting of four members.

B. Basis of Accounting and Measurement Focus

The Agency reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Agency is that the cost of providing water to its member agencies on a continuing basis be financed or recovered primarily through water sales, capital contributions and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as water sales and water purchases, result from exchange transactions associated with the principal activity of the Agency. Exchange transactions are those in which each party receives and gives up essentially equal value. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

C. Financial Reporting

The Agency's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Agency solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the Agency's proprietary fund.

The Agency has adopted the following GASB pronouncements in the current year:

Governmental Accounting Standards Board Statement No. 89

In June 2018, the GASB issued Statement No. 89 – *Accounting for Interest Cost incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting, continued

Governmental Accounting Standards Board Statement No. 89, continued

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

Governmental Accounting Standards Board Statement No. 98

This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of Annual Comprehensive Financial Report and its acronym in generally accepted accounting principles for state and local governments.

This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for Annual Comprehensive Financial Report sounds like a profoundly objectionable racial slur. This Statement’s introduction of the new term is founded on a commitment to promoting inclusiveness.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

1. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

Substantially all of the Agency’s cash is invested in interest bearing accounts. The Agency considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

3. Investments and Investment Policy

The Agency’s investment policy authorizes investments in certificates-of-deposit and the California Local Agency Investment Fund (LAIF). The Agency’s investment policy does contain specific provisions intended to limit its exposure to interest rate risk, credit risk, custodial risk, and concentration of credit risk.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

4. Accounts Receivable and Allowance for Uncollectible Accounts

The Agency extends credit to customers in the normal course of operations. When management deems customer accounts uncollectible, the Agency uses the allowance method for the reservation and write-off of those accounts. As of June 30, 2022 and 2021, the Agency had no allowance for uncollectible accounts as management believes all accounts will be collected.

5. Water-In-Storage Inventory

Water-in-storage inventory consists primarily of water purchased, contributed, and held in storage with the Main San Gabriel Basin Watermaster, which administers the Main San Gabriel Basin Judgment under which such storage is authorized.

In 2022, the Agency received 600 acre-feet of water from Rowland Water District and Walnut Valley Water District and is held in storage with the Main San Gabriel Basin Watermaster. As of June 30, 2022, the Agency had a total of 21,666 acre-feet of water-in-storage valued using an average cost of \$606 per acre-foot.

In 2021, the Agency received 6,000 acre-feet of water through Three Valleys Municipal Water District. The water was purchased by Rowland Water District and Walnut Valley Water District and is held in storage with the Main San Gabriel Basin Watermaster. As of June 30, 2021, the Agency had a total of 21,661 acre-feet of water-in-storage valued using an average cost of \$599 per acre-foot.

6. Prepaid Expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

7. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. Agency policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at acquisition value at the date of the donation. Capital assets received in service concession arrangements are reported at acquisition value. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Water mains – 60 years
- Pipelines and improvements – 20 years

Leased right-to-use assets are amortized on a straight-line basis over the life of the lease.

8. Unearned Revenue

Unearned revenue consists of cash received prior to services being performed. A liability will be recognized on the financial statements until the services are rendered and completed.

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

9. Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation and amortization, and reduced by outstanding balances of any debt, or other long-term borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** – Consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments, or constraints imposed by law through enabling legislation.
- **Unrestricted** – Consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted components of net position.

10. Water Sales and Services

Water sales are billed on a monthly cyclical basis and recognize the respective revenues when they are earned.

11. Capital Contributions

Capital contributions represent cash contributed to the Agency by member agencies and by the State.

12. Budgetary Policies

The Agency adopts an annual non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

(2) Cash and Cash Equivalents

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

	2022	2021
Cash and investments		
Deposits with financial institutions	\$ 440,814	446,530
Deposits in Local Agency		
Investment Fund (LAIF)	682,224	1,136,956
Total cash and investments	\$ 1,123,038	1,583,486

As of June 30, the Agency’s authorized deposits had the following maturities:

	2022	2021
Deposits in Local Agency		
Inv Investment Fund (LAIF)	311 days	291 days

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(2) Cash and Cash Equivalents, continued

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

The table below identifies the investment types that are authorized by the Agency in accordance with the California Government Code (or the Agency's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Agency'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
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations - CA and Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Collateralize Bank Deposits	5 years	None	None
Corporate debt – Short and Long Term	5 years	None	None
Commercial Paper – Pooled Funds	270 days	40% of the Agency's	10%
Commercial Paper – Non-Pooled Funds	270 days	money	
Repurchase agreements	1 year	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

Investment in State Investment Pool

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 and is under the management of the Treasurer of the State of California with oversight provided by the Local Agency Investment Advisory Board. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Bank balances are secured by the pledging of a pool of eligible securities to collateralize the Agency's deposits with the bank in accordance with the Code.

The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by GASB 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. LAIF does not have any legally binding guarantees of share values. LAIF does not impose liquidity fees or redemption gates on participant withdrawals.

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.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(2) Cash and Cash Equivalents, continued

Custodial Credit Risk, continued

The California Government Code and the Agency'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 Agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Agency's name.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. 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 Agency 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 matures, or comes close to maturity evenly over time, as necessary to provide requirements for cash flow and liquidity needed for operations.

Credit Risk

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.

Concentration of Credit Risk

The Agency's investment policy contains various limitations on the amounts that can be invested in any one governmental agency or non-governmental issuer as stipulated by the California Government Code. As of June 30, 2022 and 2021, the Agency's deposit portfolio with a government-sponsored agency, LAIF, is 61% and 72%, respectively, of the Agency's total depository and investment portfolio. There were no investments in any one non-governmental issuer that represent 5% or more of the Agency's total investments.

(3) Installment Purchase Receivable

The Agency entered into an Installment Purchase Contracts with Rowland Water District (RWD) and Walnut Valley Water District (WVWD) related to the issuing of Bonds. RWD and WVWD received the proceeds of the Bonds and are required to make semi-annual installment purchase payments that are equal in amount and timing to the principal and interest payments that are paid on a semi-annual basis by the Agency to the holders of the Bonds.

In fiscal year 2022, RWD and WVWD refinanced (defeased) the 2012 and 2013 Series A Water Revenue Bonds, respectively, for the purpose of taking advantage of reduced interest rates. As part of the refinance, the refinanced bonds were issued in the name of each District. As a result, the Agency removed the bond debt, installment receivable, and related interest amounts. The 2012 and 2013 Series A Water Revenue Bond refinance (defeasance) are reported in the financial statements of Walnut Valley Water District and Rowland Water District, respectively.

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(3) Installment Purchase Receivable, continued

As of June 30, 2021, the total current portion was \$1,030,000, current amounts required to be paid by RWD and WVWD were \$495,000 and \$535,000, respectively. As of June 30, 2021, the total long-term portion amounted to \$29,320,000. Of this total amount, the long-term amounts required to be paid by RWD and WVWD were \$15,965,000 and \$13,355,000, respectively. Please also see note 5 for further detail.

(4) Capital Assets

Changes in capital assets for the year ended June 30, 2022, are as follows:

	<u>Balance 2021</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2022</u>
Non-depreciable assets:				
Water rights	\$ 10,402,954	-	-	10,402,954
Construction-in-Process	<u>6,638,837</u>	<u>1,072,434</u>	<u>(859,006)</u>	<u>6,852,265</u>
Total non-depreciable assets	<u>17,041,791</u>	<u>1,072,434</u>	<u>(859,006)</u>	<u>17,255,219</u>
Depreciable and amortizable assets:				
Old Baldy well – facility lease	1,841,213	-	-	1,841,213
Pumping plant and equipment	<u>11,154,397</u>	<u>859,006</u>	<u>-</u>	<u>12,013,403</u>
Total depreciable and amortizable assets	<u>12,995,610</u>	<u>859,006</u>	<u>-</u>	<u>13,854,616</u>
Accumulated depreciation and amortization:				
Old Baldy well – facility lease	(294,593)	(88,378)	-	(382,971)
Pumping plant and equipment	<u>(1,391,157)</u>	<u>(326,590)</u>	<u>-</u>	<u>(1,717,747)</u>
Total accumulated depreciation and amortization	<u>(1,685,750)</u>	<u>(414,968)</u>	<u>-</u>	<u>(2,100,718)</u>
Total depreciable and amortizable assets, net	<u>11,309,860</u>	<u>444,038</u>	<u>-</u>	<u>11,753,898</u>
Total capital assets, net	<u>\$ 28,351,651</u>	<u>1,516,472</u>	<u>(859,006)</u>	<u>29,009,117</u>

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(4) Capital Assets, continued

Changes in capital assets for the year ended June 30, 2021, are as follows:

	<u>Balance 2020</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2021</u>
Non-depreciable assets:				
Water rights	\$ 10,402,954	-	-	10,402,954
Construction-in-process	<u>5,060,845</u>	<u>1,577,992</u>	-	<u>6,638,837</u>
Total non-depreciable assets	<u>15,463,799</u>	<u>1,577,992</u>	-	<u>17,041,791</u>
Depreciable and amortizable assets:				
Old Baldy well – facility lease	1,841,213	-	-	1,841,213
Pumping plant and equipment	<u>11,154,397</u>	-	-	<u>11,154,397</u>
Total depreciable and amortizable assets	<u>12,995,610</u>	-	-	<u>12,995,610</u>
Accumulated depreciation and amortization:				
Old Baldy well – facility lease	(206,215)	(88,378)	-	(294,593)
Pumping plant and equipment	<u>(1,064,567)</u>	<u>(326,590)</u>	-	<u>(1,391,157)</u>
Total accumulated depreciation and amortization	<u>(1,270,782)</u>	<u>(414,968)</u>	-	<u>(1,685,750)</u>
Total depreciable and amortizable assets, net	<u>11,724,828</u>	<u>(414,968)</u>	-	<u>11,309,860</u>
Total capital assets, net	<u>\$ 27,188,627</u>	<u>1,163,024</u>	-	<u>28,351,651</u>

For the fiscal year ending June 30, 2022, the Agency had additions of \$1,072,434 and deletions of \$859,006 in construction-in-process. For the fiscal year ending June 30, 2021, the Agency had additions of \$1,577,992 of construction-in-process to pumping plant and equipment.

Construction-in-Process

The Agency has been involved in various construction projects throughout the year. The projects that comprise the construction-in-process balances at June 30 are as follows:

	<u>2022</u>	<u>2021</u>
20" Water Transmission Main Project	\$ -	705,330
Six Basins Groundwater Project	<u>6,852,265</u>	<u>5,933,507</u>
Total construction-in-process	<u>\$ 6,852,265</u>	<u>6,638,837</u>

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(5) Long-Term Debt

Changes in long-term debt for the year ended June 30, 2022, are as follows:

	<u>Balance 2021</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance 2022</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Bonds payable:						
2012 Series A Water Revenue Bonds:						
Rowland Water District	\$ 16,460,000	-	(16,460,000)	-	-	-
2013 Series A Water Revenue Bonds:						
West Valley Water District	<u>13,890,000</u>	<u>-</u>	<u>(13,890,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	30,350,000	-	(30,350,000)	-	-	-
Capital lease payable	<u>1,711,257</u>	<u>-</u>	<u>(41,231)</u>	<u>1,670,026</u>	<u>46,207</u>	<u>1,623,819</u>
Total	<u>32,061,257</u>	<u>-</u>	<u>(30,391,231)</u>	<u>1,670,026</u>	<u>46,207</u>	<u>1,623,819</u>

Changes in long-term debt for the year ended June 30, 2021, are as follows:

	<u>Balance 2020</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance 2021</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Bonds payable:						
2012 Series A Water Revenue Bonds:						
Rowland Water District	\$ 16,935,000	-	(475,000)	16,460,000	495,000	15,965,000
2013 Series A Water Revenue Bonds:						
West Valley Water District	<u>14,400,000</u>	<u>-</u>	<u>(510,000)</u>	<u>13,890,000</u>	<u>535,000</u>	<u>13,355,000</u>
Total bonds payable	31,335,000	-	(985,000)	30,350,000	1,030,000	29,320,000
Capital lease payable	<u>1,747,797</u>	<u>-</u>	<u>(36,540)</u>	<u>1,711,257</u>	<u>41,231</u>	<u>1,670,026</u>
Total	<u>33,082,797</u>	<u>-</u>	<u>(1,021,540)</u>	<u>32,061,257</u>	<u>1,071,231</u>	<u>30,990,026</u>

2012 Series A Water Revenue Bonds – Rowland Water District

On November 1, 2012, the Agency issued \$19,835,000 of 2012 Series A Water Revenue Bonds. The Bonds will be used to finance certain capital facilities of RWD, a member agency. RWD is obligated under terms of the Installment Purchase Contract associated with the Bonds, to make semiannual installment purchase payments that are equal in amount and timing to the principal and interest payments that are paid on a semiannual basis by the Agency to the holders of the Bonds. The Bonds were issued at a premium of \$1,570,182, which is being recorded and amortized over the life of the debt service by RWD, since RWD received the proceeds and premium. Interest and principal are payable on December 1st and June 1st of each year beginning June 1, 2013, with interest rates ranging from 1% to 5%. The Bonds are scheduled to mature on December 1, 2042. The rate covenants of the Bonds require that net revenues of RWD for each fiscal year be equal to at least 110% of the annual debt service payments required for that fiscal year.

In fiscal year 2022, RWD and WVWD refinanced (defeased) the 2012 and 2013 Series A Water Revenue Bonds, respectively, for the purpose of taking advantage of reduced interest rates. As part of the refinance, the refinanced bonds were issued in the name of each District. As a result, the Agency removed the bond debt, installment receivable, and related interest amounts. The 2012 and 2013 Series A Water Revenue Bond refinance (defeasance) is reported in the financial statements of Walnut Valley Water District and Rowland Water District, respectively.

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(5) Long-Term Debt, continued

2013 Series A Water Revenue Bonds – Walnut Valley Water District

On March 1, 2013, the Agency issued \$17,300,000 of 2013 Series A Water Revenue Bonds. The Bonds will be used to finance certain capital facilities of WVWD, a member agency. WVWD is obligated under terms of the Installment Purchase Contract associated with the Bonds, to make semiannual installment purchase payments that are equal in amount and timing to the principal and interest payments that are paid on a semiannual basis by the Agency to the holders of the Bonds. The Bonds were issued at a premium of \$2,695,738, which is being recorded and amortized over the life of the debt service by WVWD, since WVWD received the proceeds and premium. Interest is payable on June 1st and December 1st of each year beginning December 1, 2013, with interest rates ranging from 1% to 5%. Principal is due December 1st each year beginning December 1, 2013. The Bonds are scheduled to mature on December 1, 2037. The rate covenants of the Bonds require that net revenues of WVWD for each fiscal year be equal to at least 125% of the annual debt service payments required for that fiscal year.

In fiscal year 2022, RWD and WVWD refinanced (defeased) the 2012 and 2013 Series A Water Revenue Bonds, respectively, for the purpose of taking advantage of reduced interest rates. As part of the refinance, the refinanced bonds were issued in the name of each District. As a result, the Agency removed the bond debt, installment receivable, and related interest amounts. The 2012 and 2013 Series A Water Revenue Bond refinance (defeasance) is reported in the financial statements of Walnut Valley Water District and Rowland Water District, respectively.

Capital Lease

On January 24, 2018, the Agency entered into a lease agreement for the use of a well. This lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the value of the future minimum lease payments as of the inception date in the amount of \$1,841,213. The lease is payable in semi-annual payments of \$50,000, adjusted every July 1 for the Consumer Price Index for All Urban Consumers for the Los Angeles-Riverside-Orange County, California Area published by the Bureau of Labor Statistics for the preceding year, through July 31, 2038, at an annual interest rate of 4%.

Future annual lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 46,207	66,344	112,551
2024	51,484	64,443	115,927
2025	57,076	62,329	119,405
2026	63,001	59,986	122,987
2027	69,273	57,404	126,677
2028-2032	453,871	238,851	692,722
2033-2037	673,796	129,258	803,054
2038-2040	255,318	10,339	265,657
Total	1,670,026	<u>688,954</u>	<u>2,358,980</u>
Current	<u>(46,207)</u>		
Non-current	\$ <u>1,623,819</u>		

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(6) Net Position

Calculation of net position as of June 30, were as follows:

	2022	2021
Net investment in capital assets:		
Capital assets, net	\$ 29,009,117	28,351,651
Capital lease, current	(46,207)	(41,231)
Capital lease, non-current	(1,623,819)	(1,670,026)
Total investment in capital assets	27,339,091	26,640,394
Unrestricted net position	14,124,753	14,833,786
Total net position	\$ 41,463,844	41,474,180

(7) Risk Management

The Agency is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the ACWA/JPIA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage.

On June 30, 2022, the Agency participated in the ACWA/JPIA pooled programs for liability, property, programs as follows:

- General and auto liability, public officials and employees’ errors and omissions: The ACWA/JPIAs total risk financing self-insurance limits of \$5,000,000 per occurrence. The ACWA/JPIA purchased additional excess coverage layers: \$55 million for general, auto and public officials’ liability, which increases the limits on the insurance coverage noted above.
- Property loss is paid at the replacement cost for property on file, if replaced within two years after the loss, otherwise paid on an actual cash value basis, to a combined total of \$500 million per loss, subject to a \$1,000 deductible per loss.
- Boiler and machinery coverage for the replacement cost up to \$100 million per occurrence, subject to various deductibles depending on the type of equipment, on file.
- Crime coverage up to \$100,000 per loss includes public employee dishonesty, depositor’s forgery or alteration, theft, computer, and funds transfer fraud coverages. subject to \$1,000 deductible per loss.

In addition, the Agency also has the following insurance coverage:

- Cyber liability including cyber security up to \$5,000,000 per occurrence and \$5,000,000 aggregate limit. Cyber liability deductible varies from \$10,000 to \$50,000 depending on Agency scheduled total values.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the Agency’s insurance coverage during the fiscal years ended June 30, 2022, 2021 and 2020. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There was no IBNR claims payable as of June 30, 2022, 2021 and 2020.

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(8) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2022, that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 91

In May 2019, the GASB issued Statement No. 91 – *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 92

In January 2020, the GASB issued Statement No. 92 – *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

The requirements of this Statement were as follows: (1) The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance; (2) The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020; (3) The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020; and (4) The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged and is permitted by topic.

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(8) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 93

In March 2020, the GASB issued Statement No. 93 – *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR.

This Statement achieves that objective by: (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended; and (7) Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

The requirements of this Statement were effective as follows: (1) The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021; and (2) All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective dates have been postponed by one year. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 94

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(8) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 96

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 97

In June 2020, the GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 41 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement. The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(8) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 98

In October 2021, the GASB issued Statement No. 98 – *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement’s introduction of the new term is founded on a commitment to promoting inclusiveness.

The requirements of this Statement are effective for fiscal years ending after December 15, 2021. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 99

In April 2022, the GASB issued Statement No. 99 – *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 100

In June 2022, the GASB issued Statement No. 100 – *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(8) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 100, continued

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 101

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

(9) Commitments and Contingencies

Grant Awards

Grant funds received by the Agency are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the Agency believes that such disallowances, if any, would not be significant.

Construction Contracts

The Agency has a variety of agreements with private parties relating to the installation, improvement or modification of water and wastewater facilities and distribution systems within its service area. The financing of such construction contracts is being provided primarily from the Agency's member capital contributions.

Puente Basin Water Agency
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(9) Commitments and Contingencies, continued

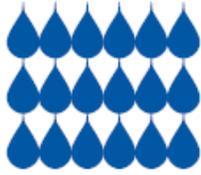
Litigation

In the ordinary course of operations, the Agency is subject to claims and litigation from outside parties. After consultation with legal counsel, the Agency believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

(10) Subsequent Events

Events occurring after June 30, 2022, have been evaluated for possible adjustment to the financial statements or disclosure as of December 8, 2022, which is the date the financial statements were available to be issued.

Report on Internal Controls and Compliance



Christopher J. Brown, CPA, CGMA
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Andy Beck, CPA

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Independent Auditor's Report on Internal Controls Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Commissioners
Puente Basin Water Agency
Walnut, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Puente Basin Water Agency (Agency) as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprises the Agency's basic financial statements, and have issued our report thereon dated December 8, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

**Independent Auditor's Report on Internal Controls Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*, (continued)**

Purpose of this Report

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

Fedak & Brown LLP

Fedak & Brown LLP

Cypress, California

December 8, 2022

PROTECTING RESOURCES
PARTNERING IN SOLUTIONS



SPADRA BASIN
GROUNDWATER SUSTAINABILITY
AGENCY

Spadra Basin Groundwater Sustainability Agency
Walnut, California

Annual Financial Report

For the Fiscal Years Ended June 30, 2022 and 2021

Working Draft

Our Mission Statement

"To manage and protect groundwater resources in the Spadra Basin and promote its beneficial uses for the people, businesses and stakeholders it serves."

Spadra Basin Groundwater Sustainability Agency

Executive Committee Members as of June 30, 2022

<u>Name</u>	<u>Title</u>	<u>Stakeholder</u>
John Nolte	Committee Member	City of Pomona
Jerry Tang	Committee Member	Walnut Valley Water District
Victor Preciado	Alternate	City of Pomona
Theresa Lee	Alternate	Walnut Valley Water District

Spadra Basin Groundwater Sustainability Agency

Josh Byerrum, Treasurer
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Walnut, California 91789
(909) 595-7554 – www.spadrabasin.com

**Spadra Basin Groundwater Sustainability Agency
Annual Financial Report
For the Fiscal Years Ended June 30, 2022 and 2021**

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Working Draft

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Working Draft

Financial Section

Working Draft

Working Draft

Independent Auditor's Report

Executive Committee
Spadra Basin Groundwater Sustainability Agency
Walnut, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Spadra Basin Groundwater Sustainability Agency (Agency), as of and for the years ended June 30, 2022 and 2021, and the related statements of revenues, expenses, and changes in net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, as of June 30, 2022 and 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audits of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Project's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Project's ability to continue as a going concern for a reasonable period of time.

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

Independent Auditor's Report, continued

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 4 through 7 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 audits 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2023, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Agency's internal control over financial reporting and compliance. This report can be found on pages 20 and 21.

Fedak & Brown LLP
Cypress, California
January 3, 2023

Spadra Basin Groundwater Sustainability Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Spadra Basin Groundwater Sustainability Agency (Agency) provides an introduction to the financial statements of the Agency for the fiscal year ended June 30, 2022 and 2021. We encourage readers to consider the information presented here with the accompanying basic financial statements and related notes, which follow this section.

Financial Highlights

- In 2022, the Agency's net position increased by \$119,569 to \$249,020. In 2021, the Agency's net position increased by \$104,710 to \$129,451.
- In 2022, the Agency's operating revenues increased by \$67,728 to \$246,088. In 2021, the Agency's operating revenues decreased by \$48,196 to \$178,360.
- In 2022, the Agency's operating expenses increased by \$67,728 to \$246,088. In 2021, the Agency's operating expenses decreased by \$48,196 to \$178,360.
- In 2022, the Agency's non-operating revenue increased by \$14,859 to \$119,569. In 2021, the Agency's non-operating revenue increased by \$84,969 to \$104,710.

Using This Financial Report

This annual report consists of a series of financial statements. The Statements of Net Position; Statements of Revenues, Expenses, and Changes in Net Position; and Statements of Cash Flows provide information about the activities and performance of the Agency using accounting methods similar to those used by private sector companies.

The Statement of Net Position includes all of the Agency's investments in resources (assets), deferred outflows of resources, obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the Agency and assessing the liquidity and financial flexibility of the Agency. All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the Agency's operations over the past year and can be used to determine if the Agency has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and creditworthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the Agency's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, non-capital financing, and capital and related financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Financial Analysis of the Agency

One of the most important questions asked about the Agency's finances is, "Is the Agency better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Agency in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

Spadra Basin Groundwater Sustainability Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Financial Analysis of the Agency, continued

These two statements report the Agency's net position and changes in it. One can think of the Agency's net position – the difference between assets plus deferred outflows of resources, less liabilities and deferred inflows of resources – as one way to measure the Agency's financial health, or financial position. Over time, increases or decreases in the Agency's net position is one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning, and new or changed government legislation, such as changes in Federal and State water quality standards.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 11 through 19.

Statements of Net Position

Condensed Statements of Net Position					
	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>2020</u>	<u>Change</u>
Assets:					
Current assets	\$ 261,770	144,808	116,962	46,618	98,190
Total assets	<u>261,770</u>	<u>144,808</u>	<u>116,962</u>	<u>46,618</u>	<u>98,190</u>
Liabilities:					
Current liabilities	12,750	15,357	(2,607)	21,877	(6,520)
Total liabilities	<u>12,750</u>	<u>15,357</u>	<u>(2,607)</u>	<u>21,877</u>	<u>(6,520)</u>
Net position:					
Unrestricted	249,020	129,451	119,569	24,741	104,710
Total net position	<u>\$ 249,020</u>	<u>129,451</u>	<u>119,569</u>	<u>24,741</u>	<u>104,710</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Agency, assets of the Agency exceeded liabilities by \$249,020 and \$129,451 as of June 30, 2022 and 2021, respectively.

Spadra Basin Groundwater Sustainability Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Statements of Revenues, Expenses, and Changes in Net Position

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>2020</u>	<u>Change</u>
Revenues:					
Administrative assessments	\$ 18,544	16,825	1,719	10,725	6,100
Member assessments	227,544	161,535	66,009	215,831	(54,296)
Total Operating Revenues	<u>246,088</u>	<u>178,360</u>	<u>67,728</u>	<u>226,556</u>	<u>(48,196)</u>
Expenses:					
Operating expenses	246,088	178,360	67,728	226,556	(48,196)
Total Expenses	<u>246,088</u>	<u>178,360</u>	<u>67,728</u>	<u>226,556</u>	<u>(48,196)</u>
Net income before non-operating revenue	-	-	-	-	-
Non-operating revenue:					
Grant revenue	119,569	104,710	14,859	19,741	84,969
Total non-operating revenue	<u>119,569</u>	<u>104,710</u>	<u>14,859</u>	<u>19,741</u>	<u>84,969</u>
Change in net position	119,569	104,710	14,859	19,741	84,969
Net position, beginning of period	<u>129,451</u>	<u>24,741</u>	<u>104,710</u>	<u>5,000</u>	<u>19,741</u>
Net position, end of period	<u>\$ 249,020</u>	<u>129,451</u>	<u>119,569</u>	<u>24,741</u>	<u>104,710</u>

The Statement Revenues, Expenses, and Changes in Net Position shows how the Agency's net position changed during the fiscal year. In the case of the Agency, the net position increased \$119,569 to \$249,020, as a result of current year non-operating revenue. In the fiscal year 2021, the Agency's net position increased \$104,710 to \$129,451, as a result of current year non-operating revenue.

In fiscal year 2022, the Agency's operating revenues increased \$67,728 to \$246,088, primarily due to an increase of \$66,009 in member assessments. In fiscal year 2021, the Agency's operating revenues decreased \$48,196 to \$178,360, due to a decrease of \$54,296 in member assessments offset by an increase of \$6,100 in administrative assessments.

In fiscal year 2022, the Agency's operating expenses increased \$67,728 to \$246,088, primarily due to an increase of \$66,009 in expenses related to the Agency's Ground Water Sustainability Plan. In fiscal year 2021, the Agency's operating expenses decreased \$48,196 to \$178,360, due to a decrease of \$54,296 in expenses related to the Agency's Ground Water Sustainability Plan expenses offset by an increase of \$6,100 in general and administrative expenses.

In fiscal year 2022, the Agency's non-operating revenue increased \$14,859 to \$119,569 sourcing from a Department of Water Resources sustainable groundwater planning grant. In fiscal year 2021, non-operating revenue increased \$84,969 to \$104,710 sourcing from a Department of Water Resources sustainable groundwater planning grant.

Spadra Basin Groundwater Sustainability Agency
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Conditions Affecting Current Financial Position

Management is unaware of any conditions, which could have a significant impact on the Agency's current financial position, net position, or operating results in terms of past, present, and future periods.

Requests for Information

This financial report is designed to provide the Agency's present users, including funding sources, members, stakeholders, and other interested parties with a general overview of the Agency's finances and to demonstrate the Agency's accountability with an overview of the Agency's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Agency's Treasurer, Josh Byerrum at Spadra Basin Groundwater Sustainability Agency at 271 S. Brea Canyon Rd., Walnut, California 91789 or (909) 595-7554.

Working Draft

Basic Financial Statements

Working Draft

Spadra Basin Groundwater Sustainability Agency
Statements of Net Position
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and cash equivalents (note 2)	\$ 193,972	57,822
Accounts receivable – member agencies	<u>67,798</u>	<u>86,986</u>
Total current assets	<u>261,770</u>	<u>144,808</u>
Current liabilities:		
Accounts payable – member agencies	<u>12,750</u>	<u>15,357</u>
Total current liabilities	<u>12,750</u>	<u>15,357</u>
Net position:		
Unrestricted	<u>249,020</u>	<u>129,451</u>
Total net position	<u>\$ 249,020</u>	<u>129,451</u>

See accompanying notes to the basic financial statements

Working Draft

Spadra Basin Groundwater Sustainability Agency
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2022 and 2021

	2022	2021
Operating revenues:		
Administrative assessments	\$ 18,544	16,825
Member assessments	227,544	161,535
Total operating revenues	246,088	178,360
Operating expenses:		
General and administrative	18,544	16,825
Groundwater Sustainability Plan	227,544	161,535
Total operating expenses	246,088	178,360
Net income before non-operating revenue	-	-
Non-operating revenue:		
Sustainable Groundwater Planning Grant – Dept. Water Resources	119,569	104,710
Change in net position	119,569	104,710
Net position, beginning of period	129,451	24,741
Net position, end of period	\$ 249,020	129,451

See accompanying notes to the basic financial statements

Spadra Basin Groundwater Sustainability Agency
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Cash receipts from administrative and member assessments	\$ 265,276	133,291
Cash paid to vendors and suppliers for materials and services	(248,695)	(184,880)
Net cash provided by (used in) operating activities	16,581	(51,589)
Cash flows from financing activities:		
Cash received from grants	119,569	104,710
Net cash provided by financing activities	119,569	104,710
Net increase in cash and cash equivalents	136,150	53,121
Cash and cash equivalents – beginning of year	57,822	4,701
Cash and cash equivalents – end of year	\$ 193,972	57,822
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating Income	\$ -	-
Changes in assets and liabilities		
Decrease (increase) in assets:		
Accounts receivable – member assessments	19,188	(45,069)
Decrease in liabilities :		
Accounts payable – member assessments	(2,607)	(6,520)
Total adjustments	16,581	(51,589)
Net cash provided by (used in) operating activities	\$ 16,581	(51,589)

See accompanying notes to the basic financial statements

Spadra Basin Groundwater Sustainability Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Spadra Basin Groundwater Sustainability Agency (Agency) was formed in February 28, 2017 by the execution of a Memorandum of Agreement between Walnut Valley Water District (WVWD) and the City of Pomona (City) to meet the requirements of the Sustainable Groundwater Management Act of 2014. The Agency's purpose is to develop and implement a Groundwater Sustainability Plan to sustainably manage the Basin in compliance with the Act's requirements. The Spadra basin is located in the San Gabriel Valley, in the western portion of the City of Pomona. The Agency is governed by an appointed Executive Committee comprised of one member and one alternative member from WVWD and the City.

B. Basis of Accounting and Measurement Focus

The Agency reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Agency is that the costs of managing the basin on a continuing basis be financed or recovered primarily through member assessments, capital grants, and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses result from exchange transactions associated with the principal activity of the Agency. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenue and non-operating expenses, respectively.

C. Financial Reporting

The Agency's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Agency solely operates as a special-purpose government, which means it is only engaged in business-type activities; accordingly, activities are reported in the Agency's proprietary fund.

The Agency has adopted the following GASB pronouncements in the current year:

Governmental Accounting Standards Board Statement No. 87

In June 2017, the GASB issued Statement No. 87 – *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2019; however, in light of the COVID-19 pandemic, the effective date has been postponed by 18 months. Earlier application is encouraged.

Spadra Basin Groundwater Sustainability Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting, continued

Governmental Accounting Standards Board Statement No. 89

In June 2018, the GASB issued Statement No. 89 – *Accounting for Interest Cost incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

Governmental Accounting Standards Board Statement No. 98

This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of Annual Comprehensive Financial Report and its acronym in generally accepted accounting principles for state and local governments.

This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for Annual Comprehensive Financial Report sounds like a profoundly objectionable racial slur. This Statement’s introduction of the new term is founded on a commitment to promoting inclusiveness.

D. Assets, Liabilities, and Net Position

1. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosures of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

Substantially, all of the Agency’s cash is held in a financial institution bank account. The Agency considers all highly liquid investments with maturities of three months or less at the time of purchase to be cash equivalents.

Spadra Basin Groundwater Sustainability Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Liabilities, and Net Position, continued

2. Accounts Receivable

The Agency extends credit to its members in the normal course of operations. Management has evaluated the accounts and believes all accounts are collectible at June 30. When management deems accounts uncollectible, the Agency uses the direct write off method for the write-off those accounts to bad debt expense. As of June 30, 2022, and 2021, there is no allowance for uncollectible accounts as management believes all accounts will be collected, respectively.

3. Revenue Recognition

Assessments are recognized as revenue at the time each member agency is invoiced.

4. Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

- **Net Investment in Capital Assets** – Consists of capital assets, net of related debt consists of capital assets, net of accumulated depreciation and amortization, and reduced by outstanding balances of any debt, or other long-term borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** – Consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- **Unrestricted** – Consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted component of net position.

(2) Cash and Cash Equivalents

Cash and cash equivalents as of June 30, are classified in the accompanying financial statements as follows:

	2022	2021
Cash and cash equivalents	\$ 193,972	57,822

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

	2022	2021
Deposits with financial institutions	\$ 193,972	57,822
Total cash and cash equivalents	\$ 193,972	57,822

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.

Spadra Basin Groundwater Sustainability Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(2) Cash and Cash Equivalents, continued

Custodial Credit Risk, continued

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

The California Government Code and the Agency'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 Agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000 is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Agency's name.

(3) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2022, that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 91

In May 2019, the GASB issued Statement No. 91 – *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged.

Spadra Basin Groundwater Sustainability Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(3) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 92

In January 2020, the GASB issued Statement No. 92 – *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

The requirements of this Statement were as follows: (1) The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance; (2) The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020; (3) The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020; and (4) The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged and is permitted by topic.

Governmental Accounting Standards Board Statement No. 93

In March 2020, the GASB issued Statement No. 93 – *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by: (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended; and (7) Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

The requirements of this Statement were effective as follows: (1) The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021; and (2) All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective dates have been postponed by one year. Earlier application is encouraged.

Spadra Basin Groundwater Sustainability Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(3) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 94

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 96

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Spadra Basin Groundwater Sustainability Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(3) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 97

In June 2020, the GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 41 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement. The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

Governmental Accounting Standards Board Statement No. 98

In October 2021, the GASB issued Statement No. 98 – *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement’s introduction of the new term is founded on a commitment to promoting inclusiveness.

The requirements of this Statement are effective for fiscal years ending after December 15, 2021. Earlier application is encouraged.

Spadra Basin Groundwater Sustainability Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(3) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 99

In April 2022, the GASB issued Statement No. 99 – *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 100

In June 2022, the GASB issued Statement No. 100 – *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Spadra Basin Groundwater Sustainability Agency
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(3) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 101

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

(4) Contingencies

Litigation

In the ordinary course of operations, the Agency is subject to claims and litigation from outside parties. After consultation with legal counsel, the Agency believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

Grant Awards

Grant funds received by the Agency are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the Agency believes that such disallowances, if any, would not be significant.

(5) Subsequent Events

Management is not aware of any events or transactions, including estimates that provide additional evidence about conditions that existed at June 30, 2022, or arose subsequent to that date, that are considered inherent in the process of preparing these financial statements.

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Working Draft

Report on Internal Controls and Compliance

Working Draft

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**Independent Auditor’s Report on Internal Controls Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Executive Committee
Spadra Basin Groundwater Sustainability Agency
Walnut, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Spadra Basin Groundwater Sustainability Agency (Agency) as of and for the fiscal years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprises the Agency’s basic financial statements, and have issued our report thereon dated January 3, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency’s internal control.

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

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

Compliance and Other Matters

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

**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*, continued**

Purpose of this Report

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

Fedak & Brown LLP
Cypress, California
January 3, 2023

Working Draft



Walnut Valley Water District Consolidated - Account #10076

MONTHLY ACCOUNT STATEMENT

DECEMBER 1, 2022 THROUGH DECEMBER 31, 2022

Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact operations@chandlerasset.com

Custodian

Bank of New York Mellon Trust Company
Amy Kung
(213) 630-6374

CHANDLER ASSET MANAGEMENT
chandlerasset.com

Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures.



PORTFOLIO CHARACTERISTICS

Average Modified Duration	1.65
Average Coupon	1.64%
Average Purchase YTM	1.67%
Average Market YTM	3.47%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	1.74 yrs
Average Life	1.70 yrs

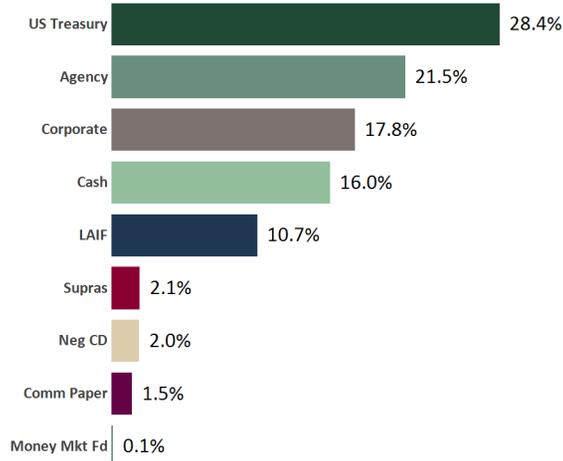
ACCOUNT SUMMARY

	Beg. Values as of 11/30/22	End Values as of 12/31/22
Market Value	47,342,233	47,844,038
Accrued Interest	187,292	191,096
Total Market Value	47,529,524	48,035,134
Income Earned	65,600	69,399
Cont/WD		
Par	49,426,156	50,007,632
Book Value	49,311,884	49,834,199
Cost Value	49,378,983	49,900,405

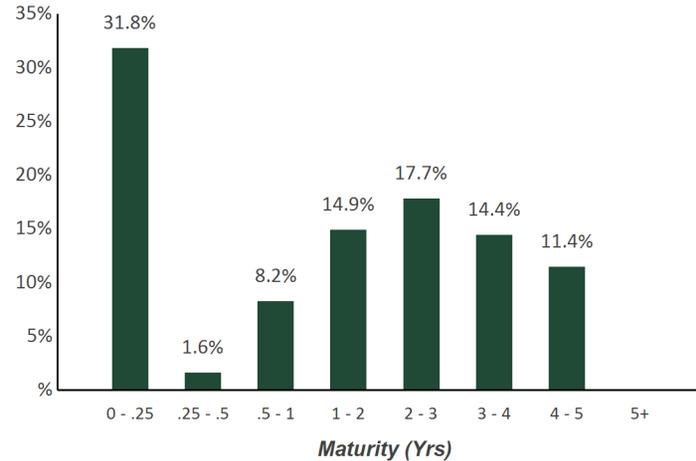
TOP ISSUERS

Government of United States	28.4%
Bank Cash Account	16.0%
Local Agency Investment Fund	10.7%
Federal Home Loan Bank	10.1%
Federal National Mortgage Assoc	6.6%
Federal Home Loan Mortgage Corp	3.3%
MUFG Bank Ltd/NY	1.5%
Federal Farm Credit Bank	1.5%
Total	78.0%

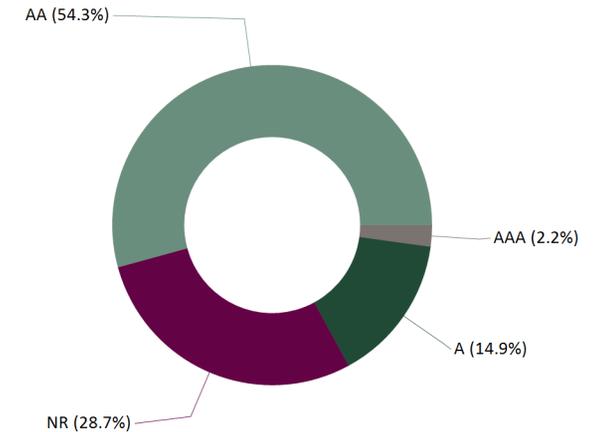
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)





PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.25
Average Coupon	1.92%
Average Purchase YTM	1.96%
Average Market YTM	4.47%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.38 yrs
Average Life	2.35 yrs

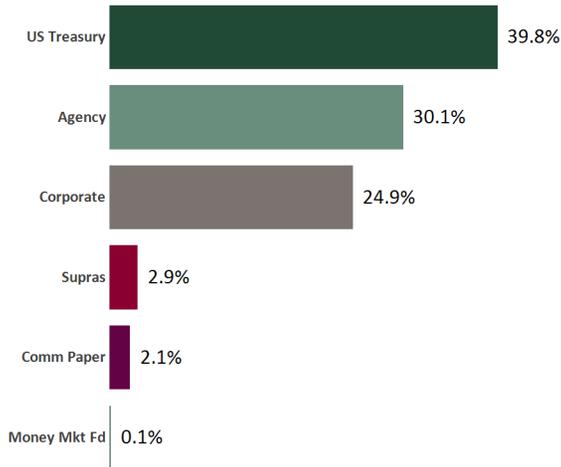
ACCOUNT SUMMARY

	Beg. Values as of 11/30/22	End Values as of 12/31/22
Market Value	33,263,303	34,105,596
Accrued Interest	168,844	162,265
Total Market Value	33,432,146	34,267,861
Income Earned	56,147	59,015
Cont/WD		800,000
Par	35,315,000	36,239,755
Book Value	35,200,728	36,066,322
Cost Value	35,267,827	36,132,528

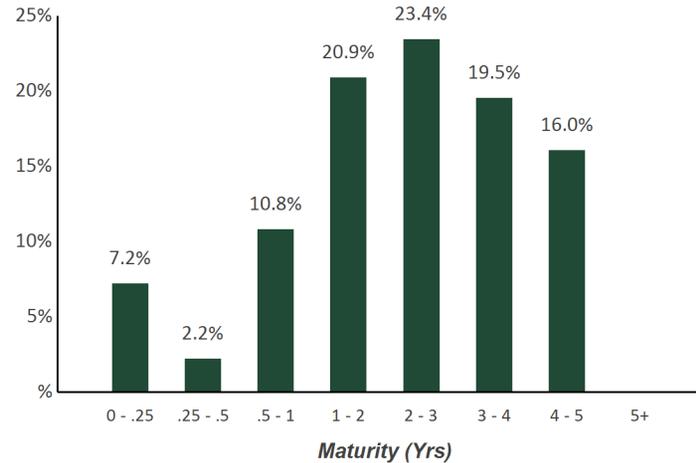
TOP ISSUERS

Government of United States	39.8%
Federal Home Loan Bank	14.1%
Federal National Mortgage Assoc	9.3%
Federal Home Loan Mortgage Corp	4.6%
MUFG Bank Ltd/NY	2.1%
Federal Farm Credit Bank	2.1%
Intl Bank Recon and Development	1.6%
JP Morgan Chase & Co	1.5%
Total	75.1%

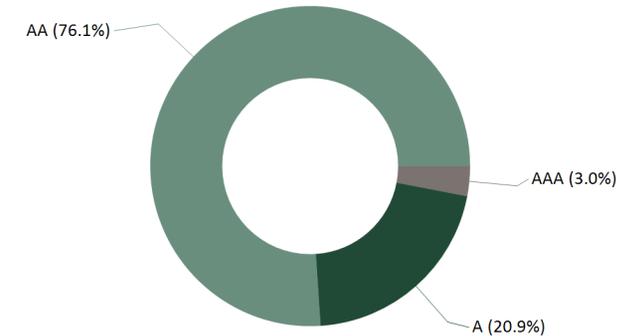
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	7/31/2009
Walnut Valley Water District	0.11%	1.03%	-4.64%	-4.64%	-2.81%	-0.51%	0.90%	0.93%	1.27%
ICE BofA 1-5 Yr US Treasury & Agency Index*	0.07%	0.94%	-5.25%	-5.25%	-3.19%	-0.78%	0.66%	0.71%	1.04%

*ICE BofA 1-3 Yr US Treasury Index to 8/31/10



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
313383YJ4	FHLB Note 3.375% Due 9/8/2023	625,000.00	09/28/2018 3.05%	634,237.50 626,281.56	98.99 4.88%	618,689.18 6,621.09	1.30% (7,592.38)	Aaa / AA+ NR	0.69 0.66
3135G0U43	FNMA Note 2.875% Due 9/12/2023	750,000.00	10/30/2018 3.04%	744,405.00 749,200.26	98.71 4.77%	740,360.51 6,528.65	1.55% (8,839.75)	Aaa / AA+ AAA	0.70 0.67
3130A0F70	FHLB Note 3.375% Due 12/8/2023	750,000.00	12/13/2018 2.93%	765,270.00 752,861.03	98.57 4.96%	739,256.27 1,617.19	1.54% (13,604.76)	Aaa / AA+ AAA	0.94 0.91
3135G0V34	FNMA Note 2.5% Due 2/5/2024	575,000.00	03/06/2019 2.60%	572,263.00 574,390.08	97.63 4.75%	561,373.16 5,829.86	1.18% (13,016.92)	Aaa / AA+ AAA	1.10 1.05
3130AFW94	FHLB Note 2.5% Due 2/13/2024	500,000.00	02/28/2019 2.61%	497,510.00 499,438.72	97.57 4.76%	487,861.66 4,791.67	1.03% (11,577.06)	Aaa / AA+ AAA	1.12 1.07
3130AB3H7	FHLB Note 2.375% Due 3/8/2024	600,000.00	05/01/2019 2.35%	600,600.00 600,146.28	97.31 4.73%	583,846.63 4,472.92	1.22% (16,299.65)	Aaa / AA+ NR	1.19 1.14
3133EKNX0	FFCB Note 2.16% Due 6/3/2024	750,000.00	07/02/2019 1.88%	759,847.50 752,844.10	96.75 4.55%	725,615.65 1,260.00	1.51% (27,228.45)	Aaa / AA+ AAA	1.42 1.37
3130A1XJ2	FHLB Note 2.875% Due 6/14/2024	650,000.00	06/26/2019 1.85%	681,427.50 659,182.24	97.72 4.51%	635,178.31 882.47	1.32% (24,003.93)	Aaa / AA+ NR	1.45 1.40
3130A3GE8	FHLB Note 2.75% Due 12/13/2024	700,000.00	12/23/2019 1.77%	732,445.00 712,720.73	96.86 4.45%	678,013.36 962.50	1.41% (34,707.37)	Aaa / AA+ NR	1.95 1.87
3135G0X24	FNMA Note 1.625% Due 1/7/2025	600,000.00	02/14/2020 1.48%	604,074.00 601,682.09	94.54 4.48%	567,263.90 4,712.50	1.19% (34,418.19)	Aaa / AA+ AAA	2.02 1.93
3137EAEPO	FHLMC Note 1.5% Due 2/12/2025	600,000.00	02/14/2020 1.48%	600,486.00 600,206.30	94.29 4.35%	565,762.94 3,475.00	1.19% (34,443.36)	Aaa / AA+ AAA	2.12 2.03
3135G03U5	FNMA Note 0.625% Due 4/22/2025	800,000.00	Various 0.53%	803,537.00 801,674.29	91.94 4.33%	735,559.50 958.34	1.53% (66,114.79)	Aaa / AA+ AAA	2.31 2.24
3130AJKW8	FHLB Note 0.5% Due 6/13/2025	600,000.00	06/10/2020 0.54%	598,866.00 599,444.19	91.30 4.28%	547,802.00 150.00	1.14% (51,642.19)	Aaa / AA+ AAA	2.45 2.39
3137EAEU9	FHLMC Note 0.375% Due 7/21/2025	400,000.00	08/12/2020 0.45%	398,456.00 399,201.88	90.57 4.31%	362,288.36 666.67	0.76% (36,913.52)	Aaa / AA+ AAA	2.56 2.49
3137EAEX3	FHLMC Note 0.375% Due 9/23/2025	700,000.00	10/07/2020 0.50%	695,758.00 697,667.02	90.07 4.27%	630,489.81 714.58	1.31% (67,177.21)	Aaa / AA+ AAA	2.73 2.66
3135G06G3	FNMA Note 0.5% Due 11/7/2025	625,000.00	11/18/2020 0.51%	624,775.00 624,870.88	90.01 4.26%	562,566.89 468.75	1.17% (62,303.99)	Aaa / AA+ AAA	2.85 2.77



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3130AKFA9	FHLB Note 0.375% Due 12/12/2025	600,000.00	01/05/2021 0.42%	598,680.00 599,211.37	89.53 4.19%	537,177.89 118.75	1.12% (62,033.48)	Aaa / AA+ NR	2.95 2.87
Total Agency		10,825,000.00	1.67%	10,912,637.50 10,851,023.02	4.53%	10,279,106.02 44,230.94	21.49% (571,917.00)	Aaa / AA+ AAA	1.75 1.69
CASH									
90CASH\$00	Cash Custodial Cash Account	7,685,364.95	Various 0.00%	7,685,364.95 7,685,364.95	1.00 0.00%	7,685,364.95 0.00	16.00% 0.00	NR / NR NR	0.00 0.00
Total Cash		7,685,364.95	N/A	7,685,364.95	0.00%	7,685,364.95 0.00	16.00% 0.00	NR / NR NR	0.00 0.00
COMMERCIAL PAPER									
62479MUE1	MUFG Bank Ltd/NY Discount CP 5.3% Due 7/14/2023	750,000.00	11/09/2022 5.54%	722,837.50 722,837.50	96.38 5.54%	722,837.50 5,741.67	1.52% 0.00	P-1 / A-1 NR	0.53 0.52
Total Commercial Paper		750,000.00	5.54%	722,837.50 722,837.50	5.54%	722,837.50 5,741.67	1.52% 0.00	Aaa / AA NR	0.53 0.52
CORPORATE									
808513AT2	Charles Schwab Corp Callable Note Cont 12/25/2022 2.65% Due 1/25/2023	500,000.00	10/30/2018 3.51%	483,170.00 499,738.73	99.87 4.53%	499,356.82 5,741.67	1.05% (381.91)	A2 / A A	0.07 0.07
46625HJH4	JP Morgan Chase Note 3.2% Due 1/25/2023	500,000.00	08/06/2019 2.18%	516,975.00 500,321.80	99.92 4.30%	499,614.73 6,933.33	1.05% (707.07)	A1 / A- AA-	0.07 0.07
24422ERT8	John Deere Capital Corp Note 2.8% Due 1/27/2023	450,000.00	04/11/2018 3.17%	442,606.50 449,890.15	99.88 4.35%	449,480.12 5,390.00	0.95% (410.03)	A2 / A A	0.07 0.07
084670BR8	Berkshire Hathaway Callable Note Cont 1/15/2023 2.75% Due 3/15/2023	500,000.00	Various 3.04%	493,706.00 499,700.80	99.57 4.81%	497,859.09 4,048.61	1.04% (1,841.71)	Aa2 / AA A+	0.20 0.20



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
CORPORATE									
911312BK1	UPS Callable Note Cont 3/1/2023 2.5% Due 4/1/2023	450,000.00	04/11/2018 3.11%	437,413.50 449,375.53	99.40 4.92%	447,277.50 2,812.50	0.94% (2,098.03)	A2 / A NR	0.25 0.25
58933YAF2	Merck & Co Note 2.8% Due 5/18/2023	250,000.00	08/06/2019 1.89%	258,235.00 250,818.13	99.25 4.78%	248,133.02 836.11	0.52% (2,685.11)	A1 / A+ NR	0.38 0.37
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.4% Due 6/26/2023	500,000.00	07/31/2018 3.26%	503,095.00 500,255.28	99.33 4.80%	496,657.85 236.11	1.03% (3,597.43)	Aa2 / AA AA	0.48 0.48
02665WCJ8	American Honda Finance Note 3.45% Due 7/14/2023	400,000.00	07/31/2018 3.38%	401,336.00 400,143.43	99.24 4.90%	396,968.05 6,401.67	0.84% (3,175.38)	A3 / A- A	0.53 0.52
89236TFN0	Toyota Motor Credit Corp Note 3.45% Due 9/20/2023	450,000.00	01/16/2019 3.38%	451,318.50 450,202.49	98.87 5.06%	444,933.00 4,355.63	0.94% (5,269.49)	A1 / A+ A+	0.72 0.69
91159HHV5	US Bancorp Callable Note Cont 1/5/2024 3.375% Due 2/5/2024	500,000.00	12/23/2019 2.11%	524,265.00 506,086.87	98.24 5.04%	491,212.28 6,843.75	1.04% (14,874.59)	A2 / A+ A+	1.10 1.04
06051GHF9	Bank of America Corp Callable Note 1X 3/5/2023 3.55% Due 3/5/2024	450,000.00	05/30/2019 2.98%	458,955.00 450,411.50	99.64 5.47%	448,396.71 5,147.50	0.94% (2,014.79)	A2 / A- AA-	1.18 0.18
14913R2L0	Caterpillar Financial Service Note 0.45% Due 5/17/2024	350,000.00	05/12/2021 0.51%	349,426.00 349,737.09	94.13 4.91%	329,464.03 192.50	0.69% (20,273.06)	A2 / A A	1.38 1.34
06367WB85	Bank of Montreal Note 1.85% Due 5/1/2025	400,000.00	02/15/2022 2.25%	395,048.00 396,395.08	93.33 4.91%	373,331.07 1,233.33	0.78% (23,064.01)	A2 / A- AA-	2.33 2.23
717081EX7	Pfizer Inc. Callable Note Cont 4/28/2025 0.8% Due 5/28/2025	400,000.00	05/26/2020 0.83%	399,376.00 399,699.96	91.42 4.60%	365,689.87 293.33	0.76% (34,010.09)	A1 / A+ A	2.41 2.33
78015K7H1	Royal Bank of Canada Note 1.15% Due 6/10/2025	400,000.00	05/20/2021 0.96%	403,072.00 401,851.93	91.61 4.84%	366,427.70 268.33	0.76% (35,424.23)	A1 / A AA-	2.44 2.35
89114TZD7	Toronto-Dominion Bank Note 1.2% Due 6/3/2026	400,000.00	08/11/2021 1.12%	401,416.00 401,007.74	88.28 4.96%	353,138.06 373.33	0.74% (47,869.68)	A1 / A AA-	3.42 3.27
87612EBM7	Target Corp Callable Note Cont 12/15/2026 1.95% Due 1/15/2027	500,000.00	01/24/2022 1.87%	501,865.00 501,509.56	90.91 4.43%	454,540.09 4,495.83	0.96% (46,969.47)	A2 / A A	4.04 3.77
06406RBA4	Bank of NY Mellon Corp Callable Note Cont 12/26/2026 2.05% Due 1/26/2027	500,000.00	01/26/2022 2.03%	500,400.00 500,324.60	89.96 4.79%	449,810.20 4,413.19	0.95% (50,514.40)	A1 / A AA-	4.07 3.79



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
CORPORATE									
023135CF1	Amazon.com Inc Callable Note Cont 3/13/2027 3.3% Due 4/13/2027	400,000.00	04/26/2022 3.26%	400,788.00 400,678.21	95.04 4.59%	380,176.77 2,860.00	0.80% (20,501.44)	A1 / AA AA-	4.28 3.90
665859AW4	Northern Trust Company Callable Note Cont 4/10/2027 4% Due 5/10/2027	500,000.00	06/28/2022 4.00%	500,045.00 500,040.31	97.78 4.57%	488,878.47 2,833.33	1.02% (11,161.84)	A2 / A+ A+	4.36 3.93
Total Corporate		8,800,000.00	2.51%	8,822,511.50 8,808,189.19	4.77%	8,481,345.43 65,710.05	17.79% (326,843.76)	A1 / A+ A+	1.65 1.50
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	5,091,511.64	Various 2.23%	5,091,511.64 5,091,511.64	1.00 2.23%	5,091,511.64 25,366.20	10.65% 0.00	NR / NR NR	0.00 0.00
Total LAIF		5,091,511.64	2.23%	5,091,511.64 5,091,511.64	2.23%	5,091,511.64 25,366.20	10.65% 0.00	NR / NR NR	0.00 0.00
MONEY MARKET FUND									
60934N807	Federated Investors Govt Oblig Fund Inst.	49,755.29	Various 3.89%	49,755.29 49,755.29	1.00 3.89%	49,755.29 0.00	0.10% 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund		49,755.29	3.89%	49,755.29 49,755.29	3.89%	49,755.29 0.00	0.10% 0.00	Aaa / AAA AAA	0.00 0.00
NEGOTIABLE CD									
14042TBL0	Capital One Bank USA NA Negotiable CD 2.2% Due 8/7/2023	247,000.00	08/06/2019 2.20%	247,000.00 247,000.00	100.00 2.20%	247,000.00 2,188.49	0.52% 0.00	NR / NR NR	0.60 0.59
7954506L4	Sallie Mae Bank Negotiable CD 0.85% Due 5/27/2025	248,000.00	05/27/2020 0.85%	248,000.00 248,000.00	100.00 0.85%	248,000.00 202.14	0.52% 0.00	NR / NR NR	2.41 2.37
856285TQ4	STATE BANK OF INDIA Negotiable CD 1.1% Due 5/28/2025	248,000.00	05/28/2020 1.10%	248,000.00 248,000.00	100.00 1.10%	248,000.00 254.12	0.52% 0.00	NR / NR NR	2.41 2.37



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
NEGOTIABLE CD									
38149MZJ5	Goldman Sachs Bank USA Negotiable CD 1.05% Due 9/8/2026	248,000.00	08/25/2021 1.05%	248,000.00 248,000.00	88.13 4.58%	218,565.62 820.44	0.46% (29,434.38)	NR / NR NR	3.69 3.53
Total Negotiable CD		991,000.00	1.30%	991,000.00	2.11%	961,565.62 3,465.19	2.01% (29,434.38)	NR / NR NR	2.23 2.18
SUPRANATIONAL									
459058JL8	Intl. Bank Recon & Development Note 0.5% Due 10/28/2025	600,000.00	12/14/2020 0.48%	600,516.00 600,299.38	89.92 4.33%	539,534.87 525.00	1.12% (60,764.51)	Aaa / AAA AAA	2.83 2.75
4581X0DV7	Inter-American Dev Bank Note 0.875% Due 4/20/2026	500,000.00	04/27/2021 0.94%	498,425.00 498,955.49	89.58 4.29%	447,880.00 862.85	0.93% (51,075.49)	Aaa / AAA AAA	3.30 3.19
Total Supranational		1,100,000.00	0.69%	1,098,941.00 1,099,254.87	4.31%	987,414.87 1,387.85	2.06% (111,840.00)	Aaa / AAA AAA	3.04 2.95
US TREASURY									
912828X70	US Treasury Note 2% Due 4/30/2024	400,000.00	07/02/2019 1.78%	404,125.00 401,134.78	96.52 4.73%	386,062.40 1,370.17	0.81% (15,072.38)	Aaa / AA+ AAA	1.33 1.29
9128282U3	US Treasury Note 1.875% Due 8/31/2024	575,000.00	03/04/2020 0.72%	604,311.52 585,866.71	95.70 4.59%	550,270.40 3,663.24	1.15% (35,596.31)	Aaa / AA+ AAA	1.67 1.60
912828YM6	US Treasury Note 1.5% Due 10/31/2024	600,000.00	02/15/2022 1.74%	596,203.13 597,429.04	94.80 4.49%	568,781.40 1,541.44	1.19% (28,647.64)	Aaa / AA+ AAA	1.84 1.77
912828YV6	US Treasury Note 1.5% Due 11/30/2024	700,000.00	12/23/2019 1.72%	692,808.59 697,211.98	94.68 4.43%	662,757.90 923.08	1.38% (34,454.08)	Aaa / AA+ AAA	1.92 1.85
912828Z52	US Treasury Note 1.375% Due 1/31/2025	575,000.00	03/04/2020 0.71%	593,328.13 582,778.98	94.04 4.40%	540,702.40 3,308.59	1.13% (42,076.58)	Aaa / AA+ AAA	2.09 2.00
912828ZF0	US Treasury Note 0.5% Due 3/31/2025	750,000.00	03/26/2020 0.50%	749,912.11 749,960.51	91.91 4.31%	689,355.75 958.10	1.44% (60,604.76)	Aaa / AA+ AAA	2.25 2.19
91282CAT8	US Treasury Note 0.25% Due 10/31/2025	700,000.00	02/16/2021 0.51%	691,605.47 694,941.76	89.51 4.22%	626,554.60 299.72	1.30% (68,387.16)	Aaa / AA+ AAA	2.84 2.76



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
91282CBC4	US Treasury Note 0.375% Due 12/31/2025	700,000.00	01/12/2021 0.52%	694,968.75 696,961.27	89.46 4.15%	626,226.30 7.25	1.30% (70,734.97)	Aaa / AA+ AAA	3.00 2.92
91282CBH3	US Treasury Note 0.375% Due 1/31/2026	550,000.00	03/22/2021 0.85%	537,625.00 542,145.29	89.06 4.19%	489,822.30 863.11	1.02% (52,322.99)	Aaa / AA+ AAA	3.09 3.00
91282CBQ3	US Treasury Note 0.5% Due 2/28/2026	650,000.00	03/09/2021 0.83%	639,589.84 643,377.44	89.21 4.18%	579,870.85 1,104.28	1.21% (63,506.59)	Aaa / AA+ AAA	3.16 3.07
91282CBT7	US Treasury Note 0.75% Due 3/31/2026	440,000.00	03/29/2021 0.88%	437,301.56 438,248.82	89.73 4.16%	394,831.36 843.13	0.82% (43,417.46)	Aaa / AA+ AAA	3.25 3.14
91282CCF6	US Treasury Note 0.75% Due 5/31/2026	850,000.00	06/28/2021 0.88%	844,820.31 846,408.52	89.29 4.14%	758,990.50 560.44	1.58% (87,418.02)	Aaa / AA+ AAA	3.42 3.30
91282CCP4	US Treasury Note 0.625% Due 7/31/2026	750,000.00	10/08/2021 1.02%	736,171.88 739,690.04	88.47 4.12%	663,516.00 1,961.62	1.39% (76,174.04)	Aaa / AA+ AAA	3.58 3.47
91282CCW9	US Treasury Note 0.75% Due 8/31/2026	850,000.00	09/28/2021 1.00%	839,939.45 842,509.17	88.66 4.12%	753,644.85 2,166.09	1.57% (88,864.32)	Aaa / AA+ AAA	3.67 3.53
91282CCZ2	US Treasury Note 0.875% Due 9/30/2026	650,000.00	12/29/2021 1.26%	638,447.27 640,885.74	88.91 4.10%	577,941.65 1,453.13	1.21% (62,944.09)	Aaa / AA+ AAA	3.75 3.61
91282CDG3	US Treasury Note 1.125% Due 10/31/2026	575,000.00	11/29/2021 1.18%	573,472.66 573,810.27	89.56 4.10%	514,984.38 1,107.91	1.07% (58,825.89)	Aaa / AA+ AAA	3.84 3.67
91282CDK4	US Treasury Note 1.25% Due 11/30/2026	575,000.00	04/26/2022 2.76%	537,827.15 543,343.26	89.86 4.08%	516,669.13 631.87	1.08% (26,674.13)	Aaa / AA+ AAA	3.92 3.75
91282CEF4	US Treasury Note 2.5% Due 3/31/2027	700,000.00	06/13/2022 3.45%	670,878.91 674,221.76	93.98 4.06%	657,863.50 4,471.15	1.38% (16,358.26)	Aaa / AA+ AAA	4.25 3.94
91282CEW7	US Treasury Note 3.25% Due 6/30/2027	550,000.00	09/13/2022 3.61%	541,363.28 541,901.22	96.84 4.02%	532,618.90 49.38	1.11% (9,282.32)	Aaa / AA+ AAA	4.50 4.13
91282CFH9	US Treasury Note 3.125% Due 8/31/2027	550,000.00	09/08/2022 3.40%	543,232.42 543,646.53	96.34 3.99%	529,847.45 5,839.95	1.12% (13,799.08)	Aaa / AA+ AAA	4.67 4.24
91282CFM8	US Treasury Note 4.125% Due 9/30/2027	400,000.00	10/28/2022 4.19%	398,796.88 398,838.44	100.54 4.00%	402,140.80 4,215.66	0.85% 3,302.36	Aaa / AA+ AAA	4.75 4.23
91282CFU0	US Treasury Note 4.125% Due 10/31/2027	750,000.00	11/09/2022 4.30%	744,169.92 744,336.86	100.53 4.00%	753,984.00 5,298.69	1.58% 9,647.14	Aaa / AA+ AAA	4.84 4.32

Holdings Report

As of December 31, 2022



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
9128283F5	US Treasury Note 2.25% Due 11/15/2027	875,000.00	12/09/2022 3.79%	814,946.29 815,613.92	92.31 4.00%	807,700.25 2,556.11	1.69% (7,913.67)	Aaa / AA+ AAA	4.88 4.53
Total US Treasury		14,715,000.00	1.77%	14,525,845.52 14,535,262.31	4.19%	13,585,137.07 45,194.11	28.38% (950,125.24)	Aaa / AA+ AAA	3.37 3.19
TOTAL PORTFOLIO		50,007,631.88	1.67%	49,900,404.90 49,834,198.77	3.47%	47,844,038.39 191,096.01	100.00% (1,990,160.38)	Aa1 / AA AAA	1.74 1.65
TOTAL MARKET VALUE PLUS ACCRUED						48,035,134.40			



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	12/02/2022	60934N807	369.98	Federated Investors Govt Oblig Fund Inst.	1.000	3.39%	369.98	0.00	369.98	0.00
Purchase	12/03/2022	60934N807	10,500.00	Federated Investors Govt Oblig Fund Inst.	1.000	3.39%	10,500.00	0.00	10,500.00	0.00
Purchase	12/08/2022	60934N807	12,656.25	Federated Investors Govt Oblig Fund Inst.	1.000	3.39%	12,656.25	0.00	12,656.25	0.00
Purchase	12/10/2022	60934N807	2,300.00	Federated Investors Govt Oblig Fund Inst.	1.000	3.39%	2,300.00	0.00	2,300.00	0.00
Purchase	12/12/2022	60934N807	1,125.00	Federated Investors Govt Oblig Fund Inst.	1.000	3.39%	1,125.00	0.00	1,125.00	0.00
Purchase	12/12/2022	9128283F5	875,000.00	US Treasury Note 2.25% Due 11/15/2027	93.137	3.79%	814,946.29	1,468.40	816,414.69	0.00
Purchase	12/13/2022	60934N807	11,125.00	Federated Investors Govt Oblig Fund Inst.	1.000	3.39%	11,125.00	0.00	11,125.00	0.00
Purchase	12/14/2022	60934N807	9,343.75	Federated Investors Govt Oblig Fund Inst.	1.000	3.39%	9,343.75	0.00	9,343.75	0.00
Purchase	12/26/2022	60934N807	8,500.00	Federated Investors Govt Oblig Fund Inst.	1.000	3.39%	8,500.00	0.00	8,500.00	0.00
Purchase	12/31/2022	60934N807	10,250.00	Federated Investors Govt Oblig Fund Inst.	1.000	3.89%	10,250.00	0.00	10,250.00	0.00
Subtotal			941,169.98				881,116.27	1,468.40	882,584.67	0.00
Security Contribution	12/06/2022	60934N807	800,000.00	Federated Investors Govt Oblig Fund Inst.	1.000		800,000.00	0.00	800,000.00	0.00
Subtotal			800,000.00				800,000.00	0.00	800,000.00	0.00
TOTAL ACQUISITIONS			1,741,169.98				1,681,116.27	1,468.40	1,682,584.67	0.00
DISPOSITIONS										
Sale	12/12/2022	60934N807	816,414.69	Federated Investors Govt Oblig Fund Inst.	1.000	3.39%	816,414.69	0.00	816,414.69	0.00
Subtotal			816,414.69				816,414.69	0.00	816,414.69	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Security Withdrawal	12/31/2022	90CASH\$00	343,279.49	Cash Custodial Cash Account	1.000		343,279.49	0.00	343,279.49	0.00
Subtotal			343,279.49				343,279.49	0.00	343,279.49	0.00
TOTAL DISPOSITIONS			1,159,694.18				1,159,694.18	0.00	1,159,694.18	0.00
OTHER TRANSACTIONS										
Interest	12/03/2022	3133EKNX0	750,000.00	FFCB Note 2.16% Due 6/3/2024	0.000		8,100.00	0.00	8,100.00	0.00
Interest	12/03/2022	89114TZD7	400,000.00	Toronto-Dominion Bank Note 1.2% Due 6/3/2026	0.000		2,400.00	0.00	2,400.00	0.00
Interest	12/08/2022	3130A0F70	750,000.00	FHLB Note 3.375% Due 12/8/2023	0.000		12,656.25	0.00	12,656.25	0.00
Interest	12/10/2022	78015K7H1	400,000.00	Royal Bank of Canada Note 1.15% Due 6/10/2025	0.000		2,300.00	0.00	2,300.00	0.00
Interest	12/12/2022	3130AKFA9	600,000.00	FHLB Note 0.375% Due 12/12/2025	0.000		1,125.00	0.00	1,125.00	0.00
Interest	12/13/2022	3130A3GE8	700,000.00	FHLB Note 2.75% Due 12/13/2024	0.000		9,625.00	0.00	9,625.00	0.00
Interest	12/13/2022	3130AJKW8	600,000.00	FHLB Note 0.5% Due 6/13/2025	0.000		1,500.00	0.00	1,500.00	0.00
Interest	12/14/2022	3130A1XJ2	650,000.00	FHLB Note 2.875% Due 6/14/2024	0.000		9,343.75	0.00	9,343.75	0.00
Interest	12/26/2022	931142EK5	500,000.00	Wal-Mart Stores Callable Note Cont 5/26/2023 3.4% Due 6/26/2023	0.000		8,500.00	0.00	8,500.00	0.00
Interest	12/31/2022	91282CBC4	700,000.00	US Treasury Note 0.375% Due 12/31/2025	0.000		1,312.50	0.00	1,312.50	0.00



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
OTHER TRANSACTIONS										
Interest	12/31/2022	91282CEW7	550,000.00	US Treasury Note 3.25% Due 6/30/2027	0.000		8,937.50	0.00	8,937.50	0.00
Subtotal			6,600,000.00				65,800.00	0.00	65,800.00	0.00
Dividend	12/02/2022	60934N807	825,280.63	Federated Investors Govt Oblig Fund Inst.	0.000		369.98	0.00	369.98	0.00
Subtotal			825,280.63				369.98	0.00	369.98	0.00
TOTAL OTHER TRANSACTIONS			7,425,280.63				66,169.98	0.00	66,169.98	0.00

Statement of Compliance

As of December 31, 2022



Walnut Valley Water District

Assets managed by Chandler Asset Management are in full compliance with state law and with the District's investment policy.

Category	Standard	Comment
U.S. Treasuries	No Limitation; US Treasury Bills, Notes, and Bonds	Complies
Federal Agencies	30% max per Agency/GSE issuer; 20% max callable agency securities; Federal agencies or U.S. government-sponsored enterprise obligations, participations, or other instruments, including those issued or fully guaranteed as to principal and interest by federal agencies or U.S. government sponsored enterprises.	Complies
Supranational Obligations	"AA" rating category or higher by a NRSRO; 30% max; 10% max per issuer; USD denominated senior unsecured unsubordinated obligations; Issued or unconditionally guaranteed by IBRD, IFC, or IADB	Complies
Municipal Securities	No Limitation; Bonds issued by the District; Registered state warrants or treasury notes or bonds issued by the State of California; Bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state, or by a department, board, agency, or authority of any of the other 49 states, in addition to California; Bonds, notes, warrants or other debt issued by a local agency within the State of California, including pooled investment accounts sponsored by the State of California, County Treasurers, or other local agencies or joint powers agencies.	Complies
Corporate Medium Term Notes	"A" rating category or higher by a NRSRO; 30% max; 5% max per issuer; Issued by corporations organized and operating within the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S.	Complies
Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, Collateralized Mortgage Obligations	"AA" rating category or better by a NRSRO; 20% max combined; From issuers other than the U.S. Treasury or a U.S. Federal Agency/GSE	Complies
Negotiable Certificates of Deposit (NCD)	30% max; 5% max per issuer; Issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally-licensed or state-licensed branch of a foreign bank	Complies
Certificate of Deposit Placement Service (CDARS)	50% max; Placement service deposits, including certificates of deposit, at a commercial bank, savings and loan association or credit union that uses a private sector entity that assist in the placement of deposits	Complies
Banker's Acceptances	40% max; 5% max per issuer/commercial bank; 180 days max maturity	Complies
Commercial Paper	"Prime quality of the highest rating or "A-1" rated or better by a NRSRO; Issued by an entity that is either: a. (i) organized and operating within the U.S. as a general corporation with assets > \$500 million; (ii) "A" rating or better by a NRSRO, if issuer has debt obligations; b. (i) organized within the U.S. as a special purpose corporation, trust, or limited liability company; (ii) have program-wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond; (iii) rated "A-1" or better by a NRSRO; 25% max; 5% max per issuer; 270 days maturity; 10% maximum of the outstanding commercial paper of any single issuer	Complies
Mutual Funds and Money Market Mutual Funds	i) Highest rating by two NRSROs; or (ii) Retained an investment adviser registered or exempt from SEC registration with > 5 years experience managing money market mutual funds with AUM > \$500 million; 20% max combined Money Market Mutual Funds and Mutual Funds; 20% max per Money Market Mutual Fund ; 10% max per Mutual Fund; Mutual Fund maturity defined as the weighted average maturity; Money Market Mutual Funds must have an average maturity of 60 days or less	Complies
Local Agency Investment Fund (LAIF)	No Limit	Complies
Repurchase Agreements/ Reverse Repurchase Agreements	1 year max maturity; Subject to further limitation by California Government Code, which, if applicable, may limit to 92 days max maturity for Reverse repurchase agreements; 102% collateralized; Not used by Investment Adviser	Complies
Max Per Issuer	5% max per issuer, except the US Government, its Agencies and enterprises, LAIF, or unless otherwise specified in the investment policy	Complies

Maximum Maturity

5 years

Complies

Net of Fees Performance Report

December 31, 2022



	Porfolio	Index
Period	Net of 10.9 bps annual fee	*ICE BofA 1-5 Yr US Government
1 month	0.10%	0.07%
3 months	1.00%	0.94%
Year to Date	-4.75%	-5.25%
Last 12 Months	-4.75%	-5.25%
Inception Date	7/31/2009	7/31/2009
Since Inception	16.78%	14.82%
Annualized Since Inception	1.16%	1.04%

Walnut Valley Water District
Revenue Bond - East West Bank
Life to Date
December 31, 2022

Bond Proceeds	\$	19,940,487.80
Disbursements:		
<u>Cost of Issuance</u>		
Fieldmann, Rolapp & Associates (Financial Advisors)	\$	(26,270.57)
Hawkins, Delafield & Wood, LLP. (Bond Counsel)		(45,000.00)
Union Bank, N.A. (Trustee)		(3,708.00)
Standard & Poor's Rating Services (Credit Rating)		(17,000.00)
Image Master (Official Statement)		(3,158.31)
Hawkins Delafield & Wood (Bond Counsel)		(1,743.31)
		(96,880.19)
<u>Projects</u>		
Puente Basin Water Agency - Pomona Basin ¹		(2,052,008.87)
Puente Basin Water Agency - LHHCWDC Project ¹		(350,566.00)
Puente Basin Water Agency - CDWC Project ¹		(4,090,549.30)
Puente Basin Water Agency - Pathfinder Project ⁴		-
Administration Headquarters ¹		(6,927,819.59)
Water Rights - Central Basin		(3,630,907.50)
		(17,051,851.26)
<u>Substitute Projects</u>		
Ace Nogales Grade Separation (P#03-2820) ²		(706,545.61)
Ridgeline Pump Station Modifications (P#12-3267) ³		(221,195.68)
30 kw Diesel Portable Generator (P#13-3290) ³		(39,490.70)
		(967,231.99)
Interest Income		509,472.83
Ending Balance of Bond Funds	\$	2,333,997.19

* Transferred funds from US Bank to East West Bank 8/23/2021

Walnut Valley Water District
Revenue Bond - East West Bank
December 31, 2022

Beginning Balance of Bonds	\$	2,333,303.60
Receipts:		
Interest Income		693.59
Disbursements:		
PBWA - Pomona Basin Project	-	
PBWA - Cal Domestic Project	-	
PBWA - Pathfinder Project	-	
Administration Headquarters		
	<hr/>	
	\$	-
Ending Balance of Bond Funds	<hr/> <hr/>	<hr/> <hr/> \$ 2,333,997.19

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
SUBMITTED BY: Director of Engineering
DATE: January 17, 2023
SUBJECT: Acceptance of Work and Notice of Completion for ACE – Fairway Grade Separation (P.N. 12-3262)

Action/Discussion Fiscal Impact Resolution Information Only

Recommendation

1. Accept the work as installed for the project listed below.
2. Authorize the filing of Notice of Completion for the project listed below.

<u>Project</u>	<u>Description</u>	<u>Contractor</u>
12-3262	ACE – Fairway Grade Separation	Doty Bros. Equipment Co.

Background Information

The contractor has completed work on the following project and all work has been performed in accordance with the contract documents. The project description and vicinity map is attached.

Attachments
Notice of Completion
Project Description
Vicinity Map

RECORDING REQUESTED BY:

Walnut Valley Water District

WHEN RECORDED MAIL TO:

Walnut Valley Water District
271 South Brea Canyon Road
Walnut, CA 91789

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

NOTICE OF COMPLETION

Notice is hereby given that:

Walnut Valley Water District, a California Water District, hereby requests this Notice of Completion be filed for the installation of a water distribution system (vicinity map attached).

The work of improvement was completed on December 7, 2022. The contractor for said work of improvement was Doty Bros. Equipment Co. The name and address of the contractor's surety is Fidelity and Deposit Company of Maryland, 1299 Zurich Way, 5th Floor, Schaumburg, Illinois 60196-1056.

The property upon which work of improvement was completed is in the City of Industry, County of Los Angeles, State of California and is described as follows:

ACE Fairway Grade Separation
Project No.: 12-3262

Dated: January 18, 2023

WALNUT VALLEY WATER DISTRICT

By: _____
Erik Hitchman, General Manager

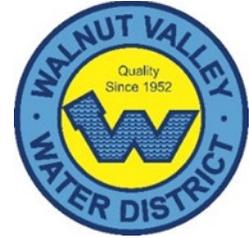
VERIFICATION

The undersigned declares that he is the Secretary of the public corporation that executed the foregoing notice as owner of the interest on the property described therein, that he makes this verification on behalf of said corporation, that he has read said notice and knows its contents, and that the facts therein are true to the best of his knowledge and belief.

The undersigned declares under penalty of perjury that the foregoing is true and correct.
Executed at Walnut, California this 18th day of January, 2023.

By: _____
Erik Hitchman

WALNUT VALLEY WATER DISTRICT
271 S. Brea Canyon Road
Walnut, CA 91789



PROJECT DESCRIPTION:

- **Project Name:**
ACE Fairway Grade Separation – Water Facilities Relocation
P.N. 12-3262
- **Location:**
City of Industry –On Fairway Drive between Business Parkway and Walnut Drive.
- **Background:**
The Alameda Corridor-East (ACE) Construction Authority proposed a grade separation on Fairway Drive between Business Parkway and Walnut Drive. The ACE project also included the street widening of Walnut Drive. Due to ACE’s project, in a previous phase of work, the District’s 20” recycled water main was relocated to an easement west of Fairway Drive, within private property. The metered services, fire hydrants, and fire service located on Fairway Drive, Business Parkway, and Walnut Drive were relocated behind the new curb. The 16” domestic water main was removed to accommodate the lowering of the street. The District is now in the last phase of this project. Construction in this phase includes the replacement of the 16” domestic water main in Fairway Drive as ACE is finalizing the grade separation.
- **Scope of Work:**
The District designed project consisted of the abandonment of 1,073 linear feet of 20” recycled main, 445 linear feet of 12” recycled main, 253 linear feet of 24” domestic main, 88 linear feet of 21” domestic main, 185 linear feet of 20” domestic main, 640 linear feet of 16” domestic main, and 540 linear feet of 12” domestic main; installation of approximately 1,215 linear feet of 20” recycled water main, 1,263 linear feet of 16” domestic water main, 485 linear feet of 12” domestic water main, 444 linear feet of 12” recycled water main, 964 linear feet of 6” recycled water main, 2 fire services, 2 fire hydrants, 1 blow-off, 4 domestic services, 3 recycled services, 3 recycled manual air releases, 1 domestic air/vac., and 1 recycled air/vac.; relocation of 2 fire services, 2 fire hydrants, 4 domestic meters, 1 recycled meter; and reconnection of 1 fire hydrant and 2 recycled meters.

The last phase of construction consists of the installation of 578 linear feet of the total 1,263 linear feet of 16” domestic water main replacement, 1 blow-off, and 1 domestic service and reconnection of 1 domestic air/vac and 1 recycled air/vac.
- **Benefits:**
The project will ensure the customers with continuous water supply and reliability.

CONTRACTOR: Doty Bros Equipment co.
• ***Contract Award Date:*** July 25, 2022

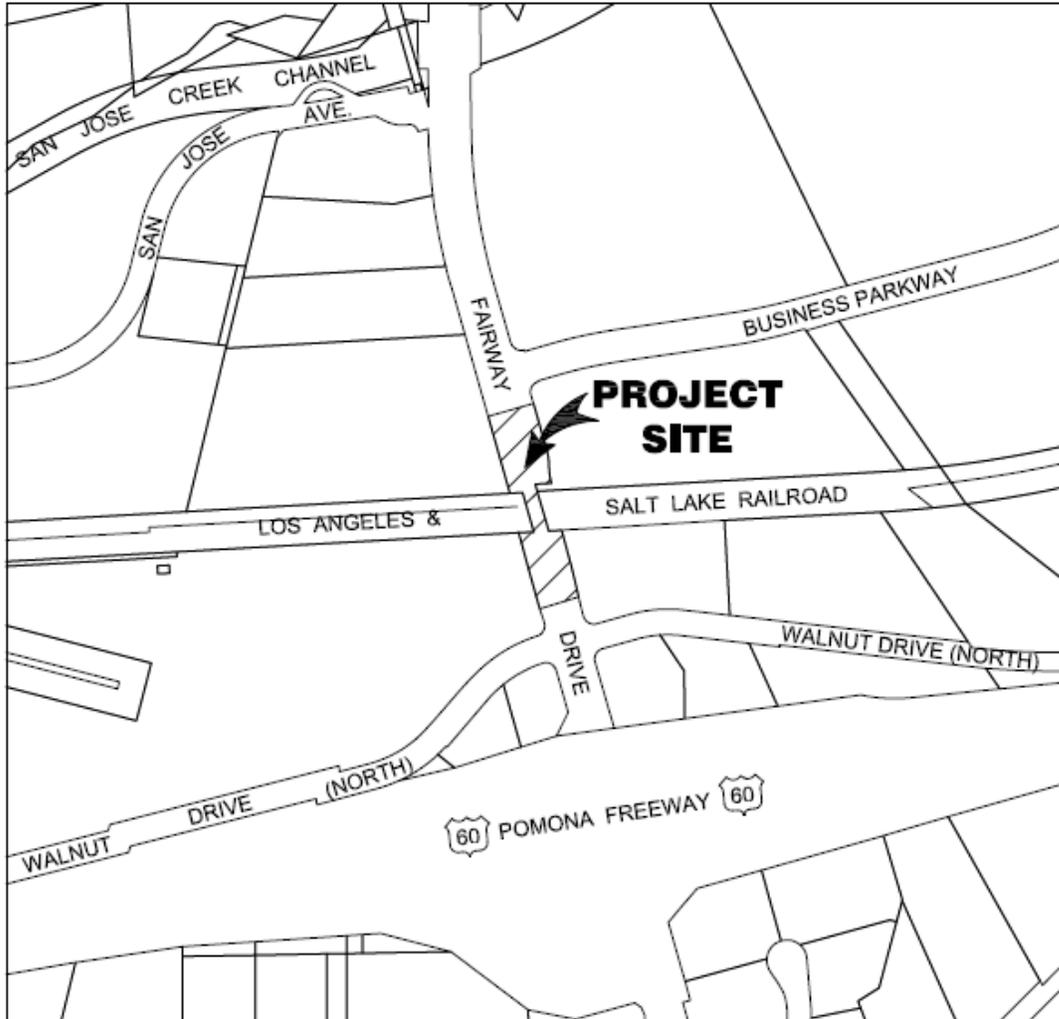
<u>SCHEDULES:</u>	<u>CONTRACT DOCUMENTS:</u>	<u>ACTUAL:</u>
• <i>Contract Duration:</i>	32 Working Days	
• <i>Construction Began:</i>	August 11, 2022	October 10, 2022
• <i>Construction Ends:</i>	September 27, 2022	December 7, 2022

TOTAL PROJECT COSTS:

- ***Original Contract Amount:*** \$116,340.00
- ***Net Change Order Amount:***
- ***Revised Contract Amount:***

PROJECT CONTACTS: Sheryl L. Shaw

WALNUT VALLEY WATER DISTRICT
271 S. Brea Canyon Road
Walnut, CA 91789



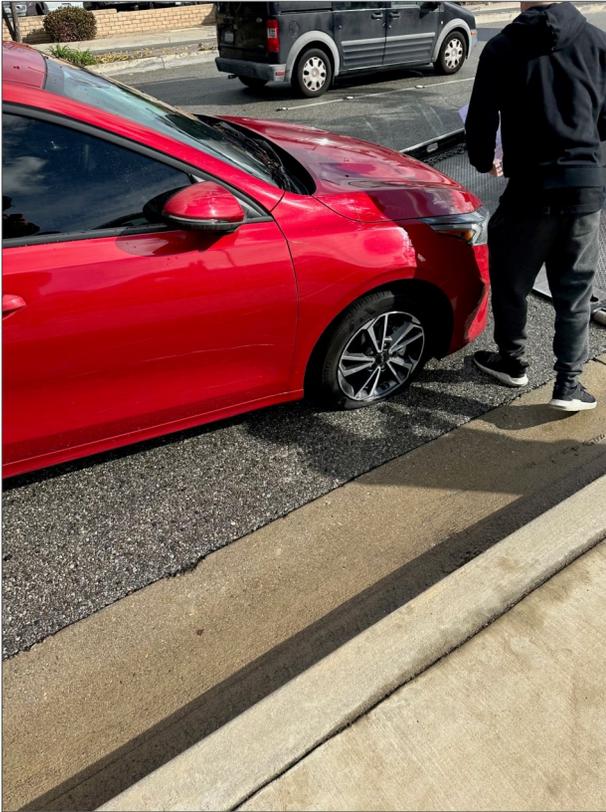
VICINITY MAP
N.T.S.

OPERATIONS DEPARTMENT REPORT
December 2022, Monthly Report

PROJECT NO.	PROJECT DESCRIPTION	STATUS
N/A	Watermain and water service repair	<p><u>Repair Water Service Leaks:</u> 3009 Vermillion Street, West Covina. 1448 Bookman Avenue, 20324 Elkwood Road, 338 Calle Becerra, 20540 & 20482 Varsity Drive, 20436 & 20604 Collegewood Drive, Walnut. 23038 Rio Lobos Road, 970 Looking Glass Drive Diamond Bar.</p> <p><u>Water Valves:</u> Windsong Circle at Daybreak Drive, Walnut.</p> <p><u>Replaced Angle Meter Stops:</u> 21211 Windsong Circle, Walnut. 1738 Maple Hill Road, Diamond Bar.</p> <p><u>Replaced Copper Setters:</u> None for month.</p> <p><u>Water Main:</u> 2243 Feather Rock Road, Diamond Bar</p> <p><u>Water System/Miscellaneous Work:</u></p> <p>Oparc completed Fire Hydrant Routes: 15-02</p> <p>Spoils Hauled to Azusa Dump - 4 loads.</p> <p>Get Reads: C1/1, M1/146, R1/25, W1/46, W2/208, W3/832, W4/50.</p> <p>Turn off's: M1/4, R1/0, W1/0, W2/1, W3/0, W4/0.</p> <p>Diamond Bar Residential Area 1- Chip and Change.</p>
NA	Repair of sheared blowoffs, fire hydrants and air-vac assemblies	Grand Ave at Diamond Bar Blvd, Diamond Bar. Hit fire hydrant
19-3592	CDMA-AMI Replacement Project	Concord completed replacement of 7,402 CDMA (3G-Technology) Meter Endpoints.
22-3374	Pathfinder Reservoir/Pump Station	Completed construction of pony wall and installed drain on eastern wall of the station.
22-3766	Diamond Bar Creek Restoration	Installed 2" Recycled Temporary Meter
20-3664	Mixer/Analyzer Installations	Completed- Redwave Electric installation of Eldertree Mixer/Analyzers.
19-3601	Terminal Storage Hydro Automation	Installation ongoing.
21-3717	RCS Mixing System Terminal Storage	Installation ongoing. Analyzer cabinets and conduit being installed.
N/A	Production Facility Maintenance	<p><u>Pump and Motor Maintenance:</u> None for this month.</p> <p><u>Pump Station Maintenance:</u> None for this month.</p> <p><u>Facility/Miscellaneous Work:</u></p> <p>Monthly PWR & BGTM Inspection</p> <p>Monthly Intertie Reads Potable & Recycled</p> <p>Monthly Pulled Recycled Well Static & Pumping Levels</p> <p>Monthly THM's Inlet Samples</p> <p>Quarterly Badillo/Grand Meter Calibration Test</p> <p>Sodium Hypochlorite Delivery- 2,758 Gallons</p> <p>Liquid Ammonia Sulfate (LAS) Delivery- 685 Gallons</p> <p>Operating Sylvan Glen Emergency Fill- Due to PN 22-3628 Diamond Pump Station Project</p>
N/A	Total trihalomethanes (TTHMs) Graph	Water quality meets all state and federal standards.

Hit Fire Hydrant

Grand Ave at Diamond Bar Blvd, Diamond Bar





POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

WATER USE DISTRIBUTION & BILLING

NOVEMBER 2022

CONSUMPTION PER AGENCY (Per PWR Meter Reads)		
	Water Consumption (Acre-feet)	Allocation %
Pomona	126.584	13.782%
Walnut	484.657	52.769%
Rowland	307.208	33.449%
LaVerne	-	0.000%
TOTAL	918.449	100.000%

WATER PRODUCTION (ACTUAL)		
	Water Consumption (Acre-feet)	Allocation %
MWD	775.60	83.958%
TVMWD	148.20	16.042%
LaVerne	-	0.000%
Total	923.800	100.000%
PWR	918.449	
Difference	5.351	

CALCULATION OF AGENCY WATER CONSUMPTION (Water consumption billed to each agency based on amount of water purchased from MWD & TVMWD)							
Connection / Description	Billing Difference Allocation (Acre-feet)	Adj. Agency Consumption (Acre-Feet)	Adj. Agency Consumption for Billing (Rounded)	Water Purchased - MWD	Water Purchased - TVMWD	Water Purchased - LaVERNE WELL	Total Water Purchased (Acre-feet)
				83.958%	16.042%	0.000%	100.000%
Pomona	126.584	0.737	127.321	127.3	106.9	20.4	127.3
Walnut	484.657	2.824	487.481	487.5	409.3	78.2	487.5
Rowland	307.208	1.790	308.998	309.0	259.4	49.6	309.0
LaVerne	-	-	-	-	-	-	-
TOTAL	918.449	5.351	923.800	923.8	775.6	148.2	923.8

BILLING CHARGES PER AGENCY											
		MWD PM-15	TVMWD PM-21	MWD Capacity Reservation	TVMWD Connected Capacity	TVMWD Water Use Charge	Depreciation	Replacement	Admin Budget Assessment	MWD LRP Rebate Program	Billing Total
City of Pomona	Cons. (AF)	106.9	20.4								
	Allocation %			30.43%	52.00%	21.91%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,127.00	\$ 1,127.00	\$ 29,813.50	\$ 6,757.84	\$ 6,492.69	\$ -	\$ -	\$ -	\$ (100.00)	
	Total	\$ 120,471.82	\$ 23,019.50	\$ 9,072.25	\$ 3,514.08	\$ 1,422.55	\$ -	\$ -	\$ -	\$ -	\$ 157,500.20
Walnut Valley Water District	Cons. (AF)	409.3	78.2								
	Allocation %			43.48%	28.00%	49.48%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,127.00	\$ 1,127.00	\$ 29,813.50	\$ 6,757.84	\$ 6,492.69	\$ -	\$ -	\$ -	\$ (100.00)	
	Total	\$ 461,255.08	\$ 88,135.64	\$ 12,962.91	\$ 1,892.20	\$ 3,212.58	\$ -	\$ -	\$ -	\$ -	\$ 567,458.41
Rowland Water District	Cons. (AF)	259.4	49.6								
	Allocation %			26.09%	20.00%	28.61%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,127.00	\$ 1,127.00	\$ 29,813.50	\$ 6,757.84	\$ 6,492.69	\$ -	\$ -	\$ -	\$ (100.00)	
	Total	\$ 292,374.29	\$ 55,866.26	\$ 7,778.34	\$ 1,351.57	\$ 1,857.56	\$ -	\$ -	\$ -	\$ -	\$ 359,228.02
City of LaVerne	Cons. (AF)	-	-								
	Allocation %			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
	Billing Rate	\$ 1,127.00	\$ 1,127.00	\$ 29,813.50	\$ 6,757.84	\$ 6,492.69	\$ -	\$ -	\$ -	\$ (100.00)	
	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total (A.F.)		775.6	148.2								923.8
Total (\$)		\$ 874,101.19	\$ 167,021.40	\$ 29,813.50	\$ 6,757.85	\$ 6,492.69	\$ -	\$ -	\$ -	\$ -	\$ 1,084,186.63



POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

WATER USE DISTRIBUTION & BILLING

DECEMBER 2022

CONSUMPTION PER AGENCY (Per PWR Meter Reads)		
	Water Consumption (Acre-feet)	Allocation %
Pomona	156.084	15.969%
Walnut	549.425	56.212%
Rowland	271.910	27.819%
LaVerne	-	0.000%
TOTAL	977.419	100.000%

WATER PRODUCTION (ACTUAL)		
	Water Consumption (Acre-feet)	Allocation %
MWD	688.60	69.220%
TVMWD	306.20	30.780%
LaVerne	-	0.000%
Total	994.800	100.000%
PWR	977.419	
Difference	17.381	

CALCULATION OF AGENCY WATER CONSUMPTION (Water consumption billed to each agency based on amount of water purchased from MWD & TVMWD)							
Connection / Description	Billing Difference Allocation (Acre-feet)	Adj. Agency Consumption (Acre-Feet)	Adj. Agency Consumption for Billing (Rounded)	Water Purchased - MWD	Water Purchased - TVMWD	Water Purchased - LaVERNE WELL	Total Water Purchased (Acre-feet)
				69.220%	30.780%	0.000%	100.000%
Pomona	156.084	2.776	158.860	158.9	110.0	48.9	158.9
Walnut	549.425	9.770	559.195	559.2	387.1	172.1	559.2
Rowland	271.910	4.835	276.745	276.7	191.6	85.2	276.7
LaVerne	-	-	-	-	-	-	-
TOTAL	977.419	17.381	994.800	994.8	688.6	306.2	994.8

BILLING CHARGES PER AGENCY											
		MWD PM-15	TVMWD PM-21	MWD Capacity Reservation	TVMWD Connected Capacity	TVMWD Water Use Charge	Depreciation	Replacement	Admin Budget Assessment	MWD LRP Rebate Program	Billing Total
City of Pomona	Cons. (AF)	110.0	48.9								
	Allocation %			30.43%	52.00%	21.91%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,127.00	\$ 1,127.00	\$ 29,813.50	\$ 6,757.84	\$ 6,492.69	\$ 5,699.00	\$ 4,592.00	\$ 25,200.00	\$ (100.00)	
	Total	\$ 123,927.74	\$ 55,106.99	\$ 9,072.25	\$ 3,514.08	\$ 1,422.55	\$ 1,424.75	\$ 1,148.00	\$ 8,400.00	\$ -	\$ 204,016.36
Walnut Valley Water District	Cons. (AF)	387.1	172.1								
	Allocation %			43.48%	28.00%	49.48%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,127.00	\$ 1,127.00	\$ 29,813.50	\$ 6,757.84	\$ 6,492.69	\$ 7,734.00	\$ 12,102.00	\$ 25,200.00	\$ (100.00)	
	Total	\$ 436,233.06	\$ 193,979.90	\$ 12,962.91	\$ 1,892.20	\$ 3,212.58	\$ 1,933.50	\$ 3,025.50	\$ 8,400.00	\$ -	\$ 661,639.65
Rowland Water District	Cons. (AF)	191.6	85.2								
	Allocation %			26.09%	20.00%	28.61%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,127.00	\$ 1,127.00	\$ 29,813.50	\$ 6,757.84	\$ 6,492.69	\$ 5,556.00	\$ 7,640.00	\$ 25,200.00	\$ (100.00)	
	Total	\$ 215,891.40	\$ 96,000.50	\$ 7,778.34	\$ 1,351.57	\$ 1,857.56	\$ 1,389.00	\$ 1,910.00	\$ 8,400.00	\$ -	\$ 334,578.37
City of LaVerne	Cons. (AF)	-	-								
	Allocation %			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
	Billing Rate	\$ 1,127.00	\$ 1,127.00	\$ 29,813.50	\$ 6,757.84	\$ 6,492.69	\$ -	\$ -	\$ -	\$ (100.00)	
	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total (A.F.)		688.6	306.2								994.8
Total (\$)		\$ 776,052.20	\$ 345,087.39	\$ 29,813.50	\$ 6,757.85	\$ 6,492.69	\$ 4,747.25	\$ 6,083.50	\$ 25,200.00	\$ -	\$ 1,200,234.38

February 2023



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29	30	31	1 8AM TVMWD Board Meeting	2 7AM PBWA Meeting	3	4
5	6	7 6:30 PM Diamond Bar City Council Meeting	8 7PM Walnut City Council Meeting	9 4PM PWR Meeting	10	11
12	13 4PM Public Info Committee 4:30 PM Finance Committee	14 4PM Engineering Committee 4:30 PM Personnel Committee	15 8AM TVMWD Board Meeting	16	17	18
19  President's Day - District Closed	20	21 5PM WVWD Board Meeting 6:30 PM Diamond Bar City Council Meeting	22 7PM Walnut City Council Meeting	23 4PM WVWD Workshop Meeting	24	25
26	27	28	1	2	3	4
5	6	Notes				

March 2023



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26	27	28	1 8AM TVMWD Board Meeting	2	3	4
5	6	7 6:30 PM Diamond Bar City Council Meeting	8 7PM Walnut City Council Meeting	9	10	11
12	13 4PM Public Info Committee 4:30 PM Finance Committee	14 8:30 AM Puente Basin Watermaster 4 PM Engineering Comm 4:30 PM Personnel Comm	15 8AM TVMWD Board Meeting	16	17	18
19	20 5PM WVWD Board Meeting	21 6:30 PM Diamond Bar City Council Meeting	22 7PM Walnut City Council Meeting	23 4PM WVWD Workshop Meeting	24	25
26	27	28	29	30	31	1

April 2023



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26	27	28	29	30	31	1
2	3	4 8:30 AM Puente Basin Watermaster 6:30 PM Diamond Bar City Council Meeting	5 8AM TVMWD Board Meeting	6 7AM PBWA Meeting	7	8
9	10 4PM Public Info Committee 4:30 PM Finance Committee	11 4PM Engineering Committee 4:30 PM Personnel Committee	12 7PM Walnut City Council Meeting	13	14	15
16	17 5PM WVWD Board Meeting	18 6:30 PM Diamond Bar City Council Meeting	19 8AM TVMWD Board Meeting	20 4PM WVWD Workshop Meeting	21	22
23	24	25	26 7PM Walnut City Council Meeting	27	28	29
30	1	Notes				

2023 SPRING CONFERENCE & EXHIBITION

MARK YOUR CALENDAR

May 9 - May 11
Monterey, CA

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ACWA conferences are the premier destination for water industry professionals to learn and connect. Program offerings include Statewide Issue Forums, Town Hall discussions, Region Programs and sessions covering a wide range of topics including groundwater management, water rates issues, crisis communications, affordable drinking water issues, municipal finance, and more.

Specific details about this conference will be made available in the future. Please check back for updates.



**WALNUT VALLEY WATER DISTRICT
WATER SUPPLY AND CONSERVATION UPDATE
December 12, 2022
REVISED**



<p>A</p> <p>B</p> <p>C</p>	<p><u>Water Use</u> – Water usage for November 2022 was 1,097 acre feet, a decrease of 20% compared to November 2020 and a decrease of 30% from November 2013. The average inflow into the system during the month was approximately 17.87 cfs (8,020 gallons per minute).</p> <p><u>Recycled Water Use</u> – During the month of November the recycled water system delivered 1,103,898 G.P.D., a decrease of 39% compared to the use in November 2021. Of the recycled water delivered, 0.41% was from the District wells and no potable make-up water was used.</p> <p><u>Production Report</u> – attached are:</p> <ul style="list-style-type: none"> ▪ Purchased Water Projections (Two total) ▪ Climate Summary ▪ Monthly Consumption Versus the 2013 and 2020 Baseline Years (Two total) 	<p>Exhibits</p>
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**WALNUT VALLEY WATER DISTRICT
WATER SUPPLY AND CONSERVATION UPDATE
January 17, 2023**

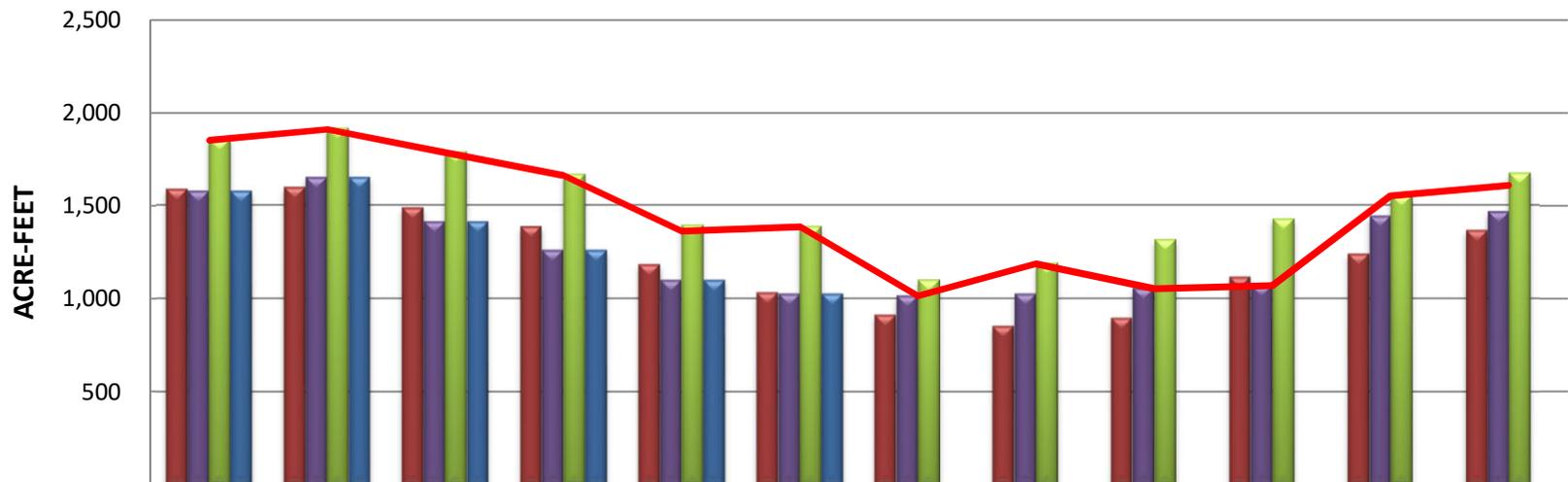


<p>A</p> <p>B</p> <p>C</p>	<p><u>Water Use</u> – Water usage for December 2022 was 1,025.45 acre feet, a decrease of 26% compared to December 2020 and a decrease of 27% from December 2013. The average inflow into the system during the month was approximately 17.26 cfs (7,749 gallons per minute).</p> <p><u>Recycled Water Use</u> – During the month of November the recycled water system delivered 454,229 G.P.D., a decrease of 43% compared to the use in December 2022. Of the recycled water delivered, 1.58% was from the District wells and no potable make-up water was used.</p> <p><u>Production Report</u> – attached are:</p> <ul style="list-style-type: none"> ▪ Purchased Water Projections (Two total) ▪ Climate Summary ▪ Monthly Consumption Versus the 2013 and 2020 Baseline Years (Two total) 	<p>Exhibits</p>
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WALNUT VALLEY WATER DISTRICT
Fiscal Year 2022-2023 Purchased Water Estimate

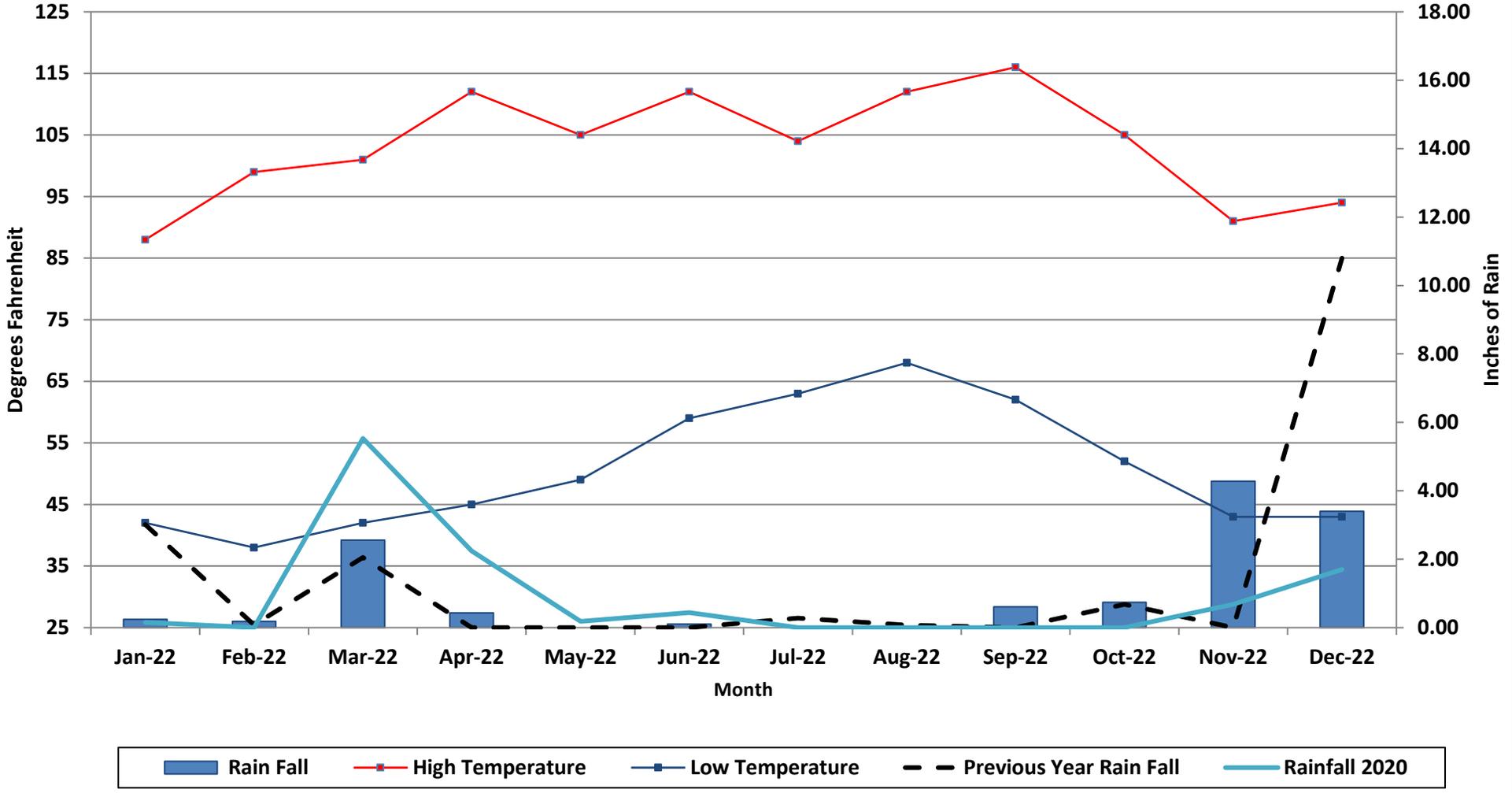
Actual Purchases (AF)		Projected Purchases (AF)				Baseline Year Purchases	
Month	Total	Budget	Low	High	Average	2013	2020
July	1,573	1,585	1,573	1,854	1,749	2,149	1,854
August	1,647	1,594	1,647	1,912	1,779	2,309	1,912
September	1,412	1,485	1,412	1,787	1,616	2,064	1,787
October	1,258	1,383	1,258	1,665	1,448	1,858	1,665
November	1,097	1,181	1,097	1,394	1,285	1,569	1,364
December	1,025	1,030	1,025	1,387	1,150	1,401	1,387
January	-	911	1,015	1,098	1,063	1,156	1,015
February	-	852	1,023	1,188	1,122	1,123	1,188
March	-	893	1,056	1,316	1,167	1,496	1,056
April	-	1,115	1,070	1,426	1,263	1,700	1,070
May	-	1,238	1,442	1,554	1,510	1,904	1,554
June	-	1,364	1,463	1,673	1,582	2,082	1,611
Total	8,011	14,630	15,078	18,253	16,734	20,810	17,461
Remaining Projected Purchases		6,373	7,068	8,254	7,708		
Total Projected Purchases		14,383	15,078	16,265	15,718		

Fiscal Year 2022-2023 Purchased Water



	July	August	September	October	November	December	January	February	March	April	May	June
■ Budget	1,585	1,594	1,485	1,383	1,181	1,030	911	852	893	1,115	1,238	1,364
■ Low	1,573	1,647	1,412	1,258	1,097	1,025	1,015	1,023	1,056	1,070	1,442	1,463
■ High	1,854	1,912	1,787	1,665	1,394	1,387	1,098	1,188	1,316	1,426	1,554	1,673
■ FY 2023	1,573	1,647	1,412	1,258	1,097	1,025	-	-	-	-	-	-
— 2020	1,854	1,912	1,787	1,665	1,364	1,387	1,015	1,188	1,056	1,070	1,554	1,611

Walnut Valley Water District Climate Summary



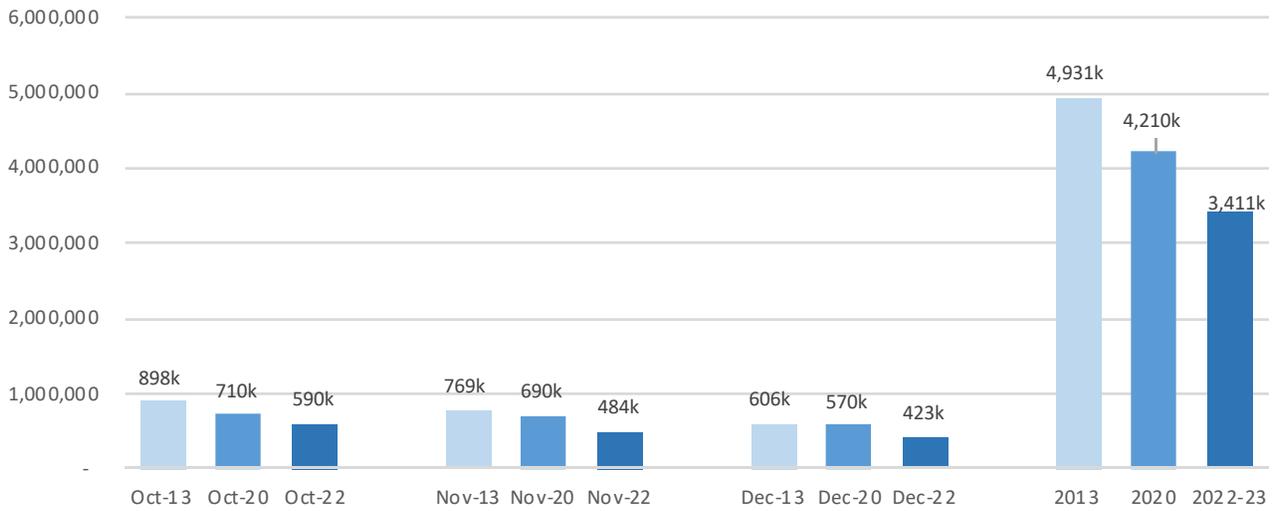
Walnut Valley Water District
 Monthly Consumption Versus 2013 and 2020 Baseline Years

Consumption/Water Sales																				
User Class	October					November					December					YTD (FY 22-23)				
	Oct-13	Oct-20	Oct-22	% Change 2013	% Change 2020	Nov-13	Nov-20	Nov-22	Change	% Change	Dec-13	Dec-20	Dec-22	Change	% Change	2013 YTD	2020 YTD	FY 22-23	% Change 2013	% Change 2020
COG	54,851	40,245	28,501	-48%	-29%	45,006	30,560	27,363	(17,643)	-39%	33,742	20,445	13,895	(19,847)	-59%	287,285	207,975	186,435	-35%	-10%
COM	95,658	71,070	64,669	-32%	-9%	89,223	70,581	54,412	(34,811)	-39%	69,595	57,748	46,393	(23,202)	-33%	539,798	408,122	364,148	-33%	-11%
IND	13,214	11,587	8,147	-38%	-30%	13,714	10,071	7,156	(6,558)	-48%	12,022	8,446	6,382	(5,640)	-47%	77,590	60,118	48,642	-37%	-19%
MUL	80,692	74,198	66,264	-18%	-11%	75,248	73,966	58,813	(16,435)	-22%	61,002	62,178	49,103	(11,899)	-20%	456,871	435,981	379,359	-17%	-13%
RES	654,001	513,332	422,167	-35%	-18%	546,052	504,668	335,859	(210,193)	-38%	429,303	420,842	306,829	(122,474)	-29%	3,569,314	3,097,434	2,432,534	-32%	-21%
	898,416	710,432	589,748	-34%	-17%	769,243	689,846	483,603	(285,640)	-37%	605,664	569,659	422,602	(183,062)	-30%	4,930,858	4,209,630	3,411,118	-31%	-19%
IRRIGATION																				
User Class	IRRIGATION					IRRIGATION					IRRIGATION					YTD IRRIGATION				
	Oct-13	Oct-20	Oct-22	% Change 2013	% Change 2020	Nov-13	Nov-20	Nov-22	Change	% Change	Dec-13	Dec-20	Dec-22	Change	% Change	2013 YTD	2020 YTD	FY 22-23	% Change 2013	% Change 2020
COG	33,685	28,134	16,747	-50%	-40%	28,767	21,607	16,732	(12,035)	-42%	20,529	14,125	6,032	(14,497)	-71%	184,548	149,244	117,595	-36%	-21%
COM	33,660	28,832	20,732	-38%	-28%	28,388	27,214	14,812	(13,576)	-48%	18,794	19,517	9,877	(8,917)	-47%	172,898	161,013	112,819	-35%	-30%
IND	2,072	2,042	927	-55%	-55%	2,204	145	854	(1,350)	-61%	1,320	837	707	(613)	-46%	12,004	7,958	6,686	-44%	-16%
RES	321	216	153	-52%	-29%	271	85	103	(168)	-62%	258	110	92	(166)	-64%	1,777	900	803	-55%	-11%
	69,738	59,224	38,559	-45%	-35%	59,630	49,051	32,501	(27,129)	-45%	40,901	34,589	16,708	(24,193)	-59%	371,227	319,115	237,903	-36%	-25%
RESIDENTIAL																				
Residential	RESIDENTIAL				RESIDENTIAL				RESIDENTIAL				YTD RESIDENTIAL							
	Tier I	Tier II	Tier III	Total	Tier I	Tier II	Tier III	Total	Tier I	Tier II	Tier III	Total	Tier I	Tier II	Tier III	Total	Tier I	Tier II	Tier III	Total
2013	277,665	277,554	98,782	654,001	267,823	216,199	62,030	546,052	250,744	142,104	36,455	429,303	1,629,171	1,470,206	469,937	3,569,314				
2020	208,520	252,498	52,314	513,332	208,727	244,479	51,462	504,668	202,118	187,874	30,850	420,842	1,251,395	1,526,787	319,252	3,097,434				
FY 22-23	196,151	183,202	42,814	422,167	186,886	127,715	21,258	335,859	181,553	109,551	15,725	306,829	1,172,880	1,059,860	199,794	2,432,534				
% Change 2013	-29%	-34%	-57%	-35%	-30%	-41%	-66%	-38%	-28%	-23%	-57%	-29%	-28%	-28%	-57%	-32%				
% Change 2020	-6%	-27%	-18%	-18%	-10%	-48%	-59%	-33%	-10%	-42%	-49%	-27%	-6%	-31%	-37%	-21%				

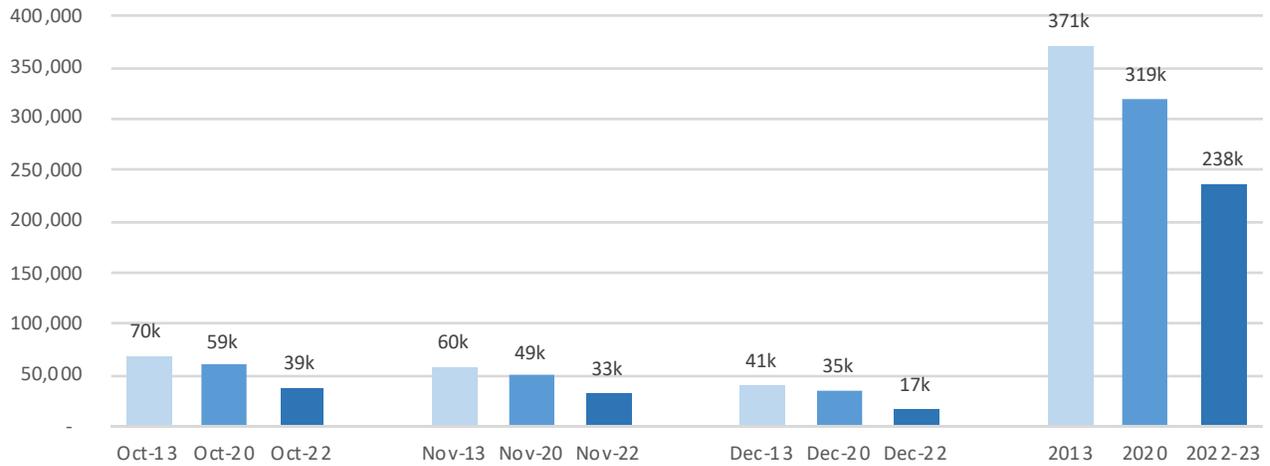
Water Purchases							
	July	August	September	October	November	December	Total
2013	2,148.67	2,308.73	2,063.59	1,858.07	1,569.13	1,569.13	11,517.32
2020	1,853.69	1,912.15	1,786.74	1,665.24	1,363.83	1,363.83	9,945.49
FY 22-23	1,572.75	1,646.57	1,411.50	1,257.53	1,096.71	1,025.45	8,010.51
% Change 2013	-27%	-29%	-32%	-32%	-30%	-35%	-30%
% Change 2020	-15%	-14%	-21%	-24%	-20%	-25%	-19%

WALNUT VALLEY WATER DISTRICT
CONSUMPTION DATA - CURRENT YEAR VERSUS 2013 & 2020 BASELINE

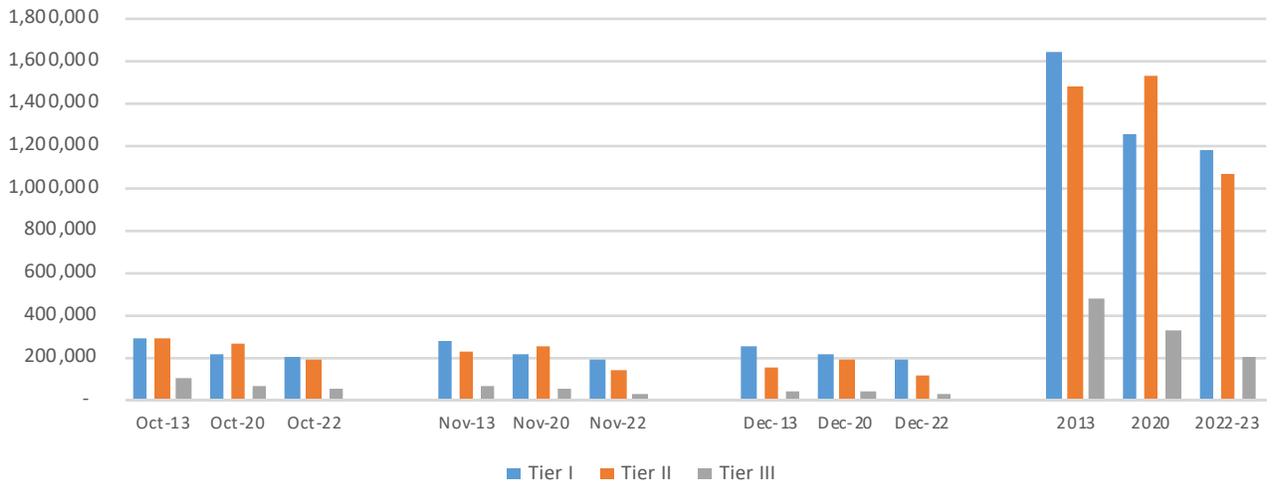
YTD Consumption Versus 2013 & 2020 Baseline



Irrigation Consumption Versus 2013 & 2020 Baseline



Residential Tiers Versus 2013 & 2020 Baseline

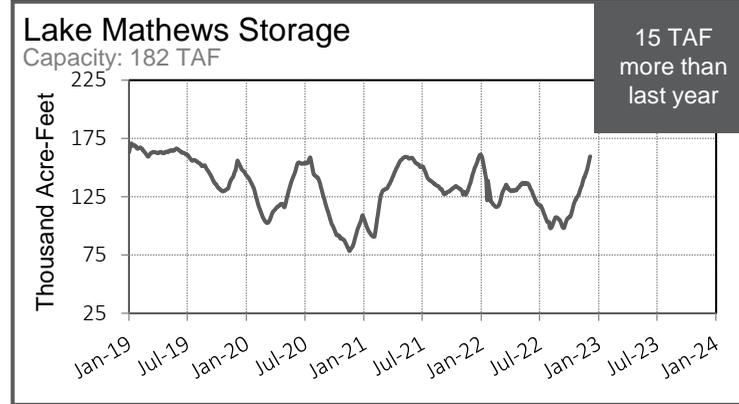
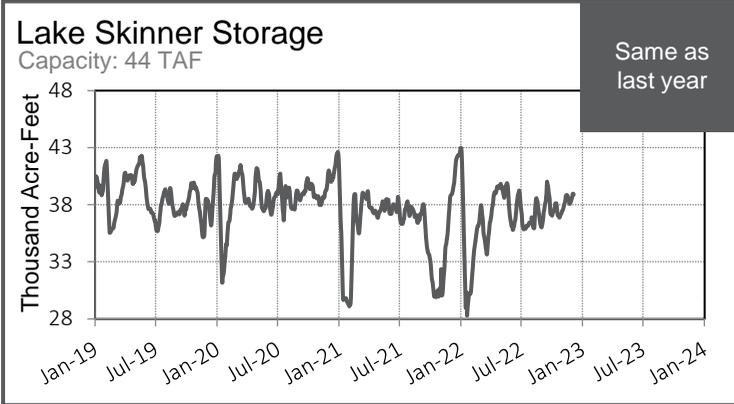
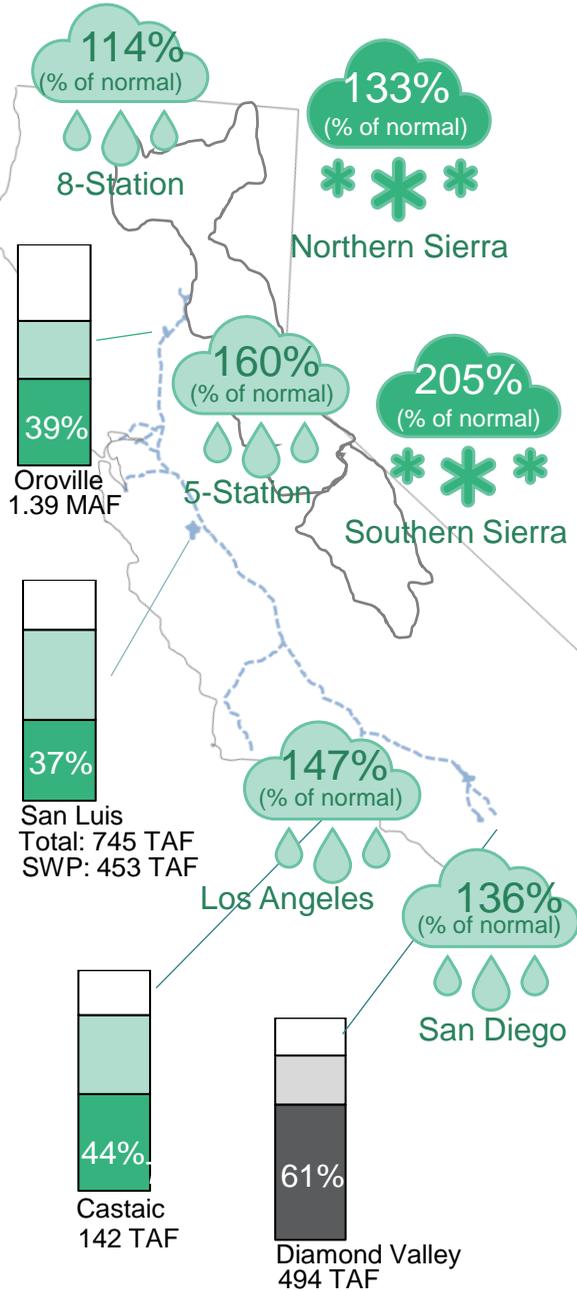




SWP Table A – 5% - 95,575 AF

Projected CRA Diversions – 1,136,000 AF

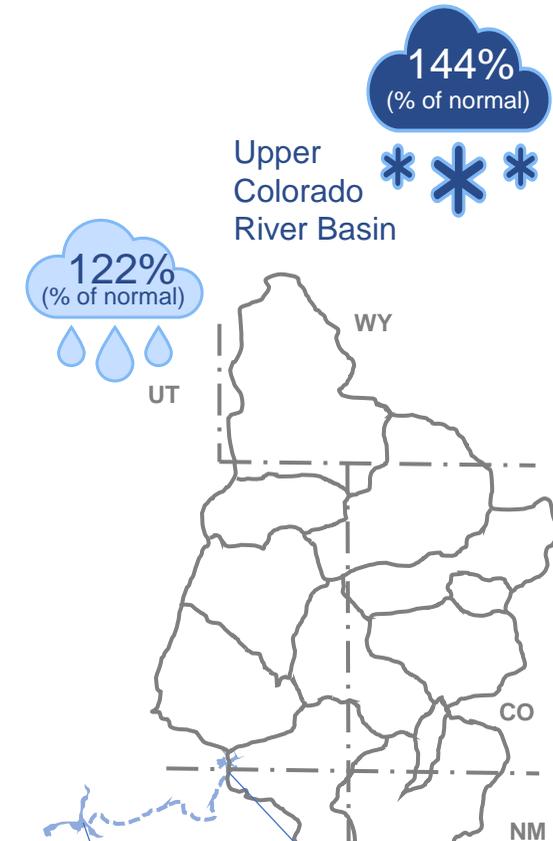
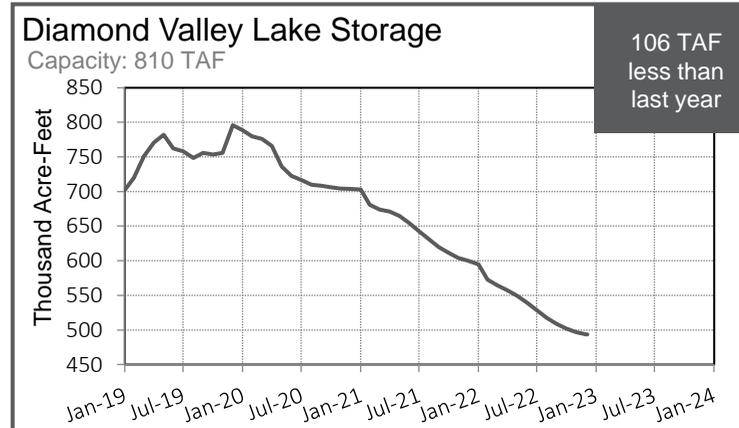
Metropolitan Resources



MWD WSDM Storage

Calendar Year 2022

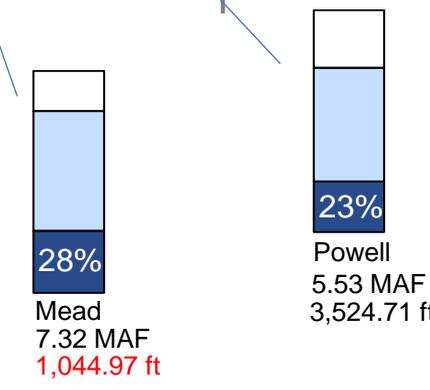
	Net Projected Take
Colorado River Aqueduct Delivery System	68 TAF
State Water Project System	159 TAF
In-Region Supplies and WSDM Actions	109 TAF
Other Programs	11 TAF
Total WSDM Projected Storage Take	347 TAF



Highlights

- Sacramento River Runoff Forecast including the December storms will be released on January 10, 2023.
- For more information on the current drought, including the Emergency Conservation Program tracking:
 - <https://www.mwdh2o.com/how-we-plan/drought/>

This report is produced by the Water Resource Management Group and contains information from various federal, state, and local agencies. The Metropolitan Water District of Southern California cannot guarantee the accuracy or completeness of this information. Readers should refer to the relevant state, federal, and local agencies for additional or for the most up to date water supply information. Reservoirs, lakes, aqueducts, maps, watersheds, and all other visual representations on this report are not drawn to scale. Questions? Email mferreira@mwdh2o.com

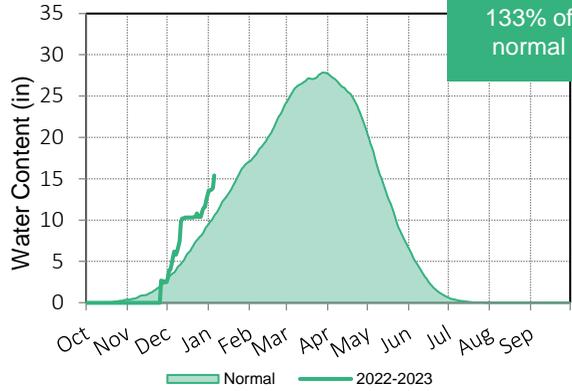


State Water Project Resources

As of: 01/04/2023

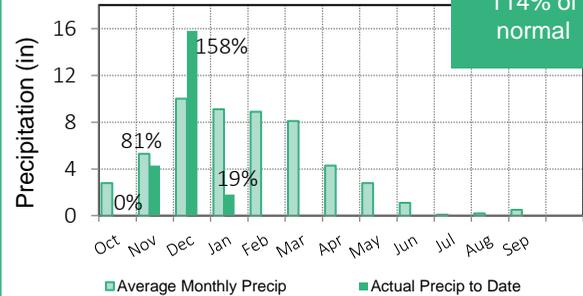
Northern Sierra Snowpack

13.9 in
133% of normal



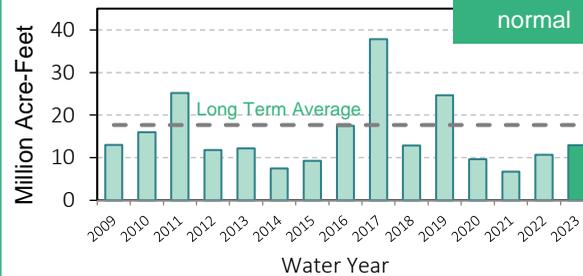
8 Station Index Precipitation

21.9 in
114% of normal



Sacramento River Runoff

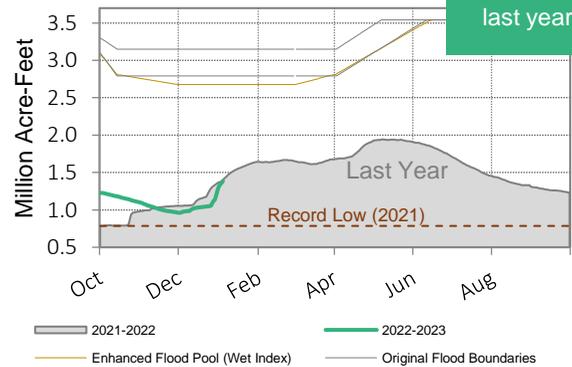
Forecast:
73% of normal



Oroville Reservoir Storage

Capacity: 3.54 MAF

15 TAF
less than last year



Other SWP Supplies

Calendar Year 2023

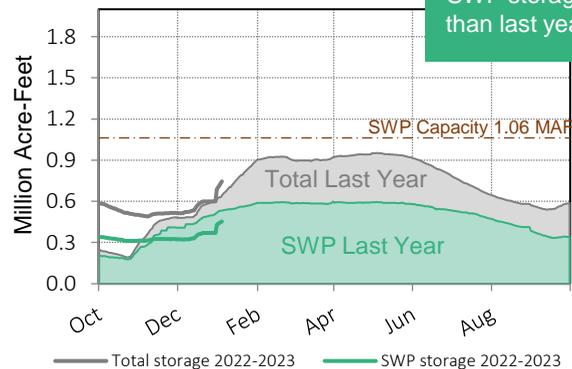
Carryover 24,000 AF (Est.)

Human Health and Safety 195,000 AF

San Luis Reservoir Storage

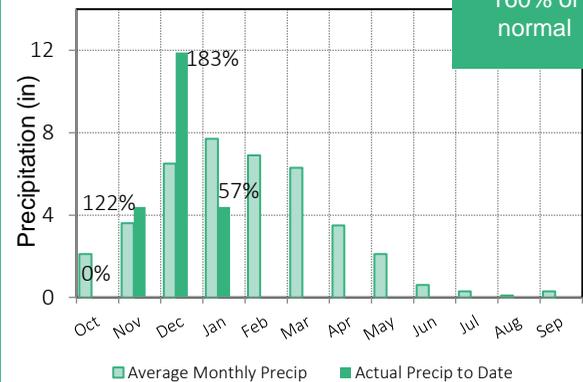
Capacity: 2.04 MAF

79 TAF less
SWP storage
than last year



5 Station Index Precipitation

20.7 in
160% of normal

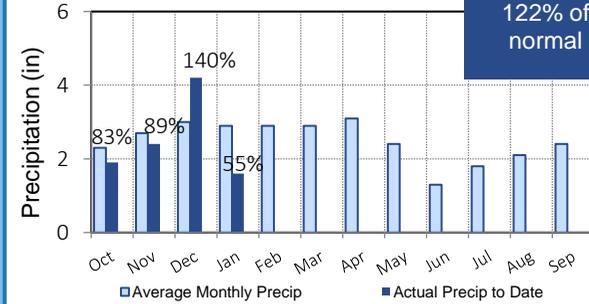


Colorado River Resources

As of: 01/04/2023

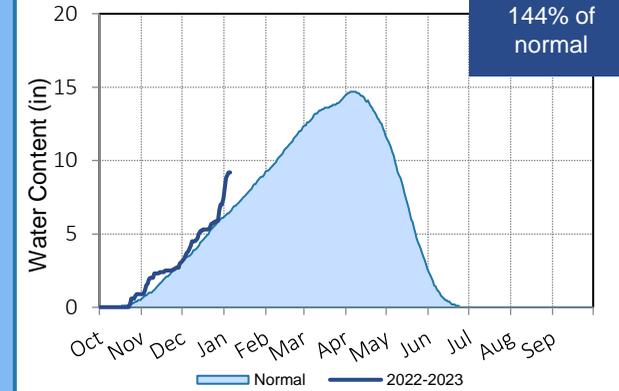
Upper Colorado Precipitation

9.2 in
122% of normal



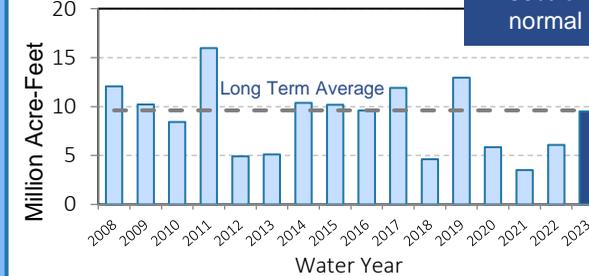
Upper Colorado Snowpack

5.3 in
144% of normal



Powell Unregulated Inflow

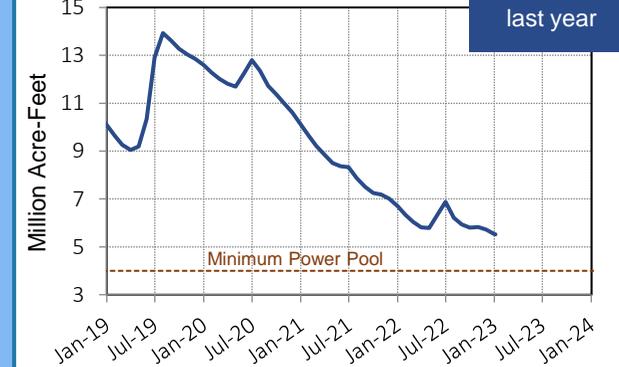
Forecast:
99% of normal



Lake Powell Storage

Capacity: 24.3 MAF

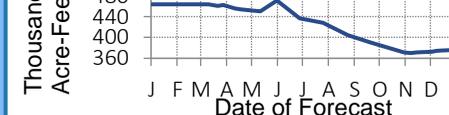
1.14 MAF
less than last year



PVID/Yuma Agricultural Use

Annual Forecasted for 2022

Unofficial Use
for 2022:
376 TAF



Projected Lake Mead ICS

Calendar Year 2023

Put (+) / Take (-)
-8,000 AF

Lake Mead Surplus/Shortage Outlook

	2023	2024	2025	2026
Surplus	0%	0%	0%	0%
Shortage	100%	93%	100%	93%
Metropolitan		77%	71%	67%
DCP*		282 TAF	302 TAF	293 TAF

Likelihood based on results from the August 2022 CRMS in Ensemble Model/CRSS model run. Includes DCP Contributions.

* Chance of required DCP contribution by Metropolitan. Volume is average contribution when needed.

Lake Mead Storage

Capacity: 26.1 MAF

1.59 MAF
less than last year



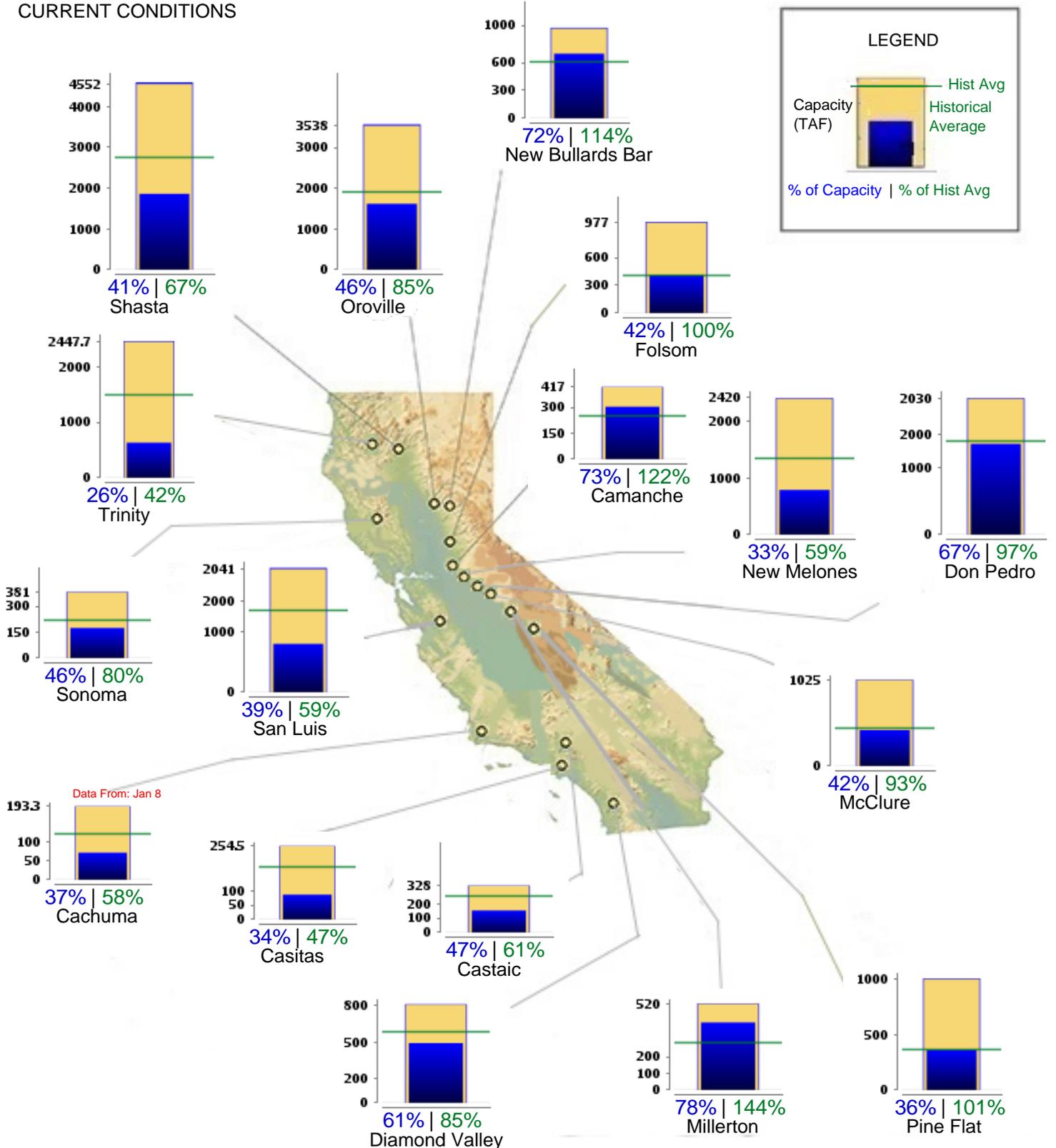


CURRENT RESERVOIR CONDITIONS

CALIFORNIA MAJOR WATER SUPPLY RESERVOIRS

Midnight - January 9, 2023

CURRENT CONDITIONS



WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
DATE: January 17, 2023
SUBJECT: Consideration of Annual Board Commission and Agency Assignment Selections for Calendar Year 2023

Action/Discussion Fiscal Impact Resolution Information Only

Recommendation

That President Hilden appoint District representatives to commission and agency assignments for calendar year 2023.

Background Information

At the December 12, 2022 Board meeting, the Board approved the 2023 Standing Committee assignments and deferred approval of the commission/agency assignments to the January 17, 2023 Board meeting. The Board was therefore asked to advise Director Hilden of their interest in serving as District representatives on the commissions and agencies listed on the attached list.

The roster of 2022 composition of Commission/Agency assignments is attached for President Hilden consideration.

Attachments as noted



Commission/Agency Assignments

Position	2022
Joint Water Line Commissioner*	Scarlett P. Kwong
Joint Water Line Commissioner – Alternate*	Edwin Hilden
Puente Basin Water Agency Representative*	Theresa Lee
Puente Basin Water Agency Representative*	Jerry Tang
Puente Basin Water Agency Representative – Alternate*	Scarlett P. Kwong
TVMWD Representative	Edwin Hilden
TVMWD Representative – Alternate	Kevin Hayakawa
JPIA Board Member	Theresa Lee
JPIA Board Member – Alternate	Edwin Hilden
JPIA Property Program Committee Member	Theresa Lee
ACWA Voting Delegate	Edwin Hilden
ACWA Voting Delegate – Alternate	Kevin Hayakawa
ACWA Region 8 Delegate	Theresa Lee
ACWA Region 8 Delegate – Alternate	Kevin Hayakawa
Regional Chamber Representative	Scarlett Kwong
Regional Chamber Representative – Alternate	Edwin Hilden
Spadra Basin Executive Committee Member*	Jerry Tang
Spadra Basin Executive Committee Member—Alternate*	Theresa Lee

** Approved by resolution*

Ad Hoc Committee	
Debt Ad Hoc (established March 18, 2021)	Theresa Lee Jerry Tang

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
DATE: January 17, 2023
SUBJECT: Adoption of Resolutions No. 01-23-717 Appointing Representatives to the Pomona-Walnut-Rowland Joint Water Line Commission

Action/Discussion Fiscal Impact Resolution Information Only

Recommendation

That the Board of Directors approve Resolution No. 01-23-717, appointing representatives to the Pomona-Walnut-Rowland (P-W-R) Joint Water Line Commission.

Background Information

To comply with the P-W-R Joint Water Line Commission Joint Powers Agreement and bylaws, it is necessary to appoint representatives by resolution. A draft resolution for that purpose is attached for review.

Agency	Position
P-W-R Joint Water Line Commission	One Representative / One Alternate

Following adoption, staff will prepare the resolution for signature by President Hilden, and provide copies of the signed resolution to the agency.

Attachments

Resolution No. 01-23-717

RESOLUTION NO. 01-23-717

**RESOLUTION OF THE WALNUT VALLEY WATER DISTRICT
BOARD OF DIRECTORS
APPOINTING REPRESENTATIVES TO THE P-W-R JOINT WATER LINE COMMISSION**

WHEREAS, the Walnut Valley Water District is a contracting public agency with a vested interest in the POMONA-WALNUT-ROWLAND (P-W-R) JOINT WATER LINE; and

WHEREAS, the P-W-R Joint Waterline Commission Bylaws provide that the P-W-R JOINT WATER LINE shall be governed by a Commission consisting of three commissioners, and that the governing body of each of the contracting agencies shall annually appoint one representatives to the Commission and one alternate to serve in the absence of the appointed representative; and,

WHEREAS, each contracting public agency must file with the P-W-R JOINT WATER LINE COMMISSION a certified copy of the resolution appointing the Commissioner and Alternate(s);

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Walnut Valley Water District:

1. That _____, who is a member of the Board of Directors of the Walnut Valley Water District, shall be appointed as representative of the Walnut Valley Water District to serve on the P-W-R JOINT WATER LINE COMMISSION.
2. That _____, who is a member of the Board of Directors of the Walnut Valley Water District, shall be appointed as an alternate representative of the Walnut Valley Water District to serve on the P-W-R JOINT WATER LINE COMMISSION in the absence of the appointed representative.
4. That the representative and the alternate appointed herein shall serve for a term of one year unless removed and replaced at the pleasure of the Board of Directors, or unless such representative or alternate resigns or becomes incapacitated.
5. That a certified copy of this Resolution be provided to the P-W-R JOINT WATER LINE COMMISSION.

**ADOPTED AT A REGULAR MEETING OF THE WALNUT VALLEY WATER DISTRICT HELD
JANUARY 17, 2023.**

**AYES:
NOES:
ABSENT:
ABSTAIN:**

Edwin Hilden
President, Board of Directors

ATTEST:

Erik Hitchman
Secretary, Board of Directors

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
DATE: January 17, 2023
SUBJECT: Adoption of Resolutions No. 01-23-718 Appointing Representatives to the Puente Basin Water Agency

Action/Discussion Fiscal Impact Resolution Information Only

Recommendation

That the Board of Directors approve Resolution No. 01-23-718, appointing representatives to the Puente Basin Water Agency (PBWA).

Background Information

To comply with the PBWA Joint Powers Agreement and bylaws, it is necessary to appoint representatives by resolution. A draft resolution for that purpose is attached for review.

Agency	Position
Puente Basin Water Agency Commission	Two Representatives / One Alternate

Following adoption, staff will prepare the resolutions for signature by President Hilden, and provide copies of the signed resolution to the agency.

Attachments

Resolution No. 01-23-718

RESOLUTION NO. 01-23-718

**RESOLUTION OF THE WALNUT VALLEY WATER DISTRICT
BOARD OF DIRECTORS
APPOINTING REPRESENTATIVES TO THE PUENTE BASIN WATER AGENCY**

WHEREAS, the Walnut Valley Water District entered into an Amended Restated and Renewed Joint Powers Agreement creating the PUENTE BASIN WATER AGENCY, dated October 28, 2009, with Rowland Water District, (the PBWA Agreement); and,

WHEREAS, the PBWA Agreement provides that the PUENTE BASIN WATER AGENCY shall be governed by a Commission consisting of four commissioners, and that the governing body of each of the members shall annually appoint two representatives to the Commission and one alternate to serve in the absence of either of the appointed representatives; and,

WHEREAS, the PBWA Agreement further provides that at least one of the appointed representatives of each member shall be a director on the governing board of the appointing member; and,

WHEREAS, each Commissioner must file with the PUENTE BASIN WATER AGENCY a certified copy of the resolution of the member appointing him or her,

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Walnut Valley Water District:

1. That _____, who is a member of the Board of Directors of the Walnut Valley Water District, shall be appointed as a representative of the Walnut Valley Water District to serve on the Commission of the PUENTE BASIN WATER AGENCY.
2. That _____, who is a member of the Board of Directors of the Walnut Valley Water District, shall be appointed as a representative of the Walnut Valley Water District to serve on the Commission of the PUENTE BASIN WATER AGENCY.
3. That _____, who is a member of the Board of Directors of the Walnut Valley Water District, shall be appointed as an alternate representative of the Walnut Valley Water District to serve on the Commission of the PUENTE BASIN WATER AGENCY in the absence of either of the appointed representatives.
4. That each of the representatives and alternate appointed herein shall serve for a term of one year unless removed and replaced at the pleasure of the Board of Directors, or unless such representative or alternate resigns or becomes incapacitated.
5. That a certified copy of this Resolution be provided to the PUENTE BASIN WATER AGENCY.

**ADOPTED AT A REGULAR MEETING OF THE WALNUT VALLEY WATER DISTRICT
HELD JANUARY 17, 2023.**

**AYES:
NOES:
ABSENT:
ABSTAIN:**

Edwin Hilden
President, Board of Directors

ATTEST:

Erik Hitchman
Secretary, Board of Directors

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
DATE: January 17, 2023
SUBJECT: Adoption of Resolution No. 01-23-719 Appointing Representatives to the Spadra Basin Groundwater Sustainability Agency Executive Committee

Action/Discussion Fiscal Impact Resolution Information Only

Recommendation

That the Board of Directors approve Resolution No. 01-23-719, appointing representatives to the Spadra Basin Groundwater Sustainability Agency (GSA) Executive Committee.

Background Information

To comply with the Spadra Basin GSA Joint Powers Agreement and bylaws, it is necessary to appoint representatives by resolution. A draft resolution for that purpose is attached for review.

Agency	Position
Spadra Basin GSA Executive Committee	One Representative / One Alternate

Following adoption, staff will prepare the resolution for signature by President Hilden, and provide copies of the signed resolution to the respective agency.

Attachments

Resolution No. 01-23-719

RESOLUTION NO. 01-23-719

**RESOLUTION OF THE WALNUT VALLEY WATER DISTRICT
BOARD OF DIRECTORS
APPOINTING DISTRICT REPRESENTATION ON THE EXECUTIVE COMMITTEE OF THE
SPADRA BASIN GROUNDWATER SUSTAINABILITY AGENCY**

WHEREAS, the Walnut Valley Water District entered into a multiagency agency agreement with the city of Pomona to establish the SPADRA BASIN GROUNDWATER SUSTAINABILITY AGENCY (the "Agency"), through execution of a Memorandum of Agreement dated January 2017, with the city of Pomona (the "Agreement"); and,

WHEREAS, the Agreement provides that the SPADRA BASIN GROUNDWATER SUSTAINABILITY AGENCY shall be governed by a two-member Executive Committee, and that the governing body of each of the members shall annually appoint one representative to the Executive Committee, and the Agency's operating rules will provide for one alternate to be appointed to serve in the absence of the appointed representative; and,

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Walnut Valley Water District:

1. That _____, Director, who is of the Walnut Valley Water District Board of Directors, shall be appointed as a representative of the Walnut Valley Water District to serve on the Executive Committee of the SPADRA BASIN GROUNDWATER SUSTAINABILITY AGENCY.
2. That _____, who is of the Walnut Valley Water District Board of Directors, shall be appointed as a representative of the Walnut Valley Water District to serve as an Alternate Representative to the Executive Committee of the SPADRA BASIN GROUNDWATER SUSTAINABILITY AGENCY.
3. That each of the representative and alternate appointed herein shall serve for a term of one year unless removed and replaced at the pleasure of the Board of Directors, or unless such representative or alternate resigns or becomes incapacitated.
4. That a certified copy of this Resolution shall be provided to the Spadra Basin Groundwater Sustainability Agency.

**ADOPTED AT A REGULAR MEETING OF THE WALNUT VALLEY WATER DISTRICT
HELD JANUARY 17, 2023.**

**AYES:
NOES:
ABSENT:
ABSTAIN:**

Edwin Hilden
President, Board of Directors

ATTEST:

Erik Hitchman
Secretary, Board of Directors