WALNUT VALLEY WATER DISTRICT

271 South Brea Canyon Road • Walnut, CA 91789-3002 (909) 595-7554 • Fax: (909) 444-5521 walnutvalleywater.gov



REGULAR BOARD MEETING MONDAY, DECEMBER 11, 2023 5:00 P.M.

Agenda materials are available for public review at https://walnutvalleywater.gov/about-us/meetings-minutes-and-agendas/.

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

	o		
2.	Roll Call: Mr. Hilden Ms. Kwong Ms	s. Lee Mr. Tang	Mr. Woo
3.	Public Comment		President Hilden
	The Presiding Officer of the Board of Directors public comments to assure an orderly and time		e limitations on
	A. Agenda Items - Any person desiring to ad item may do so at the time the item is concerning of doing so at this time and stating time the item is discussed, those requesting	onsidered on the Agend ig the Agenda item to b	da by requesting the e addressed. At the
	B. Non-Agenda Items - At this time, the pub any non-agenda item relevant to the jurisd on each topic and on each speaker are imp	iction of the District. Re	easonable time limits
4.	Agenda Changes/Addition		President Hilden
th v	n accordance with Section 54954.2 of the Governmenirds vote of the legislative body, or if less than two-two-two-two-two-two-two-two-two-two-	hirds of the members are p d that there is a need to ta	oresent, a unanimous lke immediate action
5.	Reorder of Agenda		President Hilden
	A. Discussion	B. Action Taken	
6.	Review of District Investment Activities by Mr. Asset Management A. Discussion		sentative of Chandler
	A. DISCUSSION	B. Action Taken	

7. Consider Approval of Consent Calendar (Items A-F)

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 November 13, 2023
- B. Minutes of the Special Board Meeting held November 16, 2023
- C. Minutes of the Special Board Meeting held December 4, 2023
- D. Check Register
- E. Employee Expense Reimbursement Report
- F. Community Outreach Update (Information Only)
 - (1) Discussion

(2) Action Taken

8. 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

9. Treasurer's Report

Mr. Byerrum

- A. Financial Dashboard as of October 31, 2023
- B. District Statement of Revenues, Expenses, and Change in Net Positions as of October 31, 2023
- C. District Statement of Net Positions as of October 31, 2023
- D. Summary of Cash and Investments as of October 31, 2023
 - (1) Discussion

(2) Action Taken

COMMITTEE REPORTS

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

10. Public Information/Community Relations/Legislative Action Committee

Director Kwong

- There are no items to come to the Board at this time.
- 11. Finance Committee

Director Lee

- A. Annual Comprehensive Financial Report for the Fiscal Year Ending June 30, 2023
 - (1) Discussion

- (2) Action Taken
- B. Receive, Approve, and File the Investment Transactions Report for the Month Ending November 30, 2023
 - (1) Discussion

- (2) Action Taken
- C. Review of Revenue Bonds Held in Trust East West Bank (Information Only)
- 12. Engineering and Special Projects

Director Lee

- A. Consider Award of Contract for 57/60 Freeway and Grand Avenue Improvements-Material Bids (P.N. 20-3681)
 - (1) Discussion

- (2) Action Taken
- B. Operations Report (Information Only)
- 13. Personnel Committee

President Hilden

• There are no items to come to the Board at this time.

OTHER ITEMS

14. TVMWD/MWD Director Hilden 15. P-W-R Joint Water Line Commission Mr. Monk A. P-W-R JWL Report for Water Purchases for October 2023 B. Other Items 16. Puente Basin Water Agency Director Lee 17. Spadra Basin Groundwater Sustainability Agency Director Tang Mr. Hitchman 18. General Manager's Report A. District Activities Calendars for January, February, and March 2024 B. ACWA/JPIA President's Special Recognition Award C. ACWA/JPIA Professional Development Program- Special recognition given to Carmen Fleming for Completion of the Human Resource Certification Program D. ACWA/JPIA Professional Development Program- Special recognition given to Alex Cabrera for Completion of the Human Resource and Supervisor Basics Certification **Program** E. Other Items 19. Water Supply and Conservation Mr. Hitchman A. District Water Supply and Conservation Update B. Statewide Water Supply Conditions 20. Directors' Oral Reports All Directors 21. Legal Reports Mr. Ciampa 22. Board members and staff will be given an opportunity to request and suggest subjects for discussion at a future meeting 23. Board of Directors Business President Hilden A. Proposed Amendment to General Manager's Employment Contract (1) Discussion (2) Action Taken B. Proposed 2024 Board Workshop Meeting Dates (1) Discussion (2) Action Taken C. Consideration of Annual Board Reorganization/Appointment of Officers/Committee Selections for Calendar Year 2024 (1) Discussion (2) Action Taken D. Proposed General Manager's Employment Contract (1) Discussion (2) Action Taken E. 2024 Key Conferences/Events (Information Only)

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 https://walnutvalleywater.gov/about-us/meetings-minutes-and-agendas/

Date Posted: December 08, 2023 Lucie Cazares, CMC, Executive Secretary



Walnut Valley Water District

Period Ending November 30, 2023

CHANDLER ASSET MANAGEMENT, INC. | 800.317.4747 | www.chandlerasset.com

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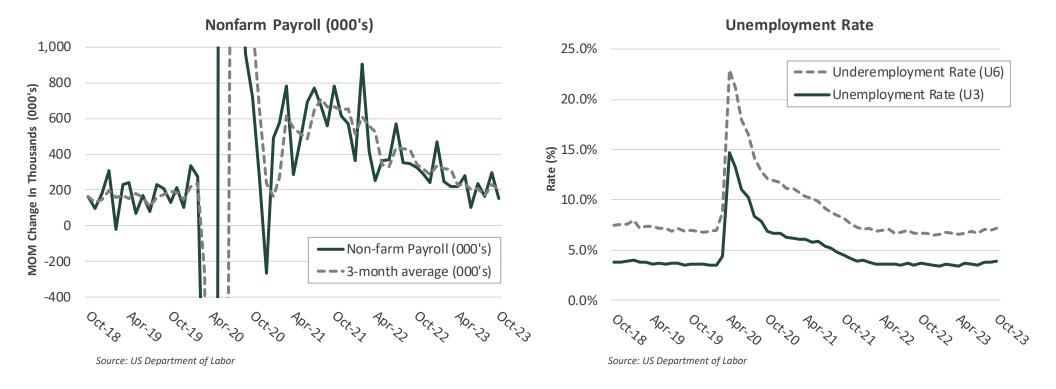


Section 1 | Economic Update

Economic Update

- Recent economic data has shown above trend growth fueled by a rise in consumer spending and a continuing healthy US job market. Inflationary trends are subsiding, but core levels remain well above the Fed's target. Given the cumulative effects of restrictive monetary policy and tighter financial conditions, we believe the economy will gradually soften and the Fed will remain data dependent as they tread cautiously going forward.
- As expected at the November meeting, the Federal Open Market Committee voted unanimously to leave the Federal Funds rate unchanged at a target range of 5.25 5.50%. Market participants interpreted the FOMC statement as somewhat dovish, with the formal statement noting "tighter financial and credit conditions for households and businesses are likely to weigh on economic activity, hiring, and inflation." Federal Reserve Chair Jerome Powell also noted the stance of policy is restrictive, the full effects of the tightening have yet to be felt, and the process of getting inflation to 2% has a long way to go. We believe monetary policy will remain restrictive for longer, but further tightening will not be required for the Federal Reserve to eventually achieve their policy objectives.
- US Treasury rates fell steeply across the yield curve in November on decelerating inflation readings and a more dovish Federal Reserve outlook. The 2-year Treasury yield declined 41 basis points to 4.68%, the 5-year Treasury yield dropped 59 basis points to 4.27%, and the 10-year Treasury yield decreased 60 basis points to 4.33%. The inversion between the 2-year Treasury yield and 10-year Treasury yield widened to -35 basis points at November month-end versus -16 basis points at October month-end. The spread between the 2-year Treasury and 10-year Treasury yield one year ago was -71 basis points. The inversion between 3-month and 10-year Treasuries widened to -107 basis points in November from -54 basis points in October. The shape of the yield curve indicates that the probability of recession persists.

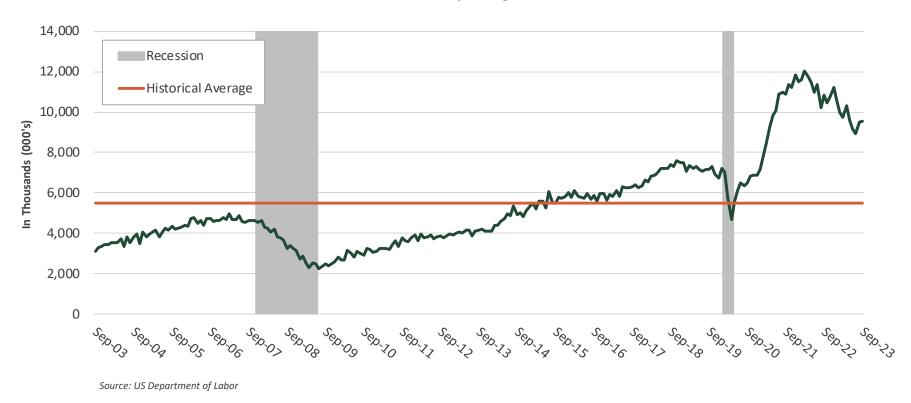
Employment



The U.S. economy added 150,000 jobs in October, versus consensus expectations of 180,000, and the last two months were revised downward by 101,000 jobs. The largest gains came from education and health services, while the United Auto Workers strike contributed to the softer results for the month. The trajectory of job creation is moderating, with the three-month moving average payrolls at 204,000 and the six-month moving average at 206,000. The unemployment rate ticked up 0.1% to 3.9%, and the labor participation rate fell slightly to 62.7%. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons rose to 7.2% from 7.0% last month. Average hourly earnings declined to 4.1% year-over-year in October from 4.3% in September. Employment remains strong by historical standards, but data are trending toward a less robust labor market outlook.

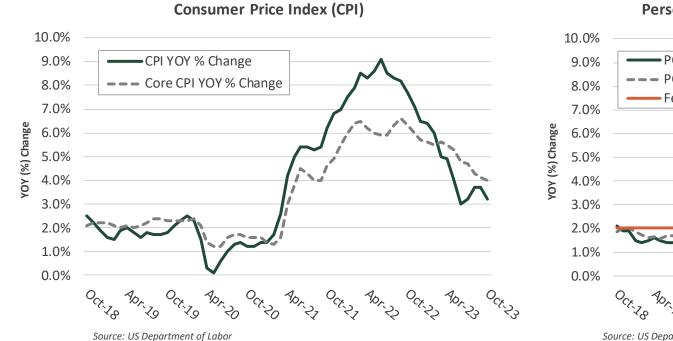
Job Openings & Labor Turnover Survey

Job Openings

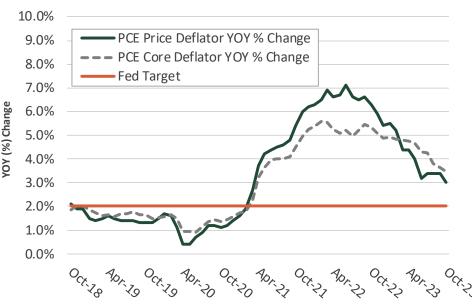


The Labor Department's Job Openings and Labor Turnover Survey (JOLTS) remained relatively consistent at 9.553 million in September versus a downward revision to 9.497 million in August. The level reflects approximately 1.5 job openings per available worker. Hires, separations, and quits all remained stable from August. The current level of job openings remains elevated from a historical perspective.

Inflation



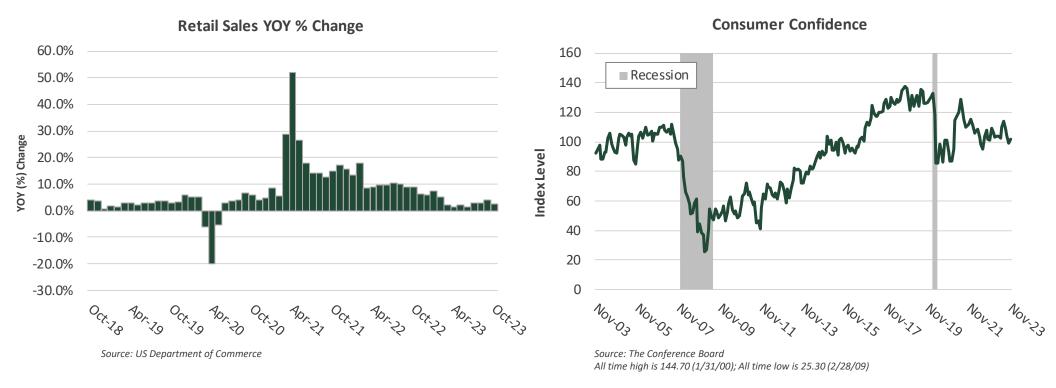
Personal Consumption Expenditures (PCE)



Source: US Department of Commerce

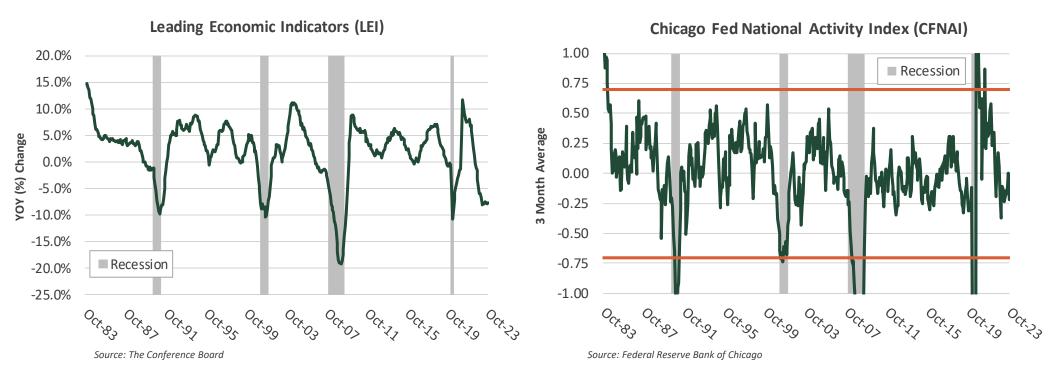
The Consumer Price Index (CPI) was unchanged month-over-month and +3.2% year-over-year in October, lower than expected. Headline CPI decelerated due to lower energy prices. The Core CPI, which excludes volatile food and energy components, was up 0.2% month-overmonth and 4.0 % year-over-year, decelerating from 4.1% last month. Inflation in rents and services decelerated, while auto prices and airfares fell in October. The Personal Consumption Expenditures (PCE) Index eased in October, as inflation remained unchanged month-over-month due to a drop in energy prices and rose 3.0% year-over-year in October, down from 3.4% in September. Core PCE, the Federal Reserve's preferred inflation gauge, increased 0.2% month-over-month and decelerated to 3.5% year-over-year in October from a 3.7% year-over-year increase in September. Inflation remains above the Fed's 2% target.

Consumer



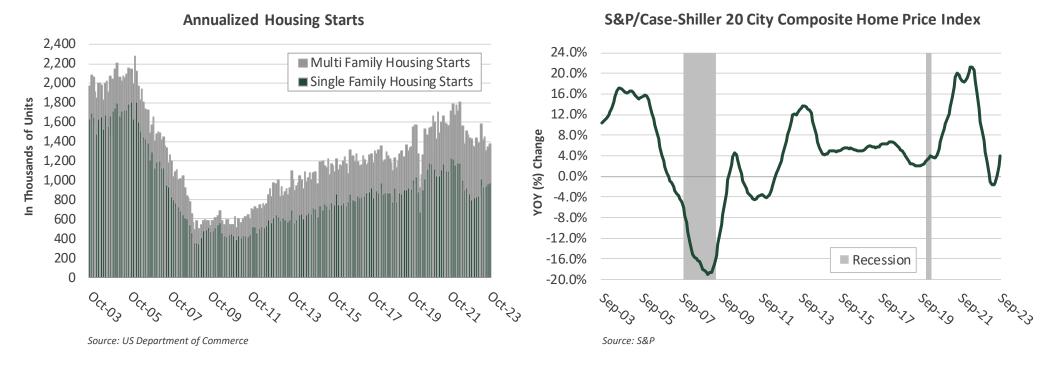
Retail Sales declined 0.1% in October after an upward revision to 0.9% in September, slightly exceeding the -0.3% consensus forecast. On a year-over-year basis, Retail Sales growth decelerated to 2.5% in October versus 4.1% in September. Food and beverage stores, along with health and personal care stores extended their gains in October while gasoline, furniture, car dealers and parts contributed to the month-over-month decline. E-commerce sales remain robust, rising 2.3% in the third quarter to represent 15.6% of total sales. The Conference Board's Consumer Confidence Index increased for the first time in four months in November, reaching an index level of 102.0, up from a downwardly revised 99.1 in October, despite concerns of rising prices and interest rates. While the consumer has been resilient, dwindling excess savings, rising credit card balances, and the resumption of student loan payments pose potential headwinds to future economic growth.

Leading Indicators of Economic Activity



The Conference Board's Leading Economic Index (LEI) fell 0.8% in October, continuing the persistent decline for the last year and a half. The index declined 7.6% year-over-year. The Conference Board expects the consistent decline month-over-month to tip the US economy into a very short recession. The Chicago Fed National Activity Index (CFNAI) fell short of expectations at -0.49 in October from a downwardly revised -0.02 in September. On a 3-month moving average basis, the CFNAI declined to -0.22 in October from 0.00 in September, indicating a rate of growth below the historical average trend.

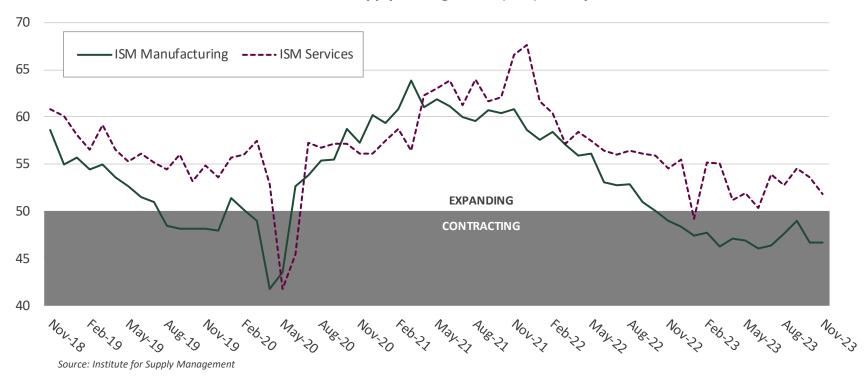
Housing



Housing Starts decelerated to 1.9% in October to an annual rate of 1.372 million units (annualized). Starts were up 4.9% for multi-family units and 0.2% for single-family. Total starts of new homes are down 4.2% year-over-year. According to Freddie Mac, average 30-year fixed rate mortgage rates declined to 7.07% as of November 30th, paralleling the 10-year US Treasury yields declining. According to the Case-Shiller 20-City Home Price Index, housing prices rose 3.9% year-over-year in September, improving from a 2.1% gain in August. Tight inventories and higher mortgage rates continue to impact affordability.

Survey Based Measures

Institute of Supply Management (ISM) Surveys

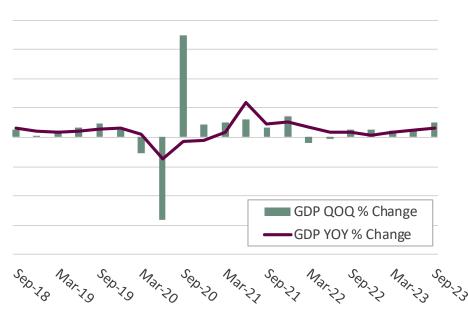


The Institute for Supply Management (ISM) Manufacturing index remained at 46.7 in November, marking the 13th consecutive month of contraction in factory activity below a reading of 50. Higher interest rates have negatively impacted the goods-producing sector, resulting in a manufacturing slowdown. The ISM Services Index eased to 51.8 in October from 53.6 in September as inflation, interest rates, and geopolitical events impacted business activity in the sector.

Gross Domestic Product (GDP)

Components of GDP 6/23 12/22 3/23 9/23 40.0% 30.0% **Personal Consumption Expenditures** 2.4% 0.8% 2.5% 0.6% 20.0% Gross Private Domestic Investment 0.6% -1.7% 0.9% 1.8% 10.0% 0.0% **Net Exports and Imports** 0.0% 0.3% 0.6% 0.0% -10.0% **Federal Government Expenditures** 0.6% 0.3% 0.1% 0.4% -20.0% **State and Local (Consumption and Gross** -30.0% 0.3% 0.5% 0.5% 0.5% Investment) -40.0% Total 2.6% 2.3% 2.1% 5.2%

Gross Domestic Product (GDP)

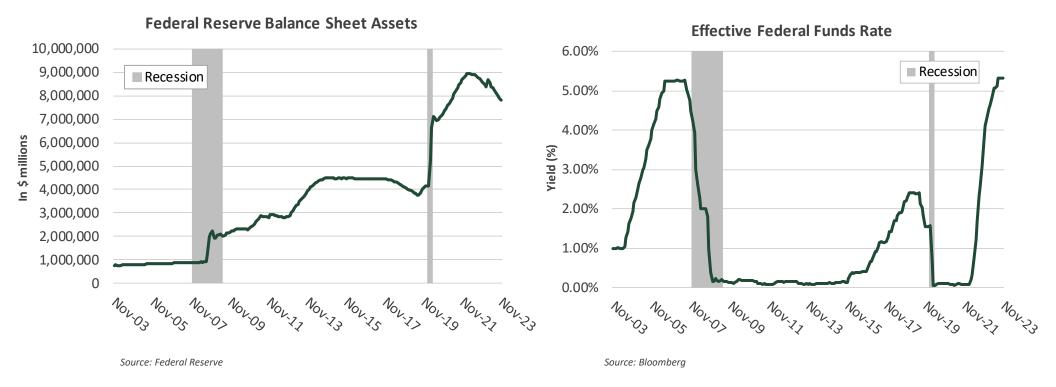


Source: US Department of Commerce

Source: US Department of Commerce

According to the second estimate, third quarter GDP grew at an annualized rate of 5.2%, revised up from the initial estimate of 4.9%, with the upward revisions driven by business investment and government spending. The consensus estimate calls for a marked slowing to 1.1% in the fourth quarter and 2.4% for full year 2023.

Federal Reserve



As expected at the November meeting, the Federal Open Market Committee voted unanimously to leave the Federal Funds rate unchanged at a target range of 5.25 - 5.50%. Market participants interpreted the FOMC statement as somewhat dovish, with the formal statement noting "tighter financial and credit conditions for households and businesses are likely to weigh on economic activity, hiring, and inflation." During the press conference concluding the meeting, Federal Reserve Chair Jerome Powell also noted the stance of policy is restrictive, the full effects of the tightening have yet to be felt, and the process of getting inflation to 2% has a long way to go. We believe monetary policy needs to remain restrictive for longer to continue to put downward pressure on inflation; however we do not believe further tightening will be required for the Federal Reserve to eventually achieve their 2% policy objective. Since the Federal Reserve began its Quantitative Tightening campaign in June 2022, securities holdings have declined by over \$1.1 trillion to approximately \$7.9T.

Bond Yields



At the end of November, the 2-year Treasury yield was 37 basis points higher, and the 10-Year Treasury yield was about 72 basis points higher, year-over-year. The inversion between the 2-year Treasury yield and 10-year Treasury yield widened to -35 basis points at November month-end versus -16 basis points at October month-end. The average historical spread (since 2003) is about +130 basis points. The inversion between 3-month and 10-year Treasuries widened to -107 basis points in November from -54 basis points in October. The shape of the yield curve indicates that the probability of recession persists.

Periodic Table of Asset Class Returns

2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD 2023
US Small Cap Stocks 39.1%	US Real Estate 30.4%	US Real Estate 2.5%	US Small Cap Stocks 20.4%	Emerging Market Stocks 37.3%	International Bonds 3.2%	US Large Cap Stocks 31.5%	US Mid Cap Stocks 19.8%	US Real Estate 43.1%	Diversified Commodities 26.0%	US Large Cap Stocks 20.8%
US Mid Cap Stocks 36.3%	US Large Cap Stocks 13.7%	US Large Cap Stocks 1.4%	US High Yield Bonds 17.5%	International Stocks 25.0%	US Core Bonds 0.0%	US Mid Cap Stocks 30.6%	US Small Cap Stocks 19.2%	Diversified Commodities 40.4%	US High Yield Bonds -11.2%	International Stocks 12.3%
US Large Cap Stocks 32.4%	US Mid Cap Stocks 13.4%	International Bonds 1.3%	US Mid Cap Stocks 12.6%	US Large Cap Stocks 21.8%	US High Yield Bonds -2.3%	US Small Cap Stocks 25.9%	US Large Cap Stocks 18.4%	US Large Cap Stocks 28.7%	International Bonds -12.7%	US High Yield Bonds 9.4%
International Stocks 22.8%	International Bonds 9.1%	US Core Bonds 0.6%	US Large Cap Stocks 12.0%	US Mid Cap Stocks 20.3%	US Large Cap Stocks -4.4%	US Real Estate 25.8%	Emerging Market Stocks 18.3%	US Mid Cap Stocks 24.0%	US Core Bonds -13.3%	US Small Cap Stocks 6.6%
US High Yield Bonds 7.4%	US Core Bonds 6.4%	US Mid Cap Stocks -0.6%	Diversified Commodities 11.4%	International Real Estate 20.0%	US Real Estate -4.6%	International Stocks 22.0%	International Stocks 7.8%	US Small Cap Stocks 21.1%	International Stocks -14.5%	US Mid Cap Stocks 6.0%
International Real Estate 5.8%	US Small Cap Stocks 6.1%	International Stocks -0.8%	Emerging Market Stocks 11.2%	US Small Cap Stocks 15.2%	International Real Estate -6.4%	International Real Estate 21.0%	US Core Bonds 7.6%	International Stocks 11.3%	US Mid Cap Stocks -16.9%	Emerging Market Stocks 5.7%
US Real Estate 2.5%	International Real Estate 2.8%	International Real Estate -3.8%	US Real Estate 8.6%	US High Yield Bonds 7.5%	US Mid Cap Stocks -8.1%	Emerging Market Stocks 18.4%	US High Yield Bonds 6.2%	International Real Estate 8.1%	US Small Cap Stocks -17.8%	International Bonds 5.4%
International Bonds 1.8%	US High Yield Bonds 2.5%	US Small Cap Stocks -4.1%	International Bonds 4.9%	Diversified Commodities 5.8%	US Small Cap Stocks -11.0%	Diversified Commodities 17.6%	International Bonds 4.7%	US High Yield Bonds 5.4%	US Large Cap Stocks -18.1%	US Real Estate 3.5%
Diversified Commodities -1.2%	Emerging Market Stocks -2.2%	High Yield Bonds -4.6%	US Core Bonds 2.6%	US Real Estate 5.1%	International Stocks -13.8%	US High Yield Bonds 14.4%	International Real Estate -7.1%	US Core Bonds -1.6%	Emerging Market Stocks -20.1%	US Core Bonds 1.6%
US Core Bonds -2.3%	International Stocks -4.9%	Emerging Market Stocks -14.9%	International Real Estate 1.3%	US Core Bonds 3.6%	Diversified Commodities -13.8%	US Core Bonds 9.0%	US Real Estate -7.6%	International Bonds -2.1%	International Real Estate -24.3%	Diversified Commodities -1.0%
Emerging Market Stocks -2.6%	Diversified Commodities -33.1%	Diversified Commodities -32.9%	International Stocks 1.0%	International Bonds 2.6%	Emerging Market Stocks -14.6%	International Bonds 8.1%	Diversified Commodities -23.7%	Emerging Market Stocks -2.5%	US Real Estate -24.5%	International Real Estate -2.6%

Index returns as of 11/30/2023. Past performance is not indicative of future results. Index returns assume reinvestment of all distributions and do not reflect fees or expenses. It is not possible to invest directly in an index. This information is not intended to constitute an offer, solicitation, recommendation, or advice regarding securities or investment strategy. Please see attached Asset Class Disclosure.



Section 2 | Account Profile

Investment Objectives

The investment objectives of Walnut Valley Water District, in order of priority, are to provide safety to ensure the preservation of capital in the overall portfolio, provide sufficient liquidity for cash needs and a market rate of return consistent with the investment program.

Chandler Asset Management Performance Objective

The performance objective for the portfolio is to earn a total rate of return through a market cycle that is equal to or above the return on the benchmark index.

Strategy

In order to achieve these objectives, the portfolio invests in high-quality fixed income securities that comply with the investment policy and all regulations governing the funds.

Compliance

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

Compliance

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
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

Portfolio Characteristics

Walnut Valley Water District

	11/30/23		08/31/23	
	Benchmark*	Portfolio	Portfolio	
Average Maturity (yrs)	2.63	2.31	2.39	
Average Modified Duration	2.48	2.15	2.23	
Average Purchase Yield	n/a	2.14%	2.10%	
Average Market Yield	4.64%	4.89%	4.94%	
Average Quality**	AA+	AA/Aa1	AA/Aa1	
Total Market Value		33,985,473	34,586,198	

^{*}ICE BofA 1-5 Yr US Treasury & Agency Index

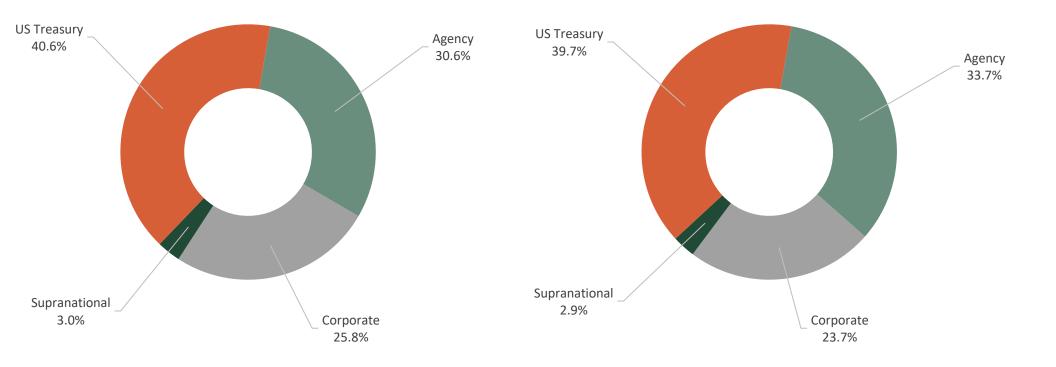
^{**}Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

Sector Distribution

Walnut Valley Water District

November 30, 2023

August 31, 2023



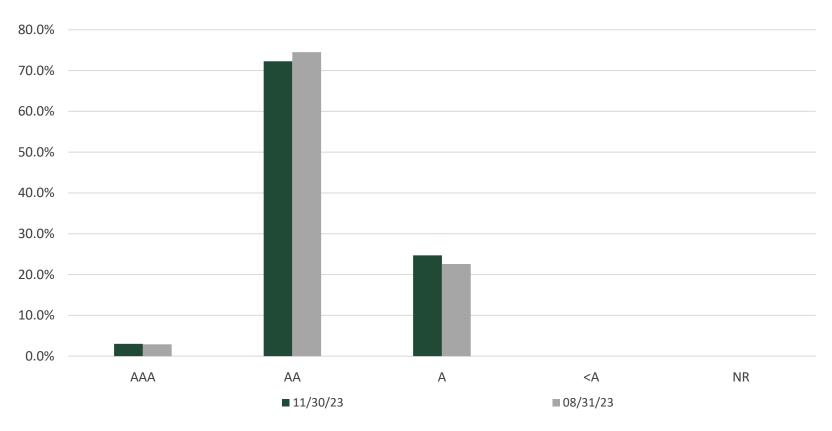
Issuers

Walnut Valley Water District – Account #10074

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	40.62%
Federal Home Loan Bank	Agency	16.36%
Federal National Mortgage Association	Agency	7.32%
Federal Home Loan Mortgage Corp	Agency	4.70%
Federal Farm Credit Bank	Agency	2.20%
Intl Bank Recon and Development	Supranational	1.63%
Bank of America Corp	Corporate	1.51%
Deere & Company	Corporate	1.49%
US Bancorp	Corporate	1.48%
Paccar Financial	Corporate	1.48%
Northern Trust Corp	Corporate	1.43%
Pepsico Inc	Corporate	1.43%
Target Corp	Corporate	1.36%
MasterCard Inc	Corporate	1.36%
Toyota Motor Corp	Corporate	1.35%
Bank of New York	Corporate	1.35%
Inter-American Dev Bank	Supranational	1.35%
Prologis Trust	Corporate	1.34%
Florida Power and Light	Corporate	1.29%
Honeywell Corp	Corporate	1.28%
Amazon.com Inc	Corporate	1.13%
Public Service El & Gas	Corporate	1.12%
Bank of Montreal Chicago	Corporate	1.12%
Royal Bank of Canada	Corporate	1.11%
Pfizer Inc.	Corporate	1.11%
Toronto Dominion Holdings	Corporate	1.07%
Caterpillar Inc	Corporate	1.01%
Federated Govt Obligation Money Market Fund	Money Market Fund	0.00%
TOTAL		100.00%

Quality Distribution

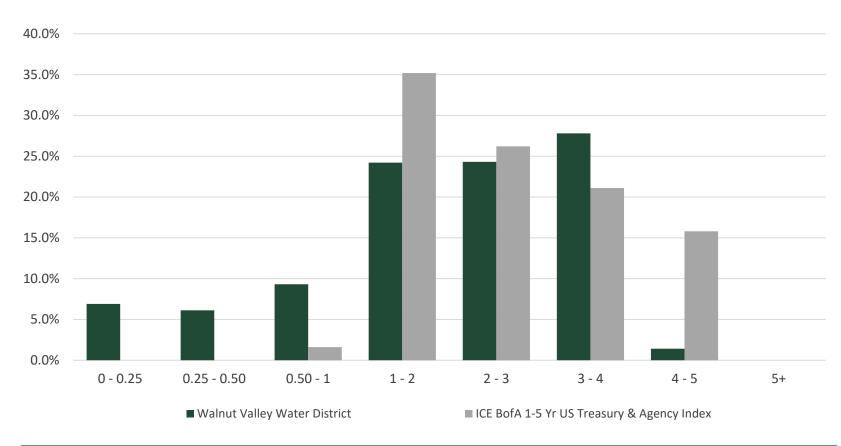
Walnut Valley Water District November 30, 2023 vs. August 31, 2023



	AAA	AA	А	<a< th=""><th>NR</th></a<>	NR
11/30/23	3.0%	72.3%	24.7%	0.0%	0.0%
08/31/23	2.9%	74.5%	22.6%	0.0%	0.0%

Source: S&P Ratings

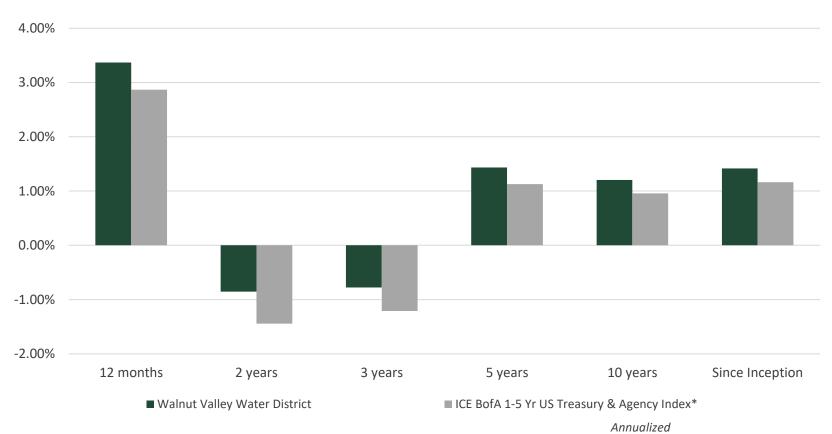
Walnut Valley Water District Portfolio Compared to the Benchmark



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 2	2 - 3	3 - 4	4 - 5	5+
Portfolio	6.9%	6.1%	9.3%	24.2%	24.3%	27.8%	1.4%	0.0%
Benchmark*	0.0%	0.0%	1.6%	35.2%	26.2%	21.1%	15.8%	0.0%

^{*}ICE BofA 1-5 Yr US Treasury & Agency Index

Walnut Valley Water District Total Rate of Return Annualized Since Inception July 31, 2009



Since **TOTAL RATE OF RETURN** 3 months 12 months 10 years 2 years 3 years 5 years Inception -0.78% Walnut Valley Water District 1.35% 3.37% -0.85% 1.43% 1.20% 1.42% 2.87% ICE BofA 1-5 Yr US Treasury & Agency Index* 1.24% -1.44% -1.21% 1.13% 0.96% 1.16%

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.

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

Portfolio Characteristics

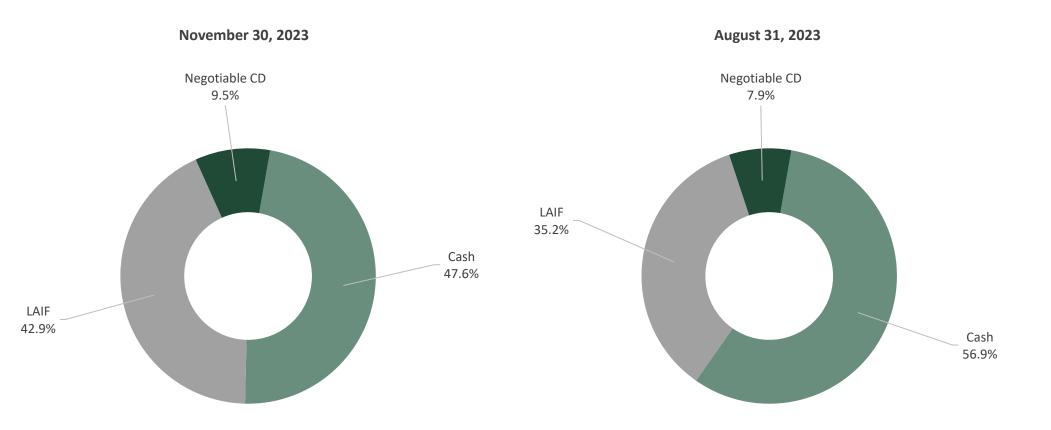
Walnut Valley Water District (Internal)

	11/30/23 Portfolio	08/31/23 Portfolio
Average Maturity (yrs)	0.18	0.17
Modified Duration	0.18	0.16
Average Purchase Yield	1.75%	1.30%
Average Market Yield	1.88%	1.41%
Average Quality*	NR/NR	NR/NR
Total Market Value	7,565,323	9,126,637

^{*}Portfolio is S&P and Moody's, respectively.

Sector Distribution

Walnut Valley Water District (Internal)



Issuers

Walnut Valley Water District (Internal) – Account #10075

Issue Name	Investment Type	% Portfolio
Bank Cash Account	Cash	47.62%
Local Agency Investment Fund	LAIF	42.88%
Sallie Mae Bank	Negotiable CD	3.28%
State Bank of India	Negotiable CD	3.28%
Goldman Sachs Inc.	Negotiable CD	2.94%
TOTAL		100.00%



Section 3 | Consolidated Information

Portfolio Characteristics

Walnut Valley Water District Consolidated

	11/30/23 Portfolio	08/31/23 Portfolio
Average Maturity (yrs)	1.92	1.92
Modified Duration	1.79	1.79
Average Purchase Yield	2.07%	1.94%
Average Market Yield	4.34%	4.20%
Average Quality*	AA/Aa1	AA/Aa1
Total Market Value	41,550,796	43,712,835

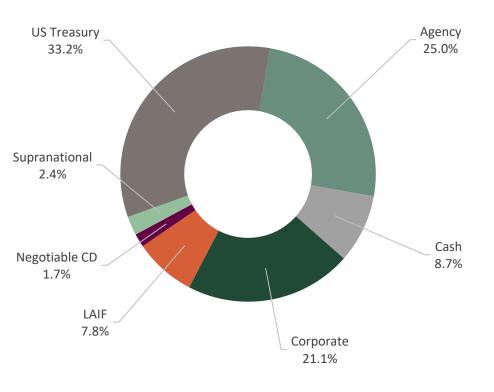
^{*} Portfolio is S&P and Moody's respectively.

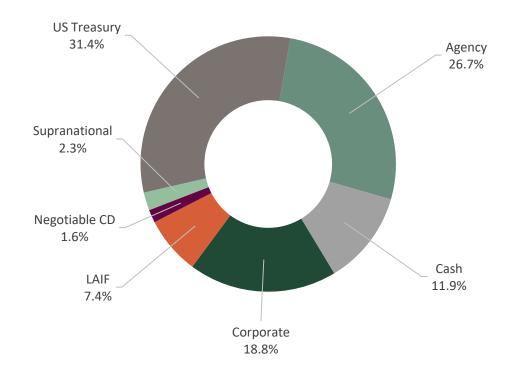
Sector Distribution

Walnut Valley Water District Consolidated

November 30, 2023

August 31, 2023







Section 4 | Portfolio Holdings

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									
3130A0F70	FHLB Note 3.375% Due 12/08/2023	750,000.00	12/13/2018 2.93%	765,270.00 750,058.73	99.95 5.34%	749,658.00 12,164.06	2.24% (400.73)	Aaa / AA+ NR	0.02 0.02
3135G0V34	FNMA Note 2.500% Due 02/05/2024	575,000.00	03/06/2019 2.60%	572,263.00 574,899.36	99.48 5.39%	571,982.40 4,631.94	1.70% (2,916.96)	Aaa / AA+ AA+	0.18 0.18
3130AFW94	FHLB Note 2.500% Due 02/13/2024	500,000.00	02/28/2019 2.61%	497,510.00 499,898.20	99.40 5.43%	497,020.50 3,750.00	1.47% (2,877.70)	Aaa / AA+ NR	0.21 0.20
3130AB3H7	FHLB Note 2.375% Due 03/08/2024	600,000.00	05/01/2019 2.35%	600,600.00 600,033.18	99.14 5.56%	594,820.80 3,285.42	1.76% (5,212.38)	Aaa / AA+ NR	0.27 0.27
3133EKNX0	FFCB Note 2.160% Due 06/03/2024	750,000.00	07/02/2019 1.88%	759,847.50 751,013.79	98.48 5.23%	738,576.75 8,010.00	2.20% (12,437.04)	Aaa / AA+ AA+	0.51 0.49
3130A1XJ2	FHLB Note 2.875% Due 06/14/2024	650,000.00	06/26/2019 1.85%	681,427.50 653,395.69	98.68 5.40%	641,392.05 8,668.92	1.91% (12,003.64)	Aaa / AA+ NR	0.54 0.52
3130A3GE8	FHLB Note 2.750% Due 12/13/2024	700,000.00	12/23/2019 1.77%	732,445.00 706,753.42	97.54 5.22%	682,774.40 8,983.33	2.04% (23,979.02)	Aaa / AA+ NR	1.04 0.99
3135G0X24	FNMA Note 1.625% Due 01/07/2025	600,000.00	02/14/2020 1.48%	604,074.00 600,919.79	96.30 5.12%	577,787.40 3,900.00	1.71% (23,132.39)	Aaa / AA+ AA+	1.11 1.06
3137EAEP0	FHLMC Note 1.500% Due 02/12/2025	600,000.00	02/14/2020	600,486.00 600,117.16	95.99 4.98%	575,965.80 2,725.00	1.70% (24,151.36)	Aaa / AA+ AA+	1.21 1.16
3135G03U5	FNMA Note 0.625% Due 04/22/2025	800,000.00	Various 0.53%	803,537.00 801,010.14	94.24 4.95%	753,889.60 541.67	2.22% (47,120.54)	Aaa / AA+ AA+	1.39 1.36
3130AJKW8	FHLB Note 0.500% Due 06/13/2025	600,000.00	06/10/2020 0.54%	598,866.00 599,651.84	93.51 4.94%	561,079.20 1,400.00	1.66% (38,572.64)	Aaa / AA+ NR	1.54 1.49
3137EAEU9	FHLMC Note 0.375% Due 07/21/2025	400,000.00	08/12/2020 0.45%	398,456.00 399,487.90	93.11 4.79%	372,446.40 541.67	1.10% (27,041.50)	Aaa / AA+ AA+	1.64 1.60
3137EAEX3	FHLMC Note 0.375% Due 09/23/2025	700,000.00	10/07/2020 0.50%	695,758.00 698,449.36	92.36 4.82%	646,518.60 495.83	1.90% (51,930.76)	Aaa / AA+ AA+	1.82 1.77
3135G06G3	FNMA Note 0.500% Due 11/07/2025	625,000.00	11/18/2020 0.51%	624,775.00 624,912.31	92.16 4.79%	575,988.75 208.33	1.70% (48,923.56)	Aaa / AA+ AA+	1.94 1.88
3130AKFA9	FHLB Note 0.375% Due 12/12/2025	600,000.00	01/05/2021 0.42%	598,680.00 599,456.17	91.62 4.74%	549,742.20 1,056.25	1.62% (49,713.97)	Aaa / AA+ NR	2.04 1.98
3130ATUS4	FHLB Note 4.250% Due 12/10/2027	475,000.00	01/26/2023 3.67%	487,188.50 485,077.11	99.37 4.42%	472,005.60 9,589.06	1.42% (13,071.51)	Aaa / AA+ NR	4.03 3.59

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
3130AWMN7	FHLB Note	750,000.00	07/21/2023	756,637.50	99.87	749,044.50	2.24%	Aaa / AA+	4.53
	4.375% Due 06/09/2028		4.17%	756,153.28	4.41%	12,760.42	(7,108.78)	NR	4.00
TOTAL Access		10 675 000 00	4.700/	10,777,821.00	E 040/	10,310,692.95	30.58%	Aaa / AA+	1.40
TOTAL Agenc	CY	10,675,000.00	1.76%	10,701,287.43	5.04%	82,711.90	(390,594.48)	AA+	1.31
Corporate									
91159HHV5	US Bancorp Callable Note Cont 1/5/2024	500,000.00	12/23/2019	524,265.00	99.55	497,750.50	1.48%	A3 / A	0.18
	3.375% Due 02/05/2024		2.11%	500,577.35	5.83%	5,437.50	(2,826.85)	Α	0.18
14913R2L0	Caterpillar Financial Service Note	350,000.00	05/12/2021	349,426.00	97.72	342,033.30	1.01%	A2 / A	0.46
	0.450% Due 05/17/2024		0.51%	349,912.01	5.48%	61.25	(7,878.71)	A+	0.45
06367WB85	Bank of Montreal Note	400,000.00	02/15/2022	395,048.00	94.95	379,811.60	1.12%	A2 / A-	1.42
	1.850% Due 05/01/2025		2.25%	397,809.94	5.60%	616.67	(17,998.34)	AA-	1.37
717081EX7	Pfizer Inc. Callable Note Cont 4/28/2025	400,000.00	05/26/2020	399,376.00	93.90	375,616.80	1.11%	A1/A+	1.49
	0.800% Due 05/28/2025		0.83%	399,814.10	5.09%	26.67	(24,197.30)	Α	1.45
78015K7H1	Royal Bank of Canada Note	400,000.00	05/20/2021	403,072.00	93.86	375,428.80	1.11%	A1/A	1.53
	1.150% Due 06/10/2025		0.96%	401,157.72	5.39%	2,185.00	(25,728.92)	AA-	1.47
89114TZD7	Toronto-Dominion Bank Note	400,000.00	08/11/2021	401,416.00	90.33	361,324.40	1.07%	A1/A	2.51
	1.200% Due 06/03/2026		1.12%	400,738.26	5.37%	2,373.33	(39,413.86)	AA-	2.40
06428CAA2	Bank Of America NA Callable Note cont 7/17/2026	500,000.00	09/11/2023	500,150.00	100.77	503,859.00	1.51%	Aa1 / A+	2.72
	5.526% Due 08/18/2026		5.51%	500,138.93	5.21%	7,905.25	3,720.07	AA	2.39
87612EBM7	Target Corp Callable Note Cont 12/15/2026	500,000.00	01/24/2022	501,865.00	91.95	459,726.50	1.36%	A2 / A	3.13
	1.950% Due 01/15/2027		1.87%	501,160.40	4.75%	3,683.33	(41,433.90)	Α	2.95
06406RBA4	Bank of NY Mellon Corp Callable Note Cont 12/26/2026	500,000.00	01/26/2022	500,400.00	91.08	455,407.50	1.35%	A1/A	3.16
	2.050% Due 01/26/2027		2.03%	500,250.08	5.15%	3,559.03	(44,842.58)	AA-	2.97
023135CF1	Amazon.com Inc Callable Note Cont 3/13/2027	400,000.00	04/26/2022	400,788.00	95.70	382,790.00	1.13%	A1/AA	3.37
	3.300% Due 04/13/2027		3.26%	400,530.35	4.69%	1,760.00	(17,740.35)	AA-	3.13
665859AW4	Northern Trust Company Callable Note Cont 4/10/2027	500,000.00	06/28/2022	500,045.00	97.11	485,570.50	1.43%	A2 / A+	3.44
	4.000% Due 05/10/2027		4.00%	500,031.84	4.92%	1,166.67	(14,461.34)	A+	3.16
69371RS31	Paccar Financial Corp Note	500,000.00	01/26/2023	507,430.00	98.83	494,149.50	1.48%	A1/A+	4.12
	4.600% Due 01/10/2028		4.26%	506,175.21	4.92%	9,008.33	(12,025.71)	NR	3.63
24422EWR6	John Deere Capital Corp Note	500,000.00	01/26/2023	510,270.00	99.54	497,692.00	1.49%	A2 / A	4.14
	4.750% Due 01/20/2028		4.29%	508,545.14	4.87%	8,642.36	(10,853.14)	A+	3.65

CUSIP	Security Description	Par Value/Units	Purchase Date	Cost Value	Mkt Price	Market Value	% of Port.	Moody/S&P	Maturity
COSIF	Security Description	rai value/offics	Book Yield	Book Value	Mkt YTM	Accrued Int.	Gain/Loss	Fitch	Duration
438516CJ3	Honeywell Intl Callable Note Cont 01/15/2028	425,000.00	04/11/2023	441,923.50	101.07	429,560.68	1.28%	A2 / A	4.21
	4.950% Due 02/15/2028		4.02%	439,664.44	4.66%	6,194.38	(10,103.76)	Α	3.65
713448FL7	Pepsico Inc. Callable Note Cont 1/18/2028	500,000.00	03/20/2023	487,155.00	95.85	479,273.50	1.43%	A1 / A+	4.22
	3.600% Due 02/18/2028		4.18%	488,973.63	4.69%	5,150.00	(9,700.13)	NR	3.81
57636QAW4	MasterCard Inc Callable Note Cont 2/9/28	450,000.00	03/10/2023	450,904.50	101.23	455,544.00	1.36%	Aa3 / A+	4.28
	4.875% Due 03/09/2028		4.83%	450,774.43	4.55%	4,996.88	4,769.57	NR	3.72
74456QBU9	Public Service El & Gas Callable Note Cont 02/01/28	400,000.00	06/26/2023	382,788.00	94.94	379,764.80	1.12%	A1/A	4.42
	3.700% Due 05/01/2028		4.70%	384,305.85	4.99%	1,233.33	(4,541.05)	NR	4.00
341081GN1	Florida Power and Light Callable Note Cont 3/15/2028	450,000.00	Various	444,781.50	97.59	439,154.55	1.29%	Aa2 / A+	4.46
	4.400% Due 05/15/2028		4.67%	445,294.63	5.01%	880.00	(6,140.08)	AA-	3.98
74340XCG4	Prologis LP Callable Note Cont 5/15/2028	450,000.00	07/21/2023	448,330.50	99.02	445,594.95	1.34%	A3 / A	4.55
	4.875% Due 06/15/2028		4.96%	448,451.02	5.12%	9,323.44	(2,856.07)	NR	3.94
89236TLB9	Toyota Motor Credit Corp Note	450,000.00	09/26/2023	448,227.00	101.12	455,038.20	1.35%	A1/A+	4.79
	5.250% Due 09/11/2028		5.34%	448,289.69	4.98%	5,250.00	6,748.51	A+	4.14
				8,997,661.00		8,695,091.08	25.82%	A1 / A+	3.20
TOTAL Corpo	prate	8,975,000.00	3.36%	8,972,595.02	5.05%	79,453.42	(277,503.94)	A+	2.88
Money Mark	ket Fund								
60934N807	Federated Investors Govt Oblig Fund Inst.	90.00	Various	90.00	1.00	90.00	0.00%	Aaa / AAA	0.00
0033411007	rederated investors dove oblig rund inst.	50.00	5.00%	90.00	5.00%	0.00	0.00	AAA	0.00
				90.00		90.00	0.00%	Aaa / AAA	0.00
TOTAL Mone	ey Market Fund	90.00	5.00%	90.00	5.00%	0.00	0.00	AAA	0.00
1017121110110	, mander and	30.00	3.0070	30.00	3.0070	0.00	0.00	7001	
Supranation	al								
459058JL8	Intl. Bank Recon & Development Note	600,000.00	12/14/2020	600,516.00	92.21	553,255.80	1.63%	Aaa / AAA	1.91
	0.500% Due 10/28/2025	,	0.48%	600,202.39	4.82%	275.00	(46,946.59)	AAA	1.86
4581X0DV7	Inter-American Dev Bank Note	500,000.00	04/27/2021	498,425.00	91.55	457,772.50	1.35%	Aaa / AAA	2.39
	0.875% Due 04/20/2026	•	0.94%	499,245.01	4.65%	498.26	(41,472.51)	AAA	2.31
				1,098,941.00		1,011,028.30	2.98%	Aaa / AAA	2.13
TOTAL Supra	national	1,100,000.00	0.69%	1,099,447.40	4.74%	773.26	(88,419.10)	AAA	2.06
		_,		_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			(00,120120)		
US Treasury									
912828X70	US Treasury Note	400,000.00	07/02/2019	404,125.00	98.63	394,531.20	1.16%	Aaa / AA+	0.42
	2.000% Due 04/30/2024	,	1.78%	400,353.30	5.34%	681.32	(5,822.10)	AA+	0.41
	•		· · ·	400,353.30	5.34%	·	(5,822.10)	AA+	0

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
9128282U3	US Treasury Note 1.875% Due 08/31/2024	575,000.00	03/04/2020 0.72%	604,311.52 579,897.17	97.50 5.32%	560,625.00 2,724.93	1.66% (19,272.17)	Aaa / AA+ AA+	0.75 0.73
912828YM6	US Treasury Note 1.500% Due 10/31/2024	600,000.00	02/15/2022	596,203.13 598,712.60	96.68 5.25%	580,078.20 766.48	1.71% (18,634.40)	Aaa / AA+ AA+	0.92
912828YV6	US Treasury Note 1.500% Due 11/30/2024	700,000.00	12/23/2019 1.72%	692,808.59 698,544.17	96.41 5.24%	674,844.10 28.69	1.99% (23,700.07)	Aaa / AA+ AA+	1.00 0.97
912828Z52	US Treasury Note 1.375% Due 01/31/2025	575,000.00	03/04/2020 0.71%	593,328.13 579,364.81	95.80 5.12%	550,854.60 2,642.58	1.63% (28,510.21)	Aaa / AA+ AA+	1.17 1.13
912828ZF0	US Treasury Note 0.500% Due 03/31/2025	750,000.00	03/26/2020 0.50%	749,912.11 749,976.59	94.22 5.04%	706,641.00 635.25	2.08% (43,335.59)	Aaa / AA+ AA+	1.33 1.30
91282CAT8	US Treasury Note 0.250% Due 10/31/2025	700,000.00	02/16/2021 0.51%	691,605.47 696,575.66	91.87 4.73%	643,097.70 149.04	1.89% (53,477.96)	Aaa / AA+ AA+	1.92 1.87
91282CBC4	US Treasury Note 0.375% Due 12/31/2025	700,000.00	01/12/2021 0.52%	694,968.75 697,888.15	91.64 4.63%	641,484.20 1,098.51	1.89% (56,403.95)	Aaa / AA+ AA+	2.09 2.03
91282CBH3	US Treasury Note 0.375% Due 01/31/2026	550,000.00	03/22/2021 0.85%	537,625.00 544,475.20	91.30 4.64%	502,154.40 689.37	1.48% (42,320.80)	Aaa / AA+ AA+	2.17 2.11
91282CBQ3	US Treasury Note 0.500% Due 02/28/2026	650,000.00	03/09/2021 0.83%	639,589.84 645,294.19	91.32 4.61%	593,556.60 821.43	1.75% (51,737.59)	Aaa / AA+ AA+	2.25 2.19
91282CBT7	US Treasury Note 0.750% Due 03/31/2026	440,000.00	03/29/2021 0.88%	437,301.56 438,742.40	91.67 4.55%	403,356.36 559.02	1.19% (35,386.04)	Aaa / AA+ AA+	2.33 2.26
91282CCF6	US Treasury Note 0.750% Due 05/31/2026	850,000.00	06/28/2021 0.88%	844,820.31 847,371.24	91.13 4.55%	774,562.50 17.42	2.28% (72,808.74)	Aaa / AA+ AA+	2.50 2.43
91282CCP4	US Treasury Note 0.625% Due 07/31/2026	750,000.00	10/08/2021 1.02%	736,171.88 742,324.72	90.34 4.51%	677,548.50 1,566.75	2.00% (64,776.22)	Aaa / AA+ AA+	2.67 2.59
91282CCW9	US Treasury Note 0.750% Due 08/31/2026	850,000.00	09/28/2021 1.00%	839,939.45 844,379.08	90.41 4.49%	768,519.85 1,611.26	2.27% (75,859.23)	Aaa / AA+ AA+	2.75 2.66
91282CCZ2	US Treasury Note 0.875% Due 09/30/2026	650,000.00	12/29/2021 1.26%	638,447.27 643,111.00	90.61 4.44%	588,935.75 963.46	1.74% (54,175.25)	Aaa / AA+ AA+	2.84 2.74
91282CDG3	US Treasury Note 1.125% Due 10/31/2026	575,000.00	11/29/2021 1.18%	573,472.66 574,094.31	90.96 4.46%	523,025.18 550.91	1.54% (51,069.13)	Aaa / AA+ AA+	2.92 2.81
91282CDK4	US Treasury Note 1.250% Due 11/30/2026	575,000.00	04/26/2022 2.76%	537,827.15 550,742.39	91.08 4.46%	523,721.50 19.64	1.54% (27,020.89)	Aaa / AA+ AA+	3.00 2.89
91282CEF4	US Treasury Note 2.500% Due 03/31/2027	700,000.00	06/13/2022 3.45%	670,878.91 679,776.56	94.13 4.41%	658,902.30 2,964.48	1.95% (20,874.26)	Aaa / AA+ AA+	3.33 3.13
91282CEW7	US Treasury Note 3.250% Due 06/30/2027	550,000.00	09/13/2022 3.61%	541,363.28 543,549.60	96.21 4.40%	529,181.40 7,480.30	1.58% (14,368.20)	Aaa / AA+ AA+	3.58 3.29

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
91282CFH9	US Treasury Note	550,000.00	09/08/2022	543,232.42	95.63	525,937.50	1.56%	Aaa / AA+	3.75
	3.125% Due 08/31/2027		3.40%	544,892.60	4.40%	4,344.09	(18,955.10)	AA+	3.46
91282CFM8	US Treasury Note	400,000.00	10/28/2022	398,796.88	99.07	396,296.80	1.17%	Aaa / AA+	3.84
	4.125% Due 09/30/2027		4.19%	399,062.30	4.39%	2,795.08	(2,765.50)	AA+	3.48
91282CFU0	US Treasury Note	750,000.00	11/09/2022	744,169.92	99.07	743,056.50	2.19%	Aaa / AA+	3.92
	4.125% Due 10/31/2027		4.30%	745,409.13	4.38%	2,634.79	(2,352.63)	AA+	3.57
9128283F5	US Treasury Note	875,000.00	12/09/2022	814,946.29	92.36	808,110.63	2.38%	Aaa / AA+	3.96
	2.250% Due 11/15/2027		3.79%	826,763.42	4.37%	865.38	(18,652.79)	AA+	3.72
				14,525,845.52		13,769,021.77	40.62%	Aaa / AA+	2.45
TOTAL US Tr	easury	14,715,000.00	1.77%	14,571,300.59	4.67%	36,610.18	(802,278.82)	AA+	2.32
				35,400,358.52		33,785,924.10	100.00%	Aa1 / AA	2.31
TOTAL PORT	FOLIO	35,465,090.00	2.14%	35,344,720.44	4.89%	199,548.76	(1,558,796.34)	AA	2.15
TOTAL MAR	KET VALUE PLUS ACCRUALS					33,985,472.86			

Walnut Valley Water District (Internal) - Account #10075

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
Cash									
90CASH\$00	Cash Custodial Cash Account	3,602,506.84	Various 0.00%	3,602,506.84 3,602,506.84	1.00 0.00%	3,602,506.84 0.00	47.62% 0.00	NR / NR NR	0.00 0.00
TOTAL Cash		3,602,506.84	0.00%	3,602,506.84 3,602,506.84	0.00%	3,602,506.84 0.00	47.62% 0.00	NR / NR NR	0.00
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	3,223,927.70	Various 3.87%	3,223,927.70 3,223,927.70	1.00 3.87%	3,223,927.70 20,262.78	42.88% 0.00	NR / NR NR	0.00 0.00
TOTAL LAIF		3,223,927.70	3.87%	3,223,927.70 3,223,927.70	3.87%	3,223,927.70 20,262.78	42.88% 0.00	NR / NR NR	0.00 0.00
Negotiable (CD								
7954506L4	Sallie Mae Bank Negotiable CD 0.850% Due 05/27/2025	248,000.00	05/27/2020 0.85%	248,000.00 248,000.00	100.00 0.85%	248,000.00 23.10	3.28% 0.00	NR / NR NR	1.49 1.48
856285TQ4	State Bank of India Negotiable CD 1.100% Due 05/28/2025	248,000.00	05/28/2020 1.10%	248,000.00 248,000.00	100.00 1.10%	248,000.00 22.42	3.28% 0.00	NR / NR NR	1.49 1.48
38149MZJ5	Goldman Sachs Bank USA Negotiable CD 1.050% Due 09/08/2026	248,000.00	08/25/2021 1.05%	248,000.00 248,000.00	89.51 5.15%	221,980.58 599.28	2.94% (26,019.42)	NR / NR NR	2.78 2.67
TOTAL Nego	tiable CD	744,000.00	1.00%	744,000.00 744,000.00	2.27%	717,980.58 644.80	9.50% (26,019.42)	NR / NR NR	1.89 1.85
TOTAL PORT	TFOLIO	7,570,434.54	1.75%	7,570,434.54 7,570,434.54	1.88%	7,544,415.12 20,907.58	100.00% (26,019.42)	NR / NR NR	0.18 0.18
TOTAL MAR	KET VALUE PLUS ACCRUALS					7,565,322.70	•		



Section 5 | Transactions

Transaction Ledger

Walnut Valley Water District - Account #10074

August 31, 2023 through November 30, 2023

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS	s									
Purchase	09/13/2023	06428CAA2	500,000.00	Bank Of America NA Callable Note cont 7/17/2026 5.526% Due: 08/18/2026	100.030	5.51%	500,150.00	1,918.75	502,068.75	0.00
Purchase	09/28/2023	89236TLB9	450,000.00	Toyota Motor Credit Corp Note 5.25% Due: 09/11/2028	99.606	5.34%	448,227.00	1,115.63	449,342.63	0.00
Subtotal			950,000.00				948,377.00	3,034.38	951,411.38	0.00
TOTAL ACQUI	SITIONS		950,000.00				948,377.00	3,034.38	951,411.38	0.00
DISPOSITIONS										
Maturity	09/08/2023	313383YJ4	625,000.00	FHLB Note 3.375% Due: 09/08/2023	100.000		625,000.00	0.00	625,000.00	0.00
Maturity	09/12/2023	3135G0U43	750,000.00	FNMA Note 2.875% Due: 09/12/2023	100.000		750,000.00	0.00	750,000.00	0.00
Maturity	09/20/2023	89236TFN0	450,000.00	Toyota Motor Credit Corp Note 3.45% Due: 09/20/2023	100.000		450,000.00	0.00	450,000.00	0.00
Subtotal			1,825,000.00				1,825,000.00	0.00	1,825,000.00	0.00
TOTAL DISPOS	SITIONS		1,825,000.00				1,825,000.00	0.00	1,825,000.00	0.00

Transaction Ledger

Walnut Valley Water District (Internal) - Account #10075

August 31, 2023 through November 30, 2023

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITION	s									
Purchase	10/15/2023	90LAIF\$00	31,126.86	Local Agency Investment Fund State Pool	1.000	3.61%	31,126.86	0.00	31,126.86	0.00
Subtotal			31,126.86				31,126.86	0.00	31,126.86	0.00
TOTAL ACQUI	SITIONS		31,126.86				31,126.86	0.00	31,126.86	0.00

Important Disclosures

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Information contained herein is confidential. Prices are provided by ICE Data Services Inc ("IDS"), an independent pricing source. In the event IDS does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

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Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody's, S&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest and carries a AA+/Aaa/AAA by S&P, Moody's and Fitch respectively.

Your qualified custodian bank maintains control of all assets reflected in this statement and we urge you to compare this statement to the one you receive from your qualified custodian. Chandler does not have any authority to withdraw or deposit funds from/to the custodian account.

Asset Class 10-Year Snapshot Disclosure

- US Small Cap Stocks Morgan Stanley Capital International (MSCI) Small Cap 1750 The MSCI Small Cap 1750 is a market capitalization weighted index that measures the performance of small capitalization U.S. stocks.
- US Mid Cap Stocks Morgan Stanley Capital International (MSCI) Mid Cap 450 The MSCI Mid Cap 450 is a market capitalization weighted index that measures the performance
 of mid-capitalization U.S. stocks.
- US Large Cap Stocks Standard & Poor's 500 The S&P 500 is a market value weighted index of 500 large capitalization stocks. The 500 companies included in the index capture approximately 80% of available U.S. market capitalization.
- International Stocks Morgan Stanley Capital International (MSCI) EAFE The MSCI EAFE International Equity Index is a market capitalization weighted index that captures international equity performance of large and mid-cap stocks in the developed stock markets of Europe, Australasia, and the Far East.
- Emerging Market Stocks Morgan Stanley Capital International (MSCI) Emerging Markets The MSCI Emerging Markets Index is a market capitalization weighted index that captures equity performance of large and mid-cap stocks across emerging market countries.
- U.S. Real Estate Morgan Stanley Capital International (MSCI) REIT The MSCI US REIT Index is a free float-adjusted market capitalization index that is comprised of equity REITs. It represents about 99% of the US REIT universe and securities are classified in the REIT sector according to the Global Industry Classification Standard (GICS*). It excludes Mortgage REITs and selected Specialized REITs.
- International Real Estate S&P Developed Ex-US Property The S&P Developed Ex-US Property Index is a market capitalization weighted index that captures the performance of a universe of publicly traded property companies based in developing countries outside of the US. The companies included are engaged in real estate related activities, such as property ownership, management, development, rental and investment.
- US Core Bonds ICE BofA US Corporate, Government, Mortgage The ICE BofA US Corporate, Government, Mortgage index is a broad measure of US investment grade bond performance, including US Treasuries, agencies, investment-grade corporates and mortgage securities.
- US High Yield Bonds ICE BofA US High Yield The ICE BofA High Yield Bond Index measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds.
- International Bonds Bloomberg Barclays Global Aggregate ex-USD Total Return Index Value Unhedged USD Index from 2/1/2013 current. This index measures the performance of global investment grade debt from 24 local currency markets. This multi- currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers. S&P Citigroup International Govt Bond Index from 1/1/2009 1/31/2013. This index measures the performance of sovereign bonds of non-U.S. developed countries.

Diversified Commodities – S&P GSCI Commodity Index – The S&P GSCI Commodity Index is a
world production-weighted measure of general commodity price movements and inflation in
the world economy. It consists of a basket of physical commodity futures contracts.

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All investments contain risk and may lose value. Fixed income investments are subject to interest rate, credit, and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates. International: Non-US markets may be more volatile due to a variety of factors including less liquidity, transparency and oversight of companies and assets. Values of non-US investments may fluctuate due to changes in currency exchange rates. Non-US companies are also subject to risks that come with political and economic stability that may affect their respective countries. These risks may be greater in emerging market countries. Equities: Investments on equities are subject to risks from stock market fluctuations that occur in response to economic and business developments.

Benchmark Disclosures

ICE BofA 1-5 Yr US Treasury & Agency Index*

The ICE BofA 1-5 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than five years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule, and a minimum amount outstanding of \$1 billion for sovereigns and \$250 million for agencies.

The ICE BofA 1-3 Year US Treasury Index tracks the performance of US dollar-denominated sovereign debt publicly issued by the US government in its domestic market. Qualifying securities must have at least one year remaining term to final maturity and less than three years remaining term to final maturity, a fixed coupon schedule, and a minimum amount outstanding of \$1 billion. Qualifying securities must have at least 18 months to final maturity at the time of issuance.

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

November 13, 2023
At the Office of the District
271 South Brea Canyon Road, Walnut, CA 91789

DIRECTORS PRESENT: STAFF PRESENT:

Edwin Hilden Erik Hitchman, General Manager/Chief Engineer Theresa Lee Jared Macias, Assistant General Manager

Scarlett Kwong Josh Byerrum, Director of Finance

Jerry Tang Lily Lopez, Director of External Affairs & Sustainability

Henry Woo Thomas Monk, Director of Operations

Sherry Shaw, Director of Engineering

DIRECTORS ABSENT: Alanna Diaz, Director of Administrative Services

Lucie Cazares, Executive Secretary

Alexandra Cortez, Administrative Assistant

Jim Ciampa, Legal Counsel (by telephone until 5:16 p.m., then

arrived in person)

The meeting was called to order at 5:00 p.m. with President Hilden presiding.

Guests and others in attendance: Three Valleys Municipal Water District (TVMWD) Director Mike Ti and TVMWD General Manager Matt Litchfield.

Item 3: Public Comment

◆ There were no requests. (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 October 16, 2023, Special Board Meeting held October 19, 2023, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Item 6 – A, B, C, D, E)

Motion No. 23-11-1978: Upon consideration thereof, it was moved by Director Lee, seconded by Director Tang, and unanimously carried 5-0 to approve the Consent Calendar, consisting of the minutes of the Regular Board meeting held October 16, 2023, Special Board Meeting held October 19, 2023, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Item 6 – A, B, C, D, E)

President Hilden indicated Motion No. 23-11-1978 was approved by a 5-0 vote

<u>Item 7: Director Expense Reports</u>

♦ 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 October 2023. (Item 7)

<u>Motion No. 23-11-1979:</u> Upon consideration thereof, it was moved by Director Lee, seconded by Director Kwong, and unanimously carried 5-0 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 October 2023. (Item 7)

President Hilden indicated Motion No. 23-11-1979 was approved by a 5-0 vote

Item 8: Treasurer's Reports

 Mr. Byerrum presented the Financial Dashboard as of September 30, 2023, the District Statement of Revenue, Expenses, and Change in Net Position as of September 30, 2023, the District Statement of Net Position as of September 30, 2023, and Summary of Cash and Investments as of September 30, 2023. (Items 8 - A, B, C, D)

<u>Motion No. 23-11-1980:</u> Upon consideration thereof, it was moved by Director Kwong, seconded by Director Lee, and unanimously carried 5-0, to receive, approve, and file the Financial Dashboard as of September 30, 2023, the District Statement of Revenue, Expenses, and Change in Net Position as of September 30, 2023, the District Statement of Net Position as of September 30, 2023, and Summary of Cash and Investments as of September 30, 2023. (Items 8 - A, B, C, D)

President Hilden indicated Motion No. 23-11-1980 was approved by a 5-0 vote

Committee Chair Reports

<u>Item 9: Public Information/Community Relations/Legislative Action Committee – President Hilden</u>

♦ There were no Public Information/Community Relations/Legislative Action Committee matters to come before the Board at this time. (Item 9)

<u>Item 10: Finance Committee – Director Lee</u>

♦ The Board was asked to approve the Cash Reserve Policy. Staff reviewed the reserve policy and is not recommending any changes. (Item 10-A)

<u>Motion No. 23-11-1981:</u> Upon consideration thereof, it was moved by Director Lee, seconded by Director Tang, and unanimously carried 5-0, to approve the Cash Reserve Policy in its current form. (Items 10-A)

President Hilden indicated Motion No. 23-11-1981 was approved by a 5-0 vote

◆ The Board was asked to approve adjustments to the District's Wholesale Potable Water Rates, effective January 1, 2024 (Item 10-B)

<u>Motion No. 23-11-1982:</u> Upon consideration thereof, it was moved by Director Lee, seconded by Director Kwong, and unanimously carried 5-0, to approve adjustments to the District's Wholesale Potable Water Rates, to be effective as of January 1, 2024, as follows:

Suburban Water Systems (Badillo Grand Line)

- a. Monthly Base Rate \$14,168
- b. Commodity Rate Tier I \$1,281 Tier II \$1,480

Golden State Water Company (Grand Avenue Connection)

- a. Monthly Base Rate \$1,705
- b. Commodity Rate Tier I \$1,420 Tier II \$1,619

(Items 10-B)

President Hilden indicated Motion No. 23-11-1982 was approved by a 5-0 vote

 Mr. Byerrum reviewed the District's investment transaction report for the period ending October 31, 2023. The Board was then asked to receive, approve, and file the investment transactions report. (Item 10-C)

<u>Motion No. 23-11-1983:</u> Upon consideration thereof, it was moved by Director Tang, seconded by Director Lee, and unanimously carried 5-0, to receive, approve, and file the investment transactions report. (Item 10-C)

President Hilden indicated Motion No. 23-11-1983 was approved by a 5-0 vote

◆ As a matter of information only, the Board received a Revenue Bond Funds Held in Trust report. (10-D)

<u>Item 11: Engineering Committee – Director Lee</u>

◆ Mr. Monk reviewed the Operations Report included in the Board Packet. No action was taken by the Board. (Item 11-A)

<u>Item 12: Personnel Committee – Director Tang</u>

 Ms. Diaz gave the Board an update on the GM internal recruitment. As this item was information only, no action was taken. (Item 12-A)

Item 13: TVMWD/MWD

 Updates on TVMWD/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 indicated that the report for October 2023 will be presented at the December Board meeting. (Item 14)

Item 15: Puente Basin Water Agency (PBWA)

Director Lee reported no meeting occurred. (Item 15)

Item 16: Spadra Basin Groundwater Sustainability Agency

◆ Director Tang reported on the November 6, 2023 Executive Committee meeting. (Item 16)

Item 17: General Manager's Report

♦ The Board received the District's activities calendars for December 2023, January and February 2024. (Item 17-A)

Item 18: Water Supply and Conservation

- ♦ The Board received reports and graphs of the following items: District potable and recycled water use, Calendar Year 2023 purchased water estimate, conservation goal summary, climate summary, and 2023 monthly water consumption versus the 2013 and 2020 baseline years. The report noted that the District's water usage for October 2023 was 25.25% lower than usage in October 2020 and 33% lower than usage in October 2013. (Item 18-A)
- ◆ The Board viewed reports on California's water supply and reservoir conditions as of November 6, 2023. (Item 18-B)

Item 19: Directors' Oral Reports

(NOTE: Board meeting minutes provide written reports of Board meeting, Committee meetings, and District associated activities. Directors may include reports of their participation in non-expense or per diem paid community events as a matter of information.) (Item 19)

- Director Hilden reported the following on his activities for the month of October: District's Regular and Special Board Meetings, all Committee meetings, TVMWD Board meetings, Employee BBQ, and the TVMWD Leadership breakfast.
- Director Kwong reported on the following activities for the month of October: CEO Workshop for Motivational Interviewing and the TVMWD Leadership Breakfast.
- Director Lee reported on the following for the month of October: District's Regular and Special Board meeting, Finance Committee, Personnel Committee, Engineering Committee meeting, PBWA Board Meeting, Succession Planning Meeting, Employee Appreciation Luncheon, Rowland Heights Buckboard Parade, and TVMWD Leadership Breakfast.
- ♦ Director Tang reported on the following for the month of October: District's Regular and Special Board meeting, all committee meetings, Ad-hoc committee meeting, Suzanne CAPA Board Meeting, Buckboard Day's Parade, and TVMWD Leadership Breakfast
- Director Woo reported the following for the month of October: District's Regular and Special Board meeting, Public Information Committee Meeting, and Engineering Committee Meeting.

Item 20: Legal Reports

 Mr. Ciampa reported on Governor Newsom's veto of AB 249 regarding lead testing and on the signing of AB 755, which adds requirements to disclose high water users in rate studies. (Item 20)

Item 21: Items for Future Discussion

• There were no requests for future discussion items. (Item 21)

<u>Item 22: Board of Directors Business</u>

◆ As a matter of information only, the Board received the election results for Local Agency Formation Commission Election of Alternate Special District Representative. (Item 22-A)

Adjourn to Closed Session - 5:25 P.M.

Item 23: Closed Session

♦ The Board met in closed session in accordance with Government Code (§54957) to conduct the annual performance evaluation for the General Manager. (Item 23)

<u>Item 24: Reconvene in Open Session/ Report of Action Taken in Closed Session – 5:28 P.M.</u>

- ♦ The Board met in closed session in accordance with Government Code (§54957) to conduct a performance evaluation for the General Manager. That evaluation occurred, and no reportable action under the Brown Act was taken on this item. (Item 24-A)
- Following discussion of the General Manager's overall performance, the Board was asked to consider at its discretion a salary or compensation adjustment to be effective January 1, 2024. Ms. Diaz noted that the General Manager's contract allows him to join the other District employees with the Cost of Living Adjustments (COLA) previously approved, and any further salary adjustment in the Board's discretion. (Item 24-B)

<u>Motion No. 23-11-1984:</u> Upon consideration thereof, it was moved by Director Kwong, seconded by Director Tang, and unanimously carried 5-0, to approve a 4% merit increase for the General Manager, along with the Cost of Living Adjustment given to all other District employees as stipulated in the Terms and Conditions of Employment effective January 1, 2024. (Item 24-B)

President Hilden indicated Motion No. 23-11-1984 was approved by a 5-0 vote

Adjournment at 5:39 p.m.

MINUTES OF SPECIAL MEETING OF THE BOARD OF DIRECTORS OF WALNUT VALLEY WATER DISTRICT

November 16, 2023
At the Offices of the District
271 South Brea Canyon Road, Walnut, CA 91789

DIRECTORS PRESENT: STAFF PRESENT:

Edwin Hilden Erik Hitchman, General Manager/Chief Engineer Scarlett Kwong Jared Macias, Assistant General Manager

Theresa Lee Josh Byerrum, Director of Finance

Jerry Tang Alanna Diaz, Director of Administrative Services

Henry Woo Lily Lopez, Director of External Affairs and Sustainability

Sherry Shaw, Director of Engineering

DIRECTORS ABSENT: Tom Monk, Director of Operations None Lucie Cazares, Executive Secretary

Alexandra Cortez, Administrative Assistant

Jim Ciampa, Legal Counsel

The meeting was called to order at 4:00 p.m. with President Hilden presiding.

Guests and others in attendance: None

Item 3: Public Comment

♦ There were no requests. (Item 3)

Item 4: Overview of Long-Term Funding Strategies

◆ The Board received a PowerPoint Presentation on the Long-Term Funding Strategies and Source and Application of Funds. As this item was information only, no Board action was taken. (Item 4)

Item 5: Other

♦ There were no other items for the Board

Adjournment at 4:30 P.M.

MINUTES OF SPECIAL MEETING OF THE BOARD OF DIRECTORS OF WALNUT VALLEY WATER DISTRICT

December 4, 2023
At the Offices of the District
271 South Brea Canyon Road, Walnut, CA 91789

DIRECTORS PRESENT: STAFF PRESENT:

Edwin Hilden Scarlett Kwong Theresa Lee Jerry Tang Henry Woo (left at 3:01 p.m.) Alanna Diaz, Director of Administrative Services Jim Ciampa, Legal Counsel

DIRECTORS ABSENT:

None

The meeting was called to order at 9:00 a.m. with President Hilden presiding.

Guests and others in attendance: None

Item 3: Public Comment

♦ There were no requests. (Item 3)

Item 4: Public Comment on Closed Session Matters

◆ There were no requests to comment on closed session items. (Item 4)

Item 5: Adjourn to Closed Session (9:03 a.m.)

<u>Item 6: Reconvene in Open Session/Report of Action Taken in Closed Session – 3:24 p.m.</u>

- ◆ The Board met in closed session in accordance with Government Code (§54957) to conduct interviews of five prospective candidates for the General Manager position.
- ♦ Following interviews, the Board discussed the interviews of the five prospective candidates for the General Manager position and selected a preferred candidate. The Board directed staff to conduct labor negotiations and gave direction concerning the proposed terms of the preferred candidate's prospective employment as the District's General Manager.

Adjournment at 3:26 p.m.

CHECK NUMBER	DATE	PAYEE	AMOUNT
9405	11/1/2023	J. De Sigio Construction, IncVOIDED	
9477	11/3/2023	ACWA - JPIA	\$ 35,245.33
9478	11/3/2023	Badger Meter, Inc.	\$ 648,652.15
9479	11/3/2023	Liebert, Cassidy, & Whitmore	\$ 985.70
9480	11/3/2023	McMaster-Carr Supply Company	\$ 662.91
9481	11/3/2023	Seals, Shawna	\$ 224.25
9482	11/3/2023	Western Water Works	\$ 282.84
9483	11/3/2023	Cintas Corporation #150	\$ 199.95
9484	11/3/2023	G M Sager Construction Co., Inc.	\$ 37,231.00
9485	11/3/2023	Fuel Pros, Inc.	\$ 175.00
9486	11/3/2023	Ferguson Waterworks - Santa Ana	\$ 2,611.58
9487	11/3/2023	Morrow-Meadows Corporation	\$ 8,832.45
9488	11/3/2023	Woodruff, Ronald	\$ 2,046.17
9489	11/3/2023	Snyder, Chason	\$ 104.62
9490	11/3/2023	Harrington Industrial Plastics, LLC	\$ 90.79
9491	11/3/2023	J. De Sigio Construction, Inc.	\$ 26,254.08
9492	11/3/2023	West Coast Sand and Gravel, Inc.	\$ 1,186.81
9493	11/3/2023	Competition Roofing, Inc.	\$ 1,760.00
9494	11/3/2023	Iga Printing	\$ 575.59
9495	11/3/2023	Fu, Stephanie	\$ 57.71
9496	11/3/2023	HASA, Inc.	\$ 1,731.94
9497	11/3/2023	Bay Alarm Company	\$ 435.90
9498	11/3/2023	Autonovation Mobile Auto Repair	\$ 1,059.77
9499	11/3/2023	PlanetBids, Inc.	\$ 4,234.32
9500	11/3/2023	Carcano, Steven	\$ 171.20
9501	11/3/2023	TOC Public Relations LLC	\$ 3,250.00
9502	11/3/2023	11:11 Systems, Inc.	\$ 316.93
9503	11/3/2023	RS Americas, Inc.	\$ 17.28
9504	11/3/2023	Serna, Samuel	\$ 2,088.54
9505	11/3/2023	Cortez, Alexandra	\$ 3,135.00
9506	11/3/2023	Ortega Strategies Group	\$ 5,000.00
9507	11/3/2023	Ortega, Oscar	\$ 161.57
9508	11/8/2023	Badger Meter, Inc.	\$ 213.62
9509	11/8/2023	City of Walnut	\$ 210.00
9510	11/8/2023	Federal Express	\$ 285.97
9511	11/8/2023	Core & Main LP	\$ 14,425.78

CHECK NUMBER	DATE	PAYEE	AMOUNT
9512	11/8/2023	Ken's Ace Hardware	\$ 128.27
9513	11/8/2023	McMaster-Carr Supply Company	\$ 113.44
9514	11/8/2023	Grainger	\$ 128.07
9515	11/8/2023	Cintas Corporation #150	\$ 199.95
9516	11/8/2023	Rowland Water District	\$ 735.58
9517	11/8/2023	Applied Technology Group, Inc.	\$ 6,774.72
9518	11/8/2023	Genesis Computer Systems, Inc.	\$ 1,344.44
9519	11/8/2023	Ferguson Waterworks - Santa Ana	\$ 8,617.93
9520	11/8/2023	Morrow-Meadows Corporation	\$ 3,847.27
9521	11/8/2023	Online Information Services, Inc.	\$ 326.80
9522	11/8/2023	Western Exterminator Company	\$ 88.00
9523	11/8/2023	BAVCO	\$ 119.80
9524	11/8/2023	West Coast Sand and Gravel, Inc.	\$ 429.29
9525	11/8/2023	State Water Resources Ctrl Bd - Cert Rnw	\$ 170.00
9526	11/8/2023	Azusa Land Reclamation, Inc.	\$ 5,063.98
9527	11/8/2023	S & J Supply Company, Inc.	\$ 9,735.75
9528	11/8/2023	Frontier Communications	\$ 386.67
9529	11/8/2023	Premier Family Medicine Associates, Inc.	\$ 110.00
9530	11/8/2023	HASA, Inc.	\$ 2,739.57
9531	11/8/2023	California Water Efficiency Partnership	\$ 702.25
9532	11/8/2023	Canon Solutions America, Inc.	\$ 153.34
9533	11/8/2023	Yo Fire	\$ 724.89
9534	11/8/2023	GNA - Brook Fire Protection, Inc.	\$ 150.00
9535	11/8/2023	Global Power Supply, LLC	\$ 129,732.22
9536	11/8/2023	Central Communications	\$ 728.52
9537	11/8/2023	Women of AT&T, Inc	\$ 250.00
9538	11/8/2023	Elite Signs and Graphics	\$ 905.35
9539	11/8/2023	Fluoresco Services, LLC	\$ 338.43
9540	11/8/2023	Kent, Douglas G	\$ 900.00
9541	11/8/2023	Corelogic Solutions, LLC	\$ 257.50
9542	11/8/2023	Flume, Inc.	\$ 438.00
9543	11/8/2023	Axelliant LLC	\$ 5,560.00
9544	11/8/2023	Rogue Water LLC	\$ 5,000.00
9545	11/8/2023	Searock Stafford CM, Inc.	\$ 28,227.42
9546	11/8/2023	Lumague, Katrina	\$ 399.98
9547	11/16/2023	Eversafe Buildings	\$ 7,167.04

CHECK NUMBER	DATE	PAYEE	 AMOUNT
9548	11/17/2023	ACWA Services Corporation	\$ 133,374.6
9549	11/17/2023	Azteca Landscape	\$ 15,675.00
9550	11/17/2023	Badger Meter, Inc.	\$ 689,933.34
9551	11/17/2023	Federal Express	\$ 76.58
9552	11/17/2023	Industrial Shoeworks	\$ 203.67
9553	11/17/2023	Southern California Edison Company	\$ 168.93
9554	11/17/2023	Underground Service Alert	\$ 561.25
9555	11/17/2023	Home Depot Credit Services	\$ 1,755.27
9556	11/17/2023	Cintas Corporation #150	\$ 199.35
9557	11/17/2023	La Habra Fence Co., Inc.	\$ 12,721.00
9558	11/17/2023	Chandler Asset Management, Inc.	\$ 3,051.35
9559	11/17/2023	Sully-Miller Contracting Company	\$ 317,058.83
9560	11/17/2023	Applied Technology Group, Inc.	\$ 2,629.92
9561	11/17/2023	Ferguson Waterworks - Santa Ana	\$ 1,268.14
9562	11/17/2023	Morrow-Meadows Corporation	\$ 21,452.69
9563	11/17/2023	East West Bank - Visa	\$ 24,814.10
9564	11/17/2023	West Coast Sand and Gravel, Inc.	\$ 755.32
9565	11/17/2023	Frontier Communications	\$ 1,000.98
9566	11/17/2023	TelePacific Corp.	\$ 1,067.78
9567	11/17/2023	HASA, Inc.	\$ 2,512.91
9568	11/17/2023	Spadra Basin Groundwater Sustainability Agency	\$ 8,182.14
9569	11/17/2023	Board of Certified Safety Professionals	\$ 180.00
9570	11/17/2023	Bay Alarm Company	\$ 297.18
9571	11/17/2023	Canon Solutions America, Inc.	\$ 2,090.82
9572	11/17/2023	R&B Automation, Inc.	\$ 1,458.17
9573	11/17/2023	Autonovation Mobile Auto Repair	\$ 1,008.14
9574	11/17/2023	Elite Signs and Graphics	\$ 406.94
9575	11/17/2023	NPG, Inc.	\$ 28,231.00
9576	11/17/2023	Pumping Solutions, A DXP Company	\$ 1,748.41
9577	11/20/2023	Hach Company	\$ 2,211.25
9578	11/20/2023	McMaster-Carr Supply Company	\$ 63.43
9579	11/20/2023	Southern California Edison Company	\$ 137,035.81
9580	11/20/2023	Cintas Corporation #150	\$ 530.91
9581	11/20/2023	Dunn Edwards Corporation	\$ 1,136.22
9582	11/20/2023	Fleming, Carmen	\$ 143.22
9583	11/20/2023	West Coast Sand and Gravel, Inc.	\$ 3,057.44

HECK NUMBER	DATE	PAYEE	AMOUNT
9584	11/20/2023	State Water Resources Ctrl Bd - Cert Rnw	\$ 80.00
9585	11/20/2023	Hill Brothers Chemical Company	\$ 2,944.32
9586	11/20/2023	OPARC, Inc.	\$ 5,474.33
9587	11/20/2023	HASA, Inc.	\$ 3,364.24
9588	11/20/2023	Yo Fire	\$ 355.88
9589	11/20/2023	Healthequity, Inc.	\$ 8.85
9590	11/20/2023	IB Consulting, LLC	\$ 1,175.00
9591	11/20/2023	Aqua Backflow, Inc	\$ 1,786.00
9592	11/20/2023	Vari Sales Corporation	\$ 438.27
9593	11/20/2023	Kuo, Anne	\$ 2,357.50
9594	11/20/2023	Axelliant LLC	\$ 19,467.48
9595	11/20/2023	Tang, Fiona	\$ 719.49
9596	11/20/2023	Ortega, Oscar	\$ 175.00
9597	11/28/2023	AT&T Mobility II, LLC	\$ 643.84
9598	11/28/2023	Badger Meter, Inc.	\$ 12,810.25
9599	11/28/2023	Graybar Electric Company, Inc.	\$ 10,724.84
9600	11/28/2023	Ken's Ace Hardware	\$ 189.88
9601	11/28/2023	Liebert, Cassidy, & Whitmore	\$ 849.50
9602	11/28/2023	Pomona City Clerk	\$ 1,894.13
9603	11/28/2023	Southern Calif Gas Company	\$ 43.78
9604	11/28/2023	State of California - Civil Eng Cert	\$ 180.00
9605	11/28/2023	Verizon Wireless	\$ 1,171.17
9606	11/28/2023	Western Water Works	\$ 11,462.25
9607	11/28/2023	Grainger	\$ 552.79
9608	11/28/2023	Cintas Corporation #150	\$ 91.13
9609	11/28/2023	Fuel Pros, Inc.	\$ 175.00
9610	11/28/2023	Ground Control Systems, Inc.	\$ 1,475.40
9611	11/28/2023	Applied Technology Group, Inc.	\$ 677.46
9612	11/28/2023	Industry Public Utility Commission	\$ 1,711.47
9613	11/28/2023	Ferguson Waterworks - Santa Ana	\$ 508.29
9614	11/28/2023	Sheakley Pension Administration, Inc.	\$ 170.80
9615	11/28/2023	D & H Water Systems, Inc.	\$ 12,792.50
9616	11/28/2023	Rite Aid Corporation	\$ 642.86
9617	11/28/2023	Harrington Industrial Plastics, LLC	\$ 2,260.02
9618	11/28/2023	Office Solutions Business Prod. & Svcs,LLC	\$ 726.94

CHECK NUMBER	DATE	PAYEE	AMOUNT
9619	11/28/2023	Stotz Machinery	\$ 3,397.61
9620	11/28/2023	S & J Supply Company, Inc.	\$ 8,246.26
9621	11/28/2023	HASA, Inc.	\$ 3,104.19
9622	11/28/2023	Yo Fire	\$ 1,264.73
9623	11/28/2023	GNA - Brook Fire Protection, Inc.	\$ 100.00
9624	11/28/2023	Public Water Agencies Group	\$ 1,927.42
9625	11/28/2023	Lagerlof, LLP	\$ 2,517.50
9626	11/28/2023	Altec Products, Inc.	\$ 7,168.67
9627	11/28/2023	Vari Sales Corporation	\$ 395.57
9628	11/28/2023	La Canada Design Group, Inc.	\$ 6,157.13
9629	11/28/2023	Elite Signs and Graphics	\$ 476.33
9630	11/28/2023	Carcano, Steven	\$ 50.00
9631	11/28/2023	Global Test Supply LLC	\$ 954.60
ACH002	11/28/2023	L.A. County Department of Public Works	\$ 3,262.90
EFT000000000951	11/6/2023	Doty Bros Equipment Co, Inc.	\$ 38,252.50
EFT000000000952	11/6/2023	SpryPoint Services, Inc.	\$ 3,336.71
EFT000000000953	11/6/2023	Reliance Standard Life Insurance Co.	\$ 8,176.35
EFT000000000954	11/6/2023	Amazon Capital Services, Inc.	\$ 5,237.74
EFT000000000955	11/6/2023	Quest Building Services	\$ 2,595.00
EFT000000000956	11/7/2023	Puente Basin Water Agency	\$ 822,194.70
EFT000000000957	11/7/2023	Pomona-Walnut-Rowland JWL Commission	\$ 896,341.64
EFT000000000958	11/9/2023	Doty Bros Equipment Co, Inc.	\$ 16,808.98
EFT000000000959	11/20/2023	Doty Bros Equipment Co, Inc.	\$ 11,995.43
EFT000000000960	11/29/2023	Doty Bros Equipment Co, Inc.	\$ 6,326.02
EFT000000000961	11/29/2023	Puente Basin Water Agency	\$ 27,183.71
XFR000007642	11/7/2023	PAYROLL	\$ 281,463.31
XFR000007655	11/21/2023	PAYROLL	\$ 287,343.49
XFR000007656	11/21/2023	WATER REFUND	\$ 13,815.18
		TOTAL	\$ 5,004,867.69

Reviewed by:

Reviewed by:

Ash By Director of Finance

What Hold Manager

General Manager

12/6/2023 Date 17ec 6, 2023 Date

Walnut Valley Water District Monthly Employee Expense Reimbursements Exceeding the Amount of \$100.00 For the Month of November 30, 2023



	Check			
Date	Number	Employee Name	Description	Amount
11/2/2023	CASH	Alexandra Cortez		\$ 33.93
11/3/2023	9481	Shawna Seals		\$ 224.25
11/3/2023	9489	Chason Snyder		\$ 104.62
11/3/2023	9500	Steven Carcano		\$ 171.20
11/3/2023	9504	Samuel Serna		\$ 2,088.54
11/3/2023	9505	Alexandra Cortez		\$ 3,135.00
11/3/2023	9507	Oscar Ortega		\$ 161.57
11/8/2023	9546	Katrina Lumague		\$ 399.98
11/20/2023	9582	Carmen Fleming		\$ 143.22
11/20/2023	9595	Fiona Tang		\$ 719.49
11/20/2023	9596	Oscar Ortega		\$ 175.00
11/28/2023	9630	Steven Carcano		\$ 50.00

In accordance with California Government Code Section 53065.5, the District shall, at least annually, disclose all reimbursements paid to any employee for an individual charge that is at least one hundred dollars (\$100).

WVWD - Staff Report



TO: Board of Directors FROM: General Manager

SUBMITTED BY: External Affairs & Sustainability

DATE: December 11, 2023

SUBJECT: Community Outreach Update

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

RECOMMENDATION

For information only.

BACKGROUND INFORMATION:

External Affairs & Sustainability Outreach Update

1. <u>December Bill Inserts</u>

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

Insert Front



Insert Back



December Bill Snipe

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





2. 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 November, the District shared the following:

- Low-Income Household Water Assistance Program
- Virtual Garden Design Workshop
- Water Wise Pro Expo
- Veteran's Day Holiday
- Water-saving tips for the Thanksgiving holiday
- Board agenda highlights
- And more





External Affairs & Sustainability Activities

1. Coffee Corner at the Walnut Senior Center

The District will be at the Walnut Senior Center on Wednesday, December 6th to promote sign-ups for the customer portal. Customers who sign up for the customer portal will receive a free succulent.

2. Holiday Succulent Arrangement Workshop

The District will be hosting a holiday succulent arrangement workshop on Wednesday, December 6th at the District's Workshop Gallery from 6:00 – 7:00 PM. Customers will have the opportunity to decorate their own succulent arrangement

3. Public Water Agencies Group - Conservation and Education Team (PWAG-CET) WVWD is a member of the Public Water Agencies Group (PWAG) Conservation and Education Team (CET) which provides conservation and educational resources to teachers and students. All schools, teachers, and students within WVWD's service area have access to all of the PWAG CET programs and services, including the Splash Cash program, Scholar Dollar program, and more. PWAG-CET's "Splash Cash" Program, where K-12 teachers receive financial

support for creative classroom projects and activities focused on water education, just completed. Winners will be announced after the new year.

Local Sponsorships

1. Suzanne Middle School GIFT

The District is sponsoring the Girls in Future Technologies (GIFT) event hosted by Women of AT&T Southern California. The event will be held at Suzanne Middle School on Friday, December 14th.

2. Suzanne Middle School Chinese American Parent Association (CAPA) Project Bright The District's partnership with Suzanne CAPA known as Project Bright is ongoing. This program introduces students to water sustainability while they earn volunteer hours and promote the mission and vision of the District. The District has received 134 Flume applications and the student volunteers have installed 93 Flumes, their target is to install 100.

3. MeterHero

The District launched its partnership with MeterHero as part of its commitment to sustainability and community engagement. MeterHero is an innovative academic curriculum designed to provide high school students with hands-on experience in water conservation and data analysis. Students learn to collect and analyze water meter data from their homes, and then develop and implement a water conservation strategy that benefits their household and the community. Three teachers, one each from Rowland High School, Walnut High School, and Diamond Ranch High School, plan on implementing the MeterHero Program this upcoming winter.



NAME: Edwin Hilden DATE: November 2023

No	Date	Title of Meeting / Description	Per Diem	Mileage (assumed as round trip unless r		noted)	
	A PERSONAL PROPERTY AND A STATE OF THE STATE		Request	From Location	To Location Miles	Miles \$	
1	11/1/2023	TVMWD Board Meeting	V			\$	
2	11/6/2023	Public Info Meeting	Ø			\$.	
3	11/6/2023	Finance Committee Meeting				\$.	
4	11/7/2023	Engineering Meeting				\$	
5	11/723	Personnel Committee Meeting	V			\$	
6	11/8/2023	DB Veterans Recognition Ceremony				\$.	
7	11/13/2023	WVWD Board Meeting	V			\$.	
8	11/15/2023	TVMWD Board Meeting	Ø		Vincettusian (2000) 2000 (4600) Up tige-Antibudgo y Coope (1000) Up tige-Antibudgo y	\$ -	
9	11/16/2023	Sign GM Contract				\$	
10	11/16/2023	Board Workshop	Image: section of the content of the			\$	
11	11/17/2023	DB Community Foundation Gala	V			\$	
12						\$	
13						\$	
		The second secon			otal Number of Miles: 0 X \$0.655 Total Reimbursable Expenses	Marine Marine	

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

11/28/2023

Total Meeting Compensation 7 X \$150.00 per day \$

1,050.00

1,050.00

TOTAL \$

ognature

^{*} Mileage is reimbursed at IRS Standard Business Mileage Rate \$0.655

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



NAME: Kwong DATE: November 2023

No	Date	Title of Meeting / Description	Per Diem	Mileage (assumed as round trip unless		rip unless	noted)
			Request	From Location	To Location	Miles	Miles \$
1	11/4/2023	CEO 'Effective engagement with legislators'	✓				\$ -
2	11/6/2023	Public Info committee	✓				\$ -
3	11/13/2023	Board meeting	V				\$ -
4	11/15/2023	WVWD workshop: Giving Life to your scraps	V				\$ -
5	11/16/2023	Board Workshop	V				\$ -
6	11/28/2023	translation-Water Saver Appreciation Invitation	V				\$ -
7							\$ -
8							\$ -
9							\$ -
10							\$ -
11							\$ -
12							\$ -
13							\$ -
					Total Number of Miles:	0 X \$0.655	\$ -
					Total Reimbursabl		
I certify th	ne above is corre	ct and accurate to the best of my knowledge		Total Meeting C	ompensation 6 X \$150		
						TOTAL	\$ 900.00
Signatur	re			Date	•		

^{*} Mileage is reimbursed at IRS Standard Business Mileage Rate \$0.655

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



NAME: Theresa Lee DATE: NOV. 2023

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (as	Mileage (assumed as round trip unless		noted)		
			Request	From Location	To Location	Miles	Miles \$		
1	11/6/2023	SPADRA Executive Committee					\$ -		
2	11/6/2023	WVWD Finance Committee Meeting	✓				\$ -		
3	11/7/2023	WVWD Engineering Committee Meeting	✓				\$ -		
4	11/13/2023	WVWD Board Meeting	✓				\$ -		
5	11/16/2023	WVWD Board Workshop	✓				\$ -		
6							\$ -		
7							\$ -		
8							\$ -		
9							\$ -		
10							\$ -		
11							\$ -		
12							\$ -		
13							\$ -		
					Total Number of Miles	: 0 X \$0.655	\$ -		
					Total Reimbursabl				
I certify th	ne above is corre	ct and accurate to the best of my knowledge		Total Meeting C	compensation 4 X \$150				
						TOTAL	φ 600.00		
Signatur	re		-	Date	•				

^{*} Mileage is reimbursed at IRS Standard Business Mileage Rate \$0.655

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



NAME: Jerry C. Tang **DATE: November 2023**

No	Date	Title of Meeting / Description	Per Diem			ip unless	noted)		
			Request	From Location	To Location	Miles	Miles \$		
1	11/6/23	Spadra Basin Groundwater Sustainability Agency Executive Committee Meeting	V				\$ -		
2	11/6/23	WVWD Public Information Committee Meeting					\$ -		
3	11/6/23	WVWD Finance Coommittee Meeting					\$ -		
4	11/7/23	WVWD Engineering Committee Meeting					\$ -		
5	11/7/23	WVWD Personnel Committee Meeting	7				\$ -		
6	11/13/23	WVWD Board Meeting	V				\$ -		
7	11/15/23	WVWD Giving Life to Your Scraps Workshop	V				\$ -		
8	11/16/23	WVWD Board Workshop	✓				\$ -		
9	11/20/23	Mandrin Translation for WVWD's Outreach Event	✓				\$ -		
10	11/29/23	WVWD GM Interveiw Questions Review and Revision	V				\$ -		
11							\$ -		
12							\$ -		
13							\$ -		
	Total Number of Miles: 0 X \$0.655 \$								

Total Reimbursable Expenses \$

Total Meeting Compensation 7 X \$150.00 per day \$

1,050.00

1,050.00

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

Signature

November 30, 2023

Date

^{*} Mileage is reimbursed at IRS Standard Business Mileage Rate \$0.655

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



NAME: Henry Woo DATE: November 2023

		TIGHTY 1100						
No	Date	Title of Meeting / Description	Per Diem Request					(k
			Request	From Location	To Location	Miles	N	liles \$
1	11/6/2023	Public info/Legislative Committee meeting	V				\$	-
2	11/7/2023	Engineering Committee meeting	✓				\$	-
3	11/13/2023	Regular Board meeting	V				\$	-
4	11/15/2023	Three Valley MWD Board Meeting	V				\$	-
5	11/16/2023	Special Board Meeting	V				\$	-
6	11/28/2023	ACWA Conference	✓	WVWD	Renaissance Esmeralda	199.6	\$	130.74
7	11/29/2023	ACWA Conference	V				\$	-
8	11/30/2023	ACWA Conference					\$	-
9							\$	-
10							\$	-
11							\$	-
12							\$	-
13							\$	-
				Total	Number of Miles: 199	9.6 X \$0.655	\$	130.74
					Total Reimbursab		_	64.36
certify th	ne above is corre	ct and accurate to the best of my knowledge						1,050.00
						TOTAL	\$	1,245.10
Signatur	re		-	Date	·			

^{*} Mileage is reimbursed at IRS Standard Business Mileage Rate \$0.655

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

Revised October 2023 Expense Report

DIRECTOR EXPENSE FORM



NAME: Henry Woo DATE: October 2023

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (as	Mileage (assumed as round trip unless i		noted)		
			Request	From Location	To Location	Miles	Miles \$		
1	10/9/2023	Public info/legislative committee meeting	✓				\$ -		
2	10/10/2023	Engineering committee meeting	✓				\$ -		
3	10/16/2023	Regular Board meeting	✓				\$ -		
4	10/17/2023	WVWD Board BBQ	V				\$ -		
5	10/19/2023	Board workshop	V				\$ -		
6	10/26/2023	TVMWD Leadership Breakfast	V				\$ -		
7							\$ -		
8							\$ -		
9							\$ -		
10							\$ -		
11							\$ -		
12							\$ -		
13							\$ -		
					Total Number of Miles	: 0 X \$0.655	\$ -		
					Total Reimbursabl				
I certify th	ne above is corre	ct and accurate to the best of my knowledge		Total Meeting C	compensation 6 X \$150	0.00 per day TOTAL			
						IOIAL	Ψ 300.00		
Signatur	re .		•	Date					

^{*} Mileage is reimbursed at IRS Standard Business Mileage Rate \$0.655

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

Monthly Board Expense Detail Edwin Hilden

Edwin Hilden November 30, 2023

Payment Date/Charge Date	Туре	Description	Conference/Meeting	Payment Type	Check Number	Payment	Reimbursed By Director	District Expense	GL Acct.
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al Districts	05						TATE !	0.00	

		Red Balle	12/6/2023
Edwin Hilden	Date	Director of Finance	Date
Rucie Can Executive Secretary	Date 2023	General Manager	Dec. 6, 2023

Monthly Board Expense Detail Scarlett Kwong

November 30, 2023

Payment Date/Charge Date	Туре	Description	Conference/Meeting	Payment Type	Check Number	Payment	Reimbursed By Director	District Expense	GL Acct.
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Scarlett Kwong		Date		Director of Finance	Date
Avul Executive Secretary	Cazin	Z 07	2013	General Manager	Du. 6, 2013

Monthly Board Expense Detail

Theresa Lee November 30, 2023

Payment Pate/Charge Date	Туре	Description	Conference/Meeting	Payment Type	Check Number	Payment	Reimbursed By Director	District Expense	GL Acct.
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		Jah Bow	12/6/2023
Theresa Lee	Date	Director of Finance	Date
Augul Carry Elecutive Secretary	12/07/2023 Date	General Manager	Dec. 6, 2023

Monthly Board Expense Detail Jerry Tang November 30, 2023

Payment Date/Charge Date	Туре	Description	Conference/Meeting	Payment Type	Check Number	Payment	Reimbursed By Director	District Expense	GL Acct.
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al Districts	Charges							0.00	O NAVARA

-		Joh By le	12/6/2023
Jerry Tang	Date	Director of Finance	Date
Executive Secretary	12/87/2023	General Manager	Du. 6, 2023

Monthly Board Expense Detail Henry Woo

November 30, 2023

Payment Date/Charge Date	Туре	Description	Conference/Meeting	Payment Type	Check Number	Payment	Reimbursed By Director	District Expense	GL Acct.
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			Jah Brew	12/6/2023
Henry Woo		Date	Director of Finance	Date
Avail Ch	Juy	12 07 2023	General Manager	Des 6, 2023



WALNUT VALLEY WATER DISTRICT TREASURER'S REPORT December 11, 2023

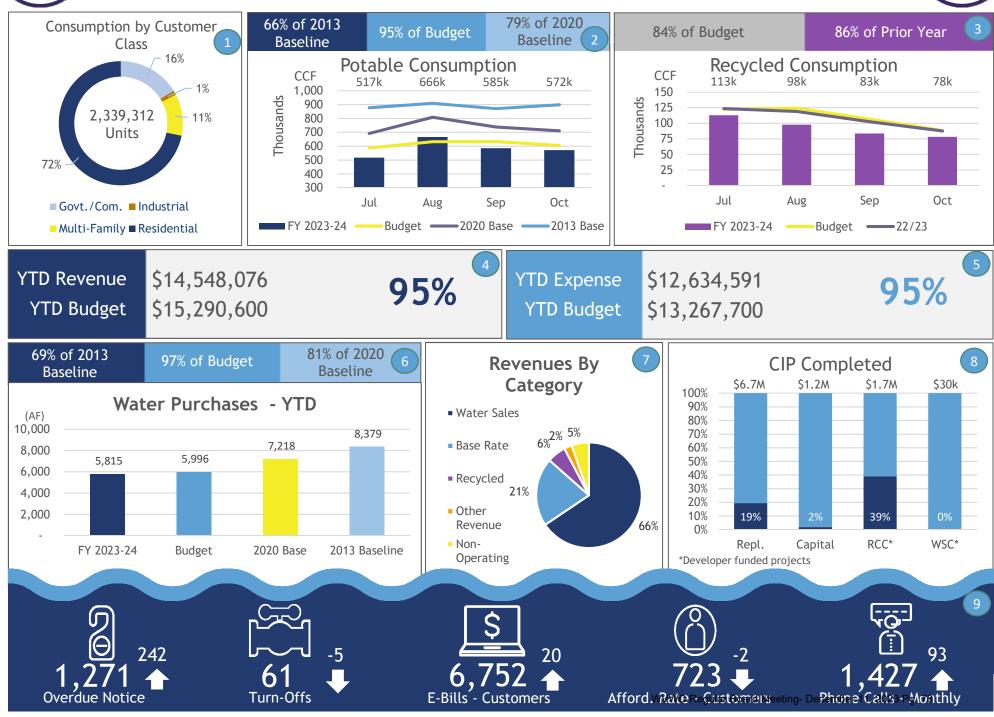
- A. Financial Dashboard as of October 31, 2023
- B. District Statement of Revenues, Expenses, and Change in Net
 Position as of October 31, 2023
- C. District Statement of Net Position as of October 31, 2023
- D. Summary of Cash Investments as of October 31, 2023



Walnut Valley Water District Financial Dashboard



October 31, 2023



^{*} 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 Four Months Ending Tuesday, October	r 31 2023

	October Actual Budget % of Budget		YTD	Ann	nual	
	Actual	Buaget	% of Budget	Actual	Budget	% of Budget
Operating Revenues						
Water Sales	\$3,378,953.48	\$3,444,700.00	98.09%	\$14,013,346.67	\$36,977,100.00	37.90%
Water Sales - Recycled	190,558.20	223,100.00	85.41%	884,663.94	2,376,100.00	37.23%
Hydroelectric Sales	3,722.11	2,500.00	148.88%	12,890.53	30,000.00	42.97%
Stand-by Charges	13,338.64	31,200.00	42.75%	30,239.62	825,000.00	3.67%
Total Operating Revenues	3,586,572.43	3,701,500.00	96.90%	14,941,140.76	40,208,200.00	37.16%
Operating Expenses						
Operations	629,153.88	629,153.88 523,500.00		2,360,459.93	6,996,000.00	33.74%
Engineering	117,704.60	130,000.00	90.54%	475,810.85	1,772,950.00	26.84%
Finance	166,427.78	172,950.00	96.23%	652,120.47	2,268,400.00	28.75%
Board of Directors/GM Office	107,405.74	124,750.00	86.10%	443,563.23	1,700,200.00	26.09%
Administrative Services	273,572.47	283,100.00	96.63%	1,125,146.69	3,693,150.00	30.47%
General Administration	150,937.16	132,450.00	113.96%	504,483.42	1,341,800.00	37.60%
Total Operating Expenses	1,445,201.63	1,366,750.00	105.74%	5,561,584.59	17,772,500.00	31.29%
Purchased Water & Related	1,603,521.31	1,763,300.00	90.94%	7,466,071.17	19,532,800.00	38.22%
Total Expenses	3,048,722.94	3,130,050.00	97.40%	13,027,655.76	37,305,300.00	34.92%
Income (Loss) From Operations	537,849.49	571,450.00	94.12%	1,913,485.00	2,902,900.00	65.92%
Nonoperating Revenues/(Expenses)	91,551.53	72,800.00	125.76%	684,005.39	1,795,100.00	38.10%
Income (Loss) Before Res. Rev & Deprec.	629,401.02	644,250.00	97.70%	2,597,490.39	4,698,000.00	55.29%
Restricted/Desig Rev & Other Exp.	42,849.82	0.00	0.00%	197,934.79	0.00	0.00%
Income (Loss) Before Depreciation	672,250.84	644,250.00	104.35%	2,795,425.18	4,698,000.00	59.50%
Depreciation & Amortization	469,871.59	0.00	0.00%	1,885,771.31	0.00	0.00%
Income Before Capital Contributions	202,379.25	644,250.00	31.41%	909,653.87	4,698,000.00	19.36%
Capital Contributions	497,768.58	0.00	0.00%	1,771,216.81	0.00	0.00%
Net Increase (Decrease) in Net Position	700,147.83	644,250.00	108.68%	2,680,870.68	4,698,000.00	57.06%

ASSETS

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Cash & Investments - Unrestricted	\$32,394,380.47	
Accounts Receivable:		
Water	4,107,618.60	
Taxes	89,700.04	
Accrued Interest	207,041.29	
Other	3,082,059.86	
Standby Charges	48,391.56	
Materials Inventory	1,250,961.80	
Prepaid Expenses	532,640.40	
TOTAL CURRENT ASSETS		41,712,794.02
RESTRICTED ASSETS		
Cash & Investments - Restricted	9,429,942.02	
Cash & Investments - Fiscal Agent	1,845,794.65	
Investment in Joint Venture	22,825,402.08	
TOTAL RESTRICTED ASSETS		34,101,138.75
OTHER ASSETS		
-		
CAPITAL ASSETS		
Capital Assets	236,431,449.72	
Construction in Progress	11,666,679.96	
Less: Accumulated Depreciation	(132,191,869.21)	
NET CAPITAL ASSETS		115,906,260.47
TOTAL ASSETS	-	191,720,193.24

DEFERRED OUTLFOW OF RESOURCES

Deferred Pension Contributions	3,862,630.00
Deferred Outflow - Actuarial	5,284,963.00
Deferred Outflow - OPEB	5,585,032.00
TOTAL DEFERRED OUTFLOW OF RESOURCES	14,732,625.00

LIABILITIES & FUND EQUITY

CURRENT LIABILITIES

CONNENT LIABILITIES		
Accounts Payable	(5,122,273.09)	
Other Current Liabilities	508,563.05	
Current Portion of Long Term Debt	(630,000.00)	
Interest Payable	(23,116.99)	
TOTAL CURRENT LIABILITES		(5,266,827.03)
RESTRICTED LIABILITIES		
Accounts Payable	(11,012.64)	
Deposits	(3,544,099.93)	

LONG TERM DEBT & RELATED

TOTAL RESTRICTED LIABILITIES

Construction Advances

306.16)
148.16)

(3,783,202.40)

(7,338,314.97)

Walnut Valley Water District Statement of Net Position Tuesday, October 31, 2023

DEFERRED INFLOW OF RESOURCES

Deferred Inflow of Resources - Actuarial		(1,230,282.00)
Deferred Inflow of Resources - OPEB		(1,064,622.00)
TOTAL DEFERRED INFLOW OF RESOURCES		(2,294,904.00)
NET POSITION		
Invested in Capital Assets, Net of Related Debt	115,906,260.47	
Restricted	11,382,823.78	
Unrestricted	26,271,381.83	
TOTAL NET POSITION	153,560,466.08	
TOTAL NET POSITION		153,560,466.08

Walnut Valley Water District Summary of Cash and Investments 10/31/2023

CASH & CASH EQUIVALENTS

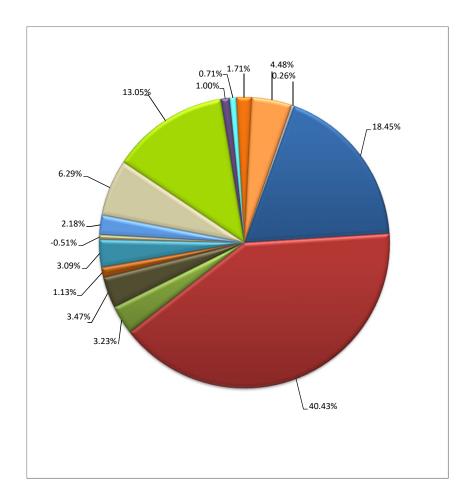
Cash on Hand		\$3,000.00	
Cash in Bank			
East West Bank - General	\$3,431,214.73		•
East West Bank - Payroll	320,000.00		
East West Bank - Water Refund	21,184.82		
East West Bank - Revolving	25,643.17		
East West Bank - Credit Card	390,802.66		
East West Bank - Badillo Grand	318,495.65		
East West Bank - Payroll Reimbursement	30,925.10		
Total Cash in Bank	_33	4,538,266.13	
TOTAL CASH		'	\$4,541,266.13
INVESTMENTS			
Certificates of Deposit		744,000.00	
Corporate Notes		8,975,000.00	
Supranational		1,100,000.00	
Local Agency Investment Fund (LAIF)		3,223,927.70	
BNY Mellon - Money Market (Sweep)		0.00	
US Agency		10,675,000.00	
US Treasury		14,715,000.00	
TOTAL INVESTMENTS			39,432,927.70
TOTAL CASH & INVESTMENTS			\$43,974,193.83

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 October 31, 2023



ALLOCATION OF CASH AND INVESTMENTS			
Unrest	ricted		
Category 1			
General Account	\$	8,197,397.15	18.64%
	\$	8,197,397.15	18.64%
Desig	aatad		
<u> </u>	iateu		
Category 2	•		0.000/
Operating Reserve	\$	2,797,300.00	6.36%
Replacement	\$	17,966,352.92	40.85%
Capital Improvement	\$	1,432,588.27	3.26%
Rate Stabilization	\$	1,543,125.39	3.51%
B/G Catastrophic Ins	\$	500,000.00	1.14%
Employee Liabilities	\$	1,370,756.09	3.12%
Stored Water	\$	(230,500.00)	-0.52%
Project Reserve	\$	967,231.99	2.20%
	\$	26,346,854.66	59.92%

Restricted Re	eserves	5	
Category 3 Customer/Developer Deposits	\$	5,802,384.29	13.19%
_	\$	5,802,384.29	13.19%
Category 4			
ASC	\$	442,076.47	1.01%
Badillo/Grand-Maintenance	\$	318,495.65	0.72%
RCC	\$	759,285.80	1.73%
WSC	\$	1,992,605.60	4.53%
Capacity Charge	\$	115,094.21	0.26%
	\$	3,627,557.73	8.25%
T	otal \$	43,974,193.83	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.

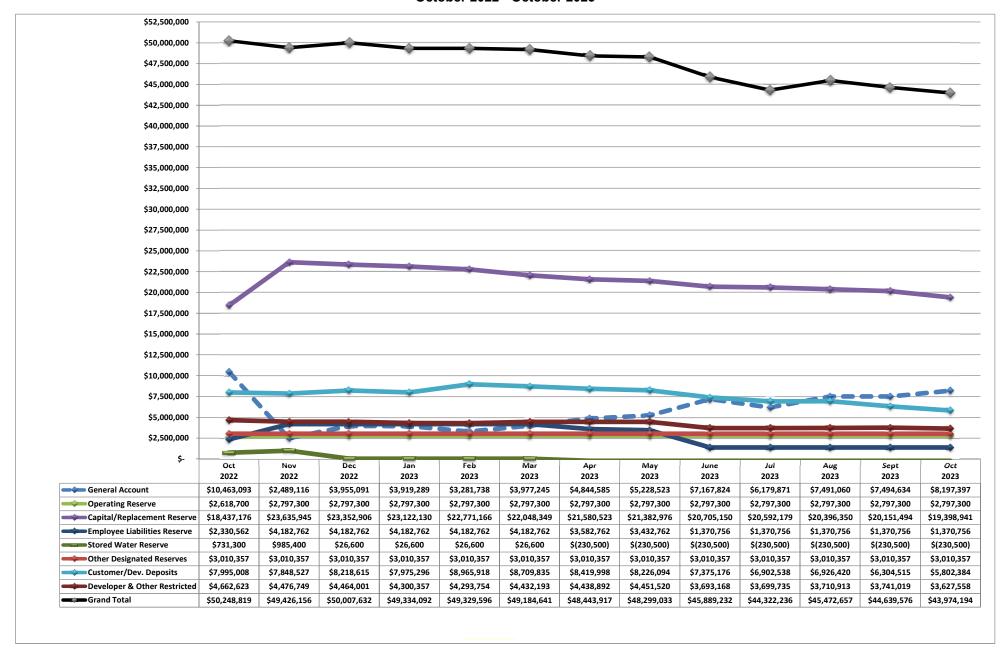
Category 2 - These funds, although not legally or externally restricted, have been reserved pursuant to the Board's desire to provide a stable and equitable rate structure. All interest earned related to these funds is retained by each designated fund.

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.

Note: Effective 6/39/12, the Bagilla Grand Chaastrophic Insurance 2023 Pg. 84 Fund was reclassified from a Restricted Fund to a Designated Fund.

Walnut Valley Water District Cash Balances October 2022 - October 2023



WVWD - Staff Report



TO: Board of Directors
FROM: General Manager
SUBMITTED BY: Director of Finance
DATE: December 11, 2023

SUBJECT: Annual Comprehensive Financial Report for the Fiscal Year Ending June 30,

2023

✓ Action/Discussion ✓ Fiscal Impact ☐ Resolution ✓ Information Only

Recommendation

That the Board of Directors receive, approve, and file:

- A. Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023.
- B. Management Report for the Fiscal Year Ended June 30, 2023
- C. Independent Accountant's Report on Applying Agreed Upon Procedures for the Fiscal Year Ended June 30, 2023

Background Information

The Fiscal Year (FY) 2022/2023 District's audit comprises eight parts, which are provided as attachments:

- Introductory Section: An overview of the District providing readers with information on the District, the economy, and future initiatives.
- Independent Auditor's Report: An audit report cover letter from Fedak & Brown, LLP, outlining the auditor's professional responsibilities, accounting basis, and opinion on whether the financial statements comply with Generally Accepted Accounting Practices (GAAP).
- Management's Discussion and Analysis: This section summarizes the financial statements and explains any major changes from the prior fiscal year to the current fiscal year.
- Financial Statements: A depiction of the District's activities for FY 2022/2023.
- Notes to the Basic Financial Statements: The footnotes provide information in greater detail on the District's financial policies, accounting, retirement plan, and other financial matters.
- Statistical Section: Selected financial and demographic information, on a multi-year basis.
- Auditor Report on Internal Controls: A report identifying and disclosing any material weaknesses or significant deficiencies in internal controls.
- Debt Service Coverage Requirement Agreed Upon Procedures: A report ensuring the District meets its debt coverage ratio.

The auditor found the District's financial reporting to comply with Generally Accepted Accounting Principles, and as such, issued an Unqualified Opinion, the highest-level opinion an entity can receive. Additionally, the Report on Internal Controls noted that 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.

This is the third year that the District will apply for the Government Finance Officers Association's Certificate of Achievement for Excellence award, which encourages state and local governments to prepare and publish expanded financial reports in conformity with generally accepted accounting principles (GAAP) and provides awards to recognize contributions to the practice of government finance that exemplify outstanding financial management. The awards stress practical, documented work that offers leadership to the profession and promotes improved public finance.

Attachment:

2022-23 Audited Annual Comprehensive Financial Report Report on Internal Controls and Compliance Management Report Independent Accounts' Report on Applying Agreed-Upon Procedures





Annual Comprehensive **Financial** Report

Fiscal Years Ended June 30, 2023 and 2022

"Dedicated to meeting the water supply needs of the communities we serve."

Working Draft Subject to Review



Our Mission Statement

"Dedicated to meeting the water supply needs of the communities we serve."

Walnut Valley Water District Board of Directors as of June 30, 2023



Edwin M. Hilden President 2022-2026



Theresa Lee 1st Vice President 2022-2026



Scarlett P. Kwong 2nd Vice President 2007-2024



Jerry Tang Assistant Treasurer 2019-2024



Henry Woo Director 2023-2028

District Management

Erik Hitchman General Manger Chief Engineer Secretary Jared Macias Assistant General Manager

Walnut Valley Water District 271 S Brea Canyon Road Walnut, CA 91789 (909) 595-7554 | www.wvwd.com



Annual Comprehensive Financial Statement

Fiscal Years Ended June 30, 2023 and 2022

Prepared by: Finance Department

Walnut Valley Water District 271 S Brea Canyon Road Walnut, CA 91789

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Working Draft Subject to Review



WALNUT VALLEY WATER DISTRICT

December 11, 2023

271 SOUTH BREA CANYON ROAD • WALNUT, CALIFORNIA 91789-3002 (909) 595-7554 • FAX: (909) 444-5521 WALNUTVALLEYWATER.GOV

BOARD OF DIRECTORS

Edwin M. Hilden President Election Division II

Theresa Lee
First Vice President

First Vice President Election Division III

Scarlett P. Kwong Second Vice President Election Division V

Jerry Tang Assistant Treasurer Election Division I

Henry Woo Director Election Division IV

STAFF

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

Jared Macias
Assistant General Manager

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

Lily LopezDirector of External Affairs &
Sustainability

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

To the Honorable Board of Directors and Customers of Walnut Valley Water District:

It is our pleasure to submit Walnut Valley Water District's (WVWD or District) Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. This report meets the requirements set forth by the Governmental Accounting Standards Board for an annual report prepared in accordance with accounting principles generally accepted in the United States and contains information to help readers gain a reasonable understanding of the District's financial position and activities.

The District is responsible for both the accuracy of the data and the completeness and fairness of its presentation, including all disclosures in this financial report. District staff certifies that the data presented to you in this report is accurate in all material respects.

Generally Accepted Accounting Principles (GAAP) require that District management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of a Management's Discussion and Analysis (MD&A) section. This letter of transmittal complements the MD&A and should be read in conjunction with it.

The District's financial statements have been audited by C.J. Brown & Company CPAs, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2023, are free of material misstatement.

The independent audit is a test basis examination of the evidence supporting the District's financial statements, an assessment of the accounting principles used by District management, and an evaluation of the overall financial statement presentation. The auditor's report is included as the first component of the financial section of this report. Based on the report's findings, it is concluded that there is a reasonable basis for rendering an unmodified opinion for the fiscal year ended June 30, 2023, and that the District's financial statements are fairly presented in conformity with GAAP.

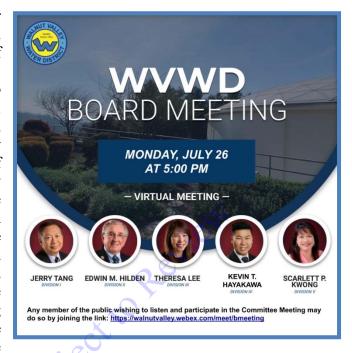
Sincerely,

Erik Hitchman General Manager

Walnut Valley Water District

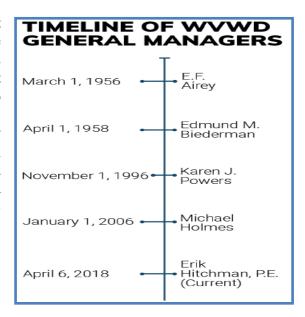
STRUCTURE AND LEADERSHIP PROFILE

Formed in 1952, Walnut Valley Water District (District), an independent special district, operates under the authority of Division 13 of the California Water Code. The District provides water service to customers in the City of Diamond Bar, portions of the cities of Industry, Pomona, Walnut, West Covina, and the easterly section of the unincorporated area of Rowland Heights. WVWD is governed by a five-member Board of Directors who are elected to overlapping four-year terms in even-numbered years. The District has five divisions, election separate represented by a Director residing in, and elected by the voters, of the division. The Board of Directors is responsible for setting District policy and establishing long-range goals and direction for the District to ensure



that its operations continue to run efficiently and effectively, both today and in the decades to come. The District's Board of Directors meets on the third Monday of each month, meetings are publicly noticed and citizens are encouraged to attend.

The Board of Directors oversees the appointment of the General Manager. As the Chief Executive Officer of the District, the General Manager is responsible for the daily operations of the District and works with the Board of Directors to develop long-range plans for the betterment of the District. The General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. The General Manager oversees and manages District staff that includes up to 57 full-time employees.



STRATEGIC VISION

The goals, objectives, and activities of the Board and District staff are driven by its Mission Statement: "Dedicated to meeting the water supply needs of the communities we serve." In support of its mission, in June 2019, the Board of Directors adopted the District's first comprehensive Strategic Plan, which represented a disciplined effort to identify initiatives and tactics to advance the District's mission and establish a vision to address issues such as sustainability, resiliency, and equity for both the District's water supply resources and its workforce.

The District's Strategic Vision is "Shared Values, Shared Results." The core values are listed below.

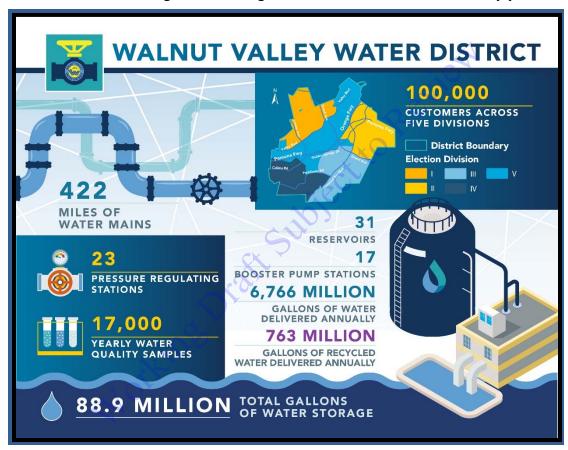
- 1. Accountability
- 2. Communication
- 3. Customer Service
- 4. Efficiency
- 5. Reliability
- 6. Quality



WATER SYSTEM OVERVIEW

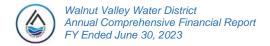
The District is located about 20 miles east of Los Angeles in the San Gabriel Valley and encompasses an area of approximately 17,900 acres of land, comprising 29 square miles. The District serves a population of approximately 100,000 and currently provides service to 27,000 residential, multi-family, commercial, and industrial connections.

With seven decades of service to the community, the District operates and maintains two large imported water pipelines, 384 miles of distribution mains (ranging in size from 4 inches to 51 inches), 18 pump plants, and 32 reservoirs with a storage capacity of 95.6 million gallons of water. The District delivers an average of 5 billion gallons of water to its customers every year.



Recycled water, used for irrigation and to decrease reliance on imported water, is delivered through a separate distribution system comprised of approximately 42 miles of water mains, 5 production wells, 3 pump plants, and 5 reservoirs with a combined capacity of 6.2 million gallons.

The District's entire service area is monitored by a supervisory control and data acquisition (SCADA) system that records reservoir levels, system pressures, and pump operations. The District owns and operates a 182-kilowatt hydroelectric generating station. The power generated by this station is sold to Southern California Edison.



WATER SYSTEM OVERVIEW, continued

Potable Water Supply

Due to the limited availability of local groundwater sources, the District is almost 100% dependent on treated imported water obtained from the Metropolitan Water District of Southern California (MWD) through its member agency Three Valleys Municipal Water District (TVMWD). MWD's primary sources of water include imports from the Colorado River and the State Water Project. All the District's potable water is treated at either MWD's Weymouth Treatment Plant, or TVMWD's Miramar Treatment Plant. Annually the District purchases approximately 15,000 acrefect of water from MWD/TVMWD.

Unlike other regional water districts, the District is unique in that it is nearly 100% reliant on imported water. Because of the demand and pressure placed on water systems throughout California, District has invested in several water supply reliability projects to decrease our reliance on treated imported water. The District, along with Rowland Water District (RWD), through a joint powers agreement, formed the Puente Basin Water Agency (PBWA) in 1971. Through the PBWA, the Districts identified, and have completed or are in the process of completing the La Habra Heights Pipeline



Project, California Domestic Water Project, and the Pomona Basin Project. In total these projects are expected to provide the District up to 4,000-acre feet of water per annum, decreasing the District's dependence on treated imported water supplies, and enhancing overall water supply reliability.

- La Habra Heights Project (Completed) The District in partnership with the Rowland Water District (RWD) entered into a project agreement to construct and operate the La Habra Heights County Water District Pipeline Project. The project is expected to yield up to 2,000-acre feet per year of potable water from the Central Basin. Water from the project is shared equally by the District and RWD.
- Cal Domestic Project/Pathfinder Pipeline Project (Completed) The Walnut Valley Water District (WVWD) in partnership with the RWD has entered into a Water Production and Delivery agreement with the California Domestic Water Company for the delivery of up to approximately 5,000-acre feet per year of potable water from the Main San Gabriel Basin. Water produced from the project is dependent on the agencies purchasing and storing untreated imported water in the basin. Water produced will be shared by the District and RWD.
- Pomona Basin Project (Scheduled Completion 2024) The Project involves the production of water from two groundwater wells in the Six Basins. Once completed, the project will provide approximately 1,800 acre-feet per year of local groundwater. Water produced from the project will be shared equally by the District and RWD.

WATER SYSTEM OVERVIEW, continued

Recycled Water Supply

The District operates a recycled water system that provides nearly three million gallons of water each day to irrigate landscape areas such as parks, medians, and school grounds. Investment in recycled water adds a low-cost water supply to our water portfolio and lessens our dependence on imported water. The District purchases recycled water from the Los Angeles County Sanitation District's Pomona Water Reclamation Plant. These supplies are augmented by



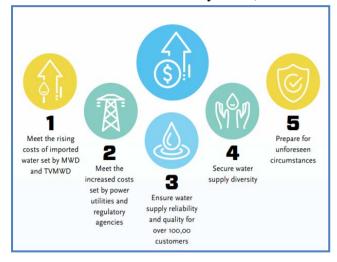
groundwater from the District's recycled water wells. On average the District delivers 2,000 acrefeet of recycled water per year, representing 11% of total water demand. The District continues to promote the use of recycled water and is committed to identifying further opportunities to expand the system.

WATER RATES & CHARGES

The District is dedicated to providing safe and reliable water and excellence in customer service under the guiding principles of affordability, customer fairness, and transparency. The rates customers are charged are impacted by several factors that include operation and maintenance expenses, infrastructure, expenditures, and administrative costs. In January 2020, the Board

approved a detailed cost of service study and a proposed schedule of rate adjustments covering a five-year period beginning February 2020. The average rate adjustment for the five-year period is 5% per year. The Board of Directors approved a 5% rate increase in 2023.

Water rates are user charges imposed on customers for services and are the major source of revenue for the District. Water rates include a monthly meter charge, commodity charge, pump zone charge, and fire protection charge.



ECONOMIC CONDITIONS AND OUTLOOK

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment in which the District operates.

Economy

The economy of Walnut Valley Water District has been significantly impacted by supply chain issues and inflation in recent years. The District, responsible for providing essential water services to its community, relies on a stable and efficient supply chain to maintain its infrastructure and deliver clean water to residents. However, disruptions in the supply chain, driven by factors such as global trade tensions and the COVID-19 pandemic, have resulted in delayed shipments of critical equipment and materials needed for maintenance and expansion projects. These delays have not only increased operational costs but also hindered the District's ability to ensure a consistent supply of clean water to its customers.



Inflation has further stretched the financial health

of the Walnut Valley Water District. Rising prices for goods and services, from energy and labor to chemicals and equipment, have led to higher operational expenses, making it challenging for the District to keep water rates affordable for its residents. Inflationary pressures have forced the District to carefully allocate resources and prioritize essential projects while seeking cost-effective solutions to maintain water quality and infrastructure integrity. As the cost of living continues to rise, the District faces the difficult task of balancing the needs of its community with the economic realities brought on by inflation.

To address these challenges, Walnut Valley Water District has been exploring innovative solutions, such as investing in sustainable practices and infrastructure upgrades to improve efficiency and reduce long-term operating costs. Additionally, the District has been actively taking steps to mitigate these effects by entering into long-term contracts with suppliers, increasing critical inventory, as well as working with other local agencies in joint contracts.

Industry Outlook

California continues to face a decreasing water supply due to significantly dry conditions year over year. The hot and dry weather have not only contributed to a decrease in water supply, but also an increase in wildfires. Per the Metropolitan Water District of Southern California (MWD), the amount of California's Sierra Nevada Snowpack was measured at 221% of the April 1 average, when it is historically at its peak. The severe storms during the year which was subsequent to the three driest years on record show the effect of California's changing climate and a new realty that faces the water industry.

ECONOMIC CONDITIONS AND OUTLOOK, continued

Along with looming drought conditions, California legislation has enacted Assembly Bill 1668 and Senate Bill 606, which will reduce the amount of water allocated to residents in California. The current standard to meet is 55 gallons per person per day (GPCD) through December 31, 2024. Subsequent legislation in Senate Bill 1157 reduces this standard to 47 GPCD on January 1, 2025 and 42 GPCD on January 1, 2030.

Water Use Efficiency

In 2016, Governor Brown issued an Executive Order calling for Californians to build on the actions taken during the recent statewide drought, and to "Make Conservation a Way of Life in California". In response, legislation requiring statewide long-term water use efficiency passed in 2018. As a result, the state will establish new long-term water efficiency objectives by June 30, 2022 to take effect in 2024. In addition to the current residential indoor standards, these new objectives will include standard-based budgets for residential outdoor commercial/industrial/institutional landscapes with dedicated irrigation meters, and real water loses. The District is working with water industry associations and the State Water Resources Control Board to provide comments for practical implementation Final adopted language is expected to be released in 2024. The District has a long history of implementing cost-effective water efficiency programs and recently completed a comprehensive water use efficiency strategic plan to help ensure the District is well prepared to meet future efficiency standards.

Water Supply

California's water supply continues to pose many new and complex challenges for water agencies throughout the state. In recent years, the District has been an active participant and leader in addressing these concerns. Through coordination and planning with other local and regional water agencies, the District continues to engage in developing long-term solutions to the various water supply challenges, inclusive of drought resiliency efforts.

As a result of extremely high precipitation during this last winter season, deliveries from the State Water Project were increased to 100% of requested supplies. This drastic increase prompted MWD to deliver as much water as possible into their and other agencies storage. Facing the new reality of regularly occurring water shortages, MWD has also invested in the design of their Pure Water Southern California project, located adjacent to the Sanitation District's Carson plant. This advanced water treatment facility would purify reclaimed water to drinking water standards and is estimated to produce 150 million gallons of drinking water per day. Although the District seeks to increase local water supplies, as evidenced by the District's water supply reliability projects, it remains heavily dependent upon MWD for its potable water. MWD continues to experience increases in the cost of acquiring water and delivering water to its member agencies. As a result, MWD's Tier 1 rate will increase from \$1,209 per acre-foot to \$1,256 per acre-foot on January 1, 2024, a 3.8% increase. Managing these costs and ensuring supply reliability remains a strategic focus of the District.

FISCAL MANAGEMENT & FINANCIAL POLICIES

Internal Control Structure

District management is responsible for the internal control structure established to protect its assets from theft or loss, ensure compliance with District policies, and allow for accurate and reliable financial statements. When establishing and implementing controls, management must consider the cost of the control and the value of the benefit derived. Management maintains only those controls for which value exceeds its costs.

Budgetary Control

The District's Board of Directors annually adopts an operating budget and capital expenditure budget prior to the new fiscal year. The budget authorizes and provides the basis for reporting and controlling financial operations and accountability for the District's enterprise operations and capital projects. The budget and reporting treatment applied to the District is consistent with the accrual basis of accounting and the financial statement basis.

Debt Administration

The District has one bonded indebtedness and additional obligations under three separate agreements. Additional information regarding these issues can be found in the District's audited financial statements and accompanying notes.

Description	Purpose
2021 Series A	Water Revenue Bonds Provided to finance certain capital facilities of the District.

Investment Policy

The investment policy is adopted annually and provides guiding objectives of safety, liquidity, and yield. The policy lists, in detail, the investment types, percentage of each type, and rating of the investment type. It applies to all cash and investment assets of the District, except those held in a non-revocable trust.

Reserve Policy

The policy states the purpose, source, minimum/maximum funding levels for each of its designated reserves. These reserves have been established to meet internal requirements and/or external legal requirements. These policy guidelines enable restricting funds for further infrastructure needs, replacement of aging facilities, bond compliance, and to mitigate unexpected occurrences.

FISCAL MANAGEMENT & FINANCIAL POLICIES, continued

Audit and Financial Reporting

State law and District bylaws require the District to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm: C.J. Brown & Company CPAs, has conducted the audit of the District's financial statements. Their unmodified Independent Auditor's Report appears in the Financial Section.

Risk Management

The District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA). The purpose of the ACWA/JPIA is to arrange and administer risk management programs for the pooling of self-insured losses and the purchase of excess insurance and workers' compensation coverage.

MAJOR INITIATIVES AND PROJECTS

Meter Replacement Program

The District's Advanced Metering Infrastructure (AMI) project started in FY 2015/2016 and is planned to be completed by FY 2024/2025. To date, approximately 54% of the District's 27,000



water meters have been replaced with automated "smart" meters. The goal of the project is to modernize existing infrastructure to increase water conservation through accurate and automated real-time meter readings that will further aid in leak detection and system loss reporting. AMI technology provides a link from the customer's meter to the District, allowing almost near real-time monitoring to occur. The technology eliminates the need to manually read water meters therefore reducing District costs and environmental impacts by minimizing mileage driven by District vehicles.

Asset Replacement & Refurbishment Plan

The District developed a twenty-year ARR plan that addresses the need to repair and rehabilitate its water system infrastructure. The plan includes various programs totaling 92 million dollars over the next 20 years. Through proper long-term planning, the District can collect the necessary funding over time, avoiding significant financial fluctuations, while ensuring overall system reliability.

Water Use Efficiency Objectives

To build on water use efficiency and conservation in the state of California, the State Water Resources Control Board, which is one of Walnut Valley Water District's regulating agencies, is currently establishing Water Use Objectives to help the state meet the demand of a minimizing natural water supply. In anticipation of these regulations, the District has implemented and is in the process of developing resources for our customers to live a sustainable water lifestyle.

MAJOR INITIATIVES AND PROJECTS, continued

Water Use Efficiency Objectives, continued

Efforts include:

- > New District website with Chatbot assistance
- New District customer portal for customers to manage their water usage and monthly payment
- ➤ Conservation messaging through social media platforms (Instagram, TikTok, YouTube, Twitter and Facebook).
- Conservation messaging on District trucks and facilities
- ➤ Conservation messaging through e-newsletters, monthly bill inserts and snipes, flyers, fact sheets, and more.
- Conservation messaging at in-person community events via a conservation booth.
- Leak kit distributions to customers.
- ➤ Water use efficiency workshops virtual and inperson, offered in both English and Mandarin.
- Direct purchase programs for water savings devices (Flume and Rachio).
- Rebate programs (premium high-efficiency toilets, urinals, sprinkler nozzles, weather-based irrigation controllers, pool covers, rain barrels, soil moisture sensors, and more.
- ➤ Landscape and garden design resources with a \$2 per square foot rebate on turf removal projects.

Public Education & Outreach

Walnut Valley Water District is committed to excellence in communications and water awareness education. Over the last three years, the District has invested in community collaboration projects that directly involve its customer base. Participants in WVWD initiatives include the Asian-American Pacific Islander (AAPI) community, homeowners, senior citizens, students, business owners, locally elected representatives, parent associations at several schools, and more.



MAJOR INITIATIVES AND PROJECTS, continued

Project Bright

This initiative is a program offered to the students and parents at Suzanne Middle School and Walnut High School's Chinese American Parent Association (CAPA). The goal of this effort is to help install user-friendly customers conservation technology, Flume. Flume monitors for leaks and helps customers save water by allowing them to instantly track their water usage through an app on their mobile device or tablet. This program also provides students with volunteer hours and an opportunity to provide public service on a large scale.



The District sponsored this initiative and provided Project Bright participants with Flume devices and a water survey form that is available in both English and Mandarin. For the first year of the program, participants were tasked with installing 100 Flume devices for customers throughout the service area. This program also serves as a dual effort to introduce students to the water industry and careers that are available to them.

Trust Building Initiative

In partnership with the WaterNow Alliance and the River Network, Walnut Valley Water District began a trustbuilding initiative with the Chinese American Association \ of Walnut (CAAW). This initiative served to build trust amongst the District's service area by connecting community members with resources and information through trust liaisons and platforms that they prefer to frequent that aren't typically sponsored by a utility. The major benefit of this initiative to the community resulted in the inaugural Community Water Festival in



which WVWD opened its doors to the entire community in honor of Earth Day to showcase its operations and its efforts to plan for sustainable water supply management. This was also an opportunity to educate the public through a series of presentations on how their water bills are generated, how the budget system operates, and how rates are established along with an outlook on the state of water through its cyclical history of drought in California. In FY 2022-2023, the Community Water Festival welcomed nearly 600 residents of all ages and backgrounds to a key piece in public education and outreach.

MAJOR INITIATIVES AND PROJECTS, continued

MeterHero

As part of its commitment to sustainability and community engagement, Walnut Valley Water District launched its sponsorship of MeterHero, an innovative academic curriculum designed to provide high school students with hands-on experience around water conservation and data analysis. MeterHero is a curriculum enhancement offered to teachers with AP Environment Science classes in the Walnut Valley Unified School District (WVUSD) and portions of the Rowland Unified School District (RUSD) and Pomona Unified School District (PUSD). The curriculum is designed to



align with the course content and science practices of AP Environmental Science. This program is designed for students to collect and analyze water meter data from their homes' and then develop and implement a water conservation strategy that benefits their household and the entire WVWD community. Students will be directly leading the effort to help WVWD meet its goal of up to a 20% decrease in district-wide water usage.

Risk and Resiliency Plan/Emergency Response Plan

In early 2020 the District completed a Risk and Resilience Assessment (RRA) in accordance with

America's Water Infrastructure Act of 2018 (AWIA). The results of the RRA were used to review and update the District's Emergency Response Plan (ERP). With a rapidly changing climate, the District's service area is regularly faced with public safety power shutoff (PSPS) warnings, wildfires, extreme weather advisories, earthquakes, and other natural disasters. The District's commitment to reliable water service is unfaltering, these efforts ensure the District is adequately prepared to respond to any situation with minimal, to no disruption in service and quality. The District has also entered into a



regional emergency response effort further expanding on personnel and operations assistance should the need arise.

OTHER REFERENCES

Detailed information is contained in the *Management's Discussion and Analysis* and the *Notes to the Basic Financial Statements* found in the Financial Section of this report.



AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to WVWD for its ACFR for the fiscal year ended June 30, 2022. This was the third year that WVWD has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS



The combined efforts of District staff accomplished the preparation of this report. We appreciate the dedicated efforts and professionalism that our staff members contribute to the District. We would also like to thank the members of the Board of Directors for their continued support in the planning and implementation of Walnut Valley Water District's fiscal policies.

Respectfully submitted,

Erik Hitchman

General Manager

Jared Macias

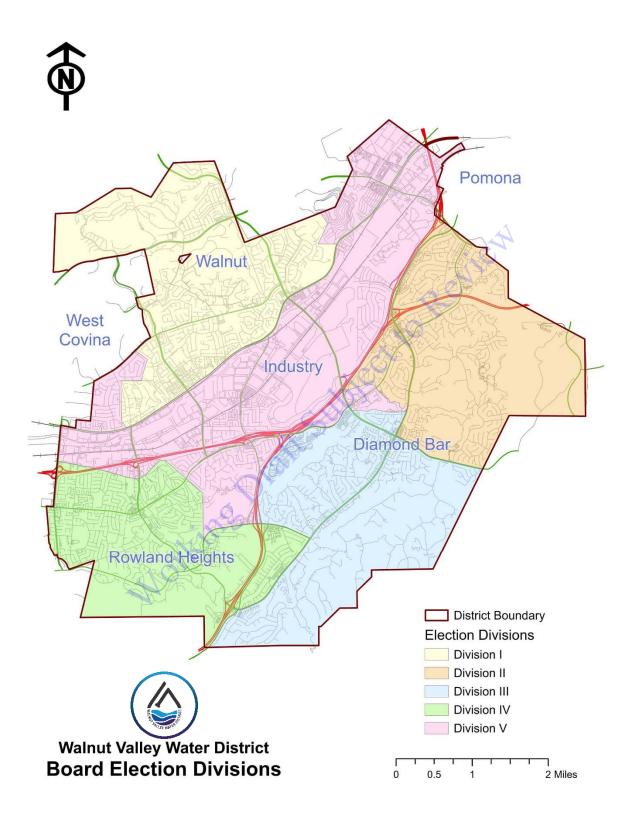
Assistant General Manager

Walnut Valley Water District Organizational Chart

As of June 30, 2022



Walnut Valley Water District District Service Area





Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Walnut Valley Water District California

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

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Working Traft Subject to Review

Financial Section

Working Draft Subject to Review

Independent Auditor's Report

Board of Directors Walnut Valley Water District Walnut, California

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Walnut Valley Water District (District), which comprises the statements of net position as of June 30, 2023 and 2022, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Walnut Valley Water District as of June 30, 2023 and 2022, and the changes in net position and cash flows 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform our audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal 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 District'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 District'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 District'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.

Emphasis of Matter

As discussed in Note 1.C to the financial statements, in June 30, 2023, the District adopted new accounting guidance *Governmental Accounting Standards Board Statement No. 96*.

As part of our audit of the June 30, 2023, financial statements, we audited the adjustments described in Note 11 to the financial statements. Adjustments were recognized for the District's subscription information technology agreements. As a result of the implementation for the District's agreements, the District recorded right-to-use assets included as part of capital assets, leases payable, reclassified a portion of its subscription lease expense to interest expense, and has recorded prior period adjustments to restate net position as of July 1, 2020 and 2021.

As part of our audit of the June 30, 2022, financial statements, we audited the adjustments described in Note 11 to the financial statements. Adjustments were recognized for the District's lessor and lessee agreements. As a result of the implementation for the District's lessor agreements, the District recorded leases receivable, a deferred lease inflows of resources, reclassified a portion of its rental income to interest income, and has recorded prior period adjustments to restate net position as of July 1, 2020 and 2021. Please see Note 4 for further information.

Independent Auditor's Report, continued

Emphasis of Matter

As a result of the implementation for the District's lessee agreements, the District recorded a right to use asset included as part of capital assets, a lease payable, reclassified a portion of its equipment lease expense to interest expense, and has recorded prior period adjustments to restate net position as of July 1, 2020 and 2021. Please see Note 7 for further information. Our opinion is not modified with respect to this matter. Please see Note 7 for further information. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 21 through 30 and the required supplementary information on pages 85 through 86 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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 Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section on pages 1 through 14, and statistical section on pages 89 through 102, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2023, on our consideration of the District'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 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 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 the District's internal control over financial reporting and compliance. This report can be found on pages 103 and 104.

C.J. Brown & Company CPAs Cypress, California

December 11, 2023

Walnut Valley Water District Management's Discussion and Analysis For the Fiscal Years Ended June 30, 2023 and 2022

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Walnut Valley Water District (District) provides an introduction to the financial statements of the District for the fiscal years ended June 30, 2023 and 2022. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes, which follow this section.

Financial Highlights

- In fiscal year 2023, the District's net position increased 4.29% or \$6,210,178 to \$150,879,597, primarily due to an increase of \$2,234,746 from ongoing operations and \$3,975,432 in capital contributions. In fiscal year 2022, the District's net position increased 1.61% or \$2,285,911 to \$144,669,419, primarily due to a decrease of \$1,980,823 from ongoing operations and \$4,012,468 in capital contributions.
- Total revenues decreased 9.99% or \$4,684,809 to \$42,192,364. In fiscal year 2022, total revenues increased 1.79% or \$825,506 to \$46,877,173.
- Operating revenues decreased 10.64% or \$4,721,573 to \$39,669,770. In fiscal year 2022, operating revenues increased 0.30% or \$130,724 to \$44,391,343.
- Non-operating revenues decreased 6.13% or \$152,504 to \$2,333,326. In fiscal year 2022, non-operating revenues increased by 38.79% or \$694,782 to \$2,485,830.
- Total expenses including depreciation decreased by 18.22% or \$8,900,378 to \$39,957,618. In fiscal year 2022, total expenses including depreciation increased 5.02% or \$2,337,169 to \$48,857,996.
- Operation expenses before depreciation decreased 19.26% or \$7,888,221 to \$33,074,736. In fiscal year 2022, operating expenses before depreciation increased 2.24% or \$897,884 to \$40,962,957.
- Depreciation and amortization expense decreased 0.39% or \$22,286 to \$5,746,516. In fiscal year 2022, depreciation and amortization expense increased by 1.10% or \$62,819 to \$5,768,802.
- Non-operating expenses decreased 55.46% or \$1,179,139 to \$947,098. In fiscal year 2022, non-operating expenses increased 183.58% or \$1,376,466 to \$2,126,237.
- Capital contributions from developers and others decreased 0.92% or \$37,036 to \$3,975,432. In fiscal year 2022, capital contributions from developers and others increased 185.85% or \$2,608,748 to \$4,012,468.

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 District using accounting methods similar to those used by private sector companies.

Walnut Valley Water District Management's Discussion and Analysis, continued For the Fiscal Years Ended June 30, 2023 and 2022

Required Financial Statements

The Statements of Net Position includes all of the District's investments in resources (assets), deferred outflows of resources, the 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 District, and assessing the liquidity and financial flexibility of the District. All of the current year's revenues and expenses are accounted for in the Statements of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate fiscal stability and credit worthiness. The final required financial statement is the Statements of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statements 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 District

One of the most important questions asked about the District's finances is, "Is the District 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 District 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. These two statements report the District's *net position* and changes in it. One can think of the District's net position – the difference between assets plus deferred outflows of resources, less liabilities plus deferred inflows of resources – as a way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District'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 and new or changed government legislation, such as changes in Federal and State water quality standards.

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 36 through 84.

Walnut Valley Water District Management's Discussion and Analysis, continued For the Fiscal Years Ended June 30, 2023 and 2022

Statements of Net Position

Condensed Statements of Net Position

			As Restated		As Restated	
	_	2023	2022	Change	2021	Change
Assets:						
Current assets	\$	25,559,889	27,885,687	(2,325,798)	27,196,705	688,982
Non-current assets		51,443,160	51,366,134	77,026	52,856,937	(1,490,803)
Capital assets, net	_	114,437,216	111,783,288	2,653,928	111,811,898	(28,610)
Total assets	_	191,440,265	191,035,109	405,156	191,865,540	(830,431)
Deferred outflows of resources	_	14,732,624	4,421,262	10,311,362	6,918,554	(2,497,292)
Liabilities:						
Current liabilities		13,767,417	12,819,404	948,013	17,194,454	(4,375,050)
Non-current liabilities	_	37,739,077	25,741,369	11,997,708	36,682,252	(10,940,883)
Total liabilities	_	51,506,494	38,560,773	12,945,721	53,876,706	(15,315,933)
Deferred inflows of resources:	_	3,786,798	12,226,179	(8,439,381)	2,523,880	9,702,299
Net position:						
Net investment in capital assets		98,999,367	96,171,867	2,827,500	103,712,477	(7,540,610)
Restricted		26,475,019	25,266,486	1,208,533	26,199,369	(932,883)
Unrestricted	_	25,405,211	23,231,066	2,174,145	12,471,662	10,759,404
Total net position	\$_	150,879,597	144,669,419	6,210,178	142,383,508	2,285,911

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of the District by \$150,879,597 and \$144,669,419 as of June 30, 2023 and 2022, respectively.

Compared to the prior year, net position increased 4.29% or \$6,210,178 to \$150,879,597, primarily due to an increase of \$2,234,746 from ongoing operations and \$3,975,432 in capital contributions. In fiscal year 2022, the District's net position increased 1.61% or \$2,285,911 to \$144,669,419, primarily due to a decrease of \$1,980,823 from ongoing operations and \$4,012,468 in capital contributions. The District'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.

By far the largest portion of the District's net position (66% as of June 30, 2023 and 2022, respectively) reflects its investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets still outstanding. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are *not* available for future spending.

Restricted net position represents assets restricted for use by statutory requirements or contractual agreements. At the end of fiscal years 2023 and 2022, the District showed a positive balance in its unrestricted net position of \$25,405,211 and \$23,231,066, respectively, which may be utilized in future years.

The Board of Directors has taken action to reserve aspects of the unrestricted net position for specified purposes such as asset replacement, growth accommodation, and emergency reserves.

Walnut Valley Water District Management's Discussion and Analysis, continued For the Fiscal Years Ended June 30, 2023 and 2022

Statements of Net Position, continued

The District has committed to the following funds and objectives:

- Replacement Reserve Established for the funding of the replacement of capital assets when they reach the end of their useful lives.
- Capital Improvement Reserve Established for the funding of new capital assets necessary to improve or maintain the District's water infrastructure.
- Project Reserve Established to fund components of Regional Water Supply Projects or District Headquarters that were not funded from bond proceeds.
- Badillo Grand Catastrophic Insurance Reserve Established to provide self-insurance for the funding emergency repair and maintenance of the Badillo Grand Line.
- Rate Stabilization Reserve Established for the purpose of avoiding rate fluctuations in water rates. In addition, the reserve can be withdrawn to meet its bond covenant.
- Stored Water Reserve Established for the purpose of obtaining stored water to purchase untreated imported water necessary to operate Water Supply Reliability Projects.
- Operating Fund Reserve Established to provide essential services in cases where normal cash flows are interrupted.
- Employee Liabilities Fund Reserve Established to accumulate funds for repayment of employee legacy liabilities such as pension benefits or other post-employment benefits.

Management's Discussion and Analysis, continued For the Fiscal Years Ended June 30, 2023 and 2022

Statements of Revenues, Expenses, and Changes in Net Position

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

	As Restated			As Restated		
	2023	2022	Change	2021	Change	
Revenues:						
Operating revenues \$	39,669,770	44,391,343	(4,721,573)	44,260,619	130,724	
Non-operating revenues	2,333,326	2,485,830	(152,504)	1,791,048	694,782	
Total revenues	42,003,096	46,877,173	(4,874,077)	46,051,667	825,506	
Expenses:						
Operating expenses	33,074,736	40,962,957	(7,888,221)	40,065,073	897,884	
Depreciation and amortization	5,746,516	5,768,802	(22,286)	5,705,983	62,819	
Non-operating expenses	947,098	2,126,237	(1,179,139)	749,771	1,376,466	
Total expenses	39,768,350	48,857,996	(9,089,646)	46,520,827	2,337,169	
Net income (loss) before			1			
capital contributions	2,234,746	(1,980,823)	4,215,569	(469,160)	(1,511,663)	
Capital contributions	3,975,432	4,012,468	(37,036)	1,403,720	2,608,748	
Changes in net position	6,210,178	2,031,645	4,178,533	934,560	1,097,085	
Net position, beginning of year	144,669,419	142,383,508	2,285,911	140,950,984	1,432,524	
Prior period adjustment		254,266	(254,266)	497,964	(243,698)	
Net position, beginning of the year -		(0)				
as restated	144,669,419	142,637,774	2,031,645	141,448,948	1,188,826	
Net position, end of year \$	150,879,597	144,669,419	6,210,178	142,383,508	2,285,911	

The statements of revenues, expenses, and changes in net position show how the District's net position changed during the fiscal years. In the case of the District, the District's net position increased 4.29% or \$6,210,178 to \$150,879,597, that included an increase of \$2.234.746 from ongoing operations, which was due primarily to the current year adjustments for the GASB 68 pension liability and related deferred outflows and inflows, and \$3,975,432 in capital contributions. In fiscal year 2022, the District's net position increased 1.60% or \$2,285,911 to \$144,669,419, that included a decrease of \$1,980,823 from ongoing operations, which was due primarily to the current year adjustments for the GASB 68 pension liability and related deferred outflows and inflows, and \$4,012,468 in capital contributions.

Financial Analysis for Fiscal Year 2023

A closer examination of the sources of changes in net position:

In 2023, the District's total revenues decreased 9.99% or \$4,684,809 to \$42,192,364. The District's operating revenues decreased 10.64% or \$4,721,573 to \$39,669,770, primarily due to decreases of \$5,030,030 in water sales, \$489,605 in recycled water sales, which were offset by increases of \$606,316 in meter charges, \$157,890 in other water charges, and \$43,440 in standby charges as compared to the previous year.

In 2023, the District's non-operating revenues decreased 6.13% or \$152,504 to \$2,333,326 primarily due to increases of \$275,799 in investment earnings, net of fair value, \$242,938 in Share of joint venture income, \$146,168 in property taxes and \$37,444 in rental income from cellular site leases, which were offset by decreases of \$692,150 in other non-operating income and \$153,711 in gain on disposition of capital assets as compared to the previous year.

Management's Discussion and Analysis, continued For the Fiscal Years Ended June 30, 2023 and 2022

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

Financial Analysis for Fiscal Year 2023, continued

In 2023, the District's total expenses including depreciation decreased by 18.60% or \$9,089,646 to \$39,768,350. The District's operating expenses before depreciation decreased 19.26% or \$7,888,221 to \$33,074,736, due to decreases of \$4,055,877 in source of supply, \$2,892,039 in transmission and distribution, \$497,651 in pumping, \$290,048 in consumer accounts, \$144,565 in operating expenses capitalized during the construction period, and \$8,041 in general and administrative as compared to the previous year.

In 2023, the District's depreciation and amortization expense decreased 0.39% or \$22,286 to \$5,746,516., due to the ongoing maturation on existing depreciable assets.

In 2023, the District's non-operating expenses decreased 55.46% or \$1,179,139 to \$947,098, due to decreases of \$1,600,045 in investment expense, net of fair value, \$188,885 in cost of issuance of debt related to the 2021 Series A Water Refunding bond issuance, \$87,374 in share of joint venture loss, which were offset by increases of \$666,270 in loss on disposition of assets and \$30,895 in interest expense related to long-term debt primarily due to the 2013 Series A Water Revenue bond defeasance as compared to the previous year.

In 2023, the District's capital contributions decreased 0.92% or \$37,036 to \$3,975,432, due to decreases of \$186,074 in contributed capital from developers and \$68,690 in capital grants state and local, which were offset by an increase of \$217,728 in capacity and supply charges as compared to the previous year.

Financial Analysis for Fiscal Year 2022

A closer examination of the sources of changes in net position:

In 2022, the District's total revenues increased 1.79% or \$825,506 to \$46,877,173. The District's operating revenues increased 0.30% or \$130,724 to \$44,391,343, primarily due to increases of \$352,653 in meter charges, \$162,732 in other water charges, which were offset by decreases of \$283,597 in water sales, \$48,828 in standby charges, and \$44,350 in recycled water sales as compared to the previous year.

In 2022, the District's non-operating revenues increased by 38.79% or \$694,782 to \$2,485,830 primarily due to increases of \$584,144 in other non-operating revenues, \$153,711 in gain on disposition of assets, \$42,206 in interest earnings from leases, and \$33,205 in property taxes, which were offset by decreases of \$63,284 in investment earnings, net of fair value and \$55,200 in rental income from cellular site leases as compared to the previous year.

In 2022, the District's total expenses including depreciation increased 5.02% or \$2,337,169 to \$48,857,996. The District's operating expenses before depreciation increased 2.24% or \$897,884 to \$40,962,957, due to increases of \$1,102,527 in transmission and distribution and \$407,212 in pumping expenses, which were offset by decreases of \$399,600 in operating expenses capitalized during the construction period, \$134,942 in general and administrative, \$56,205 in source of supply, and \$21,108 in consumer accounts as compared to the previous year.

In 2022, the District's depreciation and amortization expense increased by 1.10% or \$62,819 to \$5,768,802, due to the ongoing maturation on existing depreciable assets.

In 2022, the District's non-operating expenses increased by 183.58% or \$1,376,466 to \$2,126,237, primarily due to increases of \$1,600,045 in investment expense, net of fair value, \$188,885 in cost of issuance of debt related to the 2021 Series A Water Refunding bond issuance, \$46,345 in share of joint venture loss, which were offset by decreases of \$359,169 in interest expense related to long-term debt primarily due to the 2013 Series A Water Revenue bond defeasance and \$99,640 in loss on disposition of assets as compared to the previous year.

Management's Discussion and Analysis, continued For the Fiscal Years Ended June 30, 2023 and 2022

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

Financial Analysis for Fiscal Year 2022, continued

In 2022, the District's capital contributions increased 185.85% or \$2,608,748 to \$4,012,468, due to increases of \$2,438,796 in contributed capital from developers and \$182,897 in capital grants state and local as compared to the previous year.

Total District Revenues

	As Restated			As Restated		
	2023	2022	Change	2021	Change	
Operating revenues:						
Water sales \$	26,922,980	31,953,010	(5,030,030)	32,236,607	(283,597)	
Meter charges	9,365,587	8,759,271	606,316	8,406,618	352,653	
Recycled water sales	1,665,973	2,155,578	(489,605)	2,199,928	(44,350)	
Standby charges	761,611	718,171	43,440	766,999	(48,828)	
Hydroelectric sales	21,871	31,455	(9,584)	39,341	(7,886)	
Other water charges	931,748	773,858	157,890	611,126	162,732	
Total operating revenues	39,669,770	44,391,343	(4,721,573)	44,260,619	130,724	
Non-operating revenues:			×O ´			
Property taxes	1,378,819	1,232,651	146,168	1,199,446	33,205	
Rental income – cellular site leases	212,628	175,184	37,444	230,384	(55,200)	
Interest earnings – leases	73,699	82,691	(8,992)	40,485	42,206	
Investment earnings	275,799	10)	275,799	63,284	(63,284)	
Share of joint venture income	242,938		242,938		-	
Gain on disposition of capital assets	-	153,711	(153,711)	-	153,711	
Other non-operating income	149,443	841,593	(692,150)	257,449	584,144	
Total non-operating						
revenues	2,333,326	2,485,830	(152,504)	1,791,048	694,782	
Total revenues \$	42,003,096	46,877,173	(4,874,077)	46,051,667	825,506	

In 2023, total District revenues decreased \$4,684,809 to \$42,192,364 as compared to the prior year.

In 2022, total District revenues increased \$783,300 to \$46,877,173 as compared to the prior year.

Management's Discussion and Analysis, continued For the Fiscal Years Ended June 30, 2023 and 2022

Total District Expenses

		As Restated		As Restated	
	2023	2022	Change	2021	Change
Operating expenses including					
depreciation expense:					
Source of supply \$	21,226,680	25,282,557	(4,055,877)	25,338,762	(56,205)
Pumping	1,728,885	2,226,536	(497,651)	1,819,324	407,212
Transmission and distribution	4,392,282	7,284,321	(2,892,039)	6,181,794	1,102,527
Consumer accounts	1,493,320	1,783,368	(290,048)	1,804,476	(21,108)
General and administrative	5,097,182	5,105,223	(8,041)	5,240,165	(134,942)
Operating expenses capitalized					
during construction period	(863,613)	(719,048)	(144,565)	(319,448)	(399,600)
Depreciation and amortization	5,746,516	5,768,802	(22,286)	5,705,983	62,819
Total operating expenses					
including depreciation and			•		
amortization expense	38,821,252	46,731,759	(7,910,507)	45,771,056	960,703
Non-operating expenses:			20		
Investment expense, net of fair value	-	1,600,045	(1,600,045)	-	1,600,045
Share of joint venture loss	-	87,374	(87,374)	41,029	46,345
Loss on disposition of capital assets	666,270	-	666,270	99,640	(99,640)
Interest expense – long-term debt	280,828	249,933	30,895	609,102	(359,169)
Bond issuance costs		188,885	(188,885)		188,885
Total non-operating		30)			
expenses	947,098	2,126,237	(1,179,139)	749,771	1,376,466
Total expenses \$	39,768,350	48,857,996	(9,089,646)	46,520,827	2,337,169

In 2023, total District expenses decreased \$9,089,646 to \$39,768,350 as compared to the prior year. In 2022, total District expenses increased \$2,337,169 to \$48,857,996 as compared to the prior year.

Capital Asset Administration

Changes in capital assets for 2023 were as follows:

Al.)' _	As Restated Balance 2022	Additions	Transfers/ Deletions	Balance 2023
Capital assets:					
Non-depreciable assets	\$	12,178,211	9,247,696	(7,954,051)	13,471,856
Depreciable and					
Amortizable assets		225,306,124	7,816,192	(1,850,858)	231,271,458
Accumulated depreciation					
and amortization	_	(125,701,047)	(5,746,516)	1,141,465	(130,306,098)
Total capital assets, net	\$	111,783,288	11,317,372	(8,663,444)	114,437,216

Management's Discussion and Analysis, continued For the Fiscal Years Ended June 30, 2023 and 2022

Capital Asset Administration, continued

At the end of fiscal year 2023, the District's investment in capital assets amounted to \$114,437,216 (net of accumulated depreciation and amortization). This investment in capital assets includes terminal storage, pumping equipment, transmission and distribution systems, PWR capacity, hydroelectric system, recycled water system, general plant, subscription leases and an equipment lease. Major capital asset additions during the year include the acquisition of pumping equipment, transmission and distribution systems, recycled water systems, and general plant assets. Major capital asset transfers sourced from terminal storage, for the purpose of merging the terminal storage asset category into transmission and distribution. See Note 5 to the basic financial statements for further detailed information on the District's capital assets.

Changes in capital assets for 2022 were as follows:

		As Restated			As Restated
		Balance		Transfers/	Balance
	_	2021	Additions	Deletions	2022
Capital assets:					
Non-depreciable assets	\$	8,032,776	5,722,500	(1,577,065)	12,178,211
Depreciable and			Y		
Amortizable assets		223,883,736	1,649,744	(227,356)	225,306,124
Accumulated depreciation					
and amortization	_	(120,104,614)	(5,768,802)	172,369	(125,701,047)
Total capital assets, net	\$_	111,811,898	1,603,442	(1,632,052)	111,783,288

At the end of fiscal year 2022, the District's investment in capital assets amounted to \$111,783,288 (net of accumulated depreciation and amortization). This investment in capital assets includes terminal storage, pumping equipment, transmission and distribution systems, PWR capacity, hydroelectric system, recycled water system, general plant, subscription leases and an equipment lease. Major capital asset additions during the year include the acquisition of pumping equipment, transmission and distribution systems, recycled water systems, and general plant assets. Major capital asset transfers sourced from terminal storage, for the purpose of merging the terminal storage asset category into transmission and distribution. See Note 5 to the basic financial statements for further detailed information on the District's capital assets.

Debt Administration

Changes in long-term debt amounts for 2023 were as follows:

		As Restated Balance 2022	Additions/ Deletions	Principal Payments	Balance 2023
Long-term debt: Leases payable Bonds payable	\$	231,421 15,380,000	11,698	(185,270)	57,849 15,380,000
Total long-term debt		15,611,421	11,698	(185,270)	15,437,849
Less: current portion	-	(182,302)	11,698	(185,270)	(667,189)
Non-current portion	\$	31,040,540			30,208,509

In 2023, long-term debt increased by \$11,698 in leases payable and decreased by \$185,270 due to scheduled lease payments. See further detailed information in Note 7.

Management's Discussion and Analysis, continued For the Fiscal Years Ended June 30, 2023 and 2022

Debt Administration, continued

Changes in long-term debt amounts for 2022 were as follows:

	-	As Restated Balance 2021	Additions/ Deletions	Principal Payments	As Restated Balance 2022
Long-term debt:					
Leases payable	\$	409,191	72,664	(250,434)	231,421
Bonds payable	_	15,702,036	(322,036)		15,380,000
Total long-term debt		16,111,227	72,664	(250,434)	15,611,421
Less: current portion	_	(777,101)	(249,372)	(250,434)	(182,302)
Non-current portion	\$	31,445,353		. 07	31,040,540

In 2022, long-term debt decreased by \$322,036 due to the defeasement of \$15,702,036 in 2012 Water Revenue bonds net of bond premium refinanced through the issuance of \$15,380,000 in 2021 Water Revenue bonds, the addition of \$72,664 in leases payable, and due to \$250,434 in scheduled lease payments. See further detailed information in Note 7.

Conditions Affecting Current Financial Position

Management is unaware of any conditions which could have a significant impact on the District'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 District's present users, including funding sources, customers, stakeholders, and other interested parties with a general overview of the District's finances and to demonstrate the District's accountability with an overview of the District'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 District's Finance Director, Josh Byerrum at Walnut Valley Water District at 271 South Brea Canyon Road, Walnut, California 91789 or (909) 595-7554.

Basic Financial Statements Review

Walnut Valley Water District Statements of Net Position June 30, 2023 and 2022

	2023	As Restated 2022
Current assets:		
Cash and cash equivalents (note 2) \$	8,237,286	12,100,320
Restricted – cash and cash equivalents (note 2)	2,145,245	2,631,376
Investments (note 2)	5,728,873	4,034,967
Restricted – investments (note 2)	2,493,486	1,263,213
Accrued interest receivable	218,000	159,215
Accounts receivable – water sales and services	3,444,577	4,780,132
Accounts receivable – other	1,342,350	1,370,251
Leases receivable (note 4)	185,475	224,617
Property tax receivable	138,092	99,529
Prepaid expenses	390,195	375,213
Inventory – materials and supplies	1,236,310	846,854
Total current assets	25,559,889	27,885,687
Non-current assets:		
Non-current assets: Investments (note 2) Restricted – Investments (note 2) Restricted – Investment in joint ventures (note 3)	18,729,207	20,513,106
Restricted – Investments (note 2)	8,273,233	8,160,067
Restricted – Investment in joint ventures (note 3)	22,789,666	20,856,432
Leases receivable (note 4)	1,651,054	1,836,529
Capital assets – not being depreciated (note 5)	13,471,856	12,178,211
Capital assets – being depreciated, net (note 5)	100,965,360	99,605,077
Total non-current assets	165,880,376	163,149,422
Total assets	191,440,265	191,035,109
Deferred outflows of resources:		
Deferred OPEB outflows (note 8)	5,585,032	1,528,058
Deferred pension outflows (note 9)	9,147,592	2,893,204
Total deferred outflows of resources \$	14,732,624	4,421,262

Continued on next page

Walnut Valley Water District Statements of Net Position, continued June 30, 2023 and 2022

		2023	As Restated 2022
Current liabilities:			
Accounts payable and accrued expenses	\$	4,848,761	6,096,196
Accrued payroll and employee benefits	4	156,973	368,362
Customer and developer deposits		2,022,610	1,992,751
Construction advances		5,385,433	3,466,964
Unearned revenue		393,144	403,202
Accrued interest payable		23,117	23,117
Long-term liabilities – due in one year:			
Compensated absences (note 6)		270,190	286,510
Leases payable (note 7)		37,189	182,302
Bonds payable (note 7)		630,000	
Total current liabilities		13,767,417	12,819,404
Non-current liabilities:	0		
Long-term liabilities – due in more than one year:	\ \		
Compensated absences (note 6)		810,569	859,528
Leases payable (note 7)		20,660	49,119
Bonds payable (note 7)		14,750,000	15,380,000
Net OPEB liability (note 8)		4,075,768	62,006
Net pension liability (note 9)		18,082,080	9,390,716
Total non-current liabilities	_	37,739,077	25,741,369
Compensated absences (note 6) Leases payable (note 7) Bonds payable (note 7) Net OPEB liability (note 8) Net pension liability (note 9) Total non-current liabilities Total liabilities		51,506,494	38,560,773
Deferred inflows of resources:			
Deferred lease inflows (note 4)		1,491,892	1,679,466
Deferred OPEB inflows (note 8)		1,064,622	1,797,414
Deferred pension inflows (note 9)	_	1,230,284	8,749,299
Total deferred inflows of resources	_	3,786,798	12,226,179
Net position: (note 10)			
Net investment in capital assets		98,999,367	96,171,867
Restricted:			
Reservoir capacity charge		889,644	1,161,946
Acreage supply charge		439,047	360,056
Investment in joint venture – PBWA		22,299,660	20,731,923
Investment in joint venture – Spadra		490,006	124,509
Badillo Grand surcharge		293,811	282,733
Water supply charge		1,978,304	2,605,319
Capacity charge		84,547	-
Unrestricted	_	25,405,211	23,231,066
Total net position	\$_	150,879,597	144,669,419

Walnut Valley Water District Statements of Revenues, Expenses and Changes in Net Position For the Fiscal Years Ended June 30, 2023 and 2022

	2023	As Restated 2022
Operating revenues:		
Water sales \$	26,922,980	31,953,010
Meter charges	9,365,587	8,759,271
Recycled water sales	1,665,973	2,155,578
Standby charges	761,611	718,171
Hydroelectric sales	21,871	31,455
Other water charges	931,748	773,858
Total operating revenues	39,669,770	44,391,343
Operating expenses:		
Source of supply	21,226,680	25,282,557
Pumping	1,728,885	2,226,536
Transmission and distribution	4,392,282	7,284,321
Consumer accounts	1,493,320	1,783,368
General and administrative	5,097,182	5,105,223
Operating expenses capitalized during construction period	(863,613)	(719,048)
Total operating expenses	33,074,736	40,962,957
Operating income before depreciation and		
amortization expense	6,595,034	3,428,386
Depreciation and amortization expense	(5,746,516)	(5,768,802)
Operating income before depreciation and amortization expense Depreciation and amortization expense Operating loss Non-operating revenue(expense): Property taxes Rental income – cellular site leases	848,518	(2,340,416)
Non-operating revenue(expense):		
Property taxes	1,378,819	1,232,651
Tental mone cental site leases	212,628	175,184
Interest earnings – leases	73,699	82,691
Investment earnings (expense), net of fair value	275,799	(1,600,045)
Share of joint venture income (loss)	242,938	(87,374)
(Loss) Gain on disposition of capital assets	(666,270)	153,711
Interest expense – long-term debt	(280,828)	(249,933)
Cost of issuance of debt	-	(188,885)
Other non-operating income	149,443	841,593
Total non-operating revenue, net	1,386,228	359,593
Net loss before capital contributions	2,234,746	(1,980,823)
Capital contributions:		
Developers and others	3,519,526	3,705,600
Capacity and supply charges	341,699	123,971
Capital grants – state and local	114,207	182,897
Total capital contributions	3,975,432	4,012,468
Change in net position	6,210,178	2,031,645
Net position, beginning of the year	144,669,419	142,383,508
Prior period adjustment (note 13)	-	254,266
Net position, beginning of the year – as restated	144,669,419	142,637,774
Net position, end of year – as restated \$	150,879,597	144,669,419

Walnut Valley Water District Statements of Cash Flows For the Fiscal Years Ended June 30, 2023 and 2022

	2023	As Restated 2022
Cash flows from operating activities:		
Cash receipts from customers for sales and services \$	41,202,470	45,392,959
Cash paid to vendors and suppliers	(33,727,069)	(34,382,795)
Cash paid to employees for salaries and wages	(6,384,251)	(5,932,802)
Cash paid to OPEB trust	(750,000)	(375,000)
Net cash provided by operating activities	341,150	4,702,362
Cash flows from non-capital financing activities:		
Proceeds from property taxes	1,340,256	1,266,044
Payments to joint ventures	(1,690,296)	(141,990)
Net cash (used in) provided by non-capital financing activities	(350,040)	1,124,054
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(9,259,394)	(5,631,214)
Proceeds from the sale of capital assets	-	153,711
Proceeds from capital contributions	5,893,901	1,284,827
Proceeds from principal issued on long-term debt	11,698	15,452,664
Payment of loan issuance costs	-	(188,885)
Principal paid on bonds payable and leases payable	(185,270)	(15,952,470)
Interest paid on bonds payable and leases payable	(280,828)	(284,691)
Net cash used in capital and related financing activities	(3,819,893)	(5,166,058)
Cash flows from investing activities:		
Interest and investment earnings, net of fair value	217,014	(1,593,432)
Purchase of securities	(7,575,000)	(8,048,000)
Proceeds from sale of securities	6,400,359	9,587,884
Principal received from leases receivable	437,245	381,396
Net cash (used in) provided by investing activities	(520,382)	327,848
Net (decrease) increase in cash and cash equivalents	(4,349,165)	988,206
Cash and cash equivalents, beginning of year	14,731,696	13,743,490
Cash and cash equivalents, end of year \$	10,382,531	14,731,696
Reconciliation of cash and cash equivalents to statement of net position:		
	2023	2022
Cash and cash equivalents \$	8,237,286	12,100,320
Cash and cash equivalents – restricted	2,145,245	2,631,376
Total cash and cash equivalents \$	10,382,531	14,731,696

Continued on next page

Walnut Valley Water District Statements of Cash Flows, continued For the Fiscal Years Ended June 30, 2023 and 2022

		2023	As Restated 2022
Reconciliation of operating income (loss) to net cash			
provided by operating activities:			
Operating income (loss)	\$	848,518	(2,340,416)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Depreciation and amortization expense		5,746,516	5,768,802
Other non-operating income		149,443	841,593
Change in assets, deferred outflows, liabilities, and deferred inflows:			
(Increase)Decrease in assets:		1	
Accounts receivable – water sales and services		1,335,555	56,101
Accounts receivable – other		27,901	124,784
Prepaid expenses and other deposits	Ó	(14,982)	40,002
Materials and supplies inventory		(389,456)	(121,932)
(Increase)Decrease in deferred outflows of resources:			
Deferred OPEB outflows)	(4,056,974)	2,177,897
Materials and supplies inventory (Increase)Decrease in deferred outflows of resources: Deferred OPEB outflows Deferred pension outflows Increase(Decrease) in liabilities: Accounts payable and accrued expenses Accrued payroll and employee benefits Deposits for work-orders Unearned revenues		(6,254,388)	319,395
Increase(Decrease) in liabilities:			
Accounts payable and accrued expenses		(1,247,435)	(992,310)
Accrued payroll and employee benefits		(211,389)	26,884
Deposits for work-orders		29,859	(90,567)
Unearned revenues		(10,058)	69,705
Compensated absences		(65,279)	(126,258)
Net OPEB liability		4,013,762	(4,911,205)
Net pension liability		8,691,364	(6,029,977)
Increase(Decrease) in deferred inflows of resources:			
Deferred OPEB inflows		(732,792)	1,797,414
Deferred pension inflows		(7,519,015)	8,092,450
Total adjustments		(507,368)	7,042,778
Net cash provided by operating activities	\$	341,150	4,702,362
Non-cash investing, capital, and financing transaction:			
Changes in fair value of investments	\$	2,163,543	2,232,521

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Walnut Valley Water District (District) is an independent special district formed in July 1952, which operates under the authority of Division 12 of the California Water Code. The District's service area includes the communities of Diamond Bar, portion of the cities of Walnut, Industry, West Covina and Pomona, as well as the easterly unincorporated area of Rowland Heights. The District is governed by a five-member Board of Directors who serve overlapping four-year terms in even-numbered years.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Statements No. 61, *The Financial Reporting Entity*. The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

Complete financial statements for the Walnut Valley Water District are available at the District's office or upon request of the District's Director of Finance, Josh Byerrum at Walnut Valley Water District at 271 South Brea Canyon Road, Walnut, California 91789.

B. Basis of Accounting and Measurement Focus

The District 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 District is that the costs of providing water to its customers on a continuing basis be financed or recovered primarily through user charges (water sales), 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, such as water sales along with water purchases, result from exchange transactions associated with the principal activity of the District. 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 District gives (receives) value without directly receiving (giving) value in exchange.

C. Financial Reporting

The District'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 District solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the District's proprietary fund.

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

C. Financial Reporting, continued

The District has adopted the following GASB pronouncement in the current year:

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. 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.

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

C. Financial Reporting, 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.

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.

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

C. Financial Reporting, continued

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.

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, deferred outflows of resources, liabilities, deferred inflows of resources, 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 District's cash is invested in interest-bearing accounts. The District considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

For purposes of the statement of cash flows, cash and cash equivalents have been defined as demand deposits, money market mutual funds, and external cash management pools (local agency investment fund).

3. Investments and Investment Policy

The District has adopted an investment policy directing the Assistant General Manager to deposit and invest funds in financial institutions in accordance with California Government Code section 53600. The investment policy applies to all financial assets and investment activities of the District.

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.

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

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

4. Fair Value Measurements

The District 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 is based on quoted prices in active markets for identical assets.
- Level 2 Valuation 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 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.

5. Restricted Assets

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

6. Accounts Receivable and Allowance for doubtful accounts

The District extends credit to customers in the normal course of operations. Management evaluates all accounts receivable, and if determined that they are uncollectable, the District uses the allowance method for the reservation and write-off of those accounts.

7. Lease Receivable / Payable

Leases receivable / payable are measured at the present value of payments expected to be received during the lease term.

8. Materials and Supplies Inventory

Materials and supplies inventory consist primarily of water meters, pipe, and pipefittings for construction and repair to the District's water transmission and distribution system. Inventory is valued at lower of cost or market. Inventory items are charged to expense at the time that individual items are withdrawn from inventory or consumed.

9. 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.

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

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

10. Property Taxes

The County of Los Angeles Assessor's Office assesses all real and personal property within the County each year. The County of Los Angeles Tax Collector's Office bills and collects the District's share of property taxes. The County of Los Angeles Treasurer's Office remits current and delinquent property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

Property taxes receivable at year-end are related to property taxes collected by the County of Los Angeles, which have not been credited to the District's cash balance as of June 30. The property tax calendar is as follows:

Lien date January 1 Levy date July 1

Due dates November 10 and February 10 Collection dates December 10 and April 10

11. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at acquisition value rather than fair value at the date of donation. 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:

Wells 30 years 30 years Terminal storage Telemetering SCADA equipment 20 years Pumping, transmission facilities and meters 20 - 60 years PWR capacity 75 years Recycled water system 30 years 30 years General structures Office equipment/GIS 5 - 7 years Vehicles and equipment 7 years Master plan 7 years

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

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

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

12. Deferred Outflows of Resources

The statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents an acquisition of resources applicable to future periods and, therefore, will *not* be recognized as an outflow of resources (expenditure) until that time. The District has the following items that qualify for reporting in this category:

Post-Employment Benefits Other Than Pensions (OPEB)

- Deferred outflow which is equal to the employer contributions made after the measurement date of the net OPEB liability. This amount will be amortized-in-full against the net pension liability in the next fiscal year.
- Deferred outflow for the differences between the actual and expected experience which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan.
- Deferred outflow for the net difference in projected and actual earnings on investments of the OPEB plans fiduciary net position. This amount is amortized over a 5-year period.

Pensions

- Deferred outflow which is equal to the employer contributions made after the measurement date of the net pension liability. This amount will be amortized-in-full against the net pension liability in the next fiscal year.
- Deferred outflow for the net differences between the actual and expected experience which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.
- Deferred outflow for the changes in assumptions which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.
- Deferred outflow for the net difference in projected and actual earnings on investments of the pension plans fiduciary net position. This amount is amortized over a 5-year period.

13. Compensated Absences

The District's policy is to permit employees to accumulate a limited amount of earned vacation and sick leave. Accumulated vacation time is accrued at year-end to account for the District's obligation to the employees for the amount owed.

14. Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB plan (Plan) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

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

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

14. Postemployment Benefits Other than Pensions (OPEB), continued

GASB 75 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date: June 30, 2021Measurement Date: June 30, 2022

• Measurement Period: July 1, 2021 to June 30, 2022

15. Pensions

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

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date: June 30, 2021Measurement Date: June 30, 2022

• Measurement Period: July 1, 2021 to June 30, 2022

16. Premium on Issued Debt

Premiums received on issued debt are amortized over the life of the respective debt service.

17. Deferred Inflows of Resources

The statement of net position will sometimes report a separate section for deferred inflows of resources. This financial statement element, deferred inflows of resources, represents an acquisition of resources applicable to future periods and therefore will not be recognized as an inflow of resources (revenue) until that time. The District has the following items that qualify for reporting in this category:

Post-Employment Benefits Other Than Pensions (OPEB)

• Deferred inflow for the changes in assumptions which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan.

Pensions

- Deferred inflow for the net difference in actual and proportionate share of employer contribution and net changes in proportion which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.
- Deferred inflow for the net changes due to differences in the changes in proportions of the net pension liability which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.

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

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

18. Water Sales

Water sales are billed on a monthly basis. Estimated unbilled water revenue through June 30 has been accrued at year-end.

19. Overhead Absorption

Certain operating expenses are allocated to capital assets using management's allocation of manpower and services estimates that are directly related to the construction of capital assets.

20. Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the District by property owners, granting agencies, or real estate developers desiring services that require capital expenditures or capacity commitment.

21. Net Position

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

- Net Investment in Capital Assets Component of Net Position— This component of net position consists of capital assets, net of accumulated depreciation, and reduced by any debt outstanding against the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt is included in this component of net position
- Restricted Component of Net Position This component of net position 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 Component of Net Position This component of net position is the net amount of the 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.

22. Budgetary Policies

The District 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.

23. Reclassification

The District has reclassified certain prior year information to conform to current year presentations.

(2) Cash and Investments

Cash and investments as of June 30 are classified in the Statements of Net Position as follows:

	_	2023	2022
Cash and cash equivalents	\$	8,237,286	12,100,320
Restricted – cash and cash equivalents	_	2,145,245	2,631,376
Total cash and cash equivalents	_	10,382,531	14,731,696
Investments		5,728,873	4,034,967
Restricted – investments		2,493,486	1,263,213
Investments non-current		18,729,207	20,513,106
Restricted – Investments non-current	_	8,273,233	8,160,067
Total investments	_	35,224,799	33,971,353
Total cash and investments	\$	45,607,330	48,703,049

Cash and investments as of June 30 consist of the following:

	2023	2022	
Cash and investments			
Cash on hand	\$ 3,100	3,100	
Deposits with financial institutions	4,446,207	7,398,338	
Investments	41,158,023	41,301,611	
Total cash and investments	\$ 45,607,330	48,703,049	
Working Draw			

(2) Cash and Investments, continued

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

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

		Maximum	Maximum
Authorized	Maximum	Percentage	Investment
Investment Type	<u>Maturity</u>	Of Portfolio *	in One Issuer
State and Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years**	None	None
U.S. Agency Securities	5 years**	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Non-negotiable Certificates of Deposit	1 year	30%	None
Negotiable Certificates of Deposit	5 years	30%	None
Medium-Term Notes	5 years	30%	None
Repurchase agreements	1 year	20%	None
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
Supranational Obliagtions	N/A	30%	None
County Pooled Investment Funds	N/A	None	None
California Local Agency Investment Fund (LAIF)	N/A	None	None

^{*} Excluding amounts held by bond trustee that are not subject to California Government Code.

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk and concentration of credit risk.

^{**} Except when authorized by the District's legislative body in accordance with Government Code Section 53601 N/A – Not Applicable

(2) Cash and Investments, continued

		Maximum	Maximum
Authorized	Maximum	Percentage	Investment
Investment Type	<u>Maturity</u>	Of Portfolio *	in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	1 year	None	None
Commercial Paper	None	None	None
Investment Agreements	None	None	None
Local Agency Obligations	None	None	None
Non-negotiable Certificates of Deposit	None	None	None
Negotiable Certificates of Deposit	None	None	None
Medium-Term Notes	3 years	None	None
Repurchase agreements	30 days	None	None
Money Market Mutual Funds	None	None	None
Asset Backed Securities	5 years	None	None
Mortgage Backed Securities	5 years	20%	None
California Local Agency Investment Fund (LAIF)	None	None	None

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District'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.

The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by GASB 79 for external investments 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).

The California Government Code and the District'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), and, the District's investment policy that requires no more than two-thirds of the District's deposits in a depository shall be collateralized by mortgage-backed securities, with the remainder to be secured by non-mortgage-backed securities.

(2) Cash and Investments, continued

Custodial Credit Risk, continued

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 District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the District's 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 District'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 District 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.

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 District 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 District's name.

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

Investment maturities as of June 30, 2023, were as follows:

		Remaining Maturity				
		12 Months	13 to 24	25-60		
Investment Type	Amount	Or Less	Months	Months		
California Local Agency Investment Fund	4,089,604	4,089,604	-	-		
Certificates-of-deposit	1,673,933	994,717	457,465	221,751		
United States Government Sponsored						
Agency Securities	10,795,850	5,119,273	3,098,607	2,577,970		
United States Treasury notes	13,614,544	388,812	3,023,411	10,202,321		
Corporate obligations	8,100,729	1,675,216	1,111,952	5,313,561		
Supranational obligations	995,402	-	-	995,402		
Equities	44,342	44,342	-	-		
Held by Bond Trustee:						
Money market mutual fund	1,843,619	1,843,619				
Total S	41,158,023	14,155,583	7,691,435	19,311,005		

(2) Cash and Investments, continued

Investment maturities as of June 30, 2022, were as follows:

			Remaining	Maturity	
			12 Months	13 to 24	25-60
Investment Type		Amount	Or Less	Months	Months
California Local Agency Investment Fund	\$	4,999,557	4,999,557	-	-
Certificates-of-deposit		937,628	-	-	937,628
United States Government Sponsored					
Agency Securities		10,476,332	-	5,182,845	5,293,487
United States Treasury notes		11,965,578	1,148,714	393,328	10,423,536
Corporate obligations		9,081,539	3,649,801	1,799,239	3,632,499
Supranational obligations		1,510,276	499,665	- 1	1,010,611
Held by Bond Trustee:					
Money market mutual fund	_	2,330,701	2,330,701	_	
Total	\$	41,301,611	12,628,438	7,375,412	21,297,761

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Per the District's investment policy, credit risk is mitigated by investing in safe securities, and diversifying the investment portfolio so the failure of one issuer would not materially affect the District's cash flow. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Credit ratings of investments as of June 30, 2023, were as follows:

	Rating as of year-end					
Investment Type	Legal Rating		Amount	Exempt from Disclosure	AAAm/A-1+ AA/AA+/AA-	A-1/A+/ A/A-
California Local Agency Investment Fund	N/A	\$	4,089,604	4,089,604	-	-
Certificates-of-deposit	N/A		1,673,933	1,673,933	-	-
Money market mutual funds	Aaa		1,843,619	-	1,843,619	-
United States Government Sponsored						
Agency Securities	N/A		10,795,850	-	10,795,850	-
United States Treasury notes	N/A		13,614,544	13,614,544	-	-
Corporate obligations	A		8,100,729	-	382,004	7,718,725
Supranational obligations	AA		995,402	-	995,402	-
Equities	AA	_	44,342	44,342		
Total		\$_	41,158,023	19,422,423	14,016,875	7,718,725

(2) Cash and Investments, continued

Credit ratings of investments as of June 30, 2022, were as follows:

	Rating as of year-end					
Investment Type	Legal Rating		Amount	Exempt from Disclosure	AAAm/A-1+ AA/AA+/AA-	A-1/A+/ A/A-
California Local Agency Investment Fund	N/A	\$	4,999,557	4,999,557	-	
Certificates-of-deposit	N/A		937,628	937,628	-	-
Money market mutual funds	Aaa		2,330,701	-	2,330,701	-
United States Government Sponsored						
Agency Securities	N/A		10,476,332	-	10,476,332	-
United States Treasury notes	N/A		11,965,578	11,965,578	-	-
Corporate obligations	A		9,081,539	-	4,410,418	4,671,121
Supranational obligations	AA	_	1,510,276		1,510,276	
Total		\$_	41,301,611	17,902,763	18,727,727	4,671,121

Concentration of Credit Risk

The District'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 District's deposit portfolio with governmental agencies, LAIF, is 10% and 12% as of June 30, 2023 and 2022, respectively, of the District's total depository and investment portfolio.

Instruments in any one issuer that represent 5% or more of the District's investments as of June 30, 2023 are as follows (excluding external investment pools and debt explicitly guaranteed by the U.S. government):

Investment	Issuer Type	 Fair Value Holdings	Percentage Holdings
Federal National Mortgage Association	Government Sponsored	\$ 3,185,799	7.74%
Federal Home Loan Bank	Government Sponsored	5,315,160	12.91%

Instruments in any one issuer that represent 5% or more of the District's investments as of June 30, 2022 are as follows (excluding external investment pools and debt explicitly guaranteed by the U.S. government):

		Fair Value	Percentage
Investment	Issuer Type	 Holdings	<u>Holdings</u>
Federal National Mortgage Association	Government Sponsored	\$ 3,224,632	7.81%
Federal Home Loan Bank	Government Sponsored	4,922,050	11.92%

(2) Cash and Investments, continued

Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investments measured at fair value on a recurring and non-recurring basis, are as follows:

			Fair Value Mea	surement at Reporti	ng Date using:
			Quoted Prices in	Significant	Significant
			Active Markets	Other Observable	Unobservable
		June 30,	for Identical Assets	Inputs	Inputs
Description		2023	(Level 1)	(Level 2)	(Level 3)
Certificates-of-deposit	\$	1,673,933	-	1,673,933	-
United States Government Sponsored					
Agency securities		10,795,850	-	10,795,850	-
United States Treasury notes		13,614,544	13,614,544	_	-
Corporate obligations		8,100,729	_	8,100,729	-
Supranational obligations		995,402	XO	995,402	-
Equities	_	44,342		44,342	
		35,224,800	13,614,544	19,936,323	-
Investments not subject to fair value hierac	ehy:		(0)		
Local Agency Investment Fund		4,089,604			
Money market mutual funds	_	1,843,619			
Total	\$_	41,158,023			

The District has the following recurring fair value measurements as of June 30, 2023:

- Certificates-of-deposit of \$1,637,933 are valued using a matrix pricing model (Level 2 inputs).
- U.S. Governmental Sponsored Agency securities of \$10,795,850 are valued using a matrix pricing model (Level 2 inputs).
- U.S. Treasury securities of \$13,614,544 are valued using quoted market prices (Level 1 inputs).
- Corporate obligations of \$8,100,729 are valued using a matrix pricing model (Level 2 inputs).
- Supranational obligations of \$995,402 are valued using a matrix pricing model (Level 2 inputs).
- Local Agency Investment funds of \$4,089,604 are valued at amortized cost and are not subject to fair value hierarchy.
- Money Market Mutual funds of \$1,843,619 are not subject to fair value hierarchy.

(2) Cash and Investments, continued

Fair Value Measurements, continued

Investments measured at fair value on a recurring and non-recurring basis, are as follows:

			Fair Value Meas	urement at Reporti	ng Date using:
			Quoted Prices in	Significant	Significant
		T 20	Active Markets for		Unobservable
.		June 30,	Identical Assets	Inputs	Inputs
Description	_	2022	(Level 1)	(Level 2)	(Level 3)
Certificates-of-deposit	\$	937,628	-	937,628	-
United States Government Sponsored					
Agency securities	\$	10,476,332	-	10,476,332	-
United States Treasury notes		11,965,578	11,965,578	∠ 1-	-
Corporate obligations		9,081,539	-	9,081,539	-
Supranational obligations	_	1,510,276		1,510,276	
Total		33,971,353	11,965,578	22,005,775	
Investments not subject to fair value his	erarchy:		Q-		
Local Agency Investment Fund	•	4,999,557	,	Y	
Money market mutual funds	_	2,330,701			
Total	\$_	41,301,611			

The District has the following recurring fair value measurements as of June 30, 2022:

- Certificates-of-deposit of \$937,628 are valued using a matrix pricing model (Level 2 inputs).
- U.S. Governmental Sponsored Agency securities of \$10,476,332 are valued using a matrix pricing model (Level 2 inputs).
- U.S. Treasury securities of \$11,965,578 are valued using quoted market prices (Level 1 inputs).
- Corporate obligations of \$9,081,539 are valued using a matrix pricing model (Level 2 inputs).
- Supranational obligations of \$1,510,276 are valued using a matrix pricing model (Level 2 inputs).
- Local Agency Investment funds of \$4,999,557 are valued at amortized cost and are not subject to fair value hierarchy.
- Money Market Mutual funds of \$2,330,701 are not subject to fair value hierarchy.

(3) Investment in Joint Ventures

Changes in investments in joint-powers-authorities for 2023 were as follows:

		Balance			Balance
	_	2022	Additions	Deletions	2023
Investment in joint-powers-authorities:					
Puente Basin Water Agency	\$	20,731,923	1,567,737	-	22,299,660
Spadra Basin Groundwater					
Sustainability Agency	_	124,509	365,497		490,006
Total investment in					
joint-powers-authorities	\$_	20,856,432	1,933,234		22,789,666

(3) Investment in Joint Ventures

Changes in investments in joint-powers-authorities for 2022 were as follows:

		Balance			Balance
	_	2021	Additions	Deletions	2022
Investment in joint-powers-authorities:					
Puente Basic Water Agency	\$	20,737,091	-	(5,168)	20,731,923
Spadra Basin Groundwater					
Sustainability Agency	_	64,725	59,784		124,509
Total investment in					
joint-powers-authorities	\$	20,801,816	59,784	(5,168)	20,856,432

Puente Basin Water Agency

The District is a member of the Puente Basin Water Agency (the "Agency"). The Agency was created April 1, 1971 by the execution of a Joint Powers Agreement between Rowland Water District and Walnut Valley Water District. The agreement was made pursuant to Article 1, Chapter 5, Division 7, and Title 1 of the Government Code of the State of California. The Agency was organized for the purpose of protection and utilization of the local, imported, and recycled water supply within the Puente Basin. The Agency is governed by an appointed board of Commissioners consisting of four members. Since the Agency undertakes projects of interest to the District, an ongoing financial interest exists. Furthermore, the District has an ongoing financial responsibility because the Agency's continued existence depends on continued funding by the District. The District's equity in the Puente Basin Water Agency is reflected in the accompanying Statement of Net Position as an investment in joint venture.

The Rowland Water District performs the administration and operating functions of the Agency. The District purchased \$11,666,106 and \$14,371,353 in water from the Agency in the years ended June 30, 2023 and 2022, respectively. Complete financial statements may be obtained from the Puente Basin Water Agency, 3021 Fullerton Road, Rowland Heights, California.

Spadra Basin Groundwater Sustainability Agency

The District is a member of the Spadra Basin Groundwater Sustainability Agency (the "Spadra"). Spadra was created February 28, 2017, by the execution of an agreement between the City of Pomona and the Walnut Valley Water District. The agreement was made pursuant to the Sustainable Groundwater Management Act of 2014 of the Government Code of the State of California. Spadra was organized to provide groundwater management for the Spadra Basin, which was previously unmanaged. Spadra is governed by an appointed Executive Committee consisting of two members.

The Walnut Valley Water District performs the administration and operating functions of the Agency. Complete financial statements may be obtained from the Spadra Basin Groundwater Sustainability Agency, 271 S. Brea Canyon Road, Walnut, California.

Pomona-Walnut-Rowland Joint Water Line Commission

The District is also a member of the Pomona-Walnut-Rowland Joint Water Line Commission (the "Commission"). The Commission was formed under the Joint Powers Agreement of 1956 between the City of Pomona, the Walnut Valley Water District and the Rowland Water District for the purpose of constructing, operating, and managing a water transmission pipeline for the benefit of the three member agencies. On December 21, 2006, the Agreement was amended, and renewed for an additional twenty years, with three, ten-year extensions allowed upon the consent of each of the member agencies. The governing body of the Commission is comprised of three members, with one representative appointed by the governing body of each member agency.

(3) Investment in Joint Ventures, continued

Pomona-Walnut-Rowland Joint Water Line Commission, continued

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

Since the Commission undertakes projects of interest to the District, an ongoing financial interest exists. Furthermore, the District has an ongoing financial responsibility because the Commission's continued existence depends on continued funding by the District. The District's equity in the Pomona-Walnut-Rowland Joint Water Line Commission is reflected in the accompanying Statement of Net Position, within capital assets. In addition to its equity interest in the Commission, the District also has an undivided interest in certain capacity rights associated with the Water Line.

This undivided interest is reported in the accompanying financial statements as PWR capacity rights that are included as an intangible asset in the capital assets note of the accompanying financial statements. See note 5 for further information. The Walnut Valley Water District performs the administration and operating functions of the Commission. Complete financial statements may be obtained from the Pomona-Walnut-Rowland Joint Water Line Commission, 271 S. Brea Canyon Road, Walnut, California.

(4) Leases Receivable

Changes in leases receivable for the year ended June 30, were as follows:

	Balance	Additions/	Principal •	Balance	Current	Long-term	Deferred
	2022	Deletions	Payments	2023	Portion	Portion	Inflows
Leases receivable:)			
CCMT2-T-Mobile – Bourdet \$	93,816	-	(47,448)	46,368	46,368	-	(25,136)
Cingular Wireless - Eastgate	191,942	-	(55,458)	136,484	61,876	74,608	(58,066)
Phoenix Tower - Eastgate	701,001	-	(19,949)	681,052	21,814	659,238	(632,340)
Sprint PCS – Eastgate	50,583	- ((50,583)	-	-	-	-
APC Towers LLC - Parker Canyon	484,954	A.	(24,242)	460,712	26,250	434,462	(367,742)
APC Towers LLC - Ridgeline	538,850		(26,937)	511,913	29,167	482,746	(408,608)
Total leases receivable \$	2,061,146	<u> </u>	(224,617)	1,836,529	185,475	1,651,054	(1,491,892)
Current portion	(224,617)	10	_	(185,475)			
Non-current portion \$	1,836,529		_	1,651,054			

Changes in leases receivable for the year ended June 30, were as follows:

	_	As Restated Balance 2021	Additions/ Deletions	Principal Payments	Balance 2022	Current Portion	Long-term Portion	Deferred Inflows
Leases receivable:								
CCMT2-T-Mobile - Bourdet	\$	138,004	-	(44,188)	93,816	47,448	46,368	(52,547)
Cingular Wireless - Eastgate		241,479	-	(49,537)	191,942	55,458	136,484	(85,940)
Phoenix Tower - Eastgate		719,176	-	(18,175)	701,001	19,949	681,052	(670,664)
Sprint PCS - Eastgate		97,746	-	(47,163)	50,583	50,583	-	(27,420)
APC Towers LLC - Parker Canyon		507,288	-	(22,334)	484,954	24,242	460,712	(399,263)
APC Towers LLC - Ridgeline	_	563,665		(24,815)	538,850	26,937	511,913	(443,632)
Total leases receivable	\$_	2,267,358		(206,212)	2,061,146	224,617	1,836,529	(1,679,466)
Current portion	_	(206,212)			(224,617)			
Non-current portion	\$_	2,061,146			1,836,529			

(4) Leases Receivable, continued

CCMT2-T-Mobile - Bourdet

On May 18, 2004, the District entered into a lease agreement with Cingular Wireless PCS, LLC, whereby ownership subsequently transferred to T-Mobile Wireless (T-Mobile). T-Mobile has agreed to pay the District for purpose of leasing communication tower space at the J.P. Bourdet Recycled Water Pump Station. The terms of the agreement require T-Mobile to pay the District in annual installments through May 2024 and is adjusted annually by a CPI rate of 3.00%.

Following the adoption implementation of *GASB Statement No.* 87, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 4.00%. The deferred inflow is amortized on a straight-line basis over the term of the lease. As of June 30, 2023 and 2022, deferred inflows were reported at \$25,136 and \$52,547, respectively.

Future payments to be received and deferred inflows as of June 30, 2023, are as follows:

X 7		n · · · ı	T 4	T () ()	Deferred
<u>Year</u>		Principal	Interest	Total	Inflows
2024	\$_	46,368	1,854	48,222 \$	(25,136)
Total		46,368	1,854	48,222 \$	(25,136)
Current	_	(46,368)			
Non-current	\$_				

Cingular Wireless – Eastgate

On August 15, 2005, the District entered into a lease agreement with Cingular Wireless, LLC, whereby ownership subsequently transferred to AT&T Wireless (AT&T). AT&T has agreed to pay the District for purpose of leasing communication tower space at the Eastgate Reservoir. The terms of the agreement require AT&T to pay the District in annual installments through August 2024 and is adjusted annually by a CPI rate of 4.14%.

Following the adoption implementation of *GASB Statement No.* 87, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 6.50%. The deferred inflow is amortized on a straight-line basis over the term of the lease. As of June 30, 2023 and 2022, deferred inflows were reported at \$58,066 and \$85,940, respectively.

Future payments to be received and deferred inflows as of June 30, 2023, are as follows:

Year		Principal	Interest	Total	. <u>-</u>	Deferred Inflows
2024	\$	61,876	8,871	70,747	\$	(27,874)
2025		68,827	4,849	73,676		(27,874)
2026	_	5,781	376	6,157		(2,318)
Total		136,484	14,096	150,580	\$	(58,066)
Current	_	(61,876)				
Non-current	\$	74,608				

(4) Leases Receivable, continued

Phoenix Tower - Eastgate

On January 1, 2020, the District entered into a lease agreement with PTI US Towers II, LLC, (PTI). PTI has agreed to pay the District for purpose of leasing communication tower space at the Eastgate Reservoir. The terms of the agreement require PTI to pay the District in annual installments through January 2040 and is adjusted annually by a CPI rate of 3.00%.

Following the adoption implementation of *GASB Statement No.* 87, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 3.09%. The deferred inflow is amortized on a straight-line basis over the term of the lease. As of June 30, 2023 and 2022, deferred inflows were reported at \$632,340 and \$670,664, respectively.

Future payments to be received and deferred inflows as of June 30, 2023, are as follows:

					P	Deferred
Year		Principal	Interest	Total	<u></u>	Inflows
2024	\$	21,814	21,044	42,858	\$	(38,324)
2025		23,774	20,371	44,145		(38,324)
2026		25,833	19,636	45,469		(38,324)
2027		27,996	18,837	46,833		(38,324)
2028		30,265	17,973	48,238		(38,324)
2029-2033		189,483	74,307	263,790		(191,620)
2034-2038		265,238	40,568	305,806		(191,620)
2039-2040	_	96,649	4,002	100,651		(57,480)
Total		681,052	216,738	897,790	\$	(632,340)
Current	_	(21,814)	*			
Non-current	\$ _	659,238				

Sprint PCS – Eastgate

On June 30, 2003, the District entered into a lease agreement with Sprint PCS, LLC, whereby ownership subsequently transferred to T-Mobile Wireless (T-Mobile). T-Mobile has agreed to pay the District for purpose of leasing communication tower space at the Eastgate Reservoir. The terms of the agreement require T-Mobile to pay the District in annual installments through June 2023 and is adjusted annually by a CPI rate of 3.00%.

Following the adoption implementation of *GASB Statement No.* 87, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 4.00%. The deferred inflow is amortized on a straight-line basis over the term of the lease. As of June 30, 2023 and 2022, deferred inflows were reported at \$0 and \$24,420, respectively.

(4) Leases Receivable, continued

APC Towers LLC - Parker Canyon

On March 2, 2015, the District entered into a lease agreement with APC Towers, LLC, (APC). APC has agreed to pay the District for purpose of leasing communication tower space at the Parker Canyon Reservoir and Pump Station. The terms of the agreement require APC to pay the District in annual installments through March 2035 and is adjusted annually by a CPI rate of 3.00%.

Following the adoption implementation of *GASB Statement No.* 87, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 3.30%. The deferred inflow is amortized on a straight-line basis over the term of the lease. As of June 30, 2023 and 2022, deferred inflows were reported at \$367,742 and \$399,263, respectively.

Future payments to be received and deferred inflows as of June 30, 2023, are as follows:

					Deferred
Year		Principal	Interest	Total	Inflows
2024	\$	26,250	15,203	41,453 \$	(31,521)
2025		28,360	14,337	42,697	(31,521)
2026		30,576	13,401	43,977	(31,521)
2027		32,904	12,392	45,296	(31,521)
2028		35,349	11,307	46,656	(31,521)
2029-2033		217,850	37,277	255,127	(157,605)
2034-2035	_	89,423	4,161	93,584	(52,532)
Total		460,712	108,078	568,790 \$	(367,742)
Current	_	(26,250)			
Non-current	\$ _	434,462	,		

Sprint Nextel - Ridgeline

On March 2, 2015, the District entered into a lease agreement with APC Towers, LLC, (APC). APC has agreed to pay the District for purpose of leasing communication tower space at the Ridge Line Reservoir. The terms of the agreement require APC to pay the District in annual installments through March 2035 and is adjusted annually by a CPI rate of 3.00%.

Following the adoption implementation of *GASB Statement No.* 87, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 3.30%. The deferred inflow is amortized on a straight-line basis over the term of the lease. As of June 30, 2023 and 2022, deferred inflows were reported at \$408,608 and \$443,632 respectively.

(4) Leases Receivable, continued

Sprint Nextel - Ridgeline, continued

Future payments to be received and deferred inflows as of June 30, 2023, are as follows:

					Deferred
Year		Principal	Interest	Total	Inflows
2024	\$	29,167	16,894	46,061	(35,024)
2025		31,511	15,930	47,441	(35,024)
2026		33,974	14,891	48,865	(35,024)
2027		36,561	13,769	50,330	(35,024)
2028		39,277	12,564	51,841	(35,024)
2029-2033		242,065	41,421	283,486	(175,120)
2034-2035	_	99,358	4,623	103,981	(58,368)
Total		511,913	120,092	632,005	(408,608)
Current	_	(29,167)		P	
Non-current	\$_	482,746		XO .	
		STAINS DY	all subjec		
	1				

(5) Capital Assets

Changes in capital assets for 2023 were as follows:

	As Restated Balance 2022	Additions/ Transfers	Deletions/ Transfers	Balance 2023
Non-depreciable assets:				
Land \$	5,148,000	-	-	5,148,000
Water rights	6,638	-	-	6,638
Construction-in-process	7,023,573	9,247,696	(7,954,051)	8,317,218
Total non-depreciable assets	12,178,211	9,247,696	(7,954,051)	13,471,856
Depreciable assets:			.1	
Pumping equipment	20,573,184	268,768	(138,405)	20,703,547
Transmission and distribution	159,372,860	6,737,174	(1,016,102)	165,093,932
PWR capacity	927,744	-	-	927,744
Hydroelectric	924,270	-0	_	924,270
Recycled water system	29,973,120	591,353	-	30,564,473
General plant	12,860,005	207,199	(173,917)	12,893,287
Intangible right-to-use assets	674,941	11,698	(522,434)	164,205
Total depreciable and				
amortizable assets	225,306,124	7,816,192	(1,850,858)	231,271,458
Accumulated depreciation and amortization	n:			
Pumping equipment	(12,101,778)	(701,373)	63,748	(12,739,403)
Transmission and distribution	(93,157,813)	(3,610,424)	382,776	(96,385,461)
PWR capacity	(661,245)	(53,267)	-	(714,512)
Hydroelectric	(594,274)	(26,288)	-	(620,562)
Recycled water system	(12,312,245)	(578,645)	-	(12,890,890)
General plant	(6,419,192)	(602,436)	172,507	(6,849,121)
Intangible right-to-use assets	(454,500)	(174,083)	522,434	(106,149)
Total accumulated depreciation and amortization	(125,701,047)	(5,746,516)	1,141,465	(130,306,098)
Total depreciable and			<u> </u>	
amortizable assets, net	99,605,077	2,069,676	(709,393)	100,965,360
Total capital assets, net \$	111,783,288	11,317,372	(8,663,444)	114,437,216

Major depreciable capital assets additions during the fiscal year ended 2023 consists of additions to the following categories: pumping equipment, transmission and distribution systems, recycled water system, and general plant assets. The District removed \$7,954,051 from construction-in-progress, of which \$7,816,192 was transferred from construction-in-process for completed projects constructed by the District and/or sub-contractors to depreciable assets and \$137,859 was expensed.

(5) Capital Assets, continued

Changes in capital assets for 2022 were as follows:

	As Restated Balance 2021	Additions/ Transfers	Additions/ Transfers	Deletions/ Transfers	Balance 2022
Non-depreciable assets:					
Land	\$ 5,148,000	-	-	-	5,148,000
Water rights	6,638	-	-	-	6,638
Construction-in-process	2,878,138		5,722,500	(1,577,065)	7,023,573
Total non-depreciable assets	8,032,776		5,722,500	(1,577,065)	12,178,211
Depreciable assets:					
Terminal storage	26,160,388	(26,160,388)	-	_	-
Pumping equipment	20,245,922	-	444,262	(117,000)	20,573,184
Transmission and distribution	132,439,627	26,160,388	772,845	-	159,372,860
PWR capacity	927,744	-	- , <	-	927,744
Hydroelectric	924,270	-		_	924,270
Recycled water system	29,955,559	-	17,561	-	29,973,120
General plant	12,605,934	-	342,412	(88,341)	12,860,005
Intangible right-to-use assets	624,292		72,664	(22,015)	674,941
Total depreciable and			X		
amortizable assets	223,883,736		1,649,744	(227,356)	225,306,124
Accumulated depreciation:)		
Terminal storage	(22,384,311)	22,384,311	-	-	-
Pumping equipment	(11,473,282)	<u> </u>	(690,508)	62,012	(12,101,778)
Transmission and distribution	(67,156,510)	(22,384,311)	(3,616,992)	-	(93,157,813)
PWR capacity	(637,051)	-	(24,194)	-	(661,245)
Hydroelectric	(567,985)	-	(26,289)	-	(594,274)
Recycled water system	(11,736,932)	<u>-</u>	(575,313)	-	(12,312,245)
General plant	(5,910,934)	-	(596,600)	88,342	(6,419,192)
Intangible right-to-use assets	(237,609)		(238,906)	22,015	(454,500)
Total accumulated depreciation					
and amortization	(120,104,614)		(5,768,802)	172,369	(125,701,047)
Total depreciable and	3				
amortizable assets, net	103,779,122		(4,119,058)	(54,987)	99,605,077
Total capital assets, net	\$ 111,811,898		1,603,442	(1,632,052)	111,783,288

Major depreciable capital assets additions during the fiscal year ended 2022 consists of additions to the following categories: pumping equipment, transmission and distribution systems, recycled water system, and general plant assets. The District transferred \$1,577,065 from construction-in-process for completed projects constructed by the District and/or sub-contractors to depreciable assets. The District expensed \$65,963 of its construction-in-process balance for costs deemed non-capitalizable.

(5) Capital Assets, continued

Construction-In-Process

The District has been involved in various construction projects throughout the year. The balance of the various construction projects that comprise the construction-in-process balances at year-end are as follows: The balance at June 30 consists of the following projects:

_	2023	2022	2021
Construction-in-progress:			
Developer projects \$	2,877,754	4,849,061	1,246,302
System modifications	3,576,660	805,394	549,089
General projects	1,613,769	1,247,180	916,885
Vehicles and equipment	207,392	- 1	142,132
Various small projects under \$100,000	41,643	121,938	23,730
Total construction-in-progress \$ _	8,317,218	7,023,573	2,878,138

(6) Compensated Absences

Compensated absences comprise unpaid vacation leave and a limited amount of sick leave, which is accrued as earned based on the District's policy. The District's liability for compensated absences is determined annually and will be liquidated through the water fund.

The changes to compensated absences balances at June 30 were as follows:

	Balance		5	Balance	Current	Long-term
_	2022	Earned	Taken	2023	Portion	Portion
\$	1,146,038	364,698	(429,977)	1,080,759	270,190	810,569

The changes to compensated absences balances at June 30 were as follows:

	Balance			Balance	Current	Long-term
_	2021	Earned	Taken	2022	Portion	Portion
\$	1,272,296	348,249	(474,507)	1,146,038	286,510	859,528

(7) Long-term Debt

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

	As Restated Balance 2022	Additions/ Deletions	Principal Payments	Balance 2023	Current Portion	Long-term Portion
Leases payable:						
Canon equipment lease	\$ 2,067	-	(2,067)	-	-	-
Aqua backflow subscription lease	23,845	-	(20,382)	3,463	3,463	-
EKOS subscription lease	-	4,564	(396)	4,168	591	3,577
Esri subscription lease	64,331	-	(24,484)	39,847	23,705	16,142
iLand subscription lease	-	7,134	(2,572)	4,562	3,621	941
InfoSend subscription lease	128,825	-	(128,825)	-	-	-
Planetbids subscription lease	12,353		(6,544)	5,809	5,809	
Subtotal leases payable	231,421	11,698	(185,270)	57,849	37,189	20,660
Bonds payable:				•		
2021 Series A Water Revenue Bonds	15,380,000			15,380,000	630,000	14,750,000
Total lease and bonds payable	\$15,611,421	11,698	(185,270)	15,437,849	667,189	14,770,660

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

	As Restated		X	As Restated		
	Balance	Additions/	Principal	Balance	Current	Long-term
	2021	Deletions	Payments	2022	Portion	Portion
Lease payable:		A				
Canon equipment lease	\$ 26,405	\- 1	(24,338)	2,067	2,067	-
Aqua backflow subscription lease	43,576	5	(19,731)	23,845	20,382	3,463
Eagle aerial subscription lease	3,140	CX -	(3,140)	-	-	-
Esri subscription lease	-	72,664	(8,333)	64,331	24,484	39,847
InfoSend subscription lease	316,911	- K.O	(188,086)	128,825	128,825	-
Planetbids subscription lease	19,159	-	(6,806)	12,353	6,544	5,809
Subtotal leases payable	409,191	72,664	(250,434)	231,421	182,302	49,119
Bonds payable:	. ~ 0					
2013 Series A Water Revenue Bonds	13,890,000	(13,890,000)	-	=	-	-
Add: Unamortized premium	1,812,036	(1,812,036)	-	-	-	-
2021 Series A Water Revenue Bonds	-	15,380,000		15,380,000		15,380,000
Subtotal bonds payable	15,702,036	(322,036)		15,380,000		15,380,000
Total lease and bonds payable	\$ 16,111,227	(249,372)	(250,434)	15,611,421	182,302	15,429,119

(7) Long-term Debt, continued

Canon Equipment Lease

On June 17, 2019, the District entered into an agreement with Canon Solutions America, (Canon), to lease copier equipment for use in the District's administrative office. Terms of the agreement commenced on August 1, 2019, for a period of 36 months, with rent due monthly at \$2,073 per month for the entire lease term.

Following the guidelines set forth by GASB Statement No. 87, the District has recorded a right-to-use asset and a lease payable at present value with an implicit rate of 3.50%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

As of June 30, 2023, the lease was paid-in-full.

Aqua Backflow Subscription Lease

On September 1, 2020, the District entered into an agreement with Aqua Backflow, (Aqua Backflow), to lease subscription information technology software for the purpose of managing the District's cross connection control program. Terms of the agreement commenced on September 1, 2020, for a period of 36 months, with payments due monthly at \$1,738 per month for the entire lease term.

Following the guidelines set forth by GASB Statement No. 87, the District has recorded a right-to-use asset and a lease payable at present value with an implicit rate of 3.25%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

Annual lease payments are as follows:

Year	Principal	Interest	Total
2024	\$ 3,463	14	3,477
Total	3,463	14	3,477
Current	(3,463)		
Non-current	\$		

Eagle Aerial Subscription Lease

On August 1, 2019, the District entered into an agreement with Eagle Aerial Solutions to lease subscription information technology software for the purpose of the District's irrigated landscape measurement analysis. Terms of the agreement commenced on August 1, 2019, for a period of 2 years, with payments due annually at \$18,900 per year for the entire lease term.

Following the guidelines set forth by GASB Statement No. 87, the District has recorded a right-to-use asset and a lease payable at present value with an implicit rate of 7.48%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

As of June 30, 2022, the lease was paid-in-full.

(7) Long-term Debt, continued

EKOS Subscription Lease

On January 1, 2023, the District entered into an agreement with GE Software, Inc. to lease subscription information technology software for the purpose of fuel management for the District's fleet. Terms of the agreement commenced on January 1, 2023, for a period of 7 years, with payments due annually at \$1,188 per year for the entire lease term.

Following the guidelines set forth by GASB Statement No. 87, the District has recorded a right-to-use asset and a lease payable at present value with an implicit rate of 10.68%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

Annual lease payments are as follows:

Year		Principal	Interest	Total
2024	\$	591	202	793
2025		410	181	591
2026		454	158	612
2027		502	132	634
2028		556	104	660
2029-2031	_	1,655	127	1,782
Total		4,168	904	5,072
Current	_	(591)		
Non-current	\$_	3,577		

ESRI Subscription Lease

On February 18, 2022, the District entered into an agreement with Esri to lease geographic information system software for the purpose of mapping of the District's infrastructure. Terms of the agreement commenced on February 18, 2022, for a period of 3 years, with payments due annually at \$25,000 per year for the entire lease term.

Following the guidelines set forth by GASB Statement No. 87, the District has recorded a right-to-use asset and a lease payable at present value with an implicit rate of 3.25%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

Annual lease payments are as follows:

Year		Principal Interest		Total
2024	\$	23,705	1,549	25,254
2025		16,142	787	16,929
Total		39,847	2,336	42,183
Current	_	(23,705)		
Non-current	\$	16,142		

(7) Long-term Debt, continued

iLand Subscription Lease

On October 1, 2022, the District entered into an agreement with iLand to lease software for the purpose of managed infrastructure solutions. Terms of the agreement commenced on October 1, 2022, for a period of 24 months, with payments due annually at \$317 per month for the entire lease term.

Following the guidelines set forth by GASB Statement No. 87, the District has recorded a right-to-use asset and a lease payable at present value with an implicit rate of 6.25%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

Annual lease payments are as follows:

Year		Principal	Interest	Total
2024	\$	3,621	183	3,804
2025	_	941	10	951
Total		4,562	193	4,755
Current	_	(3,621)	Q	
Non-current	\$	941	xO 3	

InfoSend Subscription Lease

On March 17, 2017, the District entered into an agreement with Esri to lease information system software for the purpose of managing the District's billing communication. Terms of the agreement commenced on March 17, 2017, for a period of 72 months, with payments due annually at \$16,300 per month for the entire lease term.

Following the guidelines set forth by GASB Statement No. 87, the District has recorded a right-to-use asset and a lease payable at present value with an implicit rate of 3.25%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

As of June 30, 2023, the lease was paid-in-full.

Planetbids Subscription Lease

On May 1, 2021, the District entered into an agreement with Esri to lease information system software for the purpose of eProcurement solutions to assist with managing the District's bids. Terms of the agreement commenced on May 1, 2021, for a period of 3 years, with payments due annually at \$25,000 per year for the entire lease term.

Following the guidelines set forth by GASB Statement No. 87, the District has recorded a right-to-use asset and a lease payable at present value with an implicit rate of 4.63%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

Annual lease payments are as follows:

Year		Principal	Interest	Total
2024	\$_	5,809	323	6,132
Total		5,809	323	6,132
Current	_	(5,809)		
Non-current	\$ _	-		

(7) Long-term Debt, continued

2013 Series A Water Revenue Bonds

On March 1, 2013, the Puente Basin Water Agency ("Agency") issued \$17,300,000 of 2013 Series A Water Revenue Bonds. The Bonds will be used to finance certain capital facilities of the District, as well as the District's share of capital facilities to be owned by the Agency. Under terms of the Installment Purchase Contract associated with the Bonds, the District makes 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 will be amortized over the life of the debt service. Interest is payable on December 1st and June 1st of each year, and principal is payable June 1st of each year commencing June 1, 2014 with interest rates ranging from 1.0% to 5.0%. The Bonds are scheduled to mature on June 1, 2038. The rate covenants of the Installment Purchase Contract require that net revenues of the District for each fiscal year be equal to at least 125% of the annual debt service payments required for that fiscal year.

On August 19, 2021, the District issued \$15,380,000 in Water Revenue Refunding Bonds (Series 2021A Bonds). The Bonds were issued for the purpose of refunding the Series 2013A Bonds in full to take advantage of lower interest rates. At June 30, 2022, the Series 2013A Bonds were defeased in full.

2021 Series A Water Revenue Bonds

On August 19, 2021, the District issued \$15,380,000 of 2021 Series A Water Revenue Bonds. The Bonds will be used to reduce the interest rate on District's bond debt. Under terms of the Installment Purchase Contract associated with the Bonds, the District makes 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 District to the holders of the Bonds. Interest is payable on December 1st and June 1st of each year, and principal is payable June 1st of each year commencing December 1, 2021 with interest rates ranging from 0.468% to 2.564%. The Bonds are scheduled to mature on June 1, 2038. The rate covenants of the Installment Purchase Contract require that net revenues of the District for each fiscal year be equal to at least 125% of the annual debt service payments required for that fiscal year.

Future principal and interest obligations on the note as of June 30, are as follows:

<u>Year</u>	Year Principal		Total	
2024 \$	630,000	277,404	907,404	
2025	955,000	274,456	1,229,456	
2026	965,000	267,178	1,232,178	
2027	970,000	257,895	1,227,895	
2028	985,000	246,527	1,231,527	
2029-2033	5,160,000	990,644	6,150,644	
2034-2038	5,715,000	429,648	6,144,648	
Total	15,380,000	2,743,752	18,123,752	
Current	(630,000)			
Non-current \$	14,750,000			

(8) Other Post-Employment Benefits (OPEB) Plan

Plan Description

The District's defined benefit Other Post-Employment Benefit (OPEB) Plan (Plan) provides OPEB for all vested full-time employees with at least 5 years of service, 15 years of service if hired on or after July 1, 2005, with the District. The Plan is a single employer defined benefit OPEB plan administered by the District. The District's Board has the authority to establish and amend the benefit terms and financing requirements of the Plan. The District participates in Public Agency Retirement Services (PARS), a Prefunding Plan trust fund intended to perform an essential government function within the meaning of Section 115 of the Internal Revenue Code. Copies of CalPERS CERBT audited financial report may be obtained from their executive Office: 400 P Street, Sacramento, CA 95814.

Benefits Provided

The District offers post-employment medical and dental benefits to retired employees who satisfy the eligibility rules. Spouses and surviving spouses are also eligible to receive benefits. Retirees may enroll in any plan available through the District's medical and dental programs. The contribution requirements of Plan members and the District are established and may be amended by the Board of Directors.

The District's financial obligation varies based on an eligible retiree's date of hire. For eligible retirees hired prior to March 1, 1989, the District provides full coverage for medical, dental, vision and Medicare Part B premiums for the retiree and any covered spouse. For eligible retirees hired on or after March 1, 1989, the District provides full coverage for medical, dental vision and Medicare Part B premiums for the retiree only. Coverage for an eligible spouse is also available to these retirees but is subject to a vesting schedule which varies by employee group. In addition to health benefits, the District also provides some life insurance coverage for retired employees.

Employees Covered by Benefit Terms

Membership in the OPEB plan consisted of the following members as of June 30:

()	2023	2022
Inactive employees or beneficiaries		
currently receiving benefit payments	46	46
Active employees	56	53
Total plan membership	102	99

Contributions

The contribution requirements of plan members and the District are established and may be amended by the District, District's Board of Directors, and/or the employee associations. The District pays 100% of its share of the cost of health insurance for retirees under any group plan offered by Association of California Water Agencies (ACWA) Health Program, subject to certain restrictions as determined by the District. Currently, contributions are not required from plan members. The District has established a trust for the purpose of holding funds that have been irrevocably contributed by the District toward funding of its OPEB obligation. This trust is being administered by Public Agency Retirement Services (PARS). Annually, the Board of Directors determines the amount that the District will fund to this trust.

(8) Other Post-Employment Benefits (OPEB) Plan, continued

Contributions, continued

As of the fiscal year ended June 30, the contributions were as follows:

	2023	2022
Contributions premium payment – employer	661,360	655,709
Contributions to trust by – employer	750,000	375,000
Total employer paid contributions	1,411,360	1,030,709

As of June 30, 2023 and 2022, employer pension contributions of \$1,411,360 and \$1,030,709, respectively, were reported as deferred outflows of resources related to contributions subsequent to the measurement dates.

Actuarial Assumptions and Other Inputs

The net OPEB liability in the June 30, 2022 and 2021, actuarial valuations, which were measured at June 30, 2022 and 2021, respectively, were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75 percent
Salary increases	3.25 percent, average, including inflation
Discount rate	2023 – 5.30 percent 2022 – 6.25 percent
Healthcare cost trend rates	Medical premiums assumed to increase 5 percent per year. Dental and vision premiums are assumed to increase 4 percent per year.

Changes in the Net OPEB Liability

Changes in the net OPEB liability for the year ended June 30, were as follows:

Hor	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2022	\$ 15,463,178	15,401,172	62,006
Changes for the year:			
Service cost	207,385	-	207,385
Interest	940,604	-	940,604
Differences between expected			
and actual experience	2,150,715	-	2,150,715
Employer contributions	-	1,202,035	(1,202,035)
Net investment income	-	(1,917,093)	1,917,093
Benefit payments	(827,035)	(827,035)	
Net change	2,471,669	(1,542,093)	4,013,762
Balance at June 30, 2023	\$ 17,934,847	13,859,079	4,075,768

(8) Other Post-Employment Benefits (OPEB) Plan, continued

Changes in the Net OPEB Liability, continued

Changes in the net OPEB liability for the year ended June 30, were as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2021	\$ 16,999,280	12,026,069	4,973,211
Changes for the year:			
Service cost	193,613	-	193,613
Interest	1,037,835	-	1,037,835
Differences between expected		4	
and actual experience	(1,979,697)	- 39	(1,979,697)
Changes in assumptions or			
other inputs	-		-
Employer contributions	-	2,498,929	(2,498,929)
Net investment income	-	1,664,027	(1,664,027)
Benefit payments	(787,853)	(787,853)	
Net change	(1,536,102)	3,375,103	(4,911,205)
Balance at June 30, 2022	\$ 15,463,178	15,401,172	62,006

Sensitivity of the net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

As of June 30, 2023, the discount rate comparison was the following:

41	Discount Rate	Valuation	Discount Rate
	1% Lower	Discount Rate	1% Higher
Net OPEB liability	\$ 6,830,840	4,075,768	(1,822,977)

As of June 30, 2022, the discount rate comparison was the following:

	Discount Rate 1% Lower	Valuation Discount Rate	Discount Rate 1% Higher
Net OPEB liability	\$ 2,298,954	62,006	(1,766,804)

(8) Other Post-Employment Benefits (OPEB) Plan, continued

Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

As of June 30, 2023, the healthcare cost trend rate comparison was the following:

		Trend	Valuation	Trend
	_	1% Lower	Trend	1% Higher
Net OPEB liability	\$_	1,609,189	4,075,768	7,164,012

As of June 30, 2022, the healthcare cost trend rate comparison was the following:

		Trend	Valuation	Trend
	_	1% Lower	Trend	1% Higher
Net OPEB liability	\$	(1,811,724)	62,006	2,376,393

For the year ended June 30, 2023 and 2022, the District recognized OPEB expense of \$2,583,490 and \$935,894, respectively.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

As of June 30, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	_	June 30, 2023		June 30, 2022	
Description		Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to the measurement date Change of assumptions Difference between expected and actual	\$	1,411,360	(1,064,622)	1,030,709 497,349	-
Difference between expected and actual experience Net difference between projected and actual earnings on investments		2,281,687 1,891,985	-	-	(1,304,024) (493,390)
Total	\$	5,585,032	(1,064,622)	1,528,058	(1,797,414)

As of June 30, 2023 and 2022, employer OPEB contributions reported as deferred outflows of resources related to contributions subsequent to the measurement date of \$1,411,360 and \$1,030,709 will be/were recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2024 and 2023, respectively.

(8) Other Post-Employment Benefits (OPEB) Plan, continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB, continued

As of June 30, 2023, there were amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB which are required to be recognized in OPEB expense over future periods, respectively. OPEB related amounts will be recognized as pension expense as follows.

Fiscal Year Ending June 30,	Ou	Deferred Net tflows(Inflows) of Resources
2024	\$	618,856
2025	·	557,690
2026		520,430
2027		702,909
2028		126,975
Thereafter		582,190

Schedules of Changes in the District's Net OPEB Liability and Related Ratios Schedules of Other Post-Employment Benefits Plan Contributions
See pages 85 and 86 for the Required Supplementary Schedules.

(9) Defined Benefit Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the District's separate Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan is established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website or may be obtained from their executive office: 400 P Street, Sacramento, CA, 95814.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. Classic Plan members are eligible for one-year final compensation and a 3.0% cost of living adjustment.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the District's CalPERS 2.5% at 55 Risk Pool Retirement Plan to new employee entrants effective December 31, 2013. All employees hired after January 1, 2013, are eligible for the District's CalPERS 2.0% at 62 Retirement Plan under PEPRA.

(9) Defined Benefit Pension Plan, continued

Benefits Provided, continued

The Plans' provision and benefits in effect at June 30, 2023, are summarized as follows:

	Classic	New Classic	PEPRA
	Prior to	On or after January 1, 2010 and	On or after
	October 1,	before January	
Hire date	2010	1, 2013	January 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 63	50 - 63	52 - 67
Monthly benefits, as a % of eligible		20	
compensation	2.0% to 2.7%	1.4% to 2.0%	1.0% to 2.0%
Required employee contribution rates	7.96%	6.92%	7.25%
Required employer contribution rates	15.03%	11.65%	7.65%

Contributions

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

For the fiscal years ended June 30, the contributions were as follows:

	_	2023	2022
Contributions – employer	\$	3,862,630	1,719,115

Net Pension Liability

As of the fiscal year ended June 30, the District reported net pension liabilities for its proportionate share of the net pension liability of the Plan were as follows:

	2023	2022
Proportionate share of net pension		
liability	\$ 18,082,080	9,390,716

(9) Defined Benefit Pension Plan, continued

Net Pension Liability

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2022 and 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 and 2020, rolled forward to June 30, 2022 and 2021, respectively, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's change in the proportionate share of the pension liability for the Plan as of the fiscal year end June 30, was as follows:

	Proportionate Share	•
Proportion – June 30, 2022 Change in proportion	0.17364 (0.01710)	%
Proportion – June 30, 2023	0.15654	%
	Proportionate Share	
Proportion – June 30, 2021 Change in proportion	0.14173 0.03191	%
Proportion – June 30, 2022	0.17364	%

Net Pension Liability

As a result of the calculation of the District's share of pension amounts at June 30, 2023 and 2022, the District recognized pension income and expense of \$2,583,490 and \$2,344,165, respectively.

(9) Defined Benefit Pension Plan, continued

Deferred Pension Outflows (Inflows) of Resources

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

	_	June 30, 2023		June 30, 2022		
Description		Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	
Pension contributions subsequent to measurement date at June 30	\$	3,862,630	-	1,719,115	-	
Net, differences between actual and expected experience		119,919	-	1,053,068	-	
Net, changes in assumptions		1,852,887	-	-	-	
Net, differences between projected and actual earnings on plan investments		3,312,156	2	<u> </u>	(8,197,600)	
Net, differences between actual contribution and proportionate share of contributions		-	(715,225)	-	(551,699)	
Net, change due to differences in proportion of net pension liability	_		(515,059)	121,021	_ _	
Total	\$	9,147,592	(1,230,284)	2,893,204	(8,749,299)	

As of June 30, 2023 and 2022, employer pension contributions reported as deferred outflows of resources related to contributions subsequent to the measurement date of \$3,862,630 and \$1,719,115 will be/were recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2024 and 2023, respectively.

As a result of the calculation of the District's share of pension amounts at June 30, 2022, the District recognized other amounts reported by the Plan actuarial as deferred outflows of resources and deferred inflows of resources related to the pension liability. Pension related amounts will be recognized as pension expense as follows.

Fiscal Year		Deferred Net
Ending	Outflows(Inflow	
June 30,		of Resources
2024	\$	755,317
2025		647,850
2026		289,063
2027		2,362,448
2028		-
Thereafter		-

(9) Defined Benefit Pension Plan, continued

Actuarial Assumptions

The total pension liabilities were determined as of June 30, 2021 and 2020, which were rolled forward to June 30, 2022 and 2021, respectively, using the following actuarial assumptions:

Valuation dates June 30, 2021 and 2020 Measurement dates June 30, 2022 and 2021

Actuarial cost method Entry Age Normal in accordance with the requirements of

GASB Statement No. 68

Actuarial assumptions:

Discount rate/ Investment Rate of Return 2022 - 6.90%

2021 - 7.15%

Inflation 2021 – 2.50%

2021 - 2.50%

Salary increase Varies by Entry Age and Service

Mortality Rate Table* Derived using CalPERS' Membership Data for all Funds

Period upon which actuarial

Experience Survey assumptions

were based 2022 and 2021 – 1997–2015

Post Retirement Benefit 2022 and 2021 - Contract COLA up to 2.50% until

Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

Discount Rate

The discount rate used to measure the total pension liability was 6.90% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, the amortization and smoothing periods recently adopted by CalPERS were utilized. The crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments.

Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan.

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

^{*} The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 Experience Study report. Further details of the Experience Study can be found on the CalPERS website.

(9) Defined Benefit Pension Plan, continued

Discount Rate, continued

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

As of June 30, 2023, the target allocation and the long-term expected real rate of return by asset class were as follows:

Asset Class	Target Allocation	Real Return Years 1-10	_
Global Equity - Cap-weighted	30.00 %	4.45	%
Global Equity Non-Cap-weighted	12.00	3.84	
Private Equity	13.00	7.28	
Treasury	5.00	0.27	
Mortgage-backed Securities	5.00	0.50	
Investment Grade Corporates	10.00	1.56	
High Yeild	5.00	2.27	
Emerging Market Debt	5.00	2.48	
Private Debt	5.00	3.57	
Real Assets	15.00	3.21	
Leverage	-5.00	(0.59))
Total	100.00 %		

Sensitivity of the Proportionate Share of Net Pension Liability to Changes in the Discount Rate

The following tables presents the District's proportionate share of the net position liability for the Plan, calculated using the discount rate, as well as what the District's proportional share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

As of June 30, 2023, the discount rate comparison was the following:

		Current			
		Discount	Discount	Discount	
		Rate - 1%	Rate	Rate + 1%	
	_	5.90%	6.90%	7.90%	
District's net pension liability	\$_	26,691,236	18,082,080	10,998,880	

(9) Defined Benefit Pension Plan, continued

As of June 30, 2022, the discount rate comparison was the following:

		Current			
		Discount	Discount	Discount	
		Rate - 1%	Rate	Rate + 1%	
	_	6.15%	7.15%	8.15%	
District's net pension liability	\$	17,345,993	9,390,716	2,814,202	

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued CalPERS financial reports. See pages 87 and 88 for the Required Supplementary Schedules.

Payable to the Pension Plan

As of June 30, 2023 and 2022, the District reported no payables for the outstanding amount of contribution to the pension plan, respectively.

(10) Net Position

Calculation of net position as of June 30 was as follows:

	_	2023	As Restated 2022
Net investment in capital assets:			
Capital assets, net	\$	114,437,216	111,783,288
Lease payable, current		(37,189)	(182,302)
Lease payable, non-current		(20,660)	(49,119)
Bond payable, current		(630,000)	-
Bond payable, non-current	_	(14,750,000)	(15,380,000)
Total investment in capital assets	_	98,999,367	96,171,867
Restricted net position:		1	
Capital projects		1,843,619	2,330,701
Unspent capital project debt		(1,843,619)	(2,330,701)
Reservoir capacity charge		889,644	1,161,946
Acreage supply charge		439,047	360,056
Investment in joint venture – PBWA	X	22,299,660	20,731,923
Investment in joint venture – Spadra		490,006	124,509
Badillo Grand surcharge		293,811	282,733
Water supply charge		1,978,304	2,605,319
Capacity charge	_	84,547	
Total restricted net position	_	26,475,019	25,266,486
Unrestricted net position:			
Operating reserve		549,448	(2,419,015)
Replacement		19,250,691	18,083,157
Capital improvements		1,454,459	1,494,705
Employee liabilities		1,370,756	2,330,562
Rate stabilization		1,543,125	1,543,125
Project reserve		967,232	967,232
Badillo Grand catastrophic insurance		500,000	500,000
Stored water	-	(230,500)	731,300
Total unrestricted net position	-	25,405,211	23,231,066
Total net position	\$ _	150,879,597	144,669,419

Restricted Net Position

The District's Investment in Joint Venture is restricted to the uses determined by the Board of Directors of the joint venture.

Unrestricted Net Position

Unrestricted assets, although not legally restricted, have been reserved pursuant to Board determined levels for various purposes. While these reserves may not be externally restricted, the Board adopted this policy in its desire to provide a stable and equitable rate structure.

(11) Adjustment to Net Position

In fiscal year 2023, the District implemented GASB Statement No. 96 to recognize its lessee software subscription arrangements. As a result of the implementation for the District's lessee arrangements, the District recognized right-to-use assets (subscription leases), lease payable, interest expense, and recorded prior period adjustments to net position, of \$217,602 an increase, for the purpose of establishing beginning balances and \$235,871, a decrease, to record the effect of fiscal year 2021 and 2022 transactions at June 30, 2023.

In fiscal year 2022, the District implemented GASB Statement No. 87 to recognize its lessor and lessee arrangements. As a result of the implementation for the District's lessor arrangements, the District recognized leases receivable, deferred lease inflows of resources, interest income, and recorded prior period adjustments to net position, of \$281,146, an increase, for the purpose of establishing beginning balances and \$56,931, a decrease, to record the effect of fiscal year 2021 transactions at June 30, 2022.

As a result of the implementation for the District's lessee arrangements, the District recognized the right-to-use asset (equipment lease), lease payable, interest expense, and recorded prior period adjustments to net position, of \$784, a decrease, for the purpose of establishing beginning balances and \$80, a decrease, to record the effect of fiscal year 2021 transactions at June 30, 2022.

The adjustments to net position as of June 30, 2022, are as follows:

Effect of adjustment to establish subscription lease asset and liability balance as a result of GASB 96	254,266
Net position at July 1, 2021, as restated	142,637,774
Change in net position at June 30, 2022, as previously stated	2,255,951
Effect of adjustment for 2022 subscription lease asset and liability balances as a result of GASB 96	(224,306)
Change in net position at June 30, 2021, as restated	2,031,645
Net position at June 30, 2021, as restated \$	144,669,419
The adjustments to net position as of June 30, 2021, are as follows:	
Net position at July 1, 2020, as previously stated \$	140,950,984
Effect of adjustment to establish leases receivable and deferred lease inflows as a result of GASB 87 Effect of adjustment to establish equipment lease asset and liability balance as a result of GASB 87 Effect of adjustment to establish subscription lease asset and liability balance as a result of GASB 96	281,146 (784) 217,602
Subtotal adjustments to restate beginning net position – 2020	497,964
Net position at July 1, 2020, as restated	141,448,948
Change in net position at June 30, 2021, as previously stated	1,227,442
Effect of adjustment for 2021 leases receivable and deferred inflows as a result of GASB 87 Effect of adjustment for 2021 equipment lease asset and liability balances as a result of GASB 87 Effect of adjustment for 2021 subscription lease asset and liability balances as a result of GASB 96	(56,931) (80) (235,871)
Subtotal adjustments through reporting restatement – 2021	(292,882)
Change in net position at June 30, 2021, as restated	934,560
Net position at June 30, 2021, as restated \$	142,383,508

(12) Deferred Compensation Savings Plan

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program (Program). The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District and are not subject to claims of the District's general creditors. Market value of all plan assets held in trust by CalPERS and Mission Square at June 30, 2023 and 2022, amounted to \$9,616,688 and \$8,235,990, respectively.

The District has implemented GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statements of net position.

(13) Risk Management

The Agency is a member of the Association of California Water Agencies Joint Powers Insurance Authority (JPIA).

Description of JPIA

JPIA is an intergovernmental risk-pooling self-insurance authority, created under provisions of California Government Code Sections 6500 et. seq. The purpose of JPIA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage.

On June 30, 2023, the Agency's participation in the self-insurance programs of JPIA is as follows:

- General, Automobile, Employment Practices & Public Officials' Liability. Broad coverage against third-party claims for the Agency, its directors, employees and volunteers. Covered up to the following limits: the JPIA pools for first \$5 million and purchases excess coverage with limit up to \$55 million with aggregated policy limits.
- Property Loss: Scheduled property is covered up to replacement value with a \$5,000 deductible per occurrence on scheduled buildings, fixed equipment and contents, actual cash value on scheduled mobile equipment with a \$1,000 deductible per occurrence and actual cash value on scheduled vehicles with a \$500 deductible per occurrence. JPIA is self-insured up to \$10,000,000 per loss and has purchased re-insurance coverage up to a \$500,000,000 limit per occurrence. Scheduled fixed equipment is covered for Accidental Mechanical Breakdown up to sub-limit of \$100,000,000 with deductible \$25,000 to \$50,0000 depending on type of equipment.
- Workers' Compensation: Covered for statutory limits, and Employer's Liability is Covered up to \$2,000,000 per accident and \$2,000,000 per disease. JPIA is self-insured up to \$2,000,000 and excess insurance coverage has been purchased.

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

- Cyber Liability: Limit up to \$2,000,000 per occurrence and \$5,000,000 Aggregate Limit. Cyber Liability Deductible varies from \$75,000 to \$100,000 depending on Agency total scheduled values.
- Employee Dishonesty/Crime Coverage: Covered up to \$100,000 per occurrence with a \$1,000 deductible for employee dishonesty, forgery or alteration and computer fraud. The program covers all employees, the Board of Directors, and the Treasurer.

(13) Risk Management, continued

• Underground storage tank pollution liability program: Provides coverage for third-party claims arising from bodily injury and property damage caused by environmental incidents resulting from a UST. It also includes coverage for government mandated clean-up costs. This is a claims-made coverage. The JPIA pools for the first \$500,000 and has purchased excess insurance up to \$3 million. Deductible \$10,000.

Separate financial statements of JPIA can be obtained at 2100 Professional Drive, Roseville, CA 95661 or http://www.acwajpia.com/FinancialStatements.aspx.

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 District's insurance coverage during the fiscal years ended June 30, 2023, 2022 and 2021. 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, 2023, 2022 and 2021.

(14) Benefit Assessment District

Beginning with the tax year 1982-83, the District elected to levy a standby charge on all lands within the District. This standby charge is calculated on the size of each parcel, with a minimum of \$14 for any parcel one-quarter of an acre or less in size. The proceeds of this charge are used for the construction of the District's fire related storage requirements and its terminal storage facilities to procure alternate sources of supply, to defray the ordinary operation or maintenance expenses incurred in providing fire protection facilities, and for any other lawful District purpose.

(15) Capacity Fees

Every applicant that requests water service from any of the District's lines or works or requests a modification of service or change in land use, with respect to the land to be served, is assessed a capacity charge based on meter size.

Capacity fees are charged as a buy-in to the system. The current charges are:

Meter size	Capacity fee
3/4"	\$ 5,630
1"	9,384
1 1/2"	18,768
2"	30,029
3"	60,057
4"	93,840
6"	187,679
8"	300,287

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

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2023, that has effective dates that may impact future financial presentations.

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.

(16) 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.

(17) Commitments and Contingencies

Construction Contracts

The District has a variety of agreements with private parties relating to the installation, improvement, or modification of water facilities and distribution systems and other District activities. The financing of such contracts is being provided primarily from the District's replacement reserves and advances for construction.

As of June 30, 2023, the District's open balance of construction contract commitments is \$28,174, shown as follows:

			Total	Construction	Balance
Funding Source /	Project		Approved	Costs	to
Project Purpose	Name	_	Contract	to Date	Complete
Developer	Connection of Service – 850 Brea Canyon	\$	359,080	(341,126)	17,954
Replacement	Main Replacement – Via Sorella	_	204,402	(194,182)	10,220
		\$	563,482	(535,308)	28,174

Litigation

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

Walnut Valley Water District Notes to the Basic Financial Statements, continued For Fiscal Years Ended June 30, 2023 and 2022

(17) Commitments and Contingencies, continued

Grant Awards

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

(18) Subsequent Events

Events occurring after June 30, 2022, have been evaluated for possible adjustment to the financial statements or disclosure as of December 11, 2023, which is the date the financial statements were available to be issued.

Required Supplementary Information

Working Draft Subject to Review

Walnut Valley Water District Schedules of the Changes in Net OPEB Liability and Related Ratios As of June 30, 2023 Last Ten Years*

				Measureme	ent Dates		
	_	2022	2021	2020	2019	2018	2017
Total OPEB liability							
Service cost	\$	207,385	193,613	212,981	206,277	207,344	200,817
Interest		940,604	1,037,835	981,944	955,638	912,011	877,856
Employer contributions		-	-	-	-	-	-
Changes of benefit terms		-	-	-	-	-	-
Difference between expected and actual		-	-	-	-	-	-
experience		=	(1,979,697)	263,923	-	261,666	-
Changes of assumptions or other inputs		2,150,715	-	220,291	-	479,432	-
Benefit payments	_	(827,035)	(787,853)	(781,933)	(700,097)	(588,894)	(514,282)
Net change in total OPEB liability		2,471,669	(1,536,102)	897,206	461,818	1,271,559	564,391
Total OPEB liability - beginning	_	15,463,178	16,999,280	16,102,074	15,640,256	14,368,697	13,804,306
Total OPEB liability - ending	_	17,934,847	15,463,178	16,999,280	16,102,074	15,640,256	14,368,697
Plan fiduciary net position					. 0		
Contribution – employer		1,202,035	2,498,929	1,532,902	1,789,827	1,684,754	1,662,734
Net investment income		(1,917,093)	1,664,027	487,894	282,591	494,962	625,506
Benefit payments		(827,035)	(787,853)	(781,933)	(700,097)	(588,894)	(514,282)
Administrative expense	_						
Net change in plan fiduciary net position		(1,542,093)	3,375,103	1,238,863	1,372,321	1,590,822	1,773,958
Plan fiduciary net position – beginning	_	15,401,172	12,026,069	10,787,206	9,414,885	7,824,063	6,050,105
Plan fiduciary net position - ending	_	13,859,079	15,401,172	12,026,069	10,787,206	9,414,885	7,824,063
Net OPEB liability	\$	4,075,768	62,006	4,973,211	5,314,868	6,225,371	6,544,634
Covered payroll	\$_	5,445,491	5,148,856	5,291,282	5,203,041	4,900,008	5,313,725
Total OPEB liability as a percentage of			CX				
covered payroll		74.85%	1.20%	93.99%	102.15%	127.05%	123.16%

Notes:

^{*} The District has presented information for those years for which information is available until a full 10-year trend is compiled.

Walnut Valley Water District Schedules of Other Post-Employment Benefits Plan Contributions As of June 30, 2023 Last Ten Years*

			Fiscal Yea	rs Ended		
Description	 6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Actuarially determined contribution	\$ 1,202,035	2,498,929	1,532,902	1,789,827	1,684,754	1,662,734
Contributions in relation to the actuarially determined contribution	(1,411,360)	(1,030,709)	(1,789,732)	(1,789,732)	(1,703,516)	(1,662,734)
Contribution deficiency(excess)	\$ (209,325)	1,468,220	(256,830)	95	(18,762)	
District's covered payroll	\$ 5,457,652	5,445,491	5,148,856	5,291,282	5,203,041	4,900,008
Contribution's as a percentage of covered payroll	22.02%	45.89%	29.77%	33.83%	32.38%	33.93%

Note:

^{*} The District has presented information for those years for which information is available until a full 10-year trend is compiled.

Walnut Valley Water District Schedules of the District's Proportionate Share of the Net Pension Liability As of June 30, 2023 Last Ten Years*

	Measurement Dates											
Description	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014			
District's proportion of the net pension liability	15.65400%	0.17364%	0.14173%	0.13957%	0.13653%	0.13506%	0.13391%	0.13080%	0.11033%			
District's proportionate share of the net pension liability	\$18,082,080	9,390,716	15,420,693	14,301,343	13,156,366	13,394,625	11,587,515	8,978,245	6,865,131			
District's covered payroll	\$ 5,191,997	5,128,701	5,148,856	4,884,068	5,168,829	4,856,448	4,868,910	4,653,252	4,450,158			
District's proportionate share of the net pension liability as a percentage of its covered payroll	348.27%	183.10%	299.50%	292.82%	254.53%	275.81%	237.99%	192.95%	154.27%			
Plan's fiduciary net position as a percentage of the total pension liability	71.37%	84.41%	73.32%	73.63%	74.67%	73.08%	74.36%	78.96%	83.03%			

Notes to schedule:

There were no changes in benefits.

Changes in assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses.

The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%

From fiscal year June 30, 2018 to June 30, 2019:

The inflation rate was reduced from 2.75% to 2.50%

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate was reduced from 7.15% to 6.90%

The inflation rate was reduced from 2.50% to 2.30%

^{*} The District has presented information for those years for which information is available until a full 10-year trend is compiled.

Walnut Valley Water District Schedules of Pension Plan Contributions As of June 30, 2023 Last Ten Years*

					Fiscal Years Ended	l			
Description	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially determined contribution	\$ 2,036,291	1,897,790	1,719,003	1,630,495	1,411,486	1,165,468	1,097,578	989,754	790,287
Contributions in relation to the actuarially determined contribution	(3,862,630	(1,719,115)	(1,623,306)	(1,464,186)	(1,307,070)	(1,163,663)	(1,120,609)	(989,754)	(790,287)
Contribution deficiency(excess)	\$ (1,826,339	178,675	95,697	166,309	104,416	1,805	(23,031)		
District's covered payroll	\$5,132,768	5,191,997	5,128,701	5,148,856	4,884,068	5,168,829	4,856,448	4,868,910	4,653,252
Contribution's as a percentage of covered payroll	39.67%	36.55%	33.52%	31.67%	28.90%	22.55%	22.60%	20.33%	16.98%
Notes to schedule:					—				
Valuation date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Methods and assumptions used to determine contribution rates:									
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age				
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market Value	Market Value	Market Value	Market Value	15 year Smoothed Market Method				
Inflation	2.30%	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return	6.90% (3)	7.15% (3)	7.00% (3)	7.25% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)

⁽¹⁾ Level of percentage payroll, closed.

⁽²⁾ Depending on age, service, and type of employment.

⁽³⁾ Net of pension plan investment expense, including inflation.

^{(4) 50} for all plans with exception of 52 for Miscellaneous 2% @ 62

⁽⁵⁾ Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study. adopted by the CalPERS Board.

^{*} The District has presented information for those years for which information is available until a full 10-year trend is compiled.

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Working Traft Subject to Review

Statistical Section
Review

Re

Walnut Valley Water District Statistical Section

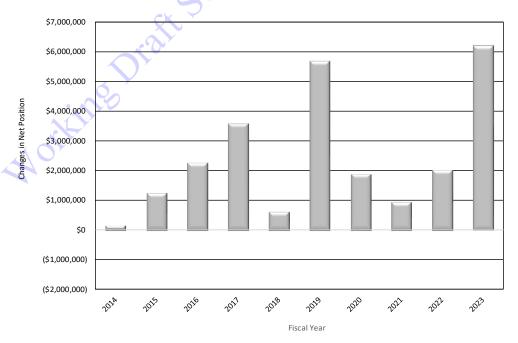
This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the District's overall financial health.

Table of Contents

	Page No.
Financial Trends These schedules contain information to help the reader understand how	90-93
the District's financial performance and well-being have changed over time.	
Revenue Capacity	94-97
These schedules contain information to help the reader assess the District's most significant own-source revenue, water sales.	
Debt Capacity	98-99
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability	
to issue additional debt in the future.	
Demographic Information	100
This schedule offers demographic indicators to help the reader understand	
the environment within which the District's financial activities take place.	
Operating Information	101-102
This schedule contains service and infrastructure data to help the reader	
understand how the information in the District's financial report relates to the service the District provides.	

Walnut Valley Water District Changes in Net Position and Net Position by Component Last Ten Fiscal Years

			Fiscal Year	
			As Restated	
		2014	2015	2016
Changes in net position:				
Operating revenues (see Schedule 2)	\$	39,351,318	33,854,771	33,924,726
Operating expenses (see Schedule 3)		(36,219,892)	(30,261,703)	(30,721,847)
Depreciation and amortization		(4,484,973)	(5,303,916)	(5,021,533)
Operating income (loss)		(1,353,547)	(1,710,848)	(1,818,654)
Non-operating revenues (expenses)				
Property taxes		842,519	950,932	943,033
Rental income - cellular site leases		260,091	270,105	284,011
Interest earnings - cellular site leases		-	-	-
Investment earnings(expense), net of fair value		481,929	416,825	824,415
Share in investment in joint venture income (loss)		(28,086)	4,737	315,763
Amounts received for annexation		-	-	1,065,457 (3)
Gain (Loss) on disposition of assets		8,502	(66,950)	(129,390)
Contributions to other agencies		(692,868)	-	-
Interest expense		(422,882) (2	(422,504)	(377,577)
Cost of issuance of debt				· -
Other revenue (expense), net		280,157	440,930	210,384
Total non-operating revenues (expenses), net		729,362	1,594,075	3,136,096
Net income (loss) before capital contributions		(624,185)	(116,773)	1,317,442
Capital contributions	Q	780,994	1,373,775	946,623
Changes in net position	\$	156,809	1,257,002	2,264,065
Net position by component:				
Net investment in capital assets	\$	102,351,576	100,091,614	100,096,835
Restricted		8,361,253	14,950,173	18,983,396
Unrestricted		35,118,998	20,179,472	18,405,093
Total net position	\$	145,831,827	135,221,259	137,485,324

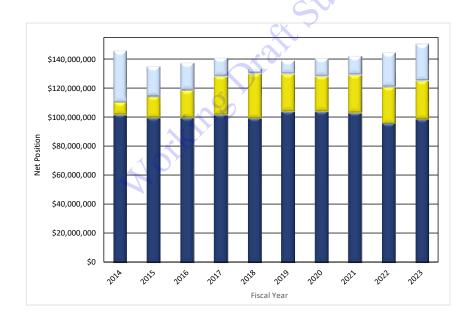


- (1) The decrease in Contributions to other agencies due to a contribution for joint capital project.
- (2) Started with FY 13/14 expenses included the 2013 Series A Water Revenue Bonds interest.
- (3) The increase in Contributions from other agency for joint venture due to a annexation fees related to large development in service area
- (4) The increase in loss on disposition of assets related to abandoned project

Walnut Valley Water District Changes in Net Position and Net Position by Component Last Ten Fiscal Years, Continued

Schedule 1

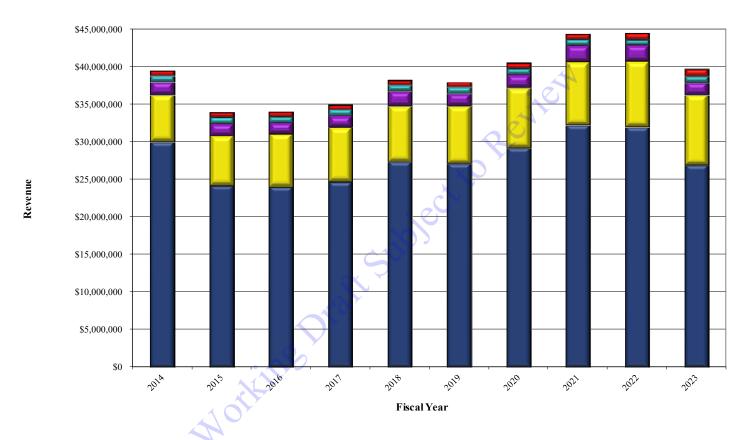
			Fiscal Year			
	As Restated			As Restated	As Restated	
2017	2018	2019	2020	2021	2022	2023
34,916,303	38,210,311	37,912,508	40,456,434	44.260.619	44,391,343	39,669,770
(31,827,660)	(35,341,232)	(34,149,759)	(38,205,724)	(40,065,073)	(40,962,957)	(33,264,004)
(5,109,038)	(5,286,808)	(5,219,938)	(5,455,123)	(5,705,983)	(5,768,802)	(5,746,516)
(2,020,395)	(2,417,729)	(1,457,189)	(3,204,413)	(1,510,437)	(2,340,416)	659,250
985,113	999,707	1,098,378	1,162,465	1,199,446	1,232,651	1,378,819
277,607	284,849	298,104	318,148	230,384	175,184	401,896
-	-	-	-	40,485	82,691	73,699
1,635	122,673	2,069,109	2,009,604	63,284	(1,600,045)	275,799
(8,092)	(139,606)	874,098	180,329	(41,029)	(87,374)	242,938
(85,825)	- (798,859) (4)	18,098	(39,748)	(99,640)	153,711	(666,270)
-	-	-	-	-	-	-
(386,321)	(676,951)	(658,698)	(635,343)	(609,102)	(249,933)	(280,828)
-	<u>-</u>	<u>-</u>	-	-	(188,885)	-
271,605	283,851	316,717	512,942	257,449	841,593	149,443
1,055,722	75,664	4,015,806	3,508,397	1,041,277	359,593	1,575,496
(964,673)	(2,342,065)	2,558,617	303,984	(469,160)	(1,980,823)	2,234,746
4,545,716	2,950,904	3,116,814	1,574,591	1,403,720	4,012,468	3,975,432
3,581,043	608,839	5,675,431	1,878,575	934,560	2,031,645	6,210,178
)
102,444,898	99,730,658	104,543,390	104,609,392	103,712,477	96,171,867	98,999,367
26,408,666	31,189,404	25,986,720	24,191,055	26,199,369	25,266,486	26,475,019
12,212,803	2,476,916	8,542,299	12,150,537	12,471,662	23,231,066	25,405,211
141,066,367	133,396,978	139,072,409	140,950,984	142,383,508	144,669,419	150,879,597



Walnut Valley Water District Operating Revenue by Source Last Ten Fiscal Years

Schedule 2

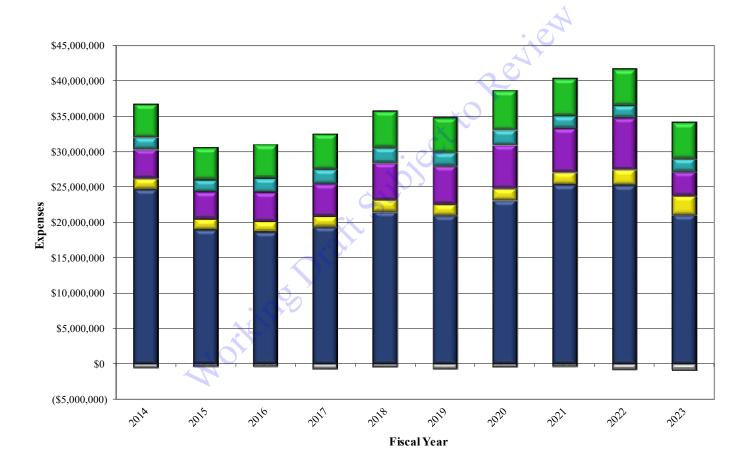
Fiscal Year	Water Consumption Fees	Monthly Water Service Charges	Recycled Water Sales	Standby Charges	Hydroelectric Sales	Other Water Service Charges	Total Operating Revenue
2014 \$	29,991,065	6,290,973	1,701,382	827,259	11,801	528,838	39,351,318
2015	24,155,800	6,676,754	1,632,666	825,584	31,916	532,051	33,854,771
2016	23,995,290	7,094,212	1,497,329	820,221	(10,000)	527,674	33,924,726
2017	24,649,066	7,285,380	1,609,661	815,294	10,534	546,368	34,916,303
2018	27,341,339	7,487,410	1,926,283	822,514	24,072	608,693	38,210,311
2019	27,111,901	7,701,303	1,634,443	837,186	22,250	605,425	37,912,508
2020	29,197,399	7,982,535	1,816,820	795,775	38,892	625,013	40,456,434
2021	32,236,607	8,406,618	2,199,928	766,999	39,341	611,126	44,260,619
2022	31,953,010	8,759,271	2,155,578	718,171	31,455	773,858	44,391,343
2023	26,922,980	9,365,587	1,665,973	761,611	21,871	931,748	39,669,770



Walnut Valley Water District Operating Expenses by Activity Last Ten Fiscal Years

Schedule 3

Fiscal Year	Source of Supply	Pumping	Transmission and Distribution	Customer Accounts	General and Administrative	Operating Exp. Capitalized during Constr. Period	Total Operating Expenses
2014	\$ 24,716,865	1,522,225	4,148,061	1,713,168	4,644,398	(524,825)	36,219,892
2015	19,012,134	1,551,831	3,854,786	1,693,976	4,493,281	(344,305)	30,261,703
2016	18,694,558	1,507,275	4,167,820	1,967,633	4,682,473	(297,912)	30,721,847
2017	19,397,392	1,540,557	4,598,923	2,042,953	4,918,327	(670,492)	31,827,660
2018	21,505,419	1,712,649	5,280,765	2,091,767	5,165,828	(415,196)	35,341,232
2019	20,999,925	1,672,204	5,339,816	1,910,756	4,892,522	(665,464)	34,149,759
2020	23,156,600	1,703,819	6,118,670	2,111,048	5,535,032	(419,445)	38,205,724
2021	25,338,762	1,819,324	6,181,794	1,804,476	5,240,165	(319,448)	40,065,073
2022	25,282,557	2,226,536	7,284,321	1,783,368	5,105,223	(719,048)	40,962,957
2023	21,092,433	2,733,411	3,394,051	1,842,343	5,065,379	(863,613)	33,264,004



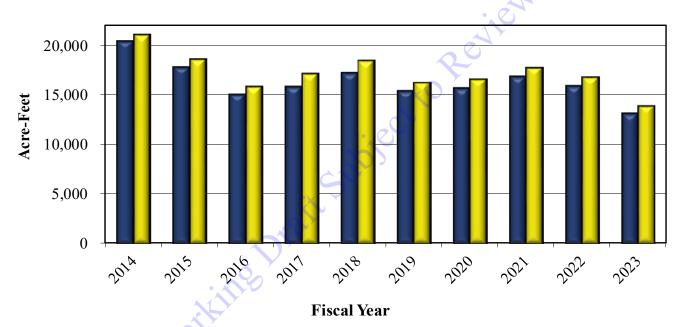
Note:

(1) Account groupings were revised in 2020 and regrouped for the prior two fiscal years

Walnut Valley Water District Revenue Base Last Ten Fiscal Years

Schedule 4

Water Sales		Water Produced
(Acre Feet) (1)		(Acre Feet) (1)
20,541		21,137
17,876		18,666
15,111		15,905
15,905		17,197
17,245		18,485
15,444		16,275
15,751		16,630
16,953		17,854
15,977		16,844
13,163		13,921
	20,541 17,876 15,111 15,905 17,245 15,444 15,751 16,953 15,977	(Acre Feet) (1) 20,541 17,876 15,111 15,905 17,245 15,444 15,751 16,953 15,977



Note: See Schedule 2 "Operating Revenue by Source" for information regarding water revenues.

(1) Excludes wholesale water sales and purchases

Walnut Valley Water District Revenue Rates⁽¹⁾ **Last Ten Fiscal Years**

Schedule 5

Commodity Rates Fiscal Year

	_	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Residential - Tier 1 (per HCF)	\$	2.46	2.69	2.85	2.97	3.16	3.27	2.94	3.03	3.22	3.42
Residential - Tier 2 (per HCF)		3.08	3.08	3.25	3.39	3.58	3.69	3.93	4.05	4.30	4.56
Residential - Tier 3 (per HCF)		3.08	3.08	3.25	3.39	3.58	3.69	4.52	4.66	4.94	5.24
Multi-Family (per HCF)		2.77	2.89	3.06	3.19	3.38	3.49	3.36	3.47	3.68	3.90
Non-Residential (per HCF)		2.81	2.95	3.12	3.25	3.44	3.55	3.56	3.67	3.90	4.13
Recycled (per HCF)		1.49	1.56	1.63	1.71	1.79	1.88	1.87	1.97	2.07	2.18
Pump Zone - Zone 1 (per HCF)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pump Zone - Zone 2 (per HCF)		0.19	0.19	0.19	0.20	0.21	0.22	0.24	0.25	0.27	0.30
Pump Zone - Zone 3 (per HCF)		0.35	0.36	0.37	0.39	0.34	0.42	0.44	0.46	0.49	0.53

Meter Charge per Month Fiscal Year

Meter Size	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
All District Accounts:							1			
3/4" or smaller	\$ 17.08	18.29	18.87	19.43	20.00	20.54	20.67	21.30	22.58	23.94
1"	21.60	23.04	23.77	24.47	25.20	25.88	32.60	33.58	35.60	37.75
1 1/2"	46.18	54.43	56.17	57.82	59.53	61.14	62.42	64.30	68.16	72.28
2"	70.73	71.07	73.34	75.51	77.73	79.84	98.20	101.15	107.22	113.69
3"	128.92	145.53	150.17	154.60	159.17	163.48	193.64	199.45	211.42	224.18
4"	211.86	229.30	236.63	243.61	250.80	257.59	301.00	310.03	328.64	348.46
6"	414.54	435.87	449.79	463.07	476.74	489.65	599.22	617.20	654.24	693.69
8"	658.34	671.11	692.54	712.98	734.02	753.90	957.09	985.81	1,044.96	1,107.96

Notes:

(1) Rates as of June 30 of each fiscal year.

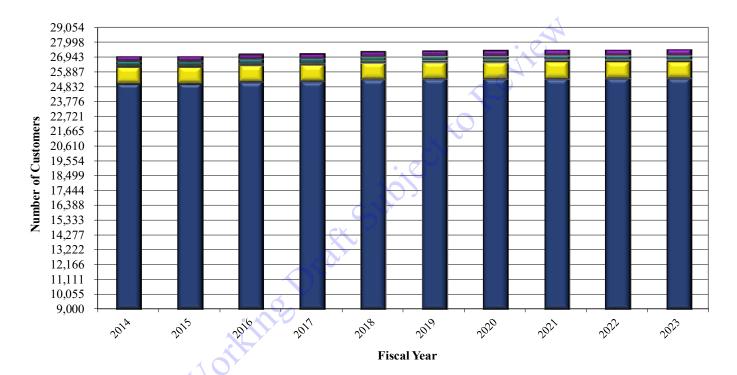
Source: Walnut Valley Water District Board of Directors approved rate ordinances and resolutions

Walnut Valley Water District Customers by Type Last Ten Fiscal Years

Schedule 6

Customer	Type	

Fiscal Year	Residential	Commercial/ Industrial	Multi-User	Government	Recycled	Total
2014	25,139	1,159	155	266	291	27,011
2015	25,142	1,156	158	270	294	27,019
2016	25,258	1,154	161	268	290	27,131
2017	25,275	1,164	163	272	302	27,176
2018	25,415	1,174	163	276	302	27,330
2019	25,467	1,165	163	277	309	27,381
2020	25,474	1,166	163	276	327	27,406
2021	25,479	1,174	163	277	338	27,431
2022	25,486	1,175	163	277	340	27,441
2023	25,497	1,169	163	288	343	27,460



Note: Number of customers as of June 30 of fiscal year.

Walnut Valley Water District **Principal Customers Current Fiscal Year and Ten Years Ago**

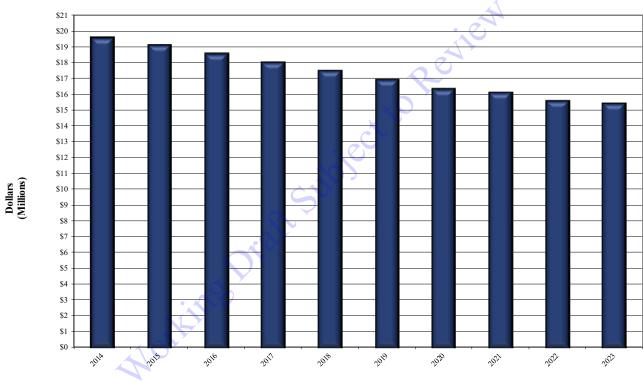
Schedule 7

		202	23		2014	
Rank	Customer	Water Consumed (AF)	Percentage of Total	Rank	Water Consumed (AF)	Percentage of Total
1	City Of Walnut	329	2.2%	3	361	1.6%
2	City Of Industry	307	2.1%			-
3	City of Diamond Bar	224	1.5%	2	396	1.7%
4	Walnut Unified School Dist	209	1.4%	4	336	1.5%
5	Montefino Homeowners Assoc	205	1.4%	5	283	1.2%
6	Pomona Unified School Dist	135	0.9%	7	167	0.7%
7	Diamond Bar Tennis Club HOA	118	0.8%	8	153	0.7%
8	American Golf Corp	83	0.6%	1	398	1.7%
9	Rowland Unified School Dist	77	0.5%	9	114	0.5%
10	Majestic Management	56	0.4%			-
	Standard Pacific Homes			6	254	1.1%
	Mueller Gateway LLC			10	113	0.5%
	Total	1,745	11.84%	1	2,575	11.21%
	Potable Sales	13,193			20,541	
				2	2,420	
	Total Water Consumed (AF)	14,736	100.00%		22,961	100.00%
Source:	Walnut Valley Water District Accounting	1,543 14,736	Sill,			
	Hori					

Walnut Valley Water District Ratio of Outstanding Debt Last Ten Fiscal Years

Schedule 8

Fiscal Year	_	Bonds Payable	Notes <u>Payable</u>	Lease	TotalDebt	Per <u>Capita</u>	As a Share of Personal Income
2014	\$	19,611,843	-	-	19,611,843	191.90	0.40%
2015		19,099,727	-	_	19,099,727	186.12	0.36%
2016		18,577,613	-	-	18,577,613	180.29	0.33%
2017		18,040,497	-	-	18,040,497	174.36	0.31%
2018		17,488,382	-	-	17,488,382	168.33	0.27%
2019		16,916,266	-	-	16,916,266	160.39	0.25%
2020		16,319,151	-	-	16,319,151	153.65	0.24%
2021		15,702,036	-	409,191	16,111,227	160.99	0.24%
2022		15,380,000	-	231,421	15,611,421	155.61	0.23%
2023		15,380,000	-	57,849	15,437,849	153.50	0.22%



Fiscal Year

Walnut Valley Water District **Debt Coverage Last Ten Fiscal Years**

Schedule 9

		Net	Operating	Net Available		Debt Service		Coverage
Fiscal Year	_	Revenues ⁽¹⁾	Expenses (2)	Revenues	Principal	Interest	Total	Ratio
2014	\$	41,150,445	(35,355,496)	5,794,949	250,000	975,191	1,225,191	4.73
2015		35,900,112	(29,861,742)	6,038,370	405,000	827,450	1,232,450	4.90
2016		36,862,499	(30,321,989)	6,540,510	415,000	819,350	1,234,350	5.30
2017		36,914,828	(31,642,531)	5,272,297	430,000	802,750	1,232,750	4.28
2018		40,259,265	(34,156,423)	6,102,842	445,000	785,550	1,230,550	4.96
2019		40,383,991	(33,550,440)	6,833,551	465,000	767,750	1,232,750	5.54
2020		43,210,890	(36,868,845)	6,342,045	490,000	744,500	1,234,500	5.14
2021		46,759,072	(39,351,972)	7,407,100	510,000	720,000	1,230,000	6.02
2022		47,469,671	(39,330,873)	8,138,798	-	217,300	217,300	37.45
2023		43,995,112	(38,786,015)	5,209,097	-	217,300	217,300	23.97

Note:

⁽¹⁾ Operating revenues excludes: unrealized gain (loss) on investment income Operating revenues includes property tax revenue, investment income, and other non-operating revenue.

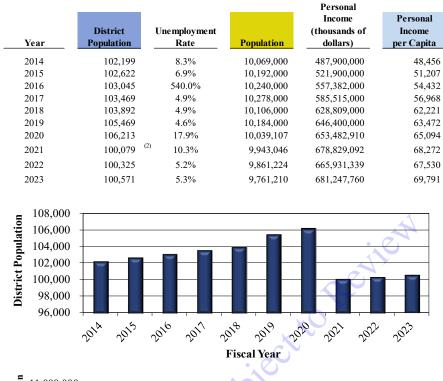
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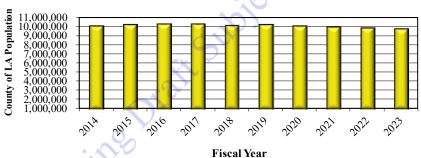
Nonking Prafit (2) Operating expenses before depreciation excludes: GASB 68 pension expense, GASB 75 OPEB expense. Operating expenses before depreciation includes: overhead on capital construction expense.

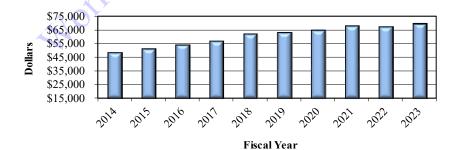
Walnut Valley Water District Demographic and Economic Statistics Last Ten Fiscal Years

County of Los Angeles (1)

Schedule 10







Sources: Bureau of Labor Statistics

California Department of Finance, Bureau of Economic Analysis (BEA)

LAEDC Exonomic Forecast

Notes:

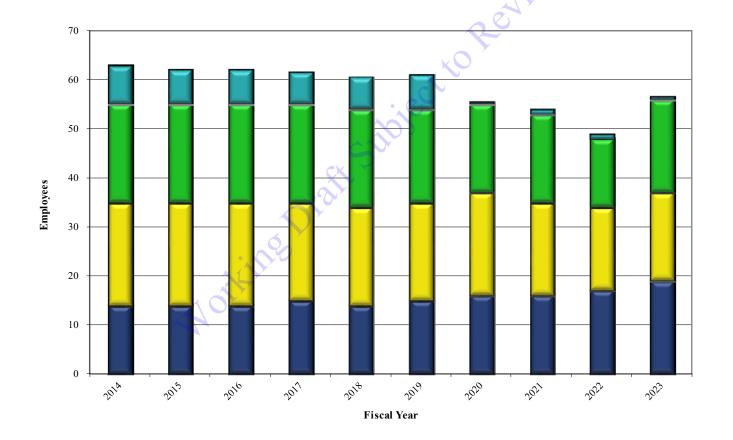
- (1) Only County data is updated annually. Therefore, the District has chose to use its data since the District believes that the County data is representative of the conditions and experience of the District
- (2) Recalculated due to 2020 Census

Walnut Valley Water District Full-Time Equivalent Employees Last Ten Fiscal Years

Schedule 11

Full-time Equivalent District Employees by Department

Fiscal Year	District Administration	Office and Engineering	Operations	Part-time/ Student Intern	Total
2014	14	21	20	8.0	63.0
2015	14	21	20	7.0	62.0
2016	14	21	20	7.0	62.0
2017	15	20	20	6.5	61.5
2018	14	20	20	6.5	60.5
2019	15	20	19	7.0	61.0
2020	16	21	18	0.5	55.5
2021	16	19	18	1.0	54.0
2022	17	17	14	1.0	49.0
2023	19	18	19	0.5	56.5



Walnut Valley Water District **Operating and Capacity Indicators Last Ten Fiscal Years**

Schedule 12

Other Operating and Capacity Indicators

Fiscal	District Area	Miles of	Storage	and Capacity Indica	Booster	Pressure Regulating	
Year	(Square Miles)	Pipeline	Capacity (MG)	Reservoirs	Pump Stations	Stations	Fire Hydrants
2014	29	415	93.8	31	18.0	48.0	3,008
2015	29	416	93.8	31	17.0	48.0	3,013
2016	29	417	93.8	31	17.0	48.0	3,031
2017	29	417	93.8	31	17.0	47.0	3,035
2018	29	418	93.8	31	17.0	45.0	3,050
2019	29	421	93.8	31	17.0	43.0	3,055
2020	29	421	93.8	31	18.0	42.0	3,055
2021	29	422	93.8	31	18.0	42.0	3,093
2022	29	426	93.8	31	18.0	41.0	3,094
2023	29	426	95.6	32	18.0	39.0	3,094
	ns of Gallons ions of Gallons per Day		95.6			A	
	Inut Valley Water Distric	t Engineering Depa	rtment				
Source: Mar	inac variey water Bisare	v Engineering E epa	1 1110111				
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Report on Internal Controls and Compliance

Working Draft Subject to Review

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

Board of Directors Walnut Valley Water District 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 Walnut Valley Water District (District) as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprises the District's basic financial statements, and have issued our report thereon dated December 11, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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. Working Draft Subject to Revite W

C.J. Brown & Company CPAs

Cypress, California December 11, 2023

Walnut Valley Water District Management Report June 30, 2023

Walnut Valley Water District

Management Report

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General Introduction Current Year Comment and Recommendation Prior Year Comment and Recommendation	1 1-2 2
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Audit/Finance Committee Letter	1-4
Schedule of Audit Adjusting Journal Entries	5
orking Draft Subjection	

Board of Directors Walnut Valley Water District Walnut Valley, California

Dear Members of the Board:

In planning and performing our audit of the financial statements of the Walnut Valley Water District (District) as of and for the year ended June 30, 2023, in accordance with 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, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 over financial reporting, 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 reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- Reasonably possible. The chance of the future event or events occurring is more than remote but less than likely.
- Probable. The future event or events are likely to occur.

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

Current Year Comment and Recommendation

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the District are properly adjusted before the start of the audit. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board.

Current Year Comment and Recommendation, continued

Management's Response

We have reviewed and approved all of the audit adjustment and reclassification entries provided by the auditor and have entered those entries into the District's accounting system to close-out the District's year-end trial balance as of June 30, 2023.

Prior Year Comments and Recommendations

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the District are properly adjusted before the start of the audit. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board.

Management's Response

We have reviewed and approved all of the audit adjustment and reclassification entries provided by the auditor and have entered those entries into the District's accounting system to close-out the District's year-end trial balance as of June 30, 2022.

* * * * * * * * * *

This communication is intended solely for the information and use of management, the Board of Directors, and others within the District, and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.

C.J. Brown & Company CPAs Cypress, California

December 11, 2023

APPENDIX

Walnut Valley Water District

Finance Committee Letter

June 30, 2023

Board of Directors Walnut Valley Water District Walnut Valley, California

We have audited the financial statements of the business-type activities of the Walnut Valley Water District (District) for the year ended June 30, 2023. and have issued our report thereon dated December 11, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 30, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated December 11, 2023.

Planned Scope and Timing of the Audit

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

Compliance with All Ethics Requirements Regarding Independence

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

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

Required Risk Assessment Procedures per Auditing Standards:

As auditors of the District, we are required per AU-C Section 240, "Consideration of Fraud in a Financial Statement Audit", to "ordinarily" presume and consider the following risks in designing our audit procedures:

- Management override of controls
- > Revenue recognition

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

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

Management's estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the other post-employment benefit plan's deferred outflows of resources, net OPEB liability, and deferred inflows of resources are based on an actuarial evaluation of these amounts which was conducted by a third-party actuary. We evaluated the basis, actuarial methods and assumptions used by the actuary to calculate these amounts for the District to determine that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the defined benefit pension plan's deferred outflows of resources, net pension liability, and deferred inflows of resources are based on an actuarial evaluation of these amounts which was conducted by a third-party actuary. We evaluated the basis, actuarial methods and assumptions used by the actuary to calculate these amounts for the District to determine that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to:

The disclosure of fair value of cash and investments in Note 2 to the financial statements represents amounts susceptible to market fluctuations.

The disclosure of capital assets, net in Note 5 to the financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of the District's other post-employment benefit plan in Note 8 to the financial statements is based on actuarial assumptions which could differ from actual costs.

The disclosure of the District's defined benefit pension plan in Note 9 to the financial statements is based on actuarial assumptions which could differ from actual costs.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management:

Identified or Suspected Fraud

We have not identified or have not obtained information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole. A listing of all journal entries are shown in the Schedule of Audit Adjusting Journal Entries on page 5 of this report.

Disagreements with Management

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

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated December 11, 2023.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the District's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

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

We applied certain limited procedures to the management discussion and analysis, schedules of changes in the District total OPEB liability and related ratios, schedules of the District's proportionate share of net pension liability, and the schedule of pension plan contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical information sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Conclusion

We appreciate the cooperation extended to us by Erik Hitchman, General Manager, Josh Byerrum, Director of Finance, Jennifer Man, accounting Supervisor and the rest of the District staff in the performance of our audit testwork. We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the District.

This report is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be and should not be used by anyone other than the specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

C.J. Brown & Company CPAs Cypress, California December 11, 2023

Walnut Valley Water District Schedule of Audit Adjusting Journal Entries June 30, 2023

Account	Description	Debit	Credit
Adjusting Journal En	tries		
Adjusting Journal En	tries JE # 1		
RJE - To reclassify / a	djust the current portion of debt service following the de	ebt service schedule.	
10-0260-2640	Revenue Bonds 2021	577,500.00	
10-0210-2640	Current Portion of Long Term Debt		577,500.00
Total		577,500.00	577,500.00
Adjusting Journal En	tries JE # 2 ment in Joint Venture Spadra due to trial balance adjustr	ments made during	
10-6000-6871	Joint Venture Income - Spadra Basin	19,118.49	
10-0140-1955	Investment in Joint Venture - SPADRA		19,118.49
Total		19,118.49	19,118.49
	Total Adjusting Journal Entries	596,618.49	596,618.49
	Total All Journal Entries	596,618.49	596,618.49

Legend:

RJE	Reclassifying Audit Adjusting Journal Entry
AIF	Audit Adjusting Journal Entry



Walnut Valley Water District Debt Service Coverage Requirement Agreed Upon Procedures

Fiscal Year Ended June 30, 2023 (With Independent Accountant's Report Thereon)

Walnut Valley Water District

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Independent Accountant's Report on Applying Agreed-Upon Procedures

Mr. Erik Hitchman General Manager Walnut Valley Water District Walnut, California

On August 19, 2021, the Walnut Valley Water District ("District") issued the Water Revenue Bonds, 2021 Series A. The proceeds of the Bonds were used for the purpose of refinancing the Water Revenue Bonds, 2013 Series A, originally issued through the Puente Basin Water Agency ("Agency") for the purpose of financing certain capital facilities of the District, as well as finance the District's share of capital facilities to be owned by the Agency. Under terms of the installment purchase contract associated with the Bonds, the District will make semiannual installment purchase payments that are in line with the debt service requirements of the Bonds. The District is also responsible for satisfying certain other bond covenants associated with the Bonds, including the debt service coverage requirement.

We have performed the procedures enumerated below, which were agreed to by the management of the District, solely to assist the District in reviewing the debt service coverage calculation for the year ending June 30, 2023 prepared in accordance with the rate covenant requirements of the Puente Basin Water Agency Water Revenue Bonds, 2021 Series A. The District is responsible for the preparation of the debt service coverage calculation. The sufficiency of these procedures is solely the responsibility of the management of the Walnut Valley Water District. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures are as follows:

1. The bond covenants of the Puente Basin Water Agency Water Revenue Bonds, 2021 Series A describe the debt service coverage requirement as follows: "...the District will, at all times while any installment payments remain outstanding, to the maximum extent permitted by law, fix, prescribe and collect rates, fees and charges and manage the operation of the water system for each fiscal year so as to yield net revenues during such fiscal year equal to at least 125% of the annual debt service in such fiscal year". net revenues were defined in the bond covenants as follows: "...for any period of calculation, all system revenues during such period less all of the maintenance and operation costs during such period".

We obtained the District's debt service coverage calculation for the fiscal year ended June 30, 2023. The calculation is included on page 3. We compared the format of the calculation to the requirements as defined in the bond covenants.

Results: We noted no exceptions as a result of our procedures.

Independent Accountant's Report on Applying Agreed-Upon Procedures, continued

2. We obtained the audited financial statements of the District for the year ended June 30, 2023. We compared the financial information presented on the calculation to the District's audited financial statements.

Results: We noted no exceptions as a result of our procedures.

3. We reviewed the mathematical accuracy of the calculation.

Results: We noted no exceptions as a result of our procedures.

4. We compared the debt service coverage percentage as determined by the calculation for compliance with the debt service coverage percentage requirement as identified in the bond covenants.

Results: We noted no exceptions as a result of our procedures.

5. Legal counsel was consulted regarding the proper application of definitions set forth in the installment purchase agreement with respect to capitalized labor and noncash OPEB and pension accruals.

Results: Legal counsel supported the positions taken in the accompanying computation to exclude capitalized labor and noncash OPEB and pension accruals from the operations and maintenance costs included in the computation.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the calculation. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of the Walnut Valley Water District and is not intended to be and should not be used by anyone other than those specified parties.

C.J. Brown & Company CPAs Cypress, California

December 11, 2023

Walnut Valley Water District Computation of Net Revenue and Revenue Coverage Requirement PBWA Water Revenue Bonds, 2021 Series A (Walnut Valley Water District)

		June 30, 2023
Revenues:		
Operating revenue	\$	39,669,770
Other revenue		2,488,332
Total system revenues		42,158,102
Operating expenses:		
Operations and maintenance expenses		(37,235,658)
Total system expenses		(37,235,658)
Net revenue	\$	4,922,444
Annual debt service requirement: Principal Interest	\$	630,000 277,404
Annual debt service requirement		907,404
Annual coverage percentage requirement		125%
Annual coverage requirement		1,134,255
Less – Net revenue		4,922,444
Excess of net revenue over	Ф	2.500.100
annual coverage requirement	\$	3,788,189
Actual coverage percentage		542.48%

Notes:

- (1) For the purposes of the above computation, the cost of retiree health insurance has been included in operations and maintenance costs when premiums are paid by the District. Noncash accruals associated with future payments have not been included in the amount of operations and maintenance costs shown above.
- (2) For purposes of the above computation, the cost of labor and other costs that have been capitalized as part of the cost of acquiring capital assets has been excluded from operations and maintenance costs.



Walnut Valley Water District Consolidated - Account #10076

MONTHLY ACCOUNT STATEMENT

NOVEMBER 1, 2023 THROUGH NOVEMBER 30, 2023

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 Summary

Account #10076

As of November 30, 2023



PORTFOLIO CHARACTERISTICS

Average Modified Duration	1.79
Average Coupon	2.04%
Average Purchase YTM	2.07%
Average Market YTM	4.34%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	1.92 yrs
Average Life	1.90 yrs

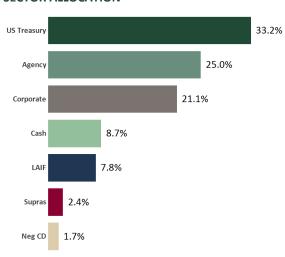
ACCOUNT SUMMARY

	Beg. Values as of 10/31/23	End Values as of 11/30/23
Market Value	41,826,986	41,330,339
Accrued Interest	207,053	220,456
Total Market Value	42,034,039	41,550,796
Income Earned Cont/WD	78,765	77,529
Par	43,974,194	43,035,525
Book Value	43,852,712	42,915,155
Cost Value	43,909,462	42,970,793

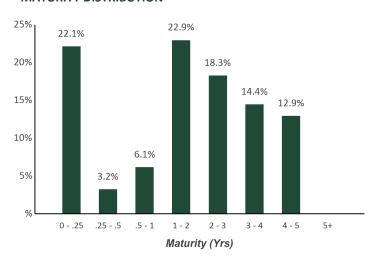
TOP ISSUERS

Government of United States	33.2%
Federal Home Loan Bank	13.4%
Bank Cash Account	8.7%
Local Agency Investment Fund	7.8%
Federal National Mortgage Assoc	6.0%
Federal Home Loan Mortgage Corp	3.8%
Federal Farm Credit Bank	1.8%
Intl Bank Recon and Development	1.3%
Total	76.0%

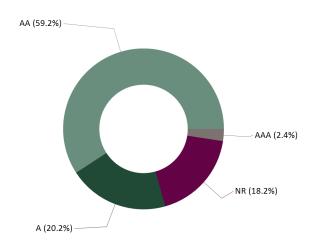
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



Walnut Valley Water District

Portfolio Summary

Account #10074

As of November 30, 2023



Average Modified Duration	2.15
Average Coupon	2.10%
Average Purchase YTM	2.14%
Average Market YTM	4.89%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.31 yrs
Average Life	2.30 yrs

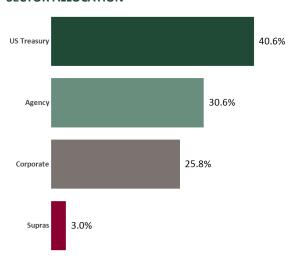
ACCOUNT SUMMARY

	Beg. Values as of 10/31/23	End Values as of 11/30/23
Market Value	33,345,039	33,785,834
Accrued Interest	194,501	199,549
Total Market Value	33,539,540	33,985,383
Income Earned	66,688	66,735
Cont/WD		-60,575
Par	35,465,000	35,465,000
Book Value	35,343,518	35,344,630
Cost Value	35,400,269	35,400,269

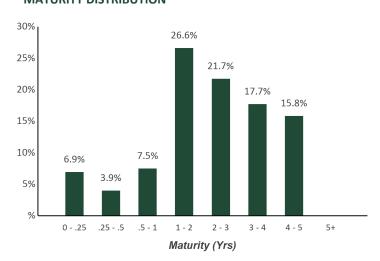
TOP ISSUERS

Government of United States	40.6%
Federal Home Loan Bank	16.4%
Federal National Mortgage Assoc	7.3%
Federal Home Loan Mortgage Corp	4.7%
Federal Farm Credit Bank	2.2%
Intl Bank Recon and Development	1.6%
Bank of America Corp	1.5%
Deere & Company	1.5%
Total	75.8%

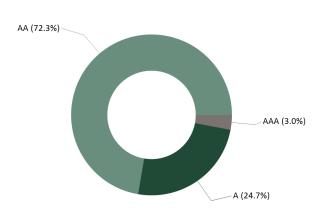
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

		1			Annualized				
TOTAL RATE OF RETURN	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	7/31/2009
Walnut Valley Water District	1.51%	1.35%	3.26%	3.37%	-0.85%	-0.78%	1.43%	1.20%	1.42%
ICE BofA 1-5 Yr US Treasury & Agency Index*	1.48%	1.24%	2.80%	2.87%	-1.44%	-1.21%	1.13%	0.96%	1.16%

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

Holdings Report

Account #10076



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									
3130A0F70	FHLB Note 3.375% Due 12/8/2023	750,000.00	12/13/2018 2.93%	765,270.00 750,058.73	99.95 5.34%	749,658.00 12,164.06	1.83% (400.73)	Aaa / AA+ NR	0.02 0.02
3135G0V34	FNMA Note 2.5% Due 2/5/2024	575,000.00	03/06/2019 2.60%	572,263.00 574,899.36	99.48 5.39%	571,982.40 4,631.94	1.39% (2,916.96)	Aaa / AA+ AA+	0.18 0.18
3130AFW94	FHLB Note 2.5% Due 2/13/2024	500,000.00	02/28/2019 2.61%	497,510.00 499,898.20	99.40 5.43%	497,020.50 3,750.00	1.21% (2,877.70)	Aaa / AA+ NR	0.21 0.20
3130AB3H7	FHLB Note 2.375% Due 3/8/2024	600,000.00	05/01/2019 2.35%	600,600.00 600,033.18	99.14 5.56%	594,820.80 3,285.42	1.44% (5,212.38)	Aaa / AA+ NR	0.27 0.27
3133EKNX0	FFCB Note 2.16% Due 6/3/2024	750,000.00	07/02/2019 1.88%	759,847.50 751,013.79	98.48 5.23%	738,576.75 8,010.00	1.80% (12,437.04)	Aaa / AA+ AA+	0.51 0.49
3130A1XJ2	FHLB Note 2.875% Due 6/14/2024	650,000.00	06/26/2019 1.85%	681,427.50 653,395.69	98.68 5.40%	641,392.05 8,668.92	1.56% (12,003.64)	Aaa / AA+ NR	0.54 0.52
3130A3GE8	FHLB Note 2.75% Due 12/13/2024	700,000.00	12/23/2019 1.77%	732,445.00 706,753.42	97.54 5.22%	682,774.40 8,983.33	1.66% (23,979.02)	Aaa / AA+ NR	1.04 0.99
3135G0X24	FNMA Note 1.625% Due 1/7/2025	600,000.00	02/14/2020 1.48%	604,074.00 600,919.79	96.30 5.12%	577,787.40 3,900.00	1.40% (23,132.39)	Aaa / AA+ AA+	1.11 1.06
3137EAEP0	FHLMC Note 1.5% Due 2/12/2025	600,000.00	02/14/2020 1.48%	600,486.00 600,117.16	95.99 4.98%	575,965.80 2,725.00	1.39% (24,151.36)	Aaa / AA+ AA+	1.21 1.16
3135G03U5	FNMA Note 0.625% Due 4/22/2025	800,000.00	Various 0.53%	803,537.00 801,010.14	94.24 4.95%	753,889.60 541.67	1.82% (47,120.54)	Aaa / AA+ AA+	1.39 1.36
3130AJKW8	FHLB Note 0.5% Due 6/13/2025	600,000.00	06/10/2020 0.54%	598,866.00 599,651.84	93.51 4.94%	561,079.20 1,400.00	1.35% (38,572.64)	Aaa / AA+ NR	1.54 1.49
3137EAEU9	FHLMC Note 0.375% Due 7/21/2025	400,000.00	08/12/2020 0.45%	398,456.00 399,487.90	93.11 4.79%	372,446.40 541.67	0.90% (27,041.50)	Aaa / AA+ AA+	1.64 1.60
3137EAEX3	FHLMC Note 0.375% Due 9/23/2025	700,000.00	10/07/2020 0.50%	695,758.00 698,449.36	92.36 4.82%	646,518.60 495.83	1.56% (51,930.76)	Aaa / AA+ AA+	1.82 1.77
3135G06G3	FNMA Note 0.5% Due 11/7/2025	625,000.00	11/18/2020 0.51%	624,775.00 624,912.31	92.16 4.79%	575,988.75 208.33	1.39% (48,923.56)	Aaa / AA+ AA+	1.94 1.88
3130AKFA9	FHLB Note 0.375% Due 12/12/2025	600,000.00	01/05/2021 0.42%	598,680.00 599,456.17	91.62 4.74%	549,742.20 1,056.25	1.33% (49,713.97)	Aaa / AA+ NR	2.04 1.98
3130ATUS4	FHLB Note 4.25% Due 12/10/2027	475,000.00	01/26/2023 3.67%	487,188.50 485,077.11	99.37 4.42%	472,005.60 9,589.06	1.16% (13,071.51)	Aaa / AA+ NR	4.03 3.59

Holdings Report

Account #10076



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									
3130AWMN7	FHLB Note 4.375% Due 6/9/2028	750,000.00	07/21/2023 4.17%	756,637.50 756,153.28	99.87 4.41%	749,044.50 12,760.42	1.83% (7,108.78)	Aaa / AA+ NR	4.53 4.00
Total Agency		10,675,000.00	1.76%	10,777,821.00 10,701,287.43	5.04%	10,310,692.95 82,711.90	25.01% (390,594.48)	Aaa / AA+ AA+	1.40 1.31
CASH									
90CASH\$00	Cash Custodial Cash Account	3,602,596.84	Various 0.00%	3,602,596.84 3,602,596.84	1.00 0.00%	3,602,596.84 0.00	8.67% 0.00	NR / NR NR	0.00
Total Cash		3,602,596.84	N/A	3,602,596.84 3,602,596.84	0.00%	3,602,596.84 0.00	8.67% 0.00	NR / NR NR	0.00 0.00
CORPORATE									
91159HHV5	US Bancorp Callable Note Cont 1/5/2024 3.375% Due 2/5/2024	500,000.00	12/23/2019 2.11%	524,265.00 500,577.35	99.55 5.83%	497,750.50 5,437.50	1.21% (2,826.85)	A3 / A A	0.18 0.18
14913R2L0	Caterpillar Financial Service Note 0.45% Due 5/17/2024	350,000.00	05/12/2021 0.51%	349,426.00 349,912.01	97.72 5.48%	342,033.30 61.25	0.82% (7,878.71)	A2 / A A+	0.46 0.45
06367WB85	Bank of Montreal Note 1.85% Due 5/1/2025	400,000.00	02/15/2022 2.25%	395,048.00 397,809.94	94.95 5.60%	379,811.60 616.67	0.92% (17,998.34)	A2 / A- AA-	1.42 1.37
717081EX7	Pfizer Inc. Callable Note Cont 4/28/2025 0.8% Due 5/28/2025	400,000.00	05/26/2020 0.83%	399,376.00 399,814.10	93.90 5.09%	375,616.80 26.67	0.90% (24,197.30)	A1 / A+ A	1.49 1.45
78015K7H1	Royal Bank of Canada Note 1.15% Due 6/10/2025	400,000.00	05/20/2021 0.96%	403,072.00 401,157.72	93.86 5.39%	375,428.80 2,185.00	0.91% (25,728.92)	A1 / A AA-	1.53 1.47
89114TZD7	Toronto-Dominion Bank Note 1.2% Due 6/3/2026	400,000.00	08/11/2021 1.12%	401,416.00 400,738.26	90.33 5.37%	361,324.40 2,373.33	0.88% (39,413.86)	A1 / A AA-	2.51 2.40
06428CAA2	Bank Of America NA Callable Note cont 7/17/2026 5.526% Due 8/18/2026	500,000.00	09/11/2023 5.51%	500,150.00 500,138.93	100.77 5.21%	503,859.00 7,905.25	1.23% 3,720.07	Aa1 / A+ AA	2.72 2.39

Holdings Report

Account #10076



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									
87612EBM7	Target Corp Callable Note Cont 12/15/2026 1.95% Due 1/15/2027	500,000.00	01/24/2022 1.87%	501,865.00 501,160.40	91.95 4.75%	459,726.50 3,683.33	1.12% (41,433.90)	A2 / A A	3.13 2.95
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%	500,400.00 500,250.08	91.08 5.15%	455,407.50 3,559.03	1.10% (44,842.58)	A1 / A AA-	3.16 2.97
023135CF1	Amazon.com Inc Callable Note Cont 3/13/2027 3.3% Due 4/13/2027	400,000.00	04/26/2022 3.26%	400,788.00 400,530.35	95.70 4.69%	382,790.00 1,760.00	0.93% (17,740.35)	A1 / AA AA-	3.37 3.13
665859AW4	Northern Trust Company Callable Note Cont 4/10/2027 4% Due 5/10/2027	500,000.00	06/28/2022 4.00%	500,045.00 500,031.84	97.11 4.92%	485,570.50 1,166.67	1.17% (14,461.34)	A2 / A+ A+	3.44 3.16
69371RS31	Paccar Financial Corp Note 4.6% Due 1/10/2028	500,000.00	01/26/2023 4.26%	507,430.00 506,175.21	98.83 4.92%	494,149.50 9,008.33	1.21% (12,025.71)	A1 / A+ NR	4.12 3.63
24422EWR6	John Deere Capital Corp Note 4.75% Due 1/20/2028	500,000.00	01/26/2023 4.29%	510,270.00 508,545.14	99.54 4.87%	497,692.00 8,642.36	1.22% (10,853.14)	A2 / A A+	4.14 3.65
438516CJ3	Honeywell Intl Callable Note Cont 01/15/2028 4.95% Due 2/15/2028	425,000.00	04/11/2023 4.02%	441,923.50 439,664.44	101.07 4.66%	429,560.68 6,194.38	1.05% (10,103.76)	A2 / A A	4.21 3.65
713448FL7	Pepsico Inc. Callable Note Cont 1/18/2028 3.6% Due 2/18/2028	500,000.00	03/20/2023 4.18%	487,155.00 488,973.63	95.85 4.69%	479,273.50 5,150.00	1.17% (9,700.13)	A1 / A+ NR	4.22 3.81
57636QAW4	MasterCard Inc Callable Note Cont 2/9/28 4.875% Due 3/9/2028	450,000.00	03/10/2023 4.83%	450,904.50 450,774.43	101.23 4.55%	455,544.00 4,996.88	1.11% 4,769.57	Aa3 / A+ NR	4.28 3.72
74456QBU9	Public Service El & Gas Callable Note Cont 02/01/28 3.7% Due 5/1/2028	400,000.00	06/26/2023 4.70%	382,788.00 384,305.85	94.94 4.99%	379,764.80 1,233.33	0.92% (4,541.05)	A1 / A NR	4.42 4.00
341081GN1	Florida Power and Light Callable Note Cont 3/15/2028 4.4% Due 5/15/2028	450,000.00	Various 4.67%	444,781.50 445,294.63	97.59 5.01%	439,154.55 880.00	1.06% (6,140.08)	Aa2 / A+ AA-	4.46 3.98
74340XCG4	Prologis LP Callable Note Cont 5/15/2028 4.875% Due 6/15/2028	450,000.00	07/21/2023 4.96%	448,330.50 448,451.02	99.02 5.12%	445,594.95 9,323.44	1.09% (2,856.07)	A3 / A NR	4.55 3.94

Holdings Report

Account #10076



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									
89236TLB9	Toyota Motor Credit Corp Note 5.25% Due 9/11/2028	450,000.00	09/26/2023 5.34%	448,227.00 448,289.69	101.12 4.98%	455,038.20 5,250.00	1.11% 6,748.51	A1 / A+ A+	4.79 4.14
Total Corpora	te	8,975,000.00	3.36%	8,997,661.00 8,972,595.02	5.05%	8,695,091.08 79,453.42	21.12% (277,503.94)	A1 / A+ A+	3.20 2.88
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	3,223,927.70	Various 3.87%	3,223,927.70 3,223,927.70	1.00 3.87%	3,223,927.70 20,262.78	7.81% 0.00	NR / NR NR	0.00 0.00
Total LAIF		3,223,927.70	3.87%	3,223,927.70 3,223,927.70	3.87%	3,223,927.70 20,262.78	7.81% 0.00	NR / NR NR	0.00 0.00
NEGOTIABLE (CD								
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 23.10	0.60% 0.00	NR / NR NR	1.49 1.48
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 22.42	0.60% 0.00	NR / NR NR	1.49 1.48
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	89.51 5.15%	221,980.58 599.28	0.54% (26,019.42)	NR / NR NR	2.78 2.67
				744,000.00	2.27	717,980.58	1.73%	NR / NR	1.89
Total Negotia	ble CD	744,000.00	1.00%	744,000.00	2.27%	644.80	(26,019.42)	NR	1.85
SUPRANATIO	NAL								
459058JL8	Intl. Bank Recon & Development Note 0.5% Due 10/28/2025	600,000.00	12/14/2020 0.48%	600,516.00 600,202.39	92.21 4.82%	553,255.80 275.00	1.33% (46,946.59)	Aaa / AAA AAA	1.91 1.86
4581X0DV7	Inter-American Dev Bank Note 0.875% Due 4/20/2026	500,000.00	04/27/2021 0.94%	498,425.00 499,245.01	91.55 4.65%	457,772.50 498.26	1.10% (41,472.51)	Aaa / AAA AAA	2.39 2.31
Total Suprana	itional	1,100,000.00	0.69%	1,098,941.00 1,099,447.40	4.74%	1,011,028.30 773.26	2.44% (88,419.10)	Aaa / AAA AAA	2.13 2.06

Holdings Report

Account #10076



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	,								
912828X70	US Treasury Note 2% Due 4/30/2024	400,000.00	07/02/2019 1.78%	404,125.00 400,353.30	98.63 5.34%	394,531.20 681.32	0.95% (5,822.10)	Aaa / AA+ AA+	0.42 0.41
9128282U3	US Treasury Note 1.875% Due 8/31/2024	575,000.00	03/04/2020 0.72%	604,311.52 579,897.17	97.50 5.32%	560,625.00 2,724.93	1.36% (19,272.17)	Aaa / AA+ AA+	0.75 0.73
912828YM6	US Treasury Note 1.5% Due 10/31/2024	600,000.00	02/15/2022 1.74%	596,203.13 598,712.60	96.68 5.25%	580,078.20 766.48	1.40% (18,634.40)	Aaa / AA+ AA+	0.92 0.89
912828YV6	US Treasury Note 1.5% Due 11/30/2024	700,000.00	12/23/2019 1.72%	692,808.59 698,544.17	96.41 5.24%	674,844.10 28.69	1.62% (23,700.07)	Aaa / AA+ AA+	1.00 0.97
912828Z52	US Treasury Note 1.375% Due 1/31/2025	575,000.00	03/04/2020 0.71%	593,328.13 579,364.81	95.80 5.12%	550,854.60 2,642.58	1.33% (28,510.21)	Aaa / AA+ AA+	1.17 1.13
912828ZF0	US Treasury Note 0.5% Due 3/31/2025	750,000.00	03/26/2020 0.50%	749,912.11 749,976.59	94.22 5.04%	706,641.00 635.25	1.70% (43,335.59)	Aaa / AA+ AA+	1.33 1.30
91282CAT8	US Treasury Note 0.25% Due 10/31/2025	700,000.00	02/16/2021 0.51%	691,605.47 696,575.66	91.87 4.73%	643,097.70 149.04	1.55% (53,477.96)	Aaa / AA+ AA+	1.92 1.87
91282CBC4	US Treasury Note 0.375% Due 12/31/2025	700,000.00	01/12/2021 0.52%	694,968.75 697,888.15	91.64 4.63%	641,484.20 1,098.51	1.55% (56,403.95)	Aaa / AA+ AA+	2.09 2.03
91282CBH3	US Treasury Note 0.375% Due 1/31/2026	550,000.00	03/22/2021 0.85%	537,625.00 544,475.20	91.30 4.64%	502,154.40 689.37	1.21% (42,320.80)	Aaa / AA+ AA+	2.17 2.11
91282CBQ3	US Treasury Note 0.5% Due 2/28/2026	650,000.00	03/09/2021 0.83%	639,589.84 645,294.19	91.32 4.61%	593,556.60 821.43	1.43% (51,737.59)	Aaa / AA+ AA+	2.25 2.19
91282CBT7	US Treasury Note 0.75% Due 3/31/2026	440,000.00	03/29/2021 0.88%	437,301.56 438,742.40	91.67 4.55%	403,356.36 559.02	0.97% (35,386.04)	Aaa / AA+ AA+	2.33 2.26
91282CCF6	US Treasury Note 0.75% Due 5/31/2026	850,000.00	06/28/2021 0.88%	844,820.31 847,371.24	91.13 4.55%	774,562.50 17.42	1.86% (72,808.74)	Aaa / AA+ AA+	2.50 2.43
91282CCP4	US Treasury Note 0.625% Due 7/31/2026	750,000.00	10/08/2021 1.02%	736,171.88 742,324.72	90.34 4.51%	677,548.50 1,566.75	1.63% (64,776.22)	Aaa / AA+ AA+	2.67 2.59
91282CCW9	US Treasury Note 0.75% Due 8/31/2026	850,000.00	09/28/2021 1.00%	839,939.45 844,379.08	90.41 4.49%	768,519.85 1,611.26	1.85% (75,859.23)	Aaa / AA+ AA+	2.75 2.66
91282CCZ2	US Treasury Note 0.875% Due 9/30/2026	650,000.00	12/29/2021 1.26%	638,447.27 643,111.00	90.61 4.44%	588,935.75 963.46	1.42% (54,175.25)	Aaa / AA+ AA+	2.84 2.74
91282CDG3	US Treasury Note 1.125% Due 10/31/2026	575,000.00	11/29/2021 1.18%	573,472.66 574,094.31	90.96 4.46%	523,025.18 550.91	1.26% (51,069.13)	Aaa / AA+ AA+	2.92 2.81

Holdings Report

Account #10076



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									
91282CDK4	US Treasury Note 1.25% Due 11/30/2026	575,000.00	04/26/2022 2.76%	537,827.15 550,742.39	91.08 4.46%	523,721.50 19.64	1.26% (27,020.89)	Aaa / AA+ AA+	3.00 2.89
91282CEF4	US Treasury Note 2.5% Due 3/31/2027	700,000.00	06/13/2022 3.45%	670,878.91 679,776.56	94.13 4.41%	658,902.30 2,964.48	1.59% (20,874.26)	Aaa / AA+ AA+	3.33 3.13
91282CEW7	US Treasury Note 3.25% Due 6/30/2027	550,000.00	09/13/2022 3.61%	541,363.28 543,549.60	96.21 4.40%	529,181.40 7,480.30	1.29% (14,368.20)	Aaa / AA+ AA+	3.58 3.29
91282CFH9	US Treasury Note 3.125% Due 8/31/2027	550,000.00	09/08/2022 3.40%	543,232.42 544,892.60	95.63 4.40%	525,937.50 4,344.09	1.28% (18,955.10)	Aaa / AA+ AA+	3.75 3.46
91282CFM8	US Treasury Note 4.125% Due 9/30/2027	400,000.00	10/28/2022 4.19%	398,796.88 399,062.30	99.07 4.39%	396,296.80 2,795.08	0.96% (2,765.50)	Aaa / AA+ AA+	3.84 3.48
91282CFU0	US Treasury Note 4.125% Due 10/31/2027	750,000.00	11/09/2022 4.30%	744,169.92 745,409.13	99.07 4.38%	743,056.50 2,634.79	1.79% (2,352.63)	Aaa / AA+ AA+	3.92 3.57
9128283F5	US Treasury Note 2.25% Due 11/15/2027	875,000.00	12/09/2022 3.79%	814,946.29 826,763.42	92.36 4.37%	808,110.63 865.38	1.95% (18,652.79)	Aaa / AA+ AA+	3.96 3.72
Total US Treas	sury	14,715,000.00	1.77%	14,525,845.52 14,571,300.59	4.67%	13,769,021.77 36,610.18	33.23% (802,278.82)	Aaa / AA+ AA+	2.45 2.32
TOTAL PORTF	OLIO	43,035,524.54	2.07%	42,970,793.06 42,915,154.98	4.34%	41,330,339.22 220,456.34	100.00% (1,584,815.76)	Aa1 / AA AA	1.92 1.79
TOTAL MARKE	T VALUE PLUS ACCRUED					41,550,795.56			

Transaction Ledger

Account #10076



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	11/01/2023	60934N807	11,100.00	Federated Investors Govt Oblig Fund Inst.	1.000	5.00%	11,100.00	0.00	11,100.00	0.00
Purchase	11/02/2023	60934N807	3,915.48	Federated Investors Govt Oblig Fund Inst.	1.000	5.00%	3,915.48	0.00	3,915.48	0.00
Purchase	11/07/2023	60934N807	1,562.50	Federated Investors Govt Oblig Fund Inst.	1.000	5.00%	1,562.50	0.00	1,562.50	0.00
Purchase	11/10/2023	60934N807	10,000.00	Federated Investors Govt Oblig Fund Inst.	1.000	5.00%	10,000.00	0.00	10,000.00	0.00
Purchase	11/15/2023	60934N807	19,578.75	Federated Investors Govt Oblig Fund Inst.	1.000	5.00%	19,578.75	0.00	19,578.75	0.00
Purchase	11/17/2023	60934N807	787.50	Federated Investors Govt Oblig Fund Inst.	1.000	5.00%	787.50	0.00	787.50	0.00
Purchase	11/27/2023	90CASH\$00	1,062.66	Cash Custodial Cash Account	1.000		1,062.66	0.00	1,062.66	0.00
Purchase	11/28/2023	60934N807	1,600.00	Federated Investors Govt Oblig Fund Inst.	1.000	5.00%	1,600.00	0.00	1,600.00	0.00
Purchase	11/28/2023	90CASH\$00	1,375.21	Cash Custodial Cash Account	1.000		1,375.21	0.00	1,375.21	0.00
Purchase	11/30/2023	60934N807	12,031.25	Federated Investors Govt Oblig Fund Inst.	1.000	5.00%	12,031.25	0.00	12,031.25	0.00
Subtotal			63,013.35				63,013.35	0.00	63,013.35	0.00
Security Contribution	11/30/2023	60934N807	2,437.87	Federated Investors Govt Oblig Fund Inst.	1.000		2,437.87	0.00	2,437.87	0.00
Subtotal			2,437.87				2,437.87	0.00	2,437.87	0.00
TOTAL ACQUIS	ITIONS		65,451.22				65,451.22	0.00	65,451.22	0.00
DISPOSITIONS										
Security Withdrawal	11/30/2023	60934N807	63,013.35	Federated Investors Govt Oblig Fund Inst.	1.000		63,013.35	0.00	63,013.35	0.00
Security Withdrawal	11/30/2023	90CASH\$00	2,437.87	Cash Custodial Cash Account	1.000		2,437.87	0.00	2,437.87	0.00

Transaction Ledger

Account #10076

As of November 30, 2023



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Security Withdrawal	11/30/2023	90CASH\$00	938,669.29	Cash Custodial Cash Account	1.000		938,669.29	0.00	938,669.29	0.00
Subtotal			1,004,120.51			,	1,004,120.51	0.00	1,004,120.51	0.00
TOTAL DISPOS	ITIONS		1,004,120.51				1,004,120.51	0.00	1,004,120.51	0.00
OTHER TRANS	ACTIONS									
Interest	11/01/2023	06367WB85	400,000.00	Bank of Montreal Note 1.85% Due 5/1/2025	0.000		3,700.00	0.00	3,700.00	0.00
Interest	11/01/2023	74456QBU9	400,000.00	Public Service El & Gas Callable Note Cont 02/01/28 3.7% Due 5/1/2028	0.000		7,400.00	0.00	7,400.00	0.00
Interest	11/07/2023	3135G06G3	625,000.00	FNMA Note 0.5% Due 11/7/2025	0.000		1,562.50	0.00	1,562.50	0.00
Interest	11/10/2023	665859AW4	500,000.00	Northern Trust Company Callable Note Cont 4/10/2027 4% Due 5/10/2027	0.000		10,000.00	0.00	10,000.00	0.00
Interest	11/15/2023	341081GN1	450,000.00	Florida Power and Light Callable Note Cont 3/15/2028 4.4% Due 5/15/2028	0.000		9,735.00	0.00	9,735.00	0.00
Interest	11/15/2023	9128283F5	875,000.00	US Treasury Note 2.25% Due 11/15/2027	0.000		9,843.75	0.00	9,843.75	0.00
Interest	11/17/2023	14913R2L0	350,000.00	Caterpillar Financial Service Note 0.45% Due 5/17/2024	0.000		787.50	0.00	787.50	0.00
Interest	11/27/2023	7954506L4	248,000.00	Sallie Mae Bank Negotiable CD 0.85% Due 5/27/2025	0.000		1,062.66	0.00	1,062.66	0.00
Interest	11/28/2023	717081EX7	400,000.00	Pfizer Inc. Callable Note Cont 4/28/2025 0.8% Due 5/28/2025	0.000		1,600.00	0.00	1,600.00	0.00

Execution Time: 12/6/2023 2:12:55 PM

Transaction Ledger

Account #10076



Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price Ac	cq/Disp Yield Amount	Interest Pur/Sold	Total Amount	Gain/Loss
OTHER TRANS	ACTIONS								
Interest	11/28/2023	856285TQ4	248,000.00	State Bank of India Negotiable CD 1.1% Due 5/28/2025	0.000	1,375.21	0.00	1,375.21	0.00
Interest	11/30/2023	912828YV6	700,000.00	US Treasury Note 1.5% Due 11/30/2024	0.000	5,250.00	0.00	5,250.00	0.00
Interest	11/30/2023	91282CCF6	850,000.00	US Treasury Note 0.75% Due 5/31/2026	0.000	3,187.50	0.00	3,187.50	0.00
Interest	11/30/2023	91282CDK4	575,000.00	US Treasury Note 1.25% Due 11/30/2026	0.000	3,593.75	0.00	3,593.75	0.00
Subtotal			6,621,000.00			59,097.87	0.00	59,097.87	0.00
Dividend	11/02/2023	60934N807	11,100.00	Federated Investors Govt Oblig Fund Inst.	0.000	3,915.48	0.00	3,915.48	0.00
Subtotal			11,100.00			3,915.48	0.00	3,915.48	0.00
TOTAL OTHER	TRANSACTIONS		6,632,100.00			63,013.35	0.00	63,013.35	0.00

Statement of Compliance

As of November 30, 2023

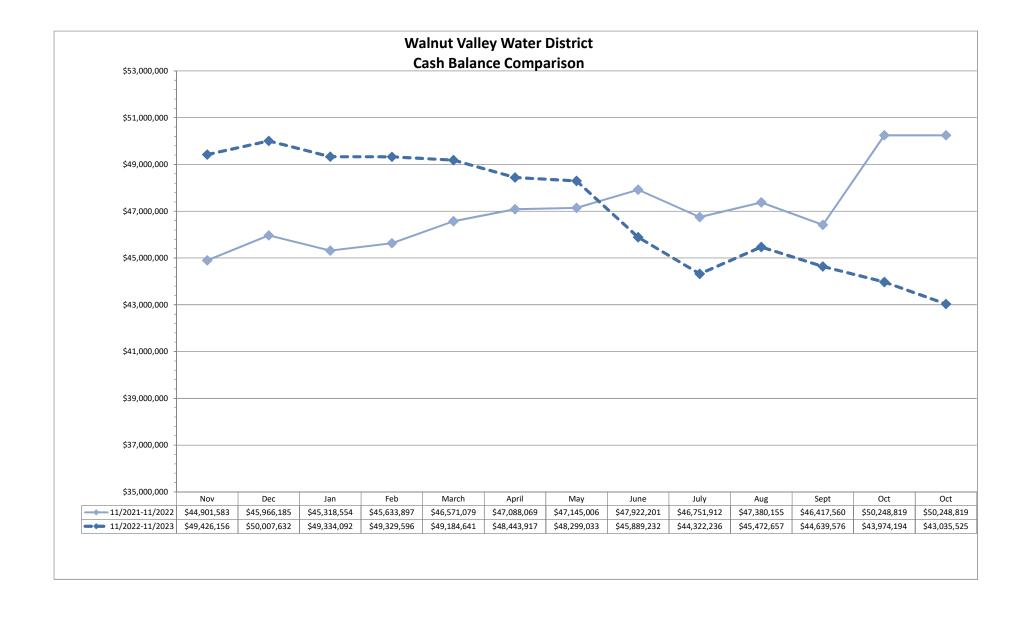


Walnut Valley Water District

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



Walnut Valley Water District Revenue Bond - East West Bank Life to Date November 30, 2023

Bond Proceeds \$ 19,940,487.80 Disbursements: Cost of Issuance 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)**Projects** Puente Basin Water Agency - Pomona Basin¹ (2,052,008.87)Puente Basin Water Agency - LHHCWD Project 1 (350,566.00)Puente Basin Water Agency - CDWC Project 1 (4,090,549.30)Puente Basin Water Agency - Pathfinder Project⁴ Administration Headquarters¹ (7,422,147.10)Water Rights - Central Basin (3,630,907.50)(17,546,178.77)Substitute Projects 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 516,128.78 Ending Balance of Bond Funds \$ 1,846,325.63

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

Walnut Valley Water District Revenue Bond - East West Bank November 30, 2023

Beginning Balance of Bonds		\$	1,845,794.65
Receipts: Interest Income			530.98
Disbursements:			
PBWA - Pomona Basin Project			
PBWA - Cal Domestic Project	-	-	
PBWA - Pathfinder Project	-		
Administration Headquarters	-		
		\$	-
		·	
Ending Balance of Bond Funds		\$	1,846,325.63

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
SUBMITTED BY: Director of Engineering
DATE: December 11, 2023

SUBJECT: Consider Award of Contract for 57/60 Freeway and Grand Avenue

Improvements – Material Bids (P.N. 20-3681)

✓ Action/Discussion ✓	Fiscal Impact	Resolution	☐ Information Only
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Recommendation

The Board of Directors authorize the General Manager to execute a contract with West Coast Pipe for steel pipe and fittings in the amount of \$272,357.16 for the subject project. The estimated delivery date is 70-84 calendar days.

Background Information

The project involves the widening of Grand Avenue and replacement of the Grand Avenue overcrossing bridge by the Los Angeles Metropolitan Transportation Authority (Metro). The project will take place in phases. The District has facilities within the construction zone which require abandonment, relocation and reconnection.

The District and Metro executed a Utility Agreement dated February 22, 2022, where the District will be reimbursed for the cost of relocation of a 4" blow-off assembly. In addition, Metro will install the District's furnished 20" casing in the Grand Avenue overcrossing bridge at no cost to the District.

The District-designed project consists of the abandonment of approximately 375 linear feet of 12" domestic water main, 369 linear feet of 10" recycled water main, 2" domestic metered service, 6" fire service, and a fire hydrant; the installation of approximately 569 linear feet of 12" domestic water main in 415 linear feet of 20" casing, 572 linear feet of 12" recycled water main in 414 linear feet of 20" casing, and an auto air/vac assembly; relocations of existing 2-1" recycled metered services and a 4" blow-off assembly; and a 12" expansion joint in a vault at each reconnection (4 total).

The first phase of the project will consist of widening the easterly side of the overcrossing bridge and will require the abandonment and replacement of the existing domestic water main. At this time, the 20" steel casing for the 12" domestic water main will need to be installed. Therefore, the District has solicited bids for the steel pipe and fittings.

Bids were solicited and received by the District to provide the materials for the subject project. Attached for your information are bid recaps for the material bids and a project description.

Funds for this project (\$1,000,000) are included in the District's approved FY 2022-23 CIP budget.

<u>Attachment:</u> Bid Recap Project Description

WALNUT VALLEY WATER DISTRICT

271 South Brea Canyon Road, Walnut, CA 91789 November 28, 2023

Materials Bid Results 57/60 Freeway and Grand Avenue Improvements Project No. 20-3681

VENDOR	STI	EEL PIPE AND FITTINGS	DELIVERY DATE (Calendar Days)
IMPERIAL PIPE		No Bid	N/A
NORTHWEST PIPE COMPANY	\$	542,244.00	126
SOUTHLAND PIPE		No Bid	N/A
WEST COAST PIPE	\$	272,357.16	70-84

WALNUT VALLEY WATER DISTRICT 271 S. Brea Canyon Road Walnut, CA 91789



PROJECT DESCRIPTION:

• Project Name:

57/60 Freeway and Grand Avenue Improvement P.N. 20-3681

Location:

City of Diamond Bar – Grand Avenue and Pomona SR-60 Freeway

• Background:

The project involves the widening of Grand Avenue and replacement of the Grand Avenue overcrossing bridge by the Los Angeles Metropolitan Transportation Authority (Metro). The project will take place in phases. The District has facilities within the construction zone which require abandonment, relocation and reconnection.

The District and Metro executed a Utility Agreement dated February 22, 2022, where the District will be reimbursed for the cost of relocation of a 4" blow-off assembly. In addition, Metro will install the District's furnished 20" casing in the Grand Avenue overcrossing bridge at no cost to the District.

• Scope of Work:

The District-designed project consists of the abandonment of approximately 375 linear feet of 12" domestic water main, 369 linear feet of 10" recycled water main, 2" domestic metered service, 6" fire service, and a fire hydrant; the installation of approximately 569 linear feet of 12" domestic water main in 415 linear feet of 20" casing, 572 linear feet of 12" recycled water main in 414 linear feet of 20" casing, and an auto air/vac assembly; relocations of existing 2-1" recycled metered services and a 4" blow-off assembly; and a 12" expansion joint in a vault at each reconnection (4 total).

Benefits:

The project will ensure the customers with continuous water supply and reliability.

CONTRACTOR: TBD

Contract Award Date:

SCHEDULES: CONTRACT DOCUMENTS: ACTUAL:

• Contract Duration: TBD

• Construction Began:

• Construction Ends:

TOTAL PROJECT COSTS:

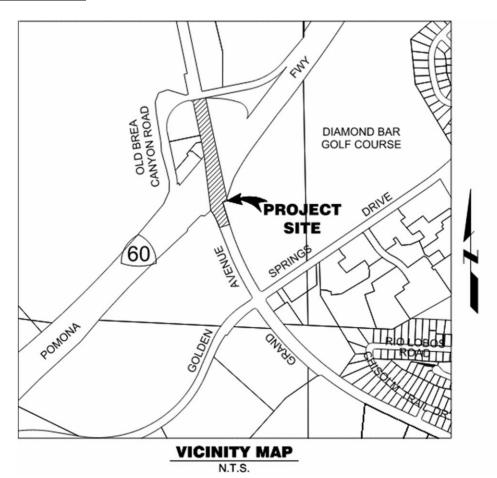
• Original Contract Amount: TBD

• Net Change Order Amount:

• Revised Contract Amount:

PROJECT CONTACTS: Tai Diep/Bertha Perez

PROJECT LOCATION:



OPERATIONS DEPARTMENT REPORT November 2023, Monthly Report

PROJECT NO.	PROJECT DESCRIPTION	STATUS					
N/A	Watermain and water service repair	Repair Water Service Leaks: 22430 Robin Oaks Terrace, 1658 Maple Hill Road, 836 Silver Fir Road, 1702 Acacia Hill Road, Diamond Bar. 1501 Blue Haven Drive, Rowland Heights. 20450 Walnut Drive North, City of Industry. 4019 Manderley Avenue, West Covina. Water Valves: 20680 Collegewood Drive, Walnut. Replaced Angle Meter Stops: None for this month. Replaced Copper Setters: 920 Silvertip Drive, 830 Featherwood Drive, Maple Hill/Diamond Bar Blvd, 208667 Missionary Ridge Street, Diamond Bar. 1378 Wake Forest Avenue, 1112 Arkley Drive, Walnut. Water Main: None for this month. Water System/Miscellaneous Work: Spoils Hauled to Azusa Dump - 7 loads. Get Reads: C1/0, M1/22, R1/5, W1/29, W2/63, W3/58, W4/56 Turn off's: M1/2, R1/0, W1/29, W2/16, W3/0, W4/0 USA Tickets - 653 Closed tickets for this month. Operations- Annual Line Locating Training.					
22-3755	Recycled Iron Saddle Replacement Project	Continued replacing saddles. Pending traffic control on major streets (Amar Road, Walnut).					
NA	Repair of blow offs, fire hydrants and air-vacs	 1. 108 South Brea Canyon Road, Walnut. Sheared fire hydrant. 2. 20475 Yellow Brick Road, Walnut. Sheared fire hydrant. 3. Garcia Lane, Industry. Sheared fire hydrant. 4. 1104 S. Diamond Bar Blvd, Diamond Bar (shopping center). Damaged fire hydrant. 					
23-3787	Echologics Leak Detection System	Deployed new Echologics Nodes. Project is complete.					
22-3724	Ridgeline Chemical Tank Replacement	Replaced chemical tanks- Project is complete. (pictures)					
21-3717	Terminal Storage RCS Mixing System	Project is ongoing.					
N/A	Production Facility Maintenance/Water Quality	Pump and Motor Maintenance: None for the month. Pump Station Maintenance: None for the month. Facility/Miscellaneous Work: Arbor Ridge Generator- replaced faulty communication cable Generator semi-annual Inspections- Pathfinder, Fernhollow, Snow Creek, Terminal Storage, Eldertree and District Yard. Eastgate Reservoir Tank A- Installed new mixer Terminal Storage Tank C replaced mixer cable and replaced VFD Monthly PWR & BGTM Inspections. Monthly Intertie Reads Potable & Recycled. Monthly Recycled Well Static & Pumping Levels. Monthly THM's Inlet Samples. Quarterly THM's & HAA5 Samples Sodium Hypochlorite Delivery- 3,675 Gallons. Liquid Ammonia Sulfate (LAS) Delivery- 880 Gallons.					
N/A	Total trihalomethanes (TTHMs) Graph	Water quality meets all state and federal standards.					

Ridgeline Chemical Tank Replacement















POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

WATER USE DISTRIBUTION & BILLING

OCTOBER 2023

CONSUMPTION PER AGENCY (Per PWR Meter Reads)										
Water Consumption Allocation (Acre-feet)										
Pomona	236.868	17.054%								
Walnut	747.177	53.795%								
Rowland	404.888	29.151%								
LaVerne	-	0.000%								
TOTAL	1,388.933	100.000%								

WATER PRODUCTION (ACTUAL)										
	Water Consumption (Acre-feet)	Allocation %								
MWD	630.50	44.685%								
TVMWD	780.50	55.315%								
LaVerne	-	0.000%								
Total	1,411.000	100.000%								
PWR	1,388.933									
Difference	22.067									

	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)					
					44.685%	55.315%	0.000%	100.000%					
Pomona	236.868	3.763	240.631	240.6	107.5	133.1	-	240.6					
Walnut	747.177	11.871	759.048	759.0	339.2	419.9	-	759.0					
Rowland	404.888	6.433	411.321	411.3	183.8	227.5	-	411.3					
LaVerne	-	-	-	-	-	-	-	-					
TOTAL	1,388.933	22.067	1,411.000	1,411.0	630.5	780.5	-	1,411.0					

	BILLING CHARGES PER AGENCY																				
			MWD PM-15		TVMWD PM-21		MWD Capacity Reservation		TVMWD Connected Capacity		TVMWD Water Use Charge		Depreciation		Replacement		min Budget ssessment	MWD LRP Rebate Program		Billing Total	
	Cons. (AF)		107.5		133.1														103.5		
City of Pomona	Allocation %						30.43%		52.00%		21.91%		25.00%		25.00%		33.33%				
	Billing Rate	\$	1,209.00	\$	1,209.00	\$	25,527.01	\$	7,192.00	\$	6,911.43	\$	-	\$	-	\$	-	\$	(100.00)		
	Total	\$	129,997.95	\$	160,925.29	\$	7,767.87	\$	3,739.84	\$	1,514.29	\$	-	\$	-	\$	-	\$	(10,350.00)	\$	293,595.24
	Cons. (AF)		339.2		419.9														-		
Walnut Valley	Allocation %						43.48%		28.00%		49.48%		25.00%		25.00%		33.33%				
Water District	Billing Rate	\$	1,209.00	\$	1,209.00	\$	25,527.01	\$	7,192.00	\$	6,911.43	\$	-	\$	-	\$	-	\$	(100.00)		
	Total	\$	410,065.84	\$	507,623.13	\$	11,099.14	\$	2,013.76	\$	3,419.78	\$	-	\$	-	\$	-	\$	-	\$	934,221.65
	Cons. (AF)		183.8		227.5														-		
Rowland Water	Allocation %						26.09%		20.00%		28.61%		25.00%		25.00%		33.33%				
District	Billing Rate	\$	1,209.00	\$	1,209.00	\$	25,527.01	\$	7,192.00	\$	6,911.43	\$	-	\$	-	\$	-	\$	(100.00)		
	Total	\$	222,210.72	\$	275,076.07	\$	6,660.00	\$	1,438.40	\$	1,977.36	\$	-	\$	-	\$	-	\$	-	\$	507,362.55
	Cons. (AF)		-		-														-		
City of LaVerne	Allocation %						0.00%		0.00%		0.00%		0.00%		0.00%		0.00%				
Cuy of Luverne	Billing Rate	\$	1,209.00	\$	1,209.00	\$	25,527.01	\$	7,192.00	\$	6,911.43	\$	-	\$	-	\$	-	\$	(100.00)		
	Total	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-

Total (A.F.)	630.5	780.5									1,411.0
Total (\$)	\$ 762,274.51	\$ 943,624.49	\$ 25,527.01	7,192.	00 \$	6,911.43	\$ _	\$ _	\$ _	\$ (10,350.00) \$	1,735,179,44

January 2024



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
31	New Year's Day- District Closed	3:30 PM SPADRA Executive Committee Meeting 6:30 PM Diamond Bar City Council Meeting	3 8AM TVMWD Board Meeting	4	5	6
7	8 4PM Public Info Committee 4:30 PM Finance Committee	9 4PM Engineering Committee 4:30 PM Personnel Committee	10 7PM Walnut City Council Meeting	11	12	13
14	Martin Luther King Jr. Day- District Closed	16 5PM WVWD Board Meeting 6:30 PM Diamond Bar City Council Meeting	17 8AM TVMWD Board Meeting	18 4PM WVWD Workshop Meeting	19	20
21	22	23	24 7PM Walnut City Council Meeting	25	26	27
28	29	30	31	1	2	3
4	5	Notes				

February 2024



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28	29	30	31	1 8AM PBWA Meeting	2	3
	-	,	7	-	0	10
4	5	6:30 PM Diamond Bar City Council Meeting	7 8AM TVMWD Board Meeting	8 4PM PWR Meeting	9	10
11	4PM Public Info Committee 4:30 PM Finance Committee	13 4PM Engineering Committee 4:30 PM Personnel Committee	7PM Walnut City Council Meeting	15	16	17
18	President's Day- District Closed	5PM WVWD Board Meeting 6:30 PM Diamond Bar City Council Meeting	21 8AM TVMWD Board Meeting	4PM WVWD Workshop Meeting	23	24
25	26	27	28 7PM Walnut City Council Meeting	29	1	2
3	4	Notes				

March 2024



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
25	26	27	28	29	1	2
3	3:30 PM SPADRA Executive Committee Meeting	6:30 PM Diamond Bar City Council Meeting	8AM TVMWD Board Meeting	7	8	9
10	4PM Public Info Committee 4:30 PM Finance Committee	8:30 AM Puente Basin Watermaster 4 PM Engineering Committee 4:30 PM Personnel Committee	7PM Walnut City Council Meeting	14	15	16
17	5PM WVWD Board Meeting	6:30 PM Diamond Bar City Council Meeting	20 8AM TVMWD Board Meeting	4PM WVWD Workshop Meeting	22	23
24	25	26	27 7PM Walnut City Council Meeting	28	29	30



11/27/2023

ACWA JPIA

P.O. Box 619082 Roseville, CA 95661-9082

> phone 916.786.5742 800.231.5742

www.acwajpia.com

Core Values
 • People
 • Service
 • Integrity
 • Innovation

Walnut Valley Water District (W001) 271 S. Brea Canyon Rd Walnut, CA 91789-3049

General Manager:

Each year at Fall Conference, the JPIA recognizes members that have a Loss Ratio of 20% or less in either of the Liability, Property or Workers' Compensation programs (loss ratio = total losses / total premiums).

The members with this distinction receive the "President's Special Recognition Award" certificate for each Program that they qualify in.

The JPIA is extremely pleased to present Walnut Valley Water District (W001) with this special recognition and commends the District on the hard work in reducing claims.

Congratulations to you, your staff, Board, and District. Keep up the good work!

The JPIA wishes you the best in 2024.

Mily McDonald

Sincerely,

Melody McDonald

President

Enclosure: President's Special Recognition Award(s)



The President of the

ACWA JPIA

hereby gives Special Recognition to

Walnut Valley Water District

for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums" in the Property Program for the period 07/01/2019 - 06/30/2022 announced at the Board of Directors' Meeting in Indian Wells.

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Melody McDonald, President



November 27, 2023



President's Special Recognition Award

The President of the ACWA JPIA

hereby gives Special Recognition to

Walnut Valley Water District

for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums" announced at the Board of Directors' Meeting in Indian Wells. in the Liability Program for the period 10/01/2019 - 09/30/2022

mly mobile

Melody McDonald, President



November 27, 2023



YOUR BEST PROTECTION

December 4, 2023

ACWA JPIA

P.O. Box 619082 Roseville, CA 95661-9082 To: Carmen Fleming By: Erik Hitchman, General Manager Walnut Valley Water District 271 S. Brea Canyon Rd. Walnut, CA 91789-3049

phone 916.786.5742 800.231.5742

Re: Completion of the JPIA Professional Development Program Specialty

www.acwajpia.com

Dear Carmen Fleming:

Core Values
 People
 Service
 Integrity
 Innovation

I am extremely happy to acknowledge your completion of the JPIA Human Resources Certification Program. We are pleased that you recognized the value of this Program and are committed to continuing education.

You are to be commended for attending several different classes, providing you with additional skills that make you a valuable asset to your organization.

This polished wood plaque is presented to you with the appreciation of the JPIA for your district's efforts and support of this Program.

Sincerely,

Adrienne Beatty

Chief Executive Officer



December 4, 2023

ACWA JPIA

P.O. Box 619082 Roseville, CA 95661-9082

> phone 916.786.5742 800.231.5742

www.acwajpia.com

 To: Alex Cabrera
By: Erik Hitchman, General Manager
Walnut Valley Water District
271 S. Brea Canyon Rd.
Walnut, CA 91789-3049

Re: Completion of the JPIA Professional Development Program Specialty

Dear Alex Cabrera:

I am extremely happy to acknowledge your completion of the JPIA Human Resources and Supervisor Basics Certification Program. We are pleased that you recognized the value of this Program and are committed to continuing education.

You are to be commended for attending several different classes, providing you with additional skills that make you a valuable asset to your organization.

These engraved plates are presented to you with the appreciation of the JPIA for your department's efforts and support of this Program.

Sincerely,

Adrienne Beatty
Chief Executive Officer

WALNUT VALLEY WATER DISTRICT WATER SUPPLY AND CONSERVATION UPDATE December 11, 2023



A Water Use – Water usage for November 2023 was 1,142.01 acre-feet, a decrease of 16.26% compared to November 2020 and a decrease of 27.22% from November 2013. The average inflow into the system during the month was approximately 18.61 cfs (8,351.27 gallons per minute).

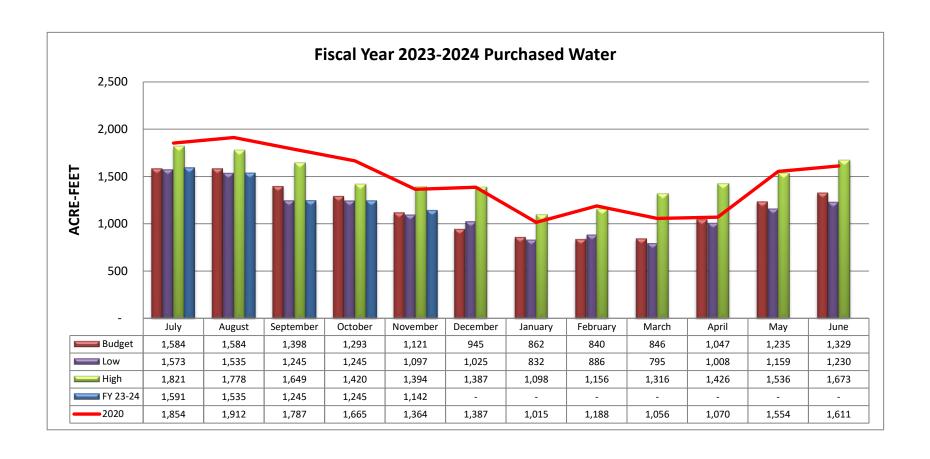
B **Production Report** – attached are:

- Purchased Water Projections (Two total)
- Climate Summary
- Monthly Consumption Versus the 2013 and 2020 Baseline Years (Two total)

Exhibits

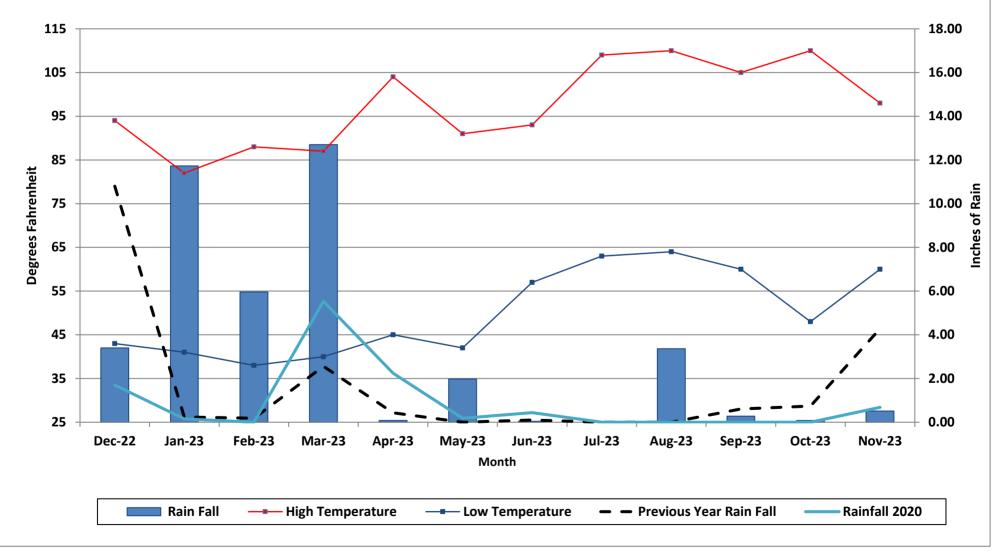
WALNUT VALLEY WATER DISTRICT Fiscal Year 2023-2024 Purchased Water Estimate

Actual Purchases (AF)		F	Projected Pu	rchases (AF)	Baseline Yea	ar Purchases
Month	Total	Budget	Low	High	Average	2013	2020
July	1,591	1,584	1,573	1,821	1,661	2,149	1,854
August	1,535	1,584	1,535	1,778	1,653	2,309	1,912
September	1,245	1,398	1,245	1,649	1,435	2,064	1,787
October	1,245	1,293	1,245	1,420	1,308	1,858	1,665
November	1,142	1,121	1,097	1,394	1,211	1,569	1,364
December	-	945	1,025	1,387	1,150	1,401	1,387
January	-	862	832	1,098	1,002	1,156	1,015
February	-	840	886	1,156	1,022	1,123	1,188
March	-	846	795	1,316	1,080	1,496	1,056
April	-	1,047	1,008	1,426	1,242	1,700	1,070
May	-	1,235	1,159	1,536	1,379	1,904	1,554
June	-	1,329	1,230	1,673	1,455	2,082	1,611
Total	6,758	14,084	13,630	17,653	15,598	20,810	17,461
Remaining Projected Purchases		7,105	6,935	9,592	8,330		
Total Projected Purchases		13,863	13,693	16,350	15,088		

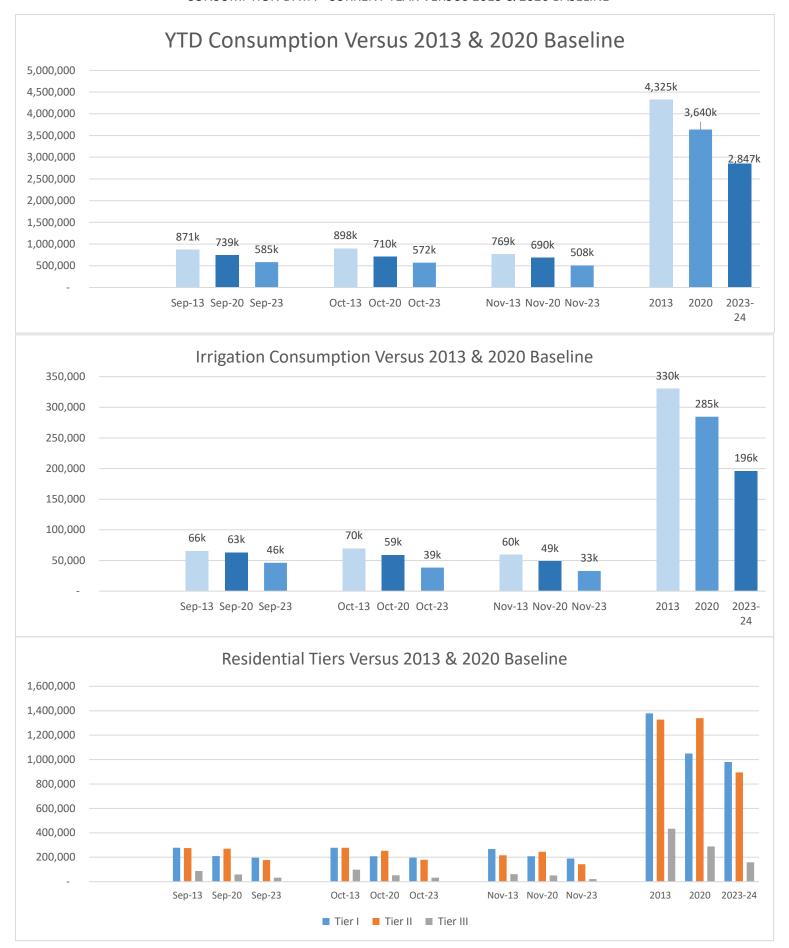


Walnut Valley Water District Climate Summary





WALNUT VALLEY WATER DISTRICT CONSUMPTION DATA - CURRENT YEAR VERSUS 2013 & 2020 BASELINE



Walnut Valley Water District

Monthly Consumption Versus 2013 and 2020 Baseline Years

Consumption/Water Sales																				
Consumption, water sales			September					October					November				Y	TD (FY 23-24)		
			-	% Change	% Change				% Change	% Change									% Change	% Change
User Class	<u>Sep-13</u>	<u>Sep-20</u>	<u>Sep-23</u>	2013	2020	Oct-13	Oct-20	Oct-23	2013	2020	<u>Nov-13</u>	<u>Nov-20</u>	<u>Nov-23</u>	<u>Change</u>	% Change	<u>2013 YTD</u>	2020 YTD	FY 23-24	2013	2020
COG	50,686	43,268	36,262	-28%	-16%	54,851	40,245	29,823	-46%	-26%	45,006	30,560	26,663	(18,343)	-41%	253,543	187,530	150,186	-41%	-20%
COM	90,136	72,076	69,383	-23%	-4%	95,658	71,070	62,266	-35%	-12%	89,223	70,581	59,788	(29,435)	-33%	470,203	350,374	315,626	-33%	-10%
IND	12,479	10,304	6,852	-45%	-34%	13,214	11,587	6,955	-47%	-40%	13,714	10,071	6,667	(7,047)	-51%	65,568	51,672	34,052	-48%	-34%
MUL	76,841	74,435	65,806	-14%	-12%	80,692	74,198	63,072	-22%	-15%	75,248	73,966	60,340	(14,908)	-20%	395,869	373,803	313,846	-21%	-16%
RES	640,601	538,828	406,478	<u>-37%</u>	<u>-25%</u>	654,001	513,332	409,456	<u>-37%</u>	<u>-20%</u>	546,052	504,668	<u>354,345</u>	(191,707)	<u>-35%</u>	3,140,011	2,676,592	<u>2,033,405</u>	<u>-35%</u>	-24%
	870,743	738,911	584,781	-33%	-21%	898,416	710,432	571,572	-36%	-20%	769,243	689,846	507,803	(261,440)	-34%	4,325,194	3,639,971	2,847,115	-34%	-22%
			IRRIGATION					IRRIGATION					IRRIGATION				Ϋ́	D IRRIGATIO	V	
				% Change	% Change				% Change	<u>% Change</u>									% Change	% Change
User Class	<u>Sep-13</u>	<u>Sep-20</u>	<u>Sep-23</u>	<u>2013</u>	<u>2020</u>	<u>Oct-13</u>	<u>Oct-20</u>	<u>Oct-23</u>	<u>2013</u>	<u>2020</u>	<u>Nov-13</u>	<u>Nov-20</u>	<u>Nov-23</u>	<u>Change</u>	% Change	<u>2013 YTD</u>	<u>2020 YTD</u>	<u>FY 23-24</u>	<u>2013</u>	<u>2020</u>
COG	32,995	31,574	22,780	-31%	-28%	33,685	28,134	17,804	-47%	-37%	28,767	21,607	15,644	(13,123)	-46%	164,019	135,119	92,970	-43%	-31%
COM	30,298	29,340	22,204	-27%	-24%	33,660	28,832	19,457	-42%	-33%	28,388	27,214	16,188	(12,200)	-43%	154,104	141,496	96,794	-37%	-32%
IND	2,089	1,962	1,135	-46%	-42%	2,072	2,042	1,078	-48%	-47%	2,204	145	1,125	(1,079)	-49%	10,684	7,121	5,511	-48%	-23%
RES	324	152	200	- <u>38</u> %	<u>32%</u>	321	216	167	- <u>48</u> %	<u>-23%</u>	271	85	101	(170)	<u>-63%</u>	1,519	790	<u>826</u>	<u>-46%</u>	<u>5%</u>
	65,706	63,028	46,319	-30%	-27%	69,738	59,224	38,506	-45%	-35%	59,630	49,051	33,058	(26,572)	-45%	330,326	284,526	196,101	-41%	-31%
			RESIDENTIAL					RESIDENTIAL					RESIDENTIAL				YT	D RESIDENTIA	\L	
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	
2013	277,208	275,700	87,693	640,601		277,665	277,554	98,782	654,001		267,823	216,199	62,030	546,052		1,378,427	1,328,102	433,482	3,140,011	
2020	209,651	270,505	58,672	538,828		208,520	252,498	52,314	513,332		208,727	244,479	51,462	504,668		1,049,277	1,338,913	288,402	2,676,592	
FY 23-24	196,211	177,094	33,173	406,478		196,713	180,107	32,636	409,456		190,255	142,755	21,335	354,345		979,980	894,652	158,773	2,033,405	1
% Change 2013	-29%	-36%	-62%	-37%		-29%	-35%	-67%	-37%		-29%	-34%	-66%	-35%		-29%	-33%	-63%	-35%	
% Change 2020	-6%	-35%	-43%	-25%		-6%	-29%	-38%	-20%		-9%	-42%	-59%	-30%		-7%	-33%	-45%	-24%	

Water Purchases				
	September	October	November	Total
2013	2,063.59	1,858.07	1,569.13	9,948.19
2020	1,786.74	1,665.24	1,363.83	8,581.66
FY 23-24	1,244.94	1,244.82	1,142.01	6,757.84
% Change 2013	-40%	-33%	-27%	-159%
% Change 2020	-30%	-25%	-16%	(1.06)

State Water Project Resources

2023 SWP Table A - 100% - 1,911,500 AF

WATER SUPPLY CONDITIONS REPORT

Water Year 2023-2024

As of: November 29, 2023

Colorado River Resources

Projected 2023 CRA Diversions - 652,000 AF

Upper Colorado **River Basin**

36%

Powell

8.63 MAF

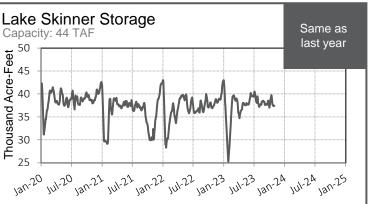
3.571.54 ft

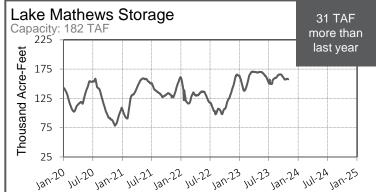
72%

UT

(% of normal)

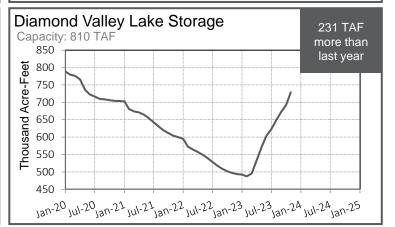
Metropolitan Resources





MWD WSDM Storage Calendar Year 2023

	Projected Storage Balance (end of 2023)
Lake Mead ICS	1.544 MAF
State Water Project System	988 TAF
In-Region Supplies and WSDM Actions	1.042 MAF



Highlights

Learn more about imported supplies:

- State Water Project https://www.mwdh2o.com/state-water-project-map/
- Colorado River Aqueduct https://www.mwdh2o.com/colorado-river-aqueduct-map/



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.

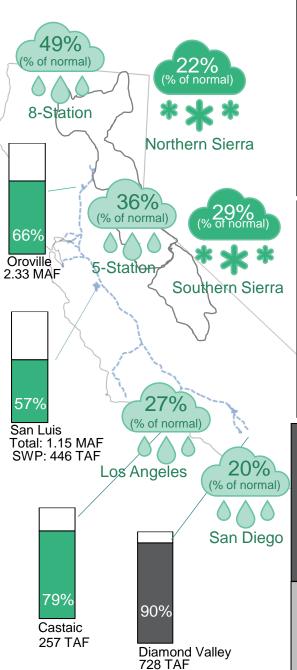
WVWD Regular Board Meeting- December 11, 2023 Pg. 260

34%

Mead

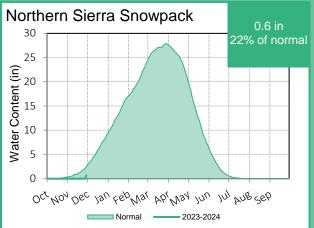
8.79 MAF

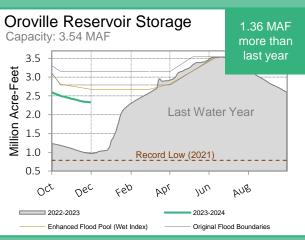
1,064.79 ft

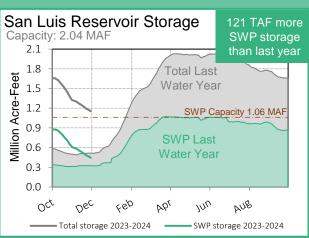


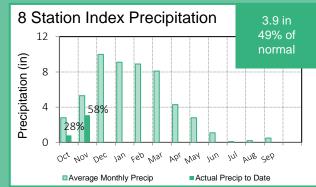
State Water Project Resources

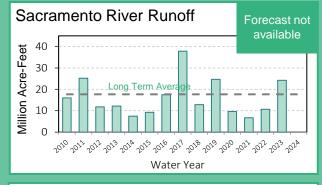
As of: 11/29/2023



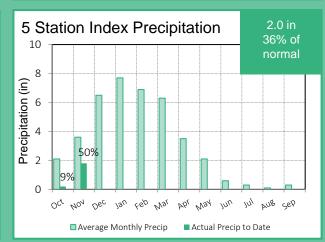






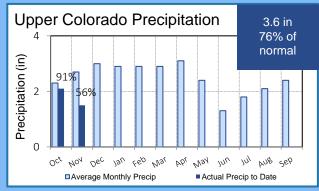


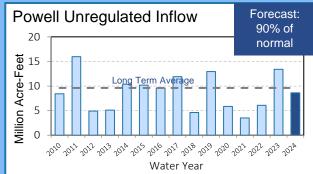


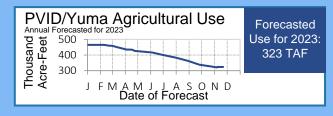


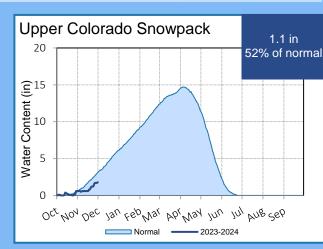
Colorado River Resources

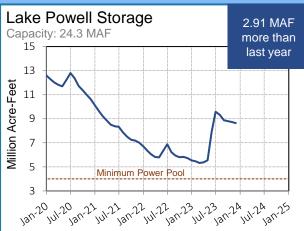
As of: 11/29/2023











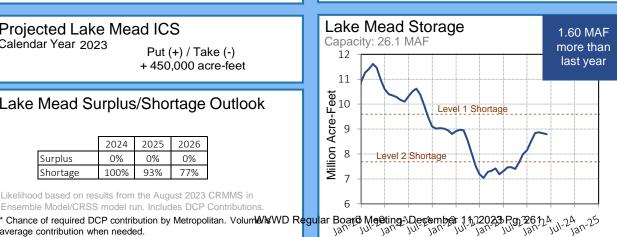
Projected Lake Mead ICS Calendar Year 2023 Put (+) / Take (-) + 450,000 acre-feet

Lake Mead Surplus/Shortage Outlook

	2024	2025	2026
Surplus	0%	0%	0%
Shortage	100%	93%	77%

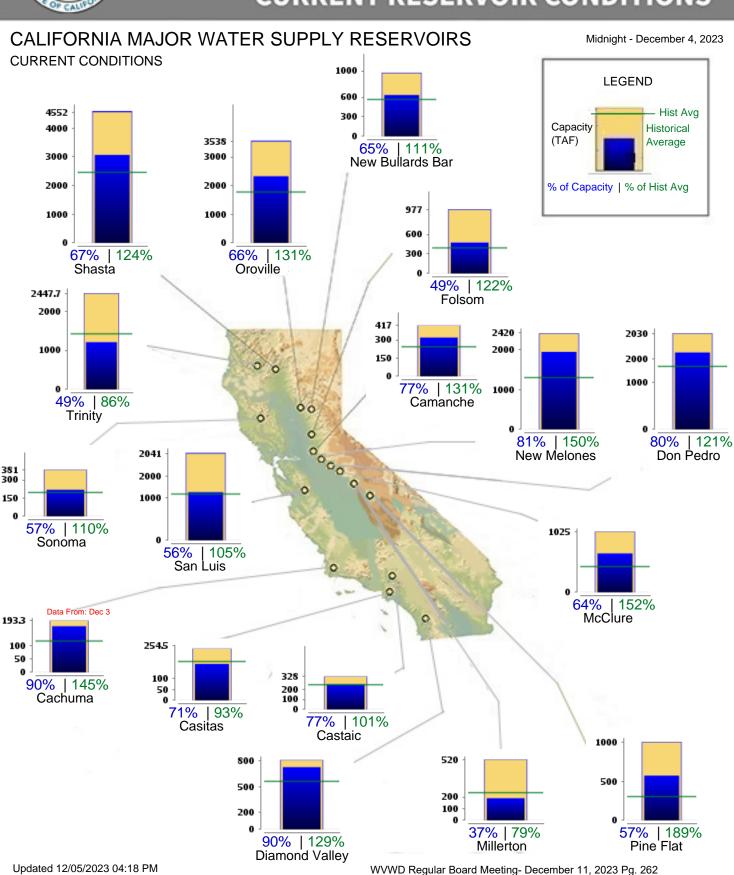
Likelihood based on results from the August 2023 CRMMS in Ensemble Model/CRSS model run. Includes DCP Contributions

average contribution when needed.





CURRENT RESERVOIR CONDITIONS



WVWD - Staff Report



TO: Board of Directors **FROM:** General Manager

SUBMITTED BY: Director of Administrative Services

DATE: December 11, 2023

SUBJECT: Proposed Amendment to General Manager's Employment Contract

✓ Action/Discussion ✓ Fiscal Impact ☐ Resolution ☐ Information Only

Recommendation

That the Board of Directors approve the General Manager's Seventh Contract Amendment as drafted by Legal Counsel.

Background Information

The Board of Directors conducted a performance evaluation of the General Manager on November 13, 2023, and authorized the General Manager to receive a four percent salary merit adjustment effective January 1, 2024, in addition to the four percent cost of living adjustment provided to all District employees in the Terms and Conditions of Employment for 2023-2027, and directed Legal Counsel to prepare the contract amendment to reflect the changes. The Board is now asked to consider approval of the attached Seventh Amendment to the General Manager's Employment Contract.

Attachment as noted

AMENDMENT NO. 7 TO EMPLOYMENT CONTRACT FOR GENERAL MANAGER OF WALNUT VALLEY WATER DISTRICT

This Amendment No. 7 to Employment Contract is made and entered into at Walnut, California, by and between WALNUT VALLEY WATER DISTRICT, a California Water District organized and existing under the California Water District Act (hereinafter "DISTRICT") and ERIK J. HITCHMAN (hereinafter "HITCHMAN" or "GENERAL MANAGER"), effective as of January 1, 2024.

RECITALS:

- A. HITCHMAN is currently serving as the General Manager of the DISTRICT under an Employment Contract dated April 6, 2018, as previously amended, and which is set to expire on December 31, 2025.
- B. The Employment Contract sets forth the General Manager's compensation, as previously adjusted.
- C. The Board of Directors of the DISTRICT previously approved a cost-of-living increase of four percent (4%) for all DISTRICT employees, including the General Manager, and its regularly scheduled meeting on November 13, 2023 approved an additional four percent (4%) salary increase for the General Manager, with both increases to take effect on January 1, 2024.

AGREEMENTS:

NOW THEREFORE, the parties agree as follows:

1. COMPENSATION

Effective January 1, 2024, GENERAL MANAGER's annual base salary shall be increased to \$337,287.34, payable in 26 bi-weekly installments of \$12,972.58, which amount reflects a four percent (4%) cost-of-living increase as provided to all District employees and an

additional four percent (4%) increase applicable to the General Manager, as approved by the Board of Directors at its regular meeting on November 13, 2023.

2. NO OTHER AMENDMENTS

Except as amended herein, the Employment Contract dated April 6, 2018, as previously amended, shall remain in full force and effect.

Executed on December 11, 2023 at Walnut, California.

ERIK J. HITCHMAN
"GENERAL MANAGER"
WALNUT VALLEY WATER DISTRICT
WILLIOT VILLET WITER DISTRICT
D.
By:
Its President
"DISTRICT"

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
SUBMITTED BY: Executive Secretary
DATE: December 11, 2023

SUBJECT: Proposed 2024 Board and Workshop Meeting Dates

Action/Discussion	☐ Fiscal Impact	Resolution	☐ Information Only

Recommendation

That the Board of Directors consider approval of the following proposed list of 2024 Board meeting and Workshop dates.

Month	Board Meeting Date	Workshop Date
January	Tuesday, January 16	Thursday, January 18
February	Tuesday, February 20	Thursday, February 22
March	Monday, March 18	Thursday, March 21
April	Monday, April 15	Thursday, April 18
May	Monday, May 20	Thursday, May 23
June	Monday, June 17	Thursday, June 20
July	Monday, July 22	None scheduled
August	Monday, August 19	Thursday, August 22
September	Monday, September 16	Thursday, September 19
October	Monday, October 21	Thursday, October 24
November	Tuesday, November 12	Thursday, November 14
December	Monday, December 16	To be Determined

Please note that this schedule is subject to change at the Board's discretion and in accordance with the Brown Act.

Regular Board meetings are scheduled to commence at 5:00 p.m., and Workshops generally start at 4:00 p.m., unless otherwise specified.

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
DATE: December 11, 2023

SUBJECT: Consideration of Annual Board Reorganization / Appointments of Officers /

Committee Selections for Calendar Year 2024

Action/Discussion	☐ Fiscal Impact	Resolution	☐ Information Only

Recommendation

A. Members of the Board will make any appropriate notifications related to "Exception No. 3" of the Board Rotation Policy (attached);

- B. Rotate their positions in accordance with the "Board Reorganization Rotation Policy;"
- C. Make appointments to the offices of:
 - 1. Secretary
 - 2. Treasurer
 - 3. Assistant Secretary
 - 4. Second Assistant Treasurer
- D. Select Chair/Member/Alternate positions in accordance with the District's *Standing Committee Selection Process* (attached) for the following standing committees noted below.
 - 1. Engineering and Special Projects
 - 2. Personnel
 - 3. Finance
 - 4. Public Information and Community Relations/Legislative Action,

All changes, following approval, would be effective at the conclusion of the December 11, 2023, Regular Board Meeting.

Background Information

Attached for your information and review is a roster showing the current composition of the District Officer and Standing Committee assignments.

- The Board will rotate positions that will become effective following the December 11, 2023, Board meeting.
- At the annual reorganization meeting, the Board of Directors makes appointments, typically amongst staff members, to the offices of Secretary, Treasurer, Assistant Secretary, and Second Assistant Treasurer. The individuals currently holding those positions are shown on the attached roster.
- Standing committee (Finance, Engineering and Special Projects, Personnel, Public Information and Community Relations/Legislative Action) chair, member, and alternate positions may be selected by Board members at the December Board meeting on a "chain-of-command" basis in accordance with the District's *Standing Committee Selection Process* policy.

Attachments as noted

WALNUT VALLEY WATER DISTRICT Board Reorganization Process

Rotation Policy

The District's Bylaws state that District officers shall be a President, Vice-President(s), Secretary, and Treasurer, and such other officers as may be elected and appointed by the Board from time-to-time. The Bylaws further state that, at the December meeting of the Board in each calendar year, the Board shall organize and elect a President and Vice-President from among its own members and shall appoint a Secretary and a Treasurer who shall not be members of the Board. Interim reorganization may be undertaken by the Board as deemed necessary.

The Board of Directors, at its November 17, 2008, meeting, approved the implementation of a policy for the annual Board reorganization process to include an automatic rotation of Board members to serve as president, excepting that no member with less than two years' service may serve as president of the Board. Subject to the exceptions noted below, the new Board President rotation procedure will be as follows:

- The first vice president becomes president
- The second vice president becomes first vice president
- The assistant treasurer becomes second vice president
- The "director" member becomes assistant treasurer
- The president moves to the "director" position

Exception No. 1

No director with less than two years' service on the Board may become president

Exception No. 2

Newly elected/appointed officials shall hold the "director" position during their first year. When two or more new directors are elected at the same time, the Director receiving the highest percentage of votes will have seniority, or, if an equal percentage of votes is received, seniority will be determined by coin toss.

Exception No. 3

On a one-year basis, the first vice president may forego his or her ascension to the presidency and may remain as the first vice president, with the second vice president then ascending to president, and the other directors moving to their next positions in accordance with the rotation specified above. If the existing first vice president, in a second consecutive year, does not desire to ascend to president, then for the next year, the existing first vice president will rotate to the "director" position, the existing president will rotate to assistant treasurer, the existing second vice president will rotate to president, the existing assistant treasurer will rotate to first vice president and the existing "director" member will rotate to second vice president.

WALNUT VALLEY WATER DISTRICT Standing Committee Selection Process

The Standing Committee Selection Process shall include the following provisions:

1. After the annual reorganization of officers, Board Members shall select their preferred standing committee assignments in the following order:

President
1st Vice President
2nd Vice President
Assistant Treasurer
Director

Newly elected or appointed directors shall not serve as chair of a committee during his/her first year in office, unless this provision is waived by the Board of Directors.

2. The process to be observed for filling standing committee assignments:

The incoming President will select a committee position, with each member following suit in a rotational order as identified under Section 1 above. Thereafter, until all positions are filled, the process will continue. Each Board member may select any open position, chair, committee member, or alternate, based on preference, subject to the exception for new directors during the first year of their service on the Board. If a Board member does not wish to select any position that remains when it is his/her turn, that Board member may pass and the choice moves to the next Board member in order of rotation until all the positions are filled. Any positions not filled through this process shall be appointed by the incoming President.

In the event that two of the three members that constitute a particular committee cannot attend the monthly meeting(s), the Board President may contact other Board members to appoint them on an as-needed basis.

Any committee vacancy created as a result of a Director resigning from the committee or leaving office shall be filled in the following manner:

- a. If the chair position is vacated, the Director filling the committee member position will ascend to the chair position, subject to the exception for new directors during the first year of their service on the Board (unless waived by the Board of Directors). If neither member is eligible, then the position of "chair" will be appointed by the president.
- b. If the committee member position is vacated, the alternate Director will ascend to the member position.
- c. If the alternate committee member position is vacated, the President shall appoint a replacement alternate committee member.
- 3. The following committee oversight responsibilities to be updated in the next revision of the District's Policy Guidelines:

Engineering and Special Projects – Operation, protection and maintenance of District facilities. Initiation of construction programs. Long-range planning.

Finance – Annual budget, quarterly budget reports, fiscal master plan, audits, investments, risk management, insurance, revenues and expenses.

Personnel – Staffing and organizational issues, employment related policies, Terms and Conditions of Employment, and Board Policies and Ethics issues.

Public Information/Community Relations and Legislative Action – Public information goals, objectives and methods, community relations programs, and Best Management Practices; and District liaison for legislative activities relating to the water industry.

4. Consistent with long-standing District practice, committee meetings will be scheduled by District staff during regular working hours whenever possible, with consideration given to the committee chair's schedule.

This Standing Committee Selection Process shall be reviewed by the Personnel Committee on an annual basis.

Walnut Valley Water District



Board of Directors

July-December 2023

2023 Elected Offices

President Edwin M. Hilden
First Vice President Theresa Lee
Second Vice President Scarlett P. Kwong
Assistant Treasurer Jerry Tang
Director Henry Woo

2023 Board Appointments

Secretary Erik Hitchman
Treasurer Josh Byerrum
Assistant Secretary Lucie Cazares
Second Assistant Treasurer Jared Macias

2023 Standing Committees

Public Information/Community Relations/Legislative Action
Scarlett P. Kwong, Chair
Edwin M. Hilden
Henry Woo, <i>Alternate</i>

Finance
Theresa Lee, Chair
Jerry Tang
Edwin M. Hilden, Alternate

Engine	ering and Special Projects
	Theresa Lee, Chair
	Henry Woo
Sc	arlett P. Kwong, Alternate

Personnel		
Edwin M. Hilden, Chair		
Jerry Tang		
Theresa Lee, Alternate		



Board of Directors

January-December 2023

Elected Offices	Term Expires	Years on Board	Date First Elected/Appointed*	Div.	
President	12/6/2026	21	08/20/2002	=	Edwin M. Hilden
First Vice President	12/6/2026	7**	01/19/2016	Ш	Theresa Lee
Second Vice President	12/6/2024	16	12/07/2007	V	Scarlett Kwong
Assistant Treasurer	12/6/2024	4**	02/15/2019	I	Jerry Tang
Director	12/6/2026	1**	02/13/2023	IV	Henry Woo

^{**}On anniversary date

WVWD – Staff Report



TO: Board of Directors
FROM: General Manager
DATE: December 11, 2023

SUBJECT: Proposed General Manager's Employment Contract

 ✓ Action/Discussion
 ✓ Fiscal Impact
 ☐ Resolution
 ✓ Information Only

Recommendation

That the Board of Directors approve the Proposed General Manager's Contract as drafted by Legal Counsel.

Background

The Board of Directors conducted interviews of five prospective candidates for the General Manager position and selected a preferred candidate. The Board directed staff to conduct labor negotiations and gave direction concerning the proposed terms of the preferred candidate's prospective employment as the District's General Manager. The Board is now asked to consider approval of the General Manager's Employment Contract.

EMPLOYMENT CONTRACT FOR GENERAL MANAGER/CHIEF ENGINEER OF WALNUT VALLEY WATER DISTRICT

This Employment Contract is made and entered into at Walnut, California, effective as of March 1, 2024, by and between WALNUT VALLEY WATER DISTRICT, a California Water District organized and existing under the California Water District Act (hereafter referred to as the "District"), and SHERYL L. SHAW (hereafter referred to as "SHAW" or as "GENERAL MANAGER").

RECITAL:

The DISTRICT desires to employ SHAW to serve as General Manager/Chief Engineer and SHAW is willing to accept such employment on the terms and conditions set forth below, which have been established by the Board of Directors of the District following negotiations with SHAW.

AGREEMENTS:

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES SET FORTH BELOW, the parties agree as follows:

1. EMPLOYMENT

Subject to the provisions of Paragraph 6 below, the DISTRICT employs SHAW as its General Manager/Chief Engineer beginning March 1, 2024, and continuing until December 31, 2025, unless sooner terminated as provided herein, and SHAW hereby accepts such employment. The term of this employment may be extended for additional periods of three (3) years in the event that prior to the expiration of the then current term, the General Manager receives a satisfactory

evaluation in accordance with the process set forth below for evaluation of the General Manager's performance, provided the employment has not been terminated prior to that date.

2. DUTIES

The General Manager shall be the chief administrative officer of the District and is hereby designated as the person who shall be in charge of the administration and operation of, and have access to, the property and personnel of the District, subject to the approval of the Board of Directors in accordance with the job description included in Exhibit A attached hereto. The General Manager shall be responsible to the Board of Directors for the proper administration and operation of all affairs of the District including construction, maintenance and operation of the District, its property and facilities. To that end, the General Manager shall have power and shall be required to:

- a. Except as otherwise provided by employment contracts or by law, appoint and, when necessary for the good of the District, discipline, suspend or remove any employee of the District; the General Manager may also authorize the head of a department to appoint, discipline, suspend or remove subordinates in such department;
- b. Prepare the budget annually and submit it to the Board of Directors, or designated Board Committee, together with a summary describing its important features and be responsible for its administration after adoption;
- c. Keep the Board of Directors advised of the current financial condition and future needs of the District;
- d. Recommend to the Board of Directors, or designated Board Committee, adoption of such measures as the General Manager may deem necessary or expedient for the improvement of water service within the District;

e. Subject to contracts and bargaining agreements, recommend to the Board of Directors, or designated Board Committee, job descriptions and a standard schedule of pay for each position in the District, including minimum, intermediate and maximum rates, consolidate or combine positions, departments or units under the General Manger's jurisdiction, with the approval of the Board of Directors;

f. Attend all the meetings of the Board of Directors and District committees unless excused therefrom, and take part in the discussion of all matters coming before such meetings;

g. Subject to the District's Purchasing and Procurement Policy, as amended from time to time by the Board of Directors, and the authority granted to the General Manager in said policy, supervise the purchase of all materials, supplies and equipment for which funds are provided in the budget; let contracts necessary for the construction, operation or maintenance of District services for amounts up to such maximum as may be determined by resolution of the Board of Directors; receive bids for purchases or contracts in excess of such maximum and present them to the Board of Directors for approval; and advise the Board of Directors on the advantages or disadvantages of contract and bid proposals. No purchase shall be made, contract let or obligation incurred for any item or service which exceeds the current budget appropriation without a supplemental appropriation made in accordance with the District's Budget Transfer and Amendments policy. All procurement, including, but not limited to, the award of construction contracts, shall be conducted in accordance with the District's applicable purchasing and procurement policy;

h. See that the provisions of all policies, rules, regulations and ordinances of the Board of Directors are duly carried out and enforced;

- i. Investigate the operations of the District or any department of the District and see that all franchises, permits and privileges granted by the District are observed; and
- j. Devote full time to the discharge of the General Manager's duties, including those specified in the organizational chart and the job description adopted by the Board of Directors (a copy of which is attached hereto as Exhibit A) and as the same may be further modified by the Board of Directors from time to time.

k. Notwithstanding any other provision herein to the contrary, in case of accident, disaster or other circumstance creating a public emergency, the General Manager may award contracts and incur such other expenses on behalf of the District for the purpose of meeting any such emergency; but the General Manager shall file promptly with the Board of Directors a report describing such emergency and the necessity for such action, together with an itemized account of all expenses incurred.

3. COMPENSATION

The District initially shall pay the General Manager an annual base salary of Two Hundred Fifty Thousand Nine Hundred Twenty-Nine Dollars (\$250,929.00), payable in twenty-six (26) installments per year. The base salary, including any cost-of-living adjustments, shall be adjusted effective January 1st of each year by written amendment to this Contract signed by the parties and approved by action of the Board of Directors following the annual evaluation of the performance of the General Manager. The adjustments, if any, will be based upon the review of the performance of the General Manager using the evaluation forms adopted by the Board for that purpose. An evaluation shall be completed prior to November 30th of each year and adjustments shall become effective January 1st of the following year. Evaluations may be performed by the Board of Directors or a committee thereof. At the time of the evaluation review and adjustment, if

any, the Board also may authorize the payment of a bonus. Adjustments shall be within the sole discretion of the Board. Adjustments and bonuses, if any, shall be in addition to any general cost-of-living adjustments which the District at any time during this Contract may provide for other employees of the District as provided in Paragraph 4a., below.

4. BENEFITS/SPECIAL COMPENSATION

a. The District agrees to provide for the General Manager the same benefits and special compensation, including, but without being limited to, retirement benefits, health and welfare insurance, life insurance and other benefits which the District at any time or from time to time during the continuance of this Contract provides for other members of its executive staff and upon the same terms and conditions as those which apply to the executive staff or officers of the District, which benefits and special compensation may be included in the base salary.

b. The General Manager shall be entitled to vacation and sick leave time in accordance with the personnel policy of the District, as it exists from time to time, with full pay. The vacation time hereby authorized to be taken by the General Manager may be taken by her either all at one time or at various times, aggregating in any one year the total vacation time to which she is entitled in each of the years of her employment hereunder and at such time or times as are convenient to the General Manager. The General Manager agrees to take her vacation at such time or times as in her opinion will cause the least inconvenience to the District, but in no instance will any one vacation exceed twenty (20) working days in length without prior Board approval. Vacation and sick leave time may be accumulated and carried over from year to year, or compensated for, as provided in the District's Terms and Conditions for Executive Staff.

c. In addition to benefits and special compensation hereinabove set forth, each year the General Manager shall be entitled to eight (8) days of Executive Leave and Administrative Leave equal to what is provided to Executive Staff.

5. CONDITIONS FOR CONTRACT TERMINATION

a. This Contract shall terminate on death or disability of the General Manager. In addition, this Contract may be terminated by the General Manager at any time, without cause, upon no less than three (3) months prior notice to the District.

b. Upon showing of good cause, the District may terminate the General Manager's employment, and thereby terminate this Contract at any time, upon not less than thirty (30) days written notice to the General Manager. Good cause under this subparagraph is defined as a finding by a majority of the Board of Directors that the General Manager has, for reasons other than disability, failed to competently discharge her duties and responsibilities. The Board of Directors shall state objective findings in connection with any such termination.

- c. Absent good cause, the District may terminate the General Manager's employment, and thereby terminate this Contract at any time, upon not less than ninety (90) days written notice to the General Manager, but in such event the District shall pay to the General Manager, in a lump sum upon the effective date of termination, an amount equal to the lesser of: (i) the salary payable to the General Manager for the remaining term of this Contract, or (ii) four months' salary of the General Manager.
- d. Notwithstanding any other provisions of this Contract, the District shall have the right to terminate the General Manager's employment and thereby terminate this Contract in the event of any willful breach of duty or willful breach of District rules by the General Manager in the course of her employment or for acts of moral turpitude or conviction of a felony. Any termination

by the District under this subparagraph must be by action of the Board of Directors at a duly convened meeting with at least seventy-two (72) hours advanced notice to the General Manager.

e. In the event that the General Manager becomes unable to perform her duties by reason of physical or mental illness or disability, the District shall supplement the benefits the General Manager is entitled to under the District's applicable insurance plans so that, during the first two hundred ten (210) calendar day period of her disability, she will receive total payments equal to her then full salary. If upon the expiration of the two hundred ten (210) calendar day period of any one disability, the General Manager remains unable to resume and effectively discharge her duties hereunder, then and in such event, and notwithstanding any other provision regarding termination in this Contract, the District may terminate this Contract and be relieved of any obligation accruing hereunder after the date of official action by the Board of Directors terminating the Contract. In the event the General Manager is rendered totally unable to discharge her duties hereunder a total of three hundred sixty (360) calendar days in any twenty-four (24) month period, then and in such event, by official action of the Board of Directors, the District may cancel this Contract.

f. If the General Manager is convicted of a crime involving an abuse of her office or position, the General Manager shall be obligated to reimburse the District the full amount of any payments described in Government Code Section 53243 et seq. that were provided to the General Manager by the District.

g. Except as provided in paragraph c. and f., above, upon the effective date of termination under this paragraph 5, neither party shall have any further responsibility, obligation or liability under this Contract.

6. General Provisions

a. This Contract constitutes the entire agreement between the parties and supersedes all prior oral or written agreements of any kind. No amendments to this Contract may be made except by writing signed by both parties.

b. The validity and interpretation, performance and effect of this Contract shall be construed in accordance with the laws of the State of California.

c. Any notice or communication required or permitted to be given under this Contract shall be effective when deposited, postage prepaid, with the United States Mail. Any notice to the District shall be addressed as follows:

Walnut Valley Water District 271 South Brea Canyon Road Walnut, California 91789

Notice to the General Manager shall be addressed to the General Manager at her last known address as reflected in the District's records.

d. If any provision of this Contract is held invalid or unenforceable, the remainder of this Contract shall nevertheless remain in full force and effect.

Executed on	, 2023 at Walnut, California.		
	SHERYL L. SHAW		
	"General Manager"		

WALNUT VALLEY WATER DISTRICT

By:		
Its:	President	
	"District"	

EXHIBIT A JOB DESCRIPTION

WVWD - Staff Report



TO: Board of Directors
FROM: General Manager
DATE: December 11, 2023

SUBJECT: 2024 Key Conferences/Events

☐ Action/Discussion	☐ Fiscal Impact	Resolution	✓ Information Only
			_

Recommendation

For information only.

Background

The following conference dates are provided as a matter of information only.

Please advise staff of your intent to attend as early as possible so that we may secure your conference registration and hotel reservation at reduced conference rates, when available.

American Water Works Association (AWWA)	Date
ACE23 – Anaheim, CA (In-Person)	June 10 - 13, 2024

Association of California Water Agencies	Date	
Spring Conference – Sacramento, CA		
	JPIA	May 6 - 7, 2024
	ACWA	May 7 - 9, 2024
Fall Conference – Palm Desert, CA		
	JPIA	December 2 - 3, 2024
	ACWA	December 3 - December 5, 2024