

# 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 16, 2024 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
2. Roll Call: Mr. Hilden \_\_\_ Ms. Kwong \_\_\_ Ms. Lee \_\_\_ Mr. Tang \_\_\_ Mr. Woo \_\_\_
3. Public Comment President Lee

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

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

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

4. Agenda Changes/Addition President Lee

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

- A. Discussion
- B. Action Taken

5. Reorder of Agenda President Lee
  - A. Discussion
  - B. Action Taken

6. [Special Recognition](#)
  - A. Outgoing President Recognition
  - B. Past President Recognition

7. [WVWD Team Milestones & Achievements](#) Ms. Shaw

- 8. [Review of District Investment Activities by Mr. Jayson Schmitt, Representative of Chandler Asset Management](#)
  - A. Discussion
  - B. Action Taken

- 9. Consider Approval of Consent Calendar (Items A-E)

**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 12, 2024](#)
- B. [Minutes of the Special Board meeting held November 14, 2024](#)
- C. [Check Register](#)
- D. [Employee Expense Reimbursement Report](#)
- E. [Community Outreach Update \(Information Only\)](#)
  - (1) Discussion
  - (2) Action Taken

- 10. [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

- 11. Treasurer’s Report Mr. Byerrum
  - A. [Financial Dashboard as of October 31, 2024](#)
  - B. [District Statement of Revenues, Expenses, and Change in Net Positions as of October 31, 2024](#)
  - C. [District Statement of Net Positions as of October 31, 2024](#)
  - D. [Summary of Cash and Investments as of October 31, 2024](#)
    - (1) Discussion
    - (2) Action Taken

**COMMITTEE REPORTS**

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

- 12. Public Information/Community Relations/Legislative Action Committee Director Kwong
  - There are no items to come to the Board at this time.
- 13. Finance Committee President Lee
  - A. [Annual Comprehensive Financial Report for the Fiscal Year Ending June 30, 2024](#)
    - (1) Discussion
    - (2) Action Taken
  - B. [Receive, Approve, and File the Investment Transactions Report for the Month Ending November 30, 2024](#)
    - (1) Discussion
    - (2) Action Taken
  - C. [Review of Revenue Bonds Held in Trust – East West Bank \(Information Only\)](#)
  - D. [Review of Revenue Bonds Held in Trust – US Bank \(Information Only\)](#)

- 14. Engineering and Special Projects Director Woo
  - A. [Approval of Revisions to the District's Rules and Regulations](#)
    - (1) Discussion
    - (2) Action Taken
  - B. [Capital Improvement Program Budget Amendment & Authorization of Pavement Restoration Work](#)
    - (1) Discussion
    - (2) Action Taken
  - C. [Operations Report](#) (Information Only)
- 15. Personnel Committee President Lee
  - There are no items to come to the Board at this time

**OTHER ITEMS**

- 16. TVMWD/MWD Director Hilden
- 17. P-W-R Joint Water Line Commission Mr. Monk
  - A. [P-W-R JWL Report for Water Purchases for October 2024](#)
  - B. Other Items
- 18. Puente Basin Water Agency Director Lee
- 19. Spadra Basin Groundwater Sustainability Agency Director Tang
- 20. General Manager's Report Ms. Shaw
  - A. [District Activities Calendars for January, February, and March 2025](#)
  - B. [ACWA/JPIA President's Special Recognition Award](#)
  - C. Other Items
- 21. Water Supply and Conservation Ms. Shaw
  - A. [District Water Supply and Conservation Update](#)
  - B. [Statewide Water Supply Conditions](#)
- 22. Directors' Oral Reports All Directors
- 23. Legal Reports Mr. Ciampa
- 24. Board members and staff will be given an opportunity to request and suggest subjects for discussion at a future meeting
- 25. Board of Directors Business President Lee
  - A. [Proposed General Manager's Employment Contract](#)
    - (1) Discussion
    - (2) Action Taken
  - B. [Wholesale Potable Water Rate Adjustment](#)
    - (1) Discussion
    - (2) Action Taken
  - C. [Proposed 2025 Board Workshop Meeting Dates](#)
    - (1) Discussion
    - (2) Action Taken

D. [Consideration of the Annual Board Reorganization/Appointment of Officers/ Committee Selections for Calendar Year 2025](#)

(1) Discussion

(2) Action Taken

E. [2025 Key Conferences/ Events \(Information Only\)](#)

(1) Discussion

(2) Action Taken

Adjournment

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

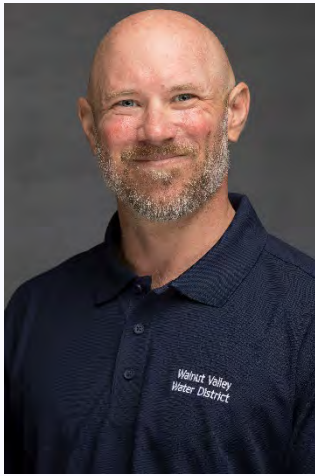
I, Lucie Cazares, CMC, Walnut Valley Water District, do hereby certify, under penalty of perjury under the laws of the State of California that a full and correct copy of this agenda was posted pursuant to Government Code Section 54950 et. seq., at 271 S. Brea Canyon Road, Walnut, CA., and uploaded to the Walnut Valley Water District website <https://walnutvalleywater.gov/about-us/meetings-minutes-and-agendas/>

Date Posted: December 13, 2024

Lucie Cazares, CMC, Board Clerk



# WVWD TEAM ACHIEVEMENTS & MILESTONES



## **David Lias**

Celebrating David for his promotion to General Services Supervisor.



## **Jodi Johnson**

Celebrating Jodi for 20 years of dedicated service as of November 2024.

# INVESTMENT REPORT

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Walnut Valley Water District | As of September 30, 2024

CHANDLER ASSET MANAGEMENT | [chandlerasset.com](http://chandlerasset.com)

**Chandler Team:**

For questions about your account, please call (800) 317-4747,  
or contact [clientservice@chandlerasset.com](mailto:clientservice@chandlerasset.com)

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**ECONOMIC UPDATE**

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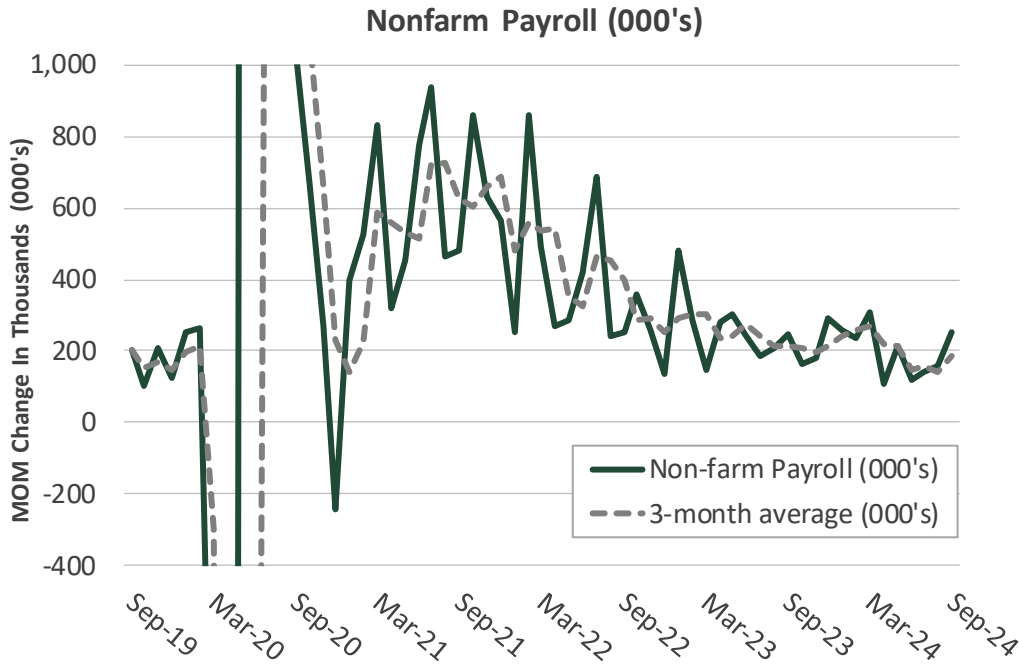
**TRANSACTIONS**

## ECONOMIC UPDATE

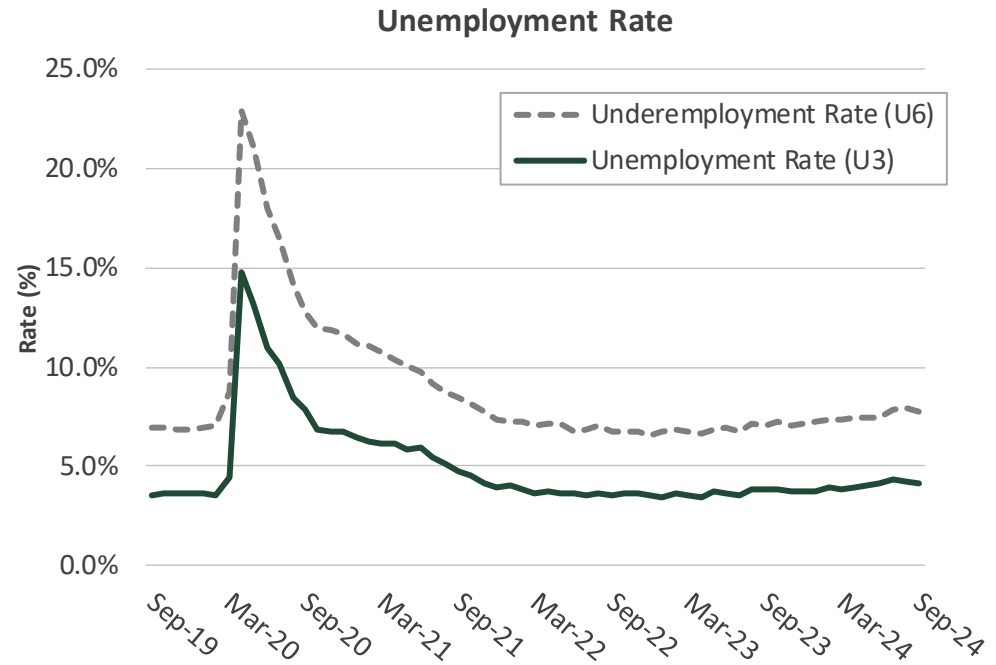
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- Recent economic data suggests positive but slower growth this year fueled by consumer spending. While the consumer has been resilient, declining savings rates, growing credit card debt, higher delinquencies, and a moderating labor market pose potential headwinds to future economic growth. Inflationary trends are subsiding, but core levels remain above the Fed's target. The labor market is showing signs of cooling, reflecting an improved balance between supply and demand for workers. Given the cumulative effects of restrictive monetary policy and tighter financial conditions, we believe the economy will gradually soften and the Fed will continue to lower rates at a measured pace through this year with the ability to move more aggressively should the employment data warrant.
- The Federal Open Market Committee (FOMC) delivered the first rate cut of the easing cycle with a 50 basis point cut at the September meeting. Although a reduction in the Fed Funds Rate was widely anticipated, the magnitude was somewhat of a surprise, as market participants were split between whether the FOMC would cut by 25 basis points or 50 basis points. Chair Jerome Powell reiterated previous statements acknowledging that monetary policy has shifted into a more balanced approach addressing price stability and full employment in tandem. The Fed released the quarterly Summary of Economic Projections (SEP) which now forecasts a substantially lower median Fed Funds Rate expectation among Fed Governors in 2025 due to lower inflation expectations and a higher projected unemployment rate. We believe the Fed will continue to lower rates at a measured pace through this year with the ability to move more aggressively should the employment data warrant.
- The US Treasury yield curve shifted lower in September following the 50 basis points rate cut by the FOMC mid-month. The 2-year Treasury yield fell 28 basis points to 3.64%, the 5-year Treasury dropped 15 basis points to 3.56%, and the 10-year Treasury yield declined 12 basis points to 3.78%. The 2-year and 10-year Treasury yield points on the curve began to normalize to +14 basis points at September month-end versus -2 basis points at August month-end. The spread between the 2-year Treasury and 10-year Treasury yield one year ago was -47 basis points. The inversion between 3-month and 10-year Treasuries ended the month of September at -85 basis points.



Source: US Department of Labor



Source: US Department of Labor

The U.S. economy added 254,000 jobs in September, well above expectations of 150,000. The three-month moving average and six-month moving average payrolls continued to trend weaker to 186,000 and 167,000 respectively. The unemployment rate declined to 4.1% in September, and the labor participation rate remained at 62.7%, remaining below the pre-pandemic level of 63.3%. The U-6 underemployment rate, which includes those who are marginally attached to the labor force and employed part time for economic reasons declined to 7.7% from 7.9%. Average hourly earnings rose 4.0% year-over-year in September. U.S. labor market data from September surprised to the upside, with strong job growth and a sharper-than-expected drop in unemployment, suggesting the economy may be more resilient than anticipated. The Federal Reserve’s view is that there has been “substantial” progress towards better balance in the labor market between demand and supply for workers.

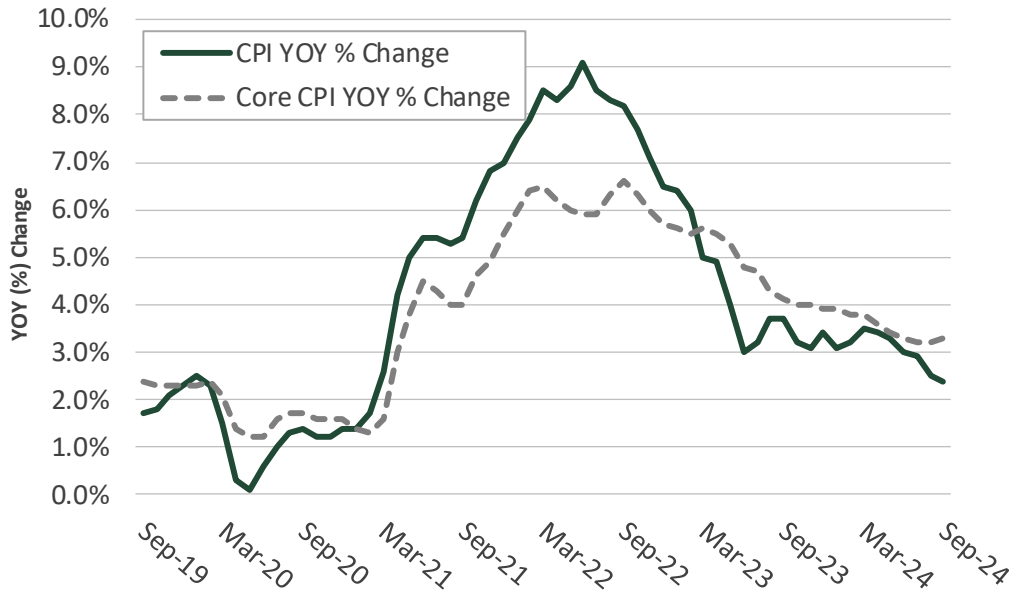
Job Openings



Source: US Department of Labor

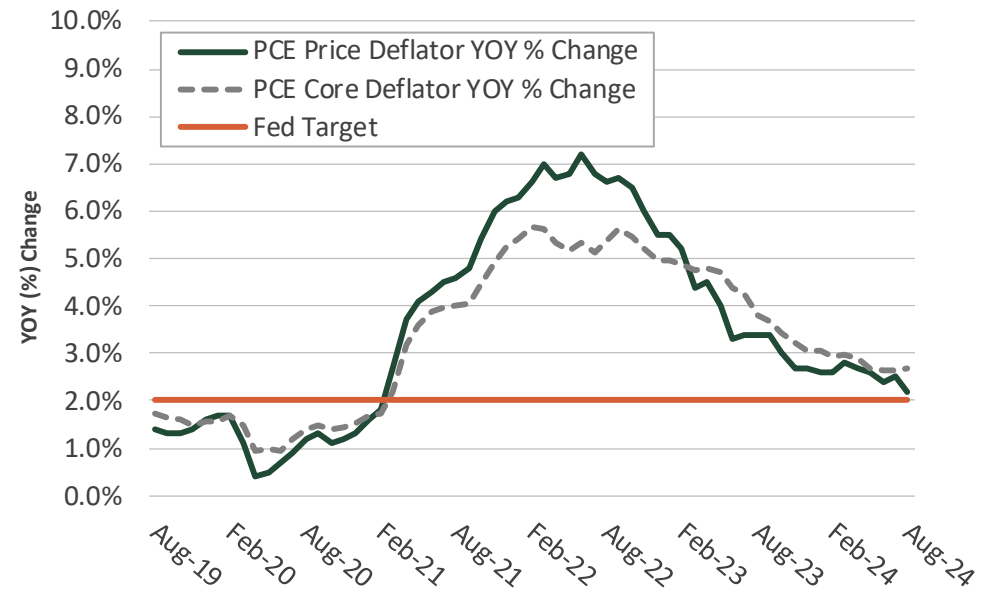
The Labor Department’s Job Openings and Labor Turnover Survey (JOLTS) increased to 8.04 million job openings in August from an upwardly revised 7.71 million in July. Job openings have increased to a ratio of 1.13 jobs for each unemployed individual. The quits rate, an indicator of job availability, declined to 1.9% from downwardly revised 2.0% in July. That is the lowest level since 2020. While the current level of job openings remains elevated from a historical perspective, the trend is decelerating.

Consumer Price Index (CPI)



Source: US Department of Labor

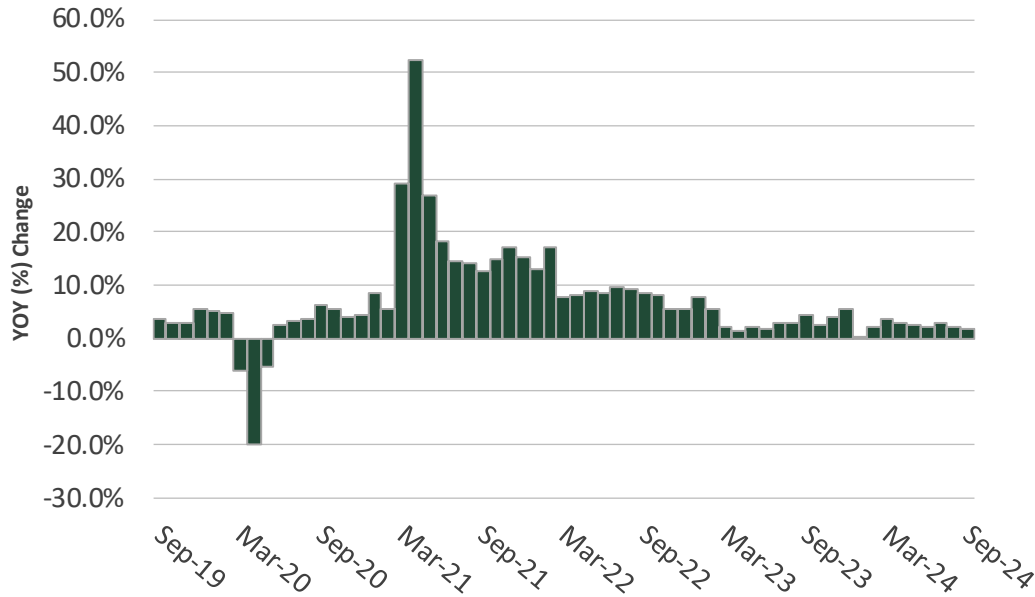
Personal Consumption Expenditures (PCE)



Source: US Department of Commerce

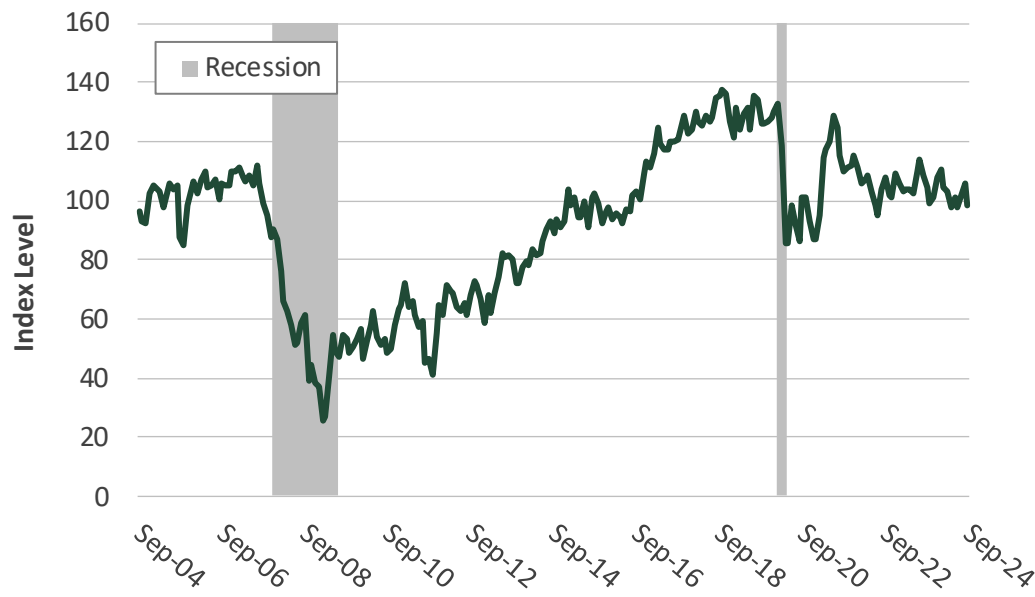
In September, the Consumer Price Index (CPI) rose 0.2% month-over-month and 2.4% year-over-year, down from 2.5% in August, but slightly higher than expected. The Core CPI, which excludes volatile food and energy components, rose by 0.3% month-over-month and 3.3% year-over-year, also exceeding consensus forecasts. The Personal Consumption Expenditures (PCE) Index rose 0.1% from the previous month and 2.2% year-over-year in August. The Core PCE deflator (the Fed’s preferred gauge) increased 0.1% month-over-month and 2.7% over the past year, still above the Fed’s 2% inflation target. Much of the lingering inflation has been driven by shelter costs and demand for services, but recent data provide confirmation that inflation is moderating.

Retail Sales YOY % Change



Source: US Department of Commerce

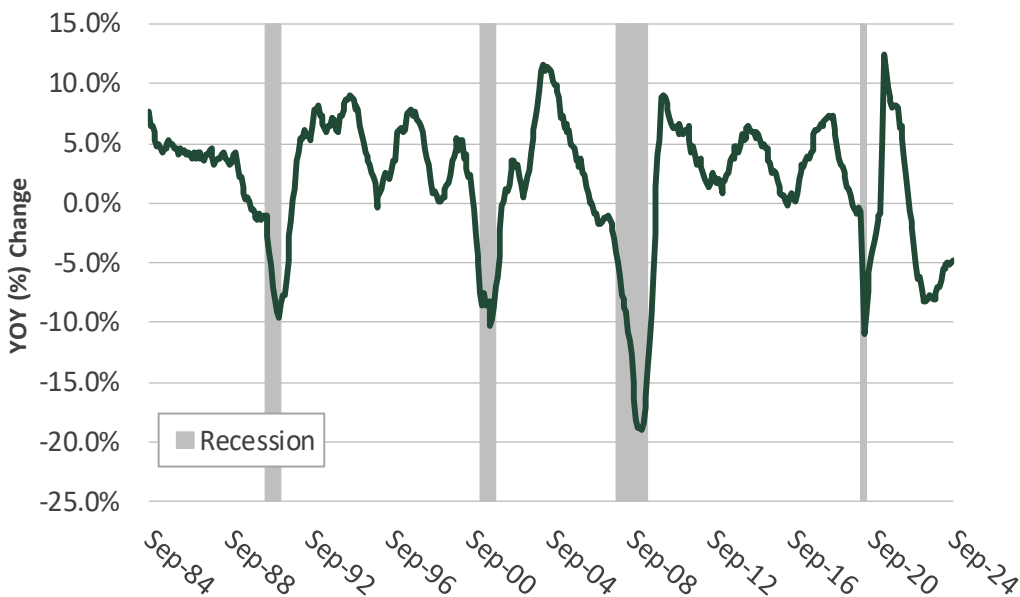
Consumer Confidence



Source: The Conference Board  
All time high is 144.70 (1/31/00); All time low is 25.30 (2/28/09)

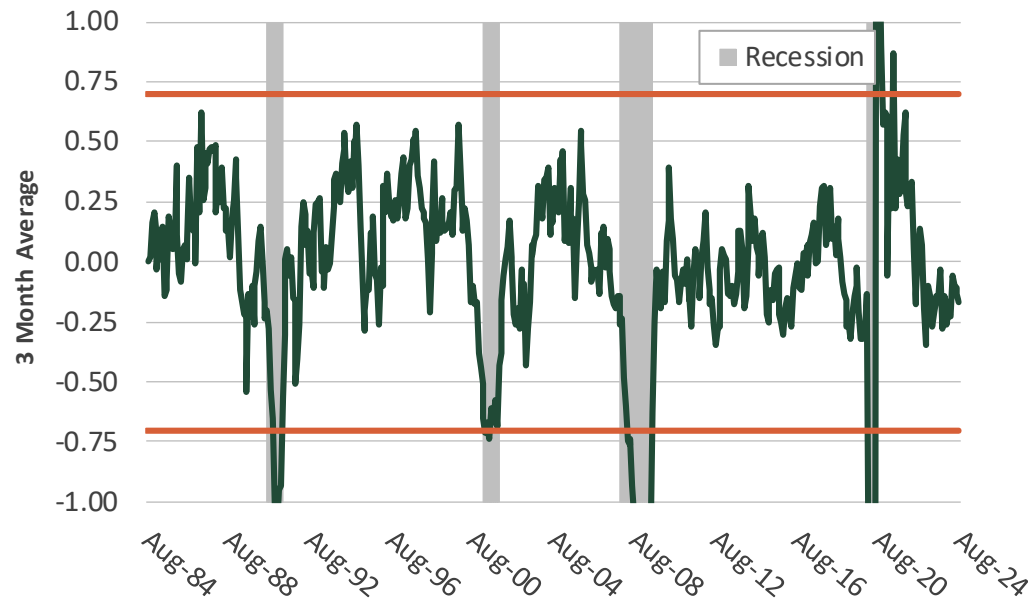
Retail Sales grew more than expected month-over-month in September at 0.4% after growth of 0.1% in August. On a year-over-year basis, Retail Sales grew 1.7% in September versus 2.2% in August. Control-group sales, which are used to calculate gross domestic product, rose 0.7% month-over-month in September after last month’s increase of 0.3%. Apparel, grocery stores, and miscellaneous store retailers led the advance, while gas station sales fell reflecting lower gas prices. The Conference Board’s Consumer Confidence Index for September came in below expectations, contracting to 98.7 after an upward revision to 105.6 in August. The decline reflects recent softening in labor market conditions, and less optimism about the job market and income growth. While the consumer has been resilient, declining savings rates, growing credit card debt, higher delinquencies, and a moderating labor market pose potential risks to future spending.

Leading Economic Indicators (LEI)



Source: The Conference Board

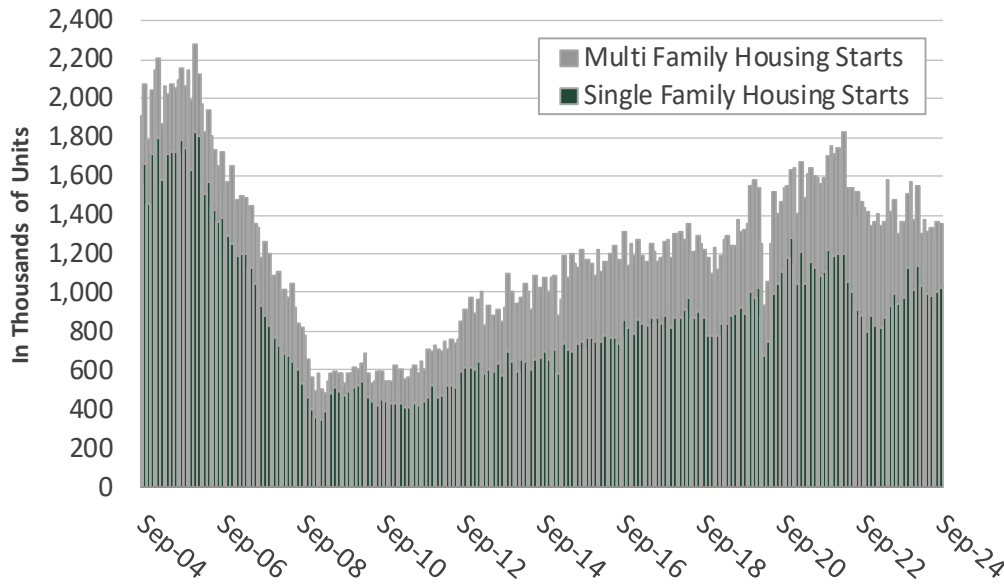
Chicago Fed National Activity Index (CFNAI)



Source: Federal Reserve Bank of Chicago

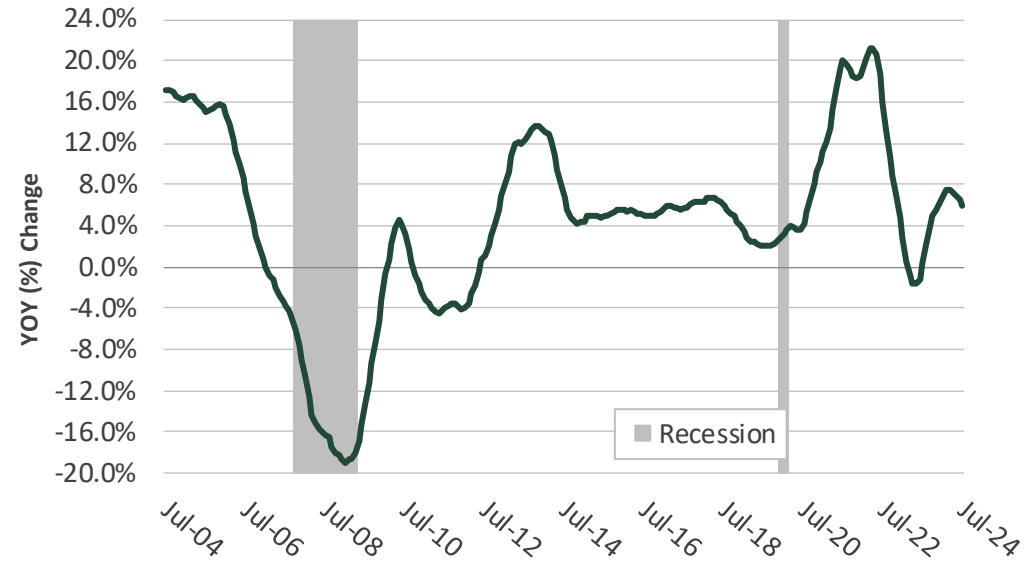
The Conference Board’s Leading Economic Index (LEI) remained in negative territory at -0.2% in August, improving from -0.6% in July. The index dropped 5.0% year-over-year. The improvement can be attributed to a decrease in the yield curve inversion, an increase in building permits, and stock market performance. The Chicago Fed National Activity Index (CFNAI) increased to 0.12 in August from a downwardly revised -0.42 in July, which was above consensus expectations. The three-month moving average fell to -0.17 in August from -0.13 in July, indicating below-trend growth expectations for the economy.

Annualized Housing Starts



Source: US Department of Commerce

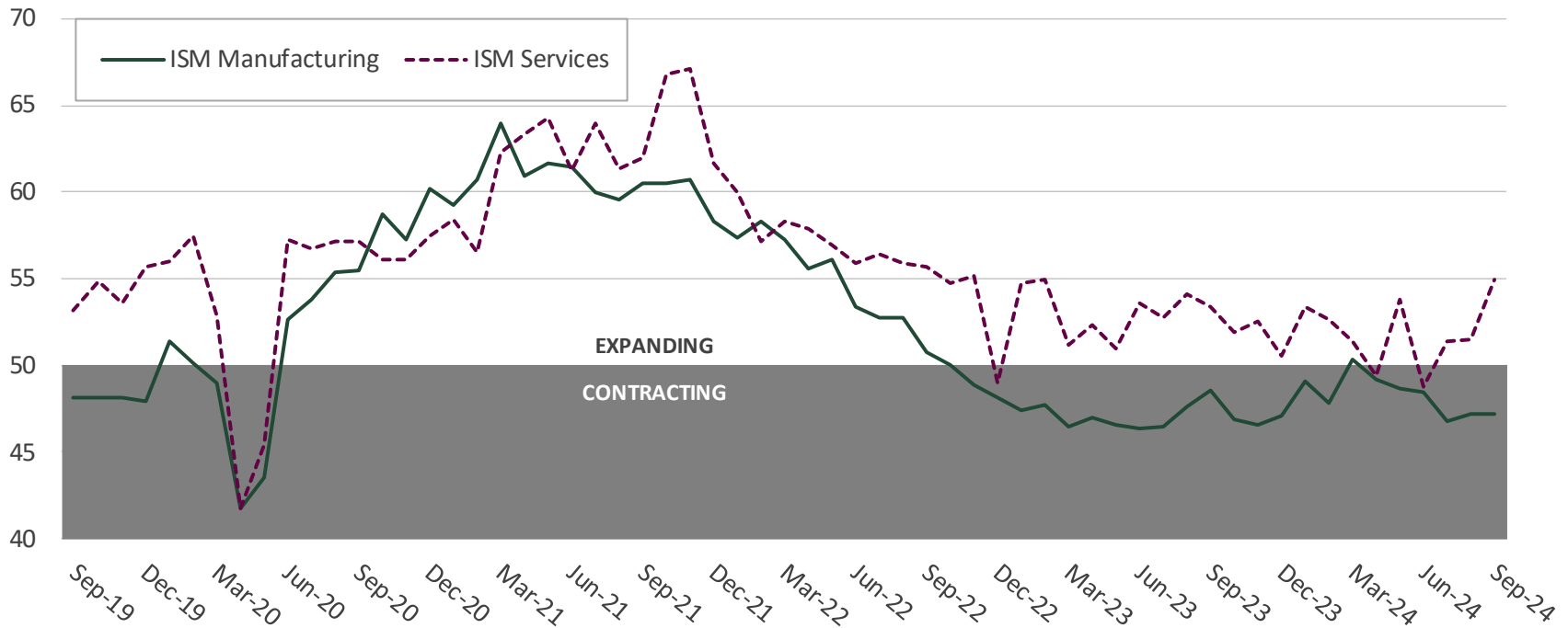
S&P/Case-Shiller 20 City Composite Home Price Index



Source: S&P

Housing starts surprised to the downside in September, declining -0.5% month-over-month to 1.354 million units after an increase of 7.8% in August. The decline can be attributed to a drop in multi-family housing projects. Total starts were down 0.7% year-over-year. The Freddie Mac average rate for a 30-year fixed mortgage dropped to 6.18% in September from 6.44% in August. According to the Case-Shiller 20-City Home Price Index, housing prices rose 5.9% year-over-year in July, decelerating from 6.5% reported in the previous month. Although the trend is gradually improving, tight inventories and higher mortgage rates continue to impact affordability.

Institute of Supply Management (ISM) Surveys



Source: Institute for Supply Management

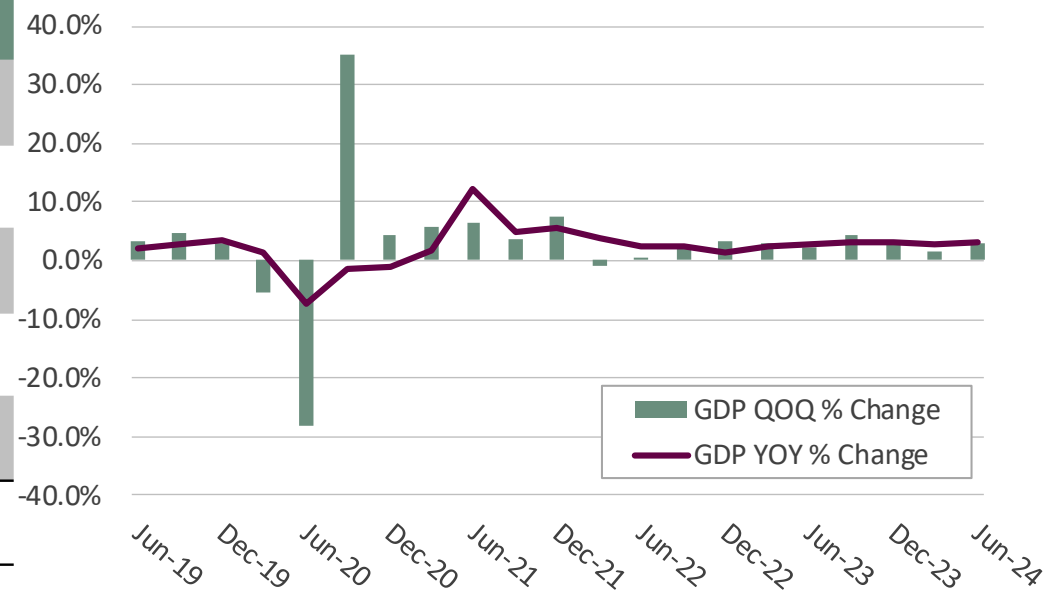
The Institute for Supply Management (ISM) Manufacturing index contracted at a slower rate of 47.2 in September compared to 47.5 in August. Demand remains subdued and companies are continuing to reduce head counts through layoffs, attrition and hiring freezes. The ISM Services Index increased to 54.9 in September, increasing from 51.7 in August, due to stronger production and new orders. A reading over 50 indicates expansion, while a reading under 50 indicates contraction.



Components of GDP	9/23	12/23	3/24	6/24
Personal Consumption Expenditures	1.7%	2.3%	1.3%	1.9%
Gross Private Domestic Investment	1.8%	0.2%	0.6%	1.5%
Net Exports and Imports	-0.1%	0.1%	-0.6%	-0.9%
Federal Government Expenditures	0.3%	0.0%	0.0%	0.3%
State and Local (Consumption and Gross Investment)	0.6%	0.6%	0.3%	0.3%
<b>Total</b>	<b>4.4%</b>	<b>3.2%</b>	<b>1.6%</b>	<b>3.0%</b>

Source: US Department of Commerce

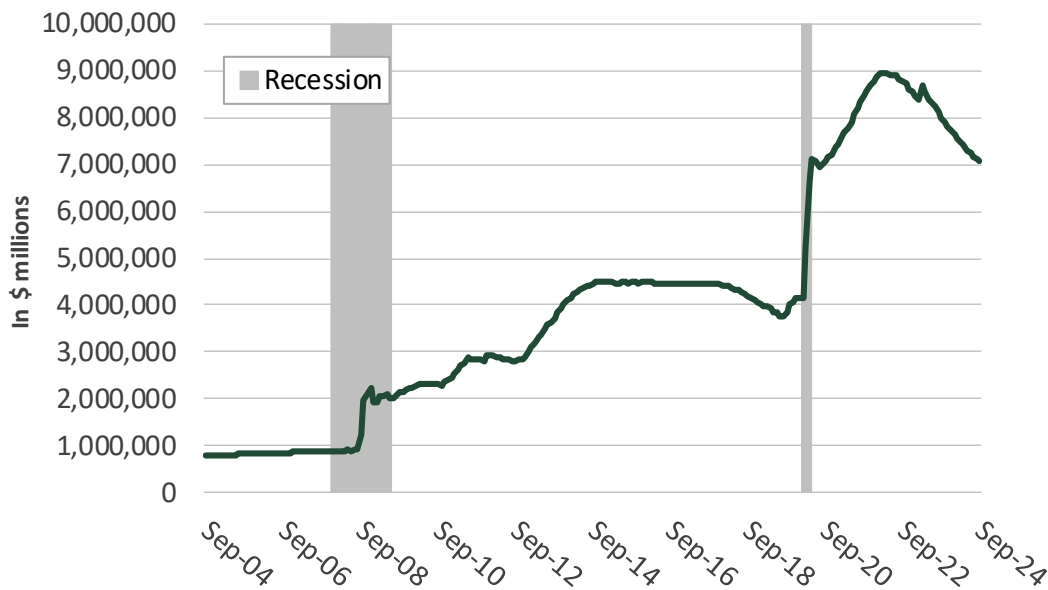
### Gross Domestic Product (GDP)



Source: US Department of Commerce

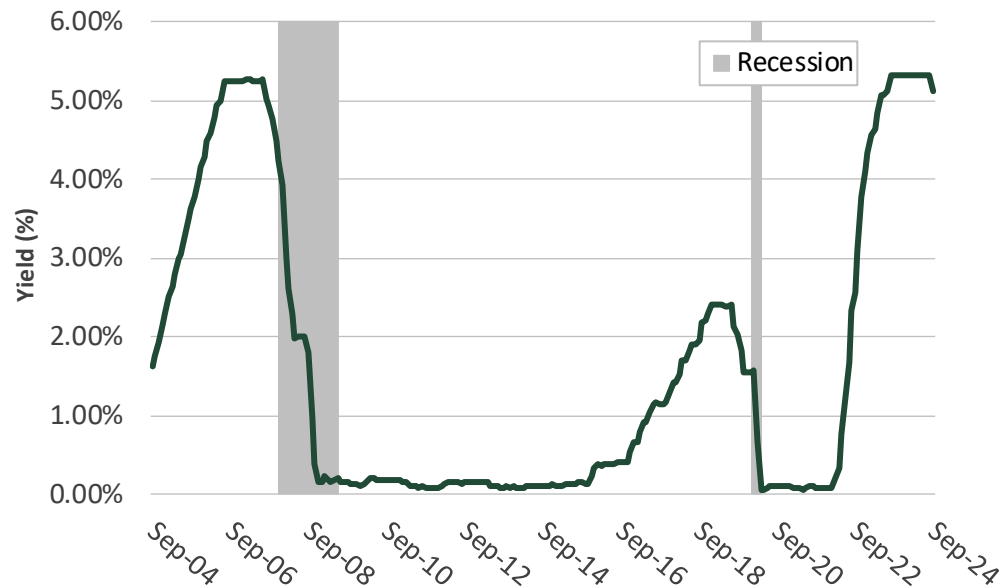
According to the third estimate, second quarter GDP increased at an annualized rate of 3.0%, unchanged from the prior estimate. Growth continues to be powered by personal consumption expenditures. Gross fixed investment, government consumption expenditures, and inventories also had positive contributions, with a negative offset by net exports. The consensus projection calls for 2.0% growth in the third quarter and 2.6% growth for the full year 2024.

Federal Reserve Balance Sheet Assets



Source: Federal Reserve

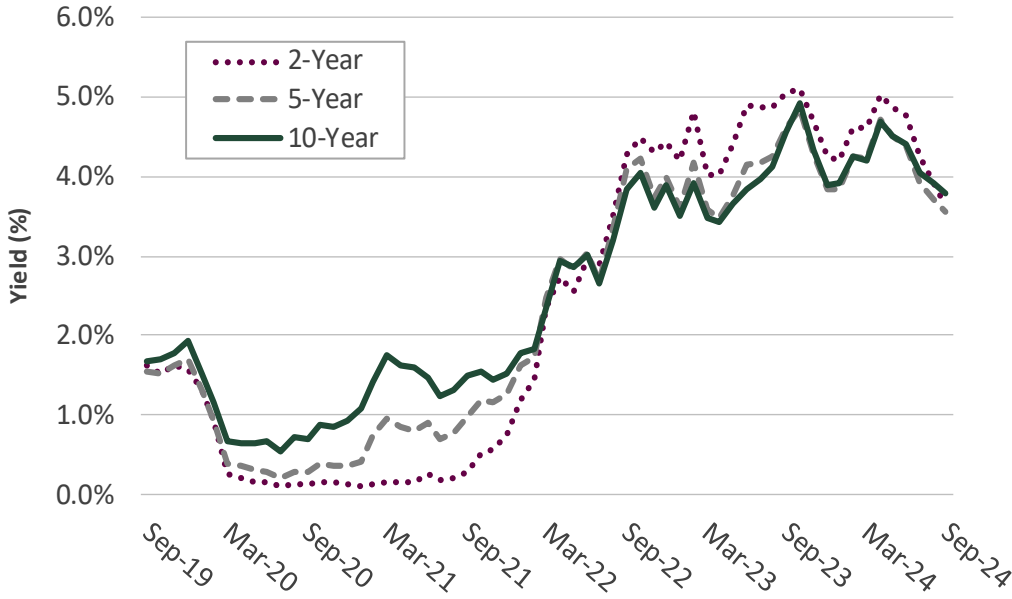
Effective Federal Funds Rate



Source: Bloomberg

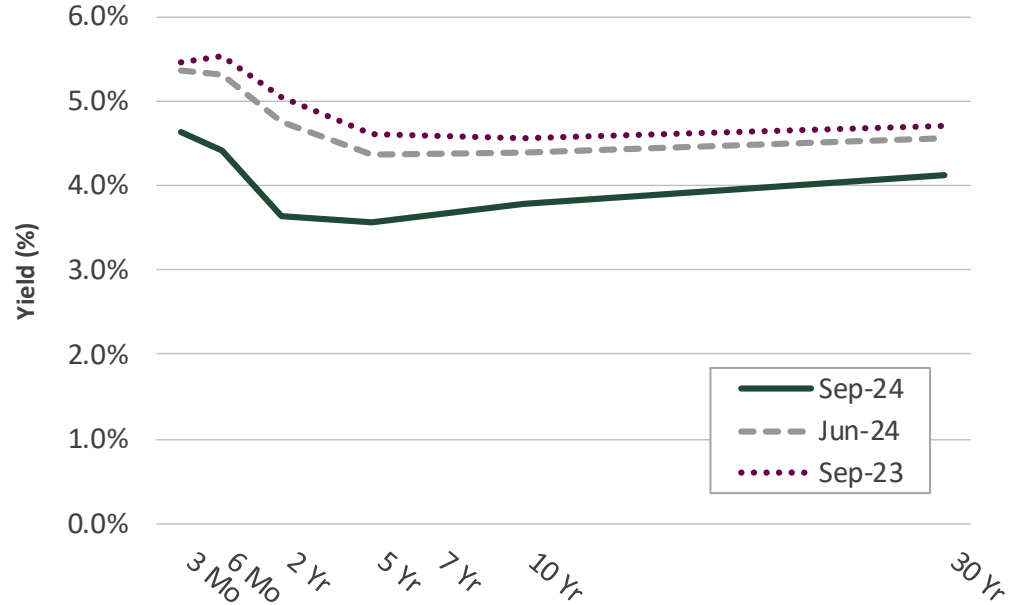
The Federal Open Market Committee (FOMC) delivered the first rate cut of the easing cycle at the September meeting. Although a reduction in the Fed Funds Rate was widely anticipated, the magnitude was somewhat of a surprise, as market participants were split between whether the FOMC would cut by 25 basis points or 50 basis points. Chair Jerome Powell reiterated previous statements acknowledging that monetary policy has shifted into a more balanced approach addressing price stability and full employment in tandem. The Fed released the quarterly Summary of Economic Projections (SEP) which now forecasts a substantially lower median Fed Funds Rate expectation among Fed Governors in 2025 to 3.1 – 3.6%. The Fed continues to reduce its holdings of U.S. Treasury securities and agency mortgage-backed securities as per its predefined schedule of \$25 billion and \$35 billion per month. Since the Fed began its Quantitative Tightening campaign in June 2022, securities holdings have declined by approximately \$1.8T to approximately \$7.1T.

US Treasury Note Yields



Source: Bloomberg

US Treasury Yield Curve



Source: Bloomberg

At the end of September, the 2-year Treasury yield was 140 basis points lower, and the 10-Year Treasury yield was 79 basis points lower, year-over-year. The 2-year and 10-year Treasury yield points on the curve began to normalize to +14 basis points at September month-end versus -2 basis points at August month-end. The yield curve inversion which began in July 2022 was historically long. The average historical spread (since 2003) is about +110 basis points. The inversion between 3-month and 10-year Treasuries tightened to -85 basis points in September from -121 basis points in August.

# PERIODIC TABLE OF ASSET CLASS RETURNS



2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD 2024
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 26.3%	US Large Cap Stocks 22.1%
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%	US Small Cap Stocks 19.1%	Emerging Market Stocks 16.9%
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%	International Stocks 18.2%	US Real Estate 15.8%
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 Mid Cap Stocks 14.5%	US Mid Cap Stocks 15.6%
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 Real Estate 13.7%	International Stocks 13.0%
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%	US High Yield Bonds 13.5%	US Small Cap Stocks 10.5%
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%	Emerging Market Stocks 9.8%	US High Yield Bonds 8.0%
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%	International Bonds 8.7%	International Real Estate 8.0%
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%	International Real Estate 6.3%	Diversified Commodities 5.2%
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%	US Core Bonds 5.4%	US Core Bonds 4.6%
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%	Diversified Commodities -4.3%	International Bonds 3.6%

Index returns as of 09/30/2024. 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.

## ACCOUNT PROFILE

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### 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.

# STATEMENT OF COMPLIANCE



Walnut Valley Water District | Account #10074 | As of September 30, 2024

Rules Name	Limit	Actual	Compliance Status	Notes
<b>AGENCY MORTGAGE SECURITIES (CMOS)</b>				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV; Agencies & Agency CMOs)	30.0	10.7	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
<b>ASSET-BACKED SECURITIES (ABS)</b>				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
<b>BANKERS' ACCEPTANCES</b>				
Max % (MV)	40.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	180	0.0	Compliant	
<b>CERTIFICATE OF DEPOSIT PLACEMENT SERVICE (CDARS)</b>				
Max % (MV)	50.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
<b>COLLATERALIZED BANK DEPOSITS</b>				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
<b>COLLATERALIZED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)</b>				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
<b>COMMERCIAL PAPER</b>				
Max % (MV)	25.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	270	0.0	Compliant	

# STATEMENT OF COMPLIANCE



Walnut Valley Water District | Account #10074 | As of September 30, 2024

Rules Name	Limit	Actual	Compliance Status	Notes
Min Rating (A-1 by 1 or A- by 1)	0.0	0.0	Compliant	
<b>CORPORATE MEDIUM TERM NOTES</b>				
Max % (MV)	30.0	27.8	Compliant	
Max % Issuer (MV)	5.0	1.8	Compliant	
Max Maturity (Years)	5	3	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
<b>FDIC INSURED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)</b>				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
<b>FEDERAL AGENCIES</b>				
Max % (MV)	100.0	23.1	Compliant	
Max % Issuer (MV; Agencies & Agency CMOs)	30.0	10.7	Compliant	
Max Callables (MV)	20.0	0.0	Compliant	
Max Maturity (Years)	5	3	Compliant	
<b>LOCAL AGENCY INVESTMENT FUND (LAIF)</b>				
Max Concentration (MV)	75.0	0.0	Compliant	
<b>LOCAL GOVERNMENT INVESTMENT POOL (LGIP)</b>				
Max % Issuer (MV)	5.0	0.0	Compliant	
<b>MONEY MARKET MUTUAL FUNDS</b>				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	20.0	0.0	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
<b>MORTGAGE-BACKED SECURITIES (NON-AGENCY)</b>				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
<b>MUNICIPAL SECURITIES (CA, LOCAL AGENCY)</b>				



# STATEMENT OF COMPLIANCE



Walnut Valley Water District | Account #10074 | As of September 30, 2024

Rules Name	Limit	Actual	Compliance Status	Notes
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
<b>MUNICIPAL SECURITIES (CA, OTHER STATES)</b>				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
<b>MUTUAL FUNDS</b>				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	10.0	0.0	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
<b>NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD)</b>				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
<b>REPURCHASE AGREEMENTS</b>				
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	1.0	0.0	Compliant	
<b>REVERSE REPURCHASE AGREEMENTS</b>				
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	92.0	0.0	Compliant	
<b>SUPRANATIONAL OBLIGATIONS</b>				
Max % (MV)	30.0	3.6	Compliant	
Max % Issuer (MV)	10.0	2.0	Compliant	
Max Maturity (Years)	5	1	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
<b>U.S. TREASURIES</b>				
Max % (MV)	100.0	45.5	Compliant	
Max Maturity (Years)	5	3	Compliant	

## PORTFOLIO CHARACTERISTICS



Walnut Valley Water District | Account #10074 | As of September 30, 2024

	Benchmark*	9/30/2024 Portfolio	6/30/2024 Portfolio
Average Maturity (yrs)	2.69	1.86	1.96
Average Modified Duration	2.52	1.74	1.83
Average Purchase Yield		2.20%	2.30%
Average Market Yield	3.66%	3.99%	4.93%
Average Quality**	AA+	AA	AA
Total Market Value		29,403,237	30,773,774

\*Benchmark: ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index

\*\*The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.

## SECTOR DISTRIBUTION

Walnut Valley Water District | Account #10074 | As of September 30, 2024



### Sector as a Percentage of Market Value

Sector	09/30/2024	06/30/2024
US Treasury	45.54%	44.31%
Corporate	27.78%	25.84%
Agency	23.07%	21.63%
Supras	3.61%	3.37%
Money Mkt Fd	--	4.81%

## ISSUERS



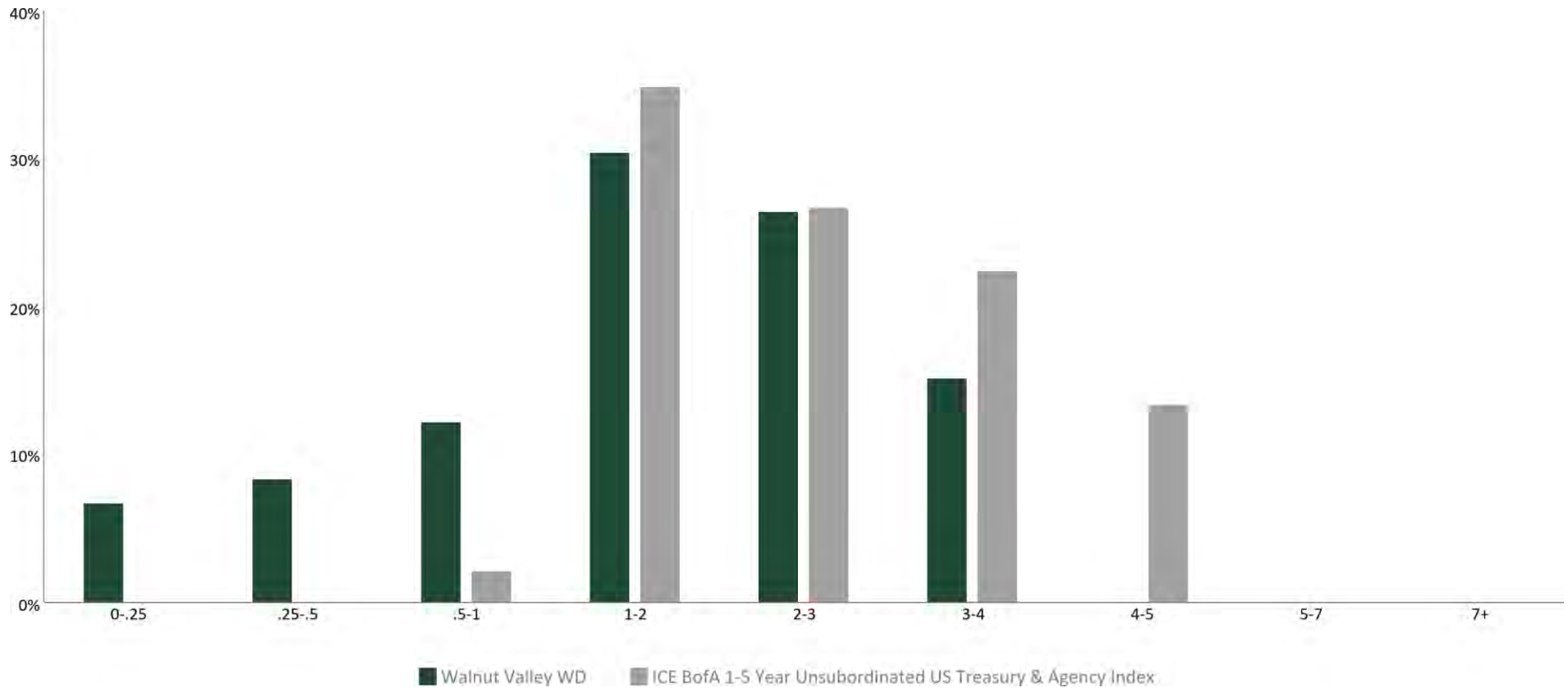
Walnut Valley Water District | Account #10074 | As of September 30, 2024

Issuer	Investment Type	% Portfolio
United States	US Treasury	45.54%
Federal Home Loan Banks	Agency	10.64%
FNMA	Agency	6.77%
FHLMC	Agency	5.66%
International Bank for Recon and Dev	Supras	1.97%
Bank of America Corporation	Corporate	1.75%
Deere & Company	Corporate	1.75%
PACCAR Inc	Corporate	1.74%
Northern Trust Corporation	Corporate	1.71%
PepsiCo, Inc.	Corporate	1.70%
Target Corporation	Corporate	1.64%
BNY Mellon Corp	Corporate	1.64%
Inter-American Development Bank	Supras	1.63%
Toyota Motor Corporation	Corporate	1.60%
Mastercard Incorporated	Corporate	1.59%
Prologis, Inc.	Corporate	1.58%
NextEra Energy, Inc.	Corporate	1.56%
Honeywell International Inc.	Corporate	1.50%
Amazon.com, Inc.	Corporate	1.35%
Public Service Enterprise Group Inco	Corporate	1.35%
Bank of Montreal	Corporate	1.35%
Royal Bank of Canada	Corporate	1.34%
Pfizer Inc.	Corporate	1.34%
The Toronto-Dominion Bank	Corporate	1.30%
Cash	Cash	0.01%
Federated Hermes, Inc.	Money Mkt Fd	0.00%
<b>TOTAL</b>		<b>100.00%</b>

# DURATION DISTRIBUTION

Walnut Valley Water District | Account #10074 | As of September 30, 2024

Portfolio Compared to the Benchmark



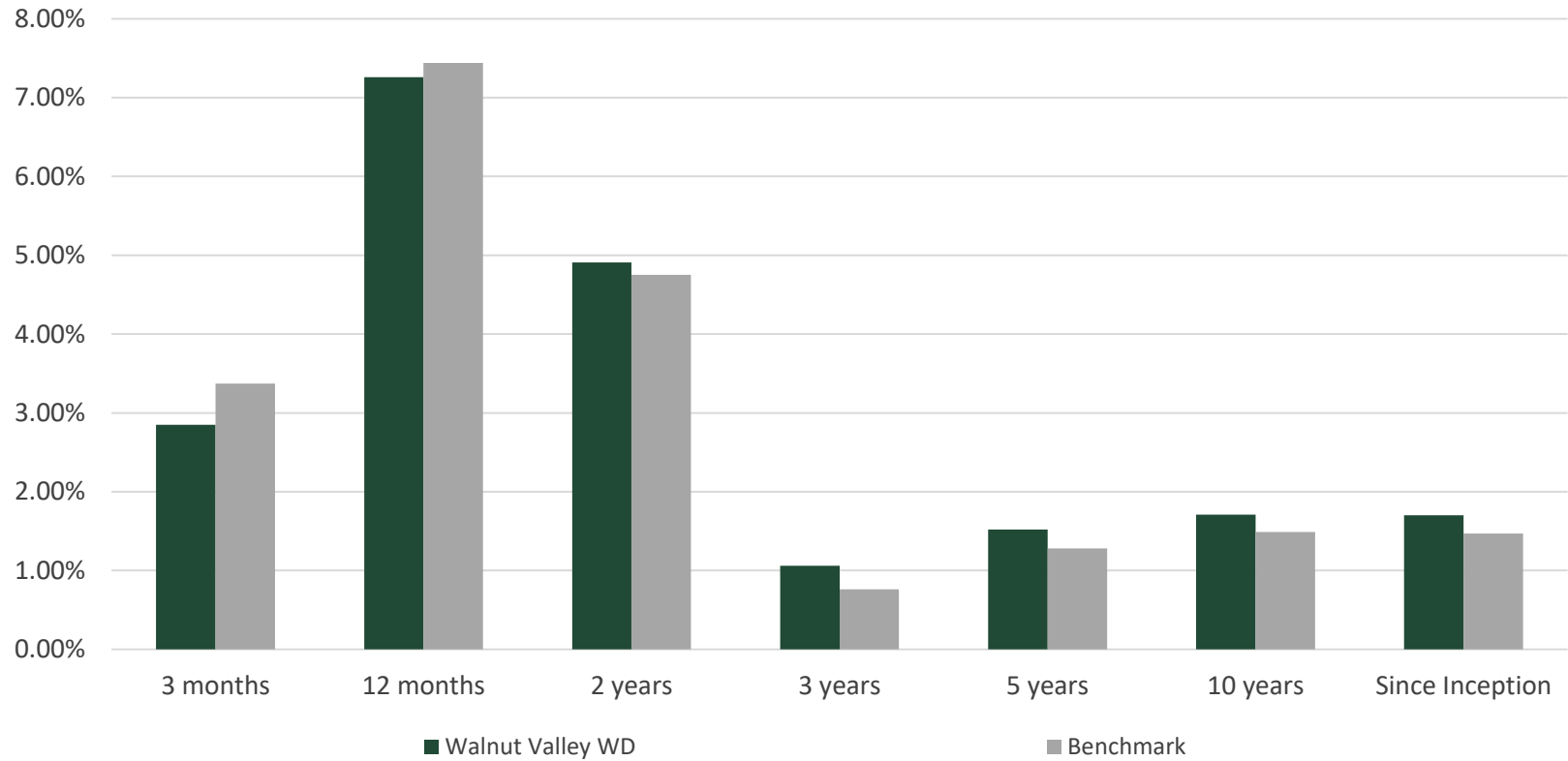
	0-.25	.25-.5	.5-1	1-2	2-3	3-4	4-5	5-7	7+
Portfolio	6.8%	8.5%	12.3%	30.6%	26.5%	15.3%	0.0%	0.0%	0.0%
ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index	0.1%	0.1%	2.2%	34.9%	26.8%	22.5%	13.4%	0.0%	0.0%

# INVESTMENT PERFORMANCE



Walnut Valley Water District | Account #10074 | As of September 30, 2024

Total Rate of Return : Inception | 08/01/2009



	3 Months	12 Months	2 Years	3 Years	5 Years	10 Years	Since Inception
<b>TOTAL RATE OF RETURN</b>							
Walnut Valley WD	2.85%	7.26%	4.91%	1.06%	1.52%	1.71%	1.70%
Benchmark	3.37%	7.44%	4.75%	0.76%	1.28%	1.49%	1.47%

\*Periods over 1 year are annualized.

Benchmark: ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index

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 market value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.

## PORTFOLIO CHARACTERISTICS



Walnut Valley Water District Liquidity | Account #10075 | As of September 30, 2024

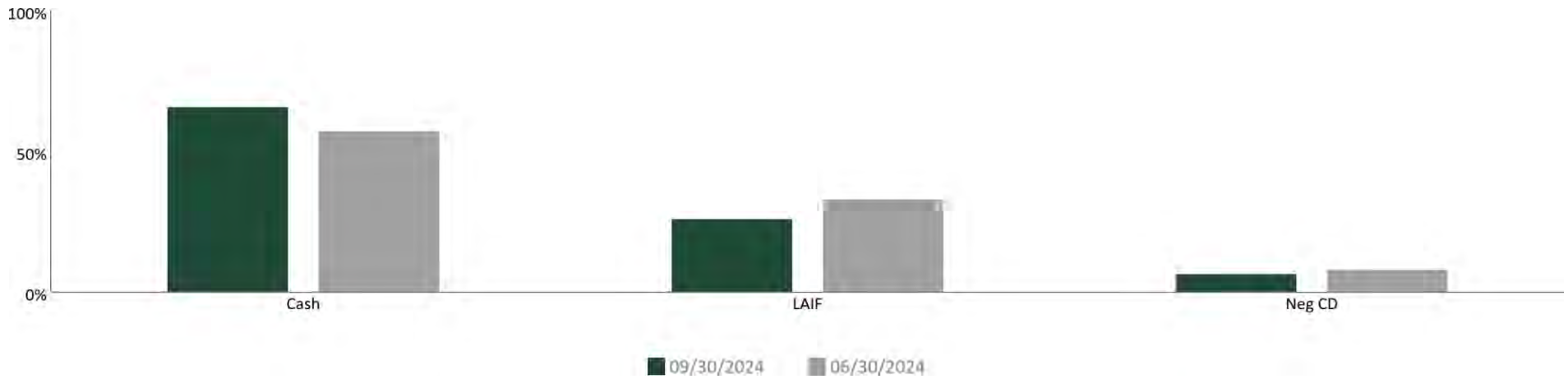
	9/30/2024 Portfolio	6/30/2024 Portfolio
Average Maturity (yrs)	0.07	0.11
Average Modified Duration	0.07	0.11
Average Purchase Yield	5.60%	1.63%
Average Market Yield	5.83%	1.99%
Average Quality**	BBB+	BBB+
Total Market Value	10,419,551	8,204,059

\*Benchmark: NO BENCHMARK REQUIRED

\*\*The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.

## SECTOR DISTRIBUTION

Walnut Valley Water District Liquidity | Account #10075 | As of September 30, 2024



### Sector as a Percentage of Market Value

Sector	09/30/2024	06/30/2024
Cash	66.21%	57.64%
LAIF	26.88%	33.75%
Neg CD	6.92%	8.60%



## ISSUERS



Walnut Valley Water District Liquidity | Account #10075 | As of September 30, 2024

Issuer	Investment Type	% Portfolio
Cash	Cash	66.21%
LAIF	LAIF	26.88%
State Bank of India - New York Branc	Neg CD	2.33%
Sallie Mae Bank	Neg CD	2.33%
The Goldman Sachs Group, Inc.	Neg CD	2.26%
<b>TOTAL</b>		<b>100.00%</b>

## CONSOLIDATED INFORMATION

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## PORTFOLIO CHARACTERISTICS



Walnut Valley Water District Cons | Account #10076 | As of September 30, 2024

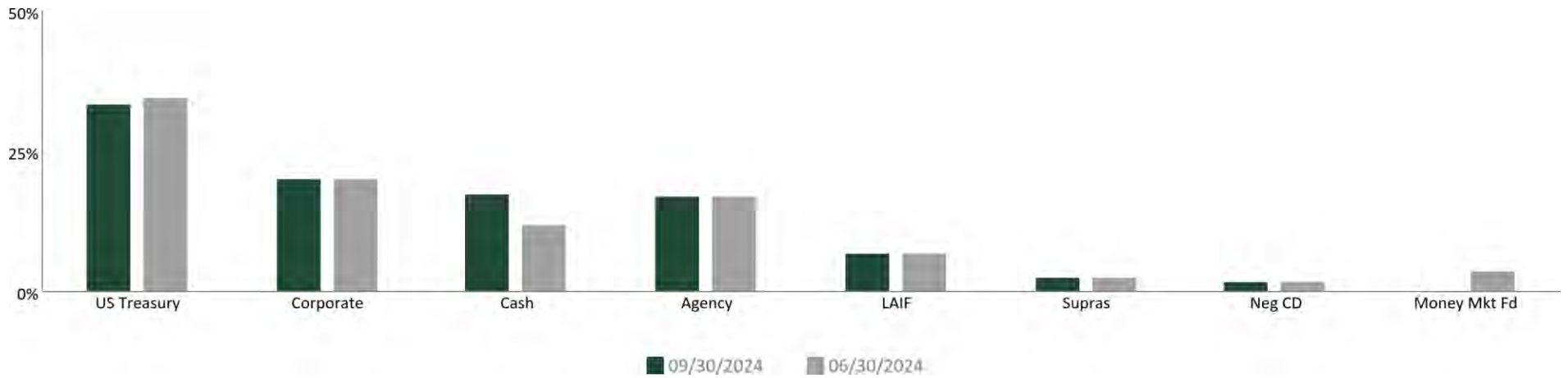
	9/30/2024 Portfolio	6/30/2024 Portfolio
Average Maturity (yrs)	1.39	1.57
Average Modified Duration	1.30	1.47
Average Purchase Yield	3.09%	2.15%
Average Market Yield	4.47%	4.31%
Average Quality**	AA	AA
Total Market Value	39,822,788	38,977,833

\*Benchmark: NO BENCHMARK REQUIRED

\*\*The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.

## SECTOR DISTRIBUTION

Walnut Valley Water District Cons | Account #10076 | As of September 30, 2024



### Sector as a Percentage of Market Value

Sector	09/30/2024	06/30/2024
US Treasury	33.58%	34.95%
Corporate	20.48%	20.38%
Cash	17.39%	12.21%
Agency	17.01%	17.06%
LAIF	7.06%	7.13%
Supras	2.66%	2.66%
Neg CD	1.82%	1.82%
Money Mkt Fd	--	3.79%

## PORTFOLIO HOLDINGS

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# HOLDINGS REPORT



Walnut Valley Water District | Account #10074 | As of September 30, 2024

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
<b>AGENCY</b>									
3130A3GE8	FEDERAL HOME LOAN BANKS 2.75 12/13/2024	700,000.00	12/23/2019 1.80%	732,445.00 701,304.23	99.62 4.63%	697,340.50 5,775.00	2.38% (3,963.74)	Aaa/AA+ AA+	0.20 0.20
3135G0X24	FEDERAL NATIONAL MORTGAGE ASSOCIATION 1.625 01/07/2025	600,000.00	02/14/2020 1.48%	604,074.00 600,223.67	99.19 4.67%	595,160.31 2,275.00	2.03% (5,063.36)	Aaa/AA+ AA+	0.27 0.26
3137EAEPO	FEDERAL HOME LOAN MORTGAGE CORP 1.5 02/12/2025	600,000.00	02/14/2020 1.48%	600,486.00 600,035.76	98.85 4.70%	593,100.43 1,225.00	2.03% (6,935.33)	Aaa/AA+ AA+	0.37 0.36
3135G03U5	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.625 04/22/2025	800,000.00	-- 0.53%	803,537.00 800,403.66	97.98 4.33%	783,826.82 2,208.33	2.68% (16,576.83)	Aaa/AA+ AA+	0.56 0.54
3130AJKW8	FEDERAL HOME LOAN BANKS 0.5 06/13/2025	600,000.00	06/10/2020 0.54%	598,866.00 599,841.46	97.44 4.24%	584,668.22 900.00	2.00% (15,173.24)	Aaa/AA+ AA+	0.70 0.68
3137EAEU9	FEDERAL HOME LOAN MORTGAGE CORP 0.375 07/21/2025	400,000.00	08/12/2020 0.45%	398,456.00 399,749.09	97.12 4.04%	388,499.34 291.67	1.33% (11,249.75)	Aaa/AA+ AA+	0.80 0.79
3137EAEX3	FEDERAL HOME LOAN MORTGAGE CORP 0.375 09/23/2025	700,000.00	10/07/2020 0.50%	695,758.00 699,163.78	96.53 4.03%	675,733.68 58.33	2.31% (23,430.10)	Aaa/AA+ AA+	0.98 0.96
3135G06G3	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.5 11/07/2025	625,000.00	11/18/2020 0.51%	624,775.00 624,950.14	96.23 4.04%	601,417.06 1,250.00	2.06% (23,533.07)	Aaa/AA+ AA+	1.10 1.07
3130AKFA9	FEDERAL HOME LOAN BANKS 0.375 12/12/2025	600,000.00	01/05/2021 0.42%	598,680.00 599,679.71	96.12 3.72%	576,724.58 681.25	1.97% (22,955.13)	Aaa/AA+ AA+	1.20 1.17
3130ATUS4	FEDERAL HOME LOAN BANKS 4.25 12/10/2027	475,000.00	01/26/2023 3.67%	487,188.50 482,986.28	101.97 3.59%	484,368.19 6,224.48	1.66% 1,381.91	Aaa/AA+ AA+	3.19 2.93
3130AWMN7	FEDERAL HOME LOAN BANKS 4.375 06/09/2028	750,000.00	07/21/2023 4.17%	756,637.50 755,017.23	102.57 3.62%	769,261.10 10,208.33	2.63% 14,243.87	Aaa/AA+ AA+	3.69 3.35
<b>Total Agency</b>		<b>6,850,000.00</b>	<b>1.45%</b>	<b>6,900,903.00</b> <b>6,863,355.01</b>	<b>98.59</b> <b>4.16%</b>	<b>6,750,100.23</b> <b>31,097.40</b>	<b>23.07%</b> <b>(113,254.78)</b>	<b>Aaa/AA+</b> <b>AA+</b>	<b>1.20</b> <b>1.13</b>
<b>CASH</b>									
CCYUSD	Receivable	2,166.44	-- 0.00%	2,166.44 2,166.44	1.00 0.00%	2,166.44 0.00	0.01% 0.00	Aaa/AAA AAA	0.00 0.00
<b>Total Cash</b>		<b>2,166.44</b>	<b>0.00%</b>	<b>2,166.44</b>	<b>1.00</b> <b>0.00%</b>	<b>2,166.44</b> <b>0.00</b>	<b>0.01%</b> <b>0.00</b>	<b>Aaa/AAA</b> <b>AAA</b>	<b>0.00</b> <b>0.00</b>
<b>CORPORATE</b>									

# HOLDINGS REPORT



Walnut Valley Water District | Account #10074 | As of September 30, 2024

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
06367WB85	BANK OF MONTREAL 1.85 05/01/2025	400,000.00	02/15/2022 2.25%	395,048.00 399,101.95	98.41 4.64%	393,646.92 3,083.33	1.35% (5,455.02)	A2/A- AA-	0.58 0.57
717081EX7	PFIZER INC 0.8 05/28/2025	400,000.00	05/26/2020 0.83%	399,376.00 399,918.33	97.69 4.40%	390,756.36 1,093.33	1.34% (9,161.97)	A2/A WR	0.66 0.64
78015K7H1	ROYAL BANK OF CANADA 1.15 06/10/2025	400,000.00	05/20/2021 0.96%	403,072.00 400,523.78	97.71 4.55%	390,839.15 1,418.33	1.34% (9,684.63)	A1/A AA-	0.69 0.67
89114TZD7	TORONTO-DOMINION BANK 1.2 06/03/2026	400,000.00	08/11/2021 1.12%	401,416.00 400,492.17	95.34 4.11%	381,369.89 1,573.33	1.30% (19,122.28)	A1/A AA-	1.67 1.62
06428CAA2	BANK OF AMERICA NA 5.526 08/18/2026	500,000.00	09/11/2023 5.51%	500,150.00 500,094.56	102.67 4.03%	513,372.28 3,300.25	1.75% 13,277.71	Aa1/A+ AA	1.88 1.69
87612EBM7	TARGET CORP 1.95 01/15/2027	500,000.00	01/24/2022 1.87%	501,865.00 500,841.55	96.06 3.76%	480,297.67 2,058.33	1.64% (20,543.89)	A2/A A	2.29 2.20
06406RBA4	BANK OF NEW YORK MELLON CORP 2.05 01/26/2027	500,000.00	01/26/2022 2.03%	500,400.00 500,181.85	95.75 3.98%	478,762.27 1,850.69	1.64% (21,419.59)	A1/A AA-	2.32 2.22
023135CF1	AMAZON.COM INC 3.3 04/13/2027	400,000.00	04/26/2022 3.26%	400,788.00 400,395.33	98.72 3.83%	394,891.43 6,160.00	1.35% (5,503.90)	A1/AA AA-	2.53 2.37
665859AW4	NORTHERN TRUST CORP 4.0 05/10/2027	500,000.00	06/28/2022 4.00%	500,045.00 500,023.81	100.16 3.93%	500,813.52 7,833.33	1.71% 789.71	A2/A+ A+	2.61 2.34
69371RS31	PACCAR FINANCIAL CORP 4.6 01/10/2028	500,000.00	01/26/2023 4.26%	507,430.00 504,920.42	101.65 4.06%	508,247.54 5,175.00	1.74% 3,327.12	A1/A+ NA	3.28 2.99
24422EWR6	JOHN DEERE CAPITAL CORP 4.75 01/20/2028	500,000.00	01/26/2023 4.29%	510,270.00 506,820.28	102.40 3.97%	511,996.59 4,684.03	1.75% 5,176.31	A1/A A+	3.31 3.01
438516CJ3	HONEYWELL INTERNATIONAL INC 4.95 02/15/2028	425,000.00	04/11/2023 4.02%	441,923.50 436,694.55	103.50 3.83%	439,893.74 2,688.13	1.50% 3,199.20	A2/A A	3.38 3.00
713448FL7	PEPSICO INC 3.6 02/18/2028	500,000.00	03/20/2023 4.18%	487,155.00 491,157.43	99.33 3.81%	496,666.98 2,150.00	1.70% 5,509.55	A1/A+ NA	3.39 3.14
57636QAW4	MASTERCARD INC 4.875 03/09/2028	450,000.00	03/10/2023 4.83%	450,904.50 450,618.47	103.30 3.84%	464,860.83 1,340.63	1.59% 14,242.36	Aa3/A+ NA	3.44 3.07
74456QBU9	PUBLIC SERVICE ELECTRIC AND GAS CO 3.7 05/01/2028	400,000.00	06/26/2023 4.70%	382,788.00 387,273.43	98.71 4.09%	394,843.06 6,166.67	1.35% 7,569.63	A1/A WR	3.59 3.27
341081GN1	FLORIDA POWER & LIGHT CO 4.4 05/15/2028	450,000.00	-- 4.67%	444,781.50 446,176.71	101.19 4.04%	455,367.21 7,480.00	1.56% 9,190.50	Aa2/A+ AA-	3.62 3.13
74340XCG4	PROLOGIS LP 4.875 06/15/2028	450,000.00	07/21/2023 4.96%	448,330.50 448,735.96	102.61 4.11%	461,757.39 6,459.38	1.58% 13,021.43	A3/A NA	3.71 3.26

# HOLDINGS REPORT



Walnut Valley Water District | Account #10074 | As of September 30, 2024

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
89236TLB9	TOYOTA MOTOR CREDIT CORP 5.25 09/11/2028	450,000.00	09/26/2023 5.34%	448,227.00 448,588.46	104.19 4.09%	468,871.71 1,312.50	1.60% 20,283.26	A1/A+ A+	3.95 3.54
<b>Total Corporate</b>		<b>8,125,000.00</b>	<b>3.60%</b>	<b>8,123,970.00</b> <b>8,122,559.03</b>	<b>100.10</b> <b>4.05%</b>	<b>8,127,254.52</b> <b>65,827.26</b>	<b>27.78%</b> <b>4,695.49</b>	<b>A1/A</b> <b>A+</b>	<b>2.66</b> <b>2.42</b>
<b>SUPRANATIONAL</b>									
459058JL8	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 0.5 10/28/2025	600,000.00	12/14/2020 0.48%	600,516.00 600,113.83	96.30 4.06%	577,774.34 1,275.00	1.97% (22,339.49)	Aaa/AAA NA	1.08 1.05
4581X0DV7	INTER-AMERICAN DEVELOPMENT BANK 0.875 04/20/2026	500,000.00	04/27/2021 0.94%	498,425.00 499,509.38	95.52 3.87%	477,623.29 1,956.60	1.63% (21,886.10)	Aaa/AAA NA	1.55 1.51
<b>Total Supranational</b>		<b>1,100,000.00</b>	<b>0.69%</b>	<b>1,098,941.00</b> <b>1,099,623.21</b>	<b>95.95</b> <b>3.97%</b>	<b>1,055,397.62</b> <b>3,231.60</b>	<b>3.61%</b> <b>(44,225.59)</b>	<b>Aaa/AAA</b> <b>NA</b>	<b>1.29</b> <b>1.26</b>
<b>US TREASURY</b>									
912828YM6	UNITED STATES TREASURY 1.5 10/31/2024	600,000.00	02/15/2022 1.74%	596,203.13 599,884.71	99.72 4.89%	598,334.41 3,766.30	2.05% (1,550.30)	Aaa/AA+ AA+	0.08 0.08
912828YV6	UNITED STATES TREASURY 1.5 11/30/2024	700,000.00	12/23/2019 1.71%	692,808.59 699,760.69	99.46 4.81%	696,206.06 3,528.69	2.38% (3,554.63)	Aaa/AA+ AA+	0.17 0.16
912828Z52	UNITED STATES TREASURY 1.375 01/31/2025	575,000.00	03/04/2020 0.72%	593,328.13 576,247.09	98.96 4.55%	569,019.78 1,332.03	1.94% (7,227.31)	Aaa/AA+ AA+	0.34 0.33
912828ZF0	UNITED STATES TREASURY 0.5 03/31/2025	750,000.00	03/26/2020 0.50%	749,912.11 749,991.28	98.11 4.38%	735,820.31 10.30	2.51% (14,170.97)	Aaa/AA+ AA+	0.50 0.49
91282CAT8	UNITED STATES TREASURY 0.25 10/31/2025	700,000.00	02/16/2021 0.51%	691,605.47 698,067.69	96.13 3.94%	672,902.34 732.34	2.30% (25,165.35)	Aaa/AA+ AA+	1.08 1.06
91282CBC4	UNITED STATES TREASURY 0.375 12/31/2025	700,000.00	01/12/2021 0.52%	694,968.75 698,734.56	95.81 3.85%	670,660.16 663.38	2.29% (28,074.40)	Aaa/AA+ AA+	1.25 1.22
91282CBH3	UNITED STATES TREASURY 0.375 01/31/2026	550,000.00	03/22/2021 0.85%	537,625.00 546,602.80	95.57 3.82%	525,615.23 347.49	1.80% (20,987.57)	Aaa/AA+ AA+	1.34 1.30
91282CBQ3	UNITED STATES TREASURY 0.5 02/28/2026	650,000.00	03/09/2021 0.83%	639,589.84 647,044.52	95.52 3.79%	620,851.56 278.31	2.12% (26,192.96)	Aaa/AA+ AA+	1.41 1.38
91282CBT7	UNITED STATES TREASURY 0.75 03/31/2026	440,000.00	03/29/2021 0.87%	437,301.56 439,193.13	95.64 3.77%	420,801.56 9.07	1.44% (18,391.56)	Aaa/AA+ AA+	1.50 1.46



# HOLDINGS REPORT



Walnut Valley Water District | Account #10074 | As of September 30, 2024

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CCF6	UNITED STATES TREASURY 0.75 05/31/2026	850,000.00	06/28/2021 0.88%	844,820.31 848,250.38	95.25 3.72%	809,591.80 2,142.42	2.77% (38,658.58)	Aaa/AA+ AA+	1.67 1.62
91282CCP4	UNITED STATES TREASURY 0.625 07/31/2026	750,000.00	10/08/2021 1.02%	736,171.88 744,730.64	94.63 3.68%	709,716.80 789.74	2.43% (35,013.85)	Aaa/AA+ AA+	1.83 1.79
91282CCW9	UNITED STATES TREASURY 0.75 08/31/2026	850,000.00	09/28/2021 1.00%	839,939.45 846,086.63	94.65 3.67%	804,544.92 545.93	2.75% (41,541.71)	Aaa/AA+ AA+	1.92 1.87
91282CCZ2	UNITED STATES TREASURY 0.875 09/30/2026	650,000.00	12/29/2021 1.26%	638,447.27 645,143.06	94.73 3.64%	615,722.65 15.63	2.10% (29,420.40)	Aaa/AA+ AA+	2.00 1.95
91282CDG3	UNITED STATES TREASURY 1.125 10/31/2026	575,000.00	11/29/2021 1.18%	573,472.66 574,353.69	94.98 3.65%	546,137.70 2,707.03	1.87% (28,215.99)	Aaa/AA+ AA+	2.08 2.02
91282CDK4	UNITED STATES TREASURY 1.25 11/30/2026	575,000.00	04/26/2022 2.74%	537,827.15 557,499.08	95.09 3.63%	546,789.06 2,415.47	1.87% (10,710.01)	Aaa/AA+ AA+	2.17 2.09
91282CEF4	UNITED STATES TREASURY 2.5 03/31/2027	700,000.00	06/13/2022 3.44%	670,878.91 684,849.05	97.43 3.59%	682,007.82 48.08	2.33% (2,841.23)	Aaa/AA+ AA+	2.50 2.39
91282CEW7	UNITED STATES TREASURY 3.25 06/30/2027	550,000.00	09/13/2022 3.61%	541,363.28 545,054.86	99.16 3.57%	545,359.38 4,517.32	1.86% 304.51	Aaa/AA+ AA+	2.75 2.58
91282CFH9	UNITED STATES TREASURY 3.125 08/31/2027	550,000.00	09/08/2022 3.39%	543,232.42 546,030.48	98.76 3.58%	543,189.45 1,471.86	1.86% (2,841.03)	Aaa/AA+ AA+	2.92 2.75
91282CFM8	UNITED STATES TREASURY 4.125 09/30/2027	400,000.00	10/28/2022 4.19%	398,796.88 399,266.73	101.61 3.56%	406,421.88 45.33	1.39% 7,155.15	Aaa/AA+ AA+	3.00 2.80
91282CFU0	UNITED STATES TREASURY 4.125 10/31/2027	750,000.00	11/09/2022 4.30%	744,169.92 746,388.30	101.58 3.58%	761,865.23 12,946.67	2.60% 15,476.93	Aaa/AA+ AA+	3.08 2.83
9128283F5	UNITED STATES TREASURY 2.25 11/15/2027	875,000.00	12/09/2022 3.79%	814,946.29 836,944.84	96.10 3.58%	840,854.49 7,436.31	2.87% 3,909.65	Aaa/AA+ AA+	3.13 2.95
<b>Total US Treasury</b>		<b>13,740,000.00</b>	<b>1.84%</b>	<b>13,517,409.00</b> <b>13,630,124.22</b>	<b>97.01</b> <b>3.87%</b>	<b>13,322,412.58</b> <b>45,749.70</b>	<b>45.54%</b> <b>(307,711.63)</b>	<b>Aaa/AA+</b> <b>AA+</b>	<b>1.74</b> <b>1.67</b>
<b>Total Portfolio</b>		<b>29,817,166.44</b>	<b>2.20%</b>	<b>29,643,389.44</b> <b>29,717,827.91</b>	<b>98.19</b> <b>3.99%</b>	<b>29,257,331.40</b> <b>145,905.95</b>	<b>100.00%</b> <b>(460,496.51)</b>	<b>Aa2/AA-</b> <b>AA</b>	<b>1.86</b> <b>1.74</b>
<b>Total Market Value + Accrued</b>						<b>29,403,237.35</b>			

# HOLDINGS REPORT



Walnut Valley Water District Liquidity | Account #10075 | As of September 30, 2024

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
<b>CASH</b>									
CCYUSD	Receivable	37,070.60	-- 0.00%	37,070.60 37,070.60	1.00 0.00%	37,070.60 0.00	0.36% 0.00	Aaa/AAA AAA	0.00 0.00
90CASH\$00	Custodial Cash Account	6,860,201.39	-- 6.54%	6,860,201.39 6,860,201.39	1.00 6.54%	6,860,201.39 0.00	65.85% 0.00	NA/NA NA	0.00 0.00
<b>Total Cash</b>		<b>6,897,271.99</b>	<b>6.50%</b>	<b>6,897,271.99</b>	<b>6.50%</b>	<b>6,897,271.99</b>	<b>66.21%</b>	<b>Aaa/AAA</b>	<b>0.00</b>
<b>LAIF</b>									
90LAIF\$00	Local Agency Investment Fund State Pool	2,799,944.17	-- 4.57%	2,799,944.17 2,799,944.17	1.00 4.57%	2,799,944.17 0.00	26.88% 0.00	NA/NA NA	0.00 0.00
<b>Total LAIF</b>		<b>2,799,944.17</b>	<b>4.57%</b>	<b>2,799,944.17</b>	<b>4.57%</b>	<b>2,799,944.17</b>	<b>26.88%</b>	<b>NA/NA</b>	<b>0.00</b>
<b>NEGOTIABLE CD</b>									
7954506L4	Sallie Mae Bank 0.85 05/27/2025	248,000.00	05/27/2020 0.85%	248,000.00 248,000.00	97.75 4.38%	242,409.75 733.47	2.33% (5,590.25)	Baa1/BBB- BBB-	0.65 0.64
856285TQ4	State Bank of India - New York Branch 1.1 05/28/2025	248,000.00	05/28/2020 1.10%	248,000.00 248,000.00	97.90 4.38%	242,784.57 941.72	2.33% (5,215.43)	Baa3/BBB- NA	0.66 0.64
38149MZJ5	Goldman Sachs Bank USA 1.05 09/08/2026	248,000.00	08/25/2021 1.05%	248,000.00 248,000.00	94.88 3.82%	235,301.27 164.09	2.26% (12,698.73)	A1/A+ AA-	1.94 1.89
<b>Total Negotiable CD</b>		<b>744,000.00</b>	<b>1.00%</b>	<b>744,000.00</b>	<b>4.20%</b>	<b>720,495.58</b>	<b>6.92%</b>	<b>Baa2/BBB</b>	<b>1.07</b>
<b>Total Portfolio</b>		<b>10,441,216.16</b>	<b>5.60%</b>	<b>10,441,216.16</b>	<b>5.83%</b>	<b>10,417,711.74</b>	<b>100.00%</b>	<b>Baa1/BBB</b>	<b>0.07</b>
<b>Total Market Value + Accrued</b>						<b>10,419,551.02</b>			

# TRANSACTIONS

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# TRANSACTION LEDGER



Walnut Valley Water District | Account #10074 | 07/01/2024 Through 09/30/2024 |

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>DISPOSITIONS</b>										
Maturity	08/31/2024	9128282U3	(575,000.00)	UNITED STATES TREASURY 1.875 08/31/2024	100.000	1.88%	575,000.00	0.00	575,000.00	0.00
<b>Total Maturity</b>			<b>(575,000.00)</b>				<b>575,000.00</b>	<b>0.00</b>	<b>575,000.00</b>	<b>0.00</b>
<b>TOTAL DISPOSITIONS</b>			<b>(575,000.00)</b>				<b>575,000.00</b>	<b>0.00</b>	<b>575,000.00</b>	<b>0.00</b>

# TRANSACTION LEDGER



Walnut Valley Water District Liquidity | Account #10075 | 07/01/2024 Through 09/30/2024 |

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	07/15/2024	90LAIF\$00	31,256.61	Local Agency Investment Fund State Pool	1.000	4.53%	(31,256.61)	0.00	(31,256.61)	0.00
<b>Total Purchase</b>			<b>31,256.61</b>				<b>(31,256.61)</b>	<b>0.00</b>	<b>(31,256.61)</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>31,256.61</b>				<b>(31,256.61)</b>	<b>0.00</b>	<b>(31,256.61)</b>	<b>0.00</b>

## IMPORTANT DISCLOSURES



2024 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

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.

- **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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Benchmark	Disclosure
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.



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

November 12, 2024  
At the Office of the District  
271 South Brea Canyon Road, Walnut, CA 91789

## DIRECTORS PRESENT:

Edwin Hilden  
Theresa Lee  
Jerry Tang  
Scarlett Kwong (Via Zoom)  
Henry Woo

## DIRECTORS ABSENT:

None

## STAFF PRESENT:

Sherry Shaw, General Manager/Chief Engineer  
Jared Macias, Assistant General Manager  
Josh Byerrum, Director of Finance  
Lily Lopez, Director of External Affairs & Sustainability  
Alanna Diaz, Director of Administrative Services  
Tom Monk, Director of Operations  
Lucie Cazares, Executive Services Administrator  
Jim Ciampa, Legal Counsel

Legal Counsel Mr. Jim Ciampa announced that the Board of Directors received a request from Board Member Kwong to attend and participate in the Board Meeting remotely. Mr. Ciampa indicated that AB 2449 allows a Board Member to attend and participate remotely for emergency circumstances or just case reasons. The Board Member must provide a brief general description of the circumstances relating to their need to appear remotely.

Board Member Kwong stated that she is participating remotely due to a contagious illness.

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

Guests and others in attendance: Three Valleys Municipal Water District (TVMWD) Directors Mike Ti and Chief Operating Officer Steve Lang, and WVWD employees Bertha Perez, Greg Galindo, James Ning, Dave Rudy and Lito Garcia.

### **Item 3: Public Comment**

- ◆ There were no requests for public comment. (Item 3)

### **Item 4: Additions to the Agenda**

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

### **Item 5: Reorder of the Agenda**

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

### **Item 6: WVWD Special Recognition**

- ◆ Mr. Tom Monk introduced to the Board Mr. Greg Galindo, Operations Manager. Mr. Josh Byerrum introduced to the Board Mr. James Ning, Accounting Manager and Ms. Alanna Diaz introduced to the Board Mr. Dave Rudy, Safety Officer. (Item 6)

### **Item 7: WVWD Team Milestones and Achievements**

- ◆ Ms. Shaw recognized Lito Garcia, for celebrating 30 years of dedicated service to the District as of October 2024. (Item 7)

### **Item 8: Consider Approval of Consent Calendar**

- ◆ The Board was asked to approve the Consent Calendar, consisting of the minutes of the Regular Board meeting held on October 21, 2024, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Item 8 – A, B, C, D)

***Motion No. 24-11-2098: Upon consideration thereof, it was moved by Director Tang, seconded by Director Hilden, and carried 5-0, to approve the Consent Calendar, consisting of the minutes of the Regular Board meeting held on October 21, 2024, the Check Register, the Employee Expense Reimbursement Report, and the Community Outreach Report. (Item 8 – A, B, C, D)***

**President Lee indicated Motion No. 24-11-2098 was approved by a 5-0 roll call vote**

**Item 9: Director Expense Reports**

- ◆ The Board was asked to receive, approve, and file the Board member expense reports indicating per diem requests for meeting attendance and individual reports of additional expenses incurred by the District on behalf of each Director for events occurring during October 2024. (Item 9)

**Motion No. 24-11-2099: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Woo, and carried 5-0 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 October 2024. (Item 9)**

President Lee indicated Motion No. 24-11-2099 was approved by a 5-0 roll call vote

**Item 10: Treasurer’s Reports**

- ◆ Mr. Byerrum presented the Financial Dashboard as of September 30, 2024, the District Statement of Revenue, Expenses, and Change in Net Position as of September 30, 2024, the District Statement of Net Position as of September 30, 2024, and the Summary of Cash and Investments as of September 30, 2024. (Items 10 - A, B, C, D)

**Motion No. 24-11-2100: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Tang, and carried 5-0 to receive, approve, and file the Financial Dashboard as of September 30, 2024, the District Statement of Revenue, Expenses, and Change in Net Position as of September 30, 2024, the District Statement of Net Position as of September 30, 2024, and the Summary of Cash and Investments as of September 30, 2024. (Items 10 - A, B, C, D)**

President Lee indicated Motion No. 24-11-2100 was approved by a 5-0 roll call vote

**Committee Chair Reports**

**Item 11: Public Information/Community Relations/Legislative Action Committee – Director Lee**

- ◆ The Board was asked to approve a resolution authorizing the General Manager or her designee to apply for, receive, and enter into a cooperative agreement and administer a grant for the 2025 Bureau of Reclamation Small Scale Water Efficiency Grant. (Item 11-A)

**Motion No. 24-11-2101: Upon consideration thereof, it was moved by Director Kwong, seconded by Director Hilden, and carried 5-0 to approve Resolution No. 11-24-736 authorizing the General Manager or her designee to apply for, receive, and enter into a cooperative agreement and administer a grant for the 2025 Bureau of Reclamation Small Scale Water Efficiency Grant. (Item 11-A).**

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

President Lee indicated Motion No. 24-11-2101, adopting Resolution No. 11-24-736, was approved by a 5-0 roll call vote

**Item 12: Finance Committee – Director Lee**

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

**Item 13: Engineering Committee – Director Woo**

- ◆ Mr. Monk reviewed the Operations Report included in the Board Packet. No action was taken by the Board. (Item 13-A)

**Item 14: Personnel Committee – Director Lee**

- ◆ There are no items to come to the Board at this time. (Item 14)

**Item 15: TVMWD/MWD**

- ◆ Updates on TVMWD/MWD business matters were provided by TVMWD Chief Operating Officer Steve Lang. (Item 15)

**Item 16: The P-W-R Joint Water Line Commission**

- ◆ Mr. Monk reported on the P-W-R Joint Water Line Commission water use report for the month of September 2024. (Item 16)

**Item 17: Puente Basin Water Agency (PBWA)**

- ◆ Director Lee reported the next PBWA meeting is scheduled for December 12, 2024. (Item 17)

**Item 18: Spadra Basin Groundwater Sustainability Agency**

- ◆ Director Lee reported on the November 4, 2024, Spadra Basin GSA Executive Committee meeting. (Item 18)

**Item 19: General Manager's Report**

- ◆ The Board received the District's activities calendars for December 2024, January and February 2025. (Item 19)

**Item 20: Water Supply and Conservation**

- ◆ The Board received reports and graphs of the following items: District potable and recycled water use, Calendar Year 2024 purchased water estimate, conservation goal summary, climate summary, and 2024 monthly water consumption versus the 2013 and 2020 baseline years. The report noted that the District's water usage for October 2024 was 18.48% lower than usage in October 2020 and 26.94% lower than usage in October 2013. (Item 20-A)
- ◆ The Board viewed reports on California's water supply and reservoir conditions as of November 6, 2024. (Item 20-B)

**Item 21: Directors' Oral Reports**

(NOTE: Board meeting minutes provide written reports of Board meetings, 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 21)

- ◆ Director Hilden reported the following on his activities for October: The District's Regular Board meeting, Diamond Bar Friends of the Library Wine Soiree, PWR Commission meeting, Personnel committee, TVMWD Board meetings, WVWD Employee Appreciation BBQ Lunch and TVMWD Leadership Breakfast.
- ◆ Director Kwong reported the following on her activities for October: The Diamond Bar State of the City, PWR Commission meeting, Regional Chamber Government Affairs committee meeting, Public Information committee, and Engineering committee.
- ◆ Director Lee reported on the following activities for October: The Puente Basin Water Agency Board meeting, Diamond Bar State of the City, Finance committee, Personnel committee, WVWD Employee Appreciation BBQ Lunch, District's Regular Board meeting, WVWD Community Information meeting and TVMWD Leadership Breakfast.
- ◆ Director Tang reported on the following activities for October: The Public Information committee, Finance committee, District's Regular Board meeting, WVWD General Manager Evaluation and WVWD Community Information meeting.
- ◆ Director Woo reported on the following activities for October: TVMWD Board meeting, Puente Basin Water Agency Board meeting, Public Information committee, Engineering committee and WVWD Employee Appreciation BBQ Lunch.

**Item 22: Legal Reports**

- ◆ Legal Counsel Jim Ciampa provided an update on the pending approvals by State Water Contractors of additional planning funds for the Delta Conveyance Project. He stated Metropolitan Water District will be taking its vote in December and the Board will likely be seeing media coverage on that issue. (Item 22)

**Item 23: Items for Future Discussion**

- ◆ There were no requests for future discussion items. (Item 23)

**Item 24: Board of Directors Business**

- ◆ The Board was asked to approve the VMware renewal of \$184,642.56 through our Information Technology (IT) managed services vendor, Axelliant for a 3-year term of November 17, 2024 - November 16, 2027.

**Motion No. 24-11-2102: Upon consideration thereof, it was moved by Director Tang, seconded by Director Hilden, and carried 5-0 by the roll call vote noted below, to approve the VMware renewal of \$184,642.56 through our Information Technology (IT) managed services vendor, Axelliant, for a 3-year term of November 17, 2024 - November 16, 2027. (Item 24-A)**

**President Lee indicated Motion No. 24-11-2102 was approved by a 5-0 roll call vote**

- ◆ The Board received notice of the ACWA’s General Session Membership Meeting to be held on December 4, 2024. General Manager Sheryl L. Shaw, Assistant General Manager Jared Macias and Director Henry Woo are attending the conference, however, Ms. Shaw announced that she was not able to attend the general session meeting and asked Director Woo to serve as delegate and Mr. Macias to serve as alternate. (24-B)
- ◆ As a matter of information only, the Board received a Revenue Bond Funds Held in Trust – East West Bank. (24-C)
- ◆ As a matter of information only, the Board received a Revenue Bond Funds Held in Trust – US Bank. (24-D)

**Adjournment to closed session - 6:10 p.m.**

**Item 25: 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 25)

**Item 26: Reconvene in Open Session/ Report of Action Taken in Closed Session**

- ◆ 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 26-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, 2025. Ms. Diaz noted that the General Manager’s contract allows her 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)

**Motion No. 24-11-2103: Upon consideration thereof, it was moved by Director Woo, seconded by Director Kwong, and carried 3-1-1, 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, 2025. (Item 26-B)**

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

**President Lee indicated Motion No. 24-11-2103 was approved by a 3-1-1 roll call vote**

**Adjournment at 6:37 p.m.**

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

November 14, 2024  
At the South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765

## **DIRECTORS PRESENT:**

Edwin Hilden  
Scarlett Kwong (Via Zoom)  
Theresa Lee  
Jerry Tang  
Henry Woo

## **DIRECTORS ABSENT:**

None

## **STAFF PRESENT:**

Sherry Shaw, General Manager/Chief Engineer  
Jared Macias, Assistant General Manager  
Josh Byerrum, Director of Finance  
Thomas Monk, Director of Operations  
Alanna Diaz, Director of Administrative Services  
Lily Lopez, Director of External Affairs & Sustainability  
Lucie Cazares, Executive Services Administrator  
Jim Ciampa, Legal Counsel

Legal Counsel Mr. Jim Ciampa announced that the Board of Directors received a request from Board Member Kwong to attend and participate in the Board Meeting remotely. Mr. Ciampa indicated that AB 2449 allows a Board Member to attend and participate remotely for emergency circumstances or just cause reasons. The Board Member must provide a brief general description of the circumstances relating to their need to appear remotely.

Board Member Kwong stated that she is participating remotely due to a contagious illness.

The meeting was called to order at 6:00 p.m. with President Lee presiding.

Guests and others in attendance: WVWD employees Bertha Perez, Greg Galindo, James Ning, Dave Rudy, Ron Woodruff, Carmen Fleming, Cecilia Marquez, Stephanie Fu, Donna DiLaura, Katrina Lumague, Debby Chu and Manny Rodriguez.

### **Item 3: Public Comment**

- ◆ There were no requests. (Item 3)

### **Item 4: Public Hearing Regarding Proposed Increase in Water Rates**

#### **A. Open Public Hearing (6:07 p.m.)**

President Lee opened the Public Hearing and advised those who wished to speak about the proposed increase in water rates to submit speaker cards to be provided by District staff. She also stated that any protests must be in writing and be provided to District staff.

- B. Mr. Ciampa, Legal Counsel reviewed the rules of the public hearing process, gave an overview of Proposition 218 and its respective requirements. He stated that the Public Hearing and related process is being conducted in compliance with those requirements.

- C. Presentation of Rate Review Process by District Staff and IB Consulting. Ms. Lily Lopez and Mr. Josh Byerrum commenced with a PowerPoint presentation providing an overview of the Walnut Valley Water District and responded to various questions asked by attendees. Mr. Habib Isaac from IB Consulting then continued with a PowerPoint presentation detailing the Domestic and Recycled Water Rate Study Final Report presented for Board consideration and approval.

#### **D. Receive Public Comments**

President Lee then stated that public comments would now be accepted. Comment cards were received from three (3) District customers wishing to address the Board.

The Board was addressed with comments (as highlighted below) by Mr. Matt Rzonca, Mr. David, and Mr. Jeff McCain regarding the proposed rates and other concerns:

- ◆ An inquiry about desalination projects, technology and reducing capital improvement projects to keep costs down.
- ◆ Hardships rate increases cause for retirees.
- ◆ Thanked District employees for answering questions during the presentation.

Prior to closing the Public Hearing, President Lee advised that for anyone who is opposed to

the proposed adjustments, a written protest the proposed action must be submitted prior to closing the Public Hearing. She then invited anyone wishing to submit or withdraw a written protest do so at that moment.

E. Close Public Hearing (7:21 p.m.)

President Lee closed the Public Hearing and indicated that a brief recess will take place so Legal Counsel may tabulate protest letters.

F. Review of Protests Submitted and Determination of Whether Majority Protests Exists (7:23 p.m.)

G. Mr. Ciampa stated that the District has 27,491 total service connections, and fifty percent plus one (13,746) are needed to preclude the Board from approving the proposed rate increase. Under Proposition 218, only one vote per parcel is allowed. There was a total of 21 valid protests received, and thus a majority protest did not exist under any of: (i) total service connections; (ii) solely potable water connections; and (iii) solely recycled water connections. With this, Mr. Ciampa indicated the Board is authorized to proceed in its discretion to consider possible action on the increase in water rates.

**Item 5: Receive, Approve, and File the Domestic and Recycled Water Rate Study Final Report**

◆ The Board was asked to receive, approve, and file the Domestic and Recycled Water Rate Study Final Report. (Item 5)

***Motion No. 24-11-2104: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Tang and unanimously carried 5-0, to receive, approve, and file the Domestic and Recycled Water Rate Study Final Report. (Item 5)***

President Lee indicated Motion No. 24-11-2104 was approved by a 5-0 roll call vote

**Item 6: Consider Approval of Resolution No. 11-24-737, Adopting Revised Rates and Charges for Water Service**

◆ The Board was asked to consider approval of WVWD Resolution No. 11-24-737 “Adopting Revised Rates and Charges for Water Service.” (Item 6)

***Motion No. 24-11-2105: Upon consideration thereof, it was moved by Director Hilden, seconded by Director Woo and unanimously carried 5-0 by the roll call vote noted below to approve, and file WVWD Resolution No. 11-24-737, Adopting Revised Rates and Charges for Water Service . (Item 6)***

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

President Lee indicated Motion No. 24-11-2105, adopting Resolution No. 11-24-737, was approved by a 5-0 roll call vote

**Adjournment at 7:28 p.m.**

Walnut Valley Water District  
Check Register For the Month of November 2024

CHECK NUMBER	DATE	PAYEE	AMOUNT
11028	11/27/2024	Merrimac Energy Group-VOIDED	
11041	11/20/2024	InfoSend, Inc.-VOIDED	
11237	11/1/2024	Chan, Andy	\$ 250.00
11238	11/1/2024	Ken's Ace Hardware	\$ 62.37
11239	11/1/2024	Liebert, Cassidy, & Whitmore	\$ 225.00
11240	11/1/2024	Woodruff, Ronald	\$ 134.67
11241	11/1/2024	Fast Eddie's Trucking	\$ 932.00
11242	11/1/2024	West Coast Sand and Gravel, Inc.	\$ 2,459.92
11243	11/1/2024	State Water Resources Ctrl Bd - Cert Rnw	\$ 180.00
11244	11/1/2024	Frontier Communications	\$ 488.81
11245	11/1/2024	Governmentjobs.com, Inc	\$ 4,904.65
11246	11/1/2024	Managed Mobile, Inc.	\$ 619.60
11247	11/1/2024	ALS Group USA, Corp.	\$ 2,272.00
11248	11/1/2024	SoCal SCADA Solutions, LLC	\$ 16,392.00
11249	11/1/2024	Cyber Security Source	\$ 509.02
11250	11/1/2024	Kent, Douglas G	\$ 900.00
11251	11/1/2024	Lumague, Katrina	\$ 35.38
11252	11/1/2024	Critical Mention, Inc.	\$ 833.32
11253	11/1/2024	Equitable Financial Life Insurance Company of America	\$ 6,972.79
11254	11/1/2024	San Dimas Rotary Foundation	\$ 400.00
11255	11/7/2024	ACWA - JPIA	\$ 171,014.88
11256	11/7/2024	Federal Express	\$ 39.75
11257	11/7/2024	Hach Company	\$ 586.05
11258	11/7/2024	McMaster-Carr Supply Company	\$ 1,132.30
11259	11/7/2024	Mission Paving and Sealing, Inc.	\$ 18,500.00
11260	11/7/2024	United Rentals Northwest, Inc.	\$ 155.25
11261	11/7/2024	Vulcan Materials Company	\$ 1,027.46
11262	11/7/2024	Rowland Water District	\$ 280.48
11263	11/7/2024	Fuel Pros, Inc.	\$ 250.00
11264	11/7/2024	BearCom	\$ 976.02
11265	11/7/2024	County Sanitation Districts of LA County	\$ 255,563.87
11266	11/7/2024	InfoSend, Inc.	\$ 3,149.92
11267	11/7/2024	Rodriguez, Sara	\$ 2,491.13
11268	11/7/2024	Western Exterminator Company	\$ 88.00
11269	11/7/2024	DP Trading Inc	\$ 454.75
11270	11/7/2024	West Coast Sand and Gravel, Inc.	\$ 2,100.00
11271	11/7/2024	Safety Kleen System, Inc.	\$ 213.53
11272	11/7/2024	TelePacific Corp.	\$ 1,200.89
11273	11/7/2024	Iga Printing	\$ 517.35

Walnut Valley Water District  
Check Register For the Month of November 2024

CHECK NUMBER	DATE	PAYEE	AMOUNT
11274	11/7/2024	HASA, Inc.	\$ 3,077.83
11275	11/7/2024	Knight Industrial Supply	\$ 706.44
11276	11/7/2024	Aqua Backflow, Inc	\$ 3,249.00
11277	11/7/2024	PlanetBids, Inc.	\$ 8,561.35
11278	11/7/2024	Fluoresco Services, LLC	\$ 525.49
11279	11/7/2024	Automationdirect.com Inc	\$ 105.39
11280	11/7/2024	Via Promotionals, Inc.	\$ 1,866.50
11281	11/7/2024	Exterior Products Corp.	\$ 1,950.00
11282	11/7/2024	Total Uptime Technologies LLC	\$ 276.00
11283	11/7/2024	Searock Stafford CM, Inc.	\$ 30,710.00
11284	11/7/2024	Pomona Valley Plumbing, Heating & Air Conditioning	\$ 3,362.81
11285	11/7/2024	Customer First Communications, Inc.	\$ 300.00
11286	11/14/2024	ACWA Services Corporation	\$ 137,133.67
11287	11/14/2024	Badger Meter, Inc.	\$ 13.26
11288	11/14/2024	Garcia, Cielito	\$ 130.49
11289	11/14/2024	McMaster-Carr Supply Company	\$ 464.50
11290	11/14/2024	Pool & Electrical Products, Inc.	\$ 1,749.40
11291	11/14/2024	Quinn Company	\$ 2,796.22
11292	11/14/2024	Cintas Corporation #150	\$ 220.37
11293	11/14/2024	Dunn Edwards Corporation	\$ 795.06
11294	11/14/2024	Genesis Computer Systems, Inc.	\$ 1,197.56
11295	11/14/2024	Associated Soils Engineering, Inc.	\$ 11,965.00
11296	11/14/2024	Shute, John	\$ 1,690.00
11297	11/14/2024	Cintas First Aid & Safety LOC#168	\$ 430.52
11298	11/14/2024	West Coast Sand and Gravel, Inc.	\$ 881.79
11299	11/14/2024	Anne Chang	\$ 80.00
11300	11/14/2024	Hill Brothers Chemical Company	\$ 1,165.06
11301	11/14/2024	Patton, Christian	\$ 3,699.00
11302	11/14/2024	ALS Group USA, Corp.	\$ 470.00
11303	11/14/2024	Bay Alarm Company	\$ 320.37
11304	11/14/2024	Autonovation Mobile Auto Repair	\$ 567.64
11305	11/14/2024	La Verne Power Equipment, Inc.	\$ 1,432.15
11306	11/14/2024	Automationdirect.com Inc	\$ 1,918.99
11307	11/14/2024	Axelliant LLC	\$ 5,560.00
11308	11/14/2024	11:11 Systems, Inc.	\$ 423.95
11309	11/14/2024	Critical Mention, Inc.	\$ 833.32
11310	11/14/2024	Healthequity, Inc.	\$ 14.75
11311	11/14/2024	Puente Hills Ford	\$ 2,230.61
11312	11/14/2024	California Registration Specialist LLC	\$ 963.00



Walnut Valley Water District  
Check Register For the Month of November 2024


CHECK NUMBER	DATE	PAYEE	AMOUNT
11313	11/21/2024	AT&T Mobillity II, LLC	\$ 562.82
11314	11/21/2024	Azteca Landscape	\$ 15,675.00
11315	11/21/2024	Garcia, Cielito	\$ 119.51
11316	11/21/2024	Graybar Electric Company, Inc.	\$ 2,131.33
11317	11/21/2024	McMaster-Carr Supply Company	\$ 66.47
11318	11/21/2024	Pomona City Clerk	\$ 2,089.98
11319	11/21/2024	Quinn Company	\$ 6,418.35
11320	11/21/2024	Southern Calif Gas Company	\$ 96.11
11321	11/21/2024	Underground Service Alert	\$ 827.70
11322	11/21/2024	United Rentals Northwest, Inc.	\$ 444.58
11323	11/21/2024	Grainger	\$ 81.52
11324	11/21/2024	Cintas Corporation #150	\$ 635.52
11325	11/21/2024	LA. County Department of Public Works	\$ 1,294.87
11326	11/21/2024	Chandler Asset Management, Inc.	\$ 2,699.90
11327	11/21/2024	Sully-Miller Contracting Company	\$ 79,209.40
11328	11/21/2024	Applied Technology Group, Inc.	\$ 340.00
11329	11/21/2024	Industry Public Utility Commission	\$ 1,681.32
11330	11/21/2024	Ferguson Waterworks - Santa Ana	\$ 118.81
11331	11/21/2024	Online Information Services, Inc.	\$ 322.51
11332	11/21/2024	Phenix Truck Bodies & Equipment	\$ 7,575.52
11333	11/21/2024	West Coast Sand and Gravel, Inc.	\$ 1,267.23
11334	11/21/2024	Puente Hills Ford	\$ 573.60
11335	11/21/2024	Veritiv Operating Company	\$ 8.21
11336	11/21/2024	Frontier Communications	\$ 1,074.48
11337	11/21/2024	Echologics, LLC	\$ 2,122.50
11338	11/21/2024	OPARC, Inc.	\$ 3,558.05
11339	11/21/2024	Wienhoff and Associates, Inc.	\$ 595.00
11340	11/21/2024	Commercial Truck Equipment Co.	\$ 8,700.57
11341	11/21/2024	HASA, Inc.	\$ 5,217.89
11342	11/21/2024	Spadra Basin Groundwater Sustainability Agency	\$ 2,065.82
11343	11/21/2024	Canon Solutions America, Inc.	\$ 59.14
11344	11/21/2024	Banzil, Alyssa	\$ 655.83
11345	11/21/2024	Valley Power Systems, Inc.	\$ 4,885.56
11346	11/21/2024	Public Water Agencies Group	\$ 2,536.35
11347	11/21/2024	Lagerlof, LLP	\$ 1,950.00
11348	11/21/2024	Right of Way, Inc.	\$ 2,178.50
11349	11/21/2024	Central Communications	\$ 778.27
11350	11/21/2024	Valley Vista Services, Inc.	\$ 1,628.35
11351	11/21/2024	La Canada Design Group, Inc.	\$ 13,092.00
11352	11/21/2024	Elite Signs and Graphics	\$ 322.33
11353	11/21/2024	C.J. Brown & Company, CPAs	\$ 303.00

**Walnut Valley Water District**  
**Check Register For the Month of November 2024**

CHECK NUMBER	DATE	PAYEE	AMOUNT
11354	11/21/2024	American Environmental Specialists, Inc.	\$ 2,177.10
11355	11/21/2024	Breaking The Chain Consulting, LLC	\$ 3,000.00
11356	11/21/2024	D 7 Consulting Inc.	\$ 1,750.00
11357	11/21/2024	CPI	\$ 158.30
11358	11/21/2024	Kimberlina Whettam & Associates, Inc.	\$ 75.00
11359	11/21/2024	Bureau of Reclamation	\$ 19,630.00
11360	11/21/2024	InfoSend, Inc.	\$ 18,876.54
11361	11/26/2024	Civiltec Engineering, Inc.	\$ 1,647.50
11362	11/26/2024	LA County Registrar-Recorder/County Clerk	\$ 20.00
11363	11/26/2024	Federal Express	\$ 147.11
11364	11/26/2024	Core & Main LP	\$ 1,891.21
11365	11/26/2024	Stump Fence Company	\$ 1,780.00
11366	11/26/2024	Verizon Wireless	\$ 1,101.78
11367	11/26/2024	Western Water Works	\$ 4,285.40
11368	11/26/2024	Fuel Pros, Inc.	\$ 1,745.83
11369	11/26/2024	InfoSend, Inc.	\$ 3,046.24
11370	11/26/2024	Applied Technology Group, Inc.	\$ 48,446.20
11371	11/26/2024	Office Solutions Business Prod. & Svcs,LLC	\$ 517.66
11372	11/26/2024	West Coast Sand and Gravel, Inc.	\$ 1,724.48
11373	11/26/2024	State Water Resources Ctrl Bd - Cert Rnw	\$ 165.00
11374	11/26/2024	Tovar, Marco	\$ 458.01
11375	11/26/2024	HQ Enterprises Inc.	\$ 34.65
11376	11/26/2024	Premier Family Medicine Associates, Inc.	\$ 87.00
11377	11/26/2024	HASA, Inc.	\$ 6,276.08
11378	11/26/2024	Interstate Battery System of Inland Valley	\$ 341.15
11379	11/26/2024	Via Promotionals, Inc.	\$ 319.26
11380	11/26/2024	Corelogic Solutions, LLC	\$ 265.23
11381	11/26/2024	Noble, Garrett	\$ 2,249.00
11382	11/26/2024	Axelliant LLC	\$ 3,641.43
11383	11/26/2024	Perez, Bertha	\$ 93.38
11384	11/26/2024	Hernandez, Samuel	\$ 91.87
11385	11/26/2024	Pitney Bowes Global Financial Svc LLC	\$ 2,340.61
11386	11/26/2024	Purchase Power	\$ 500.00
EFT000000001222	11/1/2024	Vasquez, Regina	\$ 349.40
EFT000000001223	11/4/2024	Doty Bros Equipment Co, Inc.	\$ 77,904.46
EFT000000001224	11/4/2024	DPR Construction, A General Patnrship	\$ 1,087,456.99
EFT000000001225	11/6/2024	Puente Basin Water Agency	\$ 912,589.00
EFT000000001226	11/6/2024	Pomona-Walnut-Rowland JWL Commission	\$ 1,147,494.16
EFT000000001227	11/8/2024	Doty Bros Equipment Co, Inc.	\$ 1,284.00
EFT000000001228	11/8/2024	SpryPoint Services, Inc.	\$ 3,440.15
EFT000000001229	11/8/2024	Quest Building Services	\$ 2,595.00
EFT000000001230	11/8/2024	U.S. Bank National Association	\$ 295,370.59
EFT000000001231	11/14/2024	Bill Operations LLC	\$ 3,909.89
EFT000000001232	11/15/2024	Doty Bros Equipment Co, Inc.	\$ 14,800.25
EFT000000001233	11/22/2024	Doty Bros Equipment Co, Inc.	\$ 14,916.00

Walnut Valley Water District  
Check Register For the Month of November 2024

CHECK NUMBER	DATE	PAYEE	AMOUNT
EFT00000001234	11/22/2024	Puente Basin Water Agency	\$ 48,438.19
EFT00000001235	11/22/2024	Amazon Capital Services, Inc.	\$ 4,568.54
EFT00000001236	11/26/2024	Southern California Edison Company	\$ 132,499.03
EFT00000001237	11/26/2024	Home Depot Credit Services	\$ 815.78
EFT00000001238	11/26/2024	East West Bank - Visa	\$ 12,567.91
EFT00000001239	11/27/2024	Doty Bros Equipment Co, Inc.	\$ 18,163.79
EFT00000001240	11/27/2024	Puente Basin Water Agency	\$ 84,784.56
XFR000008283	11/7/2024	PAYROLL	\$ 305,916.50
XFR000008284	11/7/2024	WATER REFUND	\$ 14,430.77
XFR000008285	11/4/2024	CREDIT CARDS	\$ 174.17
XFR000008312	11/19/2024	PAYROLL	\$ 307,154.62
XFR000008329	11/27/2024	PAYROLL	\$ 454,074.13
<b>TOTAL</b>			<b>\$ 5,982,695.45</b>

Reviewed by:  Director of Finance 12/9/2024  
Date

Reviewed by:  General Manager 12/12/2024  
Date

**Walnut Valley Water District  
 Monthly Employee Expense Reimbursements  
 Exceeding the Amount of \$100.00  
 For the Month of November 30, 2024**



<b>Date</b>	<b>Check Number</b>	<b>Employee Name</b>	<b>Description</b>	<b>Amount</b>
11/21/2024	011344	Banzil, Alyssa	Expense Reimbursement	\$ 655.83
11/1/2024	011237	Chan, Andy	Expense Reimbursement	\$ 250.00
11/21/2024	011315	Garcia, Cielito	Expense Reimbursement	\$ 119.51
11/14/2024	011288	Garcia, Cielito	Expense Reimbursement	\$ 130.49
11/14/2024	11296	Shute, John	Education Reimbursement	\$ 1,690.00
11/20/2024	11374	Tovar, Marco	Education Reimbursement	\$ 210.00
11/26/2024	11374	Tovar, Marco	Expense Reimbursement	\$ 248.01
11/1/2024	11240	Woodruff, Ronald	Expense Reimbursement	\$ 134.67

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 16, 2024  
**SUBJECT:** Community Outreach Update

Action/Discussion   
  Fiscal Impact   
  Resolution   
  Information Only

## RECOMMENDATION

For information only.

## BACKGROUND INFORMATION:

### External Affairs & Sustainability Outreach Update

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

### Insert Front



**Did You Know?**

At Walnut Valley Water District...

**1 GALLON of Water  
Costs Less Than  
HALF A CENT**

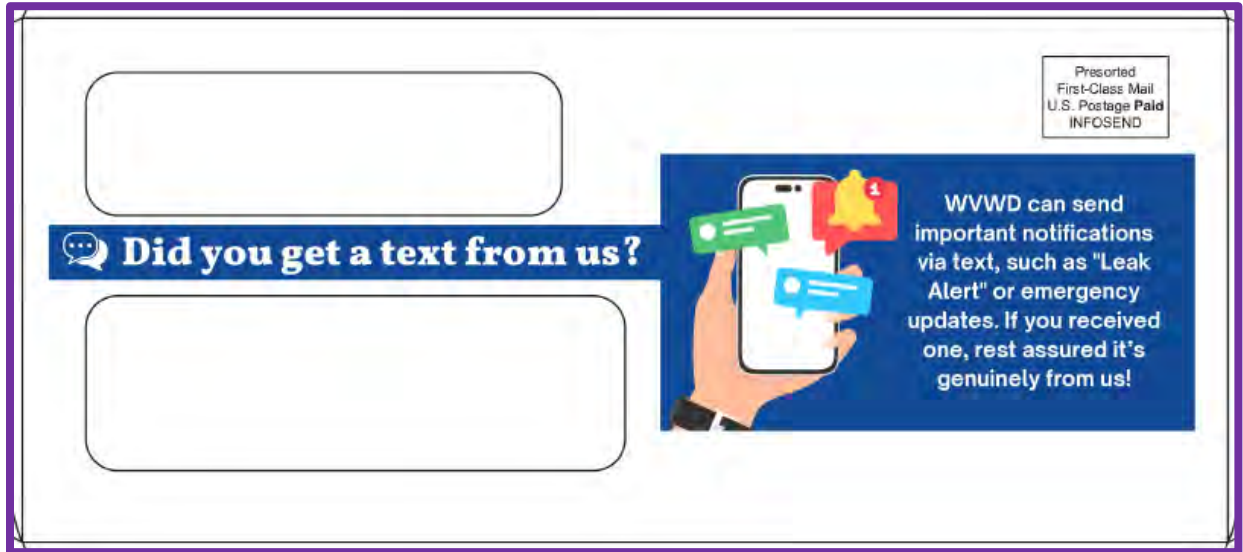
Item	Price
16oz Iced Latte	\$6.25
16oz Boba Milk Tea	\$5.50
1 Gallon Bottled Water	\$1.50
1 Gallon Milk	\$4.60
1 Pint Beer	\$8.00

Walnut Valley Water District's water is a *great value!*

\*All items are priced based on an average cost.

December Bill Snipe

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



2. Facebook, Instagram, X and YouTube

The District regularly posts updates and promotions of External Affairs/Sustainability activities, conservation tips, and educational materials on Facebook, Instagram, X, and YouTube.

During November, the District shared the following:

- Job Post – Utility Service Worker II
- Job Post – Administrative Assistant I/II
- Water Rates Public Hearing
- Rain Barrel Distribution Event



3. Customer Portal Campaign



The District utilizes the Customer Portal to send customers alerts, emails, and text messages.

During the month of December, the District shared the following:

- Customer Monthly Newsletter
- Leak Alerts

**Walnut Valley Water District**

**Monthly Newsletter** December 2024

---

**Look Out for Our New Verified Text Messages**

If you see texts from (909) 345-2770 and emails from [cservice@walnutvalleywater.gov](mailto:cservice@walnutvalleywater.gov)—they're from us!

We're sending important notifications, including:

- Leak Alerts
- Emergency notifications
- Non-payment reminders

To receive text messages, update your contact information in the [portal](#). If you have any questions about these messages, call our office at (909) 595-7554.

**Order Your Rain Barrels Today!**

We are offering a convenient way to order and pick-up rain barrels on December 7th at the Walnut City Hall Parking Lot. Barrels qualify for \$35 in rebates.

[More Information](#)

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**Get Rebates for Efficient Sprinklers!**

If every home installed **WATERSENSE LABELED** spray sprinkler bodies, the U.S. could save over **31 BILLION GALLONS** of water

Sprinkler nozzle rebates from SoCal WaterSmart can help you save water and money. WaterSense-labeled products can reduce water usage by up to 30%. Upgrade today for better efficiency and savings!

[Search Available Rebates](#)

**Office Closed**

The District office will be closed on December 24th, 25th, and January 1st. For emergency service, please call (909) 595-7554.

---

**Did You Know?**

Did you know your water is tested over 17,000 times a year to meet all quality standards? Learn more about WVWD's commitment to providing safe, high-quality drinking water that meets all federal, state, and local regulations.

[Let's Dive In](#)

# Automatic Leak Alerts to Help You Save Water & Money

Dear \${contactFirstName},

Walnut Valley Water District is excited to announce the launch of its Automatic Leak Alerts for residential and commercial customers.

**How It Works:** If our system detects a possible water leak at your property, you will receive an email and text alert through the [customer portal](#). This proactive notification system helps prevent high water bills at the end of the month due to undetected leaks. The notification goes out after 24 hours of continuous water use.

**Stay Informed:** To receive text and email alerts, please update your mobile phone number and email address in your [customer portal](#). You can list multiple phone numbers to receive a text. This will ensure that you receive timely notifications wherever you are. [If you have not signed up for the customer portal, you can create your account here.](#)

**Opt-Out Option:** If you prefer not to receive these alerts, you can opt-out by logging into your [customer portal](#) and updating your preferences. Rest assured, this is not a spam alert; you will only receive notifications if there is a suspected leak.

**Learn More:** We have also created an educational video that demonstrates how to check for leaks in person and how to utilize the customer portal effectively. [You can watch the video here.](#)



WVWD is committed to providing you with the best service possible and helping you manage your water usage efficiently. If you have any questions or need assistance, please do not hesitate to contact our customer support team at (909) 595-7554 or via email at [cservice@walnutvalleywater.gov](mailto:cservice@walnutvalleywater.gov).

## External Affairs & Sustainability Activities

1. MAAP Funded Leak Repair Program  
Through MWD's MAAP funding program, WVWD has secured \$25,000 for its Leak Repair Program to assist qualifying customers. Customers may participate through an invitation after being vetted on water usage and need. To date, 40 customers have been invited to participate in the leak repair program. 21 have completed their leak assessment, 2 were disqualified, 11 are scheduled to have their assessment, and 5 are pending to have their assessment scheduled. All leak assessments and repairs for indoor and outdoor leaks are completed by EcoTech Services.
2. Metropolitan Water District 2025 Calendar  
Metropolitan Water District (MWD) has chosen two students, Vera Kwan from South Pointe Middle School and Evelyn Wu from Diamond Bar High School, to showcase their artwork in the "Being Waterwise Is" 2025 calendar. Both students have been invited to a special luncheon at MWD's office on December 12 to celebrate this achievement.
3. Rain Barrel Distribution Event  
The District is hosting a Rain Barrel Distribution Event on December 7 at the Walnut City Hall Parking Lot. Customers who pre-order rain barrels through our partnership with Rain Barrels International will collect them at this event.
4. Walnut Family Festival  
The District will participate in the Walnut Family Festival Winter Wonderland on December 14 at Suzanne Park. This includes a booth at the event to hand out giveaways and conservation-related flyers.
5. Career Day Hosted by the Women of AT&T  
The District will participate in a Career Day, hosted by the Women of AT&T Southern California at Mount San Antonio College on January 25. Our team will share a presentation at the event and host a booth to engage with high school and college students about careers in the water industry.
6. Splash Cash Teacher Grants  
WVWD is awarding two grants through the Splash Cash Program, managed by PWAG-CET, to teachers from Shelyn Elementary School and Rowland High School. These grants will support student trips to the Aquarium of the Pacific and Newport Bay Conservancy, where students will expand their understanding of marine ecosystems and the importance of water conservation and protecting natural resources.
7. Public Water Agencies Group - Conservation and Education Team (PWAG-CET)  
WVWD co-hosted a workshop on the Making Conservation a California Way of Life Regulation/Urban Water Use Objectives with the PWAG CET team. This workshop included a presentation by ACWA's Regulatory Manager, Chelsea Haines, and a roundtable discussion. The event occurred on Thursday, November 7 at 11:30 am at Three Valleys Municipal Water District.

## Local Sponsorships

### 1. Los Angeles Regional Food Bank Volunteering Events

WVWD employees are volunteering to support the Los Angeles Regional Food Bank. The first volunteer event occurred on Friday, November 22, and 1,020 food box kits were assembled for seniors in need throughout our service area. The next volunteer date is scheduled for Saturday, December 21.



### 2. Walnut Sherriff's Annual Santa Sleigh Drive – Toy Drive Event

WWWD employees are participating in a toy drive event that benefits the Walnut Sheriff's Station Annual Santa Sleigh Drive event. The Walnut Sherriff's booster station organizes volunteers to drive through the Rowland Heights community and distribute gifts from Santa to children in need. The event will be taking place on December 19<sup>th</sup>. Boxes to collect unwrapped gift donations are in the front customer service lobby and back building crew room.

3. United Abacus Arithmetic Association Sponsorship  
The District is sponsoring the United Abacus Arithmetic Association. The sponsorship includes a half-page ad that will be promoted in their 2025 UAAA Annual Journal. The ad will promote our "Let's Dive In" campaign.
4. Diamond Bar Community Foundation Sponsorship  
The District is sponsoring the Diamond Bar Community Foundation Winter Gala, which will be held on February 23 at the Diamond Bar Center. The sponsorship includes a full-page ad in the program.
5. Diamond Bar Evergreen Club Journal Ads  
The District is sponsoring the Diamond Bar Evergreen Club's Journal Ads. The sponsorship includes a whole-page ad that will be sent quarterly to their members.
6. Voltech Robotics Sponsorships  
The District sponsored the Voltech Robotics team with a financial sponsorship that will support the team in the upcoming FTC World Championship.
7. MeterHero  
The District has an ongoing 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.

# DIRECTOR EXPENSE FORM



**NAME: Edwin Hilden**

**DATE: November 2024**

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	11/2/2024	Ted Ebenkamp Celebration of Life	<input type="checkbox"/>				\$ -
2	11/5/2024	Personnel Committee	<input checked="" type="checkbox"/>				\$ -
3	11/6/2024	TVMWD Board Meeting	<input checked="" type="checkbox"/>				\$ -
4	11/7/2024	City's Veterans Recognition Ceremony	<input type="checkbox"/>				\$ -
5	11/7/2024	Congresswoman Grace Napolitano's Retirement Luncheon	<input checked="" type="checkbox"/>				\$ -
6	11/8/2024	SGV Chamber of Commerce Veterans Luncheon	<input checked="" type="checkbox"/>				\$ -
7	11/12/2024	WVWD Board Meeting	<input checked="" type="checkbox"/>				\$ -
8	11/14/2024	WVWD Public Hearing	<input checked="" type="checkbox"/>				\$ -
9	11/20/2024	TVMWD Board Meeting	<input checked="" type="checkbox"/>				\$ -
10			<input type="checkbox"/>				\$ -
11			<input type="checkbox"/>				\$ -
12			<input type="checkbox"/>				\$ -
13			<input type="checkbox"/>				\$ -

Total Number of Miles: 0 X \$0.67      \$ -

Total Reimbursable Expenses      \$ -

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

**TOTAL**      \$ 1,050.00

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

\_\_\_\_\_  
Signature

11-25-24  
Date

\* Mileage is reimbursed at IRS Standard Business Mileage Rate \$0.67

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

# DIRECTOR EXPENSE FORM



**NAME: Scarlett Kwong**

**DATE: November 2024**

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	11/2/2024	Director Ebenkemp service	<input checked="" type="checkbox"/>				\$ -
2	11/4/2024	Public Info/Community Relations/Legislative Committee	<input checked="" type="checkbox"/>				\$ -
3	11/5/2024	Engineering Committee	<input checked="" type="checkbox"/>				\$ -
4	11/12/2024	Board meeting	<input checked="" type="checkbox"/>				\$ -
5	11/14/2024	Special Board meeting (public hearing)	<input checked="" type="checkbox"/>				\$ -
6			<input type="checkbox"/>				\$ -
7			<input type="checkbox"/>				\$ -
8			<input type="checkbox"/>				\$ -
9			<input type="checkbox"/>				\$ -
10			<input type="checkbox"/>				\$ -
11			<input type="checkbox"/>				\$ -
12			<input type="checkbox"/>				\$ -
13			<input type="checkbox"/>				\$ -

Total Number of Miles: 0 X \$0.67     \$ -

Total Reimbursable Expenses     \$ -

Total Meeting Compensation 5 X \$150.00 per day     \$ 750.00

**TOTAL**     \$ 750.00

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\* Mileage is reimbursed at IRS Standard Business Mileage Rate \$0.670

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

# DIRECTOR EXPENSE FORM



**NAME: Theresa Lee**

**DATE: November 2024**

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	11/2/2024	Celebrating Life of Director Ted Ebenkamp	<input type="checkbox"/>				\$ -
2	11/4/2024	SPADRA Executive Committee Meeting	<input checked="" type="checkbox"/>				\$ -
3	11/5/2024	WVWD Personnel Committee Meeting	<input checked="" type="checkbox"/>				\$ -
4	11/6/2024	WVWD Community Information Meeting via Zoom	<input checked="" type="checkbox"/>				\$ -
5	11/8/2024	Bob Archuleta's Veteran Event at DB Golf Course - Hosted by SG Valley Regional Chamber of Commerce	<input checked="" type="checkbox"/>				\$ -
6	11/12/2024	WVWD Board Meeting	<input checked="" type="checkbox"/>				\$ -
7	11/14/2024	WVWD Prop 218 Public Hearing @ AQMD	<input checked="" type="checkbox"/>				\$ -
8			<input type="checkbox"/>				\$ -
9			<input type="checkbox"/>				\$ -
10			<input type="checkbox"/>				\$ -
11			<input type="checkbox"/>				\$ -
12			<input type="checkbox"/>				\$ -
13			<input type="checkbox"/>				\$ -

Total Number of Miles: 0 X \$0.67      \$ -

Total Reimbursable Expenses      \$ -

Total Meeting Compensation 6 X \$150.00 per day      \$ 900.00

**TOTAL**      \$ 900.00

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\* Mileage is reimbursed at IRS Standard Business Mileage Rate \$0.670

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



# DIRECTOR EXPENSE FORM



**NAME: Jerry C. Tang**

**DATE: November 2024**

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	11/4/2024	WVWD Public Information Committee Meeting	<input checked="" type="checkbox"/>				\$ -
2	11/4/2024	Spadra Basin Executive Committee Meeting	<input type="checkbox"/>				\$ -
3	11/6/2024	WVWD Rate Workshop	<input checked="" type="checkbox"/>				\$ -
4	11/12/2024	WVWD Board Meeting	<input checked="" type="checkbox"/>				\$ -
5	11/14/2024	WVWD Special Board Meeting/Public Hearing (AQMD)	<input checked="" type="checkbox"/>				\$ -
6	11/20/2024	Assist a community member of Walnut to investigate and report water leaking issue	<input checked="" type="checkbox"/>				\$ -
7			<input type="checkbox"/>				\$ -
8			<input type="checkbox"/>				\$ -
9			<input type="checkbox"/>				\$ -
10			<input type="checkbox"/>				\$ -
11			<input type="checkbox"/>				\$ -
12			<input type="checkbox"/>				\$ -
13			<input type="checkbox"/>				\$ -

Total Number of Miles: 0 X \$0.67     \$ -

Total Reimbursable Expenses     \$ -

Total Meeting Compensation 5 X \$150.00 per day     \$ 750.00

**TOTAL**     \$ 750.00

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

\_\_\_\_\_  
Signature *Jerry C. Tang*

November 26, 2024  
Date

\* Mileage is reimbursed at IRS Standard Business Mileage Rate \$0.670

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

# DIRECTOR EXPENSE FORM



**NAME: Henry Woo**

**DATE: November 2024**

No	Date	Title of Meeting / Description	Per Diem Request	Mileage (assumed as round trip unless noted)			
				From Location	To Location	Miles	Miles \$
1	11/2/2024	Attended former Director Ebankamp celebration of life	<input checked="" type="checkbox"/>				\$ -
2	11/4/2024	Public Info/Legislature committee meeting	<input checked="" type="checkbox"/>				\$ -
3	11/5/2024	Engineering committee meeting	<input checked="" type="checkbox"/>				\$ -
4	11/12/2024	regular Board meeting	<input checked="" type="checkbox"/>				\$ -
5	11/14/2024	WWWD Rate Hearing	<input checked="" type="checkbox"/>				\$ -
6	11/30/2024	review water main blowout on Colima at Banida	<input checked="" type="checkbox"/>				\$ -
7			<input type="checkbox"/>				\$ -
8			<input type="checkbox"/>				\$ -
9			<input type="checkbox"/>				\$ -
10			<input type="checkbox"/>				\$ -
11			<input type="checkbox"/>				\$ -
12			<input type="checkbox"/>				\$ -
13			<input type="checkbox"/>				\$ -

Total Number of Miles: 0 X \$0.67      \$ -

Total Reimbursable Expenses      \$ -

Total Meeting Compensation 6 X \$150.00 per day      \$ 900.00

**TOTAL**      \$ 900.00

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\* Mileage is reimbursed at IRS Standard Business Mileage Rate \$0.670

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

**Monthly Board Expense Detail**  
 Edwin Hilden  
 November 30, 2024

Payment Date/Charge Date	Type	Description	Conference/Meeting	Payment Type	Check Number	Payment	Reimbursed By Director	District Expense	GL Acct.
		No Activity							
<b>Total Districts Charges</b>						-	-	0.00	

Edwin Hilden \_\_\_\_\_ Date

*Josh Byrum* \_\_\_\_\_ 12/9/2024  
 Director of Finance Date

*Ronnie Camp* \_\_\_\_\_ 12/12/2024  
 Executive Services Administrator Date

*Spencer* \_\_\_\_\_ 12/12/2024  
 General Manager Date

**Monthly Board Expense Detail**  
 Scarlett Kwong  
 November 30, 2024

Payment Date/Charge Date	Type	Description	Conference/Meeting	Payment Type	Check Number	Payment	Reimbursed By Director	District Expense	GL Acct.	
		No Activity						-		
								-		
								-		
								-		
								-		
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								-		
<b>Total Districts Charges</b>							-	-	0.00	

Scarlett Kwong \_\_\_\_\_ Date

*Josh Boyer* \_\_\_\_\_ 12/9/2024  
 Director of Finance Date


*Lucie Oving* \_\_\_\_\_ 12/12/2024  
 Executive Services Administrator Date

*S/D S* \_\_\_\_\_ 12/12/2024  
 General Manager Date

**Monthly Board Expense Detail**  
Theresa Lee  
November 30, 2024

Payment Date/Charge Date	Type	Description	Conference/Meeting	Payment Type	Check Number	Payment	Reimbursed By Director	District Expense	GL Acct.
		No Activity							
<b>Total Districts Charges</b>						-	-	0.00	

Theresa Lee \_\_\_\_\_ Date \_\_\_\_\_

  
Eric Conway  
Executive Services Administrator \_\_\_\_\_ Date 12/12/2024 \_\_\_\_\_

  
Director of Finance \_\_\_\_\_ Date 12/9/2024 \_\_\_\_\_

  
General Manager \_\_\_\_\_ Date 12/12/2024 \_\_\_\_\_



**Monthly Board Expense Detail**  
Henry Woo  
November 30, 2024

Payment Date/Charge Date	Type	Description	Conference/Meeting	Payment Type	Check Number	Payment	Reimbursed By Director	District Expense	GL Acct.
		No Activity							
<b>Total Districts Charges</b>						-	-	0.00	

Henry Woo \_\_\_\_\_ Date \_\_\_\_\_  
*[Signature]* \_\_\_\_\_ 12/12/2024  
 Executive Services Administrator \_\_\_\_\_ Date

*[Signature]* \_\_\_\_\_ 12/9/2024  
 Director of Finance \_\_\_\_\_ Date  
*[Signature]* \_\_\_\_\_ 12/12/2024  
 General Manager \_\_\_\_\_ Date



**WALNUT VALLEY WATER DISTRICT  
TREASURER'S REPORT  
December 16, 2024**

- A. Financial Dashboard as of October 31, 2024
- B. District Statement of Revenues, Expenses, and Change in Net Position as of October 31, 2024
- C. District Statement of Net Position as of October 31, 2024
- D. Summary of Cash Investments as of October 31, 2024

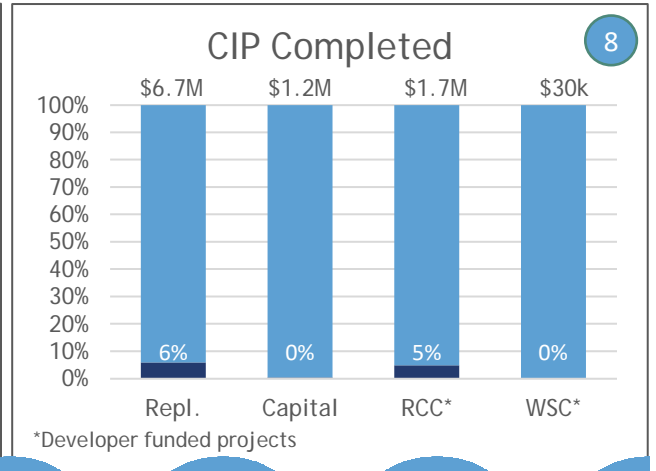
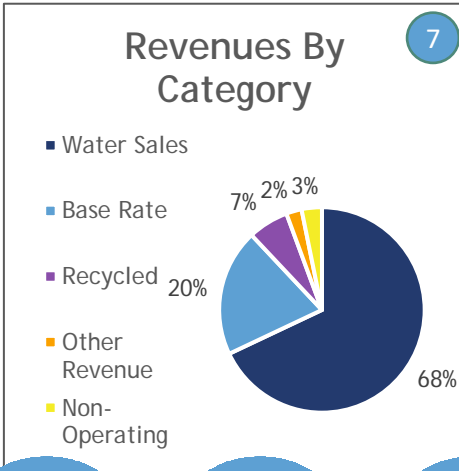
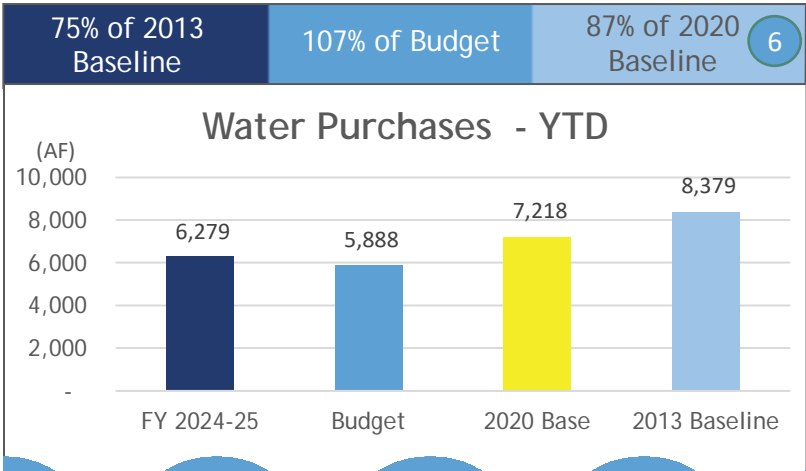
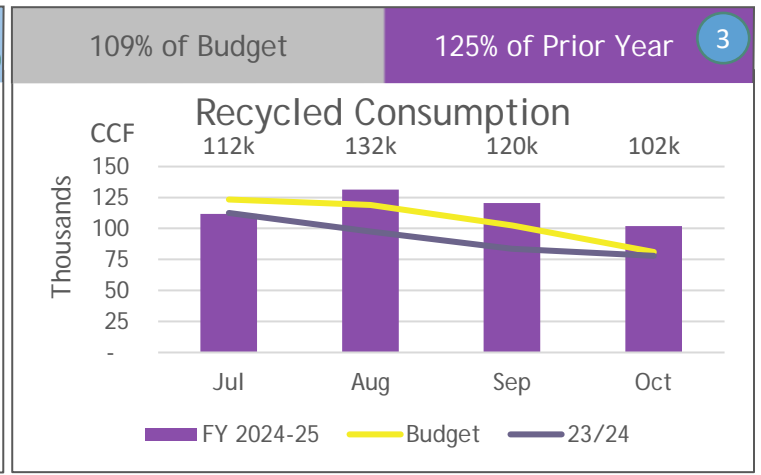
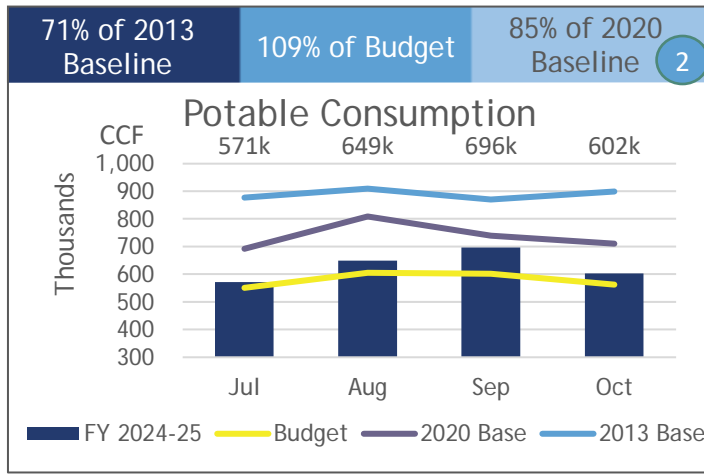
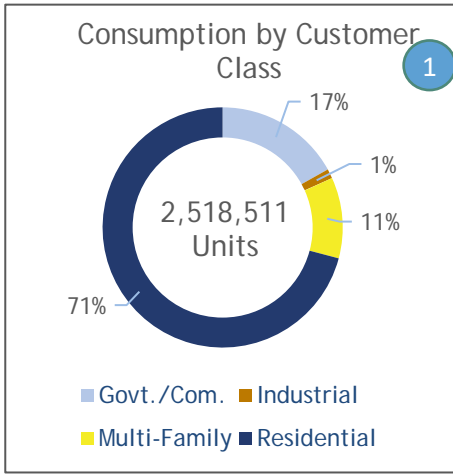




# Walnut Valley Water District Financial Dashboard



October 31, 2024



**1,079** ↑ 358  
Overdue Notice

**126** ↑ 13  
Turn-Offs

**7,026** ↑ 41  
E-Bills - Customers

**740** ↓ -2  
Affordable Rate Customers

**1,495** ↑ 208  
Phone Calls Monthly

\* Consumption revenue and expense data excludes wholesale water

Walnut Valley Water District  
 Unaudited Statement of Revenues, Expenses & Changes in Net Position  
 Summary by Division  
 For the Four Months Ending Thursday, October 31, 2024

	October			YTD		
	Actual	Budget	% of Budget	Actual	Budget	% of Budget
<b>Operating Revenues</b>						
Water Sales	\$3,721,639.72	\$3,426,000.00	108.63%	\$15,654,358.03	\$37,693,300.00	41.53%
Water Sales - Recycled	236,012.82	183,600.00	128.55%	1,091,415.41	1,714,900.00	63.64%
Hydroelectric Sales	4,265.40	2,500.00	170.62%	17,061.61	30,000.00	56.87%
Stand-by Charges	4,807.48	15,000.00	32.05%	17,002.24	825,000.00	2.06%
<b>Total Operating Revenues</b>	<b>3,966,725.42</b>	<b>3,627,100.00</b>	<b>109.36%</b>	<b>16,779,837.29</b>	<b>40,263,200.00</b>	<b>41.68%</b>
<b>Operating Expenses</b>						
Operations	679,563.79	584,720.00	116.22%	2,426,557.51	7,781,600.00	31.18%
Engineering	96,184.63	120,030.00	80.13%	404,592.16	1,601,850.00	25.26%
Finance	211,583.97	201,560.00	104.97%	749,496.00	2,610,300.00	28.71%
Board of Directors/GM Office	107,837.35	130,970.00	82.34%	454,769.33	1,755,600.00	25.90%
Administrative Services	283,298.87	344,430.00	82.25%	1,164,812.89	4,417,150.00	26.37%
General Administration	135,774.97	130,570.00	103.99%	544,974.54	1,468,800.00	37.10%
<b>Total Operating Expenses</b>	<b>1,514,243.58</b>	<b>1,512,280.00</b>	<b>100.13%</b>	<b>5,745,202.43</b>	<b>19,635,300.00</b>	<b>29.26%</b>
Purchased Water & Related	1,896,313.48	1,716,900.00	110.45%	8,634,963.71	19,891,000.00	43.41%
<b>Total Expenses</b>	<b>3,410,557.06</b>	<b>3,229,180.00</b>	<b>105.62%</b>	<b>14,380,166.14</b>	<b>39,526,300.00</b>	<b>36.38%</b>
<b>Income (Loss) From Operations</b>	<b>556,168.36</b>	<b>397,920.00</b>	<b>139.77%</b>	<b>2,399,671.15</b>	<b>736,900.00</b>	<b>325.64%</b>
Nonoperating Revenues/(Expenses)	(248,886.97)	84,500.00	-294.54%	108,994.89	1,818,900.00	5.99%
<b>Income (Loss) Before Res. Rev &amp; Deprec.</b>	<b>307,281.39</b>	<b>482,420.00</b>	<b>63.70%</b>	<b>2,508,666.04</b>	<b>2,555,800.00</b>	<b>98.16%</b>
Restricted/Desig Rev & Other Exp.	155,078.40	0.00	0.00%	474,836.50	0.00	0.00%
<b>Income (Loss) Before Depreciation</b>	<b>462,359.79</b>	<b>482,420.00</b>	<b>95.84%</b>	<b>2,983,502.54</b>	<b>2,555,800.00</b>	<b>116.73%</b>
Depreciation & Amortization	471,841.87	0.00	0.00%	1,887,792.70	0.00	0.00%
<b>Income Before Capital Contributions</b>	<b>(9,482.08)</b>	<b>482,420.00</b>	<b>-1.97%</b>	<b>1,095,709.84</b>	<b>2,555,800.00</b>	<b>42.87%</b>
Capital Contributions	48,975.94	0.00	0.00%	237,336.14	0.00	0.00%
<b>Net Increase (Decrease) in Net Position</b>	<b>39,493.86</b>	<b>482,420.00</b>	<b>8.19%</b>	<b>1,333,045.98</b>	<b>2,555,800.00</b>	<b>52.16%</b>

Walnut Valley Water District  
Unaudited Statement of Net Position  
Thursday, October 31, 2024

**ASSETS**

**CURRENT ASSETS:**

Cash & Investments - Unrestricted	\$32,176,540.59	
Accounts Receivable:		
Water	3,914,222.94	
Taxes	63,210.13	
Accrued Interest	151,278.66	
Other	1,478,203.83	
Standby Charges	35,304.23	
Materials Inventory	1,395,092.17	
Prepaid Expenses	527,429.47	
TOTAL CURRENT ASSETS		39,741,282.02

**RESTRICTED ASSETS**

Cash & Investments - Restricted	7,497,097.62	
Cash & Investments - Fiscal Agent	33,339,799.52	
Interest Receivable	13,708.46	
Investment in Joint Venture	23,462,853.01	
TOTAL RESTRICTED ASSETS		64,313,458.61

**OTHER ASSETS**

**CAPITAL ASSETS**

Capital Assets	241,016,040.08	
Construction in Progress	17,356,820.57	
Less: Accumulated Depreciation	(137,827,362.59)	
NET CAPITAL ASSETS		120,545,498.06
TOTAL ASSETS		224,600,238.69

Walnut Valley Water District  
Unaudited Statement of Net Position  
Thursday, October 31, 2024

**DEFERRED OUTFLOW OF RESOURCES**

Deferred Pension Contributions	2,654,679.00
Deferred Outflow - Actuarial	5,554,876.00
Deferred Outflow - OPEB	4,873,104.00
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>13,082,659.00</u>

**LIABILITIES & FUND EQUITY**

**CURRENT LIABILITIES**

Accounts Payable	(6,294,280.56)
Other Current Liabilities	551,795.36
Current Portion of Long Term Debt	(955,000.00)
Interest Payable	(126,279.00)
TOTAL CURRENT LIABILITIES	<u>(6,823,764.20)</u>

**RESTRICTED LIABILITIES**

Accounts Payable	(18,315.14)
Deposits	(3,082,063.82)
Construction Advances	(2,489,956.12)
TOTAL RESTRICTED LIABILITIES	<u>(5,590,335.08)</u>

**LONG TERM DEBT & RELATED**

Revenue Bonds	(44,535,000.00)
Deferred Bond Premium	(2,526,792.00)
Net Pension Liability	(17,194,995.00)
Other Long-term Debt	(3,684,282.93)
TOTAL LONG TERM DEBT & RELATED	<u>(67,941,069.93)</u>
TOTAL LIABILITIES	<u><u>(80,355,169.21)</u></u>

Walnut Valley Water District  
Unaudited Statement of Net Position  
Thursday, October 31, 2024

**DEFERRED INFLOW OF RESOURCES**

Deferred Inflow of Resources - Actuarial		(1,369,900.00)
Deferred Inflow of Resources - OPEB		(2,124,488.00)
TOTAL DEFERRED INFLOW OF RESOURCES		<u>(3,494,388.00)</u>

**NET POSITION**

Invested in Capital Assets, Net of Related Debt	120,545,498.06	
Restricted	10,706,331.53	
Unrestricted	22,581,510.89	
TOTAL NET POSITION	<u>153,833,340.48</u>	
TOTAL NET POSITION		<u>153,833,340.48</u>

Walnut Valley Water District  
 Unaudited Summary of Cash and Investments  
 10/31/2024

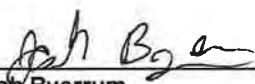
**CASH & CASH EQUIVALENTS**

Cash on Hand	\$3,000.00	
<u>Cash in Bank</u>		
East West Bank - General	\$5,800,280.48	
East West Bank - Payroll	111,827.26	
East West Bank - Water Refund	20,569.23	
East West Bank - Revolving	25,699.52	
East West Bank - Credit Card	958,448.19	
East West Bank - Badillo Grand	313,935.85	
East West Bank - Payroll Reimbursement	40,926.20	
Total Cash in Bank	7,271,686.73	
<b>TOTAL CASH</b>		<b>\$7,274,686.73</b>

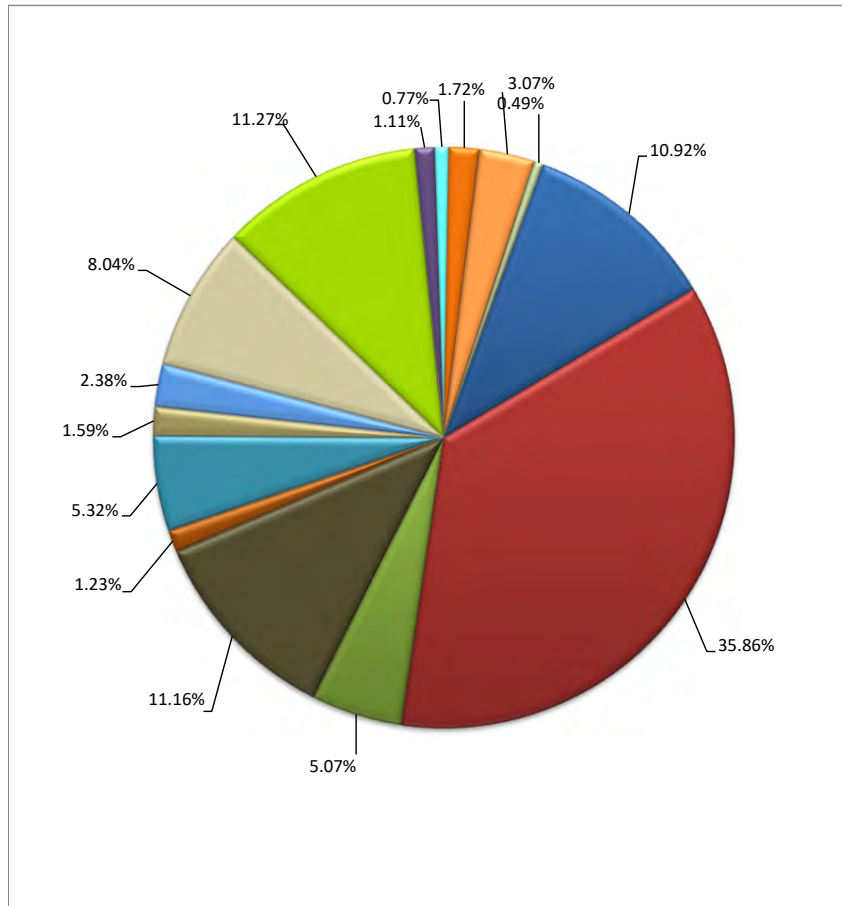
**INVESTMENTS**

Certificates of Deposit	744,000.00	
Corporate Notes	8,125,000.00	
Supranational	1,100,000.00	
Local Agency Investment Fund (LAIF)	2,833,148.51	
BNY Mellon - Money Market (Sweep)	649,949.45	
US Agency	6,850,000.00	
US Treasury	13,140,000.00	
<b>TOTAL INVESTMENTS</b>	33,442,097.96	
<b>TOTAL CASH &amp; INVESTMENTS</b>		<b>\$40,716,784.69</b>

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, 2024



ALLOCATION OF CASH AND INVESTMENTS		
<b>Unrestricted</b>		
<b>Category 1</b>		
General Account	\$ 4,445,104.00	10.92%
	<b>\$ 4,445,104.00</b>	<b>10.92%</b>
<b>Designated</b>		
<b>Category 2</b>		
Operating Reserve	\$ 3,272,600.00	8.04%
Replacement	\$ 14,613,953.24	35.86%
Capital Improvement	\$ 2,066,272.72	5.07%
Rate Stabilization	\$ 4,543,125.39	11.16%
B/G Catastrophic Ins	\$ 500,000.00	1.23%
Employee Liabilities	\$ 2,164,499.73	5.32%
Stored Water	\$ 646,900.00	1.59%
Project Reserve	\$ 967,231.99	2.38%
	<b>\$ 28,774,583.07</b>	<b>70.65%</b>

<b>Restricted Reserves</b>		
<b>Category 3</b>		
Customer/Developer Deposits	\$ 4,587,196.58	11.27%
	<b>\$ 4,587,196.58</b>	<b>11.27%</b>
<b>Category 4</b>		
ASC	\$ 451,021.12	1.11%
Badillo/Grand-Maintenance	\$ 313,935.85	0.77%
RCC	\$ 699,018.23	1.72%
WSC	\$ 1,248,244.12	3.07%
Capacity Charge	\$ 197,681.72	0.49%
	<b>\$ 2,909,901.04</b>	<b>7.16%</b>
<b>Total</b>	<b>\$ 40,716,784.69</b>	<b>100.00%</b>

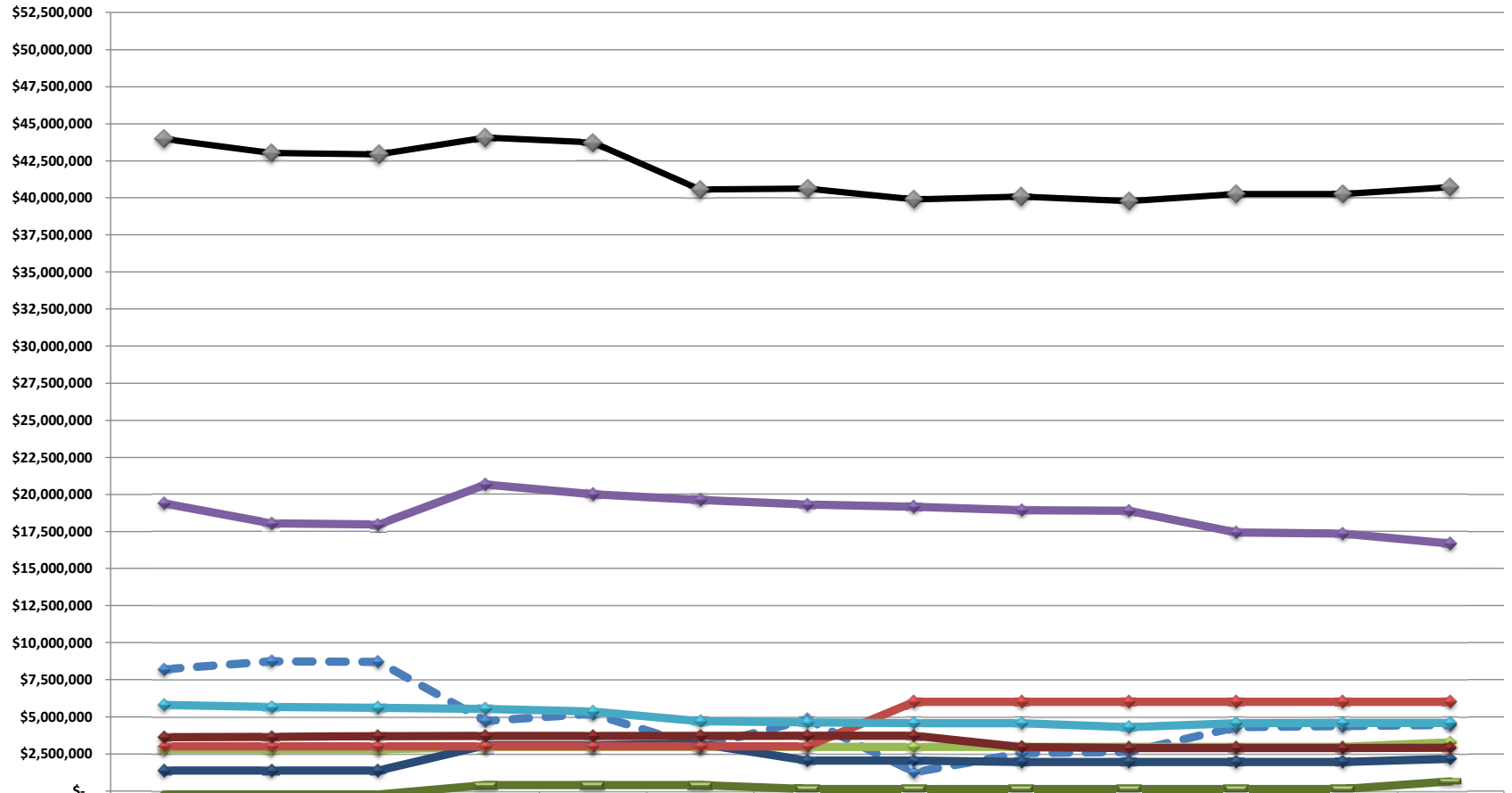
**Category 1** - These are funds that accumulate from day-to-day operations and represent the net equity in the District's General Fund. All interest earned is retained in the General Fund.

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

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

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

## Walnut Valley Water District Cash Balances October 2023 - October 2024



	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	June 2024	July 2024	Aug 2024	Sept 2024	Oct 2024
General Account	\$8,197,397	\$8,737,902	\$8,705,679	\$4,722,652	\$5,210,311	\$2,968,603	\$4,814,747	\$1,256,344	\$2,548,365	\$2,620,281	\$4,300,170	\$4,364,256	\$4,445,104
Operating Reserve	\$2,797,300	\$2,797,300	\$2,797,300	\$2,962,100	\$2,962,100	\$2,962,100	\$2,962,100	\$2,962,100	\$2,962,100	\$2,962,100	\$2,962,100	\$2,962,100	\$3,272,600
Capital/Replacement Reserve	\$19,398,941	\$18,044,477	\$17,965,785	\$20,659,045	\$20,015,976	\$19,631,210	\$19,304,568	\$19,173,664	\$18,942,097	\$18,903,365	\$17,421,447	\$17,347,374	\$16,680,226
Employee Liabilities Reserve	\$1,370,756	\$1,370,756	\$1,370,756	\$3,076,102	\$3,076,102	\$3,176,102	\$2,051,102	\$2,051,102	\$1,964,500	\$1,964,500	\$1,964,500	\$1,964,500	\$2,164,500
Stored Water Reserve	\$(230,500)	\$(230,500)	\$(230,500)	\$397,000	\$397,000	\$397,000	\$125,500	\$125,500	\$125,500	\$125,500	\$125,500	\$125,500	\$646,900
Other Designated Reserves	\$3,010,357	\$3,010,357	\$3,010,357	\$3,010,357	\$3,010,357	\$3,010,357	\$3,010,357	\$6,010,357	\$6,010,357	\$6,010,357	\$6,010,357	\$6,010,357	\$6,010,357
Customer/Dev. Deposits	\$5,802,384	\$5,665,231	\$5,605,546	\$5,526,162	\$5,348,398	\$4,705,357	\$4,629,516	\$4,578,727	\$4,568,268	\$4,302,870	\$4,571,499	\$4,589,785	\$4,587,197
Developer & Other Restricted	\$3,627,558	\$3,640,001	\$3,703,039	\$3,707,853	\$3,712,735	\$3,714,114	\$3,722,781	\$3,721,746	\$2,948,878	\$2,894,704	\$2,898,151	\$2,894,511	\$2,909,901
Grand Total	\$43,974,194	\$43,035,525	\$42,927,963	\$44,061,272	\$43,732,980	\$40,564,843	\$40,620,672	\$39,879,541	\$40,070,065	\$39,783,678	\$40,253,724	\$40,258,383	\$40,716,785



# WVWD – Staff Report



**TO:** Board of Directors  
**FROM:** General Manager  
**SUBMITTED BY:** Director of Finance  
**DATE:** December 16, 2024  
**SUBJECT:** Annual Comprehensive Financial Report for the Fiscal Year Ending June 30, 2024

---

Action/Discussion     Fiscal Impact     Resolution     Information Only

---

## Recommendation

The Board of Directors receive, approve, and file:

- A. Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024.
- B. Management Report for the Fiscal Year Ended June 30, 2024
- C. Independent Accountant’s Report on Applying Agreed Upon Procedures for the Fiscal Year Ended June 30, 2024

## Background Information

The Fiscal Year (FY) 2023/2024 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 2023/2024.
- **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:*

*2023-24 Audited Annual Comprehensive Financial Report  
Report on Internal Controls and Compliance  
Summary of Audit Results  
Independent Accounts' Report on Applying Agreed-Upon Procedures*



**Walnut Valley Water District**  
Walnut, California



Presented to  
Subject to Board

# Annual Comprehensive Financial Report

**Fiscal Years Ended  
June 30, 2024 and 2023**

*Presentation Version  
Subject to Board Approval*



## 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, 2024



**Theresa Lee**  
President  
2022-2026



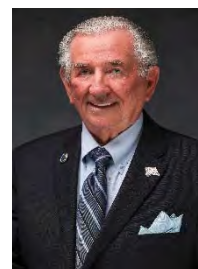
**Scarlett P. Kwong**  
1st Vice President  
2007-2024



**Jerry Tang**  
2nd Vice President  
2019-2024



**Henry Woo**  
Assistant Treasurer  
2023-2028



**Edwin M. Hilden**  
Director  
2022-2026

### District Management

**Sheryl L. Shaw**  
General Manager  
Chief Engineer  
Secretary

**Josh Byerrum**  
Director of Finance

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



# Annual Comprehensive Financial Report

**Fiscal Years Ended  
June 30, 2024 and 2023**

*Prepared by:  
Finance Department*

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

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# **Introductory Section**

*Presentation Version  
Subject to Board Approval*



*Presentation Version  
Subject to Board Approval*



## WALNUT VALLEY WATER DISTRICT

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

**December 16, 2024**

### BOARD OF DIRECTORS

**Theresa Lee**  
President  
Election Division III

**Scarlett P. Kwong**  
First Vice President  
Election Division V

**Jerry Tang**  
Second Vice President  
Election Division I

**Henry Woo**  
Assistant Treasurer  
Election Division IV

**Edwin M. Hilden**  
Director  
Election Division II

### STAFF

**Sheryl L. Shaw, P.E.**  
General Manager  
Chief Engineer  
Secretary

**Jared Macias**  
Assistant General Manager

**Lily Lopez**  
Director 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 Services  
Administrator

### 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, 2024. 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 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 Fedak & Brown, LLC, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the District's financial statements for the fiscal year ended June 30, 2024, are free of material misstatement.

The independent audit is a test-based 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, 2024, and that the District's financial statements are fairly presented in conformity with GAAP.

Sincerely,

Sheryl L. Shaw, P.E.  
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 separate election divisions, each 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 members of the public 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 District's daily operations 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, including up to 57 full-time employees. The District’s General Manager is Sheryl L. Shaw, P.E. – who has served the District over a 20+ year career.





## STRATEGIC VISION

The goals, objectives, and vision of the Board of Directors and District team members 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





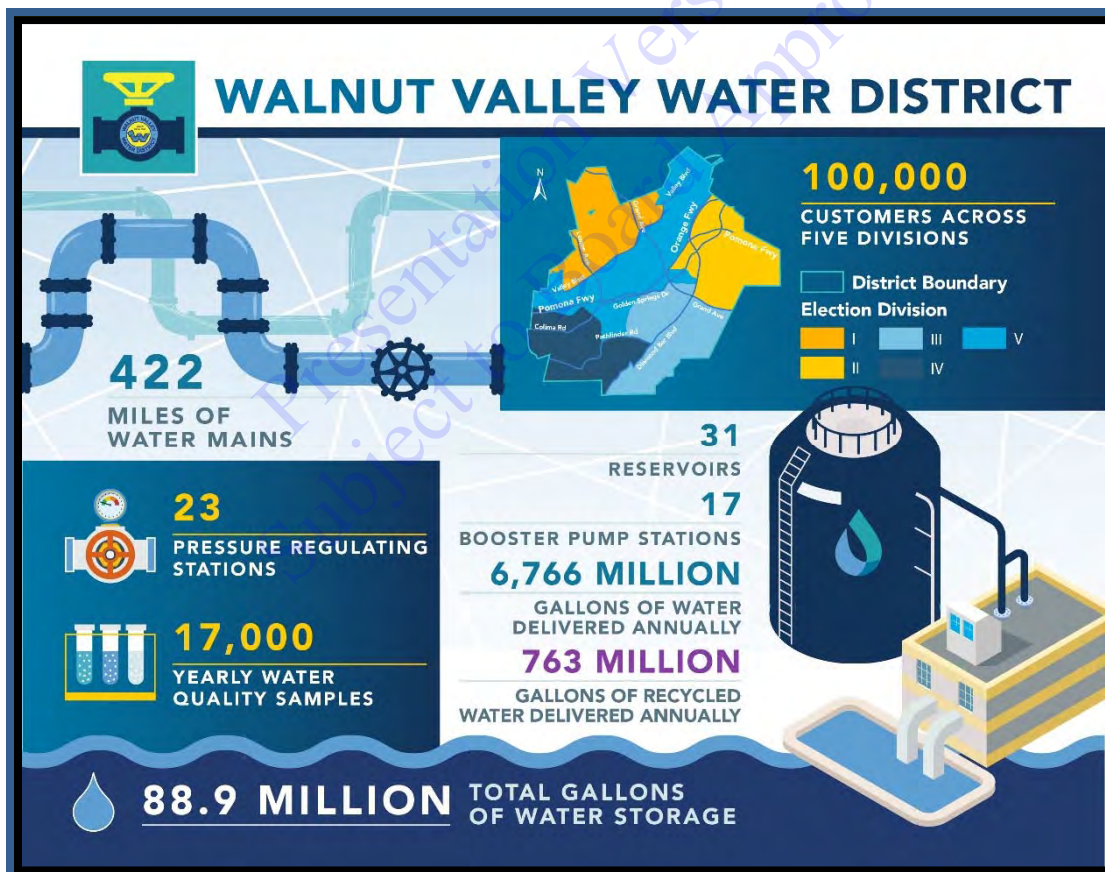
## WATER SYSTEM OVERVIEW

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 nearly 93,000 residents and currently provides service to over 28,000 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, 426 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 6 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 acre-feet 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, the 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 two 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. Recently, the District purchased the North Side Line from the Los Angeles County Sanitation Districts, facilitating direct access to recycled water on the Upper Portion Pipeline from the Pomona Water Reclamation Plant to the City of Walnut.

This acquisition ensures a secure and reliable recycled water supply for Walnut Valley and neighboring areas. By integrating this new infrastructure, WVWD enhanced its capacity to meet increasing recycled water demands.

## WATER RATES & CHARGES

The District prioritizes affordability and transparency through its rate-setting process. In 2024, the District developed and implemented a comprehensive water rates educational campaign that included print, digital, audio, and visual elements. The campaign came to life as "Let's Dive In," an invitation to all District customers and community members to learn about the operational, financial, and administrative structure of WVWD. The Let's Dive In campaign is supported by nearly a dozen educational videos, all of which are available on the District's website, Instagram, YouTube, and other social media platforms. These short-form videos discuss what water rates cover:

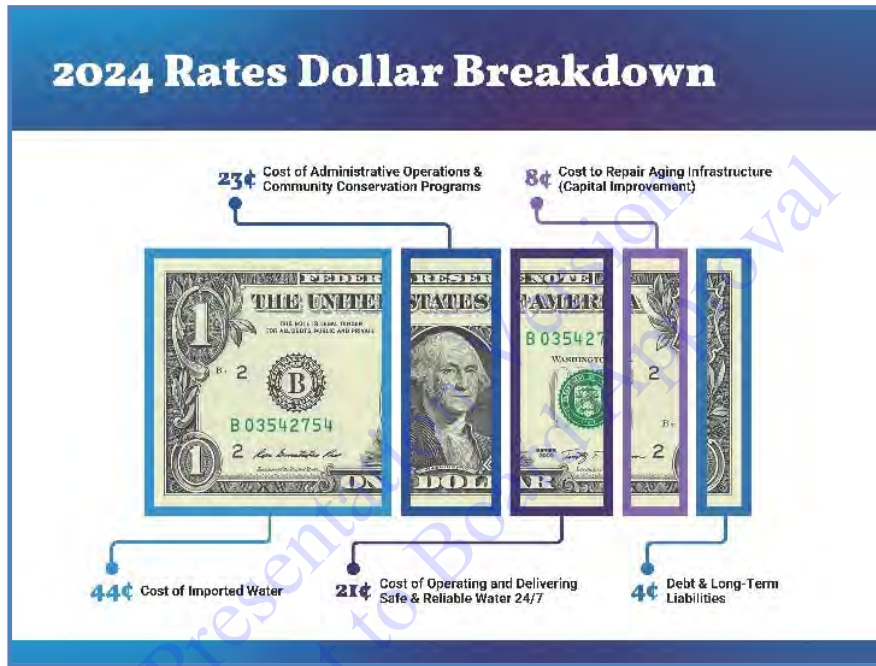
- Cost of Imported Water (nearly 50%)
- Cost of Administrative Programs & Community Conservation Programs
- Cost of Operating and Delivering Safe & Reliable Water 24/7
- Cost to Repair Aging Infrastructure (Capital Improvement Projects CIP)
- Debt & Long-Term Liabilities



## WATER RATES & CHARGES, continued

The 2024 water rates process also included developing an updated rate study. This rate study establishes the rate structure under California Proposition 218 for the next five years. All board meetings and workshops are open to the public so they may learn about the District’s financial operations and provide input. The District will host several community town halls in person and virtually to answer questions regarding upcoming changes to the rate structure.

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



## ECONOMIC CONDITIONS AND OUTLOOK

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

### Economy

The economy of Walnut Valley Water District continues to feel the impact of supply chain issues and inflation as of 2024. As a provider of essential water services, the District depends on a stable and efficient supply chain to maintain its infrastructure and deliver clean water to the community.





## ECONOMIC CONDITIONS AND OUTLOOK, continued

### Economy, continued

However, lingering disruptions from global trade tensions, the COVID-19 pandemic, and geopolitical conflicts have resulted in delays in receiving critical equipment and materials for maintenance and expansion projects. These delays have increased operational costs and have challenged the District's ability to consistently ensure a reliable water supply to its customers.



Inflationary pressures remain a significant concern for Walnut Valley Water District in 2024. Rising costs for essential goods and services—such as energy, labor, chemicals, and equipment—have driven up operational expenses, complicating the District's efforts to keep water rates affordable for residents. The sustained cost-of-living increases have forced the District to carefully prioritize essential projects and seek cost-effective solutions to maintain water quality and infrastructure while inflation continues to challenge the financial stability of the District.

In response to these challenges, Walnut Valley Water District has been proactive in exploring innovative solutions, including investing in sustainable practices and infrastructure upgrades to improve efficiency and reduce long-term operating costs. The District has also strengthened its resilience by entering into long-term contracts with key suppliers, increasing critical inventory, and collaborating with other local agencies through joint contracts. These measures are designed to mitigate the effects of inflation and supply chain disruptions while ensuring continued high-quality service to the community.

### Industry Outlook

California continues to face challenges with decreasing water supply due to significantly dry conditions year after year. The hot and dry weather has not only contributed to a decrease in water supply but has also led to an increase in wildfires. However, in a dramatic shift, the Metropolitan Water District of Southern California (MWD) reported that California's Sierra Nevada Snowpack was measured at 113% of the April 1 average in 2024, a year when it is historically at its peak. This is the second year that MWD has reported greater than 100% snowpack. Following the three driest years on record, these severe storms highlight the unpredictable nature of California's changing climate and the new reality the water industry must navigate. While the storms provided temporary relief, they underscore the importance of long-term water management strategies.

Along with ongoing concerns about future drought conditions, California legislation has enacted Assembly Bill 1668 and Senate Bill 606, which set increasingly stringent water use efficiency standards. Currently, residents must meet a standard of 55 gallons per person per day (GPCD) through December 31, 2024. Under Senate Bill 1157, this standard will drop to 47 GPCD on January 1, 2025, and further reduce to 42 GPCD by January 1, 2030.



## ECONOMIC CONDITIONS AND OUTLOOK, continued

### Water Use Efficiency

In 2016, Governor Brown issued an Executive Order calling for Californians to build on the actions taken during the 2012-2014 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 set new long-term water efficiency objectives that were recently established during the summer of 2024, with these objectives taking effect in 2026-2027. These objectives include standard-based budgets for residential outdoor use, commercial/industrial/institutional landscapes with dedicated irrigation meters, and real water losses, in addition to the existing residential indoor standards.

Looking forward, the state will continue to refine and implement these water use efficiency goals through 2040, with interim milestones along the way. The District is actively collaborating with water industry associations and the State Water Resources Control Board to provide feedback for practical implementation.

The District has a long history of implementing cost-effective water efficiency programs and completed a comprehensive water use efficiency strategic plan to ensure the District is well-prepared to meet these evolving efficiency standards. This strategic plan is updated regularly to meet changes established by regulating agencies and to serve as an evaluation metric.

### Water Supply

California’s water supply continues to pose many new and complex challenges for water agencies throughout the state. The District has been an active participant and leader in addressing these concerns in recent years. 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, including drought resiliency efforts.

As a result of higher-than-normal precipitation during the last two winter seasons, deliveries from the State Water Project were increased to 100% and 45%, respectively, as 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 \$1,256 per acre-foot to \$1,395 per acre-foot on January 1, 2025, an 11.1% 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 two 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	Refunding of 2013 bonds which were used to finance District improvements and water infrastructure.
2024 Series A Water Revenue Bonds	Provided to finance the construction of a new administration building as well as modifications of the District’s existing operations and maintenance building.

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



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### 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.
2024 Series A Water Revenue Bonds	Provided to finance the construction of a new administration building as well as modifications of the District’s existing operations and maintenance building.

### 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.

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## 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 was completed in April of 2024. All of WVWD’s nearly 28,000 water meters are now automated “smart” meters. The goal of the project was to modernize 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. In addition, the AMI technology is integrated into the District’s customer portal which provides customers with their water usage on an hourly basis. This has become a key resource in the District’s water education outreach.



### Capital Improvement Projects

The City of Industry and Diamond Bar have a joint project involving the widening of Grand Avenue, intersection improvements at Grand Avenue and Golden Springs Drive, and the relocation of the Diamond Bar Golf Course Tunnel. The District has facilities within the construction zone which required abandonment, relocation and reconnection. The project consists of the abandonment of approximately 80 linear feet of 12” domestic water main, 80 linear feet of 12” recycled water main, and 8” and 1 ½” recycled metered services; the installation of 6” and 2” recycled metered service; relocations of existing 6” fire service, fire hydrant, metered service, and 2 auto air/vac assemblies; and reconnection of approximately 80 linear feet of 12” domestic water main and 80 linear feet of 12” recycled water main. This Capital Improvement Project was completed in January 2024 and will ensure customers have a continuous water supply and reliability.



## MAJOR INITIATIVES AND PROJECTS, continued

### Capital Improvement Projects, continued

The Diamond Bar (P-1) Pump Station was originally constructed in 1961 and was modified and expanded in 1984 to pump from the 930 Zone into both the 1050 and 1200D Zones. The pump station consists of three 75-horsepower pumps (1050) located outside of the pump building and three 150-horsepower pumps (1200D) located inside the building. In 2006, a system-wide study was performed to evaluate the need and requirements for providing emergency power generation during SCE power outages. Based on the study, the detailed analysis identified P-1 as one of the 3 existing pump stations suitable for a stationary emergency power generator.

The Diamond Bar (P1) Pump Station Electrical Refurbishment project involved the construction and relocation of new electrical panels (Switchgear and MCCs) to accommodate the new stationary emergency generator (600 KW). The electrical panels are now located in a new electrical room, which is part of the site improvements. Other site improvements include a restroom, roll-up door for accessing 1200 Zone Pumps, foundation for generator, fuel tank with plumbing to generator, LED lighting for interior and exterior, corrugated ceiling recoating, modification of existing pump building to provide proper ventilation for generator, and replacement of existing 12" cast iron suction pipe (1200D Zone) with 12" steel pipe. In addition, a new electrical motor pump and associated appurtenances were added to the existing open space and pump can (1200D Zone). This Capital Improvement Project was completed in August 2023 and this renovation will help meet the system reliability if other sources of water supply are interrupted.

### Developer Projects

The Industry Business Center (IBC) is a 552-acre development in the City of Industry, north of the Pomona Freeway (I-60) and extending east and west of Grand Avenue. Irrigation demands for the IBC are served with recycled water. The work included the installation of domestic and recycled water systems of pipelines, service meters, a 2.0 million-gallon (MG) circular steel recycled water reservoir, and a booster pump station to provide the required pressure. The 2.0 million-gallon (MG) circular steel reservoir measures 107 feet in diameter and 32 feet in height. The reservoir is equipped with a common inlet/outlet piping with a flex-ten expansion joint, overflow piping, an inlet-outlet drain, exterior spiral stairways, two manways, an aluminum dome roof with hatch and vent, electrical, and site improvements. The reservoir has increased recycled water storage capacity and system reliability to serve existing and future customers. Although the IBC development construction is ongoing, the booster pump station, the water system pipeline, and the reservoir were installed in April 2019, December 2019, and October 2022, respectively.

The Terraces at Walnut Tract No. 78210 is a developer project located in the City of Walnut on the North side of Valley Blvd., across from Faure Ave. The project includes the installation of domestic and recycled water distribution systems to serve the proposed residential and commercial development, which consists of 211 single-family homes, 79 single-family townhomes, and 3 commercial buildings. The District-designed project consists of the installation of 1,241 linear feet of 12-inch water main, 7,253 linear feet of 8-inch water main, 289 linear feet of 6-inch main, 211 residential metered services, 20 fire hydrants, 4 fire services, 3 domestic metered services, 2 master meter assemblies, 2 blow-off assemblies, and 2 combination air/vacs.



## MAJOR INITIATIVES AND PROJECTS, continued

### Developer Projects, continued

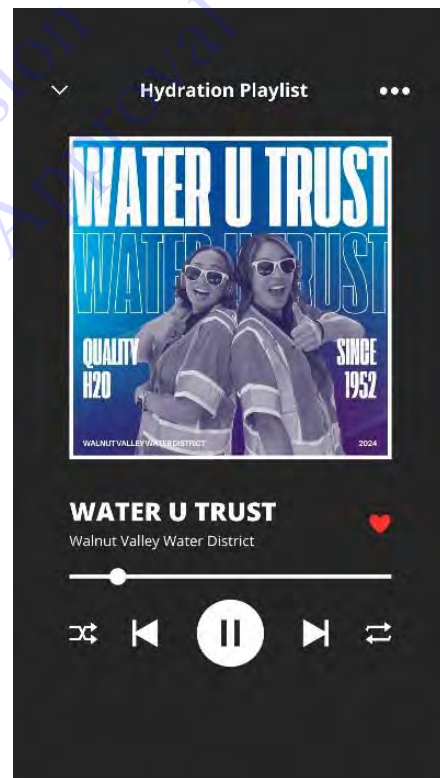
This project will be completed in 2024 and will provide water services and fire protection for the proposed residential units. The landscape will be irrigated with recycled water.

### Water Use Efficiency Objectives

To build on water use efficiency and conservation in California, the State Water Resources Control Board, one of Walnut Valley Water District’s regulating agencies, has established 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 customers to implement sustainable water practices.

Efforts include:

- Enhanced customer service utilizing AI through the District’s website Chatbot
- Text and email leak alert notifications that are distributed to customers on a weekly basis
- Conservation messaging through social media platforms (Instagram, TikTok, YouTube, Twitter and Facebook).
- Musical parody videos utilizing pop trends to promote conservation messaging.
- 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.
- Water use efficiency workshops, virtual and in-person, are 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 \$3 per square foot rebate on turf removal projects.





## MAJOR INITIATIVES AND PROJECTS, continued

### Public Education & Outreach

Walnut Valley Water District is committed to excellence in communications and water awareness education. Over the last four 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.



### MeterHero

Walnut Valley Water District has partnered with MeterHero to sponsor an innovative academic curriculum to reinforce its commitment to sustainability and community engagement. This program offers high school students practical experience in water conservation and data analysis. Tailored for AP Environmental Science classes within the District's service area, MeterHero aligns with the course content and scientific practices of the AP curriculum. Through this program, students will collect and analyze water meter data from their homes, developing and implementing water conservation strategies that benefit both their households and the broader WVWD community. This initiative enhances academic learning and empowers students to make a tangible impact on their community's sustainability efforts.



## 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, 2023. This was the fourth year that WVWD has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government agency 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,

Sheryl L. Shaw, P.E.  
General Manager

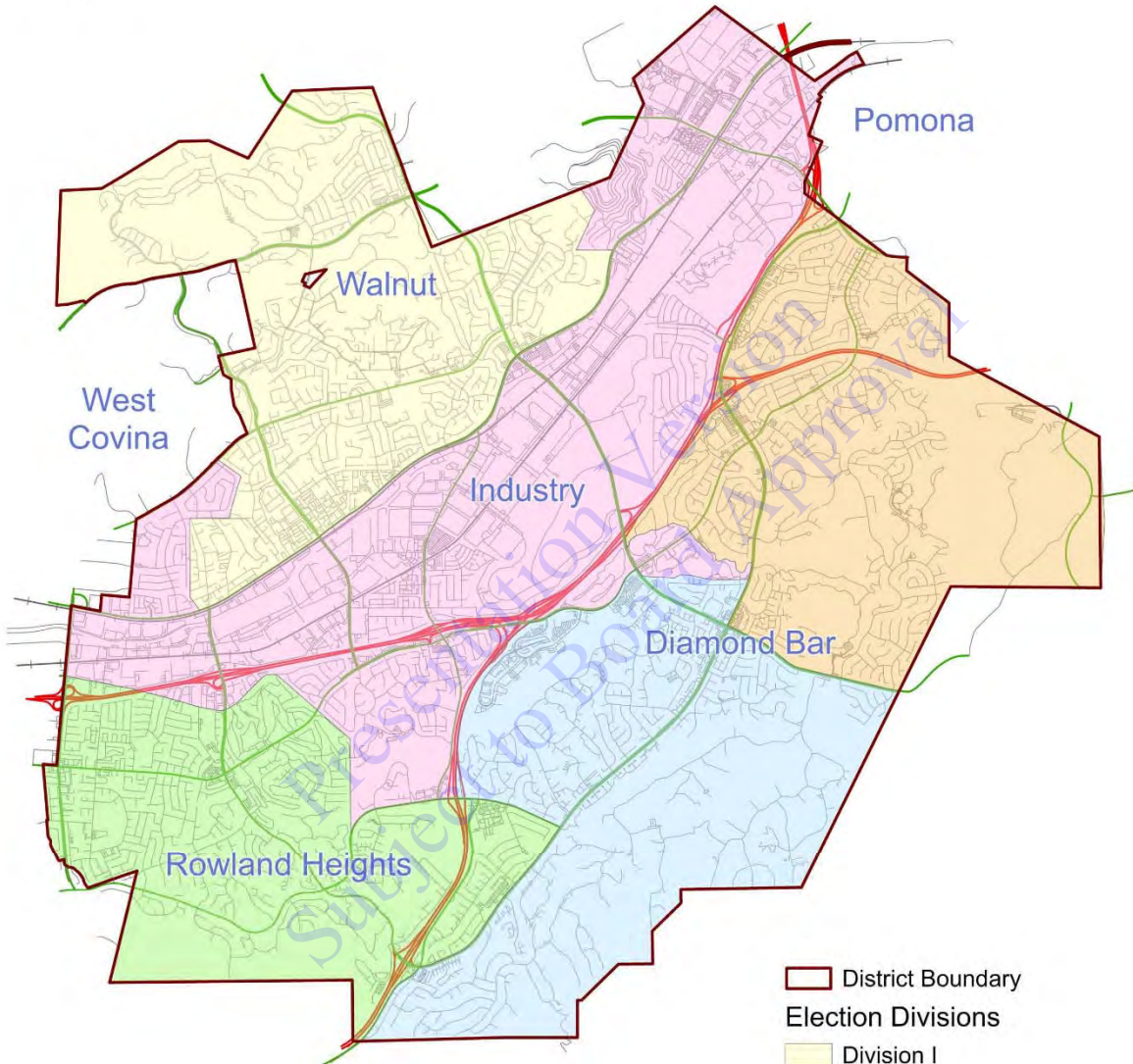
Josh Byerrum  
Director of Finance

# Walnut Valley Water District Organizational Chart

*As of June 30, 2024*



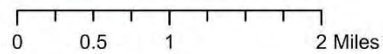
# Walnut Valley Water District District Service Area



-  District Boundary
- Election Divisions**
-  Division I
-  Division II
-  Division III
-  Division IV
-  Division V



**Walnut Valley Water District  
Board Election Divisions**





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, 2023

*Christopher P. Morill*

Executive Director/CEO

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*Presentation Version  
Subject to Board Approval*

# Financial Section

*Presentation Version  
Subject to Board Approval*

*Presentation Version  
Subject to Board Approval*

## 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, 2024 and 2023, 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, 2024 and 2023, 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.

### *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 22 through 31 and the required supplementary information on pages 83 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.

## **Independent Auditor's Report, continued**

### ***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 15, and statistical section on pages 87 through 100, 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 16, 2024, 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 101 and 102.

**C.J. Brown & Company, CPAs**

Cypress, California  
December 16, 2024

**Walnut Valley Water District**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

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, 2024 and 2023. 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 2024, the District's net position increased 1.07% or \$1,620,700 to \$152,500,297, primarily due to \$3,701,886 in capital contributions offset by a decrease of \$2,081,186 from ongoing operations. 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.
- Total revenues increased 0.61% or \$257,483 to \$42,260,579. In fiscal year 2023, total revenues decreased 10.40% or \$4,874,077 to \$42,003,096.
- Operating revenues decreased 2.68% or \$1,061,956 to \$38,607,814. In fiscal year 2023, operating revenues decreased 10.64% or \$4,721,573 to \$39,669,770.
- Non-operating revenues increased 56.55% or \$1,319,439 to \$3,652,765. In fiscal year 2023, non-operating revenues decreased 6.13% or \$152,504 to \$2,333,326.
- Total expenses including depreciation increased by 11.50% or \$4,573,415 to \$44,341,765. In fiscal year 2023, total expenses including depreciation decreased by 18.60% or \$9,089,646 to \$39,768,350.
- Operating expenses before depreciation increased 13.55% or \$4,482,680 to \$37,557,416. In fiscal year 2023, operating expenses before depreciation decreased 19.26% or \$7,888,221 to \$33,074,736.
- Depreciation and amortization expense increased 2.26% or \$130,088 to \$5,876,604. In fiscal year 2023, depreciation and amortization expense decreased 0.39% or \$22,286 to \$5,746,516.
- Non-operating expenses decreased 4.16% or \$39,353 to \$907,745. In fiscal year 2023, non-operating expenses decreased 55.46% or \$1,179,139 to \$947,098.
- Capital contributions from developers and others decreased 6.88% or \$273,546 to \$3,701,886. In fiscal year 2023, capital contributions from developers and others decreased 0.92% or \$37,036 to \$3,975,432.

**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, 2024 and 2023**

**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 37 through 82.

**Walnut Valley Water District**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**Statements of Net Position**

**Condensed Statements of Net Position**

	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>As Restated 2022</u>	<u>Change</u>
<b>Assets:</b>					
Current assets	\$ 58,239,536	25,559,891	32,679,645	27,885,687	(2,325,796)
Non-current assets	46,341,250	51,443,159	(5,101,909)	51,366,134	77,025
Capital assets, net	<u>119,090,254</u>	<u>114,437,216</u>	<u>4,653,038</u>	<u>111,783,288</u>	<u>2,653,928</u>
<b>Total assets</b>	<u>223,671,040</u>	<u>191,440,266</u>	<u>32,230,774</u>	<u>191,035,109</u>	<u>405,157</u>
<b>Deferred outflows of resources</b>	<u>13,082,659</u>	<u>14,732,624</u>	<u>(1,649,965)</u>	<u>4,421,262</u>	<u>10,311,362</u>
<b>Liabilities:</b>					
Current liabilities	12,127,468	13,767,418	(1,639,950)	12,819,404	948,014
Non-current liabilities	<u>67,679,852</u>	<u>37,739,077</u>	<u>29,940,775</u>	<u>25,741,369</u>	<u>11,997,708</u>
<b>Total liabilities</b>	<u>79,807,320</u>	<u>51,506,495</u>	<u>28,300,825</u>	<u>38,560,773</u>	<u>12,945,722</u>
<b>Deferred inflows of resources:</b>	<u>4,446,082</u>	<u>3,786,798</u>	<u>659,284</u>	<u>12,226,179</u>	<u>(8,439,381)</u>
<b>Net position:</b>					
Net investment in capital assets	104,246,051	98,999,367	5,246,684	96,171,867	2,827,500
Restricted	26,336,279	26,475,019	(138,740)	25,266,486	1,208,533
Unrestricted	<u>21,917,967</u>	<u>25,405,211</u>	<u>(3,487,244)</u>	<u>23,231,066</u>	<u>2,174,145</u>
<b>Total net position</b>	<u>\$ 152,500,297</u>	<u>150,879,597</u>	<u>1,620,700</u>	<u>144,669,419</u>	<u>6,210,178</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of the District by \$152,500,297 and \$150,879,597 as of June 30, 2024 and 2023, respectively.

Compared to the prior year, net position increased 1.07% or \$1,620,700 to \$152,500,297, primarily due to \$3,701,886 in capital contributions offset by a decrease of \$2,081,186 from ongoing operations. 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. 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 (68% and 66% as of June 30, 2024 and 2023, 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 2024 and 2023, the District showed a positive balance in its unrestricted net position of \$21,917,967 and \$25,405,211, 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, 2024 and 2023**

**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.

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**Walnut Valley Water District**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

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

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

	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>As Restated 2022</u>	<u>Change</u>
<b>Revenues:</b>					
Operating revenues	\$ 38,607,814	39,669,770	(1,061,956)	44,391,343	(4,721,573)
Non-operating revenues	<u>3,652,765</u>	<u>2,333,326</u>	<u>1,319,439</u>	<u>2,485,830</u>	<u>(152,504)</u>
<b>Total revenues</b>	<u>42,260,579</u>	<u>42,003,096</u>	<u>257,483</u>	<u>46,877,173</u>	<u>(4,874,077)</u>
<b>Expenses:</b>					
Operating expenses	37,557,416	33,074,736	4,482,680	40,962,957	(7,888,221)
Depreciation and amortization	5,876,604	5,746,516	130,088	5,768,802	(22,286)
Non-operating expenses	<u>907,745</u>	<u>947,098</u>	<u>(39,353)</u>	<u>2,126,237</u>	<u>(1,179,139)</u>
<b>Total expenses</b>	<u>44,341,765</u>	<u>39,768,350</u>	<u>4,573,415</u>	<u>48,857,996</u>	<u>(9,089,646)</u>
<b>Net (loss) income before capital contributions</b>	<u>(2,081,186)</u>	<u>2,234,746</u>	<u>(4,315,932)</u>	<u>(1,980,823)</u>	<u>4,215,569</u>
<b>Capital contributions</b>	<u>3,701,886</u>	<u>3,975,432</u>	<u>(273,546)</u>	<u>4,012,468</u>	<u>(37,036)</u>
<b>Changes in net position</b>	<u>1,620,700</u>	<u>6,210,178</u>	<u>(4,589,478)</u>	<u>2,031,645</u>	<u>4,178,533</u>
<b>Net position, beginning of year</b>	150,879,597	144,669,419	6,210,178	142,383,508	2,285,911
<b>Prior period adjustment</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>254,266</u>	<u>(254,266)</u>
<b>Net position, beginning of the year - as restated</b>	<u>150,879,597</u>	<u>144,669,419</u>	<u>6,210,178</u>	<u>142,637,774</u>	<u>2,031,645</u>
<b>Net position, end of year</b>	<u>\$ 152,500,297</u>	<u>150,879,597</u>	<u>1,620,700</u>	<u>144,669,419</u>	<u>6,210,178</u>

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 1.07% or \$1,620,700 to \$152,500,297, that included \$3,701,886 in capital contributions offset by a decrease of \$2,081,186 from ongoing operations. In fiscal year 2023, 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.

**Financial Analysis for Fiscal Year 2024**

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

In 2024, the District's total revenues increased 0.61% or \$257,483 to \$42,260,579. The District's operating revenues decreased 2.68% or \$1,061,956 to \$38,607,814, primarily due to a decrease of \$1,591,955 in water sales, offset by increases of \$400,960 in meter charges, \$106,847 in recycled water sales, and \$41,287 in other water charges as compared to the previous year.

In 2024, the District's non-operating revenues increased 56.55% or \$1,319,439 to \$3,652,765 primarily due to increases of \$1,451,264 in investment earnings, net of fair value and \$153,881 in other non-operating income offset by a decrease of \$242,938 in share of joint venture income as compared to the previous year.

**Walnut Valley Water District**  
*Management's Discussion and Analysis, continued*  
**For the Fiscal Years Ended June 30, 2024 and 2023**

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

**Financial Analysis for Fiscal Year 2024, continued**

In 2024, the District's total expenses including depreciation increased by 11.50% or \$4,573,415 to \$44,341,765. The District's operating expenses before depreciation increased 13.55% or \$4,482,680 to \$37,557,416, due to increases of \$3,145,467 in transmission and distribution, \$1,738,193 in general and administrative, \$599,811 in consumer accounts, \$497,374 in pumping, which were offset by decreases of \$1,402,855 in source of supply and \$95,310 in operating expenses capitalized during the construction period as compared to the previous year.

In 2024, the District's depreciation and amortization expense increased 2.26% or \$130,088 to \$5,876,604, due to the addition on depreciable assets in the prior year and the ongoing maturation of existing depreciable assets.

In 2024, the District's non-operating expenses decreased 4.16% or \$39,353 to \$907,745, due to a decrease of \$653,838 in loss on disposition of assets, offset by increases of \$267,573 in share of joint venture loss, \$244,453 in cost of issuance of debt related to the 2024 Series A Water Refunding bond issuance, and \$102,459 in interest expense related to long-term debt primarily due to the 2021 Series A Water Revenue bonds as compared to the previous year.

In 2024, the District's capital contributions from developers and others decreased 6.88% or \$273,546 to \$3,701,886, primarily due to decreases of \$241,809 in capacity and supply charges and \$37,782 in contributed capital from developers as compared to the previous year.

**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 10.40% or \$4,874,077 to \$42,003,096. 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.

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, primarily 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 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 of 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 earnings, 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 2021 Series A Water Revenue bonds as compared to the previous year.



**Walnut Valley Water District**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

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

**Financial Analysis for Fiscal Year 2023, continued**

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.

**Total District Revenues**

	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>As Restated 2022</u>	<u>Change</u>
<b>Operating revenues:</b>					
Water sales	\$ 25,331,025	26,922,980	(1,591,955)	31,953,010	(5,030,030)
Meter charges	9,766,547	9,365,587	400,960	8,759,271	606,316
Recycled water sales	1,772,820	1,665,973	106,847	2,155,578	(489,605)
Standby charges	738,652	761,611	(22,959)	718,171	43,440
Hydroelectric sales	25,735	21,871	3,864	31,455	(9,584)
Other water charges	973,035	931,748	41,287	773,858	157,890
<b>Total operating revenues</b>	<u>38,607,814</u>	<u>39,669,770</u>	<u>(1,061,956)</u>	<u>44,391,343</u>	<u>(4,721,573)</u>
<b>Non-operating revenues:</b>					
Property taxes	1,364,364	1,378,819	(14,455)	1,232,651	146,168
Rental income – cellular site leases	206,871	212,628	(5,757)	175,184	37,444
Interest earnings – leases	51,143	73,699	(22,556)	82,691	(8,992)
Investment earnings, net	1,727,063	275,799	1,451,264	-	275,799
Share of joint venture income	-	242,938	(242,938)	-	242,938
Gain on disposition of capital assets	-	-	-	153,711	(153,711)
Other non-operating income	303,324	149,443	153,881	841,593	(692,150)
<b>Total non-operating revenues</b>	<u>3,652,765</u>	<u>2,333,326</u>	<u>1,319,439</u>	<u>2,485,830</u>	<u>(152,504)</u>
<b>Total revenues</b>	<u>\$ 42,260,579</u>	<u>42,003,096</u>	<u>257,483</u>	<u>46,877,173</u>	<u>(4,874,077)</u>

In 2024, total District revenues increased \$257,483 to \$42,260,579 as compared to the prior year.

In 2023, total District revenues decreased \$4,874,077 to \$42,003,096 as compared to the prior year.

**Walnut Valley Water District**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**Total District Expenses**

	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>As Restated 2022</u>	<u>Change</u>
<b>Operating expenses including depreciation expense:</b>					
Source of supply	\$ 19,823,825	21,226,680	(1,402,855)	25,282,557	(4,055,877)
Pumping	2,226,259	1,728,885	497,374	2,226,536	(497,651)
Transmission and distribution	7,537,749	4,392,282	3,145,467	7,284,321	(2,892,039)
Consumer accounts	2,093,131	1,493,320	599,811	1,783,368	(290,048)
General and administrative	6,835,375	5,097,182	1,738,193	5,105,223	(8,041)
Operating expenses capitalized during construction period	(958,923)	(863,613)	(95,310)	(719,048)	(144,565)
Depreciation and amortization	5,876,604	5,746,516	130,088	5,768,802	(22,286)
<b>Total operating expenses including depreciation and amortization expense</b>	<u>43,434,020</u>	<u>38,821,252</u>	<u>4,612,768</u>	<u>46,731,759</u>	<u>(7,910,507)</u>
<b>Non-operating expenses:</b>					
Investment expense, net of fair value	-	-	-	1,600,045	(1,600,045)
Share of joint venture loss	267,573	-	267,573	87,374	(87,374)
Loss on disposition of capital assets	12,432	666,270	(653,838)	-	666,270
Interest expense – long-term debt	383,287	280,828	102,459	249,933	30,895
Bond issuance costs	244,453	-	244,453	188,885	(188,885)
<b>Total non-operating expenses</b>	<u>907,745</u>	<u>947,098</u>	<u>(39,353)</u>	<u>2,126,237</u>	<u>(1,179,139)</u>
<b>Total expenses</b>	<u>\$ 44,341,765</u>	<u>39,768,350</u>	<u>4,573,415</u>	<u>48,857,996</u>	<u>(9,089,646)</u>

In 2024, total District expenses increased \$4,573,415 to \$44,341,765 as compared to the prior year.

In 2023, total District expenses decreased \$9,089,646 to \$39,768,350 as compared to the prior year.

**Capital Asset Administration**

Changes in capital assets for 2024 were as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2024</u>
Capital assets:				
Non-depreciable assets	\$ 13,471,856	10,449,009	(4,752,442)	19,168,423
Depreciable and Amortizable assets	231,271,458	4,845,507	(175,721)	235,941,244
Accumulated depreciation and amortization	<u>(130,306,098)</u>	<u>(5,876,604)</u>	<u>163,289</u>	<u>(136,019,413)</u>
Total capital assets, net	<u>\$ 114,437,216</u>	<u>9,417,912</u>	<u>(4,764,874)</u>	<u>119,090,254</u>

**Walnut Valley Water District**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**Capital Asset Administration, continued**

At the end of fiscal year 2024, the District's investment in capital assets amounted to \$119,090,254 (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 2023 were as follows:

	<b>As Restated Balance 2022</b>	<b>Additions</b>	<b>Transfers/ Deletions</b>	<b>Balance 2023</b>
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	<u>(125,701,047)</u>	<u>(5,746,516)</u>	<u>1,141,465</u>	<u>(130,306,098)</u>
Total capital assets, net	<u>\$ 111,783,288</u>	<u>11,317,372</u>	<u>(8,663,444)</u>	<u>114,437,216</u>

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.

**Debt Administration**

Changes in long-term debt amounts for 2024 were as follows:

	<b>Balance 2023</b>	<b>Additions/ Deletions</b>	<b>Principal Payments</b>	<b>Balance 2024</b>
Long-term debt:				
Subscriptions payable	\$ 57,849	93,557	(57,203)	94,203
Bonds payable	<u>15,380,000</u>	<u>33,266,793</u>	<u>(630,001)</u>	<u>48,016,792</u>
Total long-term debt	15,437,849	<u>33,360,350</u>	<u>(687,204)</u>	48,110,995
Less: current portion	<u>(667,189)</u>			<u>(996,577)</u>
Non-current portion	<u>\$ 14,770,660</u>			<u>47,114,418</u>

In 2024, long-term debt increased by \$93,557 in leases payable and \$33,266,793 in bonds payable due to the issuance of the 2024 Series A bonds, offset by decreases of \$57,203 in scheduled subscription payments and \$630,001 in scheduled bond payments. See further detailed information in Note 7.

**Walnut Valley Water District**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

**Debt Administration, continued**

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

	<b>As Restated Balance 2022</b>	<b>Additions/ Deletions</b>	<b>Principal Payments</b>	<b>Balance 2023</b>
Long-term debt:				
Lease payable	\$ 2,067	-	(2,067)	-
Subscriptions payable	229,354	11,698	(183,203)	57,849
Bonds payable	<u>15,380,000</u>	<u>-</u>	<u>-</u>	<u>15,380,000</u>
Total long-term debt	15,611,421	<u>11,698</u>	<u>(185,270)</u>	15,437,849
Less: current portion	<u>(182,302)</u>			<u>(667,189)</u>
Non-current portion	<u>\$ 15,429,119</u>			<u>14,770,660</u>

In 2023, long-term debt increased by \$11,698 in subscriptions payable and decreased by \$185,270 due to scheduled lease and subscription 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**

*Presentation Version  
Subject to Board Approval*

**Walnut Valley Water District**  
**Statements of Net Position**  
**June 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Current assets:</b>		
Cash and cash equivalents (note 2)	\$ 7,133,962	8,237,286
Restricted – cash and cash equivalents (note 2)	34,585,967	2,145,245
Investments (note 2)	7,935,202	5,728,874
Restricted – investments (note 2)	1,520,158	2,493,487
Accrued interest receivable	182,433	218,000
Restricted – accrued interest receivable	13,708	-
Accounts receivable – water sales and services	4,467,162	3,444,577
Accounts receivable – other	351,330	1,342,350
Leases receivable (note 4)	165,589	185,475
Property tax receivable	98,514	138,092
Prepaid expenses	405,836	390,195
Inventory – materials and supplies	1,379,675	1,236,310
<b>Total current assets</b>	<b>58,239,536</b>	<b>25,559,891</b>
<b>Non-current assets:</b>		
Investments (note 2)	16,190,304	18,729,207
Restricted – Investments (note 2)	5,677,749	8,273,232
Restricted – Investment in joint ventures (note 3)	23,412,235	22,789,666
Leases receivable (note 4)	1,060,962	1,651,054
Capital assets – not being depreciated (note 5)	19,168,423	13,471,856
Capital assets – being depreciated, net (note 5)	99,921,831	100,965,360
<b>Total non-current assets</b>	<b>165,431,504</b>	<b>165,880,375</b>
<b>Total assets</b>	<b>223,671,040</b>	<b>191,440,266</b>
<b>Deferred outflows of resources:</b>		
Deferred OPEB outflows (note 8)	4,873,104	5,585,032
Deferred pension outflows (note 9)	8,209,555	9,147,592
<b>Total deferred outflows of resources</b>	<b>\$ 13,082,659</b>	<b>14,732,624</b>

Continued on next page

See accompanying notes to the basic financial statements.

**Walnut Valley Water District**  
**Statements of Net Position, continued**  
**June 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 5,576,921	4,848,762
Accrued payroll and employee benefits	156,904	156,973
Customer and developer deposits	2,085,383	2,022,610
Construction advances	2,628,032	5,385,433
Unearned revenue	310,696	393,144
Accrued interest payable	126,279	23,117
Long-term liabilities – due in one year:		
Compensated absences (note 6)	246,676	270,190
Subscriptions payable (note 7)	41,577	37,189
Bonds payable (note 7)	955,000	630,000
<b>Total current liabilities</b>	<b>12,127,468</b>	<b>13,767,418</b>
<b>Non-current liabilities:</b>		
Long-term liabilities – due in more than one year:		
Compensated absences (note 6)	740,028	810,569
Subscriptions payable (note 7)	52,626	20,660
Bonds payable (note 7)	47,061,792	14,750,000
Net OPEB liability (note 8)	2,630,411	4,075,768
Net pension liability (note 9)	17,194,995	18,082,080
<b>Total non-current liabilities</b>	<b>67,679,852</b>	<b>37,739,077</b>
<b>Total liabilities</b>	<b>79,807,320</b>	<b>51,506,495</b>
<b>Deferred inflows of resources:</b>		
Deferred lease inflows (note 4)	951,694	1,491,892
Deferred OPEB inflows (note 8)	2,124,488	1,064,622
Deferred pension inflows (note 9)	1,369,900	1,230,284
<b>Total deferred inflows of resources</b>	<b>4,446,082</b>	<b>3,786,798</b>
<b>Net position: (note 10)</b>		
Net investment in capital assets	104,246,051	98,999,367
Restricted:		
Reservoir capacity charge	754,939	889,644
Acreage supply charge	448,016	439,047
Investment in joint venture – PBWA	22,932,690	22,299,660
Investment in joint venture – Spadra	479,545	490,006
Badillo Grand surcharge	294,404	293,811
Water supply charge	1,239,313	1,978,304
Capacity charge	187,372	84,547
Unrestricted	21,917,967	25,405,211
<b>Total net position</b>	<b>\$ 152,500,297</b>	<b>150,879,597</b>

See accompanying notes to the basic financial statements.

**Walnut Valley Water District**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Operating revenues:</b>		
Water sales	\$ 25,331,025	26,922,980
Meter charges	9,766,547	9,365,587
Recycled water sales	1,772,820	1,665,973
Standby charges	738,652	761,611
Hydroelectric sales	25,735	21,871
Other water charges	973,035	931,748
	<b>38,607,814</b>	<b>39,669,770</b>
<b>Operating expenses:</b>		
Source of supply	19,823,825	21,226,680
Pumping	2,226,259	1,728,885
Transmission and distribution	7,537,749	4,392,282
Consumer accounts	2,093,131	1,493,320
General and administrative	6,835,375	5,097,182
Operating expenses capitalized during construction period	(958,923)	(863,613)
	<b>37,557,416</b>	<b>33,074,736</b>
<b>Operating income before depreciation and amortization expense</b>	<b>1,050,398</b>	<b>6,595,034</b>
Depreciation and amortization expense	(5,876,604)	(5,746,516)
	<b>(4,826,206)</b>	<b>848,518</b>
<b>Non-operating revenue(expense):</b>		
Property taxes	1,364,364	1,378,819
Rental income – cellular site leases	206,871	212,628
Interest earnings – leases	51,143	73,699
Investment earnings, net of fair value	1,727,063	275,799
Share of joint venture (loss) income	(267,573)	242,938
Loss on disposition of capital assets	(12,432)	(666,270)
Interest expense – long-term debt	(383,287)	(280,828)
Cost of issuance of debt	(244,453)	-
Other non-operating income	303,324	149,443
	<b>2,745,020</b>	<b>1,386,228</b>
<b>Net (loss)income before capital contributions</b>	<b>(2,081,186)</b>	<b>2,234,746</b>
<b>Capital contributions:</b>		
Developers and others	3,481,744	3,519,526
Capacity and supply charges	99,890	341,699
Capital grants – state and local	120,252	114,207
	<b>3,701,886</b>	<b>3,975,432</b>
<b>Change in net position</b>	<b>1,620,700</b>	<b>6,210,178</b>
<b>Net position, beginning of the year – as restated</b>	<b>150,879,597</b>	<b>144,669,419</b>
<b>Net position, end of year</b>	<b>\$ 152,500,297</b>	<b>150,879,597</b>

See accompanying notes to the basic financial statements.



**Walnut Valley Water District**  
**Statements of Cash Flows**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Cash receipts from customers for sales and services	\$ 38,859,898	41,202,470
Cash paid to vendors and suppliers	(29,527,992)	(33,727,068)
Cash paid to employees for salaries and wages	(7,037,390)	(6,384,251)
Cash paid to OPEB trust	-	(750,000)
<b>Net cash provided by operating activities</b>	<b>2,294,516</b>	<b>341,151</b>
<b>Cash flows from non-capital financing activities:</b>		
Proceeds from property taxes	1,403,942	1,340,256
Payments to joint ventures	(890,142)	(1,690,296)
<b>Net cash provided by (used in) non-capital financing activities</b>	<b>513,800</b>	<b>(350,040)</b>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition and construction of capital assets	(10,542,567)	(9,259,394)
Proceeds from capital contributions	944,485	5,893,901
Proceeds from principal issued on long-term debt	33,360,350	11,698
Payment of loan issuance costs	(244,453)	-
Principal paid on bonds payable and leases payable	(687,204)	(185,270)
Interest paid on bonds payable and leases payable	(280,125)	(280,828)
<b>Net cash used in capital and related financing activities</b>	<b>22,550,486</b>	<b>(3,819,893)</b>
<b>Cash flows from investing activities:</b>		
Interest and investment earnings, net of fair value	1,748,922	217,014
Purchase of securities	(2,150,000)	(7,575,000)
Proceeds from sale of securities	5,562,825	6,400,358
Principal received from leases receivable	816,849	437,245
<b>Net cash provided by (used in) investing activities</b>	<b>5,978,596</b>	<b>(520,383)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>31,337,398</b>	<b>(4,349,165)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>10,382,531</b>	<b>14,731,696</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 41,719,929</b>	<b>10,382,531</b>
<b>Reconciliation of cash and cash equivalents to statement of net position:</b>		
	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	\$ 7,133,962	8,237,286
Cash and cash equivalents – restricted	34,585,967	2,145,245
<b>Total cash and cash equivalents</b>	<b>\$ 41,719,929</b>	<b>10,382,531</b>

Continued on next page

See accompanying notes to the basic financial statements.

**Walnut Valley Water District**  
**Statements of Cash Flows, continued**  
**For the Fiscal Years Ended June 30, 2024 and 2023**

	<b>2024</b>	<b>2023</b>
<b>Reconciliation of operating (loss) income to net cash provided by operating activities:</b>		
Operating (loss) income	\$ (4,826,206)	848,518
<b>Adjustments to reconcile operating (loss) income to net cash provided by operating activities:</b>		
Depreciation and amortization expense	5,876,604	5,746,516
Other non-operating income	303,324	149,443
<b>Change in assets, deferred outflows, liabilities, and deferred inflows:</b>		
(Increase)Decrease in assets:		
Accounts receivable – water sales and services	(1,022,585)	1,335,555
Accounts receivable – other	991,020	27,901
Prepaid expenses and other deposits	(15,641)	(14,982)
Materials and supplies inventory	(143,365)	(389,456)
(Increase)Decrease in deferred outflows of resources:		
Deferred OPEB outflows	711,928	(4,056,974)
Deferred pension outflows	938,037	(6,254,388)
Increase(Decrease) in liabilities:		
Accounts payable and accrued expenses	728,159	(1,247,434)
Accrued payroll and employee benefits	(69)	(211,389)
Deposits for work-orders	62,773	29,859
Unearned revenues	(82,448)	(10,058)
Compensated absences	(94,055)	(65,279)
Net OPEB liability	(1,445,357)	4,013,762
Net pension liability	(887,085)	8,691,364
Increase(Decrease) in deferred inflows of resources:		
Deferred OPEB inflows	1,059,866	(732,792)
Deferred pension inflows	139,616	(7,519,015)
Total adjustments	7,120,722	(507,367)
<b>Net cash provided by operating activities</b>	\$ 2,294,516	341,151
<b>Non-cash investing, capital, and financing transaction:</b>		
Changes in fair value of investments	\$ 844,238	2,163,543

See accompanying notes to the basic financial statements.

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(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.

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(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. 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.

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

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

**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.

**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.

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

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

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

**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.

**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.

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

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

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

**11. Capital Assets, continued**

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

Wells	30 years
Terminal storage	30 years
Telemetry SCADA equipment	20 years
Pumping, transmission facilities and meters	20 – 60 years
PWR capacity	75 years
Recycled water system	30 years
General structures	30 years
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.

**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 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.
- 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.

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(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, continued**

*Pensions*

- 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.
- 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.

**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.

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, 2023
- Measurement Date: June 30, 2023
- Measurement Period: July 1, 2022 to June 30, 2023

**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, 2022
- Measurement Date: June 30, 2023
- Measurement Period: July 1, 2022 to June 30, 2023

**16. Premium on Issued Debt**

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



**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

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

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

**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 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.

*Pensions*

- 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.

**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.

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

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

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

**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.

**(2) Cash and Investments**

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

	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	\$ 7,133,962	8,237,286
Restricted – cash and cash equivalents	34,585,967	2,145,245
Total cash and cash equivalents	41,719,929	10,382,531
Investments	7,935,202	5,728,874
Restricted – investments	1,520,158	2,493,487
Investments non-current	16,190,304	18,729,207
Restricted – Investments non-current	5,677,749	8,273,232
Total investments	31,323,413	35,224,800
Total cash and investments	\$ 73,043,342	45,607,331

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

	<b>2024</b>	<b>2023</b>
Cash and investments		
Cash on hand	\$ 3,000	3,100
Deposits with financial institutions	4,691,713	4,446,208
Investments	68,348,630	41,158,023
Total cash and investments	\$ 73,043,343	45,607,331

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

The table on the following page 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.

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(2) Cash and Investments, continued**

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

<b>Authorized Investment Type</b>	<b>Maximum Maturity</b>	<b>Maximum Percentage Of Portfolio *</b>	<b>Maximum Investment in One Issuer</b>
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 Obligations	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.

\*\* Except when authorized by the District's legislative body in accordance with Government Code Section 53601

N/A – Not Applicable

*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.

<b>Authorized Investment Type</b>	<b>Maximum Maturity</b>	<b>Maximum Percentage Of Portfolio *</b>	<b>Maximum Investment in One Issuer</b>
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

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(2) Cash and Investments, continued**

***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.

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.

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(2) Cash and Investments, continued**

***Interest Rate Risk, continued***

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, 2024, were as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity</u>		
		<u>12 Months Or Less</u>	<u>13 to 24 Months</u>	<u>25-60 Months</u>
California Local Agency Investment Fund	\$ 2,758,488	2,758,488	-	-
Certificates-of-deposit	703,356	474,958	-	228,398
United States Government Sponsored				
Agency Securities	6,624,837	3,212,356	2,194,426	1,218,055
United States Treasury notes	13,573,664	3,139,301	3,629,014	6,805,349
Corporate obligations	7,917,604	1,156,080	370,460	6,391,064
Supranational obligations	1,031,287	-	1,031,287	-
Equities	1,472,665	1,472,665	-	-
Held by Bond Trustee:				
Money market mutual fund	1,244,389	1,244,389	-	-
Cash with fiscal agent (PBWA Bond Rev)	33,022,340	33,022,340	-	-
<b>Total</b>	<b>\$ 68,348,630</b>	<b>46,480,577</b>	<b>7,225,187</b>	<b>14,642,866</b>

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

<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity</u>		
		<u>12 Months Or Less</u>	<u>13 to 24 Months</u>	<u>25-60 Months</u>
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	-	-
<b>Total</b>	<b>\$ 41,158,023</b>	<b>14,155,583</b>	<b>7,691,435</b>	<b>19,311,005</b>

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(2) Cash and Investments, continued**

**Credit Risk**

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

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, 2024, were as follows:

Investment Type	Minimum Legal Rating	Amount	Rating as of year-end		
			Exempt from Disclosure	AAAm/A-1+ AA/AA+/AA-	A-1/A+/ A/A-
California Local Agency Investment Fund	N/A	\$ 2,758,488	2,758,488	-	-
Certificates-of-deposit	N/A	703,356	703,356	-	-
Money market mutual funds	Aaa	34,266,729	-	34,266,729	-
United States Government Sponsored					
Agency Securities	N/A	6,624,837	-	6,624,837	-
United States Treasury notes	N/A	13,573,664	13,573,664	-	-
Corporate obligations	A	7,917,604	-	887,496	7,030,108
Supranational obligations	AA	1,031,287	-	1,031,287	-
Equities	AA	1,472,665	1,472,665	-	-
<b>Total</b>		<b>\$ 68,348,630</b>	<b>18,508,173</b>	<b>42,810,349</b>	<b>7,030,108</b>

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

Investment Type	Minimum Legal Rating	Amount	Rating as of year-end		
			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	-	-
<b>Total</b>		<b>\$ 41,158,023</b>	<b>19,422,423</b>	<b>14,016,875</b>	<b>7,718,725</b>

**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 4% and 10% as of June 30, 2024 and 2023, respectively, of the District's total depository and investment portfolio.

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(2) Cash and Investments, continued**

***Concentration of Credit Risk, continued***

There were no instruments in any one issuer that represent 5% or more of the District's investments as of June 30, 2024 (excluding external investment pools and debt explicitly guaranteed by the U.S. government).

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):

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

***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:

<u>Description</u>	<u>Fair Value Measurement at Reporting Date using:</u>			
	<u>June 30,</u> <u>2024</u>	<u>Quoted Prices in</u> <u>Active Markets</u> <u>for Identical Assets</u> <u>(Level 1)</u>	<u>Significant</u> <u>Other Observable</u> <u>Inputs</u> <u>(Level 2)</u>	<u>Significant</u> <u>Unobservable</u> <u>Inputs</u> <u>(Level 3)</u>
Certificates-of-deposit United States Government Sponsored	\$ 703,356	-	703,356	-
Agency securities	6,624,837	-	6,624,837	-
United States Treasury notes	13,573,664	13,573,664	-	-
Corporate obligations	7,917,604	-	7,917,604	-
Supranational obligations	1,031,287	-	1,031,287	-
Equities	1,472,665	-	1,472,665	-
	<u>31,323,413</u>	<u>13,573,664</u>	<u>17,046,393</u>	<u>-</u>
Investments not subject to fair value hierarchy:				
Local Agency Investment Fund	2,758,488			
Money market mutual funds	<u>34,266,729</u>			
Total	<u>\$ 68,348,630</u>			

The District has the following recurring fair value measurements as of June 30, 2024:

- Certificates-of-deposit of \$703,356 are valued using a matrix pricing model (Level 2 inputs).
- U.S. Governmental Sponsored Agency securities of \$6,624,837 are valued using a matrix pricing model (Level 2 inputs).
- U.S. Treasury securities of \$13,573,664 are valued using quoted market prices (Level 1 inputs).
- Corporate obligations of \$7,917,604 are valued using a matrix pricing model (Level 2 inputs).

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(2) Cash and Investments, continued**

*Fair Value Measurements, continued*

- Supranational obligations of \$1,031,287 are valued using a matrix pricing model (Level 2 inputs).
- Equities of \$1,472,665 are valued using a matrix pricing model (Level 2 inputs).
- Local Agency Investment funds of \$2,758,488 are valued at amortized cost and are not subject to fair value hierarchy.
- Money Market Mutual funds of \$34,266,729 are not subject to fair value hierarchy.

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

Description	June 30, 2023	Fair Value Measurement at Reporting Date using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates-of-deposit United States Government Sponsored Agency securities	\$ 1,673,933	-	1,673,933	-
United States Treasury notes	13,614,544	13,614,544	-	-
Corporate obligations	8,100,729	-	8,100,729	-
Supranational obligations	995,402	-	995,402	-
Equities	44,342	-	44,342	-
<b>Total</b>	<b>35,224,800</b>	<b>13,614,544</b>	<b>21,610,256</b>	<b>-</b>
Investments not subject to fair value hierarchy:				
Local Agency Investment Fund	4,089,604			
Money market mutual funds	1,843,619			
<b>Total</b>	<b>\$ 41,158,023</b>			

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).
- Equities of \$44,342 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.



**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(3) Investment in Joint Ventures**

Changes in investments in joint-powers-authorities for 2024 were as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 2024</u>
Investment in joint-powers-authorities:				
Puente Basin Water Agency	\$ 22,299,660	633,030	-	22,932,690
Spadra Basin Groundwater Sustainability Agency	490,006	(10,461)	-	479,545
Total investment in joint-powers-authorities	\$ <u>22,789,666</u>	<u>622,569</u>	<u>-</u>	<u>23,412,235</u>

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

	<u>Balance 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 2023</u>
Investment in joint-powers-authorities:				
Puente Basic 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	\$ <u>20,856,432</u>	<u>1,933,234</u>	<u>-</u>	<u>22,789,666</u>

***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 \$9,284,771 and \$11,666,106 in water from the Agency in the years ended June 30, 2024 and 2023, 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.

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(3) Investment in Joint Ventures**

***Spadra Basin Groundwater Sustainability Agency, continued***

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.

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:

	<u>Balance 2023</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance 2024</u>	<u>Current Portion</u>	<u>Long-term Portion</u>	<u>Deferred Inflows</u>
Leases receivable:							
CCMT2-T-Mobile – Bourdet	\$ 46,368	-	(46,368)	-	-	-	-
Cingular Wireless – Eastgate	136,484	-	(61,876)	74,608	68,827	5,781	(30,192)
Phoenix Tower – Eastgate	681,052	(411,779)	(34,538)	234,735	36,891	197,844	(211,697)
APC Towers LLC – Parker Canyon	460,712	-	(26,250)	434,462	28,360	406,102	(336,221)
APC Towers LLC – Ridgeline	511,913	-	(29,167)	482,746	31,511	451,235	(373,584)
Total leases receivable	<u>\$ 1,836,529</u>	<u>(411,779)</u>	<u>(198,199)</u>	<u>1,226,551</u>	<u>165,589</u>	<u>1,060,962</u>	<u>(951,694)</u>
Current portion	<u>(185,475)</u>			<u>(165,589)</u>			
Non-current portion	<u>\$ 1,651,054</u>			<u>1,060,962</u>			

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(4) Leases Receivable, continued**

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

	<u>Balance</u> <u>2022</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance</u> <u>2023</u>	<u>Current Portion</u>	<u>Long-term Portion</u>	<u>Deferred Inflows</u>
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	-	(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	-	(224,617)	1,836,529	185,475	1,651,054	(1,491,892)
Current portion	(224,617)			(185,475)			
Non-current portion	\$ 1,836,529			1,651,054			

***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, 2024 and 2023, deferred inflows were reported at \$0 and \$25,136, respectively. At June 30, 2024, the lease agreement had matured in full.

***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, 2024 and 2023, deferred inflows were reported at \$30,192 and \$58,066, respectively.

Future payments to be received and deferred inflows as of June 30, 2024, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
2025	\$ 68,827	4,849	73,676	(27,874)
2026	5,781	376	6,157	(2,318)
Total	74,608	5,225	79,833	(30,192)
Current	(68,827)			
Non-current	\$ 5,781			

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(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, 2024 and 2023, deferred inflows were reported at \$211,697 and \$632,340, respectively.

Future payments to be received and deferred inflows as of June 30, 2024, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
2025	\$ 36,891	7,805	44,696	(38,491)
2026	39,355	6,702	46,057	(38,491)
2027	41,936	5,525	47,461	(38,491)
2028	44,636	4,270	48,906	(38,491)
2029	47,464	2,933	50,397	(38,491)
2030	24,453	1,511	25,964	(19,242)
Total	234,735	28,746	263,481	(211,697)
Current	(36,891)			
Non-current	\$ 197,844			

***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, 2024 and 2023, deferred inflows were reported at \$0, respectively. At June 30, 2023, the lease agreement had matured in full.

***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, 2024 and 2023, deferred inflows were reported at \$336,221 and \$367,742, respectively.

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(4) Leases Receivable, continued**

*APC Towers LLC – Parker Canyon, continued*

Future payments to be received and deferred inflows as of June 30, 2024, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
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	37,915	10,547	48,462	(31,521)
2030-2034	232,692	30,249	262,941	(157,605)
2035	36,666	4,161	40,827	(21,011)
Total	434,462	96,394	530,856	\$ (336,221)
Current	(28,360)			
Non-current	\$ 406,102			

*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, 2024 and 2023, deferred inflows were reported at \$373,584 and \$408,608 respectively.

Future payments to be received and deferred inflows as of June 30, 2024, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
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	42,128	10,362	52,490	(35,024)
2030-2034	258,559	34,969	293,528	(175,120)
2035	40,736	4,623	45,359	(23,344)
Total	482,746	107,108	589,854	\$ (373,584)
Current	(31,511)			
Non-current	\$ 451,235			

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(5) Capital Assets**

Changes in capital assets for 2024 were as follows:

	<u>Balance 2023</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2024</u>
Non-depreciable assets:				
Land	\$ 5,148,000	-	-	5,148,000
Water rights	6,638	-	-	6,638
Construction-in-process	<u>8,317,218</u>	<u>10,449,009</u>	<u>(4,752,442)</u>	<u>14,013,785</u>
Total non-depreciable assets	<u>13,471,856</u>	<u>10,449,009</u>	<u>(4,752,442)</u>	<u>19,168,423</u>
Depreciable assets:				
Pumping equipment	20,703,547	62,305	-	20,765,852
Transmission and distribution	165,093,932	2,456,881	(28,013)	167,522,800
PWR capacity	927,744	-	-	927,744
Hydroelectric	924,270	-	-	924,270
Recycled water system	30,564,473	1,733,161	-	32,297,634
General plant	12,893,287	499,603	(67,865)	13,325,025
Subscription based assets	<u>164,205</u>	<u>93,557</u>	<u>(79,843)</u>	<u>177,919</u>
Total depreciable and amortizable assets	<u>231,271,458</u>	<u>4,845,507</u>	<u>(175,721)</u>	<u>235,941,244</u>
Accumulated depreciation and amortization:				
Pumping equipment	(12,739,403)	(704,341)	-	(13,443,744)
Transmission and distribution	(96,385,461)	(3,920,508)	15,594	(100,290,375)
PWR capacity	(714,512)	(29,073)	-	(743,585)
Hydroelectric	(620,562)	(26,289)	-	(646,851)
Recycled water system	(12,890,890)	(586,111)	-	(13,477,001)
General plant	(6,849,121)	(554,702)	67,852	(7,335,971)
Subscription based assets	<u>(106,149)</u>	<u>(55,580)</u>	<u>79,843</u>	<u>(81,886)</u>
Total accumulated depreciation and amortization	<u>(130,306,098)</u>	<u>(5,876,604)</u>	<u>163,289</u>	<u>(136,019,413)</u>
Total depreciable and amortizable assets, net	<u>100,965,360</u>	<u>(1,031,097)</u>	<u>(12,432)</u>	<u>99,921,831</u>
Total capital assets, net	<u>\$ 114,437,216</u>	<u>9,417,912</u>	<u>(4,764,874)</u>	<u>119,090,254</u>

Major depreciable capital assets additions during the fiscal year ended 2024 consists of additions to the following categories: pumping equipment, transmission and distribution systems, recycled water system, and general plant assets. The District removed \$4,752,442 from construction-in-progress, which was transferred from construction-in-process for completed projects constructed by the District and/or sub-contractors to depreciable assets and \$493 was expensed.

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(5) Capital Assets, continued**

Changes in capital assets for 2023 were as follows:

	<b>As Restated Balance 2022</b>	<b>Additions/ Transfers</b>	<b>Deletions/ Transfers</b>	<b>Balance 2023</b>
<b>Non-depreciable assets:</b>				
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
<b>Total non-depreciable assets</b>	<b>12,178,211</b>	<b>9,247,696</b>	<b>(7,954,051)</b>	<b>13,471,856</b>
<b>Depreciable assets:</b>				
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	-	-	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	49,121	-	(49,121)	-
Subscription based assets	625,820	11,698	(473,313)	164,205
<b>Total depreciable and     amortizable assets</b>	<b>225,306,124</b>	<b>7,816,192</b>	<b>(1,850,858)</b>	<b>231,271,458</b>
<b>Accumulated depreciation:</b>				
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	(47,158)	(1,963)	49,121	-
Subscription based assets	(407,342)	(172,120)	473,313	(106,149)
<b>Total accumulated depreciation     and amortization</b>	<b>(125,701,047)</b>	<b>(5,746,516)</b>	<b>1,141,465</b>	<b>(130,306,098)</b>
<b>Total depreciable and     amortizable assets, net</b>	<b>99,605,077</b>	<b>2,069,676</b>	<b>(709,393)</b>	<b>100,965,360</b>
<b>Total capital assets, net</b>	<b>\$ 111,783,288</b>	<b>11,317,372</b>	<b>(8,663,444)</b>	<b>114,437,216</b>

Major depreciable capital assets additions during the fiscal year ended 2024 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.

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(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:

	<b>2024</b>	<b>2023</b>	<b>2022</b>
Construction-in-progress:			
Developer projects	\$ 5,433,708	2,877,754	4,849,061
System modifications	6,105,712	3,576,660	805,394
General projects	2,117,628	1,613,769	1,247,180
Vehicles and equipment	274,365	207,392	-
Various small projects under \$100,000	82,372	41,643	121,938
Total construction-in-progress	\$ 14,013,785	8,317,218	7,023,573

**(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:

	<b>Balance 2023</b>	<b>Earned</b>	<b>Taken</b>	<b>Balance 2024</b>	<b>Current Portion</b>	<b>Long-term Portion</b>
\$	1,080,759	388,383	(482,438)	986,704	246,676	740,028

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

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



**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(7) Long-term Debt**

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

	<u>Balance 2023</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance 2024</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Subscriptions payable:						
Aqua backflow subscription lease	\$ 3,463	-	(3,463)	-	-	-
Eagle aerial subscription lease	-	57,852	(18,563)	39,289	17,963	21,326
EKOS subscription lease	4,168	-	(591)	3,577	410	3,167
Esri subscription lease	39,847	-	(23,705)	16,142	16,142	-
iLand subscription lease	4,562	-	(3,621)	941	941	-
InfoSend subscription lease	-	35,705	(1,451)	34,254	6,121	28,133
Planetbids subscription lease	5,809	-	(5,809)	-	-	-
Subtotal subscriptions payable	<u>57,849</u>	<u>93,557</u>	<u>(57,203)</u>	<u>94,203</u>	<u>41,577</u>	<u>52,626</u>
Bonds payable:						
2021 Series A Water Revenue Bonds	15,380,000	-	(630,000)	14,750,000	955,000	13,795,000
2024 Series A Water Revenue Bonds	-	30,740,000	-	30,740,000	-	30,740,000
Add: Unamortized premium	-	2,526,793	(1)	2,526,792	-	2,526,792
Subtotal bonds payable	<u>15,380,000</u>	<u>33,266,793</u>	<u>(630,001)</u>	<u>48,016,792</u>	<u>955,000</u>	<u>47,061,792</u>
Total lease and bonds payable	<u>\$ 15,441,312</u>	<u>33,360,350</u>	<u>(690,667)</u>	<u>48,110,995</u>	<u>996,577</u>	<u>47,114,418</u>

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

	<u>As Restated Balance 2022</u>	<u>Additions/ Deletions</u>	<u>Principal Payments</u>	<u>Balance 2023</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Lease payable:						
Canon equipment lease	\$ 2,067	-	(2,067)	-	-	-
Subscriptions payable:						
Aqua backflow subscription lease	23,845	-	(20,382)	3,463	3,463	-
EKOS subscription lease	-	4,564	(396)	4,168	591	3,577
Eagle aerial subscription lease	64,331	-	(24,484)	39,847	23,705	16,142
Esri 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 subscriptions payable	<u>229,354</u>	<u>11,698</u>	<u>(183,203)</u>	<u>57,849</u>	<u>37,189</u>	<u>20,660</u>
Bonds payable:						
2021 Series A Water Revenue Bonds	15,380,000	-	-	15,380,000	630,000	14,750,000
Subtotal bonds payable	<u>15,380,000</u>	<u>-</u>	<u>-</u>	<u>15,380,000</u>	<u>630,000</u>	<u>14,750,000</u>
Total lease and bonds payable	<u>\$ 15,611,421</u>	<u>11,698</u>	<u>(183,203)</u>	<u>15,437,849</u>	<u>667,189</u>	<u>14,770,660</u>

***Canon Equipment Lease Payable***

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 agreement had matured-in-full.

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(7) Long-term Debt, continued**

***Aqua Backflow Subscription Payable***

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. 96, the District has recorded a right-to-use asset and a subscription 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.

At June 30, 2024, the subscription agreement had matured-in-full.

***Eagle Aerial Subscription Payable***

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. 96, the District has recorded a right-to-use asset and a subscription 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.

Annual subscription payments are as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 17,963	2,844	20,807
2026	19,673	1,759	21,432
2027	1,653	136	1,789
Total	39,289	4,739	44,028
Current	(17,963)		
Non-current	\$ 21,326		

***EKOS Subscription Payable***

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. 96, the District has recorded a right-to-use asset and a subscription 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.

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(7) Long-term Debt, continued**

***EKOS Subscription Payable, continued***

Annual subscription payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 410	181	591
2026	454	158	612
2027	502	132	634
2028	556	104	660
2029	615	73	688
2029-2031	1,040	54	1,094
Total	3,577	702	4,279
Current	(410)		
Non-current	\$ 3,167		

***ESRI Subscription Payable***

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. 96, the District has recorded a right-to-use asset and a subscription 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 subscription payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 16,142	787	16,929
Total	16,142	787	16,929
Current	(16,142)		
Non-current	\$ -		

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(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. 96, the District has recorded a right-to-use asset and a subscription 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 subscription payments are as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 941	10	951
Total	941	10	951
Current	(941)		
Non-current	\$ -		

***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. 96, the District has recorded a right-to-use asset and a subscription 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 subscription payments are as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 6,121	759	6,880
2026	6,656	2,719	9,375
2027	7,242	2,184	9,426
2028	7,877	1,598	9,475
2029	6,358	963	7,321
Total	34,254	8,223	42,477
Current	(6,121)		
Non-current	\$ 28,133		

***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.

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(7) Long-term Debt, continued**

***Planetbids Subscription Lease, continued***

Following the guidelines set forth by GASB Statement No. 96, the District has recorded a right-to-use asset and a subscription 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.

At June 30, 2024, the subscription agreement had matured-in-full.

***2021 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 1<sup>st</sup> 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. At June 30, 2022, the Series 2013A Bonds were defeased in full.

On August 19, 2021, the District issued \$15,380,000 of 2021 Series A Water Revenue Bonds. The Bonds were issued for the purpose of refunding the Series 2013A Bonds in full to take advantage of lower interest rates. 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 1<sup>st</sup> and June 1<sup>st</sup> of each year, and principal is payable June 1<sup>st</sup> 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>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	995,000	233,013	1,228,013
2030-2034	5,255,000	895,261	6,150,261
2035-2038	4,625,000	292,018	4,917,018
Total	14,750,000	<u>2,466,348</u>	<u>17,216,348</u>
Current	<u>(955,000)</u>		
Non-current	\$ <u>13,795,000</u>		

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(7) Long-term Debt, continued**

**2024 Series A Water Revenue Bonds**

On June 1, 2024, the District issued \$30,740,000 of Series 2024A Water Revenue Bonds. The proceeds of the bonds will be used to finance the construction of a new administration building as well as modifications of the District’s existing operations and maintenance building. District is obligated under the terms of the agreement, to make semiannual installment purchase payments that are equal in amount and timing to the principal and interest payments that are paid on a semiannual basis by the District to the holders of the Bonds. The bonds were issued at a premium of \$2,526,793, which will be amortized over the life of the debt service. Interest and principal are payable on December 1st and June 1st of each year beginning on June 1, 2025, with interest rates ranging from 5% to 4%. The bonds are scheduled to mature on June 1, 2054. The rate covenants of the bonds 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>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ -	1,345,649	1,345,649
2026	495,000	1,450,400	1,945,400
2027	520,000	1,425,650	1,945,650
2028	545,000	1,399,650	1,944,650
2029	575,000	1,372,400	1,947,400
2030-2034	3,340,000	6,400,500	9,740,500
2035-2039	4,255,000	5,478,250	9,733,250
2040-2044	5,425,000	4,303,750	9,728,750
2045-2049	6,925,000	2,804,500	9,729,500
2050-2054	8,660,000	1,066,400	9,726,400
Total	30,740,000	27,047,149	57,787,149
Premium	2,526,792		
Current	-		
Non-current	\$ 33,266,792		

**(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.

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

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

***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:

	<b>2024</b>	<b>2023</b>
Inactive employees or beneficiaries		
currently receiving benefit payments	46	46
Active employees	56	56
Total plan membership	102	102

***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.

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

	<b>2024</b>	<b>2023</b>
Contributions premium payment – employer	\$ 637,719	661,360
Contributions to trust by – employer	-	750,000
Total employer paid contributions	\$ 637,719	1,411,360

As of June 30, 2024 and 2023, employer pension contributions of \$637,719 and \$1,411,360, respectively, were reported as deferred outflows of resources related to contributions subsequent to the measurement dates.

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

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

*Actuarial Assumptions and Other Inputs*

The net OPEB liability in the June 30, 2023 and 2022, actuarial valuations, which were measured at June 30, 2023 and 2022, respectively, were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2024 – 2.30 percent 2023 – 2.75 percent
Salary increases	2024 – 2.80 percent, average, including inflation 2023 – 3.25 percent, average, including inflation
Discount rate	2024 – 5.25 percent 2023 – 5.30 percent
Healthcare cost trend rates	2024 – Based on 2023 Getzen model that reflects actual premium increases from 2023 to 2024, followed by 6.50% non-Medicare / 5.75% Medicare in 2024, decreasing gradually to an ultimate rate of 3.94% non-Medicare / 4.51% Medicare % in 2075. 2023 – 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:

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance at June 30, 2023	\$ 17,934,847	13,859,079	4,075,768
Changes for the year:			
Service cost	284,011	-	284,011
Interest	944,593	-	944,593
Differences between expected and actual experience	(1,515,813)	-	(1,515,813)
Changes in assumptions or other inputs	1,020,819	-	1,020,819
Employer contributions	-	1,553,059	(1,553,059)
Net investment income	-	696,084	(696,084)
Benefit payments	(803,059)	(803,059)	-
Trust administrative expenses	-	(70,176)	70,176
Net change	<u>(69,449)</u>	<u>1,375,908</u>	<u>(1,445,357)</u>
Balance at June 30, 2024	\$ <u>17,865,398</u>	<u>15,234,987</u>	<u>2,630,411</u>



**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(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:

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
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
Changes in assumptions or other inputs	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	<u>2,471,669</u>	<u>(1,542,093)</u>	<u>4,013,762</u>
Balance at June 30, 2023	\$ <u>17,934,847</u>	<u>13,859,079</u>	<u>4,075,768</u>

***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, 2024, the discount rate comparison was the following:

	<u>Discount Rate 1% Lower</u>	<u>Valuation Discount Rate</u>	<u>Discount Rate 1% Higher</u>
Net OPEB liability	\$ <u>5,381,767</u>	<u>2,630,411</u>	<u>407,206</u>

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

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

***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, 2024, the healthcare cost trend rate comparison was the following:

	<u>Trend 1% Lower</u>	<u>Valuation Trend</u>	<u>Trend 1% Higher</u>
Net OPEB liability	\$ <u>302,599</u>	<u>2,630,411</u>	<u>5,565,051</u>

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

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

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

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

For the year ended June 30, 2024 and 2023, the District recognized OPEB expense of \$964,155 and \$2,583,490, 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:

	<b>June 30, 2024</b>		<b>June 30, 2023</b>	
<b>Description</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
OPEB contributions subsequent to the measurement date	\$ 637,719	-	1,411,360	-
Change of assumptions	2,790,298	-	-	(1,064,622)
Difference between expected and actual experience	-	(2,124,488)	2,281,687	-
Net difference between projected and actual earnings on investments	1,445,087	-	1,891,985	-
Total	\$ 4,873,104	(2,124,488)	5,585,032	(1,064,622)

As of June 30, 2024 and 2023, employer OPEB contributions reported as deferred outflows of resources related to contributions subsequent to the measurement date of \$637,719 and \$1,411,360 will be/were recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2025 and 2024, respectively.

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(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, 2024, 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.

<u>Fiscal Year</u> <u>Ending</u> <u>June 30,</u>	<u>Deferred Net</u> <u>Outflows(Inflows)</u> <u>of Resources</u>
2025	\$ 498,221
2026	460,962
2027	643,441
2028	67,508
2029	339,075
Thereafter	101,690

***Schedules of Changes in the District's Net OPEB Liability and Related Ratios***

***Schedules of Other Post-Employment Benefits Plan Contributions***

See pages 83 and 84 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.

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(9) Defined Benefit Pension Plan, continued**

*Benefits Provided, continued*

The Plans' provision and benefits in effect at June 30, 2024, are summarized as follows:

	<u>Classic</u>	<u>New Classic</u>	<u>PEPRA</u>
Hire date	Prior to October 1, 2010	On or after January 1, 2010 and before January 1, 2013	On or after 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 compensation	2.0% to 2.7%	1.4% to 2.0%	1.0% to 2.0%
Required employee contribution rates	7.96%	6.92%	8.00%
Required employer contribution rates	16.63%	13.00%	7.91%

*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:

	<u>2024</u>	<u>2023</u>
Contributions – employer	\$ <u>2,654,679</u>	<u>3,862,630</u>

*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:

	<u>2024</u>	<u>2023</u>
Proportionate share of net pension liability	\$ <u>17,194,995</u>	<u>18,082,080</u>

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(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, 2023 and 2022, 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, 2022 and 2021, rolled forward to June 30, 2023 and 2022, 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:

	<b>Proportionate Share</b>
Proportion – June 30, 2023	0.15654 %
Change in proportion	(0.01871)
Proportion – June 30, 2024	0.13783 %
	<b>Proportionate Share</b>
Proportion – June 30, 2022	0.17364 %
Change in proportion	(0.01710)
Proportion – June 30, 2023	0.15654 %

*Net Pension Liability*

As a result of the calculation of the District’s share of pension amounts at June 30, 2024 and 2023, the District recognized pension expense and income of \$2,845,246 and \$2,583,490, respectively.

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(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:

<u>Description</u>	<u>June 30, 2024</u>		<u>June 30, 2023</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date at June 30	\$ 2,654,679	-	3,862,630	-
Net, differences between actual and expected experience	742,150	-	119,919	-
Net, changes in assumptions	1,038,139	-	1,852,887	-
Net, differences between projected and actual earnings on plan investments	2,784,023	-	3,312,156	-
Net, differences between actual contribution and proportionate share of contributions	990,564	-	-	(715,225)
Net, change due to differences in proportion of net pension liability	-	(1,369,900)	-	(515,059)
Total	<u>\$ 8,209,555</u>	<u>(1,369,900)</u>	<u>9,147,592</u>	<u>(1,230,284)</u>

As of June 30, 2024 and 2023, employer pension contributions reported as deferred outflows of resources related to contributions subsequent to the measurement date of \$2,654,679 and \$3,862,630 will be/were recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2025 and 2024, respectively.

As a result of the calculation of the District's share of pension amounts at June 30, 2023, 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.

<u>Fiscal Year Ending June 30,</u>	<u>Deferred Net Outflows(Inflows) of Resources</u>
2025	\$ 1,091,064
2026	817,304
2027	2,196,723
2028	79,885
2029	-
Thereafter	-

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(9) Defined Benefit Pension Plan, continued**

***Actuarial Assumptions***

The total pension liabilities were determined as of June 30, 2022 and 2021 (valuation dates), which were rolled forward to June 30, 2023 and 2022 (measurement dates), respectively, using the following actuarial assumptions:

Valuation dates	June 30, 2022 and 2021
Measurement dates	June 30, 2023 and 2022
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68

Actuarial assumptions:

Discount rate/ Investment Rate of Return	2023 – 6.90%
	2022 – 6.90%
Inflation	2023 – 2.30%
	2022 – 2.30%
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	2023 and 2022 – 1997–2015
Post Retirement Benefit	2023 and 2022 – Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

\* 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.

***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.

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(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, 2024, the target allocation and the long-term expected real rate of return by asset class were as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Return Years 1-10</u>
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 Yield	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	<u>100.00 %</u>	

***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, 2024, the discount rate comparison was the following:

	<u>Discount Rate - 1%</u>	<u>Discount Rate</u>	<u>Discount Rate + 1%</u>
	<u>5.90%</u>	<u>6.90%</u>	<u>7.90%</u>
District's net pension liability	\$ <u>26,142,865</u>	<u>17,194,995</u>	<u>9,830,130</u>



**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(9) Defined Benefit Pension Plan, continued**

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

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

***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 85 and 86 for the Required Supplementary Schedules.

***Payable to the Pension Plan***

As of June 30, 2024 and 2023, the District reported no payables for the outstanding amount of contribution to the pension plan, respectively.

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**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(10) Net Position**

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

	<u>2024</u>	<u>2023</u>
Net investment in capital assets:		
Capital assets, net	\$ 119,090,254	114,437,216
Lease payable, current	(41,577)	(37,189)
Lease payable, non-current	(52,626)	(20,660)
Bond payable, current	(955,000)	(630,000)
Bond payable, non-current	<u>(13,795,000)</u>	<u>(14,750,000)</u>
Total investment in capital assets	<u>104,246,051</u>	<u>98,999,367</u>
Restricted net position:		
Capital projects	34,266,729	1,843,619
Unspent capital project debt	(34,266,729)	(1,843,619)
Reservoir capacity charge	754,939	889,644
Acreage supply charge	448,016	439,047
Investment in joint venture – PBWA	22,932,690	22,299,660
Investment in joint venture – Spadra	479,545	490,006
Badillo Grand surcharge	294,404	293,811
Water supply charge	1,239,313	1,978,304
Capacity charge	<u>187,372</u>	<u>84,547</u>
Total restricted net position	<u>26,336,279</u>	<u>26,475,019</u>
Unrestricted net position:		
Operating reserve	(5,024,485)	549,448
Replacement	17,313,320	19,250,691
Capital improvements	1,628,776	1,454,459
Employee liabilities	1,864,499	1,370,756
Rate stabilization	4,543,125	1,543,125
Project reserve	967,232	967,232
Badillo Grand catastrophic insurance	500,000	500,000
Stored water	<u>125,500</u>	<u>(230,500)</u>
Total unrestricted net position	<u>21,917,967</u>	<u>25,405,211</u>
Total net position	<u>\$ 152,500,297</u>	<u>150,879,597</u>

***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.

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(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:

Net position at July 1, 2021, as restated	\$ 142,383,508
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	281,146
Effect of adjustment to establish equipment lease asset and liability balance as a result of GASB 87	(784)
Effect of adjustment to establish subscription lease asset and liability balance as a result of GASB 96	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	(56,931)
Effect of adjustment for 2021 equipment lease asset and liability balances as a result of GASB 87	(80)
Effect of adjustment for 2021 subscription lease asset and liability balances as a result of GASB 96	(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

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(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, 2024 and 2023, amounted to \$10,845,887 and \$9,616,688, 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, 2024, 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 \$50,000 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 \$3,000,000 per member limit and \$5,000,000 Aggregate Limit. Cyber Liability Deductible varies from \$50,000 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.

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(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, 2024, 2023, and 2022. 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, 2024, 2023, and 2022.

**(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:

<u>Meter size</u>	<u>Capacity fee</u>
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

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

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

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2024, that has effective dates that may impact future financial presentations.

***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.

***Governmental Accounting Standards Board Statement No. 102***

In December 2023, the GASB issued Statement No. 102 – *Certain Risk Disclosures*. The primary objective of this Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 103***

In April 2024, the GASB issued Statement No. 103 – *Financial Reporting Model Improvements*. The primary objective of this Statement is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government's accountability. Also, this Statement: (1) continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI); (2) describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence; (3) requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses; (4) requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements; and (5) requires governments to present budgetary comparison information using a single method of communication—RSI.

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

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

***Governmental Accounting Standards Board Statement No. 103***

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 104***

In September 2024, the GASB issued Statement No. 104 – *Disclosure of Certain Capital Assets*. The primary objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments. Also, this Statement establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this Statement apply to the financial statements of all state and local governments.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, 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, 2024, the District’s open balance of construction contract commitments is \$19,999,571, shown as follows:

<u>Funding Source / Project Purpose</u>	<u>Project Name</u>	<u>Total Approved Contract</u>	<u>Construction Costs to Date</u>	<u>Balance to Complete</u>
Replacement/Bond	District Administration Building	\$ 21,133,066	(1,398,295)	19,734,771
Replacement	Electric Panel Modification (Chestnut Hill)	264,800	-	264,800
		<u>\$ 21,397,866</u>	<u>(1,398,295)</u>	<u>19,999,571</u>

***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.

***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.

**Walnut Valley Water District**  
**Notes to the Basic Financial Statements, continued**  
**For Fiscal Years Ended June 30, 2024 and 2023**

**(18) Subsequent Events**

Events occurring after June 30, 2024, have been evaluated for possible adjustment to the financial statements or disclosure as of December 16, 2024, which is the date the financial statements were available to be issued.

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## **Required Supplementary Information**

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**Walnut Valley Water District**  
**Schedules of the Changes in Net OPEB Liability and Related Ratios**  
**As of June 30, 2024**  
**Last Ten Years\***

	Measurement Dates						
	2023	2022	2021	2020	2019	2018	2017
Total OPEB liability							
Service cost	\$ 284,011	207,385	193,613	212,981	206,277	207,344	200,817
Interest	944,593	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	(1,515,813)	-	(1,979,697)	263,923	-	261,666	-
Changes of assumptions or other inputs	1,020,819	2,150,715	-	220,291	-	479,432	-
Benefit payments	(803,059)	(827,035)	(787,853)	(781,933)	(700,097)	(588,894)	(514,282)
Net change in total OPEB liability	(69,449)	2,471,669	(1,536,102)	897,206	461,818	1,271,559	564,391
Total OPEB liability – beginning	17,934,847	15,463,178	16,999,280	16,102,074	15,640,256	14,368,697	13,804,306
Total OPEB liability – ending	17,865,398	17,934,847	15,463,178	16,999,280	16,102,074	15,640,256	14,368,697
Plan fiduciary net position							
Contribution – employer	1,553,059	1,202,035	2,498,929	1,532,902	1,789,827	1,684,754	1,662,734
Net investment income	696,084	(1,917,093)	1,664,027	487,894	282,591	494,962	625,506
Benefit payments	(803,059)	(827,035)	(787,853)	(781,933)	(700,097)	(588,894)	(514,282)
Administrative expense	(70,176)	-	-	-	-	-	-
Net change in plan fiduciary net position	1,375,908	(1,542,093)	3,375,103	1,238,863	1,372,321	1,590,822	1,773,958
Plan fiduciary net position – beginning	13,859,079	15,401,172	12,026,069	10,787,206	9,414,885	7,824,063	6,050,105
Plan fiduciary net position – ending	15,234,987	13,859,079	15,401,172	12,026,069	10,787,206	9,414,885	7,824,063
Net OPEB liability	\$ 2,630,411	4,075,768	62,006	4,973,211	5,314,868	6,225,371	6,544,634
Covered payroll	\$ 5,457,652	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 covered payroll	48.20%	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, 2024**  
**Last Ten Years\***

<u>Description</u>	<u>Fiscal Years Ended</u>						
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>7/11/05</u>	<u>7/10/1905</u>
Actuarially determined contribution	\$ 615,992	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	<u>(796,773)</u>	<u>(1,411,360)</u>	<u>(1,411,360)</u>	<u>(1,789,732)</u>	<u>(1,789,732)</u>	<u>(1,703,516)</u>	<u>(1,662,734)</u>
Contribution deficiency(excess)	\$ <u>(180,781)</u>	<u>(209,325)</u>	<u>1,087,569</u>	<u>(256,830)</u>	<u>95</u>	<u>(18,762)</u>	<u>-</u>
District's covered payroll	\$ <u>6,392,522</u>	<u>5,457,652</u>	<u>5,445,491</u>	<u>5,148,856</u>	<u>5,291,282</u>	<u>5,203,041</u>	<u>4,900,008</u>
Contribution's as a percentage of covered payroll	<u>12.46%</u>	<u>25.86%</u>	<u>25.92%</u>	<u>34.76%</u>	<u>33.82%</u>	<u>32.74%</u>	<u>33.93%</u>

**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, 2024**  
**Last Ten Years**

Description	Measurement Dates									
	June 30, 2022	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	0.13783%	0.15654%	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	\$ 17,194,995	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	\$ 5,132,768	5,191,997	5,128,701	5,148,856	4,884,068	5,168,829	4,856,448	4,868,910	4,653,252	4,450,158
District's proportionate share of the net pension liability as a percentage of its covered payroll	335.00%	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	74.01%	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%

From fiscal year June 30, 2023 to June 30, 2024:

There were no changes in assumptions.

**Walnut Valley Water District  
Schedules of Pension Plan Contributions  
As of June 30, 2024  
Last Ten Years**

Description	Fiscal Years Ended									
	June 30, 2024	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	\$ 2,030,538	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	(2,654,679)	(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)	\$ (624,141)	(1,826,339)	178,675	95,697	166,309	104,416	1,805	(23,031)	-	-
District's covered payroll	\$ 5,646,343	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	35.96%	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, 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	June 30, 2013
Methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	15 year Smoothed Market Method
Inflation	2.30%	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)	(2)
Investment rate of return	6.90% (3)	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)	(4)
Mortality	(5)	(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.

## **Statistical Section**

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**Walnut Valley Water District  
Statistical Section**

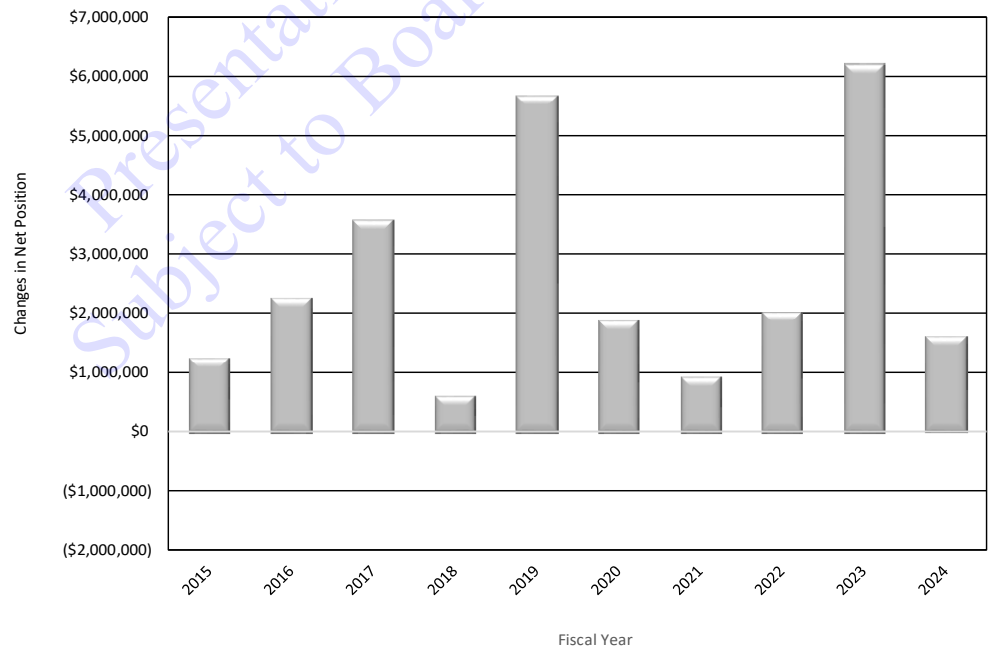
This part of the District’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the District’s overall financial health.

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	<b><u>Page No.</u></b>
Financial Trends These schedules contain information to help the reader understand how the District’s financial performance and well-being have changed over time.	88-91
Revenue Capacity These schedules contain information to help the reader assess the District’s most significant own-source revenue, water sales.	92-95
Debt Capacity 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.	96-97
Demographic Information This schedule offers demographic indicators to help the reader understand the environment within which the District’s financial activities take place.	98
Operating Information 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.	99-100

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

	Fiscal Year		
	As Restated		
	2015	2016	2017
Changes in net position:			
Operating revenues (see Schedule 2)	\$ 33,854,771	33,924,726	34,916,303
Operating expenses (see Schedule 3)	(30,261,703)	(30,721,847)	(31,827,660)
Depreciation and amortization	(5,303,916)	(5,021,533)	(5,109,038)
<b>Operating income (loss)</b>	<b>(1,710,848)</b>	<b>(1,818,654)</b>	<b>(2,020,395)</b>
Non-operating revenues (expenses)			
Property taxes	950,932	943,033	985,113
Rental income - cellular site leases	270,105	284,011	277,607
Interest earnings - cellular site leases	-	-	-
Investment earnings(expense), net of fair value	416,825	824,415	1,635
Share in investment in joint venture income (loss)	4,737	315,763	(8,092)
Amounts received for annexation	-	1,065,457 (3)	-
Gain (Loss) on disposition of assets	(66,950)	(129,390)	(85,825)
Interest expense	(422,504)	(377,577)	(386,321)
Cost of issuance of debt	-	-	-
Other revenue (expense), net	440,930	210,384	271,605
Total non-operating revenues (expenses), net	1,594,075	3,136,096	1,055,722
<b>Net income (loss) before capital contributions</b>	<b>(116,773)</b>	<b>1,317,442</b>	<b>(964,673)</b>
Capital contributions	1,373,775	946,623	4,545,716
<b>Changes in net position</b>	<b>\$ 1,257,002</b>	<b>2,264,065</b>	<b>3,581,043</b>
Net position by component:			
Net investment in capital assets	\$ 100,091,614	100,096,835	102,444,898
Restricted	14,950,173	18,983,396	26,408,666
Unrestricted	20,179,472	18,405,093	12,212,803
<b>Total net position</b>	<b>\$ 135,221,259</b>	<b>137,485,324</b>	<b>141,066,367</b>



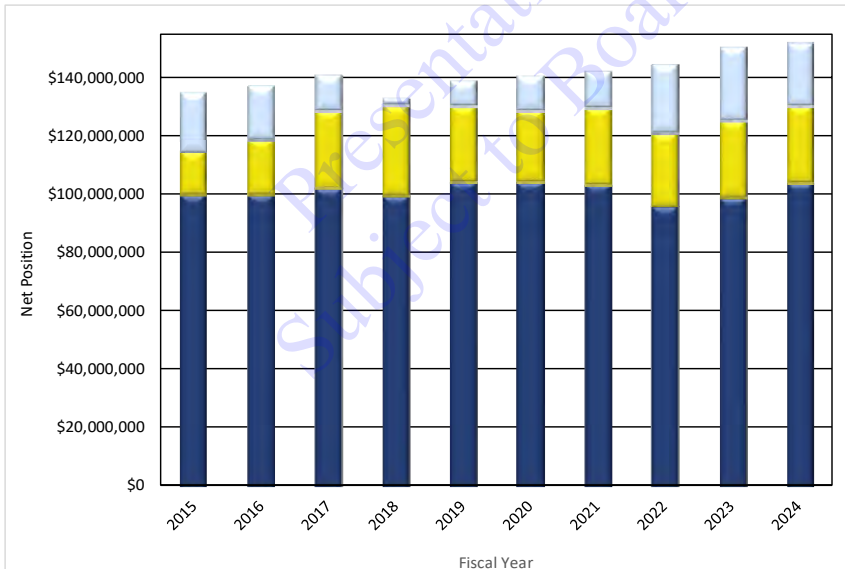
**Source:** Walnut Valley Water District Accounting Department

- (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 an 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**

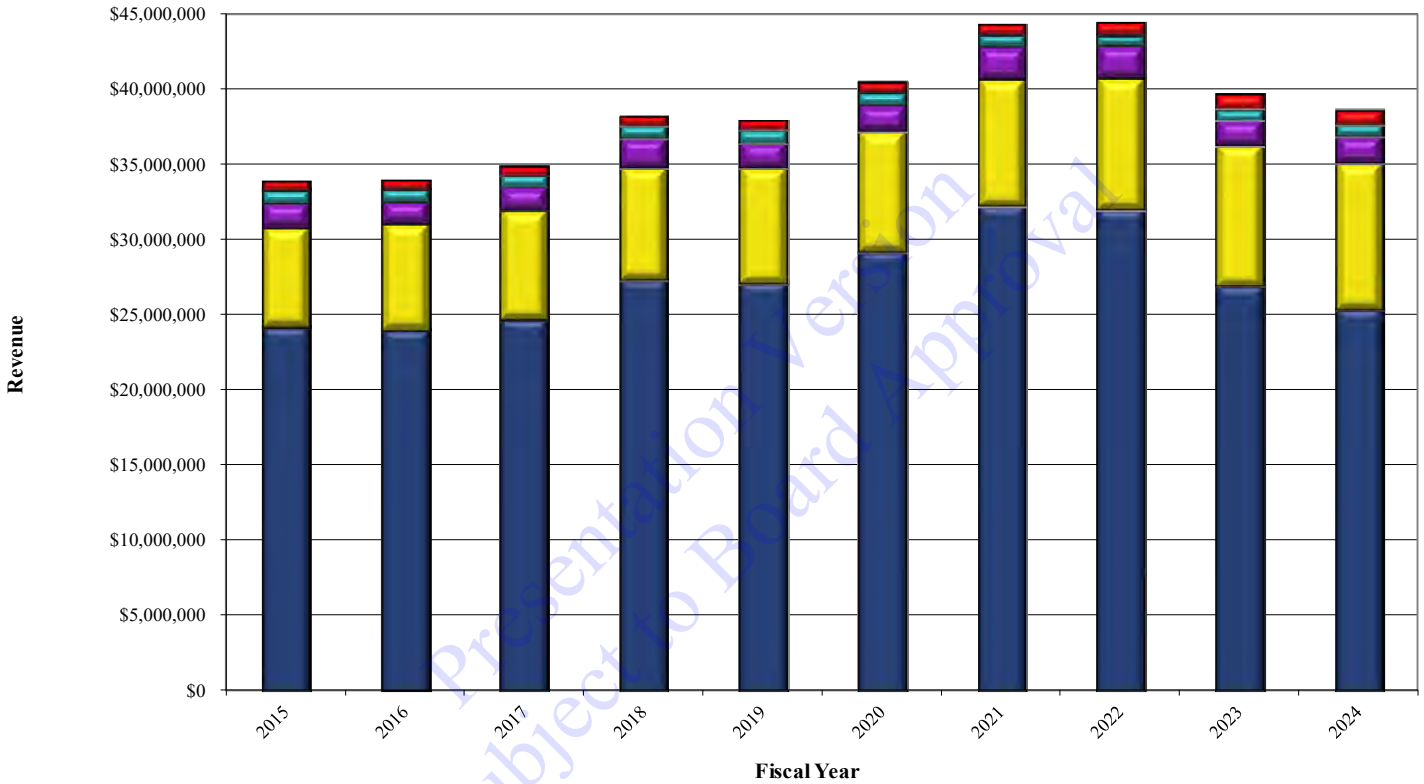
As Restated 2018	Fiscal Year					
	2019	2020	As Restated 2021	As Restated 2022	2023	2024
38,210,311	37,912,508	40,456,434	44,260,619	44,391,343	39,669,770	38,607,814
(35,341,232)	(34,149,759)	(38,205,724)	(40,065,073)	(40,962,957)	(33,074,736)	(37,557,416)
(5,286,808)	(5,219,938)	(5,455,123)	(5,705,983)	(5,768,802)	(5,746,516)	(5,876,604)
(2,417,729)	(1,457,189)	(3,204,413)	(1,510,437)	(2,340,416)	848,518	(4,826,206)
999,707	1,098,378	1,162,465	1,199,446	1,232,651	1,378,819	1,364,364
284,849	298,104	318,148	230,384	175,184	212,628	206,871
-	-	-	40,485	82,691	73,699	51,143
122,673	2,069,109	2,009,604	63,284	(1,600,045)	275,799	1,727,063
(139,606)	874,098	180,329	(41,029)	(87,374)	242,938	(267,573)
-	-	-	-	-	-	-
(798,859) (4)	18,098	(39,748)	(99,640)	153,711	(666,270)	(12,432)
(676,951)	(658,698)	(635,343)	(609,102)	(249,933)	(280,828)	(383,287)
-	-	-	-	(188,885)	-	(244,453)
283,851	316,717	512,942	257,449	841,593	149,443	303,324
75,664	4,015,806	3,508,397	1,041,277	359,593	1,386,228	2,745,020
(2,342,065)	2,558,617	303,984	(469,160)	(1,980,823)	2,234,746	(2,081,186)
2,950,904	3,116,814	1,574,591	1,403,720	4,012,468	3,975,432	3,701,886
608,839	5,675,431	1,878,575	934,560	2,031,645	6,210,178	1,620,700
99,730,658	104,543,390	104,609,392	103,712,477	96,171,867	98,999,367	104,246,051
31,189,404	25,986,720	24,191,055	26,199,369	25,266,486	26,475,019	26,336,279
2,476,916	8,542,299	12,150,537	12,471,662	23,231,066	25,405,211	21,917,967
133,396,978	139,072,409	140,950,984	142,383,508	144,669,419	150,879,597	152,500,297



## 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
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
2024	25,331,025	9,766,547	1,772,820	738,652	25,735	973,035	38,607,814

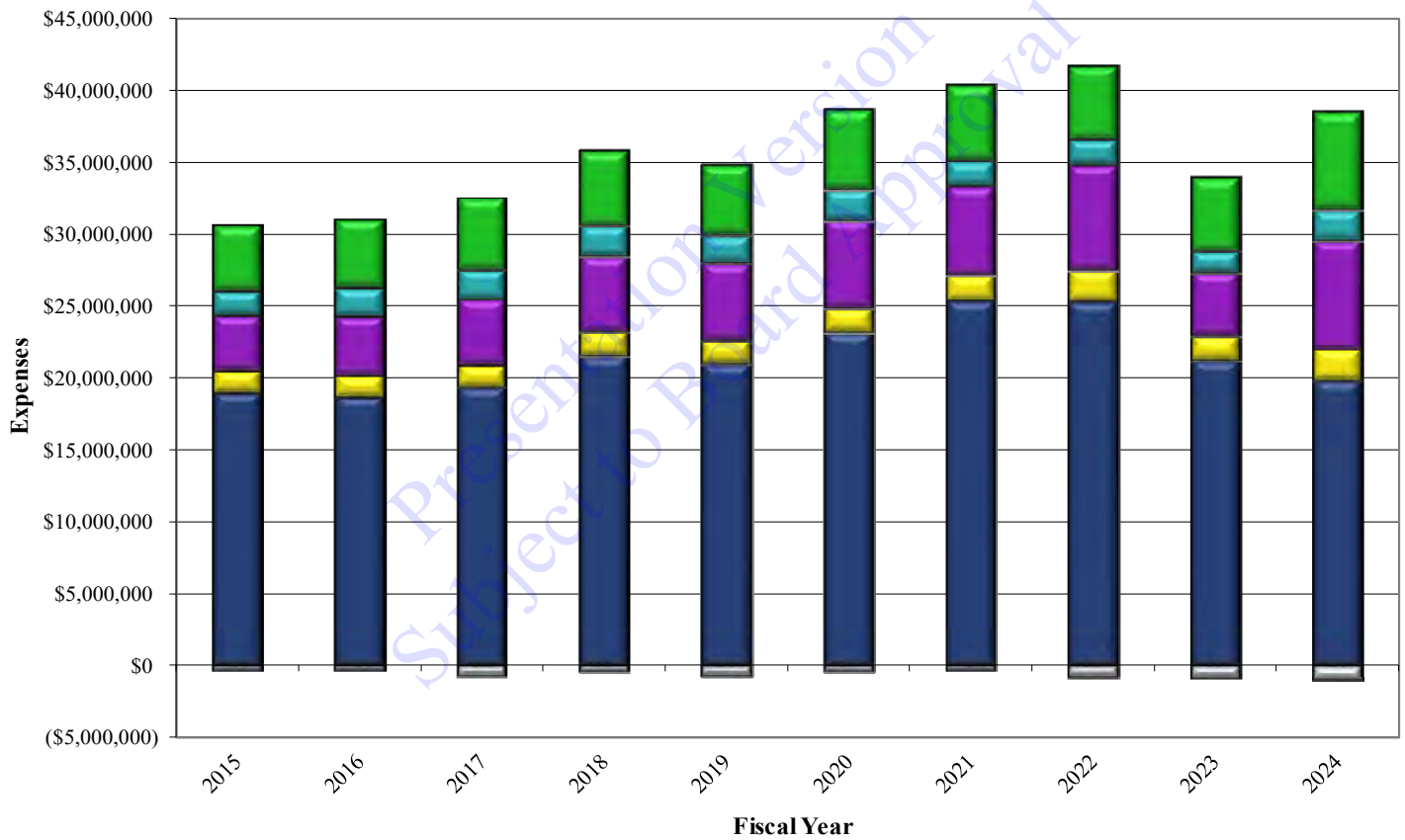


Source: Walnut Valley Water District Accounting Department

**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
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	21,226,680	1,728,885	4,392,282	1,493,320	5,097,182	(863,613)	33,074,736
2024	19,823,825	2,226,259	7,537,749	2,093,131	6,835,375	(958,923)	37,557,416



**Note:**

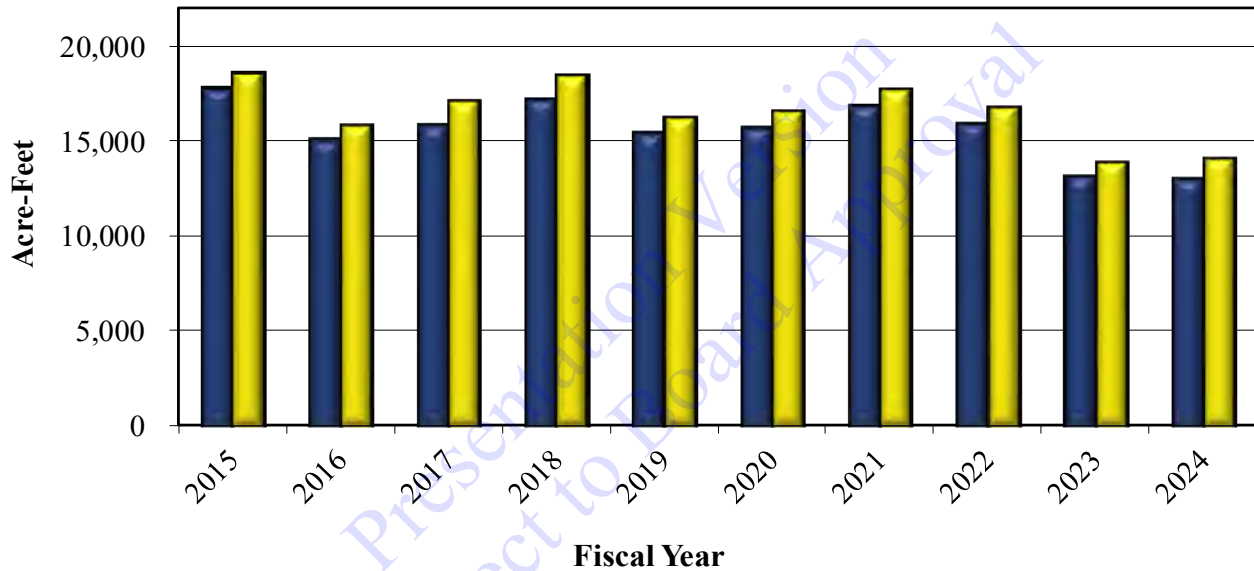
(1) Account groupings were revised in 2020 and regrouped for the prior two fiscal years

**Source:** Walnut Valley Water District Accounting Department

**Walnut Valley Water District  
Revenue Base  
Last Ten Fiscal Years**

**Schedule 4**

<b>Fiscal Year</b>	<b>Water Sales (Acre Feet) <sup>(1)</sup></b>	<b>Water Produced (Acre Feet) <sup>(1)</sup></b>
2015	17,876	18,666
2016	15,111	15,905
2017	15,905	17,197
2018	17,245	18,485
2019	15,444	16,275
2020	15,751	16,630
2021	16,953	17,854
2022	15,977	16,844
2023	13,163	13,921
2024	13,050	14,163



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

(1) Excludes wholesale water sales and purchases

**Source:** Walnut Valley Water District Accounting Department

**Walnut Valley Water District  
Revenue Rates<sup>(1)</sup>  
Last Ten Fiscal Years**

**Schedule 5**

		<b>Commodity Rates</b>									
		<b>Fiscal Year</b>									
		<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Residential - Tier 1 (per HCF)	\$	2.69	2.85	2.97	3.16	3.27	2.94	3.03	3.22	3.42	3.60
Residential - Tier 2 (per HCF)		3.08	3.25	3.39	3.58	3.69	3.93	4.05	4.30	4.56	4.79
Residential - Tier 3 (per HCF)		3.08	3.25	3.39	3.58	3.69	4.52	4.66	4.94	5.24	5.51
Multi-Family (per HCF)		2.89	3.06	3.19	3.38	3.49	3.36	3.47	3.68	3.90	4.10
Non-Residential (per HCF)		2.95	3.12	3.25	3.44	3.55	3.56	3.67	3.90	4.13	4.34
Recycled (per HCF)		1.56	1.63	1.71	1.79	1.88	1.87	1.97	2.07	2.18	2.29
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	0.20	0.21	0.22	0.24	0.25	0.27	0.30	0.32
Pump Zone - Zone 3 (per HCF)		0.36	0.37	0.39	0.34	0.42	0.44	0.46	0.49	0.53	0.56

		<b>Meter Charge per Month</b>									
		<b>Fiscal Year</b>									
<b>Meter Size</b>		<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
All District Accounts:											
3/4" or smaller	\$	18.29	18.87	19.43	20.00	20.54	20.67	21.30	22.58	23.94	25.14
1"		23.04	23.77	24.47	25.20	25.88	32.60	33.58	35.60	37.75	39.64
1 1/2"		54.43	56.17	57.82	59.53	61.14	62.42	64.30	68.16	72.28	75.90
2"		71.07	73.34	75.51	77.73	79.84	98.20	101.15	107.22	113.69	119.38
3"		145.53	150.17	154.60	159.17	163.48	193.64	199.45	211.42	224.18	235.39
4"		229.30	236.63	243.61	250.80	257.59	301.00	310.03	328.64	348.46	365.89
6"		435.87	449.79	463.07	476.74	489.65	599.22	617.20	654.24	693.69	728.38
8"		671.11	692.54	712.98	734.02	753.90	957.09	985.81	1,044.96	1,107.96	1,163.36

**Notes:**

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

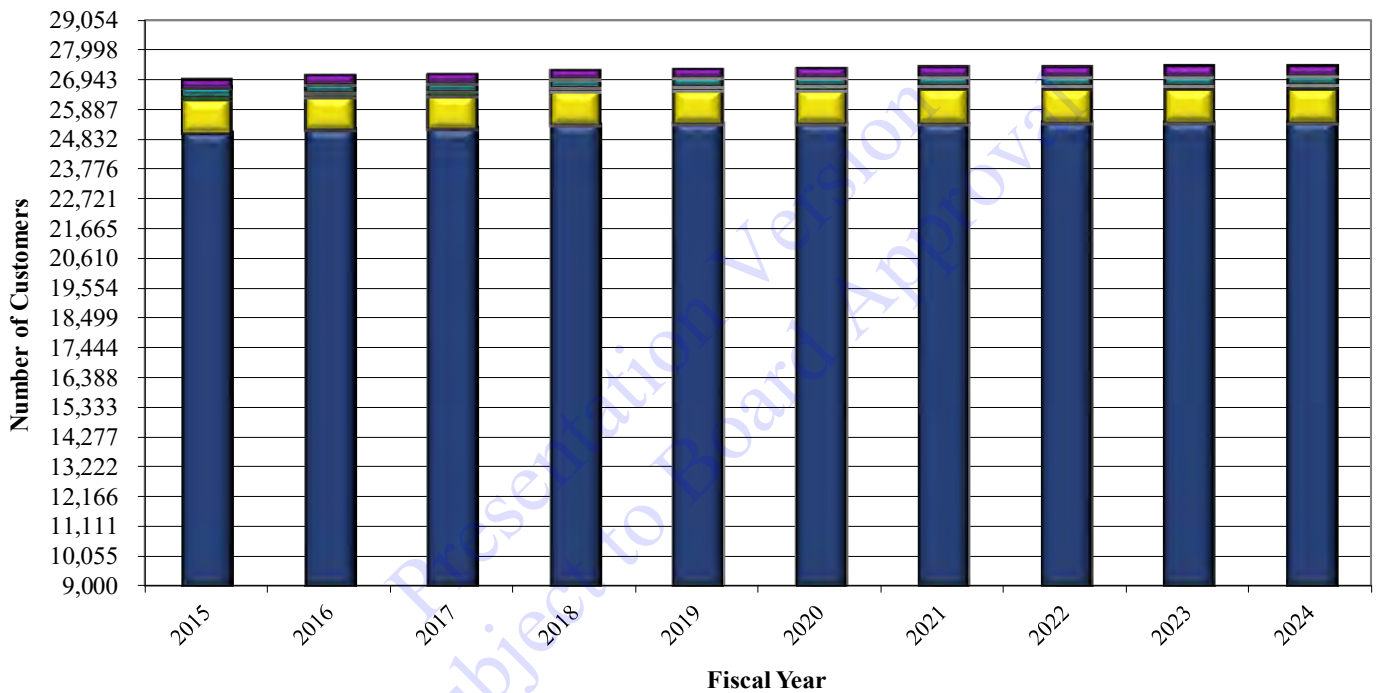
**Source:** Walnut Valley Water District Board of Directors approved rate ordinances and resolutions

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**Walnut Valley Water District  
Customers by Type  
Last Ten Fiscal Years**

**Schedule 6**

Fiscal Year	Customer Type					Total
	Residential	Commercial/ Industrial	Multi-User	Government	Recycled	
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
2024	25,510	1,175	166	289	351	27,491



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

**Source:** Walnut Valley Water District Accounting Department



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

**Schedule 7**

Rank	Customer	2024		Rank	2015	
		Water Consumed (AF)	Percentage of Total		Water Consumed (AF)	Percentage of Total
1	City Of Walnut	305	2.1%	1	540	2.7%
2	City of Diamond Bar	233	1.6%	4	304	1.5%
3	City Of Industry	225	1.5%		-	-
4	American Golf Corp	215	1.5%	3	322	1.6%
5	Walnut Unified School Dist	214	1.5%	2	330	1.6%
6	Montefino Homeowners Assoc	196	1.3%	5	257	1.3%
7	Diamond Bar Tennis Club HOA	114	0.8%	8	137	0.7%
8	Pomona Unified School Dist	113	0.8%	7	144	0.7%
9	Rowland Unified School Dist	75	0.5%		-	-
10	Majestic Management	62	0.4%		-	-
	Sukut Construction LLC	-	-	6	173	0.9%
	C.A. Rasmussen, Inc.	-	-	9	120	0.6%
	Rowland Unified School Dist	-	-	10	107	0.5%
	<b>Total</b>	<b>1,751</b>	<b>11.98%</b>		<b>2,435</b>	<b>12.03%</b>
	Potable Sales	13,050			17,876	
	Recycled Sales	1,560			2,365	
	<b>Total Water Consumed (AF)</b>	<b>14,610</b>	<b>100.00%</b>		<b>20,241</b>	<b>100.00%</b>

AF = Acre Feet

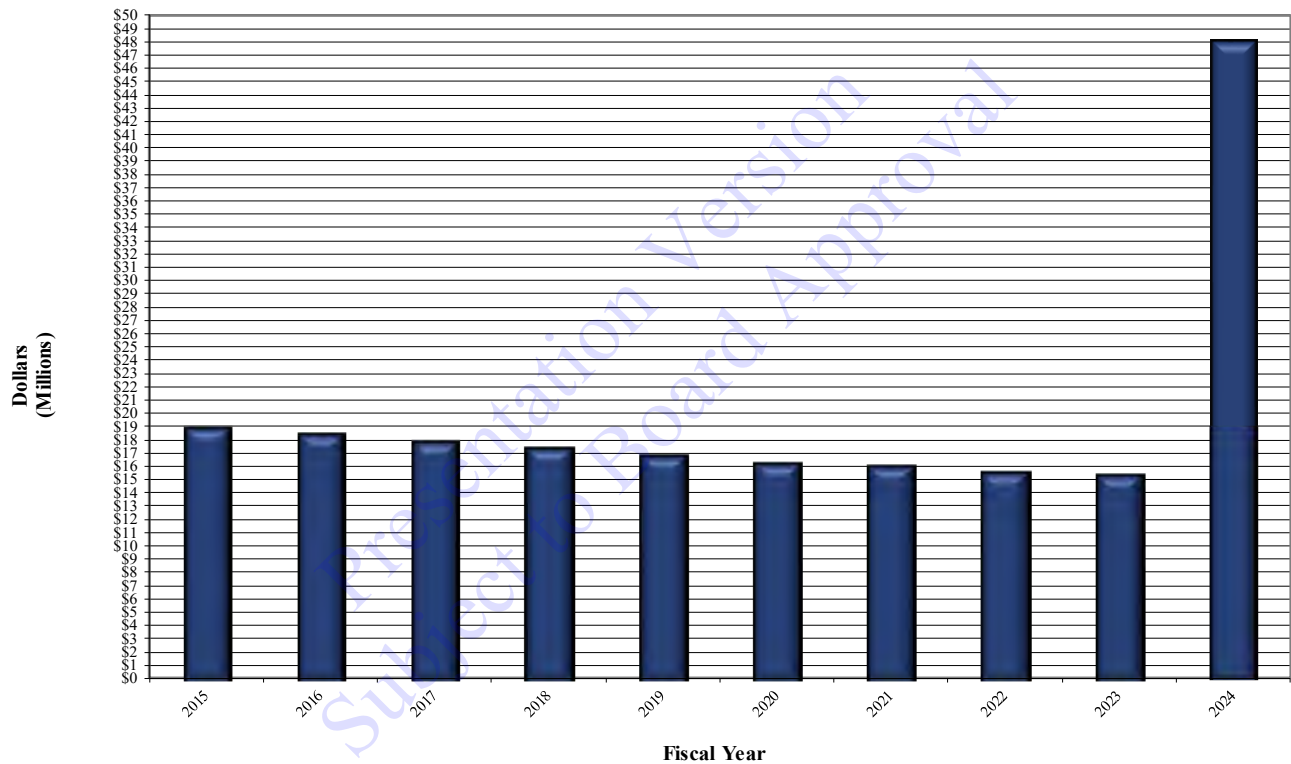
Source: Walnut Valley Water District Accounting Department

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

**Schedule 8**

<u>Fiscal Year</u>	<u>Bonds Payable</u>	<u>Subscription Payable</u>	<u>Lease Payable</u>	<u>Total Debt</u>	<u>Per Capita</u>	<u>As a Share of Personal Income</u>
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	-	49,905	16,319,151	153.65	0.22%
2021	15,702,036	382,786	26,405	16,111,227	160.99	0.22%
2022	15,380,000	229,354	2,067	15,611,421	155.61	0.21%
2023	15,380,000	57,849	-	15,437,849	153.50	0.20%
2024	48,016,792	94,203	-	48,110,995	478.38	0.62%



Source: Walnut Valley Water District Accounting Department

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

**Schedule 9**

Fiscal Year	Net Revenues <sup>(1)</sup>	Operating Expenses <sup>(2)</sup>	Net Available Revenues	Debt Service			Coverage Ratio
				Principal	Interest	Total	
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	42,158,101	(38,372,045)	3,786,056	-	277,404	277,404	13.65
2024	41,275,353	(37,340,393)	3,934,960	630,000	1,350,553	383,287	10.27

- Note:**
- (1) Operating revenues excludes: unrealized gain (loss) on investment income  
Operating revenues includes property tax revenue, investment income, and other non-operating revenue.
  - (2) Operating expenses before depreciation excludes: GASB 68 pension expense, GASB 75 OPEB expense.  
Operating expenses before depreciation includes: overhead on capital construction expense.

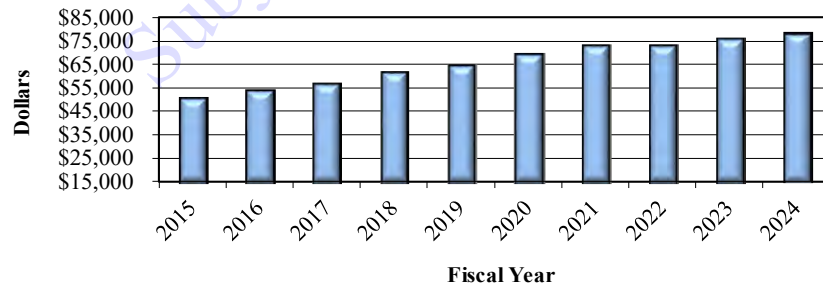
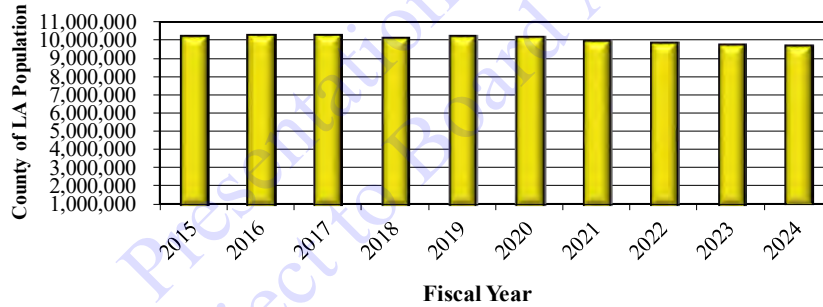
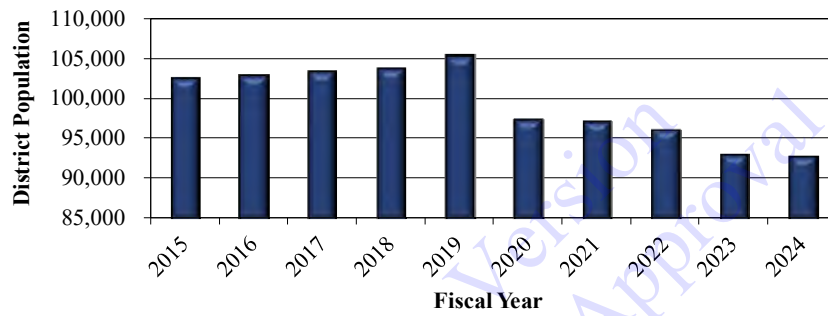
**Source:** Walnut Valley Water District Accounting Department

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

Schedule 10

County of Los Angeles <sup>(1)</sup>					
Year	District Population	Unemployment Rate	Population	Personal Income (thousands of dollars)	Personal Income per Capita
2015	102,622	6.9%	10,192,000	521,900,000	51,207
2016	103,045	5.4%	10,240,000	557,382,000	54,432
2017	103,469	4.9%	10,278,000	585,515,000	56,968
2018	103,892	4.9%	10,106,000	628,809,000	62,221
2019	105,469	4.6%	10,184,000	658,900,000	64,700
2020	97,475	17.9%	10,136,000	708,700,000	69,919
2021	97,226 <sup>(2)</sup>	10.3%	9,931,000	728,400,000	73,346
2022	96,155	5.2%	9,835,000	722,300,000	73,442
2023	93,046	5.3%	9,761,000	743,300,000	76,150
2024	92,813	5.9%	9,700,000	764,112,400	78,774



**Sources:** Bureau of Labor Statistics  
California Department of Finance, Bureau of Economic Analysis (BEA)  
LAEDC Economic Forecast

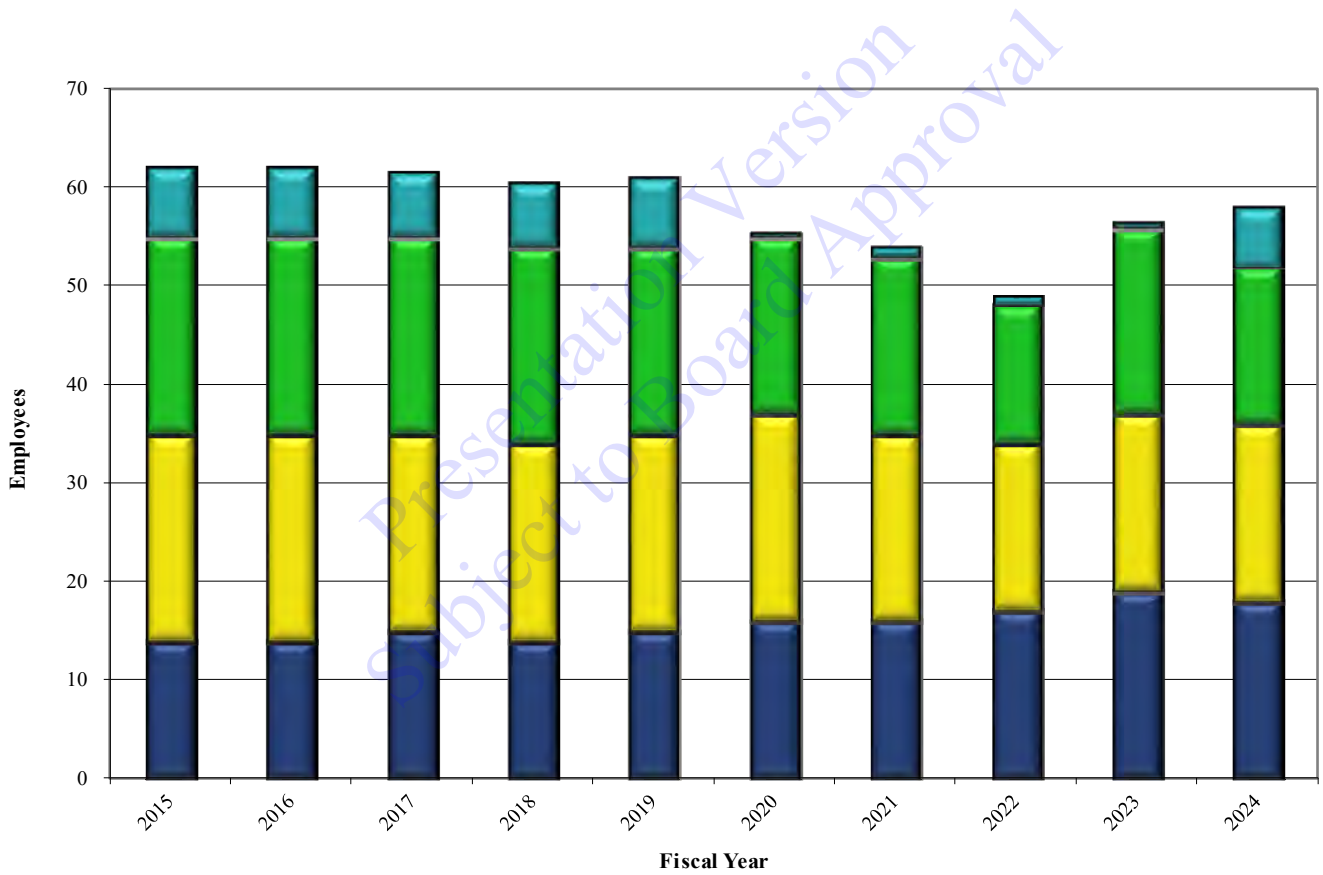
**Notes:**  
(1) Only County data is updated annually. Therefore, the District has chose to use its data since the District believes that the County data is representative of the conditions and experience of the District.  
(2) Recalculated due to 2020 Census

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

**Schedule 11**

**Full-time Equivalent District Employees by Department**

<b>Fiscal Year</b>	<b>District Administration</b>	<b>Office and Engineering</b>	<b>Operations</b>	<b>Part-time/ Student Intern</b>	<b>Total</b>
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
2024	18	18	16	6.0	58.0



Source: Walnut Valley Water District Accounting Department

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

**Schedule 12**

**Other Operating and Capacity Indicators**

<b>Fiscal Year</b>	<b>District Area (Square Miles)</b>	<b>Miles of Pipeline</b>	<b>Storage Capacity (MG)</b>	<b>Reservoirs</b>	<b>Booster Pump Stations</b>	<b>Pressure Regulating Stations</b>	<b>Fire Hydrants</b>
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
2024	29	426	95.6	32	18.0	39.0	3,094

MG - Millions of Gallons

MGD - Millions of Gallons per Day

**Source:** Walnut Valley Water District Engineering Department

Presentation Version  
Subject to Board Approval

# **Report on Internal Controls and Compliance**

*Presentation Version  
Subject to Board Approval*

*Presentation Version  
Subject to Board Approval*



**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, 2024, 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 16, 2024.

**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.

**C.J. Brown & Company, CPAs**  
Cypress, California  
December 16, 2024

Presentation Version  
Subject to Board Approval

**Walnut Valley Water District**

**Management Report**

**June 30, 2024**

*Working Draft Subject to Review*

**Walnut Valley Water District**

**Management Report**

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Working Draft Subject to Review

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, 2024, 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, 2024.

**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, 2023.

\* \* \* \* \*

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 16, 2024

**APPENDIX**

**Walnut Valley Water District**

**Finance Committee Letter**

**June 30, 2024**

*Working Draft Subject to Review*

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, 2024, and have issued our report thereon dated December 16, 2024. 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 25, 2024, 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 16, 2024.

### **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 2024. 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 the District's fair value of cash and investments in Note 2 to the financial statements represents amounts susceptible to market fluctuations.

The disclosure of the District's 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 pages 5 and 6 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 16, 2024.

### **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 Sherry Shaw, General Manager, Josh Byerrum, Director of Finance, James Ning, Accounting Manager, 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 16, 2024

**Walnut Valley Water District**  
**Schedule of Audit Adjusting Journal Entries**  
**June 30, 2024**

Account	Description	Debit	Credit
<b>Adjusting Journal Entries</b>			
<b>Adjusting Journal Entries JE # 1</b>			
CPE - To record interest receivable for the PBWA Revenue Bonds at June 30, 2024.			
10-0120-1435	Interest Receivable	13,708.46	
10-4900-4950	Interest Income - PBWA Rev Bonds		13,708.46
<b>Total</b>		<b><u>13,708.46</u></b>	<b><u>13,708.46</u></b>
<b>Adjusting Journal Entries JE # 2</b>			
CPE - To adjust PBWA 2024 Rev Bond interest payable at June 30, 2024.			
10-0210-2645	Interest Payable	8,729.00	
10-6000-8810	Interest Expense		8,729.00
<b>Total</b>		<b><u>8,729.00</u></b>	<b><u>8,729.00</u></b>
<b>Adjusting Journal Entries JE # 3</b>			
CPE - To remove duplicate entry made to project #20-3645 and to adjust related retainer at June 30, 2024.			
10-0210-2210	Retentions Payable	103,275.00	
10-4500-4990	Capital Contributions	103,275.00	
10-0170-1870	CIP - Developers		103,275.00
10-0220-2335	Deposits - Developers		103,275.00
<b>Total</b>		<b><u>206,550.00</u></b>	<b><u>206,550.00</u></b>
<b>Adjusting Journal Entries JE # 4</b>			
AJE - To adjust employer contributions to actual per District prepared employer tool.			
10-5200-5635	Pension Expense	41,000.00	
10-5210-5635	Pension Expense	92,250.00	
10-5220-5635	Pension Expense	30,750.00	
10-5230-5635	Pension Expense	30,750.00	
10-5240-5635	Pension Expense	112,750.00	
10-5250-5635	Pension Expense	82,000.00	
10-5290-5635	Pension Expense	30,750.00	
10-5300-5635	Pension Expense	164,000.00	
10-5400-5635	Pension Expense	20,500.00	
10-5410-5635	Pension Expense	51,250.00	
10-5420-5635	Pension Expense	61,500.00	
10-5510-5635	Pension Expense	133,250.00	
10-5530-5635	Pension Expense	10,250.00	
10-5600-5635	Pension Expense	10,250.00	
10-5610-5635	Pension Expense	30,750.00	
10-5620-5635	Pension Expense	10,250.00	
10-5630-5635	Pension Expense	20,500.00	
10-5640-5635	Pension Expense	92,250.00	
10-0140-1980	Deferred Pension Contributions		1,025,000.00
<b>Total</b>		<b><u>1,025,000.00</u></b>	<b><u>1,025,000.00</u></b>

**Walnut Valley Water District**  
**Schedule of Audit Adjusting Journal Entries**  
**June 30, 2024**

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 5</b>			
CPE - To record property taxes receivable at June 30, 2024.			
10-4400-4950	Tax Revenue - General	25,870.66	
10-4400-4950	Tax Revenue - General	619.25	
10-4400-4955	Tax Revenue - Standby	13,087.33	
10-0110-1310	Taxes Receivable - General		25,870.66
10-0110-1315	Allowance for Taxes Receivable		619.25
10-0110-1320	Taxes Receivable - Standby Charges		13,087.33
<b>Total</b>		<b><u>39,577.24</u></b>	<b><u>39,577.24</u></b>
<b>Total Adjusting Journal Entries</b>		<b><u>1,293,564.70</u></b>	<b><u>1,293,564.70</u></b>
<b>Proposed Journal Entries</b>			
<b>Proposed Journal Entries JE # 100</b>			
PAJE - To record closure of stale projects (18-3523, 22-3744, 19-3572, 19-3601, 19-3625WSC) per review and inquiry with Operations and Engineering at June 30, 2024.			
10-0160-1705	Fixed Assets - Pumping	18,313.38	
10-0160-1707	Fixed Assets - Transmission & Distribution	211.51	
10-0160-1707	Fixed Assets - Transmission & Distribution	295.94	
10-0160-1730	Fixed Assets - Recycled	811.01	
10-0170-1870	CIP - Developers	3,233.90	
20-9000-9910	Interfund Transfer In/Out	18,313.38	
30-9000-9910	Interfund Transfer In/Out	295.94	
70-9000-9910	Interfund Transfer In/Out	811.01	
10-0170-1870	CIP - Developers		211.51
10-4400-4961	Miscellaneous Non-Operating		3,233.90
10-9000-9910	Interfund Transfer In/Out		18,313.38
10-9000-9910	Interfund Transfer In/Out		295.94
10-9000-9910	Interfund Transfer In/Out		811.01
20-0170-1805	CIP - District Headquarters		18,313.38
30-0170-1850	CIP - General		295.94
70-0170-1820	CIP - System Modifications		811.01
<b>Total</b>		<b><u>42,286.07</u></b>	<b><u>42,286.07</u></b>
<b>Total Proposed Journal Entries</b>		<b><u>42,286.07</u></b>	<b><u>42,286.07</u></b>
<b>Total All Journal Entries</b>		<b><u>1,335,850.77</u></b>	<b><u>1,335,850.77</u></b>

**Legend:**

CPE	Client/District Prepared Journal Entry
AJE	Audit Adjusting Journal Entry
PAJE	Proposed/Passed Journal Entry (Not Posted to Districts Books/Records)



**Walnut Valley Water District  
Debt Service Coverage Requirement  
Agreed Upon Procedures**

**Fiscal Year Ended June 30, 2024  
(With Independent Accountant's Report Thereon)**

**Walnut Valley Water District**

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*Working Draft Subject to Review*

**Independent Accountant’s Report on  
Applying Agreed-Upon Procedures**

Ms. Sherry Shaw  
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 responsible for satisfying certain other bond covenants associated with the Bonds, including the debt service coverage requirement.

On June 1, 2024, the District issued the Water Revenue Bonds, Series 2024A through the Puente Basin Water Agency. The proceeds of the bonds will be used to finance the construction of a new administration building as well as modifications of the District’s existing operations and maintenance building. 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 bonds were issued at a premium which will be amortized over the life of the debt service. The District is responsible for satisfying certain other bond covenants associated with the Bonds, including the debt service coverage requirement. The rate covenants of the Bonds require that net revenues of District for each fiscal year be equal to at least 125% of the annual debt service payments required for that fiscal year.

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, 2024 prepared in accordance with the rate covenant requirements of the Puente Basin Water Agency Water Revenue Bonds, 2021 Series A and the Puente Basin Water Agency Water Revenue Bonds, 2024 Series A. The District is responsible for the preparation of the debt service coverage calculations. 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 on pages 2 and 3, either for the purpose for which this report has been requested or for any other purpose.



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

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, 2024. The calculation is included on page 4. 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.

2. The bond covenants of the Puente Basin Water Agency Water Revenue Bonds, 2024 Series A describe the debt service coverage requirement as follows: “...the District has covenanted in the installment purchase agreement, to the fullest extent permitted by law, to fix and prescribe, at the beginning of each fiscal year, rates, fees, and charges for the water service which are reasonably expected , at the beginning of each fiscal year, to be at least sufficient to yield during such fiscal year revenues equal to 125% of the debt service for such fiscal year”. net revenues were defined in the bond covenants as follows: “...net revenues of the District’s water system, which consist of revenues of the District’s water system remaining after the payment of operation and maintenance costs of the District’s water system”.

We obtained the District’s debt service coverage calculation for the fiscal year ended June 30, 2024. The calculation is included on page 4. 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.

The following procedures address the Water Revenue Bonds, Series 2021 A and Water Revenue Bonds, Series 2024 A.

3. We obtained the audited financial statements of the District for the year ended June 30, 2024. 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.

4. We reviewed the mathematical accuracy of the calculation.

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

5. 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.

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

6. 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 16, 2024

Working Draft Subject to Review

**Walnut Valley Water District**  
**Computation of Net Revenue and Revenue Coverage Requirement**  
**PBWA Water Revenue Bonds, 2021 Series A (Walnut Valley Water District) &**  
**PBWA Water Revenue Bonds, 2024 Series A (Walnut Valley Water District)**

	<u>June 30, 2024</u>
<b>Revenues:</b>	
Operating revenue	\$ 38,607,814
Other revenue	<u>2,367,552</u>
<b>Total system revenues</b>	<u>40,975,366</u>
<b>Operating expenses:</b>	
Operations and maintenance expenses	<u>(36,974,332)</u>
<b>Total system expenses</b>	<u>(36,974,332)</u>
<b>Net revenue</b>	<u>\$ 4,001,034</u>
<b>Annual debt service requirement – Series 2021A:</b>	
Principal	\$ 955,000
Interest	<u>274,456</u>
<b>Annual debt service requirement – Series 2021A</b>	<u>1,229,456</u>
<b>Annual debt service requirement – Series 2024A:</b>	
Principal*	\$ -
Interest	<u>1,345,649</u>
<b>Annual debt service requirement – Series 2024A</b>	<u>1,345,649</u>
<b>Annual debt service requirements – 2021A &amp; 2024A</b>	<u>2,575,105</u>
Annual coverage percentage requirement	<u>125%</u>
Annual coverage requirement	<u>3,218,881</u>
Less – Net revenue	4,001,034
<b>Excess of net revenue over annual coverage requirement</b>	<u>\$ 782,153</u>
<b>Actual coverage percentage</b>	155.37%

**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 dollar amount of operations and maintenance costs shown above.
  - (2) For the 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.
- \* Water Revenue Bonds, 2024 Series A principal repayment begins on June 1, 2026.

# MONTHLY ACCOUNT STATEMENT

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Walnut Valley Water District Cons | Account #10076 | As of October 31, 2024

**CHANDLER ASSET MANAGEMENT** | [chandlerasset.com](http://chandlerasset.com)

**Chandler Team:**

For questions regarding our account, please call (800) 317-4747,  
or contact [clientservice@chandlerasset.com](mailto:clientservice@chandlerasset.com)

**Custodian:**

# PORTFOLIO SUMMARY



Walnut Valley Water District Cons | Account #10076 | As of October 31, 2024

## Portfolio Characteristics

Average	a	1.31
Average Coupon		1.88%
Average Purchase YTM		1.97%
Average Market YTM		3.57%
Average Quality		AA
Average Final Maturity		1.30
Average Life		1.25

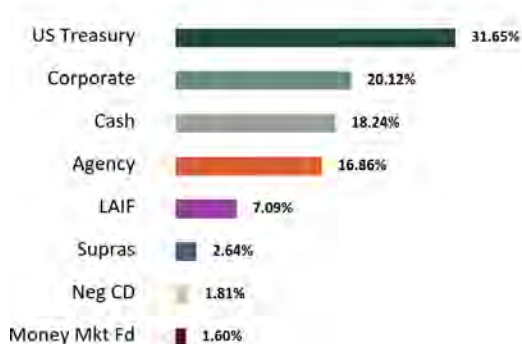
## Account Summary

	Beg. Values as of 10/01/2024	End Values as of 10/31/2024
Market Value	39,675,043.14	39,941,153.21
Accrued Interest	147,745.23	162,196.04
<b>Total Market Value</b>	<b>39,822,788.37</b>	<b>40,103,349.26</b>
Income Earned	71,380.44	94,864.08
Cont/WD	(56,818.65)	409,462.83
Par	40,258,382.60	40,716,784.69
Book Value	40,159,044.07	40,620,600.50
Cost Value	40,084,605.60	40,546,804.56

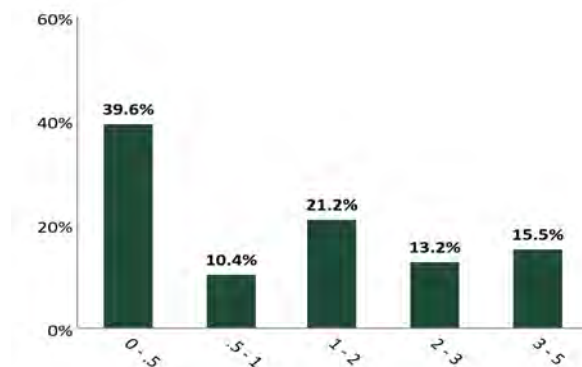
## Top Issuers

United States	31.65%
Federal Home Loan Banks	7.74%
LAIF	7.09%
FNMA	4.97%
FHLMC	4.16%
Federated Hermes, Inc.	1.60%
Interna or Recon and Dev	1.45%
Bank of America Corpora	1.27%

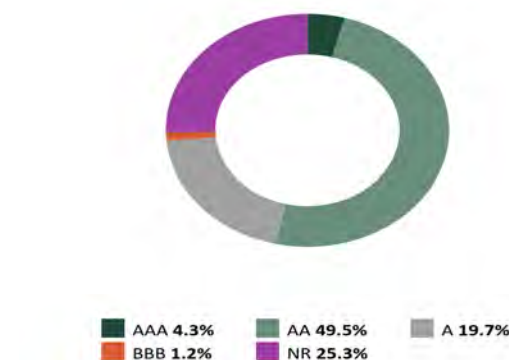
## Sector Allocation



## Maturity Distribution



## Credit Quality



\*See Footnote

The credit quality is a weighted average calculation of S&P, Moody's and Fitch

Chandler Asset Management | info@chandlerasset.com | www.chandlerasset.com

# PORTFOLIO SUMMARY



Walnut Valley Water District | Account #10074 | As of October 31, 2024

## Portfolio Characteristics

Average	a	1.65
Average Coupon		2.12%
Average Purchase YTM		2.25%
Average Market YTM		4.36%
Average Quality		AA
Average Final Maturity		1.76
Average Life		1.68

## Account Summary

	Beg. Values as of 10/01/2024	End Values as of 10/31/2024
Market Value	29,257,331.40	29,100,999.10
Accrued Interest	145,905.95	159,724.88
<b>Total Market Value</b>	<b>29,403,237.35</b>	<b>29,260,723.97</b>
Income Earned	72,081.64	56,005.34
Cont/WD	(641,349.04)	0.00
Par	29,817,166.44	29,854,137.92
Book Value	29,717,827.91	29,757,953.73
Cost Value	29,643,389.44	29,684,157.79

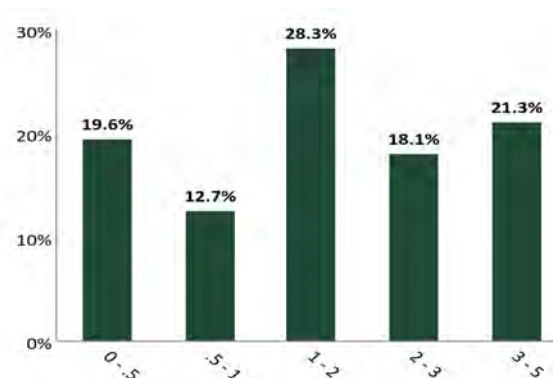
## Top Issuers

United States	43.44%
Federal Home Loan Banks	10.62%
FNMA	6.82%
FHLMC	5.70%
Federated Hermes, Inc.	2.20%
Interna or Recon and Dev	1.98%
Bank of America Corpora	1.75%
Deere & Company	1.73%

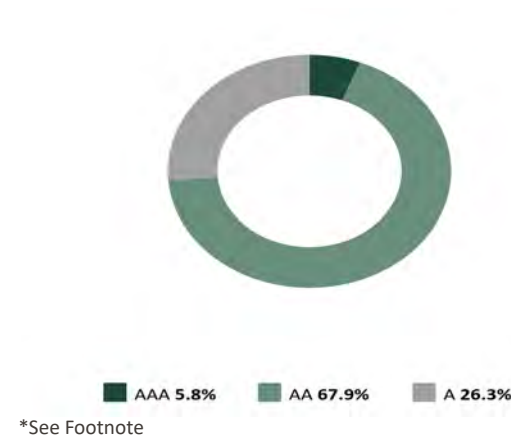
## Sector Allocation



## Maturity Distribution



## Credit Quality



## Performance Review

Total Rate of Return	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	Since Inception (08/01/09)
Walnut Valley WD	(0.48%)	1.18%	3.65%	6.63%	4.77%	1.06%	1.35%	1.62%	1.66%
Benchmark Return*	(1.07%)	0.79%	3.10%	6.18%	4.29%	0.56%	1.00%	1.33%	1.39%

\*Periods over 1 year are annualized.

Benchmark: ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index Secondary Benchmark: t of S&P, Moody's' and Fitch

Ex

# RECONCILIATION SUMMARY



Walnut Valley Water District Cons | Account #10076 | As of October 31, 2024

## Maturities / Calls

Month to Date	(600,000.00)
Fiscal Year to Date	(5,500,000.00)

## Principal Paydowns

Month to Date	0.00
Fiscal Year to Date	0.00

## Purchases

Month to Date	1,101,675.69
Fiscal Year to Date	12,980,821.46

## Sales

Month to Date	(14,953.94)
Fiscal Year to Date	(9,692,667.09)

## Interest Received

Month to Date	77,258.92
Fiscal Year to Date	700,428.14

## Purchased / Sold Interest

Month to Date	0.00
Fiscal Year to Date	0.00

## Accrual Activity Summary

	Month to Date	Fiscal Year to Date (01/01/2024)
Beginning Book Value	40,159,044.07	42,837,250.67
Ma	(600,000.00)	(5,500,000.00)
Principal Paydowns	0.00	0.00
Purchases	1,101,675.69	12,980,821.46
Sales	(14,953.94)	(9,692,667.09)
Change in Cash, Payables, Receivables	(28,319.66)	(27,642.36)
a    Accre	3,154.34	22,837.81
Realized Gain (Loss)	0.00	0.00
Ending Book Value	40,620,600.50	40,620,600.50

## Fair Market Activity Summary

	Month to Date	Fiscal Year to Date (01/01/2024)
Beginning Market Value	39,675,043.14	41,623,106.86
Ma	(600,000.00)	(5,500,000.00)
Principal Paydowns	0.00	0.00
Purchases	1,101,675.69	12,980,821.46
Sales	(14,953.94)	(9,692,667.09)
Change in Cash, Payables, Receivables	(28,319.66)	(27,642.36)
a    Accre	3,154.34	22,837.81
Change in Net Unrealized Gain (Loss)	(195,446.37)	534,696.53
Realized Gain (Loss)	0.00	0.00
Ending Market Value	39,941,153.21	39,941,153.21

# HOLDINGS REPORT



Walnut Valley Water District Cons | Account #10076 | As of October 31, 2024

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
<b>AGENCY</b>									
3130A3GE8	FEDERAL HOME LOAN BANKS 2.75 12/13/2024	700,000.00	12/23/2019 1.80%	732,445.00 700,750.38	99.78 4.61%	698,451.73 7,379.17	1.75% (2,298.65)	Aaa/AA+ AA+	0.12 0.12
3135G0X24	FEDERAL NATIONAL MORTGAGE ASSOCIATION 1.625 01/07/2025	600,000.00	02/14/2020 1.48%	604,074.00 600,152.92	99.46 4.60%	596,730.73 3,087.50	1.49% (3,422.19)	Aaa/AA+ AA+	0.19 0.18
3137EAEP0	FEDERAL HOME LOAN MORTGAGE CORP 1.5 02/12/2025	600,000.00	02/14/2020 1.48%	600,486.00 600,027.49	99.16 4.50%	594,981.28 1,975.00	1.49% (5,046.21)	Aaa/AA+ AA+	0.28 0.28
3135G03U5	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.625 04/22/2025	800,000.00	-- 0.53%	803,537.00 800,342.01	98.21 4.47%	785,688.02 125.00	1.97% (14,654.00)	Aaa/AA+ AA+	0.47 0.47
3130AJKW8	FEDERAL HOME LOAN BANKS 0.5 06/13/2025	600,000.00	06/10/2020 0.54%	598,866.00 599,860.74	97.69 4.34%	586,135.96 1,150.00	1.47% (13,724.78)	Aaa/AA+ AA+	0.62 0.60
3137EAEU9	FEDERAL HOME LOAN MORTGAGE CORP 0.375 07/21/2025	400,000.00	08/12/2020 0.45%	398,456.00 399,775.64	97.20 4.36%	388,792.51 416.67	0.97% (10,983.12)	Aaa/AA+ AA+	0.72 0.71
3137EAEX3	FEDERAL HOME LOAN MORTGAGE CORP 0.375 09/23/2025	700,000.00	10/07/2020 0.50%	695,758.00 699,236.39	96.56 4.34%	675,887.98 277.08	1.69% (23,348.41)	Aaa/AA+ AA+	0.90 0.87
3135G06G3	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.5 11/07/2025	625,000.00	11/18/2020 0.51%	624,775.00 624,953.98	96.26 4.30%	601,646.30 1,510.42	1.51% (23,307.68)	Aaa/AA+ AA+	1.02 0.99
3130AKFA9	FEDERAL HOME LOAN BANKS 0.375 12/12/2025	600,000.00	01/05/2021 0.42%	598,680.00 599,702.43	95.75 4.32%	574,496.70 868.75	1.44% (25,205.73)	Aaa/AA+ AA+	1.11 1.09
3130ATUS4	FEDERAL HOME LOAN BANKS 4.25 12/10/2027	475,000.00	01/26/2023 3.67%	487,188.50 482,773.77	100.29 4.15%	476,370.81 7,906.77	1.19% (6,402.95)	Aaa/AA+ AA+	3.11 2.84
3130AWMN7	FEDERAL HOME LOAN BANKS 4.375 06/09/2028	750,000.00	07/21/2023 4.17%	756,637.50 754,901.77	100.58 4.20%	754,356.07 12,942.71	1.89% (545.70)	Aaa/AA+ AA+	3.61 3.25
<b>Total Agency</b>		<b>6,850,000.00</b>	<b>1.44%</b>	<b>6,900,903.00</b> <b>6,862,477.51</b>	<b>98.33</b> <b>4.39%</b>	<b>6,733,538.07</b> <b>37,639.06</b>	<b>16.86%</b> <b>(128,939.44)</b>	<b>Aaa/AA+</b> <b>AA+</b>	<b>1.10</b> <b>1.03</b>
<b>CASH</b>									
90CASH\$00	Custodial Cash Account	7,274,686.73	-- 0.00%	7,274,686.73 7,274,686.73	1.00 0.00%	7,274,686.73 0.00	18.21% 0.00	NA/NA NA	0.00 0.00
CCYUSD	Receivable	105.85	-- 0.00%	105.85 105.85	1.00 0.00%	105.85 0.00	0.00% 0.00	Aaa/AAA AAA	0.00 0.00
CCYUSD	Receivable	10,811.53	-- 0.00%	10,811.53 10,811.53	1.00 0.00%	10,811.53 0.00	0.03% 0.00	Aaa/AAA AAA	0.00 0.00



# HOLDINGS REPORT



Walnut Valley Water District Cons | Account #10076 | As of October 31, 2024

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
<b>Total Cash</b>		<b>7,285,604.11</b>	<b>0.00%</b>	<b>7,285,604.11</b>	<b>1.00</b> <b>0.00%</b>	<b>7,285,604.11</b> <b>0.00</b>	<b>18.24%</b> <b>0.00</b>	<b>Aaa/AAA</b> <b>AAA</b>	<b>0.00</b> <b>0.00</b>
<b>CORPORATE</b>									
06367WB85	BANK OF MONTREAL 1.85 05/01/2025	400,000.00	02/15/2022 2.25%	395,048.00 399,233.27	98.54 4.85%	394,150.24 3,700.00	0.99% (5,083.02)	A2/A- AA-	0.50 0.49
717081EX7	PFIZER INC 0.8 05/28/2025	400,000.00	05/26/2020 0.83%	399,376.00 399,928.92	97.86 4.60%	391,459.18 1,360.00	0.98% (8,469.74)	A2/A WR	0.57 0.56
78015K7H1	ROYAL BANK OF CANADA 1.15 06/10/2025	400,000.00	05/20/2021 0.96%	403,072.00 400,459.35	97.93 4.64%	391,708.21 1,801.67	0.98% (8,751.13)	A1/A AA-	0.61 0.59
89114TZD7	TORONTO-DOMINION BANK 1.2 06/03/2026	400,000.00	08/11/2021 1.12%	401,416.00 400,467.16	94.66 4.73%	378,620.46 1,973.33	0.95% (21,846.70)	A2/A- AA-	1.59 1.53
06428CAA2	BANK OF AMERICA NA 5.526 08/18/2026	500,000.00	09/11/2023 5.51%	500,150.00 500,090.09	101.75 4.50%	508,764.18 5,602.75	1.27% 8,674.09	Aa1/A+ AA	1.80 1.60
87612EBM7	TARGET CORP 1.95 01/15/2027	500,000.00	01/24/2022 1.87%	501,865.00 500,809.15	95.01 4.35%	475,044.55 2,870.83	1.19% (25,764.60)	A2/A A	2.21 2.11
06406RBA4	BANK OF NEW YORK MELLON CORP 2.05 01/26/2027	500,000.00	01/26/2022 2.03%	500,400.00 500,174.93	94.98 4.43%	474,887.61 2,704.86	1.19% (25,287.32)	A1/A AA-	2.24 2.14
023135CF1	AMAZON.COM INC 3.3 04/13/2027	400,000.00	04/26/2022 3.26%	400,788.00 400,381.61	97.67 4.31%	390,663.20 660.00	0.98% (9,718.41)	A1/AA AA-	2.45 2.32
665859AW4	NORTHERN TRUST CORP 4.0 05/10/2027	500,000.00	06/28/2022 4.00%	500,045.00 500,023.00	99.08 4.39%	495,411.02 9,500.00	1.24% (4,611.98)	A2/A+ A+	2.52 2.33
69371RS31	PACCAR FINANCIAL CORP 4.6 01/10/2028	500,000.00	01/26/2023 4.26%	507,430.00 504,792.88	100.41 4.46%	502,053.05 7,091.67	1.26% (2,739.83)	A1/A+ NA	3.19 2.90
24422EWR6	JOHN DEERE CAPITAL CORP 4.75 01/20/2028	500,000.00	01/26/2023 4.29%	510,270.00 506,644.96	100.84 4.46%	504,215.81 6,663.19	1.26% (2,429.15)	A1/A A+	3.22 2.92
438516CJ3	HONEYWELL INTERNATIONAL INC 4.95 02/15/2028	425,000.00	04/11/2023 4.02%	441,923.50 436,392.69	101.89 4.32%	433,052.79 4,441.25	1.08% (3,339.90)	A2/A A	3.29 2.91
713448FL7	PEPSICO INC 3.6 02/18/2028	500,000.00	03/20/2023 4.18%	487,155.00 491,379.39	97.60 4.39%	488,014.58 3,650.00	1.22% (3,364.81)	A1/A+ NA	3.30 3.05
57636QAW4	MASTERCARD INC 4.875 03/09/2028	450,000.00	03/10/2023 4.83%	450,904.50 450,602.83	101.45 4.40%	456,541.79 3,168.75	1.14% 5,938.96	Aa3/A+ NA	3.36 2.98
74456QBU9	PUBLIC SERVICE ELECTRIC AND GAS CO 3.7 05/01/2028	400,000.00	06/26/2023 4.70%	382,788.00 387,575.06	97.08 4.61%	388,308.09 7,400.00	0.97% 733.03	A1/A WR	3.50 3.24
341081GN1	FLORIDA POWER & LIGHT CO 4.4 05/15/2028	450,000.00	-- 4.67%	444,781.50 446,266.36	99.47 4.56%	447,625.68 9,130.00	1.12% 1,359.32	Aa2/A+ AA-	3.54 3.18

# HOLDINGS REPORT



Walnut Valley Water District Cons | Account #10076 | As of October 31, 2024

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
74340XCG4	PROLOGIS LP 4.875 06/15/2028	450,000.00	07/21/2023 4.96%	448,330.50 448,764.93	100.99 4.57%	454,461.21 8,287.50	1.14% 5,696.29	A3/A NA	3.62 3.16
89236TLB9	TOYOTA MOTOR CREDIT CORP 5.25 09/11/2028	450,000.00	09/26/2023 5.34%	448,227.00 448,618.82	102.22 4.61%	459,981.75 3,281.25	1.15% 11,362.92	A1/A+ A+	3.87 3.45
<b>Total Corporate</b>		<b>8,125,000.00</b>	<b>3.59%</b>	<b>8,123,970.00</b> <b>8,122,605.38</b>	<b>98.95</b> <b>4.50%</b>	<b>8,034,963.37</b> <b>83,287.06</b>	<b>20.12%</b> <b>(87,642.01)</b>	<b>A1/A</b> <b>A+</b>	<b>2.57</b> <b>2.35</b>
<b>LAIF</b>									
90LAIF\$00	Local Agency Investment Fund State Pool	2,833,148.51	-- 4.48%	2,833,148.51 2,833,148.51	1.00 4.48%	2,833,148.51 0.00	7.09% 0.00	NA/NA NA	0.00
<b>Total LAIF</b>		<b>2,833,148.51</b>	<b>4.48%</b>	<b>2,833,148.51</b> <b>2,833,148.51</b>	<b>1.00</b> <b>4.48%</b>	<b>2,833,148.51</b> <b>0.00</b>	<b>7.09%</b> <b>0.00</b>	<b>NA/NA</b> <b>NA</b>	<b>0.00</b>
<b>MONEY MARKET FUND</b>									
60934N807	FEDERATED HRMS GV O SVC	639,032.07	-- 4.51%	639,032.07 639,032.07	1.00 4.51%	639,032.07 0.00	1.60% 0.00	Aaa/ AAAm AAA	0.00 0.00
<b>Total Money Market Fund</b>		<b>639,032.07</b>	<b>4.51%</b>	<b>639,032.07</b> <b>639,032.07</b>	<b>1.00</b> <b>4.51%</b>	<b>639,032.07</b> <b>0.00</b>	<b>1.60%</b> <b>0.00</b>	<b>Aaa/</b> <b>AAAm</b> <b>AAA</b>	<b>0.00</b> <b>0.00</b>
<b>NEGOTIABLE CD</b>									
7954506L4	Sallie Mae Bank 0.85 05/27/2025	248,000.00	05/27/2020 0.85%	248,000.00 248,000.00	98.01 4.43%	243,072.38 912.50	0.61% (4,927.62)	Baa1/BBB- BBB-	0.57 0.55
856285TQ4	State Bank of India - New York Branch 1.1 05/28/2025	248,000.00	05/28/2020 1.10%	248,000.00 248,000.00	98.14 4.43%	243,393.12 1,173.41	0.61% (4,606.88)	Baa3/BBB- NA	0.57 0.56
38149MZJ5	Goldman Sachs Bank USA 1.05 09/08/2026	248,000.00	08/25/2021 1.05%	248,000.00 248,000.00	94.77 4.00%	235,041.84 385.25	0.59% (12,958.16)	A1/A+ AA-	1.85 1.80
<b>Total Negotiable CD</b>		<b>744,000.00</b>	<b>1.00%</b>	<b>744,000.00</b> <b>744,000.00</b>	<b>97.00</b> <b>4.29%</b>	<b>721,507.34</b> <b>2,471.17</b>	<b>1.81%</b> <b>(22,492.66)</b>	<b>Baa2/</b> <b>BBB</b> <b>BBB</b>	<b>0.99</b> <b>0.96</b>
<b>SUPRANATIONAL</b>									

# HOLDINGS REPORT



Walnut Valley Water District Cons | Account #10076 | As of October 31, 2024

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
459058JL8	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 0.5 10/28/2025	600,000.00	12/14/2020 0.48%	600,516.00 600,104.83	96.21 4.45%	577,240.87 25.00	1.45% (22,863.96)	Aaa/AAA NA	0.99 0.97
4581X0DV7	INTER-AMERICAN DEVELOPMENT BANK 0.875 04/20/2026	500,000.00	04/27/2021 0.94%	498,425.00 499,536.25	95.13 4.33%	475,659.81 133.68	1.19% (23,876.44)	Aaa/AAA NA	1.47 1.43
<b>Total Supranational</b>		<b>1,100,000.00</b>	<b>0.69%</b>	<b>1,098,941.00 1,099,641.08</b>	<b>95.72 4.40%</b>	<b>1,052,900.68 158.68</b>	<b>2.64% (46,740.40)</b>	<b>Aaa/AAA NA</b>	<b>1.21 1.18</b>
<b>US TREASURY</b>									
912828YV6	UNITED STATES TREASURY 1.5 11/30/2024	700,000.00	12/23/2019 1.71%	692,808.59 699,884.33	99.75 4.66%	698,238.44 4,418.03	1.75% (1,645.89)	Aaa/AA+ AA+	0.08 0.08
912828Z52	UNITED STATES TREASURY 1.375 01/31/2025	575,000.00	03/04/2020 0.72%	593,328.13 575,930.21	99.21 4.58%	570,474.12 1,998.05	1.43% (5,456.08)	Aaa/AA+ AA+	0.25 0.24
912828ZF0	UNITED STATES TREASURY 0.5 03/31/2025	750,000.00	03/26/2020 0.50%	749,912.11 749,992.78	98.40 4.46%	737,982.42 329.67	1.85% (12,010.36)	Aaa/AA+ AA+	0.41 0.40
91282CAT8	UNITED STATES TREASURY 0.25 10/31/2025	700,000.00	02/16/2021 0.51%	691,605.47 698,219.34	96.05 4.34%	672,377.34 4.83	1.68% (25,842.00)	Aaa/AA+ AA+	1.00 0.98
91282CBC4	UNITED STATES TREASURY 0.375 12/31/2025	700,000.00	01/12/2021 0.52%	694,968.75 698,820.59	95.60 4.29%	669,210.93 884.51	1.68% (29,609.65)	Aaa/AA+ AA+	1.17 1.14
91282CBH3	UNITED STATES TREASURY 0.375 01/31/2026	550,000.00	03/22/2021 0.85%	537,625.00 546,819.05	95.32 4.27%	524,261.72 521.23	1.31% (22,557.34)	Aaa/AA+ AA+	1.25 1.22
91282CBQ3	UNITED STATES TREASURY 0.5 02/28/2026	650,000.00	03/09/2021 0.83%	639,589.84 647,222.43	95.17 4.28%	618,591.80 556.63	1.55% (28,630.63)	Aaa/AA+ AA+	1.33 1.30
91282CBT7	UNITED STATES TREASURY 0.75 03/31/2026	440,000.00	03/29/2021 0.87%	437,301.56 439,238.94	95.25 4.25%	419,117.19 290.11	1.05% (20,121.75)	Aaa/AA+ AA+	1.41 1.38
91282CCF6	UNITED STATES TREASURY 0.75 05/31/2026	850,000.00	06/28/2021 0.88%	844,820.31 848,339.73	94.75 4.22%	805,341.80 2,682.38	2.02% (42,997.93)	Aaa/AA+ AA+	1.58 1.54
91282CCP4	UNITED STATES TREASURY 0.625 07/31/2026	750,000.00	10/08/2021 1.02%	736,171.88 744,975.18	94.04 4.20%	705,322.27 1,184.61	1.77% (39,652.91)	Aaa/AA+ AA+	1.75 1.70
91282CCW9	UNITED STATES TREASURY 0.75 08/31/2026	850,000.00	09/28/2021 1.00%	839,939.45 846,260.19	94.00 4.19%	799,000.00 1,091.85	2.00% (47,260.19)	Aaa/AA+ AA+	1.83 1.78
91282CCZ2	UNITED STATES TREASURY 0.875 09/30/2026	650,000.00	12/29/2021 1.26%	638,447.27 645,349.59	94.00 4.17%	611,025.39 500.00	1.53% (34,324.20)	Aaa/AA+ AA+	1.91 1.86
91282CDG3	UNITED STATES TREASURY 1.125 10/31/2026	575,000.00	11/29/2021 1.18%	573,472.66 574,380.05	94.23 4.17%	541,802.73 17.87	1.36% (32,577.32)	Aaa/AA+ AA+	2.00 1.94

# HOLDINGS REPORT



Walnut Valley Water District Cons | Account #10076 | As of October 31, 2024

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
91282CDK4	UNITED STATES TREASURY 1.25 11/30/2026	575,000.00	04/26/2022 2.74%	537,827.15 558,185.82	94.26 4.16%	542,004.88 3,024.25	1.36% (16,180.94)	Aaa/AA+ AA+	2.08 2.01
91282CEF4	UNITED STATES TREASURY 2.5 03/31/2027	700,000.00	06/13/2022 3.44%	670,878.91 685,364.62	96.32 4.12%	674,269.53 1,538.46	1.69% (11,095.08)	Aaa/AA+ AA+	2.41 2.30
91282CEW7	UNITED STATES TREASURY 3.25 06/30/2027	550,000.00	09/13/2022 3.61%	541,363.28 545,207.86	97.81 4.13%	537,947.27 6,023.10	1.35% (7,260.59)	Aaa/AA+ AA+	2.66 2.49
91282CFH9	UNITED STATES TREASURY 3.125 08/31/2027	550,000.00	09/08/2022 3.39%	543,232.42 546,146.14	97.34 4.13%	535,347.66 2,943.72	1.34% (10,798.48)	Aaa/AA+ AA+	2.83 2.66
91282CFM8	UNITED STATES TREASURY 4.125 09/30/2027	400,000.00	10/28/2022 4.19%	398,796.88 399,287.51	100.02 4.12%	400,062.50 1,450.55	1.00% 774.99	Aaa/AA+ AA+	2.91 2.71
91282CFU0	UNITED STATES TREASURY 4.125 10/31/2027	750,000.00	11/09/2022 4.30%	744,169.92 746,487.82	99.99 4.13%	749,941.41 85.46	1.88% 3,453.59	Aaa/AA+ AA+	3.00 2.79
9128283F5	UNITED STATES TREASURY 2.25 11/15/2027	875,000.00	12/09/2022 3.79%	814,946.29 837,979.68	94.64 4.14%	828,139.65 9,094.77	2.07% (9,840.03)	Aaa/AA+ AA+	3.04 2.86
<b>Total US Treasury</b>		<b>13,140,000.00</b>	<b>1.84%</b>	<b>12,921,205.87</b> <b>13,034,091.84</b>	<b>96.24</b> <b>4.25%</b>	<b>12,640,459.05</b> <b>38,640.08</b>	<b>31.65%</b> <b>(393,632.79)</b>	<b>Aaa/AA+</b> <b>AA+</b>	<b>1.73</b> <b>1.66</b>
<b>Total Portfolio</b>		<b>40,716,784.69</b>	<b>1.97%</b>	<b>40,546,804.56</b> <b>40,620,600.50</b>	<b>71.49</b> <b>3.57%</b>	<b>39,941,153.21</b> <b>162,196.04</b>	<b>100.00%</b> <b>(679,447.29)</b>	<b>Aa3/AA-</b> <b>AA</b>	<b>1.30</b> <b>1.31</b>
<b>Total Market Value + Accrued</b>						<b>40,103,349.26</b>			

# TRANSACTION LEDGER



Walnut Valley Water District Cons | Account #10076 | As of October 31, 2024

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
<b>ACQUISITIONS</b>										
Purchase	10/02/2024	60934N807	2,166.44	FEDERATED HRMS GV O SVC	1.000	4.60%	(2,166.44)	0.00	(2,166.44)	0.00
Purchase	10/15/2024	90LAIF\$00	33,204.34	Local Agency Investment Fund State Pool	1.000	4.48%	(33,204.34)	0.00	(33,204.34)	0.00
Purchase	10/15/2024	60934N807	6,600.00	FEDERATED HRMS GV O SVC	1.000	4.53%	(6,600.00)	0.00	(6,600.00)	0.00
Purchase	10/21/2024	60934N807	2,187.50	FEDERATED HRMS GV O SVC	1.000	4.52%	(2,187.50)	0.00	(2,187.50)	0.00
Purchase	10/22/2024	60934N807	2,500.00	FEDERATED HRMS GV O SVC	1.000	4.51%	(2,500.00)	0.00	(2,500.00)	0.00
Purchase	10/28/2024	60934N807	1,500.00	FEDERATED HRMS GV O SVC	1.000	4.50%	(1,500.00)	0.00	(1,500.00)	0.00
Purchase	10/31/2024	90CASH\$00	414,485.34	Custodial Cash Account	1.000	0.00%	(414,485.34)	0.00	(414,485.34)	0.00
Purchase	10/31/2024	60934N807	639,032.07	FEDERATED HRMS GV O SVC	1.000	4.51%	(639,032.07)	0.00	(639,032.07)	0.00
<b>Total Purchase</b>			<b>1,101,675.69</b>				<b>(1,101,675.69)</b>	<b>0.00</b>	<b>(1,101,675.69)</b>	<b>0.00</b>
<b>TOTAL ACQUISITIONS</b>			<b>1,101,675.69</b>				<b>(1,101,675.69)</b>	<b>0.00</b>	<b>(1,101,675.69)</b>	<b>0.00</b>
<b>OTHER</b>										
Maturity	10/31/2024	912828YM6	(600,000.00)	UNITED STATES TREASURY 1.5 10/31/2024	100.000	1.50%	600,000.00	0.00	600,000.00	0.00
<b>Total Maturity</b>			<b>(600,000.00)</b>				<b>600,000.00</b>	<b>0.00</b>	<b>600,000.00</b>	<b>0.00</b>
Sale	10/31/2024	60934N807	(14,953.94)	FEDERATED HRMS GV O SVC	1.000	4.51%	14,953.94	0.00	14,953.94	0.00
<b>Total Sale</b>			<b>(14,953.94)</b>				<b>14,953.94</b>	<b>0.00</b>	<b>14,953.94</b>	<b>0.00</b>
<b>TOTAL OTHER TRANSACTIONS</b>			<b>(614,953.94)</b>				<b>614,953.94</b>	<b>0.00</b>	<b>614,953.94</b>	<b>0.00</b>
<b>OTHER</b>										
Cash Transfer	10/31/2024	CCYUSD	414,485.34	Cash		0.00%	414,485.34	0.00	414,485.34	0.00
<b>Total Cash Transfer</b>			<b>414,485.34</b>				<b>414,485.34</b>	<b>0.00</b>	<b>414,485.34</b>	<b>0.00</b>

# TRANSACTION LEDGER



Walnut Valley Water District Cons | Account #10076 | As of October 31, 2024

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest	Pur/Sold	Total Amount	Gain/Loss
Coupon	10/13/2024	023135CF1	0.00	AMAZON.COM INC 3.3 04/13/2027		3.26%	6,600.00	0.00	0.00	6,600.00	0.00
Coupon	10/20/2024	4581X0DV7	0.00	INTER-AMERICAN DEVELOPMENT BANK 0.875 04/20/2026		0.94%	2,187.50	0.00	0.00	2,187.50	0.00
Coupon	10/22/2024	3135G03U5	0.00	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.625 04/22/2025		0.53%	2,500.00	0.00	0.00	2,500.00	0.00
Coupon	10/28/2024	459058JL8	0.00	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 0.5 10/28/2025		0.48%	1,500.00	0.00	0.00	1,500.00	0.00
Coupon	10/31/2024	91282CAT8	0.00	UNITED STATES TREASURY 0.25 10/31/2025		0.51%	875.00	0.00	0.00	875.00	0.00
Coupon	10/31/2024	91282CDG3	0.00	UNITED STATES TREASURY 1.125 10/31/2026		1.18%	3,234.38	0.00	0.00	3,234.38	0.00
Coupon	10/31/2024	912828YM6	0.00	UNITED STATES TREASURY 1.5 10/31/2024		1.50%	4,500.00	0.00	0.00	4,500.00	0.00
Coupon	10/31/2024	91282CFU0	0.00	UNITED STATES TREASURY 4.125 10/31/2027		4.30%	15,468.75	0.00	0.00	15,468.75	0.00
<b>Total Coupon</b>			<b>0.00</b>				<b>36,865.63</b>	<b>0.00</b>	<b>0.00</b>	<b>36,865.63</b>	<b>0.00</b>
Dividend	10/15/2024	90LAIF\$00	0.00	Local Agency Investment Fund State Pool		4.48%	1,007.13	0.00	0.00	1,007.13	0.00
Dividend	10/31/2024	60934N807	0.00	FEDERATED HRMS GV O SVC		4.51%	105.86	0.00	0.00	105.86	0.00
<b>Total Dividend</b>			<b>0.00</b>				<b>1,112.99</b>	<b>0.00</b>	<b>0.00</b>	<b>1,112.99</b>	<b>0.00</b>
<b>TOTAL OTHER TRANSACTIONS</b>			<b>414,485.34</b>				<b>452,463.96</b>	<b>0.00</b>	<b>0.00</b>	<b>452,463.96</b>	<b>0.00</b>

# STATEMENT OF COMPLIANCE



Walnut Valley Water District | Account #10074 | As of October 31, 2024

Rules Name	Limit	Actual	Compliance Status	Notes
<b>AGENCY MORTGAGE SECURITIES (CMOS)</b>				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV; Agencies & Agency CMOs)	30.0	10.7	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
<b>ASSET-BACKED SECURITIES (ABS)</b>				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
Min Ra - by 1)	0.0	0.0	Compliant	
<b>BANKERS' ACCEPTANCES</b>				
Max % (MV)	40.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	180	0.0	Compliant	
<b>CERTIFICATE OF DEPOSIT PLACEMENT SERVICE (CDARS)</b>				
Max % (MV)	50.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
<b>COLLATERALIZED BANK DEPOSITS</b>				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
<b>COLLATERALIZED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)</b>				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
<b>COMMERCIAL PAPER</b>				
Max % (MV)	25.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	270	0.0	Compliant	
Min Ra -1 by 1 or A- by 1)	0.0	0.0	Compliant	
<b>CORPORATE MEDIUM TERM NOTES</b>				
Max % (MV)	30.0	27.6	Compliant	
Max % Issuer (MV)	5.0	1.7	Compliant	
Max Maturity (Years)	5	3	Compliant	

# STATEMENT OF COMPLIANCE



Walnut Valley Water District | Account #10074 | As of October 31, 2024

Rules Name	Limit	Actual	Compliance Status	Notes
Min Ra - by 1)	0.0	0.0	Compliant	
<b>FDIC INSURED TIME DEPOSITS (NON-NEGOTIABLE CD/ TD)</b>				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
<b>FEDERAL AGENCIES</b>				
Max % (MV)	100.0	23.1	Compliant	
Max % Issuer (MV; Agencies & Agency CMOs)	30.0	10.7	Compliant	
Max Callables (MV)	20.0	0.0	Compliant	
Max Maturity (Years)	5	3	Compliant	
<b>LOCAL AGENCY INVESTMENT FUND (LAIF)</b>				
Max Concentra	75.0	0.0	Compliant	
<b>LOCAL GOVERNMENT INVESTMENT POOL (LGIP)</b>				
Max % Issuer (MV)	5.0	0.0	Compliant	
<b>MONEY MARKET MUTUAL FUNDS</b>				
Max % (MV)	20.0	2.2	Compliant	
Max % Issuer (MV)	20.0	2.2	Compliant	
Min Ra y 2)	0.0	0.0	Compliant	
<b>MORTGAGE-BACKED SECURITIES (NON-AGENCY)</b>				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
Min Ra - by 1)	0.0	0.0	Compliant	
<b>MUNICIPAL SECURITIES (CA, LOCAL AGENCY)</b>				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
<b>MUNICIPAL SECURITIES (CA, OTHER STATES)</b>				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
<b>MUTUAL FUNDS</b>				
Max % (MV)	20.0	0.0	Compliant	



# STATEMENT OF COMPLIANCE



Walnut Valley Water District | Account #10074 | As of October 31, 2024

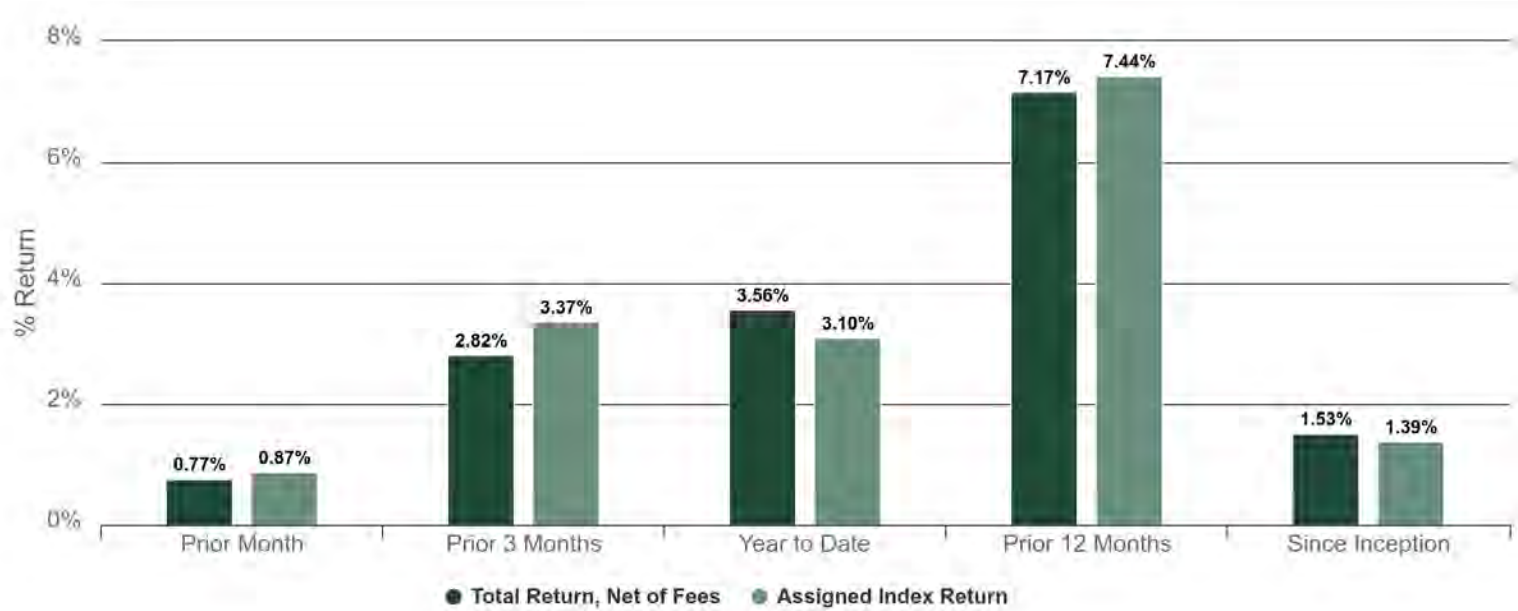
Rules Name	Limit	Actual	Compliance Status	Notes
Max % Issuer (MV)	10.0	0.0	Compliant	
Min Ra y 2)	0.0	0.0	Compliant	
<b>NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD)</b>				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
<b>REPURCHASE AGREEMENTS</b>				
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	1.0	0.0	Compliant	
<b>REVERSE REPURCHASE AGREEMENTS</b>				
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	92.0	0.0	Compliant	
<b>SUPRANATIONAL OBLIGATIONS</b>				
Max % (MV)	30.0	3.6	Compliant	
Max % Issuer (MV)	10.0	2.0	Compliant	
Max Maturity (Years)	5	1	Compliant	
Min Ra - by 1)	0.0	0.0	Compliant	
<b>U.S. TREASURIES</b>				
Max % (MV)	100.0	43.4	Compliant	
Max Maturity (Years)	5	3	Compliant	

# Net of Fees Performance

As of 10/31/2024

Walnut Valley WD (331583)

Dated: 11/18/2024



Period	Period Begin	Period End	Total Return, Net of Fees	Assigned Index Return
Prior Month	09/01/2024	09/30/2024	0.77%	0.87%
Prior 3 Months	07/01/2024	09/30/2024	2.82%	3.37%
Year to Date	01/01/2024	10/31/2024	3.56%	3.10%
Prior 12 Months	10/01/2023	09/30/2024	7.17%	7.44%
Since Inception	08/01/2009	10/31/2024	1.53%	1.39%

Account	Index	Index Start Date	Index End Date
Walnut Valley WD	ICE BofA 1-3 Year US Treasury Index	07/22/2002	08/31/2010
Walnut Valley WD	ICE BofA 1-5 Year Unsubordinated US Treasury & Agency Index	09/01/2010	---

Net of Fees (includes management and trading).

Returns for periods greater than a year have been annualized.

No Tax Adjustment.

Note that data will not exist prior to the performance inception date of: 08/01/2009.

Historical data exists for the options shown below, only available on historical data boundaries:

Begin Date	End Date	Return Type	Fee Options	Tax Options
08/01/2009	12/31/2023	Total Return	All Fees, Gross of Fees, Net of Fees	No Tax Adjustment

---

## Net of Fees Performance

As of 10/31/2024

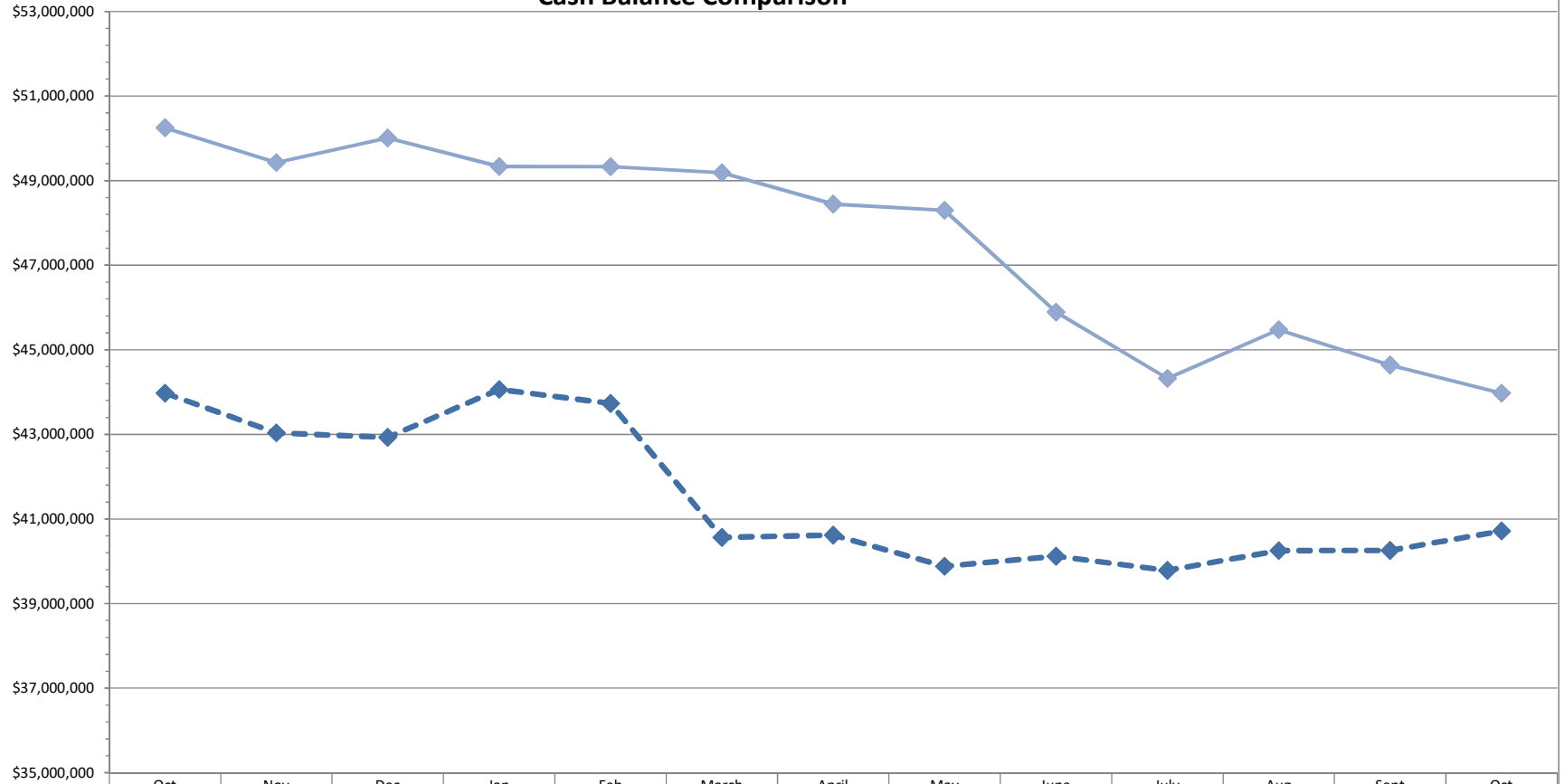
Walnut Valley WD (331583)

Dated: 11/18/2024

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Reported Index Return is always Total Return.

### Walnut Valley Water District Cash Balance Comparison



10/2022-10/2023	\$50,248,819	\$49,426,156	\$50,007,632	\$49,334,092	\$49,329,596	\$49,184,641	\$48,443,917	\$48,299,033	\$45,889,232	\$44,322,236	\$45,472,657	\$44,639,576	\$43,974,194
10/2023-10/2024	\$43,974,194	\$43,035,525	\$42,927,963	\$44,061,272	\$43,732,980	\$40,564,843	\$40,620,672	\$39,879,541	\$40,118,644	\$39,783,678	\$40,253,724	\$40,258,383	\$40,716,785

Walnut Valley Water District  
Revenue Bond - East West Bank  
Life to Date  
October 31, 2024

Bond Proceeds	\$	19,940,487.80
Disbursements:		
<u>Cost of Issuance</u>		
Fieldmann, Rolapp & Associates (Financial Advisors)	\$	(26,270.57)
Hawkins, Delafield & Wood, LLP. (Bond Counsel)		(45,000.00)
Union Bank, N.A. (Trustee)		(3,708.00)
Standard & Poor's Rating Services (Credit Rating)		(17,000.00)
Image Master (Official Statement)		(3,158.31)
Hawkins Delafield & Wood (Bond Counsel)		(1,743.31)
		(96,880.19)
<u>Projects</u>		
Puente Basin Water Agency - Pomona Basin <sup>1</sup>		(2,052,008.87)
Puente Basin Water Agency - LHHCWWD Project <sup>1</sup>		(350,566.00)
Puente Basin Water Agency - CDWC Project <sup>1</sup>		(4,090,549.30)
Puente Basin Water Agency - Pathfinder Project <sup>4</sup>		-
Administration Headquarters <sup>1</sup>		(9,277,715.28)
Water Rights - Central Basin		(3,630,907.50)
		(19,401,746.95)
<u>Substitute Projects</u>		
Ace Nogales Grade Separation (P#03-2820) <sup>2</sup>		(706,545.61)
Ridgeline Pump Station Modifications (P#12-3267) <sup>3</sup>		(221,195.68)
30 kw Diesel Portable Generator (P#13-3290) <sup>3</sup>		(39,490.70)
		(967,231.99)
Interest Income		526,402.56
Ending Balance of Bond Funds	\$	1,031.23

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

Walnut Valley Water District  
 Revenue Bond - East West Bank  
 September 30, 2024

Beginning Balance of Bonds		\$	1,250,493.96
Receipts:			
Interest Income			1,031.23
Disbursements:			
PBWA - Pomona Basin Project			
PBWA - Cal Domestic Project	-		
PBWA - Pathfinder Project	-		
Administration Headquarters	(1,250,493.96)		
		\$	(1,250,493.96)
Ending Balance of Bond Funds		\$	1,031.23

Walnut Valley Water District  
Revenue Bond - East West Bank  
Life to Date  
November 30, 2024

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 Basin <sup>1</sup>		(2,052,008.87)	
Puente Basin Water Agency - LHHCWWD Project <sup>1</sup>		(350,566.00)	
Puente Basin Water Agency - CDWC Project <sup>1</sup>		(4,090,549.30)	
Puente Basin Water Agency - Pathfinder Project <sup>4</sup>		-	
Administration Headquarters <sup>1</sup>		(9,277,715.28)	
Water Rights - Central Basin		(3,630,907.50)	
			(19,401,746.95)

Substitute Projects

Ace Nogales Grade Separation (P#03-2820) <sup>2</sup>		(706,545.61)	
Ridgeline Pump Station Modifications (P#12-3267) <sup>3</sup>		(221,195.68)	
30 kw Diesel Portable Generator (P#13-3290) <sup>3</sup>		(39,490.70)	
			(967,231.99)

Interest Income 526,404.28

Ending Balance of Bond Funds \$ 1,032.95

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

Walnut Valley Water District  
Revenue Bond - East West Bank  
November 30, 2024

Beginning Balance of Bonds	\$	1,031.23
Receipts:		
Interest Income		1.72
Disbursements:		
PBWA - Pomona Basin Project		
PBWA - Cal Domestic Project	-	
PBWA - Pathfinder Project	-	
Administration Headquarters		
	_____	
	\$	-
Ending Balance of Bond Funds	_____	_____
	\$	1,032.95





Walnut Valley Water District  
 Revenue Bond - Held at US Bank  
 October 31, 2024

Beginning Balance of Bonds		\$	33,240,051.15
Receipts:			
Interest Income			98,717.14
Disbursements:			
Cost of Issuance	-		
Administration Headquarters Phase 1		-	
Administration Headquarters Phase 2		-	
		\$	-
Ending Balance of Bond Funds		\$	33,338,768.29

Walnut Valley Water District  
Revenue Bond - Held at US Bank  
Life to Date  
November 30, 2024

Bond Proceeds		\$	33,176,590.01
Disbursements:			
<u>Cost of Issuance</u>			
Urban Futures (Financial Advisors)	\$	(51,250.00)	
US Bank (Trustee)	\$	(7,200.00)	
Stradling Yocca Carlson and Rauth (Bond Counsel)		(71,500.00)	
Ava Communications Inc (Official Statement)		(1,450.00)	
Standard & Poor's Rating Services (Credit Rating)		<u>(31,500.00)</u>	
			(162,900.00)
<u>Projects</u>			
Administration Headquarters Phase 1		(1,519,679.78)	
Administration Headquarters Phase 2		<u>(1,519,679.78)</u>	
			(1,519,679.78)
Interest Income			420,973.81
Prepayment of Interest			295,370.59
Ending Balance of Bond Funds		<u>\$</u>	<u>32,210,354.63</u>

Walnut Valley Water District  
Revenue Bond - Held at US Bank  
November 30, 2024

Beginning Balance of Bonds		\$ 33,338,768.29
Receipts:		
Interest Income		95,895.53
Prepayment of Interest		295,370.59
Disbursements:		
Cost of Issuance	-	
Administration Headquarters Phase 1	(1,519,679.78)	
Administration Headquarters Phase 2	0.00	
		(1,519,679.78)
Ending Balance of Bond Funds		\$ 32,210,354.63

# WVWD – Staff Report



**TO:** Board of Directors  
**FROM:** General Manager  
**SUBMITTED BY:** Director of Finance  
**DATE:** December 16, 2024  
**SUBJECT:** Approval of Revisions to the District's Rules and Regulations

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Action/Discussion     Fiscal Impact     Resolution     Information Only

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## **Recommendation**

The Board of Directors approve revisions to the District's Rules and Regulations related to the Affordable Rate Program.

## **Background Information**

The Affordable Rate Program was established to assist low-income customers by offering a reduced rate on their monthly meter charge. Currently, one of the eligibility criteria for this program is that customers must have a good payment history with the District. While this requirement ensures that customers are reliable in their payments, it also excludes many low-income households who may have faced financial hardships and, as a result, have inconsistent payment histories.

Removing the payment history requirement will make the program more inclusive, allowing a greater number of low-income households to benefit from reduced water rates. Many low-income customers struggle to maintain a consistent payment history due to financial instability. By removing this qualification, the District can provide much-needed relief to these households. Expanding the criteria will support the District's commitment to supporting the community and ensuring all residents have access to essential water.

The Affordable Rate Program is currently funded from cell tower revenue, budgeted at \$282,200 for fiscal year 2024-2025. According to SB 998 there are guidelines regarding subsidizing a customer group or class's invoice, and the revenue collected from cell towers does not constitute a subsidy. Allowing more flexibility for the Affordable Rate Program could potentially enroll 465 more customers.

*Attachment:  
Article K – Walnut Valley Affordable Rate Program*

APPENDIX K

APPLICATION FORM

Walnut Valley Water District
Walnut Valley Affordable Rate Program (WVARP)



The Walnut Valley Water District is pleased to offer an Affordable Rate Program to our customers who meet the eligibility requirements identified below. If your household qualifies for a discount on your energy bill under the electric or gas CARE programs, you may also qualify for a discount of up to 50% on the base rate of your water bill.

- To apply for WVARP at your residence, please fill out this application and submit the required documentation to the District. If approved, the discount will become effective within sixty (60) days after the date of approval. If your application is not approved, you will receive a letter from the District explaining the reason for that disapproval. Applicants may apply any time throughout the year; however, applications will be accepted on a first come, first served basis, contingent upon the availability of funds.

If you need help completing the application, or would like more information about the program, call 909-595-7554 or visit our office at 271 S. Brea Canyon Road, Walnut CA 91789, or visit our website at walnutvalleywater.gov.

Table with 2 columns: Number of persons living in my home, Maximum total "gross household income" from all sources. Rows include income limits for 1-2, 3, 4, 5, 6, 7, 8 persons, and an additional person rate.

What Counts as Income?

Total gross household income is all revenues, from all household members, from whatever sources derived, including but not limited to: wages, salaries and other employment-related compensation, interest, dividends, spousal and child support payments, public assistance payments, Social Security and pensions, rental income, income for self-employment, and all employment-related non-cash income.

What are the Qualifications?

- Must complete and submit the application. Applications will be accepted on a first come, first served basis, contingent upon the availability of funds.
Must qualify for Southern California Edison's or Southern California Gas Company's CARE program.
Total gross household income cannot exceed the amounts shown on the "Income Requirements" chart above. These amounts are based upon the approved limits set by the CPUC for the CARE program.
Must be a District residential customer and receive water through a 1-inch or smaller water meter.
Must provide verification of household income if requested.
May not be claimed as a dependent on another person's federal or state income tax return.
May be required to provide a copy of annual property tax statement, or other documentation requested by the District to evidence home ownership.
Must reapply each time you move.
Must notify the District within 30 days if you become ineligible.
Must have and maintain a good payment history with the District—no terminations of service within the previous twelve (12) months and not more than three (3) late notices during that twelve (12) month period.
The discount is not transferable with the property.
Once enrolled, applicants may be required to reapply or to certify continued eligibility if requested. Failure to comply with the request by the District may result in removal from the program.

**APPLICATION FORM**  
**Walnut Valley Water District**  
**Walnut Valley Affordable Rate Program (WVARP)**



I am a residential customer of the Walnut Valley Water District.

**Account Number:** \_\_\_\_\_  
**Name (as it appears on your bill):** \_\_\_\_\_  
**Phone Number:** \_\_\_\_\_  
**Street Address:** \_\_\_\_\_  
**City, Zip:** \_\_\_\_\_

<b>1</b>	<b>Check the total number of person(s) in your household.</b>	<input type="checkbox"/> One (1) <input type="checkbox"/> Two (2) <input type="checkbox"/> Three (3) <input type="checkbox"/> Four (4) <input type="checkbox"/> Five (5) <input type="checkbox"/> Six (6) <input type="checkbox"/> More than six (6+) number: ____
<b>2</b>	<b>Write the total Gross Annual Income for all person(s) in your household. This is income before deductions from all sources.</b>	\$ _____
<b>3</b>	<b>Can anyone else claim you as a dependent on his/her Income Tax Return (other than your spouse)?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>4</b>	<b>Check the utility CARE program(s) for which you currently qualify. (check all that apply)</b>	<input type="checkbox"/> Southern California Edison <input type="checkbox"/> Southern California Gas Company
<b>5</b>	<b>Attach a copy of your most recent utility bill showing enrollment in their CARE program and submit with this application.</b>	

**Declaration and Self Certification Statement:**

I declare that the information I have provided in this application is true and correct. I agree to provide proof of income if asked. I agree to inform the Walnut Valley Water District if I no longer qualify to receive a discount. I know that if I receive any discount without qualifying for it, I may be required to pay back the discount received.

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Did you complete 1 through 5? If you need help or would like more information about the program, call (909) 595-7554.**

**MAIL YOUR COMPLETED APPLICATION TO:**  
**Walnut Valley Water District - WVARP**  
**271 S. Brea Canyon Road, Walnut, CA 91789**  
 or  
**EMAIL ALL REQUIRED DOCUMENTS TO:**  
**cservice@walnutvalleywater.gov**

For District Use Only			
Date Received _____	Documentation Provided _____		
Approved (Y/N) _____	Effective Date _____	Approved By _____	Date _____
If Not Approved, Reason: _____			

# WVWD – Staff Report



**TO:** Board of Directors  
**FROM:** General Manager  
**SUBMITTED BY:** Director of Operations  
**DATE:** December 16, 2024  
**SUBJECT:** Capital Improvement Program Budget Amendment & Authorization of Pavement Restoration Work

---

Action/Discussion     Fiscal Impact     Resolution     Information Only

---

## **Recommendation**

The Board of Directors approve an amendment to the FY 2024-25 Capital Improvement Program Budget consisting of:

1. A decrease of replacement funds in the amount of \$650,000 in the Terminal Storage Asphalt Replacement Project (CIP Item 15).
2. An increase of replacement funds in the amount of \$200,000 in the AMI Meter Upgrade FY 2023-24 (CIP Item 13).
3. The creation of a Recycled Water Main Replacement Project with a budget of \$200,000 from replacement funds.
4. The creation of a Potable Water Main Replacement project with a budget of \$250,000 from replacement funds
5. An increase of \$250,000 in the RCS/Mixing System Terminal Storage using Reservoir Capacity Charge funds (CIP Item 48).

Request the Board of Directors authorize the General Manager to execute a contract with a paving contractor for asphalt restoration work related to the Recycled Water Main Replacement on Golden Springs Drive, Diamond Bar.

## **Background Information**

Staff recognizes the importance of planning the District's Capital Improvement Program (CIP) budget to meet long-term water system improvement and replacement goals while aligning with the District's financial plan. In light of changing circumstances and a more thorough assessment of project value, a shift in CIP budget priorities is recommended. This adjustment underscores our commitment to effective allocation of resources based on current needs. The details of these changes are as follows:

- Terminal Storage Asphalt Replacement Program: The original budget of \$1,000,000 was intended for the removal and replacement of approximately 90,000 square feet of asphalt around the Terminal Storage Reservoirs. Upon reassessment, staff identified a more valuable scope of work, focusing on replacing about 25,000 square feet of heavily traveled surfaces and applying crack seal and slurry coat to the remaining areas. The revised project cost is estimated at \$350,000, resulting in a \$650,000 reduction.



- **AMI Meter Upgrade FY 2023-24:** This project completed the AMI upgrades to the remaining non-AMI meters. To complete the upgrades, unforeseen costs were incurred exceeding the original budget by approximately \$180,000. Providing a FY 2024-25 budget amount of \$200,000 to cover these costs is recommended.
- **Creation of a Recycled Water Main Replacement Project:** The District has recently faced two significant recycled water main failures, necessitating emergency replacements in Golden Springs Drive in Diamond Bar and Currier Road in the City of Industry. These repairs have incurred approximately \$65,000 in costs, with additional permanent asphalt restoration required. Given the extensive restoration needed to meet City of Diamond Bar standards, a budget of \$200,000 for FY 2024-25 is proposed to cover these and any other unforeseen replacements.
- **Creation of a Potable Water Main Replacement Project:** The District has recently faced a significant potable water main failure, necessitating an emergency replacement on Colima. A budget of \$250,000 for FY 2024-25 is proposed to cover this and any other unforeseen replacements.
- **RCS/Mixing System Terminal Storage:** This is a project carrying over from the FY 2023-24 CIP Budget. Approximately 60% of the project has been completed with the installation of chlorine analyzers and mixers for each reservoir. The remaining work includes the construction of the chemical feed system, chemical feed building and chemical tank shade structure. A change in the scope of this project is needed due to the construction delay caused by a change in staff and reconsideration of the building construction materials. Providing a FY 2024-25 budget amount of \$250,000 to complete this project is recommended.

Regarding the asphalt restoration work related to the Recycled Water Main Replacement for Golden Springs Drive just east of Brea Canyon Road, Diamond Bar: Operations staff have solicited quotes from three paving contractors for the asphalt restoration work required following the Recycled Water Main Replacement. The quotes received are as follows:

<b>Mission Paving</b>	<b>G.M Sager</b>	<b>Doty Bros.</b>
\$180,000	\$120,000	Staff awaiting quote

Operations staff will confirm requirements with the City of Diamond Bar before commencing work. There may be a need to adjust the pavement area based on subgrade conditions.

Staff Requests the Board of Directors authorize the General Manager to execute a contract with the contractor with the most competitive quote to complete the asphalt restoration on Golden Springs Drive.

# November 2024 Operations Report



## Field Customer Service

Type of Completed Service Order	Nov-24	FY Total	Monthly Avg	% of Total
Get Read/Verify Read	243	1147	229	21.7%
Customer Transfer	123	1031	206	19.5%
Meter Repair	138	646	129	12.2%
Delinquent Turn Off	58	549	110	10.4%
Delinquent Reconnection	68	540	108	10.2%
Leak Inspection	60	346	69	6.5%
Customer Leak Inspection - Beacon	26	129	26	2.4%
Customer Leak Follow Up	21	115	23	2.2%
Customer Requested Turn On/Off for Repair	19	102	20	1.9%
After Hours	11	65	13	1.2%
Other	125	618	124	11.7%
<b>Total</b>	<b>892</b>	<b>5288</b>	<b>1058</b>	

## Underground Service Alerts

USAs Processed	Nov	FY Total	Monthly Avg
Marked	85	575	115
No Marks Required	362	2256	451
<b>Total</b>	<b>447</b>	<b>2831</b>	<b>566</b>



## Water Distribution System Maintenance

Maintenance Type	Nov	FY Total	Monthly Avg
Valves	64	237	47
Fire Hydrants	6	62	12
Blow Offs	5	27	5
Air Vacs	13	51	10
Fire Hydrants Painted	176	634	127
Blow Offs Painted	12	154	31
Air Vacs Painted	18	126	25



# November 2024 Operations Report (cont.)



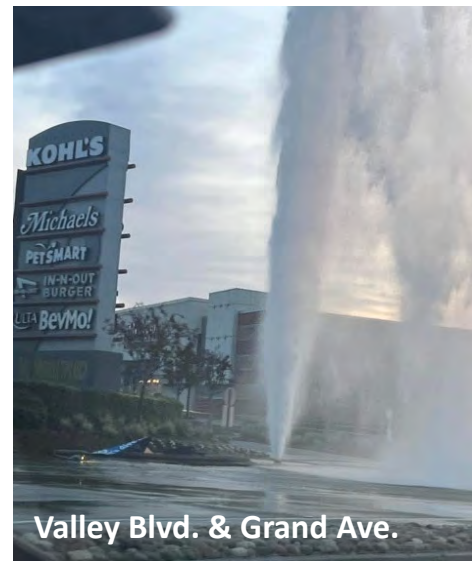
## Water System Repairs

The Field Team performed 13 excavations to complete water system repairs in November. The most notable repairs were as follows:

Board Division	Work Date	Address	City	Repair Type
Division 5	11/3/2024	20935 Currier Rd	Walnut	Recycled Water Main Replacement
Division 4	11/30/2024	Colima Road & Banida Ave.	Rowland Heights	Major Leak - Main Replacement

## Monthly Totals

Repair Type	Nov
Angle Meter Stop Replacement	3
Meter Setter Replacement	1
Water Main Replacement	1
Recycled Water Main Replacement	1
Service Line & Saddle Replacement	4
Service Line Replacement	6
Sheared Fire Hydrant	3
Valve Replacement	1
Grand Total	20



Valley Blvd. & Grand Ave.



20935 Currier Rd. - 6 inch Recycled Water Main



2691 Pepperdale Dr.  
8 inch Valve Replacement

# November 2024 Operations Report (cont.)



## Water System Repair

### Colima Road & Banida Avenue – 12 inch Water Main Repair



# November 2024 Operations Report (cont.)



## Water Quality

104 samples were collected from the distribution system to comply with the Total Coliform Rule. The samples were analyzed at District's lab and all results were within standards.

The Production Team collected 8 samples from the distribution system to comply with the Disinfection Byproduct Rule. They also collected 18 samples to comply with the UCMR5 monitoring requirements.

There were 3 water quality complaints this month. All were investigated and resolved by the Production Team.

The Production Team continually monitors and adjust disinfectant residuals in the District's 28 potable water reservoirs. The table below summarizes the monthly data pertaining to effective management of disinfectant residuals :



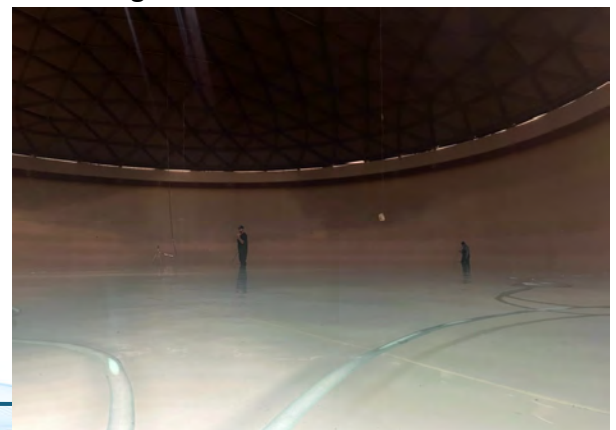
Reservoir WQ Management	July	August	September	October	November
Average Disinfectant Residual (ppm)	2.23	2.39	2.44	2.32	2.14
Average Nitrite Level (ppm)	0.033	0.029	0.02	0.02	0.02
Hypochlorite Delivered (gal)	5742	4473	4848	3345	3811
Ammonium Sulfate Delivered (gal)	335	950	895	1172	1026
No. of Manual Tank Dosings	12	17	12	15	15

## Production

The Production Team operated the potable water system facilities to meet an average daily demand of 14.5 million gallons a day (MGD). The maximum day demand was 19.2 MGD on November 22nd.

Other notable work completed by the Production Team included the following:

- Integration of chlorine analyzers and mixers to SCADA at Terminal Storage
- Joint Waterline meter calibrations
- Ridgeline Tank C interior cleaning/maintenance (5 yr)
- Start-up of Parker Canyon Pump #1 (pump to 1043 zone)



# November 2024 Operations Report (cont.)



## General Services

The General Services team performed over 130 tasks related to the maintenance of facilities and the District's fleet.

Type of Work Completed	Nov	CY Total	Monthly Avg
General Services Miscellaneous Tasks	115	1506	137
General Building Maintenance	2	54	5
Warehouse Maintenance	2	34	3
Fleet Maintenance	3	75	7
Equipment Maintenance & Repairs	1	24	2
Site Irrigation Leak Repairs	7	57	5
Site Tree Maintenance	1	11	1
Inventory Movement	540	4462	406
<b>Total</b>	<b>671</b>	<b>6223</b>	<b>566</b>

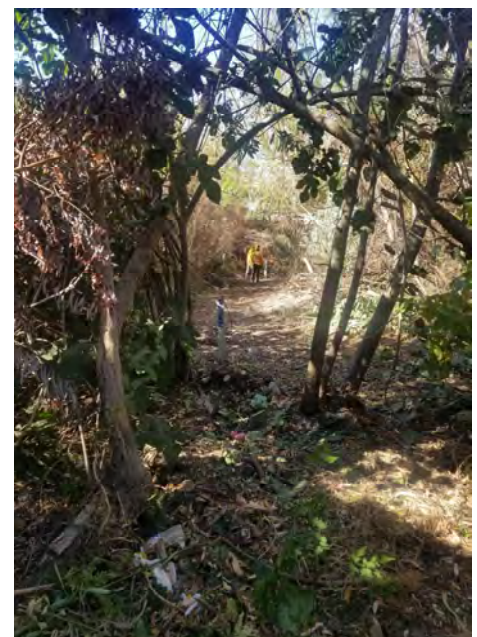
Notable work completed this month included easement landscape maintenance to access and inspect four critical easement waterline and appurtenances.



**Lodge Pole Easement**



**Badillo / Grand Easement**



**Meadow Pass / Amar Easement**



## POMONA-WALNUT-ROWLAND JOINT WATER LINE COMMISSION

### WATER USE DISTRIBUTION & BILLING

OCTOBER 2024

CONSUMPTION PER AGENCY (Per PWR Meter Reads)		
	Water Consumption (Acre-feet)	Allocation %
Pomona	283.793	16.778%
Walnut	923.886	54.621%
Rowland	483.772	28.601%
LaVerne	-	0.000%
<b>TOTAL</b>	<b>1,691.451</b>	<b>100.000%</b>

WATER PRODUCTION (ACTUAL)		
	Water Consumption (Acre-feet)	Allocation %
MWD	556.50	32.857%
TVMWD	1,137.20	67.143%
LaVerne	-	0.000%
Total	1,693.700	100.000%
PWR	1,691.451	
Difference	2.249	

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)
				32.857%	67.143%	0.000%	100.000%
Pomona	283.793	0.377	284.170	284.2	93.4	190.8	284.2
Walnut	923.886	1.228	925.114	925.1	304.0	621.1	925.1
Rowland	483.772	0.643	484.415	484.4	159.2	325.3	484.4
LaVerne	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,691.451</b>	<b>2.249</b>	<b>1,693.700</b>	<b>1,693.7</b>	<b>556.5</b>	<b>1,137.2</b>	<b>1,693.7</b>

BILLING CHARGES PER AGENCY											
		MWD PM-15	TVMWD PM-21	MWD Capacity Reservation	TVMWD Connected Capacity	TVMWD Water Use Charge	Depreciation	Replacement	Admin Budget Assessment	MWD LRP Rebate Program	Billing Total
City of Pomona	Cons. (AF)	93.4	190.8							102.9	
	Allocation %			30.43%	52.00%	22.40%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,264.00	\$ 1,264.00	\$ 24,546.82	\$ 7,594.59	\$ 7,466.75	\$ -	\$ -	\$ -	\$ (100.00)	
	<b>Total</b>	\$ 118,019.70	\$ 241,171.61	\$ 7,469.60	\$ 3,949.19	\$ 1,672.55	\$ -	\$ -	\$ -	\$ (10,290.00)	\$ 361,992.65
Walnut Valley Water District	Cons. (AF)	304.0	621.1							-	
	Allocation %			43.48%	28.00%	47.69%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,264.00	\$ 1,264.00	\$ 24,546.82	\$ 7,594.59	\$ 7,466.75	\$ -	\$ -	\$ -	\$ (100.00)	
	<b>Total</b>	\$ 384,212.25	\$ 785,132.38	\$ 10,672.96	\$ 2,126.49	\$ 3,560.89	\$ -	\$ -	\$ -	\$ -	\$ 1,185,704.97
Rowland Water District	Cons. (AF)	159.2	325.3							-	
	Allocation %			26.09%	20.00%	29.91%	25.00%	25.00%	33.33%		
	Billing Rate	\$ 1,264.00	\$ 1,264.00	\$ 24,546.82	\$ 7,594.59	\$ 7,466.75	\$ -	\$ -	\$ -	\$ (100.00)	
	<b>Total</b>	\$ 201,184.05	\$ 411,116.80	\$ 6,404.27	\$ 1,518.92	\$ 2,233.30	\$ -	\$ -	\$ -	\$ -	\$ 622,457.34
City of LaVerne	Cons. (AF)	-	-							-	
	Allocation %			0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
	Billing Rate	\$ 1,264.00	\$ 1,264.00	\$ 24,546.82	\$ 7,594.59	\$ 7,466.75	\$ -	\$ -	\$ -	\$ (100.00)	
	<b>Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total (A.F.)</b>		<b>556.5</b>	<b>1,137.2</b>								<b>1,693.7</b>
<b>Total (\$)</b>		<b>\$ 703,416.00</b>	<b>\$ 1,437,420.79</b>	<b>\$ 24,546.83</b>	<b>\$ 7,594.60</b>	<b>\$ 7,466.74</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (10,290.00)</b>	<b>\$ 2,170,154.96</b>

# January 2025




Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29	30	31	 <b>New Year's Day- District Closed</b>	2	3	4
5	6 3:30PM SPADRA Executive Committee Meeting	7 6:30 PM Diamond Bar City Council Meeting	8 7PM Walnut City Council Meeting	9	10	11
12	13 4PM Public Info Committee 4:30 PM Finance Committee	14 4PM Engineering Committee 4:30 PM Personnel Committee	15 8AM TVMWD Board Meeting	16	17	18
19	 <b>Martin Luther King            Jr. Day- District            Closed</b>	21 5PM WVWD Board Meeting 6:30 PM Diamond Bar City Council Meeting	22 7PM Walnut City Council Meeting	23 4PM WVWD Workshop Meeting	24	25
26	27	28	29	30	31	1
2	3	Notes				



# February 2025



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26	27	28	29	30	31	1
2	3	4 6:30 PM Diamond Bar City Council Meeting	5 8AM TVMWD Board Meeting	6 8AM PBWA Meeting 4PM P-W-R Meeting	7	8
9	10 4PM Public Info Committee 4:30 PM Finance Committee	11 4PM Engineering Committee 4:30 PM Personnel Committee	12 7PM Walnut City Council Meeting	13	14	15
16	17  President's Day - District Closed	18 5PM WVWD Board Meeting 6:30 PM Diamond Bar City Council Meeting	19 8AM TVMWD Board Meeting	20 4PM WVWD Workshop Meeting	21	22
23	24	25	26 7PM Walnut City Council Meeting	27	28	1
2	3	Notes				

# March 2025



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
23	24	25	26	27	28	1
2	3 3:30PM SPADRA Executive Committee Meeting	4 6:30 PM Diamond Bar City Council Meeting	5 8AM TVMWD Board Meeting	6	7	8
9	10 4PM Public Info Committee 4:30 PM Finance Committee	11 4 PM Engineering Committee 4:30 PM Personnel Committee	12 7PM Walnut City Council Meeting	13	14	15
16	17 5PM WVWD Board Meeting	18 6:30 PM Diamond Bar City Council Meeting	19 8AM TVMWD Board Meeting	20 4PM WVWD Workshop Meeting	21	22
23	24	25	26 7PM Walnut City Council Meeting	27	28	29



YOUR BEST PROTECTION

## ACWA JPIA

P. O. Box 619082  
Roseville, CA  
95661-9082

phone  
916.786.5742  
800.231.5742

[www.acwajpia.com](http://www.acwajpia.com)

### Core Values

- People
- Service
- Integrity
- Innovation

12/2/2024

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 2025.

Sincerely,

Melody McDonald  
President

Enclosure: President's Special Recognition Award(s)

*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"  
in the Property Program for the period 07/01/2020 - 06/30/2023  
announced at the Board of Directors' Meeting in Palm Desert.*

*Melody McDonald*

*Melody McDonald, President*



*December 02, 2024*

*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"  
in the Liability Program for the period 10/01/2020 - 09/30/2023  
announced at the Board of Directors' Meeting in Palm Desert.*



*December 02, 2024*

*Melody McDonald*

*Melody McDonald, President*

**WALNUT VALLEY WATER DISTRICT  
WATER SUPPLY AND CONSERVATION UPDATE  
December 16, 2024**

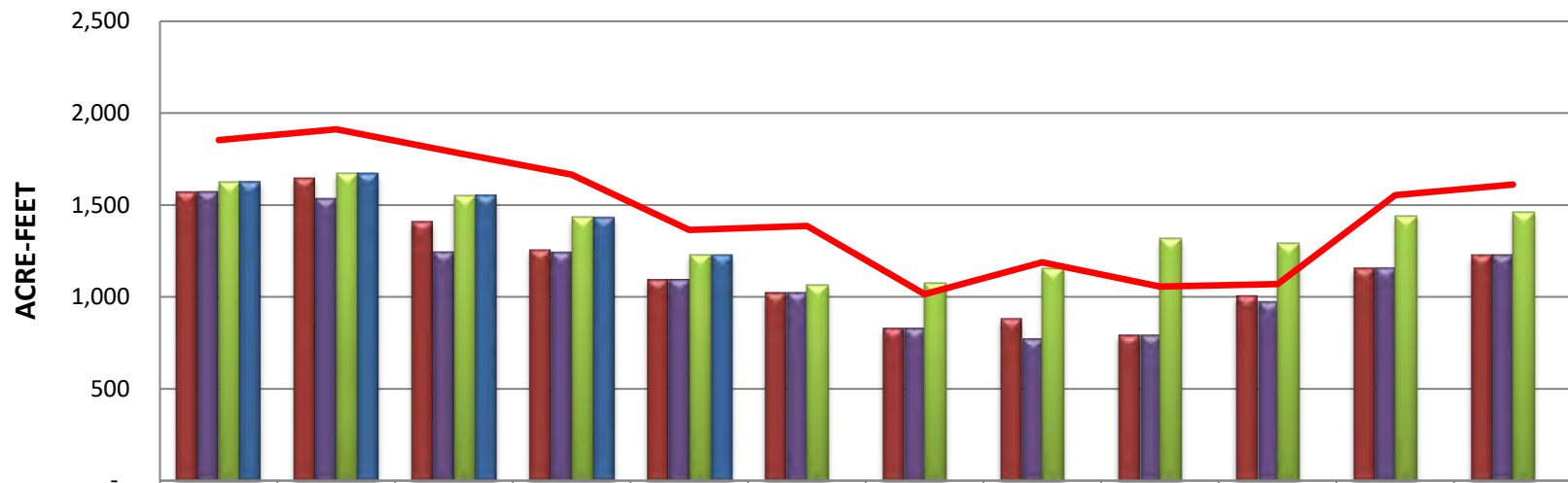


A	<p><b><u>Water Use</u></b> – Water usage for November 2024 was 1,229.17 acre-feet, a <b>decrease of 9.87%</b> compared to November 2020 and a <b>decrease of 21.67%</b> from November 2013. The average inflow into the system during the month was approximately 20.03 <b>cfs</b> (8,998.67 gallons per minute).</p>	Exhibits
B	<p><b><u>Recycled Water Use</u></b> – During the month of November the recycled water system delivered 2,138,906.00 <b>G.P.D.</b>, an increase of <b>59.74%</b> compared to the use in November 2023. Of the recycled water delivered, 70.29% was from the District wells and no potable make-up water was used.</p>	
C	<p><b><u>Production Report</u></b> – attached are:</p> <ul style="list-style-type: none"> <li>▪ Purchased Water Projections (Two total)</li> <li>▪ Climate Summary</li> <li>▪ Monthly Consumption Versus the 2013 and 2020 Baseline Years (Two total)</li> </ul>	

**WALNUT VALLEY WATER DISTRICT**  
**Fiscal Year 2024-2025 Purchased Water Estimate**

Actual Purchases (AF)		Projected Purchases (AF)				Baseline Year Purchases	
Month	Total	Budget	Low	High	Average	2013	2020
July	1,624	1,573	1,573	1,624	1,596	2,149	1,854
August	1,671	1,647	1,535	1,671	1,618	2,309	1,912
September	1,551	1,412	1,245	1,551	1,403	2,064	1,787
October	1,432	1,258	1,245	1,432	1,311	1,858	1,665
November	1,229	1,097	1,097	1,229	1,156	1,569	1,364
December	-	1,025	1,025	1,066	1,043	1,401	1,387
January	-	832	832	1,077	946	1,156	1,015
February	-	886	776	1,156	939	1,123	1,188
March	-	795	795	1,316	985	1,496	1,056
April	-	1,008	976	1,293	1,092	1,700	1,070
May	-	1,159	1,159	1,442	1,266	1,904	1,554
June	-	1,230	1,230	1,463	1,349	2,082	1,611
<b>Total</b>	<b>7,508</b>	<b>13,921</b>	<b>13,488</b>	<b>16,319</b>	<b>14,705</b>	<b>20,810</b>	<b>17,461</b>
<b>Remaining Projected Purchases</b>		<b>6,935</b>	<b>6,793</b>	<b>8,811</b>	<b>7,621</b>		
<b>Total Projected Purchases</b>		<b>14,444</b>	<b>14,302</b>	<b>16,319</b>	<b>15,129</b>		

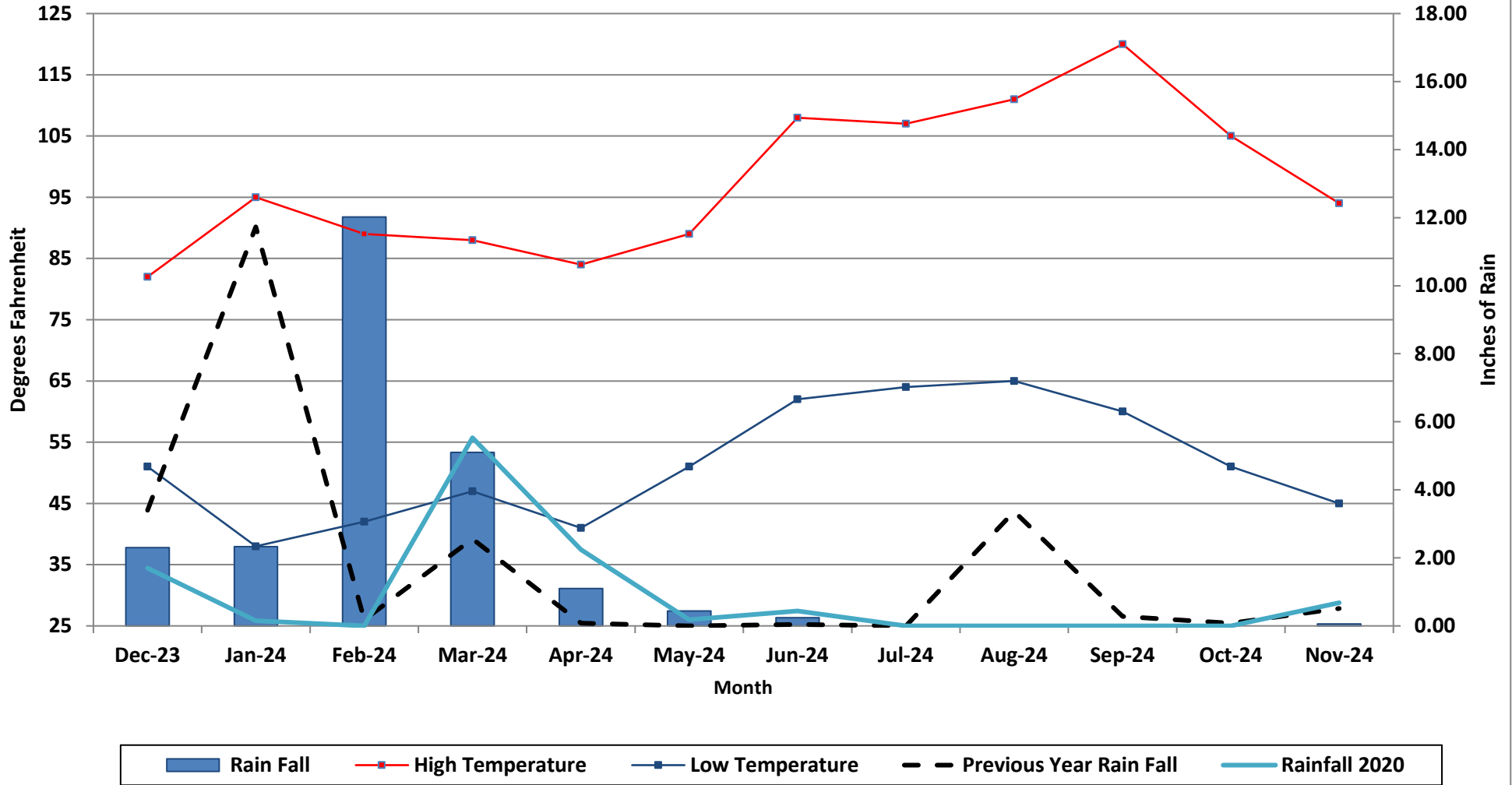
### Fiscal Year 2024-2025 Purchased Water



	July	August	September	October	November	December	January	February	March	April	May	June
<b>Budget</b>	1,573	1,647	1,412	1,258	1,097	1,025	832	886	795	1,008	1,159	1,230
<b>Low</b>	1,573	1,535	1,245	1,245	1,097	1,025	832	776	795	976	1,159	1,230
<b>High</b>	1,624	1,671	1,551	1,432	1,229	1,066	1,077	1,156	1,316	1,293	1,442	1,463
<b>FY 24-25</b>	1,624	1,671	1,551	1,432	1,229	-	-	-	-	-	-	-
<b>2020</b>	1,854	1,912	1,787	1,665	1,364	1,387	1,015	1,188	1,056	1,070	1,554	1,611



# Walnut Valley Water District Climate Summary



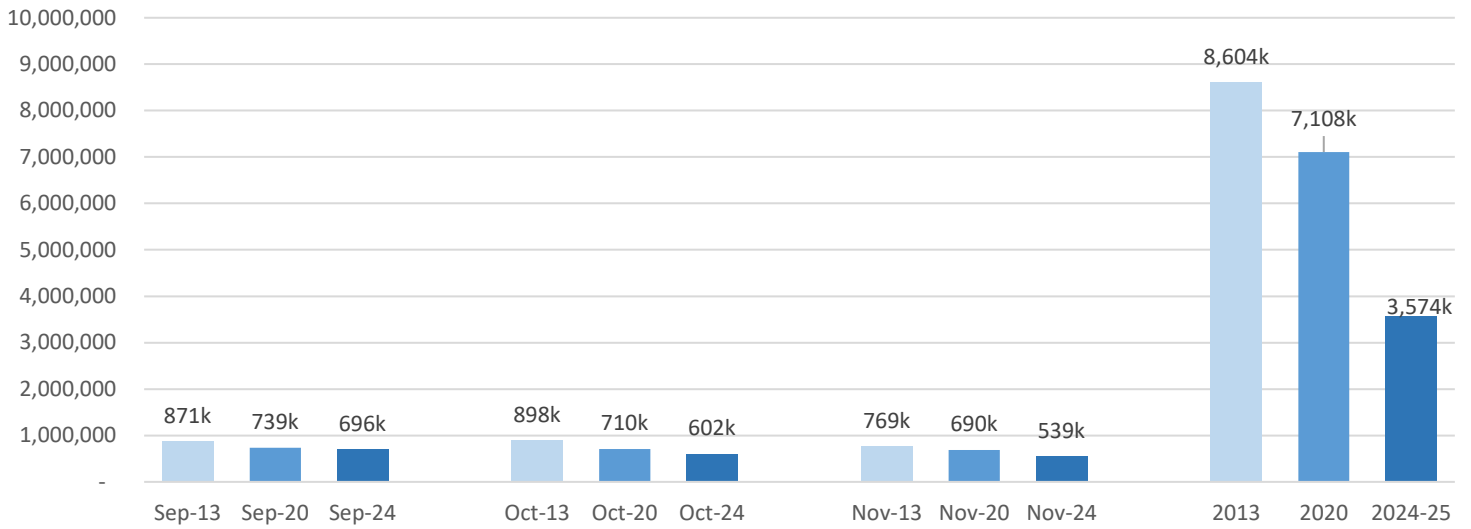
Walnut Valley Water District  
 Monthly Consumption Versus 2013 and 2020 Baseline Years

Consumption/Water Sales																				
User Class	September					October					November					YTD (FY 23-24)				
	Sep-13	Sep-20	Sep-24	% Change 2013	% Change 2020	Oct-13	Oct-20	Oct-24	% Change 2013	% Change 2020	Nov-13	Nov-20	Nov-24	Change	% Change	2013 YTD	2020 YTD	FY 23-24	% Change 2013	% Change 2020
COG	50,686	43,268	45,168	-11%	4%	54,851	40,245	36,076	-34%	-10%	45,006	30,560	31,308	(13,698)	-30%	253,543	187,530	180,541	-29%	-4%
COM	90,136	72,076	77,071	-14%	7%	95,658	71,070	69,248	-28%	-3%	89,223	70,581	64,123	(25,100)	-28%	470,203	350,374	342,453	-27%	-2%
IND	12,479	10,304	8,151	-35%	-21%	13,214	11,587	8,409	-36%	-27%	13,714	10,071	7,650	(6,064)	-44%	65,568	51,672	39,462	-40%	-24%
MUL	76,841	74,435	73,019	-5%	-2%	80,692	74,198	69,274	-14%	-7%	75,248	73,966	64,818	(10,430)	-14%	395,869	373,803	339,274	-14%	-9%
RES	640,601	538,828	492,724	-23%	-9%	654,001	513,332	419,131	-36%	-18%	546,052	504,668	370,972	(175,080)	-32%	3,140,011	2,676,592	2,155,652	-31%	-19%
	870,743	738,911	696,133	-20%	-6%	898,416	710,432	602,138	-33%	-15%	769,243	689,846	538,871	(230,372)	-30%	4,325,194	3,639,971	3,057,382	-29%	-16%
IRRIGATION																				
User Class	Sep-13	Sep-20	Sep-24	% Change 2013	% Change 2020	Oct-13	Oct-20	Oct-24	% Change 2013	% Change 2020	Nov-13	Nov-20	Nov-24	Change	% Change	2013 YTD	2020 YTD	FY 23-24	% Change 2013	% Change 2020
COG	32,995	31,574	29,811	-10%	-6%	33,685	28,134	22,967	-32%	-18%	28,767	21,607	137,926	109,159	379%	164,019	135,119	236,057	44%	75%
COM	30,298	29,340	26,778	-12%	-9%	33,660	28,832	22,587	-33%	-22%	28,388	27,214	156,576	128,188	452%	154,104	141,496	247,652	61%	75%
IND	2,089	1,962	1,142	-45%	-42%	2,072	2,042	1,157	-44%	-43%	2,204	145	11,071	8,867	402%	10,684	7,121	15,484	45%	117%
RES	324	152	252	-22%	66%	321	216	156	-51%	-28%	271	85	1,228	957	353%	1,519	790	1,812	19%	129%
	65,706	63,028	57,983	-12%	-8%	69,738	59,224	46,867	-33%	-21%	59,630	49,051	306,801	247,171	415%	330,326	284,526	501,005	52%	76%
RESIDENTIAL																				
Residential	Tier I	Tier II	Tier III	Total	Tier I	Tier II	Tier III	Total	Tier I	Tier II	Tier III	Total	Tier I	Tier II	Tier III	Total	Tier I	Tier II	Tier III	Total
2013	277,208	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 24-25	204,552	237,719	50,453	492,724	197,883	186,927	34,321	419,131	192,550	154,046	24,377	370,973	993,082	980,723	181,848	2,155,653				
% Change 2013	-26%	-14%	-42%	-23%	-29%	-33%	-65%	-36%	-28%	-29%	-61%	-32%	-28%	-26%	-58%	-31%				
% Change 2020	-2%	-12%	-14%	-9%	-5%	-26%	-34%	-18%	-8%	-37%	-53%	-26%	-5%	-27%	-37%	-19%				

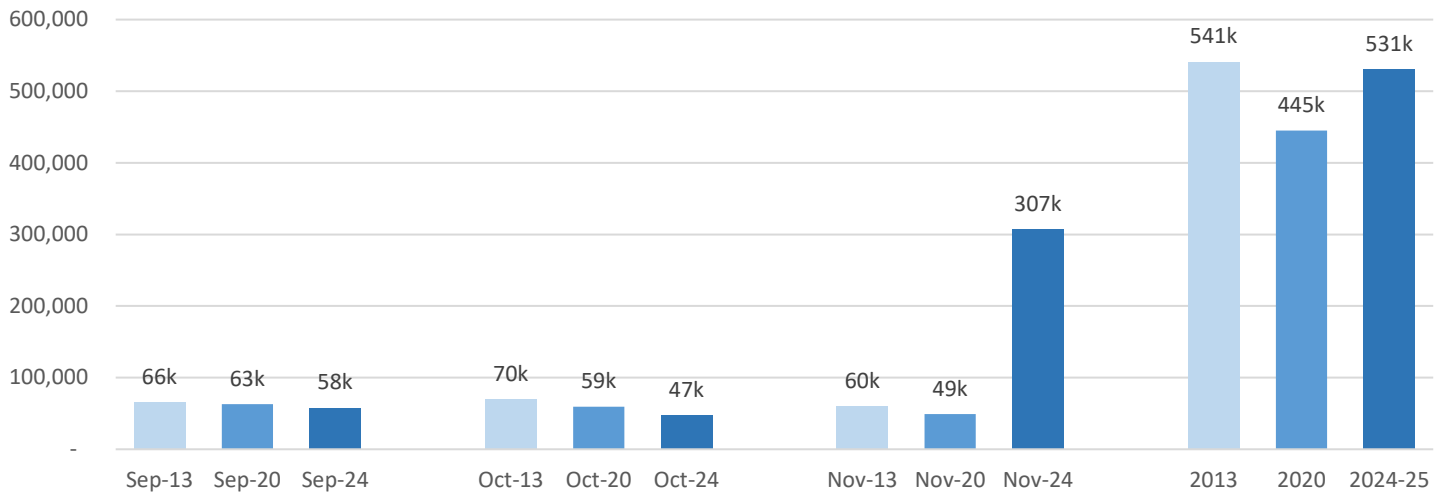
Water Purchases				
	September	October	November	Total
2013	2,063.59	2,308.73	1,569.13	8,250.19
2020	1,786.74	1,912.15	1,363.83	6,974.88
FY 24-25	1,551.41	1,357.54	1,229.17	5,812.39
% Change 2013	-25%	-41%	-22%	(1.15)
% Change 2020	-13%	-29%	-10%	(0.64)

WALNUT VALLEY WATER DISTRICT  
CONSUMPTION DATA - CURRENT YEAR VERSUS 2013 & 2020 BASELINE

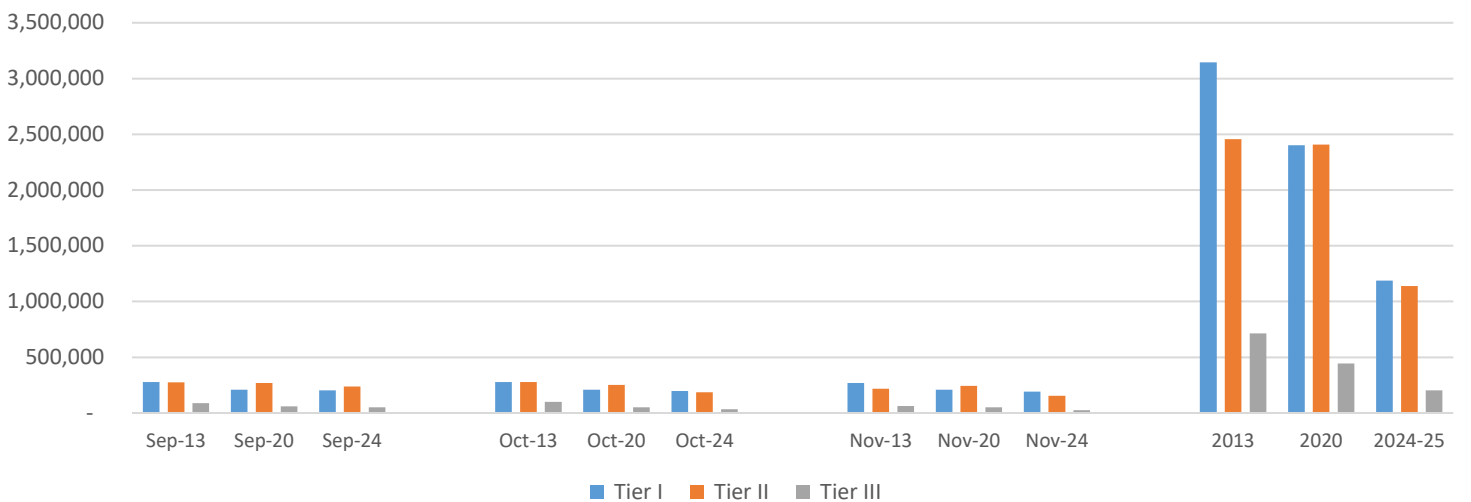
### YTD Consumption Versus 2013 & 2020 Baseline



### Irrigation Consumption Versus 2013 & 2020 Baseline



### Residential Tiers Versus 2013 & 2020 Baseline



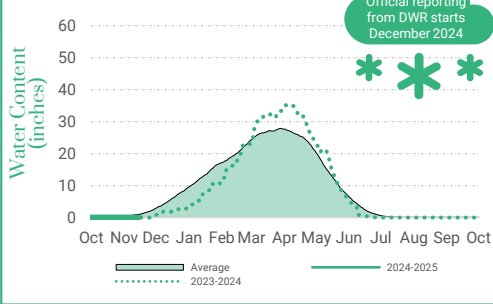


# The Metropolitan Water District of Southern California's Water Supply Conditions Report (WSCR)

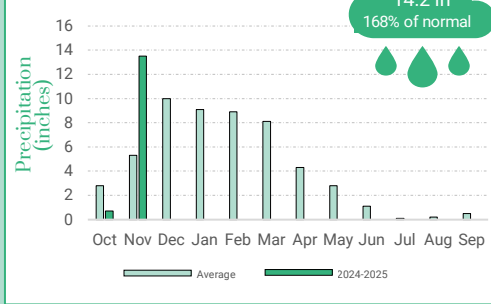
Water Year 2024-2025  
As of: 12/01/2024

State Water Project

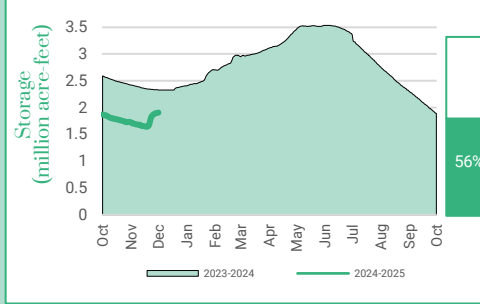
## Northern Sierra Snow



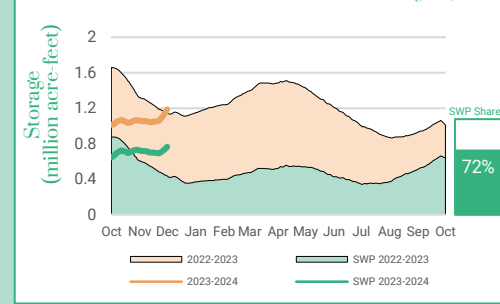
## 8 Station Index Rain



## Lake Oroville

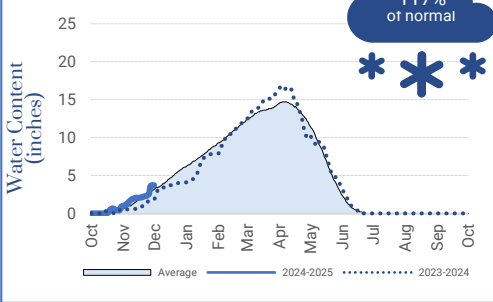


## San Luis Reservoir

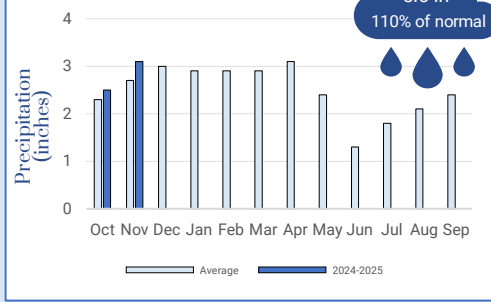


Colorado River

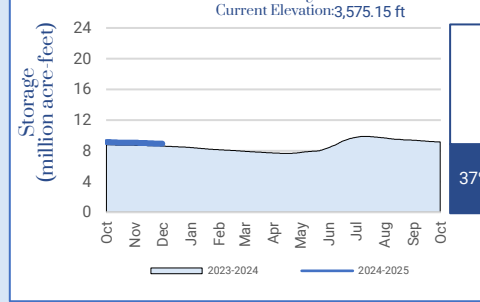
## Colorado River Basin Snow



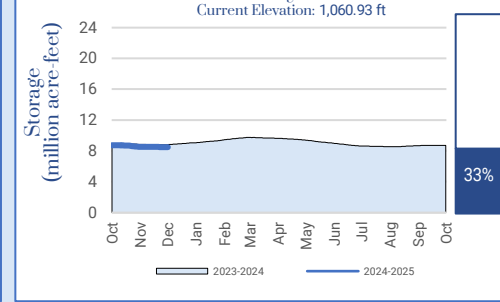
## Colorado River Basin Rain



## Lake Powell

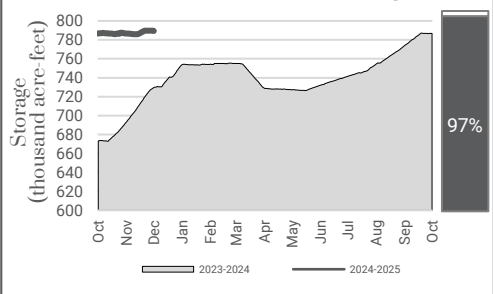


## Lake Mead

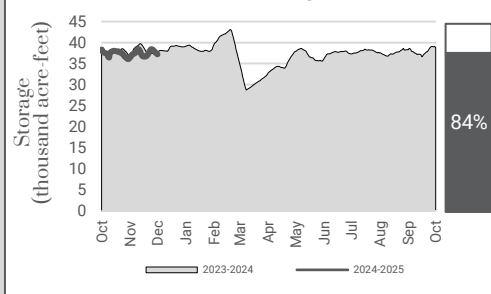


Metropolitan

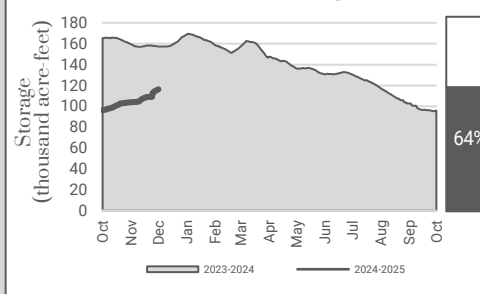
## Diamond Valley Lake



## Lake Skinner



## Lake Mathews



## Initial State Water Project Allocation for Calendar Year 2025

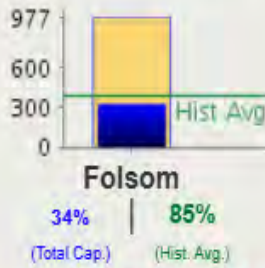
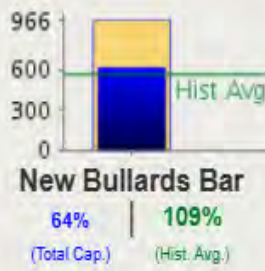
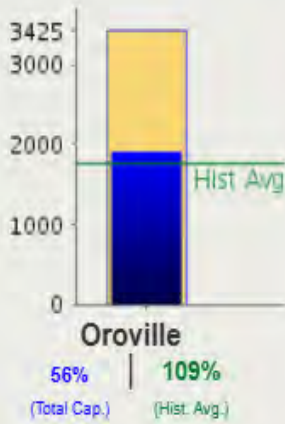
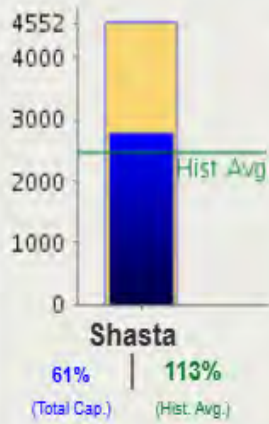
5%

This report is produced by the Imported Supply Unit staff (mferreira at mwdh2o.com) 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.

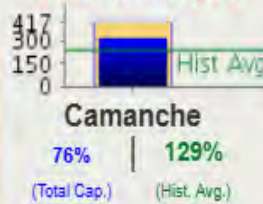
**CURRENT CONDITIONS: MAJOR WATER SUPPLY RESERVOIRS:02-DEC-2024**

Data as of Midnight: 02-Dec-2024

Change Date:



Data from: 12/01



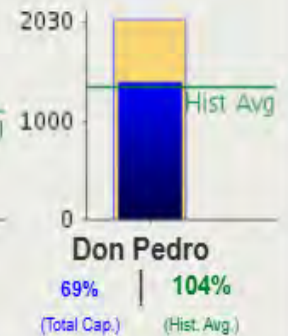
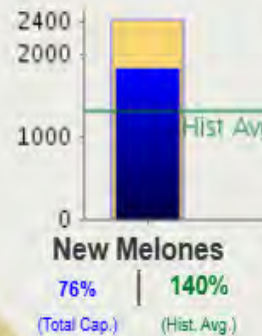
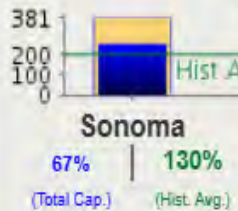
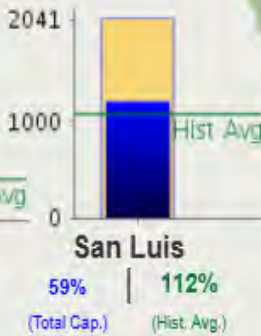
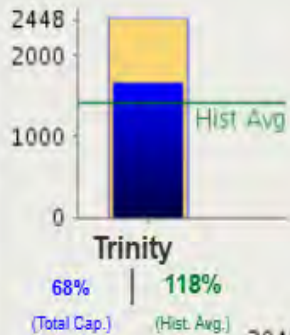
**LEGEND**

- Blue Bar:** Storage level for date
- Gold Bar:** Total reservoir capacity
- Green Line:** Historic level for date.

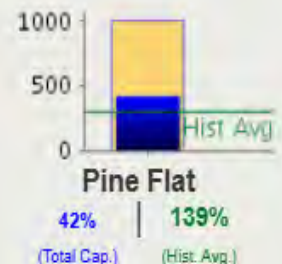
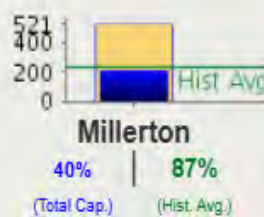
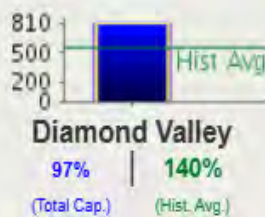
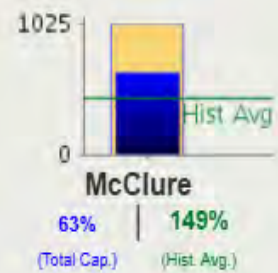
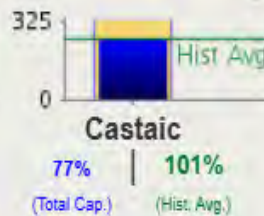
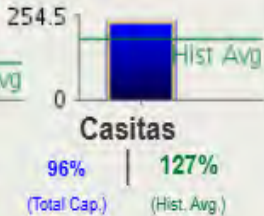
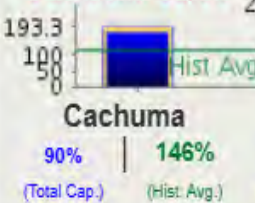
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Data from: 11/30



[Click for printable version of current data.](#)

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# WVWD – Staff Report



**TO:** Board of Directors  
**FROM:** General Manager  
**SUBMITTED BY:** Director of Administrative Services  
**DATE:** December 16, 2024  
**SUBJECT:** Proposed Amendment to General Manager’s Employment Contract

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Action/Discussion       Fiscal Impact       Resolution       Information Only

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## **Recommendation**

The Board of Directors approve the General Manager’s First Contract Amendment as drafted by Legal Counsel.

## **Background Information**

The Board of Directors conducted a performance evaluation of the General Manager on November 12, 2024, and authorized the General Manager to receive a four percent salary merit adjustment effective January 1, 2025, which is inclusive of 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 First Amendment to the General Manager’s Employment Contract.

*Attachment as noted*

**AMENDMENT NO. 1 TO EMPLOYMENT CONTRACT  
FOR GENERAL MANAGER  
OF WALNUT VALLEY WATER DISTRICT**

This Amendment No. 1 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 SHERYL L. SHAW (hereinafter “SHAW” or “GENERAL MANAGER”), effective as of January 1, 2025.

RECITALS:

A. SHAW is currently serving as the General Manager of the DISTRICT under an Employment Contract dated March 1, 2024.

B. The Employment Contract provides for an annual evaluation of the General Manager’s performance and a possible adjustment of compensation effective January 1<sup>st</sup> of each year. Adjustments are within the sole discretion of the Board of Directors.

C. The Board of Directors of the DISTRICT conducted an evaluation of SHAW’s performance on November 12, 2024 and, by action taken on December 16, 2024, determined to make an adjustment in SHAW’s compensation in accordance with the provisions of this Amendment.

AGREEMENTS:

NOW THEREFORE, the parties agree as follows:

1. COMPENSATION

Effective January 1, 2025, GENERAL MANAGER’s annual base salary shall be increased to \$271,006.56 payable in 26 bi-weekly installments of \$10,423.33, which amount

includes the cost of living increase and salary adjustment otherwise provided to other DISTRICT employees.

2. NO OTHER AMENDMENTS

Except as amended herein, the Employment Contract dated March 1, 2024 shall remain in full force and effect.

Executed on December 16, 2024 at Walnut, California.

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SHERYL L. SHAW  
“GENERAL MANAGER”

WALNUT VALLEY WATER DISTRICT

By: \_\_\_\_\_  
Its President  
“DISTRICT”



# WVWD – Staff Report



**TO:** Board of Directors  
**FROM:** Director of Finance  
**DATE:** December 16, 2024  
**SUBJECT:** Wholesale Potable Water Rate Adjustment

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Action/Discussion     Fiscal Impact     Resolution     Information Only

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## Recommendation

Request the Board of Directors approve the following adjustments to the District's Wholesale Potable Water Rates for Suburban Water Systems (Badillo Grand Line) and Golden State Water Company (Grand Avenue Connection) effective January 1, 2025.

1. Suburban Water Systems (Badillo Grand Line)
  - a. Monthly Base Rate \$15,620
  - b. Commodity Rate \$1,432
  
2. Golden State Water Company (Grand Avenue Connection)
  - a. Monthly Base Rate \$2,285
  - b. Commodity Rate \$1,545

The wholesale rates have been updated to reflect increases in the MWD/TVMWD rates and fees (effective January 2025), along with certain internal costs related to the operation and maintenance of each connection.

*Attachment:*

Suburban Water Systems - Wholesale Potable Water Rate  
Golden State Water Company - Wholesale Potable Water Rate

**Walnut Valley Water District  
Suburban Water Systems - Wholesale Potable Water Rate  
January - December 2025**

	<b>Current Rates</b>		<b>January 1, 2025</b>
	<b>TIER I</b>	<b>TIER II</b>	
<b><u>WATER RATE</u></b>			
MWD Water Cost	1,256.00	1,455.00	1,396.00
TVMWD Surcharge	8.00	8.00	16.00
Badillo/Grand Reserve	1.00	1.00	1.00
Depreciation Charge	16.00	16.00	19.00
<b>TOTAL WATER COST PER ACRE-FOOT</b>	<b>\$1,281.00</b>	<b>\$1,480.00</b>	<b>\$1,432.00</b>
<b><u>BASE RATE</u></b>			
(MWD) Capacity Charge	10,115.88		11,349.00
(TVMWD) Water Use Charge	1,579.91		1,683.12
(TVMWD) Connected Capacity	1,255.30		1,437.15
O&M Expenses	1,216.95		1,151.21
	<b>14,168.04</b>		<b>\$15,620.48</b>
<b>TOTAL MONTHLY BASE RATE</b>	<b>\$14,168.00</b>		<b>\$15,620.00</b>

**Walnut Valley Water District  
Golden State Water Company - Wholesale Potable Water Rate  
January - December 2025**

	Current Rates		January 1, 2025
	TIER I	TIER II	
<b><u>WATER RATE</u></b>			
MWD Water Cost	1,256.00	1,455.00	1,396.00
TVMWD Surcharge	8.00	8.00	16.00
Badillo/Grand Reserve	1.00	1.00	1.00
Depreciation Charge	16.00	16.00	19.00
Pumping	139.39	139.39	113.26
<b>TOTAL WATER COST PER ACRE-FOOT</b>	<b>\$1,420.00</b>	<b>\$1,619.00</b>	<b>\$1,545.00</b>
<b><u>BASE RATE</u></b>			
(MWD) Capacity Charge	616.85		1,158.52
(TVMWD) Water Use Charge	84.87		102.46
(TVMWD) Connected Capacity	139.34		159.52
O&M Expenses	135.08		127.78
6-inch Meter Charge	728.38		736.85
	<b>1,704.52</b>		<b>2,285.13</b>
<b>TOTAL MONTHLY BASE RATE</b>	<b>\$1,705.00</b>		<b>\$2,285.00</b>

# WVWD – Staff Report



**TO:** Board of Directors  
**FROM:** General Manager  
**SUBMITTED BY:** Executive Services Administrator  
**DATE:** December 16, 2024  
**SUBJECT:** Proposed 2025 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 2025 Board meeting and Workshop dates.

Month	Board Meeting Date	Workshop Date
January	Tuesday, January 21	Thursday, January 23
February	Tuesday, February 18	Thursday, February 20
March	Monday, March 17	Thursday, March 20
April	Monday, April 21	Thursday, April 25
May	Monday, May 27	Thursday, May 29
June	Monday, June 23	Thursday, June 26
July	Monday, July 21	None scheduled
August	Monday, August 18	Thursday, August 21
September	Monday, September 15	Thursday, September 18
October	Monday, October 20	Thursday, October 23
November	Monday, November 10	Thursday, November 13
December	Monday, December 15	<i>To be Determined</i>

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 16, 2024  
**SUBJECT:** Consideration of Annual Board Reorganization / Appointments of Officers / Committee Selections for Calendar Year 2024

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Action/Discussion     Fiscal Impact     Resolution     Information Only

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## **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 16, 2024, 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 16, 2024, 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  
1<sup>st</sup> Vice President  
2<sup>nd</sup> 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 2024

### 2024 Elected Offices

President  
First Vice President  
Second Vice President  
Assistant Treasurer  
Director

Theresa Lee  
Scarlett P. Kwong  
Jerry Tang  
Henry Woo  
Edwin Hilden

### 2024 Board Appointments

Secretary  
Treasurer  
Assistant Secretary  
Second Assistant Treasurer

Sheryl L. Shaw  
Josh Byerrum  
Lucie Cazares  
Jared Macias

### 2024 Standing Committees

<b>Public Information/Community Relations/Legislative Action</b>
Scarlett Kwong, Chair
Jerry Tang
Edwin Hilden, <i>Alternate</i>

<b>Finance</b>
Theresa Lee, Chair
Jerry Tang
Henry Woo, <i>Alternate</i>

<b>Engineering and Special Projects</b>
Henry Woo, Chair
Scarlett Kwong
Theresa Lee, <i>Alternate</i>

<b>Personnel</b>
Theresa Lee, Chair
Edwin Hilden
Scarlett Kwong, <i>Alternate</i>



## Board of Directors

January-December 2024

Elected Offices	Term Expires	Years on Board	Date First Elected/Appointed*	Div.	
President	12/04/2026	8	01/19/2016	III	Theresa Lee
First Vice President	12/01/2028	17	12/07/2007	V	Scarlett Kwong
Second Vice President	12/01/2028	5	02/15/2019	I	Jerry Tang
Assistant Treasurer	12/01/2028	1	02/13/2023	IV	Henry Woo
Director	12/06/2026	22	08/20/2002	II	Edwin M. Hilden

# WVWD – Staff Report



**TO:** Board of Directors  
**FROM:** General Manager  
**DATE:** December 16, 2024  
**SUBJECT:** 2025 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
ACE25 – Denver, CO (In-Person)	June 8 – 11, 2025

Association of California Water Agencies (ACWA) and JPIA	Date
Spring Conference – Monterey, CA	May 12 - 13, 2025 May 13 - 15, 2025
Fall Conference – San Diego, CA	December 1 - 2, 2025 December 2 - December 4, 2025